

# How Not to Fight Corruption: Lessons from China

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*Abstract: The most effective anticorruption strategies combine prevention and enforcement. Yet the political payoffs are greater for enforcement-centered strategies, even though they often fail to achieve durable objectives. Autocratic regimes with endemic corruption thus tend to prefer enforcement-centered anticorruption strategies: they are easier to contain, while prevention-centered strategies risk undermining the rulers' bases of power. This explains why the ruling Chinese Communist Party (CCP) has consistently favored an enforcement-centered anticorruption strategy. However, an overemphasis on enforcement, in the Chinese political context at least, has resulted in the politicization of anticorruption efforts and a lack of sustainability of such efforts.*

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Judging by the numbers, the anticorruption campaign launched in late 2012 by Xi Jinping, the general secretary of the Chinese Communist Party (CCP), cannot fail to impress. By July 2017, the drive had put behind bars nearly 140 Party officials – with rankings of vice minister, deputy provincial governor, and higher – and more than fifty generals in the People's Liberation Army and the People's Armed Police. In the same period, tens of thousands of midlevel officials were also investigated, sanctioned, and prosecuted for various types of wrongdoing. In 2016 alone, the Party punished about twenty-one thousand midlevel officials.<sup>1</sup> While Xi's anticorruption crackdown, the most ferocious and sustained in the history of the People's Republic of China (PRC), may have temporarily curbed shady dealings involving government officials, its long-term effectiveness in reducing corruption remains doubtful. One telltale sign is that the strategy was primarily successful in exposing those officials who perpetrated illicit activities during the campaign, raising questions about the effectiveness of anticorruption efforts once the campaign dies down. The oth-

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er indicator of the poor long-term prospects of Xi's anticorruption drive is its near-total focus on enforcement (investigations, sanctions, and prosecutions), its high degree of politicization (the use of the campaign to destroy political rivals), and the lack of institutional reforms to prevent corruption.

This enforcement-centered anticorruption strategy adopted by Xi is no accident. One apparent reason for pursuing this strategy is that the Chinese party-state possesses an enforcement capacity that few middle-income countries can match. But the greater reason why Xi and his allies have picked this approach is not its effectiveness or sustainability, but its high political payoffs. Scholars specializing in anticorruption reforms have long known that it is a mistake to fight corruption by fighting corruption: that is, focusing on enforcement and neglecting prevention.<sup>2</sup> However, an enforcement-centered strategy is too politically attractive for leaders to resist. Generally speaking, enforcement includes anticorruption campaigns, high-profile prosecutions of senior government officials, and harsh penalties against wrongdoers. Politically, an enforcement-oriented approach is often a winner for the leaders who embrace it. In democratic societies, leaders can gain or protect their office by tapping into populist resentments against perceived privileges and corruption of elites. In autocratic regimes, rulers can also build public support with anticorruption campaigns and, more important, purge rivals on charges of corruption.

By comparison, prevention-oriented approaches generate fewer short-term political dividends. Measures designed to reduce the opportunities for corruption are seldom politically glamorous even though they promise better long-term results.<sup>3</sup> Hong Kong's success in fighting corruption in the public sector shows that the focus of an effective anticorruption strategy should be reforming public policies and institutions to

reduce both the opportunities and incentives for government officials to engage in corrupt activities.<sup>4</sup> Prevention-oriented policy and institutional changes are both more effective and less costly than a purely enforcement-focused strategy because enforcement incurs substantial costs: investigation, prosecution, and punishment all consume precious time and money. And clever wrongdoers can evade enforcement by covering up their tracks or seeking protection from powerful patrons. Worst of all, by the time enforcement actions are taken, the real damage caused by corruption is already done.

To be sure, a truly effective anticorruption strategy must include both prevention and enforcement; but it must place a greater emphasis on prevention. The puzzle here is why many countries, and autocracies in particular, have consistently favored enforcement over prevention in fighting corruption. The short answer is that the political incentive structures of enforcement and prevention for rulers are dramatically different. Antinepotism and asset-disclosure rules, conflict of interest regulations, transparency requirements for government budgeting and spending, and freedom of information may significantly reduce the incentives and opportunities for corruption, but they rarely provide the political benefits prized by autocratic rulers: favorable media coverage, public popularity, and the destruction of rivals. Worse still, policies and reforms designed to prevent corruption are almost certain to weaken the power of autocrats because the most widely applied instruments of prevention are those that deprive autocrats of discretion, undercut their ability to use patronage to maintain the support of their allies, and reduce their control over civil society and the media. For instance, effective prevention of corruption often requires a significant reduction of the government's involvement in the economy, thus restricting the rulers'

discretion and capacity to allocate favors to their loyalists. Furthermore, a vibrant civil society and free press, essential components of a prevention-oriented anticorruption strategy, threaten the political monopoly of autocratic regimes.

The political logic underlying the strategy for fighting corruption in autocratic regimes is thus straightforward: fighting corruption serves the interests of rulers better than does preventing corruption. Indeed, corruption is an indispensable tool of maintaining loyalty in an autocracy because dictators must provide side payments to their supporters. When rulers in autocracies decide to tackle corruption, often in response to public outrage, they favor measures that focus almost exclusively on the prosecution and punishment of the perpetrators of corruption. In most cases, such enforcement-oriented measures are further compressed into intense but short-lived anticorruption campaigns selectively targeting members of the ruling elite. The result of such enforcement efforts is predictable: the campaign may temporarily suppress corruption while it is active, but the institutional sources of corruption remain essentially intact. Once enforcement is relaxed, as inevitably is the case, corruption – still built into the structure of governance – returns with a vengeance.

