

Free literature review on causes of corruption in china:

[Government](#), [Corruption](#)



Yang reports in his publication (Corruption in Asia: China Case) that the Peoples' Republic of China was ranked position 80 out of 176 countries in the corruption list by the Transparency International in 2012. This ranking placed one of the world's most significant economies in the same position as three other countries; Serbia, Tobago and Trinidad. By the latest ranking, The Peoples' Republic of China ranks as more corrupt than most developed countries. China is more corrupt than Burkina Faso, Panama, Jamaica and Peru. The populous country suffers widespread vices related to inequity and misuse of public resources. Cases of grafts and bribery are everyday occurrences. Public fund embezzlement and backdoor deals are another form of corruption experienced in China. Zhu reiterates in his book, Corruption in China during the early Ch'ing period, that there has been nepotism in the provision of employment opportunities and patronage. Backdoor deals and falsification of statistics as proof of transactions are another source of corruption. China Center for Comparative Politics and Economics in a publication entitled Corruption and anti-corruption in reform China explores the root of the corruption rot in China. It further dwells into examining the measures that the government and Chinese citizens are taking to curb the vice. The challenges faced in the process of controlling corruption and successes realized so far are also explored at length. Impact of such a tremendous degree of corruption on the economy and politics of China too are scrutinized in details. This work gives an exploration and in-depth literature review of the three publications as they relate to causes of corruption in China.

Zhu notes that there are challenges presented in business transactions

between China and other countries due to rampant bribery. The Chinese culture values the gesture of giving gifts. Companies give out gifts to their trading partners in the Chinese context. The custom is valued and treasured. Chinese citizens and institutions hold the gesture in high esteem that it has sometimes led to renewal of contracts and signing new business deals as a sign of newly found bond. Clash sets in the consideration of the fact that FCPA does not allow payment for a transaction in any other form with a value other than cash. "Anything of value" includes practically all commodities and services that have monetary value attached to it. In the real sense, the regulation prohibits American traders from engaging in any extra business activities with the natives. Gifts have monetary value, and the regulatory law perceives granting gifts as a violation. There is, therefore, a rift between the American traders and the Chinese who see no flaws with their tradition. The two groups are set worlds apart in reality. The only thing that brings them together is business. United States companies are faced with the dilemma of breaking the Chinese customs, violating FCPA regulations or losing business. In the same opinion, Yang adds that corporate and business people exploit traditions to bribe for favors in open. Chinese, as mentioned before, value giving and receiving gifts. There is a Chinese custom of giving red envelopes that contain cash as a gift. This happens at social events such as new-year celebrations or at wedding celebrations. These occasions have been exploited by those seeking favors in businesses and job placements. The choice is little for those giving out the bribe. They need the business or job. As such, if buying the opportunity is the only possibility, they give out the money disguised as a gift. The art of lying in the name of gifts becomes even

more polished in business entertainment. Entertainment of state-owner-enterprises and business partnerships thrives in the Chinese customs. This is a matter of common courtesy that business enterprises all over the world practice. The act of exchanging gifts for favors is a common denominator in such occasions.

According to China Center for Comparative Politics and Economics, China administration has in the past years taken drastic measures to reduce corruption in the public sector. Sacking of high ranking individuals implicated in corrupt deals have thus taken the center stage in the Republic of China. Chinese Community Party has not spared any individual with questionable moves. It started off with sacking its member of Central Committee Political Bureau, Chen Lyangyu. The sacking was the first of its kind that did not care about rank but personality. It raised a hot topic of discussion among the Chinese and the rest of the world, marking a beginning to a determined fight against corruption. It led to elation of Shanghai residents within a faction of Shanghai. Although some people viewed this as a political war against some individuals eyeing seats in the 17th Communist Party Congress in the elections that were to follow the following year, the sacking of Chen Liangyu was a strategic starting point to later control abilities.

Both Yang and Zhu recognize the fact that the political class has been in the forefront to sustain corruption in China. It has infiltrated the entire administration, including every nerve of its heart. A “voluntary network” within the ruling regime works hard to protect political interests of the political elite. The “voluntary network” works in a mutual protection basis. The members appreciate and understand that individual survival depends on

the survival of the entire syndicate. The fall of a member makes the gang weaker. They, therefore, protect each other voraciously to ensure they live to reap from another graft. The reason for one member falling is as a result of losing his political protection. Anyone who remains politically correct has the pleasure to embezzle public funds, receive bribes for favors and retain the high status held in the government. Those who fall, for instance Chen, are as a result of losing touch with the “big men” who have a say in their survival. Pessimists of the move to sack Chen believe that it was a politically instigated operation.

