

Governance reform in Shenzhen 2013-2018: a case study

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Abstract:

Based on the research of anti-corruption enforcement in Shenzhen, the 'Demonstration City of Socialism with Chinese Characteristics' of the People's Republic of China, this thesis investigates the reasons behind the introduction of 'governance' into the Communist Party of China's (CPC) vision of reform, as well as considering how this affects the way in which social and administrative concerns are managed.

The first part of the thesis explores the difference between 'government' and 'governance' mechanisms in China before moving on to discuss how governing mechanisms changed following the CPC's adoption of 'governance'. The thesis goes on to consider if the critical socio-political problems that China faces today could be solved by introducing the philosophy and mechanisms of governance and compares the effectiveness of this approach with more traditional methods. This study also presents an investigation of corruption and its management in China, before offering suggestions about how China could adapt governance mechanisms to maximise their effectiveness.

This study found that several reforms in both the private and public sectors have been instigated as a result of adopting the CPC's notion of governance. These findings were enabled through analysing and interpreting a range of sources, including official statistics, government documents and secondary literature, as well as fieldwork data that was carried out in Shenzhen. These reforms include the organisational structure of government, how laws are designed and enforced, operational approaches in the public sector and the notions of civil engagement and accountability. In addition, personnel management has been affected by the reforms, particularly the way that these employees are supervised and assessed. The research concludes that these reforms have contributed to a strengthening of China's control over corruption.

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Abbreviation:

AEBB	Anti-Embezzlement and Bribery bureau
BBC	British Broadcasting Corporation
CCDI	General Bureau of Anti-Embezzlement and Bribery
CPPCC	Chinese People's Political Consultative Conference
CASS	Chinese Academy of Social Sciences
CPC	Communist Party of China
CCP	Chinese Communist Party
CNKI	China National Knowledge Infrastructure
DICs	Discipline Inspection Commissions
FDI	Foreign Direct Investment
GBAEB	General Bureau of Anti-Embezzlement and Bribery
GDP	Gross Domestic Product
GBP	British Pound Sterling
IMF	International Monetary Fund
MoS	Ministry of Supervision
NBS	National Bureau of Statistics of China
NSC	National Supervisory Commission
NGOs	Non-governmental Organisations
NPC	National People's Congress of China
NPM	New Public Management
OECD	Organization for Economic Co-operation and Development
PRC	People's Republic of China

RMB	Renminbi
SEZs	Special Economic Zones
SOEs	State-owned enterprises
SPP	Supreme People's Procuratorate
SPC	Supreme People's Court
SCs	Supervisory Commissions
TI	Transparency International
UN	United Nations
UNDP	United Nations Development Programme
US	United States
USD	United States Dollar
UK	United Kingdom
WB	World Bank

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A note on usage:

'Governance': governance in the West or the global context, see Rhodes (1996) and Rhodes (1997).

'Governance (CN)': governance that the communist party of China (CPC) is currently implementing in China

Chapter One: Aims and methodology

Shenzhen is the window through which China displays its achievements in reform and opening up to the world.

Shenzhen is the window through which the international community observes China's reform and opening up.

Shenzhen is striding toward the construction of a pioneering demonstration zone of socialism with Chinese characteristics.

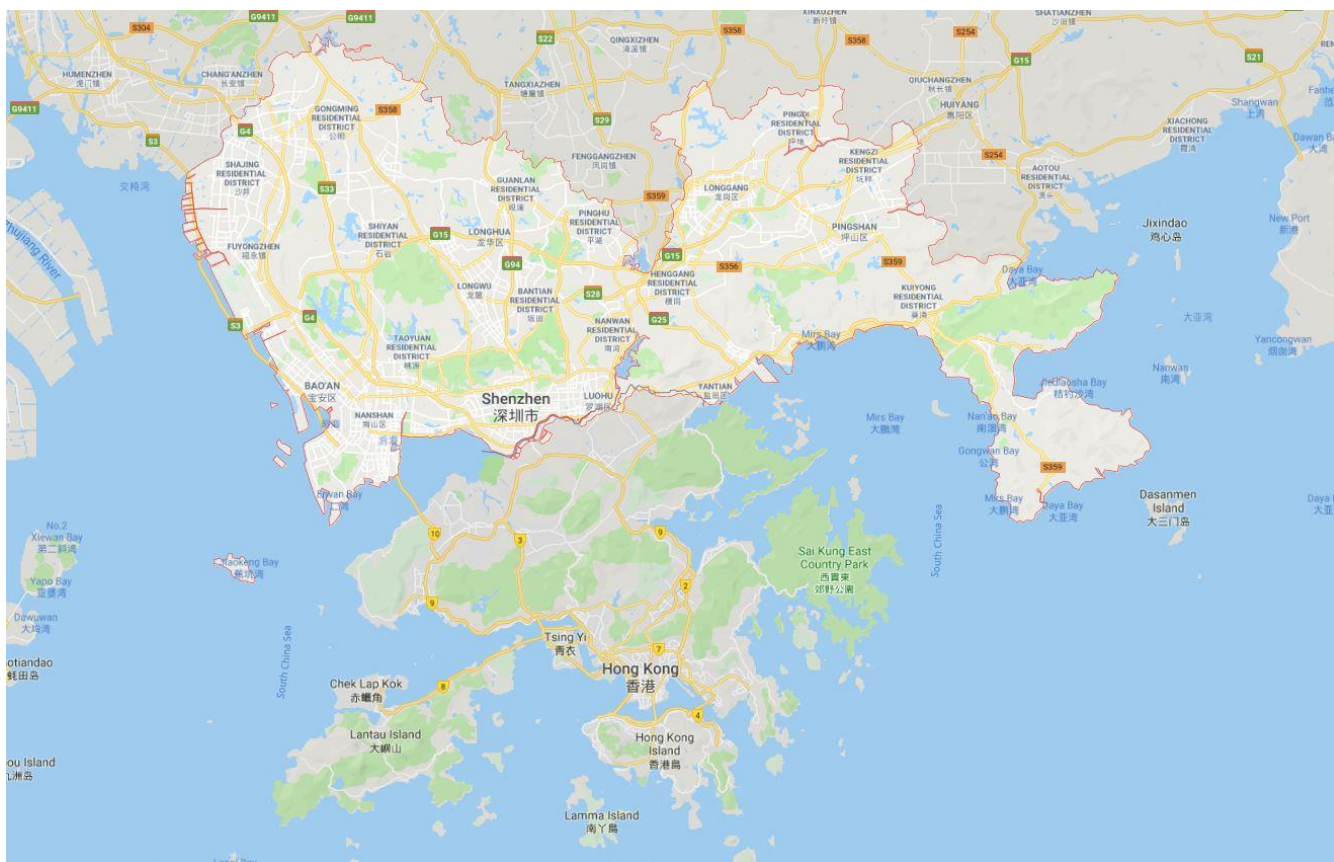
Shenzhen is working hard to build an exemplar city of a great modern socialist country.

(SGO, 2019)

1.1 Introduction

Shenzhen, or Pengcheng, is a recently-established young coastal city in the east of the Pearl River Delta region of southern China. It officially became a city in 1979 and is separated from Hong Kong by only a narrow strip of water (see Map 1.1). As a sub-provincial administrative municipality with independent planning status, Shenzhen has been transformed into a first-tier megacity out of a small border town with a population of 30,000 over the course of 37 years (NOPGSM 2016c). According to the *Shenzhen Statistical Yearbook 2018*, the city's permanent population was around 12.52 million, living in an area of 1,997.4 square kilometres, divided into 10 districts and administrated by 74 urban subdistrict offices, with about 65.3% of the population remaining unregistered as residents at the end of 2017 (SSB 2018, p. 3). As China's most economically competitive city (CD 2017), Shenzhen's gross domestic product (GDP) has surpassed its neighbour Hong Kong (Chan and Leng 2019),

reaching 2.4 trillion RMB (349 billion USD) in 2018 (SGO 2019), with GDP per capita at 200 thousand RMB (29,080 USD) (Chai 2019).



Map 1.1 Map of Shenzhen. Source from: <https://www.google.com/maps/place/Shenzhen,+Guangdong,+China/@22.4645925,114.2019404,10.42z/data=!4m5!3m4!1s0x3403f408d0e15291:0xfdee550db79280c9!8m2!3d22.543096!4d114.057865?hl=en> (last accessed 08 June 2019)

Cited as the ‘Demonstration City of Socialism with Chinese Characteristics’ (NOPGSM 2016a) and the ‘Pilot Demonstration Area of Socialism with Chinese Characteristics’ (Zhang 2019), Shenzhen is one of China’s first Special Economic Zones (SEZs) and National Synthetically Reform Testing Districts. The establishment of SEZs and reform testing districts is the overall logical practice of China’s institutional reform, which allows the government to explore new paths and learn experiences from the “experimental field” before full promotion of policies and social reforms (Tao 2018, p. 25-8). As the most important pioneering city in China’s reform and opening-up, Shenzhen has always served as a laboratory for policy innovation (NOPGSM 2016b). For example, over 1,000 reform policies, ranging from ‘economic, political, cultural, social, ecological civilisation to party building systems’ were first tested in

Shenzhen (SGO, 2019). Thus, unsurprisingly, the Chinese President Xi Jinping has labelled Shenzhen as ‘the most influential and best-built SEZ in China, the construction of the Shenzhen SEZ is of great significance and far-reaching impact’ (Xiao 2012).

As the most influential policy pilot city to trial ‘innovative ideas’ (SCMP 2019) and a window to display reform achievements to the world (SGO 2019), Shenzhen could be expected to be one of the first regions to see the launch of a governance reform pilot project following the promotion of ‘governance’ announced by the Communist Party of China (CPC). This reform could then proliferate from Shenzhen nationwide, if the introduction of the governance mechanism is not mere window dressing and is seen to succeed in this city. For example, one interviewee claims that ‘it is not a matter of whether the [success] Shenzhen experience can radiate nationwide or not, it is definitely [that Shenzhen's successful experience will become the role model for the whole country to learn from]’ (Entrepreneur no. 30, February 2017). There have already been numerous pilot programmes in Shenzhen that took this trajectory, such as the launch of the Sino-foreign joint venture and the ‘three-processing and one compensation’¹.

At the end of 2013, the CPC held its Third Plenum of the 18th Central Committee and proclaimed the *Decision of the Central Committee of the Communist Party of China on Some Major Issues Concerning Comprehensively Deepening Reform (Decision)*. This was the new administration’s first announcement of their major policy guidelines for China over the next decade. Xi Jinping, the General Secretary of the CPC and the President of the People’s Republic of China (PRC), argued that the key to tackling existing socio-political problems in the nation – such as ‘unbalanced, uncoordinated and unsustainable development’, ‘officials’ serious misconceptions of formalities and bureaucratism as well as hedonism and extravagance’² etc., and particularly the ‘serious challenge of anti-corruption’ –

¹ 三来一补 (Sanlai Yibu) are trade ventures involving ‘commission processing, processing with supplied designs and samples, assembly with supplied parts and compensation trade’. For details, see: <http://www.lawinfochina.com/display.aspx?lib=law&id=769&CGid=> (last accessed 12 November 2018)

² Formalism is ‘a propensity to perceive and interpret the world of natural and social events in terms of patterned configurations, that is, to classify, systematize, and simplify complex phenomena into discrete categories that have an existence independent of those phenomena’ (Harris 2008, p. 286). From Xi Jinping’s view, formalism means ‘doin

consists of deepening comprehensive reforms through promoting the modernisation of the national governance system and capacity (Xi 2013). While the term ‘governance’ had rarely been used in China’s political domain and mainly served as a synonym of ‘management’ (i.e. comprehensive social security governance),³ the term was given new meaning by the CPC; indeed, ‘governance’ was incorporated for the first time as a vital part of China’s political and social reform process. Based on the research of anti-corruption enforcement in Shenzhen, the ‘Demonstration City of Socialism with Chinese Characteristics’⁴, this thesis proves that the CPC has redefined governance to mean a government toolkit and demonstrated that the Chinese Party-state has implemented governance (CN) to counter corruption between 2013 and 2018; as well as that Shenzhen’s control over corruption has been strengthening partly due to such changes. By empirically analysing Shenzhen’s political and social management domains, and with the results of institutional reforms in the public and private sectors, this thesis found that the adoption of governance (CN) in Shenzhen can promote the efficacy and ability of public service in this policy pilot city and that there is credibility in the idea that the Shenzhen experience can radiate national wide, beyond simply making contributions to governance theory.

1.1.1 The research questions

‘Governance’, a crucial term in one of the most important political documents in China and one that might gradually shift China’s existing ‘government’ paradigm, is now increasingly debated in China’s academia and used in public sectors. The number of published research articles related to ‘governance’ in China’s political and administrative domain has steadily increased since 1990s

g things for form’s sake – the separation of action from knowledge, neglecting what is truly effective, hiding behind piles of documents and immersing oneself in meetings, the pursuit of vanity and a resort to falsehood’ (Xi 2014, p. 405).

Xi Jinping understands bureaucratism as ‘departure from reality, losing touch with the people, arrogance, indifference to facts, conceit and inflated egos’ (Xi 2014, p. 405).

‘The main features of hedonism are mental laxity, resting on one’s laurels, vanity, coveting pleasure, pursuing ostentation and seeking to keep oneself amused’ (Xi 2014, p. 406).

Extravagance means ‘waste, squandering resources, expensive building programs, endless festivals and ceremonies, a luxurious and dissolute lifestyle, and abuse of power that can extend to actual corruption’ (Xi 2014, p. 407).

³ See *Decision of the Central Committee of the Communist Party of China on Some Issues concerning the Improvement of the Socialist Market Economy* passed by the 14th Central Committee of the CPC: <http://cpc.people.com.cn/GB/64162/134902/8092314.html> (last accessed 19 August 2018).

⁴ Shenzhen is the only ‘Demonstration City of Socialism with Chinese Characteristics’ in China. For details, see: http://www.sz.gov.cn/cn/xxgk/xwfy/wqhg/fbh_46/fbg/200905/t20090526_1111017.htm (last accessed 19 July 2019).

when the term entered common usage in China, with an exceptionally rapid rise in the three-year period 2005-2008 (Figure 1.1). The number of articles published rose sharply after 2013, when President Xi announced national governance and its capacity in the Third Plenum of the 18th CPC Central Committee. The increased number of academic studies of ‘governance’ reflect the fact that the transformation of a key term in a key document⁵ often signals an ideological shift and a consequent reform of political proposals (Zhang and Yu 2014, p. 2).

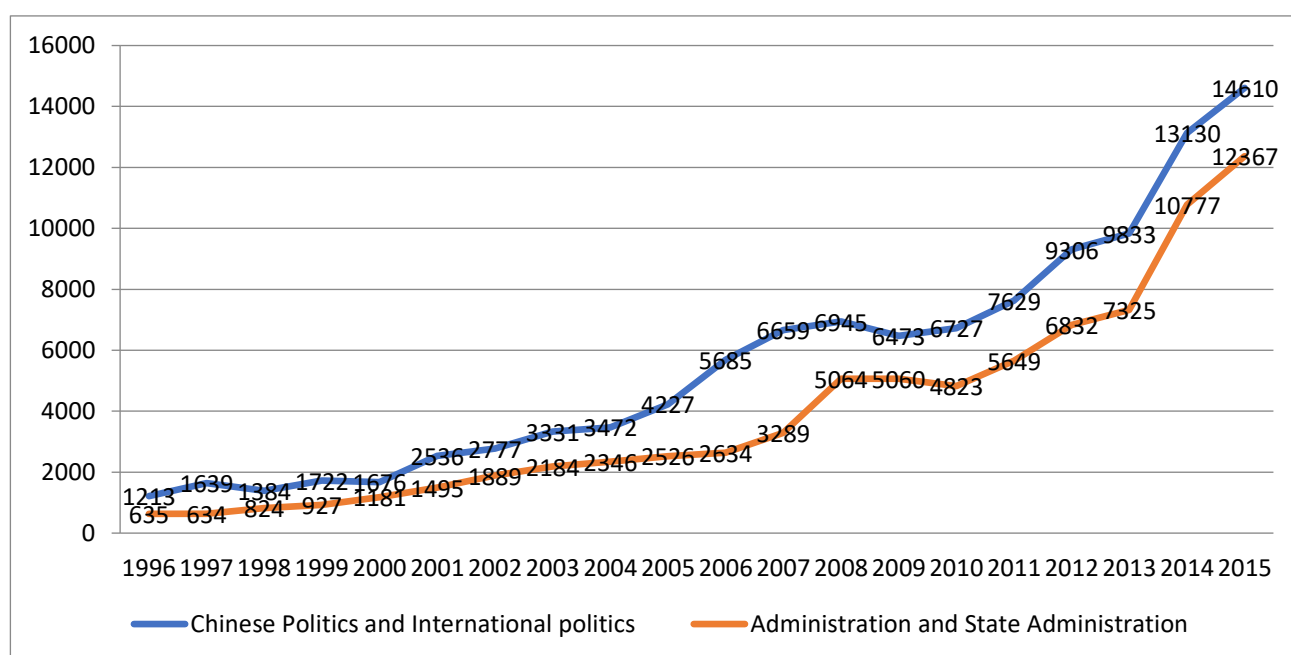


Figure 1. 1 The result of article search based on the key word 'governance' on China National Knowledge Infrastructure (CNKI) website, Oct 2017.

As will be explored in more detail in Chapter Three, in the context of *Decision* it is clear that ‘governance’ is no longer a synonym of ‘management’ in the political domain, but has instead been given new meanings by the CPC – even though there is no official definition of the term as used by the CPC. This thesis seeks first to determine the meaning of ‘governance’ when deployed by the Chinese Party-state, second to elucidate the reasons for the Party-state’s introduction of the mechanism of governance, and third to suggest ways in which governance mechanism could be instrumental in addressing the socio-political problems described by President Xi in *Decision*.

⁵ Documents promulgated by annual sessions such as the National People’s Congress or the CPC Central Committee.

A range of 'governance' reforms were applied in Shenzhen, which took different forms, were implemented to varying degrees, and had various impacts. Taking into account the timescale of this project and the resources available to this research, this thesis focused on corruption, the socio-political problem of most concern to the Chinese public and to the political leadership of China (Chen 2008; Gao and Ma 2009; Wong 2012; Manion 2015; Xin 2017).

Corruption in China has long been viewed by Chinese intellectuals as one of the biggest threats to the CPC's political legitimacy (Zeng 2014, p. 621) and the late CPC leader Deng Xiaoping characterised anti-corruption as 'a matter of life and death' for the party (Manion 2015, p. 242). However, two decades after Deng Xiaoping's death, and with China's GDP having increased more than twelvefold⁶, corruption remains a challenge to political legitimacy and has become 'the greatest threat' to the CPC, in the words of President Xi (Xin 2017). This is not only because corruption has resulted in tremendous economic losses during China's development (Hu 2001, p. 52), but also because a growing number of surveys in China indicate that corruption is one of the most prominent socio-political problems (Wong 2012), and the greatest cause for concern and anger among the population. For example, according to a survey initiated by *People's Daily Online* in 2008, the Chinese people are most dissatisfied with the problem of grass-roots cadres' corruption (Chen 2008). In another survey initiated by the People's Forum in 2009, Chinese citizens ranked corruption as the most serious challenge of the next decade, for it has surpassed the limit of the people's tolerance (Gao and Ma 2009, p. 14). Corruption may hinder attempts to improve governance (Pillay 2004), and 'poses a big challenge for governance capacity and may even topple the political legitimacy of government' (Li, Gong and Xiao 2016, p. 886), since it could undermine government performance in all respects. Endemic corruption is thus both the top concern for the Chinese public and one of the most significant risks to the stability of the CPC's authority (Ibid.).

Scholars such as Abdellatif (2003), Huffer (2005), Kolstad and Wiig (2009), Andersson and Heywood (2009), Bertot, Jaeger and Grimes (2010) and Hough

⁶ Calculation based on figures from the World Bank database, see: <https://data.worldbank.org/indicator/NY.GDP.MKTP.CD?locations=CN> (last accessed 12 November 2018)

(2013), consider that corruption can be tackled by the adoption of ‘governance’ reforms containing the technical elements appropriate for addressing the issue, such as, for example, ‘improving political accountability, strengthening civil society, promoting competition via markets and the private sector, imposing institutional restraints on power and reforming public sector management’ (Andersson and Heywood 2009, p. 751). In the meantime, the past two decades of anti-corruption programming by international agencies, such as the International Monetary Fund (IMF 1997), the World Bank (WB 2000), the Organization for Economic Co-operation and Development (OECD 2018) and International Crisis Group (ICG 2012), they argue that the key to tackling corruption is improvements in governance. Furthermore, when President Xi assumed office, his first speech to the CPC politburo denounced the prevalence of corruption and warned that the issue might ‘doom the party and the state’ (Feng 2014). President Xi took decisive action against corruption⁷ offers abundant justification and potential material for analysing the newly deployed ‘governance’ reforms in Shenzhen through the lens of anti-corruption measures. The three main research questions of this study are as follows:

1. What does ‘governance’ mean in the eyes of the Chinese Party-state, and how does it differ from conceptions of governance in the West?
2. What are the reasons for the CPC introducing the term ‘governance’ into political discourse in China?
3. To what extent has ‘governance’ been adopted in China’s socio-political realm, and with what results in addressing the socio-political problem of corruption.

1.1.2 Scientific contributions

The Shenzhen case study in this thesis is designed to shed light on the relationship between the new concepts of governance that developed during Xi’s administration compared to the understanding derived from Western approaches to governance and what this means for Shenzhen, China as a whole and possibly other developing countries.

⁷ Around 440 officials ranking at or above provincial or corps level were dismissed before October 2017 for corruption; see: http://news.xinhuanet.com/english/2017-10/19/c_136691022.htm (last accessed 19 August 2018)

The first contribution of this thesis is to determine the meaning of 'governance' when deployed by the Chinese Party-state. Through elucidating governance in the West and China, this study has discovered that the CPC has defined governance to mean a government toolkit designed to strengthen the capacity and legitimacy of the Party-state for the sake of fulfilling its purpose to tackling socio-political ungovernabilities. Compared to Western governance theory and the Western experience of governance, where civil actors are often given a dominant role during the governance process, the current Chinese iteration of governance (CN) favours the interests of the Party-state (see Chapter 3). From the case of governance (CN) in Shenzhen, it is clear that Chinese governance places strong emphasis on the leadership of the party and the leading role of the government in the systems of governance (CN), while vital prerequisites for Western-style governance are absent (for example, civil actors' independent participation in public affairs and the supervision of a 'free press', which have been replaced by censorship and 'orderly' civil engagement under the Party-state's control).

The second contribution of this thesis is the proof that, in the Shenzhen context, governance (CN) that differs from mainstream Western governance has been adopted and can also respond effectively to socio-political ungovernabilities (see Chapters 6 & 7). Through closely observing the Party-state's organisational structure, the design and enforcement of laws and regulations, personnel management, public sector operational approaches, performance assessment, supervision, accountability and civil participation, as well as conducting document analysis and semi-structured interviews with Shenzhen entrepreneurs, officials, lawyers, academics, and news media staff, this study posits that the governance (CN) reform has been taking place in Shenzhen instead of paying lip service, and that Shenzhen's control over corruption has been strengthening due to such changes. These include increasing government transparency, the establishment of the National Supervisory Commission and institutionalised dual leadership, the reforming of the target-based responsibility system with a more unified cadre personnel management system, more rigorously designed and implemented regulations targeting corruption, a legalised anti-corruption operational approach in NSC and CCDI, and

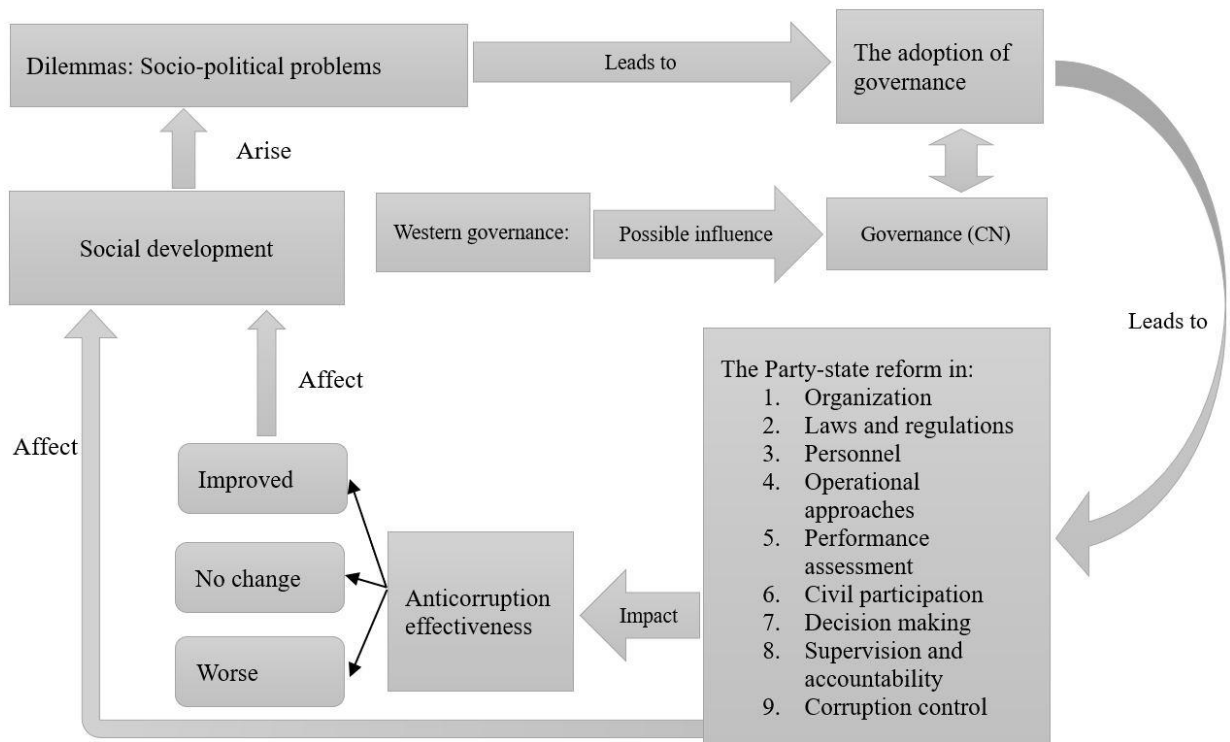
increasing forms of civil engagement in anti-corruption. This thesis argued that the adoption of governance (CN), which has led to a number of significant institutional reforms, has enhanced the effectiveness of Xi's war on corruption, which, of all the socio-political problems, is the one that 'people hate the most', to quote President Xi (Xin 2017).

The third contribution of this thesis is that this study of the conceptualisation and implementation of governance (CN) in Shenzhen makes a useful intervention in the scholarship on governance (see Chapter 7). This research on governance reform in the city has raised the point that governance that is applied in a less economically developed country may not necessarily directly copy the models of governance applied in more economically developed nations, but should be appropriately modified for national circumstances in order to achieve better implementation results. Beyond this, the Shenzhen case also indicates that governance reform should establish priorities for implementing institutional reform and sequencing their activities to tackle critical problems, rather than rigidly adopting a wide range of the institutional preconditions of governance all at once, or endeavouring to fix a variety of socio-political problems simultaneously. For instance, the CPC has prioritised its battle against corruption, and the comparatively successful anti-corruption measures have increased the Chinese people's satisfaction with the government's performance (see Figure 7.4 in Chapter 7), gaining the people's support and helping to maintain the CPC's legitimacy and shape a more stable authoritarian regime. Moreover, based on Shenzhen's special identity of being the 'Demonstration City of Socialism with Chinese Characteristics' and the 'Pilot Demonstration Area of Socialism with Chinese Characteristics', there are good grounds for believing that this governance (CN) model can radiate national wide in China and a certain plausibility in the idea that governance (CN) can create a positive impact on other developing countries. Thus, this study of the conceptualisation and implementation of governance (CN) in Shenzhen can make a useful contribution to governance theory.

1.2 Methodology

1.2.1 Analytical framework

To answer the research questions articulated above, this study developed an analytical framework that designed to schematise relationships between governance reforms and anti-corruption effectiveness in China:



Graph 1. 1 A depiction of a possible relationship framework between governance and anti-corruption effectiveness in China after 2013.

During the decades of the reforms and open-up (c. 1978 – 2013), China has undergone rapid economic growth without corresponding social and political reform: Chinese society faces many dilemmas resulting from the economic reforms of the ‘opening-up’ programme, corruption being one of the most significant problems. To address endemic corruption and other pressing socio-political problems, the Chinese leadership proposed modernisation of national governance and its capacity in the Third Plenum of the 18th CPC Central Committee in 2013. This version of governance (CN) addresses strengthening the rule of law; enhancing government’s transparency, accountability, efficacy, efficiency, and responsiveness; working towards consensus-oriented

governance; and pursuing more social participation, equity, and inclusiveness. Chapters Two and Three will consider how governance (CN) has been partially shaped by Western governance theory. The adoption of governance (CN) in China may lead to a series of reforms in the public and private sectors, such as organisational transformation and revision of laws and regulations (see Graph 1.1), which aimed to fix several loopholes in institutional design as discussed in Chapters Six and Seven. For example, procedures for arresting corrupted officials, which acts as a deterrent to potential offenders and increases public confidence in the government's anti-corruption stance, may be gradually improved if the introduction of governance (CN) is well implemented and the corresponding reforms progress smoothly.

Factors other than governance (CN) reform – such as the pressure exerted by international and domestic public opinion, the political will⁸ of the upper echelons of leadership with capable political or administrative instruments, or the development of information and communications technology – may also affect the efficacy of anti-corruption measures except governance (CN) reform. However, this research focuses on the relationship between the introduction of governance (CN) and the efficacy of anti-corruption measures in China. The hypothesis of this study is that with governance (CN) reform, anti-corruption in China will be more effective. It suggests that a combination of better governance reforms and intensified anti-corruption would reduce China's socio-political problems, with remaining corruption handled more effectively. If, on the other hand, the governance (CN) reform was announced to create good publicity, rather than to effect change, levels of corruption and other significant socio-political problems in China would stagnate or rise.

1.2.2 Expected results

The discussion of 'governance' in the context of the *Decision* document in Chapter Three shows that the Chinese Party-state's working definition of governance (CN) has elements in common with definitions of governance in the

⁸ 'Political will' means politicians' firm intention to achieve policy or social change at the cost of her or his resources and political capital while acknowledging the risks. Political will itself is a driving force to control corruption as it can 'create strong fiscal institutions that promote integrity and accountability throughout the public sector' (Gaspar, Mauro and Mauro 2019).

West, such as the rule of law and greater governmental transparency and accountability. However, in the case of China's service-oriented government, one of the key elements of Western 'governance', the prerequisite of social participation, is modified: the Chinese authorities place greater emphasis on the need to 'strengthen leadership by the Party committee' and to 'give full play to the leading role of the government' than on 'supporting the participation of all sectors of the society' (CPC 2013). The Chinese Party-state thus has its own understanding of governance and its own motivating interests in carrying out governance (CN) reform. Hence, based on the literature reviewed in Chapter Three and Four, the research questions and the analytical framework detailed above, the key expectations of this study are:

1. If governance (CN) is effectively implemented, we would expect one of its effects to be a decline in corruption⁹.
2. If anti-corruption efficacy in China remains at the same level or declines, a possible explanation for this trend may be that the promotion of governance (CN) was merely 'window dressing' designed to detract attention from the Party-state's bad governance¹⁰.

1.2.3 Summary of sources

Guided by the research questions and expectations outlined above, this study utilises existing and relatively comprehensive Western governance theory as a reference source, to analyse the extent to which governance has been adopted in China. More specifically, it will determine which forms of governance have and are being employed to address corruption, and the extent to which governance has been implemented in the public sector and in society more broadly. Furthermore, this study will take into consideration how governance could help the Chinese government better solve the problem of corruption, and will highlight potential shortcomings in the implementation of governance theory. Finally, this thesis will propose a practicable Chinese version of mechanisms of governance, which could be gradually improved within the governmental

⁹ The history of corruption control in China indicates that anti-corruption campaigns are unlikely to deter or control corruption (Manion 1996; He 2004; Ren 2011; Wu and Zhu 2011; Manion 2015). Instead, anti-corruption campaigns in China might intensify more serious and higher-level corruption (Wedeman 2005, 2008).

¹⁰ It means that governance (CN) reform may be another lip service instead of concrete enforcement, similar to the grassroots electoral design in China, which 'is a window dressing, to legitimize the regime' (Manion 2014, p. 20).

framework, and which would contribute to the expansion of 'free space' for the people, enhancing the satisfaction of citizens. A workable Chinese version of governance would have to, in the words of Xi Jinping, 'confine the exercise of power within an institutional cage',¹¹ while not provoking dissatisfaction and resistance from the ruling party.

Chapter Two will elucidate various important interpretations of mainstream Western governance. Because discussions about and implementation of governance have taken place over three decades in some major Western countries such as the United States and the United Kingdom, there exists a large body of information about Western governance theory and its practices, consisting in academic monographs, research articles, the websites of non-governmental organisations (NGOs), government websites, and the websites of inter-governmental organisations such as the United Nations and the World Bank. Chapter Three and Four summarises and analyses materials related to Chinese governance and anti-corruption policies and practices. These chapters draw on five categories of secondary source material: first, monographs and journal articles produced by Chinese and international researchers; second, credible Chinese and international newspapers and online news media such as Xinhuanet and the BBC; third, official government documents, such as the *Decision*, that are published by the CPC and the Chinese government at each level of the bureaucracy; fourth, news bulletins and statistical information, that published on the websites of the CPC and Chinese government at each level of the bureaucracy, as well as information published on the websites of NGOs and intergovernmental organisations; and finally, information related to governance and anti-corruption disseminated by Chinese online social media.¹²

The sources discussed in Chapters Two, Three and Four are necessary contexts for the study of how governance is actually applied in China, and with what effects. Chapters Five, Six, and Seven present primary data gathered in interviews with people who have been exposed to the socio-political environment of endemic corruption in Shenzhen. According to pre-fieldwork

¹¹ A quote from Xi Jinping's speech in the second Plenum of the 18th Central Commission for Discipline Inspection.

¹² Considering the reliability of the information from social media, these sources will only be used after cross-checked with reliable news.

design from 2015 to 2016, three categories of people who reside in Shenzhen at least 10 years before 2013 and at least 2 years after were interviewed. First, and crucially, the data gathered includes narratives of personal experience from Chinese officials who work in the Discipline Inspection Commissions (DIC) of the CPC and the People's Procuratorate at all levels of the bureaucracy, because these two public bodies shoulder the primary responsibility for anti-corruption measures in China. Second, this study also recorded the personal narratives of civil servants in other public sectors at all levels of the bureaucracy, focusing on officials who could be expected to have most direct contact with corruption in their daily lives, and who might have higher sensitivity to policy reforms. These narratives are essential for understanding how governance (CN) is deployed in working environments and how reformed anti-corruption mechanisms deter individuals from offences.

Third, this study also gathered narratives from people who work in the private sector, irrespective of business size, because these individuals inevitably encounter various levels of official, and are thus potentially involved in different types of corruption. Business owners stand to benefit from corruption: for instance, a noodle shop proprietor might resort to petty bribes to avoid a hygiene inspection. Business owners can also fall victim to corruption. Others may become aware of corruption through conversations with their peers. Thus there are many reasons for business owners to have strong feelings, both positive and negative, about the reforms in anti-corruption mechanisms. Interviews with private-sector respondents are invaluable to ascertaining the extent and results of implementing anti-corruption and governance (CN).

1.2.4 Selection of methods for data gathering

In the path of choosing research methods, Silverman (2013) states that 'there are no right or wrong methods, there are only methods that are appropriate to your research topic and the model with which you are working' (P. 125). Supported by Nyame-Asiamah and Patel (2009) that 'the choice of research methods must reflect the research questions being addressed' (P. 3), and 'different questions require different methods to answer them' (Punch 2011, p. 19). Considering the qualitative methods adopted by this study can allow me to

show what is governance in the West and China context, as well as why and how governance can improve the performance of anti-corruption mechanisms. Thus, literature review and analysis of published documents, as well as in-depth semi-structured interviews were employed to explore secondary sources and to collect primary data in this study.

Research proceeded in three phases. First, this research used document analysis to conduct an extensive investigation of archival and academic materials, and to establish a standard framework of mainstream Western governance theory from textbooks, journal articles and the websites of NGOs as well as governmental and intergovernmental organisations. This framework was used as a reference source to identify differences between Western governance theory and the Chinese version of governance constructed by the *Decision* and other governmental and academic sources. Second, semi-structured interviews were conducted, transcribed, categorised, and analysed in order to identify which areas of public administration are using governance (CN) mechanisms in their daily operation, and the effects of these procedures. This thesis presents a series of comparisons between these results and those of the previous situations under former administrations, to determine how governance has been applied in China, and how could it genuinely improve government performance. This study conclude with a summary of the impact governance has had on socio-political problems in China and offer some policy suggestions for improvement of anti-corruption efficacy.

1.2.5 Data gathering and fieldwork

Access to databases, particularly the CNKI database – the leading academic database in China, enabled me to investigate the available academic material on the topic of both governance and anti-corruption. The literature review of this research also encompassed information and news from social media such as Weibo and WeChat, Chinese and international newspapers and online media, and the websites of NGOs as well as governmental and intergovernmental organisations. The analysis of this literature takes into consideration the fact that much of the material could be biased or partisan to a certain extent, due to ideological differences or because the material was produced to serve different

interests – even where sources declare themselves to be independent or neutral. For example, arguments about the role of government in social governance differ significantly between mainstream Western and Chinese academia. While it is easy to label sources as potentially biased, ‘it is not possible to construct rules for judging the validity of particular studies or domains of inquiry’ or to follow specified procedures to ‘systematically eliminate bias and error’ (Rajendran 2001, p. 6). Therefore, this study treats data from academia and from online media with caution, and takes into consideration the variety of factors that might lead to bias. This includes my own personal perspective, for which I have endeavoured to account through critical judgement and discussion with colleagues. Moreover, *etic* (my judgement) and *emic* (interviewee’s opinion) are clearly distinguished throughout the thesis (Mehra 2002).

In the course of the fieldwork, some unexpected dead ends were uncovered. First, this research was also planned to include narratives from grassroots anti-corruption activists eager to present their grievances and share their stories of participating anti-corruption exercises and protests. Because it has been estimated that since 2012, over 200,000 ‘mass incidents’¹³ occurred in China (Wedeman 2017, p. 179), suggesting that many members are not satisfied with the current situation and are determined to pursue change, whether seeking better wages, protesting polluted environments, or objecting to unfair treatment by dishonest officials. Thus, the personal narratives of anti-corruption activists could contribute to this study’s understanding of how the masses experience anti-corruption reform and the part played by governance (CN) in the reforms, enabling this research to interpret the process of reform from ‘government’ to ‘governance’ in a more comprehensive way.

However, grassroots anti-corruption activists¹⁴ proved difficult to find and contact in Shenzhen. In September 2016, preliminary to the fieldwork, this research combed 53 operating grass-roots anti-corruption websites – most of

¹³ These included riots and protests, such as the Wukan uprising in 2011, which was catalysed by the public outcry against corruption.

¹⁴ In these communications, I referred to grass-roots anti-corruption activists as 基层反腐积极分子 Jiceng Fanfu Ji ji Fenzi.

which can no longer accessed – such as ‘I want justice net’¹⁵ (我要正义网 Woyao ZhengyiWang), ‘China anti-corruption frontline net’¹⁶ (中国反腐前线网 Zhongguo Fanfu Qianxianwang) and ‘China anti-corruption net’¹⁷ (中国反腐败网 Zhongguo Fandubai Wang). I also tried to contact the managers of these websites. However, only Li Xinde,¹⁸ the website manager of ‘China public opinion supervision net’¹⁹ (中国舆论监督网 Zhongguo Yulun Jianduwang) and himself is an anti-corruption activist, responded to some inquiries of this research. The request for an interview with Mr Li was rejected on the basis that he had been ‘too busy recently’²⁰ for fact-finding news missions. Mr Li did not provide this study with information about other anti-corruption activists in the Shenzhen area, so I asked the project supervisor Professor Paul Heywood to assist with identifying grass-roots anti-corruption activists. Professor Paul Heywood put me in touch with Professor He Zengke at Beijing University and Yuan Baishun at Hunan University, but neither of them was able to provide access to activists in the Shenzhen region. Moreover, while Professor He Zengke introduced an associate professor²¹ at Shenzhen University by email, they did not have contacts with anti-corruption activists and neither did interviewees 53, 54 and 55.²² I contacted the Transparency International (TI) China office at Tsinghua University (PRC) but received no response. It can therefore be seen that despite such efforts, I was unable to achieve contact with anti-corruption activists.

These activists and activist websites were out of government control and operated in a grey area of Chinese law and regulation. Some might even have been conducting ‘anti-corruption business’ illegally, necessitating extreme caution. For example, the *Procuratorial Daily* reported in 2012 that 47 ‘anti-corruption’ and ‘rights protection’, such as ‘China anti-corruption investigation

¹⁵ <http://www.51zhengyi35.com/index.asp> (no longer accessible).

¹⁶ <http://www.fanfuqianxian.com/index.html> (no longer accessible).

¹⁷ <http://www.china-ffb.com/> (no longer accessible).

¹⁸ Li Xinde has been described by BBC news as ‘an influential citizen journalist’ (Hatton 2013).

¹⁹ <https://yulun.kuaizhan.com/> (last updated 1 January 2017 (last accessed 21 August 2018)).

²⁰ A quote from Mr Li’s Email on 28 September 2016.

²¹ Name is not disclosed for reasons for confidentiality.

²² Interviewees no. 53, 54 and 55 are academics.

centre'²³ (中国反腐败调查中心 Zhongguo Fanfubai Diancha Zhongxin) were shut down by the authorities in accordance with the law, alleged that they posed as state agencies or NGOs and used 'negative news' to make threats against some public organs, enterprises, and individuals in exchange for 'sponsorship fees', 'advertising fees' or 'membership fees', and sold fake press cards (Gao 2012). Family-run anti-corruption 'gangs' post exaggerated or fabricated corruption-related information through personal media (Weibo or WeChat) to blackmail government officials, business owners, and other individuals, making tens of millions in illegal profits (Wang 2018). These examples suggest that on the one hand, some 'anti-corruption activists' are profiting through 'anti-corruption business', in violation of Chinese law, and may be taken into custody; and on the other hand, in an authoritarian country where protecting the Party-state's authority is vital to the regime, authorities have been trying to safeguard the Party-state's reputation by all possible means. From the perspective of the authorities, grass-roots anti-corruption activists and websites can cause more harm than help to the Party-state's reputation by spreading 'negative news' or rumours. Such websites are being shut down, and grass-roots anti-corruption activists are extremely difficult to access.

The second unexpected obstacle to fieldwork was that 7 out of 10 officials with whom I had scheduled for interviews before my visit to Shenzhen, politely refused to interview after my arrival. However, using a snowballing interview method and with the assistance of a gatekeeper²⁴, by the end of the fieldwork period I was able to secure a total of 55 interviews (see Table 1) with 22 entrepreneurs, 16 officials, 9 lawyers, 6 academics, and 2 news media staff members who are also members of Shenzhen's municipal-level Committee of the Chinese People's Political Consultative Conference (CPPCC).

The data gathered in some of the interviews, especially with officials introduced via the snowballing method and by the gatekeeper's reference, were potentially influenced by personal associations between officials or with the gatekeeper. Due to these personal associations that the newly-introduced officials are willing to take the interview to talk about the sensitive topic of corruption

²³ This website is a 'fraud website', unrelated to the Chinese government (Gao 2012).

²⁴ Who is connected with some political and business elites in Shenzhen.

although it might endanger their careers. Yet personal connections might also illustrate that individuals might, to an extent, share views on particular issues because they are in a similar milieu and social class. Conceding that ‘there is no objective truth’ in human affairs (Stake 2010, p. 165), this study carefully compares narrative data collected from officials, with each other and with anti-corruption works of literature, to account for possible biases.

Furthermore, according to Barbour (2014), using mixed methods not only could compensate for some perceived shortcomings of a single method, but could also provide a more comprehensive overview of the socio-political situation. And considering statistical data gathered using a mass survey would contribute explanations complementary to the findings of the qualitative research, quantitative research methods, such as internet surveys, field surveys, should be used to collect ordinary people’s opinions about anti-corruption reform and ‘governance’ implementation to serve as a supplementary measure of how governance (CN) was implemented in Shenzhen, and the extent to which people think governance has had an effect on corruption.

$$\frac{\frac{z^2 \times p(1-p)}{e^2}}{1 + \left(\frac{z^2 \times p(1-p)}{e^2 N}\right)}$$

Figure 1. 2 Sample size calculate equation from SurveyMonkey. N= Population Size, e=Margin of Error (as a decimal), z=Confidence Level (as a z-score), p=Percentage Value (as a decimal). For more details, please check: https://help.surveymonkey.com/articles/en_US/kb/How-many-respondents-do-I-need (last accessed 20/08/2018)

However, both quantitative and qualitative methods require time and resources. Mertler and Charles suggest that survey sampling should sample between 10 and 20% of the target population (cited in O’Dwyer and Bernauer 2013, p. 87). If this were applied in the context of Shenzhen, using a random sampling survey to target the city’s population of around 12.52 million (SSB 2018, p. 3), it would require at least 1.25 million questionnaires. Another equation to calculate sample size that can provide a 99% confidence level and 1% margin of error (Figure 1.2) recommends that 16,617 questionnaires would suffice for a population of 11.37 million. However, the limited resources of this project are not sufficient to deploy such a survey in Shenzhen, nor to train and employ

research assistants to conduct surveys in the street. Therefore, more work needed to be done in the future to build on the result of this study.

1.2.5.1 Process of primary data collection

As sociologists' 'favoured digging tool' (Benney and Hughes 1956, p. 137), interviews are a commonly used data collection method in qualitative research (Hesse-Biber, Cuklanz and McIntosh 2017). They are not only a relatively economical research method in terms of time and resources, but also 'particularly useful as a research method for accessing individuals' attitudes and values – things that cannot necessarily be observed or accommodated in a formal questionnaire' (Silverman 2011, p. 167). Interviews can take many forms: structured, semi-structured, and non-directive; and focused versus informal conversational interviews (Gary 2009, p. 371). In this study, semi-structured in-depth interview method is selected, which allow the interviewer to raise further questions based on the discussion in the course of the interview, rather than adhering strictly to a schedule. Semi-structured in-depth interviews also created opportunities to record detailed narratives from the interviewees' personal experience (DiCicco-Bloom and Crabtree 2006), valuable in addressing the research questions of this study.

No.	Interviewee/sector	Length of the Interview
CPC/Government		
1	Official in Discipline Inspection Committee	2 hours 9 minutes
2	Official in Discipline Inspection Committee	1 hours 25 minutes
3	Official in Army & Research	1 hours 13 minutes
4	Official in Science Research	1 hours 12 minutes
5	Official in Civil Affairs	47 minutes
6	Official in Civil Affairs	23 minutes
7	Official in Civil Affairs	1 hour 36 minutes
8	Official in Culture and Broadcasting Administration	55 minutes
9	Official in Housing and Construction	1 hour 12 minutes
10	Official in Public Security	1 hour 09 minutes
11	Official in Procuratorate	3 hour 23 minutes
12	Official in Disabled Persons' Federation	1 hour 20 minutes

13	Official in Organisation Department of the CPC	2 hour 22 minutes
14	Official in Disabled Persons' Federation	20 minutes
15	Official in Procuratorate	1 hour 27 minutes
16	Official in Public Security	1 hour 25 minutes
Legal profession		
17	Lawyer	1 hour 26 minutes
18	Lawyer	1 hour 05 minutes
19	Lawyer	1 hour 51 minutes
20	Lawyer	49 minutes
21	Lawyer	36 minutes
22	Lawyer	1 hour 07 minutes
23	Lawyer	1 hour 20 minutes
24	Lawyer	1 hour 05 minutes
25	Lawyer	1 hour 30 minutes
Media		
26	Media & member of Shenzhen CPPCC	51 minutes
27	Media & member of Shenzhen CPPCC	2 hours 03 minutes
Private sector		
28	Entrepreneur in property management	1 hour 11 minutes
29	Entrepreneur in agriculture and the food service industry	1 hour 31 minutes
30	Entrepreneur in technology	2 hours 10 minutes
31	Entrepreneur in construction	41 minutes
32	Entrepreneur in religious supplies	2 hours 01 minutes
33	Entrepreneur in education	1 hour 21 minutes
34	Entrepreneur in marketing	1 hour 45 minutes
35	Entrepreneur in jewellery	1 hour 21 minutes
36	Entrepreneur in property management	1 hour 14 minutes
37	Entrepreneur in technology	1 hour 10 minutes
38	Entrepreneur in alcohol industries	1 hour 15 minutes
39	Entrepreneur in technology	1 hour 54 minutes
40	Entrepreneur in import and export business	1 hour 17 minutes
41	Entrepreneur in the cultural industry	1 hour 27 minutes

42	Entrepreneur in construction supplies	59 minutes
43	Entrepreneur in hydroelectric power	1 hour 45 minutes
44	Entrepreneur in technology	1 hour 02 minutes
45	Entrepreneur in medical technology	56 minutes
46	Entrepreneur in construction supplies	2 hours 18 minutes
47	Entrepreneur in technology	54 minutes
48	Entrepreneur in hydraulic engineering	39 minutes
49	Entrepreneur in construction supplies	1 hour 33 minutes
Academia		
50	Scholar in Law, and former NPC representative	1 hour 12 minutes
51	Scholar in Law	1 hour 16 minutes
52	Scholar in Economics	1 hour 17 minutes
53	Scholar specialising in Marxism	1 hour 47 minutes
54	Scholar in Management	1 hour 12 minutes
55	Scholar in Government Accountability	38 minutes

Table 1. 1 Interviewees and Sectors that were interviewed during fieldwork (for safety reason, interviewees' surname, rank, interview place and date are hidden)

As shown in table 1.1, a total of 55 semi-structured interviews were conducted, mainly in Shenzhen. Some were conducted in Beijing, to obtain the perspectives of higher-ranking officials who might have a broader and more in-depth view about the ongoing governance (CN) and anti-corruption reform. Research design was provided to the gatekeeper, to guide him in the selection of potential interviewees. Collaborating with a gatekeeper was indispensable, as is impossible for a researcher based at a non-Chinese university to obtain Chinese officials' contact details, such as email addresses or phone numbers, through public channels such as government websites. If a researcher were to contact the administration office of a government department to request an interview with an employee, a formal application would be necessary, and this would be reviewed by higher-level administrators.²⁵ If the application were not rejected immediately, the targeted interviewee could be prepared by his or her superiors to answer the researcher's questions with cliché for questions. The

²⁵ I was told this by an interviewee working in the public security department (the second interview of the CPC/Government group).

process of applying formally for interviews would thus be both time-consuming and yield unsatisfactory results.

Prospective interviewees were contacted via telephone²⁶ and asked if they would be available for between 30 and 60 minutes for an anonymised interview on the topic of President Xi Jinping's governance reform. The arrangement of time for the interview was crucial: typically, between 30 minutes and 24 hours after the initial telephone call. Based on the previous fieldwork experience in Shenzhen, the researcher may need to rearrange a scheduled interview with a prospective interviewee a few days after the call; and may need to interpret the interviewee's response as a 'No' if a prospective interviewee suggests meeting in a few days' or a week's time – often a polite way to decline the interview request. The majority of my interviews lasted over 60 minutes as shown in Table 1.1.

When prospective interviewees agreed to interview, appointments were scheduled in their preferred locations, normally at their offices (in 47 cases) or in a restaurant or tearoom (in 8 cases). After rapport²⁷ has been established on the basis of informal conversation, a set of open-ended questions (see Appendix 1) were asked if interviewees were passively waiting for questions, trying to avoid asking questions that invited a simple 'Yes' or 'No' response. Taking a semi-structured approach, further questions would be asked based on interviewees' responses. For example, when one interviewee told me some 'secrets' related to the CPC and government central leadership in the course of his description of the changing anti-corruption paradigm in China, I questioned him about his sources. He answered that 'what we said are secrets, but they are secrets for outsiders. Retired veterans move in social circles exclusive to retired veterans and high-level officials move in social circles exclusive to high-

²⁶ Requesting an interview by telephone was necessary to show due respect. I observed that none of my interviewees would use email as a contact tool; and though most of them used WeChat, it was typically only to share 'Chicken Soup for the Soul' (motivational 'feel-good' essays) or politically sensitive articles with their peers.

²⁷ Beginning each interview, my gatekeeper or I (when I was conducting the interview alone) initiated the conversation with an informal discussion not directly connected with the research topic. For example, my gatekeeper might talk about how his recent business dealings, or about interests he had in common with the interviewee; I might start by talking about my studies in China and the UK, or with a short discussion of 'Brexit' or the referendum on Scottish independence. (A topic that I found always attracted interviewees' attention, perhaps because China has a great unification history and most interviewees cannot comprehend the British insistence on 'independence')

level officials, so we can discuss issues and give criticisms freely within out social circles'²⁸.

Relaxed and candid communication with respondents were maintained during the interviews, by taking a modest and upbeat attitude, and never asking a hostile / accusing question such as 'have you given or received bribes before?'. Some interviewees were willing to recount their experiences and perspectives in this friendly atmosphere, and in fact sometimes voluntarily answered most of my planned questions in one of his or her longer statements about China's anti-corruption and governance reform. For instance, one official²⁹ spontaneously expressed that they could not support their family in Shenzhen without 'that' (i.e. grey or black income). A few interviewees who were very concerned about the anti-corruption topic avoided giving me direct answers and tried to lead the conversation in other directions instead, such as the overheated real estate market in Shenzhen. In interviewing these individuals, I endeavoured to direct the conversation back to the research topic, in spite of some moments of awkwardness, by rephrasing my questions to use words the interviewee themselves had used.

Since many interviewees were not familiar with the concept of governance, and some might understand 'governance' as to mean 'management' because of the existence of a 'Social Security Comprehensive Governance Committee Office' in China, I briefly explained to interviewees what governance means in the global context, and asked each interviewee to complete a supplementary survey that listed eight elements of Western mainstream governance with brief description (see Appendix 2) at the end of every interview. 34 interviewees agreed to fill out the survey, providing me with further understanding of how governance (CN) functions in Shenzhen.

1.2.5.2 Interview groups

As discussed above, one of the designed interview groups was inaccessible during this fieldwork, and so it was important to combine interviews from other sectors to address the research questions effectively. With the assistance of

²⁸ Interview no. 3.

²⁹ Interviewee no 11.

suggestions from my gatekeeper and from some of my interviewees, I conducted interviews with government officials, lawyers, media staff, entrepreneurs, and scholars.

1.2.5.2.1 CPC and government

Government officials are the most important group of respondents for this research. Although some of these officials are working in the main body of anti-corruption forces, they could also have participated in corruption activities (whether active or passive). Besides, officials are a group of bureaucrats who have a relatively deep understanding of policy adjustments due to their professional standing. For example, it is possible for an official to know whether the government's announcements and headlines about anti-corruption were propaganda for the masses, or an essential transformation of the institution. Thus, interviews with officials in anti-corruption organs (DIC and Procuratorate) and other public sectors maximised my understanding of how the immediate stakeholders perceive the deployment of governance deployment and anti-corruption reforms. Nonetheless, each official had a particular career, and it was difficult to have candid conversations with some in-service officers in the interviews.

1.2.5.2.2 Shenzhen private business

A selection of entrepreneurs from different industries in Shenzhen's private business sector were invited to attend interviews. From small enterprises to large corporations, most managers explained in detail to me how their businesses operate when confronted with corrupt officers, and how they have dealt with officials since President Xi's anti-corruption reforms and governance (CN) implementation. As a relatively disadvantaged group under pressure to compromise with the authorities, most entrepreneurs have a 'love-hate relationship' with officials. Love, because entrepreneurs can be handsomely rewarded with government resources if they cultivate relationships with 'the key few' officials; hate, because officials can slowly drain business enterprises through a 'relatively fair' exchange of resources. Through my interviews, I also gained the perspectives of entrepreneurs who are directly affected by Xi's anti-corruption reforms and might well be aware of the changes from the impact on their daily business. Since entrepreneurs were less concerned than

government officials that the interviews might damage their careers, conversations with them were more straightforward.

1.2.5.2.3 The legal profession

Nine experienced lawyers were interviewed in Shenzhen and Beijing. Lawyers were selected as interviewees because they deal in their work with various cases including defend corruption suspects and have numerous information sources in the legal profession. Besides, the legal system in China is also rife with corruption (Wang 2014) and lawyers might be very clear about it for their profession and can provide some internal information. For instance, one lawyer I interviewed³⁰ stated bluntly that before 2013, even judges in Shenzhen could not rule on a lawsuit without guidance from their superiors. As enhancement of the rule of law is a key step in tackling corruption and promoting governance, the inclusion of lawyers' perspectives in this study helps to develop a more comprehensive picture of anti-corruption reform and governance implementation.

1.2.5.2.4 Academia

Academia has always played a very important role in theoretic analysis and instruction in state-building and social development across the world. The research and analysis provided by academia have helped decision-makers to understand and solve the major challenges facing by China. To understand how Chinese academics perceive the Party-state's governance and anti-corruption reform, six professors (including three renowned scholars in China) from different universities and think tanks were interviewed during my fieldwork.

1.2.5.2.5 Media staff

Despite the Chinese media being firmly held in the hands of the Party-state, the reality of being a media worker has not changed in China. They are still widely exposed to social and public sectors, and have published many reports, which has led to some officials removed from office after their reports have gone through the censorship of the state administration of press, publication, radio, film and television of the PRC and its subordinate organs. Although only two media personnel accepted my invitation to interview, they recounted their

³⁰ Interviewee no. 25.

observations of anti-corruption and governance (CN) reform, and described some public relations campaigns conducted by the local government, which are valuable for this study's aim of presenting different sectors' opinions on Xi's reform.

1.2.5.3 Overview of fieldwork experience

Overall, fieldwork went smoothly, which reached the research target of interviewing 50 or more stakeholders within 3 months. I did not have the opportunity to interview first-in-command officials in the Shenzhen municipal party, government or DIC, let alone the provincial-level first-in-command officials recommended by one of my interviewees. Nor was I able to contact one of the target interview groups, grassroots anti-corruption activists, despite the fact that there is a lot of information about grassroots anti-corruption available online. However, I conducted interviews with people influential in government bureaucracy, the law, and academia in Shenzhen. Their opinions about governance (CN) and anti-corruption reform in Shenzhen can serve as strong evidence in this study.

1.2.6 Ethical considerations

Before beginning each interview, my gatekeeper and I made it clear to the respondent that the interview would be anonymised, and that data gathered from the interview would be used as part of my thesis. Interviewees were thus made aware that I was gathering research material in the interview, and that their personal information would be kept confidential, gained verbal ³¹ permission for both notes taking and voice record. During the interviews, having ascertained the respondents' occupations from my gatekeeper, I did not ask them to disclose personal identifiers such as name or age. The questions prepared for the fieldwork were also designed to collect confidential data. Data collected from interviews, including field notes and records, were kept anonymous throughout the research: from the beginning of the fieldwork, respondents' full names were not recorded, and their surnames were coded and referenced in code throughout this research.

³¹ Verbal consent was required because putting a signature to a consent form could risk the respondents' confidentiality.

Audio recordings of each interview were taken both with a mobile phone and with a digital recorder. These recordings were transferred to the researcher's personal computer and to a portable hard drive (both password-protected) each time after an interview. After the fieldwork, the audio recordings were erased, all interview records were transcribed in Nvivo 11 to maintain confidentiality. I conducted and transcribed the interviews in Chinese, and translated from Chinese into English the passages quoted in this thesis. While writing the thesis, the fieldwork data was stored safely in a password-protected personal computer.

1.2.7 Data analysis and validation

The data analysis process is a research process that makes 'sense out of text and image data' (Creswell 2009, p.183). After transcribing interview data into Nvivo 11, I scanned through the transcriptions to 'obtain a general sense of the information and to reflect on its overall meaning' (Ibid., p.185). Then, reading through every interview transcript in-depth, I selected and coded each interviewee's response to each different research question (as well as on unscheduled but relevant topics) as a new node in Nvivo Code selection, which was considered within the context and named based on the key topic. Other interviewees' similar answers to the same question were assigned to the same node, and different responses were also sorted using this approach.

During this process, I realised that some interviewees' responses to one question contained information relevant to several questions and codes. Thus, sentences in a long paragraph might be coded in several codes with consideration of the context, which avoids 'the charge that qualitative researchers have simply selected a few unrepresentative quotes to support their initial prejudices' (Jackson 2001, p. 202). After all the interview transcripts had been coded, a total of 89 nodes had been coded and categorised into 12 themes based on their subordination and correlation. I interpreted the primary data gathered on the basis of these themes.

To validate the findings of this study, data collected from interviews and literature were triangulated. Some follow-up discussions were also conducted with two of my core interviewees about Chapter Four and Five, to ensure that I

as objective as possible in my quotation of different respondents' opinions. Moreover, admitting that my own perspectives might cause bias over some issues to a certain extent, I have self-criticised and separated etic (see Chapter 7) from emic (see Chapter 5 & 6) in this thesis. Finally, I discussed my findings with two doctoral researchers who also study relevant topics, they were able to judge the accuracy of the data and thus enhance the validity of the study (Creswell 2009, p. 200).

1.3 Structure of the thesis

As stated in 1.2.3, Chapter Two discusses governance theory in the West, while Chapter Three provides an interpretation of governance (CN) in the Chinese context. After introducing the dilemmas and problems motivating the Party-state's governance (CN) reform, Chapter Three discusses the possible origins of governance (CN) in China. Then, based on the *Decision* document, the guiding scope and guiding details of governance (CN) are explained, to outline the CPC's perspective on governance (CN) enforcement in China.

Chapter Four details how anti-corruption measures were implemented in China before the current administration. It begins by presenting the definition of 'corruption' used in this thesis, focusing on officials' duty-related crimes,³² such as graft, bribery, and embezzlement, which are clearly defined in the Criminal Law of the PRC³³. Then, the chapter describes the main causes of corruption and how the Chinese Party-state countered corruption before Xi's administration, including a history of the evolution of anti-corruption agencies in China, its organisational structure and operational approaches, which will contrast with those described in Chapters Six and Seven. The third section of Chapter Four suggests how anti-corruption mechanisms might operate under the guidance of the *Decision* document.

Drawing on fieldwork data, Chapter Five illustrates how interviewees perceived the causes of endemic corruption in China, and why corruption control before

³² 职务犯罪 Zhiwu Fanzui is a terminology in Chinese justice system, see: http://www.spp.gov.cn/spp/gzbg/201803/t20180325_372171.shtml (last accessed 1 December 2018)

³³ See: <https://www.fmprc.gov.cn/ce/cgvienna/eng/dbtyw/jdwt/crimelaw/t209043.htm> (last accessed 1 December 2018)

Xi's administration was considered ineffective. The first section explains how corruption had become serious in China. Referencing the principal-agent and collective action theory on corruption discussed in Chapter Four, I discuss interviewees' responses about five main causes of endemic corruption. The chapter then explains why measures to control corruption before 2013 were considered ineffective, discussing four main reasons derived from interviewees' narratives: 'anti-corruption as propaganda', 'selective anti-corruption', 'govern the state via corruption'³⁴, and 'subordinates following the examples of their superiors'³⁵.

Interviewee's responses to shortcomings in the field of corruption control are discussed in Chapter Five, while Chapter Six uses fieldwork data to illustrate how the Chinese Party-state combats corruption in Xi's administration, in terms of regulation, organisation, implementation of approaches, and efficacy. The first section describes the major changes in the field of anti-corruption in Xi's administration, considering reforms in regulation, organisation, and officials' views on it. The second section of Chapter Six presents how interviewees perceived Xi's anti-corruption efforts, dealing with five topics: first, that Xi's power concentration results in more effective anti-corruption enforcement; second, that authentic will to anti-corruption results in better policy implementation; third, that subordinates following the example of their superiors reduces corruption activities in Xi's administration; fourth, that technological progress and strengthening social supervision results in better corruption prevention measures and anti-corruption enforcement; and fifth, the effect of governance (CN) on anti-corruption.

Chapter Seven presents the argument about the links between anti-corruption and governance (CN) reform in China. The first section briefly reviews the status quo before 2013: routine corruption control with periodic anti-corruption campaigns, undermined by institutional defects such as opaque bureaucracy. Addressing the institutional defects described in the first section, the second section argues that anti-corruption efficacy has been improved due to the

³⁴ 腐败治国 Fubai Zhiguo.

³⁵ 上行下效 Shangxing Xi Xiao.

implementation of governance (CN). These improvements include advances in institutional design and implementation, such as increasing the transparency of government, reforming the target-based responsibility system with a more unified personnel management system, and increasing forms of civil engagement in corruption control. The third section reasons that the implementation of governance (CN) and anti-corruption are in a mutually beneficial relationship. The fourth and final section of Chapter Seven explains two possible defects in the current implementation of governance (CN): insufficient social participation in the anti-corruption process, and slow progress with the civil service property declaration system, which may limit the efficacy of anti-corruption measures but may be corrected in future.

Chapter Eight summarises the outcomes of governance (CN) and anti-corruption, discussing publicised anti-corruption achievement reports, interviewees' personal experience in Shenzhen, the public's rising satisfaction with the government's anti-corruption efforts (Figure 7. 4), institutional reforms in the public sector, and rising levels of public trust in the government (Figure 7.5). The conclusion confirms that the adoption of governance (CN) can promote the efficacy and ability of public service in this policy pilot city, and has increased the efficacy of Shenzhen's anti-corruption mechanisms.

Chapter two: Governance in the West

2.1 What is 'governance'?

As with many terms in Western political science, the history of governance can be traced back to the ancient Greeks, when Plato used it to mean 'steering' or 'piloting' in designing the rules of the governing system. In Greek political thought, 'governance' was regarded as synonymous with the notion of government (Kjaer 2004, p. 3). This meaning of governance changed little in later centuries. For instance, in Sir John Fortescue's 1885 book, *The Governance of England: otherwise called the Difference between an Absolute and a Limited Monarchy*, the term 'governance' still serves as a synonym for 'government'. In recent decades, however, 'governance' has become a buzzword, and has gained different definitions in various fields (Rhodes 1996, p. 652). For example, 'governance' can refer to how companies are managed in the private sector (Mallin 2004), or can designate a project management framework. Weiss (2000) and Kjaer (2004) showed that in the 1980s and early 1990s, the meaning of 'governance' shifted so that it was no longer synonymous with 'government'. It had been ascribed new and broader meanings by political scientists, and was now seen as different from the narrower term 'government' (Pierre and Peters 2000, p. 1). The Western concept of 'governance' discussed in this chapter can be summarised as: *governance is the tendency to adjust the relationship between the national government and society to confront the proliferation of complex social affairs.*

In Rosenau's definition (1992, p. 4), government is distinguished from governance on the grounds that the former refers to 'activities that are backed by formal authority', whereas the latter refers to 'activities backed by shared goals'. Rhodes (1996, p. 652) observed that the term governance refers 'to a new process of governing'; Stoker (1998, p. 18) specified that 'governance' refers to 'a "reinvented" form of government which is better managed', and that it can serve as 'a code for less government'. Leftwich (1993, pp. 611-2) has argued that the concept of governance does not simply mean a new governing

method devised to address problems of economic and social development, but is rather ‘an intimate part of the emerging politics of the New World Order’, referring to a new model of resource distribution. Vasudha and Stoker (2009, p. 3) consider that the governance theory is about the practice of collective decision-making. In his recent book *China’s Governance Model: Flexibility and Durability of Pragmatic Authoritarianism* (2016), Lai defined ‘governance’ as ‘the state’s management of the country and its efforts in promoting economic, political, and social development’ (p. 40).