Few countries illustrate this political logic – and the pitfalls of enforcement-oriented anticorruption efforts – better than the People’s Republic of China.

In the study of corruption, China presents an intriguing case. On the one hand, the country’s ruling Chinese Communist Party has established, at least on paper, one of the most fearsome enforcement regimes in the world. Operating largely outside the formal legal system, the CCP’s anticorruption regime consists of periodic anticorruption campaigns during which officials accused of corruption are deprived of their

constitutional protection and face severe punishment if found guilty, including the death penalty. Additionally, the CCP operates an extrajudicial system of Discipline Inspection Commissions (DICs), which wield enormous power of investigation, detention, and determination of guilt and penalty.

On the other hand, the CCP’s impressive enforcement capacity appears to have done little to reduce corruption. Judging by several measures indicative of the scope and intensity of corruption, such as the number of midlevel and senior officials caught taking bribes, corruption has worsened since the early 1990s when China’s economic takeoff began (see Table 1). The most positive thing one can say about the CCP’s enforcement capacity is that it may have succeeded in establishing a fragile equilibrium: while the CCP eschews preventive measures because they can produce outcomes averse to the interests of the regime’s leaders, it manages to deploy sufficiently tough measures to keep corruption from getting totally out of control. This balance allows enough corruption to maintain the regime’s patronage system but punishes individual wrongdoers (usually less powerful political patrons) when they become excessively greedy. The Party’s ability to maintain this equilibrium may be one of the reasons why, despite all the horrible media accounts, the level of corruption in China remains near the global median.<sup>5</sup>

Nevertheless, China’s mixed record in fighting corruption can yield two valuable lessons for the rest of the world. The first is that an effective anticorruption strategy must prioritize prevention and use enforcement as a complementary tool. The other is that such a strategy is perhaps not available to political leaders in many developing countries, especially those ruled by autocratic regimes. The political incentive structure dictates against prevention, and most developing countries lack the socioeconomic conditions and institutions

Table 1

Number of Prosecuted Corruption Cases Involving Officials at and above the County or *Chu* Level

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	1982 – 1987	1988 – 1992	1993 – 1997	1998 – 2002	2003 – 2007	2008 – 2012	2013 – 2014
Number of Officials	1,500	4,629	3,175	12,830	13,929	13,153	6,911
Average per Year	300	926	635	2,566	2,786	2,630	3,455

Source: China Law Society, *Law Yearbook of China* (Beijing: China Law Society, various years).

needed for preventive measures to work effectively.

The CCP's approach to combating corruption has traditionally stood on three pillars: a vast number of rules regulating the behavior of Party and government officials; an internal extrajudicial body empowered to investigate, detain, and punish wrongdoers; and periodic and intense anticorruption campaigns. Each pillar of this anticorruption strategy serves a particular political purpose.

Since the early 1990s, the CCP has issued hundreds of rules detailing impermissible conduct for its members. To be sure, many of the new rules merely reiterate previously announced policies and may be redundant. But the very fact that the Party has to repeat essentially similar admonitions to its rank and file indicates that these rules have not been observed in practice. Even a casual examination of these dictates would reveal two serious flaws. One is that most of these provisions are relatively vague, thus making them difficult to observe and reserving the ultimate power of interpretation to the leadership of the Party. For example, the CCP Central Committee and State Council of the PRC first issued a decision banning the immediate family members of officials from engaging in business activities

in May 1985. The whole decision consisted of one paragraph of fewer than two hundred Chinese characters and did not even define "business activities." Judging by the fact that many, if not most, family members of officials of varying ranks have since gone into lucrative businesses, the decision evidently had no impact. The other flaw is that these rules do not contain provisions that ensure effective third-party monitoring of officials' compliance. In other words, only the Party's leaders can monitor – and thus decide – whether their subordinates have complied with these rules.

The centerpiece of the CCP's anticorruption regime is its "Rules for Disciplinary Action," first issued in 1997 and subsequently revised in 2004 and 2015. The "Rules" reflect both the Party's ambition and inherent limitations to crafting a workable regime to regulate the political, economic, and personal conduct of its members. On the surface, the "Rules" are comprehensive and, to those unfamiliar with the CCP's history as a revolutionary party, may appear overly intrusive and even puritanical. The number of articles detailing prohibited conduct and penalties was 168 in the 1997 version and grew to 174 in 2004, before they were whittled down to 129 in the 2015 revision. A cursory glance at the rules of conduct laid out by the CCP would show that Chinese rul-



ers are primarily concerned with maintaining the political loyalty and organizational discipline of its members. For instance, of the eighty-four rules in the 2015 version specifying prohibited conduct, fifty-four of them cover the Party's political and organizational discipline and only thirty address the economic activities and personal conduct of CCP members.

