

How Effective are China's Anti-corruption Campaigns?

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ABSTRACT

As the second largest economy in the world, China is ranked 66th out of 180 countries ranked by Transparency International with the Corruption Perceptions Index. Due to the clandestine nature of corruption, it is arduous to generate concrete statistical analyses of corruption, and the most accessible data that reflect corruption base their results on perceptions of corruption. Our research utilizes multiple published indices to analyze the effectiveness and development of Chinese President Xi Jinping's anti-corruption efforts. Despite the potential biases of the data caused by participants' level of education, Chinese Communist Party's (CCP), occasional inconsistent policies, and potential manipulation through social media, this research can present a comprehensive analysis towards existing data and CCP's anti-corruption effort. Our findings suggest that the various investigated indices reflect that people perceive that China has become less corrupt over the last decade. However, China is still far from corruption-free.

Introduction

As Shuntian Yao puts forward in her 2002 paper, "the Chinese people...have a long tradition of placing personal connections above the law" (Yao, 2002, p.282). In other words, corruption is nothing new in Chinese history. The lack of current corruption problems became much more visible after Reform and Opening Up in 1978 – an economic reform that transitioned the Chinese economy from a planned model to a market one. The influx of capital created more opportunities for CCP and state officials to exploit their power (Reddy, 2022).

There are three main types of corruption in China: graft, rent seeking, and prebendalism (Mayling, 2013). Graft is the most common type of corruption in China and refers to phenomena like bribery, illicit kickbacks, embezzlement, and theft of public funds. Rent-seeking refers to all forms of corrupt behavior by people with monopolistic power. This type of corruption has easily become prevalent in China due to CCP's unique status. It is the only party in power, and there do not exist enough checks and balances within the Chinese political system to limit the party's discretion. One example of rent-seeking can be found from the Telegraph, which quoted an employee of a state company from 2009, who told the report that the police in Chongqing would detain gangsters from time to time, but the gangsters described it as going away for a holiday since the police and the mafia were friends.

Finally, prebendalism is the situation when incumbents of public office get privileges through that particular office. Cronyism and nepotism fall under this category. One example of prebendalism is that prior to China's anti-corruption campaigns, an increasing number of local governments built massive and luxurious administrative office buildings while colluding with construction companies so that the local government can overreport the budget of such construction.

To address these problems, Xi Jinping, in his first speech as the CCP's general secretary, highlighted graft and corruption as the most pressing challenge confronting the party, and initiated an anti-corruption campaign in November of 2012. The campaign was set in motion by a scandal in 2012 involving the head of Chongqing's Public Security Bureau. The incident revealed the alleged murder of a British businessman, which snowballed into rumors of a plot against Xi Jinping by Bo Xilai, party secretary of Chongqing. Soon after the incident, Bo was dismissed from the CCP and eventually sentenced to life in prison for bribery, abuse of power, and embezzlement. The incident was followed by multiple prosecution of other high profile CCP officials, including Hou Zhenhong of the Guangdong

Communist Party standing committee, Liu Tienan of the National Development and Reform Commission, former Anhui deputy governor Ni Fake, and many others (Nelson, 2014). At the same time, the “Mass Line Program” targeted Party cadres in order to rectify behaviors like hedonism, superficial conformity, and inactiveness. In operation for two years, the Mass Line Program was essentially a populist measure emphasizing austerity that removed the perks associated with CCP positions. Starting from 2014, the “Three Stricts” campaign was focused on the ethical conduct of CCP officials, including offenses like ideological deviance, sedition, espionage, and treason. The ideology campaign, which had morphed into a political discipline campaign, maintained its intensity until 2018, and then expanded its reach to include the private sector, which continues to this day.

Throughout the past decade, Xi consistently conveys the message that corruption is to be wiped out under his rule. However, controversies revolving around the result of this anti-corruption campaign persist. The anti-corruption campaign is successful to some extent. China’s Corruption Perceptions Index (CPI) increased from 39 in 2012 to 45 in 2021 – though the scale of corruption in China is nowhere near ideal, the stark improvement provides ample material to study the effectiveness of anti-corruption mechanisms. It is noteworthy that such changes happen simultaneously with a list of other political, social, and economic transformations within the country. 2012 to 2021 is also the period of time when China underwent a huge economic boost – along with the anti-corruption campaign, booming business opportunities requires policies to change correspondingly so as to foster a dynamic business environment. Significant improvement in corruption indices also goes hand in hand with less confidence in the government from the public throughout the past two decades. Reasons for this vary: some argue that the anti-corruption campaign serves more of a political purpose so that Xi could eliminate his potential or current rivals; others say that increasing reports in corruption cases and subsequent deterioration of trust in government is simply a sign of the political system getting more transparent, therefore presenting the phenomenon with a positive light (Rose-Ackerman & Palifka, 2016).

Given the aforementioned information, the paper seeks to investigate how corruption indices responded to the Chinese government’s anti-corruption effort. Specifically, the Corruption Perception Index, Global Competitiveness Index, and Global Corruption Barometer will be discussed in detail, and a conclusion will be drawn concerning the effectiveness of the Chinese government’s anti-corruption efforts. This will be carried out in four sections – the first section will go over relevant literatures in the field, and a brief comparison will be made between what past research has been about and how this paper is going to contribute to the field; the second section will concentrate on the methodology applied in this paper; the third section will cover the findings that can be deduced from the second section; and finally, the fourth section will connect all of the previous sections together so that a conclusion can be drawn.

In the end, this paper will conclude that though corruption was viewed as a priority by the Chinese government and certain development has been made in the past decade, corruption in China may still last longer than expected, so long as CCP fails to work towards the decentralization of power and transparency of operations.

