

DOWNLOAD PDF CONTROLLING CORRUPTION AND SUSTAINING RAPID GROWTH.

Chapter 1 : Corruption and Economic Growth in China | Andrew Wedeman

7 controlling corruption and sustaining rapid growth (pp.) As I argued in the opening paragraphs of this book, there are two distinct images of post-Mao China: one of the economic miracle, the other of corruption gone wild.

Cornell University Press, *Rapid Growth and Rising Corruption in China*, political scientist Andrew Wedeman explains the double paradox of how rapid economic growth and widespread corruption have coexisted in China since the beginning of the economic reform era to the present. Wedeman argues that petty corruption existed in pre-reform China, increased significantly after the beginning of economic reforms in the 1980s, and intensified in the 1990s when China deepened its transition from a command to market economy. With escalating corruption, however, the Communist Party and state initiated an anticorruption program that successfully prevented the increasing corruption from running out of control. Thus, rapid economic growth coexisted with rising corruption in post-Mao China. Chapter 1 introduces the double paradox of rapid economic growth and rising corruption. Chapters 2 and 3 put the double paradox in comparative contexts by examining developmental corruption in South Korea and Taiwan, and the predatory corruption in developing countries, respectively. Chapter 4 describes the origins and evolution of corruption in post-Mao China. By presenting quantitative data in graphs and tables, Wedeman argues that in the 1980s and early 1990s, newly increased corruption was limited and thus not a prior barrier to growth. In addition, he argues that corruption was concentrated at low levels. Furthermore, corruption only intensified after the acceleration of privatization of state assets, such as state enterprises and land, in the 1990s. This intensification of corruption has involved more and more high-level officials, who did not prevent growth but grasped the opportunities to feed on market reforms. He contends that corruption will decrease as the process of privatizing state assets gradually concludes. Otherwise, Wedeman warns that marketization will create crony capitalism. Wedeman first points out that the goal of an effective anticorruption effort is both to punish and convince people of the risk involved in corruption. Wedeman then argues that Chinese officials convicted of corruption either received criminal prosecution or administrative penalties that often devastated their careers. Wedeman does briefly point out the limitations of his major arguments. He also states that corruption may create extreme negative consequences on economic growth, as some of the scholars have argued. He continues to discuss three factors that have contributed to corruption: This is very understandable and not uncommon in scholarly work. Also, I was sometimes frustrated by the repetitiveness of some of his arguments. May 31, *Pacific Affairs*.

DOWNLOAD PDF CONTROLLING CORRUPTION AND SUSTAINING RAPID GROWTH.

Chapter 2 : DOUBLE PARADOX: Rapid Growth and Rising Corruption in China | By Andrew Wedeman | P

According to conventional wisdom, rising corruption reduces economic growth. And yet, between and , even as officials were looting state coffers, extorting bribes, raking in kickbacks, and scraping off rents at unprecedented rates, the Chinese economy grew at an average annual rate of 9 percent.

