

Xi Jinping's Anti-corruption Campaign and the Third Plenum¹

**Andrew Wedeman
Department of Political Science
Georgia State University**

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A year ago, Xi Jinping assumed the office of General Secretary of the Communist Party of China (CCP) in the wake of the most serious corruption scandal since 2006 when Shanghai Municipal Party Secretary Chen Liangyu was caught diverting upwards of Y40 billion (US\$4.8 billion) from the municipal pension fund to speculative real estate and financial investments. In February 2012, Wang Lijun, who had headed the Chongqing Public Security Bureau until being abruptly "re-assigned" four days earlier to head the city's educational and environmental offices, fled to the US Consulate in Chengdu allegedly in hopes of obtaining political asylum in the United States. Wang's failed "defection" brought to light allegations that Politburo member and Chongqing Municipal Party Secretary Bo Xilai's wife Gu Kailai had murdered an English businessman in an out of the way Chongqing hotel. In the weeks that followed, the Chinese rumor mill buzzed about possible coup plots involving Bo and the head of the party's legal and security committee Zhou Yongkang. Wang, Gu, and Bo was subsequently convicted of bribery, embezzlement, and abuse of power, with Wang also being convicted of treason. Coming hard on the heels of a scandal involving the former Minister of Railways Liu Zhijun, the Bo case put Xi under tremendous pressure to launch a major anti-corruption campaign as soon as he entered office. In his first speech as CCP General Secretary, Xi declared:

¹ Originally posted by the China Policy Institute – University of Nottingham, available on line at <http://blogs.nottingham.ac.uk/chinapolicyinstitute/2013/11/15/xi-jinpings-anti-corruption-campaign-and-the-third-plenum/>.

There are many pressing problems within the Party that needs to be resolved urgently, especially the graft and corruption cases that occurred to some of the Party members and cadres, being out of touch from the general public, bureaucracy and undue emphasis on formalities -- they must be resolved with great efforts. The whole Party must be vigilant against them. To forge iron, one must be strong. Our responsibility is to work with all comrades in the party, to make sure the party supervises its own conduct and enforces strict discipline... (CNN, 11/15/2012).

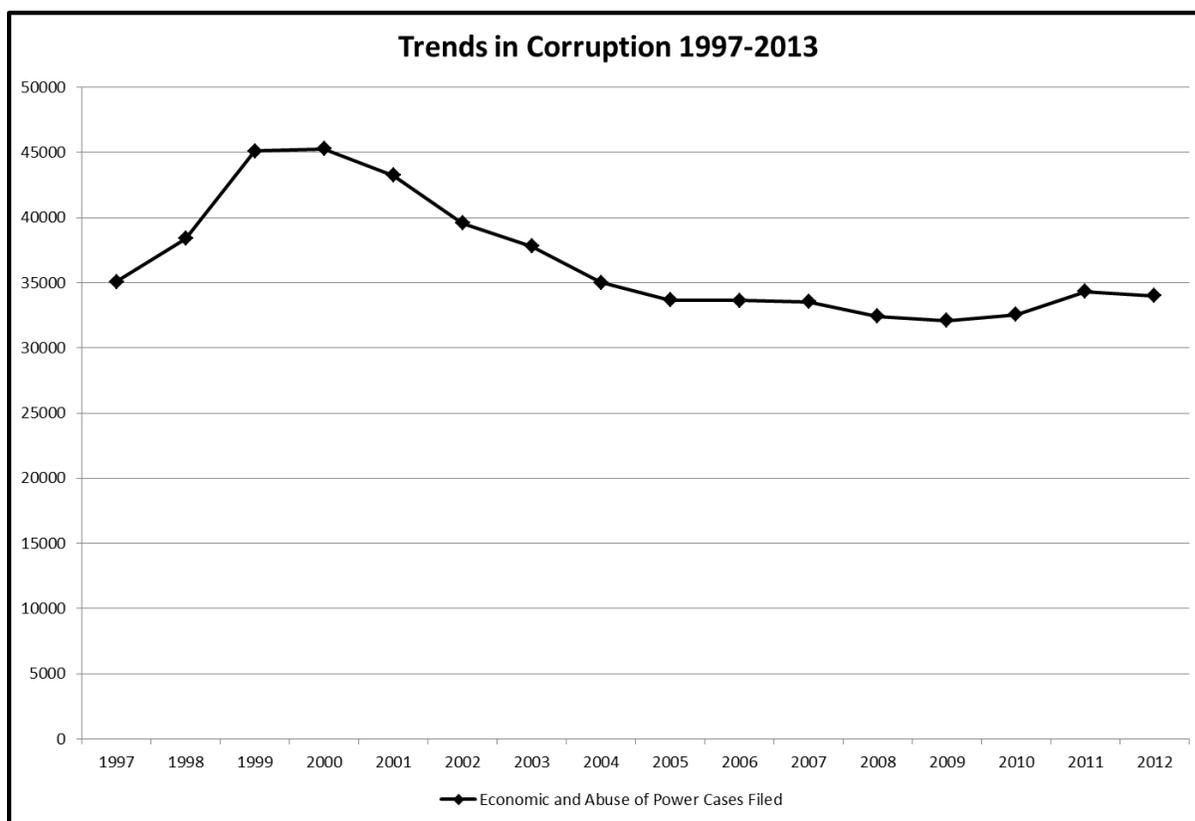
In a subsequent address to the Politburo, Xi doubled down, saying:

