

A Study on New Forms of Corruption and Its Governance: Properties, Causes and Policy Recommendations

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Abstract

In recent years, new forms of corruption have emerged one after another. This paper aims to theoretically explore the manifestations of new corruption based on practical cases and sort out and summarize the characteristics of new corruption. It is shown that new corruption has exhibited features like concealment, indirectness, multiple objectives, wide-ranging subjects, and the use of advanced technology. It also explores the causes of the formation of new corruption and analyzes the current challenges of identification and governance of new corruption from different perspectives including the subject level, object level and institutional level. On this basis, this paper proposes policy recommendations for controlling new types of corruption, including paying attention to key groups and strengthening effective supervision of key minorities, carrying out special governance to punish new corruption problems in key areas, attaching importance to ideological work and improving party spirit awareness, improving systems and mechanisms and strengthening supervision and control effectiveness, and innovating technology application to improve the level of corruption governance. This paper therefore provides a comprehensive overview and understanding of the manifestations, causes and possible solutions of new corruption.

Keywords

New Forms of Corruption, The Communist Party of China, Marxism, Information and Blockchain Technology

1. Introduction

To further advance the anti-corruption struggle in the new era, we must not only

consistently combat traditional corruption, but also pay close attention to the governance of new types of corruption. In recent years, the news has exposed corruption cases in the form of “escape” resignations (*taoyishicizhi*) (Zhou, 2023), option-based corruption (*qiqianshifubai*), loan sharking (*gaolizhuandai*), “one family, two systems” (*yijialiangzhi*) (Qiu, 2016), storage of public funds (*gongkuancunchu*), agency bribery (*dailyshouhui*), and “gentle” corruption (*wenyafubai*) (Zhuang, 2021). This shows that although the anti-corruption struggle has made great achievements, but a large amount of corruption still exists, and new corrupt activities continue to emerge. In January 2021, General Secretary Xi Jinping pointed out at the fifth plenary session of the 19th Central Commission for Discipline Inspection (CCDI) of the Communist Party of China (CPC): “Traditional corruption and new corruption are intertwined, and corrupt behaviors are more hidden and complex.” In early 2022, the 6th plenary session of the 19th Central Commission for Discipline Inspection, General Secretary Xi Jinping profoundly pointed out: “There is still a long way to go to effectively deal with the invisible mutation, renovation and upgrading of corruption methods.” In October 2022, the report of the 20th National Congress of the CPC proposed: “Seriously investigate and deal with the spouses, children and spouses of leading cadres and their spouses and other relatives and the staff use their influence for personal gain and corruption, insist on investigating accepting and offering bribery, and punish new types of corruption and hidden corruption.” Immediately, the website of the CCDI and the National Supervisory Commission released the “Notice of the Central Commission for Discipline Inspection of the Communist Party of China on conscientiously studying, publicizing and implementing the spirit of the 20th National Congress of the Party”, emphasizing “insisting on investigating both accepting and offering bribery, and punishing new types of corruption and hidden corruption.” The essential duties and problems of anti-corruption work in the future involve identifying the primary forms, key areas, and common connections of corruption. Additionally, it requires conducting thorough study and discussions on the emerging changes and evolving patterns in corruption approaches.

New types of corruption fall more into the category of “incremental corruption.” On the one hand, it is different from the traditional corruption in the past. It is a new type of corruption that has emerged under the new situation. It is more detrimental, more covert, and has a lengthier period of development. Conversely, new corruption represents an enhanced and transformed version of traditional corruption. It is characterized by continuous expansion, “committing crimes against the wind” (*dingfengzuoan*), and “not knowing how to restrain itself” (*buzhishoulian*) (Chen, 2022). Some scholars summarize new corruption methods as “four transformations” (Mao & Zhu, 2022), that is, the transformation of corrupt subjects from linear structure to network structure, the transformation of corruption benefits from explicit causation to implicit causation, the transformation of the attributes of corruption benefits from illegal benefits to “legitimate benefits”, the transformation of corruption tools from traditional

tools to intelligent tools. New corruption shows the characteristics of indirect corruption, “circle of corruption subjects” (*fubaizhutiquanzihua*), and concealment of corruption profits, which makes the anti-corruption struggle more difficult. How to identify and manage new types of corruption has become a top priority in anti-corruption work, which also places higher demands on academia. Therefore, there is an urgent need to deepen the discussion on new types of corruption governance in keeping with the times.

This paper aims to theoretically explore the manifestations of new corruption based on practical cases, sort out and summarize the characteristics of new corruption, explore the causes of the formation of new corruption, analyze the current challenges in the identification and governance of new corruption, and on this basis, propose policy recommendations for identifying and controlling new types of corruption.

2. The Main Characteristics of New Corruption

In 2007, the Supreme People’s Court and the Supreme People’s Procuratorate of China issued the “Opinions on Several Issues Concerning the Application of Law in Handling Criminal Cases of Bribery” which clarified 10 new forms of bribery, including accepting bribes in the form of transactions; accepting bribes in the form of accepting shares; accepting bribes in the name of starting a company or other cooperative investments; accepting bribes in the name of entrusting a trustee to invest in securities, futures or other entrusted financial management; accepting bribes in the form of gambling; receiving remuneration “under the guise” (*guaming*) of a person with a specific relationship; accepting bribes with a person having a specific relationship; accepting bribery items without changing the ownership; receiving property and then returning or handing it over to cover up the crime; working for the benefit of the trustee and accepting property after leaving the job. These are typical new forms of corruption. In May 2015, the Shanghai Municipal Party Committee announced the implementation of the “Regulations on Further Regulating the Behavior of Spouses, Children and Their Spouses of Leading Cadres in the City and Their Spouses in Business Operations (Trial Implementation)”, which stipulates that the spouses of Shanghai’s municipal leading cadres are not allowed to engage in business; their children and their spouses are not allowed to run businesses in Shanghai, and it also prevents other family members of leading cadres from running businesses and forbids the mechanism of “one family, two systems” (*yijialiangzhi*). Since February 2020, the Inner Mongolia Autonomous Region has carried out a special rectification work on illegal and illegal issues in the field of coal resources in the region, looking back at coal-related corruption problems for two decades, and seriously investigating and punishing company owners, leading cadres, their spouses, children, and relatives cases that involve huge amounts of money, strong complaints from cadres and the masses, concentrated problems, and particularly egregious nature. It also investigated and dealt with issues such as the intertwining of economic interests and political interests, and illegal misappro-

priation of national resources. These explorations and practices provide experience and reference for combating new types of corruption.

