

**Build up a Clean and Efficient Government to Guarantee
Sustained Development of Economy**

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ANTI-CORRUPTION CONFERENCE

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First of all, I would like, on behalf of the Ministry of Supervision, People's Republic of China, to express our warm congratulations to the opening of the conference. The theme of the Conference, "Fighting Corruption Among Justice and Security Officials" is of great practical significance. Corruption is a general social phenomenon the world over. Combating corruption is a common task facing all countries in the course of developing economy. I would like to take this opportunity to introduce to you how the Chinese government, and particularly the Ministry of Supervision strives to safeguard the integrity of government officials and to beat corruption for the sake of ensuring the smooth development of reforms and economic construction carried out in China.

1. Strategies and Measures Taken to Guarantee the Integrity of Government Officials and to Fight Against Corruption

China is a country with 5,000 years of civilization, and it is also a developing country with a large population. It is in the primary stage of socialism in which economic development is the central task. To guarantee a sustained, healthy development of the national economy, there must be a stable social and political environment. resolutely fighting corruption is one of the pre-conditions for maintaining such an environment.

Over the past 20 years when China successfully conducted reforms and opening-up, China has striven to probe the ways to maintain the honesty of government officials while the national economy is fast developing, and gradually formulated its comprehensive policies and strategies towards that end in line with our reality which are as follows: Anti-corruption struggle centers around the central task of economic construction and serves the overall development of the country, putting a firm grip on the anti-corruption struggle while promoting economic construction, prepared for a long-term fight while waging successive campaigns to bring the anti-corruption struggle into depth step by step, severely punishing corrupt officials according to law while preventing corruption by way of education and the establishment of sound legal system which includes the code of conduct and other rules and regulations that govern the behavior of government officials, eliminating corrupt phenomenon through deepening reforms while removing the breeding ground for corruption.

Over the years, we have focused on the following three main jobs:

1) Establishing ethical codes of conduct to buildup the integrity and self-discipline of leading organs and leading officials.

The Chinese government always stresses that leading officials at various levels of government, especially those senior officials should take the lead in keeping honest

and self-disciplined, and show a good example for the ordinary public servants. They play a very important role in the construction of a clean government. Therefore, since 1993, we have formulated a series of rules and regulations in relation to the conduct of leading officials at and above the level of a division director and a county magistrate. They stipulate what leading officials are allowed and not allowed to do. For example, they are not allowed to be engaged in business and in stock exchange, nor are they allowed to enjoy entertainment at public expenses. And in 1997, the State enacted "The Ethical Code of Conduct for Leading Officials of Government". Leading officials at various levels are required first to make self-examination in accordance with the provisions and then to act in compliance with them. Later, "The Regulations on the Prohibition of extravagance and waste" was made public which stipulates, among other things, that construction of new public buildings and convention of official conferences must be strictly controlled, and that luxurious feasting at public expenses must be prohibited. Any acts in breach of these provisions will be severely dealt with.

2) Investigating corruption cases and punishing corrupt officials

The severe punishment of corrupt officials has a deterrent effect. Over the past years, we have made great efforts in investigating corrupt cases. We focus on cases of graft, bribery, embezzlement of public funds and abusing power committed by leading officials and cases of taking bribes and bending the law committed by law enforcement institutions. Recently, we paid much attention to cases of corruption taking place in the sectors of finance, stock market, construction, housing and real estate. We also played a big part in anti-smuggling campaign and the fight against defrauding of foreign exchange. The supervisory bodies majors in the investigation of cases of breaching administrative disciplines, and if a case is found to have a criminal nature, it will be referred thereafter to the judiciary for further investigation. We always stick to the principle that every one is equal before the law. Anyone who violates the law or breaches the discipline will be dealt with according to law no matter how high his or her position may be.

Public support is very important to the success of anti-corruption struggle, and it is our consistent policy to rely on the support and participation of citizens. A whistleblow system is established across the country, and hot-line telephones special for reporting corrupt cases are in operation in almost every cities. Public reporting has become the main source of information for case investigation.

3) Redressing misconducts and wrong doings in public administration

China is in a transitional period from a socialist planned economic system to a socialist market-oriented economic system. Naturally, there exist some loopholes as new systems and mechanisms are not yet established. Some administrative

departments and their employees take advantage of their privileges and convenience to gain interests for themselves. Some public utility agencies violate their occupational ethics and infringe public interests. This has aroused much public dissatisfaction. Supervisory organs throughout the country made big efforts in redressing them. We make inspections from time to time, dealing with such irregularities as arbitrary setting-up of check points along highways, arbitrary charging of fees and fines by transport authorities, public security departments and commercial administrative agencies, arbitrary charging of tuition fees by school authorities, and rampant charging imposed on farmers by township government.