Thus, in contrast to the term ‘government’, which generally refers to the state governmental organisations – ‘the legislative, executive and courts, and their monopoly of legitimate coercive power’ (Milward and Provan 2000, p. 360) – the term governance is more inclusive, comprising not only official institutions but also subsuming ‘informal, non-governmental mechanisms whereby those persons and organizations within its purview move ahead, satisfy their needs, and fulfill their wants’ (Rosenau 1992, p. 4). Unlike traditional top-down public administration activities, which ‘rest on recourse to the authority and sanctions of government’ (Stoker 1998, p. 17), governance – a new social-scientific paradigm in an increasingly complex world (Jessop 2003, p. 102) – is ‘the sum of the many ways individuals and institutions, public and private, manage their common affairs’ (CGG 1995, p. 2). Based on these aforementioned characteristics, some scholars define governance as:

‘Governance’ refers to self-organizing, interorganizational networks characterized by interdependence, resource-exchange, rules of the game, and significant autonomy from the state. (Rhodes 1997, p. 15)

Global ‘governance’ is conceived to include systems of rule at all levels of human activity – from the family to the international organization in which the pursuit of goals through the exercise of control has transnational repercussions. (Rosenau 1995, p. 13)

Although the definitions of ‘governance’ in Rosenau (1995) and in Rhodes (1997) can refer to different government levels, both indicate a governing system with broader boundaries of participation than in the notion of ‘government’. Such a system would coordinate private and public resources,

and in the interest of the majority, thus enhancing the government's strength while performing its governmental functions.

2.2 Understanding governance

'Governance' has been widely applied in economics and in social and political science research since the 1990s, due to the fact that the term relates to the basic issues of political order, such as legitimacy and efficiency, while it does not necessary relate to the state (Hewitt de Alcántara 1998, p. 105). For instance, scholars such as Rhodes could expand the scope of the discussion of public affairs from 'government' to the broader realm of governance, if they were not satisfied with the authorities' strong intervention in social and economic affairs. Theorists such as Rosenau – not concerned with the strength of national government, but rather with international government, and assuming that the traditional 'government' could hardly function alone – have used the concept of governance because it considers the co-operation of a range of groups, from members of the public and grass-roots activists to supranational organisations. Moreover, in their work facilitating the reform of bureaucracies and state programmes in developing nations, international institutions such as the World Bank (WB) and the International Monetary Fund (IMF) use the term 'governance', focusing less on political issues and more on administrative and managerial considerations, more readily accepted by post-colonial nations or authoritarian states while the WB is marketing their policies. Of course, 'governance', like many key concepts in debates on development, is used by ideologically diverse groups for different and sometimes conflicting purposes.

2.2.1 Multiple usages of governance

Regardless of the many usages of the term 'governance', all definitions indicate apolitical process whereby, in order to implement a project in a field governed by different interests, consistency, agreement or acquiescence is established among the network participants (Rhodes 1996). Since 'governance' is mobilised in various domains, with usages deriving from different theoretical bases, it is helpful to understand the 'umbrella concept' of governance (Levi-Faur 2014, p. 3) by anatomising the differences between the various usages of 'governance' and the aspects they have in common, which could then make a

contrast with chapter three when discussing governance in the China context. Below, I discuss in detail the uses of the concept of governance in the work of key scholars in governance research, Roderick Arthur William Rhodes and Paul Hirst.

Rhodes: the six meanings of governance

A key figure in governance theory, Rhodes points out that ‘even the most cursory inspection reveals that “governance” has several distinct meanings’ (1996, p. 652). Rhodes summarises six meanings of governance, which include: the minimal state, corporate governance, good governance, a socio-cybernetic system, self-organising networks, and new public management (NPM).

Governance as the minimal state. This pattern of usage aims to redefine the form and scope of public intervention, describing the utilisation of private sectors in markets and quasi-markets to deliver ‘taxpayer-funded services’ (Milward and Provan 2000, p. 360). In Stoker’s opinion (1998), governance is ‘not the narrow product of fiscal crisis’ but ‘a reinvented form of government which is better managed’ and it could ‘provide the acceptable face of spending cuts’ (p. 18). Rhodes (1997) states that although the size of the UK government was reduced through the privatisation of public sectors and expenditure cuts in the public services, public expenditure as a proportion of GDP did not change significantly. Besides, regulation, as opposed to public intervention, has become the government’s preferred approach, which has resulted in the creation of new regulatory agencies. In Rhodes’ view (1997), governance as the minimal state is a political rhetorical move, a form of ideological propaganda to justify limited government intervention, rather than a definition of essential elements of governance.

Governance as ‘corporate governance’. ‘Corporate governance’ in the financial domain refers to ‘the ways in which suppliers of finance to corporations assure themselves of getting a return on their investment’ (Shleifer and Vishny 1997, p. 737). In this way, corporations are like republics, where ‘authority rests with voters’ who ‘elect representatives who delegate most decisions to bureaucrats’ and where the ‘power-sharing relationship depends upon the specific rules of governance’ (Gompers, Ishii and Metrick 2001, p. 107). This

definition of governance refers to guiding and controlling the direction of a corporation. The report of the Chartered Institute of Public Finance and Accountancy (CIPFA, cited in Rhodes 1996, p. 654), outlines three basic principles that could equally apply to both the public sector as well as to private corporations: transparency, integrity, and accountability. Thus corporate governance could, with modifications, be adopted in the public sectors, and it would resonate when discussing accountability in NPM and good governance.

Governance as the ‘new public management’ (NPM). NPM has two primary meanings: managerialism and the new institutional economics (Rhodes 1996, p. 655). The former intends to introduce management methods from private organisations to the public institutions, emphasising ‘hands-on professional management, explicit standards and measures of performance; managing by results; value for money; and, more recently, closeness to the customer’ (ibid., p. 655). The latter indicates that incentive structures in the market operations should be introduced to public services, promoting competition through contracting-out, quasi-markets, consumer choice and focusing on reducing bureaucracies. Research on NPM relates to the discussion of governance because both concepts characterise the role of the state as one of ‘steering’ rather than ‘rowing’. NPM became a popular trend in state governing reform with the beginning of processes of privatisation. In the UK, for example, British Rail was privatised in 1996 (Glaister 2004, p. 7), and other public sectors also tended to use markets and quasi-markets to replace existing methods of delivering public services. This trend affecting the reform of the public sector involves more ‘governance’ and fewer direct interventions from the government (Rhodes 1996, p. 655). Therefore, although some political theorists such as Majone (1994) and Saward (1997) assert that ‘the reform tends to strengthen rather than weaken the regulatory capacity of state’ due to decisions still being made largely by the government, others such as Rhodes (1996), Clayton and Pontusson (1998), Stoker (1999) and Kjaer (2004) hold that there has been a distinct shift from ‘government’ to governance.

Governance as ‘good governance’. Leftwich (1993, p. 606; 1994, p. 366) points out that ‘good governance’ has two meanings, one focused on administrative and managerial reforms to assist economic development, the

other focused on the legitimacy of democratic nation-states. The WB originally used 'good governance' in focusing on administrative and managerial reforms in developing nations, in the belief that the adoption of a governance management model would accelerate national development in under-developed countries. The WB's definition of good governance is 'the exercise of political power to manage a nation's affairs', features of good governance including:

an efficient public service; an independent judicial system and legal framework to enforce contracts; the accountable administration of public funds; an independent public auditor, responsible to a representative legislature; respect for the law and human rights at all levels of government; a pluralistic institutional structure, and a free press. (World Bank, cited in Leftwich 1993, p. 610).

Before the promotion of governance, WB loans were open to both 'democratic' and 'non-democratic' states, especially during the Cold War period. Since the late 1980s, however, good governance has become one of the conditions for the WB's loans to national governments. To promote the efficiency of public services in developing countries, the WB has designed implementation plans similar to NPM reforms, such as encouraging competition and markets, privatising public enterprise, and involving non-governmental organisations in the delivery of public services.

The second meaning of 'good governance' commonly used in the West is more politically oriented. 'Good governance' in this context is concerned not only with improving administration capacity but also with promoting competitive democratic politics (Leftwich 1993, p. 606), underpinned by capitalist ideology. It emphasises that nation-states should seek to establish legitimacy as well as authority; launch regular general elections; adopt a tripartite system of power (legislative, executive, and judicial); and improve the 'checks and balances' mechanism. Good governance progresses through three different stages: systemic, then political, then administrative. Good governance at the systemic level refers to the 'distribution of both internal and external political and economic power'; the political usage of good governance refers to 'a state enjoying both legitimacy and authority, derived from a democratic mandate'; the

administrative usage refers to a public service system that is 'efficient, open, accountable and audited' and supported by capable bureaucracy to design and deliver public policies (ibid., p. 611).

Rhodes (1996) argued that in the theory both good governance and NPM advocate liberal democracy and a '3E' government (Economy, Efficiency, Effectiveness). In practice, although good governance is adopted by most Western nations and is increasingly observed in developing countries, Leftwich (1994, p. 381) points out that good governance is 'not likely to generate much development on its own'. On the contrary, Leftwich argues, a good governance model is in conflict with the 'developmental state', focused on economic development. The political version of 'good governance' could thus result in a trade-off between economic development and 'democracy' in some Third World countries, promoting the Western democratic political system at the expense of economic development. Should a lower rate of GDP growth could be an acceptable cost to pay for strengthening democratic polity, both development and democracy might in fact weaken in developing states. Historical examples across nations such as Haiti, Ghana and Myanmar have demonstrated that premature democratisation fosters neither GDP growth nor liberty (Leftwich 1993, p. 613), but can instead trigger competition over political power in nations lacking sound legal systems and implementation.

Governance as a socio-cybernetic system. This usage of 'governance' stresses that policy outcomes cannot be controlled by the state government. It claims that in this increasingly complex world,³⁶ no single player can provide enough resources (material or informational) to dominate in a particular governing model. All actors require mutual assistance, contributing resources when either to promote or to resist particular policies. There is an interactive relationship between central government, local government, non-profit organisations, and the private sector. Thus, the central government no longer presides over other sectors, and 'the political system is increasingly differentiated' (Rhodes 1996, p. 657). In summary, the contemporary socio-

³⁶ It emphasises the unpredictability of 'inter-related risk challenges', as in complex systems – from social networks, and their links to financial markets, climate change, computer networks and political dynamics, both domestic and international (Deere-Birkbeck 2009, p. 1174).

political system has multiple centres. Each centre interacts and exchanges resources with the others in the policymaking process. In this context, the government's duty is not merely to implement of policies, but also to assume responsibility for guiding and encouraging the multiple other players to interact with each other in the socio-political context, of 'coping with problems and distributing services among the several actors' (ibid.). Without supreme authority however, an administrator will certainly encounter restrictions in governing society, as with multiple actors participating in various policy areas, the actors are mutually dependent. Boundaries between the public sector, non-profit organisations, and the private sector can become blurred, and forms of action, intervention, and control among actors diversify. Governance is thus the result of socio-political interactive governing.

Governance in the form of self-organising networks. Rhodes himself defines governance as policy networks (Börzel 2011, p. 52). Rhodes uses 'governance' as a meso-level concept, which 'provides a link between the micro-level of analysis, dealing with the role of interests and government, in particular policy decisions, and the macro-level of analysis, which focuses on broader questions about the distribution of power within modern society' (Rhodes 1997, p. 30). 'Network governance' implies that organisations are mutually dependent within the network, and that they exchange resources such as materials and information to 'achieve their objectives, to maximize their influence over outcomes, and to avoid becoming dependent on other players in the game' (Rhodes 1996, p. 658). In this context, governance refers to the management of networks, where actors are not restricted to official institutions.

According to Rhodes (2011, pp. 563-4), network governance theory proceeded in two waves. The first wave of network governance, the Anglo-governance school³⁷, emphasises power dependence, network relations, policy outcomes, and network governance strategies. The second wave of network governance is known as 'meta-governance', where the functions of public agencies have been exported to various public and private actors, and 'power and authority are more decentralized and fragmented among a plurality of networks' (Rhodes

³⁷ See Marinetto (2003) and Rhodes and Tiernan (2013).

2011, p. 564). Thus, the role of the government has transferred to 'meta-governance', essentially the government's use of more informal methods, such as negotiation and persuasion, to secure intermediation in governance (Rhodes 2014, p. 37). This wave of network governance theory placed emphasis on using various governing structures and a mixture of instruments of control to govern the other players, while these players undertake some of the services that were formerly under direct government control – referred to by Jessop as 'the governance of government and governance' (cited in Rhodes 2014, p. 37).

As a widespread form of social coordination, inter-organisational relations are also significant for private management. Networks span the boundaries between the public, voluntary, and private sectors. Meta-governance manages the mix of markets, bureaucrats, and networks to a certain extent, and thus becomes an alternative to markets and hierarchies. As internal exchanges within the networks could reduce organisations' dependence on authority, the integrated networks can become autonomous and self-governing, capable of resisting governance from the state, and possibly resulting in a 'hollowing out' of the state (Rhodes 1996, p. 661).

Kjaer (2011) has criticised the fact that Rhodes's anatomy of the various definitions of governance is not applied consistently,³⁸ in the sense that it is 'hard to apply it with analytical rigour' (p. 105). In his later research, Rhodes (2000) revised his previous description of governance and proposed slightly different uses of governance, which include not only the definitions summarised above, but also the definitions of governance as international interdependence, and as the new political economy.

Governance as international interdependence. In the context of international relations and international political economy, the hollowing-out of the state and multi-level governance have involved the public administration. 'Governance as international interdependence' stresses that with the acceleration of economic globalisation, states interact with each other to a greater extent through transnational corporations, international law, transnational production,

³⁸ For example, Rhodes's 2003 definition of governance suggests something much broader than merely a network, but rather 'encapsulat[es] the changing form and role of the state in advanced industrial societies' (Bevir, Rhodes and Weller 2003, p. 13).

international financial transactions, hegemonic power, and power blocks (Held, cited in Rhodes 2000, p. 57). It becomes necessary to transfer the state power upwards to the international level, and downwards to the sub-national agencies, to a certain extent. Despite remaining one of the main actors, sovereign states' governing capacity declines, and state governments become more internationally interdependent with the other states' governments, sub-governments, transnational corporations, NGOs, and supranational organisations; for instance, the emergence and development of the European Union.

Governance as a new political economy. This usage of governance has re-examined the role that the national government plays in the economic system, and the blurring boundaries between the state, market economy, and civil society. According to Lindberg, Campbell, and Hollingsworth (1991, p. 3), governance as new political economy refers to 'the political and economic processes that coordinate activity among economic actors'. They point out that governance is not only concerned with enhancing economic efficiency, but also with the issue of social control. By emphasising the 'emergence and rearrangement of different kinds of institutional forms of governance' (Rhodes 2000, p. 59), their research mainly explores the ways in which strategies of governance operate power under economic transition.

Hirst: five usages of governance

Hirst (2000, pp.14-19) has also identified five usages of governance, similar to the usages classified by Rhodes (1996, 2000). In Hirst's definition, 'good governance' refers to a political framework that effectively benefits private economic action in the market, including 'stable regimes, the rule of law, efficient state administration adapted to the roles that governments can actually perform, and a strong civil society independent of the state' (Hirst 2000, p. 14). Democracy is valuable to good governance because it offers legitimacy for the government's exercise of power.

Hirst's second definition concerns the international level, where governance includes actors such as sovereign states and transnational organisations. Hirst stresses that individual national governments cannot deal effectively with

important global issues. For instance, it would be impossible for any single state's government to implement transnational crime control, such as combating international drug trade and global money laundering and fraud. In order to settle problems at the international level, supra-state agencies and inter-state agreements increasingly become instruments of governance.

Hirst's third meaning of governance is 'corporate governance'. This usage originates in corporations in the UK and USA where 'highly dispersed shareholdings and an active stockmarket, on the one hand, and a permanent professional management on the other', and where giving shareholders a voice is the manner of protecting the benefits of investors (ibid., p.17). 'Corporate governance' has become a slogan of those seeking to improve the accountability and transparency of public management activities. However, Hirst (2000) also notes that companies are actually 'autocracies in a political climate where democracy is the primacy source of legitimacy', thus other than shareholders, corporate governance 'has no way of either accommodating or protecting politically the interests of stakeholders' (p. 18).

The fourth usage of the concept of governance, as defined by Hirst, concerns the rise of NPM since the early 1980s. Designed to promote efficient service delivery and reduce public spending, NPM has introduced private sector management methods and competition mechanisms into the public sector. By combining 'top-down' dominant power with 'bottom-up' autonomous power, NPM initiated a public services model which differs from the traditional public administration model in that it falls under the responsibility of hierarchies and elected officials, and has replaced the notion of the citizen-welfare state with a customer-provider relationship.

Hirst's last definition of governance describes the coordinating of activities, whereby through networks the declining 'more centralized and hierarchical corporatist representation' is replaced with partnerships and deliberative forums (ibid., p. 19). This negotiated social governance, viewed as an experiment in democratic practice, embraces a diverse range of actors, including firms, NGOs, community groups, trade associations, and local government representatives. Public policy decision-making and service delivery could rely on coordinating

activities instead of bureaucracies, which could not only expand the public interest but also enhance the legitimacy of policies.

Other scholars have categorised usages of ‘governance’ that share some similarities with the definitions of Rhodes (1996, 2000) and Hirst (2000). For example, Fenger and Bekkers (2007) summarised five modes of governance including ‘governance at a distance’, ‘multi-level governance’, ‘market governance’, ‘network governance’, and ‘societal self-governance’; while Lynn (2010) identified five main usages of governance, comprising ‘governance as a third-party government’, ‘hierarchical governance’, ‘networks’, ‘governance-not-government’, and ‘new governance’. To avoid confusion, this thesis uses definitions of governance devised by key authors in the field of governance research, as indicated in Table 2.1.

Table 2. 1 Governance usages from key authors of governance research. Sources: Rhodes (1996, pp. 653-9); Rhodes (2000, pp. 55-63); Hirst (2000, pp. 14-19)

Authors Usages	Rhodes (1996)	Rhodes (2000)	Hirst (2000)
1	Good governance	Good governance	Good governance
2	Corporate governance	Corporate governance	Corporate governance
3	New public management	New public management	New public management
4	Socio-cybernetic system	Socio-cybernetic system	
5	Self-organising networks	Network	Network
6	Minimal state		
7		International interdependence	International interdependence
8		New political economic	

Table 2.1, illustrates that, even among the two key authors in the field of governance research, there are eight different usages of the term 'governance'. As Rhodes (1996; 2000) and Hirst (2000) have themselves suggested, it is problematic to compare the different usages – not least because, as yet, there is no universally accepted definition which encompasses the myriad uses the term implies.

However, it is possible to determine common elements in the different usages that relate to the overall concept of governance. This may be inappropriate when considering strong political ideology (corporate governance; minimal state) or that which indirectly relates to public administration. Thus, public administration and the general role of the state are ripe for reform to address governmental capacity issues, to challenge problems resulting from increasing globalisation, and to coordinate different levels of public administration. The role of governance is not only to develop an orientation towards policy and to strengthen the rule of law through efficient and effective state administration, but also to encourage a robust civil society and to facilitate redistribution of economic and political power (Leftwich, 1993). The introduction of New Public Management (NPM) in the 1980s revitalised institutional managerialism and economics, and also disrupted the equilibrium between government and civil society, triggering transformation of this long stable relationship. With increasing globalisation, the vulnerability and operational limitations of sovereign states have become evident, encouraging them to adopt a more collegial approach to begin to address their collective problems at a global level. Furthermore, in the socio-cybernetic/networking model of 'good governance', government must actively reconsider its relationship with civil society and with other organisations, rather than seeking to continue to maintain its traditional centrist role in a changing society. Thus, though there is no universal consensus among scholars on the different usages of governance (Rhodes, 1996; 2000; Hirst, 2000), two particular reforms advocated as crucial to the concept of governance: first, national governments actively decentralising their authority wherever possible; and second, reforming governmental models for public administration.

Governance is generally understood to be a process, derived from a range of 'theoretical roots' (Jessop, 1995: p.310). Rhodes (2014, p.4) gives two examples of these 'theoretical roots': institutionalism and network theory, which recently gave rise to new public governance, and rational choice theory and management studies which have given rise to NPM. However, as Whitehead (2003, p.7) points out, the process of governance itself is transforming, moving away from the traditional narrow focus on formal political structures and centralised public departments, in favour of a model where actors in civil society, including private corporations and NGOs, reflect a much broader range of civic interests. Thus, governance is now understood to be a tripartite model comprising the state, civil society, and the market, a model that 'handles the growing diversity, dynamics and complexity of societal issues' (Kooiman, 1999: p.84).

The Western concept of 'governance' discussed in this chapter can be summarised as: *governance is the tendency to adjust the relationship between the national government and society to confront the proliferation of complex social affairs*. Heralding a marked shift in the relationship between government and civil society, political and social structures are increasingly viewed as ungovernable. In democratic Western countries, the devolution of centralised government power and a reduction in the government's prominent status has been replaced by a tripartite arrangement in which, to some degree, governance is shared between the state, society, and the market. Meanwhile, governance represents an attempt to resolve the dichotomous relationship between the market and the state, which is 'directed at the creation of patterns of interaction in which political and traditional hierarchical governing and social self-organisation are mutually complementary, in which responsibility and accountability for interventions is spread over public and private actors' (Kooiman, cited in Rhodes 2000, p. 58). The previous market and hierarchical structures are being adjusted by using instruments of governance to instigate new ways of working between the three protagonists, coordinating activities as a network to ameliorate otherwise ungovernable problems and, in the process, potentially extending the nation state's ability to govern.

While Offe (2009) claims that the ubiquity of 'governance' renders it 'an empty signifier', Frederickson (2005, pp. 294-295) contends that, in the context of public administration, governance consists of the three discrete categories comprising the domain of public administration. The first category is that of inter-jurisdictional governance (vertical or horizontal), or inter-organisational cooperation. The second is third-party governance, by which the state contracts non-profit organisations, sub-governmental organisations and/or private corporations to provide public services on behalf of the state – largely independent of the usual executive administration and direct oversight undertaken by legislative authorities. Frederickson's third category of public administration is public nongovernmental governance, the private sector is represented in policy-making and in implementation in the public sector. Private-sector actors are accountable for their activities in line with the standards required of public sector agencies. Despite Frederickson's (2005) efforts to bring clarity to the definition of governance, in practice, the complexities remain and some intricacies in the system have become obscured, especially during the circumstance that governance in public administration may take these categories in combination (p. 295).

2.2.2 Main propositions of governance

Despite the lack of a consistent definition of governance, discerning similarities among the different usages of the term can provide a relatively reliable basis for further discussion. As Stoker (1998, p. 18) points out, the 'contribution of the governance perspective to theory is not at the level of causal analysis. Nor does it offer a new normative theory. Its value is as an organizing framework'. That is, the idea of governance has value in usefulness for laying out a framework helpful to understanding transformations in the process of governing. Stoker (1998) has organised the governance perspective into five complementary propositions:

1. Governance 'refers to a set of institutions and actors that are drawn from but also beyond government' (Stoker 1998, p. 19). Thus the government system can no longer be simply understood via constitutional and formal theories because the power centre is not limited to the traditional one of central

government, and public agencies at the local, regional, national, and supranational levels interact in diverse linkages. Especially in the West, organisations and players beyond the government have become more involved in public policy-making and service delivery. This enrolment of non-government actors in public affairs management raises legal challenges, as well as challenges to the legitimacy of the political system: when unelected actors assume public responsibilities in electoral democracies, they suffer from an inherent legitimacy deficit. These deficits can 'undermine public support and commitment to programmes of change' and 'ultimately undermine the ability of power-holders to mobilize resources and promote co-operation and partnership' (ibid., p. 20).

2. Governance identifies that the fact of shared responsibilities and blurred boundaries between individual actors and institutions in tackling economic and social problems. A 'welfare system that stimulates dependence is no longer acceptable to either Right or Left of the political spectrum' (Stoker 1998, p. 21), and enjoying the right to welfare requires a duty to be fulfilled. With more actors beyond the government participating in public services, the obligations of the government might need to be transferred, at least partly, to non-profit organisations or private corporations. Blurring of the boundaries between the public and private sectors can result in blame avoidance and scapegoating when policies fail.

3. Governance recognises that while involved in collective action, actors might exchange power dependence between each other. Under certain regulations and conditions, actors such as NGOs participating in collective action might need to negotiate with other actors for the resources necessary to achieve their goals. Successful negotiation might increase the actor's capacity in the task, but might force them to depend on other actors in other joint projects. Additionally, the outcomes of resource exchange are shaped by the exchange background and rules of the game, which could increase opportunistic behaviours in the event of an actor intending to maximise his gain and minimise his expenditure – possibly resulting in yet more uncertainty and complexity. Yet, unpredictable outcomes might still be legitimate if formulated through deliberative negotiation. Thus, governance refers to a greater willingness of

actors in both the public and the private sector to 'cope with uncertainty and open-endedness on the part of policy-framers' (Stoker 1998, p. 23).

4. In a governance environment, actors' collective actions form autonomous self-governing networks, in which participants combine their information, resources, skills, and goals through processes of negotiation and exchange. This could allow them ultimately to formulate 'a long-term coalition: a regime' (Stoker 1998, p. 23). Hence, self-governing networks could distance the state from the market and society, and could gradually gain autonomy from the sovereign state. Thus, governance networks not only exert forces on public policy, but could even be 'taking over the business of the government' (ibid.)

5. Governance implies that the capacity of policy implementation does not necessarily rely on the government's authority to command and control ('rowing'). Rather, in governance, government capacity includes the effective use of new instruments and techniques to guide policy formulation and implementation, such as '(de)composition and co-ordination; calibration and steering; integration and regulation' (Stoker 1998, p. 24). National government might have to confront a multi-level autonomous self-governance network in new conditions, which would challenge the existing power structure and drive the government to learn new skills and use new tools, in order to steer.

Four main characteristics of governance can be extracted from Stoker's propositions discussed. First, decentralisation. The authority of the sovereign state and the central status of the state government in public administration have been moderated (Rhodes 1994; Leftwich 1994; Kjaer 2004). 'Governance' describes the tendency for democratic nation-states to restrain their exercise of power, and the shift of administration power from central to local government, civil society, and supranational organisations. Second, multi-centre structure. Non-governmental organisations and other non-government now participate in managing public affairs, and self-governing society is becoming the norm. Third, opposition to market fundamentalism that exaggerates the market's role in resource allocation. To be more specific, although governance in practice might often need assistance from the market, proponents of governance disapprove the neoliberal overvaluing of the status of the market, which 'put[s] its faith in

freedom and free markets' (Rhodes 1994, p. 140). Fourth, governance can be applied at multiple levels (local, national, supranational), through multi-level governance and the use of a wide range of policy instruments. In addition, governance theory stresses that both the role of the citizen, as well as the role of the state, needs to change. Members of the public would no longer be passive consumers of public services; instead, they become positive participants in public policy decision-making, managers of public affairs, and implementers of social policy (Wang 2009a).

2.2.3 A governance toolkit

This systematic comparison and summary of the different usages of the term 'governance' has revealed that governance should be understood as a tendency for the relationship between government and society to change in confronting increasingly complex social affairs. This change involves transformations in the proportion of power held by different sectors, government accountability, legitimacy, the rule of law, and government responsiveness and efficacy. For instance, a slum clearance scheme guided by the traditional governing mechanism³⁹, such as Birmingham in the 19th century follows the orders of the public department rigorously, with relocation compensation and resettlement plans decided by related sectoral bureaucrats, and relocated families are typically not involved in decision-making processes. However, with the adoption of 'new governance', public departments would be legally required to disclose a full schedule of demolition and relocation, a schedule subject to cooperative redesign by the public and private sectors. The relevant departments could also be required to consult, respond to, and negotiate with the representatives of relocated families during project planning, with important issues including compensation, home design, noise and pollution, the greening of the community, education services, shopping facilities, construction, and long-term maintenance. The slum clearance scheme, originally operated solely by the public sector, would become a joint project involving the public and private sectors in negotiating and decision-making. Governance raises new

³⁹ Based on *the Artisans' and Labourers' Dwellings Improvement Act* passed in 1875.

requirements for the making of laws and regulations, greater government transparency, responsiveness, and accountability.

Having analysed Frederickson's 'three-part definition of governance in public administration' (2005, p. 300) and Stoker's five propositions of governance (1998), this chapter proposes that the concept of governance in the context of public administration should not be defined simply as 'policy networks'. This notion, supported by Rhodes (1996, 2000), has been opposed by Kjær (2011) because it is problematically narrow: it 'refers to a set of "specific" governing structures. The specificity thus serves to exclude organizational set-ups that cannot be characterized as networks' (p. 104). Instead, this chapter argues, the concept of governance should be viewed as a 'governing toolkit'. For the sake of fulfilling its purpose, which is to strengthen the capacity and legitimacy of the government, the 'toolkit' metaphor gives governance a broader definition to reflect its potential to be adopted in different regimes. Additionally, such a 'toolkit' is internally adjustable according to various specific ungovernable situations, rather than an umbrella concept that could allow a small number of crony firms squandering public funds in the name of contracting out. The concept of a governing toolkit includes deliberation, negotiation, resource exchange, assistance in developing and implementing policies from the 'top' (international actors and central government), between peers (at the same level of government or department) and from the 'bottom' (sub-government, department, private corporations, and citizens). This concept of governance is preferable to definitions, such as the 'minimal state', which are too narrow to be applied in different socio-political situations, and which could provide accurate descriptions only of specific regimes. For example, Kjær (2011) indicates that in the case of some nations such as Norway, governance does not have many connections with networks, and in these cases governance would be more accurately defined as 'protecting the state or providing hands-off support to civil society groups' (p. 106). The 'governing toolkit' concept of governance is flexible enough to apply to a wider variety of regimes and socio-political situations.

Based on the meanings and implications the governance theory discussed above, the concept of governance as a 'governing toolkit' for the field of public

administration retains the meanings of governance as 'NPM', as 'good governance', and as a 'socio-cybernetic system'. These meanings of governance are included because they have contained people's expectations regarding the sound management of society. This toolkit could achieve the combination of introducing the incentive mechanism of the market and introducing the management tool of private entities into the government's public services, with a particular focus on interaction and cooperation between the public and private sectors, to jointly establish a public service system that emphasises efficiency, rule of the law, and accountability. The gradual process of shifting the government's power to civil actors might take decades. The transformation processes of governance might enhance the government's legitimacy, transparency, accountability, rule of law, responsiveness, and efficacy through civil engagement and public-private partnerships, with the potential to encourage nations that lack these essential elements of good government to adopt governance reforms.

2.3 Governance and governance reform in practice

2.3.1 Advantages and disadvantages of governance

Although the adoption of governance could in theory weaken the central position of the government in public affairs, state governments are still attracted to this new governing model for several reasons: first, in a 'more limited but explicitly political sense', governance indicates that a state could embrace both 'legitimacy and authority' (Leftwich 1993, p. 611). The model of governance can enrol multi-level players in public policy-making and in service delivery, maximising the extent to which public opinion is reflected through deliberative negotiations. It could thus provide additional sources of legitimacy when implementing policies, compared with traditional public administration (Jessop 2003, p. 103). In some cases, state governments' control over social affairs have been described as 'inefficient, fiscally constrained, weakened by globalization and increasingly unable to respond to the demands placed upon it' (Bell and Hindmoor 2009, p. 20). With the failure of policies and the external pressure exerted by financial crisis, governments that maintain all

power/responsibility in the hands of the state are facing a legitimacy crisis. Yet, unlike in the 'government' model whereby policy decisions are only made by the government and public services carried out by the line bureaucracy (Kjaer 2004, p. 20), which must accept blame in the case of failure, the policy networks of governance export the state's functions of governments to stakeholders such as NGOs, citizens, and non-profit organisations, to coordinate the interests of the majority and maximise the support given to policy decisions (Rosenau 1992, pp. 4-5). Thus, by implementing governance, the government could strengthen the legitimacy of their policies while sharing responsibility with stakeholders.

Second, the governance model of governing could offer solutions for governments who lack the resources to formulate and implement their public policies. As opposed to 'government' that might be unable to comprehensively draft and implement certain policies due to the budget constraints of the government (Rhodes 1996, p. 657; Evans 2012, p. 32), governance as a networked governing mechanism could extend their policy participation realm to civil society actors and coordinate public and private benefits. Hence, through negotiation and exchange of resources, the government could blend information, materials, skills and goals from multiple players, gaining 'extra governing resources from society' to formulate policies and deliver public services (Kettl 2002, p. 123).

Third, governance could provide collective intelligence support (Lane and Corbett 2005). Rather than decisions coming directly from bureaucrats and elected politicians, in governance the process of public policy-making and implementation could involve a wide range of civil society actors such as local not-for-profit institutions, NGOs, and supranational organisations, which could authorise the governments to exchange information and draw on the expertise of others to make better decisions (Pierre and Peters 2000, pp. 32-3).

Fourth, governance might relieve the burden of obligation from the public agencies and transfer responsibility to organisations beyond the state, as actors from the private sector would have to account for their activities in the same ways that the government does (Frederickson 2005), at least to some extent. According to Leftwich (1993, p. 21), governance is changing the long-standing balance between the public and the private sector. As citizens, institutions, and

supranational NGOs participate more in policy-making and service delivery (Pierre and Peters 2000; Kettl 2002; Bell and Hindmoor 2009), they increasingly share responsibility for public policy with the government. In 'a stepping back of the state', government could strategically 'push responsibilities onto the private and voluntary sectors and, more broadly, the citizen' (Leftwich 1993, p. 21). The state government could take the credit for public approval if a policy has positive outcomes; or could push responsibility and blame to other participants collective action, if a policy fails. Hence, the adoption of governance could help a government stabilise its reputation and legitimacy, especially in electoral democracies where the official opposition is constantly holding the ruling party responsible for negative outcomes.

Fifth, governance could assist sovereign states in handling some issues at the global level. Although some international problems such as global warming, international terrorist organisations, international drug trade, and global money laundering are a matter of high concern among sovereign states, in the international field it 'is widely recognized that certain important problems cannot be controlled or contained by action at the level of national states alone' (Hirst 2000, p. 15). Governance could help sovereign states interact more with each other and with relevant international organisations such as the International Criminal Police Organisation via 'transnational corporations, international law, transnational production, international financial transactions, hegemonic power and power blocks' (Held, cited in Rhodes 2000, p. 57), and all kinds of resources could be integrated. States could pool their information and resources, and work towards shared goals, strengthening their problem-solving capacity at the global level and jointly identifying solutions to problems held in common.

Some political theorists, such as Rescher (1998, cited in Jessop 2003, p. 103), have suggested that governance could overcome the isolation between political authorities and subjects in the process of policy formulation and implementation. Others, such as Rhodes (1996, p. 652), have argued that governance may also cause potential disadvantages such as government institutions are being 'slimmed down', 'decentred', or even 'hollowed out' during the process of widening participation in governance. For example, the Anglo-governance

school⁴⁰ has argued that the capacity of central government to steer the socio-political system is reduced 'from above by international interdependencies such as membership of the EU, from below by marketization and networks, and from within by the competing agendas and ambitions of ministers and agencies' (Rhodes and Tiernan 2013, p. 9). Thus, as Klijn and Koppenjan (2000, p. 136) have stated, the 'government is not actually the cockpit from which society is governed'.

Governance can also result in the decline of government accountability and legitimacy through the 'alleged emasculation of local authorities, the erosion of ministerial accountability by agencies, or the growth of non-elected, special-purpose bodies and patronage appointments' (Rhodes 1997, p. 21). Multiple actors (public, quasi-public, and private) participating in the formulation and implementation of public policy can lead to the 'problem of many hands' (Bovens, cited in Rhodes and Tiernan 2013, p. 19): in a complex network, it is difficult to verify who should take responsibility for success or failure, and actors are more likely to 'pass the buck'. Citizens could become confused about who governs what, and who should therefore take responsibility for responding to criticisms of policy (Weir 1996, cited in Pierre 2000, p. 20). In addition, people tend to believe that their interests are more reliably served by 'elected and accountable politicians, not unelected administrators' (Rhodes 2014, p. 14). On the other hand, the accountability of central and local governments is lessened by the processes of governance, and accountability can no longer be specific to public organisations but have to fit the policy network (Rhodes 1997, p. 21).

Moreover, the governance mode of administration is increasingly promoted by supranational organisations such as the IMF and the World Bank. It has become one of the World Bank's loan criteria: '[its] conception of "good governance" re-identifies precisely the principles of administration that have long been argued as being of benefit to developing countries' (Leftwich 1993, p. 612). Leftwich contends that this 'simplistic appeal for better governance as a condition of development is virtuous but naive' (ibid., p. 612), and that development should be understood as a matter of politics (ibid., p. 363).

⁴⁰ See Marinetto (2003) and Rhodes and Tiernan (2013).

Examples of state development in recent decades have shown that developing countries without a strong centre actively shaping the economy rarely achieve fast growth. On the contrary, the rapid development of nation-states with powerful and competent bureaucracies to direct development policies, such as China and Thailand, have gained worldwide attention (ibid.). Leftwich (1994, p. 373) cites Friedrich List's argument (1885, cited in Leftwich 1994, p. 373) that 'a perfectly developed manufacturing industry, an important mercantile marine, and foreign trade on a really large scale, can only be attained by means of the interposition of the power of the State', arguing that good governance's potential to serve as a model for how government can generate, sustain, and protect economic development is illusory (Leftwich 1994, p. 363).

This chapter judges, however, that although the governance model may cause a state to relinquish some power and lose its central position in the socio-political system, the government stands to gain benefits such as strengthened legitimacy, greater performance efficiency, and unprecedented levels of public satisfaction with government. Where governments have coordinated resources and interests with non-governmental actors, cases of 'hollowing out' are limited, the state authority remaining central in the process of governance (Bell and Hindmoor 2009 p. 38; Pierre and Peters 2000, p.25). Wallington, Lawrence, and Loechel (2008, p. 3) argue that the expansion of governance partnerships with private actors does not entail the decentralisation of government; rather, it governs less yet instead governs better. Kettl (2002) also points out that governance could enable states to 'increase their reach without necessarily growing in size' (p. 123), indicating that governance is another useful instrument for the state government to promote its governing capacity, not a model for 'governing without government', which the government casts itself away. This is because although the government exports some functions of public agencies to the private sector, it can withdraw or even abolish these privileges. After all, the aim of the state to sharing power with civil participants is to 'influence hitherto non-governmental spheres of social life through partnerships' (Andersen 2004, cited in Bell and Hindmoor 2009, p. 10). With accountability no longer exclusive to governmental institutions, the policy network could bear some the responsibility (Rhodes 1997, p. 21); and in the case of blame

avoidance, a powerful central leadership would have the ultimate responsibility, and take stock of deficiencies in the formulation and implementation of policy.

2.3.2 Reform in the UK's central government

To fully evaluate the virtues and drawbacks of the governance model, it is necessary to look in detail at some case studies. Many governments in the West have carried out governance reforms to tackle socio-political ungovernabilities, such as costly yet inefficient public transport services. This subsection mainly discusses key governance reforms that have occurred in the UK since the 1980s, for the fact that the UK based academics, such as Roderick Arthur William Rhodes and Gerry Stoker (who study the UK cases), have been some of the key scholars developing governance. In addition, local governance practice from another representative Western country – the US, was also introduced to demonstrate how community residents engage in governmental decision-making processes. These cases have shown a stark contrast to the governance (CN) reform in China based on the vastly different socio-political systems, governing philosophies, and objectives in the following chapters.

In the 1980s, the UK initiated the so-called 'New Public Management' reforms (NPM) in response to the chronically slow growth of the national economy, the climbing rate of unemployment, the inefficiency of state-owned enterprises, increasing welfare demands, and rising public debt. The Thatcher government sought to manufacture a better-functioning market system (Blanchflower and Freeman 1993), and thus lessen the financial stress on the government. Rhodes (1997, p. 88) points out that one of the key trends of NPM was to introduce the minimal state: government expenditure was scaled down, reducing the size of the labour force for public services; some public sectors were privatised, and several industries deregulated. The purpose of the minimal state is to reduce costs with alternative service delivery systems (Clayton and Pontusson 1998, p. 92), and to let the market and community solve their own problems without government involvement or with a minimum of government involvement (Jon and Guy 2000, p. 21; Rhodes 1994, p. 138). This has been referred to as 'scaling down the big government' (Hood 1996, cited in Bevir, Rhodes and Weller 2003, p. 2).

The Thatcher and Major governments' average expenditure in the 1980s was 43% of the gross domestic product (Rhodes 1997, p. 89), 7% higher than in the 1950s, and 27% higher than in the 1900s (Chantrill n.d.). The reduction of public sector expenditure was not easily realised due to the increased proportion of social spending distributed as social assistance grants. Although the public sector expenditure was reduced in the health services (28.4% to 25.9%), the social services (5.9% to 4.7%) and social security transfers (46.3% to 41%) between 1980 and 1993, spending of social assistance grants increased dramatically from 19.5% to 28.4% (Clayton and Pontusson 1998, p. 91). These figures suggest that when the central government uses methods such as privatisation and marketisation to scale down spending in the public sector, other sectors may need more funding as increased demand on services. Thus, although the Thatcher government sought to reduce the public expenditure through NPM, according to OECD's statistics (1996, cited in Clayton and Pontusson 1998, p. 82), the average annual rate of growth, in real terms, of government final consumption expenditure (GFCE) was cut by only 0.8% (1.8% in the period 1973-1979 to 1% in the period 1979-89).

Reducing the size of the public sector labour force was another key object of the Thatcher government's NPM reforms. The size of the labour force in the Civil Service was reduced significantly during the 1980s and the early 1990s (Rhodes 1997, p. 89), from 5,210,000 in 1980 to 3,789,000 in 1994, a decline of 28% (OECD Labour Force Statistics, cited in Clayton and Pontusson 1998, p. 83). During this period, reductions in the size of public-sector labour forces focused mainly on central government (Hughes 1995, cited in Clayton and Pontusson 1998, p.84). For example, the number of employees in the National Health Service (NHS) and in the British Armed Forces were respectively 1,030,000 and 326,000 in 1985 – by 1994, after one decade of NPM reforms, the number of employees in the NHS had dropped by 7.7% to 951,000; and the number of employees in the Armed Forces had dropped by 23.3% to 250,000. Even more dramatically, the number of employees in other public services administrated by central government had dropped by 49.3% from 2,144,000 to 1,087,000 in the period 1985-1994 (Hughes 1995, cited in Clayton and Pontusson 1998, p. 84). The purpose of reducing the size of the central

government public service is to reform the traditional public administration, and thus to reduce the cost of public expenditure and to minimise state intervention (Jon and Guy 2000, p. 21). Thus, it is possible to export governmental functions beyond public agencies, to shift government ('rowing') to governance ('steering') and allow civil-society actors to act as the delivering authorities of public services (Peters 2011, p. 5).

Rhodes (1997, p. 89) points out that privatisation is one of the success stories in the NPM reforms made by the Thatcher government. The emphasis on privatisation in the UK government was to control the money supply, lower rates of income tax, and slash public expenditure (Marsh 1991, p. 460). In 1979, under increasing pressure from the IMF, the UK government decided to sell British Petroleum (BP) to reduce the Public Sector Borrowing Requirement (Brittan 1984, cited in Marsh 1991, p. 461). The UK government then gave up direct control of British Telecom (BT) in 1984, British Airways (BA) in 1987 and British Rail (BR) in 1996 (Marsh 1991, p. 462); and the labour force of nationalised industry in the UK fell from 1,800,000 in 1979 to less than 500,000 in 1997 (Clayton and Pontusson 1998, p. 92). This suggests that the British government released over one million employees from the public sector and transferred them to the private sector, increasing marketisation and making significant adjustments to public-sector expenditure. Marsh's findings (1991) indicate that the GDP accounted for by nationalised industries fell from 9% in 1979 to less than 5% in 1991, while BR was still undergoing privatisation (p. 463).

Deregulation, another key process in the UK's NPM reforms, is exemplified by the deregulation of public bus services (Rhodes 1997, p. 89). As indicated by Beesley (1991, p. 95), bus services were deregulated both to cut public expenditure and to preserve the output of the national bus service. Nash (1993, p. 1042) points out that before the introduction of NPM reforms and deregulation had been examined in the British industry, new entrants to the UK bus industry were constrained by a licensing system for over fifty years, so that only one company could operate bus routes and set fare prices in a particular geographical area. After the government's launch of a white paper proposing to deregulate bus services in 1984 (Nash 1993, p. 1042), entry to the bus industry

was free from gatekeepers; and the national bus company was divided into 72 separate units based on geographical considerations, and progressively privatised (Beesley 1991, p. 95). The results of this deregulation were cost reduction (a decline of 30% per bus per mile [Nash 1993, p. 1045]), and decreased public expenditure, with the government no longer responsible for purchasing or upgrading vehicles. What is more, without the restriction of a licensing system, new low-cost operators such as Megabus emerged, and the competition has forced other service providers to lower prices and to vie for subsidised routes (Beesley 1991, p. 101). In the deregulation of bus services, NPM shifted responsibility for public service delivery from public agencies to private firms, thus diminishing state intervention and increasing privatisation, marketisation, and competition in public services delivery, NPM either directly or indirectly applied the '3E' principles – Economy, Efficiency and Effectiveness. The shift to governance in the UK has resulted in remarkable effects. The decline in economic growth halted, and GDP growth rate recovered, from -2% in 1980 to 5.7% in 1988 (WB n.d.a). Inflation dropped from 19.6% in 1980 to 6.1% in 1988 (WB n.d.b), which has helped to reduce fiscal risk and to reverse the trend of sterling depreciation, as well as facilitating the development of financial markets.

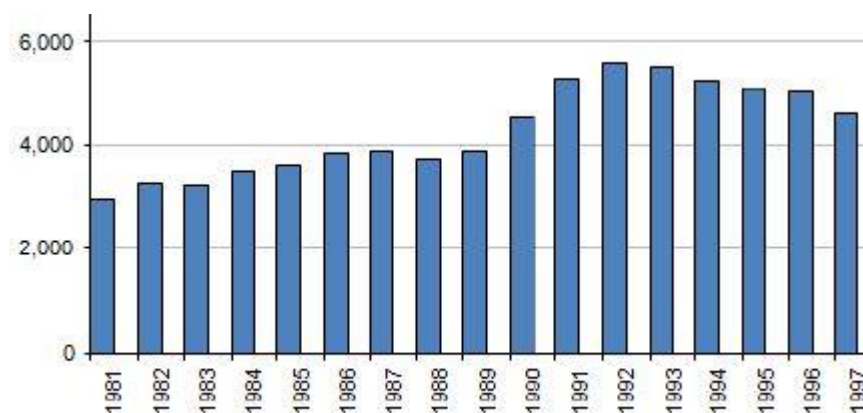
2.3.3 Reform at the local level

2.3.3.1 The UK example

Benyon and Edwards (1999, p. 145) have argued that in the course of the Conservative government's NPM reforms, local government experienced a dramatic change. As in the rest of the world, in the UK most public services have been delivered at the local level (Kjaer 2004, p. 37). The Thatcher government's policy stipulated that civil-society actors should solve ordinary problems and day-to-day operations by themselves, with minimum government intervention (Jon and Guy 2000, p. 21). Therefore, Benyon and Edwards (1999) argue, local government became responsible for community governance. NPM has forced local authorities to adapt their service delivery and has invited more civil-society actors to join networks of community governance. For example, before NPM crime control was the exclusive domain of local police stations. To

prevent crime and to counter increasing rates of crime in the 1980s (see police-recorded crime for England and Wales, Table 2.2), local police officials would use techniques such as uniformed patrol in side streets and rapid response to calls for assistance. When crimes took place, the police system would invest heavily in detective work that typically would be separated from other agencies, and detective work focused on the crimes of individuals rather than on larger criminal enterprises or trends in crime (Benyon and Edwards 1999, p. 149).

Table 2. 2 Trends in police-recorded crime for England and Wales, in 1000s. Sources from: Statistical bulletin: Crime in England and Wales: Year ending June 2015 of Office for National Statistics (ONS 2015, p. 7).



In such situations, as Reiner argues (1992, p. 237), even though the public expenditure in policing remains at a high level, the outcome seems identical – the overall crime rate has not decreased. But as Benyon and Edwards (1999, p. 148) found, the growth of community governance in crime prevention led local government to acquire greater influence over crime control measures. The shift to a community governance model of crime control addressed crime prevention that may more effectively than policing carried out solely by local police stations. The focal point became not individual criminals, but the social conditions that can precipitate lawbreaking. Local councils and neighbourhoods have also become involved in crime prevention. For example, in Benyon and Edwards' (1999, pp. 149-152) case studies, after a series of consultations and negotiations between different levels and types of participants such as members of the public, local businesses, local schools, local authorities agreed to improve lighting in all public areas where crimes had been recorded; to install closed-circuit television (CCTV) cameras in areas with high crime rates; the

improve the security of houses and public buildings; and to connect local communities, neighbourhoods, citizens and police stations in a crime-prevention and detection network concerned with a range of criminal activity, including anti-social behaviour. Thus, with the fragmentation of traditional local crime control and the introduction of networked crime control guided by community governance, single-centre government at the local level has also shifted to multiple-centre governance, and police-recorded crime in England and Wales has gradually reduced between 1992 and 1997 (see Table 2.2).

2.3.3.2 The US example

To improve local governance that could make the neighbourhood ‘cleaner, stronger, better’ (Lander 2014), four city council members⁴¹ in New York city started an experiment of participatory budgeting in their constituency in 2011. This project allowed constituents in these four city council districts to have control over ‘a slice of their council members’ discretionary budgets’ (Sangha 2012), which could then be invested in local projects, such as ‘street repairs, new parks and public artworks’ (Taylor 2011)

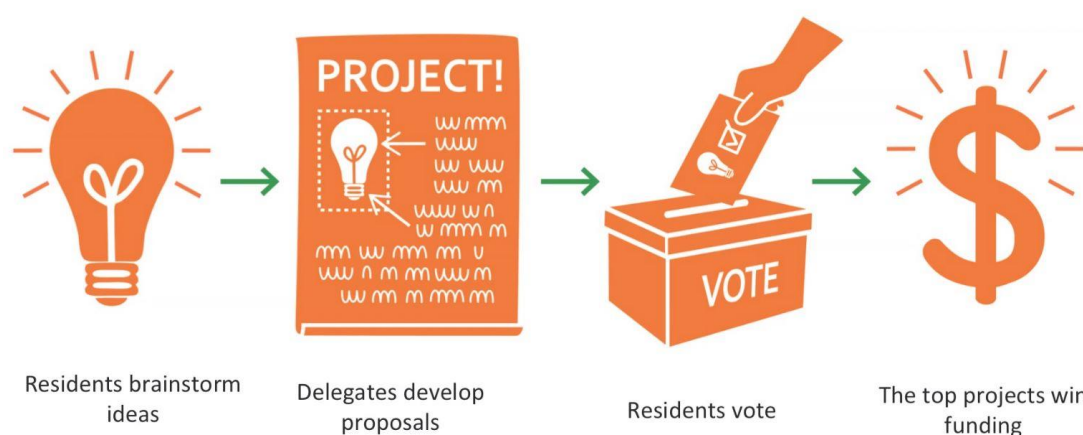


Table 2. 3 Process of participatory budgeting in Brad Lander’s constituency in New York City. Source from Lander (2014).

Participatory budgeting, as an approach to achieving good governance (Shah 2007, p. 8), was originally created in Porto Alegre, Brazil in 1989 to respond to social groups’ call for more involvement in the ‘government’s decision-making

⁴¹ Brad Lander, Jumaane D. Williams, Melissa Mark-Viverito and Eric Ulrich.

process and policies' (Souza 2001). Before introducing the Brazil experience to New York, Brad Lander, one of the four city council members that launched this project, pointed out that the elected officials could decide where the discretionary funding went by themselves without public discussion (Lander 2014). This situation changed after the adoption of participatory budgeting, and local residents can now decide on the investment of tax dollars paid by themselves.

The process of participatory budgeting is described in table 2.3 and began from residents' brainstorming project ideas regarding what they would like to invest in. Then, some residents who volunteered would become budget delegates and develop these project ideas into meaningful concrete proposals (Sangha 2012). These delegates then discuss with bureaucrats and city agencies to figure out whether their proposals are feasible and how much they would cost (Lander 2014). After that, proposals are put on the ballot, and residents can vote for their choice, with the top projects winning funding (Su 2017, p. 5). For example, a school bathroom facility at PS 124 (Brad Lander's constituency) had some problems about which both the kindergarteners and the principal were complaining. However, when different budget delegates were discussing different school's needs, instead of arm-wrestling for funding between delegates, they went out and inspected schools in the district. After considering the schools' incomes and needs, as well as taking some pictures and discussing which projects seemed the most urgent, delegates settled on the repair project of school PS 124, which later became the top vote-getter during the year (Lander 2014). The district ballot also brought attention to and support from the community, and the reparations done for school PS 124 were instigated 'much faster than we ever had before' (ibid.). Beyond this, Lander's (2014) following visit to school PS 124 discovered that the disgusting bathroom had become gleaming, with the school staff and kindergarteners taking care of the bathroom facilities, having learnt about the stewardship of them during the process of participatory budgeting. This example indicates that, through resident's involvement in the government's decision-making process about how public funds are invested, local residents can decide on a priority list when

allocating limited funds, which not only can better serve the community but also make it 'cleaner, stronger, better' (ibid.).

Summary

The first section of this chapter outlined how the original meaning of governance has changed since the 1980s, from being synonymous with 'government' shifted to a new model of governance (Rhodes 1996, p. 652). Because the term 'governance' could be applied widely, potentially meaning 'anything and everything' (Hewitt de Alcántara 1998; Frederickson 2005), the chapter then reviewed several usages of governance as defined by key authors in governance research: Rhodes (1996; 2000) and Hirst (2000). I summarise the Western concept of 'governance' as: *governance is the tendency to adjust the relationship between the national government and society to confront the proliferation of complex social affairs*. During this process of adjustment, non-governmental power is increasingly emphasised by decentralisation, multi-centre governance, multi-level governance, and opposition to market fundamentalism. The state can be displaced as the centre of power by new combinations of the state with the market and with society. Besides, through analyses of the 'three part definition of governance in public administration' (Frederickson 2005, p. 300) and five proposition of governance (Stoker 1998), this chapter considers that the concept of governance in the context of public administration should be viewed as a government toolkit, which embraces multi-level deliberation, negotiation, resources exchange in policy making and implementations process in order to promote the ruler's capacity and strengthen the government legitimacy. Governance reforms in public administration have the potential to enhance the rule of law, civil engagement, and the government's transparency, accountability, rule of law, responsiveness, effectiveness, equity, and inclusiveness.

The third section of this chapter discussed advantages and disadvantages of governance, which demonstrating that the adoption of governance, at least in theory, enhances the state's legitimacy and authority, increasing its material resources and access to information, relieving it of some executive responsibility, and strengthening its capacity in the handling international affairs.

This is despite some theorists' claims that the implementation of governance could compromise economic development in some underdeveloped countries (Leftwich 1994), or result in the 'hollowing out' of government institutions (Rhodes 1996, p. 652). I then considered reforms at the national and local levels of government in the UK in the 1980s period, demonstrating how the UK government avoided government failure and pragmatically tackled its primary socio-political problems through privatisation, decentralisation, multi-centre governance, and multi-level governance. In addition, I employed an example of the US local governance to show how civil actors can engage in governments' decision-making processes and optimise decision-making for the community. This background illustrates the broad concept of governance in the West, and might contrast with the recent governance (CN) reform in China discussed in the next later chapters, based on a radically different socio-political system, governing philosophy and the government goals to achieve.

Chapter three: Interpretation of governance in the China context

3.1 Dilemmas and problems lead to governance reform

It has been thirty-seven years since the Communist Party of China (CPC) made a historic decision, at the third plenary session of the 11th CPC central committee, to shift its focus from domestic class struggle to economic development. This decision to participate in the international economy saw improvements in the standard of living, the performance of apparent economic miracles, and an elevation of China's economic status on a global stage. These results point to the successes of China's economic reforms. However, following the rapid economic progress of recent decades, President Xi Jinping has pointed out that the CPC continues to face many problems. At the Third Plenum of the 18th Central Committee of the CPC in November 2013, He noted that 'the development gap between urban and rural areas and between regions is still large, and so are income disparities. Social problems are on the rise markedly. There are many problems affecting the people's immediate interests in education, employment, social security, health care, housing, the ecological environment, food and drug safety, workplace safety, public security, law enforcement, administration of justice, etc. Some people still lead hard lives' (Xi 2013). President Xi has identified some of the most serious problems that affect people's lives: 'going through formalities⁴² and bureaucratism⁴³ as well as hedonism⁴⁴ and extravagance⁴⁵ are serious problems. Some sectors are prone to corruption and other types of misconduct, and the fight against corruption remains a serious challenge for us' (ibid.).

⁴² Formalism: 'a propensity to perceive and interpret the world of natural and social events in terms of patterned configurations, that is, to classify, systematize, and simplify complex phenomena into discrete categories that have an existence independent of those phenomena (Harris 2008, p. 286)'. Xi Jinping interprets this to mean 'doing things for form's sake—the separation of action from knowledge, neglecting what is truly effective, hiding behind piles of documents and immersing oneself in meetings, the pursuit of vanity and a resort to falsehood' (Xi 2014, p. 405).

⁴³ Bureaucratism: 'departure from reality, losing touch with the people, arrogance, indifference to facts, conceit and inflated egos.' (Xi 2014, pp. 405-406)

⁴⁴ 'The main features of hedonism are mental laxity, resting on one's laurels, vanity, coveting pleasure, pursuing ostentation and seeking to keep oneself amused.' (Xi 2014, p. 406)

⁴⁵ Extravagance means 'waste, squandering resources, expensive building programs, endless festivals and ceremonies, a luxurious and dissolute lifestyle, and abuse of power that can extend to actual corruption.' (Xi 2014, p. 407)

One cause of these problems highlighted above might be the ‘government’ paradigm of reform held by the Chinese Party-state. This paradigm understands the need to address the slow evolution of the organizational structure and operating rules of the governing system that have lagged behind economic and social reform. To address these problems, President Xi suggests that ‘key lies in deepening reform’ (Xi 2013), meaning to ‘deepen the reform comprehensively at this new historical turning point’ and to ‘firmly promote reforms in the country's economic, political, cultural, social and ecological systems, as well as in the system of Party building⁴⁶’ (CPC 2013). The meaning Xi conveys in this statement is that the Chinese Party-state will not only concentrate on solidifying its economic performance but will also attempt to fulfil its political, social and environmental functions by reforming its administrative system.

During China’s Reform period, new problems arose constantly. For example, while the Chinese authorities maintained a focus on ‘economic construction’ (the promotion of economic growth) as their central task to ‘promote sound, sustainable economic and social development’ (CPC 2013), the concerns of the Chinese people were shifting away from the economy, toward issues like government efficiency, social equality, and justice. These new challenges and concerns forced the Chinese Party-state to deepen their efforts toward a comprehensive reform in economic, political, cultural, social, and ecological domains. In the *Decision of the Central Committee of the Communist Party of China on Some Major Issues Concerning Comprehensively Deepening Reform (Decision)*, the CPC proposed ‘national governance’. This became the first guidance document to use this term, demonstrating the Chinese Party-state’s intent to include governance theory in China’s future reform efforts. In this chapter, I will briefly describe the origins of governance as a concept in China before exploring the governance section outlined in the *Decision* documents. I will then present my interpretation of what kind of governance practice might appear in China under the guidance of the *Decision*.

⁴⁶ Mainly focused on ‘strengthening the Party’s governance capacity, advanced nature and purity’ (Hu 2012).

3.2 The governance (CN) origins in China

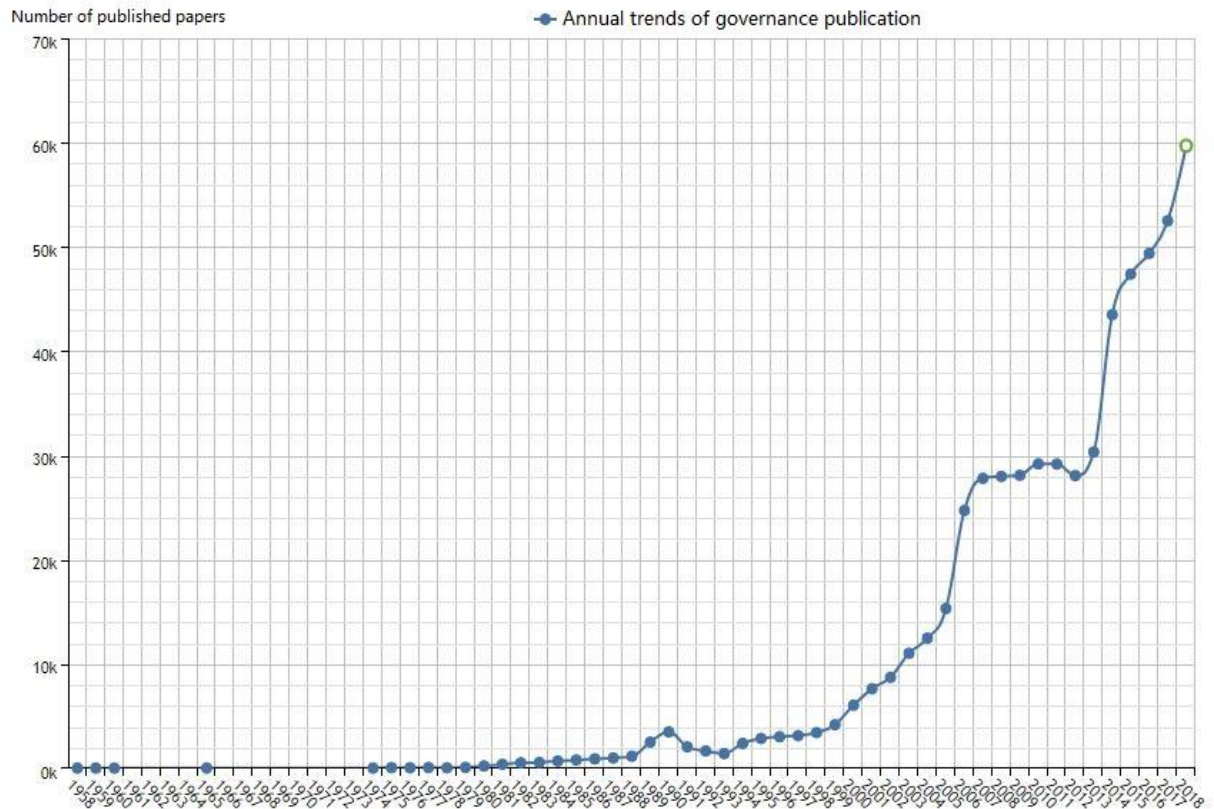
Western governance theory was introduced into Chinese academic circles in the 1990s, causing large-scale debate (see the annual trends of governance publication in China shows in Figure 3.1). Prior to its introduction in China, the concept of ‘governance’ used in public administration documents issued by the Chinese government and the CPC was primarily represented by two terms: 行政管理 (*Xingzheng guanli*, administration) and 管理 (*Guanli*, management). When the concept of governance was first introduced into Chinese academic circles, the term ‘governance’ was translated as 治道⁴⁷ (*ZhiDao*) by Zhi Xian in 1995 (Li 2014, p.141). It was only after years of academic debate that the translation to ‘治理’ (*Zhili*, governance) or ‘善治’ (*Shanzhi*, good governance) was generally accepted (Bao and Lang 2009; Guo and Peng 2015; Huang and Jing 2011; Liu 2013; Li and Wu 2012; Li 2014; Wu 2004; Wang and Li 2005; Wang 2011; Yu and Liu 2003; Zheng 2012), which the term is primarily understood in Chinese academia to refer to the Western theory of governance and the related notion of civil society.

President Xi first used the concept of ‘national governance’ as his governing philosophy in the report on the third plenum of the 18th CPC central committee. Since then, Chinese governance scholars have been digging for the origins of this concept, producing a variety of theories. They argue, for example, that Xi’s governance concept may stem from classical Marxism (Xu 2014; Yang 2014), foreign governance philosophy (Ren 2014; Wang 2014a), and the soil of Chinese traditional culture (Ren 2014; Xin 2014). Some scholars claim that Xi’s idea of governance is rooted in Chinese culture. Li and Ren (2014) claim that the use of governance theory can be traced back to emperor Yao and the Shun period in China, prior to the emergence of slavery in society approximately 3000 years ago. They may draw this connection because the translation of

⁴⁷道—*Dao* means ‘the way’ or ‘way of life’. Confucius recognized and propounded the *Dao* as the ultimate wisdom, purpose, and enlightenment in one’s life; he argued that if an individual were to learn the truth about the way of life in the morning, they would not regret dying the same evening (Low and Ang 2013, p. 31). 道教— Daoism is also an ancient Chinese religion.

governance in Chinese is the word ‘治理’ (*Zhili*), a term primarily found in Chinese classical books.

Figure 3. 1 Annual trends of governance publication. Source from: search based on the keyword ‘governance’ on China National Knowledge Infrastructure (CNKI) website, 18 July 2018.



The term ‘governance’, as it is presented in ancient Chinese archives, may differ from the term that has been studied and redefined by Western scholars in recent decades. One simple explanation is that ancient Chinese society was governed by a centralized, absolute monarchy, rather than by partisan politics. Thus, the word ‘治理’ (*Zhili*, governance) generated in this context might not have much in common with the contemporary catchword for ‘governance’ in the Western context; the most that can be said about them is that both terms use the same Chinese characters. In order to examine the kind of transformation Xi’s ‘governance’ might effect on the Chinese government and to explore its potential impact on Chinese society, an interpretation of the term ‘governance’ as used in the CPC’s official documents is needed.

3.3 The guiding scope of governance in the *Decision*

When the term ‘governance’ was raised for the first time in the report on the National People's Congress and the CPC Central Committee, it was apparent that its use was meant as more than a legitimacy-seeking catchword. While terms such as ‘democracy’ or ‘election’ are often used as a kind of window-dressing attempt at legitimacy, in the *Decision* the word ‘governance’ serves as decisive terminology and represents a key concept that indicates profound reform. The transformation of a key term in an important political document in China is often intended to communicate a shift in political ideology (Zhang and Yu 2014, p. 2). In the study of Chinese politics, therefore, contextual exploration of the discourse surrounding a newly introduced term can help to better understand how it is being defined, in a sense, the shape it will take in the evolving political discourse.

The *Decision* outlines two overall goals to comprehensively deepen reform: ‘to improve and develop socialism with Chinese characteristics’, and ‘to promote the modernization of the national governance system and capacity’ (CPC 2013). In this document, the term ‘national governance system’ replaces the ‘national institutional system’. As President Xi (2014) points out, the ‘national governance system is a system of institutions within which the country is governed with the leadership of the party’. This implies that reform of the institutional system will take place in the spirit of governance (CN). The term ‘governance’ is also found in other sections of the *Decision*, along with more detailed conceptual descriptions: the term ‘governance’ is repeated 24 times in the *Decision*. Among the twenty-four uses of the word, several new terms are formed. These include: ‘national governance’⁴⁸ (国家治理 Guojia Zhili), ‘government governance’⁴⁹ (政府治理 Zhengfu Zhili), ‘legal person governance structure’⁵⁰ (法人治理结构 Faren Zhili Jiegou), ‘community governance’⁵¹ (社区治理 Shequ Zhili), ‘internal governance structure of the schools’⁵² (学校内部治理结构 Xuexiao Neibu Zhili),

⁴⁸ Chapter one section 2.