Different from traditional corruption, new corruption shows the characteristics of being more covert, more diverse, and more professional (Chen, 2022). This paper examines the various forms of new corruption by combining common scenarios and potential methods such as investment and shareholding, loan sharking, part-time compensation, illegal business operations, unauthorized approvals, related transactions, and insider information transactions. It also analyzes the relevant characteristics of these forms, providing a basis for effectively identifying new corruption.

In February 2015, when giving feedback on the special inspection opinions of central government-owned enterprises, the central government pointed out that the common problems of state-owned enterprises are new types of corruption. Among them, “power-for-money transactions” (*quanqianjiaoyi*), “benefit transfer” (*liyishusong*), “backing the mountain” (*kaoshanchishan*) and “related transactions” (*guanlianjiaoyi*) are the most prominent. These include targeted related transactions, connivance and support for from homeboys, relatives or other related parties to undertake projects or start businesses within their own jurisdiction for profit, or colluding with contractors to seize profits, forming interest alliances in business and sales, developing specific projects with huge profits, creating various titles to form a chain of interests. Some cadres transfer benefits to relatives of individual senior leading cadres in the name of corporate reform and market development, for exchange for personal career advancement. Some leading cadres also accept benefits from suppliers in terms of children’s cost of studying abroad or employment, or securities and valuable gifts from customers, or arrangements from suppliers to play golf, travel, etc. These new types of corruption constitute the main symptoms of “chain corruption” in state-owned enterprises.

The most prevalent manifestation of conventional corruption involves the exchange of power for monetary gain, sometimes referred to as direct power-for-money transactions or the act of accepting bribes to perform certain tasks. Nevertheless, the emergence of new corruption just serves as a facade for conventional corruption, altering the manner in which classic corruption is manifested and presented. Recently, corruption has exhibited a growing tendency towards concealment, indirectness, multiple objectives, wide-ranging subjectives, and the use of advanced technology.

2.1. The Concealment Property of New Corruption

A common property new form of corruption is covertness. In order to cover up the facts of power-money transactions, corrupt subjects dilute the nature of power-money transactions under various names, especially in the form of market transactions, turning power-rent-seeking corruption into “market-based corruption”, and from seeking power for personal gain to using influence, social status, and approval (Chen, 2022). From a perspective of legal relationship, it is a

method of using legal appearance to package illegal essence. For example, Li Lei, the former director of the Energy and Circular Economy Division of the Shenzhen Municipal Development and Reform Commission, first approved the support funds for enterprises and then purchased the original shares of these enterprises. He signed an entrusted shareholding agreement for the original shares in the name of his wife, transferred the subscription money to the company's designated account through a related person, and signed the equity holding agreement in the name of the related party (Li, 2021). Some corrupt officials let other related parties invest in affiliated enterprises, entrust, lease, and contract state-owned assets to specific related parties for operation, purchase products from their relatives and friends at prices significantly higher than the market price, or sell products to their relatives and friends at prices significantly lower than the market price. Corrupt officials also engage in power trading, using their powers to seek benefits for each other, and using their business and management powers to provide convenience for each other, their spouses, and children to engage in for-profit activities. In the transaction process of some high-value commodities, manufacturers sell them to officials at prices lower than the market price in order to achieve the purpose of benefit exchange. The most common of these is the purchase of real estate, especially high-value real estate in the core areas of first-tier cities. Developers only need to slightly discount the market price to deliver hundreds of thousands or even millions of benefits to officials. For example: Lu Xiwen, former deputy secretary and director of the Organization Department of the CPC Beijing Municipal Committee, purchased five apartments at low prices from high-end residential areas developed by supporting enterprises, with a price difference of more than 20 million yuan from the market price. The same situation also occurred with Zhao Yong, the former secretary of the CPC committee and president of Tianjin Branch of China Guangfa Bank, who used his position influence to buy houses at low prices.

In recent years, the "high-interest relending" cases that have been frequently exposed in many places are also typical examples of the hidden characteristics of new corruption. The so-called "high-interest relending" means that corrupt officials first obtain funds through borrowing at low interest rates, and then lend them to others at high interest rates to make huge profits. For example, Jiang Heping, former deputy director of the Financial Affairs Working Committee of the Standing Committee of the People's Congress of Jiangshan City, Zhejiang Province, first borrowed money from friends and then lent it to business owners at high interest rates to earn interest differences. Within five years, he earned 910,200 yuan in interest. This practice of "high-interest relending" may appear to be a legitimate private lending activity at first sight, but its true essence is a typical case of public officials abusing their power for personal gain, because the interest rates paid by borrowers to officials far exceed normal market levels. In fact, it is a disguised form of benefit transfer, but the benefits transferred are no longer bare illegal bribes, but disguised as "interest" that appears to be compliant. In some high-interest relending cases, some leading cadres repeatedly

