

COMBATING CORRUPTION AS A POLITICAL STRATEGY TO REBUILD TRUST AND LEGITIMACY: CAN CHINA LEARN FROM HONG KONG?

Anthony B. L. Cheung

ABSTRACT

Despite an intensified anticorruption campaign, China's economic growth and social transition continue to breed loopholes and opportunities for big corruption, leading to a money-oriented mentality and the collapse of ethical standards, and exposing the communist regime to greater risk of losing moral credibility and political trust. In Hong Kong, the setting up of the Independent Commission Against Corruption (ICAC) in 1974 marked the advent of a new comprehensive strategy to eradicate corruption and to rebuild trust in government. ICAC was not just an anti-corruption enforcement agency per se, but an institution spearheading and representing integrity and governance transformation. This article considers how mainland China can learn from Hong Kong's experience and use the fight against corruption as a major political strategy to win the hearts and minds of the population and reform governance in the absence of more fundamental constitutional reforms, in a situation similar to Hong Kong's colonial administration of the 1970s-80s deploying administrative means to minimize a political crisis.

INTRODUCTION

The year 2006 sounded a great alarm to corrupt officials in China. Former Communist Party Politburo member and party chief of Shanghai, Chen Liangyu, was removed from office and investigated in connection with a RMB3 billion (approx. US\$395 million) social security fund corruption scam. Other top officials charged with corruption included Qiu Xiaohua, former chief of the National Bureau of Statistics, and Zheng Xiaoyu, former Vice Director of the State Administration of Food and Drug; the latter was even given a death sentence. By now there is no doubt that China's fourth-generation leadership under President Hu Jiantao and Premier Wen Jiabao has embarked on a new high-profile campaign against corruption in pursuit of the construction of a harmonious society.

This is not the first time that China has engaged in a conspicuous exercise to fight corruption. Indeed, as academic research (e.g. Wedeman, 2005) puts it, China has depended largely on a strategy of 'enforcement swamping' or campaign-style enforcement, using periodic intensive anti-corruption campaigns and intensive crackdowns, so as to create a deterrence effect. Such strategy might result in some concurrent decrease in petty corruption but ironically there has been observable increase in more serious corruption cases involving huge sums of money and more senior and top officials. It is argued that this strategy aims at controlling corruption rather than eradicating it as the costs of eradication are too high and there lacks the political will and enforcement capacity for vigorous

eradication (Wedeman, 2005). As the anti-corruption campaign intensifies and as China's economic growth and social transition breed loopholes and opportunities for big corruption (e.g. bank loans, financial deals and land clearance and development), leading to a money-oriented mentality and the collapse of ethical standards, the present communist regime is in the risk of losing its moral credibility and political trust.

Colonial Hong Kong by the early 1970s also faced the same moral and legitimacy crisis caused by extensive corruption. However, three decades later, Hong Kong now stands far ahead of the rest of China in the eyes of the international community (see **Table 1**).

Table 1. Hong Kong and China according to Corruption Perception Index (CPI), 2001-2006

	2001	2002	2003	2004	2005	2006
CPI score of Hong Kong (out of 10)	7.9	8.2	8.0	8.0	8.3	8.3
Country ranking	14 (out of 91)	14 (out of 102)	14 (out of 133)	16 (out of 146)	15 (out of 159)	15 (out of 163)
CPI score of mainland China (out of 10)	3.5	3.5	3.4	3.4	3.2	3.3
Country ranking	57 (out of 91)	59 (out of 102)	66 (out of 133)	71 (out of 146)	78 (out of 159)	70 (out of 163)

Source: Transparency International (2007).

Most analysts would attribute Hong Kong's achievement to the setting up of the Independent Commission Against Corruption (ICAC) in 1974, which marked the advent of a new comprehensive strategy to eradicate corruption and at the same time rebuild trust in a government that suffered from an inherent legitimacy deficit because of its colonial and undemocratic nature. The ICAC was not just an anti-corruption enforcement agency *per se*, but an institution spearheading and representing integrity and governance transformation. This article considers how mainland China can learn from Hong Kong's ICAC experience and use the fight against corruption as a major political strategy to win the hearts and minds of the population and reform governance in the absence of more fundamental constitutional reforms, in a situation similar to Hong Kong's colonial administration of the 1970s-80s deploying administrative means to minimize a political crisis.

HONG KONG'S ANTI-CORRUPTION EXPERIENCE

The establishment of the high-powered ICAC in Hong Kong in 1974 by the colonial governor Murray MacLehose had proved to be greatly successful in breaking up corruption syndicates within government departments and in detecting corrupt practices in both the public and private sectors. In the words of MacLehose himself, the ICAC "has changed much in Hong Kong that many regarded as unchangeable" (quoted in King, 1980, 115). Indeed, this very indigenous setup had in no insignificant degree created a new phase of

political development in Hong Kong and was credited as a kind of ‘charismatic institution’, with immense symbolic and organizational capabilities and being able to command a high degree of public commitment which in turn provided it with some of its own institutional resources (King, 1980, 115).

The ICAC was an outcome of both evolution and revolution. It was not a sudden product. As Kuan (1981) pointed out, the formation of the ICAC came after over 20 years of government efforts to develop stricter and more severe legal measures against corruption. The first proper anti-corruption legislation passed in Hong Kong was the 1948 Prevention of Corruption Ordinance which was based on an equivalent law in Britain. An Anti-Corruption Branch was set up in the Police Force. From 1956 a Standing Committee on Corruption was established to advise the government on anti-corruption measures. This Committee was reorganized in 1961 to include an unofficial member each from the Legislative and Executive Councils in response to public pressure for an independent commission of enquiry. The first local legislation on corruption, the Prevention of Bribery Ordinance, was enacted in 1971. In 1973, because of the unexplained escape from Hong Kong of a corruption suspect, Chief Police Superintendent Peter Godber, there were mass demonstrations and calls for quick and tough action by the government whose legitimacy had now suffered further erosion. As King remarked, the government was defenceless in the face of the public outcry over the Godber escape and “to say that there was an authority crisis is no exaggeration” (King, 1980, 117). The then newly-arrived reform-minded governor was thus able to seize upon the opportunity to appoint a Commission of Inquiry under Justice Alastair Blair-Kerr in 1973, who eventually recommended the setting up of an independent commission against corruption answerable directly to the governor. MacLehose was determined “to represent the cause of the people” and through the ICAC to launch a ‘silent revolution’ to provide Hong Kong with “a clean society and a clean government” (Kuan, 1981, 41).

However, as Lee observed, the change in social awareness suggested that corruption as a social problem had “both an objective and a subjective aspect” (Lee, 1981, 6). Corrupt activities were widespread (objective aspect) in Hong Kong for more than a century, but corruption only came to be recognized (subjective aspect) as a serious problem within the 1970s, particularly following the establishment of the ICAC¹. That the colonial government was prepared to target corruption for major reform in the 1970s but not previously, needs to be explained by the post-1967 change in the government’s political agenda², particularly after MacLehose’s arrival, manipulating the ‘political opportunity’ created by the Godber crisis to re-establish the legitimacy of the government. The ICAC was in effect an

¹ This is somewhat similar to the conceptual distinction made between ‘condition’ and ‘problem’ in agenda setting by Kingdon (1984). Condition is an objective situation while ‘problem’ is how the policy-makers define the condition for subsequent action.

