Combating corruption has been an enduring priority for Chinese leaders who consider it crucial to safeguarding party-state legitimacy. Yet, despite repeated crackdowns over the past few decades, corruption is running rampant, becoming an institutionalized phenomenon that cripples China’s development prospects. Anti-corruption efforts have regained momentum under President Xi Jinping, who embarked on an ambitious mission to sweep through every corner of the party-state apparatus and ensnare corrupt officials. This paper assesses the factors and motivations underpinning this endeavor. It argues that beyond a mere political struggle, the comprehensive character of Xi Jinping’s war on corruption signals a broader strategy serving concurrent goals. Despite the relative success of his crusade compared to previous efforts, structural reforms of China’s governance system are necessary to establish widespread breakthroughs in the future.

Introduction

Since taking office in 2012, President Xi Jinping has made the anti-corruption fight the spearhead of an ambitious governance reform agenda, vouching to not only take down the corrupt “flies” (lower and middle ranking bureaucrats) but also to hunt “tigers” (senior leaders).

Xi’s crusade is the latest attempt in a long series of thwarted efforts by past leaders to tackle the pervasive impacts of graft in the country. The sweeping anti-corruption campaign has made unprecedented headway, as millions of officials have been “disciplined” at all levels by the powerful Central Commission for Discipline Inspection (CCDI). Nevertheless, nearly a decade after its initial launch, questions about the underlying motives behind such a campaign and the extent to which it has the power to effectively change the system have remained. Does the impetus for anti-corruption reflect a genuine effort from the leadership to establish “clean governance”, or is it another symptomatic manifestation of growing power struggles within the CPC? More importantly, has Xi’s crusade truly achieved the “sweeping victory” he claimed back in 2018?

Beyond a mere political purge, President Xi Jinping’s anti-corruption drive has become a sustained and
far-reaching struggle aimed at achieving concurrent goals. While his crusade has made relative breakthroughs in comparison to past endeavours, eliminating ingrained corruption in China can only be achieved through deep structural and political reforms.

The Roots of Corruption in China

The Augean task of cleaning up corruption has been an enduring concern for past generations of Chinese leaders, often inspiring mass campaigns. During the Mao era, the most vigorous efforts launched were the “three anti” and the “five anti” campaigns (san wu fan). Xi’s predecessors, Jiang Zemin and Hu Jintao, also conducted similar anti-corruption crackdowns in the early years of their tenures. Yet, despite these repeated efforts, the extent of corruption has continuously increased in the country. In 2010, China ranked 78th out 176 countries on Transparency International’s Corruption Perception Index, with a score of 3.5/10. The failure of past endeavours to achieve lasting results can partly be attributed to their sporadic nature, as well as gaps in enforcement reflected in low conviction rates – especially for senior officials. Beyond these issues, corruption in China has mostly endured because its roots are grounded in complex and multifaceted factors.

First, the prevalence of informal social norms in Chinese society has contributed to embed certain forms of corruption in its bureaucratic structures and corporate governance system. Notably the notion of guanxi – a complex network of personalistic ties, connections and loyalties – has set unwritten rules and created means and incentives for officials to engage in corruption. Guanxi ties can be cultivated through the exchange of gifts, money, or favors which ultimately create reciprocal indebtedness between the involved parties. This culture of “social exchange” often blurs the line between illicit and acceptable practices. As these informal norms have ended up prevailing over legal norms, officials tend to feel pressured or even justified to engage in corrupt practices that have essentially become the implicit rules of the game. In politics for instance, career advancement often depends on personal ties or relationship networks. Guanxi networks therefore tend to be leveraged by high-level government officials and party chiefs to influence political bargains in their favor, thus facilitating nepotism and the construction of extensive patronage networks. Businessmen also often use their connections to collude with senior officials who can grant them protection or business favors.

Furthermore, while the economic reforms initiated in 1978 have allowed for China’s spectacular economic growth and were incremental in its insertion into the global economy, the transformations they entailed provided fertile grounds for the development of more pervasive types of corrupt practices at a larger scale. The introduction of the dual-pricing system in the mid-1980s, for instance, fuelled speculative practices by government officials eager to make quick profits. Other measures including the decentralization of decision-making, which strengthened local protectionism, also fed abuses. This negative trend is reflected in the number of economic criminal cases that went from a mere 9,000 in 1980 to 77,000 in 1989.