Literature Review

At this point, there are thousands of studies, investigations, and discussions on the topic of corruption and anti-corruption policies in China. The content is varied and inclusive. For example, the effects of anti-corruption reforms are covered in “Implementing curriculum change in management education; a detailed analysis is offered in the Belt and Road Corruption and Illicit Dealings in China’s Global Infrastructure.” (Amann, 2015). Other papers contain reports of Shanghai citizens’ opinion on the effectiveness and corruption level of the CCP after Xi’s catching “tiger” actions — the arrests of corrupted high-rank officials with a large scale of political power and influence in core industries, as well as CCP members.

This extensive collection of papers can be classified into four categories based on what questions they sought to answer:

1) What are the types of and reasons for corruption in China?

In response to this question, Dai argued in his 2013 paper that there are three categories of corruption: Class A (black), Class B (gray), Class C (white), with the root cause of each being the lack of the law, transparency, and media freedom, respectively (CNN, 2013). Brown identified anti-corruption as "a fight for the very soul of the Party, and one that ranges far beyond the figure of Xi. If it succeeds, then a fundamental part of this mandate – to create a sustainable one-party rule – will be in his and the Party's grasp. If it fails, then the Party is vulnerable to the sort of implosion that overwhelmed the Soviet Union and others" (Brown, 2018, p.657). Moreover, Mo specified that the Party's motivation on cracking down corruption is not due to "so-called democratic elections", but "by the risk and crisis felt by themselves to stay in power," and he pointed out that they used the ideology of Confucianism as the pretense to the normal people. This sense of risk drives the "Communist Party to the option of self-purification, which can be justified by the Confucian philosophy of self-cultivation" (Mo, 2013, p. 247).

2) When was the anti-corruption campaign initiated in China, and why is it continuing?

Responses to this question include such as He's 2000 paper: Corruption and Anti-Corruption in Reform China: Communist and Post-Communist Studies, in which it is concluded that "that it has become very clear that the current anti-corruption campaign is quite inadequate in combating corruption," and that reform should be continued (He, 2000, p.435).

3) What is the correlation between anti-corruption and other areas?

For example, with regards to anti-corruption and education and environmental problems, the article "Anti-corruption: Implementing curriculum change in management education" declared that "Anti-Corruption enables business schools, management-related academic institutions, and Executive Training Programs to embed curriculum change quickly to achieve positive outcomes" (Aman, 2015, P 35). Additionally, the researcher Zhou explored the correlation between anti-corruption policies and efficiency of anti-pollution procedures in his study "Has the anti-corruption campaign decreased air pollution in China?" and indicated that "The anti-corruption campaign has reduced air pollution by 20.3%" (Zhou, 2020, p.156).

4) What are the consequences of those executed anti-corruption actions?

In particular, Liu updated the foremost punishment development progress on governmental corruption cases and concluded that "state corruption audits can be an effective approach to a successful anti-corruption campaign because they play a significant role in both national economic supervision and in investigating and punishing corruption crimes" (Liu, 2017, p.615). In Reddy's 2022 article, "China's Anti-Corruption Campaign: Tigers, Flies, and Everything in Between," he listed the thousands of officials who had been arrested and hundreds of financial institutions had been inspected and fined.

5) What are Chinese citizens' opinions on the efficiency of anti-corruption and their future expectation of Xi and his Chinese government?

In Lu's paper, "Political tie hot potato: The contingent effect of China's anti-corruption policy on Cash and Innovation," he stated that the ordinary people do not think Xi's anti-corruption movement is as successful as it appears in the public media (Lu, 2022).

However, there is no single publication that elaborates on the relationship between the change in China's corruption in terms of popular international measurements — Corruption Perception Index, Global Competitiveness Index, and Global Corruption Barometer — and the anti-corruption policies announced by President Xi or enacted by Xi's political influence and loyal followers, such as Wang Qishan, Mr. clean, the official in charge of anti-corruption activities. The previous paper indeed referred to and applied one or two of those indexes as a part of their paper to support their conclusions. However, no paper focuses solely on the measurements and efficiency of anti-corruption actions. By making a deep, incisive, and meticulous analysis of the above three data sets and a few other indices, within the time range of over the last two decades, and by presenting a clear dissection of those measurements' calculation mechanism, we have been able to identify accurate reasons behind those score movements. From the questionnaires, surveys, and collected data, this paper will show the following results.

Since the CPI is an index based on the opinions of experts and businessmen, we will figure out if the related factors (listed in the methodology section) indicate similar patterns in the corruption level of China. If not, then what are the possible reasons for major discrepancies across the various indices?

The Global Corruption Barometer (GCB) is able to make up for some of the CPI's shortcomings. The GCB focuses on collecting everyday people's feedback on anti-corruption. However, the questions vary from each survey and the survey activity is not in chronological order, so we will not directly compare those limited data and questionnaires. Instead, to maximize our paper's value, we will differentiate the focus of those surveys to see if there is any change in tendency while designing the questions.

The Global Competitiveness Index (GCI), the final index, focuses on twelve vital dimensions for evaluating the corruption level of a given country. We have chosen to focus on a few of these dimensions: the diversion of public funds, the transparency of government policymaking, and judicial independence.

Methodology

Although there is no objective, universal measure of corruption, many composite indices have been developed, and other metrics have been identified in order to get an idea, although an imperfect one, of the extent of corruption in a country. In this paper, we first compiled the results of three composite measures of corruption: the Corruption Perceptions Index (CPI), the Global Corruption Barometer — both developed by Transparency International — and the Global Competitiveness Index, created by the World Economic Forum. For each of these indicators, we compiled the information from the years most relevant to our investigation of China's anti-corruption reforms and graphed these data. By investigating multiple measures of China's corruption levels, we hope to compare how each of them, given their different methodologies, tells the story of China's history of corruption and anti-corruption efforts.

