

Gauge for Corruption

LUO Guicheng

(Xi Jinping Thoughts Research Office of Bengbu University, Bengbu, Anhui, China 233000)

DOI: 10.29322/IJSRP.9.01.2019.p85117

<http://dx.doi.org/10.29322/IJSRP.9.01.2019.p85117>

Abstract: Corruption Perceptions Index, Corruption Ratio, Corruption Age are focused in the research. The theory of Optimum Corruption Scale is also involved. There are three methods to calculate Corruption Ratio, (1) the ratio of corrupted officials against all public servants related, (2) the ratio between the economic loss and the total income, (3) the ratio between the time loss and the total time. From theoretical points, Corruption Ratio complies with truth more than Corruption Perceptions Index. The innovative points of the research are as following, (1) apply three methods to calculate Corruption Ratio; (2) make a systematic summarizing as well as analysis on important corruption ratio; (3) make a comparison between Corruption Ratio and Corruption Perceptions Index; (4) propose the concept of corruption age; (5) suggest that the hazard of a social system could be forecasted with important corruption indexes.

Methods, (1) literature method, (2) statistics method.

Key Words: Corruption Perceptions Index; Corruption Ratio; Corruption Age.

The impairing degree of corruption to a social system depends on two factors: the first is the amount of corruption in a social system, the second is the bearing capacity of the social system. With the same knife, a chop upon a 100 jin pig may kill it, while to a few tons of elephant may only get it slightly wounded. Therefore, quantitative research on corruption is very meaningful.

I. Corruption perceptions index

Corruption Perceptions Index, CPI, the most influential index in international community, it is a quantitative index to measure public corruption. Wikipedia.com data, the index, published worldwide in 1995, was from Transparency International founded by Peter Eigen in Germany in 1993, which commissioned Johann Graf Lambsdorff to create, Johann Graf Lambsdorff, a professor at Passau University in Germany. CPI of different countries was obtained by expert evaluation and questionnaire survey. From 1995 to 2011, the index was based on a rule with 10 as full marks. Since 2012, the index has adopted a percentile system, e.g., with 100 as full scores (fig.1 of this study has been uniformly adjusted to a percentile system). In 2012, CPI adopted 13 different questionnaire methods, involving evaluation by experts from 12 international authorities such as World Bank, African Development Bank, World Economic Forum. The higher CPI, the cleaner a country, the lower CPI, the more corrupt the country. Wikipedia.com, in 2016, European countries almost swept the top six of the whole world CPI: New Zealand 90, Denmark 90, Finland 89, Sweden 88, Switzerland 86, Norway 85, Netherlands 83. Singapore ranked seventh with 84, Canada 82 ranked 9th, Britain, Luxembourg and Germany 81, Australia 79, the United States 74, Hong Kong 77, Japan 72, Chinese Taiwan 61, South Korea 53. India 40, China 40 ranked 79th (fig.1), Russia 29 ranked 131th. The bottom countries were Afghanistan 15, Libya, Sudan 14, South Sudan 11, Somalia 10 ranked 175th, North Korea ranked 176th with 8. From the 2016 ranking situation, as a whole, integrity index is in line with the reality. Generally, developed countries are more clean than developing countries.