used the reason that the houses under their names needed to be renovated to obtain large-scale loans from banks. The “renovation loans” of several million yuan clearly exceeded the normal renovation needs. These unreasonably large amounts of loans reflect loopholes in financial institutions’ management of loan purposes involving civil-service officials. A lawyer who has previously represented many high-interest loan relending cases said that the illegal behavior of high-interest relending to seek huge profits is extremely secretive, and the cases that have been disclosed are only a small part of all cases. This kind of criminal behavior that seriously damages the financial order is considered by many people to be “financial management” in an understatement. “If you invest 500,000 yuan, you will earn 300,000 yuan in interest. When you engage in financial management in a related unit, you are actually using your position to facilitate loan relending at high interest rates.” (Zhang, 2020) In April 2018, during the investigation of Tu Guojun, the former chairman of Ningxia Guarantee Group, admitted the fact that he had engaged in illegal activities of loan relending at high interest rates. Tu Guojun, who has been a leader in the banking system for a long time, naturally has advantageous conditions to perform “personal financial management” in this way. Jia Fenqiang, the former deputy director of the Ningxia Public Security Department who has been working in the public security system for a long time, also uses high-interest relending as one of the means to make money. The court found that in order to make a profit, Jia Fenqiang obtained a loan of 3 million yuan from the bank through a friend by signing a forged house decoration contract, with a monthly interest rate of 5%. After the loan was issued, Jia Fenqiang immediately lent 3 million yuan to a microfinance company at a monthly interest rate of 2.5%. After many loan renewals, Jia Fenqiang made a profit of more than 1 million yuan. A fallen cadre confessed during investigation of the Commission for Discipline Inspection: “I was influenced by the practices of other leaders around me and started a ‘credit business.’ “Leading cadres influence each other for conducting high-interest relending activities, which shows that civil-service officials’ participation is no longer an isolated case.

Receiving gratuitously transferred shares is also a typical case of the hidden characteristics of new corruption. Compared with a one-time cash bribe, these shares are not only more secretive, but can also bring continuous benefits to the parties involved. For example, in 2015, Shen Moumou, a self-employed businessman, donated 10% of the shares in his ore business in Myanmar in return for the help and care of Yan Wenhan, then deputy prosecutor of the Jinghong City Procuratorate in Yunnan Province. By holding these gratuitously transferred shares, Yan Wenhan gained dividends of more than 1.24 million yuan from 2016 to 2018. From cash to shares, bribes are becoming increasingly subtle. In this type of share-taking bribery, officials do not even need to actually contribute capital to obtain shares. All bribes are delivered in the name of dividends. Compared with traditional bribes that directly send cash, this kind of equity bribery appears to be “legal”. Li Lei, the former director of the Energy and Circular

Economy Division of the Shenzhen Municipal Development and Reform Commission, has always claimed that he never asked for bribes from companies and resolutely refused cash or shopping cards and other items given to him by companies. But the actual situation is that Li Lei used his authority to help a high-tech company and an environmental protection company apply for and obtain government support funds and government investment projects from the Shenzhen Municipal Development and Reform Commission. After the application was approved, he purchased 500,000 original shares from the high-tech company at only 1.5 yuan per share. In addition, he also accepted shares worth 500,000 yuan given to him by the environmental protection company. According to accounting, Li Lei obtained illegal gains of up to 5.5 million yuan through these two equity transactions (Xu, 2021). Even in some bribery cases, the bribe giver helps the bribe recipient temporarily hold shares, making it appear that the bribe recipient has not acquired any shares at all.

“Escape resignation (*taoyishicizhi*)” is also a very covert new type of corruption (Zhou, 2023). “Escape resignation” refers to the intention to avoid punishment by party discipline and state laws through early retirement, resignation, etc. It also refers to the cases in which these cadres work full- or part-time in an enterprise within their original jurisdiction to obtain benefits by taking advantage of the “revolving door” between government and business. At the end of 2022, the website of the CCDI and the State Supervision Commission released the top ten anti-corruption hot words of the year, and “escape resignation” was included among them, which deserves further attention and reflection. Compared with direct and obvious corruption behaviors such as power-for-money transactions and power-sex transactions, new types of covert corruption such as “escape resignations” are hidden in various activities of public power and private interests. Their forms are more covert and their influence is more lasting and widespread.

The reasons for “escape resignation” may be: early retirement due to illness, seeking self-career development, venturing into business, pursuing academic ideals, etc. This brings great difficulty to the party organization in approving the reasons for his resignation. If there is no conclusive evidence, it will be difficult to reject or delay his resignation. This is also the reason why “escape resignation” is more subtle. Judging from the specific forms, “escape resignation” can be divided into four types. The first one is to evade punishment, with some party members and cadres resigning with the intention of evading punishment. The second is option realization, in which some cadres use public power for the company’s personal benefit, and then realize their personal benefits after resignation. The third is money laundering, in which some cadres hide their illegal property everywhere and launder these illegal properties through legal activities after resignation. The fourth is making profits from part-time jobs, in which some cadres seek benefits for related companies and work part-time in the company to get paid after resignation.

2.2. The Indirectness of New Corruption

New corruption is indirect. Indirectness is reflected in both time and space levels. First, from the temporal perspective, new corruption does not require the immediate realization of power but pursues the “option effect”. Public officials can obtain the benefits brought by power after retirement, that is, from accepting bribes in the current period to deferred bribery. This is because conclusive evidence of abuse of power and personal gain is required to determine whether an official has accepted bribes. If an official abuses his power without obtaining improper benefits, it will be difficult to form a complete chain of evidence. In this case, a small number of officials did not hesitate to “postpone the gratification of desires”, concealing power-for-money transactions by delaying the cashing of bribes, and “optionalizing” power. For example, Zhou Dashui, the former secretary of the CPC committee and Director of the Environmental Protection Bureau of Xiuzhou District, Jiaxing City, Zhejiang Province, accepted nearly 80 bribes, including a typical delayed bribe. Businessman Xu asked Zhou Dashui to help his company monopolize the local environmental monitoring and assessment business and promised to give Zhou Dashui a bribe of about 3 million yuan. In order to evade legal sanctions, the two parties specifically agreed that the bribe would be cashed in after Zhou Dashui retired. This case shows that the bribery parties intended to break the chain of evidence of bribery and avoid punishment through delayed payment. As another example, He Mou, the former deputy director of the Human Resources and Social Security Bureau of Baoji City, Shaanxi Province, took advantage of his power to help two hospitals bridge the gap in medical insurance approval and restoration. He refused to accept the bribe and instead made an agreement with the briber. “It’s not appropriate to collect money now. You can help the poor when I retire later.” He was still sentenced to ten years in prison for this delayed bribe. JiJianye, the former mayor of Nanjing City, Jiangsu Province, accepted very few traditional direct bribes. He mostly put the bribes with his friends and did not collect them directly, but circulated them externally through various investments and operations. This type of corruption is similar to futures trading, with the purpose of covering up transactions of power and money in an attempt to avoid punishment under party discipline and state law.