Even though China's ruling party sees the violation of its political and organizational rules as a more serious threat to its survival, the CCP nevertheless attempts to ensure that its members, who control enormous economic and administrative resources, will not abuse their power for personal gains. Among the key provisions against personal enrichment through the misuse of office, the most notable are those prohibiting Party officials and members (and their immediate family members) from accepting bribes, gifts, complimentary memberships in clubs, and other favors. Family members of Party officials are not allowed to conduct commercial activities in the same jurisdictions where the officials serve if these activities "may interfere with the impartial conduct of the officials' duties." There are also "relevant regulations," though unspecified in the "Rules," that prohibit Party members from engaging in a variety of business activities (such as investing in securities, owning nontradable shares, and registering or investing in companies domiciled abroad). One last notable aspect of the CCP's anticorruption regime is its provisions against improper personal conduct, especially sexual misconduct, by its members. For instance, Party members will be severely disciplined if they engage in what the Party labels "decadent life-style, low-taste pursuits, improper behavior in public, and inappropriate sexual relations."

Consistent with the 1985 decision and the "relevant regulations" above, one oddity of the "Rules" is that although the list of proscribed activities is quite long, the defini-

tion of the activities remains vague. Another oddity is that these prohibitions, which were first promulgated in the late 1990s, do not appear to have been effectively enforced, given the widespread prevalence of illicit activities in the Party since then. While these two oddities suggest that CCP leadership may need to revamp the Party's anticorruption regulations thoroughly, the Party's political calculus dictates that it would be better off with the existing approach: prohibiting a large number of vaguely defined but potentially corrupt activities, demonstrating to the public that it has strict rules in place but reserving for the Party itself maximum discretion in the interpretation and enforcement of these rules.

On paper, the Chinese state appears to possess the same legal institutions as other countries empowered with anticorruption investigations, prosecutions, and trials. For instance, the Ministry of Supervision is ostensibly the state bureaucracy tasked with monitoring government officials. Procuratorates are charged with prosecuting officials accused of corruption, while Chinese courts determine the guilt and penalties for these officials.

In reality, however, none of these institutions matters as much as the Party's internal Discipline Inspection Commissions, which effectively monopolize anticorruption enforcement. In terms of personnel, the Ministry of Supervision is staffed by the same officials who serve in the Central Commission for Discipline Inspection (CCDI). The provincial and municipal Departments of Supervision are likewise run by the same officials who serve on the Discipline Inspection Commissions in these jurisdictions. In carrying out anticorruption enforcement activities, DICs occupy a uniquely powerful niche: only DICs are empowered to conduct the initial investigations, detain the accused, and determine

guilt and punishment. Officials are handed over to the procuratorate only after the DICs have completed their investigations and reached their own conclusions.

Compared with anticorruption institutions in other countries, the DIC is a formidable enforcement agency: it combines the functions of investigation, prosecution, and judgment and its actions cannot be challenged in court. At the central level, the CCDI is headed by a member of the Politburo Standing Committee, the most powerful decision-making body of the CCP. In provinces and municipalities, DICs are headed by members of lower-level standing committees of the Party. Besides political status, the DICs possess the potent weapon of *shuanggui*: in effect, indefinite extralegal detention.<sup>6</sup> Targets of investigations, invariably CCP members, are denied their constitutional rights once they are hauled in for interrogation by DIC officials. The Party's justification for the use of this harsh measure is that, as members of the CCP, the targets of investigation have implicitly forfeited their constitutional rights and are subject to the provisions of the Party's own rules. Once a target of investigation has been detained by the DIC, that person is locked in an isolation cell and prevented from either seeking help or leaking vital information. Access to legal counsel is denied and DIC investigators frequently resort to torture and sleep deprivation to extract confessions from the accused.

At the end of the *shuanggui* process, the DIC determines the specific criminal charges against the accused and the appropriate penalty, a decision that is almost certainly made by the most senior Party officials to which the DIC reports. Only then will the Party organization announce the expulsion of the accused from the Party (and dismissal from any government positions previously held) and the transfer of the case to the procuratorate, which duly prosecutes the case in a Chinese court that

never fails to corroborate the Party's finding of guilt.

Despite the enormous power and discretion that the CCP gives to its DICs in fighting corruption, the agency is plagued by serious problems that reduce its effectiveness and credibility. As an organization, the DICs have relatively small staffs that lack proper professional training in investigating white-collar crimes. Only municipal, provincial, and central DICs have full-time investigators. Based on disclosure of provincial DICs, a typical municipal DIC has fourteen investigators or case officers. The number of staff varies in provincial DICs. Yunnan's provincial DIC has 297, Shan'xi has 234, Guizhou has 182, but Heilongjiang has only 131. Since only seven out of ten staff members in provincial DICs work as professional investigators or case officers, the effective size of the professional staff in provincial DICs is quite small, ranging from ninety in Heilongjiang (a province of 38 million people and perhaps 2.47 million CCP members) to 210 in Yunnan (a province of 46 million and perhaps 3 million CCP members).<sup>7</sup> The CCDI, the most powerful anticorruption agency, has a total staff of about one thousand, with seven hundred of them being full-time investigators and case officers. But they have to monitor tens of thousands of officials in provincial governments, central ministries, and large state-owned enterprises.