² The Chinese communist-inspired riots against the British colonial administration exposed serious gaps between the ruling elites and the masses, and a crisis of legitimacy of colonial rule. In the aftermath of the riots, the government began to embark on major administrative reforms in order to modernize the civil service and to build links between government and people through the City District Officer scheme (see King, 1981; Cheung, 1999)

administrative response to a more fundamental political problem facing British colonial governance in Hong Kong at the time:

“Many thought that government was run only in the interests of those who held office. More believed that officials and the police, in particular, were corrupt and that it was necessary to pay bribes to obtain services. ... For a government anxious to establish its legitimacy on a basis of positive support, it was clearly important that it should be seen to be strongly opposed to graft. When the opportunity arose to demonstrate government’s commitment to the prevention of corruption, MacLehose was quick to seize it” (Scott, 1989, 146).

In this respect, as Scott analyzed, colonial governments faced constant, if often latent, challenges to their legitimacy – “a regime established and ultimately reliant on force cannot easily win the consent of the governed” (Scott, 1989, 322). Legitimacy is not just about strength and the capacity to govern. It is also about the moral basis of the government’s authority. In the case of colonial Hong Kong, the government’s justification of its right to rule rested mainly on five contingent factors:

- Its record of past performance-proven capacity in delivering public goods, i.e. its administrative efficiency;
- The right to rule as legitimized by epistemocratic authority, i.e. its claims to specialized knowledge and wisdom (bureaucratic paternalism);
- Its ability to maintain its position by interpreting what it said was the consensus, through a rationalization process of ‘consultation and consent’ (the advisory system);
- The ‘sheer habituation’ or apathy of the population, i.e. the people’s acquiescence of the status quo; and
- Economic prosperity as an important support for legitimacy.

Against this backdrop, the problems created by widespread corruption to the government’s legitimacy were two-fold. Corruption had become dysfunctional to both economic development and the modernization of government administrative capacity, which were crucial to improving its performance on the legitimacy front. By grasping an anti-corruption agenda, the reformist colonial administration under MacLehose was able to demonstrate its epistemocratic authority and consensus-interpretation capacity (Scott, 1989, 323-24) by way of a major strategic response to a crisis considered no longer tolerable by all quarters of society. Doing something about what everybody wanted to be eradicated, and doing it right the first time, was a sure way of winning support and legitimacy. As the ICAC scheme subsequently showed, the innovative way of combating corruption through a high-powered agency was able to underscore both the *moral* determination as well as the *organizational* effectiveness of the new administration to finally do something about corruption. The worth of government was thus proven.

Since its inception in 1974, ICAC has adopted a comprehensive and all-embracing strategy (the three-pronged approach emphasizing enforcement, prevention and community education). Unlike anti-corruption reforms elsewhere, the building blocks of such a strategy were based on the realization that corruption involved complex interactions between state

and society; that cultural values played a major role in defining the operational and practical meanings of corruption; and that legal reforms, if they were to be effective, had to be closely linked to those values (Lo, 2001, 25). ICAC was indeed given wide-ranging powers to investigate government and business dealings, some of which would be politically impossible in other countries and even deemed draconian by current-day Hong Kong standards. In addition to the ICAC, the colonial administration had also embarked on extensive measures of civil service modernization and public sector reform in the final decades of colonial rule (Cheung, 1999; 2006).

By now the ICAC is one of the largest anti-corruption agencies in the world and a role model emulated by other countries (notably Australia and South Korea). According to its 2006 commissioned survey (ICAC, 2007), 65.4% considered corruption uncommon, and 82.2% expected less corruption or a steady corruption situation in the coming year. On a 0-10 point scale (0 representing total rejection and 10 total tolerance), the mean scores for public tolerance of corruption in the civil service and the business sector were extremely low, at 1.1 and 1.8 respectively. The ICAC has also become one of the post-1997 icons of Hong Kong, to mark the city's difference from mainland China under the 'one country two systems' framework; hence official publicity has emphasized that "*Hong Kong has the ICAC!*" Looking back, it is clear that Hong Kong's anti-corruption efforts have worked not only because of ICAC's three-pronged strategy, but also due to the presence of a strong political will on the part of government, as sustained by an equally strong public consensus, to make Hong Kong a clean society.

CORRUPTION IN CHINA: FEATURE AND CAUSES

In China, corruption is usually described as the using of public authority (and public resources) for private interests (and purposes) ('*yiquan musu*'). According to Articles 382 to 396 of the Criminal Law of the People's Republic of China (PRC), corruption crimes occur when any state functionary, by taking advantage of his office, appropriates, steals, swindles public money or property or by other means illegally takes it into his own possession; extorts money or property from another person, or illegally accepts another person's money or property in return for securing benefits for the person; for the purpose of securing illegitimate benefits, gives money or property to a state functionary, or introduces a bribe to a state functionary; misappropriates public funds for his own use or for conducting illegal activities or for profit-making activities; divides up state-owned assets in secret, and so on.

Both Heidenheimer (1989) and White (1996) suggested a three-class categorization of corruption in China. In a gist, *public office-centred corruption* includes graft, bribe, fraud, embezzlement, extortion, smuggling, tax evasion etc., which may be regarded as economic crimes. *Market-centred corruption* includes 'unhealthy practices' like extravagance and waste, and spending public money to support luxurious work conditions and/or life style of senior officials; as well as 'institutional corruption' whereby officials of public institutions use their institutional power to increase the revenue of their institutions and improve the welfare of their staff through various legal, semi-legal and illegal means, including engaging in business activities and imposing fines or collecting all sorts of administrative

fees and so-called service charges (which Chinese critics called ‘*guan tao*’ during the late 1980s to early 1990s). *Public-interest-centred* corruption refers to those practices constituting a kind of ‘common practice’ of social life, including all forms of nepotism and favouritism, often alluded to as the relationship networks (or ‘*quanzi*’).

