



Enforcement and Political Power in Anticorruption—Evidence from China

LI LI^a, DONALD LIEN^b, YIPING WU^c and YANG ZHAO^{c,*}

^a Tsinghua University, Beijing, China

^b University of Texas at San Antonio, USA

^c Shanghai University of Finance and Economics, China

Summary. — Few empirical studies focused on the role of officials in the anticorruption enforcement, especially in the authoritarian regime. This paper uses linear panel data models with various control variables to investigate how the power of the government official in an anticorruption agency may impact the effectiveness of anticorruption campaign in China. Two types of political power are considered. Formal power is obtained when the Discipline Inspection Secretary is also named as a Vice Party Secretary of the province whereas informal power arises when the Secretary used to work with the Party Secretary of the province. It is found that both the formal and informal power of the Secretary of the Chinese Communist Party's Discipline Inspection Commission (i.e., the head of the anticorruption agency) help enhance the number of corruption cases under investigation. This result offers evidence to further explore how and why the anticorruption enforcement officials play their roles in a developing transitional country.

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1. INTRODUCTION

Anticorruption efforts have become global phenomena (De Sousa, 2010) because no country, either developing or developed, is free from corruption. The preliminary work for fighting corruption is to comprehend the determinants of corruption. Many studies have contributed to the answer of this query, such as the regime (Billger & Goel, 2009; Michael, Alejandra, & Andres, 2015; Rock, 2009; Sung, 2004; Treisman, 2000) and inequality (Stephen & Carlyn, 2012). Corruption is also related with the investment (Campos, Lien, & Sanjay, 1999; Lambsdorff, 2003; Mauro, 1995), decentralization (Bardhan & Mookherjee, 2001; Christian & Gunther, 2010; Rene & Glyn, 2006) and individual attitudes (Gatti, Paternostro, & Rigolini, 2003; Rory, 2011). Nonetheless, few studies focused on the role of officials in the anticorruption enforcement (Klitgaard, 1988; Lambsdorff, 2007; Rose-Ackerman, 1999).

In the limited studies, Olken (2005) found that traditional top-down monitoring can play an important role in reducing corruption, even in a highly corrupt environment. Van Aaken, Feld, and Voigt (2010) used data from 78 countries to test the hypothesis that prosecution agencies that are dependent on the executive government have fewer incentives to prosecute crimes committed by government members, which in turn promotes government members to commit such crimes. Echazu and Garoupa (2010) discussed two kinds of distortions that corruption generates in law enforcement. Nie and Wang (2016) analyzed the effects of airborne officials on anticorruption campaigns in China.

Two aspects of the anticorruption enforcement issue, however, remain under researched. First, the role of enforcement officials played on anticorruption is different and complicated, especially in the developing transition countries. Secondly, how the anticorruption enforcement officials employed their political power to work is less discussed. It is a remarkable fact that the operation of grass-root politics in China is very com-

plicated, which involves formal power embodied in the formal institution and is also subject to the influence of informal power through informal institution (Zhou, 2010, 2011). Fewsmith (1996: 232) argued that “any explanation of the Chinese political system and policy-making process must take into account of at least three elements: informal politics, formal structure, and political issues”. However, in the current literature there are few empirical studies on how the grass-root officials fight against corruption using their power during the anticorruption campaigns in China.

In order to fill the gap, this paper focuses on the officials in anticorruption enforcement in China to examine their roles in anticorruption agencies and how those roles influence enforcement. China is a representative case for the multiple anticorruption agency frameworks (Quah, 2006). There are, of course, certain unique features in multiple agencies in China. Owing to the nature of the party-state system, the discipline inspection system in China has evolved to become a core and indispensable part of the apparatus of the Chinese Communist Party (CCP) (Gong, 2008). Moreover, it is a key to understand how the local officials employed their formal and informal power to implement the anticorruption campaign in China. Formal power structure is the basic attribute of the local party system. It is however unlikely to provide reasonable explanations for many issues within the system only by studying the formal power structure. There are two types of informal power. The first type is related to the informal groups in political organizations where political elites have formed a network of inter-

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personal relations through their own personalities. The other type is generated from formal working relations. Frequent contacts of daily work between political elites can deepen their mutual understandings based upon which the interpersonal emotional communications led to complicated informal relations. Under the above circumstance, informal relations may be combined with formal relations and political elites may resolve political affairs by adopting the methods beyond the institutional text (Zhang, 2012).

More particularly, personal connections between the Provincial CDI Secretary and the Provincial CCP Secretary would enhance the former's informal power. These connections may come from family, educational, professional, and social associations. A previous working relationship plays an important role. If the two secretaries have worked together previously, we expect them to be more familiar with each other in work styles. The Secretary of Provincial CDI likely will be bestowed with greater informal power to investigate corrupt local officials. In China, personal connection (*guanxi*) plays an important role in economic and political activities. Although the Secretary of the CDI (SCDI) is not elected as Deputy Secretary of the Provincial Party, he can obtain the support of Provincial Party Secretary if he and the Provincial Party Secretary were colleagues before. Therefore, a colleague relationship can help the SCDI investigate corruption among local cadres with more ease.