Evidently, the relatively small size of the staff of the DICs makes them heavily dependent on the leads provided to them by, in most cases, anonymous individuals. For example, a senior investigator of the CCDI disclosed that, in 2012, 42 percent of all DIC investigations in the country were based on leads provided by "the masses."<sup>8</sup> In processing "leads from the masses," the challenge for DIC staffers is to sort out genuine leads from unverifiable accusations, a task made much harder by the anonymity of the majority of the accusers. Several local DICs

have claimed that about 70 percent of all denunciations are anonymous, although this number is likely understated.<sup>9</sup>

In 2015, the CCDI received, via texts and messages sent by mobile phones and the Internet, about 128,000 denunciations, averaging more than ten thousand per month.<sup>10</sup> Provincial DICs were no less inundated: from January to November 2015, Sichuan's provincial DIC received 61,736 anonymous denunciations, averaging about 5,600 per month. Zhejiang's provincial DIC reported that, in 2015, it received about 20,000 letters exposing various types of wrongdoing by local Party members. In 2014, more than 30,000 denunciations poured into Guangdong's provincial DIC. In Yunnan, from January to March 2016, the provincial DIC received an average of 3,000 anonymous denunciations per month. In the Hangzhou municipality (population 9.2 million) in 2014, the Party's DIC received 10,349 such denunciations.<sup>11</sup> These figures imply that each staff member in the CCDI must handle fourteen denunciations per month. A typical investigator in the Yunnan provincial DIC must also examine fourteen denunciations per month. A municipal DIC investigator in Hangzhou handled about twelve denunciations per month in 2014.<sup>12</sup> Given the time-consuming nature of investigating corruption allegations and building a legitimate case against the accused, an average DIC staffer cannot afford to devote more than cursory attention to such leads.

Besides the difficulty of filtering for reliable leads, the effectiveness of the DICs is further undercut by the corruption of the anticorruption investigators themselves. Since directors of DICs wield considerable power and operate in a totally opaque environment, they often succumb to the temptations of using their power to extract bribes and engage in other illegal activities. In the last decade, directors of provincial DICs in Guangdong, Zhejiang, Shan'xi, and Sichuan, along with several deputy direc-

tors, were themselves arrested for corruption. More than one dozen directors of municipal DICs were sentenced to prison terms for corruption, one of whom received a rare death sentence for his egregious crimes. Even the director of the DIC of the People's Liberation Army was reportedly arrested for corruption in 2017. In the much-vaunted CCDI, two midlevel officials were arrested for attempted cover-ups.

But the most serious flaw of the DIC as an anticorruption agency is its politicization. It lacks genuine institutional autonomy and its enforcement decisions are made largely on the basis of political considerations. As a ruling party determined to keep its political monopoly intact, the CCP understandably will not embrace a fully independent anticorruption agency, such as the Independent Commission against Corruption in Hong Kong. What puzzles casual observers is why the CCP has opted to further eviscerate the autonomy of its own in-house anticorruption agency, the DIC, by denying this institution the requisite political status and independence needed to ensure its integrity, credibility, and effectiveness. In terms of its status, the DIC is deliberately set up as a committee subordinate to the CCP committee. While the head of the DIC sits on the standing committee of the CCP committee, he reports to the secretary of the CCP committee. In procedural terms, the DIC cannot launch an investigation without the authorization of the CCP committee. In the case of corruption allegations against senior officials (vice ministers, deputy governors, and above), the DIC must obtain approval from the Politburo Standing Committee. This arrangement seriously undermines the credibility and the effectiveness of the DIC since it gives the CCP committee, in particular its secretary, decisive influence over corruption investigations of Party members and the severity of the sanctions.<sup>13</sup> The politicization of the DIC's operations can result

both in the protection of corrupt officials and in the wrongful persecution of innocent CCP members who have incurred the personal wrath of senior officials, in particular the Party secretary.

The CCP provides little public information that might reveal how political interference compromises the DIC's proceedings. But based on data on disciplinary sanctions released by the CCDI, it is evident that change of political leadership significantly affects the severity of discipline. The most notable aspect of anticorruption sanctions taken by the CCP is the very low rate of criminal prosecution of CCP members whose misdeeds have been investigated and proven by the DICs. Even more disturbing, the prosecution rate tends to rise when a new leader comes into office but declines in his second term.<sup>14</sup> This suggests that newly installed leaders have an incentive to purge members of rival factions by using the anticorruption campaign, but once they have consolidated their power, they tend to be more tolerant of corruption committed by their loyalists. In Xi's anticorruption campaign, for example, none of his loyalists has been investigated or arrested, even though the likelihood that some of them have committed corrupt acts is very high (see Table 2).

The institutional flaws of DICs have not escaped notice of China's new leadership. After he was made the CCP general secretary in November 2012, Xi Jinping appointed his loyalist, Wang Qishan, to head the CCDI. An astute, capable, and ruthless politician, Wang has been instrumental in directing Xi's anticorruption campaign. He has also implemented several reforms to address the flaws of DICs that impair their autonomy and effectiveness. Among these measures were efforts to ensure that the head of the provincial DIC is not part of the local political network. Previously, most provincial DIC directors were "native sons." But Xi and Wang viewed their con-

nections with local political bosses as a vulnerability, raising the likelihood that they would cover up wrongdoing by familiar local officials. After Wang took over the CCDI, he reshuffled the leadership in most provincial DICs. As a result, of the thirty-one provincial DICs, twenty-four were headed by "outsiders," officials from different provinces. Half of the twenty-four outsiders were drawn from the CCDI.<sup>15</sup>

Another core reform of the new leadership was to require that any formal investigation launched by a local DIC must also be reported to a higher-level DIC. Before this measure, local officials could easily cover up the misdeeds of fellow Party members by either reporting that their investigations yielded no evidence of wrongdoing or understating the nature and severity of the criminal activities.