Before discussing the findings from these data sets, it is important to explain the methodology behind each of them. These differences may prove to be essential in explaining the differences in the final results. The Corruption Perceptions Index (CPI) is created by Transparency International, is based on survey results of experts and businesspeople, and attempts to capture the perceived level of public sector corruption in 180 countries (Transparency International, 2021). More specifically, the data come from the World Bank, the World Justice Project, among other agencies — with all of the source data being based on expert opinion (Rose-Ackerman & Palifka, 2016). The measure itself ranges from 0 to 100, with higher numbers being cleaner, less corrupt countries. Each individual measurement that goes into calculating the CPI is first standardized to this 0 to 100 scale before being aggregated into the final CPI (Transparency International, 2012). (Since our paper uses CPI data from both pre- and post-2012, it is important to note that this indicator underwent important methodological changes in 2012, which places some limitations on comparing China's CPI from before and after 2012.¹)

¹ In 2012, Transparency International decided to standardize the data sources for the CPI on a scale of 0 to 100. Prior to 2012, the CPI of a given country was not comparable over time (Transparency International, 2012).

The CPI specifically asks about the following factors related to corruption:

- a. Bribery
- b. The diversion of public funds
- c. Excessive red tape in the public sector
- d. Nepotism within the civil service
- e. Public officials using their position for a private gain (without consequences)
- f. The ability of the government to contain corruption in the public sector
- g. Laws that require public officials to disclose their finances and potential conflicts of interest
- h. Legal protection for whistleblowers in cases of bribery or other forms of corruption
- i. State capture by “vested interests”
- j. The public’s access to information on government activities

The CPI does not ask questions related to citizens’ direct perception of or experiences with corruption, tax fraud, money-laundering, or private sector corruption (Transparency International, 2021).

The Global Corruption Barometer (GCB) is another measure of corruption, which is also created by Transparency International. This index is calculated based on surveys given to “everyday people,” which ask them about their personal experiences of corruption. A main question asked of people for calculating the GCB is whether they have paid a bribe to any of six public services in the last six months (Transparency International). For our purposes, China is only included in the GCB data sets from 2010, 2017, and 2020, and the questions asked in the surveys vary from year to year.

The Global Competitiveness Index (GCI) is not an explicit measure of corruption, but the two can be connected, as the factors that go into the GCI are also hallmarks of less corrupt societies (World Economic Forum, 2022). The GCI is computed based on the “successive aggregations of scores.” In the current methodology, each individual indicator is first converted to be on a scale of 0 to 100, and then they are compiled into one GCI score (Global Competitiveness Index 4.0 Methodology and Technical Notes, 2018). (However, this 0-100 scale was introduced as a methodological change in 2018 with GCI Methodology 4.0. Prior to 2018, it was measured on a scale of 1 to 7.) This final measure can be thought of as the average of twelve “pillars,” similar to the CPI: institutions, infrastructure, information and communications technology (ICT) adoption, macroeconomic stability, health, skills, the product market, the labor market, the financial system, market size, business dynamism, and innovation capability (Global Competitiveness Index 4.0 Methodology and Technical Notes, 2018). The GCI has undergone some methodological changes over the years, notably in 2008 and 2018.

The World Economic Forum also publishes the values of the lower level indicators that go into the GCI (prior to being aggregated). We have selected a few of these to include in our paper in an effort to assess the effectiveness of China’s anti-corruption campaigns: the diversion of public funds, the transparency of government policymaking, and judicial independence.

In the following sections of our paper, we will present the relevant data for China according to each of the aforementioned indicators — accompanied by an analysis of these results in the context of China’s many anti-corruption efforts in the last couple of decades. Most of the indicators were created after the earlier anti-corruption campaigns took place in China, so we have been forced to focus on the more recent events.

Findings

Part I: Composite Indices

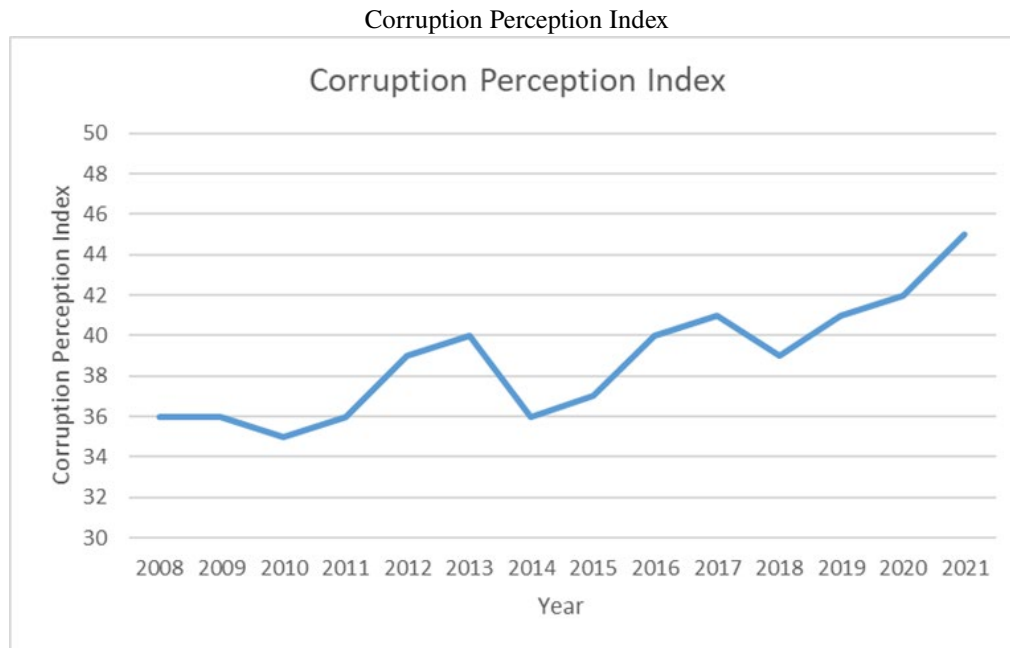


Figure 1: China's Corruption Perception Index from 2008 to 2021 (Transparency International)