⁴⁹ Chapter four.

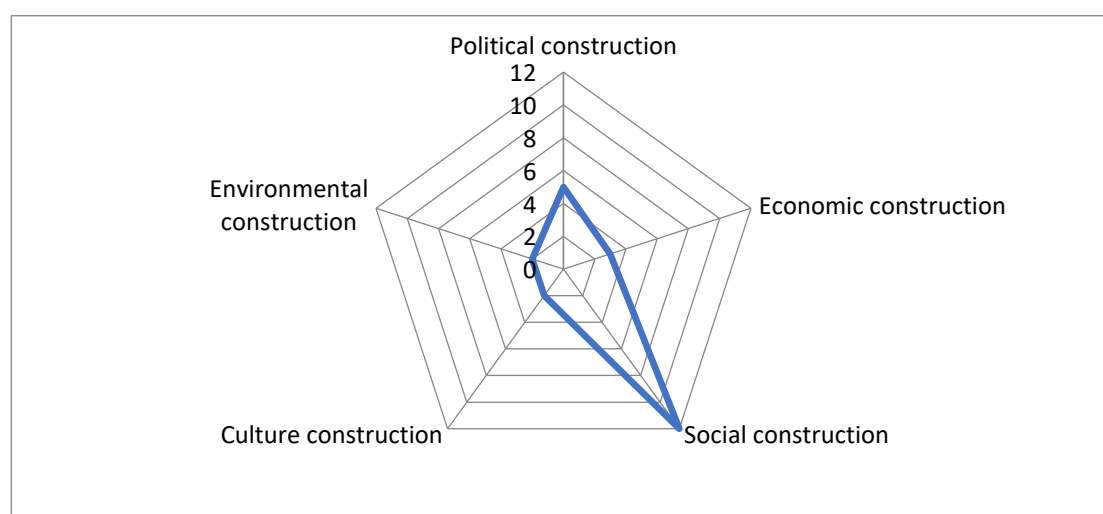
⁵⁰ Chapter two section 7.

⁵¹ Chapter eight section 29.

⁵² Chapter twelve section 42.

‘social governance’⁵³ (社会治理 Shehui Zhili) and ‘system governance’⁵⁴ (系统治理 Xitong Zhili). The use of these terms demonstrates that the term ‘governance’ has been widely used in the realm of economic, political, social, cultural and environmental reform since it first appeared. This signals that governance theory may be a leading idea for China’s comprehensive reform in the near future.

Graph 3. 1 Frequency of the word ‘governance’ appearance in ‘five constructions’. Source from: *The Decision document research (CPC 2013)*.



In the *Decision*, the term ‘governance’ has been used to describe different aspects of reform, making reference to environmental, economic, social, culture and political construction⁵⁵ (see Graph 3.1). However, it also has a relatively centralised aggregation. As graph 3.1 demonstrates, the term ‘governance’ appears only twice in discussions of culture and environmental construction. This is sparse when compared to the document’s discussion of social development: here, the document refers to ‘governance’ with the highest frequency, mentioning the term twelve times. In addition to the term being used frequently, the explanation of governance reform as it relates to the social domain is longer in the *Decision* document relative to other sections. For example, the term governance is directly placed in the title of Chapter Thirteen of the *Decision*: ‘Making innovations in social governance system’. This serves

⁵³ Chapter thirteen.

⁵⁴ Chapter thirteen section 47.

⁵⁵ Construction 建设 (Jianshe) in the Chinese political context is often used to refer to building or improvement in key areas. For example, ‘social construction’ describes building a better society.

as a signal that governance theory will play a leading role in managing social affairs. In the three sections that follow the social governance chapter, the *Decision* explains the general guidelines of governance activities in managing social matters, which further indicates that the term governance has risen to the most important position in the field of social reform. Besides, the idea of 'social governance' is a key distinguishing feature that differentiates the *Decision* from that of the previous third plenums of the CPC central committee. This might support the conclusion that the concept of 'governance' has assumed a key role in social reform.

The key position occupied by 'governance' in the social management section confirms expectations of Chinese academia in future reform. These regard the underlying purpose of this new form of social management as not merely intended to maintain social order and social stability, but also to find a breakthrough point to reboot economic growth. Zheng (2013), director of the East Asian Institute of the National University of Singapore, argues that most of the current economic systems in China were established between 1992 to 2002: the tax-sharing system, the central banking system, state-owned enterprise reform and accession to the World Trade Organization. Despite these systems, China's economic reform has confronted bottlenecks due to China relying heavily on an export-oriented economy. The drop in China's annual GDP growth rate from over 14% in 2007 to 10% in 2010, and its further decrease to 7% in 2015 may result from this heavy reliance on economic development with a single orientation (CE 2015). In order to suspend the declining rate of annual GDP growth, China can no longer simply rely on stimulating economic growth; the country needs breakthroughs in other reform areas, such as social reform. This might lead the Chinese Party-state to establish a new, corresponding economic system, in order to reboot economic growth (Zheng, 2013).

In the *Decision* document, the CPC uses social reform as a platform to highlight the relevance of the term governance to social construction goals. This could indicate that the CPC has chosen the area of social management as its penetration point to reboot China's economic growth. In Zheng's (2013) theoretical framework, he holds a similar view. Zheng notes that reforms in social management could break through the bottleneck of China's economic

growth and achieve social consensus, noting also that social reform could provide a new driving force for sustainable economic growth. This is primarily a reflection of building a society with high domestic demand (Zheng 2012, p. 19). His theory is based on the fragility of China's export-oriented economy. To be more specific, although the reform and opening-up policy has established China's export-oriented economy and then become the main driving force that contributed to China's economic miracle for the past three decades, the outbreak of two global financial crises in 1997 and 2008 profoundly influenced China's economic orientation concerning future development. For example, despite not taken any direct hits in the 1997 financial crisis, China's economy did not escape from the secondary damage – Chinese exports faced 'a shrinking international market' due to 'decreasing demand for imports in countries hit by the crisis' (Wang 1999, p. 539), and currency devaluation in the region forced Chinese exports to become involved in more intense competition in the international market (Wang 2000, Kynge 2017). These financial crises served as warnings to the Chinese leadership that an export-oriented economy has limitations: such economies are vulnerable to dynamic changes in the global trade system, because all nations are closely affected by each other. For instance, a financial crisis in North American might have an immediate impact on South Korea's economic development. Moreover, Western countries that used to promote free trade (major importers of 'made in China' goods) have been shifting to so-called 'fair trade' and increasing trade protectionism (Taylor 2012). This makes it even harder for export-driven economies to sustain GDP growth. In September 2018, for example, the US condemned China for unfairly profiting from Sino-U.S. trade and imposed 10% tariffs on \$200 billion of imports from China (Tompson 2018). These limitations have contributed to difficulties in sustainable development for China's export-oriented economy. Stimulating domestic demand by deepening social reform and accelerating the development of a consumer society might be the only way to address these challenges and sustain economic development.

In order to build a consumer society, a country cannot rely solely on government expenditure. A set of investments by the Chinese government in 2008 exemplifies this: out of four trillion RMB (426,187,000,000 GBP) in domestic

investments, nearly half went to transportation infrastructure and power grids construction (Zhang 2008), working to the benefit of big companies, rather than contributing to a consumer society. Construction of a consumer society requires the kind of social institutional foundation that social reform provides. For example, the establishment of consumer society in the West has not occurred simply as an initiative for economic development. More importantly, it has emerged as an element of a mature society that includes widespread success social reform, such as improving levels of education, health care, social security, income distribution and so on. As Zheng (2012, p. 19) has pointed out, people in China would not be hoarding cash or saving most of their money for potential future catastrophes (such as, for example, serious diseases), if they could depend on a sound social security system. Comparing gross savings as a share of GDP demonstrates this: in 2013, China's gross savings as a share of GDP were 50%, compared to the 12% in the UK in the same year (WB 2016). Successful social governance reform might assist in establishing a set of social policies that could offer financial security for the people, increasing their purchasing power and working to found a consumer society (Zheng 2012). The CPC's *Decision* document has partly justified this analysis, as it demonstrated that the Party-state will be 'promoting reform and innovation of social undertakings' and be 'making innovations in the social governance system' through:

Deepening the comprehensive reforms in the area of education, improving systems and mechanisms that boost employment and business startups, instituting a fairer and more sustainable social security system, deepening reform in medicine and health care, improving methods of social governance, kindling the vigor of social organizations, innovating systems that can effectively prevent and solve social conflicts and improving the public security system.

(CPC 2013).

Although such political discourse may be largely viewed as CPC propaganda intended to demonstrate central government concern to the masses, it might also indicate that the Chinese Party-state intends to build a 'moderately prosperous society in all respects' through reform of the institutional and service systems of government and the decentralisation of authority toward civil actors (citizens and NGOs). Such efforts might be guided by governance theory.

It is also necessary to take other fields into account that do not embody governance reforms in the *Decision* document: these might help to more precisely identify the scope and possible meanings of 'governance' in China. In the *Decision* document, sections that do not mention the term governance are mainly concentrated in two newly added categories from the 18th plenary session. These are: 'deepening reform of national defence and armed forces' and 'strengthening and improving the party's leadership in the course of comprehensively deepening the reform' (Zhang and Yu 2014, p. 10). The content arrangements of the *Decision* might have left a clue to readers that the CPC's reform is within certain limits. Although the CPC might apprehend the meaning of governance and intend to utilise it as a guiding theory for comprehensive reform in China, the implication of 'governance' in both armed forces and party leadership topics are meaningless. In other words, the top-down management and bottom-up obedience that are emphasised in these two highly hierarchical domains are obviously more important than 'interdependence, resource-exchange, rules of the game, and significant autonomy from the state' that Rhodes (1997, p. 15) highlighted in his definition of governance. On the contrary, excluding topics related to the military and the CPC from the introduction of 'governance' could also serve as a reminder to readers that governance theory, applied in social, economic, environmental, cultural and political domains, is distinct from the traditional management methods of the CPC that are still enforced in the army and the party. This might also reveal that despite promoting the use of 'governance', the power of coercion and methods still reserved in the hands of the Party-state.

The analyses above have established a scope for the term 'governance' that might serve as a guideline for future reform in China. The scope includes: politics, economics, social construction, culture and the environment. Among these five domains, social construction seems to be the focal point for 'governance' reform. Noting the fields that do not embody governance reform in the *Decision* document, however, it seems that 'governance' may be intended to keep reform out of the army domain, more than to weaken the CPC's political and social leadership. In the *Decision*, the CPC emphasise that 'we must enhance and improve the Party's leadership, ensure that the Party

plays its role as the leadership core in exercising overall leadership and coordinating all efforts', and be 'aiming at the goal of building up the people's armed forces that are loyal to the CPC' (CPC 2013). Explaining the scope of 'governance' embodied in the *Decision* document provides few details to illuminate exactly what 'governance' represents in directing reform progress in the social, economic, political, cultural and environmental domains, and in tackling existing problems. The discussion that follows will therefore examine and interpret the general guidelines of 'governance' reform conveyed in the *Decision* document.

3.4 The guidelines of 'governance' in the *Decision* document

In an academic article, key terminologies must be defined and plausible explanations provided. In contrast, the *Decision* document does not provide a precise explanation of the new term 'governance' despite using it in a number of different domains in such a seminal document. For example, the CPC points out in the *Decision* that residents could negotiate social affairs with public departments, but does not make reference to any detailed information, such as: what kinds of civil actors are entitled to negotiate with public sectors; what the delegate ratio is; what kind of specific events might involve civil engagement, at which levels; where such activities might be carried out and with what frequency; what the rules are to regulate such activities; where decision-making power lies, and so on. This chapter will therefore focus on governance reform in the social domain, where the term 'governance' appears most frequently in the *Decision*. This use of the term in this domain can be compared to 'self-organizing, interorganizational networks' in Western governance (Rhodes 1997, p. 15). This can be used to interpret the guiding details of governance theory employed in the *Decision* document and help to build an understanding of President Xi's anti-corruption initiatives and how they are changing.

3.4.1 Plural subjects' role in social governance might be enhanced

In the *Decision*, the CPC points out that the Chinese Party-state is expected to make innovations in the system of social governance via 'encouraging and supporting the participation of all sectors of society' (CPC 2013). This might, according to CPC rhetoric, 'achieve positive interaction between government management, social self-adjustment and residents' self-management' (ibid.). It means that the CPC might establish and improve supervision by urban residents and villagers, by encouraging them to conduct self-management, self-service, self-education and self-oversight in the following areas: exercising urban and rural community governance, managing community-level public affairs, and running public service programs. The reform of social governance might also 'establish an open and orderly mechanism under which people can express their grievances, psychological intervention is conducted, conflicts are mediated and rights and interests are guaranteed, so as to ensure that the problems of the people can be reported, conflicts can be resolved and the people's rights and interests can be guaranteed', this could, in the words of the CPC, 'ensure that the people live and work in peace and contentment, and that society is stable and orderly' (ibid.). Although multiple governance reforms are suggested in the *Decision* document, they remain within certain limits in order to avoid threatening the central role of the CPC.

In the aforementioned Party discourse, there are four key messages communicated that relate to society. First, the Chinese leadership appears to recognise that people at the grassroots level are not subjects to be ruled but civil actors who could participate in governance. This can be observed in statements throughout the *Decision*, for example 'improving methods of social governance' via 'encouraging and supporting the participation of all sectors of society' (CPC 2013). Secondly, the government is preparing to abandon the concept of an almighty government that is responsible for all social affairs, and instead move to let citizens interact directly with public departments to solve social problems together, as stated in section 47 of the *Decision* – 'achieve positive interaction between the government management, social self-management and residents' self-management' (ibid.). Thirdly, the Chinese

Party-state is stepping out of micro-level affairs at the grassroots level and allow civil actors to provide management and services by themselves. For example, in section 48 of the *Decision*, the CPC states that 'Social organizations should be commissioned to provide public services that they are apt to supply and tackle matters that they are able to tackle' and 'support and develop volunteer service organizations' (ibid.). Finally, the public sector agencies are trying to prevent and handle social conflicts and problems that most concern the masses through civil cooperation, which demonstrated in section 49 of the *Decision* that the CPC will 'improve the system under which mediation by the people, by an administrative organ and by a judicial organ functions jointly, and establish a comprehensive mechanism to mediate and resolve conflicts and disputes' (ibid.). These messages imply that although the CPC might often use political slogans such as 'The people are the creators of history'(Xi 2014, p. 29-30) as propaganda to gain the people's support, the CPC is becoming more aware of the people's principal position in the country and increasingly realises the importance of the people's opinion. In his book 'The governance of China', President Xi demonstrates this recognition in a reference to Guan Zi, stating: 'Decrees may be followed if they are in accordance with the aspirations of the people; they may be ineffective if they are against the aspirations of the people' (Guan, cited in Xi 2014, p. 30). Xi emphasises the need to serve the people's will. Thus, to show respect to the people, safeguard the social stability, reduce the government burden, assert its dominance and strengthen the CPC's legitimacy, the Chinese Party-state has been putting increasing value on decentralisation and on the participation of civil actors.

The general guideline to make innovations in the systems of social governance is reflected in the CPC's proposition to promote multilateral and joint governance under CPC leadership. In the 6th plenum of the 16th CPC central committee, the CPC explicitly proposed the 'construction of harmonious socialist society' as a society under the leadership of the CPC that everyone contributes to and benefits from (CPC 2006). In the later session of 18th CPC National Congress, Hu Jintao, the then-CPC general secretary, presented that the CPC needs to 'ensure people's equal rights to participation in governance and to development' and to 'foster a dynamic environment in which everyone

contributes to social harmony and benefits from a harmonious society' (Hu 2012). The third plenum of 18th CPC central committee further proposes that in areas of social governance, the party should 'persist in implementing systemic governance, strengthen leadership by the party committee, give full play to the leading role of the government and encourage and support the participation of all sectors of the society'. It also suggests encouraging social organisations 'to clarify their rights and obligations, and enforce self-management and play their role in accordance with the law' (CPC 2013). The CPC standpoint emphasises that, when implementing its political discourse into the guiding principles for social governance, the multi-body participation and joint governance that takes place must take place under the leadership of the CPC. Furthermore, in order to coordinate, interactively complement and mutually reinforce the functions of each participating actor or agent in promoting 'harmonious society development', and in order to ensure social order and stability (CPC 2006), the CPC believes that its leadership role must be strengthened rather than transferred to civil actors.

Social governance is considered to be participatory behaviour that is converged from society as a whole (Rhodes 1996). Therefore, while the CPC stresses the leadership of the party, it also emphasises achieving positive balance 'between government management, social self-adjustment and citizens' self-management' (CPC 2013). The Party-state's think tanks⁵⁶ have highlighted three requirements to achieve this ideal interaction. Each requirement emphasises the important role of government leadership.

The first requirement is that the government's leading role is reinforced and its workload lightened. The CPC specifies in the *Decision* that government should do this in a number of ways, 'fully and correctly performing its functions' through 'further streamlining the administration and delegating more power to lower levels' and 'strengthening the formulation and implementation of development strategies, plans, policies and standards, enhancing market activity monitoring and the supply of public services' (ibid.). Included in these efforts are the

⁵⁶ Including the Central Party school of the CPC, Development Research center of the State Council of the PRC, the Central Compilation & Translation Bureau, Chinese Academy of Social Sciences and leading cadres of related departments, etc.

following reform initiatives: promoting the 'separation of government administration and social organizations', improving 'the market access and exit mechanism', reducing the 'central government's administration in micro-level affairs...to the greatest extent', commissioning social organizations to 'provide public services that they are apt to supply and tackle matters that they are able to tackle', 'promoting government purchases of public services by means of contract and trust, and introducing a competition mechanism into general-affairs management services' (ibid.). Li Liguo, the PRC minister of civil affairs from 2010-2016, suggested that, as part of these efforts, the government should also: enhance research and anticipation of social trends, carefully process social development plans and produce social policies and regulations that align with these goals (Li, 2014a). According to Li, the government should additionally co-ordinate the design and overall management of its systems of social governance, thereby fulfilling its leading role in social governance. On the one hand, this means that governments at all levels might reduce their intervention in microscopic affairs and allow civil actors to provide services and carry out self-management. On the other hand, it means that the government might establish a social governance framework and improve its mechanisms for appraisal and indicator systems of governance. This could ensure that the tasks and responsibilities of participating actors and agents are properly allocated, and that the proposed objectives and tasks of social governance could be completed. However, in his advice about designing a social governance framework, Minister Li (2014a) did not mention the need for cooperation with civil actors. This may have weakened the role of civil actors participating in social governance from its inception.

The second requirement to achieve positive interaction between government management and citizen self-management and participation, according to the think tanks mentioned above, is that the capacity for social self-adjustment needs to be strengthened. This can help to lighten the government workload. For example, the Party-state's stated intent to improve education on social ethics, professional ethics, family virtues and personal morality (CPC 2013) might be designed to guide the people toward such self-adjustment, encouraging them to conscientiously perform their legal duties, meet their social

and family responsibilities, and uphold social order. Using this logic, the grassroots-level self-management organizations and social organizations, such as, for example, trade unions, might play a role in resolving conflicts among the people. Various methods of self-regulation, such as negotiation and persuasion, might be used in these contexts. To achieve self-regulation objectives, public agencies and civil actors can coordinate the drafting of documents to establish social norms. These may include: industry regulations, regulations of social organisations, and village and community regulations. Coordination and cooperation among these actors and agencies during the drafting process may allow the social norms to function more adequately to coordinate social relations and protect the interests of civil actors.

According to the think tanks, the third item required to achieve a successful balance between government administration and the self-regulation of civil actors is a deepening of citizens' capacity for self-management. To reduce the heavy burdens of local governments from the daily affairs of a given community, the Party-state has mandated full implementation of the organic law of urban resident dweller committees and of villager committees; the government plans to expand the exercise of grassroots democratic decision-making practice. This mainly consists of: 'resident meetings, negotiation and public hearings', developing a democratic governance practice that primarily aims at 'self-management, self-education and self-service', and improving the practice of democratic supervision. Improving democratic supervision mainly consists of 'publicity village and community affairs, and democratic appraisal' (CPC 2013). These exercises might comprehensively promote institutionalisation, standardisation and proceduralisation of resident's self-management (Li 2014a), which might reduce the government's workload at the grassroots level and enhance civil engagement in social governance.

Under the guidance of the government, civil actors will be mobilised to participate in more social activities, such as mediating conflicts at a community level. Thus, according to the CPC's (2013) narrative, they communicate an intent to expand a citizens' right to know, citizen-level participation and citizen decision-making in grassroots-level social governance. Such an expansion might improve citizen self-management as set out in the laws and regulations.

This would enable citizens to take a dominant role in grassroots-level social governance without diminishing CPC leadership in social governance, which would help to achieve the positive balance between governance by the government and the self-governance of Chinese citizens.

3.4.2 Organisation and management system of social organisations have been changing

According to Section 48 of the *Decision* document, social organisations also have a role to play in social governance. From the perspective of the CPC, social organisations are one of the main bodies administering and supporting social governance, as there are over 8.8 million social organisations (whether registered or not) performing a variety of social functions (He 2006, p. 24). Given their important role in social governance, reforming social management mechanisms, and encouraging and supporting social forces to contribute to social governance and public services might not only ignite the vitality of social organisations, but also solidify the foundation of Party rule (Li 2014a). In order to encourage social organisation's participation in social governance, the CPC has made some changes in the organisation and management of social organisations.

First, the CPC has increased the government procurement of public services (CPC 2013). Although government procurement may cause kickbacks or other forms of misfeasance where corruption prevails, outsourcing public services may be an effective way to achieve a number of goals: to promote the transformation of government functions, to enhance awareness of social participation, to stimulate economic and social vitality, and to improve public services efficiency. The government might partly step back from micro-level management of social affairs, and establish and improve mechanisms for purchasing governmental services. Gradually, this may allow the government to provide timely and fully transparent government services procurement information to the public, including: content, contractor requirements and evaluation criteria for the service. Contractors that are qualified to undertake government services include not only social organisations registered in the civil affairs department and agencies exempted from registration by the State

Council; they also include registered companies and institutions. Moreover, the government will formulate a guidance catalogue for public service procurement that will clearly list the types of services and identify those that can be outsourced. The government might also dynamically adjust the timing of service procurement based on social needs. Furthermore, the government will establish and improve a comprehensive review mechanism to conduct project evaluations on quantity, quality and the performance of the fund in purchased services. The mechanism will be comprised of the purchaser, the consumer and the third-party, and will disclose the assessed results to the public.

A second change to the organisation and management of social organisations is that, social organisations in certain categories have been permitted to direct apply for registration without approval (CPC 2013). These categories are: trade associations and chambers of commerce, scientific and technological associations, charity and philanthropic organizations, and urban and rural community service organizations. In their previous registration system, all social organizations except those related to government and the Political Consultative Conference were required to register at the civil affairs department at different levels. This resulted in insufficient development in the domain of civil organisations due to strict government censorship, and social organisations lacked independence due to the requirement of government affiliation. With the new policy announced in the *Decision* document, with the exception of organisations that require pre-approval under the current laws, regulations and decisions of the State Council, the four main types of social organisations mentioned above can directly apply for registration to the civil affairs department at different levels, which abolished unnecessary examination. However, the new registration system is only open within certain limits, which still is rigorously required and examines applications from other types of social organisations, such as, for example, religious groups.

A third change to the management of social organizations, according to guidelines of the *Decision* document, is that the government will, at all levels, 'strengthen the management of social organisations and foreign NGOs in China, and guide them to carry out their activities in accordance with the law' (CPC 2013). From the CPC perspective, some foreign NGOs that operate in Chinese

society might not have enough respect for the authority of the Party-state and for Chinese traditional culture and customs; they ceaselessly cause ‘troubles’ for the Party-state, by instigating humanitarian or environmental protests among Chinese activists. One example of this is the 2015 Zeng Feiyang’s case in the Guangdong Province: as part of a ‘crackdown on labour rights defenders’ and getting rid of labour NGOs (Wu, Pomfret and Macfie 2016), Zeng was prosecuted and admitted in court that he was trained and funded by overseas organisations to construct a ‘worker’s movement’ (Bjnews 2016). Given these circumstances, foreign NGOs are required by the Chinese authorities to operate legitimately, under national laws and regulations. They are also required to benefit local economic and social development⁵⁷. Under the current registration system for social organisations, the operation of foreign NGOs is still rigorously restricted. For example, foreign NGOs that have not set up a local office in China must implement cooperative projects with qualified domestic legal entities. Cooperation projects are required to report to the relevant authorities for approval through a domestic legal entity, and must also report to the registration and management authority at the same level for the record. Furthermore, according to the Law of the *Administration of Activities of Overseas Non-Governmental Organisations within the Territory of China*,⁵⁸ while operating cooperation projects, foreign NGOs are banned from appending additional political, religious or conditions that violate Chinese laws and regulations. These terms, relating to foreign NGO operation in China, might explicitly demonstrate that the Chinese authorities distrust NGOs that are entirely independent from the Chinese government. This might be partly due to the ‘troubles’ that foreign NGOs raised in China in recent years as well as the peaceful revolution plan adopted by the United States since the 1950s.

3.5 Interpretation of Chinese governance in practice

The Western governance theory discussed in Chapter Two suggests that a government that adopts governance strategy might introduce incentive

⁵⁷ Chapter one article 3 of The Law of the People’s Republic of China on the Administration of Activities of Overseas Nongovernmental Organizations in the Mainland of China.

⁵⁸ The full text is available at: http://www.xinhuanet.com/legal/2016-04/29/c_1118765888.htm (last accessed 30 July 2018).

mechanisms of the market and management tools from private entities into the delivery of public services. Such a government might stress interaction and cooperation between the public and private sectors, which might then jointly establish a civil service system that places emphasis on efficiency, the rule of law, and accountability. The governance procedure of shifting government power to civil society actors might be a gradual process, but, through the public-private partnership, it has the potential to enhance a government's legitimacy, transparency, accountability, the rule of law, responsiveness and effectiveness.

However, China's current governance strategy is top-down. The social governance slogan of the CPC is evidence of this, combining 'strengthening leadership by the Party committee', 'giving full play to the leading role of the government' and 'supporting the participation of all sectors of the society' (CPC 2013). Using this strategy, the Party's rhetoric in the *Decision* both reveals the Party guidelines of maintaining its ruling status in governance and indicates that governance activities might have to be based on the support of government resources (or not). Thus, the concept of governance in the eye of the CPC can be viewed as a 'governing toolkit', which help the Party-state to strengthen its capacity and legitimacy. With China's current social structure, a combination of a comparatively powerful government and a weak society, the arrangement of social governance practice might smoothly follow the will of the ruling party: the Party decides which civil actors participate in social governance, and the CPC and the government enjoy their leadership in the process.

The discussion above signals that, under the *Decision* document's guidance to support the participation of all sectors of the society, the Party-state might cultivate social organisations and enlarge political participation space for civil actors to a certain extent. However, due to the asymmetric distribution of political status and resources between the public and private sectors, civil actors might find that they are not able to contribute in the social governance process as they expected. This is especially true when compared to their western counterparts. Therefore, in the worst-case scenario, the design of Chinese governance reform in the social domain may be similar to the grassroots electoral design in China, which 'is a window dressing, to legitimize the regime' (Manion 2014, p. 20).

3.5.1 The leadership of the party

From the perspective of Western governance theory, it is considered that there should be no 'leader' in the governance process. As Rhodes (1997) points out, 'Governance' refers to self-organising, inter-organisational networks characterised by interdependence, resource-exchange, rules of the game, and significant autonomy from the state' (p. 15). Thus, equal participation in decision-making processes should be added to the governance model, according to Rhodes' (1997) definition, and the leadership of the Party in social governance should be removed. Therefore, institutional reform that follows governance theory should promote characteristics such as: equality, negotiation, resource exchange, the rule of law, transparency, responsiveness, consensus orientation, accountability and effectiveness and efficiency. These should all be promoted without a single overarching power that governs the joint system.

In reality, the CPC's possession of dominant power in the systems of national governance is a fact that must be faced no matter how people view the CPC and its political system in China (Ren 2015, p. 7). The ruling party has exhibited no sign of giving up its political leadership. Instead, according to the *Decision* document, the CPC intends to strengthen its leadership position. To consolidate the Party-state's ruling status, the CPC 'requires the preservation of the party leadership, albeit with a "deliberative" form of politics that allows individual citizens and groups to add their views to the decision-making process' (Van Wie Davis 2009, p. 197). Since different national traditions may more or less restrict the functioning space of 'market and/or self-regulation' in 'their economies and civil societies' (Jessop 1998, p. 32), the CPC's dominant power in China's political and social structure might allow its leadership to 'remain the primary driving force behind national development' (Sigley 2006, p. 494).

Under the CPC's leadership, instead of 'retreating', the Party-state is actually 'regrouping' during governance (CN) reform (Ibid., p. 487). Chai and Song (2013) point out that the latest wave of reforms will not threaten the dominant position of the CPC; on the contrary, the Chinese Party-state will also strengthen its 'capacity to govern through the selective devolution of power both

to civil society and local representative institutions' (p.73). Furthermore, the CPC is still able 'to hold onto one-party rule' in China (Van Wie Davis 2009, p. 196) due to the fact that contemporary China may be undergoing a transition from a totalitarian regime to a 'post-totalitarian regime' (Han 2005, p. 221). Thanks to this transition, the space in society for individual autonomy may be expanding while the Party-state retains its socialist ideology combined with the tremendous power and resources it carries from the legacy of the former totalitarian system.

Nevertheless, power is the key element that civil participants might use to influence and change policymaking (Wang and Bramwell 2011). If the Party communicates a preference in policy, for example, this may cause the governance mechanism to mainly reflect party interests. In this way, the dominant power of the CPC could indeed upset the theoretical balance between the public and private sectors in the process of governance reform. It might highlight governance 'as a system of strategic selectivity and the nature of political struggle as a field of competing strategies for hegemony' (Jessop 1990, p. 221). Thus, as the dominant power and the rule maker in China, the CPC seems to be mired in a contradiction: on the one hand, the CPC seems to understand that in order to 'seek most of all to avoid explosions of community discontent in social unrest' (Manion 2014a, p. 334), and 'avoid protests of bad governance and address social issues' (Van Wie Davis 2009, p. 202), some public sector reform must take place and some government functions must be contracted out to civil actors for better government performance. On the other hand, as 'Leninists remain in control' (Gilley 2011, p. 532), the CPC does not wish or dare to lose its dominant position in national governance. This results in the continued spread of a bureaucracy-oriented consciousness, where the power of bureaucrats holds great appeal. Since the PRC's founding, the Chinese Party-state has emphasised that officials must avoid this way of thinking, however a huge thirst specifically for jobs in the state bureaucracy speaks to the sustained appeal of bureaucratic power still holds great appeal. In 2015, 1.4 million Chinese residents took the recruitment exam for the civil service, knowing that only one in 50 might get a job that could be 'guaranteed for life and offers a stable income and status' (Lyme 2015). In desperately trying

to become part of the bureaucratic system, ordinary Chinese people indicate their continued veneration of state power. The sustained power of CPC leadership has meant that equal negotiation status, which is one of the fundamental pillars of western governance, is hard to find in contemporary China.

The prevalence of bureaucracy-oriented consciousness threatens the mechanisms for equal footing in governance. As a result, civil society participants might have to subscribe to CPC leadership in order to access participation opportunities as governance is practised. Otherwise, the authorities may refuse to allow social organisations and citizens the right to participate at all, if they deny the CPC's right to lead in this area. In contrast, during the governance process, adhering to party leadership may be a wise approach: it can maximise CPC support and reduce resistance from local governments, thereby increasing the chance for civil actors to pursue their interests.

However, there is a more manifest drawback to placing party personnel in core positions of governance: it does not support equal participation and negotiations among stakeholders. A party-led model of governance could easily drive some interest groups, like real estate industry representatives, to use their substantial economic influence to lobby or threaten local party cadres. This might force the cadre, who represents the party's authority, to lean toward one side, contradicting CPC declaration that it 'represents the fundamental interests of the majority'. Similarly, mission-driven cadres could also use their influence and political skills to influence the governance process. They could, for example, accomplish an administrative assignment through the governance process, ignoring the interests of actors with socioeconomic disadvantage (Tang 2015), such as migrant workers in Beijing.

The examples above show that a governance platform built for multilateral negotiation and consultation can become a place for the powerful to persuade others, or a platform for a given authority to convince other participants to follow its lead. For instance, the public hearing in Jinan city to adjust the natural gas price provided only two options for people to choose from: to increase the price

by 0.3 RMB per cubic meter or to increase it by 0.4 RMB per cubic meter instead. The majority of citizen representatives chose the 0.3 RMB plan (Zhang 2015). This type of public hearing demonstrates how governance negotiations between different actors under a central authority can perform compliance with the law and regulations, while in fact being designed to achieve the goals of the government or of state-owned enterprises. Therefore, the CPC itself, who have proposed in the *Decision* document to promote governance, might be the biggest obstacle that blocks the path toward it.

3.5.2 The leading role of the government

In the view of many Western scholars, China remains a post-totalitarian or authoritarian regime after a few decades reform (Perry 2001; Gallagher 2002; Fewsmith 2003; Mertha 2005; Nathan 2009; Holbig and Gilley 2010; O'Brien 2010; Manion 2014; Tsai and Xu 2015; Zhu 2015). This perspective persists, even though the economic, social and political system in China has undergone tremendous change since the CPC proclaimed reform and openness in the 1980s (Yu 2003, p. 7). Although these changes have not removed the one-party rule, they have partly transformed China's model of government from a revolutionary regime into a normal state. This transformation might serve as a healthy beginning 'to transform an otherwise almighty government into a responsive one' (Hsiung 2009, p. 42). Unlike the many Western countries that have formed market-led governance models, during China's reform, the institutional change was led by the Party-state and the distribution of political and social power between the state, the market, and society were consistently unbalanced. The model of governance in China can therefore be said to be government-led (Bao and Lang 2009, pp. 5-6).

Some Chinese scholars, such as Guo and Peng (2015, p. 106-7) argue that, when compared with more economically advanced countries, countries with developing economies like China must rely on government promotion and protection to achieve economic development. Thus, applying a metagovernance model with a strong and rational government is needed in state development. Russia's post-1989 economic downturn provides a negative example: although the Mikhail Sergeyevich Gorbachev government reduced

public power, it was not accompanied by a growth in social power and that the balance of power between the state, the market, and society is not a zero-sum game. Without sufficient political and administrative power wielded by a government authority, extreme chaos can occur. The waning power of governments in Libya and Rwanda in the lead up to war provides illustrative examples of this (Yu and Lu 2003, p. 35).

In theory, despite the network model of governance might seem hypothetically superior to metagovernance, the potential it offers to share resources and jointly create a better future is 'hard to realise in reality due to pervasive and deep network failures' (Ramesh and Howlett 2015, p. 356). In reality, however, governance simply cannot replace the function of the market and the government. Instead of achieving governance without government, then, an efficient governance system needs a combination of a well-functioning state and a complementary market (Wu 2004, p. 65). Without a competent decision-making authority, developing economies might lack the ability to intervene when they face market failures and failures of governance.

In China, the Party-state has insisted on maintaining its core position in the governing system. By maintaining this core position, the government has 'retained its ability to intervene in the marketplace and, consequently, avoided the catastrophic mistakes made by developing countries that have fully embraced neoliberalism' (Islam and Ehsan 2009, p. 129). For instance, in the fallout of the 2008 financial crisis, the global average GDP growth rate dropped to 2.2% in 2009 while China's remained at 8.7% (Huang and Jing 2011, p. 133). China's ability to maintain its growth rate was thanks to a tremendous amount of government investment in infrastructure. This demonstrates that, when facing a great social or economic challenges, a competent government might be able to turn an adverse event into a development opportunity when equipped with sufficient authority and resources. In addition to acknowledging China's sustained growth, Birdsall et al. (2009, p. 145) ask a rhetorical question: 'would China have been better off implementing a garden-variety World Bank structural adjustment program in 1978 instead of its own brand of heterodox gradualism?'. Similarly, the World Bank has admitted that its 'strong push for a standard set of good policies and G[ood]G[overnance] was mistaken'

(Lauridsen 2012, p. 343), acknowledging that each country should design its own development strategy based on its specific characteristics, as well as its own cultural and historical experience.

However, although the Chinese Party-state seems to understand its responsibility in China's governance mechanisms, the government may assume a disproportionate role in governing practice if it always plays the leading role. In a situation where China's market economy still needs improvement but civil society has not yet been fully established, the government might be the only actor who can successfully intervene to mitigate or prevent market failure or social breakdown, by leading the construction of governance networks and increasing the level of governance (Wang 2007, p. 45). The result of these circumstances is that the state government might not only be the main source of financial support and mediation, it might also be the last actor willing to take on social responsibility in the governance (CN) system. This expansive leading role barely leaves autonomous operating space for civil society and legal institutions (Perry 2007), and may cause public dissatisfaction due to the absence of public empowerment. In addition to this risk, according to Landell-Mills' study (2003, p. 370), 'governments' will invariably resist pressure, internal or external, to make themselves more accountable and transparent'. By maintaining its leading role as the centre of power in the governance system, the Chinese government may worsen this vulnerability. Moreover, while an authoritarian government 'does not rely on electoral support to stay in power and to rule' (Zhu 2015, p. 597), without restrictions from an electorate and without checks and balances, concentrated public authority can provide a breeding ground for rampant misfeasance and corruption.

As mentioned above, participants in governance may use power as a key way to exert influence over policy making (Wang and Bramwell 2011). The balance of power between participating public sector and civil society actors will therefore be reflected in policies and an imbalance in the nominal equal footing in the governance process. When this occurs, negotiations and consultations become little more than decoration and performance. Since even the Party-state has proposed that the government 'will promote government purchases of public services by means of contract and entrustment' and allow social

organisations 'to provide public services that they are apt to supply and tackle matters that they are able to tackle' (CPC 2013), it may not be appropriate to 'take the center's words too seriously when it announces its intent to implement an impossibly wide range of impossibly ambitious policies' (O'Brien 2010, p. 81). To be more specific, public services that are stripped from the government and transferred to civil actors might merely constitute a few unpleasant tasks that allow the government to relieve its burden while maintaining those functions of the governance process that are profitable.

While Minister Li Liguo (2014a), the Minister of Civil Affairs, explains social governance guidance within the *Decision* document, he describes the government's leading role in the social governance system and emphasises government judgment on social trends and social development plans. However, he rarely refers to any space for engagement where civil actors could become involved in the design process for social governance. The absence of room for civil engagement may be deliberate: making social development programs that involve only state personnel and official think tanks functions as a method of preserving power. The Party-state's effort to avoid engagement with civil actors stands in stark contrast to the approach to governance employed by Western governments, who are monitored and criticised by opposition parties and civil actors in a comparatively transparent political environment. Without input or critique from society at large, social development programs are likely to merely reflect the Party-state's future needs, rather than those of the people. For instance, under these circumstances, effort is likely to be made to consolidate the party's ruling status through economic development and to achieve social control by maintaining stability. However, these efforts may not represent the collective social demands from different interest groups, like reforming the unfair household registration system and the higher-education recruitment system. Therefore, the impact of China's designs in governance might create a better, and perhaps more powerful governing position for the Party-state, but social organisations are likely to be used as instruments to help the Party-state deliver public services (Tsai 2002) that have already been paid for by taxpayers. The use of social organisations to create this illusion of public engagement

could increase the authority and legitimacy of the CPC and help it to maintain its expansive powers.

3.5.3 The participation of civil society

In the West, the social organisation ‘has been presented as a resource that can be mobilised to address a broad range of political, social, ethical and economic problems’ (Bray 2006, p. 531). In China, similarly, the participation of civil actors is treated as ‘a temporary vehicle utilised by the state to materialise its political aims’ (Li and Wu 2012, p. 89). In the *Decision* document, the CPC identifies civil actors as important to its aims, despite civil society not having matured in China nor yet played an important role in public service reform (Chou 2007, p. 57). Nevertheless, social organisations have been experiencing a rapid growth period since the reform era and the economic opening of China. The Ministry of Civil Affairs reports, for example, that the number of registered domestic civil organisations rose from zero, before 1994, to 457,500 in 2011 (Yu and Ren 2012, p. 25). This number had increased to more than half a million by 2013 (Zhang, Mol and He 2015, p. 20). In China’s diversifying economic structure, social organisations are now thriving and pursuing their interests through interactions with each other and the government (Yang and Li 2008, p. 57).

Realising the increasingly important role that civil actors may play in society, the CPC has been introducing mechanisms for a top-down model of governance (CN). For instance, the government intends to increase government spending on public services, deregulate the registration system for four main types⁵⁹ of social organisations, commission social organisations to provide public services and to tackle matters that they could address by themselves. These initiatives might point to an overall trend in regulatory policy: the governmental regulations on Chinese civil society and social organisations may be gradually loosening, and social organisations may be entrusted with more public service functions from the public sectors.

This new governance mechanism proposed by the CPC may achieve three goals for both the Party-state and for civil society in China’s modernisation

⁵⁹ These are: trade associations and chambers of commerce, scientific and technological associations, charity and philanthropic organizations, and urban and rural community service organizations (CPC 2013).

process. First, the adoption of governance mechanisms can offer a less constrained social space. This can promote the growth of civil society and the engagement of civil actors. Secondly, when facing disputes between interests in the public and private sectors or among different interest groups of any kind, governance mechanisms can act as a formal channel or monitoring agent where government authorities can acquire feedback on government performance and social and public sentiment. Acquiring feedback in this way might provide an incentive for the government to resolve underlying problems between the public and private sectors, or act as a mediator to help different interest groups to achieve consensus via negotiation. The third goal achieved by implementing governance mechanisms is that policy decision-making can take place through this mechanism and involve civil engagement and partnership from social organisations, and urban and rural communities. This could minimise the cost of policy decision-making, help to achieve social consensus and maximise the use of collective intelligence as a driving force for economic and social development, by drawing input from society as a whole (Wang and Li 2005, p. 44). When compared to switching regimes or upending the party system, tackling socio-political ungovernabilities by means of governance mechanisms may be more feasible at an operational level in China: it avoids disrupting the CPC's ruling status while adding some incremental elements of democracy via governance practice.

The Chinese Party-state seems to harbour opposing attitudes towards the flourishing social organisations and embrace them conditionally. On the one hand, the Party-state has clearly recognised that they must let social organisations assume certain social functions, in order to achieve certain goals: to relieve some of the government's burden and financial costs, to promote the transformation of government's function, and to create an environment that can facilitate good governance. On the other hand, the CPC might be concerned that the uncontrolled growth and development of social organisations may upset its ruling status. This concern stems from historical experience: social organisations were 'identical with secret societies which normally stand in opposition to the government' in ancient China (He 2008, p. 167), and more recently, the party experienced an adverse impact from illegal social

organisations such as the Falun Gong. The latter organisation endangered the Party-state's rule domestically, leading to further concern about social movements such as the Color Revolution in the Middle East; this type of movement has made the Party-state feel threatened (Yang and Li 2008, p. 63).

To protect the Party-state's supreme authority while gaining support from civil society, the CPC encourages the establishment of social organisations that will help its social governance initiative: during the first term of President Xi's government, the number of registered social organisations increased by 60%, growing from around half a million in 2013 (Zhang, Mol and He 2015, p. 20) to 821,305 in 2018⁶⁰. On the other hand, certain types of social organisations, such as human rights NGOs and religious groups (especially with overseas backgrounds or funding from overseas) are constrained by the registration system, and the activities of foreign social organisation are under the strict governmental control. For example, research by Fulda and Song (2012) reports that social organisations 'find it extremely difficult to register and attain legal status as 'social organisations' or as a 'people-run non-profit unit' (p. 677). This legal limbo leaves them no other option than to secure their organisation's survival by registering as firms or by linking their organisations to existing organisations. This latter option may impact the reputation and function of some social organisations. To fully operate in China, social organisations may have to waive parts of their autonomy as well as establish good relations with the local government. Authorities are only ever likely to offer favourable policies to social organisations after they have experience cooperating with the local government. Once they have gained a certain level of trust and left a good impression on the First-in-Command cadres (Ibid., p. 685), favourable policies may be offered to encourage further collaboration and development.

Currently, China's top-down governance reform may work to transfer some traditionally governmental functions to social organisations. As this takes place, social organisations and citizens may enjoy more operating spaces and rights in political and social domains when compared to the past. As the *Decision*

⁶⁰ Statistics from the social organization service platform run by the Social Organization Administration of the Ministry of Civil Affairs: <http://www.chinanpo.gov.cn/search/searchOrgList.do?action=searchOrgList> (last accessed 18 April 2018).

document demonstrates, CPC discourse on this topic indicates that any participation of civil actors must work under adherence to the party's leadership and the government's leading role. The *Decision* rhetoric implies that participation in social affairs by civil actors may consist primarily of accepting tasks from the public sector or voluntarily undertaking some incomplete public services with the cooperation of bureaucrats. For example, in Tsai's (2002, 2007) village studies in China, she discovers that religious and social organisations fill gaps in public services, mobilising their members and provide some public goods and services themselves when the village cadres fail to do so. However, putting social organisations in the position they assume in the villages of Tsai's (2002, 2007) research cannot achieve the same level of cooperation as the governance mechanism portrayed by Rhodes (1997) and Hirst (2000).

CPC promotion of social organisations⁶¹ is signal a coming shift in the allocation of responsibilities: governmental functions will be partially stripped from the public sector and transferred to the private sector (CPC 2013). The impact of this is a redistribution of power. From the perspective of the central government, an increasingly prosperous civil society that adheres to the Party-state leadership can reduce social disputes, enhance the social order and strengthen the CPC's authority and legitimacy. However, from the perspective of the local government, booming social organisations with growing calls for more autonomy might be seen as a threat: they may reduce the authority of local cadres and their empowerment to handle social affairs. For example, social organisations that once catered to the interests of local cadres may now be actively involved in social affairs, pose more questions about policies and be harder to control. Local governments are therefore more likely to be willing to cooperate and support social organisations that maintain close relationships with them than those that offer criticism.

⁶¹ For example, deregulate the registration system for four main types of social organisations (trade associations and chambers of commerce, scientific and technological associations, charity and philanthropic organizations, and urban and rural community service organizations), commission social organisations to provide public services and to tackle matters that they could address by themselves and, and promote government procurement of public services and introduce competition mechanisms into general-affairs management services (CPC 2013).

Although the development of civil society might be promoted to a certain extent with the CPC's permission, the CPC requirements – adherence to CPC leadership⁶², respect for its leading role⁶³, differential treatment of social organisations according to government interests⁶⁴ – might generate a governance mode that, in a worst-case scenario, only benefits the Party-state and its followers. Thus, this research considers that in the governance (CN) mode proposed by the CPC, equal participation might be influenced by party members and officials during the governance process and the autonomy of social organisations may be weakened on the whole. This makes this mode of governance vastly different from that promoted and described in Western governance theories. The Chinese Party-state has stressed that the government might shift some governmental functions to social organisations and increase government service procurement from them. However, they did not mention any principles that relate to the participation of social organisations in policy decision-making. The lack of attention to this issue indicates that, despite some apparent progress, the Chinese authorities likely maintain an unchanged perception of social organisations, viewing them as tools with resources that can be mobilised to address problems in economic, social or political domains, but failing to recognise them as potential advisors or partners with equal status.

Summary

In this chapter, we began with an overview of the dilemmas and problems that are posing legitimacy challenges to the CPC, shaking its political stability and forcing the Party-state to make changes to the current socio-political system. The Chinese Party-state has realised that its social dilemmas might be caused by the 'government' paradigm, the inevitable rise of civil society and the increasing influence of social organisations. In order to consolidate its ruling status and bolster its legitimacy through popular support, the Party-state

⁶² 'to strengthen leadership by the party committee'(CPC 2013).

⁶³ 'to give full play to the leading role of the government'(CPC 2013).

⁶⁴ Only permit four types of social organisations – trade associations and chambers of commerce, scientific and technological associations, charity and philanthropic organisations, and urban and rural community service organisations – to direct apply for registration to the civil affairs department at different levels but not all social organisations (CPC 2013).

intends to include civil society stakeholders in the management of social affairs, using an institutional design based on governance theory. The impact of introducing governance mechanisms were considered: it could broaden the opportunities for engagement by civil actors in political and social issues.

The second section discussed the origins of the term 'governance' in China. Scholarship suggested that, before introducing Western governance theory into Chinese academia, there were neither governance discussions in academic circles nor governance practices in China's socio-political realm. However, there is no consensus among scholars whether or not the governing philosophy of 'governance' adopted by the Chinese Party-state was purely imported from the West or has its roots in Chinese political culture. When they first used it in political rhetoric, the CPC also neglected to explain the history of this concept in the Chinese context.

Sections three and four sought to address this gap, analysing the Chinese version of governance to determine its scope and guiding details. Through analysis of CPC actions and texts, we have roughly explained and interpreted what the CPC's perspective on governance may be. For example, the social governance slogan of the CPC identified three key goals of social governance: 'to strengthen leadership by the party committee', 'to give full play to the leading role of the government' and 'to support the participation of all sectors of the society' (CPC 2013).

The final section argues that compared to Western governance, where civil actors are often given a dominant role during the governance process, the current Chinese iteration of 'governance' favours the interests of the Party-state. Chinese 'governance' places strong emphasis on the leadership of the party and the leading role of the government in the systems of governance. This is reflected in their ambivalent approach to social organisations: on the one hand, social organisations should blossom under government control; on the other, civil actors should assist the government to acquire information and manage social affairs. Outside of these considerations, social organisations do not sound attractive to the Party-state's central leadership: they have the potential to assume some of the roles of government which can threaten the ruling status

of the CPC. This may affect the experience of civil actors trying to participate in the governance process. When pursuing self-interest in governance, civil actors may face obstacles from the intervention of authorities. These interventions mean that civil actors do not enjoy much power when participating in the process of governance in China. This stands in stark contrast to their Western counterparts, who play a powerful and important role in governance.

Western governance theory and the Western experience of governance establishes some key elements of good governance. According to Western governance theory as described by Rhodes (1996) that in order to build a governance system with healthy development and effective social service, public power should partially transfer from the public sector to civil actors and retain a dynamic balance in response to domestic and international changes. However, in China the history, geography, ethnicity, political and social systems are fundamentally different from the West. Here, an introduction of governance (CN) that may differ from its Western counterparts is understandable. However, the analysis in this chapter questions whether it is feasible and effective.

The concept of governance has been introduced by the CPC to tackle the most important problem of the Party-state: legitimacy, or in plain words, the problem of popular support. Generally, this may only be acquired through positive government performance, mobilisation of nationalist sentiment, or tackling the socio-political problems, prioritizing those that cause most concern and anger in the general population. The following chapters examine how this search for legitimacy has proceeded by observing the battle against corruption before and after the governance (CN) reform. Corruption, the socio-political problem that, according to President Xi (Xin 2017) makes 'people hate the most', guides an analysis of whether governance (CN) is actually applied in China, in which form and, to what effect.

Chapter four: anti-corruption in China before President Xi

4.1 The problem of corruption

Why worry about corruption? Corruption has been a consistent influence on societies throughout history. Corruption in politics is rampant in early history, stretching back to political life during the Roman empire, and ancient Egypt, and India. There is written record in Indian literature, for example, that documents corrupt behaviour from as far back as the fourth century BC (Bardhan 1997, p. 1320). As one of the most influential and persistent past and future socio-political problems (Mauro 1997), corruption is not a unique problem for the nations that face it. This is especially true for countries with developing economies, among whom China may be one of the most damaged by corrupt crimes. It is difficult to quantify the cost of corruption, as there is a deficiency of data for analysis. Based on the data available, however, Pei (1999, p. 99) estimates that the annual economic cost of corruption to the Chinese economy may be as much as 343 billion RMB, or around 4% of GDP. Hu⁶⁵ (2001, p. 52) suggests even higher numbers, estimating that between 1995 to 1998, the damage to the economy caused by corruption may be as high as 995 to 1237 billion RMB.

As a regular and anticipated cause of tremendous economic damage in China (Hu 2001), corruption, like other socio-political problems (such as, for example, unfair treatment by the government, food security, or environmental crises), can provoke significant social unrest and instability. The Wukan uprising⁶⁶ in 2011 demonstrates this potential: it was initiated by the anti-corruption demands of local rural citizens (Patience 2011; Jacobs, 2012; AJ, 2013; Pomfret, 2013). The protest in Wukan later turned into violent conflict and stemmed from widespread unhappiness with the rampant corruption of the local cadre. The

⁶⁵ Hu Angang is the current director of the Center for China Studies at the Tsinghua University Chinese Academy of Sciences, as well as a professor in the School of Public Policy & Management at the Tsinghua University. In his paper, Hu estimates that the average annual economic cost of corruption in tax erosion (570-680 billion), loss of state-owned enterprises investment and financial expenditure (257.5-341 billion), smuggling (30-34 billion) and rent-seeking in monopoly industries (130-202 billion) accounts for 995 to 1237 billion RMB between 1995-1998.

⁶⁶ Also known as the 'Siege of Wukan' or 'Wukan protest'.

corruption of local cadres like Wukan may stem from the speed of economic development during China's transition period, combined with weak or non-existent supervision over the discretionary powers that local officials are able to exercise over the local economy (Johnston and Hao 1995; He 2000; He 2003; Guo 2008). Rampant corruption and the growth of responding anti-corruption protests can trigger instability in a party's ruling status and challenge its legitimacy (Stapenhurst and Kpundeh 1999). This is especially the case in authoritarian countries. In their study of anti-corruption movements in China, Li, Gong and Xiao (2016) argue that corruption 'poses a big challenge for governance capacity and may even topple the political legitimacy of government' (p. 886). The importance of this challenge is further highlighted by Chinese intellectuals in a study on the legitimacy of the CPC regime; the scholars list corruption, socioeconomic inequality, and changing socialism values as the top three threats to the CPC political legitimacy (Zeng 2014, p. 621).

Pervasive corruption can cause unhappiness and dissatisfaction in the general population. This has the potential to trigger a legitimacy crisis and threaten the CPC's ruling status (Li, Gong and Xiao 2016). It is therefore not surprising that the CPC and the Chinese government attach great importance to the issue of anti-corruption and, at least rhetorically, encourage initiatives to combat corruption (Ma and Ni 2008). This is evidenced in the consistent emphasis on corruption in Party-state propaganda throughout the history of the CPC. In recent years, Party-state leadership has labelled corruption the 'greatest threat to communist party rule' (Manion 2006, p. 304). These sentiments can equally be found in the rhetoric of the CPC's top revolutionary leadership, such as Deng Xiaoping and Chen Yun: both described corruption problem as 'a matter of life and death' for the CPC. The new generation of Chinese leaders report on corruption in a similar vein: in the report at the 18th CPC Congress, former President Hu (2012a), stated that corruption 'could prove fatal to the party, and even cause the collapse of the party and the fall of the state.'

Having experienced and acknowledged the grave consequences of corruption, Chinese authorities have been endeavouring to crackdown on corruption, at

least ostensibly. For instance, following what was essentially a legal vacuum⁶⁷ during the Cultural Revolution, the CPC and the government targeted corrupt crimes by passing 421 regulations and policies between 1978 and 2001 (Hu 2008, p. 19). Yang (2004) suggests that in addition to strengthening anti-corruption regulations, institutional mechanisms in preventing and combating corrupt crimes also improved significantly during this time period. Some observers of China understand the Chinese Party-state's anti-corruption efforts to be mainly driven by political concerns, as the public distraction can work to obscure internal conflicts between party factions (Li 2007) while restoring the Party-state's legitimacy in the face of undermined public trust (He 2000; Hsu 2001; Pei 2006; Nathan 2009; Manion 2014; Zhang 2015a). However, anti-corruption efforts by Chinese authorities are demonstrably more than a convenient distraction. The Chinese Party-state's anti-corruption performances have strengthened direct approaches to combatting corruption in recent years, such as building more agencies⁶⁸ and creating more laws and regulations⁶⁹ to reduce the amount of active corruption. They have also improved high level political organization in this area. For instance, the 18th CPC Congress report has strategically positioned 'anti-corruption and integrity construction' (meaning capacity improvement in combatting corruption) as part of the overall deployment of party-building⁷⁰ (CPC 2012). This represents the first time that anti-corruption and integrity construction have been recognised as one of the basic tasks of the CPC's party-building efforts.

Just one year later, the *Decision* document from the Third Plenum of the 18th CPC Central Committee further advanced China's anti-corruption design at the highest levels. The document outlines a roadmap that 'promotes the modernisation of the national governance system and capacity' (CPC 2013). In the *Decision* document, the party also commits to creating a social framework

⁶⁷ Here, the term 'legal vacuum' refers to the lack of rule of law during the Cultural Revolution in the People's Republic of China (1966 -1976).

⁶⁸ For example, the Central Discipline Inspection Committee was re-established in 1977; the Ministry of Supervision re-established in 1987, the General Bureau of Anti-Embezzlement and Bribery established in 1995, the National Bureau of Corruption Prevention established in 2007 and the General Bureau of Anti-Embezzlement and Bribery was restructured in 2015.

⁶⁹ Such as, for example: the Criminal Law of the People's Republic of China, the Anti-Unfair Competition Law of the People's Republic of China and International Extradition treaties with different countries.

⁷⁰ Party-building here means to 'improve 'party life' (dang de shenghuo), improve the 'party's ruling capacity' (dang de zhizheng nengli), improve the 'party's advanced nature' (dang de xianjianxing), and 'improve inner-party democracy' (dang nei minzhu).' (Shambaugh 2008, p. 131)

of governance (CN) in the short term. This governance (CN) framework can allow civil actors to become more involved in socio-political affairs while still allowing the CPC to occupy the leading role. This is portrayed as an effort to 'strengthen leadership by the party committee', 'give full play to the leading role of the government' and 'support the participation of all sectors of society' (CPC 2013). According to this logic, on the one hand, the Party-state might attempt to make anti-corruption agencies and laws function correctly under the rule of law. On the other hand, they might prefer to rigorously enforce anti-corruption laws and regulations with supervision and assistance from the public. The layout of the national governance (CN) system can work as a kind of anti-corruption strategy that is not linked explicitly to corruption. For example, the system is not just responsible for establishing agencies and laws, but also for ensuring that government organisations operate as they should: with civil servants doing their jobs and following rules transparently, and with top-down and bottom-up supervision. A governance (CN) mechanism is designed in a way that allows for the proper enforcement of anti-corruption laws and regulations with assistance from society at large. This could work as an effective anti-corruption strategy, similar to that portrayed in Klitgaard's (1988) *Controlling Corruption*. A governance (CN) mechanism could also be an institutional-level design for anti-corruption, which may be an effective response to Manion's (1996; 2015) series of arguments that China's bureaucratic system constitutes 'corruption by design'.

This chapter will explore anti-corruption in China in three stages. The first section will review how scholars understand and define corruption. This will be followed by my own interpretation of corruption in China and how it can be defined. The second section will analyse the Chinese Party-state's anti-corruption agencies, procedures, approaches and effectiveness in combatting corruption before President Xi came to power. The third section will explore how citizens, governmental and non-governmental organisations might collaborate to fight against corruption. This exploration is based on the expectation that the Chinese Party-state will implement its governance (CN) theory in governing procedures. This will be a cautious assumption: 'the national governance system' may be just another rhetorical concept designed to add legitimacy to

CPC rule, as was the case when the concept of 'grassroots elections' in China was introduced (Manion 2014). The chapter will conclude with a reflection on the analysis and its implications.

4.2 What is corruption?

When studying corruption in academia or trying to prevent and combat corruption in practice, the first questions faced by researchers are: What is corruption? How can we understand it? How is corruption generated, and what is the current level of corruption in a specific region? These questions ask how to define corruption and how to measure and control it in a specific region. If research on corruption cannot precisely and comprehensively define it and reveal its influences and causes, scholarly analysis may then be unable to accurately explain it as a socio-political phenomenon and we may then be incapable of creating effective strategies against it. This section explores how corruption in China can be understood and defined. This is addressed first with a review of scholarship on the subject and then in a direct analysis.

4.2.1 Understanding corruption

Although it is widely understood that corruption can cause great damages to governments, societies, armies, judiciary systems and economic development in many countries, there is no clear consensus in academia or politics whether or not corruption delivers a purely negative impact.

Some scholars believe that, to a certain extent and in some regions, corruption might have a positive impact on economic growth. Leff (1964, p. 10) suggests that corrupt officials could reduce inefficiency and loosen rigid government planning, such as price control. In this way, corrupt behaviour might enhance administrative productivity and promote economic growth in some regions at certain times. Similarly, Bardhan (1997) points out that corruption might also enhance the efficiency of manufacturers, for example, when there is a bribery game. Bardhan argues that, if private companies are bidding competitively for a government procurement contract, it is likely that the highest bidder with the highest productivity will win the contract. Then, Bardhan notes, 'allocation efficiency is maintained, as only the lowest-cost firm can afford the largest bribe'

(Bardhan 1997, p. 1322). Similarly, in research on an equilibrium queuing model by Lui (1985), the scholar discovered that bribery can reduce queuing time. It 'show[s] that the server could choose to speed up the service when bribery is allowed' (ibid., p. 778), which could reduce administrative inefficiency in public service. Another study, by Egger and Winner (2005, p. 949), reviewed foreign direct investment (FDI) research in 73 developed and less developed countries to find that 'corruption is a stimulus for FDI' and to confirm Leff's (1964) argument that 'corruption can be beneficial in circumventing regulatory and administrative restrictions' (Egger and Winner 2005, p. 949).

While the above scholars see economic benefits to corruption, others view it as one of the greatest sources of damage to economic development. For instance, Shleifer and Vishny (1993, p. 616) indicate that corruption can cause a shift in investments from the high value-added projects, such as education, toward extravagant projects, such as defence. This can discourage efficient investment and slow down a nation's economic development. A study by Mauro (1995) found, in an analysis of data collected from 58 countries, that there was a 'negative association between corruption and investment, as well as growth' that 'is significant in both a statistical and an economic sense' (p. 705). This conclusion is supported by research from Tanzi and Davoodi (1997, p. 20), who found that corruption will reduce economic growth. It does this, they argue, by increasing public investment while reducing government revenues and its productivity. Wei's (2000, p. 8) study shows that corruption can function similar to taxes. Wei argues that this could increase the actual tax rate by 18 to 50 per cent and cause a reduction in foreign direct investment. Moreover, research conducted in 54 nations by Méon and Weill (2008) found that corruption would be 'consistently detrimental in countries where institutions are effective'. A study by Chen, Li and Yin (2008) also made a clear argument that corruption has resulted in obvious negative effects on China's economic growth: the study shows that for every one per cent increase in the level of corruption, this could cause a decline of 0.4% to 0.6% in the national rate of economic growth. The scholarship on corruption seems to indicate that, generally, corruption is one of the factors that most likely to cause decline in a nation's economic development (Treisman 2000, p. 402).

The discussion above shows that there is no consensus on the impact of corruption in academia. Although some social scientists such as Leef (1964) and Lui (1985) claim that corruption might have some positive impact on countries where institutional designs are ineffective, others reveal that not only will corruption reduce economic growth, but it might also have a negative impact on income inequality and political instability (Mo 2001; Gupta, Davoodi and Alonso-Terme 2002). In contemporary China, the market economy has been playing an increasingly decisive role in allocating resources and planning economic restrictions. Despite the potential role of corruption in the promotion of China's economic development in the early stage of opening-up, it poses more harmful and deadly effects on the CPC and on society. This negative impact has ignited public anger and caused a loss in CPC legitimacy. Considering the harm that corruption effects on the economy, social equity and social justice, people experience rage in response to hearing about corruption crimes. This results in a legitimacy crisis for the CPC. This paper views corruption not as an economic lubricant, but rather as 'sand in the wheels of development that could make economic and political transitions difficult' (Aidt 2009, p. 272).

4.2.2 Defining corruption

Following the recognition that corruption may cause damage to China's economy, government, and society, it is necessary to define the term 'corruption' in a precise way. This might help to accurately research anti-corruption and corruption prevention in the Chinese context.

In the academic literature on corruption, the definitions of corruption are diverse. Some scholars define corruption by emphasising private gain (Klaveren 1956; Aidt 2009; Li, 2011; Quah 2013), such as 'sale of government property for private gain' (Aidt 2009, p.271), while others focus on the rules being violated (Nye 1967; Lu 2000), such as 'behaviour which deviates from the formal duties of a public role because of private-regarding (personal, close family, private clique) pecuniary or status gains; or violates rules against the exercise of certain types of private- regarding influence' (Nye 1967, p. 419). Another set of scholars highlight the need for a focus on the identification of corruption suspects (Deng,

Zhang and Leverentz 2010; Ramirez 2014) as corruption is 'a form of white collar crime' (Deng, Zhang and Leverentz 2010, p. 73). In addition, the secret nature of corruption is also addressed because corruption exercises as 'secret crimes that can be prevented or deterred only by vigorous investigation and forceful legal sanctions that may not be forthcoming' (Carrington 2010, p. 11). Moreover, some scholars define corruption by underlining the public opinions for the reason that corruption is 'Publically unacceptable misbehaviour' that would cause 'intentional and unintentional damage to public interests and values' (Ko and Weng 2011, p. 374).

Before considering whether the definitions shown above can accurately convey the essence of corruption, it is clear from the verbal expressions that there is no consensus among scholars such as Aidt (2009) and Carrington (2010) on the definition of corruption. In these explanations, some scholars refer only to state officials as suspects of corruption; private actors were not included. However, private actors are often included in governance exercises that civil actors might actively engage in (Rhodes 1996). These definitions seem to be 'each lacking in some aspect' (Tanzi 1998, p. 564), pointing to a potential cause for the difficulty understanding the specific timing and placement of corruption crimes. Some suspects of corruption may slip through the cracks if imprecise definitions are used to design anti-corruption practice.

Diverse understandings among scholars of how corruption can or should be defined might be explained by variation in forms of corruption among different regions and time periods. For example, in contemporary China, there is no clear boundary between the public, private, and non-profit sectors. If public officials are a necessary element of the definition of corruption, then it might be difficult to understand why Chinese laws and policies also consider corruption crimes that can be committed by grassroots party members, by the staff of community-level self-governance organisations and by non-state personnel.