Despite rapid economic development and growing affluence, mainland China has scored poorly in Transparency International’s corruption perception index (**Table 1**). Corruption problems are perceived to be particularly acute in the real estate and banking sectors (Political & Economic Risk Consultancy Ltd., 2007, 7). What makes matters worse is that “the local judicial system has a poor record of prosecuting corruption and judges and police are frequently seen as being more a part of the problem than the solution” (*ibid*). According to the Supreme People’s Procuratorate (Ye, 2006)³, corruption crimes nowadays display the following characteristics:

- Corruption crime cases have become more numerous, of which the proportion of the major and important cases is high. In 2005 alone, some 41,500 state functionaries were investigated for involvement in bribery, embezzlement and malfeasance crime cases, of which some 8,500 involved accepting bribes of RMB100,000 and above, or misappropriations of public funds of RMB1 million and above. Among the culprits, about 2,800 were at county/division head level and above, of whom 196 were at departmental head level in provincial and central governments and eight were at provincial leadership or ministerial level.
- Corruption crimes spread along with the development and transformation of the economy. In the early 1980s, officials took advantage of the loopholes resulting from price differentials existing in the ‘double track system’ as the planned economy transitioned towards a market economy system. In the mid- to late-1980s, corruption crimes and embezzlement cases arose in the communication and transportation fields which were the ‘bottlenecks’ of economic reform. From the 1990s onwards, corruption crimes spread to the financial system, particularly in the approval of bank loans. As more construction projects of highways were launched, bribery and embezzlement crimes involving transport bureaus became common.
- Corruption crimes frequently involve collusion among several or even tens or hundreds of suspected officials in a cluster of related cases. In certain local governments, it was estimated that collusion cases took up over 30% of the total caseload.
- There seems a trend of ‘corruption succession’ among different holders of the same position, so that even after the predecessor was punished for corruption crime, the successor fell into the same path of corruption, in what is described in Chinese as the phenomenon of “goes the former, follows the latter” (*qianpu houji*).

³ Ye Fe was the Director General of the International Judicial Cooperation Department, Supreme People’s Procuratorate, PRC.

- Corruption crimes often involve the whole family, where two or more members of a family collectively engage in bribery and corruption, such as collusion between husband and wife, parents and children, and in-laws.
- Trading in official positions is becoming rampant. Owing to the lack of transparency in the cadre personnel system, some officials either take advantage of their authority over the transfer, appointment and removal of cadres to amass a fortune, or become the target of bribery by those pursuing official positions illegally in order to seek access to power and privileges.

China's fight against corruption has taken several twists and turns over the past half-century. Each period represents a different interpretation of the problems of corruption, resulting in the state's particular strategic response to them.

Maoist period: Combating corruption as bureaucratic failure

In the early years of the PRC following the rise to power of the Chinese Communist Party (CCP), corruption was seen as a result of either the moral/ideological breakdown of cadres or their behaviours of bureaucratism. In spite of the relatively puritan features of early PRC rule, where cadres as revolutionary vanguards and champions of the mass line ("from the masses, to the masses"), were expected to live a simple life and not to become parasites of the masses, abuse of power and economic crimes were recognized quite early on as the new social ills of the young revolutionary regime; hence the *san-fan* ('three anti') and *wu-fan* ('five anti') campaigns in the early to mid 1950s against economic crimes and waste as the country went through the initial stage of economic reconstruction and socialist transformation. Until the end of the Cultural Revolution in the mid-1970s, such social ills were regarded as the problems of bureaucratic failure, not the nature of the socialist economy and society which was deemed superior to capitalism, nor the nature of the communist political order of one-party dictatorship which was portrayed as even more democratic and accountable to the masses than Western-style liberal democracy.

Bureaucratic failure and bureaucratism were blamed on the lack of revolutionary fervour and of a proper state of thought (the correct ideological and political lines) on the part of the cadres. Problems were perceived within the context of ethical norms and ideological correctness rather than in terms of legal and structural inadequacies. Maoist prescriptions to bureaucratic problems took the forms of re-education, rectification and purges, aiming at reinstating a correct socialist moral and ideological frame (like the mass line, and the campaign to learn from Lei Feng⁴) that could contain and minimize the abuse of cadre power and deviant behaviours. In a totalist one-party state which centralized all powers and functions – political, economic, social and cultural, it was understandable that any defects in its cadre bureaucracy were bound to cause great ramifications across various spheres. In the same vein, all political, economic and social problems were easily reduced to being problems of bureaucratic failure. Harding (1981) identified three broad approaches used by the CCP to deal with the problem of bureaucracy including corruption:

⁴ Lei Feng, a young soldier, was claimed to have died heroically in order to save the lives of his comrades.

- *Rationalization*: seeking to perfect the bureaucracy (on the assumption that problems arise if the system departs from the bureaucratic ideal);
- *External remedialism*: subjecting the bureaucracy to effective outside (external) supervision and control, including the masses; and
- *Internal remedialism*: introducing non-bureaucratic elements into the bureaucracy to alleviate problems arising from bureaucratic organization.

In the 1950s, a system of formal networks of cadre control was instituted similar to that in the Soviet Union - with a state Procuratorate; a Ministry of Supervision and its network of local supervisory offices to investigate cases of administrative malfeasance; and the party's Central Control Commission and local control commissions to control party members. Redefined procedures, standards and rules were promulgated for the management of cadres. There was initially reduced reliance on mass campaigns as a method for implementing policy as higher priority was given to *regularized* bureaucratic practice rather than mass mobilization. However, when more institutional means of perfecting and disciplining the bureaucracy failed to achieve results, more radical and non-institutional means were resorted to, such as open-door rectification in the late 1950s and early 1960s, and the radical revolutionary style of mass campaigns and purges witnessed during the Cultural Revolution (1966-76) (the period of *Radicalism* in Harding's words).

Reform period: Corruption as bureaucratic-cum-economic rent-seeking

The Cultural Revolution had much weakened the CCP both ideologically and politically, resulting in what were characterized by intellectuals as the 'three confidence crises' (*sanxin weiji*) – lack of trust in the party, lack of confidence in the future, and lack of faith in the Communist ideology. There was widespread distrust of open door rectifications and campaigns and the radical approach was discarded when the old guards led by Deng Xiaoping and Chen Yun returned to power in the late 1970s. External remedial measures were restored to enforce a better regulated cadre system, notably through the introduction of new laws and regulations, re-establishment of the Ministry of Supervision in the government system, a re-styled and strengthened Central Commission on Disciplinary Inspection (CCDI) in the party system, and various personnel management reform measures.

During the socialist era of state planning and control, the state bureaucracy centralized all economic resources and surpluses of society and the decisions on their distribution and use under what was sometimes described as 'an economy based on positions' (*zhiquan jingji*), giving rise to bureaucratic rent-seeking behaviours rooted in interdependency relationships among cadres. The advent of economic reform and opening-up after the Cultural Revolution, culminating in the introduction of a full-fledged market economy in the 1990s, should have in theory ended the previous 'positions economy'. However, the new but under-institutionalized market nurtured by a state which still exercised immense administrative power had led to the rise and rapid spread of various bureaucratic-cum-economic rent-seeking activities. Instead of terminating the old vicious cycle, new

opportunities were opened up to corruption which was brought to record highs. By 1995, some Chinese observers maintained that there were “no officials who were not corrupt” (White, 1996, 151). Corruption had so permeated various sectors of society that the phenomenon was described as ‘whole people corruption’, satirically paraphrasing the official term of ‘whole people’ ownership [meaning state ownership] of the economy in the Maoist past (*ibid*). According to He Zengke (2000), there were some common explanations of such rise of corruption in Reform China:

1. The co-existence of dual economic systems (i.e. a state-planned sector and a market-commodity sector) during the whole transition period provided plenty of incentives and opportunities for corrupt practices.
2. The breakdown of the prior distribution of national income among different social strata (i.e. the relative reduction of officials’ income) drove government officials and public institutions to seek extra income to supplement their own or their staff’s relatively low and fixed official salaries.
3. The loopholes in, and weakness of, regulatory policies and institutions, certain policy failures, and a lack of experience and technology in the anti-corruption agencies tackling the new forms of corruption, all contributed to the growth of corruption.
4. The incompleteness of political reform and the weakness of the current political system undermined anti-corruption efforts which, in turn, promoted the further proliferation of corruption.
5. The decline in the moral costs of corruption had stimulated its further spread.
6. Certain traditional factors (such as the feudal and absolutist traditions) and international factors (such as the impact of globalization) also contributed to the growth of corruption.