A strong purpose drives growth and profitability. In order to achieve sustainable success, companies must repeatedly reexamine their sense of purpose and make sure the organization serves it well. An authentic and inspiring purpose allows for: Revlon founder Charles Revson, for instance, always used to say that he sold hope, not makeup. A Powerful Brand The surest road to product failure is to try to be all things to all people. If you want to create a scalable business, you have to understand how crucial it is to build brand equity and emotional connections with customers. Building a brand is about developing and sustaining those relationships over time. Here are some basic rules to connect, shape, influence, and lead with your products and brands: Choose your target audience. The surest road to product failure is to try to be all things to all people. Connect with the public. A simple, inspirational message is far more influential than one that tries to highlight too many product features, functions, or ideas. Create compelling content for publisher and social media sites to start generating awareness among target customer bases, and build up. Partnership And Collaboration Doing everything yourself can be tempting in the beginning when funds are few and ambitions high. There are now dozens of websites and online marketplaces that provide specialized resources from design, development, and sales to finance, legal services, and banking. The best part is that you can try small projects at low investments. The trick is knowing exactly what you want done and putting resources toward accomplishing tangible goals. Customer Retention As Emmet and Mark Murphy write in their book *Leading on the Edge of Chaos*, acquiring new customers can cost an organization around five times more than retaining current ones. Companies are four times more likely to do business with an existing customer than a new customer. Successful retention starts with the initial contact a business makes with a customer, and continues throughout the lifetime of the relationship. Community A business ecosystem is an economic community of organizations and individuals that interact in countless ways. These ecosystems encourage companies to evolve their capabilities competitively. Sometimes an ecosystem can sprout up around a product, like the range of cases, headphones, and other paraphernalia for mobile devices. Similarly, ecosystem thinking has become a cornerstone of web publishing—a broad swath of unpaid contributors create content for popular outlets in exchange for growing their own readerships and developing personal brands. Ecosystems are crucial to sustainable growth because they provide the structure that surrounds and supports the businesses within them. It takes repeatable sales processes to create a scalable business. You can increase the sources of your customer leads on a consistent basis. You have a sales conversion rate and revenue that can be consistently forecast. The cost to acquire a new customer is significantly less than the amount you can earn from that customer over time. Customers get the right products in the right place at the right time. A repeatable sales model builds the platform to scale. Flexible, Adaptive Leadership To continue growing, entrepreneurs, managers, and business owners must become the leader the business needs for each particular stage of growth. That requires introspection, self-awareness, and a keen sense of strategy—both in the short and long term. I believe that an adaptive, flexible leadership style comes from being mindful. Our individual, interpersonal, and working lives are all interconnected. By being mindful, we understand those relationships and how best to utilize them to create, innovate, and lead. The most sustainable way to create value is to continually invest in our capabilities. And that allows us to arrange our lives and our organizations in a way that leads to long-term value creation. Indeed, the most sustainable way to create value is to continually invest in our capabilities, both as individuals and as organizations.

Chapter 3 : The 7 Fundamentals Of Sustainable Business Growth

According to conventional wisdom, rising corruption reduces economic growth. And yet, between and , even as officials were looting state coffers, extorting bribes, raking in kickbacks, and scraping off rents at unprecedented rates, the Chinese economy grew at an average annual rate of 9.

Additional Information In lieu of an abstract, here is a brief excerpt of the content: Neither of these images is false. On the contrary, it is clear that the Chinese economy has grown tremendously. It is also clear that the low-level, almost subterranean corruption of the later Maoist period has morphed into often flagrant high-level corruption. Because economists have argued that there is a negative correlation between corruption and growth rates, the two images appear to be contradictory. If the economists are right, how could the Chinese economy grow so fast, even as corruption exploded and intensified? The easy answer is that although econometric studies show that, in aggregate , higher levels of corruption correlate with lower rates of growth, more finely grained case studies suggest that developmental corruption in the form of coalition-building machine politics lay at the heart of some economic successes, including the so-called developmental states of East Asia. Because developmental corruption tends to be structural in nature and hence deeply embedded in the political process, it is less visible than the smash-and-grab corruption associated with kleptocracy. As a result, it is quite likely that the perceptual estimates of levels of corruption employed by most econometric analyses underestimated corruption in these cases. Moreover, because the combination of developmental corruption and rapid growth is presumably much less common than the combination of kleptocracy and economic decline, the negative correlation between corruption and growth is not particularly surprising. And in a sense, China does, in fact, appear to be an outlier having a much higher annual growth rate than other countries with similar levels of corruption see Figure 7. National corruption and average growth, " Sources: Average annual growth rates to from World Bank, World Development Indicators database, available at <http://> I have, however, opted to remove several cases from this chart, including Afghanistan, Bosnia, and Cambodia , each of which experienced short bursts of very high post-conflict growth, which combined with missing data for conflict periods, creates what I deem to be inflated average growth rates. I also opted not to plot Equatorial Guinea, whose oil-driven average growth rate of over 17 percent tends to visually distort the picture by compressing the Y-axis. I have added a trend line primarily for visual reference and do not wish to suggest that this particular simple bivariate trend line represents a statistically derived estimate of the correlation of corruption and growth. Obviously calculating such a correlation requires a far more complicated multivariate model that fully accounts for other factors that affect growth rates. At that level, corruption in China was worse than the global average of 6. You are not currently authenticated. View freely available titles:

Chapter 4 : Double Paradox, Rapid Growth and Rising Corruption in China (Andrew Wedeman)

On the contrary, as corruption worsened, the Chinese government responded first with a series of short-term bursts of hyper enforcement ("campaigns") designed to wipe out corruption. When these failed to significantly reduce the level of corruption, the regime launched a sustained war of attrition.