Researchers interpretations of corruption in the Chinese context also differ widely. Some scholars may consider corruption standards from a legal perspective, whereas others may study corruption based on broader informal rules and regulations. For instance, in Guo's (2008, p. 350) research, corruption

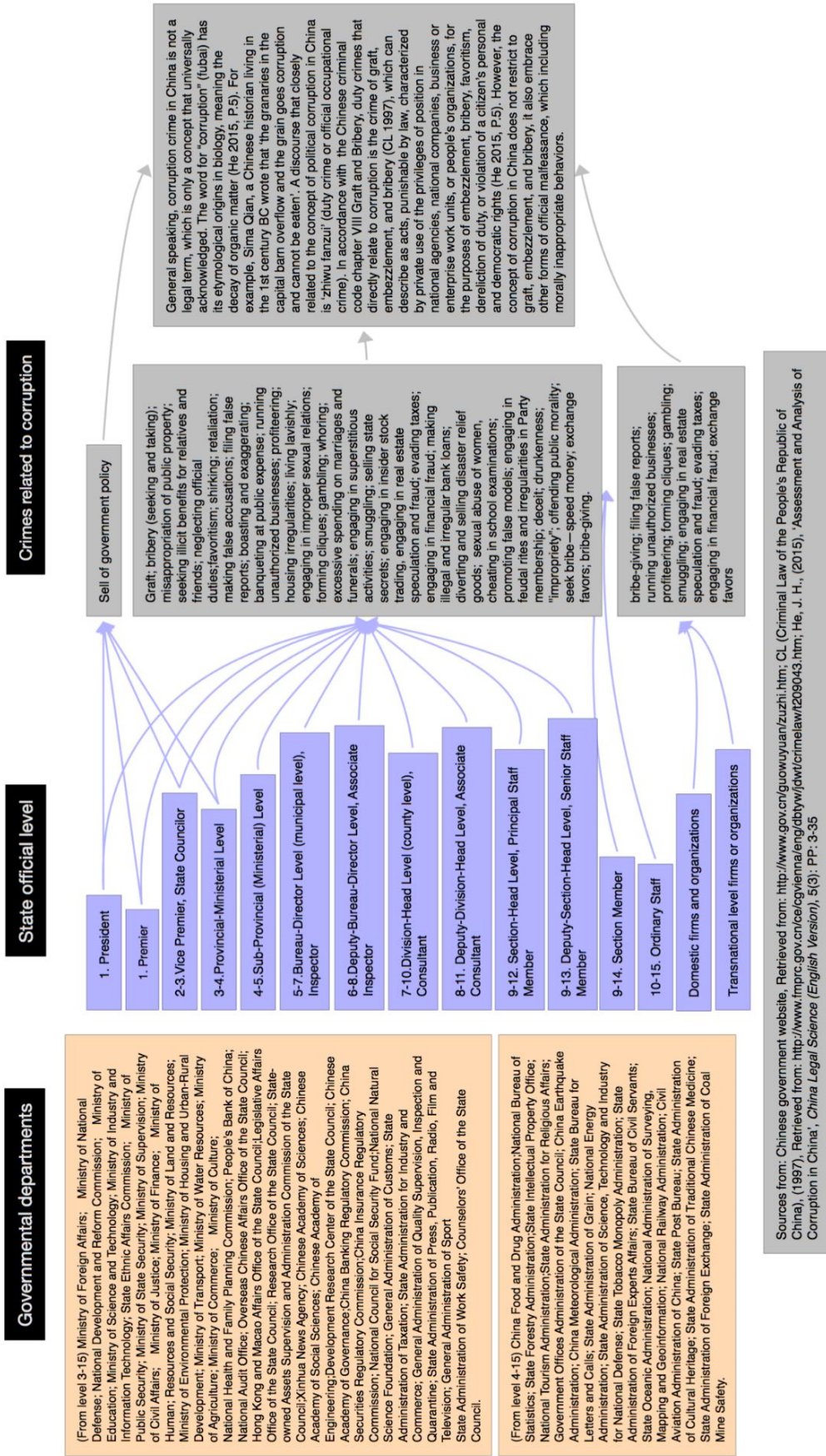
is classified as 'graft, bribe taking, bribe offering, embezzlement and others', while Zhan (2012, p. 95) categorises corruption as 'embezzlement (*tanwu*), bribery (*huilu*), misappropriation (*nuoyong gongkuan*), collective embezzlement (*jiti sifen*), holding huge property with unidentified sources (*ju'e caichan lai yuan buming*), abuse of public position (*lanyong zhiquan*), dereliction of duty (*wanhu zhishou*), and fraud (*xunsi wubi*)'. These categories might be correct for classifying corruption criteria in China to some extent, but they do not explain why the CPC party discipline, the laws of the state, the government regulations and official policies 'consider almost all forms of official malfeasance by state and party cadres as corruption' (Ngo 2008, p. 28). Ngo's (2008) definition of corruption includes not only crimes with physical profits such as 'embezzlement of public property, fraud, bribery, tax evasion, smuggling, profiteering, and rent-seeking', but also forms of abuse of privilege and public position, such as 'negligence, collusion, sectionalism, and nepotism', as well as malfeasance that includes 'womanizing, gambling, drinking, stock market speculation, extravagant living, and superstition' (ibid., p. 28). Similarly, Liu includes some of the corrupt activities categorised by Ngo (2008) in his criteria but also expands on them to include 'housing irregularity, illegitimate feasting, hiring irregularity, sexual abuse of women, illegal imprisonment and torture, obstruction of justice, reprisal against informers, cheating on school examination, false models, feudal rites, irregularity in residence permit, illegal trade of public goods, irregularity in party membership' (Liu 1983, p. 604). The interpretations reviewed above make it clear that corrupt behaviours are more than just 'economic crime' in China (Quade 2007, p. 65) and that it can be understood more as 'unhealthy tendencies' (Myers 1989, p. 194) or 'anything offensive to public morality' (Kwong 2015, p. 18).

The relevant literature defining corruption and its criteria have demonstrated that both definitions and classifications of corruption in China lack a unified interpretation and are often too broad to be based on actual research. However, these definitions and categories might be adequate for some purposes, for example when describing how prevalent corruption is in a specific region, or when used by the press and NGOs to draw the people and the government's attention into the fight against corruption: some of the most influential and

widely cited definitions of corruption and of anti-corruption measures are from Transparency International (TI).

However, a definition of corruption that extends from crimes to unhealthy tendencies might be too broad to be useful for this study on whether governance (CN) could enhance anti-corruption effectiveness in Shenzhen (China). For instance, the TI's (n.d.) definition of corruption is: 'the abuse of entrusted power for private gain'. If we use this definition to define the scope of this research, the research subjects would be too expansive to be feasible for study: they would extend vertically, from the local-level administration's bribe money to central-level cadres selling offices, and horizontally, from the Ministry of National Defense to the China Banking Regulatory Commission (see Table 4.1). The volume of subjects to consider when using this definition would be impossible to include in the scope of this research study: it would not be possible to observe the details of various corruption incidents at each bureaucratic level. In the meantime, information on corruption in some fields, such as military procurement, smuggling, and the buying and selling of offices will be much more difficult to acquire compared to information about public procurement, for example in infrastructure projects. This is because public projects might involve more monitoring and witnesses from both the public and/or private sectors. Therefore, the definition of corruption must be specific in order to study whether governance (CN) could have a positive impact on efficacy of anti-corruption efforts.

Table 4. 1 Corrupt Crimes that public officials and/or private actors may commit in the China context as well as Chinese office level and department.



For the purposes of this research, the definition of corruption is interpreted to allow the convenience of being able to use official statistics (released by the CPC, the government, and the procuratorate in China). Corruption, as defined for the purpose of this study is therefore as follows: Grafting, bribery and embezzlement behaviour by officials that violate the Criminal Law of the PRC.⁷¹ Defining corruption in this way has three benefits for this project: firstly, grafting, bribery and embezzlement behaviour have all been identified as corruption crimes in the Criminal Law of the People's Republic of China (PRC). These behaviours are likely to be more clearly observable compared with behaviours such as 'offending public morality' or 'womanizing' that populate the list on Table 4.1. Secondly, the relationships between people in cases of grafting, bribery and embezzlement behaviours are comparatively simpler to investigate compared to collective corruption. Thirdly, grafting, bribery and embezzlement behaviours are duty-related crimes that are targeted by the authorities; the procuratorate at all levels may publicise their achievements in the war on duty-related crimes on an annual basis. This could provide more publicly accessible information that is particularly important in the context of Chinese politics, where 'negative information' related to public power⁷² is particularly opaque.

4.2.3 The causes of corruption

In the study of anti-corruption, it is necessary to understand the root causes, their mechanisms, and the conditions that generate corrupt crimes. Many scholars and observers have endeavoured research in this area. However, as in the earlier review of the scholarship on corruption, how it has been defined, and how its impacts have been investigated, theorists have not reached a clear consensus about the causes of corruption. Currently, there are two major theories employed in research on the why and how of corruption: principal-agent theory and collective action theory.

Rose-Ackerman (1978) first applied principal-agent theory to the investigation of the sources of traditional corruption, such as bribery. This theory assumes that corruption originates from diverging interests between a principal (typically

⁷¹ Corruption in the Chinese society, such as commercial bribery and academic fraud are not included in this research, due to the research scope is too broad as well as insufficient information.

⁷² Non-officials can also wield public power. For instance, personnel in state-owned enterprises and institutions.

understood to be the ruler or the people that represent the public interests) and an agent (an individual service provider within or outwith the government). According to the theory, if asymmetric information exists that works in the favour of the agent over the principal, and if the principal cannot monitor the agent's behaviour effectively, a rational agent would put their own interests as a priority when implementing policies, even if it may be illegal (Rose-Ackerman 1978; Klitgaard 1988). For example, without sound institutions, officials as agents could benefit from bribery, kick-backs and fund embezzlement in the public procurement process at the expense of the principal (the government and society). As a result, inferior quality services might be delivered at an excessive price. Viewing corruption as a principal-agent problem, it seems possible or likely that corruption could be easily controlled if agents were to operate in a transparent environment under sufficient supervision. This could solve the problem of information asymmetry. The principal-agent anti-corruption model follows this logic: it works to hold officials to account. This takes place via: improved government transparency, promotion and implementation of supervision tools (both within and outside the government), the reduction of the discretionary power held by officials, and the reinforcement of severe sanctions. This approach has recently become mainstream (Persson, Rothstein and Teorell, 2013).

Despite its recent popularity, the principal-agent model has also been criticised. The main criticisms are, first, that the principal cannot monitor every agent's actions 'costlessly' (Groenendijk 1997). For example, the detection of bribe acceptance through international online banking requires international cooperation and vast resources that are difficult to access, especially for developing countries that are riddled with corruption and low on resources. Secondly, because of the 'principled principal': rulers and the people who subscribe to the principle-agent theory and who are assumed to be willing to 'effectively monitor and punish corrupt behaviour' are less willing to do so in reality than they are hypothetically (Persson, Rothstein and Teorell, 2010 p.10). For instance, in countries such as Equatorial Guinea, where kleptocrats rule the nation and systematically loot the state economy (Wedeman 2018, p. 88), the principal is not a supervising and sanctioning agent but rather is stealing from

the state collectively along with the agent, and this has caused systemic corruption.

Based on their research on systemic corruption in Kenya and Uganda, Persson, Rothstein and Teorell (2013, p. 450) point out that viewing corruption as a principal-agent problem is a 'theoretical mischaracterization' that has caused failure in the anti-corruption programs of these countries. To be more specific, theorists such as Ostrom (1998); Bauhr and Nasiritousi (2011); and Persson, Rothstein and Teorell (2010, 2013) suggest that the cause of corruption should be viewed as a collective action problem instead of a principal-agent problem. This is because collective action theory reveals that rational individuals are most likely to maximise their self-interest rather than the common interests for their community, unless they expect that others will also contribute to the collective good (Bauhr and Nasiritousi 2011). Hence, when an actor's action may largely depend on an expectation of how others' will act, rational individuals, whether principal or agent, are predicted to act dishonestly in a systemic corruption setting (Persson, Rothstein and Teorell 2013). This is because the setting is a kind of 'rotten game' environment that will punish those who abide by the formal law and reward those with moral 'flexibility' (Della Porta and Alberto 1999, p. 103). For example, a corrupt official might be promoted in an office crowded with similarly corrupt people, while an honest official could be isolated in the same environment. Thus, in a thoroughly corrupt region, understanding the cause of endemic corruption as a collective action problem might be more appropriate than understanding it according to principal-agent theory. This is true despite the criticisms of Marquette and Peiffer (2015) who note that collective action theory is deliberately undermining the effectiveness of incremental institutional reform meant to control corruption. They also argue that anti-corruption initiatives should be tailored according to the local contexts instead of predesigned theories.

Many scholars have taken this to heart: in order to avoid using the lens of principal-agent and collective action theory to observe the causes of corruption, they consider that corruption may be a problem that is 'culturally or temporally specific' (Rothstein and Teorell 2015, p. 79). In a summary of corruption exercises in the Warring States period of China, Xunzi argued that 'human

nature is evil' (He, 2015, p. 20), and that people are filled with greed by nature. According to this logic, it is therefore no surprise to see that anyone in any society, with any political system, would commit corruption once they were equipped with power. This argument is partly supported by scholars who consider corruption to be a reinforcement of the traditional culture of the Chinese parts of East Asia, as 'one feels entitled to steal on behalf of one's family' (Fukuyama 2001, p. 9). For example, there is a Chinese proverb popularised in the last decade that argues that 'power cannot be deposited in a bank, so you had better profit from it while you can' (Li and Wu 2010, p. 139). However, others point out that it is the fast economic development and the special transition period that has created a tremendous amount of opportunities for continued corruption (Zhan 2012; Dong and Torgler 2013) and results in endemic corruption in China. This argument coincides with Huntington's idea that corruption is caused by the rapid social and economic modernization, as corruption was prevailing in most countries' modernization period (Huntington 1968). Some scholars contend that China's rampant corruption is caused by weak and insufficient supervision stemming from the special transition period in China (Chou 2007; Huang and Rice 2012; Ko and Weng 2011). This adds more complexity to the principle-agent theory and asserts that corruption can be controlled if the public administration can adopt transparency and strict supervision from both the top and the bottom in public services. Nevertheless, others perceive that corruption may stem from the institutional design of the Chinese political and economic system (Manion 1996; Chan and Gao 2008; Manion 2015). They argue that even public departments can disclose information and strengthen supervision from both inside and outwith the government, and that there are still enough institutional loopholes that can introduce corruption opportunities to those who are unable to resist it. For example, enterprise licensing and local government land leasing were swarmed with administrative examination and approval in China before President Xi's administration. Some authors indicate that corruption in China is largely bred from autocracy (Ren and Du 2008), which has allocated discretionary power to first-in-command leaders who cannot be efficiently supervised. Thus, they suggest that without introducing effective democratic rules in the CPC and/or the government, corruption will continue to trouble Chinese society. While

agreeing that the power of China's bureaucratic monopoly is the main reason for corruption, some researchers, like Yang (2005, p. 186), argue that the popular call for institutional reform in China may not be workable in the near future, since the prerequisite conditions 'rarely exist'. Thus, introducing greater bureaucratic competition in public services may be a more effective approach to combat corruption, compared with radical solutions (ibid.).

The discussion above of the origins of corruption has demonstrated that there is no single explanation can persuasively explain what causes pervasive corruption in China. However, these arguments convey to researchers that the cause of corruption is complicated. The origins of corruption are not likely to stem solely from moral deterioration during the reform period, caused by 'western' influences (He 2000, p. 254), such as 'feudalism and all non-proletarian ideology', 'bourgeois ways of life' and 'decadent capitalist ideology' (Hsu 2001, p. 38), as CPC propaganda conveyed in the 90s. However, the pervasiveness of corruption may stem from the profound influences of: human nature (He 2015), information asymmetry (Rose-Ackerman 1978), collective action problems (Bauhr and Nasiritousi 2011), traditional culture (Fukuyama 2001), modernization (Zhan 2012), institutional design loopholes (Manion 1996), insufficient supervision (Chou 2007) and autocracy (Ren and Du 2008).

Combining principal-agent theory, collective action theory, and China's specific context of corruption, I argue that, with the exception of the transition period, which created numerous opportunities for corruption to develop and persist, the cause of corruption in China might mainly be due to an imperfect institutional design that has left loopholes in administrative procedures and resulted in the weak enforcement of public regulations. When combined with the deficient supervision of state personnel and especially weak or unenforceable supervision over high-level first-in-command cadres, suspects of corruption can easily use their discretionary power to betray their formal duty and/or acquire illegal private benefits. For those cadres who sit in key positions in key departments, a bribing actor would take any chance to directly or indirectly bribe the cadres, as long as they have not been strictly denied. For example, a bribe might be given to open an overseas bank account and deposit the bribe. Therefore, corruption prevails in this morbid environment.

Responding to an atmosphere that is filled with corruption incentives, designing institutional and specific regulation that might make it more difficult to commit corruption crimes is needed, if the Party-state intends to efficiently reduce corruption to a level where it can be accepted by the populace and kept under control. The current national governance (CN) top-layer design may either adopt or enhance the implementation of a number of initiatives, including: organisational transformation, revision of the laws and regulations, adjusting official performance assessment processes and supporting the participation of civil actors, which could then strengthening the rule of law and of achieving greater transparency, responsiveness, accountability and effectiveness, and efficiency in the public sector. Therefore, governance may act as a problem-solving mechanism to produce solutions that can cover institutional loopholes in the process of public management and service provision. This can be used to prevent and control corruption.

4.2.4 Brief summary

In this section, we have discussed the influence of corruption on China and the Chinese economy, the definition of corruption, and the causes of corruption. These discussions have clearly revealed that there is no unified argument concerning these topics in the relevant academic literature. I began this chapter by arguing that corruption crimes have harmed more than they have helped in contemporary China. A definition of corruption that suits the purposes of this research was then provided and contrasted with the definitions provided by scholars in the field. Corruption was defined as: grafting, bribery and embezzlement behaviours by officials that violate the Criminal Law of the PRC. The analysis then examined the orthodox theories about the causes of corruption and explored the debate among scholars about why and how corruption takes place in the Chinese context. I argued that the reasons behind corruption in China are complex and combined. I identified key factors that result in corruption: corrupt opportunities and incentives that emerged in the rapid economic transition, combined with loopholes from imperfect institutional design and weak and insufficient supervision from both inside and outwith the government. All of these factors breed corruption crimes. The arguments above that answer what corruption is and how to control corruption are by no means

without fault, however they can provide some insight to help us understand how the Chinese Party-state battles corruption and whether or not its methods are effective. This will be explored in the next section.

4.3 The battle against corruption before President Xi's reform

In the *Decision* document, the CPC introduced the concept of governance (CN) to party rhetoric. This would foreshadow its later shift in governing models: the initial 'government' was reimagined as governance (CN). This section will discuss how the Party-state worked to combat corruption prior to its release of the *Decision* document at the third plenum of the 18th CPC central committee. The section begins with an analysis of the main anti-corruption agencies in contemporary China, and then explores approaches that these anti-corruption agencies use and have used to combat against corruption. The section will conclude by examining the effectiveness of these methods.

4.3.1 Anti-corruption agencies in contemporary China

Over the past few decades, China has seen the establishment, abolition, recovery and development of a number of anti-corruption agencies. Before a new round of institutional reform came into effect in 2018, these could be classified into four main categories⁷³: internal party disciplinary inspection, administrative supervision, procuratorate and audit. These four anti-corruption agencies have formed a basic framework for combatting corruption that employs party discipline, government discipline, and the law, assisted by audit departments. Customs and banks also work in cooperation with the anti-corruption agencies, helping to track fugitives and stolen funds. In order to analyse and compare the changes in anti-corruption efforts from before and after the introduction of governance (CN) reform, the next sections provide background information on the CPC Central Commission for Discipline Inspection (CCDI), the Ministry of Supervision (MOS) of the Chinese

⁷³ During the course of this research (2014-2016), reforms introduced in this section were implemented. However, a new round of institutional reform related to anti-corruption agencies was introduced in March 2018. The changes brought in by these reform efforts will be covered in later chapters.

government and the General Bureau of Anti-Embezzlement and Bribery (GBAEB) of the Supreme People's Procuratorate.

4.3.1.1 The Central Commission for Discipline Inspection (CCDI) and the Ministry of Supervision (MOS)

The discipline inspection organ of the CPC was institutionalised in 1927, when the CPC disciplinary supervisory commissions were established at both central and provincial levels (Gong 2008, p. 141). The CCDI continued to operate after the PRC was founded, until the Cultural Revolution: it was shut down and then reinstalled in 1978, after the third plenum of 11th CPC central committee (CCDI 2013). The initial purpose of launching the CPC CCDI is likely quite distinct from its perceived purpose today. Now, it is one of the major anti-corruption agencies in China. According to the CPC constitution issued by the 5th CPC party congress, the original purpose of establishing disciplinary supervisory commissions was to consolidate the party's unity and authority (CDIN 2015). As Gong (2008) notes, these commissions 'mainly performed the function of imposing disciplinary sanctions against those members who were believed to have misbehaved in violation of the party's principle and discipline' (Gong 2008, p. 141).

Unlike the CCDI, the Ministry of Supervision (MOS) was established after the founding of the PRC, under the name: 'People's Supervision Committee' (CCDI 2013). However, the MOS, like the CCDI, was also dissolved during the Culture Revolution period. It was re-established after 1987, however, since 1993, the CPC and state council have co-located the MOS with the CCDI. Currently, the MOS and the CCDI are therefore, in essence, one organisation with two names⁷⁴. The responsibilities of this organisation now include inspecting the discipline of both the CPC and government (ibid.). The combination of the MOS and the CCDI may be due to the overlap between civil servants and communist party members (Manion 2015, p. 568). In a district (county) level study in Chengdu, researchers Gao, Zhang and He (2008, p. 68) found that CPC members account for 82.7% of the total number of civil servants in that district. Thus, the co-location of the government's MOS with the CPC's CCDI may

⁷⁴ Cadres and officials in the CCDI and the MOS often overlap, which means one cadre in the CCDI might have corresponding position in the MOS.

support the legitimacy of the CCDI as an authority tackling corruption. This is especially true after the CPC 'decided to make CCDI the chief coordinator of the party's various anti-corruption efforts' (Gong 2008, p. 147). The rest of this paper will consider the MOS to be part of the CCDI.

Today, the CCDI is still designed to rigorously guard the authority of the CPC. However, the focus of CCDI has moved from investigating and dealing with traitors and internal power struggles during the revolutionary period to maintaining discipline within the party/government. The CCDI is mainly responsible for inspection in eight major areas:

(1) political discipline—adhering to the party's basic line, principles, policies, and decisions; (2) organisational discipline—upholding democratic centralism; individual members are subordinate to the party organisation; (3) discipline in relation to publicity—faithfully disseminating the principles and policies of the party; (4) discipline in relation to the masses—giving top priority to the interests of the general public and keeping close contact with it; (5) security discipline—adhering to the party's confidentiality regulations; (6) economic discipline—preventing power abuse in economic activities; (7) personnel discipline—adhering to the merit principle in personnel matters; and (8) discipline concerning foreign affairs—protecting national dignity in handling foreign affairs. (Gong 2008)

As it has become endowed with scrutiny over such a wide-ranging of disciplines, the CCDI has grown into a huge organisation consisting of: 27 functional departments and their subordinates; 53 accredited discipline inspection/supervision organs and a directly affiliated college. The CCDI has its own journal, newspaper, research centre, training centre, information centre, press and networking hub. These elements of the CCDI serve a wide range of functions that include: personnel training, theory and policy research, bill drafting, information collection, discipline inspection, investigation, trial, imposition of penalties, moral education, and publicity, to international communication and cooperation (CCDI 2014). The spectrum of duties that the CCDI and its subordinates carry out are applied widely, to party organisations and party members that violate discipline standards at the central and grassroots levels alike. The CCDI also collects criticism and suggestions from the public at its work.

The workflow of the CCDI begins with receiving and processing clues and materials that relate to a reported violation of the party/government's discipline

(Graph 4.1). Before the CCDI confirm that a suspect has violated the party discipline and/or laws and proceeds with filing a case, they will perform a preliminary check and confirm reported evidence. Reports provoke an external investigation and do not alert the suspect. After the case is filed, the formal investigation will begin and the suspect will be ‘双规’(double regulation), which is a term that refers to compulsory detention and investigation of suspects at a restricted time and place: the CPC internal discipline process for its cadres, and extra-judicial detention by the CCDI (Backer and Wang 2014, p. 251). Gong explains the process as the ‘informal but compulsory detention of alleged officials at a stipulated time and place for investigation’ (Gong 2008, p. 148). After the investigation has been done and the CCDI have acquired sufficient information, it will be determined whether the suspect is guilty. If a suspect is guilty of breach party discipline and rules, they will receive punishment from the CPC. If, on the other hand, a suspect is guilty of violating both party discipline and the law, their case will be sent to the procuratorate for inspection (CDI 2013a).

Graph 4. 1 the workflow of the Central Commission for Discipline Inspection. Source: The Central Commission for Discipline Inspection website. Retrieved from: http://www.ccdi.gov.cn/xxgk/gzcx/201308/t20130821_45335.html (last accessed 12 May 2016).

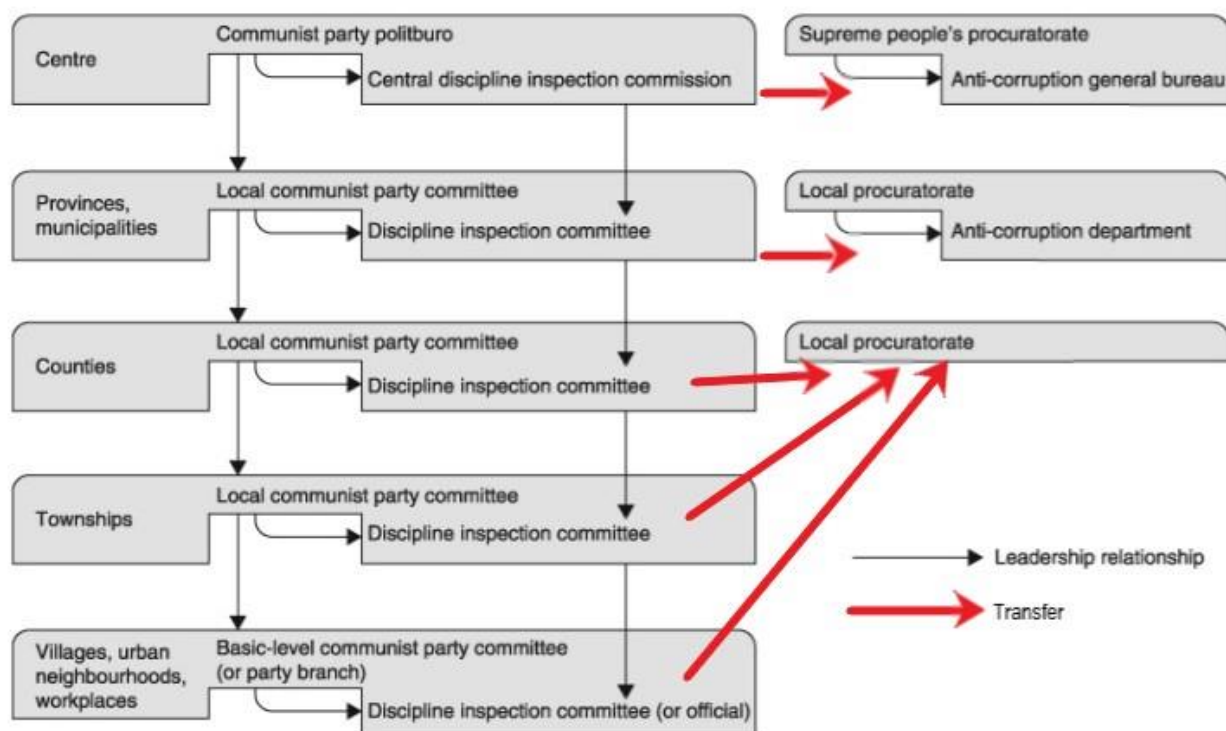


The CCDI work procedure has been widely criticised for its low ratio of reported cases that turn into indictment. This may be due to its ‘no break, no indictment’

policy (He 2015, p. 11), which mandates that an indictment will not be launched unless the case has a clear breach under investigation. It may also be due to a deficiency in professionally trained staff (Pei 2018). For example, according to a 2013 CCDI news release, the CCDI and its subordinates at all levels had received 1,950,347 reports that year; 1,220,191 reports of these had led to scrutiny. Of the reports under scrutiny, only 172,532 cases were filed (CCDI 2014a). This number accounted for only 8.8% of the total reports. Based on the CCDI workflow, one case should be transferred to the procuratorates at the same level if the Discipline Inspection Committees (DICs) discovered that the suspect was guilty not only of corruption but of criminal corruption as well (see Graph 4.2). However, as Manion notes, ‘a significant proportion of criminal corruption cases are not transferred to the criminal-justice system’ (Manion 2015, p. 568), because local party committees – leading cadres – may interfere in the case (Gong 2008. p, 148). The anti-corruption propaganda documentary *To Forge Iron, One Must Be Strong*⁷⁵ has revealed a real-life example of how this can take place. The documentary uses the Wu Changshun case to show how a higher-level party leader, Wu, interfered with the discipline inspection committee (DIC) of the Tianjin municipality using a lower-level DIC official. Thus, suspects of corruption may merely be punished within the party penalties and retain their seat in office, which influence the public trust in the power of the CCDI and the CPC.

⁷⁵ 打铁还需自身硬 Datie Haixu Zishen Ying is a documentary jointly produced by the Propaganda department of the CPC and the CCTV, and broadcasted via CCTV in 2017. For details, see: <https://www.youtube.com/watch?v=cMYnE9dIGPs> (last accessed 19 May 2018)

Graph 4.2 the structure of anti-corruption agencies. Source: Figure 17.1 in Manion (2015, p. 244), modified to be specific to this study.



4.3.1.2 The General Bureau of Anti-Embezzlement and Bribery of the Supreme People's Procuratorate (GBAEB)

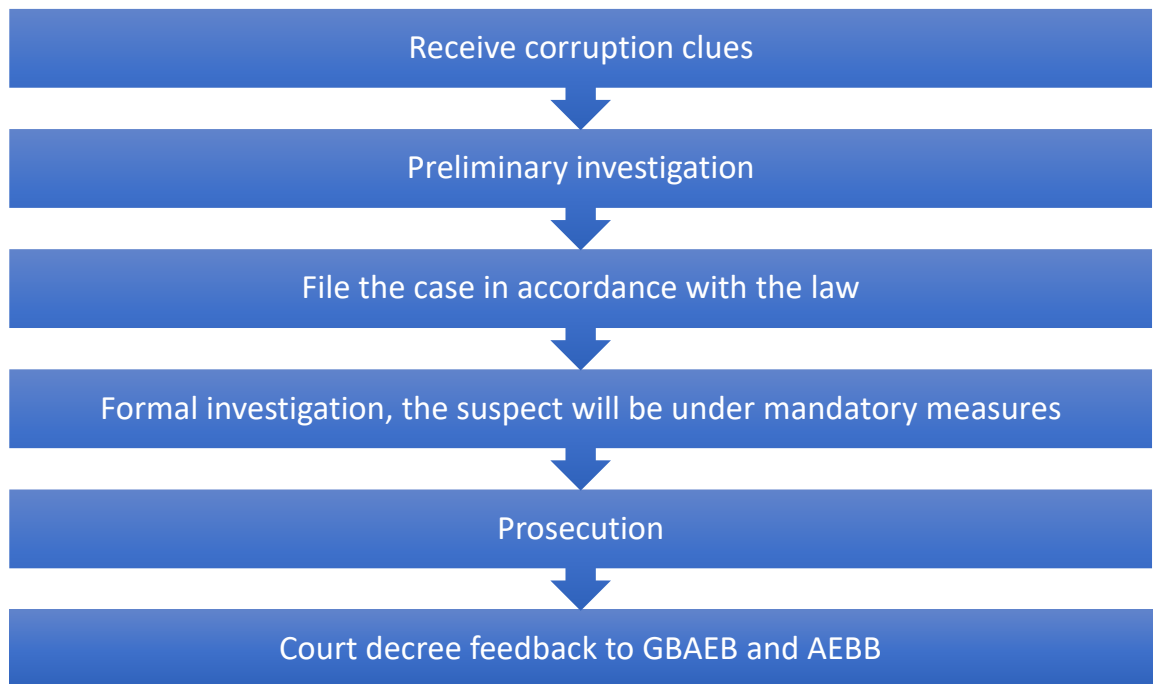
The General Bureau of Anti-Embezzlement and Bribery (GBAEB) of the Supreme People's Procuratorate (SPP) is the CCDI's criminal justice counterpart. It was initially established as the Economic Crimes Procuratorial Department after the Cultural Revolution in 1979 (Chen 2015) and renamed the Embezzlement and Bribery Procuratorate Department in 1989. Following the model of Hong Kong's Independent Commission Against Corruption (ICAC), the SPP then decided to launch a pilot test of the first Anti-Embezzlement and Bribery bureau (AEBB) in Guangdong province (Cole, Elliott and Zhang 2009). Six years later, the GBAEB was formally established.

The GBAEB's influence extends throughout the country: its subordinates, Anti-Embezzlement and Bribery bureaus (AEBBs), exist at each geographical jurisdiction and procuratorate level of hierarchy, employing over 40,000 personnel (Cole, Elliott and Zhang 2009, p. 1497). The GBAEB authority is also impressive, as it possesses 'exclusive authority to investigate all crimes involving officials and specifically criminal corruption' (Manion 2015, p. 568).

However, the judicial jurisdiction of the GBAEB clashes in part with that of the CCDI. This is because most government officials in China are CPC members and the party positions they occupy might sometimes hold substantial power.

As a professional anti-corruption agency in the criminal justice domain, the duties of the GBAEB are varied. One of its main responsibilities is guiding procuratorial organs at all levels for case investigation and prejudication. Cases may include the following: embezzlement and bribery, misappropriation of public funds, holding high-value property with unidentified sources, hiding offshore deposits, distributing state-owned assets in secret and distributing the confiscated property in secret, and others. The GBAEB also participates in major embezzlement and bribery investigations as well as other criminal cases, and directly files and investigates them, along with other cases with national influence. The role of the GBAEB is often to organise, coordinate and direct the investigation of these major criminal cases, and to participate in collaborative investigation where appropriate. They also carry more general responsibilities, including: the general research and analysis of the characteristics and nature of embezzlement and bribery and other crimes; suggesting punishment and management countermeasures; and for undertaking difficult problems concerning anti-embezzlement and bribery, if direction is requested from a lower level procuratorate. The GBAEB is also responsible for the research and formulation of rules and regulations related to embezzlement and bribery and for prosecuting sanctions (SPP 2012).

Graph 4. 3 the work flow of the General Bureau of Anti-Embezzlement and Bribery. Source: the website of the Supreme People's Procuratorate of the PRC. Retrieved from: <http://www.spp.gov.cn> (last accessed 14 May 2016)



The work flow of the GBAEB and AEBC, visualised in Graph 4.3 above, begins when corruption evidence and case materials are received. These can be received from one or more of the following seven sources:

- 1) Information transfers from a reporting centre
- 2) Self-surrender to a procuratorate
- 3) Discovery of new evidence during an investigation
- 4) Reports from lower-level procuratorates
- 5) Assignments from higher-level procuratorates
- 6) Transfer of information from related departments, such as the CCDI (Graph 4.2)
- 7) Reports to the GBAEB and AEBC

As mentioned earlier, corruption evidence and case materials will be examined and verified before a preliminary investigation launched. A preliminary investigation with a two-month limitation follows the first stage, where procurators will investigate in secret without alerting the suspect. If the primary investigation acquires sufficient evidence, the case will then be filed. Once the case filed and procurators trigger a formal investigation, the assets of corruption suspects will be investigated and the suspect will be subject to mandatory

measures, such as: detention, arrest, release upon bail pending trial, or residential surveillance. The suspect of corruption will then be prosecuted by the public prosecution department, if the formal investigation collected evidence of a crime. The resulting court decree will feedback to the same level of GBAEB or AEBB. According to Article 383 of current PRC criminal law (CL 1997), the starting point for prosecuting corruption crimes of embezzlement and bribery is 5,000 RMB (531 GBP). If a corruption crime involves a large (over 200,000 RMB \approx 21266 GBP) or extraordinarily large (over 3,000,000 RMB \approx 318,998 GBP) amount, these figures have serious consequences: the suspect may be sentenced to death (Wu and Ma, 2016).

The GBAEB and AEBBs process substantially less than the CCDI and DICs. In 2013, the CPC's CCDI and DICs received nearly two million reports and filed 172,532 cases (CCDI 2014a). In the same period, the GBAEB and AEBBs only filed and investigated 37,551 cases: less than 22% of the cases filed by the CCDI and DICs (Cao 2014). These statistics may show that, on the one hand, a certain number of officials that commit corruption or offend public morality may merely be punished within the party disciplines rather than be transferred to the judiciary (Manion 2004; Wu and Zhu 2011; Backer and Wang 2014). On the other hand, people may be more willing to report to the CPC instead of the procuratorate in corruption cases. These results seem to imply that people may place more value on or have more familiarity with the CCDI, as opposed to the GBAEB. This tendency for citizen or party member reports to flow to the CCDI and DICs is not surprising, as there are currently more than 80 million CPC members in China. The comparatively fewer cases filed by the GBAEB and AEBBs may reflect that the masses do not have much confidence in the judicial system, so they are more likely to report cases to the CCDI and DICs. The confidence differential may relate to the local political influence of local party committee members: if the member is able to exert influence and interfere in the local judiciary system to a certain extent, the public trust in the power of GBAEB and AEBBs will be reduced. Another potential factor is that the judicial department's procedure for legal investigation is more time-consuming compared to 'double regulation' with extra-judicial detention by the CCDI and DICs. However, the latter form of detention exercised by the CCDI and DICs

have been widely criticised for trampling on the procedural justice of the criminal judicature (Gong 2008).

In China's corruption chain of combat, the audit department that examines financial revenue and expenditure of all state organs and enterprises is at the forefront. The CCDI and DICs that inspect the party organs and its member's disciplines are next in line, after which the GBAEB and AEBBs that deal with criminal corruptions can be found. The chain ends with a public trial in court. If there is overlap between the jurisdiction of the GBAEB and AEBBs and the CCDI and DICs, the CCDI is 'the chief coordinator of the party's various anti-corruption efforts' (Gong 2008, p. 147). This has led to some criticism: Qiu Xueqiang, a member of the CCDI Standing Committee and Deputy Procurator-General of the SPP, has argued that inappropriate institutional design and fragmented strength has meant that the GBAEB and AEBBs cannot completely fulfil their role in contemporary China's battle against corruption (BJYD 2014).

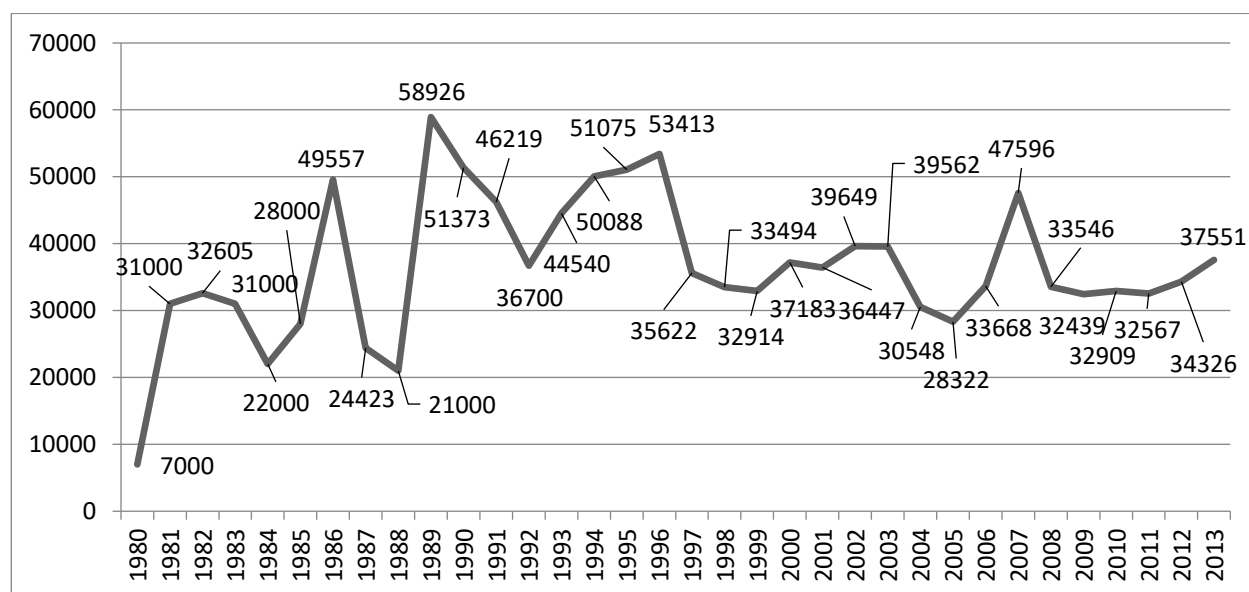
4.3.2 Anti-corruption: approaches of the Party-state

The discussion above has outlined the duties and work flows of China's three major anti-corruption agencies. A review of the agencies' organisational history revealed that China's anti-corruption agencies within the ruling party, the government and the judiciary system were all re-established after 1978. Therefore, they can all be said to have grown, side by side along with the rapidly increasing corruption crimes that have taken place since China's economic reform. Although the figures fluctuate significantly over time, the numbers in Figure 4.1 indicate over time that the routine working efficiency of anti-corruption agencies in China has increased over the course of their organisational development. However, Figure 4.1 also shows that anti-corruption organisations have not effectively deterred criminal corruption over the course of the economic reform period: any decrease in corruption cases filed has been followed by a sudden rebound in numbers. This provokes the following questions: why did the annual number of corruption cases filed by procuratorates fluctuate dramatically? And, why did the number of cases increase over time? China scholars⁷⁶ (He 2003; Lu and Li 2006; Wang 2009;

⁷⁶ These are primarily Chinese-language articles. English-language scholarship on anti-corruption in China does not

Liu 2010; Zhang and Sun 2009; Zhang 2010; Su and Yi 2011; Xu 2015) have proposed three major anti-corruption models that respond to this question: anti-corruption by political campaign, anti-corruption through political power and anti-corruption via the legal system. These models are examined below.

Figure 4. 1 Corruption cases filed by Procuratorates from 1980 to 2013. Source from: Annual report of the SPP from 1980 to 2013. Notice: corruption case filed figures in the SSP report in the early 1980s were relatively rough, which included other kinds of economic crime such as fraud and smuggling. (<http://www.spp.gov.cn/gzbg/index.shtml> last accessed 27 July 2018)



4.3.2.1 Anti-corruption by political campaign

Before the end of the Cultural Revolution (and its continuing effects up to 1978), most anti-corruption agencies were abolished from the central to the grassroots levels. During the same period, the legal system in China was completely reconstructed and Chairman Mao's decrees were treated as law. Thus, China's anti-corruption model before 1978 was mainly driven by political campaigns (He 2003; Lu and Li 2006; Wang 2009; Liu 2010; Zhang and Sun 2009; Zhang 2010; Su and Yi 2011; Xu 2015). Anti-corruption initiatives from the PRC's early history used political campaigns by top leadership to involve the masses in the fight against corruption. Some of the most famous historical anti-corruption campaigns occurred just after the founding of the PRC: the 'Three Anti' and 'Five Anti'⁷⁷ campaigns, were of vital significance at this time (Liu 1983, p. 610).

identify different models of anti-corruption in China, focusing instead on the political campaign style of anti-corruption. Although this provides an introduction to the patterns of anti-corruption efforts, it fails to identify specific changes in the approaches to anti-corruption implemented by the various agencies and mandated by the past few decades of regulation.

⁷⁷ These two anti-corruption campaigns began initially as an effort against corruption and state enemies but ended

However, political campaigns in China grew beyond the realm of anti-corruption, transforming into internal political and class conflict until 1976. These campaigns included, for example, the Anti-Rightist Movement, Great Leap Forward and the Cultural Revolution⁷⁸, and resulted in huge damage to the government, the society and the economy of the PRC.

4.3.2.2 Anti-corruption through political power

From 1978 to 1992, the anti-corruption agencies were newly re-established and the anti-corruption legal system in China was still in the early stages of development. As a result, anti-corruption efforts during this era were mainly reliant on political power. This means that anti-corruption exercised at every bureaucratic level was driven by the political will of the top leadership in China. During this period, the freshly re-established CCDI, the MOS and the GBAEB functioned under the direct instruction of the CPC Central leadership, especially when confronted with major cases that involved large figures and serious consequences (He 2003; Su and Yi 2011; Xu 2015). However, combatting corruption through political power depends heavily on it being a focus of the concern and political will of top leadership. When the central leadership focus shifts to economic development, a longstanding focus of the CPC, previously curtailed corruption can prevail again (Hao 1999; Quade 2007; Ko and Zhi 2013; Briney 2014). Approaches to battling corruption through political power lack strict routine restrictions from the legal system as well as bottom-up supervision. This lack of oversight meant that anti-corruption exercises during this period were highly unstable (Lu and Li 2006). This instability can be observed in Figure 4.1 above.

4.3.2.3 Anti-corruption via legal system (institutional anti-corruption)

After 'anti-corruption via legal system' had been introduced at the 14th National People's Congress in 1992 (Zhang and Sun 2009, p. 339), the battle against corruption via political power has been partially moving towards enacting anti-corruption efforts through the legal system. This transformation in anti-corruption approach emphasises building a well-functioning legal system and

with political conflict and a crackdown on capitalists. The Three Anti were: anti-corruption, anti-bureaucratism and anti-waste; the 'Five Anti' were: anti-bribery, anti-theft of state property, anti-tax evasion, anti-cheating on government contracts and anti-stealing state economic information.

⁷⁸ These campaigns are political campaign, not anti-corruption campaigns.

effective systems of supervision in order to restrict and gradually eliminate the existence of corruption crime (Wang 2009; Su and Yi 2011; Cai 2013; Xu 2015; Li and He 2015). Since the implementation of anti-corruption via the legal system has been implemented, a large number of laws and regulations have been passed. For example, while only 204 laws and regulations related to anti-corruption were issued between 1978 and 1991, over 1,000 laws, as well as state and local regulations were passed between 1992 to 2007 that concern corruption (Hu 2008, p. 19). This disparity may reflect an acceleration of the efforts to build a robust anti-corruption legal system. Despite this apparent acceleration, the anti-corruption legal system has been criticised for problems. These include, for example, the lack of legislative coordination between the government, the judiciary system and the National People's Congress (NPC) (Li and He 2015). This implementation gap undermines the capacity of the Chinese legal framework to fight against corruption and adds to a more general lack of confidence in China's legal system held by the people. The pervasive lack of confidence in the legal system from the perspective of the people is likely related to incidents of judicial intervention from both the party and the administrative power.

4.3.2.4 Different views

The gradual improvement of anti-corruption agencies and the legal system in China may, in part, confirm the anti-corruption models described by Chinese scholars as embodying the past six decades of anti-corruption efforts in China. This improvement is reflected in the increase in annually filed corruption cases shown in Figure 4.1. Nevertheless, the evolution of the three anti-corruption models observed by these scholars cannot unambiguously clarify why criminal corruption cases filed by the judiciary system fluctuated sharply over the past two decades, even accounting for the fact that the legal system for prosecuting and sentencing for anti-corruption crimes has been developing. Some scholars have offered an explanation, arguing that campaign-style anti-corruption persists as the main model employed by the Party-state in the current anti-corruption domain (Manion, 1996; He, 2000; Zou, 2000; Quade 2007; Wedeman, 2005; Wu and Zhu, 2011; Wang 2013; Zhang, 2018). As part of this approach, the CPC and government agencies apply periodic, short-term, anti-

corruption 'hyper enforcement' (Wedeman 2005) during routine law enforcement activities. The peaks in the line graph in Figure 4.1 provide some compelling evidence for the argument that campaign-style anti-corruption is the only model used by to combat corruption in China. However, this conclusion does not also consider the less obvious slow-growth routine of anti-corruption efforts. Besides, even if anti-corruption campaigns may crackdown on rampant corruption to a tolerable level in certain situations, they are unlikely to deter or control corruption (Wu and Zhu 2011; Manion 2015). Instead, anti-corruption campaigns might intensify more serious, higher-level corruption (Wedeman 2005) and weaken the juridical authority of law in China (Zou 2000, p. 338).

While, as discussed above, some Chinese scholars argue that anti-corruption in China has been moving from campaigns to legal control, others claim that the anti-corruption campaign in China has never faded. While acknowledging that campaign-style anti-corruption was partially the Party-state's approach to tackle this issue, it is clear that the current anti-corruption agencies, laws and regulations have improved significantly when compared to the 1970s, where anti-corruption agencies or laws hardly existed at all and the state was affected by political and legal chaos. Nonetheless, regular anti-corruption efforts are still unlikely to allow for the prosecution of suspects whose activities are heavily covered or who occupy positions of high political power. This might be due to the nature of corruption, being secretive, sensitive and hidden nature (Guo 2008, p. 349; Hsu 2001, p. 29), as well as inappropriate enforcement from and interference in anti-corruption agency activities by higher-level cadres. Zhou Yongkang provides an illustrative example of this: the former Politburo Standing Committee Member leads a few political 'gangs' such as the 'Sichuan gang' and the 'petroleum gang' (Tiezzi 2015). Although it is difficult for them to prosecute high-level cases protected by powerful officials, the fluctuation of cases filed by the procuratorates that are visualised in Figure 4.1 demonstrates that anti-corruption campaigns, driven by China's central leadership once every few years, might further combat corruption to a certain extent. However, although they may be somewhat effective, these campaigns do not generate powerful deterrents to potential corrupt suspects and can be used as excuses punish rivals in unrelated conflicts. When these factors combine to produce an

imbalance, corruption prevails again after a short period of hibernation generating the need for another anti-corruption campaign.

The literature reviewed above implies that anti-corruption efforts in China, including the establishment of dedicated agencies, laws and regulations as well as periodic campaigns, have been ineffective in truly limiting China's corruption. The reasons why the Chinese leadership has consistently provoked anti-corruption campaigns may therefore be related to its need to maintain its strong ruling position and legitimacy. To accomplish this, it is necessary to control corruption at a level that can satisfy the masses, and can demonstrate that the CPC and the government are on the side of the people. Some scholars might argue that the purpose of China's anti-corruption campaigns is not to eliminate corruption, but rather to cover up political conflicts (Li 2007; Shi 2014; Brown 2018). This may explain why 'Tigers' (a term for high-ranking corrupt officials) are most likely to be targeted during anti-corruption campaigns. However, there are other advantages to these efforts for the CPC that are not recognised in this argument. First, when compared with daily anti-corruption efforts, campaign-style anti-corruption efforts can fight corruption at a deeper level. Secondly, these campaign-style approaches can improve the people's satisfaction with the Party-state by exposing and punishing corrupt suspects, especially those in high-level cadres. As Zhang (2015a) notes, these types of campaigns 'may strengthen popular beliefs that "the system" is fundamentally honest, and that the regime can be trusted to keep malfeasance in check' (p. 2). These impacts enhance the CPC's legitimacy and the experience of anti-corruption personnel.

There are also, of course, clear disadvantages to this method. Specifically, when there is a cease-fire in anti-corruption campaigns, routine anti-corruption enforcement and implementation of laws and regulations are likely to return to its former success rate, as it is improbable that enforcement will be strictly carried out. Due to the secretive and hidden nature of corruption crimes, it may be impossible for researchers to measure the actual effectiveness of routine corruption detection rates (Hsu 2001, p. 29). However, by comparing the number of cases detected through routine procedure with that of anti-corruption campaign years, it is possible to present a rough picture of the efficiency of anti-corruption agencies under routine circumstances. For instance, as shown in

Figure 4.1, the average number of corruption cases filed in 1988 and 2006 is 27,334 (one year before the campaigns). In contrast, the average number of corruption cases filed in campaign years is 53,261 (based on data from 1989 and 2007). The disparity in these numbers implies that the effectiveness of routine anti-corruption efforts might only account for 51% of the success rate during anti-corruption campaign years. This disparity means that suspects of corruption who can conceal their activities more carefully during a campaign period may be able to successfully return to corruption without notice once the campaign is complete. This fluctuation in enforcement levels also means that otherwise clean-fingered officials may be tempted to become involved in making corrupt 'speed money' due to its easy access and low chance of detection (Klitgaard 1988). When speculating on this subject, He⁷⁹ (2015) estimates that the hidden number of corrupt crimes 'may account for as high as 87.5 per cent of the total' (p.12).

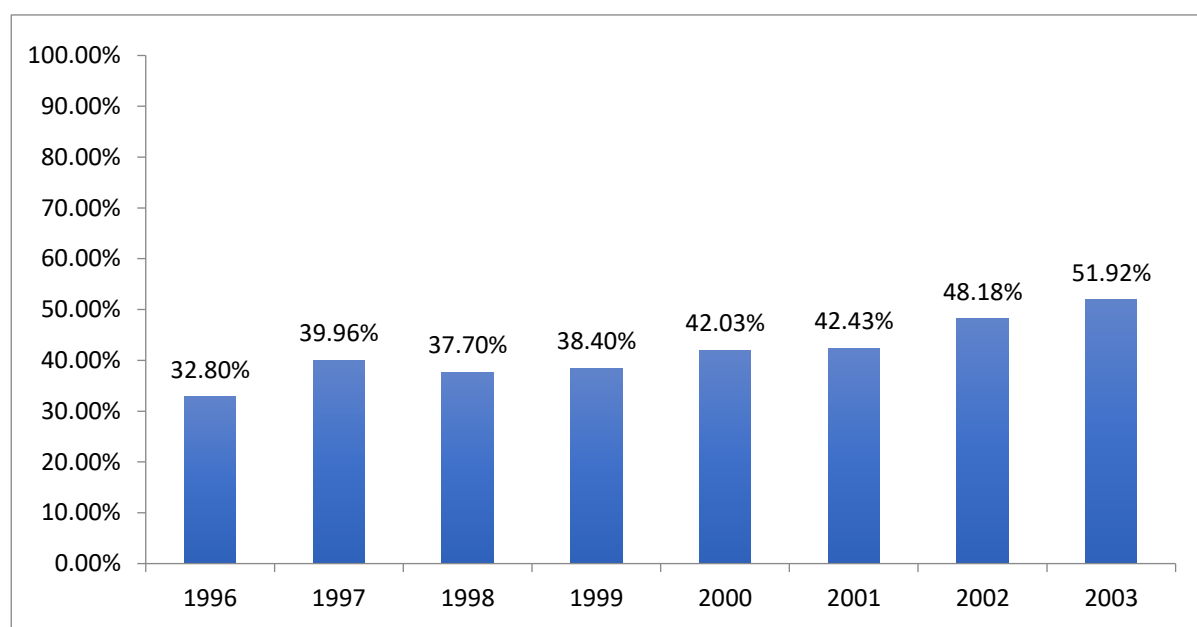
The figures reviewed above illustrate that, despite the efforts in contemporary China to establish an effective system for fighting corruption, including: dedicated anti-corruption agencies, relevant laws and regulations, and sporadic anti-corruption campaigns that are subject to the political will of the central leadership, it may not be as effective as it was expected when designed and has failed to achieve expectations in deterring corruption. These results are unlikely to satisfy the masses. For example, in 1996, the people's satisfaction with anti-corruption efforts was only 32.8% in the Survey of Party Conduct and Building Government Integrity⁸⁰ (*党风廉政问卷调查, Dangfeng Lianzheng Wenjuan Diaocha*) (see Figure 4.2). Although the people's satisfaction on anti-corruption improved following the anti-corruption campaign of 1996 (see Figure 4.1 and 4.2), rampant corruption would still cause significant legitimacy challenges to the Party-state (Zeng 2014). From the Party-state's perspective,

⁷⁹ He Jiahong is a Professor at the Renmin University Law School, a committee member of Expert Consultative Committee of the Supreme People's Procuratorate of the PRC. He was also a deputy director of the Negligence of Duty and Rights Infringement Prosecution Department of the Supreme People's Procuratorate of the PRC. He's estimate is based on his experience in anti-corruption efforts in China, both in the procuratorate and in academia. Despite the lack of concrete evidence he provides, I consider his estimate to be more accurate than Wedeman's (2005), due to his experience working in China's procuratorate system. However, both authors cannot provide credible objective evidence to proof their hypothesis. This highlights a major problem in the research and measurement of corruption.

⁸⁰ This survey is a national-level home visit survey using questionnaires. Selection was accomplished using random sampling (Sun 2004).

therefore, real reform of the anti-corruption system over rhetorical lip service is necessary in order to stabilise and strengthen the CPC's political status.

Figure 4. 2 Satisfaction rate on anti-corruption in the Survey of Party Conduct and Building Government Integrity (released by the Research Office of the CCDI). Source: Sun (2004), 'People's satisfaction further improved on anti-corruption and building integrity government', Retrieved from: <http://www.chinacourt.org/article/detail/2004/01/id/101917.shtml> (last accessed 18 August 2018).



4.3.3 Brief summary

This section presented how the CPC and the Chinese government combatted corruption before Xi's governance (CN) reform took place, reviewing the establishment of the three major anti-corruption agencies (the CCDI, the MOS and the GBAEB), and the discussion of anti-corruption models adopted by the Party-state adopted in their combat against corruption. Although some Chinese scholars argue that anti-corruption efforts have moved from the political campaign model to the legal system model, others believe that the anti-corruption campaign model is still the primary approach used by the Party-state in their combat against corruption. This chapter has pointed out the significant improvements that anti-corruption agencies and their related laws and regulations have experienced over the past four decades. It has also observed that these improvements have been insufficient in tackling corruption problems. The reasons observed include: the secretive nature of corruption, inefficacy implementation by anti-corruption agencies, and interference from the higher-level cadres. The lack of effectiveness of the normal institutions designed and put in place to prevent and prosecute corruption means that the political

campaign approach to anti-corruption has not yet been phased out. This chapter has shown that even this approach is unable to fully deter or prevent corruption. It may also undermine the juridical authority of law and threaten CPC legitimacy.

To respond to socio-political problems, especially endemic corruption in China, the CPC introduced the 'national governance system' and 'social governance' in the Third Plenum of the 18th CPC Central Committee in 2013. This represents, at least at face value, a new approach to anti-corruption. The underlying goal of governance (CN) reform introduced in the *Decision* document could be to build a governance (CN) framework that allows the institutions and state personnel to function properly instead of creating more new laws or agencies to deal with specific issues. As demonstrated by the jurisdictional conflicts among anti-corruption agencies, this latter approach can result in overlap and clash. The establishment of more agencies, laws and regulations in the field of anti-corruption is not guaranteed to enhance the effectiveness of the battle against corruption without proper enforcement. On the contrary, expanding the complexity of the legal and policy framework might result in new opportunities for staff in anti-corruption agencies to commit acts of corruption. By introducing governance (CN) reform, the CPC might intend to maximise the functionality of the existing laws and regulations. Unless, of course, such reform is not an empty slogan. Should the concept of governance reform represent a real effort by the CPC to effect change, then led by this new governing philosophy, what differences might appear in the anti-corruption domain? In the following section, through interpreting the social parts of the governance reform, this study will explore the ways that citizens, the governmental and non-governmental organisations could cooperate in combatting corruption.

4.4 Anti-corruption efforts: their potential under governance reform

Before social governance (CN) was launched, anti-corruption efforts were mainly made by Party-state anti-corruption agencies. For example, civil actors (citizens and NGOs) might merely act as whistle-blowers who provide evidence

of corruption crimes to anti-corruption agency investigations or who help to acquire detailed information that can assist the CCDI or the GBAEB to file a corruption case. However, the support of the public and of NGOs in real life is of vital importance in the battle against corruption. For example, research shows that compared with corruption evidence first investigated by anti-corruption agencies, 'about 80% of corruption cases are first reported by whistle-blowers or victims of corruption' (Sun, cited in Deng Zhang and Leverentz 2010, p. 83). In many situations, some anti-corruption agencies might investigate and arrest corruption suspects one-by-one, based on detailed evidence offered by whistle-blowers. For example, the DIC's investigation of 'watch brother' Yang Dacai in 2012 was simply because netizens (internet citizens) found out about his crimes and reported to a bureau-director-level official: netizens had noticed, in news reports, that Yang was wearing luxury watches that he obviously could not afford on his normal fixed salary (Chen 2013).

How then, can citizens, governmental actors and NGOs cooperate together in a social governance (CN) framework that combines: 'strengthen leadership by the Party committee' and 'giving full play to the leading role of the government' with the 'support the participation of all sectors of the society' (CPC 2013)? If they can collaborate successfully, can these collaborations bring any positive effects to enhance the effectiveness of anti-corruption efforts? The following parts of this section will examine how civil actors can positively engage in combat corruption with professional anti-corruption agencies under the guidance of governance (CN) and attempt to infer whether public-private collaborations could promote the effectiveness of anti-corruption efforts.

In this exploration, I argue that, with the exception of possible institutional reform that might enhance transparency, accountability, and responsiveness in the public sector and thereby reduce opportunities for malfeasance, civil actors could participate in all the key procedures that combat corruption, according to the workflow of the CCDI and the GBAEB elucidated above. To start with, in the very first step of drafting anti-corruption bills and regulations, enthusiastic civil actors might assist the local people's congresses and anti-corruption agencies to draft bills that combine political expertise of the party with the local

knowledge of the people. An example takes advantage of civil actors in state-owned enterprises (SOEs). In some regions that are economically dominated by SOEs, these enterprises are not 'public departments' that provide daily services, but rather public assets. How then should civil actors, such as individual workers or trade unions in the SOEs, participate in corruption prevention without leaking business secrets? Laws and regulations could explicitly address corresponding provisions, such as business confidentiality, that protect the prosperity of the SOE while allowing it to operate with accountability. In other regions that economies dominated by export-oriented private firms, which might create environments that are ripe for corruption. How should civil actors oversee both the public and private sides of these collaborations via the drafting of specific regulations and policies? Anti-corruption laws and regulations that standardise civil participation in anti-corruption practices should be drafted jointly with civil actors, anti-corruption agencies and the legislature. Such cooperation may assure that civil participation in anti-corruption can remain in accordance with laws and regulations, and participate in an orderly way that avoids unnecessary intervention with the work of anti-corruption agencies. This might prevent the 'blame game' if a case arises with serious omissions.

Civil actors can participate productively in acquiring evidence of corruption crimes. Their previous contributions demonstrate the importance of information provided by them: as many as 80% of corrupt crimes were filed using evidence initially contributed by citizens (Sun, cited in Deng Zhang and Leverentz 2010, p. 83). However, the need to cooperate between civil actors and anti-corruption agencies might be left out. For instance, corruption evidence and information could be given to anti-corruption agencies through a peoples' report (using their real-names or contributing anonymously), and anti-corruption agencies might investigate corrupt suspects after verifying the reported materials. If there were a handbook that was jointly drafted by civil actors and anti-corruption agencies, detailing how to gather information about corrupt crimes, then civil actors may be able to collect information in accordance with the handbook standards once they become aware of corruption activities. When reporting the evidence to anti-corruption agencies, the resulting well-organised materials might directly lead to filing a corrupt case without another round of verification. This could save

time and resources. During the civilian information gathering process, anti-corruption agencies might be able to provide some technical guidance and assistance, which could help civil actors to collect more comprehensive information on the target. In the meantime, detailed information on a corrupt crime collected by civil actors might also be used as a means to oversee members of anti-corruption agencies and keep them accountable. The reasoning for this is because anti-corruption personnel might have connections with suspects of corruption in the officialdom. They therefore might be tempted to disguise their crimes by 'checking insufficient evidence' during investigation. In this way, a detailed report of corrupt crimes from civil actors might eradicate opportunities for official collusion.

After preliminary information is gathered and a corruption case is filed, anti-corruption agencies may recruit civil actors on a short-term basis who can report on the case to progress further in the investigation steps if necessary. The value of this step is that civil actors may have more comprehensive knowledge about the case when compared with staff from anti-corruption agencies. Recruitment of civilian help may promote the effectiveness of investigation through cooperation. Such cooperation could also help citizens to understand how a professional anti-corruption investigation works. Positive reports about the citizens' personal experiences working with anti-corruption agencies may then spread among the general population via media reports, and the effects of this could be quite positive: word of participation in governance in this way may develop a social atmosphere that is sensitive to corrupt crimes, can enhance society's supervision over corruption as a whole.

After a case is filed and further investigation is ongoing, suspects of corruption might be arrested if concrete evidence is acquired. During the periods of professional investigation and seizure, corrupt suspects may manage to escape as a response to information leaks early in the investigation. Suspects would therefore need to be placed under surveillance due to the increased risk of information leaks. In order to accomplish this, a great number of labour and material resources would be needed if the surveillance were conducted by anti-corruption agencies. To respond to this risk, a cost-effective surveillance system that corruption suspects might find hard to discover could be

established with supervisory programs led by citizens and community organisations. The sound functioning of community organisations in some areas indicates that this may be a viable option that could work well. For example, the 'People of Changyang District' in Beijing are well known as the 'World's 'fifth-largest intelligence agency'' for their contributions of reports on drugs and prostitution (Yao and Yang 2015). Cooperation and coordination between civil actors and anti-corruption agencies during investigation and seizure may reduce public expenditure and may enhance its effectiveness.

Once a suspect is arrested, anti-corruption agencies must collect criminal evidence comprehensively. During this process, civil actors who participate in a case might assist anti-corruption agencies to gather even more comprehensive criminal evidence by visiting people near the suspects, especially for those who have worked with the suspects. Then, they could summarise, report and discuss the investigated clues with anti-corruption personnel, to find out which information may require further investigation. In this way, civil actors may also assist in the investigation. In the meantime, civil actors can oversee whether anti-corruption agencies have implemented laws and regulations properly. This may avoid the situation where anti-corruption agency personnel works to protect suspects. The final step in anti-corruption work flow is litigation, after criminal evidence comprehensively collected. Civil actors can also participate at this stage, acting as insiders or witnesses in court to testify against corruption suspects. They can also act as supervisors to put close oversight over the court and prosecutors, to ensure the conduct of an impartial trial.

In the anti-corruption workflow discussed in this chapter, civil actors such as citizens and NGOs would no longer be acting as mere whistle-blowers, but instead as participants in the anti-corruption effort: drafting anti-corruption bills, corruption information gathering, information summarising, supervising corruption suspects and anti-corruption agencies, and witnessing in corruption trials. Although implementing civil engagement in the anti-corruption process might have substantial flaws, such as the potential for the public to interfere in investigations or for internal disputes between civil actors and anti-corruption agencies to arise, this type of coordination and cooperation between civil actors

and state departments might significantly reduce public expenditure on anti-corruption process, and could enhance the efficiency of anti-corruption in certain areas. For example, monitoring corrupt suspects may constitute long and tedious work for the staff of anti-corruption agencies, and the staff may lose sight of suspects without notice if they are overloaded with work. In contrast, for people in the community or workplace, monitoring corrupt suspects can be part of their lives. They may also be better equipped to watch suspects without being exposed. Thus, surveillance of corruption suspects by the public might ensure the efficiency and security of the process. However, this type of surveillance may have a negative impact if civil actors have close relationships with corruption suspects. This possibility would require the screening and censoring of participants who engage in surveillance.

Conclusion

This chapter has illustrated corruption in China and corresponding anti-corruption efforts in China from their inception in the PRC. Although some scholars claim that corruption can bring positive effects to a nation where institutional designs are ineffective, this study argues that corrupt crimes have done more harm than good in contemporary China. After analysing the definitions of corruption in academia and discovering that there is no consensus on the definition of corruption, this research defined corruption for the purposes of this study: officials and/or private actors' grafting, bribery and embezzlement behaviours that violate the Criminal Law of the PRC. After defining corruption, the chapter reviewed orthodox theories about the causes of corruption and reviewed scholarship about the reason behind rampant corruption in the Chinese context. The research found that corruption prevails in China due to the numerous opportunities and incentives for corrupt behaviour created by China's rapid economic transition, combined with loopholes from imperfect institutional design and weak and insufficient oversight from both inside and outwith the government.