Although a brief increase in China's CPI was shown in Figure 1 after Xi's initiation of China's anti-corruption campaign in 2012, it is recognizable that China's CPI after 2013 dropped to a level below that of 2012 for two years. Furthermore, starting in 2016, China's CPI started to exceed 2012's level, with the exception of 2018, while the growth from 2020 to 2021 is becoming steeper.

Because of the perceptual nature of CPI and the fact that the index reflects participants' opinion on a country's corruption level, one of the reasons that might explain the decline from 2013 to 2014 is that the launch of China's anti-corruption campaign may have raised the public's awareness of corruption due to vast media reporting of the incarceration of those "big-tigers." The public may have not realized the daunting amount of corruption that had been happening until it was publicized around this time (Reddy, 2022). In other words, the participants of the surveys that contributed to the CPI may have changed their judgment towards corruption and thus they are more likely to give a negative answer to the survey's questions, which ultimately caused the decrease in CPI.

Another possible explanation as to why the CPI dwindled after the formation of Xi's anti-corruption campaign is that although the campaign targeted corruption in China's society, especially within the CCP, "the Party controls all government enforcement authorities and the courts," so "the Party is able to dictate the outcome of cases in secrecy" (Chow, 2015, p.685). Chow indicates that the power centralized campaign itself might be another new participant in corruption, and it is not unreasonable to believe that even though the campaign itself seems to be reducing corruption, its surreptitious process may be simultaneously laced with corruption, thus the CPI descended after 2013.

China's CPI started to increase since 2014, and has maintained a sort of momentum since then, according to Figure 1, suggesting that it will increase further — a direct reflection that the overall perceived corruption level has been decreasing. In other words, those who took the CPI survey are more likely to answer positively on corruption in China.

The most straightforward reason for this historical improvement is that since the beginning of China's anti-corruption campaign, at least from what the participants reflect. As a part of this campaign, investigations have been carried out by the Central Committee for Discipline Inspection (CCDI) and the National Supervision Commission (NSC). The CCDI in particular is at the core of corruption investigations at the central and provincial level, investigating and punishing more than four million cadres and nearly 500 senior officials since Xi took office in 2012 (Reddy, 2022). And to some extent the vast investigation and punishment on corruption has forced the potential participants in the CPI surveys to reconsider the corruption in their country, which has reduced the amount of corruption that leads to the result reflected by the CPI.

However, since the CPI is limited as a perceptual index — and does not reflect a concrete measurement of corruption — it is not reasonable to say that China has exterminated its corruption. According to Borge Bakken and Jasmine Wang, it is very likely that although it might appear to the public that China has established draconian policies against corruption, the “updated” forms of corruption may become larger in volume yet more intractable (Bakken & Wang, 2021). Similar to what is mentioned above, the anti-corruption movement may have enabled corruption norms to evolve, which leaves a country with a worse situation of corruption that the CPI does not reflect.

In addition to the transformation of the forms of corruption, China, as a country dictated by one party, is infamous for its information censorship and media propaganda. As Freedomhouse pointed out, China has abusively spread misinformation to its citizens so it is not hard to imagine that it may have been manipulating the participants' perspective, which will ultimately contribute to the improvement of what the CPI implies, even if the participants are mostly with a certain amount of economic knowledge.

Global Corruption Barometer

As explained earlier, the Global Corruption Barometer (abbreviated as GCB in later paragraphs) are surveys that track public opinion on corruption, and the survey question varies by year. In this part of the paper, available GCB data from 2010, 2017, and 2020 surveys will be presented and analyzed – for comparison's sake, the drastically different questions in the surveys will not be included. Only those asking about people's opinions on similar subjects will be compiled. Figures 2 and 3 record answers to the question in 2010 and 2020: How is the government fighting against corruption?