Second, from a spatial perspective, new corruption is no longer limited to direct point-to-point or one-to-one occurrences like traditional corruption, but instead introduces a large number of intermediaries and intermediate links. In order to reduce the risk of exposure to bribery, some officials no longer accept bribes directly, but indirectly through agents or family members. As early as 2013, the Bureau of Anti-Corruption of the Xicheng District Procuratorate in Beijing discovered that a large proportion of the corruption and bribery cases they handled involved “bribery agents”, which include cadres’ relatives and friends, experts and scholars, and retired cadres. They become profession brokers of bribery crimes. The so-called agent transaction means that cadres accept

bribes through these agents or agent companies, in which a “firewall” between themselves and the money giver is set up. Compared with accepting bribes directly, using agents can not only conceal the flow of interests, but also make it easier to blame others once exposed. In some cases, relatives have become an important channel for officials to accept bribes. These people themselves are often in business and can use business activities to disguise the transfer of benefits. For example, the wife of Zhou Jiang, the former deputy director of the Changsha Planning Bureau in Hunan and the former deputy director of the Chenzhou Planning Committee, co-operated a design and real estate company. Zhou abused his power to benefit his wife’s company, and his wife helped Zhou accept bribes. Even though Zhou was investigated and punished for the first time in 2016, his wife still pursued the previously promised bribe of 200,000 yuan from the chairman of a company in Chenzhou (Cheng, 2021).

2.3. Multiple-Objective Property of New Corruption

The most common purpose of traditional corruption is to obtain illegal economic income, whether in money or in other real objects. However, when looking at some typical cases in recent years, the purpose of power rent-seeking has gone beyond the single motive of simply pursuing illegal economic income. For example, since the 18th National Congress of the CPC, corruption in which “economic issues and political issues are intertwined” has become a typical new phenomenon. The report of the 20th National Congress of the CPC clearly stated that we should “resolutely prevent leading cadres from becoming spokespersons and agents of interest groups and powerful groups”, which shows that some these rent-seeking behaviors has harmed political, institutional and social security, and the purpose of rent-seeking is obviously to “exchange power for power” rather than a simple “power-for-money transaction”. The essence is private transmission and social inheritance of power, which aim to serve specific subjects for a long time in this process.

In these power rent-seeking corruption activities, cadres collude internally and externally to form interest groups. As a result, the Central Committee’s decision-making arrangements are compromised and weakened, implemented in disguised form through secret operations of mutual benefit between officials and businessmen. The party’s principles and national systems are also gradually eroded and weakened in the process of hidden interest transfers. “It feels like the two of us are conjoined. I feel like I believe in him as much as I believe in myself,” Wen Guodong, the former vice governor of Qinghai Province and former secretary of the CPC Haixi Prefecture Committee, once described his relationship with the illegal business owner Ma Shaowei. The so-called friendship between the two is actually a power-money transaction based on interests: Ma Shaowei obtained support by sending money, while Wen Guodong used his power to open doors for him. Behind the collusion between politics and business is the covert violation of the decisions and arrangements of the Central Committee of the CPC. As early as August and September 2014, the Central Com-

mittee made it clear that destructive mining in the Muli mining area should be resolutely stopped. However, with Wen Guodong's support and care, Ma Shao-wei's illegal mining continued to intensify, causing serious damage to the ecological environment of the Muli mining area, which ran counter to the requirements of the Central Committee (Han, 2021).

Xue Jining, the former secretary of the CPC committee and Director of the Inner Mongolia Banking Regulatory Bureau, also discounted the financial regulatory decisions of the Party Central Committee and failed to fulfill his regulatory responsibilities, due to the severe influence of illegal financial groups and Baoshang Bank. Although he knew that Baoshang Bank did not comply with the regulations, he still agreed with Baoshang Bank's application to the regulatory authorities to set up branches in other places. During the investigation, Xue Jining explained that without his support, Baoshang Bank would not be able to expand its business scope. He also tacitly approved that Baoshang Bank implemented "dual headquarters", which led to the failure of supervision. Afterwards, Xue Jining confessed: "I turned a blind eye to the 'double headquarters' issue... The consequences are serious, and there are interests behind it... Regarding this issue, I was not responsible for the Party's cause." (Han, 2021)

2.4. Wide-Ranging Corruption Subjects

New corruption has the characteristic of a wide range of corruption subjects, that is, the corruption subjects are no longer just individual corrupt officials who directly accept bribes, but also extend to their designated specific relations, staff around them, relatives or family members. These individuals can accept bribes and cover up corrupt practices between officials and interested parties such as business owners. Those involved in new corruption also include various social figures, such as corrupt brokers, unscrupulous businessmen, Feng Shui masters, social celebrities, etc. They use their respective power, funds, resources, businesses, technologies, relationships, etc. to distribute corrupt benefits. These people with different identities colluded with each other and used various methods to cover up corruption, forming an extensive network of corrupt interests and forming a powerful alliance of corrupt interests (Wang, 2023). The main typical forms of corruption are discussed as follows.

First, bribes are obtained in disguised form by receiving salary "under the guise". Some officials' relatives and friends do not actually work in the relevant companies, but only have their names attached to the companies. Then the company will regularly pay so-called "salaries" or "remuneration" to these "nominal" personnel according to certain standards and deadlines. This is actually a case of companies wooing officials by paying bribes. For example, Fu, the wife of Zhong Liming, the former vice president of Yueyang Traditional Chinese Medicine Hospital in Hunan Province, resigned after working at the hospital's physical examination center for several years, but the hospital continued to pay her a monthly salary of 3,000 yuan, making a total of 33,000 yuan bribe. Wang Jian-gen, the former secretary of the CPC committee and general manager of China

Mobile Group Hunan Company, also arranged for his mistress Zhang Qian to be a nominal employee in a related company. In order to please Wang Jiagen, this company made up the names of two employees and paid Zhang Qian two more salaries. Zhang Qian also received one year's salary after leaving her job, totaling more than 690,000 yuan.