Fig.1 1995-2017 China CPI mark and rank

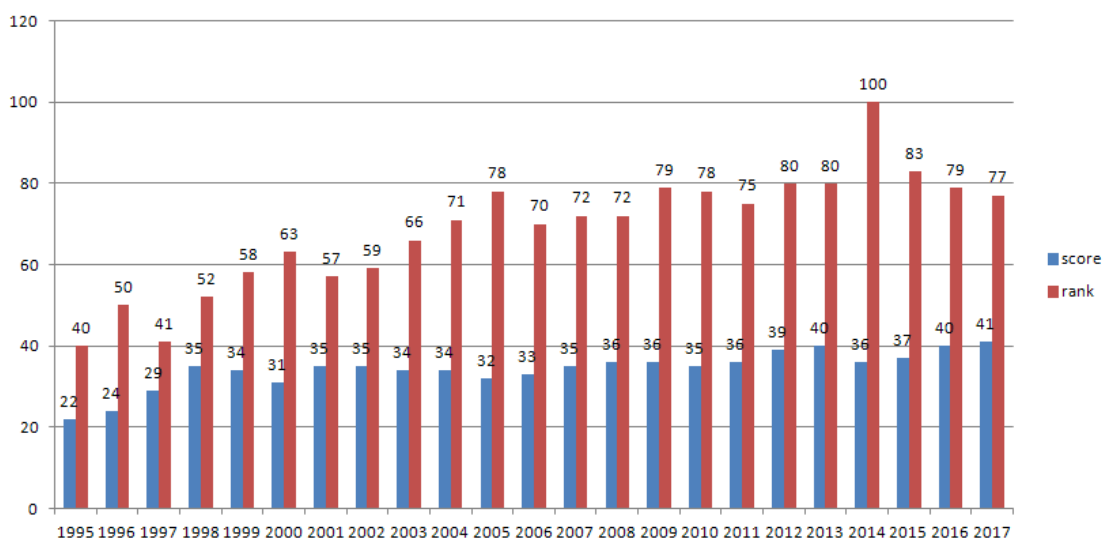


Fig.1 illustrates the score and ranking of China’s CPI from 1995 to 2016, 1995 the lowest year after Chinese reform and opening up, it then gradually climbed up, indicating that China attaches importance to corruption governance. It is worth noting that after the new generation of CPC with Xi Jinping as the core took power in 2013, Chinese CPI showed an overall upward trend in the international rankings, which is highly consistent with the improvement of Chinese political ecology year by year. This is the result from the new generation CPC’s efforts.

For CPI is attained by a qualitative method, it is still controversial in international community.

II. Three methods to measure corruption Ratio

Luo Guicheng, Tan Bin, Zheng Shiqiao (2009) [1,P8] proposed Corruption Ratio, to judge the quality of a social system. Zhou Li’an, Tao Jing (2009) [2, P57-69] used the total amount of corruption cases to quantify corruption. Chen Gang, Li Shu (2010) [3, P62] and Liu Baojian(2014) [4, P31] employed the ratio of corruption cases, malfeasance cases against total civil servants from Chinese Procuratorate every year to undergo quantitative research. The corruption ratio in a country can be measured in several ways:

(I) Methods of population ratio

For a specific social system, the ratio of the corrupt civil servants number against the total number of related civil servants at a given time. For example, there are more than 2050 officials above deputy ministry level serving in the party, government, and military systems in China. Dagong Information Network article (2016) "Anti-corruption storm sweeps official field, captured officials after the 18th National Congress of CPC outnumber the total in history," showed that about 160 senior provincial and ministerial officials were investigated and dealt with after the 18th National Congress of CPC (after 2012). Comparing the two figures, after the 18th CPC National Congress, the corruption ratio in China is about $160 / 2050 \approx 7.80$, that is, about 78 out of every 1,000 provincial and ministerial cadres are corrupt officials. The 160 corrupt officials investigated are the number emerging out of accounting, in fact, there are a lot of corrupt officials not emerging out of water, this number is a black hole. The impression on China public officials by Chinese civilian is that “no official is not corrupt”, that is, the party, government, and military systems in China do not have public officials with clean hands in real sense. Judging by this qualitative method, The corruption ratio among public officials in China is about 90%. Therefore, CPC Central Committee could not punish all the corrupt, drawing a red line, firmly capture civil servants “do not take hands back, do not withdraw after the 18th CPC National Congress”. The defect of population ratio method is that it may fail to objectively measure the harm extent to social system by corruption, for a big rat is usually far more destructive than ten flies.

(II) Method of Economic resource ratio

In a given social system, the ratio of the economic loss caused by corruption to the tax revenue or net income earned by the

social system in the related time. According to www.163.com news, in 2014, the investigated and handled cases involving corruption and malfeasance in Lingyun County, Guangxi, China, amounted to more than 4 million yuan, while the revenue reported on the county government's website during the same period was 178.9 million yuan, so, the county's corruption ratio in 2014 was about $0.04 / 1.789 \approx 2.2\%$. In 2009, Chinese national tax revenue was 6.31 trillion yuan. In the same period, the amount of corruption recorded in the China Procuratorial Yearbook was about 6.14 billion yuan. This does not include the amount of corruption cases in the military. According to this calculation, in 2009, the corruption ratio in China was about $61.4/63 \times 100 \approx 0.1\%$. Of course, the credibility of corruption rates calculated from official website statistics remains to be further verified. The above accounting methods have not yet calculated the actual economic losses, in Lingyun County, money in the corruption is more than 4 million yuan, and the actual economic efficiency loss may be 10 million yuan or more. There are also shortcomings in the method of accounting economic resources, which makes it difficult to collect real data, while the results obtained from official website statistics are not very reliable. Liu Baojian (2014) mentioned that since 1990s, the economic losses caused by corruption in China have accounted for an average of 14.5% (2014) [4, P3] of GDP per year. Regardless of the source of the data, the rate of corruption of 14.5-14.9% is close to the result obtained by the population ratio method, and it is also consistent with the public opinion, so it should be more reliable.