A mass of facts tells us that if corruption becomes increasingly serious, it will inevitably doom the party and the state. We must be vigilant. In recent years, there have been cases of grave violations of disciplinary rules and laws within the party that have been extremely malign in nature and utterly destructive politically, shocking people to the core. (NYT, 11/19/2012).

Strong words, however, only have meaning if they are translated into concrete actions. As the party approaches its Third Plenum a key question is how vigorously has Xi attacked high level corruption over the past year?

Measuring the intensity of an anti-corruption campaign is difficult. Absent any way of measuring the actual rate of corruption it is impossible to know if inroads are being made into the number of officials who are corrupt. It is possible, however, to crudely track changes in the intensity of enforcement by looking at changes in the reported number of officials detained. Figures released in October 2013 on the number of corruption cases “filed” by the Procuratorate suggest that the total number of cases was up about 3.8% in the first eight months of 2013 compared to the same period in 2012. Other figures released by the Procuratorate for all of 2012, however, reported a 5.4% increase in cases filed that year and a 6.4% increase in the number of individuals charged. If the two sets of data are comparable, which they may not be, the more recent data would suggest that Xi’s anti-corruption campaign has not produced much of an increase in the number of officials charged with corruption. Moreover, past experience suggests that using partial year figures to extrapolate totals for the year tends yield overestimates. It thus

seems likely that Xi’s new campaign will not produce a significant increase in the number of corruption cases filed but will instead yield numbers approximately equal to those we have seen over the past decade (see Figure 1).



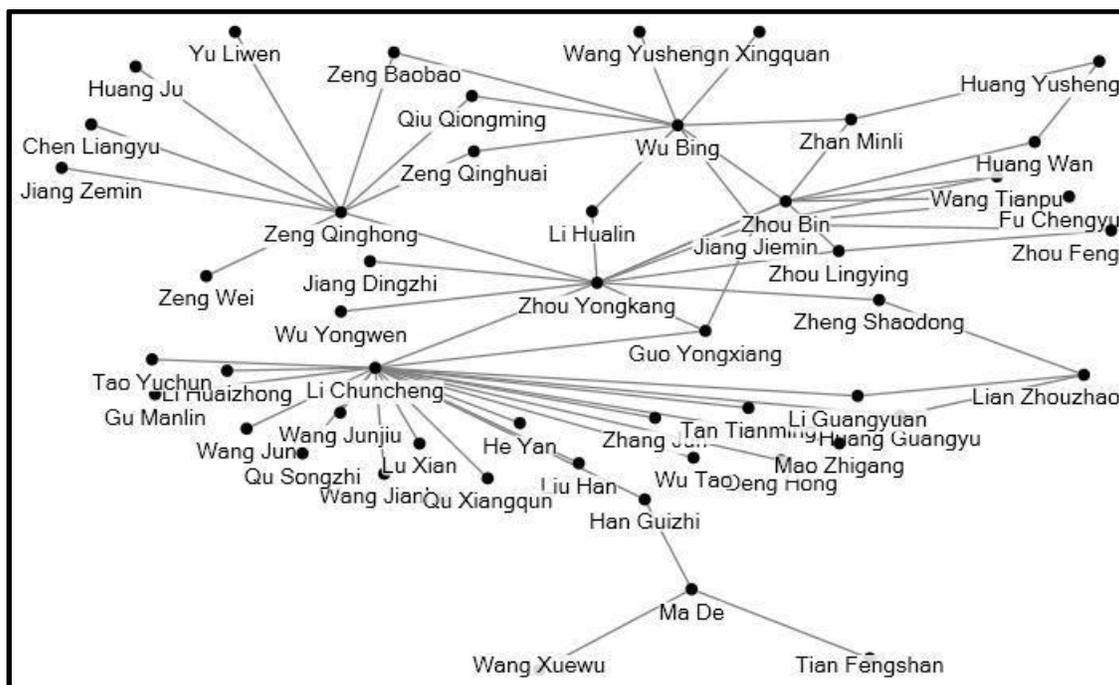
Numbers, however, tell only part of the story. To more fully assess Xi’s anti-corruption campaign, one must look at who has been targeted. According to press reports, thus far Xi’s campaign has claimed eight “tigers” – high level, high profile officials (see Table 1). Eight senior officials is about the number of senior officials indicted on corruption charges in recent years (five were indicted in 2012, seven in 2011, six in 2010, and eight in 2009). Xi’s campaign has, however, also snared a number of senior executives of major state-owned companies, including over half a dozen executives of the China National Petroleum Corp (CNPC) and its subsidiaries Sinopec and PetroChina, as well as a number of mid-level officials and business

persons linked to Li Chuncheng, a former Deputy Secretary of the Sichuan Provincial Party Committee. Arrests of executives, in fact, are one of the few aspects of the current campaign that set it apart from previous drives.