2. The Construction of a sound Legal System and Combating corruption through the rule of law

We believe that it should be based on the rule of law to build up the integrity of government and to cure the disease of corruption. In the past dozen of years, the Chinese government has made consecutive efforts to establish a sound legal system and ethical regulations and mechanisms. A series of laws and regulations have been enacted or revised which are to standardize the acts of public officials and to prevent and penalize graft, bribery, breach of administrative discipline etc. Among them are "Provisional Regulations on Public Service", "Public Prosecutors Act", "Justice Act", "Police Act", "Administrative Procedures Act", "Administrative Penalty Act", "Provisional Regulations on the disciplinary penalty of corrupt public officials", "Provisional Regulations on Avoidance by Public Servants". In 1997, The Criminal Law was once again revised. An article was added to deals with graft and bribery crimes committed by state employees. In the middle of that year, "The Administrative Supervision Act" was put into effect. What is more, a set of ethical systems such as income disclosure system, gift registration system and so on were also established. From last year, we began to implement the integrity responsibility system which holds that leading officials are responsible for the integrity of their respective units. If they neglect their duty for public integrity or if any major corruption occurs within their units, they may be disciplined, even removed from their posts.

3. Prevention of Corruption through Deepening Reforms and Removing the Breeding Ground

"Prevention is better than cure." In countries like China, the settlement of corruption lies in the deepening of reforms which provides the impetus for both economic

growth and the construction of a clean government, and through which the breeding ground for corruption could be removed.

In 1998, in line with the requirements of a socialist market economy, China carried out restructuring of the central government aimed at transferring government functions, separating enterprises from the government and downsizing the state machinery. The original 46 departments of the State Council (the central government) were reduced to 29, and its total number of staff were half cut. Consequently, a more efficient, more coordinative central government is established, which has created better conditions for overcoming bureaucracy and power-money deals. Such structural reform will be conducted at lower levels of government this year.

In order to guarantee judicial justice and the honesty of the armed forces, the Chinese government made a major decision in the previous year that the Army, the Armed police and the judicial departments would no longer be allowed to do business, and enterprises affiliated to them must get disengaged. This work is now going on well. Simultaneously, companies and enterprises set up or originally run by central state organs must also be separated.

Another important measure we have taken to cure corruption is the clear cut between revenue and expenditure. In the past, some law enforcement departments took a proportion of revenue coming from administrative charges and fines and used them as a supplement to their expenditure, and some departments even diverted their revenues to other purposes. Now it is stipulated that all revenues must be submitted to the State Treasury, no organization or person is allowed to reserve or put any of the collected charges and fines into its own out-of-book accounts. At the same time, the government will ensure their budget requirements.

Ever since the start of reform and opening-up 20 years ago, China has witnessed a growing construction market. Due to a lack of standards for construction contracting and mismanagement of the sector, power-money deals occurred. Following the promulgation of the Construction Act, the Ministry of Supervision, in collaboration with the Ministry of Construction, is taking measures to establish an open construction market where projects are open to competition and tendering. Projects are forbidden to be arbitrarily subcontracted out, and public officials in charge are forbidden to interfere in project contracting.

The Chinese government is also making efforts to reinforce democratic scrutiny over public affairs. In the countryside, the village committees are elected by the villagers and the village affairs are open to the whole village community. In the state-owned enterprises, corporate affairs are open to the workers. The operations of county and township governments are, too, made public. For the integrity of government, open purchasing system is on trial.

The Chinese government attaches great importance to the education of public servants on government ethics. A five year education plan has put into implementation. The whole public are also receiving such an education.

4. The supervisory institutions in China

The Constitution of the People's Republic of China stipulates that the State Council assumes the responsibility of the leadership of supervisory work. The Administrative Supervision Act provides that supervisory institutions are set up at and above the county level of government. Supervisory bodies may establish branch offices in other government institutions. Within the central government (the State Council), there established the Ministry of Supervision which is the functional department special for administrative control with the purpose of improving public administration and promoting the integrity of government. The Ministry is the supreme administrative supervisory body in the state in charge of the supervision work of the whole country. It supervises all the departments under the State Council and their personnel, the heads of provincial government and other officials of state-owned enterprises. Similar supervisory bodies were also set up at provincial, city and county levels.

These supervisory institutions exercises their functions and powers independently in accordance with law and shall not be subject to any interference from outside. They are empowered to make an inspection and investigation, to make a recommendation and to directly take disciplinary actions such as an administrative warning, demotion, dismissal from office or discharge from public service.

China has maintained a healthy development of economy since it started reforms and opening-up. tremendous progress has been made in various sectors and fields, and people's life has been substantially improved. We are now pushing forward all reforms in a smooth way toward the designated goals. Such a fast development owes much to the stable social environment, and to the successful struggle against corruption.

Ladies and gentlemen, I believe that this conference where delegates from various countries are exchanging experience in fighting corruption, discussing ways and methods to cure corruption, and searching international cooperation will further promote the struggle against corruption internationally and regionally. The Ministry of Supervision of China is willing , on the basis of mutual respect and mutual benefit, to conduct exchanges and cooperation with professional organizations of various countries and regions. Let us bring into the next century a clean and prosperous world.

Thank you .