THE FIGHT AGAINST CORRUPTION IN CHINA

Over the past three decades of reforms, combating corruption was without exception put at the forefront of the CCP’s political agenda each time a new leadership came to power. According to Hu Angang and Hu Lianhe (2005, 537), two major anti-corruption campaigns were launched in late 1978 (when Deng Xiaoping replaced Mao’s designated successor Hua Guofeng as the new strongman of the party) and 1989 (following the Tiananmen crackdown on the pro-democracy movement) respectively. On both occasions, the CCP was deemed at the verge of organizational breakdown and embroiled in a serious legitimacy crisis.

Rehabilitation of party and state control mechanisms after Cultural Revolution

At the Third Plenum of the 11th CCP Central Committee held in December 1978, the CCDI was established to enforce strict discipline in a party which had been torn apart by a decade of rebellion, purges, unruliness and anarchism during the Cultural Revolution. The people’s procuratorate and people’s courts systems were also revived. The National People’s Congress returned to normal functioning after a new state constitution was promulgated in December 1982. This represented a strategy of returning to the rational-bureaucratic

approach of the 1950s. In 1982, as economic reform unfolded, Deng warned his fellow comrades at the Central Committee Politburo meeting:

“Since our implementation of the twin policies of opening up externally and reinvigorating our economy internally, it has taken no more than one to two years’ time to see quite many of our cadres becoming corrupted. Those involved in economic criminal activities are by no means small in number; they constitute a large number. ... This wave is coming hard on us. If our party does not take it seriously, to stop it resolutely, our party and country would truly encounter the question of whether they would ‘change face’. This is not an exaggerating warning” (Deng, 1994, 402-03).

Between 1979 and 1989, 23 pieces of rules and decisions on combating corruption were made (Hu and Hu, 2005, 537).

In the aftermath of the 1989 Tiananmen crisis, despite political setback, Deng insisted on continuing economic reform but urged the new leadership headed by Jiang Zemin to take strong actions to control and penalize corrupt activities, particularly at the senior levels, in order to restore people’s confidence in the party. After all, corruption by public institutions and officials (*quan tao*) was a key cause of student resentment that led to the protests and hunger strike at Tiananmen Square in the spring of 1989. Soon after becoming party General Secretary, Jiang told a national conference of chiefs of organization department in August 1989,

“The spread of corruption has seriously damaged the relations between the party and the masses, and become the excuse for our enemies inside and outside the country to subvert us. The struggle against corruption is crucial to the life and death of the party”. (*Selected Important Documents since the Thirteenth Party Congress*, 1991, 580)

From 1989 to 2001, another 32 pieces of anti-corruption rules and decisions were made (Hu and Hu, 2005, 537). Despite these exhortations, corruption as a political disease and social illness continued to escalate in scale and degree, causing rising public concern. For example, a 1996 survey found that Chinese workers ranked corruption as the social problem that concerned them the most, above problems like wage reform, inflation, and law and order⁵. Surveys by the Chinese Academy of Social Sciences in 2001 found that the urban and rural respondents named corruption the top and second top factors affecting social stability respectively (cited in Hu and Hu, 2005, 542, Table 2)⁶. Middle to senior party and state cadres (district/department level and above) polled also pointed to corruption as the most serious problem (Hu and Hu, 2005, 544, Table 4).

⁵ Survey conducted by the Institute of Opinion Research of the People’s University of China, June 1996 (cited in Hsu, 2001).

⁶ In the rural survey, financial burden on peasants was named the top one factor affecting social stability. This referred to all kinds of fees and charges levied by local officials on the peasants, again a symptom of bureaucratic corruption and abuse of power.

Under the current Hu-Wen leadership

Three decades of economic reform have enabled China to experience a boom not seen before in the contemporary period. There is much talk of the new rise of China in the 21st century. However, as the new leadership of President and party General Secretary Hu Jintao and Premier Wen Jiaao took over power at the 16th Party Congress in 2002, it had obviously felt the mounting pressure to upscale efforts to control corruption. The growing discontent by the general public (especially from a better educated and informed younger generation) towards worsening corruption and abuse of power by officials, amidst widening gaps in income and welfare in society, would make people lose faith not only in the party, but also in the present economic marketization and reform policies which are perceived to have allowed corruption to proliferate. It is also threatening social stability and cohesion, contrary to the kind of ‘harmonious society’ that the Hu-Wen leadership seeks to build to mark the new approach of people-based governance⁷.

Enforcement actions have been intensified. At the 3rd session of the 10th National People’s Congress (NPC) in March 2006, the Procurator-General of the Supreme People’s Procuratorate, Jia Chunwang reported that 2,960 officials at or above county level were investigated for corruption charges – among whom eleven officials were at provincial or ministerial level (*People’s Daily Online*, 9 March 2005). Prominent senior officials convicted included former Minister for Land and Resources Tian Fengshan, former Guizhou provincial party secretary Liu Fangren, and former Hubei provincial party deputy secretary and governor Zhang Guoguang, who were given sentences ranging from eleven to twelve years to life imprisonment (*ibid*). According to the Chief Justice Xiao Yang, president of the Supreme People’s Court, in a separate report to NPC, the court system penalized 772 corrupt officials and dealt with 24,148 cases involving graft, bribe-taking and other corrupt activities in 2004 (*ibid*). In 2004, the party’s CCDI handled a caseload of 166,705 crimes and punished 170,850 party members found to have misbehaved, including 16 provincial/ministerial officials and 432 at or above prefecture level, according to a meeting on clean government held in February 2005 (*ibid*). What was disturbing was that a total of 345 procurators, 411 judges and 681 revenue collectors were also punished for graft charges in 2004 (*ibid*). Corruption figures had not subsided in 2005. Jia Chunwang told the 4th session of the 10th National People’s Congress held in March 2006, that of a total of 41,447 government officials probed for corruption and dereliction of duty, 30,205 were brought to court (The Central Government of the People’s Republic of China website, 11 March 2006). At total of 2,799 officials above the county level - including 196 at prefecture and eight at provincial and ministerial levels - were investigated. In addition, 9,117 executives of state-owned companies were probed for misappropriating or embezzling company assets (*ibid*).