Finally, corruption ended up being tolerated because it became an institutionalized mechanism for not only the reproduction of political and business elites, but also a motor of economic growth. As highlighted by Andrew Wedeman, China embodies the peculiar case of a country that has enjoyed a “double paradox” of rising systemic corruption coupled with a spectacular and rapid growth of its GDP.
This partly tends to the fact that local government officials and party cadres are evaluated both on their local economic performances and their province’s financial contribution to the central budget. It is therefore the pressure to meet objectives set by the central government that can often incentivize them to resort to corrupt practices. Inflating numbers, engaging in bribery or misappropriating funds serve the purpose of boosting their province’s performances and in turn bolster their chances at political mobility within the party-state.

Background on Xi’s Anti-Corruption Struggle

The anti-corruption drive initiated by President Xi Jinping is unprecedented both in scale and duration. Between its initial phase in 2012 and 2019, the number of officials subject to investigation increased steadily from 173,000 to 485,000. To date, over 2.9 million officials have been investigated and more than 1.7 million prosecuted.

The anti-corruption campaign launched by Xi Jinping distinguish itself from previous endeavors by the level of seniority of officials targeted. In 2019 alone, 62 high-ranking officials were investigated. By contrast, during the Jiang Zemin and Hu Jintao administrations, a mere 48 (over 15 years) and 63 officials (over 10 years) were respectively condemned. Xi did not hesitate to go after the upper-echelons of the party-state bureaucracy (the so-called tigers), thus breaking the implicit rule granting high-ranking officials immunity to criminal probes and prosecution, and sending a clear message that the rule of “guanxi” connections over the “rule by law” (yi fa zhi guo) would no longer be tolerated. In order to destroy the tigers’ protective umbrellas, Xi adopted a strategy of encirclement which consisted in taking down lower-ranking officials connected to big tigers in order to eventually dismantle their safety nets. The case of Zhou Yongkang is evocative in this regard. It was an important turning point which gave credence to the seriousness of Xi’s campaign by shattering the glass ceiling of the anti-corruption drive. Zhou was a former member of the Politburo Standing Committee (PBSC) and the chief of the Central Political and Legal Affairs Commission of the CPC – an influential security organ overseeing the People’s Armed Police (PAP) and the People’s Liberation Army (PLA). Only three members of the PBSC had been arrested since the 1990’s: Chen Xitong, Chen Liangyu, and Bo Xilai.

Furthermore, departing from the tradition of sporadic crackdowns, Xi institutionalized efforts through key reforms, most of which were implemented during the 19th National People’s Congress of the CPC in March 2018. Notably, the establishment of the National Security Commission (NSC) - following the passing of the National Supervision Law - was pivotal in turning the anti-corruption fight into an integral feature of the state governance system. The anti-graft operations of the CCDI were merged with those of the Ministry of Supervision, the National Bureau of Corruption Prevention, the Supreme People’s Procuratorate under this new “superagency”. The move considerably expanded the investigative powers of the CCDI beyond CPC members to all government officials and public servants. The institutional reshuffling also allowed Xi to gather and mobilize more permanent forces to fight effectively against corruption through the merging of the People’s Armed Police (PAP) under the NSC command, facilitating the long-term mobilization of experienced police investigators to assist in probes.

Genuine Effort or Political Struggle?

Critics have often reduced Xi Jinping’s endeavour to a solely political struggle. Nevertheless, when looking
at both the triggers and targets of the current war on corruption in China, it becomes apparent that the reality is far more complex and that Xi’s crackdown serves overlapping goals.

In the two years leading up to Xi’s tenure, a series of major scandals involving top officials (including Minister for Railways, Liu Zhijun and PLA Lieutenant General Gu Junshan) forced the leadership to acknowledge the real extent to which corruption had grown, even among the highest ranks of the party-state apparatus. The most controversial probe involved the infamous Bo Xilai, former party secretary of the city of Chongqing. Bo was convicted not only on corruption charges but also for covering up the murder of English businessman Neil Heywood by his wife Gu Kailai. The scandal was particularly alarming to the leadership because Bo Xilai was the son of one of the party’s “eight immortals”, Bo Yibo, which made him an influential member of China’s red aristocracy (also known as “princelings”).

Through these scandals, the realization that corruption had spiraled out of control and, more than ever, presented a core threat to the party’s legitimacy and long-term survival grew stronger. The leadership conceded that the state of decadence...