The third important reform adopted under Xi's leadership in the past few years is the dispatching of "roving inspection teams" to local governments, state-owned enterprises, and other state-affiliated institutions (such as universities). Headed by retired senior officials, these teams enjoy effective subpoena power because they can conduct confidential interviews with local officials, uncovering corruption by extracting information directly from potential witnesses and whistleblowers. It is worth noting that the nature of "roving inspection teams," however, indicates that even following reforms to strengthen subnational DICs, the new CCP leadership continues to harbor doubts about their effectiveness.

Periodic anticorruption campaigns form the third pillar of the CCP's enforcement strategy. For the CCP, such campaigns serve multiple purposes. For the regime as a whole, launching these campaigns sends a powerful signal to its rank-and-file indicative of the regime's resolve to reimpose discipline. For the CCP's top leaders, these campaigns can help win popular support



Table 2  
Sanctions against CCP Members Who Have Violated the Party's Rules

	Total Number of CCP Members Disciplined for Wrongdoing	Annual Average	Number of CCP Members Criminally Prosecuted	Annual Average	Prosecuted CCP Members as a Share of All Those Disciplined (%)
1992 – 1996	669,300	139,860	37,492	7,498	5.6
1997 – 2001	846,150	169,230	37,790	7,558	4.5
2004 – 2006	377,234	125,744	23,482	7,827	6.2
2007 – 2012	668,428	133,685	24,584	4,917	3.7
2013 – 2016	1,165,000	291,250	46,600	11,650	4.0

Source: Central Commission for Discipline Inspection, *Work Report of the Central Commission for Discipline Inspection* (Beijing: Central Commission for Discipline Inspection, various years).

and purge rivals. That is why all new CCP leaders in the post-Deng era have embraced an anticorruption campaign immediately after taking power.

Heightened enforcement efforts during anticorruption campaigns can produce short-term results.<sup>16</sup> With the ascension of new Party leadership, a larger-than-usual number of CCP members are disciplined and prosecuted; predictably, officials then become less reckless in abusing their power. The CCP follows a predictable pattern: To underscore the Party's seriousness, a new leader will launch the campaign with the prosecution of a senior leader, often a member of the Politburo (one of the twenty-five most important Party leaders). The CCDI will also detain for investigation other high-ranking officials – dubbed “tigers” – such as provincial Party chiefs, governors, and ministers. Invariably, their misdeeds are publicly disclosed and they are

denounced as ideological and moral degenerates who have betrayed the Party. After these fallen “tigers” are paraded on television to confess their crimes and personal failings, they receive lengthy jail sentences (although very few senior leaders get the death penalty). But “tigers” are not the only prey in an anticorruption campaign. Midlevel and low-ranking officials – or “flies” – also face greater risks of investigation and criminal prosecution under the new leadership.

In one sense, Xi's anticorruption campaign that began in late 2012 and continued into 2017 is the outlier: all other previous campaigns lasted about a year. Typically, once an anticorruption campaign has achieved the short-term objectives of the new leader, he calls it off: continuing the campaign would not only deliver diminishing political returns but also threaten to derail the leader's political agenda. But

in view of the above pattern, Xi's anticorruption crackdown is less unusual than it appears. What separates it is its ferocity and length, which are largely the result of Xi's political motivation of conducting a de facto and full-scale purge under the guise of an anticorruption drive.

Anticorruption campaigns may be a politically expedient tool for a new CCP leader to consolidate power and for a party-state to reassert its eroding authority over its members. But as a device to control corruption, as the Chinese case makes clear, these campaigns have severe limitations.

The first and perhaps most serious limitation of anticorruption campaigns is their deep politicization. Chinese leaders at all levels of the party-state have enormous discretion in picking the targets of these campaigns. Political logic dictates that they concentrate the focus of these campaigns on their adversaries while shielding their loyalists.<sup>17</sup> As the result of such political selectivity, anticorruption campaigns lack the credibility needed to legitimize them as bona fide efforts to curb the abuse of the power.

The second flaw of anticorruption drives is their high political costs. Even though the CCP abandoned the Maoist model of governance in the late 1970s, the influence of the Maoist mobilization regime remains strong. During an anticorruption campaign, the entire CCP is mobilized to accomplish a political objective chosen by its top leader. Consequently, anticorruption campaigns consume an inordinate amount of time, energy, and attention of Chinese officials at all levels, at the expense of other important governance goals. Equally worrisome is the violation of the rights of Party members. Eager to demonstrate their loyalty and effectiveness, Chinese officials often disregard the rules and procedures in investigating alleged wrongdoing. Those unfortunate enough to be victims of anticorruption campaigns also face stiffer punishments because the CCP wants to make

them an example, to "slaughter a chicken to warn the monkeys."