The method of calculating economic resources also has a good effect on measuring personal corruption. For example, cadre A at county level has a monthly income of about 10000 yuan, of which he spends an average of 2000 yuan a month on gambling money and 1000 yuan per month on buying porn services. Because his corruption indirectly resulted in 20000 yuan annual losses for family welfare, such as old people or children get disease, or lost business opportunities, the corruption ratio per year for A is $[(2000+1000) * 12+20000] / 10000 * 12=56000 / 120000 \approx 46.67\%$. Such high ratio of corruption in personal management system is quite dangerous, and a personal or family crisis could be expected if the situation is not improved or corrected. If A holds public power, when A's personal income cannot fill the financial deficit of personal corruption, A's greedy hands would likely extend to the unit vault, or take bribes, and personal corruption evolves and is disseminated into power corruption. Personal management failure evolves into a social disease.

(III) Method of time resource ratio

Time resource calculation method is more effective on gauging personal corruption. College pupil B, who has become an internet addict, has the habit of staying up late at internet cafes every weekend. He spends little time on studying at weekend. It is common for him to stay up all night long on Sunday and impact normal classes on Monday. B not only fails to utilize Saturday, Sunday time, but also ruins his Monday normal classes, his learning efficiency can be regarded as zero on Monday, then B's corruption rate can be calculated, $3 / 7 \approx 42.86\%$. If only working days are considered, five working days a week, Monday is knocked out by net addiction from Sunday night, B's corruption rate is calculated to be one-fifth, or 20 percent. For college students or young entrepreneurs, the rate of corruption computed by the time resources is more reasonable, for, under current reality of social competition, most young people spend their weekend time solving problems left or unresolved from five working days, such as unfinished, not understood professional problems, unconnected clients, etc. Except for health reasons of the middle-aged and the elderly, it is not in line with social reality to throw hands completely at weekend. B's personal management system has such a high rate of corruption, if the efficiency of personal management not improved, a qualitative forecasting according to his corruption rate could be undergone, if B is a university pupil, B is unlikely to graduate normally, if B is a young entrepreneur, B could hardly be a successful young man.

Three kinds of corruption rate, economic resources ratio method and time resource ratio method are more suitable to measure personal corruption. Theoretically speaking, three kinds of corruption rate are more accurate than Corruption Perceptions Index. In reality, the corruption rate is relatively difficult to obtain. The important reason, some corruptions has not been filed at all, which makes the official statistics distorted. Transparency International's Corruption Perceptions Index, its credibility has grown as a result of rigorous procedures. With the progress of human civilization, there is reason to believe that the application of corruption rate will become more and more widespread.

III. Corruption age

Smokers have smoking age, drunkards have alcohol age, and a corrupt social system has a corrupt age. Both (CPI) and <http://dx.doi.org/10.29322/IJSRP.9.01.2019.p85117>

(Corr), are cross-sectional data. A research combining CPI or Corr with the age of corruption and the changing trend of corruption index will make people have a clearer understanding of corruption in a social system. Taking China as example, if China's social system has been corrupt since 1985 and kept internationally recognized as corrupt by 2016, the age of corruption in New China will be 31 in 2016. China's CPI reached a minimum point in 1995 (fig.1) and then rose. In 1995, the country's Corr reached a high point and then declined. Before 1985, the social system of New China was not completely free of corruption, while not counted into the age of corruption, here, we regard a social system with CPI beyond 5 by decimal system or more than 50 by centesimal system, as a relatively clean social system.

For personal corruption, if citizen C has one or all habit of unconstrained alcoholism, whoring, gambling, drug abuse or uncontrolled online games, for more than five years, then C's age of corruption could be 5 years old.