The second section of this chapter demonstrated how the CPC, the Chinese government and the legal system worked to combat corruption before the governance reform introduced in the Third Plenum of the 18th Central

Committee of the CPC. It began by introducing the three major anti-corruption agencies in China: the CCDI, the MOS and the GBAEB, and discussed models that the Party-state adopted to fight corruption. Although some Chinese scholars argue that anti-corruption in China has moved from the political campaign model to anti-corruption via the legal system, others believe that anti-corruption campaigns persist as the main model used to combat corruption. This research acknowledges that significant improvements have been made in the development and operation of anti-corruption agencies, laws and regulations over the past four decades. However, it also admits that these improvements were insufficient to tackle corruption problems, due to the secretive nature of corruption, anti-corruption agencies' inappropriate implementation, and interference from higher-level cadres. Thus, the anti-corruption campaign is still in use and has not yet disappeared, despite its inability to fully deter or prevent corruption and despite its threat to the juridical authority of law.

To response the aforementioned problems, the final section outlined how anti-corruption dilemmas could be addressed by implementing the governance (CN) mechanism that was recently proposed by the CPC: to build a governance (CN) framework that allows state organs and its personnel to function properly and more efficiently with assistance from and oversight by society at large. This idea reflects an ideal interpretation of the rhetoric in the *Decision* document where governance (CN) was introduced. In my interpretation of the guidance in the *Decision* and how it could productively transform the anti-corruption routine work flow, even if one views cooperation and coordination between civil actors and anti-corruption departments with just superficial knowledge, it is clear that more engagement from society could have a positive reduce taxpayer spending on tackling corruption issues and may enhance its efficacy.

However, what remains unclear is whether the Party-state has already implemented its governance (CN) mechanism to some extent. After the CPC's *Decision* was announced at the end of 2013, did civil actors join anti-corruption efforts together with public agencies? Or, do they remain outside of the anti-corruption business due to the slow process of reform? Or, else, would the national governance system have no effect on anti-corruption because the

governance concept was just meaningless rhetoric? In the next chapter, this research will use empirical evidence collected from Shenzhen, a policy pilot city in China, to respond to these questions.

Chapter Five: Causes of corruption and ineffective corruption control: evidence from Shenzhen

Introduction

Shenzhen, as a national economic centre (NOPGSM 2016a) and the most economically competitive city in China (CD 2017), also suffers heavily from endemic corruption, its thriving industrialisation and urbanisation accompanied by frequent public exposure of cases of corruption. To cite two of the most significant examples, the ex-mayor of Shenzhen was given a suspended death sentence in 2011 for having accepted massive bribes from construction material companies; and the ex-secretary of the political and judiciary commission of Shenzhen was sentenced to life imprisonment in 2017 for having accepted an extraordinary number of bribes in commissioning construction projects. In the words of an entrepreneur who has been doing business in Shenzhen for decades, corruption 'is not an isolated phenomenon, it is a common phenomenon' (Interview no. 43, January 2017).

Why has corruption become so common in China, and why have anti-corruption agencies been widely considered ineffective? Chapter Four summarised commonly-held opinions on the topic; this chapter complements and verifies with first-hand data gathered from interviews conducted between December 2016 and February 2017. The fieldwork investigated corruption in Shenzhen from multiple angles and with evidence from particular case studies, which in Chapter Six will be analysed in conjunction with the anti-corruption measures established under Xi's governance (CN) reforms.

The first section of this chapter describes how interviewees' understandings of the reasons for corruption being endemic in China. The second section discusses why anti-corruption was ineffective prior to President Xi Jinping's leadership. Most interviewees held the opinion that both the nature of society and institutional structure played crucial roles in exacerbating corruption in China. This has resulted that rampant corruption in Chinese bureaucracies (Lu

2000), has become ‘a common phenomenon’ in Chinese society (Entrepreneur no. 43, January 2017). When explaining why anti-corruption was ineffective before Xi’s presidency, most interviewees believed that the top leadership’s reluctance to act was the main reason. While some interviewees’ answers to the first question were related to, and in some cases similar to, their answers to the second question, they were not identical. It is therefore useful to discuss interviewees’ responses to the two questions separately. The following is a brief summary.

5.1 Why corruption is endemic in China

As China’s first economic special zone, and the frontier of ‘opening-up’, Shenzhen has launched many preferential policies that triggered significant growth in commercial activities over the last four decades (1978-2018). Meanwhile, corruption was rife in Shenzhen (TBPDSMC 1991). To take a revealing example, a professor in Shenzhen University disclosed in a casual conversation that a corruption scandal involving a district-level (division-head or county) officer⁸¹ might be viewed as a humiliation if he or she pocketed less than 50 million RMB (\$7.34 million), the average bribe figure for district-level officials in Shenzhen. In summary, when my interviewees described their experiences with corruption before Xi’s leadership, they mentioned corruption cases related to public procurement, unjustified government-business relationships, public expenditure on ‘wining and dining’, as well as injustices in public security, the procuratorate, and the law courts, and even buying and selling positions.

Why has corruption in China become such a significant socio-political problem that it has been compared to a landslide?⁸² One could answer that corruption is inevitable, a behaviour deriving from characteristics of human nature. If that is true, why were officials in the early days of the founding of the PRC widely considered ‘scrupulously honest’ (Tang 1996, p. 68)? Why are there relatively

⁸¹ China is a party-state, where the government is led by the CPC and so ‘cadre’ also means government official in this chapter.

⁸² ‘Recently-exposed corruption cases are like a landslide in the political ecology, as they have involved a number of officials at various levels that collude with each other and engage in graft together’ (CD 2015)

few corruption scandals in Denmark? ⁸³ Why are officials in Singapore considered less greedy, when most of them are ethnically Chinese (Huat 2005)? In summary, why do officials behave differently in different societies? If human nature is universally imperfect, then environment (society and institution) could be the decisive factor.

As discussed in Chapter Four, orthodoxy theory identifies the main cause of corruption either as the 'principle-agent problem' (Rose-Ackerman 1978; Klitgaard 1988), or the 'collective action problem' (Ostrom 1998, Bauhr and Nasiritousi 2011, Persson, Rothstein and Teorell 2010), or a combination of the two. These problems can be exacerbated by local features such as regional culture, institutional failure, and economic activity during a transitional period. However, does orthodoxy theory explain the context of China, where 'the Chinese government may be losing the war on corruption' (Wedeman 2008, p. 24) after decades of struggle and reference from academic researches? This chapter elucidates five reasons interviewees gave for corruption in Shenzhen: human nature, social customs, society in transition, and the operation of institutions. These insights confirm that orthodoxy theories about the cause of corruption can be applied in the Chinese context.

5.1.1 Corruption as integral to human nature

Some philosophers have argued that human nature is evil, and that people are greedy by nature (Xunzi 313-238 BC, cited in He 2015). Many of my interviewees reflected this notion, and since 'human nature has a selfish side, greedy side' (Official no. 2, February 2017), it is no surprise that 'as a necessity of human nature, corruption exists in any government or regimes' (Lawyer no. 17, February 2017). One official explained in detail that any official tends to become corrupted if unconstrained:

Actually, the topic of anti-corruption has been raised since government exists, it has a few thousand years of history. Because, based on my understanding, this reflects human nature. People need to be constrained, without constraining, they will follow their natural desire... the first one must be well fed and well dressed, then is a family living well, this is people's innate needs! An official, after you have power, it is

⁸³ According to Corruption Perceptions Index 2018, Denmark ranked 1st, see: <https://www.transparency.org/cpi2018> (last accessed 12 July 2019)

inevitable that he is going to corrupt, if without constraint. So in a few thousand years of Chinese history, basically every intellectual they all have the ambition to pass the imperial examination, they all want to enter the government, but why? Because as an official he gains power... After he has power, he will certainly become corrupt, if without a sound supervision system. That is the reflection of people's self-indulgence, or human nature.

(Official no. 8, January 2017)

Without supervision, self-discipline cannot compete with the seductive power of corruption. Another official supported this point, stated that 'you are clean right now, but once you enter this big dye vat [bureaucracy], you will be the same' (Official no. 11, December 2016), which reveals that the seductive power of corruption is almost irresistible in China's bureaucracy, partly because the supervision within and outwith the government is insufficient. Another businesswoman had a similar view:

Because corrupted officials will shield one another, once they corrupt, they will eager to drag others in the mud. This is because you might strike me down if you are the clean one, so corruption becomes a cycle, like a chain.

(Entrepreneur no. 33, February 2017)

In these interviewees' views, the human propensity for corruption is aligned with natural instincts for food, better lives, and self-protection, held in common by all people. These inherent instincts have become the salient sin of officials, due to their special identity and responsibility to the public. Thus corrupt officials are viewed not as distinct from ordinary people in their selfishness, but rather as people who have failed to discipline their instincts within CPC discipline, government regulations, and the law.

5.1.2 Corruption as a result of social customs

As well as invoking the idea of corruption as inherent to human nature, some interviewees argued that endemic corruption has roots in Chinese social customs such as Renqing⁸⁴ (reciprocal favours), and Guanxi,⁸⁵ which 'operates in a web-like interpersonal network in which each Chinese is embedded' (Yang

⁸⁴ Renqing has two meanings: objects that could be exchanged, and a social emotion that 'one shows to others in social interactions' (Yang 1997, p. 99)

⁸⁵ Guanxi normally means 'relationship', but in this context Guanxi means strong connections with people who have power or money.

1997, p. 98): due to these customs, it is not unusual for ‘people [to] giv[e] preferential treatment to those with whom they have close relations’ (He 2000, p. 255). One of my personal experiences during the fieldwork serves as an example of this. Explaining that ‘people cannot quit Renqing in many aspects no matter in which dynasty or ruled by which party’, an interviewee⁸⁶ pointed out that ‘[because we have] Renqing, [so] today Sam⁸⁷ brings you here [and I welcomed you as well as accepted your interview], is the same [laugh]’. Another interviewee explained how Renqing is involved with corruption in Chinese society:

Now I have Guanxi, it will expire if I don't use it now, right? I'm now in this position, there must be plenty of people asking me to give them favours. When I hold this position, if someone who helped me before is asking me to help him back, should I help him? So, sometimes you cannot do anything with it. But sometimes you can help within your capacity. However, some people would not do the favour because it might have a negative impact on their bottom line. Others, due to benefits or other reasons, will lend a hand even against their principles. For example, many people work in public relations, if I cannot penetrate through you, I can try to work it out with your parents, poke a hole through your wife, these are often shown on the TV. So sometimes you cannot avoid it, once you give out a favour, the second and the third will follow.

(Entrepreneur no. 33, February 2017)

Moreover, some people intentionally plan Renqing, giving favours long before they anticipate needing help in return, favours that then serve as profitable investments that ‘oblige the receiver to repay in ways that he or she demands’ (Yang 1997, p. 99). For example, speaking from her own experience, an interviewee described an elaborate network of corruption in Shenzhen, based on the custom of Renqing:

When my son graduated from high school a few years ago, one of my good friends told me that I could ask my son to apply to the University of Political Science and Law. I said that he cannot, I know my son's level [of study], it is impossible for him to enter that university. He said you don't need him to take the exam, just ask him to sit in the examination room and get a candidate number, the rest will be taken care of, just pay some money... I asked him why he is so assured that my son can enter the university and can later get a job in the Shenzhen municipal public security bureau? He said, let me tell you the truth, the network is arranged by the director of the Shenzhen municipal public security

⁸⁶ Official no. 10, December 2016.

⁸⁷ Sam acted as one of my gatekeepers.

bureau, he intends to train a group of his own followers, and settle in every local police station. It means that both your education and job are authorised from me [the director] ... should you help me if I am in trouble? So, everyone all has his or her nepotism...

(Entrepreneur no. 35, February 2017)

Interviewees' narratives illustrate that social customs such as Renqing or Guanxi, which involve gift-giving and collapsing private and public interests, can serve as catalysts for corruption. In this social context, laws and regulations are less regarded, since 'basically, money or Renqing / Guanxi can solve everything' (Entrepreneur no. 42, January 2017). Furthermore, with the increased importance of Guanxi, Guanxi studies that focus on public relation activities with bureaucracy and business become popular in China. It is unsurprising that the proverb, 'power cannot be deposited in a bank, so you had better profit from it while you can' (Li and Wu 2010, p. 139) has been prevalent in twenty-first-century China.

5.1.3 Corruption and society in transition

Scholars have proposed that societies experiencing rapid economic and social transformation can be more susceptible to the problem of corruption (Huntington 1968; Zhan 2012; Dong and Torgler 2013). This is because during the disintegration of an old system and the formation of a new system, those who serve their own interests stand to benefit from loopholes in laws and institutions. One entrepreneur pointed out that corruption has become especially problematic in a time of economic development:

The problem of corruption has become particularly prominent... from the beginning of Jiang Zemin⁸⁸ era, or even before that. Since the reform and opening-up, the sprout (of corruption) has been growing out. This sprout is not really caused by evil human nature, it's mainly related to economic development. Many things, once linked with economic [activities], you have the soil for corruption, do you think so?

(Entrepreneur No 32, January 2017)

⁸⁸ Jiang Zemin was the fifth President of the People's Republic of China.

In socialist China, some people argue that loss of religious faith led to loss of morality, indulging nostalgia for the 'good old days' of the Mao Zedong era⁸⁹. This stance was reflected in one of my interviewees' claims that:

This was related to our institution. No one wants to say it out loud but people in Chairman Mao's era were more honest, there were no fake products and fake grain. Later, the two-cat theory⁹⁰ caused everyone's behaviour to turn to profit seeking, and people's social value was distorted.

(Lawyer No 18, February 2017)

Similarly, another entrepreneur argued that endemic corruption in China mainly results from the values lost during the period of social and economic transition:

... I don't like to say it in an ugly way, but the value of power and money exchange has been universal, everything has turned to that way. Frankly, with power in hand, even a gatekeeper [of a car park] would wish you to give him a pack of cigarettes so he can open the door faster for you [laugh]... I know it well that... around ten years ago... we went to inland, it has become like this that almost every official... lovers have become a very common phenomenon!... is very hard for me to accept that... because I was negotiating projects with them as a businessman, right? But many [officials] from different departments all bring their lovers to the banquet during mealtime, that's open to the public.

Considering this behaviour disgusting, this entrepreneur continued that an honest official risked becoming marginalised:

I think this [phenomenon], in our society, it is already abnormal... it is hard to be an honest man in the official team, I worked in the [bureaucratic] system, in an [state] organ before... is now become that... if you don't accept [bribery], others would think of you as: this fucking guy, how can... only he is the good guy?... we are all bad ones? Giving you a small gift, you are acting like you are [clean], maybe you don't think that's enough, right? ... so, it [the society] has become like this, it is hard to be a good man.

(Entrepreneur no. 43, January 2017)

The shift of social value and tremendous opportunities for corruption created by rapid economic development has led to officials unscrupulously making illicit money, as 'once you are rich, other people would admire you, respect you and

⁸⁹ 1949-1976. Mao Zedong was one of the founders of the PRC, and Chairman of the Central Politburo of the CPC and Central Military Commission of the PRC.

⁹⁰ Former chairman of Central Military Commission of the PRC Deng Xiaoping said that: 'It doesn't matter whether the cat is black or white, so long as it catches mice' (CD 2014), meaning that both planned economic and market economic means can be utilised to develop China's economy.

honour you' (Official no. 12, December 2016). Thus, 'it is not a joke that someone who's giving a speech about anti-corruption on the stage today, [them may be] arrested for corruption tomorrow' (Official no. 05, January 2017).

5.1.4 Corruption as a result of institutional design

During political campaigns in the first thirty years of the PRC's history, the law and institutional system were mostly ruined, despite the Party-state accumulated some experiences that might conclude as 'mistakes cannot happen again'. With the end of Mao's era and the beginning of reform and opening-up, the Party-state's leadership – lacking experience of state-building and 'crossing the river by feeling for stones'⁹¹ – considered both traditional Chinese and foreign institutional design. However, due to different party systems and guiding ideologies, some of those imported designs scarcely fitted with the Party-state's institutional design from the beginning. One interviewee who was a procurator with no affiliation to the Party-state argues that:

... [Anti-corruption] must have matching measures, then the most important premise is an open and transparent supervision, one is transparency and another is supervision, right? But the bipartisan system is a taboo word in our country... if my party is specialising in finding the defects of your party, don't you think it would be better?

(Official no. 11, December 2016)

Another interviewee similarly criticised the ill-designed supervision system in China as a cause of corruption, and described his interviews with a former Secretary of the Guangdong provincial party committee in arguing that self-monitoring is insufficient:

The establishment of the institution, the fundamental institution has not been established, right? The fundamental institution, which is the supervision system, is absent, and you ask him not to corrupt... it is impossible. So, the top priority now is to establish the supervision system. Of course, our supervision system can draw experiences from Hong Kong or Singapore or other countries... because one cannot supervise oneself... my point is, self-supervision is very limited. [In the past] I interviewed Secretary of the Guangdong provincial party committee, Ren Zhongyi⁹² said... 'to hit one's own ass, ha-ha, it is impossible... self-

⁹¹ It is guiding idea of reform and opening-up, 'which starting with pilot programs, followed by larger campaigns to copy the successful experience to other places after a careful analysis of other outcomes.' (Zhou 2016, p. 73)

⁹² Ren Zhongyi was the first Party Secretary of Guangdong, in the years 1980-1985.

supervision of the CPC, ah, which is hitting one's own ass, [the result]'s very limited. If he hits too hard and cannot stand it, he will stop, he will, act like he strikes hard but gently put down [his hand], which is no pain at all', [Ren] said, 'it's not working'. [Ren] is quite open-minded, he thinks that 'to only rely on self-supervision, to only rely on a DIC to handle problems, is not enough'. Therefore, I now consider that Western countries' mutual supervision among parties, are very effective... public opinion supervision is important, and media supervision is also important. Social supervision, which the masses' report (to the authorities), is also fierce, right? ... So, I think to prevent corruption, the supervision mechanism is fundamental.

(Scholar no. 53, December 2016)

Why does the Party-state's institutional design rely on self-supervision to counter corruption, lacking other important supervising bodies such as the public or the media? An interviewee specialising in law argued that it might relate to the socioeconomic class classification of communism:

The theory of communism categories people by social classes, which means he [the CPC] differentiates between internal and external. He [the CPC] treats different classes with different patterns... as a ruling party, rulers are in the same class, they are internal, but the masses might be another class... applying class domination, and differentiating between internal and external, gives the dominant class their identity, which creates for them a sense of superiority and later [this sense of superiority has] turned to privilege thought, and finally caused corruption... because [the CPC] adopt class division to differentiate good or bad people, so [the CPC] has no motivation for internal supervision, and don't have institutional requirements for internal supervision. In my understanding, the DIC of the CPC, it first supervises [officials'] political ideology, [officials'] loyalty, rather than whether officials are corrupt... so anti-corruption is not the primary object of its [the DIC's] internal motivation... It [the CPC] thinks that [officials] wouldn't become corrupt, if [their] awareness of the ethical standards of the party is pure... anti-corruption through moral education instead of [establish and enforce] strict regulations, caused its inefficiency.

(Lawyer no. 17, February 2017)

Interviewees' narratives comment on how the defects of the supervision system created a breeding ground for corruption, referring to placing too much trust in the ruling class, insufficient transparency and self-supervision, and the lack of important supervising bodies.

5.1.5 Corruption due to institution implementation

Even if an institution is well designed, incompetent implementation could yield mediocre results. On the other hand, flaws in the institutional design process can be compensated for by robust implementation. An official explains that:

Human nature has a selfish side, greedy side. So if regulation is not soundly designed in the first place and loosely operates in the second, then many people's greedy thoughts would turn to corrupt behaviours.

(Official no. 2, February 2017)

During policy delivery, if the institution is not operating well, then even policies intending to benefit the public could be distorted and cause harm. For example, a procurator stated in his interview that:

... the environment of our medical supplies procurement is so bad. The original price of medicine is, for example, 10 RMB, when it comes to the fucking provincial central procurement, the fucking price goes to 40 RMB! I know that Shenzhen [government] originally intended to reduce the medicine price [in the public hospital], [but] central procurement at the provincial level did not agree. This is the state organ that artificially elevated the price, don't you think they don't have interest transfer?

(Official no. 11, December 2016)

Even an anti-corruption state organ cannot function properly when harassed by other higher-level authorities. A recently retired DIC official explained to me:

In the past, if you are going to make propaganda or education [against corruption], [lowering his voice] you don't know whether it will cause any negative effects? ... Let me give you a simple example, it's my own experience. We start to advertise integrity education in forms of cartoon or advertisement in elevators in Shenzhen over ten years ago... after we did it, some DIC staff in Nanshan district who take charge of this told me that, [in a very low voice] he said the advertising we did, 'some leaders in People Congress [questioned me] ... is this really good? Are we all corrupt suspects? Do we need to see this every day? Do we need to be educated by this? Can we be instructed in another way?'

This DIC official argued that these district-level People Congress leaders' behaviour was open criticism of DIC integrity as well as of anti-corruption education:

That is openly resisting [the integrity education]! ... This project was only a targeted pilot program, not fully applied in Shenzhen yet. OK, later in one provincial party committee plenary session... [provincial leaders]

praised Shenzhen's experience [of integrity education], [our municipal] party secretary attended this session, he didn't know that, actually he knows but pretends that he didn't know... after he came back, his secretary called me and asked me to bring some posters of [integrity education] to the party secretary, well, since then, we dare to do this in the whole city with confidence. What does this mean? It means that during that time, not only this [event], many things such as making a warning film [of corruption], you have to be cautious... about many things. Frankly, we are not confident to do things... why not confident? Because one must be aware of the attitude of the first-in-command, one has to consider influence from other sides! ... So, anti-corruption in such form, how could it be efficient [knocking the table with his finger].

(Official no. 1, February 2017)

Interviewees' testimonies demonstrate that policies can fail to deliver the desired results, or even exacerbate the situation, if institutional operation is hampered by obstacles or deliberate misinterpretation. These obstacles or deliberate misinterpretation exist in policies delivery because many officials still believe that '[political] power stands above the law' or that '[powerful] people stand above the law', as pointed out by He Jiahong, a professor at the Renmin University Law School as well as a member of the Expert Consultative Committee of the SPP, and former Deputy Director of the Negligence of Duty and Rights Infringement Prosecution Department of the SPP (2015, p. 34).

This way of thinking has prioritised internal policy or instruction above the law, as officials seek to fulfil 'the demands of superiors' (Ibid.). In this context, institutional enforcement can be selective, depending on people instead of on laws and regulations, creating a laxer environment for corruption.

5.1.6 Summary of findings

Although the reasons for epidemic corruption elucidated in this section are largely derived from the daily experience of my interviewees who lack of professional research experience in anti-corruption domain, it can be clearly perceived from their answers that corruption in China is not only widespread but severe, and that there are factors contributing to the problem.

Among the five reasons for the prevalence of corruption given in interviewees' responses, we can find reasoning used in principal-agent theory and in

collective action theory. For example, during the transition period, some officials were exchanging entrusted power for personal gain through legal and asymmetric information loopholes, which fits in the category of principal-agent theory. Meanwhile, many Chinese citizens have turned from a collectivist moral pursuit once based on an idealised communist society to individualism and hedonism, catalysing people's pursuit of self-interest during the reform and opening-up period. The development of a market economy and the influx of imported commodities have impacted on people's attitude to consumption, which might have made an increasing number of officials willing to seek personal gain through illegal activities or activities in a legal grey area, as their fixed salaries are unable to fund the lifestyle to which they aspire. For instance, one Entrepreneur who acknowledge that gift or bribe still exist in his relationship with officials, claimed that officials in Shenzhen cannot maintain or improve their quality of life without 'have bad ideas' [earning illegal income] (Entrepreneur no. 40, January 2017). Because officials in China happen to be working in a powerful government that allows them to exercise the power of approval and refusal for resources required by private actors with little supervision, thus many officials have engaged in 'rotten game' (Della Porta and Alberto 1999, p. 103). In this social context, corruption could also reflect as a collective action problem. Since the prevalence of corruption in Chinese society could lead officials to envy those who profit from it. In the face of all these factors, endemic corruption and the limited efficacy of anti-corruption campaigns might seem inevitable.

However, even if the socio-political environment were conducive to the spread of corruption, it could be countered in government bureaucracy. Why do some Chinese people argue that 'the more anti-corruption campaigns have been launched, the worse the situation has become?' (Official no. 12, December 2016). Most of my interviewees blamed the bad governance of the top leadership. The following section relates the reasons interviewees gave for the ineffectiveness of anti-corruption campaigns before Xi's governance (CN) reforms.

5.2 Why was anti-corruption ineffective?

The effects of anti-corruption efforts in China, a combination of routine supervision and periodic campaigns that often consisted in 'hyper-enforcement'

and large numbers of arrests (Wedeman 2005), have been doubted in academia (Wu and Zhu 2011). And, judging by the data collected by myself, it seems that no one, from cadres to entrepreneurs, has been satisfied with the previous anti-corruption measures. While there is no doubt that the reasons given as the causes of rampant corruption discussed in the last section have limited the efficacy of anti-corruption. However, interviewees gave a further four reasons that focused on top leadership's responsibility, including: anti-corruption as propaganda, selective anti-corruption, governing of the state via corruption, and subordinates following the example of their superiors.

5.2.1 Anti-corruption as propaganda

For some, anti-corruption appears to be a means of gaining support for the ruling party in China. Since the reform and opening-up period, the phenomena of 'hate-rich'⁹³ and 'hate-cadre'⁹⁴ have intensified due to the widening income gap between the rich and poor, and many new elites being considered immorally rich (Official no. 4, February 2017). In such an atmosphere, the public might cheer the arrests of wealthy businessmen and officials jailed for corruption, and support a government willing to fight corruption. Anti-corruption propaganda represents an opportunity for the Party-state to safeguard the political stability of the country. Reflecting on the government's motives for anti-corruption, an entrepreneur expressed that:

I think anti-corruption is a popular move, because anti-corruption is speaking from the people's side rather than standing for the interests of the wealth and cadre. As the saying goes, 'collusion between officials shields one another', so if you speak from the angle of the wealth and the power, you cannot please the masses. Thus, the so-called anti-corruption, is to let the people think they can gain greater benefits, because it is corrupt officials who have made many suffer from unfairness... as every new sovereign brings his own courtiers, new leaders must speak for the masses after coming to power. Then how to speak for the people? Anti-corruption! The masses will feel happy and support [the regime] after those... corrupt officials are removed from their posts.

(Entrepreneur no. 33, February 2017)

⁹³ 仇富 Choufu.

⁹⁴ 仇官 Chouguan.

However, persuasive anti-corruption propaganda in the past has not guaranteed for effective anti-corruption enforcement, and thus new campaigns are unable to win the trust of the people. After years of similar propaganda, 'everyone thinks it [anti-corruption] is more like a slogan' (Entrepreneur no. 29, January 2017). One businessman found that even after the government committed to tackling corruption, corrupt behaviour continued among the officials he encountered:

... After the [anti-corruption] propaganda comes out, it looks like that the government is seizing [corruption]. Actually, there was true practice anti-corruption in the past, but very few... I don't know whether it's because officials shield one another, or they didn't implement [anti-corruption], or they cannot genuinely implement [anti-corruption]... but anti-corruption slogans have always been there... no matter officials or other people in the government that we contact with, [the efficacy of] anti-corruption was not obvious in the past... in fact, they [officials] still require [us to give them] some interests [in order to] exchange [government resource] in the backdoor.

(Entrepreneur no. 46, December 2016)

Likewise, another entrepreneur compared anti-corruption propaganda in China to thunder without rain; in other words, a publicity stunt:

Why wasn't anti-corruption fully implemented? That is like quite a lot of thunder, less rain... or even no rain, then [officials] would not be afraid of it... it's like, I know I need to fight against corruption, and I put emphasis on anti-corruption, right? But put it into action... [silence]

(Entrepreneur no. 42, January 2017)

Since the main purpose of anti-corruption may shift from combating corruption to maintaining social and political stability, and since anti-corruption propaganda could serve partially appease the anger of the masses by demonstrating the Party-state's will for anti-corruption, it is no surprise that 'anti-corruption was shouted out loudly as a slogan, but actually [in practice] it was not so good' (Lawyer no. 21, February 2017).

5.2.2 Selective anti-corruption

Many China observers describe anti-corruption in China as selectively enforced (Fan and Grossman 2001; Zhu 2015; Fabre 2017), because they believe that the publicised cases of corruption are more related to control and loyalty

campaign to gather more loyalty to the General Party Secretary of the CPC, or to power conflicts among political factions within the CPC rather than to judicial justice, despite the propaganda representing anti-corruption measures as impartial. Examples of high-profile corruption scandals among the CPC's top-level officials include Chen Liangyu (Grasso, Corrin and Kort 2015, p. 301), Chen Xitong (ibid., p. 249) and Zhou Yongkang case (Zhou 2014; Mitchell 2015). In part agreement with these scholars, one interviewee stated that:

... Back in Jiang's era, anti-corruption was hired as a tool for political conflict, because the public will not be against you and will support you if you are against others under the banner of anti-corruption, right? And he can remove his political target at the same time, right? ... or foster his cronies. Anti-corruption in the past did not strike at the root as the current Xi's [campaign] has done. To forge iron, one must be strong, that's what Xi said... he [Jiang] just used anti-corruption as a tool to defeat the other side, and foster his cronies... he just used anti-corruption as a tool for political conflict.

(Entrepreneur no. 32, January 2017)

Another interviewee mentioned how political factions would protect their own against anti-corruption, reducing the effectiveness of anti-corruption measures:

It wasn't that they didn't battle against corruption at that time, but many things were related to the central [leadership]. For example, if you investigate that the mayor of Shenzhen is corrupted but his backing is in the centre, then you have to stop the investigation. How many cadres at the national leadership level were removed? Such as Chen Kejian who kicked out in the 90s, [Chen] was promoted as an [ethnic] minority local cadre to the centre... [Chen was] at State Councillor level, those who have been gotten rid of were all without solid foundations [in the central leadership].

(Entrepreneur no. 37, February 2017)

In addition to corrupt suspects being shielded by intimidatingly powerful political factions, ineffective anti-corruption might also result from selective enforcement. A former DIC official acknowledged that:

The so-called selective law enforcement and selective investigation, they still exist. Why? Like in my department, they said that we now have regulations, which we must reply to reporters who report the case with [their] real-name⁹⁵. But [the time] waiting for my reply, that is another dimension, right? Well... I give you this many of the report letters [hand

⁹⁵ 实名 Shiming

gesture for half a metre high], reporting for problems, I can only draw three to five letters out from it, you can tell me how big the chance is [for the others to escape]?

Admitting that his work was selective, this DIC official argued that selective anti-corruption enforcement was a cause of inefficient deterrence of corruption:

Another problem is, many cases are, not that I don't want to investigate, sometimes the case is known to higher-level officials, they will instruct that this case needs to be investigated, then you need to report to the higher-level... at least this part of enforcement is better, because the higher-level will rush you... another one is investigated for implicated cases... Actually, these two types of cases are the vast majority of the cases that we investigated, and they are taken from this pile of report letters [hand gesture for half a metre high]. Just like what I said, why people still do [corruption] in the current [environment of] hyper-enforcement, because I cannot draw their report from that pile of reporting. Actually, their mind of [they will] not be caught for having luck is still very serious, why are people thinking in that way? It is because if all of us made mistakes, 5-6 will be investigated instead of 90 [out of 10], you tell me how big the chance is [to escape]?

(Official no. 1, February 2017)

Interviewees held that anti-corruption was selectively enforced in China, from the uppermost to the lowermost levels. With enforcement mainly consisting of power struggles or acting like 'lotteries' (Wedeman 2008), anti-corruption was ineffective. Without impartial enforcement, there is a bleak outlook for deterring corrupt officials and building the government's integrity.

5.2.3 Governing the state via corruption

Though the phrase 'governing the state via corruption' might seem to echo anti-CPC or anti-Chinese government media such as Voice of America (VOA 2016) and Epoch Times (ET 2013), the words 'govern the state via corruption' (腐败治国, Fubai Zhiguo) were used by several interviewees⁹⁶ when explaining the cause of ineffective anti-corruption. One lawyer interpreted the phrase to mean that the threat of being charged with corruption is like the mythical Sword of Damocles: 'corruption is a sword hanging over every official's head' (Lawyer no. 19, February 2017). Similarly, Shirk describes the political leverage of corruption as a 'carrot and stick' situation:

⁹⁶ Interviewees nos. 3, 19, 25, 36, 49, and 53.

Because an individual knows that higher-ups could charge him with corruption at any time, lack of exposure is in effect special treatment for which the official gratefully exchanges his political support.

(Shirk 1993, p.144)

An official I interviewed blamed the former first-in-command of China, President Jiang, for ‘governing the state via corruption’:

Jiang Zemin ruled for 13 years, and then pulls strings from behind the scenes for another 10 years. During his rule, there is a slogan ‘Mouth shut, Cash in’,⁹⁷ which [he] actually was governing the state via corruption. Because he [Jiang] didn’t have a theoretical foundation [to govern the state] and authority, how could he become the first-in-command? The president and the chairman of Central Military Commission? He relies on corruption, so corruption has been spreading like cancer now.

(Official no. 3, February 2017)

In a similar vein, another interviewee pointed out that the spread of corruption was largely due to Jiang’s government, he stated that:

Because Jiang Zemin came to power in 1989, his political foundation was not stable, so he ruled the country with corruption... he exchanged political support from princelings with economic benefits. At the same time, in order to reduce his rival force, he let everyone become corrupt without constraint, and used the evidence [corruption] in exchange for support...

(Lawyer no. 25, January 2017)

While there is no conclusive evidence that Jiang Zemin spread corruption in this way, interviewees’ interpretation of ‘governing the state via corruption’ can be applied to other ‘tigers’, such as in the case of Zhou Yongkang and his subordinates, a confirmed case of collective corruption (Sudworth 2015). As these illustrations suggest, practices of ‘governing the state via corruption’ constitute a major stumbling block to effective anti-corruption.

5.2.4 Subordinates following the example of their superiors

If corruption is not effectively controlled at the central level and some senior officials form a ‘protective umbrella’ that covers cronies’ criminal acts (He 2000, p. 253), then subordinates will sometimes follow the bad example of their

⁹⁷ 闷声大发财 Mensheng Dafacai.

superiors in the bureaucracy. When explaining the elements that differentiate the previous anti-corruption campaigns from Xi's current endeavours, one interviewee argued that 'the higher-level is acting like this [corrupt], and all doing this, so the subordinates will [just])] skimp the work, not [doing it] carefully' (Official no. 16, December 2016). Another interviewee compared higher-level officials to parents who are bad role models for their 'children', the lower-level officials:

Why the [anti-corruption] situation became like this, I'm also really concerned about it too. After I studied some related sources, I think this situation was related to the leadership. I don't want to put it in that way but it is the fault of the 'parents', right? For an improper example, it is like if your father is doing all sorts of bad things, it will more or less affect you! Right? That's how I understand this, but of course, you cannot blame anyone, the whole society is like this. I have some friends who are princelings, sometimes they told me some stories... I don't like to say it in an ugly way, but the value of power and money exchange has been universal, everything has turned to that way.

(Entrepreneur no. 43, January 2017)

Another interviewee also argued that anti-corruption is wasted effort unless initiated by the top leadership, as examples set by superiors will be followed by their subordinates. He explained that:

I think anti-corruption in China, should start from themselves [the leadership]; you can't just say that I fought with corruption, that's not working. Like you just said, Jiang Zemin was also against corruption, but himself corrupting while opposing corruption... Jiang Zemin, as I know... is the biggest grafter, Li Peng⁹⁸... think about it, he controls the industry of hydroelectric power. So, the leadership of the whole CPC becomes a few great houses... serve for the people becomes serve for themselves...

(Entrepreneur no. 49, December 2016)

As shown above, the interviewees believed that almost the whole CPC was corrupt, from the uppermost to the lowermost levels, with subordinates following the bad example set by their superiors. In such an environment, it was not a challenge for many corrupt suspects to escape legal sanctions, unless they were singled out in a campaign of anti-corruption propaganda.

⁹⁸ Li Peng was the fourth Premier of the PRC.

Summary

This chapter presented a selection of data gathered in my fieldwork, which starts from answering why corruption became so widespread and severe in China between the reform and opening-up period and Xi's anti-corruption efforts. Through analysis of interviewees' opinion that reflected their daily experience, I demonstrated that five explanations were given for the extent of corruption in China: human nature; social customs; a period of social transition; institutional design; and institutional implementation. These reasons complement the scholarly discussions of the causes of corruption presented in Chapter Four, and could help to verify whether loopholes that resulted in corruption were fixed by Xi's governance (CN) reforms (see Chapter 6 & 7).

The second section of this chapter demonstrated via interviewees' perspectives why anti-corruption efforts in China have been ineffective. In summary, interviewees gave the following four reasons: anti-corruption as propaganda, selective anti-corruption, governing the state via corruption, and subordinates following the bad example of their superiors. When explaining why anti-corruption was ineffective before Xi's presidency, most interviewees blamed the reluctance of the top leadership, who might be concerned that anti-corruption measures could hinder economic development; but when explaining the origins of endemic corruption, most interviewees attributed corruption to the nature of society and institutional structure in China. Interviewees' opinion might reveal that both the Chinese bureaucratic system and the Chinese society have contributed to China's rampant corruption, which the political leadership, especially the General Secretary of CPC, should take responsibility for inefficacy anti-corruption efforts.

This chapter analyses the reasons for rampant corruption in China through Chinese interviewees' personal experience before Xi's governance (CN) reforms. How does this view of anti-corruption compare with the current anti-corruption enforcement directed by President Xi and his comrades, who are also well versed with Chinese bureaucracy and have ascended through all the levels of administration? The next chapter of this study explains what has been changed since Xi came to power.

Chapter Six: Reforming corruption control: evidence from Shenzhen

Part of China's 'economic miracle', the 'Shenzhen miracle' created a first-tier city⁹⁹ out of a small border town with a population of 30,000 in the course of 37 years (NOPGSM 2016c). The city also gained the roles of 'National Synthetically Reform Testing District', 'National Economic Centre City', 'National Innovative City', 'Demonstration City of Socialism with Chinese Characteristics' and 'International City' in *The Outline of the Plan for the Reform and Development of the Pearl River Delta* (NOPGSM 2016a). Shenzhen is a success story not only for its economic pilot status in the reform and opening-up and modernisation programmes (NOPGSM 2016c), but also because it shoulders responsibility for testing and demonstrating China's institutional innovations and opening-up (NOPGSM 2016a). Thus, as the most influential policy pilot city to trial 'innovative ideas' (SCMP 2019), Shenzhen should be one of the first regions to see the launch of a governance reform pilot project following the promotion of 'governance' announced by the CPC, if governance was not merely a slogan used by the political leadership.

The implementation of governance has been hailed as a means of tackling the most serious socio-political problem of corruption, because governance reforms contain the appropriate technical elements, such as improve government's accountability and transparency to address the issue (Abdellatif 2003; Huffer 2005; Kolstad and Wiig 2009; Andersson and Heywood 2009; Bertot, Jaeger and Grimes 2010; Hough 2013). In practice, the past two decades of anti-corruption programming by international agencies, such as the International Monetary Fund (IMF 1997), the World Bank (WB 2000), the Organization for Economic Co-operation and Development (OECD 2018) and International Crisis Group (ICG 2012), they argue that the key to tackling corruption is improvements in governance. This study examines the issue of corruption in Shenzhen through analysing policies and institutional reforms as well as

⁹⁹ Beijing, Shanghai, Guangzhou, and Shenzhen (CD 2017a)

gathering data in semi-structured interviews, to answer whether governance has round in China, in which forms, and with what effects.

This chapter is organised into two sections, with fieldwork data¹⁰⁰ mainly collected in Shenzhen presented throughout. The first section explains the changes in the field of anti-corruption from the end of 2012, when Xi came to power, to 2017¹⁰¹: this covers the most intense period of anti-corruption in China before another round in March 2018, when anti-corruption agencies were overhauled, the efficacy of which has not been fully demonstrated through operation and publicity. The second section of the chapter addresses how interviewees perceived Xi's anti-corruption initiatives, and how this relates to the implementation of governance (CN).

6.1 Changes in the field of anti-corruption in Xi's era

Since assuming office at the end of 2012,¹⁰² the current President Xi Jinping has led a country with increasing economic growth, growing state power, and expanding international influence. But is China truly as glamorous as the 'optimist' Jacques (2009) depicts in his book *When China Rules the World: The Rise of the Middle Kingdom and the End of the Western World?* In the explanatory notes for the *Decision* (CPC 2013), President Xi points out that 'China's development faces a series of prominent dilemmas and challenges', such as 'unbalanced, uncoordinated and unsustainable development', rising social problems, and large income disparities with a 'development gap between urban and rural areas and between regions' – while anti-corruption 'remains a serious challenge' (Xi 2013). Hence, President Xi has argued that the key to solving these problems lies in deepening reform (ibid.).

To deepen reform effectively, President Xi and his comrades require an integrated and efficient bureaucratic team. But as mentioned in Chapter Five,

¹⁰⁰ In this fieldwork, 55 semi-structured interviews were conducted with officials (nos. 1-16), lawyers (nos. 17-25), media staff (nos. 26 and 27), entrepreneurs (nos. 28-49) and scholars (nos. 50-55).

¹⁰¹ During the course of this research fieldwork (2016-2017), the reforms introduced in this section were implemented. A new round of institutional reform related to anti-corruption agencies were introduced in March 2018, which will be discussed in later chapters.

¹⁰² Assumed office of the General secretary of the CPC central committee and the chairman of the CPC central military commission in November 2012, as well as the President of the PRC and the chairman of the central military commission of the PRC in March 2013.

the values of Chinese society are money-oriented, such that ‘once you are rich, other people would admire you, respect you and honour you’ (Official no. 12, December 2016), while honest officials can be marginalised in the bureaucratic system. Thus, whether facing the previous corrupt bureaucracy or the ‘political-criminal nexus’ (Chin and Godson 2006), President Xi and his team have to apply great effort and wisdom in reform, if they intend to strengthen the integrity of the government and to develop society – or, as some cynics would argue, to maintain their own privileges and interests in the long term.

Broadhurst and Wang (2014b), Huang (2016), Hornby (2017), Yuen (2017), and Wedeman (2017a) have all expressed their doubts as to the genuine purpose of President Xi’s anti-corruption efforts. However, it seems that the new collective central leadership really has struck heavy blows against corruption since the 18th National Congress of the CPC. The practices of ‘hunting tigers’ (powerful cadres at the vice-ministerial level and above) and ‘swatting flies’ (grass-roots bureaucrats) have resulted in the punishment of over 252 ‘tigers’ and 1.19 million ‘flies’ for corruption (Yi 2017; Zhu 2017; Xu 2017). The masses are supporting Xi’s anti-corruption efforts and ‘the public morals [have] changed’ (Lawyer no. 13, February 2017). Anti-corruption through “‘transparency”, “accountability”, “festivals”, “luxury”, “rule of law”, “the internet”, “international wanted”, and so on has become a “new normal””¹⁰³ (Li, Sun and Gao 2014), partially confirming that President Xi’s proposal to ‘confine the exercise of power within an institutional cage’ and ‘leave traces when grasping iron and leave marks when treading on stones’¹⁰⁴ were not merely propagandistic slogans. In the current anti-corruption reform process, inner-party regulation comes first.

¹⁰³ The phrase ‘new normal’ was first used by Xi Jinping in an economic context, to mean economic growth that is slower yet strong, balanced, and sustainable (Goodman and Parker 2015, p. 3). Later, Chinese newspapers used the phrase to refer to almost everything new and sustained.

¹⁰⁴ Chinese idioms denoting solid work performance resulting in substantial achievements.

6.1.1 Newly issued and revised regulations relating to anti-corruption

In a Party-state where the majority of officials are party members, the former president Jiang Zeming (2001) stated that ‘governing the country must first govern the party, and party affairs must be strictly controlled’ (p. 469). This is because the unruly behaviour of party members who hold government positions would directly affect the reputation of the state administration. For example, a policy with best intentions might lead to bad results if cadres are irresponsible during policy delivery, or deliberately misinterpret policy for their own interest. Even worse, without the local cadres’ support, ‘decrees from the CPC central cannot be implemented outside of the Zhongnanhai¹⁰⁵’ (Lawyer no. 24, January 2017). After Xi was elected as the Chairman of the CPC in November 2012, his team promulgated the first inner-party regulation, the *Eight-point Regulation*, to enforce strict party discipline in December 2012. In the subsequent four years, another 56¹⁰⁶ new or revised regulations were adopted, most of which relate to the war on corruption (Hong 2017). The nine regulations that are considered to have played the most important roles in Xi’s anti-corruption efforts are as follows:

List 6. 1 Selective anti-corruption related regulations, sources from Hong (2017).

No	Regulation	Issue Organ	Month/Year
1	十八届中央政治局关于改进工作作风、密切联系群众的八项规定: An Eight-Point Regulation to Cut Bureaucracy and Maintain Close Ties with the People	中共中央政治局: Politburo of the CPC Central Committee	12/2012
2	中国共产党廉洁自律准则: The Standards of Honesty and Self-discipline of the Communist Party of China	中共中央: Central Committee of the CPC	10/2015
3	中国共产党纪律处分条例: The Regulation of the Communist Party of China on Disciplinary Actions	中共中央: Central Committee of the CPC	10/2015
4	中国共产党问责条例: The Accountability Regulations of the Communist Party of China	中共中央: Central Committee of the CPC	07/2016
5	党政领导干部选拔任用工作条例: The Regulation on the Selection and Appointment of the Party and Government Leaders	中共中央: Central Committee of the CPC	01/2014

¹⁰⁵ Zhongnanhai is the location of the central government of the PRC.

¹⁰⁶ For the full regulation (effective) list, please see the Appendix.

6	关于加强干部选拔任用工作监督的意见: Opinions on Strengthening the Superintendence on Cadre Selection and Appointment	中共中央组织部: Central Organization Department of CPC	01/2014
7	关于防止干部‘带病提拔’的意见: Opinions on Preventing the Promotion of ‘Sick’ Cadres	中共中央办公厅: General Office of the CPC	08/2016
8	关于新形势下党内政治生活的若干准则: Code of Conduct for Intra-party Political Life under New Circumstances	中共 18 大六次会议: The Sixth Plenary Session of the 18th Central Committee of the CPC	10/2016
9	中国共产党党内监督条例: Regulations of the Communist Party of China on Internal Oversight	中共 18 大六次会议: The Sixth Plenary Session of the 18th Central Committee of the CPC	10/2016

The first regulation on List 6.1 is the *Eight-point Regulation*¹⁰⁷ issued within 20 days of President Xi assuming office. Considered as the first step to ‘comprehensively strictly governing the party’, and a strike to control ‘four winds’,¹⁰⁸ the *Eight-point Regulation* has begun to restrain cadres’ lifestyles. For example, there is now strict control over dining, wining, and gift-giving with public funds, and a limit on the use of official cars, while cadres are prohibited from hosting or attending extravagant banquets even when privately funded.¹⁰⁹ Although some analysts have expressed scepticism that *the Eight-point Regulation* is more than a public relations effort to recover the CPC’s legitimacy

¹⁰⁷ ‘1. Leaders must carry out in-depth inspections at the grassroots level so that they remain in contact with the people and understand the issues affecting society. They must cut extravagance and do away with welcome banners, red carpets, floral arrangements and grand receptions for official visits. 2. Meetings and major events should be strictly regulated and simplified. Political Bureau members are not allowed to attend opening ceremonies, celebrations or seminars, unless they obtain approval from the CPC Central Committee. Official meetings should be economical and efficient, with no inconsequential or prolonged talk. 3. The number of official documents should be reduced to only those necessary. 4. Officials’ visits abroad should be arranged only when necessary for foreign affairs, with smaller accompanying delegations. On most occasions, there is no need for a reception by Chinese expatriates, institutions or students at the airport. 5. There should be fewer traffic controls when leaders travel by car to avoid unnecessary inconvenience to the public. 6. The media should consider the need, news value, and social impact of reporting on members of the Political Bureau, their work and their activities – the amount of time spent on such news items should be reduced and reports should be minimized in scope. 7. Leaders should not publish anything by themselves or issue any congratulatory letters in their own name unless an arrangement with the central authorities has been made. 8. Leaders must practice diligence and thrift, and strictly follow the relevant regulations on accommodation and cars’ (CD 2016).

¹⁰⁸ Four winds (四风) is a Chinese political term, meaning formalism, bureaucratism, hedonism, and extravagance. Formalism can be defined as ‘a propensity to perceive and interpret the world of natural and social events in terms of patterned configurations, that is, to classify, systematize, and simplify complex phenomena into discrete categories that have an existence independent of those phenomena’ (Harris 2008, p. 286). From Xi Jinping’s view, formalism is ‘doing things for form’s sake – the separation of action from knowledge, neglecting what is truly effective, hiding behind piles of documents and immersing oneself in meetings, the pursuit of vanity and a resort to falsehood’ (Xi 2014, p. 405). Xi has defined bureaucratism as ‘departure from reality, losing touch with the people, arrogance, indifference to facts, conceit and inflated egos’ (Xi 2014, p. 405); hedonism as ‘mental laxity, resting on one’s laurels, vanity, coveting pleasure, pursuing ostentation and seeking to keep oneself amused.’ (Xi 2014, p. 406); and extravagance as ‘waste, squandering resources, expensive building programs, endless festivals and ceremonies, a luxurious and dissolute lifestyle, and a abuse of power that can extend to actual corruption’ (Xi 2014, p. 407).

¹⁰⁹ For instance, cadres cannot host or attend extravagant wedding parties for their children or friends.

(Shi 2013), by the end of June 2017 over 170,000 cases of the regulation's violation had been investigated and over 130,000 cadres punished (Zhu 2017). Some direct impacts of the *Eight-point Regulation* are the disappearance of luxurious mooncakes, a large reduction in the prices of prestigious brands of cigarettes and spirits,¹¹⁰ and a reduction in clubhouses and upscale restaurants in scenic and historic areas (BBC 2014, CNTV 2014). Following this trend, the number of violations of the *Eight-point Regulation* has been reducing dramatically. According to Zhu's (2017) statistics, 78.2% of the total cases relating to the violation of the *Eight-point Regulation* occurred in 2013-14, a number that dropped significantly to 15.1% for 2015, and further declined to 6.7% for 2016. The falling numbers of cases violating the *Eight-point Regulation* demonstrate that cadres have been paying more attention to the 'four winds' and their daily behaviour, which could be viewed as a good start for restoring public confidence in government and the war on corruption.

The second and third regulations on the list, *The Standards of Honesty and Self-discipline of the CPC* (the *Standards*) and *The Regulation of the CPC on Disciplinary Actions* (the *Regulation*), are considered as concretised of the CPC constitution. The *Standards* set a visible and accessible high moral standard for CPC party members, while the *Regulation* emphasises the disciplinary bottom line (CCCPC 2015). Wang Qishan, the secretary of the Central Commission for Discipline Inspection of CPC (CCDI) from 2012 – 2017, argues that the previous versions of the *Standards*¹¹¹ and *Regulation*¹¹² can neither reflect 'comprehensively strictly governing the party' nor the 'advancement' of the CPC: many articles in the previous *Standards* and *Regulation* overlapped with national laws, so that party cadres were either 'good comrades' or 'prisoners in jail': disciplinary inspection became judicial investigation (Wang 2015). To strengthen the seriousness and the authority of the CPC's party regulations and disciplines, the revised *Standards* and *Regulation* are more specific and stricter than the national laws. For example, the *Standards* list 'four mandatory standards' and 'eight standards',¹¹³ while the *Regulation* publicises a 'negative

¹¹⁰ For example, the price of Kweichow Moutai has more than halved since 2013. For more information, see: <http://news.sina.com.cn/c/2015-04-17/074831728478.shtml> (last accessed on 8 August 2018).

¹¹¹ The *Standards* were first implemented in 1997 and issued in 2010. The latest revised version was issued in 2015.

¹¹² The *Regulation* was first implemented in 1997 and issued in 2003. The latest revised version was issued in 2015.

¹¹³ For full articles, see: http://news.xinhuanet.com/politics/2015-10/21/c_1116895782.htm (last accessed 8 August 2018).

list'¹¹⁴ for party cadres, improving the clarity and deterrent power of party discipline.

The fourth set of regulations on the list is *The Accountability Regulations of the Communist Party of China*¹¹⁵ (the *Accountability*). Facing the problem that some leading cadres are enthusiastic about power while acting free of their duty or flinching from difficulty, *Accountability* aims to further strengthen the cadres' accountability regarding their duties (PD 2016), especially the accountability of the 'crucial minority'.¹¹⁶ It clarifies comprehensive leading responsibility,¹¹⁷ main responsibility,¹¹⁸ important responsibility,¹¹⁹ and supervision responsibility, calling on cadres to shoulder responsibility according to their position and to ensure that cadres on lower levels fully implement their duties. For instance, the first-in-command leaders in Shanxi province and Nanchong municipality took responsibility¹²⁰ for the 'Shanxi landslide corruption case' and for 'Nanchong votes bribery case' respectively, even though they were not personally involved in the scandals. Hence, stricter inner-party accountability has imposed greater pressure on cadres' behaviour and assisted in deterring corruption.

2018).

¹¹⁴ For full articles, see: http://news.xinhuanet.com/2015-10/21/c_1116897567.htm (last accessed 8 August 2018).

¹¹⁵ For full articles, see: http://news.xinhuanet.com/politics/2016-07/17/c_1119232150.htm (last accessed 8 August 2018).

¹¹⁶ The 'crucial minority' are the small elements that play a large role in a system, in this case leading cadres in the CPC.

¹¹⁷ For cadres who play comprehensive leading roles.

¹¹⁸ For cadres who directly supervise programmes.

¹¹⁹ For cadres who participate in decision-making and work processes.

¹²⁰ The Secretary of the Shanxi provincial Party Committee was removed from his post, and the Secretary of the Nanchong municipal Party Committee was jailed.

Photo 6. 1 Anti-corruption bulletin board in front of the government building in Luohu district, Shenzhen, which faces the office entrance. It displays how easily corruption could put one official in jail, sentenced to life in prison without commutation or parole.



Photo 6. 2 Anti-corruption bulletin board that lists in detail the magnitude of the punishments associated with amounts of money embezzled.

罗湖区纪委 罗湖区检察院主办

服务热线：255

部分贪污贿赂刑事案件

犯罪数额认定标准

罪名	涉及条文	数额起点及量刑幅度		
		数额较大	数额巨大	数额特别巨大
贪污罪、受贿罪、利用影响力受贿罪	刑法第382条、385条、388条之一	<p>≥3万<20万</p> <p>其他较重情节：≥1万<3万</p> <p>【三年以上有期徒刑或者拘役，并处10万元以上50万元以下罚金】</p>	<p>≥20万<300万</p> <p>其他严重情节：≥10万<20万</p> <p>【三年以上十年以下有期徒刑，并处20万元以上犯罪数额二倍以下罚金或者没收财产】</p>	<p>≥300万</p> <p>其他特别严重情节：≥150万<300万</p> <p>【十年以上有期徒刑、无期徒刑或者死刑，并处50万元以上犯罪数额二倍以下罚金或者没收财产】</p>
行贿罪、对有影响力的人行贿罪	刑法第389条、390条、390条之一	<p>≥3万<100万</p> <p>其他六种情形：≥1万<3万</p> <p>【五年以下有期徒刑或者拘役，并处10万元以上犯罪数额二倍以下罚金】</p> <p>单位对有影响力的人行贿：≥20万</p>	<p>≥100万<500万</p> <p>其他严重情节：≥50万<100万</p> <p>造成经济损失：≥100万<500万</p> <p>【五年以上十年以下有期徒刑，并处10万元以上犯罪数额二倍以下罚金】</p>	<p>≥500万</p> <p>其他严重情节：≥250万<500万</p> <p>造成经济损失：≥500万</p> <p>【十年以上有期徒刑或者无期徒刑，并处10万元以上犯罪数额二倍以下罚金或者没收财产】</p>

Regulations 5, 6 and 7 on the list are *The Regulation on the Selection and Appointment of the Party and Government Leaders*,¹²¹ *Opinions on Strengthening the Superintendence on Cadre Selection and Appointment*,¹²² and *Opinions on Preventing the Promotion of 'Sick' Cadres*.¹²³ Personnel placement in China's bureaucratic system was widely reviled for cronyism, and 'buying and selling office has become a rather common phenomenon' (Gong 2002). Since 'governing the country must first be governing the party' (Jiang 2001, p. 469), to strictly govern the party, one must first manage cadres effectively (Zhang 2016a). Thus, when confronting problems such as 'creating vacancy for freeloading', 'fabricating false curriculum vitae and records', 'buying and selling positions', and 'intervening in the appointment of subordinates', Liu Yunshan, head of secretariat of the central committee states that the CPC needs to uphold the principle of the 'party managing the cadres'¹²⁴ and strengthen the gatekeeping duty of the party organisation department in 'adopting the right approach in selecting officials and putting them to the best use' (Liu 2014). Accordingly, Regulations 5, 6 and 7 emphasise cadre management, requiring the party organization department at all levels to maintain strict standards in checking cadres' qualifications, integrity, and history of self-discipline throughout the procedure of selection and appointment. Through strictly selecting and appointing the party and government leaders according to these three regulations, a better employment environment could be shaped and opportunities for corruption in personnel placement could be limited to some extent.

The last two regulations on the list are the *Code of Conduct for Intraparty Political Life under New Circumstances* (the *Code*) and the *Regulations of the Communist Party of China on Internal Oversight* (the *Internal Oversight*), which stress comprehensively and strictly governing the party. This is in line with Xi's argument that China's success hinges on the CPC, and especially on the

¹²¹ For full articles, see: <http://renshi.people.com.cn/n/2014/0116/c139617-24132478.html> (last accessed 8 August 2018).

¹²² For full articles, see: <http://qzlx.people.com.cn/n/2014/0126/c364565-24228116.html> (last accessed 8 August 2018).

¹²³ For full articles, see: http://news.xinhuanet.com/politics/2016-08/29/c_1119474537.htm (last accessed 8 August 2018).

¹²⁴ In effect that cadres are ultimately managed by the Party; see Article 2 of *The Regulation on the Selection and Appointment of the Party and Government Leaders*: <http://renshi.people.com.cn/n/2014/0116/c139617-24132478.html> (last accessed 8 August 2018).

party's exercise of strict self-governance in every respect (Xi 2016). Hence, to address current prominent problems such as 'wavering of ideals and beliefs', 'lust for power', 'money-worshipping', and 'forming self-serving cliques in pursuit of power and position', the revised *Code*¹²⁵ identifies 12 specific requirements and stipulations,¹²⁶ while the revised *Internal Oversight*¹²⁷ categorises 27 stipulations¹²⁸ regarding oversight responsibilities and the corresponding oversight institutions of four major actors: the party's central organisations, party committees or leadership groups, discipline inspection committees, and grass-roots party organisations and party members. Considered as important aspects of party-building and as important means of comprehensively and strictly governing the party under new circumstances (ibid.), the more explicit and precise *Code* and *Internal Oversight* could contribute to party integrity if firmly enforced.

6.1.2 Newly established and adjusted organisations related to anti-corruption

Since Xi began to wage war on corruption in 2012, many anti-corruption organisations such as the CCDI were considered detached from the current social situation and urgently needing restructuring to improve their performance. The following paragraphs outline the main organisation reforms and establishments from 2012 to 2017, covering the most intense period of anti-corruption in China before March 2018.

6.1.2.1 The reform of the Central Commission for Discipline Inspection

In 2013, the CCDI and the Ministry of Supervision¹²⁹ (MS) carried out an organisational reform that aimed to integrate internal resources. During the

¹²⁵ The *Code* was first issued in 1980, and the latest revised version issued in 2016.

¹²⁶ To deepen commitment to the ideals and convictions of the party; to uphold the party's basic line; to uphold the authority of the party central committee; to maintain strict political discipline in the party; to ensure the party maintains a close relationship with the people; to uphold the principle of democratic centralism; to practice democracy within the party and safeguard the rights of party members; to adopt the right approach in selecting officials and putting them to the best use; to carry out regular party organization activities; to carry out criticism and self-criticism; to strengthen checks on and oversight over the exercise of power; to preserve a political character of honesty and integrity. For full articles, see: http://news.xinhuanet.com/politics/2016-11/02/c_1119838382.htm (last accessed 9 August 2018).

¹²⁷ The *Oversight* was first implemented in 2003 and issued in 2016.

¹²⁸ For full articles, see: http://news.xinhuanet.com/politics/2016-11/02/c_1119838242_3.htm (last accessed 9 August 2018).

¹²⁹ The CCDI and the Ministry of Supervision are one organisation with two designations, with mostly overlapping staff and jurisdictions.

adjustment in April and May 2013, the discipline inspection offices in CCDI were increased from 8 to 10; the previous offices of ‘building a fine party culture and keeping its organisations clean’¹³⁰ and ‘correcting industrial illegitimate practice’¹³¹ were merged into an inspection office for ‘party and government ethics’¹³²; the previous inspection offices of ‘law enforcement’ and ‘performance management’ were also combined into an inspection office for ‘law enforcement and performance management’ (Wang 2014b). In September 2013, when the website of the CCDI & MS was launched, one of the prominent aspects was that the website opened interactive communication columns for public consultation and suggestions, and installed an anti-corruption report form on the home page (Photo 6.3). The second CCDI & MS organizational reform was implemented in 2014. First, a new office for the supervision of discipline personnel was established, focusing on supervising personnel in the CCDI; second, the discipline inspection offices were increased from 10 to 12, each including 4 sub-offices and 120 personnel; third, the supervision general office was merged into a general administration office; fourth, the corruption prevention office and foreign affairs bureau was merged into the international cooperation agency; fifth, the law enforcement and performance management inspection offices were combined into a party and government ethics inspection office; and sixth, the organisation department and propaganda department were established based on the cadre office and on the propaganda and education office correspondingly (CCDI 2014b). Both organisational reforms in the CCDI & MS did not change the numbers of inner organs, but tasked more personnel with direct operation of discipline inspection and supervision, intending to optimise resource integration and to make tasks and responsibilities clearer in CCDI & MS (Li 2014b).

¹³⁰ 党风廉政建设室, Dangfeng Lainzheng Jianshe Shi.

¹³¹ 行业不正之风室, Hangye Buzheng Zhifeng Shi.

¹³² 党风政风监督室, Dangfeng Lainzheng Jiandu Shi.



Photo 6. 3 Screen capture of report entry form on the CCDI & MS website (last accessed 20 August 2017).

In 2015, the CCDI began implementation of an organisational adjustment to dispatch resident discipline inspection offices (RDIO) to central-level party and government organs, in accordance with Article 36 of the *Decision* document. Before the CCDI organisational adjustment, only approximately one-third of the central-level party and government organs were supervised by around 50 RDIOs with different names or different leaderships.¹³³ Since January 2015, seven new RDIOs have been dispatched to central-level party and government organs, including the National People's Congress (NPC), the National Committee of the Chinese People's Political Consultative Conference (CPPCC) and the Central Organisation Department, which was the first time in the CPC history. Later in the year, revised 47 RDIO that, with unified name and unified leadership by the CCDI, have completely covered 139 central-level party and government organs (Han and Ma 2016). Following the example of the CCDI, local discipline inspection committees (DIC) have also adjusted their RDIOs,

¹³³ For example, dual leadership from the CCDI and the Party committee of supervised party or government organs.

from an average of 45 RDIOs supervising 53 party and government organs to an average of 38 RDIOs supervising 109 party and government organs (ibid.). The organisational adjustment of the CCDI has not only reduced the number of RDIO and fully supervised central-level party and government organs, but has also unified the leadership of RDIOs to CCDI, which could be considered as strengthening the independence of RDIOs and thus relatively increasing anti-corruption efficacy. One year after the complete incorporated of the RDIOs in the central-level party and government organs, annual statistics showed that RDIOs had examined 2600 cases, filed 780 cases, and punished 730 cadres in 2016, an increase of 134%, 38% and 56% respectively on the 2015 figures (Zhu 2017).

6.1.2.2 The reform of the General Bureau of Anti-Embezzlement and Bribery

The General Bureau of Anti-Embezzlement and Bribery (GBAEB) of the Supreme People's Procuratorate (SPP) is the CCDI's counterpart in criminal justice. As a professional anti-corruption agency founded in 1995, GBAEB's duty was to guide procuratorial organs at all levels for case investigation and pre-judication. However, after 20 years of social development, the deputy chief procurator of SPP Qiu Xueqiang comments that the GBAEB's problems – unreasonable organisation structuring, lack of investigation personnel, and outdated equipment – have been gradually exposed as affecting anti-corruption efficacy (Jiang 2016). To overcome such defects, the new GBAEB (established in 2015) is a combination of the procuratorate office for malfeasance with the old GBAEB and the office for prevention of work-related crime.¹³⁴ After the reform and integration, the rank of the newly upgraded GBAEB has been promoted from bureau level to sub-provincial level, and includes four individual bureaus of anti-embezzlement and bribery. According to Cao Jianmin, the supreme prosecutor of the SPP, the new GBAEB will reinforce anti-corruption work such as direct investigation, command coordination, and operational guidance, and will strengthen the direct inspection of cadres at or above the provincial level (Xin 2015).

¹³⁴ All three organs were inner organs of the SPP.

6.1.2.3 The establishment of Supervision committee

Follow by the issue of the *Scheme for Pilot Program of Reforming the National Supervision Mechanism in Beijing Municipality, Shanxi Province, and Zhejiang Province* (the *Scheme*) by the General Office of the CPC in November 2016, and the issue of the *Decision of the Standing Committee of the National People's Congress on Carrying out the Pilot Program of Reforming the National Supervision Mechanism in Beijing Municipality, Shanxi Province, and Zhejiang Province* by the NPC on December 2016, the new supervision committees (SCs) were established in Beijing, Shanxi, and Zhejiang in January 2017, and the national supervision committee (NSC) formed in March 2018. The pilot programme of the SC is co-located in DIC, which means the relation between SC and DIC is that of a single organisation with two names and with largely overlapping staff and jurisdictions. However, a major political reform by the central leadership of the Party-state, the NSC has been described by Ma Huaide¹³⁵ as neither a party nor a government organisation, because it does not belong to a party organ and has been independent from the government agencies: the NSC has become a 'parallel institution' with the government (Xi 2016a). According to the *Scheme*, the functions of the supervision department (bureau), the corruption prevention bureau, and anti-corruption related offices in the people's procuratorate will be integrated into SCs in the pilot areas. In effect, the SC is building a centralised and unified supervision authority (Zhu 2017a), with every personnel who exercises public power subject to being supervised, inspected, investigated and disciplined by the SC in accordance with the law (CCDI 2017). Along with the exercise of SC pilot programme, the *Administrative Supervision Law of the People's Republic of China* has been amended and revised as the *National Supervision Law of the People's Republic of China* in March 2018 (Xiao 2017; Liu 2017; Bequelin 2018), which has provided the legal basis for the establishment of NSC and its subordinates nationwide.

¹³⁵ Ma Huaide, the vice-chancellor of the China University of Political Science and Law (Xi 2016a)

6.1.3 Officials' views on anti-corruption regulations and organisations in Xi's China

This review of the newly issued and revised regulations and newly established and reformed organisations relating to anti-corruption clearly shows that the Chinese leadership has devoted great effort to forging institutional 'cages' to confine and prevent corruption. However, have anti-corruption organisations and regulations been insufficient in the past? One of my interviewees argued that 'laws and regulations are rigorous and faultless in our country' (Entrepreneur no. 43, January 2017), yet many of the ideas addressed by President Xi were also emphasised by his predecessors. For example, the former President Jiang's team promulgated anti-corruption related regulations such as the *Decision on Strengthening and Improving the building of Party's Style of Work of the Central Committee of CPC*¹³⁶ in 2001, and former President Hu's team also proclaimed regulations such as *Outline Plan for the Comprehensive Building of a System for Fighting and Preventing Corruption, Balancing the Priorities of Education, Systems and Supervision*¹³⁷ in 2005. These very similar regulations and party documents would have been studied at all levels in the Chinese bureaucracy after their publication. Yet judging from scholarly research, interviewees' opinions, and the results of Xi's anti-corruption reforms, it seems that the effects of these previous regulations and organisations were very limited. There are even jokes on the subject, such as that 'someone who's giving a speech about anti-corruption on a stage today, arrested for corruption tomorrow' (Official no. 5, January 2017).