Second, in some cases, the relationship between specific related persons and officials is actually that of collusion and accomplices. In order to make a profit, officials use their powers to seek benefits for bribers, but they do not directly participate in the bribery transaction process. The specific contact, bargaining and delivery of bribes are all completed by people with specific relationships. For example, Wang Xiaohong, the mistress of He Xuemin, the deputy mayor of Nanyang City, Henan, was sentenced for accepting bribes. The verdict showed that a real estate company wanted to replace its land with better land because its land was expropriated. The person in charge of the company bribed He Xuemin 1 million yuan through Wang Xiaohong. Afterwards, Wang Xiaohong and He Xuemin jointly accepted another 1 million yuan in bribes from the company. In this case, Wang Xiaohong acted as a broker between officials and businessmen.

Third, family corruption has emerged as a new form of corruption, which is characterized by multiple relatives of cadres participating in corrupt activities. The case of Su Rong, former vice chairman of the Chinese People's Political Consultative Conference, exemplifies this phenomenon. According to Su Rong's own confession, his family constituted a "power and money exchange", of which he himself was the "director" and his wife Yu Lifang was the "cashier". The investigation found that about 14 people from the Su Rong family were involved in corruption. Yu Lifang was active in Jiangxi's political and business circles during Su Rong's administration, and was known as "Sister Yu (*yujie*)."¹ Most bribes paid by officials were transferred to Su Rong through her. She also directly intervened in local construction, land development and other affairs, and even intervened in the promotion of officials. Su Rong's son-in-law and former deputy mayor of Zhangjiajie, Cheng Danfeng, also used Su Rong's authority to receive huge benefits. This case fully reflects the typical characteristics of family corruption as a new type of corruption.

"One family, two systems" is a prominent problem discovered by the Central Inspection Team during its inspection of economically developed areas in 2014. It refers to family members of leading cadres who work in party and government agencies as well as in non-public economic sectors or private enterprises. If cadres use their power to obtain improper benefits for their relatives, it will easily lead to corruption. "One family, two systems" corruption still exists in many places, especially in areas with developed economies. Recently, it has been exposed in some places that cadres colluded with relatives and friends working in financial institutions to use public funds for private gain. This is a typical manifestation of this new type of corruption, which is difficult to detect, is extremely harmful, and needs to be severely cracked down on.

As early as 2009, when inspecting economically developed areas, the Central Inspection Team noticed the problem of leading cadres doing business after leaving their jobs, or their relatives running businesses. In 2014, it was clearly stated that corruption in the “one family, two systems” style would be severely punished. Although some management measures have been taken, the environment for leading cadres has become more complex with the development of society and technology, and the corruption of “one family, two systems” has taken on some new forms and characteristics. This kind of corruption often appears legal and compliant and is extremely difficult to detect. For example, some leading cadres use their connections to help their relatives make money by depositing public money in financial institutions. There are also cases where the children of leading cadres are doing business, and some people use their children to transfer benefits. The cases investigated show that in the “one family, two systems” corruption, benefit transfer is huge. For example, according to the Xinhua Daily Telegraph (Qiu, 2016), Jin Xiaoyun, the former executive deputy director of Huangyan District in Taizhou City, helped his son obtain more than 1 million yuan in deposit commissions. Huang Chengtu, the former director of the Wenling City Construction Engineering Bureau, provided convenience for his fiancée to undertake personal accident insurance businesses of construction projects, enabling her to obtain more than one million yuan in business commissions every year. This kind of corruption also hinders the advancement of people at the bottom, resulting in serious unfairness in social mobility. In short, the consequences of corruption under “one family, two systems” are serious and need to be severely cracked down on.

2.5. The Use of Advanced Technologies

Compared to traditional corruption methods that are rather limited, with the development of information technology, high-tech methods have emerged for power rent-seeking. For example, the media has disclosed specific cases in which some officials mined the digital currency Bitcoin and made huge profits. Some officials use internet financial tools to manipulate stock market transactions and obtain illegal gains while possessing information advantages. Online payment tools such as electronic red envelopes and “Pay for Me” are also used by some cadres as new methods of corruption. Under the wave of digitalization, power rent-seeking is no longer done by the traditional primitive transaction method but is carried out using high-tech means such as financial tools, legal tools, and information tools.

A typical example is electronic red envelopes. Because electronic red envelopes are convenient and fast, they have become a way of communication in people’s daily lives. It is common to send and grab red envelopes in various WeChat groups. Some people feel that the amount of red envelopes is small and has little impact. However, this kind of “micro-corruption” lowers the threshold for gift-giving, making it easier for people to accept it, forming a kind of collective unconsciousness. The giver is familiar with the gift, and the recipient accepts

it confidently, making it easy to escape supervision. Examining past corruption cases, it can be found that many officials fell from “petty corruption” to “major corruption”. Whether electronic or physical, red envelopes do not change the nature of bribery. When individual officials receive electronic red envelopes from relevant service recipients when shopping online, they complete the transfer of benefits. Although the amounts vary, the essence is still bribery, and cadres must be vigilant to guard against this new type of corruption.

“Pay for Me (*bangwofu*)” is also a tool used by new corruption. Many shopping platforms provide a “Pay for Me” function, allowing users to let others pay on their behalf. However, if leading cadres ask service recipients or stakeholders to help pay, they will have stepped on a disciplinary red line. Leading cadres who accept electronic cards, electronic money, etc. that may affect the fair execution of official duties will be punished by party discipline and state law. Whether they are looking for someone to pay on their behalf online or interested parties taking the initiative to pay, leading cadres will fall into violation of laws and disciplines. Although “Pay for Me” brings transaction convenience, it also opens the door to corruption. Payment on behalf of others is not only an exchange of favors, but also reflects the dependence of the payer on power and the pursuit of self-interest by leading cadres. It is an invisible new type of corruption.