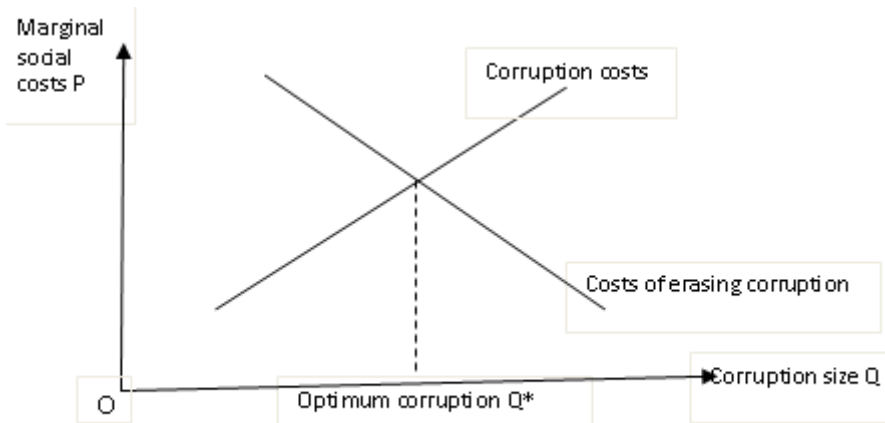


Fig. 2 The optimum corruption scale of a social system

Generally speaking, the longer the corruption age, the more difficult to govern it. For a citizen with a long age of corruption, his corruption has formed a fixed mental path or mental inertia, together with environmental allurements, it is quite difficult for him to escape from the psychological inertia of corruption. Just like the young drug addict relapses after drug control treatment, the sex ghost can not help pursuing love affair. For a country with a long age of corruption, the whole social system has formed a social mental identification with the latent rules of corruption, corruption has been solidified into social life customs, forming a strong psychological corrupt culture, the social system has reached a corruption equilibrium, it is very difficult to root out it. Xi Jinping (2015) pointed out, “change the convention of doing nothing without gifts or presents.” As a matter of fact, the Chinese have had the custom of “gifts” and “presents” for thousands of years. From this point, CPC’s “two learning, one doing” is the radical measures to change convention and mindset.

IV. Theory of optimum corruption

What is the relationship between corruption rate and economic growth in a social system? With regard to power corruption, the widespread view in Chinese theoretical circle is that corruption and economic growth are inversely U-shaped, that is, mild corruption and economic growth are positively correlated. Corruption deterioration in the social system exceeds a certain extent, it will be negatively correlated with economic growth. As to personal corruption, there is a general view in western psychology circles that appropriate catharsis should be given to the physiological and psychological requirements for young individuals, while the traditional Chinese culture tends to suppress it. Contemporary personal management theory generally advocates the combination of catharsis and constraint. In Chinese traditional philosophy, there is saying “absolute clean water could never accommodate fish”, meaning that the water in a river is too clean for a fish to survive. Therefore, similar to the optimum population theory, human society also has the optimum corruption theory or moderate corruption theory. Robert Klitgaard (1998) [5, P27] proposed that the social system has an optimal level of corruption (fig.2), and Robert Klitgaard employed it to illustrate that since the eradication of corruption also carries social costs, So the optimum anti-corruption efforts is not unlimited, and the corresponding best amount of corruption will not be zero. The idea of moderate corruption may be the theoretical basis for cultivating a clean government with a high salary.

Corruption, after all, is the vent of human evil nature, is not a good thing, no worthy of encouragement. The theory of <http://dx.doi.org/10.29322/IJSRP.9.01.2019.p85117> www.ijsrp.org

moderate corruption may be seen as a compromise to human evil nature. The Nordic countries, Singapore, Hong Kong, these social systems basically bear no power corruption, the utility of these social system is very high. Since Chinese reform and opening up in 1978, the natural environment has deteriorated, the moral environment has declined, food safety problems, engineering quality problems, and environmental pollution have been overrun. In the final analysis, it is an ugly human nature, making money without concern for means, to do things bettering oneself impairing others. In addition to human nature, there are institutional reasons and traditional cultural inertia, while, power corruption undoubtedly plays a key role in these social diseases. So, Mao Yushi (2013) thought that “politics good, everything will be all right.”

V. Relationship of several methods

In terms of the method obtained, corruption rate Corr is more scientific than the corruption perception index CPI. With the progress of human civilization, corruption rate Corr is likely to gradually replace the corruption perception index CPI. Combining them with the age of corruption can help people deepen their understanding of the corruption in a social system, and they can also be used as a quantitative index to predict the systemic risk of society. Three kinds of corruption rate are suitable for measuring corruption in the field of public power. The economic ratio and the time ratio are more persuasive in measuring personal corruption. The theory of moderate corruption has its scientific basis, while the reality is that corruption is not worthy of encouragement. The corruptive psychology of human beings is like bringing up a child, pampering could spoil a child, and indulging in corruption may bring unpredictable damage to social system.

References

- [1] Luo Guicheng, Tan Bin, Zheng Shiqiao. *Personal Quality Structure, Social Order and Long Term Curve of Personal Development* [OL]. www.paper.edu.cn. 2009.
- [2] Zhou Li-an, Tao Jing. *Government Size, Market Development and Corruption* [J]. *Economic Research Journal*, 2009: 57-69.
- [3] Chen Gang, Li Shu. *Corruption, Income Distribution and Income Gap in China* [J]. *Economic Science*, 2010: 62.
- [4] Liu Baojian. *Corruption and Economic Growth: an Empirical Analysis Based on China from 1998 ~ 2011* [M]. Master Thesis of Southwest University of Finance and Economics. Dissertation Database of www.cnki.net. 2014:31, 3.
- [5] Robert Klitgaard. *Control corruption* [M]. Translated by Yang Guangbin. Central Compilation&Translation Press. 1998:27.

Author

LUO Guicheng, 1970-, male, Vice professor of Bengbu University, researching personal management, religion, social system, Xi Jinping Thoughts, politics, economics.