The leadership conceded that the state of decadence and the loosening of political morality that had characterized the past decades of frantic pursuit of economic growth, did in fact fuel pervasive corrupt practices...

and the loosening of political morality that had characterized the past decades of frantic pursuit of economic growth, did in fact fuel pervasive corrupt practices and resulted in the annexation of the party by powerful business interests. With rent-seeking party officials more concerned about protecting the wealth and vested interests they had amassed through the system rather than upholding their political responsibilities, the party had become weakened and derailed from its original mission of “serving the people”. Xi thus entered his tenure with a strong mandate to correct the balance. The failures of the previous administration in combatting corruption evidently reinforced pressures on him to act decisively, paving the way for his ambitious crusade.

In that sense, there is an ideological dimension underlying Xi’s commitment to curbing corruption. He sought to return the party to its historic roots by reconstructing its ideological foundations. At the same time, Xi realized that in a context of sustained economic slowdown, relying on the traditional GDP growth-based party legitimacy was no longer sustainable. This therefore mandated a change in the governance model, whereby the primary instruments to assert legitimacy shifted back to political ideology and the law.

In addition, the economic and financial costs of corruption did become increasingly difficult for the leadership to withstand. The collusive relationship between political and business circles allowed for the accumulation of substantial vested interests and capital through corrupt practices including embezzlement of public funds, tax evasion, fraud, bribery, and land expropriation. All of these illicit practices threaten China’s – already dire – economic performances, contribute to increasing government debt, and accentuates social inequalities. The anti-corruption drive has therefore reverberated through key state sectors of the Chinese economy, putting major scrutiny on leaders of State-owned enterprises (SOEs) in fields such as energy, finance, and real estate (e.g. the removal of head of SASAC Jiang Jiemin; Head of Huarong Asset Management Lai Xiaomin; Head of China Energy Company Limited Ye Jianming). In order to recover diverted funds and overseas assets, the scope of the anti-graft campaign also increasingly extended beyond China’s...
borders in recent years under “Operation Skynet”.22

These considerations notwithstanding, it would be difficult to deny that the anti-corruption drive has not served in consolidating Xi’s own political power. Arguably, the targeted assault launched against the “big tigers” mirrors the factional power struggle within the CPC. Overall, the core factional power balance has been divided between the Chinese Communist Youth League (also known as the “tuanpai” faction) led by former President Hu Jintao; the Shanghai clique led by Jiang Zemin; and the red aristocracy constituted by the princelings and second-generation reds (hong’er dai). The son of revolutionary leader Xi Zhongxun – a trusted ally of Mao Zedong – Xi Jinping had a pedigree that gave him legitimacy in the eyes of this red aristocracy. However, having conducted most of his career in the countryside rather than in the center, Xi was relatively unknown in Beijing’s circles. Many of the leaders that had supported his presidential candidacy thought he would be, as Hu Jintao before him, a simple figurehead for the collective leadership. Under these circumstances, Xi needed a way to consolidate his support base rapidly. The anti-corruption campaign presented him with a major opportunity to dismantle the extended patronage networks of his predecessors and sideline elements that could have potentially challenged his authority. Among the four biggest tigers to be caught, both Sun Zhengcai and Zhou Yongkang were members of the rivalling Jiang faction, while Ling Jihua was a former aide to Hu Jintao.23

The anti-corruption efforts launched in the military largely adhere to similar considerations. Although Xi enjoyed relatively strong support among his fellow second-generation reds, he had initially struggled to be taken seriously by veteran PLA leaders. The targeted purge he launched against Guo Boxiong and Xu Caihou was a risky but well calculated move.25 Xu’s influential faction had maintained monopolistic power within the PLA, which partly explains why Hu Jintao never managed to impose his authority over the military. As both Guo and Xu were Jiang loyalists, the retired leader continued to wield influence over military decision-making through them. The sacking of these two powerful leaders severed Jiang’s patronage network, serving as an example for other officials tempted to challenge Xi’s authority. Xi also used defectors of the Bo Xilai faction, including Liu Yuan and Zhang Haiyang, to recapture the loyalty of princelings in the PLA, which was instrumental in “purging” generals Guo and Xu.

Nevertheless, the sustained efforts to curb corruption at the so-called “fly” level added another layer of motivations. On the one hand, they aim to support Xi’s populist agenda. Overall, many problems faced by ordinary citizens are viewed as by-products of corrupt practices and/or lax regulation enforcement widely entrenched in the system. In particular, the greater authority given to local governments in...
economic governance and allocation of resources has fuelled corruption. Offenses such as mismanagement of funds, embezzlement and bribery have prevailed, acting as contributing factors to the widening wealth gap within the society, especially as abuses impede poverty alleviation efforts. In launching a powerful crackdown to curb corruption at the “people’s doorstep”, President Xi therefore sought to address those growing grievances, hoping to restore the legitimacy of the CPC in the eyes of the masses and therefore consolidate support for the regime.