Delivering gifts by express delivery is also a very covert form of corruption and rent-seeking for power. Compared with sending gifts directly, using courier to send gifts is more concealed and difficult to return. Express delivery of gifts is often small and frequent, which can easily numb people. In recent years, the use of express delivery to transport benefits has been increasing in corruption cases. This is related to the confidentiality and convenience of express delivery. For example, the director of Jilin Songyuan Agricultural High-tech Zone has accepted local specialties such as Chagan Lake fish by express delivery for four consecutive years, worth about 80,000 yuan. In a bribery case in Guangdong, a 100,000 yuan gratitude fee was delivered by express delivery. With the strengthening of privacy protection in express delivery, it also provides a cover for bribery behaviors.

Cryptocurrency can also easily become a new money laundering method for corrupt officials to conceal and transfer illegal gains. Traditional cases can be verified through bank statements, etc., but the decentralization and anonymity of digital currencies have facilitated illegal activities. If digital currency is used to transfer stolen money, supervision can be circumvented, making verification and recovery of stolen money very difficult. Some corrupt elements use the cold storage method to store addresses and private keys, and use hard drives and other devices to carry digital currencies out of the country to achieve transfers and transactions, eliminating many money laundering steps. This is a highly concealed and harmful new money laundering method.

3. Analysis of the Causes of New Corruption

Combined with actual cases, this paper analyzes the causes of new corruption

based on the aspects of subject, object, institution, etc., in order to provide theoretical suggestions for “targeted treatment” to eliminate new corruption.

3.1. Subject Level: Corrupt Subjects Have Biases in Their Ideological Cognition and Lack of Ideals and Beliefs

The root cause of corruption stems from the corrupter’s deviation from their own subjective will. The corrupt individual not only personally profits from their own dishonest actions, but the implicit agreement of their spouse, children, and workers to also obtain benefits demonstrates the corrupt individual’s own biased intentions. The fundamental explanation for the interconnection between traditional corruption and new corruption is in the presence of ideological and cognitive issues among some officials. These individuals failed to properly comprehend the unwavering will of the Party Central Committee to combat corruption and the enduring, intricate, and challenging nature of the anti-corruption campaign. The present cadre team is generally proficient and capable of fulfilling the requirements of the New Era. Nevertheless, there are certain individuals within the ranks who disregard the need of studying ideology and theory. They also struggle to effectively adapt their perspectives on the world, life, and authority. These individuals incorrectly assume that the power they possess can be exploited for personal benefit, without comprehending the origin and intended purpose of such power. If individuals’ perspectives about the world, life, and power diverge, it can lead to a detrimental impact on their own conduct. The transition from conventional corruption to new corruption accurately represents the divergence in perspectives on the world, life, and power held by certain officials. These individuals have deviated from their initial purpose of joining the CPC and now view the authority bestowed upon them by the people as a means to pursue personal benefits. They will persist in searching for novel means of corruption to fulfill their continuously growing self-centered cravings. Simultaneously, these individuals possess a misguided perception of risk-taking. Undoubtedly, grave consequences await those who defy party discipline and break state legislation. Despite seeing the investigation and punishment of their colleagues for corruption, many party members and cadres remain oblivious to the warning signs. When confronted with the allure of financial gain, these individuals disregarded party discipline and state regulations, and instead consoled themselves with a feeling of good fortune, and persisted in adopting increasingly secretive ways of corruption in an effort to avoid consequences. General Secretary Xi Jinping issued a cautionary statement to the entire party: “The decline of a political party often begins with the loss or absence of ideals and beliefs.” As a key minority, party members and cadres must enhance their principles and convictions and develop accurate ideological understanding. Failure to adhere to ideological and cognitive norms will unavoidably lead to the emergence of novel forms of corruption, and will ultimately be subject to strict penalties imposed by party discipline and state legislation.

3.2. Object Level: Rapid Development of the Industry, Evolution and Upgrading of Technical Means

Corruption necessitates a certain intermediary in order to obtain rent-seeking advantages. Conventional forms of corruption, such as cash and presents in kind, are very straightforward to recognize. The advent of the 21st century has facilitated the emergence of new forms of corruption due to the quick progress of market economy and Internet technology. Following China's reform and opening up, the market economy has progressively become an integral part of people's lives. Unfortunately, many individuals have exploited this situation to engage in the recruitment and corruption of party members and cadres. Based on the corruption instances published in recent years, it is evident that both high-ranking officials and lower-level officials have been accepting bribes in the form of market instruments such as stocks, securities, and funds. They do this in order to avoid being investigated, using the excuse of operating within a market economy. Furthermore, the swift advancement of information technology has also created favorable circumstances for emerging forms of corruption.

The 51st "Statistical Report on China's Internet Development" released in March 2023 shows that the number of Internet users in China is 1.067 billion, the Internet penetration rate reaches 75.6%, the number of online shopping users reaches 845 million, and the number of online payments reaches 911 million. The Internet has been deeply integrated into the lives, work and interactions of Chinese people, and social software such as WeChat and QQ cover the vast majority of people. Some bribers use the red envelope and transfer functions of these softwares to bribe. New technologies such as big data, artificial intelligence, and blockchain also provide new tools for new types of corruption. For example, at the end of 2021, the CCDI reported a case in which a secretary of a CPC municipal committee in Jiangxi abused his power and supported companies to carry out virtual currency mining activities. With the rapid development of digital finance, regulatory authorities have increased investment in technology procurement, which has also given some officials the opportunity to receive kick-backs during system construction and equipment procurement. Various new industries and new technologies are emerging one after another, providing new opportunities for corrupt officials, making corruption more covert and diverse, and making it more difficult to detect and investigate.