⁷ The goal of “building a socialist harmonious society” was first put forward at the Fourth Plenum of the 16th Central Committee in September 2004. Accordingly, a harmonious society “should feature democracy, the rule of law, equity, justice, sincerity, amity and vitality. Such a society will give full scope to people’s talent and creativity, enable all the people to share the social wealth brought by reform and development, and forge an ever closer relationship between the people and government” (*Xinhua News Agency*, 27 June 2005).

Under the new leadership, various policy statements, rules and legislations were introduced aimed at curbing corruption and malpractices. At the Fourth Plenum of the 16th CCP Central Committee held in September 2004, a core document titled *Implementation Outline for Building and Improving the System to Punish and Prevent Corruption* (hereinafter ‘*Implementation Outline*’) was considered, and subsequently promulgated in January 2005 (Xinhua Net, 16 January 2005), which advocated a three-pronged approach with equal emphasis on education (as fundamental), institution-building (as guarantee) and supervision and monitoring (as the key) to combat and prevent corruption. A holistic approach to deal with the roots and sources of corruption in addition to the symptoms and crimes was promised. The document also highlighted the needs of strict enforcement against any breaches of the law, especially in the major cases. Primary targets were the abuse of power and misappropriations in central organs and among senior cadres. It was aimed that the basic framework of an anti-corruption system covering both punishment and prevention be put in place by 2010. The goal is to ultimately establish an effective long-term ideological and ethical mechanism, an institutionalized anti-corruption system, and a monitoring system of the exercise of power.

Since 2005, some 26 new rules, administrative measures and decisions directly or indirectly related to corruption control were made, notably: the *Party Regulations on Intra-Party Monitoring and Supervision* (25 August 2005); *Provisions on the Responsibility System of Building a Fine Party Style of Work and a Clean and Honest Government* (16 January 2005); *Provisional Guiding Principles for Honest and Clean Government by Party Members as Leading Cadres* (16 January 2005); and *Provisional Rules Requiring Party Members as Leading Cadres to Report on Work and Anti-Corruption Performance* (26 February 2006). Various rules, notices and opinions have also been issued to curb the involvement of government and party officials in commercial activities. In October 2005, the Standing Committee of the NPC approved China’s access to the United Nations Convention Against Corruption. In September 2006, the Chinese government promulgated the *Declaration of Honest Government in China’s Public Security*, requiring all police officers to take an oath of conduct, undertaking, inter alia, to lead an honest life while serving the public.

Besides anti-corruption measures and enforcement, Hu Jintao also launched a spiritual rejuvenation campaign known as the ‘Eight Honours and Eight Disgraces’ (*barong bachi*) Campaign in March 2006⁸. A ‘Clean Government Channel’ specializing in anti-corruption news and information is set up at Xinhua News Net. In March 2007, the establishment of a new National Corruption Prevention Bureau (NCPB) was approved, with ministerial status

⁸ The eight ‘honours’ and eight ‘disgraces’ are presented as follows: “Love the mother country is honourable, harming the mother country is disgraceful; serving the people is honourable, neglecting the people is disgraceful; upholding science is honourable, blindness and ignorance are disgraceful; hard work is honourable, idleness is disgraceful; unity and cooperation are honourable, using others for profit is disgraceful; honesty and keeping one’s word are honourable, seeing personal gain and forgetting justice is disgraceful; respecting laws and regulations is honourable, disobeying laws and regulations is disgraceful; suffering for the struggle is honourable, conceit and lasciviousness are disgraceful” (as translated by The University of Hong Kong China Media Project, 2007).

directly under the State Council and given a wider range of anti-corruption responsibilities including cadre education, institution building and international cooperation (*Wen Wei Po*, 21 March 2007). The new Bureau, to be headed concurrently by the Minister of Supervision, will deal with corruption problems at their roots and work hand in hand with CCDI, the Ministry of Supervision and the Supreme People's Procuratorate.

ANALYZING CHINA'S CORRUPTION CONTROL STRATEGY: CONSTRAINTS AND CHANGES

Despite the enhanced importance attached to fighting corruption by the top leadership, and several decades of anti-corruption drives from the Maoist era of ideological campaigns to the current period of using law enforcement and disciplinary inspection, corruption continues to flourish. China's corruption control efforts are often frustrated by its enforcement constraints and caught in a dilemma in conceptualizing the politics of corruption. Nevertheless, there are signs of changes in the most recent years.

Enforcement problems: From campaign enforcement to institutionalization

As Wedeman described vividly,

“the repeated ebb and flow of China's war against corruption have ... left many with the strong impression that anticorruption campaigns are a form of Beijing Opera in which the actors rush about the stage amid great sound and fury in a drama that ultimately signifies nothing because, after the din dies down and the actors leave the stage, corruption abides” (Wedeman, 2005, 94).

China's strategy of 'enforcement swamping', relying on intensive periodic campaigns targeted at cracking down some big fish was credited by some as being successful in the sense that it helped to push corruption rates back below the 'tipping point' beyond which further increases would have overwhelmed the regime's enforcement resources and led to a 'crisis of corruption' (Manion, 1999). It was suggested that such a strategy was necessitated by the lack of enforcement resources and capacity (including policy capacity) to wipe out corruption. Campaign enforcement involves the consequential steps of increasing the intensity of internal monitoring, then increasing prosecutorial efficiency, then changing the incentive structure by offering 'clemency' to those who surrender, and finally mobilizing extra-judicial monitoring mechanisms, including the masses. Whether used in a randomized or reactionary manner, the primary function of campaign-style enforcement is more to *control* corruption than to *eradicate* it, irrespective of the rhetoric accompanying such campaigns (Wedeman, 2005, 98). It worked through a process of changing the calculus of cadres and their incentive structures by temporarily increasing their risk of being caught and the severity of punishment, and by creating uncertainty about the future risk of detection (*ibid*).

The short term goal is to reduce the rate of corruption by capturing corrupt officials, so that in the long term, there is deterrence effect because lowering the rate of corruption will

enhance the efficacy of routine policing by improving the balance between enforcement capabilities and the rate of corruption. However, given this kind of ‘kitten-and-mice’ strategy, it would also mean that corruption is not meant to be eradicated entirely because there does not exist a policy of ‘zero tolerance’. Campaign enforcement may also lay the seeds for more high-level corruption - so long as routine detection rates remain relatively low and only soar up during periods of hyper-enforcement (i.e. during campaign periods), campaigns are likely to deter low-level corruption but not high-stakes high-level corruption. Cadres engaged in high-stakes corruption will have stronger incentives to sit tight than those engaged in petty corruption. By deterring low-level and petty corruption without deterring high-stakes high-level corruption – and perhaps even contributing to high-stakes corruption by encouraging corrupt cadres to demand bigger bribes – campaign enforcement might have by default actually caused the subsequent intensification of corruption (Wedeman, 2005, 114-115). Tentative comparative data analysis also suggests that there has been a significant decrease in the odds that corrupt officials will get caught over the past decade, thus widening the gap between actual rate of corruption and reported rate of corruption (Wedeman, 2007).