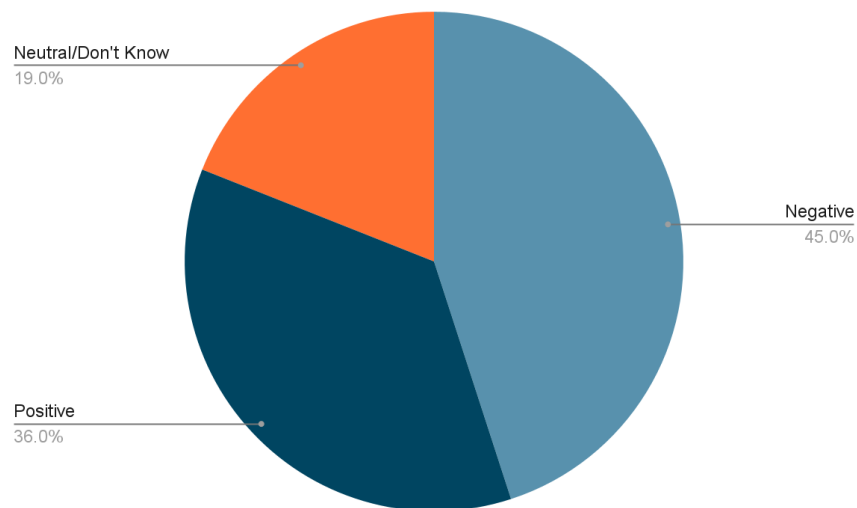


Figure 2: Perceptions of Chinese Government's Anti-Corruption Efforts in 2010

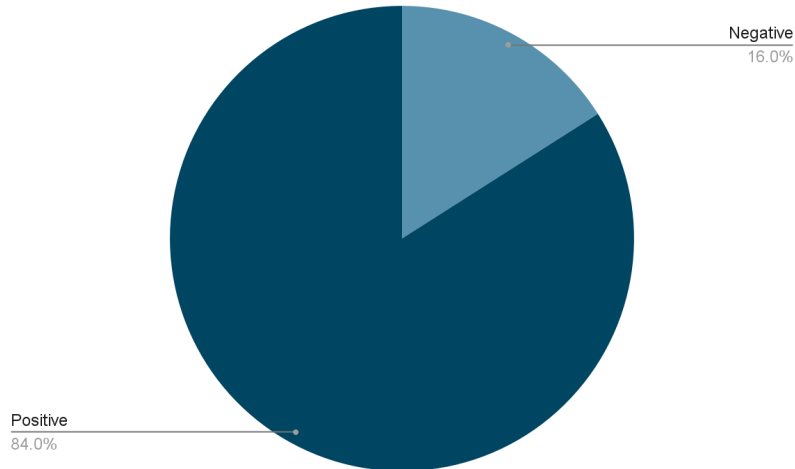


Figure 3: Perceptions of Chinese Government’s Anti-Corruption Efforts in 2020

Though data from 2017 is not available, as Transparency International did not collect relevant data in China, it can be seen there has been significant improvement on the government’s effort in fighting corruption – those who answer “fairly well” and “very well” increased from 36 percent to 84 percent. This is also the period of time when Xi was putting a lot of effort into his anti-corruption campaign; in other words, data from GCB surveys confirms that the general public buys Xi’s political agenda.

Figures 4, 5, and 6 contain results collected in response to the question: In your opinion, over the past year, has the level of corruption in this country increased, decreased, or stayed the same?