On the other hand, while Xi’s strategy at the higher level aimed at dismantling the extended patronage networks that had contributed to the development of entrenched corruption and a culture of impunity towards influential leaders, at the lower level, efforts have sought to rebuild the loyalty of rank-and-file officials to the party through the enforcement of strict disciplinary measures and ideological control. In parallel, Xi sought to consolidate efforts by implementing preventive measures against the spread of corruption, notably country-wide inspections and a new drive to strengthen party discipline.26

**Impacts and Limits of The Anti-Corruption Drive**

Despite some substantial breakthroughs, the anti-corruption struggle appears to have had a limited impact on perceived graft in the country, as recent CPI scores do not reflect the “sweeping victory” claimed by the leadership. China’s global ranking declined by 10 places to 87 in 2018.27 This is likely due the overall lack of transparency and accountability that has characterized anti-corruption investigations and prosecutions. The extended powers of the CCDI have been left unchecked under the new system. The replacement of the so-called “shuanggui” detention system by the new “Liuzhi” system28 – codified in the 2018 National Supervisory Law – gave CCDI officials further powers to detain people, which has facilitated enforced disappearances such as in the case of former Interpol Chief Meng Hongwei. The lack of transparency has also enabled the leadership to instrumentalize the campaign in order to target political critics, dissidents, and activists. Besides, the brutal clampdown on freedom of speech and opinion consolidated under Xi’s leadership has constrained grassroots efforts to curb corruption. There is an overall need for more participation from civil society actors as well as a higher degree of monitoring by the media to increase the reach of current efforts.

Furthermore, the often questionable and arbitrary nature of Xi’s anti-corruption drive has had a paralyzing effect on the party-state bureaucracy. Officials have become increasingly reluctant to perform their duties for fear of inadvertently breaking the rules and being punished. This has, among other things, contributed to a lowering number of economic projects being approved. In the context of the current pandemic, this problem has materialized into a reluctance by local officials to take action and a paradoxical reinforcement of the crackdown on whistle-blowers. To some extent, inaction is also a form of “soft resistance”29 against a crackdown that has destroyed the vested interests and privileges that both party officials and state-owned enterprises previously enjoyed. Overcoming this opposition will be a major challenge in the future pursuit of anti-graft efforts.

Another core issue is that, although the two-level “tigers and flies” strategy helped Xi Jinping fulfil his objectives, it also presented the leadership with complex dilemmas. By going after the powerful political elites, Xi also risks alienating the very same power base the party relies on for its stability. He therefore needs to strike a delicate balance to avoid ostracizing his supporters within the party without creating internal divisions. At the same time, exposing the real extent of corruption to the public is a double-edged sword. It demonstrates to the masses
that the leadership is taking their grievances seriously but also undermines the reputation and confidence in the regime by showing that the apple is, in fact, rotten to the core.

Finally, under the current system, the state sector of the economy remains under the control of political elites, which tends to perpetuate a form of “crony capitalism”. There therefore needs to be a restructuring closer to a market-based system to break the vested interests of large groups and limit incentives for graft. Besides, although the anti-corruption drive involves organizational and institutional reforms, the lack of separation of powers and checks-and-balances between the party-state and the judiciary remains a strong impediment that debilitates the effectiveness of current anti-graft measures. Ultimately, the root causes of corruption cannot be completely eradicated until deep structural reforms are realized in China’s governance system.

Authors - Ms. Fatoumata Diallo is a Research Fellow at ISDP’s Stockholm China Center. She holds a master’s degree in International Relations from Leiden University, the Netherlands and a bachelor’s degree in International Relations and Chinese Studies from the INALCO, Paris. Her research focuses include Chinese domestic politics, China’s foreign policy, non-traditional security, China’s political economy and sociology.

The opinions expressed in this Issue Brief do not necessarily reflect the views of the Institute for Security and Development Policy or its sponsors.

© The Institute for Security and Development Policy, 2020. This Issue Brief can be freely reproduced provided that ISDP is informed.
Endnotes


2. The Corruption Perception Index (CPI) measures the degree to which public sector corruption is perceived to exist in 178 countries around the world. It scores countries on a scale from 10 (very clean) to 0 (highly corrupt).


10. Wedeman, “From Mao to market.”


15. Hu, “In Numbers.”