As much as the China Center for Comparative Politics and Economics publication would want to remain silent on this issue, it acknowledges that power struggles in the name of fighting corruption is pointed out as one single reason that will curtail the noble intentions of the Chinese government. People’s Republic of China is viewed as having degenerated into a predatory state. Power struggles in the efforts to fight corruption shall not yield many effects on reducing the vice. “Predatory states” include countries governed by corrupt governments, most of them found in South America, Africa and Southern European states. These states, including China has a governance system that shamelessly plunders public resources as private property. To term this as heartless thievery is not an exaggeration. Grand corruption in Chinese government is the situation that has existed for years. Therefore, to fight this form of corruption, politics of interest have surfaced. Yang mentions a kleptocracy ruled by thieves in the name of public servants is the situation in China. Petty corruption at the lower level of the government is also widespread. This has led to competition in corruption and

bribery, everyone trying to reap as much as possible from bribes. Even the lowest ranking official in the Chinese government works hard to earn some extra, illegal income from corrupt deals. No one wants to be left out.

Everyone wants to make the best use of his authority.

Zhu and Yang accept the fact that sectors in the Chinese economy that is most corrupt include industry administration. Industry administration is used as a tool of profiteering. As long as an industry remains profitable, its license is a source of personal wealth. Mining of gold, coal and other minerals has enriched individuals more than it has brought in profits for the companies.

Officials tap their bribe baskets at the licensing of these companies. As a result, companies get license to mine because they could produce the highest bribes, not because they have the best tools and expertise required for the job. China leads in the numbers of people who die in mine accidents.

Serious environmental degradation due to uncontrolled mining waste disposal is the other adverse effect of contracting unqualified contractors.

The next target for the corruption agents is the Land Nationalization. Most Chinese officials have become wealthy land brokers. They buy real estate at low prices from unwilling citizens and sell the same properties to the government at exploitative prices. The lands are also sold to real estate developers, mostly foreigners who do not have the means of reaching the common man who receives disproportionate compensation. This has led to impoverishing a section of the Chinese society. Their products and resources cannot fetch internationally agreed rates. Their transactions must pass through the unscrupulous government officials who have connections with would be investors. One of the cases that revolved Chen Liangyu was the

sale of 10 large tracks of land to real estate developers. Analysts believe that this was just a tip of the iceberg. More disquieting corrupt deals could have been committed.

Additionally, China Center for Comparative Politics and Economics reiterates that privatization of state owned enterprises is the other area where corrupt dealers tap resources of the unsuspecting public. One Chen Guangyin presented an interesting and suspicious case of privatizing 272 state owned properties within a very short time. The mayor of Zhucheng City of Shandong Province astonished the Chinese public by the rate at which he commissioned the privatization. These transactions raised concerns within the Chinese community. Chen stole a huge sum of money from the Chinese people through privatization of their state owned enterprises. This is not the only case in China of government officials using their powers to privatize public properties and make money for themselves. Crimes committed by state officials in charge are the norm in China to date. In 2004, 41.5% of the total number of reported cases in China was related to state-owned enterprises.

A change of rule from one regime to the other has become an avenue for making individual wealth for the Chinese elite. Every regime that comes to power prefers a particular type of reform. China has had more than 28 years of reforms that never come to completion. Each reform type is an efficient tool for wealth collection. A few of the reform strategies witnessed so far include the privatization of public institutions. These privatizations have led to high magnitudes of corruption as has been discussed in the previous section. The next reform strategy was the Stock Establishment, the Land

Reforms and the Financial Systems Reform. Each of these reforms created new millionaires in the Chinese caste. The land reforms made every Chinese officially a land broker. The Stock Establishment ensured that those who were in authority by were the most significant beneficiaries of the stock markets. They secured investments in the best performing companies and locked out the rest. The powerful servants of the government acquired a lot of cash in the financial reforms.

The publications place a major link between immigration and corruption. Yang states that wealth acquired through dubious means cannot last in a situation where transparency is regained. Different phases of transformations with a different agenda cannot condone corrupt practices from the former regime. A new regime punishes offenders of the law of the ousted regime to gain favor and adoration from citizens. New administrators soon begin their version of public resource embezzlement, but after a show of high-handedness of the former administrators. Retirees fear the consequences of their corrupt deals. They know that their wealth cannot last beyond the regimes that favored their wealth acquirement. China Center for Comparative Politics and Economics goes on to explain that in order to safeguard their wealth, those who retire from public service in China opt to live in other countries that have no idea about the source of their wealth. Statistics show that 54% of retired Chinese do not stay in China. They immigrate to other countries such as the Korea. Emigration also affects those who lose hope with the Chinese system. Although to a small percentage, Chinese leave their motherland in search of bearable fair lives in other countries. Emigrants surveyed revealed that 5. 3% of Chinese leave their

motherland due to uncertainty in Chinese system. This is quite a large percentage of citizens who lose their patriotism because of corruption.

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