Although its rhetoric still resembles that of mass movements, Sapio (2005) contends that the anti-corruption strategy nowadays consists of a far more complex set of measures marking a clear departure from the past style of enforcement, as exemplified by the multiple legal and administrative measures introduced in recent years. Instead of ad hoc campaigns, there is now growing institutionalization of a three-pronged policy where preventive measures are taken alongside repressive and propagandistic ones, underpinned by improved legal foundations and better-trained legal personnel (Sapio 2005, 4). However, selective implementation is still discernible in three aspects: *selective sanction*, i.e. letting the party deal with corruption crimes using ‘organizational measures’ (*zuzhi chuli*) rather than disciplinary or criminal sanctions; *selective prosecution*, i.e. graft and passive bribery being more likely prosecuted than active bribery and misappropriations of public funds; and *selective sentencing*, i.e. the inconsistency of sentencing by the courts (*ibid*, 40-41). Such selectivity could be explained by local protectionism and the broad and unchecked regulatory powers enjoyed by local anti-corruption organs, resulting in eschewing the implementation of anti-corruption laws enacted by the centre, and tolerating illegal practices seen as promoting short-term local economic interests:

“Acts of misappropriation are aimed at different purposes. Notwithstanding the absolutely negative impact sorted by corruption on long term economic growth, misappropriation can often result in a boost of local growth, albeit one standing on shaking foundations....

Active bribery can sort the same effect. Starting from the nineties bribery has been employed to get access to resources needed to fulfill the plans for local economic growth....” (Sapio, 2005, 37-38).

In other words, the developmental priorities of local party bosses and their concern for local economic and revenue growth, in light of the new emphasis on local achievements as judged by hard data, are at least partly responsible for the institutionalization of economic rent-seeking in the form of corrupt practices. Another problem is the existence of

corruption even within anti-corruption agencies, including the procuratorate and the courts. For example, a total of 144 provincial-level anti-corruption officials were dismissed and expelled from the party in 2004 (Guang, 2005). In June 2004, Han Jianlin, Director of the Anti-Corruption Bureau of the Jiangsu Provincial Procuratorate, was dismissed because of corruption charges (Sina net, 19 June, 2004). As Manion (2004, 201) observed, “in a setting of widespread corruption, corrupt enforcers and a shortage of enforcement resources, relative to the scope of the problem, pose significant obstacles”.

Conceptualizing corruption: From a crisis of the system to the production of legitimacy

The rampant situation of corruption within the context of rapid economic reform and social transformation has triggered two opposing calls for rectification: the traditionalist or *socialist-conservative* tendency blames the market as the source of all evils and urges more government control and regulation; whereas the *liberal-reformist* tendency blames the government (and hence the power of officials) as the source of evil and advocates full-fledged marketization and the withdrawal of state interference. To the latter, alluding to Huntington’s theory of modernization (Huntington, 1967; 1970), corruption is sometimes functionally unavoidable given the existing structural constraints of a government controlled and interfered market. The claims and counterclaims are illustrated in **Table 2**.

Table 2. Corruption in China – Conservative vs. liberal claims

	Conservative	Liberal
Causes of corruption	<ul style="list-style-type: none"> • Structural causes as indirect or external, motivational factors as direct and fundamental • Corruption as caused by market reforms. While market economy can raise efficiency, it also leads to money fetishism by sanctioning monetary value and self-interest as highest goals. Corruption results when individuals commercialize all human transactions. 	<ul style="list-style-type: none"> • Structural causes as fundamental • Corruption only a byproduct of market reforms; it is an incomplete and obstructed market, rather than the market <i>per se</i>, that is the real culprit. • Roots of corruption lie in the intervention and destruction of economic activities by administrative power – rent-seeking by bureaucrats
Harms of corruption	<ul style="list-style-type: none"> • Corruption shakes public confidence in the government and party, damages their legitimacy and provides pretext for ‘bourgeois liberals’ to incite anti-government sentiments 	<ul style="list-style-type: none"> • Corruption casts doubts on the future of reform and prevents market from functioning properly • Economic development is top priority and some irregular activities are to be tolerated as necessary trade-off
Remedies of corruption	<ul style="list-style-type: none"> • Eradicating corruption requires reconsidering and halting market reforms • State and ideological control needs to be strengthened, not weakened 	<ul style="list-style-type: none"> • Retreat of government from the economy • More genuine market reforms necessary

Source: Sun (2001).

As Sun (2001) remarked, the two forces appear more or less equally matched, at both the political and intellectual levels. Such contestation in the corruption discourse is expected to persist as the economic, social and political transition of China deepens. Whether one takes the conservative or liberal view, corruption would still seem to stay as a permanent feature because on the one hand, as there is no prospect of the existing one-party state system coming to an end soon, state power would continue to be politically unchecked, thus restraining market autonomy and encouraging bureaucratic rent-seeking (the structural cause of corruption in the eyes of the liberals); while on the other hand, with the party-state being unlikely to put a brake on market reforms, the opportunities for corruption caused by the re-interfacing of bureaucracy and market would remain abundant. The deepening of reform may ironically contribute to further intensification of corruption by progressively reducing the structural opportunities for low-level corruption while creating new opportunities for the high-level high-stakes corruption (Gong, 1997; He, 2000).

While it may be true that corruption will persist as a major social and political problem to China in the foreseeable future, the party leadership’s latest response to it has seen a strategic shift, in turning it around to become a political narrative that helps shore up the legitimacy of the state. As Hsu (2001) explained, in the 1980s, political critics, dissidents and disgruntled intellectuals all drew upon the traditionalist collective narrative of corruption to blame the leadership and the political system for various social problems, and in so doing threatened the political authority of the party-state (as happened in the

Tiananmen protests of 1989). Since the 1990s, however, party leaders and the official media had revised the story of corruption so that it was no longer a sign of government failure, but that of the party-state fighting corruption on behalf of its people in order to bring them economic opportunities, better living standards and social stability. Corruption, as public enemy number one, is now blamed by the state for harming economic development by “debilitating the party-state’s ability to implement its policies of economic construction, economic reform, and ‘opening up’ to the outside world” (Hsu 2001, 44).

In re-articulating the narrative of corruption, the state turns around the traditional narrative as promoted by dissidents that interpreted corruption as a sign of an incompetent and immoral regime; instead, the economic management narrative translated anti-corruption into the symbol of the state’s efforts to improve economic development. As Hsu saw it, the new narrative succeeded not only in co-opting the issue of corruption, but also in becoming a commonly borrowed collective narrative that was used even by the critics (Hsu 2001, 46). It may also be added that within the factional power politics of the CCP, corruption sometimes provides a convenient premise for removing political rivals or insubordinate senior cadres by exposing their corruption crimes even though the motive for action against them is essentially a political one. The removal of former Beijing municipal party chief Chen Xitong by ex-party General Secretary Jiang Zemin in 1995 (Wedeman, 1996), and the latest removal of former Shanghai municipal party chief Chen Liangyu by current party General Secretary Hu Jintao, both on corruption charges, are widely seen as political moves to foil a major challenge by a powerful local party boss to the consolidation of the new party leadership’s authority at the centre.