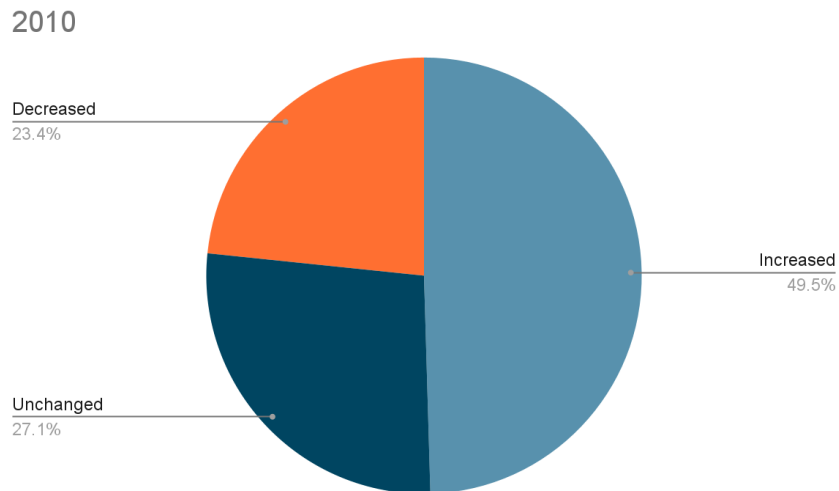


Figure 4: Perceptions of Change in Corruption Level in China in 2010

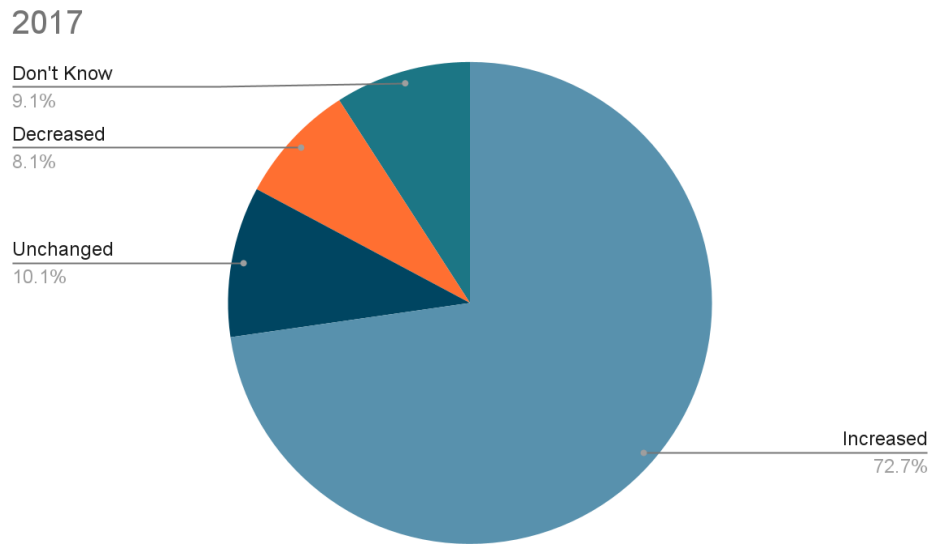


Figure 5: Perceptions of Change in Corruption Level in China in 2017

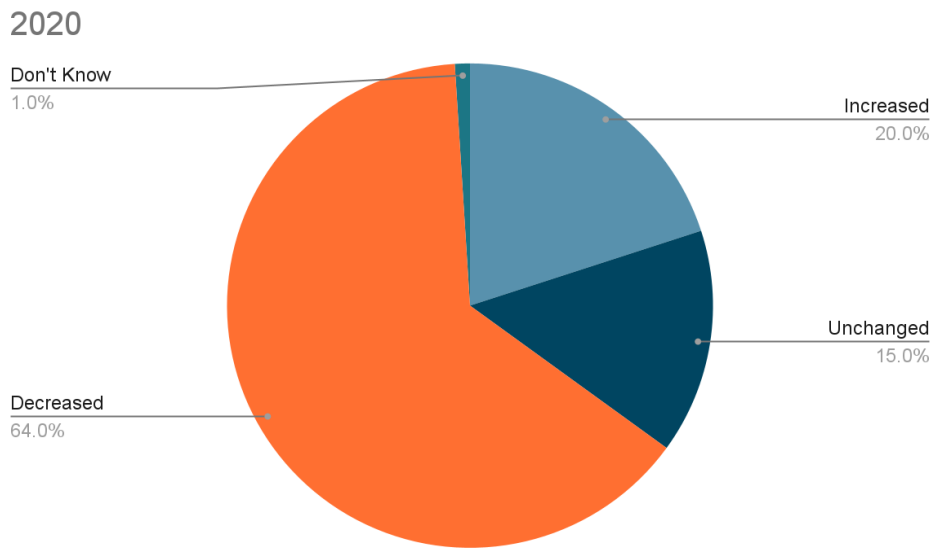


Figure 6: Perceptions of Change in Corruption Level in China in 2020

Along with Xi’s anti-corruption efforts, people’s perception on the occurrence of corruption within China increased to a great extent from 2010 to 2017. The increase from 50 percent to 73 percent can be explained by more widespread media coverage of news on corruption. And the drop from 73 percent to 20 percent from 2017 to 2020 proves Xi’s effort to be successful. However, it needs to be noted that the question “Has the level of corruption in this country increased, decreased, or stayed the same?” concerns corruption in the general sense. Alternatively speaking, it focuses on people’s impression of corruption within the country, rather than delving into specific types or one’s real life experience with corruption.

Figure 7 reports answers to the question: How many of the following people do you think are involved in corruption, or have you not heard enough about them to say? The percentage of people responding “most/all officials are involved in corruption” in 2010, 2017, and 2020 is compared. Data also differs by institution.

Those who respond most/all of them

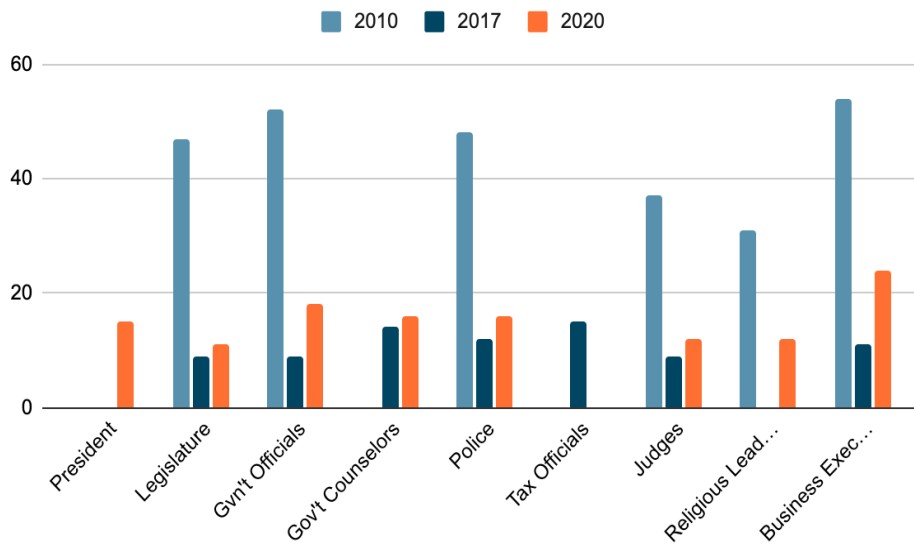


Figure 7: Perceptions of Corruption by Institution in China from 2010, 2017, and 2020

Unlike what is observed from the last question, the trend presented in this figure shows the opposite. For most institutions, there seems to be a significant drop in corruption from 2017 to 2020, but the drop is not consistent. In 2020, people view the institutions as more corrupt than in 2017. One potential explanation for this is people tend to be less distracted by government propaganda when asked to perceive things in specifics – in this case, evaluating corruption by institution rather than looking at the general image. After all, 2012 to 2018 is the period of time when Xi puts more effort into coping with political corruption, which leads to more cases of corruption being reported and less corruption within institutions. From 2018 up to this day, Xi shifts the focus of the anti-corruption campaign from the public sector to the private one, and this might contribute to the increase in corruption. If this explanation stands, then it can be concluded that Xi’s propaganda is successful, but only to a limited extent: the public believed Xi’s campaign to be taking effect in general, but they are less influenced by what is advertised when asked to put more thoughts into evaluating distinct government sectors.



Figure 8: Global Competitiveness Index of China (1-7) over time (2008-2018)

Although the Global Competitiveness Index (GCI) is not explicitly a measure of corruption, a country's competitiveness can be used as a proxy for its level of corruption, given that the GCI is calculated based on factors that tend to be higher in less corrupt countries. These factors include judicial independence, transparency and accountability in government decision making, and many more. Studies have also found that competitiveness, specifically the GCI, is correlated with people's perception of corruption. For example, Simona-Roxana Ulman found that countries with lower levels of competitiveness tend to have higher perceptions of corruption (Ulman, 2014).