Then, what are the differences between the implementation of regulations by agencies under Xi and under his predecessors? Some civil servants with extensive experience of the bureaucratic system responded to this question during my interviews. One official from DIC related her impression that:

One is that the requirement of current laws and regulations becomes more and more strict and specific. There were quite a lot of regulations in the past, but it is not as precise as the Eight-point Regulation, which

¹³⁶ See details in the Chinese version, 《中共中央关于加强和改进党的作风建设的决定》: <http://cpc.people.com.cn/GB/64184/64186/66690/4494587.html> (last accessed 9 August 2018).

¹³⁷ See details in the Chinese version, 《建立健全教育、制度、监督并重的惩治和预防腐败体系实施纲要》: <http://cpc.people.com.cn/GB/64162/71380/102565/182145/11001042.html> (last accessed 9 August 2018).

will inform you that you cannot distribute gifts [to staff] during festivals or you cannot do other things, it is very specific. I think many things are like, if it were not specific, if it were generalised, it wouldn't be well implemented. People will think that I'm not really violating this rule or that regulation, they have put their faith in luck [that would not be caught], as all people are benefit-seeking. This means from a normative point of view, the current regulations are more specific, more comprehensive, they are applied to every aspect...

In addition to more precisely designed regulations, regulations have also been carried out more firmly, as this DIC official addressed:

Another more important reason is that the current regulation operates more firmly than before. Yes, there were many regulations in the past... I remember it very well, people cannot seal the mouth [for dining and wining at public fund] no matter how many regulations are issued, but now it is much better. That is not to say that [everything illegal] is totally eliminated, but it is much better in this aspect. Many luxury restaurants were shut down in Shenzhen, nobody will waste their money on banquets worth tens of thousands, but it's free anyway with public expenses, so, many people did that in the past. But now the regulations are implemented strictly, it made it clear what cannot be done in which circumstances, there are clear rules. So, you will know whether you can have that meal, and how much you can spend... that's my impression...

(Official no. 2, February 2017)

Also reflecting on the current strict implementation of regulations, another official argued that 'I feel that the key is strict enforcement of orders and prohibition. I feel policy implementation was poor a few years ago, but now this field has been improving' (Official no. 6, January 2017). Similarly, a procurator stated that:

Actually, we have many good things in the past, such as regulations and laws, and some experience that formed in the past, those are good things. But during our practice in the new environment, we opposed these things [regulations and laws] with the practice, or made it flexible, or did not enforce. For example, President Xi's adoption of institutional personnel management, actually it was first proposed by Deng Xiaoping... In fact, President Xi's current practice is to turn our work back to the right track, to return to an objective and impartial approach... which means to minimise arbitrariness and things that do not abide by discipline and rules... including strictly governing the party – many party regulations are now refined...

(Official no. 15, January 2017)

Observing the situation from another angle, a retired official complained that harsh operation of the party regulations could also reflect the current strict law enforcement in China:

The central [leadership] promulgated the Eight-point Regulation, which is good, but it could also bring some kind of negative results... People used to talk business during mealtime, but now they no longer accept your meal invitation because of the requirement of the regulation. They neither accept any invitation, nor help your business... I think dining is not corruption, everyone needs to eat, right? It is right that we shouldn't waste on extravagant dining and wining, but having a working meal together, I think it should be allowed... Someone comes to do their business and to treat you to a working meal, such as in Da Pai Dong¹³⁸ or Nong Jia Le [agritainment], I don't think that's corruption... it's like playing Mahjong, people normally talking business during playing...

Complaining that President Xi's anti-corruption could be destroying old customs between business people and officials, this retired official suggested that anti-corruption regulation could even damage China's culture of liquor appreciation:

So moderation is important, you should allow people to do things within certain limits, not making everything forbidden ... the Eight-point Regulation eliminates dining, I don't think that's good. Like wining... if those expensive spirit that are worth thousands are not OK, then those cheap ones should be allowed... We Chinese have a culture of liquor appreciation, and wining, sometimes, can contribute to the national economic development, right? I think small drinks should be allowed. But now, the regulations are deadly strict! Spirit is not even allowed to put on the [dining] table! That's the regulation, not even red wine, or any wine... That's too rigid, maybe [people] misinterpret the meaning of the Eight-point Regulation...

(Official no. 7, January 2017)

One official also argued that the differences between the regulations issued by President Xi and those of his predecessors are firmer enforcement and greater accountability, which also generates a stronger deterrent to the rest of bureaucracy:

I think the key still lies in [regulation] enforcement. Like now, even dining [with public expenses] is strictly controlled. The publication of anti-corruption information, certainly acts as deterrence to everyone, this is for sure. Everyone, no matter they are consciously, or unconsciously, will enhance resistance [to corruption]. I think this is the most important reason [why Xi's anti-corruption is different]. As you said, institutions, we also have it in the past, but maybe, people's minds were quite relaxed in

¹³⁸ A Hong Kong style small-medium restaurant.

the past... however, there is endless anti-corruption information in the newspaper nowadays, you will certainly be acting differently... You need to more firmly enforce [your work] compared to the past... because there are ceaseless corruption cases released, so everyone is scared of having problems, even leaders also afraid to bear the burden. [This is because] accountability nowadays, is serious, and the investigation will go backwards. If problems happened in your link, the investigation will go backwards to find out the root. Yes, no matter which link in which problems happened, people in that link have to take responsibility... the deterrence [of being caught] is enhanced. As I just told you, institutions, we have had many [in the past], they are really good, but the implementation makes it different... The key lies in implementation.

(Official no. 5, January 2017)

Moreover, when commenting on officials' current workload, work efficiency, and accountability, an official told me that compared with the past where an official could pass a day drinking tea and reading the newspaper, accountability is more serious in the current work environment:

... All these works existed objectively... but an official's bureaucratism¹³⁹ was heavy in the past, he dragged the work, he did it slowly, understand? I can use three days to finish the workload of one day, and use a mouth to do the job of three days. But now our whole bureaucracy has a statute of limitations, a time limit... everything has its time limit, has its process, [you] must finish it within the time. If you exceed [the time] ... [there will be a] performance assessment, someone will come to inspect you... the first time [they] will warn you, the second time is to call you to account... If you still cannot correct [your behaviour], the DIC and Supervision Bureau will call you to account, do you understand? The lighter punishment is to admonish you, the heavy one, fire you, not kidding.

(Official no. 9, December 2016)

From officials' narratives, it is clear that bureaucratic insiders deem that a number of factors have made the difference between Xi and his predecessor: in addition to refined regulations and strengthened organisations, stricter law and regulation enforcement, stronger supervision and more accountability, so that officials are less daring, and forcing anti-corruption agencies to work effectively to inspect bureaucrats. However, how could laws and regulations be enforced without too much compromise in terms of quality under Xi's rule? After all, except for those who were expelled from the total of 7 million civil

¹³⁹ That is, in Xi's words, 'departure from reality, losing touch with the people, arrogance, indifference to facts, conceit and inflated egos' (Xi 2014, p. 405).

servants,¹⁴⁰ the rest remains the same officials in the same office. Following interviewees' perceptions of why anti-corruption was ineffective before Xi's era (second section of Chapter 5), the next section will elucidate how my interviewees perceived Xi's anti-corruption efforts and why.

6.2 How the interviewees perceived Xi's anti-corruption efforts

Four years after President Xi came to power, 252 'tigers' and over 1.19 million 'flies' have been punished for corruption, and around 3000 fugitives have been repatriated from over 90 countries and regions (Yi 2017; Zhu 2017, Xu 2017). Based on these achievements and the forging of an 'institutional cage', Xi announced at the Seventh Plenum of the 18th Central Committee of the CPC that 'the objective of ensuring officials do not dare to be corrupt has been basically achieved' (Hua 2017). Bombarded with the publicity surrounding enormous corruption cases, and with 'fallen corrupt official' reports increasing year on year,¹⁴¹ the Chinese public has become more and more familiar with corruption as the status quo, and with Xi Jinping's anti-corruption approaches. During my fieldwork, though a few interviewees held sceptical views of Xi's motivation for anti-corruption, the vast majority supported Xi's war on corruption and most were satisfied with the results. For example, one entrepreneur told me that:

Contact with officials, for example, when I take care of some businesses with the government agencies, the work efficiency and service attitude are really not the same as before. This is because if the government could insist on the battle against corruption, they could at least purify the political and social ethics.¹⁴² To us, as an enterprise, the purified political and social ethics can let you feel that the efficiency of some government departments such as industrial and commercial bureau and tax bureau are different from before. They [bureaucrats] have high efficiency and relatively better service, that's the difference I feel after General Secretary Xi came to power.

¹⁴⁰ 7,167,000 officials at the end of 2015 (MOHRSS 2016).

¹⁴¹ Anti-corruption agencies filed 172,000 corruption cases and punished 182,000 officials in 2013. In 2014, 226,000 corruption cases were filed and 232,000 officials were punished. In 2015, 330,000 corruption cases were filed and 336,000 officials were punished. In 2016, 413,000 corruption cases were filed and 415,000 officials were punished (Zhu 2017a).

¹⁴² 政风民风, Zhengfeng Minfeng, the way that how officials and people behave.

(Entrepreneur no. 32, January 2017)

In addition to greater efficiency and better services in public service after Xi's comprehensive strengthening of party discipline and anti-corruption efforts, officials also self-disciplined their personal behaviour. When speaking of officials she has connections with, an entrepreneur pointed out that:

[Previously] a lot of things could be done with money, especially in law-related aspects, which means one can truly fabricate black into white. But now the situation is different. No matter how good our relationship is [with officials], everything must be done within the law... and first, they will not ask for it [bribery]; second, even you give them [money or a gift], they would not take it... now the grass-roots officials are really different from before... the political ecology is much clearer than before. I think officials have their bottom lines now when fulfilling their tasks, and understand what they could and could not do, they themselves have nervous feeling... This is my feeling after General Secretary Xi came to power, I think they [officials] did quite well, totally different compared with before. But those who don't care about anti-corruption still exist, they will be caught sooner or later, this happens in any dynasty. Now let me tell you, the current political ecology is really better than before by several tens of times.

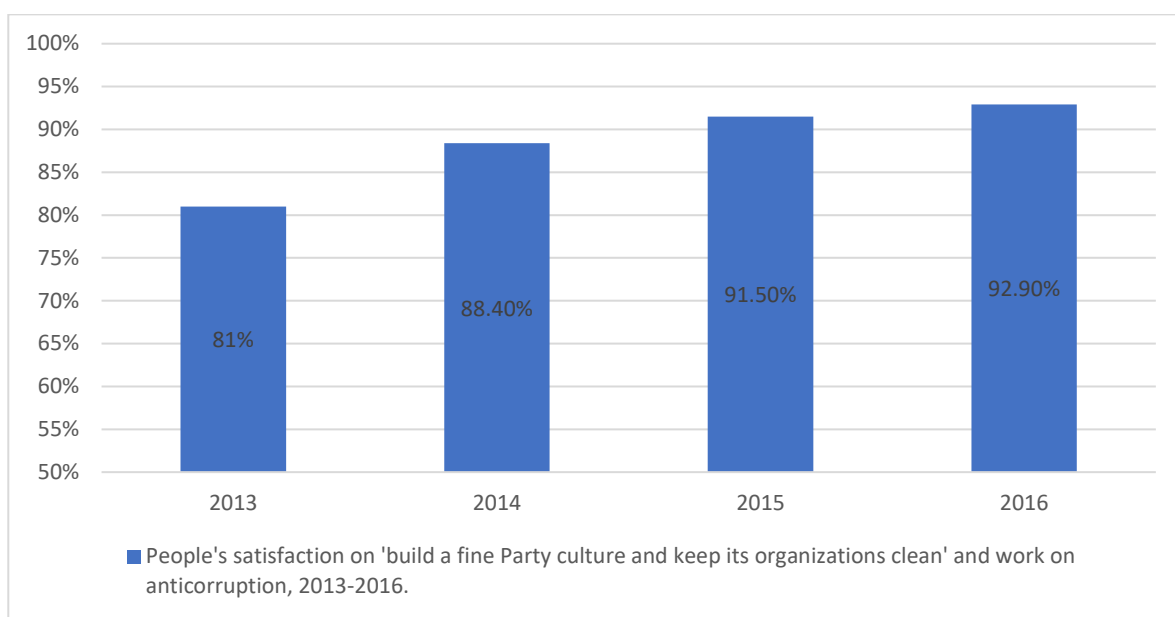
(Entrepreneur no. 29, January 2017)

Having also witnessed great changes in the bureaucratic system, an entrepreneur who is well connected with high-ranking officials in the CPC told me that:

I think 2014-2015 is at the height of the battle against corruption, which mitigated in 2016 but began to show results... Overall, I think anti-corruption is effective... look from the surface appearances, now is much better than before, at least people wouldn't freeze an honest man out [from bureaucracy]. In the past, you will be laughed by your team and the society if you are an honest official with integrity, which just reflects that the social value was as bad as 'prostitution is better than poverty'... Nowadays, there is more justice, more positive energy [in society], and some honest man could survive. There was no room for the honest man to survive in the past, you cannot live without building Guanxi... so I think there is a lot of credit for anti-corruption, which has reversed the social ethos.

(Entrepreneur no. 30, February 2017)

Graph 6. 1 source: CCDI & MS website (Wu 2017)



Xi's anti-corruption efforts are supported by the majority of Chinese people (see Graph 6.1) and most of my interviewees considered Xi's anti-corruption much more effective than his predecessor's. The next question is why the same groups of officials could perform better under Xi's leadership? How could laws and regulations be enforced without compromising quality? Four reasons were given by interviewees: power concentration, authentic anti-corruption, subordinates following the example of their superiors, and improved technology.

6.2.1 Xi's power concentration results in effective anti-corruption enforcement

In countries that have embraced Western democratic constitutionalism, the idea of preventing power concentration in the hands of one or one group of people is widely accepted. In contrast, in socialist China, 'concentrating resources to accomplish a big task'¹⁴³ is a commendatory term and applied in many political documents such as the *Report on the Work of the Government*, published by the State Council. Thus, by being titled 'the core' and 'presid[ing] over numerous Central Leading Groups' (Fabre 2017, p. 14), President Xi has apparently concentrated much power in spite of the existence of an informal power balance

¹⁴³ This phrase, 集中力量办大事 (Jizhong Lijiang Banda shi), not only refers to the concentration of material or human resources, but also to power concentration in the socialist system.

or the art of political compromise to prevent power concentration within the CPC leadership (Fewsmith 2013).

Although power concentration might cause ‘governing the state via corruption’ since central government could allow local government to enrich themselves in exchange for loyalty, some have argued that Xi chose to concentrate power because ‘the good meat is all gone; all that is left are hard bones to chew’¹⁴⁴ (Zheng 2014a), i.e. to ‘chew on hard bones’ such as the war on corruption, and to deal with vested interest groups or ‘protective umbrella’, Xi has to concentrate power. In response to Xi’s power concentration and anti-corruption, a retired official gave a counterexample of local cadres not following the central leaders’ words under the rule of former President Hu Jintao:

To be honest, Hu Jintao wants to [implement] anti-corruption during his term, he knows that corruption is rampant, but he is unable to do so, [or] don’t dare to [implement anti-corruption], [because] he himself was under threat. [Hu Jintao] was honoured as the first-in-command, as the President, as the General Secretary and the Chairman of the Military Commission, but the power was not in his hand. There were nine people in the politburo after Jiang Zemin retired, I call it ‘nine dragons taming the water’¹⁴⁵... the result of ‘nine dragons taming the water’ is that the General Secretary loses the authority, which cannot form the leadership or unified thoughts. Each member of the politburo’s standing committee takes charge in their fief, that’s in the era of Hu Jintao... He [Hu] saw this point, and that’s why he decides that he will never follow the example of Jiang Zemin who still held the office of the chairman of the Military Commission for two years after retirement. He [Hu] fully retired at the 18th party congress, and passed all the power to Xi Jinping and supported Xi. He [Hu] knew that Xi could not fight with Jiang without power, but the combination of both their power is different... In this situation, if he [Xi] doesn’t concentrate power, he might be removed [from the policy-making circle].

(Official no. 3, February 2017)

Without concentrating power, even a decree from the President of PRC, the General Secretary of the CPC, and the Chairman of the Central Military Commission might not be fully enforced by the local-level administration, let

¹⁴⁴ This is to say that the easy part of the reform has been done, and that the leftovers faced by Xi’s team are the most difficult parts.

¹⁴⁵ 九龙治水(Jiulong Zhishui).

alone waging a war on corruption and other reforms that might move the interest of the bureaucracy. This idea was also expressed by a lawyer, who stated that:

He [Xi] concentrates power, once power is concentrated, the strengthening of enforcement will be improved... Since Mao Zedong and Deng Xiaoping, now it is the most power-concentrated time. Because Xi can only carry out his reform through power concentration... it (anti-corruption) relates to the strengthening of enforcement. Like we said before, why can decrees from the CPC central not be implemented outside of the Zhongnanhai? In Hu and Wen's era,¹⁴⁶ the centre's decrees could not be implemented outside of the Zhongnanhai, because the local cadres were just paying lip service, so Hu and Wen could not implement their governing philosophies. Just like the politburo at that time, there were nine people in the politburo standing committee, and you cannot fully unify ideas in the leadership. If you cannot unify thoughts in the top-level, even when the documents are issued, you cannot implement it at the local level. Each politburo standing committee member takes charge in their fief, that's clear... So, when different departments with different interests are implementing policies, they might not be responsible to the General Secretary of the CPC, they might be responsible to their superiors. Now he [Xi] concentrated power, at least the politburo takes Xi as the core, at least the others cannot have a different voice, and cannot have 'improper discussion of the policies of the central leadership'.

(Lawyer no. 24, January 2017)

This idea was supported by another lawyer who also thought that Xi's anti-corruption and reform could not be separated from establishing authority and power concentration, as he commented that:

At the top of the leadership, such as the position of General Secretary Xi or Premier Li Keqiang, if he wants to realise his ideals and carry out his thoughts in that post, he must establish his authority, thus he must concentrate power. People would listen to him only if he has concentrated power, then he can give out orders. Not like in the previous Wen Jiabao era, when the central decision of the state council could not be implemented outside of Zhongnanhai, nobody would enforce it. So he [Xi] needs to set up his authority, and setting up authority needs power concentration, he [Xi] cannot establish his authority and give out orders to carry out his policy agenda without power concentration.

(Lawyer no. 17, February 2017)

The opinion that Xi's power concentration has aided effective anti-corruption enforcement was also supported by the majority of the interviewees who

¹⁴⁶ 2002-2012.

responded to this topic, interviewees no. 7, 11, 22, 25, 34, 37, 38, 39.¹⁴⁷ However, some interviewees expressed worries about the real purpose of Xi's power concentration and anti-corruption, as the idea that 'power concentration could paradoxically be detrimental for the implementation of reforms' (Wang and Zeng 2016, p.476). For example, a former NPC representative told me that:

There is another perspective that, the power is too concentrated, now [Xi] has become 'the core', 'the leader.'¹⁴⁸ Once the concept of 'the leader' comes out, it can very easily result in the hereditary system. So some people are worried about whether Xi will become a lifetime leader after the 19th Party Congress of the CPC... One of our professors in ZF [initials of the name] University is also worried about whether the cultural revolution will come back again, but of course, I'm not worried about that...

(Scholar no. 50, February 2017)

Another renowned scholar also worried that Xi's power concentration might cause worse 'rule of man' and selective anti-corruption, which might further distance China from his ideal democracy and rule of law. He claimed:

The issue of anti-corruption, now it looks like he [Xi] is seizing power, and get rid of those he doesn't like. We always said that we need to set up an anti-corruption institution, what's that mean? It means that under such an institution, the suspects who under inspection are totally equal, which means the investigation is decided by the institution. But now it is decided by man, Wang Qishan would investigate anyone if he senses clues to corruption, [laugh] that's the difference between the decision made by man and institution. Thus, President Xi's anti-corruption is still built on the rule of man instead of rule of law, that's a big problem, he might fight against corruption selectively...

(Scholar no. 52, February 2017)

A celebrated law professor suggested that Xi's anti-corruption is selective and Xi's battle against corruption is mere propaganda to cover up his power concentration, as 'corruption is so widespread that he can arrest anyone, in the name of anti-corruption' (Scholar no. 51, February 2017). Nevertheless, the claim that Xi's anti-corruption is for seizing power contradicts the opinions of the majority of the interviewees. A retired official, once was under house arrest

¹⁴⁷ Most of them are officials, entrepreneurs and lawyers.

¹⁴⁸ 领袖 (Lingxiu) rather than 领导 (Lingdao), which has referred only to Mao Zedong in history of the CPC.

for disclosing information about the former President Jiang's involvement in corruption, explains that:

Academia has always had this understanding that the guiding ideology of Xi's anti-corruption is problematic, [they ask] can campaign style anti-corruption really be a success? I told them, you advocate institutional anti-corruption, that's good. But let me ask you, does the civil service property declaration that was brought up over two decades ago count as an institution? If it is an institution, did it work? Over 20 years, nearly 30 years have passed, [you need to know that] we achieved the success of the new-democratic revolution within 20 years, the CPC seized the nation! But we cannot enforce a civil service property declaration in over 20 years, what is the problem?

After giving the example of making the civil service property declaration in NPC, the retired official addressed the distance between theory and practice, where without authentic anti-corruption in the first place, the anti-corruption institutional building might be mere fantasy:

You have to know which should be done first and which comes later. If the tigers are not removed and they are still in power, you will be taken down once you want to move against them. Thus, the set-up of institution must be after the hunt of the big tigers, and small tigers below are intimidated. The current situation is that Wusong¹⁴⁹ is sitting on the tiger's back, and you say this is not the right way to hunt, and ask him to get off the tiger, and put the rules of the tiger hunt on the bulletin board. After the rules have been set, the tiger has already eaten Wusong, doesn't that make sense? So what I mean is that you have to distinguish which should be done first and which later. It's not that Xi Jinping is not against corruption – as Wang Qishan said, 'our current task is to alleviate the symptoms of corruption in order to give us time to cure the underlying disease eventually', you cannot cure the underlying disease without current efforts. Some intellectuals treat this [anti-corruption] as a simple matter, think it as if everything could be handled if an institution could be set up. But will anyone trust it after you set up the institution? Can it work? Will anyone enforce it?

(Official no. 3, February 2017)

The interviewees' opinions discussed above show that despite the asymmetrical debate on the purpose of Xi's power concentration and anti-corruption, none of the interviewees view Xi as governing the country via corruption. On the contrary, Xi's power concentration is widely considered as an effective approach to tackling the problems of corruption. Then why is the

¹⁴⁹ Wusong is famous in Chinese history for his tiger hunt.

concentration of power in Xi's hands a red iron to melt the iceberg of corruption, when it could cause endemic corruption in the hands of another? Although mainstream academia is sceptical, some interviewees argued that it is because Xi's anti-corruption is authentic.

6.2.2 Authentic anti-corruption efforts result in better policy implementation

As elucidated in previous sections, some critics have doubts about Xi's motivation for anti-corruption, as without an independent judiciary the power of the CCDI is overwhelming and rule of law seems hypocrisy. However, in terms of Chinese bureaucrats and citizens, the vast majority of my interviewees expressed support for Xi's battle against corruption and regarded it as authentic anti-corruption rather than propaganda or power play. This support and credence could, of course, lead to better anti-corruption enforcement and greater efficacy. For example, when answering what makes Xi's anti-corruption implementation different from his predecessors', a retired official excitedly commented that:

That's decidedly different!! The so-called anti-corruption of General Secretary Jiang and General Secretary Hu was only swatting flies, no hunting of tigers at all. General Secretary Xi is daring to hunt tigers, and hunt big tigers. The politburo standing committee member Zhou Yongkang was hunted, and two vice-chairmen of the military commission were hunted. One of them oversaw the military operation, another was supervised the political ideology of the army. So that he [Xi] dared to hunt these two tigers [in the army] ... [has proven that this] is authentic [anti-corruption]. He might lose his life if things go south. Once the army falls into chaos, there will be a disaster. But Xi really is 'a brave talent and great strategist',¹⁵⁰ he is daring to hunt these two military big tigers! And Zhou Yongkang, that is the King of politics and law system!

(Official no. 7, January 2017)

Also agreeing that Xi's anti-corruption is authentic instead of a political show that functions as a cover for power play, an entrepreneur emphasised that:

In the current situation, look at the new cases, I would say he [Xi] is more serious [in anti-corruption], now it is the authentic anti-corruption. Nowadays, once your [official] problem arises, the investigation would implement to the end. The obvious example is Xu Zongheng's case, a

¹⁵⁰ 雄才大略, XiongCai Dalue.

former mayor of Shenzhen. Xu Zongheng was found to have an interest relation with property developers. When he [Xu] was inspected by the centre, he still wants to escape from the investigation, he still wants to find Guanxi to narrow down the investigation so that he would not be questioned. But the centre still enforces the investigation all the way through, there is no way for him [to escape], this is quite a distinct case. I have heard that he [Xu] has been to Beijing several times and contacted some leaders, but there is no way [for him to escape from the investigation]. That is to say, the intensity [of anti-corruption] is pretty strong... That's never been witnessed before...

(Entrepreneur no. 46, December 2016)

Besides, observing from the perspective of rooting out corruption within the anti-corruption agencies, an entrepreneur states that war on corruption under Xi's administration seems more authentic compared to that of his predecessor:

There is a problem of whether anti-corruption is authentic or false. Jiang and Hu's anti-corruption are false when compared with Xi's anti-corruption. Jiang was using anti-corruption as a power play instrument, because the masses will support you instead of being against you when you are wearing an anti-corruption outfit, as well as removing political targets at the same time. But Xi's current anti-corruption, his is exactly [working on] authentic anti-corruption. Why and how to know whether he is an authentic anti-corruption? From his words 'To forge iron, one must be strong',¹⁵¹ which means he is self-examining from inside out. He is not just selective against other groups. From his words 'To forge iron, one must be strong' and people's experiences... which is 'listen to a man's words and note his actions',¹⁵² I can examine whether he did what he said, and [he is] exactly working on [anti-corruption]. Including people in the CCDI, I'm not sure whether your political researcher needs to watch news frequently, the documentary of To forge iron, one must be strong has just been on the air. He [Xi] is rooting out corrupt officials in the CCDI, he is cleaning his own house. Literally, from this point, I think he is not selective anti-corruption. This answers the question you just asked – what caused the difference between Xi's anti-corruption and his predecessors'. In fact, there is a problem about whether anti-corruption is authentic or false, and whether anti-corruption is propaganda or one's true intention...

(Entrepreneur no. 32, January 2017)

These statements indicate that interviewees made a clear distinction between Xi's anti-corruption and that of his predecessors', contrasting authentic and false wars on corruption. They argued that there are no evil motives or dirty

¹⁵¹ 打铁还需自身硬 (Datie Haixu Zishen Ying), meaning 'To address these problems, we must first of all conduct ourselves honorably'.

¹⁵² 听其言观其行 Tingqiyan Guanqixing.

secrets in Xi's anti-corruption; they believe that Xi is fighting against corruption wholeheartedly. Xi's anti-corruption is considered 'authentic', and this authenticity is perceived as one of the reasons for better policy implementation.

As the core of the CPC and the government, President Xi Jinping himself is playing an exemplary role in comprehensively strengthening party discipline, building the integrity of the government, and rendering anti-corruption measures more effective. Thus, his subordinates must follow Xi's example and behaviour honestly and efficiently in their work, at least ostensibly. Subordinates following the example of their superiors have been viewed as another factor contributing to the promotion of anti-corruption implementation. The next subsection will explore interviewees' perceptions of this topic.

6.2.3 Subordinates following the example of their superiors

When addressing members of the politburo, Xi Jinping stated that 'the whole CPC is watching the signal from here, and the whole CPC is using the politburo as the ruler [to measure their behaviour]', indicating that setting a good example for subordinates and putting pressure on the bureaucracy from above is the key to governing the party (Wang 2017). Thus, if President Xi, as the '大大' (*dada*, number one) of the Party-state, carries out authentic anti-corruption from a position of concentrated power, his subordinates will have to follow his example in self-constraint and honesty, even if they do so unwillingly. Explaining why the superior's example is important, an entrepreneur argued that:

People say the big nation consists of families, so I use family to give you an example. A family, like yours, your father is the key figure in your family. Growing up in this family, your father's education will certainly influence your mind. Like my children and me. Recently this year, my boy was always watching things at his smartphone. If I just tell him to stop looking at his phone, and keep on saying that everyday instead of showing an example to him by taking actions, do you think that will work?... Think about the past, the centre also issued [political] documents... but in the era of President Jiang or President Hu, did you see any of our politburo standing committee member been arrested?...

(Entrepreneur no. 29, January 2017)

Similarly, when discussing why Xi's anti-corruption is so different from before that it can deter officials from wrongdoings such as those listed in the *Eight-point Regulation*, an official expressed to me that:

At that time [previously], the higher-level is acting like this, and all are doing this, so the subordinates will [just] skim the work, not [doing it] carefully. But now Xi has come to power, everything has suddenly become serious, many [officials] have been caught... After being deterred [by anti-corruption achievements], if leaders don't dare to [behave wrongly], is it possible that their subordinates dare to? [laugh] Am I right?... From the central level to the local level, it is all the same, if no one starts something in the centre, their subordinates in the local would not do anything stupid, that's the point... after they [tigers] have been caught, the local-level [officials] become well-behaved.

(Official no. 16, December 2016)

The anti-corruption effort of superiors setting examples for their subordinates to follow has been carried out right at the top, with Xi supervising some major corruption cases personally, which could strengthen the efforts of investigating specific cases, while deterring corrupt officials as well as setting examples for other investigators, as an official described:

Including in the meetings of the DIC, sometimes he [Xi Jinping] supervised some significant cases he himself. For example, in my hometown Hengyang, there is a vote bribery case, which means you have to bribe if you want the title of people's congress member, around half a million RMB worth of bribes [for a seat]. Many entrepreneurs are willing to pay. [For example] if you pay half a million, I will pay three million for the membership of provincial people's congress. You have to know that many government projects or contracts could be taken if [you] have the membership of provincial people's congress in the Midwest area, and the county-level party secretary might be afraid of you!...

After explaining the sordid background of buying seats in the Hengyang People's Congress, this official emphasised that Xi has steered the investigation in person:

One of the entrepreneurs bribed but didn't get the membership of people's congress, so he required for a refund and was rejected. So, he reports the case to Xi via Guanxi. Xi supervises [the investigation of] this case and questioned where is the communist party member in Hengyang? This must be investigated! It means that he [Xi] also supervises the specific cases. At last, the election of representatives of people's congress starts again, and a few hundred cadres were arrested and investigated separately. Both our former secretary of the municipal and DIC were jailed for not fulfilling their duty [of supervision], even though they didn't take the money. This reflects that President Xi, is iron hand [in anti-corruption]. This is one dimension, another is that he [Xi] himself isn't the subject of any rumours of corruption, he still has a reputation for self-restraint...

(Official no. 12, December 2016)

Interviewees' responses demonstrate that Xi's exemplary role in comprehensively strengthening party discipline and the war on corruption has forced subordinates to gradually start to follow the examples set by their superiors, both in their work and in their lifestyle. Subordinates following the good examples of their superiors were also cited by respondents as one of the reasons for better implementation of the current anti-corruption measures.

6.2.4 Technological progress and social supervision resulting in better anti-corruption enforcement

Photo 6. 4. A Chinese farmer using his smartphone (source: http://www.sohu.com/a/83037532_419835). China has more than 3 million 4G base stations, which more than half of the global number (source: <http://tc.people.com.cn/n1/2018/0330/c183008-29898209.html> [last accessed 10 July 2018]).



Although the use of the internet and of smartphones has been thriving in China since Jiang's and Hu's eras respectively, the combination of both is more remarkable in Xi's era. For example, there were around 850 million¹⁵³ Chinese 4G/smartphone users in 2017 (Ma and Cheng 2017), and even farmers in rural areas have access to 4G networks (see Photo 6.4). In the field of anti-corruption,

¹⁵³ The total population of China is 1.37 billion in 2015, with 1 billion aged 15-65 (NBSC 2017). Thus 62% of the total population or 85% of the adult population were using 4G on smartphones in 2017.

a massive base of internet users' networks, as well as an official report portal, provides an alternative platform for the people to express their grievances online, despite local government engaging in internet censorship to cover their wrongdoings. The release and development of WeChat in particular has expanded anti-corruption measures to every smartphone user,¹⁵⁴ an unprecedented level of participation in anti-corruption. The viral spread of information on WeChat can cause rumours to spread like wildfire, but it also means that local government is no longer fully in control of citizens' publicly expressed opinions. In building the current anti-corruption institution, anti-corruption report websites have been established at all levels of DIC and procuratorate, and even the district-level (grass-roots level) DIC and procuratorate in Shenzhen have opened their WeChat report platform (see screenshots in Figures 6.1-4). Under Xi's anti-corruption and strict implementation of supervision, corrupt suspects find it difficult to avoid inspection once they have been exposed or reported online. Based on this, a lawyer said that:

There was passive [bribe taking] in the past, but nowadays [officials] don't dare [to accept bribery] even passively. Because the current social supervision is too easy, such as with phones, recording pens, [hidden] cameras, [officials] don't dare to accept [bribery]... It is not only the technological progress, [it also] includes social progress, the awakening of the masses and strengthening of people's legal and supervision awareness, which results in the progress of the entire society... [you] can report through the DIC for example, there are quite a lot of report and supervision channels now.

(Lawyer no. 18, February 2017)

Considering that the enforcement of anti-corruption should be connected with the implementation of the rule of law, a lawyer argued that technological progress was forcing the reform of judiciary:

The enforcement of anti-corruption needs the rule of law, his [Xi's] rule of law has improvements. The entire situation of law enforcement is still improving. Because the internet, it has a transparent and open [platform]. For example, judgement documents are put online.¹⁵⁵ People could evaluate whether a judgement is legal and reasonable, if it's online. Then this will force the judiciary to be impartial and just. That's the progress of the internet or technology, which forces the reform of the judiciary. There is no doubt that this is a step forward.

(Lawyer no. 24, January 2017)

¹⁵⁴. Many people in China have never owned a personal computer, but most of them can access high-speed internet through their smartphones, especially after the development of 4G. For more information see Mozur (2016).

¹⁵⁵ For details, see *China Judgments Online*: <http://wenshu.court.gov.cn/>.



Figures 6.1-4. Anti-corruption agencies in China have opened their report sites on smartphone applications.

Figure 6.1, upper left. The SPP report site on WeChat.

Figure 6.2, upper right. The CCDI report site on WeChat.

Figure 6.3, bottom left. The Futian district-level people's procuratorate report site on WeChat.

Figure 6.4, bottom right. The Futian district-level DIC report site on WeChat.

Technological progress has created a response mechanism that puts pressure on authorities to enforce more effective inspection on corrupt suspects, as an entrepreneur points out:

... this is the progress of society, the rise of the internet, especially the rise of we media. Because 'the emperor is far away as the sky'¹⁵⁶ in the past, transport and the communication [technology] was underdeveloped, I could tell nobody if I'm suffering from injustice, and the [local] government could cover up if they did bad things... Because of the rise of we media, the rise of Weibo and WeChat, sometimes the authority does not mean to do that, [but] when I saw one problem, I post it through Weibo and WeChat, and it goes viral, then facing the public voice, the authority in that position will have to, will be forced to do something and speak for the masses.

(Entrepreneur no. 33, February 2017)

However, there were also some interviewees who claimed that public supervision has been weakening, despite an increasing number of accessible online channels for report. For example, one lawyer claimed that:

[Social supervision] is weakening, there is a letter and visits system,¹⁵⁷ but now [the government] does not pay attention to this. The government is no longer treating the problems raised by letter and visits seriously. So, the effect of letter and visits is weakening. If no one cares about the letter and visits [system], it will be abolished. Another one is news, supervision by public opinions. Supervision by public opinions could be done through the press in the past, once the news broke, leaders would take care of it, but now it is no more... It used to be that basically every exposure [of corrupt cases on the news] would be investigated, but now many cases are left unsettled. This is in fact that supervision by public opinion and by letter and visits are weakened, very ineffective...

(Lawyer no. 17, February 2017)

Moreover, another entrepreneur argued that Xi is strengthening his control over the media and internet, which might lead to unexpected consequences. he stated calmly that:

... I think in the aspects of power concentration and public opinion, [Xi] holds it very tight. [Xi] said the party media must serve the party, which is to promote positive energy, right? But as a press, propaganda is one of its functions, it is also a window for democratic supervision, we used to call media 'the uncrowned king'. It is at first a channel of supervision, then it is to spread information. But now the media has lost [its]

¹⁵⁶ To do whatever one pleases without fear of interference from the remote centre.

¹⁵⁷ 信访制度 (Xinfang Zhidu) describes the system whereby people could send letters or visit the bureau to complain about the injustices they encountered.

supervision function, it is only left with the function of propagating information... But Xin Jinping is also controlling the media and the internet, I think absolute power corrupts absolutely, this is common sense, if no one supervises [him], that's not right. So, the establishment of the National Supervisory Committee, he also knows this [is the right way], but can it help? Without the institutional cage, it cannot work.

(Entrepreneur no. 30, February 2017)

Although not mentioned by any of my interviewees, other technological advancements in contemporary China include the construction of an artificial intelligence (AI) facial recognition system,¹⁵⁸ a social credit system,¹⁵⁹ and big data technology, which could also enhance the government's anti-corruption effectiveness in terms of facilitating the detection of wrongdoing. For instance, a corrupt suspect may be identified by AI facial recognition system with their citizen unified social credit code, for unusual behaviour such as buying luxury commodities that she or he could not afford on their fixed salary. This information can be automatically cross-checked by the big data system, and immediately influence one's social credit – so that, for example, the corrupt suspect cannot purchase a high-speed train or plane ticket to escape impending investigation. To cite some real-life examples, Zhu Hai, an official in Harbin city was investigated and convicted for corruption when the local DIC's big data system found that Zhu was paying the bills for 11 properties, which were not registered under his name (Pang 2018). Hou Baoguang, also an official in Harbin city, was investigated and convicted for corruption due to the big data system's detection that Hou's spending habits changed significantly after his promotion (ibid.). However, these new technological systems have been questioned by some China watchers and human rights groups for its potential political uses, such as monitoring the Uighur Muslim minority, or rating citizens' political allegiances (Fullerton 2018), despite the great potential advantages in tackling corruption and capturing fugitives (Lo 2017).

The interviewees' opinions discussed above demonstrate that technological

¹⁵⁸ Combining CCTV cameras in every corner of the city with the internet and the AI facial recognition system, the Chinese government is building a national surveillance system to detect criminal suspects and fugitives (Mozur 2018).

¹⁵⁹ The social credit system includes the citizen unified social credit code system, the industry credit information system, the local government credit information system, the personnel credit information system, and the financial unified credit platform (SC 2014) – which does not include credit systems belonging to private companies such as Alibaba's Sesame Credit.

advancements in China such as 4G smartphones, Weibo, and WeChat have created alternative platforms for members of the public to express their grievances online and can serve as social supervision channels. The development of an AI facial recognition system, a social credit system, and big data technology has also strengthened the Party-state's anti-corruption capacity in terms of monitoring citizens' behaviour to identify possible cases of corruption. However, due to internet censorship and the real-name registration system,¹⁶⁰ the Chinese authority may be able to maintain strict control over these new technologies and potentially use them for political purposes such as surveilling the public (Windle 2018; Denyer 2018), which could weaken the original capacity of technical progress. Nevertheless, interviewees still considered that advancing technologies can unveil the secrets of bureaucrats and could force authorities to be impartial in law enforcement, then resulting in better anti-corruption enforcement.

6.2.5 The effect of governance (CN) on anti-corruption

Based on the Western governance theory discussed in previous chapters, a government that adopted a governance mechanism could enhance its performance through strengthening elements such as the rule of law, transparency, responsiveness, accountability, and civil participation via public-private partnerships, which could help tackle socio-political ungovernabilities such as corruption. In China, the current Party-state's leadership also claims that it will promote 'the modernisation of the national governance system and capacity' to 'improve and develop socialism with Chinese characteristics' (CPC 2013), as well as 'confining the exercise of power within an institutional cage' so as to form a mechanism that ensures officials 'dare not', 'cannot' and 'will not' be corrupt (Xi 2013a). After four years of opposing corruption, the achievements of anti-corruption are many, and most of the interviewees supported Xi's battle against corruption and were satisfied with the results, as shown in Graph 6.1.

¹⁶⁰ Two new regulations were issued in August 2017, *Provisions on the Administration of Internet Discussion and Commentary Service* and *Provisions on the Administration of Internet Forums and Communities Service*, which require internet users to use their ID to register before commenting and discussing online.

Elements No.	Rule of Law	Transparency	Responsiveness	Consensus- oriented	Equity and inclusiveness	Efficacy and efficiency	Accountability	Participation
1. Entrepreneur	5	6	7	6	5	5	6	4
2. Entrepreneur	6	4	5	7	8	6	7	6
3. Entrepreneur	5	5	5	5	5	5	3	5
4. Entrepreneur	8	6	5	6	6	6	7	6
5. Entrepreneur	6	7	4	3	2	3	2	3
6. Entrepreneur	8	7	8	8	7	7	8	8
7. Entrepreneur	6	7	5	6	6	7	5	6
8. Entrepreneur	6	4	3	3	6	6	5	4
9. Entrepreneur	6	8	8	6	8	7	6	8
10. Entrepreneur	8	5	5	5	8	8	5	8
11. Entrepreneur	6	8	7	5	5	6	5	5
12. Entrepreneur	5	9	4	3	3	8	3	4
13. Entrepreneur	6	8	10	0	0	8	5	0
14. Entrepreneur	6	6	7	4	7	6	3	3
15. Entrepreneur	6	7	7	6	7	8	7	8
16. Entrepreneur	5	6	5	5	5	7	6	6
17. Entrepreneur (highest average)	9	9	9	8	9	9	10	7
18. Entrepreneur	3	3	2	3	1	4	3	2
19. Entrepreneur	2	6	8	5	4	8	2	1
20. Official	6	8	9	7	7	6	7	7
21. Official	9	6	4	2	3	3	3	6
22. Official	9	9	8	7	6	7	7	6
23. Official	6	6	5	6	5	5	3	7
24. Lawyer	8	8	9	7	6	7	7	6
25. Lawyer	5	4	5	3	1	1	1	0
26. Lawyer	9	8	9	8	9	8	7	7
27. Lawyer	4	9	8	6	10	8	6	4

28. Lawyer (lowest average)	2	4	1	2	0	4	2	1
29. Lawyer	3	5	2	4	2	3	1	2
30. Lawyer	7	5	5	4	6	6	6	4
31. Lawyer	5	4	3	2	0	3	1	3
32. Scholar	6	8	7	6	7	7	8	6
33. Scholar	5	6	4	3	2	5	2	3
34. Scholar	7	7	7	7	7	8	7	7

Table 6. 1 Interviewees' opinions on the implementation of governance elements in Shenzhen, scored from 0 to 10. Score 0 indicates that the interviewee believed this element does not apply in Shenzhen at all, while score 10 indicates the belief that this element is well adopted in Shenzhen.

88% of the interviewees¹⁶¹ (see Table 6.1) believed that the promotion of governance in Shenzhen has more or less improved one or more governance elements¹⁶² that could contribute to the war on corruption. For example, a DIC official told me that she considers the government's budgeting to have become more transparent:

The transparency of public departments is also improving. Including our budget disclosure, which is relatively transparent when enforced. The requirement of the final accounting of revenue and expenditure is more and more strict, and I was particularly impressed. Our budgeting was very rough in the past, and it could be adjusted, which means they [audit] don't care about how you spent it, you could roughly categorise it within the total amount. It does not work in that way anymore, the enforcement of budgeting is very strict now. For example, I'm budgeting how many conferences and how much training this year, and you must have that much conference and training, there is no chance to swap between these two categories. Today, even the subprojects [interviewee demonstrates on the table] under the budget account are unchangeable... The big categories are unchangeable, this is understandable, [for instance] you cannot apply for two 500,000 budgets for labour and equipment respectively and then move the whole million to labour, that's impossible. [However, the current policy is that,] for example, I budgeted for 10 printers and 10 air-conditioners and realise that I was mistaken, I need to buy 8 printers and 12 air-conditioners – that's also forbidden. Even the subprojects can't be adjusted. I think if the government could keep on going, then there will be great progress

¹⁶¹ 44 out of the 50 interviewees discussed governance issue with the interviewer, another 5 interviewees did not talk about governance, and 34 interviewees filled in the governance survey form, from which I produced Table 6.1.

¹⁶² Eight governance elements were included in the survey, including the rule of law, transparency, responsiveness, being consensus-oriented, equity and inclusiveness, efficacy and efficiency, accountability, and participation.

for both [government] efficiency and prevention of corruption.
(Official no. 2, February 2017)



Photo 6. 5 One-stop Service Hall in Songshan Lake district. At the beginning of 2017, in WeChat Moments, one of my relatives posted about her experience in the One-stop Service Hall, where integrated multiple public departments provide services and offer free beverages in the lounge.

Since Xi entered office, one senior official commented that significant changes were evident in both the responsiveness and the attitude of the bureaucratic system, advising that:

At least from my working experience for several decades as a public official, I have a profound understanding [of the changes]. One is from

the working attitude. In the past, you could still be dawdling in your post. But now we must be active and cannot mismanage our work, we need to actively find ways to promote performance, this is a huge change. The second one is about [our] consciousness. We once had a superior feeling as a public official, had the feeling of being the 'lord', including the feeling towards the superior, but this changed. Now you are a public servant, you serve the public, you have to be clear about that. In treating the public, you have to be careful about your language, your approaches. You have to explain clearly [when people need assistance]. If you cannot help them, you must clarify it. If you can do it, do it right now, Shenzhen advocates 'do it now'.

(Official no. 9, December 2016)

This official's words resonate with the views of an entrepreneur who indicated that his business had been positively affected by the transformation of public services, which are now far more efficient. His positive attitude was evident in his words:

Normally if I'm going to do some business [with officials], it will be very hard to deal with because they would stonewall me in different ways, which make things I need to be done become time-consuming. This, of course, is not efficient [public service] ... For example, when I dealt with the tax bureau in the past, [they will] throw out my files even for one tiny mistake, without telling me the reason. You need to check it by yourself, they wouldn't tell me how to correct it. But now is totally different. They [officials] will write me a note about which points I made mistakes and which department I need to go, or through which way I can solve the problem, they will write me a paper. So I feel, that's humanised, which totally different [from before] ... If you were going to deal with something in the law-enforcing department [in the past], basically you cannot handle it without acquaintances. They [officials] are going to stonewall you, make simple things difficult. Then you need to find a middleman [to handle the problem] and they make money through the middleman, that's what we often get in touch with.

(Entrepreneur no. 46, December 2016)

The interviewees' opinions elucidated above show that the enforcement of some governance elements is strengthening in Shenzhen, despite some interviewees giving a score of zero to the enforcements of some elements of governance in Shenzhen (see table 6.1). However, when I directly questioned interviewees on whether they think the current anti-corruption battle has been immediately affected by the deployment of governance (CN), nine out of twelve (75%) respondents responded in the negative: no matter what interviewees understood by the term governance, they ascribed the main credit for anti-

corruption achievements to hyper-enforcement and to the leadership's political will instead of the promotion of the governance (CN) system and capacity. The interviewees' stance can be partly explained by one responder's opinion on Xi's governance and anti-corruption reforms: 'the thing [governance] that Xi presented is very good, but like what we just discussed, you have to act appropriately to the situation, and the key now is strength of [law and regulation] enforcement. Otherwise, it is just words on a paper, without enforcement' (Entrepreneur no. 49, December 2016).

It is reasonable for respondents to consider the leadership's political will and hyper-enforcement in the anti-corruption domain as contributing most to the efficacy of the war on corruption. This is because, ostensibly at least, the strong political will of President Xi and the central leadership, and the top-down pressure created, is the direct cause of the increased numbers of officials investigated and/or convicted for corruption. For example, as the 'king' of the central political and Law committee, Zhou Yongkang himself was not only invincible but also acted as a protective 'umbrella' to shield his allies from investigation. The previous situation was different from Xi's administration in that while any clues to wrongdoing could lead to an investigation, even when there were upright and fearless agents who dared to conduct secret investigations into 'tigers', it would end in nothing, because the agents' superiors may also be 'tigers'.

However, it is worth pointing out that there are other factors, which if taken into consideration by interviewees would prompt them to revise their views of the causes of an increasingly effective war on corruption. For example, newly designed institutions and regulations, as well as personnel management and performance assessment that specifically targets reducing opportunities for corruption and preventing future corruption, elements vital for building a government with integrity. From my perspective, interviewees who hold the opinion that the current anti-corruption is irrelevant to the promotion of governance (CN) might be assuming that 'anti-corruption' refers simply to professional agencies actively investigating clues and bringing offenders to trial, instead of including both active investigation and the building of corruption-prevention systems under the heading of 'anti-corruption'. This argument is

further developed in the next chapter.

Summary

This chapter presents parts of the data collected in my fieldwork in the context of the reforms introduced in the field of anti-corruption after Xi's assumption of the office. I began by discussing the newly issued and revised regulations that mainly pertained to the war on corruption, including *An Eight-Point Regulation to Cut Bureaucracy and Maintain Close Ties with the People*, that has been considered as the first step to strictly governing the party and as a strike on 'four winds'; *The Standards of Honesty and Self-discipline of the CPC*, which have set moral standards for CPC members, and *The Regulation of the CPC on Disciplinary Actions*, which has underlined disciplinary bottom lines for CPC members; *The Accountability Regulations of the CPC*, which further strengthen the party cadres' accountability; *The Regulation on the Selection and Appointment of the Party and Government Leaders*, *Opinions on Strengthening the Superintendence of Cadre Selection and Appointment*, and *Opinions on Preventing the Promotion of 'Sick' Cadres*, which emphasise stricter cadre management; and the *Code of Conduct for Intraparty Political Life under New Circumstances* and *Regulations of the CPC on Internal Oversight* which stress comprehensively and strictly governing the party. The second subsection of the chapter explained the main changes in the Chinese anti-corruption agencies between 2012 and 2017, including the restructuring of the CCDI and the GBAEB in relation to anti-corruption resource integration, and the establishment of the New Supervision Committee institution and its pilot programmes in Beijing, Shanxi, and Zhejiang. The third subsection presented officials' views on the reform of regulations and organisations related to anti-corruption, demonstrating that bureaucratic insiders view Xi's lead on anti-corruption as resulting in stricter enforcement of laws and regulations, thus caused stronger supervision and more accountability – which would be almost impossible to achieve with individual laws and regulations, or even with institutional reform.

The second section of the chapter presented how interviewees perceived Xi's anti-corruption efforts and considered how this relates to the implementation of

new governance (CN). The vast majority of interviewees expressed support for Xi's war on corruption, and most of them satisfied were with the results. They gave four reasons for Xi's enhancement of anti-corruption enforcement: power concentration, sincere motivations and 'authentic' anti-corruption, subordinates following the good examples of their superiors, and technological progress with civil engagement. However, although 88% of interviewees believed that the promotion of governance (CN) in Shenzhen had more or less improved one or more governance elements that could contribute to the war on corruption, nine out of twelve (75%) respondents answered in the negative when asked whether they think the deployment of governance has directly affected the current anti-corruption efforts. In the next chapter, I put this finding in the context of other factors such as redesigned anti-corruption institutions and regulations, which show the causes of more effective anti-corruption in China in a different light.

Chapter Seven: anti-corruption reforms in Xi's era

Introduction

In Chapters Five and Six, through analysis of political documents and regulations, and fieldwork data gathered mainly in Shenzhen, I presented interviewees' opinions on several issues that relating to anti-corruption before and after President Xi Jinping assumed the office and carried out governance (CN) reforms, such as the reasons why Xi's 'war on corruption' is considered more effective than that of his predecessor. However, there remains the paradox that while 88% of the total respondents believed that the promotion of governance (CN) in Shenzhen improved one or more governance elements that could contribute to anti-corruption, when directly asked for their views on whether the implementation of governance (CN) has made a positive contribution to anti-corruption, three-fourths (9 out of 12) of the interviewees answered in the negative. This chapter will seek to explain this paradox from an etic perspective, in discussing the relationship between governance (CN) reform and the war on corruption.

In the past two decades of anti-corruption programming by international organisations, such as the World Bank (WB 2000), the IMF (1997), the OECD (2018) and the ICG (2012), they consider that the key to tackling corruption is improvements in governance. It is focused on increasing 'public accountability and transparency through to strengthening the rule of law' as well as 'increased civil society participation' (Hough 2013, p. 7). Some scholars also argue that corruption can be tackled by the adoption of 'governance' reforms (Abdellatif 2003; Huffer 2005; Kolstad and Wiig 2009; Bertot, Jaeger and Grimes 2010), for it contains the appropriate technical ingredients to address the issue, such as 'improving political accountability, strengthening civil society, promoting competition via markets and the private sector, imposing institutional restraints on power and reforming public sector management' (Andersson and Heywood 2009, p. 751). Although governance (CN) implemented in China is not equivalent to forms of governance in the West (such as the 'policy networks'

described by Rhodes (1996, 2000)), in this chapter, I argue that China's political and administrative rules were reforming, during Xi's promotion of governance (CN) reform. I also argue that control over corruption, especially in Shenzhen, has consequently been strengthened, based on my analysis of secondary literature and the personal perceptions of interviewees who had experienced the current leadership's administration.

In the following pages, I will outline the relationship between governance (CN) reform and Xi's war on corruption by interpreting government documents, secondary literature, and interviewees' narratives. The first section briefly reviews trends in anti-corruption before 2013 and the institutional design defects that have undermined the efficacy of anti-corruption measures. The second section will describe how governance has improved the efficacy of anti-corruption in Shenzhen, focusing on China's institutional design reforms that originated in Xi's governance (CN) promotion. I reason in the third section that governance and the war on corruption have mutually benefited from each other's implementation in China, manifesting in more effective anti-corruption and better governance practice. Section four indicates limitations in the current governance (CN) system that could reduce anti-corruption efficacy. The chapter concludes that the adoption of governance (CN) in China has led to reforms in organisational structure, the design and enforcement of laws and regulations, personnel management, public sector operational approaches, performance assessment, supervision, accountability and civil engagement; and that Shenzhen's control over corruption has been strengthening partly due to such changes.

7.1 Anti-corruption before 2013

From the reform and opening-up period, until President Xi Jinping took office and began his war on corruption in early 2013, decades of anti-corruption took a controversial form – routine anti-corruption exercises mainly operated by the CPC's Central Commission for Discipline Inspection (CCDI), the Ministry of Supervision (MOS), and the General Bureau of Anti-Embezzlement and Bribery of the Supreme People's Procuratorate (GBAEB), and periodic campaign-style

anti-corruption with ‘burst[s] of hyper enforcement’ (Wedeman 2005), which were more frequent in China than in other countries (Manion 2015).

Some Chinese observers claim that ‘strike hard’¹⁶³ campaigns can prevent corruption spreading out of control, since after each campaign the CCDI and the Supreme People's Procuratorate (SPP) produce compelling reports, evidencing a dramatic increase in the number of officials arrested and convicted for corruption (Wedeman 2005): an effective deterrence from corruption. Others argue that corruption is unlikely to be deterred or controlled by such intermittent spectacle, and that campaigns have merely suppressed corrupt activities to a tolerable level (Wu and Zhu 2011; Manion 2015) – otherwise corruption would not remain rampant (Gong and Wu 2012; Wedeman 2015). Pointing out the intensification of corruption in China, Wedeman (2005) remarks that even anti-corruption campaigns are likely to deter ‘fries’,¹⁶⁴ but not ‘tigers’¹⁶⁵ who engage in high-stakes corruption; in fact, campaigns could even ‘encourage inflation of the size of bribes’ (p.95). In reforming the previous anti-corruption system, over 440 ‘tigers’ were investigated during the first term¹⁶⁶ of President Xi (CD 2017b), 6.6 times¹⁶⁷ more than in the second term¹⁶⁸ of the former President Hu.

Why do the previous anti-corruption exercises seem less effective than those of today? An official narrative from the 2012 CCDI annual work report, presented by then CCDI secretary He Guoqiang, points out that ‘the current battle on corruption in China is situated in an extremely complex international environment, and historical conditions such that the domestic economic system, the social structure, benefit structure and people’s ideology are undergoing profound changes. Our institutional mechanisms are imperfect in many aspects, the influence of decadent ideas still exist, the breeding ground of corruption is difficult to remove in a short time, and ... the anti-corruption struggle is facing many new situations and new problems’ (He 2012). While the CCDI points at the increasingly complex environment as the culprit causing endemic corruption, some observers argue that the genesis of rampant corruption in China lies its

¹⁶³ 严打, *yan da*, typically means a short period of severe crackdown on crimes in the Chinese context.

¹⁶⁴ Low-level officials.

¹⁶⁵ Centrally-administrated senior officials at vice-ministerial level and above.

¹⁶⁶ The 18th National Congress of the Communist Party of China, from 2012 to 2017.

¹⁶⁷ Calculated from two official reports: Xin (2017) and Zheng (2017).

¹⁶⁸ The 17th National Congress of the Communist Party of China, from 2007 to 2012.

institutional design (Manion 1996; Pei 1999; Yang 2005; Johnston 2005; Chan and Gao 2008; Gong 2008; Gong and Wu 2012; Manion 2015), which not only provides fertile soil for officials' wrongdoings but also restrains anti-corruption efforts.

Researching corruption in the Chinese context, Manion (1996) and Yang (2005) have described how the institutional design of China's administration has created a deliberately opaque system, which produced an asymmetric information game between insiders (public service providers and their relatives) and outsiders (people who seek government resources), and corruption functions as an equilibrium solution in such games when an outsider pursues 'a standard good that is not in fixed supply' (Manion 1996, p. 168), such as applying for business licenses in China. Manion (ibid.) suggested that any attempts to substantially reduce corruption would be in vain without significant changes in institutional design to eliminate corrupt equilibria.

The institutional design of dual leadership and ambiguity of authority and responsibility in China's bureaucratic system might undermine anti-corruption efficacy further. When quoting the words of Chen Yun, a late top-level CPC leader – 'If we fight corruption too little, it will destroy the country, but if we fight it too much, it will destroy the Party',¹⁶⁹ Pei (1999) contends that the endemic corruption in China is mainly caused by a 'dysfunctional fiscal system and weak institutions of political accountability' (p. 100), which on the one hand creates a comfortable environment for cadres to exercise excessive discretionary power, and on the other hand chronically reduces the Party-state's self-regulating ability. For example, the institutional design of provincial and lower-level discipline inspection committees (DICs) were subject both to higher-level DICs and to party committees at the same level, which has made supervision of the party first-in-command virtually impossible, while giving a party leader fairly unrestricted power to shield his network (Gong 2008; Manion 2015). Since no anti-corruption agency could initiate a corruption investigation 'unless the Party committee at the pertinent level gives its approval' (Chan and Gao 2008, p. 115), the party leader's 'unchallenged power' certainly 'undermines the authority of

¹⁶⁹ See Dickson (2016, p. 90).

the judiciary and limits its effectiveness' (Pei 1999, p. 102) – thus, 'the Chinese leadership's efforts against corruption are doomed to fail' (Ibid), without authentic independent anti-corruption agencies and genuine social supervision being established.

In addition, the institutional design of target-based responsibility system, combined with the unified cadre personnel management system, is also liable to weaken anti-corruption efforts. Examining the function of a county government in the west China, Chan and Gao (2008) found that the target-based responsibility system, which was designed to build an 'upright Party style and clean government', was unable to effectively control corruption. This is because the target-based responsibility system that largely influences the official evaluation system, merely focused on accomplishing policy goals, especially increasing the ratio of GDP. In the unified cadre personnel management system, by which a higher-level official is entirely in control a lower-level official's promotion, subordinates are under pressure to follow superiors' directives even if these include activities that are illegal or against formal regulations. For example, the illegal land expropriations and housing demolitions that have already generated abundant corruption cases, and tragedies such as Yihuang's self-immolation case in 2010.¹⁷⁰ Thus, competent officials, even those corrupted, could be shielded or even promoted by their superiors, as the pertinent level DIC or procuratorate were unable to initiate an investigation without the party committee's agreement (ibid., p. 113). In this context, not only could officials not be held accountable and strictly supervised, but also party committees at all levels could form various protective 'umbrellas' or collective corruption activities, which significantly weakens anti-corruption efficacy. Take, for example, the case of the former secretary of Huazhou DIC Chen Chongguang, and the former chairman of the Guangdong provincial people's political consultative conference Zhu Mingguo.¹⁷¹

Moreover, some laws and regulations, which were designed to regulate officials' behaviours and to build a clean government, can fail to achieve their original

¹⁷⁰ For details, see: <https://globalvoices.org/2010/09/21/china-yihuang-self-immolation-incident-and-the-power-of-microblogging/> (last accessed 09 May 2018)

¹⁷¹ Chen Chongguang bribed and protected Zhu Mingguo. For details, see: <http://www.zaobao.com.sg/wencui/politics/story20170104-709597> (last accessed 23 March 2018).

purposes and can be used for officials' private gain. According to Lu (1999) and Quade (2007), since the late 1970s, China has more specially trained anti-corruption forces armed with plentiful 'anti-corruption and good governance laws and regulations' (Lu 1999, p. 362). However, corruption became more intense in the following decades, in spite of the CPC, the government, and the NPC issuing and reiterating laws and regulations annually, as well as launching periodic anti-corruption campaigns. This situation partly results from the faults in institutional design given above, and partly from a lack of rigour in drafting laws and regulations, which allow officials either to disregard them or 'utilize laws and rules to their own advantage, in effect subverting them' with their discretionary power (ibid., p. 364). A DIC official commented during his interview that:

There were quite a lot of regulations in the past, but it is not as precise as the 'eight-point regulation', which will inform you that you cannot distribute gifts [to staff] during festivals or you cannot do other things, it is very specific. I think many things are like, if it were not specific, if generalised, it wouldn't be well implemented... There were many regulations in the past... I remember it very well, people could not seal the mouth [for dining and wining using public funds] no matter how many regulations issued.

(Official no. 2, February 2017)

This is an example of how laws and regulations designed to combat corruption have in the past been undermined or even utilised for officials' self-interest due to lack of specificity.

Furthermore, the design of the CPC's anti-corruption agency's operational approach—双规 (*Shuanggui*, double regulation¹⁷²) has undermined the juridical authority of law in China (Zou 2000, p. 338), weakening the deterrent force of legislation and reducing effects on the battle against corruption. As mentioned in previous chapters, the CPC's intraparty discipline inspection committee, unlike that of other parties and countries, is the leading anti-corruption agency in China. Due to its special institutional status, the CCDI and its subordinate DICs have been vested with a unique operational approach: 'double regulation',

¹⁷² Because the CCDI and the Ministry of Supervision operate as one organisation with two state organ names, 'double regulation' for CPC cadres also signifies 'double stipulate' (两指) for Chinese officials who are not affiliated with the CPC.

which allows the CCDI and DICs to exercise extra-judicial detention and investigation of CPC cadres suspected of wrongdoing (Backer and Wang 2014). If a suspect is found guilty of violating party regulations, he will be punished by the CPC; if a suspect has violated both party regulations and the law, then procuratorates can assume control of the case, if DICs decided to hand over the file. However, the problem of 'double regulation' lies in its 'informal but compulsory detention of alleged officials at a stipulated time and place for investigation' (Gong 2008, p. 148), which indicates that the DICs' detention is not legally empowered. Nevertheless, even the detention is extra-judicial, according to Article 3 of the *Directive on case-inspection work for party discipline and inspection organs* (issued 1994), the exercise of 'double regulation' cannot be intervened in by any state organs, NGOs, or individuals. Although 'double regulation' has achieved some success over decades of implementation in China, without rigorous legal procedures and coordinated oversight, it has been criticised as an 'abusive and illegal detention system'¹⁷³ that could easily be used as a weapon to target political rivals or as a means of self-protection (Sang, cited in Hu, 2013), unless all cadres in all DICs are clean and honest. Therefore, the design of the CCDI and DICs' operational approaches are capable not only of trampling on the procedural justice of criminal judicature, but also of decreasing the efficacy of anti-corruption measures.

The absence of anti-corruption civic engagement in institutional design is also an issue in the Party-state's endeavour to fight corruption. With a strong and stable government, the design of war on corruption in China was constantly mismatched between public agencies and civil actors, and activists in Chinese society have long been whistle-blowers in the battle against corruption. According to Wedeman (2005), even during anti-corruption campaigns, the public was mobilised only to report suspects or signs of corruption, with the rest dealt with by professional agencies. Thus, civil actors made no effort to undertake a joint planning and decision-making process with anti-corruption agencies that may contribute to corruption prevention. Although civil actors

¹⁷³ Sophie Richardson, China Director at Human Rights Watch. For details, see: <https://www.hrw.org/news/2016/12/06/china-secretive-detention-system-mars-anti-corruption-campaign> (last accessed 23 March 2018).

were openly encouraged by laws and regulations to exercise social supervision of government organs, state-owned enterprises, and institutions, there was no significant effect – presumably due to the media and press censorship that would block any unauthorised report related to scandals in the bureaucracy. While social supervision was limited, and civic engagement was confined to impeachment, it would seem that the public could contribute little to anti-corruption. However, some statistics indicate that a large proportion of corruption cases filed were originally reported by the public. For instance, Sun argues that around ‘80% corruption cases are first reported by whistle-blowers or victims of corruption’ (2005, as cited in Deng, Zhang and Leverentz 2010, p. 83), while the *People’s Daily* reports that approximately 70% of cases filed by all levels of the procuratorate based on information from members of the public (Su 2010), and a prosecutor told me that about 60% of cases filed in Shenzhen are impeached by the public (Official no. 15, January 2017). This demonstrates that the public could dedicate enormous support to anti-corruption, and that redressing the balance of civic engagement in the battle against corruption could have positive outcomes.

7.2 Anti-corruption efficacy improving through the implementation of governance (CN)

7.2.1 Anti-corruption reform in Xi’s era

From the perspective of the mainstream Chinese media and academia (CCDI 2014a; Wang 2014b; Zhou 2014; Li and He 2015; Xu 2015; CD 2017b; Hua 2017; Yi 2017; Zhu 2017; Zhu 2017a; Zhang et al., 2017; Wu 2017; Wang et al., 2018), it is generally acknowledged, that the war on corruption after the 18th CPC National Congress has, ostensibly at least, entered a new era under President Xi’s leadership. A large number of anti-corruption and ‘building clean government’ educational regulations have been issued, as well as books such as *New integrity building regulations since 18th party congress of the CPC*, and a large number of people have been imprisoned for corruption. For example, as announced by *People’s Daily Online*, between the end of 2012 and March 2018 over 1.5 million offenders were disciplined for corruption, 440 of those being ‘tigers’ (Wang 2018a). Unprecedentedly, a former politburo standing

committee member has been arrested, a strong indication that since early 2013 the war on corruption is no longer merely a series of propagandistic campaigns that mainly target low-level officials, or senior officials involved in power struggles (Barboza 2009).