The third serious flaw of anticorruption campaigns is their unsustainability: the high political intensity required of these campaigns makes them impossible to sustain. Chinese leaders simply cannot afford to turn the entire administrative apparatus of the party-state into a single-purpose machinery. When the crackdown on corruption is at the top of the governing agenda, lower-level officials, out of fear of running afoul of the regime's code of conduct, have full justification to do little else. Additionally, by casting a wide net, adopting harsh methods, and imposing strict rules on the conduct of officials, these campaigns encounter passive resistance in a demoralized and alienated bureaucracy whose cooperation the CCP must secure if it wishes to accomplish other vital objectives, such as delivering economic growth as a source of legitimacy. Indeed, bureaucrats resentful about the loss of their perks and corruption incomes are likely to engage in work stoppages to make tangible the high costs of the anticorruption crackdown. Because of their inherent unsustainability, all anticorruption campaigns in China are short-lived, with the exception of that launched by Xi Jinping, which increasingly resembles a political purge far more than a genuine anticorruption campaign, consistently targeting members of rival factions but leaving Xi's supporters unscathed. Judging by the long-term impact of these campaigns in curbing corruption, these drives are counterproductive. While corruption is temporarily suppressed during the campaigns, it bounces back quickly and grows more intense once they end: it does not take long for government officials to seek to recoup the illicit incomes they forwent while under tighter surveillance.<sup>18</sup>

Given the flaws embedded in the CCP's enforcement-oriented approach to fight-

ing corruption, why has the Chinese regime shunned measures that are preventive in nature? Academic research on corruption suggests that preventive measures are generally more effective in curbing abuse of power.<sup>19</sup> Among the policy and institutional reforms regarded as the most effective in preventing corruption, three stand out: reduced state involvement in the economy, protection of civil liberties, and an independent judiciary. In all likelihood, the CCP, which has demonstrated a remarkable capacity to learn and adapt in the post-Mao era, knows well the policies and reforms crucial to the prevention of corruption. Indeed, the Party's Central Committee endorsed a resolution in late 2014 declaring its commitment to "perfecting a system of anticorruption enforcement and prevention and establishing an effective system so that [government officials] are afraid to be corrupt, unable to commit corruption, and will not even think about engaging in corruption."<sup>20</sup>

Such lofty rhetoric notwithstanding, there is little evidence that the Party has actually taken any meaningful measures since late 2014 to build an anticorruption regime relying more on prevention than enforcement. The explanation is simple. For the CCP, embracing prevention-oriented reforms is equivalent to choosing a cure worse than the disease: doing so would almost certainly undermine the economic and political foundations of one-party rule.

Corruption tends to be more widespread in countries in which the state is extensively involved in the economy, mostly through regulation of economic activities, provision of subsidies, control of prices, and ownership of productive assets. Officials in charge of these activities have ample opportunities – and face nearly irresistible temptations – to extract bribes from ordinary citizens and private businessmen. In the Chinese case, the CCP-controlled state is deeply embedded in the economy. Even after four decades of economic reform, the state still

accounts for nearly 40 percent of the GDP and continues to own vast amounts of wealth, especially land, mineral resources, and monopolistic state-owned enterprises (such as telecom firms, airlines, and banks). Studies of corruption in China show that the CCP's role in the economy is the principal source of abuses of power.<sup>21</sup>

Despite such a clear and close connection between corruption and the involvement of the Chinese party-state in the economy, the CCP has consistently rejected radical economic reforms that would involve curtailment of its control over the Chinese economy. The most ambitious blueprint for economic reform released by the Xi Jinping administration, in the fall of 2013, unambiguously declares that the state-owned sector is the foundation of the Chinese economy and must be preserved and strengthened.<sup>22</sup> While it is difficult to make an economic case for the CCP to maintain such deep and extensive involvement in the economy, the political logic for doing so is overwhelming. Such control provides one of the most critical instruments for the CCP to maintain its power. The direct control of economic resources enables the CCP to cover the costs of maintaining a vast party bureaucracy (the personnel and operational expenses of the full-time officials working exclusively in the CCP's organization are unknown, but dues collected by the CCP, about 1 percent of a member's income, are insufficient to cover them). Additionally, such control allows the CCP to maintain a lucrative patronage system that creates well-paying jobs for its supporters, who are likely to abandon the party-state without such opportunities. Finally, as economic performance constitutes a vital source of legitimacy for the CCP, direct control of the economy makes it possible for the Chinese party-state to engage in activities that can artificially boost short-term growth when necessary (as in the wake of the 2008 global financial crisis).

If reducing the state's involvement in the economy removes many opportunities for corruption, the power of civil society, in particular the monitoring capacity of the press and nongovernmental organizations (NGOs), can deter government officials from engaging in corrupt activities.<sup>23</sup> However, for the CCP, empowering civil society and the press in its fight against corruption is a political risk it cannot afford to take. That is why CCP censors have maintained a tight, albeit imperfect, lid on press reports of official scandals, especially those involving senior central government and Party officials. Few Chinese news outlets are allowed to conduct investigative reporting. Civil society groups in China dare not champion anticorruption causes, and those who do are shut down immediately and their leaders arrested, as in the case of the New Citizen Movement, a Beijing-based NGO that advocated government transparency and mandatory disclosure of the wealth of government officials. In 2013, the Chinese government banned the organization and later sentenced its leader to four years of imprisonment on trumped-up charges.