In this paper, we examine the determinants for the performance of the anticorruption campaign in municipalities. Particular attention is paid to the effects of the formal power and informal power of the Secretary of the Provincial CDI. Formal power is measured by whether or not the Secretary of the Provincial CDI is a Deputy Secretary of the Provincial CCP committee. Informal power is measured by whether or not the Secretary of the Provincial CDI and the Secretary of the Provincial CCP have worked together previously. We expect the greater the formal or informal power, the better the anticorruption campaign performance.

This article first looks at corruption and anticorruption in China. The unique anticorruption agency, the CCP's Commission for Discipline Inspection (CDI), and the role of the Secretary of the CDI (SCDI) are examined. This paper uses panel data on the provincial SCDI who served in 30 Chinese provincial units from 2000 to 2012 to examine the role of SCDI in anticorruption campaigns by exploring the link between formal and informal power of the SCDI and the number of uncovered corrupt officials. We then proceed with econometric model specifications and data description. Several alternative model specifications are evaluated to confirm the primary findings. Robustness checks and a difference-in-differences exercise are conducted for further validation. The paper presents, in its last section, concluding marks.

2. FORMAL AND INFORMAL POWER IN ANTI-CORRUPTION ENFORCEMENT IN CHINA

Among transitional countries, China receives greater attention in corruption research because, compared with the former Soviet Union where the transition to a market economy was accompanied by varying degrees of political democratization, in China economic liberalization was undertaken within a basically unchanged political framework of authoritarian state-socialism (White, 1996). A good number of studies have been devoted to the problem of corruption in China (Gong, 1994; Gong, 1997; Gong, 2002; Gong, 2008; Gong & Ren, 2013; Gong & Wang, 2013; Harris, 1978; Kwong, 1997; Liu,

1983; Lo, 1993; Lu, 2000; Ngo, 2008; Oi, 1989; Rocca, 1992; Sun, 1999, 2001, 2004; White, 1996; Yao, 2002; Zhu & Wu, 2014) despite the fact that there is no universally agreed definition for corruption (Gong, 1994; Sun, 2001).

Besides sharing the Western concept on the deviation (abuse) of public roles for private gains, there are peculiar circumstances of culture and systemic transition that create ample ambiguities in conceiving corruption (Sun, 2001). Nevertheless, among the scholars who study corruption in China, there is a consensus that, beyond the more standard definition of corruption, a broad definition prevails in China as well (Lu, 2000; Sun, 2001). More specifically, in China, corruption is not only a crime, but is also referred to as moral degradation and irregularities in personal and political lifestyles (Yu, 2008). In an educational brochure distributed to workplaces by the CDI's Office of Propagation and Education, a broad range of cadre behavior is delineated as corrupt (without giving a distinct definition): selfishness, money worship, hedonism, bureaucracy, embezzlement, bribe-taking, privilege seeking, moral decadence, violation of economic/business laws and regulations, defiance of anticorruption bans, and sacrifice of large collectives to benefit small collectives.

As a result, there are two types of corruption. Cases which are subject to disciplinary settlements can be considered non-typical corruption in that they are less serious and are, in Chinese official terms, "unhealthy tendencies". Typical corruption, on the other hand, involves large monetary values, has significant importance, and therefore is subject to punishment by criminal laws (Zhu, 2008). Clearly the resolution of the corruption problem relies not only upon the judicial system (i.e., Procuratorate and the courts), but also upon the CCP's Discipline Inspection units.

Concomitant with the rapid development of the market-oriented economy after 1978, more and more corruption practices emerged in China. Particularly, there were different features of corruption in different periods (Gong, 1997, 2002; Gong & Ren, 2013; Gong & Wang, 2013; Levy, 1995; Liu, 1983; Ma, 1989; Oi, 1989; Pei, 2007; Rocca, 1992; Sun, 2001, 2004; Wedeman, 2004; Yao, 2002).^① Meanwhile, anticorruption enforcement has been periodic in nature (Manion, 2004; Quade, 2007). Campaign-style enforcement started abruptly and then ended quickly. Manion (2004:295) characterized the anticorruption enforcement campaign as "short periods of intensified enforcement during which corrupt officials can no longer count on the routine substitution of party disciplinary action for criminal punishment".

In the late 1990s, corruption became much more prevalent and severe whereas the effectiveness of anticorruption enforcement campaigns had dwindled. The CCP leadership began to seek new strategies. Specifically, it moved toward institution-building policies (Chan & Gao, 2008) and sped up efforts toward clean government since the 16th Congress in 2002 (Zhu, 2008). Although corruption continuously increased and remained severe after implementation of the new institution-building enforcement, it was expected that corruption would be contained successfully in the near future along with the progress of institutional reform with improved institutional arrangements (Guo, 2010; He, 2000).

Other researchers, however, held different views (Chan *et al.*, 2008; Ma, 2008; Manion, 1996; Quade, 2007; Wedeman, 2008). Manion (1996) argued that the situation remained "more of the same" due to a shortage of enforcement resources and lack of independent institutional design. Using official data to analyze the time lapse between when officials first engaged in corruption and when they were prosecuted to measure corruption risk, Wedeman (2008) found that it is

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