To other analysts, however, Xi's ongoing war on corruption remains suspect as a cloak for power centralisation and political struggle. For example, Lam (2015) argues that Xi's war on corruption might serve as a vehicle for intra-party power struggles comparable to those in Mao's cultural revolution, and Brown (2015) alleges that the Chinese people may already 'view the whole anti-corruption campaign as something very much like a political purge', merely a 'modern witch hunt' related to a grotesque loyalty campaign (Brown, cited in Shi, 2014). Moreover, it is difficult to dispel the idea that 'Xi's anti-corruption drive is a political purge', since even a rapid media response¹⁷⁴ to the verdict of Bo Xilai¹⁷⁵, one of the major figures in Xi's tiger hunt, served as evidence for Pei (2013) of Xi's political motivations for anti-corruption.

Although there are different views on Xi's 'Always on the Road'¹⁷⁶ war on corruption, and the political purge theory can seem plausible, some keen observers such as Wedeman (2014; 2017a; 2017b) and Manion (2016) have argued that the ongoing anti-corruption struggle has manifested some differences from the previous campaigns led by Xi's predecessors. It has been the longest and most intensive anti-corruption drive since China's reform and opening-up (Wedeman 2014), and it has risen above one of the hidden rules in Chinese bureaucracy: that politburo standing committee members are exempt from criminal investigation¹⁷⁷ (Lam, as cited in Jiang, 2014). So, apart from the conventional approaches to cracking down on corruption, such as intensified internal supervision, mobilise the public to report corruption, as well as inducing

¹⁷⁴ Pei (2013) claims that 'the official news agency, *Xinhua*, reported the verdict roughly 40 seconds before the court released it via its Weibo'. However, my research on the Weibo of Jinan Intermediate People's Court and *Xinhua* found that posting on Weibo is calculated only by the minute, not by the second; and that the court publicised the full judgment at 10:28, 22 September 2013, with *Xinhua* giving a newsflash on the case at 10:42, and reporting in more detail at 12:27 (see appendix, photos 1-3). Pei's (2013) judgement is misleading, unless *Xinhua* removed the so-called '40 seconds earlier news'.

¹⁷⁵ Former Party Chief of Chongqing and member of the CPC Politburo.

¹⁷⁶ 'Always on the Road' is also an anti-corruption documentary produced by the Propaganda Department of the CCDI and CCTV, and broadcasted via CCTV, which is intended to warn officials and to encourage the public's faith on the CPC's war on corruption.

¹⁷⁷ 刑不上常委 Xinfushang Changwei.

corrupt officials to surrender for ‘clemency or reduced penalties’ (Wedeman 2005, p. 96), did Xi’s governance (CN) drive introduce any reforms in China’s institutional design that have significantly contributed to building a clean government and curbing the spread of corruption? The following pages analyse the new or remodelled institutions produced by Xi’s governance (CN) reform with the potential to deter and counter corruption.

7.2.1.1 Improving government transparency

Responding to the accusation of ‘corruption by design’ (Manion 1996), the Chinese government announced the slogan ‘greater transparency in the exercise of power’ and have done much to improve the transparency of the public sector. For example, the ‘Key Tasks for Government Transparency’ (KT)¹⁷⁸ was issued by the General Office of the State Council on a regular basis between 2012 and 2017. The 2012 issue of KT¹⁷⁹ advises that national financial budgeting must be disclosed annually, in addition to administrative expenditure and ‘the three public expenses’¹⁸⁰. By 2017, KT¹⁸¹ covered further requirements, including establishing a press conference system relating to environmental protection and public reporting about projects in villages and townships that are designed to alleviate poverty, including listing people currently living in poverty and those who have been lifted out of it. In addition, the 2017 KT stated that national financial expenditure and revenue should be publicised monthly; while activists are better able to monitor government spending because the content and level of government spending are disclosed.

However, without supervised implementation, laws and regulations may be merely words on paper, not necessarily making any difference in reducing corruption. In China, a country once infamous for red tape, has the implementation of government information disclosure achieved results under Xi’s administration? The majority of my interviewees approved the recent changes, despite most of them expecting even greater government

¹⁷⁸ 政务公开工作要点 Zhengwu Gongkai Yaodian.

¹⁷⁹ For details, see: http://www.gov.cn/zhengce/content/2016-09/22/content_5110756.htm (last accessed 24 March 2018).

¹⁸⁰ This category includes three types of expenditure: buying and using government cars, official overseas trips, and official receptions.

¹⁸¹ For details, see: http://www.gov.cn/zhengce/content/2017-03/23/content_5179996.htm (last accessed 24 March 2018).

transparency. For instance, one official commented that ‘about the transparency of public affairs, we used to have a lot of privileges, but all these privileges have faded away gradually’ (Official no. 8, January 2017). Another official praised the fact that ‘government affairs are all publicised, and it’s one-stop service, which helps the public to continually reduce the cost of service, reduce their travelling times, or even don’t need to [come to the government]... Many things can be done online nowadays’, and that ‘all power has been made public, we are providing services according to the list... which is called a list of responsibilities... Every job, according to your regulations, to fulfil your duty, every matter has been made transparent’ (Official no. 9, December 2016).

While the interviewees who work in public sector could well have reasons for exaggerating the benefits of the government’s actions, businesspeople directly affected by government information disclosure also consider President Xi’s administration in Shenzhen to be more transparent than before. For instance, an entrepreneur who runs an alcohol business told me during an interview that ‘now every place has one organization, or a centre, which has comparatively transparent windows for public service, it is much better than before’ (Entrepreneur no. 38, February 2017). My relatives’ experience confirmed that the one-stop service hall integrated the services of multiple public departments, with free beverages provided in the lounge (see photo 6.5 in Chapter 6), a fundamentally different experience compared with another interviewee’s previous experiences when dealing with the public sector:

When I deal with tax bureau in the past, [they will] throw out your files even for one tiny mistake, without telling you the reason. You need to check it by yourself, they wouldn’t tell you how to correct it. But now is totally different. They [officials] will write you a note about which points you made mistakes and which department you need to go to, or through which way can you solve the problem, they will write you a paper. So I feel, that’s humanised, which totally different [from before].

(Entrepreneur no. 46, December 2016)

Under Xi’s governance (CN) reforms, not only had government transparency improved but also government officials’ attitudes to service delivery had changed, according to the majority of people in Shenzhen that were interviewed for this study. However, it is important to point out that although positive aspects

have become more prominent in the current administration, negative aspects remain visible. An entrepreneur who operates an import and export business told me:

But from personal contact, the thing [gift or money] you should give [to officials], you still have to give, and still cannot be reduced, that is a must-have. This is in a society like China, I am not familiar with foreign countries, [but in] Chinese society [we] must, must have to give [gifts or money].

(Entrepreneur no. 40, January 2017)

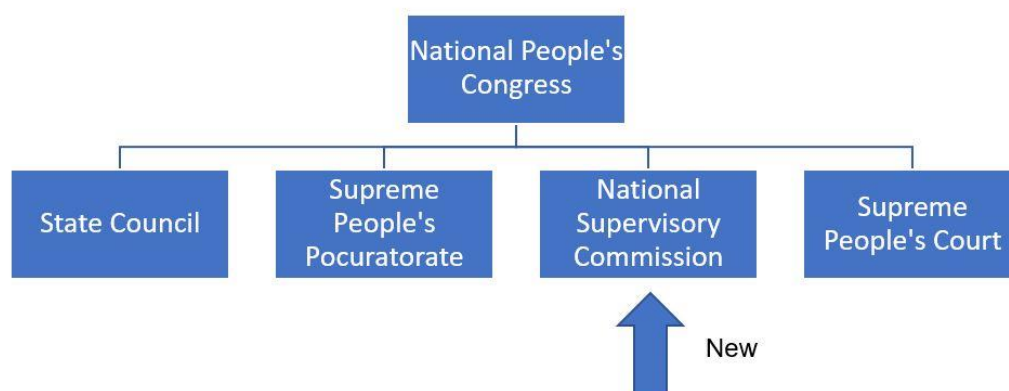
In casual conversations with some other interviewees, I heard similar testimonies that corruption, such as bribery, still exist in the bureaucracy. However, the improvement of government transparency was apparent both in the government's sustained efforts and in interviewees' experiences, revealing that the 'corruption by design' described by Manion (1996) is progressively being uprooted from Shenzhen's public sector, and that corruption prevention measures are being strengthened during the process.

7.2.1.2 New anti-corruption agency and institutionalised dual leadership

Anti-corruption agencies in China such as the DICs and the General Bureau of Anti-Embezzlement and Bribery (GBAEB) of the Supreme People's Procuratorate have been reformed multiple times since their establishment, as discussed in Chapters Four and Six, but the recent changes are fundamental. Since the announcement of establishing the National Supervisory Commission (NSC) during the 13th National People's Congress on March 2018, both the Ministry of Supervision and the National Bureau of Corruption Prevention have been abolished (see Graph 7.2); and their functions, together with the anti-corruption functions of the procuratorate such as the GBAEB, have been transferred to the NSC and its subordinate supervisory commissions (SCs), which operate together with the CCDI and DICs while maintaining separate identities (Xinhua 2018). These functional transformations have unified supervision and anti-corruption functions, from administrative supervision, corruption the prevention agency, and procuratorate to NSC and CCDI, integrating previously scattered anti-corruption forces and strengthening the Party-state's ability to tackle corruption.

The newly inaugurated NSC is a deputy state-level organisation, ranking in parallel with the State Council, the Supreme People's Court, and the Supreme People's Procuratorate (see Graph 7.1). The NSC has been vested with significant power in targeting duty-related crimes. According to the *Supervision Law*¹⁸² of the PRC, the NSC and the SCs are specialised organs that independently perform the supervision functions in regard to any personnel¹⁸³ wielding public power, without intervention from other administrations, social organisations, or individuals; and can investigate duty-related crime suspects and punish offenders (Wu 2018). The directors of the NSC and the SCs are elected and supervised by the people's congresses at the corresponding level, and the subordinate SCs are under the direct leadership of higher-level SCs, giving SCs more independent operating space during its investigations.

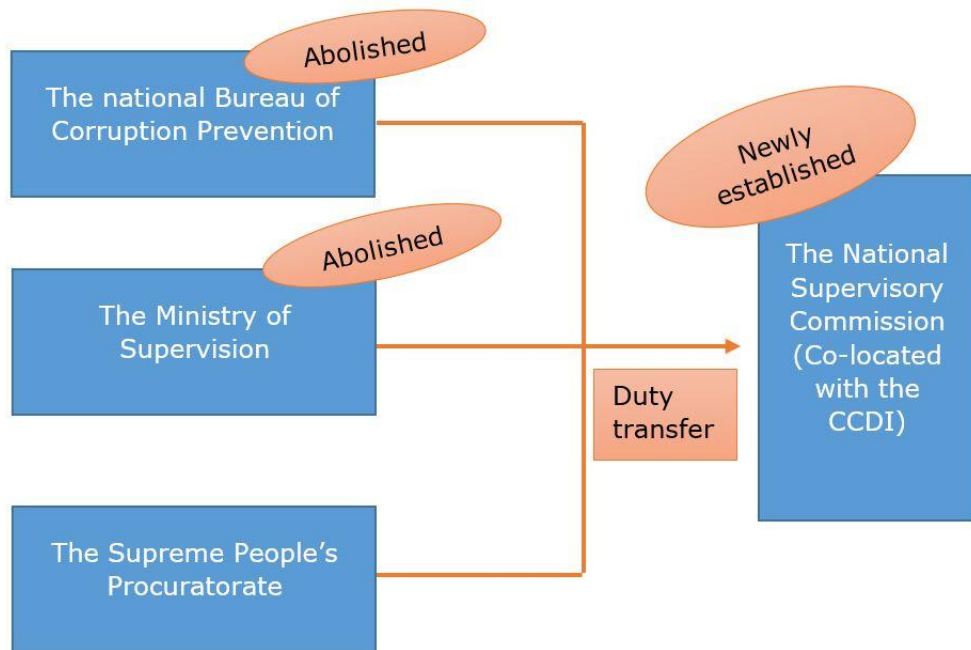
Graph 7. 1 The National Supervisory Commission's ranking.



¹⁸² Passed by the NPC on 20 March 2018, taking immediate effect. For details, see: http://www.npc.gov.cn/npc/xinwen/2018-03/21/content_2052362.htm (last accessed 13 April 2018)

¹⁸³ Thus, the NSC and the SCs can supervise not only public officials but also cadres and staff who work in 'state-owned enterprises, hospitals, educational and cultural institutions, sports organisations and even village governments and research institutes' (Ma 2018).

Graph 7. 2 The National supervisory Commission's duty sources.



However, due to the SCs being merged with the DICs and the personnel of these two agencies being mixed or overlapped,¹⁸⁴ the SCs are actually under the dual leadership of both the higher-level and the party committee at the same level. But according to the definition of Article 10 of the *Supervision Law* (CCDI 2018), the institutionalised dual leadership has guaranteed that the lower-level SCs are mainly led by the higher-level SCs during duty-related crime investigations, and the lower-level SCs must report clues and case investigation information to the higher-level SCs, while reporting to the party committee at the same level. The dual leadership arrangement emphasised in the *Supervision Law* definition help SCs to reduce administrative interference during case investigations – interventions motivated by local protectionism in cases with large interests, for example. With higher-level support, the lower-level SCs can monitor and investigate the first-in-command of the party committee at its same level, removing the problem of the difficulty of supervising the party's first-in-command leaders, as described by Gong (2008) and Manion (2015). Moreover, *Opinions on Strengthening Supervision of First-in-command Leaders of Party Organizations at All Levels*¹⁸⁵ was issued by the Guangdong

¹⁸⁴ For example, the director of the NSC, Yang Xiaodu, is also the deputy secretary of the CCDI.

¹⁸⁵ For details, see: http://www.ccdi.gov.cn/yaowen/201807/t20180710_175361.html (last assessed 12 August 201

Provincial CPC Party Committee in July 2018 as a response to the establishment of the national supervisory system. As its title suggests, this aimed to enhance the supervision of first-in-command leaders and was a significant move toward restricting the power of these leaders in the judiciary and local administration. According to Ren (2019), the number of officials under supervision increased from 181,500 to 236,000 following the establishment of the Shenzhen Municipal Supervisory Commission. Furthermore, evidence that there is a more comprehensive supervisory arrangement is provided by the fact that the Shenzhen SCs' inspections extend downward to the community level (Ren 2019). Therefore, we can expect to see more effective supervision and anti-corruption efforts in future, if the NSC and SCs operate as these new regulations describe.

7.2.1.3 Reforming the target-based responsibility system with a more unified cadre personnel management system

The target-based responsibility system, which has mainly relied on GDP growth rate as the core assessment of officials' performance and thus is linked to their promotion, is reforming to address the deteriorating environment in China (Wildau 2014), especially after the notorious Beijing smog crisis of winter 2011. After implementing reforms such as replacing GDP growth with measures of environmental protection and poverty reduction in some small cities (ibid.), in 2016 the General Office of the State Council and the Central Committee of CPC issued *Measures for Assessment and Evaluating the Objectives of Ecological Civilisation Construction* to steer the overall official assessment system. Following the step of the central government, ministries such as the National Development and Reform Commission, the State Statistical Bureau, the Ministry of Environmental Protection, and the Central Organization Department of CPC Central Committee (COD) have enacted the *Green Development Indicator System*¹⁸⁶ and the *Assessment Objectives System for the Ecological Civilization Construction*¹⁸⁷ to further dispense with GDP-based assessment.

8).

¹⁸⁶ The *Green Development Indicator System* includes 7 aspects and 56 evaluation indexes. For details, see: <https://www.gov.cn/xinwen/2016-12/23/5151575/files/72d0685c67a74e2b844629917707e652.pdf> (last accessed 14 April 2018).

¹⁸⁷ For details, see: <https://www.gov.cn/xinwen/2016-12/23/5151575/files/29be703efc974c1381fbc641a6d6524b.pdf> (last accessed 12 August 2018).

For example, in assessments under the *Green Development Indicator System*, resource utilisation is weighted at 29.3%, environmental governance accounts for 16.5%, environmental quality 19.3%, ecological protection 16.5%, growth quality 9.2%, and ‘green living’ for 9.2% (FGHZ 2016). Thus, among these assessment categories, GDP growth quality (9.2%) is now weighted at less than half of environmental quality (19.3%) and resource utilisation (29.3%). If these ‘green’ assessment indicators can be properly enforced, local government’s GDP-oriented goals might increasingly turn to the development of environmental quality and environmental conservation.

Dropping the emphasis on GDP growth in officials’ performance assessment can greatly reduce opportunities for corruption during economic development, especially for first-in-command officials who can, in a powerful government, control a tremendous amount public resources and be targeted for rent-seeking and favour exchange. For example, local officials might turn down bribes from heavy polluters¹⁸⁸ – previously potential GDP and job growth incentives – and replace these ‘dirty’ industries with high-tech and pollution-free enterprises, for the sake of their performance assessments. The city Shenzhen, for instance, has planned to transfer out over 10,000 high-pollution and high-energy-consumption enterprises by 2015 (Wu 2011), and to keep pushing for industry transformation and upgrading (GOSMPG 2015), in the context of the government’s strategic plan, *Made in China 2025* (issued in May 2015). These moves are motivated by the central government, with direct impact on the career trajectories of local leading cadres.

The State Administration of Civil Service was abolished and its functions were transferred to the COD¹⁸⁹ as part of the design for a more unified cadre personnel management system. Together with more robust surveillance and increasing government transparency, these measures reduce the opportunities for corruption and provide a stronger deterrent for officials who might consider engaging in corrupt practices. The new unified cadre personnel management system limits the number of ‘key few’ officials involved in personnel

¹⁸⁸ See for example the case of the former director of the Environmental Protection Bureau in Guangdong province, Li Qing’: <https://www.caixinglobal.com/2017-06-30/101108127.html> (last accessed 15 April 2018).

¹⁸⁹ For details, see: <http://china.huanqiu.com/article/2018-03/11682919.html>.

management and thus reduces the number of people in the hierarchy. When new officials are affiliated to the COD, they are subject to *Reporting Personal Matters by the Leading Cadres*,¹⁹⁰ which demands that their personal details are reported in detail; this covers their marital status, the property that their children own and business investments, as well as any savings they may have in overseas accounts. The enforcement of this was confirmed by an interviewee, who advised that her brother-in-law was a cadre in a state-owned company and had been in serious trouble for alleged failure to honestly report his personal matters. In this case, the 'failure to declare' centred on personal links to a company that had closed but not cancelled its official registration; this firm had been previously run by a former colleague of his wife and was partly registered under his wife's name (Entrepreneur no. 35, February 2017). More than 120,000 cadres have been formally reprimanded for falsely reporting similar personal matters since Xi's anti-corruption measures were instigated. In addition, 11,000 cadres' promotions have been either cancelled or suspended and Han (2017) advises that the former vice-governor of Jiangxi Province, Yao Mugen was among the 609 that have been suspended and investigated by the procuratorate. This provides strong evidence that the increasing control and surveillance of officials in China has proved a considerable deterrent to corruption.

Of course, it is possible that the reforming of the target-based responsibility system and the introduction of a more unified cadre personnel management system could result in new problems, such as falsified environmental protection statistics, and create new opportunities for corruption, such as the ongoing investigation on the Sanwei group in Shanxi province.¹⁹¹ However, according to the current anti-corruption situation and the personal narratives of interviewees elucidated in Chapter Six, the redesigned system of responsibility and personnel management does, to some extent, help to reduce opportunities for corruption, deter wrongdoing by officials, and enhance corruption prevention measures.

¹⁹⁰ For details of *Reporting Personal Matters by the Leading Cadres* (2010 version), see: <http://unpan1.un.org/intra/doc/groups/public/documents/apcity/unpan047885.pdf> (last accessed 15 April 2018).

¹⁹¹ For details of the case, please see news report from the China Central Television: <http://news.cctv.com/2018/04/17/ARTI7luoetIQvRYQxSyIOVHS180417.shtml> (last accessed 18 April 2018)

7.2.1.4 More rigorously designed and implemented regulations targeting corruption

Since Xi came to power in November 2012, as discussed in the previous chapter, over 50 new or revised regulations directly targeting on corruption have been issued, such as the *Eight-point regulation* disseminated in December 2012. These new and revised regulations are more precise compared with those previous, as a DIC official described: 'the current regulations are more specific, more comprehensive, it applied to every aspect... It made it clear what cannot be done in which circumstance, there are clear rules' (Official no. 2, February 2017). For example, the *Eight-point regulation* decrees that unless arranged by the CPC central committee, an official in leader position cannot publish any books by themselves, issue any congratulatory letters, or calligraphic inscriptions with their titles. This intends to stamp out the practice of entrepreneurs purchasing, at high prices, large number of books or calligraphic inscriptions from political leaders, in order to store up Renqing (reciprocal favours) for future needs. It was very common in the past for entrepreneurs to ask for leaders' calligraphy, sending in return a red envelope¹⁹² or other gifts as payment – since buying books and calligraphy from CPC/government leaders was not a violation of the law (Guo 2014).

The current implementation of anti-corruption regulations is also considered more rigorous when compared with previous exercises. For example, after the reform of supervisory system, Shenzhen municipal supervisory commission (SMSC) drafted and implemented a new "1+14" system, that connects SMSC with law enforcement agencies, such as public security organs, procuratorial organs and judicial organs (SMN 2019). In this new system, according to a report by SMSC, every case transferred by the SMSC to other agencies is 'borne out by ironclad evidence'¹⁹³: not a single case involved in 'missing criminal activities',¹⁹⁴ 'missed penalty'¹⁹⁵ or 'illegal evidence was excluded'¹⁹⁶ (Ibid.). A former DIC official commented that the current anti-corruption

¹⁹² A red paper envelope containing cash or a stored-value card.

¹⁹³ 铁案

¹⁹⁴ 漏罪

¹⁹⁵ 漏罚

¹⁹⁶ 非法证据被排除

enforcement is more effective and has strengthened the people's faith in government leadership:

[In the past] we in the anti-corruption domain, on the face of it, it [corruption] has always been tightly controlled, [what we said] has always been right. But in the dimension of enforcement, technically it's not working, especially before Xi [assumed office]... I felt that this social environment, the circumstances, was really severe... I felt the people cannot see any hope, if this situation continues, I felt [we were] losing faith, to the stability of the regime, the stability of the nation, [and] the economic development, [I felt] losing faith. The [anti-corruption] actions in recent years, I would say it has had a great influence on the people. Now the key point is, not only [we] say it [anti-corruption] is important, the current enforcement [of anti-corruption regulation] is playing hardball. Tackling [the problem] one by one, [has] made a great influence. Although it looks like handling the problems starting from small things, such as the eight-point regulation and so on... I felt it is effective, really effective... From the cases investigated in recent years, I really see that, no matter which level of the hierarchy the cadres are in, they all could be punished.

(Official no. 1, February 2017)

Although this former DIC official and some of my other interviewees were concerned about Xi's anti-corruption endeavour, with other observers questioning whether Xi's battle on corruption is a 'political witch hunt' (Zhang, as cited in Wedeman, 2017a, p. 38), in general my interviewees paid more attention to how long this 'storm' of anti-corruption would last and whether the 'strike hard' style of anti-corruption could be institutionalised, thus finally reinventing China's political ecology. Under Xi's administration, anti-corruption regulations are now being designed and enforced more precisely, building the CPC's self-cleaning ability. Especially now that the two-term limit¹⁹⁷ on the presidency has been removed, President Xi may be able to institutionalise the

¹⁹⁷ The National People's Congress amended the constitution of the PRC on 11 March 2018, and the two-term limit on the presidency has been removed from the constitution, in accord with the term limit of the General Party Secretary of the CPC and the Chairman of the Central Military Commission in the three-in-one leadership system. The Party General Party Secretary is thus both the Chairman of the Central Military Commission and the President of China. The abolishment of presidency term limit has been controversial, with critical reports in the Western media such as the *Economist's* headline 'Back to the old days / Xi Jinping decides to abolish presidential term limits / Unhappiness in China is palpable' (1 March 2018). But during my fieldwork in December 2016-February 2017, over one year before the constitution amendment, some interviewees told me that they and some of their friends wished Xi could extend his term limit in order to further consolidate anti-corruption achievements.

current anti-corruption achievements and to carefully select¹⁹⁸ a successor who could carry on with corruption control.

However, as the saying goes, ‘power tends to corrupt and absolute power corrupts absolutely’ (Lord Acton, cited in Jay, 2012, p. 1). It should be pointed out that the fundamental idea underpinning anti-corruption in the Western context is incompatible with what the Chinese leadership did: remove the term limits of China’s presidency and create a model in which an ‘unelected’ President can hold the office for as long as he wishes. Some observed, as reported by *The Guardian* in 2018, that this constitutional amendment could ‘lead to increased political repression and possible infighting among party factions seeking to promote their own candidates within the closed system’ (The Guardian 2018). In the worst-case scenario, the removal of the term limits on the presidency could result in an unprecedented organised crime network in China, headed by a supreme leader of the CPC who can exchange the public interest for the personal loyalty of bureaucrats. In this scenario, China can become a failed state, where the promotion of governance (CN) would be insignificant because the entire administration would have transformed into a kleptocracy.

But as the CPC is and will be the ruling party of China for the foreseeable future, and with little chance for another challenger to appear (even backed by foreign countries such as the US), Xi’s ability to extend his presidential term limit is actually welcomed by some Chinese people. For example, during my 3-month period of fieldwork in Shenzhen – December 2016-February 2017, over one year prior to the constitutional amendment that removed the presidential term limits – more than one interviewee, in addition and to others who casually chatted with me, expressed the wish that General Secretary Xi could serve another one or two terms (another 5 to 10 years) in order to further consolidate the current anti-corruption achievements. This personal experience reveals that on the one hand, many people in Shenzhen hold a favourable view of Xi’s governance (CN) reforms and have high expectations for his administration, perhaps in part resulting from the powerful CPC propaganda system that

¹⁹⁸ Based on interviewees’ narratives, includes interviewee no 01, 03, 12, 24, 27, 29, 30, 47, 49 and 53.

portrays President Xi Jinping as a great leader; it also demonstrates that many Chinese people's attitudes towards the source of political power, the centralisation of political power, and maintenance of political power, differs from commonly held views in the West. Although the abolishment of China's presidential term limit might have a negative impact on the credit granted to Xi and his government by other countries, it may have no real negative impact on Xi's governance (CN) reforms targeting major socio-political ungovernabilities in China. After all, President¹⁹⁹ Xi Jinping occupies the other two positions of real authority in China – head of the CPC and head of the military – which have unlimited tenures.

In addition to the potential impact from the constitutional amendment, the new *Supervision Law* passed on 20 March 2018 is the first law²⁰⁰ in China that monitors not only the state administration, its civil servants and other personnel appointed by the state administrative organs, but also includes the legislature, the judiciary and personnel who wield public power in state-owned enterprises and institutions. For example, the number of officials under supervision increased from 210,000 to 997,000 after the establishment of the Beijing Municipal SC (Zhang, as cited in Li, 2018). Moreover, the sixth chapter of the *Supervision Law* comprises international anti-corruption cooperation, which has widened the legal scope of the anti-corruption battleground, and could further deter officials who believed one could escape prosecution by leaving China. Although the effects and defects of the *Supervision Law* are yet to be tested through enforcement, more rigorously designed and implemented regulations have been proven to render anti-corruption more effective.

7.2.1.5 Legalised anti-corruption operational approach

As discussed above and in the previous chapter, the main anti-corruption agencies in China (the CCDI and DICs) took the operational approach of 'double regulation', which is widely-criticised as the enforcement of 'double regulation' is extra-judicial detention that might violate Article 37 of the

¹⁹⁹ The presidency of China is a ceremonial office, see: <http://www.npc.gov.cn/npc/c505/201803/e87e5cd7c1ce46ef866f4ec8e2d709ea.shtml> (last accessed 27 August 2019)

²⁰⁰ Before the passage of the Supervision Law of the PRC, there was an Administrative Supervision Law of the PRC (expired) which monitored the government and its public servants. For details, see: <http://www.lawinfochina.com/Display.aspx?lib=law&Cgid=18134> (last accessed 16 April 2018)

amended constitution²⁰¹ of the PRC. In the newly passed *Supervision Law*, ‘double regulation’ in the CCDI and ‘double stipulation’ in the MOS have been replaced by 留置 (*Liuzhi*, retention in custody) that is legally implemented by the NSC and CCDI. Though ‘double regulation’ is merely an article in the *Investigation Regulations for the Discipline Inspection Organs of the CPC*, it could require any subject to confess in a stipulated time and place, without knowing the location or duration of the detention. The legal provisions of ‘retention in custody’ are more robust. According to Article 22 of the *Supervision Law*, detention applies only in some cases. The SC can detain officials in custody following legal procedures when they are suspected of corruption, bribery, and other serious duty violations or duty-related crimes of which SCs have obtained criminal evidence and which need further investigation. The SC can also detain those who, it has reason to believe, might leave the country, commit suicide, fabricate, conceal, or destroy evidence, or otherwise obstruct investigations. The setup, management, and supervision of places of detention must be in accordance with relevant state regulations. The duration of detention defined by the *Supervision Law* is 90 days, and can be extended for another 90 days only if the application is approved by provincial SCs. SCs must inform the suspect’s family within 24 hours of detention, except in the situation that this might cause obstructions to the investigation. Furthermore, whereas under ‘double regulation’ confessions could be made under duress, the supervision law explicitly stipulates that it is strictly prohibited to collect evidence by means of threat, seduction, deception, insult, or torture; and the whole investigation process, including interrogation and the search and seizure of property, must be video recorded. Detained suspects are guaranteed for food, rest, safety, and medical service. Finally, the *Supervision Law* also emphasises the rational arrangement of interrogation time and duration.

Although more precisely designed ‘retention in custody’ has set standards and processes for detaining suspects, to protect the legal rights and interests of suspects as well as regulating the behaviour of detention supervisors, it is still criticised as ‘a systemic threat to human rights in China’, putting people ‘at the

²⁰¹ For details of the amended constitution, see: http://www.npc.gov.cn/npc/xinwen/2018-03/22/content_2052621.htm (last accessed 17 April 2018).

mercy of a secretive and virtually unaccountable system that is above the law' through the NSC and CCDI without an external system of 'checks and balances' (Bequelin 2018). It is arguable that China's legal system and the current supervision system could indeed be criticised by international organisations, such as Amnesty International and Freedom House, for lacking human rights protection or external checks and balances (Poon 2018; Cook 2018),. Nevertheless, both the legal system and the supervision system are based on the people's congress system led by the CPC, which practises people's democratic dictatorship while itself being criticised by international organisations and media for being a one-party dictatorship, a repressive regime, and doomed to collapse – as in 'The Coming Chinese Crackup', published in the *Wall Street Journal* (Shambaugh 2015). It is not likely that the Chinese government would submit to its supervision system being monitored by international NGOs, since the CPC is always vigilant against any foreign interference in its domestic affairs. Nevertheless, the legalised 'retention in custody', as the NSC and the CCDI's new approach to anti-corruption, can reduce the possibility of it – a coercive measure – being utilised as a weapon to target political rivals, or as a shield for self-protection during law enforcement, as shown by the documentary *To Forge Iron, One Must Be Strong*.²⁰² Thus, the legalised anti-corruption operational approach can constrain investigators' discretionary power and reduce their opportunities for corruption.

7.2.1.6 Increasing forms of civil engagement in the battle against corruption

There is a certain level of consensus that in a sound civil society where strong civic engagement is possible, participation from members of the public could check and balance the public power (Merkel 1999), and promote officials' accountability and the government's function (Diamond 1999, as cited in Tang and Zhan 2008). Corruption may be more easily detected, as when most citizens 'abide by civic norms ... defection is riskier and less tempting' (Putnam,

²⁰² 打铁还需自身硬 (Datie Haixu Zishen Ying) is a documentary jointly produced by the Propaganda department of the CPC and the CCTV, and broadcasted via CCTV in 2017. See: <https://www.youtube.com/watch?v=cMYnE9dIGPs> (last accessed 19 May 2018)

Leonardi and Nanetti 1993, p. 178). In China, where the government is strong and civil society comparatively weak,²⁰³ civil engagement may be different from that in the West and anti-corruption support 'from the bottom' may be limited. For example, Wedeman (2005) finds that members of the public were merely mobilised as whistle-blowers even during anti-corruption campaigns, and 77.8%²⁰⁴ interviewees expect more anti-corruption engagement channels in an online instant survey organised by *China Youth Daily* in 2012 (Xiang 2012).

Civil engagement with anti-corruption has increased according to the proposal in the Third Plenum of the 18th CPC Central Committee that 'the participation of all sectors of the society' would be supported (CPC 2013). First, Shenzhen citizens can submit applications to become special inspectors in supervisory bodies that play a part in devising administrative supervision regulations (CCDI 2013b). Second, they can also supervise the examination of corruption-related occupational crimes in a 'people supervisor' role in the procuratorate (SPP 2016); third, they may be agency law enforcement supervisors²⁰⁵, which gives them a role whereby they supervise the way that the law is enforced in several fields including healthcare, food market regulation, production safety and labour monitoring. As mentioned in the previous chapter, these opportunities for citizens are supported by the existence of other public channels including the government's official accounts on Weibo and WeChat, where people can report corrupt officials. Moreover, in common with other regions and cities, the local procuratorate and public security bureaus in Shenzhen employ professional employees to operate their official WeChat (see Figure 6.1-4 in Chapter 6) and Weibo (see Photo 7.1) accounts. These accounts gather public opinions about services as well as having the ability to rapidly answer questions and disseminate information for the government.

²⁰³ One could argue that there is in fact no civil society in China, given that the precondition of autonomy from the state or traditional structures such as kin is rarely found in Chinese groups and associations (Heberer and Sausmikat 2005).

²⁰⁴ 10,219 interviews sampled from 31 provinces (district & city) in China (Xiang 2012).

²⁰⁵ For details, see: http://www.sz.gov.cn/cn/xxgk/zfxgjl/sldzc/szfld/gzm/jqhd/201712/t20171222_10620637.htm (last accessed 18 April 2018).

Photo 7. 1 Weibo account of Shenzhen public security bureau, which has 3,648,039 subscribers, source from: https://weibo.com/szga?refer_flag=1001030201_&is_hot=1 (last accessed 19 May 2018).



Under the CPC slogan of ‘support the participation of all sectors of the society’, the Party-state has been straightening out its ‘bottom-up’ feedback channels and mobilised more civil actors to engage in public affairs; for example, the number of registered NGOs in China increased from 547,000 in 2013 (Wang and Sun, 2017, p. 121) to 821,305 in 2018,²⁰⁶ an increase of over 50%. Now, however, despite more civil actors being able to participate in anti-corruption, the decision-making power still largely remains in the grip of the public sector – contrary to the model of governance as self-governing networks described by Rhodes (1996) and Hirst (2000). A DIC official indicated that ‘they [Western governments] put more emphasis on engagement from NGOs and citizens... That’s why I said we are not qualified as governance [by Western standards].

²⁰⁶ According to the statistics of China’s social organisation service platform: <http://www.chinanpo.gov.cn/search/searchOrgList.do?action=searchOrgList> (last accessed 18 April 2018).

Our work ethic still cannot be regarded as governance because our government is still the manager, participation from civil actors and NGOs is still insufficient' (Official no. 2, February 2017). This was confirmed by a lawyer, who addressed the fact that their frequent participation in the public sector cannot make an impact on more fundamental matters:

We can reflect [our opinions] to the Political Consultative Conference, reflect to the People's Congress, we can have proposals [sent to the consultative conference and people's congress], [we can] send our delegates... Sometimes we can staff up a few delegates in the People's Congress or the Political Consultative Conference, which is the lawyers' camp, lawyers' association. And we frequently socialise with [staff from] courts and procuratorates... These were always being well done, [we] always participate [in events] with public security organs, procuratorial organs and courts, have meeting together and social together, they are also frequently participated in ours [social and meetings]. But the thing I feel is, it is no problem for [them to accept our opinion in] common matters, but it is impossible for [changing] questions in principle.

(Lawyer no. 22, February 2017)

The narratives of interviewees 2 and 22 reveal that despite civil engagement increasing in various forms and in different domains, the Party-state is still firmly in control of decision-making, verifying that the CPC's requirement to 'strengthen leadership by the party committee' and 'give full play to the leading role of the government' has not been diverted (CPC 2013). Regarding anti-corruption, although the decision-making power is still largely unbalanced between the state and the society, civil engagement in supervising the public sector is making progress, thanks not only to government support, which seems authentic under Xi's administration, but also in diversified forms such as people supervisors and agency law enforcement supervisors. Therefore, the design of civil engagement in the *Decision* document stands to benefit the efficacy of anti-corruption.

7.2.2 The adoption of governance (CN) in China is improving Shenzhen's anti-corruption effectiveness

As discussed in Chapter Three, the social governance (CN) framework outlined in the *Decision* document was intended to 'strengthen leadership by the party committee', 'give full play to the leading role of the government', and 'support

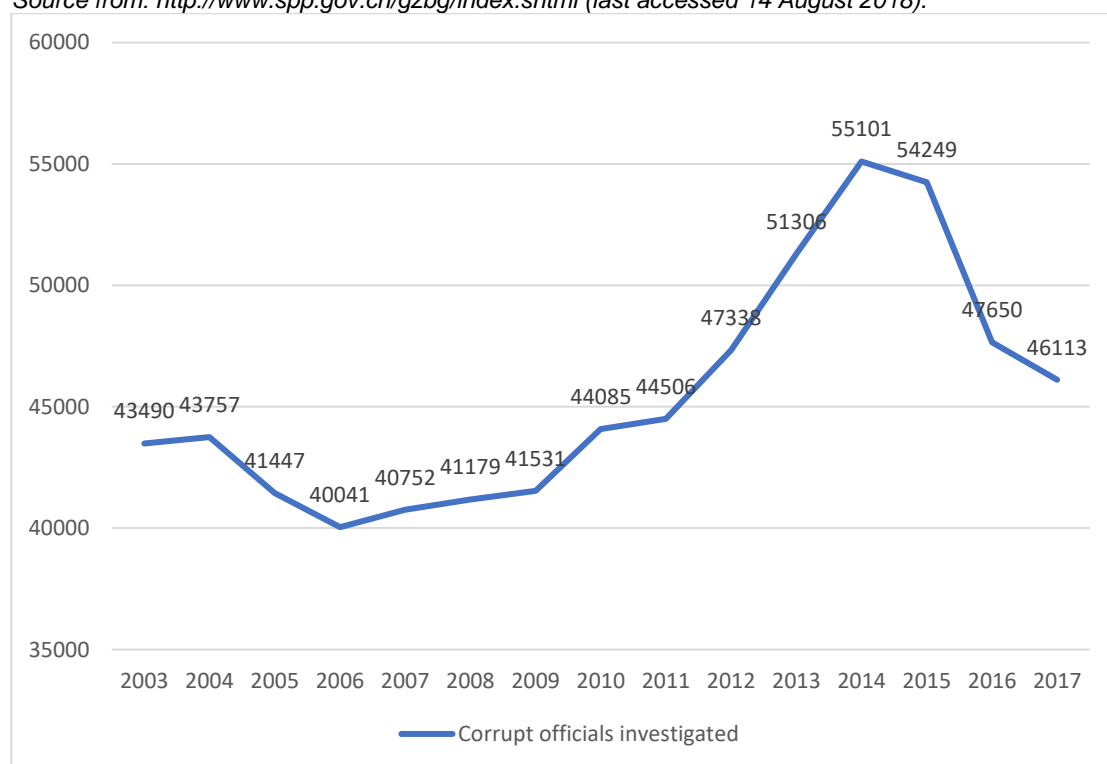
the participation of all sectors of the society' (CPC 2013), confirming the Party-state's leading role while allow the populace to become more involved in socio-political affairs. As this design applies to anti-corruption, the Party-state attempts to make anti-corruption agencies and laws function correctly under the rule of law, and to rigorously implement anti-corruption laws and regulations under supervision and assistance from society. From my perspective, the national governance system can be viewed as an anti-corruption strategy not intended specifically to combat corruption, such as creating more agencies or passing more specific laws and regulations, but rather to make government organisations operate as they should while officials perform their job and follow their rules with transparency and supervision. Hence, the idea of the governance (CN) framework is to enforce anti-corruption laws and regulations properly with assistance from the whole society.

Based on this understanding, I outlined an analytical framework (Graph 1.1 in Chapter 1) in the introductory chapter, which sketched one of the potential relationships between governance and anti-corruption efficacy, since other variables such as the top leadership's political will with capable political or administrative instruments might also have effects on anti-corruption. I argue that if the Chinese leadership intend to address the socio-political problems such as corruption via promotion of governance (CN), a series of reforms in the public and private sectors need to be launched, such as organisational transformation and the revision of some outdated laws and regulations, to fix several loopholes in the previous institutional design. Supposing that reforms originating from governance (CN) implementation are in progress, we can expect improvements in anti-corruption efficacy in terms of arresting corrupted officials, deter the rest of the bureaucracy, and improving the public trust in the government's control of corruption. Otherwise, the corruption situation in China may spin out of control, which could further cause legitimacy crisis of the CPC in the increasingly complexed Chinese society that undergoing dramatic changes.

In the course of writing this thesis, over 1.5 million officials and cadres in China have been punished for corruption, 440 of them 'tigers' (CD 2017b). And in 2018, it was announced that a further 23 'tiger'-level officials were to be

punished or placed under investigation for corruption (Nie 2019). These figures demonstrate the Party-state's sizeable achievements in anti-corruption: that this is simply another political witch hunt, was an idea opposed by most of my interviewees in Shenzhen and by China watchers such as Manion (2016) and Wedeman (2017a). In addition, the interview data I collected in Shenzhen shows that many Chinese people have been experiencing more friendly local public services and a cleaner and more efficient bureaucracy than before, with a few interviewees drawing attention to the 'dark side' that, though shrinking, still exists in some areas of the public sector. Compared with the decades of routine and campaign-style anti-corruption after reform and opening-up, the achievements under President Xi's administration suggest that the current battle on corruption is not only more credible but also more effective.

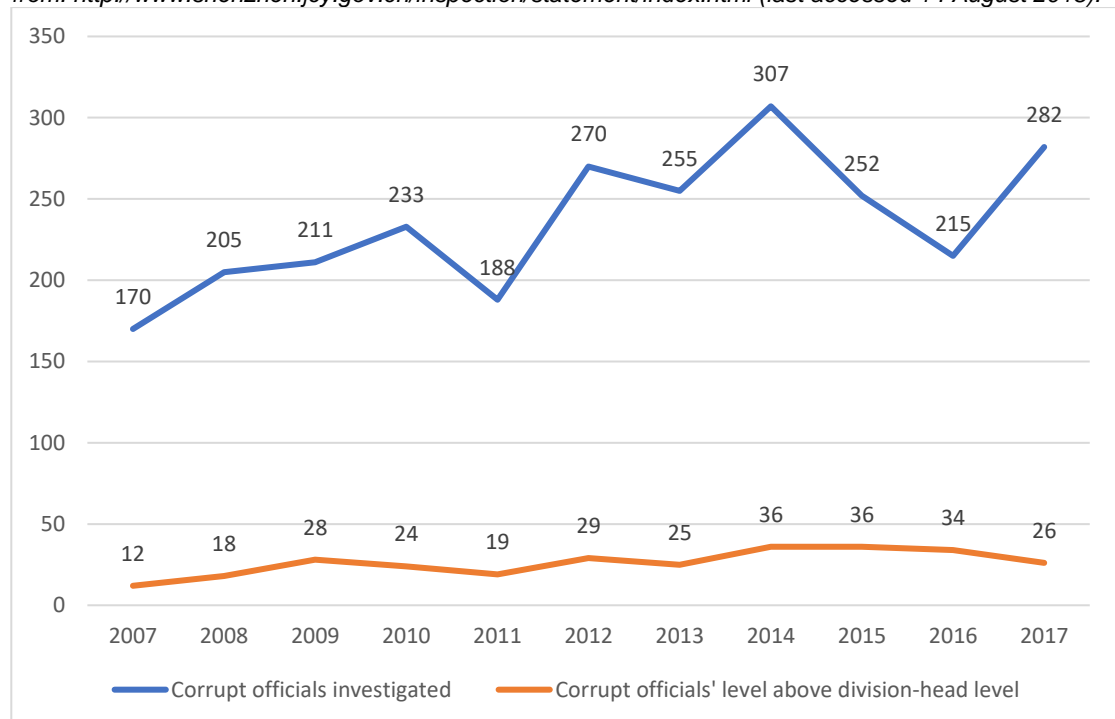
Figure 7. 1 Statistics of corrupt officials investigated by procuratorates nationwide from 2003 to 2017. Source from: <http://www.spp.gov.cn/gzbg/index.shtml> (last accessed 14 August 2018).



The changes in China's war on corruption are most apparent from the statistics. According to the annual statistics of the SPP, the number of officials investigated and convicted for corruption by procuratorates nationwide has been steadily increasing since 2006 (see Figure 7.1). This trend was accelerated by Xi's 'anti-corruption storm' in 2012 and reached its peak in 2014, at 37.6% more than the figure for 2006. Although the number of corrupt officials

under investigation has dropped since 2015, this does not necessarily mean that authorities have eased the fight against corruption; it could indicate that Xi's war on corruption has succeeded in deterring officials from wrongdoing, because anti-corruption under Xi's administration has been focused on, point out by President Xi Jinping and head of CCDI Wang Qishan (2013-2017), combating officials who still engaged in wrongdoing after the 18th CPC National Congress (Lu 2015). This is suggested by some interviewees' narratives, mentioned in earlier chapters, such as the statement, 'but nowadays [officials] don't dare [to accept bribery] even for passive [bribe taking]' (Lawyer no. 18, February 2017). Xi announced at the Seventh Plenum of the 18th Central Committee of the CPC that 'The objective of ensuring officials do not dare to be corrupt has been basically achieved' (Hua 2017). The annual statistics on corrupt officials investigated by the Shenzhen procuratorate also show a similar trend to that of the SPP in spite of more fluctuation (see Figure 7.2), which might, at least to some extent, reveal that the Shenzhen procuratorate does not massage the data to deceive its superiors and the populace.

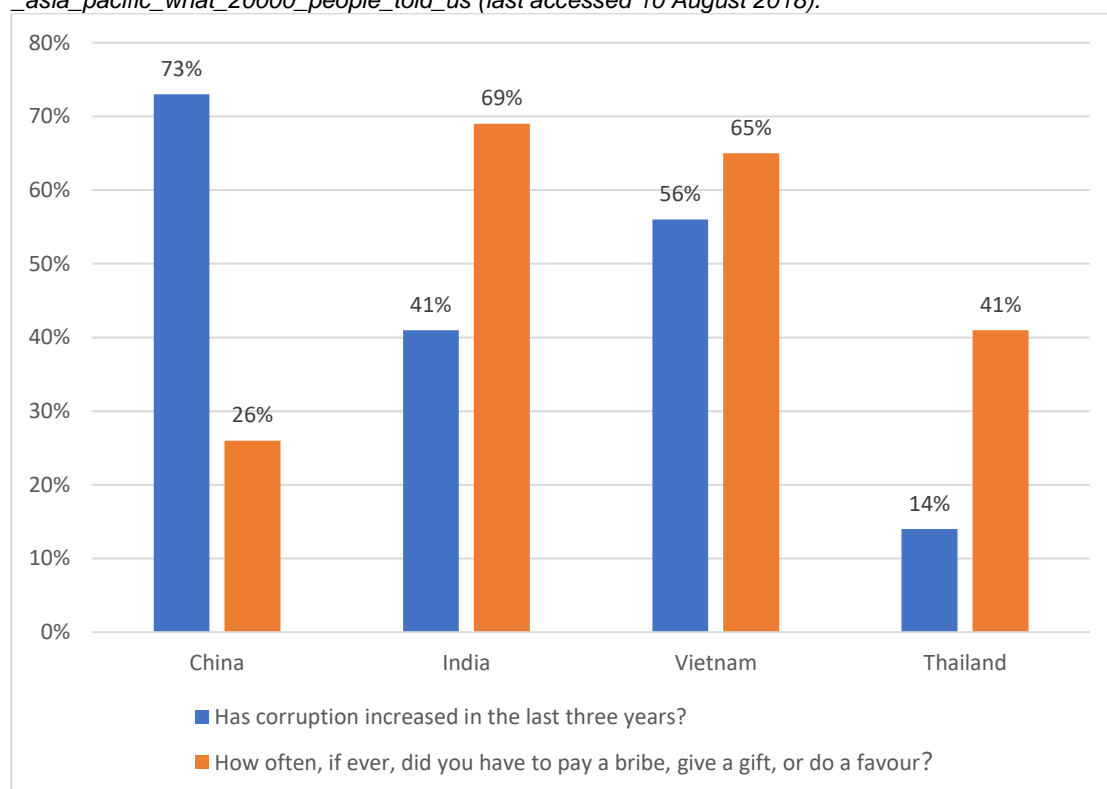
Figure 7. 2 Statistic of corrupt officials investigated by Shenzhen procuratorate from 2007 to 2017. Source from: <http://www.shenzhen.jcy.gov.cn/inspection/statement/index.html> (last accessed 14 August 2018).



Despite the demonstrable effects of Xi's war on corruption, the survey statistics of the Global Corruption Barometer has demonstrated that 73% of Chinese

respondents believe that the level of corruption increased between 2012 and 2015 (GCB 2017, p. 9), similar to the figures for France (72%, GCB 2013), and the highest among Asian countries even though the anti-corruption storm in China has become stronger during that period. Faced with the fact that although in China fewer people pay bribes than in India, Vietnam, and Thailand, more respondents gave the opinion that China's corruption ratio is higher than before (see Figure 7.3), Transparency International (TI 2014) clarifies that the larger number of corrupt cases publicised in the domestic and international media 'is only likely to increase people's perception that corruption is rampant, even if the authorities are seen to be tackling it'.

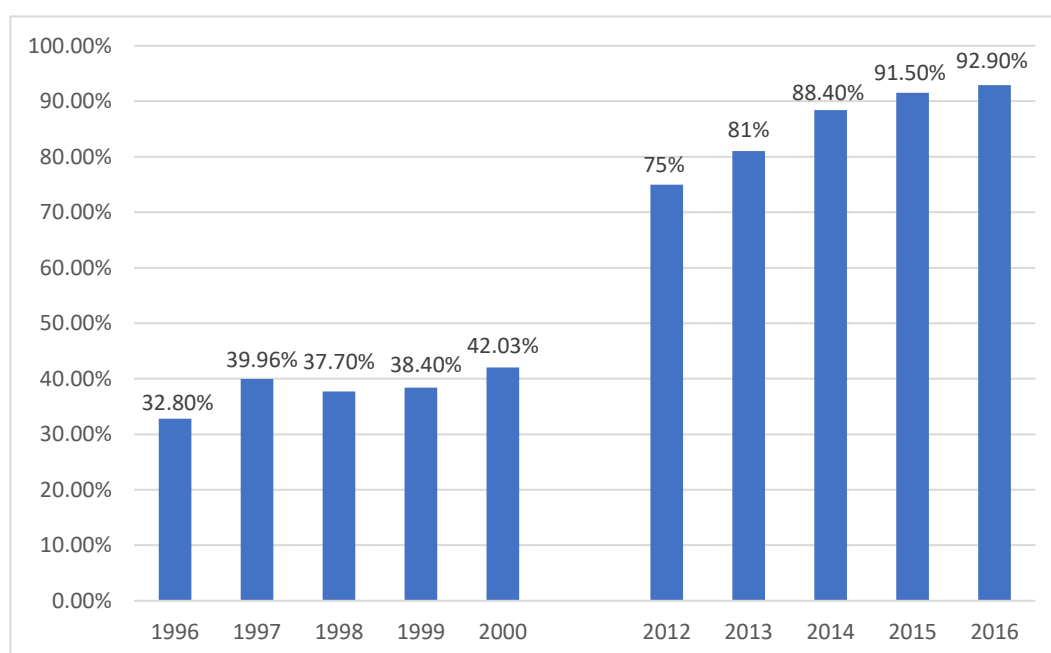
Figure 7. 3 Corruption perception and bribe ratio in China, India, Vietnam and Thailand (2012-2015). Source from: Transparency International website, https://www.transparency.org/news/feature/corruption_in_asia_pacific_what_20000_people_told_us (last accessed 10 August 2018).



While the figures from the Global Corruption Barometer (Figure 7.3) imply that the Chinese authorities are taking aggressive efforts to fight corruption, people's satisfaction ratio on the government's war on corruption may more accurately reflect changes in the nation's anti-corruption efficacy. A statistical comparison between national surveys of public satisfaction, conducted by DICs and statistical bureaus in 1996-2000 and in 2012-2016, might explain the

current administration's anti-corruption effort (Figure 7.4). As shown in Figure 7.4, while only 30-40% people were satisfied with anti-corruption enforcement during President Jiang's leadership, approval rates for President Xi's anti-corruption action rocketed from 75% in 2012 to 92.9% in 2016, suggesting that Xi's administration is taking the right approach (Figure 7.5) to handling the corruption problem.

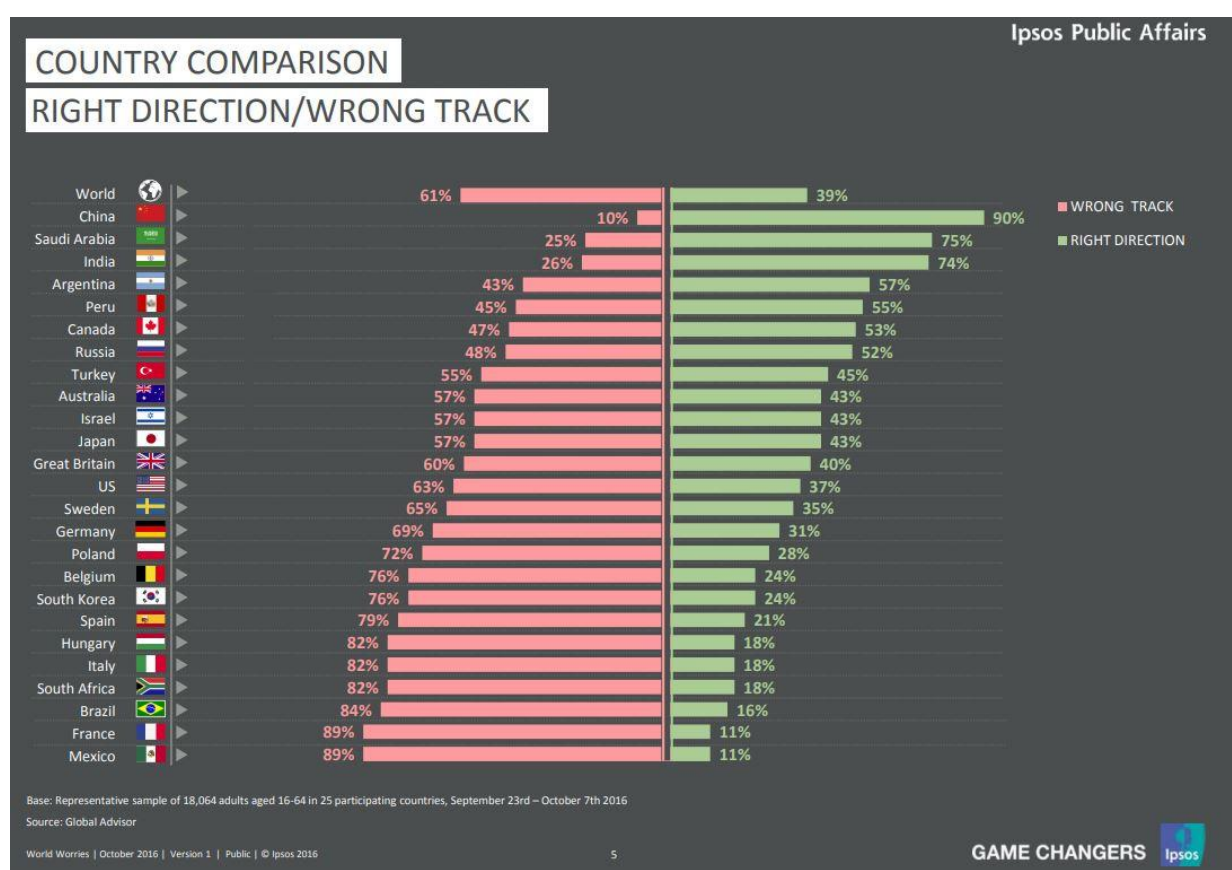
Figure 7. 4 People's satisfaction on 'build a fine Party culture and keep its organizations clean' and work on anti-corruption, 1996-2000 vs 2012-2016. Source from research based on CCDI and Xinhuanet website, data of other years such as 2004-2011 is not available online.



Many observers are sceptical about the data provided by the Chinese government as they suggest that the authoritarian system might manipulate the data to support the aims of the Party-state (Sinton, 2001; Holz, 2014; Owyang and Shell, 2017; Yao, 2017). However, surveys (Figure 7.4) indicate that people appear to have been less satisfied with the government's anti-corruption policies during former President Jiang's administration. There is a significant difference between the level of satisfaction in 1996-2000 during Jiang's rule and that of 2012-2016 under the Xi administration, despite both being under single-party rule; suggesting that the data has not been artificially adjusted to maintain political legitimacy. From interviewees' narratives, it is generally accepted that former President Jiang's administration was more politically repressive (Interviewees nos. 3, 19, 25, 30, 32, 49 and 53), yet the survey data indicates

that less than half of respondents were satisfied with the Jiang government's anti-corruption efforts. This low figure could be taken to indicate a lack of confidence in the government's commitment to build Chinese socialism, which could have made people question the legitimacy of the CPC's rule. In contrast, Figure 7.4 illustrates a high level of satisfaction with anti-corruption policies under President Xi. Although the veracity of this could be questioned, the majority of Shenzhen residents that were interviewed for this study confirmed that they were highly satisfied with anti-corruption efforts under Xi and compared them very favourably against those of his predecessor Jiang.

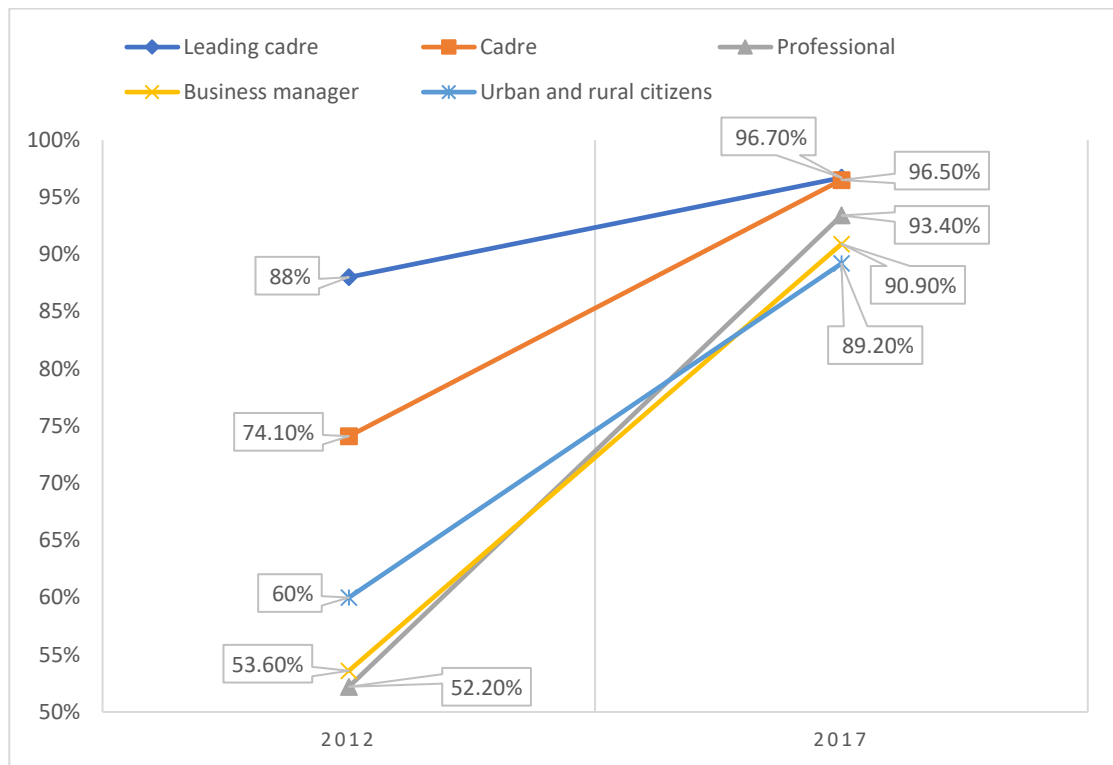
Figure 7. 5 Country comparison right direction/wrong track, source from: IPSOS website (https://www.ipsos.com/sites/default/files/migrations/en-uk/files/Assets/Docs/Polls/SRI_PA_What_Worries_the_World_Oct_2016.pdf, last accessed 26 August 2018).



Furthermore, Paris-based global market and opinion research organisation Ipsos conducted a survey among citizens from 25 countries worldwide and found that Chinese respondents had the highest results in a cross-country survey that asked whether citizens felt their country was developing in the 'right

direction', with nine out of ten Chinese participants agreeing with this statement (see Figure 7.5). Taking the evidence presented in Figures 7.4 and 7.5, it may be extrapolated that, at least partly, the Chinese Party-state's increasing determination and capacity to tackle issues with corruption may as well help China move towards a right development direction. Chen (2008), Gao and Ma (2009) and Xin (2017) refer to corruption as the most conspicuous socio-political problem in China and one that the government must address. It could thus be concluded that the survey results seen in Figure 7.4 indicate that people are satisfied with the Xi administration's efforts to wage war on corruption. Another diachronic fixed-point survey that was conducted by the China Integrity Research Centre of Chinese Academy of Social Sciences (CIRCCASS) is presented in Figure 7.6 and mirrors the results of the Ipsos survey. The graph in Figure 7.6 illustrates how the survey participants became more confident with regard to the anti-corruption efforts of the CPC and the government between 2012 and 2017. This survey includes the different occupations of the respondents and Zhang, Sun and Jiang (2017, p.50) point out that urban and rural citizens' confidence in the Party-state's anti-corruption efforts over the five-year period of President Xi's war on corruption increased by 29.2%; business managers by 37.3%; professionals by 41.2%. The 2018 CIRCCASS survey found that 80.4% of urban and rural residents in China believe that corruption is diminishing, while 83.7% of the same groups feel that corruption behaviour in China has either been 'somewhat deterred' or 'effectively deterred' during this period (Wang et al., 2018, p. 3).

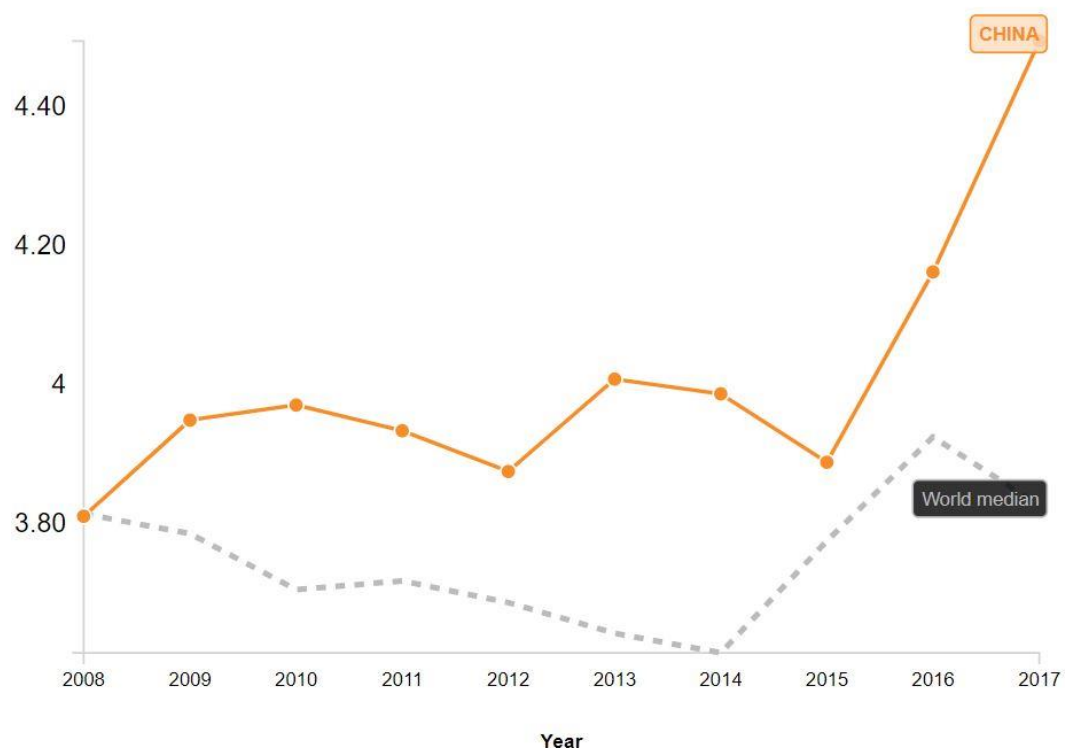
Figure 7. 6 Percentage of 'confidence' and 'relative confidence' in 2012 and 2017 survey among different interviewee groups towards the party and the government's anti-corruption and corruption prevention (Zhang, Sun and Jiang, 2017, p.50).



Considering all above observations of institutional reforms and implementation (subsection 7.2.1), the evidence suggested that the reason for the aforementioned changes in the anti-corruption battlefield is due to the reform of China's political and administrative rules during Xi's promotion of governance (CN) reform. This could then answer the first part of this study's third research question: governance (CN) reform has been adopted in China's socio-political domains, and that could be observed through the increasing government transparency, the newly established National Supervisory Commission and institutionalised dual leadership, the reforming of the target-based responsibility system with a more unified cadre personnel management system, more rigorously designed and implemented regulations that target corruption, a legalised anti-corruption operational approach in NSC and CCDI, and increasing forms of civil engagement in anti-corruption, as discussed in the last subsection of this chapter. According to Manion (1996, 2016), the previous institutional design caused 'corruption by design' and the new reforms have not only closed the loopholes inherent in the previous design but also lessened the number of opportunities for bureaucratic corruption. For instance, Li and Deng's

(2016) research indicates that in the battle against local corruption, local DICs are a more effective tool as a result of the increased control from higher-level DICs that the recent reforms have facilitated; as a consequence, there has been a reduction in the influence of local party committees. Besides, since the Shenzhen SCs were established in 2018, 1.3 times more officials are under direct supervision, according to SMN (2019). Moreover, during Xi's administration, the influence of local party committees on the courts has decreased (see Figure 7. 7) and judicial independence, which is 'a prerequisite to the rule of law and a fundamental guarantee of a fair trial' in China has increased (UNODC 2002, p. 27). Thus, it is plausible that the logic of anti-corruption efficacy in Shenzhen is enhanced by the promotion of governance (CN), and this logic could answer the second part of this study's third research question: the introduction of the governance (CN) mechanism has contributed to resolving some intractable socio-political problems such as corruption.

Figure 7. 7 Judicial independence index from World Economic Forum Global Competitiveness Index data set. Description: 'In your country, to what extent is the judiciary independent from influences of members of government, citizens, or firms? [1 = heavily influenced; 7 = entirely independent]' (JII 2018).