Despite the CCP's aversion to civil society and press freedom, Chinese citizens have become more active in monitoring official behavior and reporting wrongdoing. Aided by access to modern communications technologies and the spread of smartphones, ordinary Chinese citizens are now capable of recording evidence of wrongdoing by government officials and disseminating them easily through social media. To be sure, because of the growing sophistication and capabilities of China's cyber censors, these citizen activists operate in a difficult environment. Nevertheless, activists have scored some notable victories. For instance, in 2012, vigilant Chinese netizens spotted a local official wearing an expensive watch at the scene of a horrific traffic accident. They uploaded the photo to social media,

where it immediately went viral. In the ensuing political storm, the local official was investigated, prosecuted, and sentenced to ten years in prison for corruption. In another incident in 2008, a housing official in Nanjing incensed the public by declaring that housing prices were not too high. Watchful netizens noticed that this official was smoking expensive imported cigarettes and shared the photo online. Under public pressure, the Chinese government had to investigate the official, who was convicted and sentenced to eleven years in prison. In 2013, Yu Jianrong, a well-known scholar and advocate for civil rights, used the popular *Weibo* (Twitter-like) platform to launch a nationwide citizens' movement to photograph imported luxury cars affixed with military license plates and upload the pictures on the Web. Tens of thousands of citizens participated, causing Chinese military officers to leave their luxury cars at home (or at least no longer dare to put a military license plate on them).

Unfortunately, these instances of successful citizen participation in the fight against corruption in China are exceptions that prove the rule. The contradictions in China's enforcement-centered approach to fighting official corruption are apparent in Xi Jinping's ongoing anticorruption campaign. The real driving force behind Xi's ferocious and sustained anticorruption crackdown is his intent to purge rivals and consolidate power. The targets of the campaign make this clear: the hardest hit was the faction affiliated with former president Jiang Zemin, since this group posed the greatest threat to Xi's political survival. Another faction, the so-called Youth League affiliated with former president Hu Jintao, has suffered less because it presents a lesser threat. At the same time, not a single "princeling" – an offspring of a revolutionary veteran – has been targeted, even though this group is notoriously corrupt; princelings are natural political



allies of Xi, who is himself a princeling. Incidentally, not a single colleague who has worked closely with Xi before his ascent to power has been investigated or arrested during the five-year campaign.

Another indicator of the political nature of Xi's anticorruption fight is his crack-down on civil liberties and press freedoms, both critical ingredients of an effective anti-corruption strategy. After he rose to power, Xi imposed the most draconian control over Chinese society since the end of the Maoist era, launching a sustained crackdown on civil liberties and eschewing institutional reforms and policies that would help prevent public corruption (such as requiring officials to disclose their wealth). Based on the mixed record of the CCP's anti-corruption efforts and international experiences elsewhere, Xi's enforcement-based approach is unlikely to produce lasting improvements. Those outside China who admire the CCP's capacity to adopt tough enforcement measures in fighting corruption should think again about copying the Party's strategy.

In an ideal world, a truly effective and durable anticorruption strategy would be

within reach of Chinese leaders. All they need to do is incorporate many of the preventive components Chinese leaders have not yet been willing to adopt. Economically, the most important reform is a dramatic downsizing of the Chinese state's control of the economy. This would require the privatization of most state-owned enterprises and assets in a gradual, orderly, and transparent manner. Institutionally, the Party must pass mandatory and verifiable rules of disclosure of the wealth of its officials and make government budgeting and spending more transparent. The anticorruption enforcement that remains should be entrusted to an independent agency and independent judiciary to avoid politicization. Finally, the Chinese party-state must enlist the power of civil society and the press to monitor and police the bureaucracy. Conceptually, rebalancing China's anticorruption strategy is not difficult. The long-term benefits of a more balanced anticorruption approach are also self-evident. Politically, however, the CCP will likely find this package too frightening to endorse and too difficult to implement.

#### ENDNOTES

- <sup>1</sup> See Economic Daily, "List of Senior Officials at the Ministerial Level and Above at the End of the 18th National Party Congress is the Highest in Shanxi," China Economic Net, February 26, 2018, [http://district.ce.cn/newarea/sddy/201410/03/t20141003\\_3638299.shtml](http://district.ce.cn/newarea/sddy/201410/03/t20141003_3638299.shtml); "At Least 53 Armed Police and Airmen of the 18th National Congress of the Chinese Army Fell into the 'Hit Area,'" *Beijing Youth Daily*, December 30, 2016, [http://military.china.com/important/11132797/20161230/30127822\\_all.html](http://military.china.com/important/11132797/20161230/30127822_all.html); and "Work report of the Seventh Plenum of the 18th Central Commission of Discipline Inspection," [http://www.ccdi.gov.cn/xxgk/hyzt/201701/t20170120\\_114176.html](http://www.ccdi.gov.cn/xxgk/hyzt/201701/t20170120_114176.html) (accessed March 28, 2018).
- <sup>2</sup> Daniel Kaufmann, "Back to the Basics: 10 Myths about Governance and Corruption," *Finance and Development* 42 (3) (2005).
- <sup>3</sup> Rick Stapenhurst and Sahr J. Kpundeh, eds., *Curbing Corruption: Toward a Model for Building National Integrity* (Washington, D.C.: The World Bank, 1999).
- <sup>4</sup> Ian Scott, "Institutional Design and Corruption Prevention in Hong Kong," *Journal of Contemporary China* 22 (79) (2013): 77–92.