CAN CHINA LEARN FROM HONG KONG?

In terms of both enforcement and the political strategy to achieve legitimacy, the Chinese leadership can learn from Hong Kong’s past anti-corruption initiative. Mainland China today is similar to colonial Hong Kong in the 1970s: corruption becoming rampant and somewhat institutionalized; the government suffering from a serious legitimacy crisis; and there being no opportunity to have more fundamental constitutional reform in order to re-legitimize government politically, but every possibility for the leadership to seize upon the window of opportunity induced by the crisis of corruption to launch a ‘silent revolution’ to regain some degree of political trust and legitimacy. Using Kingdon (1984)’s model, both the ‘problem’ and the ‘politics’ are present, even the ‘policy’ may be around if the Hong Kong anti-corruption approach could be adopted to bring about effectiveness (which seems plausible given that the new National Corruption Prevention Bureau is clearly modeled on Hong Kong’s ICAC).

Quah identifies three distinct patterns of corruption control (Quah, 2003, 16-17): *Pattern 1* occurs when there are anti-corruption laws but no specific agency to implement these laws. *Pattern 2* involves the combination of anti-corruption laws and several anti-corruption agencies. *Pattern 3* involves the impartial implementation of comprehensive anti-corruption laws by a specific anti-corruption agency. Singapore and Hong Kong, both world-

acclaimed to be highly successful in keeping a clean government and clean society through vigorous corruption control efforts, belong to pattern 3. Mainland China is an example of pattern 2. The question is: *Can China learn from Hong Kong and move from pattern 2 to pattern 3?* Based on his comparative study of four Asian societies (Singapore, Hong Kong, Thailand and South Korea), Quah (in this issue) further sets out six pre-conditions for the effectiveness of an anti-corruption agency (ACA):

1. The ACA must be incorruptible;
2. The ACA must be independent from the police and from political control;
3. There must be comprehensive anti-corruption legislation;
4. The ACA must have adequate staff and funding;
5. The ACA must enforce the anti-corruption laws impartially; and
6. Political will is crucial for minimizing corruption.

The related question is: *Can China's ACAs satisfy these pre-conditions, or are these pre-conditions critical to anti-corruption effectiveness in China?*

Enforcement model – Multi-agency structure to remain

There is no doubt that during recent years, there have been increasing voices among policy advisers and researchers urging the Chinese government to move in a single-agency direction. For example, Hu Angang, director of Tsinghua University's China Studies Research Centre, has been advocating the enactment of an Anti-Corruption Law⁹ and the establishment of a Central Anti-Corruption Authority (by amalgamating the Major Cases Unit of the CCDI and the Anti-Corruption Bureau of the Supreme People's Procuratorate), as part of the new third-generation anticorruption strategy of the Hu-Wen leadership (as contrasted with the Deng and Jiang strategies). Recent anti-corruption emphasis has also certainly pointed to the move towards a three-pronged approach similar to the Hong Kong ICAC model in fighting corruption on the three fronts of enforcement, prevention and education. The latest *Implementation Outline* adopted in January 2005 underscores such an approach. Addressing an international corruption studies course organized by the University of Hong Kong in November 2006, a Vice-Director of the Ministry of Supervision, Guo Hongliang, made it quite clear that Hong Kong was a role model for the mainland in its anticorruption offensive: "Hong Kong is such a good example in its fight against bribery" (*South China Morning Post*, 7 November 2006). Modeling on ICAC's three-pronged strategy, however, is not necessarily the same as adopting its single-ACA approach. On the contrary, as the latest launch of the National Corruption Prevention Bureau indicates, China is to stay put with a three-agency approach – meaning CCDI (as the party anti-corruption organ), Ministry of Supervision (that acts concurrently through the NCPB), and the Supreme People's Procuratorate (and its Anti-Corruption Bureau). All of these agencies have investigative powers and sometimes operate jointly as special 'work teams' on big cases.

⁹ In the mid-1990s, there was a great debate about enacting an anti-corruption law. Disagreements in the NPC on a draft anti-corruption bill forced it to be withdrawn from voting. One key area of contention was the bill's scope. Eventually the Law on Administrative Supervision was passed in May 1997 instead (Sun, 2001, 251).

Hong Kong (and also Singapore) is the pioneer of the single-agency approach to fight corruption. Compared with the multiple-agency approach used in other countries, this is more ambitious in that while creating a super-powerful 'lead' organization, it may also pose a higher power risk by possibly upsetting the balance and separation of governmental powers. The organizational politics of the Chinese system have to be taken into consideration in any process of transplanting the Hong Kong experience. In both Hong Kong and Singapore, the single-agency option was chosen because there was a crisis of legitimacy that threatened investor confidence and political stability (Meagher, 2005). Normally anti-corruption agencies need to be strategic in defining their focus because an unlimited mandate might well jeopardize its effectiveness. Hong Kong's ICAC is arguably the exception in that it is given a very broad anti-corruption jurisdiction over both the public and private sectors, in effect covering the whole of society, coupled with a 'zero-tolerance' mission. This kind of comprehensive model that seeks to eradicate rather than merely controlling corruption would be a far cry from the current situation in mainland China where selective enforcement and a multi-agency (involving party and state organs, with decentralizing of investigation and prosecution powers to local agencies) approach would still prevail, not to mention the fact that local economic protectionism often condones or even encourages bribery, misappropriations and others corrupt practices.

A related question is whether in the current political system of China, it is possible to establish a single ACA that stands even above party organs, and is accountable, independent, mandated with high power (both legislatively and administratively), and given reassurance of staff and budget resources. In practice, ACAs work not just on their own, but have to rely on the availability of adequate laws and procedures, and a proper system of the rule of law – accompanied by functional courts, free and active media, an energetic community of NGOs and public interest groups, and other capable agencies of restraint such as the supreme audit and central bank (Meagher, 2005, 98). As China stands presently, it is desperately in need of such institutional mechanisms to create and sustain a habitat conducive to strong actions against corruption. In other words, anti-corruption is a key to more extensive reforms to the system of governance, but administrative and governance reforms in other aspects also need to be launched at the same time in order to give well-designed anti-corruption measures a conducive environment to bear fruit and become effective. As previous discussion shows, corruption within ACAs is a serious problem in China. In addition, ACAs in China cannot be free of political control within the party-state configuration. Since 1993, the Ministry of Supervision has in effect been operating alongside the CCDI under the so-called 'one working team, two organizational labels' model, a phenomenon also common in other function areas. A more optimistic view might be that given the overriding power of CCDI, which in effect leads other ACAs, a *quasi-single-agency model* is already in place by default.