The promotion of governance in President Xi's (CN) administration has caused China's institutional design to be reformed, which has generated an environment that is more conducive to anti-corruption policies. In this new

context, anti-corruption laws are assisted by wider society and this has been evidenced by the increased number of arrests of corrupt officials. This has been a deterrent for corruption among the bureaucracy and public trust in the government's anti-corruption policies has been enhanced as a result (see Figures 7.4 & 7.6). Compared to the 2008-2012 period, Worldwide Governance Indicators for 2013-2017 indicate that both corruption control and government effectiveness in China have improved by an average of 0.2²⁰⁷ (WGI 2018). Hence governance (CN) reform in China is not mere window dressing to cover up political struggles. Though power conflicts may always be present in political reform, as a by-product or in the 'one stone to kill two birds'²⁰⁸ mentality, the promotion of governance (CN) enhances government function and officials' accountability in handling socio-political problems such as tackling corruption. This outcome also confirms my first expectation that: 'If corruption control is more effective than before, it confirms that governance, or at least the version of it adopted in China, is helping to tackle the problem of endemic corruption'.

However, even if governance (CN) in China has been adopted and has enhanced China's institutional design to promote anti-corruption efficacy, it does not mean that the governance (CN) implemented in China is equivalent to forms of governance in the West such as the 'policy networks' described by Rhodes (1996, 2000), which emphasise power dependence, network relations, policy outcomes, and network governing strategies that a government could use to 'govern with and through networks' (Rhodes 2011, p. 563). This observation answers my first research question, 'What does governance mean in the eye of the Chinese Party-state? Is it different from mainstream Western governance?'. Governance (CN) in China, as discussed earlier, is a governing toolkit introduced to tackle socio-political ungovernabilities – answer to my second research question. As such, governance (CN) in China, from design to implementation has favoured the power of public sector while leaving a controllable space for civil engagement, which has been planned top-down to flourish in an orderly fashion under the Party-state's control and assist the operation of the public sector. To do otherwise and strengthen the civil sector

²⁰⁷ Estimate of corruption control & government effectiveness, ranging from -2.5 to 2.5.

²⁰⁸ 一石二鸟 Yishi Erniao.

to enhance government performance at the cost of weakening the CPC's ruling status, is not an attractive prospect for the Party-state's central leadership. For example, foreign NGOs might face 'a bureaucratic nightmare' if they intend to operate in China after the *Administration of Activities of Overseas Nongovernmental Organizations in the Mainland of China* adopted in 2017 (Shepherd and Martina 2017). Thus, the idea of turning Chinese civil actors towards 'a moderate institutionalised political force' (Minzner 2015, p. 141), as in Western governance, may be an illusion.

The decision-making power has remained largely with the public sector, and the civil engagement in anti-corruption supported by governance (CN) has not been trumpeted, since the most prominent and visible slogan in anti-corruption propaganda is the correct leadership of the CPC. Thus, interviewees in Shenzhen might have barely perceived institutional changes originating from the promotion of governance (CN) that have strengthened anti-corruption efficacy. This might be one of the reasons that 75% (9/12) of my interviewees answered in the negative when I asked whether the adoption of governance (CN) has made a direct positive impact on the battle against corruption. Another reason why my interviewees did not associate governance (CN) with anti-corruption may be that most respondents considered anti-corruption as the actions of special agencies to tackle problems such as the return of overseas fugitives and the investigation of officials suspected of corruption, rather than considering the relevance to anti-corruption of reforms in institutional design, government transparency, officials' assessment, and the restriction of officials' discretionary power. Hence, these interviewees are more likely to recognise hierarchical downward pressure, leading to stricter laws and enforcement of regulations, as the cause of more effective anti-corruption, which they may attribute to Xi's political will on 'authentic anti-corruption' (Entrepreneur no. 32, January 2017).

7.3 Mutual benefits of governance (CN) and anti-corruption implementation

This section discusses how governance (CN) and anti-corruption have mutually benefited from each other's enforcement, which the idea is also originated from

conversations with interviewees who did not think that governance (CN) was well implemented and believed that the improvement of anti-corruption efficacy is owing to President Xi's authentic will for anti-corruption. For example, a retired official explained that:

Well, logically speaking, if [the government is] going to implement these governance elements, they all can be enforced. If it could be adopted in the West, China will also do it. But there is no single [element] could be enforced in reality, why? It is still because of China's politics. Because Xi Jinping, he doesn't have his own basic contingent of cadres. You can check members of the party committee of each province, prefectural and county, they are all troops of Jiang Zemin, Zeng Qinghong, Liu Yunshan, Zhang Dejiang, including cadres in Hong Kong. So if the organisational line has not been handled [putting closest associates in key positions], your political route would not be implemented. Why said decrees from the CPC central cannot implement outside of the Zhongnanhai? Now it calls administrative omission, even contrary act, which plays dirty tricks to Xi Jinping stealthily. If you [Xi] said [compulsory] demolition is not right, then I [Xi's rival] will order [his colleague] to [implement compulsory] demolition... force old man Zhang to jump from building and old man Li to commit suicide, this is what happened in the era of Xi Jinping anyway, if people talk about it...

(Official no. 3, February 2017)

The views of this retired official, who can be assumed to understand how policies are enforced in China, indicate that governance (CN) elements cannot be implemented without removing corrupt officials who follow former President Jiang Zemin – portrayed by official no. 3 as a leader who governed the state via corruption – and replacing them with Xi's aides. However, 88% of interviewees²⁰⁹ who discussed the governance (CN) issue with me said that the promotion of governance (CN) in Shenzhen has improved at least one governance (CN) elements that could contribute to reducing corruption, suggesting the exact opposite to the narrative given by official no. 3. Why this contradiction?

I argue the stricter enforcement of anti-corruption, which since the beginning of 2013 might have been partially due to Xi's political determination to fight corruption as well as the concentration of power. Under Xi, subordinates follow the example of their superiors and the example of technological progress and

²⁰⁹ 44 out of 50 interviewees.

social supervision, as discussed in Chapter Six. This may have helped to facilitate the implementation, consolidation, and improvement of governance (CN). More effective anti-corruption enforcement may have resulted from multiple causes, creating stronger deterrence within the bureaucracy. To a certain extent, this might have put pressure on bureaucrats to carry out public services more effectively, in accordance with more rigorously designed laws and regulations, creating greater transparency, accountability, rule of law, responsiveness and effectiveness, etc. For example, some officers interviewed in Shenzhen pointed out that the wide dissemination information of corruption control has created strong deterrence within the bureaucracy and raised their awareness of being held accountable and/or caught (Interviewees nos. 05, 07, 09, 12, 14, 16). Thus, better performance in the anti-corruption battlefield with more publicity, to deter officials from wrongdoing and the arbitrary enforcement of policies, could help the government to operate more stringent rules in accordance with to top-level institutional design, and thus enhance the implementation of governance (CN).

However, as discussed above, improvements in governance (CN) implementation – including reforms in organisation structure, the design and enforcement of laws and regulations, personnel management, public sector operational approaches, performance assessment, supervision and accountability, civil engagement and corruption control – can support more effective deterrence, prevention, and anti-corruption enforcement in China, which has been seen to break away from traditional campaign-style anti-corruption and to sustain ‘hyper-enforcement’ (Wedeman 2015) with institutional protection. With a new route established, officials will have to operate in accordance with the new rules and the people’s expectations of government should rise accordingly. After ten or twenty years of improvement and consolidation of such new rules, depending on factors such as President Xi’s political will, political requirements, time in office and selection of a successor, the CPC’s commitment to modernising national governance (CN) and anti-corruption institutionalisation can become an irreversible direction. This is because governance (CN) implementation has been gradually regulating the discretionary power of government officers and party officials

(CCDI 2013b, SPP 2016, CCDI 2018, SMN 2019), and bring them in line of the law (CD 2017b, Wang 2018a). Otherwise, under future governments, society could become unstable, for public expectations for governance and anti-corruption may be altered by the current period of better government performance.

7.4 Possible deficiencies of current Chinese governance

Possible shortcomings that could limit the potential of anti-corruption enforcement still exist within the current Chinese governance (CN), as highlighted by interviewees' narratives and in literature written both by scholars and by the Chinese government. These shortcomings include insufficient social participation in the anti-corruption process, slow progress on the civil service property declaration system, and lack of 'free' public and media supervision. Since the political atmosphere in China constraining improvements in certain areas, such as the creation of an 'authentic' free press, this section discusses two key problems that could restrict anti-corruption efficacy.

The first problem that could limit anti-corruption efficacy in the current governance (CN) reform concerns civil engagement: insufficient social participation in the anti-corruption process. According to Article 13 of the United Nations Convention Against Corruption:

1. Each State Party shall take appropriate measures, within its means and in accordance with fundamental principles of its domestic law, to promote the active participation of individuals and groups outside the public sector, such as civil society, non-governmental organisations and community-based organisations, in the prevention of and the fight against corruption and to raise public awareness regarding the existence, causes and gravity of and the threat posed by corruption. This participation should be strengthened by such measures as:

(a) Enhancing the transparency of and promoting the contribution of the public to decision-making processes;

(b) Ensuring that the public has effective access to information;

(c) Undertaking public information activities that contribute to nontolerance of corruption, as well as public education programmes, including school and university curricula;

(d) Respecting, promoting and protecting the freedom to seek, receive, publish and disseminate information concerning corruption. That freedom may be subject to certain restrictions, but these shall only be such as are provided for by law and are necessary:

(i) For respect of the rights or reputations of others;

(ii) For the protection of national security or ordre public or of public health or morals.

2. Each State Party shall take appropriate measures to ensure that the relevant anti-corruption bodies referred to in this Convention are known to the public and shall provide access to such bodies, where appropriate, for the reporting, including anonymously, of any incidents that may be considered to constitute an offence established in accordance with this Convention.

(UN 2004, p. 15-16)

As one of the signatories of the convention, while (b), (c), (d) of clauses 1 and clauses 2 are comparatively well enforced currently in Chinese society, the implementation of 1 (a) might be less appropriate adopted. As aforementioned (subsubsection 7.2.1.6), while more civil actors are able to participate in the anti-corruption domain by various means, which means the breadth of civil engagement has widened, the depth of civil engagement in the anti-corruption domain, in terms of decision-making power, still largely rests with the Party-state. It indicates that although civil actors might have the opportunity to engage in decision-making processes by attending public hearings or serving as special inspectors in the process of making administrative supervision laws and regulations in supervision organs, they could do so merely as audiences at a conference, with the chance to air their views but without any real decision-making power.

This situation is due to the legislative power in China belonging to the People's Congress and the regulatory decision-making power enjoyed by ministerial meeting or committee meetings,²¹⁰ which cannot legally be shared with civil actors. Thus, even though some grass-roots activists could participate in decision-making processes with or without special roles assigned by authority (e.g. special inspector or people supervisor or expert group members), their contributions during the decision-making process only depend on core leaders'

²¹⁰ For Article 27 of the *Regulations on Procedures for the Formulation of Rules*, for details, see: http://www.gov.cn/zhengce/content/2018-01/16/content_5257080.htm (last accessed 23 April 2018).

recognition. However, if an official who holds decision-making power does not value civil actors' ideas or consider them as a threat to his career or personal network, even a brilliant anti-corruption proposal that has been successfully practised in foreign countries or regions, might not be accepted or implemented – for example, the long-stalled civil service property declaration system bill, which has been shelved in the National People's Congress for over two decades (Guo and Zhang 2012).

This slow progress on the civil service property declaration system (CSPDS) is the second potential limitation of anti-corruption efficacy in the current governance (CN) implementation. Adopted in countries such as the US and Singapore, CSPDS has been tested as an effective means of preventing corruption (Li and Yan 2013), and has served as a model of building a clean government for the Chinese government to study. However, even though the progress of China's own CSPDS was one of the three anti-corruption future demands²¹¹ in an online instant survey in 2010 (Xiang 2010), and was officially incorporated into legislative planning in 1994 by the standing committee of the Eighth National People's Congress (Zhao et al., 2009), the progress of China's own CSPDS (*Property Declaration Law*) is 'ongoing'. Related property declaration legislature such as adding 'officials' property declaration' to the *Civil Servant Law*, as proposed in 2017 by Linghu An²¹² (Liu 2017a), is still in the exploratory stages.

The slow legislative progress in establishing a CSPDS could have significant consequences for China's anti-corruption efficacy. A retired official commented that:

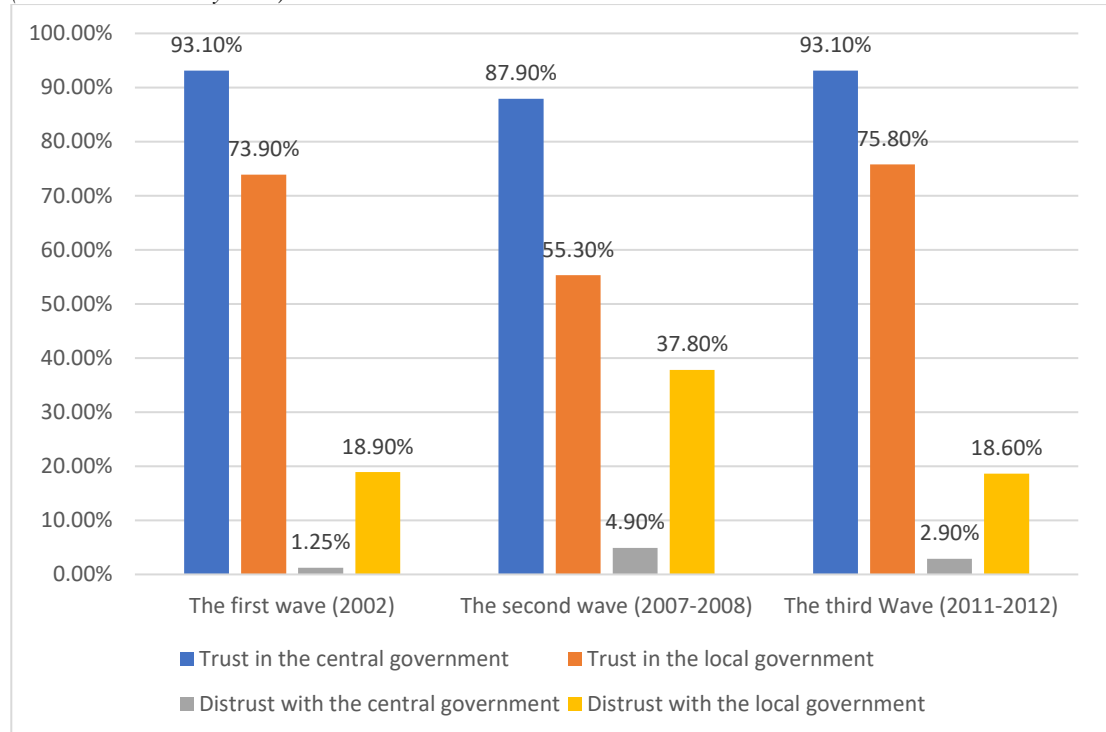
Over 20 years, nearly 30 years have passed, [you need to know that] we achieved the success of the new-democratic revolution within 20 years, the CPC seize the nation! But we cannot enforce a civil service property declaration in over 20 years, what is the problem?!

(Official no. 3, February 2017)

²¹¹ The other two future expectations are the investigation of major cases (related to 'tiger hunts') and the restriction of discretionary power of first-in-command leaders (Xiang 2010).

²¹² Linghu An is a member of the Standing Committee of the National People's Congress and the deputy chairman of the Overseas Chinese Committee of the National People's Congress.

Figure 7. 8 The people's trust and distrust with the Chinese central and local government, from the Asian Barometer Survey. Source from: data gathered by the Asian Barometer, the fourth wave survey data that covers from 2014 to 2016 is currently not available due to being 'under construction', <http://www.asianbarometer.org/data/data-release> (last accessed 25 May 2018).



Similar property declaration regulations have been issued by the general office of the CPC central committee and the state council; for example, *Provisions on Income Declaration of Leading Cadres in Party and Government Above County (division-head level)*²¹³ in 1995, and *Reporting Personal Matters by the Leading Cadres* in 2006.²¹⁴ However, these two regulations only focused on leading cadres' property declarations, excluding from consideration the vast number of lower-level officials who could make direct negative impressions on the public without regulation. This is perhaps one of the reasons for the public trusting the central government more than local government in China, as demonstrated by the Asian Barometer Survey (Zhao and Hu 2017; see Figure 7. 8). Except leave the grassroots official out of supervision, there are also other loopholes in these two regulations. For example, the *Provisions on Income Declaration* simply ask the leading cadre to voluntarily declare his or her income, ignoring the possibility of wealth transfer to cadres' family members; while *Reporting Personal Matters*

²¹³ For details, see: http://news.ifeng.com/mainland/detail_2010_07/11/1752779_0.shtml (last accessed 23 April 2018).

²¹⁴ The revised version was issued in 2010.

only requires leading cadres to report personal matters to higher authorities, not to the public, so that supervision over these cadres relies on anti-corruption agencies, who might lack the resources to verify every leading cadre's declared property and discover hidden wealth, unless given clues by whistle-blowers.

Other possible deficits of current Chinese governance that might restrict anti-corruption efficacy, such as the lack of 'authentic' public and media supervision, have been made prominent by the state media censorship (Freedom House 2018). However, the CPC highly values its 'discourse power' and President Xi pointed out at the news and public opinion work conference that 'the media run by the party and government are the propaganda battlefields of the party and government, and must be surnamed party' (Li and Huo 2016). The majority of the media in China are operated or funded by the party and government, and every media operation is under the censorship of the State Administration of Press, Publication, Radio, Film and Television. The weakening of the Party-state's discourse power and its replacement with a 'free press' is unrealistic in China, both in the current political climate and for the foreseeable future. Thus, insufficient social participation in the anti-corruption process and the slow progress on the civil service property declaration system are the key deficiencies that could be corrected in the future, should the current governance (CN) become a sustainable 'new normal'.

Summary

In this chapter, I have presented my main argument that the adoption of governance (CN) in China has led to reforms in institutional design and implementation, which include organisational structure, the design and enforcement of laws and regulations, personnel management, public sector operational approaches, performance assessment, supervision, accountability and civil participation; and that Shenzhen's control over corruption has been strengthening partly due to such changes. I first briefly reviewed trends in anti-corruption before 2013, describing how the routine approach to anti-corruption, which included periodic campaign-style, was hampered over many decades by institutional defects: an opaque bureaucratic system, dual leadership and ambiguity of authority and responsibility, a target-based responsibility system

together with a unified cadre personnel management system, imprecisely designed and implemented laws and regulations, an extra-judicial anti-corruption operational approach, and an absence of civic engagement.

I then examined the anti-corruption achievements of Xi's administration, examining a regularly updated report that shows a growing number of suspects in public sector are being investigated or convicted for corruption, as well as the new institutional designs and implementation that originated in Xi's governance (CN). These included increasing government transparency, such as issued the Key Tasks for Government Transparency; established the new National Supervisory Commission and institutionalised dual leadership; reforming of the target-based responsibility system with a more unified cadre personnel management system; more rigorously designed and implemented regulations targeting corruption; legalised a new anti-corruption operational approach in NSC and CCDI; and increasing forms of civil engagement in anti-corruption, such as special inspector in supervision agency and people supervisor in procuratorate (CCDI 2013b; SPP 2016). I argued that the adoption of governance (CN), which has led to a number of significant institutional reforms and implementation, has enhanced the effectiveness of Xi's war on corruption – of all the socio-political problems the one that 'people hate the most', to quote President Xi (Xin 2017).

The third section of this chapter introduced my argument that the implementation governance (CN) and anti-corruption are mutually beneficial. I argue that, on the one hand, more effective anti-corruption enforcement has created stronger deterrence within the bureaucracy, putting bureaucrats under pressure to perform better in public service according to more rigorous designed laws and regulations, potentially improving the implementation of governance (CN). This is especially the case in Shenzhen, some officers interviewed argued that widely publicized anti-corruption media reports tend to create stronger deterrence within the bureaucracy and raise their awareness of being held accountable and/or caught (Interviewees nos. 05, 07, 09, 12, 14, 16). On the other hand, there are good grounds for believing that improvements made by governance (CN) implementation, including reforms in personnel

management²¹⁵ and law and regulation design (Hong 2017, CCDI 2018, SMN 2019), can help the Party-state move towards the institutionalisation of anti-corruption. Thus, governance (CN) and anti-corruption have mutually benefited from each other's implementation.

Finally, I presented how two deficiencies in the current governance (CN) implementation – insufficient social participation in the anti-corruption process and slow progress on the civil service property declaration system – limit the potential of anti-corruption efficacy under Xi's administration, and discussed how these deficiencies (unlike the lack of a 'free press') can be corrected in the future.

²¹⁵ For details, see: <http://china.huanqiu.com/article/2018-03/11682919.html>.

Chapter Eight: Concluding remarks

After 'governance' took on new meanings in the 1980s (Kjaer 2004, p.1), governance has been studied and theorised in a variety of disciplines (Offe 2009), including politics, international relations, environmental science, development studies and economics. Concepts and practices of governance are applied both in developing and more economically developed countries. In the UK for example, governance has been utilised to mitigate the public service crisis, and to alleviate the crisis of the welfare state (Rhodes 1997; Clayton and Pontusson 1998). In developing countries, although there is a lack of successful examples, governance has been considered an effective approach to achieving modern public administration, as well as to tackle the critical issue of corruption (WB 2000; IMF 1997; OECD 2018). This trend of governance, in which governance is everywhere and can mean anything and everything (Frederickson 2005), reflects the pursuit of overcoming the substantial ungovernability of the nation-state in this increasingly complex world.

Karl Marx once argued that 'questions ... are the frank, uncompromising voices of the time embracing all individuals; they are its mottoes, they are the supremely practical utterances proclaiming the state of its soul' (2010, p. 182). What then is 'the question of the time' faced by the Chinese Party-state in this increasingly complex world? I suggest it is China's domestic socio-political ungovernabilities, most prominently in the domain of anti-corruption. A growing number of surveys in China have shown that corruption is the top concern and cause of anger amongst the population (Chen 2008; Gao and Ma 2009); President Xi Jinping states that 'The people hate corruption the most, and corruption remains the biggest threat to the party' (Liang 2017). Thus, both the Chinese public and the top leadership have identified ungovernable corruption as the question of the time. In order to resolve China's socio-political ungovernability, the CPC announced the *Decision of the Central Committee of the Communist Party of China on Some Major Issues Concerning Comprehensively Deepening Reform* in the Third Plenum of the CPC 18th

Central Committee, which focused on deepening the reform ²¹⁶ comprehensively through promoting the modernisation of the national governance system and capacity (Xi 2013).

I began to conduct this research in 2014, one year²¹⁷ after President Xi took office, issued the *Decision*, and began his war on corruption. In spite of Xi's urging to 'promote the systematised, scientific, intelligent, and legalised social governance, and constantly improve the socialist social governance system with Chinese characteristics' (Xi 2017), the CPC has never made explicit what they mean by governance (CN). This study, by analysing the *Decision* and other related political documents published by the CPC in the period 2013-2016, defined the CPC's usage of governance as a government toolkit to tackle socio-political ungovernabilities, in comparison with its Western counterparts. I found that the most distinctive feature of Chinese governance (CN), as described in the *Decision*, is the hierarchy of the Party-state's aims for governance: first to 'strengthen leadership by the party committee', then to 'give full play to the leading role of the government', and last, to 'support the participation of all sectors of the society' (CPC 2013). While maintaining strict control over domains such as the unilateral organisation of personnel and institutions, the Party-state is encouraging civil actors to actively participate in places where it desires contributions from civil society to support the Party-state to better governance. As described in the CPC document, the top-down governance (CN) implemented in China is significantly different from the mainstream concepts and practices of governance in the West, as the latter aims to create self-governing networks through bottom-up public-private partnerships, stressing power dependence and network relations that allow a government to 'govern with and through networks' (Rhodes 2011, p. 563).

Then, how does governance (CN) as described in the CPC's political documents apply in reality to Chinese bureaucracy and society? Could a socialist social governance system with Chinese characteristics be adapted to tackle socio-political ungovernability in China? This study researched the enforcement of governance (CN) in China with a focus on the key socio-political

²¹⁶ It refers to 'Five-Pronged Overall Plan' that including economic, political, cultural, social, and ecological reform.

²¹⁷ President Xi Jinping assumed office of the President of the PRC on 14 March 2013.

problem of corruption in the Chinese bureaucracy. I designed an analytical framework (Graph 1.1 in Chapter 1) to demonstrate the relationships between the adoption of governance (CN) and reforms in the public and private sectors – such as organisational transformation, revision of the laws and regulations, adjusting official performance assessment processes and supporting the participation of civil actors. While these reforms have the primary aims of strengthening the rule of law and of achieving greater transparency, accountability, efficacy, responsiveness, equity, and inclusiveness, they can also have significant effects on the phenomenon of ‘corruption by design’ (Manion 1996). Thus anti-corruption efficacy, in terms of deterrence, arrests, and public satisfaction, could be gradually improved if governance (CN) is well implemented and the corresponding reforms progressed smoothly.

This study compares anti-corruption institutions before and after President Xi Jinping assumed office (from early 2013 until early 2018), and described the institutional reforms that have taken place in China. These include greater governmental transparency that broadened public access to government information; a brand-new National Supervisory Commission and institutionalised dual leadership; a reformed target-based responsibility system with less emphasis on the GDP growth for officials’ performance assessment; a more unified cadre management system; more rigorous design and enforcement of regulations targeting corruption; modification and legalisation of the NSC and CCDI’s anti-corruption operational approach; and expansion of forms of civil engagement regarding anti-corruption. Thus, the promotion of governance (CN) has resulted in institutional reforms in China’s political, administrative, and social domains. To quote President Xi’s report to the 19th CPC National Congress, the war on corruption in China has achieved ‘crushing momentum’: over 1.5 million have been disciplined for corruption within the CPC (Wang 2018), and 254,419 officials have been investigated for corruption by procuratorates (Cao 2018), 440 of which were ‘tigers’ – powerful leaders in the bureaucracy (Wang 2018). These institutional reforms and the results of anti-corruption indicate that a distinctive form of governance (CN) has been adopted in the China context, and that the implementation of governance (CN) has improved the efficacy of China’s anti-corruption measures.

As the reforms of authoritarian nation ruled by a single party, China's anti-corruption policies have drawn scepticism, with critics suggesting that China's war on corruption may be merely a cloak for power centralisation and political struggle, for example, to purge President Xi's rivals such as Bo Xilai and Zhou Yongkang in a 'modern witch hunt' (Shi 2014; Lam 2015; Heydarian 2015; Brown 2015; BBC 2017; Brown 2018). If they are correct in this judgement, then the results of the current war on corruption can be seen as the outcome of an unprecedented political purge, with the institutional reforms stemming from the promotion of governance (CN) mere window dressing.

However, the data I collected in a series of semi-structured interviews with a cross-section of the bureaucracy and society in Shenzhen confirms that the current anti-corruption effort in China is not solely a political purge targeting President Xi's rivals, but an authentic war on corruption. Most interviewees voiced support for the current anti-corruption measures, and believed – often based on personal experience – that the public sector is cleaner, more diligent, and efficient than before. This suggests that anti-corruption efficacy has indeed been enhanced by Xi's governance (CN) reforms. Interviewees' opinions are corroborated by survey data collected by the Chinese authorities (see Figure 7.4), by international organisations (see Figure 7.5 & 7.7), and by the Chinese Academy of Social Sciences (see Figure 7.6). Chinese respondents to these surveys approved the Party-state's anti-corruption efforts and expressed that they have confidence in the government's war on corruption, as well as in the direction of China's development. Some interviewees, while aware of the existence of political struggle in the anti-corruption battlefield, argues that political struggle is necessary in order to clear corrupt coalitions from the top levels of leadership – otherwise, President Xi's war on corruption could not be effectively enforced (Official no. 3, February 2017).

Data gathered during fieldwork also showed that in anti-corruption, as well as in other domains, institutional design and reform do not guarantee effective implementation. Interviewees believed that the driving force behind effective implementation was the strong top-down political power of an authoritarian government. More than one claimed that the former President Hu Jintao, who had also intended to fight against corruption and build a harmonious society,

failed to enforce his governing philosophy: though he was in office, he did not hold the necessary power (Interviewees nos. 01, 03, 04, 07, 13, 22, 25, 29, 30, 32). While this may be true, I suggest that the better enforcement of anti-corruption under Xi's leadership is partly due to his political determination to fight corruption, as well as his concentration of power. The latter has been widely criticised, even more so when the National People's Congress of PRC – often referred to as the “ceremonial” legislature because it functions as a “rubber stamp” for the CPC (Saich 2015) – made constitutional amendments in March 2018 to remove the presidential tenure limits, allegedly to accord with the term limits for the positions of General Party Secretary of the CPC and the Chairman of the Central Military Commission. Although the concentration of power in this three-in-one leadership system differs fundamentally from the Western context for governance, where emphasis is placed on the separation of powers and on institutional checks and balances, in China the concentration of power in the hands of President Xi is perceived to have positive effects on anti-corruption enforcement and deterrence to corruption. It is significant that President Xi came to occupy the leading position due to political struggle between other factions, as three of my interviewees disclosed in casual conversation; partly for this reason, his assumption of the office may have created stronger deterrence within the bureaucracy and more effectively projected his authority nationwide. To a certain extent, stronger deterrence from the central leadership might have forced the subordinate bureaucrats to perform their duties and deliver public services more effectively, in accordance with more rigorously designed laws and regulations. Thus, better performance in the anti-corruption battlefield, deterring officials from wrongdoing and the arbitrary enforcement of policies, could help the government to operate more stringent rules according to top-level institutional design, which may accelerate the adoption of governance (CN) since obedience from lower-ranking official is required if policies are to be properly implemented.

In Chapters Six and Seven, I discussed how improvements in governance (CN) implementation – including reforms in organisational structure, the design and enforcement of laws and regulations, personnel management, public sector operational approaches, performance assessment, supervision and

accountability, and civil engagement – support anti-corruption deterrence, prevention, and enforcement in China. Under Xi's leadership, China can be seen breaking away from its traditional 'campaign-style' approach to anti-corruption, instead sustaining 'hyper-enforcement' (Wedeman 2015) with institutional protection. I argue that in China anti-corruption and governance (CN) have mutually benefited from each other's implementation. I suggest that the CPC's commitment to modernising national governance (CN) and anti-corruption measures may become a sustainable institutionalised system, if China's political structure remains unchanged and if President Xi's political will, political requirements, and selection of successor are as expected.

Under the leadership of President Xi's administration in 2013-2018, the issue of anti-corruption has become perhaps the most salient topic in the Chinese media. Through studying the characteristics and effects of the intensified war on corruption, this research has defined what governance means in the eyes of the CPC, the reasons for its introduction in China, how Chinese governance compares with governance in the West, and the effects of the implementation of governance (CN). As observed earlier, governance (CN) implementation in China does not match the criteria for governance as the minimal state or a self-organising policy network as characterised by Rhodes (1997), for Rosenau's (1992) model of governance without government. By contrast, through adjusting the content of governance (e.g. enhance the government's dominant role), the Chinese Party-state has promoted a version of governance theory which was often linked to more economically advanced electoral democracies in a single-party authoritarian. Thus, governance is not only a fashionable term in the Chinese academia, but one of the key approaches that help the Party-state to enhance its ability to manage bureaucracy, to formulate and implement regulations, and to deliver services more effectively.

This study of the conceptualisation and implementation of governance (CN) in Shenzhen makes a useful intervention in the scholarship on governance, which has raised the point that governments in less economically developed countries will not necessarily benefit from the models of governance applied in more economically developed countries such as the US or the UK. Instead, governance should be appropriately modified for national circumstances in

order to achieve better implementation results. Of course, this requires competent leadership and bureaucracy to customise the content of the governance agenda, and carefully schedule reforms to avoid causing public dissatisfaction and political and social instability. It is clear from the case of governance (CN) in China, that vital prerequisites for Western-style governance are absent in the context of developing countries. For example, civil actors' independent participation in public affairs and the supervision of a 'free press', which have been replaced by 'orderly' civil engagement under the Party-state's control and censorship. Moreover, the institutional design of the Chinese Party-state neither copies the principle of separation of powers, nor makes provision for law enforcement and judicial mechanisms fully detached from the CPC's leadership – not to mention putting in place an electoral system to hold the CPC and the government to account. Far from being overwhelmed by an irresistible tidal wave of democracy, the 'unaccountable' Chinese Party-state has incorporated a distinctively Chinese version of governance, which both renders anti-corruption measures more effective and aids the government in shaping a more stable authoritarian regime.

In addition, similar to the 'good enough governance' (Grindle 2004, 2007, 2017), my observations on the implementation of governance (CN) in Shenzhen make clear that governance reform should establish priorities for implementing institutional reform and sequencing their activities to tackle critical problems, rather than rigidly adopting a wide range of the institutional preconditions of governance all at once, or endeavouring to fix a variety of socio-political problems simultaneously. For instance, the CPC has prioritised its battle against corruption, and the comparatively successful anti-corruption measures have increased the Chinese people's satisfaction with the government's performance (see Figure 7.4 in Chapter 7), gaining the people's support and helping to maintain the CPC's legitimacy. Although the sustainability and authenticity of China's recent anti-corruption efforts have been questioned by some China watchers (Pei 2013; Lam 2015; Brown 2015), for the time being it has gained the Chinese Party-state more popular support, and the Chinese people are being served by a cleaner government with more friendly officials, while entrepreneurs pay less 'corruption tax'. Thus, these governance (CN)

reforms are 'enhanc[ing] the strength and durability' of the CPC (Stromseth et al, 2017, p. 279), allowing it to consolidate its ruling status as a people's democratic dictatorship while rejecting 'both the old and rigid closed-door policy and any attempt to abandon socialism and take an erroneous path' (Hu 2012).

This study is unable to provide specific figures for anti-corruption efficacy before and after the adoption of governance (CN), due to corruption's secretive and sensitive nature (Guo 2008, p. 349; Hsu 2001, p. 29). Instead, I have sought to ascertain how governance (CN) has increased China's anti-corruption efficacy by analysing publicised anti-corruption achievement reports, institutional reforms, interviewees' personal experiences in Shenzhen, and surveys of public satisfaction and confidence (see Figures 7. 4-6 in Chapter 7). I highlighted two main problems that could limit the current upward trend in anti-corruption efficacy, but which could be corrected in the current system: insufficient social participation in anti-corruption, and slow progress on the civil service property declaration system.

Of course, although this research uses Shenzhen as a case study of the Chinese bureaucracy and public's perspectives on President Xi's war on corruption and on institutional reforms originating from the adoption of governance (CN), the governance (CN) and anti-corruption experiments in Shenzhen are not isolated from the rest of China. As the 'Demonstration City of Socialism with Chinese Characteristics' (NOPGSM 2016a) and 'the Pilot Demonstration Area of Socialism with Chinese Characteristics' (Zhang 2019), Shenzhen is the most influential policy pilot city to trial 'innovative ideas' (SCMP 2019). Since the promotion of governance (CN) in Shenzhen has verified that these reforms could support the authorities to better tackle the problem of corruption and to enhance public services, there are good grounds for believing that this governance (CN) model can radiate national wide in China and a certain plausibility in the idea that governance (CN) can create a positive impact on other developing countries. Future research on governance and anti-corruption in another city, situated in the centre or in the west of China such as Wuhan or Guiyang, could observe and compare the characteristics and extent of governance adoption in China, and its effects on socio-political ungovernabilities.

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Appendix:

Fieldwork questions

1) From your experience, what do you think about the general anti-corruption efficacy in China before Xi Jinping becomes the president? Specify to Shenzhen city, what do you think about anti-corruption efficacy in Shenzhen before 2012? 从您的自身经验谈，您认为在习近平出任党的总书记和国家主席前，中国反腐的整体效能如何？具体到深圳市，您认为在 2012 年以前，深圳地区的反腐效能如何？

a. Some Western scholars argue that anti-corruption in previous China were more likely as power conflict or propaganda, how you regard these viewpoints? (Some scholars argue that the fallen tigers such as Chen Xitong's arrest were due to factional conflict, for example) 一些西方学者认为过去中国的反腐更像是权力斗争的结果或者是自我宣传，您怎么看待他们的观点？（比如说他们认为逮捕陈希同这样的老虎是由于派系斗争）

b. What are the merits/defects of pervious anti-corruption system? (Regular/campaign) 您能为我解读一下过去反腐系统（常规/严打）的优缺点吗？

c. Western scholars normally consider Yada periods as anti-corruption campaigns, what do you think about this definition? 西方学者一般认为严打是反腐运动，您怎么看待他们的这个定义？

2) From your experience, what do you think about the general anti-corruption efficacy after Xi becomes the president (or after 2013). Specify to Shenzhen city, what do you think about the anti-corruption efficacy in Shenzhen during the past three years? 从您的自身经验谈，您认为自习近平继任总书记后(或 2013 年后)，中国反腐的整体效能如何？具体到深圳市，您认为深圳地区近 3 年的反腐效能如何？

a. If the general anti-corruption efficacy in China was changing during the past few years, which new policies that might have led to the change in anti-corruption efficacy? 如果过去几年中国整体的反腐效能发生变化，那么有哪些新政策可能促成了反腐效能的变化？

b. Do you think there are some old policies that had not been properly enforced previously are now in better implementation and enhanced anti-corruption efficacy? 您认为有没有一些旧政策在新条件下被更好地贯彻执行了，从而导致反腐效能的增强？

c. Can you explain to me why these new or old policies can enhance anti-corruption efficacy? 您能解释一下为何这些新或旧政策能增强反腐效能？

d. Policy reform in which aspects that you consider might affect anti-corruption efficacy most? Can you explain it in detail? 您认为，哪些方面的政策改良对反腐效能影响最大？请问是否可以详细解释一下呢？

3) As we know that the current central leadership of the CPC has stressed on the national (social) governance and the rule of law in the 3rd and 4th plenum of 18th CPC central committee. Thus, how is the governance/ the rule of law implementing? What influence may be caused by such implementation in the anti-corruption field? 众所周知，新的中央领导集体在 18 届 3 中和 4 中全会上强调要落实国家（社会）治理与依法治国，那么治理和依法治国的落实情况如何？此种落实可能会为反腐领域带来什么影响？

a. From your experience, what changed (or changing) in the anti-corruption area do you consider that roots on the promotion of 'new governance'? (In case the respondents do not familiar with governance concept, I will explain some governance interpretation to him/her) 从您自身经验谈, 您认为反腐领域中有哪些变化是源于新治理的提出? (以防受访者不熟悉治理的概念, 我会为其解释一些治理的理念)

b. How many governance elements that you think involved in current anti-corruption zones? (e.g. 1. Rule of Law 2. Transparency 3. Responsiveness 4. Consensus-Oriented 5. Equity and Inclusiveness 6. Effectiveness and Efficiency 7. Accountability 8. Participation) 您认为目前有多少治理元素运用到了反腐领域? (比如说依法治国, 透明性回应性, 合意导向, 公平和包容性, 效力和效能, 责任性, 参与性) (design a governance elements list and show it to my interviewees 设计一张治理元素的表并给受访者看)

c. Though governmental procurement procedure or cases, can you explain to me how governance elements fill up public procurement loopholes? 您可以用政府采购作为例子为我解读一下新治理的元素是怎么填补了过去公共采购中的漏洞呢?

d. Can you explain to me how 'governance elements' effect on anti-corruption efficacy? (For example, enforce transparency might cause greater governmental information disclosure) 您能为我解释一下治理元素是如何影响反腐效能的吗? (比如落实透明性可能会增进政府信息公开)

e. If some reforms in the battlefield against corruption such as enhance governmental transparency are due to the promotion of 'the new governance.' Then, what is the idea condition of such reform if fully enforced? To what extent has these fields been reformed? Can you explain the current situation to me? (e.g. before and after) 如果反腐领域的某些变革, 比如政府透明度的增加是源于治理政策的落实, 那么, 如果完全落实, 改革的理想状态是如何的? 这些领域改革的情况如何, 落实的程度如何, 您能够为我介绍一下目前的状况吗? (比如说变化前后差别)

f. Has the 'improvement' of the current anti-corruption efficacy meets the goal of 'the new governance' reform in the anti-corruption area? Why? Is there any room left for anti-corruption efficacy enhancement under the 'the new governance'? How to improve that? 当前反腐效能的提升是否达到了政府推动治理反腐的设计目标? 为什么呢? '新治理'下的反腐效能是否还有提升的空间? 如何提升反腐效能?

g. If some changes in anti-corruption efficacy were considered caused by the employment of some governance elements, is it also possible that these changes in anti-corruption efficacy may be due to other governmental endeavors such as hyper-enforcement on anti-corruption or Yanda (strike hard campaign)? What do you think about this? 这些影响除了来自治理的各个因素, 是否也有可能源于政府在其他方面的努力, 比方说高压反腐/严打? 您对此怎么看?

4) Social management in China is processing to social governance, which slogan as 'strengthen leadership by the Party committee,' 'give full play to the leading role of the government' and 'support the participation of all sectors of the society.' From your opinion, how will anti-corruption efficacy affected by the social governance reform? 中国的社会管理理念已转变为社会治理, 而社会治理的口号是在党的领导和政府主导下鼓励社会参与。您认为, 这种转变可能会为反腐效能带来什么样的影响?

a. In recent years of battle against corruption, has the changes you considered happened? Why? 在近几年的反腐工作中, 您考虑的这种变化有没有出现? 为什么?

b. Do you think there are something unexpected happened in recent years anti-corruption practice, which rooted from social governance has affected anti-corruption efficacy? What is the reason? 近年的反腐实践中，有没有您意想之外的，源自社会参与的影响反腐效能的变化发生？您认为它发生的原因是什么？

c. Compare with the Western governance, governance in China might theoretically (or reality) embodied more about the leading role of the CPC and the government in overall control the issue. What influence do you think that the CPC and the government's role in the anti-corruption area might pose to China's general anti-corruption efficacy? 相对比国外治理，中国治理从理念上（或现实）更多地体现的是党与政府对事件的全面把握的领导角色。您认为，党和政府的在反腐领域所扮演的这种角色会为中国整体反腐效能带来什么样的影响？

5) Under the impact of 'the new governance' (e.g. government officials may be more responsiveness, governmental departments might disclosure more information? Or officials slack off their duty because they cannot benefit from it?), what has your life/work influenced by the current anti-corruption practice? 在新治理影响下(比如官员回应性更高，政府部门公开的信息更多？或者官员们因为不能贪污而懈怠工作？)，目前的反腐行动对您的生活/工作产生了什么样的影响？

a. Which aspects does the current anti-corruption practice affect your life/ work (e.g. your workload changed because government affairs are more transparent?) 目前的反腐行动从哪方面影响了您的生活、工作？（比如因政府信息更透明而导致您工作量的变化？

6) From your view, how might governance enforce in the anti-corruption field in the future? 从您的角度看，你认为在未来，政府治理在反腐领域可能如何落实？

a. From you view, in order to promote anti-corruption efficacy, what kind of role should civil actors play in anti-corruption? To what extent? 为了增强反腐效能，您认为，社会成员在反腐中应扮演什么样的角色？公众的参与空间可能会扩大或缩小到什么程度？

b. What kind of participation should citizens and NGOs take part in anti-corruption processes? 市民和非政府社会组织该从哪些方面参与到反腐进程中来？

Survey

English Version:

Please mark the eight elements of governance from 0 to 10, 0 represents that this element cannot be reflected in the current governance in China, and 10 means that the implementation of this governance element match perfectly in China's governance:

1. Rule of Law

Good governance needs an impartial judicial institution to enforce equitable legal system, in order to protect rights and interests of all stakeholders.

2. Transparency

Transparency means that public departments should provide information that relates to public affairs to the public in simple and understandable forms; public departments should provide freely, conveniently and directly ways for stakeholders who may affected by governance policies, enforcement and its results to access relevant information; and all decisions and enforcements that taken by public departments should disclosure information in compliance with the laws and regulations.

3. Responsiveness

Good governance requires that the design of public institutions and their working processes should satisfy the maximum profit of the public within a reasonable timeframe.

4. Consensus Oriented

Good governance needs public departments and stakeholders to reach a broad consensus through consultation and negotiation, which to understand different interests of stakeholders, and produce policies that could achieve the best interest of the entire society in a sustainable approach.

5. Equity and Inclusiveness

Society members' wellbeing come from the sense that they feel their interests have been well-thought-out by public departments in the policy making process. It means that stakeholders, especially the most vulnerable, can have opportunities to participate in policy making process.



6. Efficacy and Efficiency

Good governance means that while in the process of serving public services which meets the requirement of stakeholders, public departments also need to maximize the use of resources—financial, human, technological, natural and environmental – at its disposal.



7. Accountability

Accountability is a fundamental requisite of good governance. It requires that public departments or stakeholders clarifies who is accountable for what and putted on record. In general, a public department is accountable to stakeholders who might be affected by its decision or implementation, as well as corresponding with the laws and regulations.



8. Participation

Anyone who might affected by or interested in a public policy should be given the opportunity to participate in the process for making that policy. The participation can applied in several ways--citizens may take part in an opinion survey, they can also make suggestions to the authority or, be part of the actual policy making process if that's practical.



Chinese Version:

请您从 0 至 10 为治理的八个元素打分，0 代表是这个元素完全不能体现在我国目前的治理上，而 10 分则是这个元素与我国治理理念完全契合：

1. 依法治国

一个公正的司法监察主体来贯彻公平的法律体系，以保护所有利益相关者的权益。

分数：

2. 公共事务的透明性

公共部门以通俗易懂的形式和媒介为民众提供与公共事务相关的各类信息；公共部门应为受治理政策、执行措施和结果影响的利益相关者提供无偿、直接以及方便的方式了解相关信息；同时公共部门所作出的任何决定和采取的措施都应根据法律法规进行公示。

分数：

3. 公共部门的回应性

公共部门以及其运行的程序能够在一个合理时间范围内为公众的最大利益服务。

分数：

4. 合意导向

公共部门与社会各群体通过磋商讨论来达到最广泛的共识，以理解社会各群体的不同利益诉求，从而使制定的政策能够以可持续的方式让社会整体的利益最大化。

分数：

5. 公正与包容性

社会成员的幸福源自他们能感受到自身的利益能够在公共部门的相关决策程序中得到体现。这意味着社会群体，尤其是最弱势群体，能够拥有参与到公共部门制定政策的机会。

分数：

6. 效率与效能

公共部门在为社会成员提供符合他们需要的公共产品过程中，同时最大限度地利用好各项资源，比方说人力、科技、金融、自然环境以及废弃物处理。

分数：

7. 问责性

问责性要求厘清部门或利益相关者对具体事务的职责并记录在案。一般而言，一个部门需要对受其决策或行为影响的利益相关者和对应的法律法规负责。

分数：

8. 参与性

任何受相关政策影响的或对政策感兴趣的社会成员都应有机会参与到政策制定的环节中去。参与的方式可以多元化—社会成员可以参与社会民意调查，参与建言献策，或者在条件允许的情况下在参与到政策的制定环节中去。

分数：

Interview date:

Interviewee no. 1 Official in DIC, February 2017

Interviewee no. 2 Official in DIC, February 2017

Interviewee no. 3 Official in Army & Research, February 2017

Interviewee no. 4 Official in Science research, February 2017

Interviewee no. 5 Official in Civil affairs, January 2017

Interviewee no. 6 Official in Civil affairs, January 2017

Interviewee no. 7 Official in Civil affairs, January 2017

Interviewee no. 8 Official in Culture and Broadcasting Administration, January 2017

Interviewee no. 9 Official in Housing and Construction, December 2016

Interviewee no. 10 Official in Public Security, December 2016

Interviewee no. 11 Official in Procuratorate, December 2016

Interviewee no. 12 Official in Disable Persons' Federation, December 2016

Interviewee no. 13 Official in Organization Department of the CPC, February 2017

Interviewee no. 14 Official in Disable Persons' Federation, January 2017

Interviewee no. 15 Official in Procuratorate, January 2017

Interviewee no. 16 Official in Public Security, December 2016

Interviewee no. 17 Lawyer, February 2017

Interviewee no. 18 Lawyer, February 2017

Interviewee no. 19 Lawyer, February 2017

Interviewee no. 20 Lawyer, February 2017

Interviewee no. 21 Lawyer, February 2017

Interviewee no. 22 Lawyer, February 2017

Interviewee no. 23 Lawyer, February 2017

Interviewee no. 24 Lawyer, January 2017

Interviewee no. 25 Lawyer, January 2017

Interviewee no. 26 Media & member of Shenzhen CPPCC, February 2017

Interviewee no. 27 Media & member of Shenzhen CPPCC, December 2016

Interviewee no. 28 Entrepreneur in Property Management, February 2017

Interviewee no. 29 Entrepreneur in Agriculture and the Food Service Industry, January 2017

Interviewee no. 30 Entrepreneur in Technology, February 2017

Interviewee no. 31 Entrepreneur in Construction, February 2017

Interviewee no. 32 Entrepreneur in Religious Supplies, January 2017

Interviewee no. 33 Entrepreneur in Education, February 2017

Interviewee no. 34 Entrepreneur in Marketing, January 2017

Interviewee no. 35 Entrepreneur in Jewellery, February 2017

Interviewee no. 36 Entrepreneur in Property Management, February 2017

Interviewee no. 37 Entrepreneur in Technology, February 2017

Interviewee no. 38 Entrepreneur in Alcohol Industries, February 2017

Interviewee no. 39 Entrepreneur in Technology, January 2017

Interviewee no. 40 Entrepreneur in Import and Export Business, January 2017

Interviewee no. 41 Entrepreneur in Culture Industry, January 2017

Interviewee no. 42 Entrepreneur in Construction Supplies, January 2017

Interviewee no. 43 Entrepreneur in Hydroelectric Power, January 2017

Interviewee no. 44 Entrepreneur in Technology, January 2017

Interviewee no. 45 Entrepreneur in Medical Technology, January 2017

Interviewee no. 46 Entrepreneur in Construction Supplies, December 2016

Interviewee no. 47 Entrepreneur in Technology, December 2016

Interviewee no. 48 Entrepreneur in Hydraulic Engineering, December 2016

Interviewee no. 49 Entrepreneur in Construction Supplies, December 2016

Interviewee no. 50 Scholar in Law & former NPC representative, February 2017

Interviewee no. 51 Scholar in Law, February 2017

Interviewee no. 52 Scholar in Economic, February 2017

Interviewee no. 53 Scholar in specialising in Marxism, December 2016

Interviewee no. 54 Scholar in Management, December 2016

Interviewee no. 55 Scholar in Government Accountability, December 2016

List of anti-corruption related regulations that revised or issued since the 18th CPC National Congress:

Organization names in the regulation list:

CCCCPC	中共中央 Central Committee of the CPC
PCPCCC Committee	中共中央政治局 Politburo of the CPC Central Committee
GOSCNPC Committee of the NPC	全国人大常委会办公厅 General Office of Standing Committee of the NPC
GO	中共中央办公厅 General Office of the CPC
GOSC	国务院办公厅 General Office of the State Council of the People's Republic of China
GONC Committee of the CPPCC	政协全国委员会办公厅 General Office of National Committee of the CPPCC
COD of CPC	中共中央组织部 Central Organization Department of CPC
PD	中共中央宣传部 Publicity Department of the CPC
CCDI Inspection of CPC	中国中央纪委 Central Commission for Discipline Inspection of CPC
GOA	中共中央直属机关事务管理局 Government Offices Administration of the CPC Central Committee
CLGPMLEPA	中央党的群众路线教育实践活动领导小组 Central Leading Group for Party Mass Line Education and Practice Activities
OCLGPMLEPA	中央党的群众路线教育实践活动领导小组办公室 Office of Central Leading Group for Party Mass Line Education and Practice Activities
LGCOCSY	中央公务用车制度改革领导小组 Leading Group for Central Official Car-using System Reform
SCOPSR Reform	中央编办 State Commission Office for Public Sector Reform
MS Republic of China	监察部 Ministry of Supervision of the People's Republic of China

MF of China	财政部 Ministry of Finance of the People's Republic of China
MHUD	住房和城乡建设部 Ministry of Housing and Urban-Rural Development of the People's Republic of China
MC of China	文化部 Ministry of Culture of the People's Republic of China
MPS Republic of China	公安部 Ministry of Public Security of the People's Republic of China
MCA Republic of China	民政部 Ministry of Civil Affairs of the People's Republic of China
MCPRC Republic of China	商务部 Ministry of Commerce of the People's Republic of China
MHRSS	人力资源和社会保障部 Ministry of Human Resources and Social Security
SACS	国家公务员局 State Administration of Civil Service
SAT People's Republic of China	税务总局 State Administration of Taxation of the People's Republic of China
SAIC People's Republic of China	工商总局 State Administration of Industry and Commerce of the People's Republic of China
NTA People's Republic of China	国家旅游局 National Tourism Administration of the People's Republic of China
SAR of the People's Republic of China	国家宗教局 State Administration of Religious Affairs of the People's Republic of China
SACH Heritage of the People's Republic of China	国家文物局 State Administration of Cultural Heritage of the People's Republic of China
SAPPRFT	国家新闻出版广电总局 State Administration of Press, Publication, Radio, Film and Television of The People's Republic of China
NAIS Institutional Affairs	国家机关事务管理局 National Administration of Institutional Affairs
NAO	审计署 National Audit Office
SASAC	国资委 State-owned Assets Supervision and Administration Commission of the State Council

SPS18CCCPC 中共 18 大六次会议 the Sixth Plenary Session of
the 18th Central Committee of the CPC

CTS18CCCPC 中共 18 届中纪委三次会议公报 the Communiqué of
the Third Session of the 18th Central Committee of the CPC

CFS18CCCPC 中共 18 届中纪委五次会议公报 the Communiqué of
the Fifth Session of the 18th Central Committee of the CPC

Regulation list:

No	Regulation	Issue Organ	Time
1	十八届中央政治局关于改进工作作风、密切联系群众的八项规定 An Eight-Point Regulation to Cut Bureaucracy and Maintain Close Ties with the People	中共中央政治局 PCPCCC	12/2012
2	关于在干部教育培训中进一步加强学员管理的规定 Provisions on Further Strengthening Cadre Management at Cadres Education and Training Institutions	中共中央组织部 COD	03/2013
3	监察机关特邀监察员工作办法 Measures for the Work of Special Inspectors of Supervisory Organs	监察部 MS	10/2013
4	关于进一步规范党政领导干部在企业兼职（任职）问题的意见 Opinions on Further Regulate on Party and Political Leaders and Cadres Working Part-time (Holding Office) in Enterprises	中共中央组织部 COD	10/2013
5	关于进一步做好领导干部报告个人有关事项的工作通知 Circular on Further Improve the Leading Cadres' Reporting Personal Matters Relating to the Work	中共中央组织部 COD	12/2013
6	关于在党的群众路线教育实践活动中严肃整治‘会所中的歪风’的通知 Circular on Serious Treatment on ‘the Unhealthy Trend in the Clubhouse’ in Party Mass Line Education and Practice Activities	中共中央纪委，中央党的群众路线教育实践活动领导小组 CCDI, CLGPMLEPA	12/2013
7	建立健全惩治和预防腐败体系 2013-2017 年工作规划 2013-2017 Work Plan for Establishing and Completing Systems for The Punishment and Prevention of Corruption	中共中央办公厅 GO	12/2013
8	党政领导干部选拔任用工作条例 the Regulation on the Selection and Appointment of the Party and Government Leaders	中共中央 Central Committee of the CPC	01/2014
9	关于加强干部选拔任用工作监督的意见 Opinions on Strengthening the Superintendence on Cadre Selection and Appointment	中共中央组织部 COD	01/2014
10	关于进一步整治‘会所中的歪风’的通知 Circular on Further Treatment on ‘the Unhealthy Trend in the Clubhouse’	中央党的群众路线教育实践活动领导小组办公室 OCLGMLEPA	05/2014

11	党政主要领导干部和国有企业领导人员经济责任审计规定实施细则 Implementation Guidelines for Regulation of Economic Accountability Audit on Leading Officials of Party, Government and State-owned Enterprises	中共中央纪委机关、中共中央组织部、中央编办、监察部、人力资源和社会保障部、审计署、国资委 CCDI, COD, SCOPSR, MS, MHRSS, NAO, SASAC	07/2014
12	关于深化‘四风’整治、巩固和拓展党的群众路线教育实践活动成果的指导意见 Guiding Opinions of the Deepening Rectification on ‘Formalism, Bureaucratism, Hedonism and Extravagance’, Consolidate and Expand Achievements of Mass Line Education and Practice Activities	中共中央办公厅 GO	11/2014
13	领导干部干预司法活动、插手具体案件处理的记录、通报和责任追究规定 Provisions on Recording, Notification and Accountability of Intervening into Judicial Activities and in Handling of Specific Cases by Officials	中共中央办公厅、国务院办公厅 GO GOSC	03/2015
14	推进领导干部能上能下若干规定（试行） Several Provisions on further promoting the promotion-demotion mechanism for Leaders (for Trial Implementation)	中共中央办公厅 GO	07/2015
15	中国共产党巡视工作条例 Provisions of the Chinese Communist Party Regarding On-Site Inspections	中共中央 CCCPC	08/2015
16	党政领导干部生态环境损害责任追究办法（试行） Measures for the Accountability of Party and Government Leaders for Damage to the Ecological Environment (for Trial Implementation)	中共中央办公厅、国务院办公厅 GO, GOSC	08/2015
17	中国共产党纪律处分条例 the Regulation of the Communist Party of China on Disciplinary Actions	中共中央 CCCPC	10/2015
18	关于改革完善博士后制度的意见 Opinions on Reforming and Improving the Postdoctoral System	国务院办公厅 GOSC	11/2015
19	中国共产党问责条例 the Accountability Regulations of the Communist Party of China	中共中央 CCCPC	07/2016
20	关于防止干部‘带病提拔’的意见 Opinions on Preventing the Promotion of ‘Sick’ Cadres	中共中央办公厅 GO	08/2016

21	关于新形势下党内政治生活的若干准则 Code of Conduct for Intraparty Political Life under New Circumstances	中共 18 大六次会议 SPS18CCCPC	10/2016
22	中国共产党党内监督条例 Regulations of the Communist Party of China on Internal Oversight	中共 18 大六次会议 SPS18CCCPC	10/2016
	引导示范带头 Guidance, demonstration and take the lead		
23	关于在全国纪检监察系统开展会员卡专项清退活动的通知 Circular on Special Campaign to Check and Return Membership Cards in Discipline Inspection and Supervision System of the Country	中共中央纪委 CCDI	05/2013
24	违规发放津贴补贴行为处分规定 Provisions on Disciplinary Actions for the Granting of Allowances and Subsidies in Violation of Regulations	监察部、人力资源和社会保障部、财政部、审计署 MS MHRSS, MF, NAO	06/2013
25	关于党员干部带头推动殡葬改革的意见 Opinion on Party Cadres Taking the Lead to Further Promoting Funeral Reform	中共中央办公厅、国务院办公厅 GO, GOSC	12/2013
26	关于领导干部带头在公共场所禁烟有关事项的通知 Circular on Matters Concerning Officials Taking the Lead on Banned Smoking in Public Places	中共中央办公厅、国务院办公厅 GO, GOSC	12/2013
27	中国共产党廉洁自律准则 the Standards of Honesty and Self-discipline of the Communist Party of China	中共中央 CCCPC	10/2015
	提倡厉行节约 Promoting Frugal Spending		
28	关于党政机关停止新建楼堂馆所和清理办公用房的通知 Circular on Stop New Building and Clean Up Office Rooms by Party and Government Organs	中共中央办公厅、国务院办公厅 GO, GOSC	07/2013
29	关于制止豪华铺张、提倡节俭办晚会的通知 Circular on Suppression of Luxurious Extravagance, and Encouraging the Frugal Party	中共中央宣传部、财政部、文化部、审计署、国家新闻出版广电总局 PD, MF, MC, NAO, SAPPRFT	08/2013
30	党政机关厉行节约反对浪费条例 Party and Government Regulations for Frugal Spending to Combat Waste	中共中央办公厅、国务院办公厅 GO, GOSC	11/2013
31	关于严格规范党报党刊发行工作 严禁报刊违规发行的通知 Circular on Strictly Regulating Party Newspapers and Party Periodicals, and Prohibiting Illegal Newspapers and Periodicals issue	中共中央宣传部、国家新闻出版广电总局 PD, SAPPRFT	11/2013

32	关于厉行节约反对食品浪费的意见 Opinion on Frugal Spending to Combat Food Waste	中共中央办公厅、国务院办公厅 GO, GOSC	03/2014
33	关于在党的群众路线教育实践活动中全民清理政治奢华浪费建设的通知 Circular on National Engagement in Eliminating Political Luxury and Wasteful building in Party Mass Line Education and Practice Activities	中央党的群众路线教育实践活动领导小组 CLGPMLEPA	08/2014
34	关于全国性文艺评奖制度改革的意见 Opinions on National Literary Award System Reform	中共中央办公厅、国务院办公厅 GO, GOSC	10/2015
	规范公务行为 Regulating Administrative Acts		
35	中央和国家机关会议费管理办法 Administrative Measures for Conference Fees for Official Business of Central and State Organs	财政部、国家机关事务管理局、中共中央直属机关事务管理局 MF, NAIS, GOA	09/2013
36	党政机关国内公务接待管理规定 Provisions on Party and Government Domestic Official Business Reception Management	中共中央办公厅、国务院办公厅 GO, GOSC	12/2013
37	中央和国家机关差旅费管理办法 the Measures for the Administration of the Travel Expenses of Central and State Organs	财政部 MF	12/2013
38	关于全面推进公务用车制度改革的指导意见 Guiding Opinions on Comprehensively Advancing Official Car-using System Reform	中共中央办公厅、国务院办公厅 GO, GOSC	07/2014
39	中央和国家机关公务用车制度改革方案 Scheme for the Official Car-using System Reform of Central and State Organs	中共中央办公厅、国务院办公厅 GO, GOSC	07/2014
40	关于严禁党政机关到风景名胜区开会的通知 Circular on Strict Prohibition Conference in Scenic and Historic Areas by the Party and Government Organs	中共中央办公厅、国务院办公厅 GO, GOSC	09/2014
41	关于严禁在历史建筑、公园等公共资源中设立私人会所的暂行规定 Interim Provisions on Strict Prohibition of Establishment of Private Clubhouse in Historic Buildings, Parks and other Public Resources	中共中央办公厅、国务院办公厅转发、住房城乡建设部、文化部、公安部、民政部、商务部、税务总局、工商总局、国家旅游局、国家宗教局、国家文	10/2014

		物局 GO, GOSC, MHUD, MC, MPS, MCA, MCPRC, SAT, SAIC, NTA, SAR, SACH	
42	关于推行地方各级政府工作部门权力清单制度的指导意见 Guiding Opinions on Promoting the System of Listing the Authority of Local Governmental Departments at all Levels	中共中央办公厅、国务院 办公厅 GO, GOSC	03/2015
43	中央事业单位公务用车制度改革实施意见 the Implementation Opinions for Official Car-using System Reform in Central Public Institutions	中央公务用车制度改革领导小组 LGCOCSY	12/2015
44	中央企业公务用车制度改革实施意见 the Implementation Opinions for Official Car-using System Reform in Central Enterprises	中央公务用车制度改革领导小组 LGCOCSY	02/2016
45	中央行政单位通用办公设备家具配置标准 Furniture Allocation Standards on General Office Facilities of Central Administrative Entities	财政部、全国人大常委会 办公厅、政协全国委员会 办公厅、国管局、中直管理局 MF, GOSCNPC, GONC, NAIS, GOA	05/2016
46	行业协会商会与行政机关脱钩总体方案 The Framework Plan for De-affiliation of Administrative Agencies from Industry Associations and Chambers of Commerce	中共中央办公厅、国务院 办公厅 GO, GOSC	07/2016
47	关于进一步完善中央财政科研项目资金管理等政策的若干意见 Several Opinions on Further Improving the Fund Management of Science Research Projects Supported by Central Finance and Other Policies	中共中央办公厅、国务院 办公厅 GO, GOSC	09/2016
48	公务员考试录用违纪违规行为处理办法 Measures for Handling of Violations of Disciplines and Regulations in the Recruitment Examination of Civil Servants	中共中央组织部、人力资源和社会保障部、国家公务员局 COD, MHRSS, SACS	09/2016
49	关于做好事业单位政府购买服务改革工作的意见 Opinions on Effectively Conducting Reform of the Issues Concerning Government Purchase of Services from Public Institutions	财政部、中央编办 MF, SCOPSR	11/2016

50	中央和国家机关培训费管理办法 Measures for the Administration of the Training Fees of Central and State Organs	财政部、中共中央组织部、国家公务员局 MF, COD, SACS	12/2016
	严禁公款送礼 Strict Prohibition of Gift giving at Public Fund		
51	关于落实中央八项规定精神坚决刹住中秋国庆期间公款送礼等不正之风的通知 Circular on Implementing the Essence of the Eight-Point Code of the CCCPC and Resolutely Braking the Misconduct of Gift Giving at Public Fund during Mid-Autumn Festival, National Day holidays and others	中共中央纪委、中央党的群众路线教育实践活动领导小组 CCDI, CLGPMLEPA	09/2013
52	关于严禁公款购买印制寄送贺年卡等物品的通知 Circular on Strict Prohibition of Purchasing, Printing and Sending New Year Card and others at Public Fund	中共中央纪委 CCDI	10/2013
53	关于严禁元旦春节期间公款购买赠送烟花爆竹等年货节礼的通知 Circular on Strict Prohibition of Purchasing and Gift Giving Fireworks, Firecrackers and other Festive Gifts at Public Fund during New Year and Spring Festival Holidays	中共中央纪委 CCDI	11/2013
54	严禁干部用公款互相宴请、赠送节礼、违规消费 Strict Prohibition of Mutual Entertain, Holiday Gift Giving and Illegal Consumption at Public Fund	中共 18 届中纪委三次会议公报 CTS18CCCPC	01/2014
55	紧盯‘四风’问题新形势新动向，坚决查处公款吃喝、旅游和送礼等问题 Focusing ‘Formalism, Bureaucratism, Hedonism and Extravagance’ Problems under New Conditions and Trends, Resolutely Investigating and Prosecuting Problems at Dining and Wining at Public Fund, Traveling, Gift Giving and others	中共 18 届中纪委五次会议公报 CFS18CCCPC	01/2015
56	关于做好 2017 元旦春节期间有关工作的通知 Notice of Effectively Conducting Matters Concerning New Year and Spring Festival in 2017	中共中央办公厅、国务院办公厅 GO, GOSC	12/2016
57	强化监督执纪问责 营造‘两节’风清气正氛围 Strengthening the Accountability on Supervision and Discipline Implementation, Creating a Sound Environment during New Year and Spring Festival	中央纪委 CCDI	12/2016

Source from: the combination of Hong (2017) and my online research

Appendix photo



appendix photo 1 the Weibo of Jinan intermediate people's court that related to the time of the verdict of Bo Xilai. Source from: https://www.weibo.com/jinanzhongyuan?is_all=1&stat_date=201309#feedtop (last accessed 12 August 2018)



appendix photo 2 the Weibo of Xinhua news that related to the time of the verdict of Bo Xilai. Source from: https://www.weibo.com/xinhuaashidian?is_all=1&stat_date=201309&page=10#feedtop (last accessed 12 August 2018)



appendix photo 3 the full report of the Xinhua news that related to the time of the verdict of Bo Xilai. Source from: http://www.xinhuanet.com/photo/2013-09/22/c_125423417_2.htm (last accessed 12 August 2018)