3.3. Institutional Level: Insufficient Resources for the Anti-Corruption System

Upright cadres lack both reasons and chances for engaging in corruption. However, those who are driven have the chance to engage in corrupt activities at any given moment, and the magnitude of these possibilities is influenced by both subjective and objective circumstances. From an objective standpoint, laws and regulations are consistently insufficient and fall behind, particularly during times of societal change, when established systems and rules gradually break

down and new systems and rules are defective, resulting in gaps. Furthermore, public power possesses a certain level of discretion. This is due to the inherent limitations of policies and regulations, which cannot comprehensively address every specific element and must allow for flexibility, particularly in the authority wielded by top leaders. Lack of proper oversight or the absence of control by different governmental authorities will create opportunities for corruption. When top executives are not closely supervised by their superiors and are not held accountable by their peers, there is a significant vacuum in objective oversight. This gap creates potential for subjective corruption.

Despite ongoing improvements in the anti-corruption judicial system and its significant role in recent years, the problem of inadequate resources inside the system has become more prominent due to the increasingly complex and diverse nature of corruption. More precisely, the rate at which new forms of corruption arise surpasses the speed at which anti-corruption systems are established. New corruption is a term that is constantly changing and depends on the context. With the assistance of Internet resources, there are certain gaps in the current system that hinder efforts to combat corruption. Furthermore, the process of enhancing the anti-corruption system is extremely time-consuming. Implementing changes to the anti-corruption system necessitates the completion of numerous legal protocols and the exertion of significant resources. The process of defining, specifying, and establishing quantitative standards for new forms of corruption involves a series of steps, from proposal to promulgation. During this phase, governance encounters the challenge of lacking an institutional foundation. Institutions are the essential safeguard against corruption, and it is especially crucial to enhance institutional resources. In the New Era, it is crucial to prioritize the establishment of robust procedures in order to effectively combat corruption.

4. Policy Recommendations for the Governance of New Corruption

Here, this paper will provide policy suggestions for building a new corruption governance scheme from the perspectives of key groups, key areas, ideological work, mechanism construction and new technology application.

4.1. Paying Attention to Key Groups and Strengthening Effective Supervision of Key Minorities

Leading cadres play a crucial role in the advancement of the party and the nation's cause, serving as a standard for the entire party and society. Thus, it is imperative to establish more stringent and demanding criteria for these crucial minority groups, particularly top leadership personnel, and to implement more rigorous oversight and control over them. If these key minority individuals in high positions begin to violate laws and regulations and engage in corrupt practices, it will not only result in personal political corruption and moral decay, but also potentially facilitate the spread of corruption. They may inadvertently pro-

vide a platform for unscrupulous political opportunists and speculators to engage in solicitation and corruption tactics resembling a “hunt-style” (*weilieshi*) operation. This can have severe consequences, as corruption problems may spread from the source to the entire system, and could even lead to a collapse-mode (*tafangshi*) corruption scenario in a specific system or region. Such a situation would cause significant damage to the local political ecosystem. Hence, it is imperative to elucidate the primary entities and accountable individuals for oversight, implement comprehensive supervision strategies, build and enhance pertinent frameworks, and employ efficient supervision to effectively manage and utilize the crucial minority of senior leadership personnel.

Relying solely on developing ideology and moral education is insufficient to effectively combat corruption. Enhancing institutional oversight and control is of greater importance. By means of cautionary instruction, individuals can consistently uphold their principles and convictions and persevere in intellectual and moral education over an extended period, so exerting a nuanced and beneficial influence. However, the crucial aspect is to enhance the establishment of institutions and mechanisms, reinforce the institutional framework, minimize opportunities for corruption, escalate the costs associated with corruption, diminish the advantages of corruption, and create a high-pressure environment that effectively discourages corruption. Only through this process can we effectively encourage individuals to embrace the principles of integrity, actively reject corruption, and ultimately establish a cultural environment that strongly advocates for honesty and is firmly ingrained in people’s hearts.

4.2. Carrying out Special Governance to Punish New Corruption Problems in Key Areas

Corruption is more likely to happen in regions where there is significant policy backing and a concentration of resources. The official statement from the fifth and sixth gatherings of the 19th CCDI of the CPC explicitly addressed the need to investigate and address corruption in various areas such as infrastructure construction, project approval, state-owned enterprise reform, public resource transactions, and scientific research management. It also emphasized the importance of investigating corruption within state-owned enterprises and financial institutions. Corruption problems in the domains of politics and law, food procurement and sales, and development zone construction. Hence, the new administration must prioritize addressing the concerns related to people’s well-being in order to combat corruption effectively. It is imperative to enhance the oversight and scrutiny of funds that directly impact people’s well-being, such as social security funds, housing provident funds, disaster relief and poverty alleviation funds. Additionally, it is crucial to intensify supervision over the implementation of policies that affect people’s livelihoods, such as rural medical insurance, direct grain subsidies, and tobacco projects. This oversight should primarily focus on critical areas such as land acquisition and demolition, food and drug safety, environmental protection, and other matters that significantly affect

the fundamental interests of the general public. It is imperative to conduct thorough and targeted interventions to rectify unfounded fees and disorganized healthcare services at the local level. Essentially, grassroots inspections should prioritize addressing issues that directly impact people's well-being and focus on resolving the most immediate and tangible concerns of the public. Historical evidence has demonstrated that addressing the issues that directly affect people's daily lives has the potential to gain their favor and support. If a regime loses the support of the populace, it will experience a fall. Hence, it is imperative for the incoming administration to prioritize addressing pressing concerns of the populace in order to amass the necessary authority to accomplish the revitalization of the nation.

4.3. Attaching Importance to Ideological Work and Improving Party Spirit Awareness

At the opening ceremony of the training class for young and middle-aged cadres at the Central Party School in the spring of 2022, General Secretary Xi Jinping pointed out that “young cadres must keep in mind that integrity is a blessing and greed is a disaster, and they must always align with the party's theory, line, principles, policies, align with the Party Constitution and party discipline, and align with the original intention and mission, in order to clearly see whether some things should be done and whether they can be done. They should always respect themselves and reflect on themselves, and strictly abide by disciplines and rules.”