- <sup>5</sup> For instance, Transparency International's 2016 rankings of corruption perception places China at 79 out of 176 countries, tied with India and Brazil. See Transparency International, "Corruption Perceptions Index 2016," January 25, 2017, [http://www.transparency.org/news/feature/corruption\\_perceptions\\_index\\_2016#table](http://www.transparency.org/news/feature/corruption_perceptions_index_2016#table).
- <sup>6</sup> Flora Sapio, "Shuanggui and Extralegal Detention in China," *China Information* 22 (1) (2008): 7–37.
- <sup>7</sup> Members of the CCP account for 6.5 percent of the population.
- <sup>8</sup> "Central Commission for Discipline Inspection: Report Verification Rate Higher with Tips from Real Names," *Caixin*, May 8, 2013, <http://china.caixin.com/2013-05-08/100525082.html>.
- <sup>9</sup> The Hangzhou municipal DIC reported that in the first quarter of 2015, 34.6 percent of the denunciations came from individuals who provided identities. See Xintai Municipal Commission for Discipline Inspection, "Hangzhou Commission for Discipline Inspection and Communication Channel Calls for Correct Reporting," <http://www.xtjjc.gov.cn/contents/25/5618.html>. The Nanjing municipal DIC reported that, in the first half of 2016, 30 percent of the denunciations it received were from individuals providing their identities. See "Nanjing Commission for Discipline Inspection Report 'Big Data' for First Half of the Year," *Xinhua Daily*, August 26, 2016, <http://weibo.com/ttarticle/p/show?id=2309351001014012682897403380>. And the Chengdu municipal DIC reported that, in the first five months of 2013, 38 percent of the denunciations it received were from individuals providing identities, compared with 21 percent in the comparable period in 2012; see "Chengdu Municipal Commission for Discipline Inspection: Encourage Masses of Real Names to Report for Media Supervision," *People's Daily Online*, June 27, 2013, <http://cd.qq.com/a/20130627/004667.htm>.
- <sup>10</sup> The Central Commission for Discipline Inspection, "Is the Issue I Am Reporting Being Investigated?" *Xinhua News*, [http://news.xinhuanet.com/legal/2016-02/04/c\\_128702525.htm](http://news.xinhuanet.com/legal/2016-02/04/c_128702525.htm).
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- <sup>12</sup> Hangzhou's DIC had a staff of 104 in 2014. Typically, 70 percent of the staff are investigators. "Chinese Communist Party Hangzhou Disciplinary Inspection Committee," *Hangzhou Almanac*, August 8, 2016, [http://www.hangzhou.gov.cn/art/2016/8/8/art\\_1224776\\_2056793.html](http://www.hangzhou.gov.cn/art/2016/8/8/art_1224776_2056793.html).
- <sup>13</sup> Xuezhi Guo, "Controlling Corruption in the Party: China's Central Discipline Inspection Commission," *The China Quarterly* 219 (2014): 597–624; and Ling Li, "The Rise of the Discipline and Inspection Commission, 1927–2012: Anticorruption Investigation and Decision-Making in the Chinese Communist Party," *Modern China* 42 (5) (2016): 447–482.
- <sup>14</sup> Jiang Zemin's second term effectively began at the end of 1997. Hu Jintao pushed out Jiang Zemin in 2004, and his second term began at the end of 2007. Xi Jinping's first term began at the end of 2012.
- <sup>15</sup> "Reshuffling of Provincial DIC Directors since the 18th Party Congress," *Xinhua News*, November 8, 2016, [http://news.xinhuanet.com/renshi/2016-11/08/c\\_1119870848.htm](http://news.xinhuanet.com/renshi/2016-11/08/c_1119870848.htm).
- <sup>16</sup> Melanie Manion, "Taking China's Anticorruption Campaign Seriously," *Economic and Political Studies* 4 (1) (2016): 3–18.
- <sup>17</sup> Flora Sapio, "Implementing Anticorruption in the PRC: Patterns of Selectivity," Working Papers in Contemporary Asian Studies No. 10 (Lund, Sweden: Centre for East and South-East Asian Studies, Lund University, 2005).

- <sup>18</sup> Andrew Wedeman, “Anticorruption Campaigns and the Intensification of Corruption in China,” *Journal of Contemporary China* 14 (42) (2005): 93–116.
- <sup>19</sup> Vito Tanzi, “Corruption around the World: Causes, Consequences, Scope, and Cures,” *IMF Staff Papers* 45 (4) (1998): 559–594; and Susan Rose-Ackerman and Bonnie J. Palifka, *Corruption and Government: Causes, Consequences, and Reform*, 2nd ed. (Cambridge: Cambridge University Press, 2016), 126–164.
- <sup>20</sup> “The CCP Central Committee’s Resolution on the Comprehensive Promotion of Governing the Country According to Law and Other Major Issues,” *People’s Daily*, October 29, 2014, <http://cpc.people.com.cn/n/2014/1029/c64387-25927606.html>.
- <sup>21</sup> Minxin Pei, *China’s Crony Capitalism: The Dynamics of Regime Decay* (Cambridge, Mass.: Harvard University Press, 2016).
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