Table 1	
Big Tigers	
Li Chuncheng	Deputy Party Secretary, Sichuan
Liu Tienan	Vice Minister State Development and Reform Commission
Wu Yongwen	Deputy Director Hubei People's Congress Standing Committee
General Gu Junshan	Deputy Commander PLA General Logistics Department
Huang Sheng	Vice Governor Shandong
Ni Fake	Vice Governor Anhui
Tian Xueren	Vice Governor Jilin
General Xi Caihou	Vice Chairman PLA Central Military Commission

Many of those detained have direct or indirect ties to former Politburo Standing Committee member Zhou Yongkang (see Figure 2). A native of Wuxi in Jiangsu, Zhou was trained as a petroleum engineer in the mid-1960s and worked in the Liaohe oilfields in Liaoning until he was appointed Vice Minister of the Ministry of Petroleum Industry in 1983. Five years later, he moved to CNPC, servicing as deputy party secretary and then party secretary before becoming its General Manager in 1996. A year later, he was elected a full member of the 15th CCP Central Committee. In 1998, he was appointed Minister for Land and Resources but then moved to Sichuan to become secretary of the provincial party committee in 1999. Four years later, he returned to Beijing when he was appointed Minister for Public Security and became a member of the Politburo at the 16th Party Congress. In 2007, he left the Ministry of Public Security to become the Secretary and then Director of the Central Committee's powerful Politics and Law Commission, a position that put Zhou in charge of China's internal security and police apparatus, and was elected a member of the Politburo Standing Committee, positions he held

until the 18th Party Congress in 2012, at which point he retired. In the course of his career Zhou apparently built up a sprawling network of protégés in the oil, resources, and security apparatus. In the spring of 2012, he was rumored to be connected to Bo Xilai and his campaign to gain a seat on the Politburo Standing Committee. Today, many see Zhou as a threat to General Secretary Xi Jinping's efforts to consolidate power within the leadership. It is widely speculated, therefore, that Xi's anti-corruption campaign is actually a cover for a major drive against Zhou and his allies. Some observers have, in fact, linked the announcement of a new National Security Council as Xi's attempt to bypass Zhou's allies in the party's Law and Politics apparatus.



Targeting Zhou and his allies is, however, a potentially dicey proposition because Zhou has ties to Zeng Qinghong, a former member of the Politburo Standing Committee, who is said to have played a major role in Zhou's ascent to the inner leadership. Zeng, who worked in the petroleum sector before moving to the Shanghai municipal party committee in 1984, is

considered be to one of Jiang Zemin's "Shanghai Gang," a group that also includes former Politburo Standing Committee member Huang Ju and former Shanghai party secretary Chen Liangyu, the latter now serving an eighteen years sentence after being convicted of corruption in 2008. Should Xi opt to take down Zhou, there could be a considerable risk that he would foment a major political backlash lead by some of the party's most powerful elders.

If part of the current anti-corruption campaign is being driven by Xi's need to consolidate his power within the leadership and respond to public pressures for a new drive against corruption unleashed by the Bo case, the dynamics of the campaign have been driven in part by forces that Xi does not control. Over the past several years, social media has played an increasingly important role in exposing corrupt officials. During the early days of the current campaign, reports on the internet fingering officials for owning multiple luxury apartments, sporting luxury watches, and engaging in immoral activity led to a series of quick resignations, sackings, and arrests. Most of those exposed on the internet were mid or low-level officials. Nevertheless, social media had made it impossible for these sorts of officials to quickly sweep allegations against them under the rug and quash attempts to expose their wrongdoing. The threat of uncontrolled outings clearly spooked the regime, which responded with draconian regulations that would criminalize those who spread "rumors" on the internet. Thus far, it appears that the new rules have had a chilling effect and there has been a notable dropping off in social media reports of corruption.

At the Third Plenum in November 2013, corruption received surprisingly little attention. Xi did not take the opportunity to report dramatic progress or to unveil bold new measures designed to curb corruption. Instead, he opted to stress economic reform and announced reforms of the judicial system designed to increase its independence from the political establishment. The

lack of attention to corruption during the plenum likely signals Xi's anti-corruption campaign has run its course and that it will be allowed to quietly die down. Based on the available evidence, the campaign does not seem to have made noticeable inroads into China's corruption problem. A lack of dramatic progress is, ultimately, hardly surprising. A war on corruption is by definition a protracted fight in which the regime "wins" by preventing corruption from worsening. The officials caught in the current campaign did not become corrupt under Xi. On the contrary, most had been on the take for years or even decades. As such, Xi is now fighting to clean up a mess created under his predecessors, neither of whom made great strides toward eradicating corruption.