Establishing a robust culture of integrity is essential for acknowledging and avoiding any inclination or desire to engage in corrupt practices. We must bolster education through the promotion of values and beliefs, foster a sophisticated culture, instill noble morals, encourage self-improvement, self-innovation, and self-development among party members and officials, and effectively address issues of corruption. To achieve the goal of “not wanting to be corrupt (*buxiang-fu*)”, we must rely on party members and cadres to strengthen their ideals and beliefs and form ideological consciousness. Many new types of corruption occur among party members and cadres with ideological and cognitive biases. The problem lies in their thinking. Therefore, to combat new corruption, we must unswervingly strengthen ideological education and require party members and cadres to strengthen their ideals and beliefs.

To establish a culture of integrity, it is crucial to educate party members and cadres about their Marxist beliefs, the common ideal of socialism with Chinese characteristics, the four consciousnesses (*sige yishi*), and the core socialist values. This education will help build a strong ideological foundation to combat corruption. In order to enhance our intellectual capacity and deepen our understanding, it is imperative that we engage in the study of Xi Jinping Thought on Socialism with Chinese Characteristics for the New Era. Simultaneously, we must actively foster a sophisticated socialist culture and virtuous ethics in order to nurture a genuine and upright character. Only in this way can party members and

cadres consciously resist corruption ideologically and form a value concept that does not want corruption. Simultaneously, we must strengthen the use of cases as warnings and work hard on educational guidance. General Secretary Xi Jinping emphasized: “For party members and cadres, ideological decline is the most serious disease... If you loosen your mind an inch, your behavior will loosen a foot.”

At present, some leading cadres are still relatively weak in understanding and preventing new types of corruption in the online environment, and there are problems such as insufficient understanding and a fluke mentality. To address this issue, we should carry out targeted integrity education based on practice. For example, we use the typical new corruption cases investigated and dealt with by the discipline inspection and supervision agencies in recent years to organize a “Warning Education Month (*jingshijiaoyuyue*)” to further expose the concealment and harm of new corruption techniques such as electronic red envelopes, and give full play to the warning and education role of typical cases. It is necessary to use typical cases to educate party members and cadres to see clearly the serious harm of new corruption and build a strong ideological defense against corruption. We must also insist on “double investigation in one case (*yianshuangcha*)” and conduct in-depth and thorough investigations of relevant clues. We will not only severely punish illegal activities, but also strictly enforce party discipline requirements to form a strong deterrent. In addition, it is necessary to realize integrity education that covers the entire process, so that party members and cadres can stay alert at important time points and improve their ability to prevent new types of corruption.

4.4. Improving Systems and Mechanisms and Strengthening Supervision and Control Effectiveness

To combat new corruption, we must strictly implement General Secretary Xi Jinping’s important instructions on strengthening the construction of the anti-corruption system, continuously enrich the resources of the anti-corruption system, and make the anti-corruption struggle more standardized and institutionalized. Since the 18th National Congress of the CPC, great importance has been attached to the role of system construction in the fight against corruption, and the party strived to build an institutional system that “cannot be corrupted (*bunengfu*)”, and locked power in an institutional “cage”. General Secretary Xi Jinping emphasized: “We must persist in using systems to manage power, affairs and people, and work hard to form an effective mechanism that ‘does not dare to corrupt, cannot corrupt, and does not want to corrupt’, so that the people can supervise power, let power operate in the sun, and lock power into the system “In order to form a “cannot be corrupted” guarantee, it is necessary to build an integrated party and state supervision system with a complete institutional system and strong institutional implementation standards. The Fourth Plenary Session of the 19th Central Committee of the CPC proposed to build an integrated anti-corruption mechanism and make top-level design and deployment re-

quirements for anti-corruption from the system construction level. It is necessary to uphold and improve the party and state supervision system, strengthen restrictions and supervision on the exercise of power, and consolidate The overwhelming victory in the fight against corruption is of great significance.

4.5. Innovating Technology Application to Improve the Level of Corruption Governance

On December 8, 2017, General Secretary Xi Jinping proposed during a collective study session of the Politburo of the CPC Central Committee that “big data should be used to improve the level of national governance modernization.” With the development of science and technology, new types of corruption have emerged with more sophisticated and hidden methods than in the past, showing the characteristics of high technology and high intelligence, making supervision very difficult. Faced with this new type of complex corruption, experts and scholars suggest that we should make full use of cutting-edge technologies such as big data and artificial intelligence to establish an intelligent and professional anti-corruption platform, improve scientific and precise monitoring and early warning capabilities, and effectively prevent and control new types of corruption. At the same time, it is necessary to actively integrate various functional supervision departments and the power of the masses to build a supervision system for the entire process of power operation to achieve restrictions and supervision of power. Specifically, Internet means can be used to innovate supervision methods such as online reporting and online accountability, and promote the seamless connection between intra-party supervision and social supervision. It is also necessary to establish a knowledge base of corruption cases, use big data technology to carry out case correlation analysis, in-depth analysis of the patterns of corruption, improve the audit mechanism for traceability of power, and curb the spread and abuse of power. In addition, it is necessary to break down information barriers between departments, promote the sharing and openness of cross-department and cross-regional data resources, establish big data analysis models, assess corruption risks, and improve prevention and governance capabilities.

5. Conclusion

This paper theoretically explores the manifestations of new corruption based on practical cases and sorts out and summarizes the characteristics of new corruption in China. It is shown that new corruption has exhibited features like concealment, indirectness, multiple objectives, wide-ranging subjects, and the use of advanced technology. It also explores the causes of the formation of new corruption and analyzes the current challenges of identification and governance of new corruption from different perspectives including the subject level, object level and institutional level. On this basis, this paper proposes policy recommendations for controlling new types of corruption, including paying attention to key

groups and strengthening effective supervision of key minorities, carrying out special governance to punish new corruption problems in key areas, attaching importance to ideological work and improving party spirit awareness, improving systems and mechanisms and strengthening supervision and control effectiveness, and innovating technology application to improve the level of corruption governance. This paper therefore provides a comprehensive overview and understanding of the manifestations, causes and solutions of new corruption.

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