According to Figure 8, the GCI of China has increased by nearly ten percent — from 4.566 to 5.002 — between 2008 and 2018 (World Economic Forum & Harvard University, 2007-2021). On this seven-point scale, a score of seven refers to an “ideal state” in terms of competitiveness (Global Competitiveness Index 4.0 Methodology and Technical Notes, 2018). Within this time period, China had been carrying out their fourth anti-corruption campaign, which began in 1993 (Dai, 2013). There were three objectives within this campaign: reform the system of self-regulation of senior public officials, strengthen the investigation and prosecution processes of large corruption cases, and to “forcefully” reduce “unhealthy tendencies” within government departments (Dai, 2013). This campaign has clearly had a positive impact on China's competitiveness level, which can be interpreted as a reduction of the country's corruption level — or at least a reduction in people's perceptions of corruption. According to Dai, “the newest anti-corruption campaign has had some positive effects as indicated by the slight improvement in perceived corruption in China after 1995 as reported by Transparency International” (Dai, 2013, p. 72). These results can be seen in Figure 1, which depicts the evolution of the Corruption Perceptions Index.

In 2012, there was a notable decrease in China's GCI. In November of that year, Xi Jinping was elected to the position of general secretary of the Chinese Communist Party (CCP), and he launched his own anti-corruption campaign, which was discussed in the introduction of this paper (Albert, 2021). It is not entirely clear as to why a decrease in China's competitiveness would occur at the same time as the initiation of a new anti-corruption campaign. One possibility is that this decrease occurred in 2012 just before Xi came to power as general secretary of the CCP and before his election to the presidency in 2013. However, it clearly took some time for Xi's anti-corruption campaign to have a positive effect on China's GCI, according to Figure 3, as this indicator seemed to plateau just above 4.8 from 2013-2014. After 2014, the GCI resumed its upward trajectory. Although direct causation cannot be established, it is possible that this was due to Xi's campaign finally gaining some momentum and his harsh prosecutions “paying off.”

Another possibility is that the “Three Stricts, Three Honests” campaign in 2014 had some effect on corruption and therefore competitiveness in China (Reddy, 2022). This campaign was an education initiative carried out within the CCP — directed by President and General Secretary Xi Jinping. The goal was to improve the ethics and political morals of CCP officials (Reddy, 2022). It is possible that with this moral education, factors like political transparency and accountability improved, which would therefore increase China's GCI. Overall, by using the GCI as a proxy for corruption levels in China, one can say that the country's anti-corruption campaigns have had a positive effect on corruption, with a minor blip occurring back in 2012.

Part II: Additional Indicators

The diversion of public funding, by government officials, away from its intended purpose in order to benefit someone personally, is a characteristic of more corrupt societies. This factor goes into the calculation of the GCI, but it is interesting to look at it on its own over a similar time period (World Economic Forum & Harvard University, 2007-2021). Here, the diversion of public funds is quantified on a scale of 1-7, where higher numbers indicate a lower occurrence of this diversion. There has been a steady increase in this indicator since 2007 — meaning that fewer public funds are being diverted in China (Global Competitiveness Index 4.0 Methodology and Technical Notes, 2018). This upward trend began in 2007, when the National Corruption Prevention Bureau was established. Its purpose was to fulfill the following objectives: “informational collection and coordination; increased oversight of the private sector; improving information quality and dissemination, and strengthening routine anticorruption activities” (Becker, 2008, p. 287). The plateau around 2012 might have to do with Xi's rise to power, as discussed in the last section. Overall,

according to this measure of corruption, China's anti-corruption campaigns have been effective — at least in making sure that the government's money is put toward the right, uncorrupt uses. This allows for economic development, as the country is using its money in more efficient ways for the public, as opposed to funneling it into corrupt agents for their personal gain.

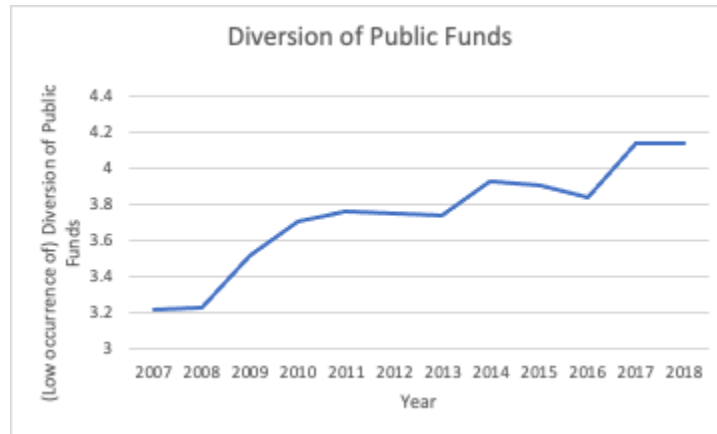


Figure 9: Diversion of public funds (1-7) in China over time (2007-2018)

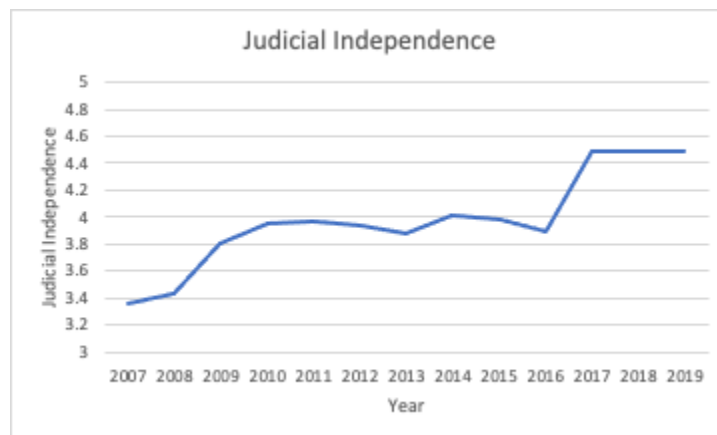


Figure 10: Judicial independence (1-7) in China over time (2007-2019) (Judicial independence, 2022)