However, the effectiveness of the party's own anti-corruption apparatus can be circumscribed. The 'dual leadership' system which local Disciplinary Inspection Committees work under – they are led vertically by CCDI *and* horizontally by the corresponding local party committee – can often frustrate anti-corruption investigations. Political interference, especially at the local levels, remains a major obstacle to anti-

corruption work. As Gong (2006) points out, the local party boss who has great control over resources and personnel as a result of power decentralization from the centre to various local levels, can easily become free from effective institutional oversight and disciplinary surveillance (dubbed the ‘number one person phenomenon’, *diyibashou xianxiang*). Party and state regulations relating to corruption remain quite scattered and a comprehensive anti-corruption law has yet to be enacted. Hence the overall ACA structure does not meet all of the pre-conditions found to be essential by Quah for effectiveness. Having said that, the fact that China remains a country tightly run by a party-state means that if the party leadership decides to take strong action against corrupt activities, its organizational capability is still a force to be reckoned with.

The politics of corruption

It is generally believed that Hong Kong and Singapore were highly successful in eliminating widespread entrenched corruption at a time of accelerating economic takeoff three decades ago because the top officials in government undertook a dramatic – and credible – programme of suppressing corruption (Meagher, 2005, 99). Anti-corruption efforts are unavoidably political. The causes and consequences of corruption, as well as the solutions for it, tend to be intertwined (Jain, 2001, 72). Should the political elites be corrupted, they would likely attempt to reduce the effectiveness of the legal and judicial systems through the manipulation of resource allocation and appointments, which in turn would weaken the effectiveness of the system to combat corruption. On the other hand, the politics of corruption also shows that the leadership’s self-preservation could be a strong motivating force behind anti-corruption cleanups (Gillespie and Okrunhlik, 1991). Meagher’s (2005, 88) review of the emergence of ACAs suggested that the ‘constitutional moment’ of their establishment was critically important, i.e. by capturing the momentum created by scandal and crisis, gaining consensus on a reasonably clear and realistic strategy, and mobilizing the resources to implement it. During the post-1967 crisis of legitimacy in Hong Kong, by building up strong public expectations for combating corruption, and seizing the opportunity of an administration that was weakened by the crisis and thus internally less resistant to drastic reforms, MacLehose was able to accomplish what previously was thought almost impossible, either because of a lack in political will or the difficulty to secure intra-governmental consensus.

In today’s China, corruption is clearly seen as a major crisis that hurts the political leadership in addition to the well-being of the ordinary citizens. The economic management narrative of corruption, though partly an attempt to snatch the corruption agenda from the critics and political dissidents by the party-state, also underscores the perceived long-term threat of corruption to the new leadership’s mission to restore a harmonious society and regain political trust and legitimacy. The incumbent leadership clearly has the self-preservation motive. Regardless of the innovation in terminology and language employed in the current anti-corruption and governance reform campaigns – such as enhancing the democratic rule of the party, higher transparency, respect for the law, enhancing the governance capability of the party, institutional building of a corruption-free government, and so on – its ultimate goal is to curb corruption in the party and government in order to improve the quality of governance by the party-state, and thereby to reinvent the legitimacy

of CCP rule in China against mounting internal discontent and international pressures and threats to the 'socialist' regime¹⁰.

The present anti-corruption offensive should not be read as just another round of spontaneous or ad hoc responses, but may be placed at the core of a reinvention agenda to be unveiled at the 17th Party Congress scheduled for late 2007. Indeed, the massive efforts in researching and planning anti-corruption work during recent years had come along with the 16th CCP Party Congress in 2002. They are part of a 'regime saving' project, mingled by political struggles and power consolidation means in 2005-06, after the Hu-Wen strategy had faced challenges from different fronts, ranging from the so-called 'Shanghai circle', the emerging upper-middle class, to the giant domestic interests and the 'New Left' faction (i.e. the 'reform or not to reform' controversy)¹¹. The complexity of the present situation somewhat resembles that of the former British colonial government desperate to improve itself to maintain its rule in a developing and more educated Hong Kong in the 1970s, and a number of parallels in terms of problem, policy and politics (*a la* Kingdon, 1984) can be drawn (**Table 3**). This may well present a window of political opportunity for China to move into a steady and enhanced anti-corruption path in the years to come.

¹⁰ In response to internal demands and external pressures for democratic reforms, the State Council published a White Paper on democracy in China in October 2005, which reflected current party leadership thinking (The State Council, People's Republic of China, 2005).

¹¹ The author thanks Siu Hoi-yin, who visited the Chinese Academy of Social Sciences in 2005-06, for providing this perspective based on her own research on corruption in China and her interviews with some senior academics and officials in Beijing.

Table 3. Comparing present-day China with colonial Hong Kong in 1970s in anti-corruption efforts using Kingdon's model

	<i>China (now)</i>	<i>Hong Kong (1970s)</i>
Problem	<ul style="list-style-type: none"> • Corruption becoming rampant and institutionalized hurting credibility of both party-state and economic reforms • Corruption as officially-defined 'problem' helping to underscore regime's determination to improve economy and people's livelihood – the economic management narrative 	<ul style="list-style-type: none"> • Syndicated corruption becoming dysfunctional to both economic development and modernization of government to cope with new challenges • Corruption as officially-defined 'problem' helped to demonstrate colonial government's epistemocratic authority and consensus-interpretation capacity
Policy	<ul style="list-style-type: none"> • <i>Implementation Outline</i> (2005) marked new three-pronged approach (education, institution-building, and supervision & monitoring) emphasizing both punitive and prevention actions • Debate over need to move to single-agency approach 	<ul style="list-style-type: none"> • Setting up super-strong ICAC and adopting three-pronged approach (enforcement, prevention and education)
Politics	<ul style="list-style-type: none"> • Hu-Wen leadership seeking to promote party and government reforms without questioning CCP rule in China • Anticorruption can be means to improve quality of public sector and regain people's trust and political legitimacy for the party 	<ul style="list-style-type: none"> • MacLehose seized on political opportunity in early 1970s to use anticorruption as means to underscore government reforms and to gain political trust and legitimacy, in the absence of constitutional reform

Source: author.

CONCLUDING REMARKS

To conclude, so long as there is the perceived threat to the leadership's political security (i.e. a corruption-induced crisis), there should be a correspondingly strong political will to take mitigating or remedial action. The Hu-Wen leadership may have its own political motives and agenda (such as strengthening CCP rule), just as MacLehose had his own in colonial Hong Kong, but if such politically-motivated strategy could be aligned with the general population's strong resentment towards widespread corruption and its rising expectations for some clear-cut actions against corruption, then there is the possibility that a new consensus can be achieved that is conducive to a more comprehensive and sustainable anti-corruption strategy. China may not follow exactly the path of Hong Kong and Singapore, in terms of shifting towards a single-ACA approach, and its anti-corruption drive will remain shaped by political factors and institutional constraints as discussed in this article, but this should not mean that the country is not able to make some good progress in fighting corruption and plugging some institutional loopholes. It is clear, though,

that combating corruption involves not just the ACA front, but more wide-ranging efforts in institutional and governance reforms.

Anthony B. L. Cheung is Professor at the Department of Public and Social Administration at City University of Hong Kong, China. Email: sabltony@cityu.edu.hk

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