Judicial independence is also a quantifiable measurement that goes into the calculation of the GCI (World Economic Forum & Harvard University, 2007-2021). In more competitive and less corrupt countries, the judicial branch of the government tends to be more independent. This is because a judicial system with more independence has the ability to crack down on corruption within a country — without being influenced by public officials. In China, judicial independence has increased by nearly 35 percent between 2007 and 2019, during Xi's anti-corruption efforts. Although none of the recent anti-corruption campaigns have had an explicit objective related to judicial independence, it is possible that in prosecuting individual corrupt officials and in strengthening government anti-corruption agencies, this has had an indirect effect on the strength and independence of China's judicial system.

However, there was a clear plateau in this index between 2010 and 2016, which may suggest that China's anti-corruption efforts were no longer adequately targeting judicial independence. Moreover, the measure has plateaued around 4.5 (on a scale of 7), which implies that there is still more to be done. According to the US Congressional-Executive Committee on China, "Despite recent reforms to enhance the independence of individual judges and judicial panels, court adjudicative committees led by court presidents still have the power to review and approve decisions in

complex or sensitive cases” (US Congressional-Executive Committee on China). In other words, China’s public officials can still interfere with the proceedings of courts in the country, which can inevitably lead to higher levels of corruption.

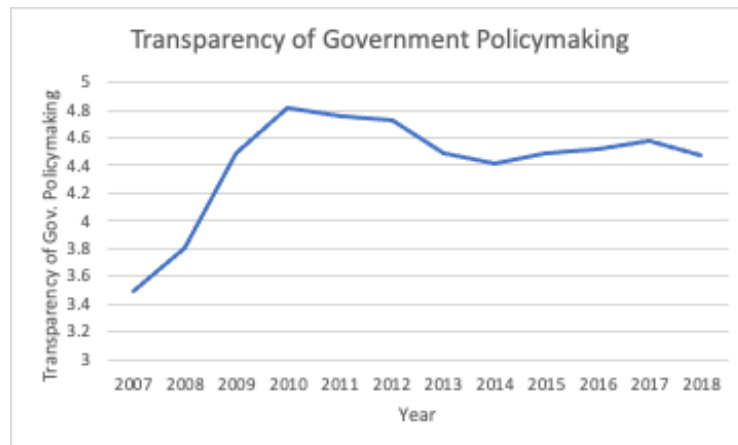


Figure 11: Transparency of government policymaking (1-7) in China over time (2007-2018)

There has been an increase, of about 28 percent, in the transparency of government policymaking, according to data from the Global Competitiveness Index (World Economic Forum & Harvard University, 2007-2021). Figure 11 shows that this indicator peaked in 2010, following a steep increase since 2007. Given that this increase started in 2007, the National Corruption Prevention Bureau may have played a role in it, as one of its objectives was to improve government transparency (Becker, 2008). According to Figure 6, the NCPB was able to fulfill this objective, but its effectiveness dwindled starting around 2011. This might be because of the increasing complexity in the anti-corruption system and the fact that it was not fully independent from the agencies it sought to monitor and regulate (Becker, 2008). Despite this slight decrease, transparency in policymaking has still improved over this time period, suggesting mostly positive effects of China’s anti-corruption reforms.

Conclusion

From what CPI and GCB have shown, the experts’ and the general public’s opinions on China’s anti-corruption effort have changed positively, which may reflect a less corrupt environment in the last decade. This is also consistent with GCI and the lower level indicators that go into the GCI.

Although it is not improving as fast as the economy is expanding, China’s anti-corruption reforms have been met with appealing results. However, none of the data included in this paper are perfect, and potential issues that might contribute to a different result are:

1. CCP’s surreptitious acting style and extremely centralized power structure -
This is consistent with the data of transparency in government policy making. An opaque operation style will inevitably raise the public’s suspicion of potential conspiracy from the government, while the over-centralized power structure is a potential cradle for more corruption.
2. The public’s dynamic perceptions from information access and sweeping education -
As the perception of a participant can be influenced by certain information, the answer to a particular question might also be altered. China’s general public is far from well-educated so the effect of better educated citizens is convoluted.

3. The adaptation of corruption to the hazardous environment -
Corruption can be an illicit bribe to a government official but can also be a donation to a political campaign that is completely legal. As the environment becomes perilous for corruption, corruption itself may evolve in terms of volume and stealth.
4. The environment of a corruption-entrenched culture -
Living in a country that has been full of corruption for decades, the country's citizens may take generations to fully filter the definition of corruption. The insensitiveness of corruption may have been rooted in individuals' perceptions.

“Treating the symptoms, but not the underlying problems, will not cure the malady” (Rose-Ackerman & Palifka, 2016, Chapter 16, Part iii). Even if the CCP targets corruption as its contemporary priority, and although certain development has been made in the past decade, the topic of fighting against corruption in China may still last longer than expected due to the nature of the party's disadvantages in terms of decentralization of power and transparency of operations. In addition to the reasons listed above, there are also other kinds of frictions that might increase the opportunity cost for anti-corruption reforms. Therefore, although reform might represent an ultimate cure, the synchronous byproduct of it may also be perilous. Fortunately, although not empirically proven with concrete statistical procedure, it seems that China has successfully reduced the amount of perceived corruption.

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