As of , Gross Domestic Product GDP per capita had increased fold, double the net gain in South Korea which trailed next behind China and nearly ten times the gain in the United States and Japan during the same period. As the economy grew rapidly, corruption was also increasing at an alarming rate. Nine years later in , they filed charges in nearly 77, cases, a nearly 9-fold increase. Since then, the number of indictments has fallen steadily, with an average of just under 30, cases "filed" annual in recent years. The sums of money associated with this diminished number of cases have, however, exploded. The number of senior officials charged with corruption, finally, rose fold from in to nearly 2, in The three-decade old Chinese economic "miracle" apparently has a dark side, one which seems to contradict current economic orthodoxy which posits that rising corruption depresses growth rates and slows development. But the combination of rising corruption rapid growth is not the only "paradox. Many of the other "East Asian Tigers" have histories of corruption. In South Korea and Taiwan, for example, covert financial ties between the business sector and the political right financed the formation of the political machines that provided the political stability and the pro-growth macro-economic policies that facilitated corporate profit-making and sustained economic growth. Corruption in China, however, bears little if any resemblance to the machine-style politics of the so-called developmental state. On the contrary, the pattern of corruption in China seems to have more in common with the anarchic, predatory corruption associated with "kleptocracy" rule by thieves in some of the worst performing economies in the world. The political economy of corruption in post-Mao China confronts us with two critical puzzles: First, although the incidence of corruption i. Second, at a very broad level economic reform in China resulted in the creation of vast new economic value and the reassignment of this new value from the state to the market. Control over land and other productive assets whose value had been minimalized in the old command economy, for instance, were transferred to economic actors who could rapidly increase value by "marketizing" these assets. Thus, when urban real estate belonging to local governments was leased out to developers, the latter could earn substantial profits by obtaining lots at low state-set prices and then either quickly reselling them at much higher market prices or developing them in to new commercial or residential property. The managers of state owned enterprises undergoing "corporatization" and hence the conversion from "productive agencies" of the state to profit-generating companies also stood to obtain large gains if they could "negotiate" the transfer process on "favorable" terms. Reform, in other words, created large windfall profits that could be "shared" between the officials who controlled the transfer process and those who stood to reap the profit. To a considerable extent, therefore, corruption feed off the creation of new value, rather than feeding on the relative fixed stock of productive value in a stagnant economy as it has in many states. Third, as corruption worsened the regime responded with a sustained anti-corruption effort. Early on, therefore, rising corruption was met with anti-corruption, with the result that in the long run the regime has managed to bring corruption "under control" in the sense that it has kept corruption from spiraling out of control and completely swamping the system. Bo, who had recently led a much publicized crackdown on corrupt officials and organized crime, was suddenly ensnared in a scandal involving allegations that he and his wife had raked in tens, or perhaps even hundreds, of millions of dollars in bribes over the past decade and that his wife, fearing exposure, orchestrated the murder on an English businessman who "knew too much" about her dirty dealings and how she had laundered the money into secret off-shore bank accounts. On the one hand, the fall of Bo is lurid a story of profound high level corruption that suggests that corruption has penetrated to the core of the political elite. It was undoubtedly linked to the jockeying for power in the run-up to the 18th Party Congress. Nevertheless, Bo is the third member of the Politburo to be publically charged with corruption since and one of hundreds of

DOWNLOAD PDF CONTROLLING CORRUPTION AND SUSTAINING RAPID GROWTH.

senior officials who have been sacked, imprisoned, or even executed for their involvement in corruption. In sum, in Double Paradox I try to explain why we could witness the paradoxical combination of rising corruption and rapid growth in post-Mao China. On the contrary, the evidence overwhelmingly suggests that corruption has had the same sorts of negative consequences in China that it has most everywhere else. And there is also every reason to believe that if corruption is not better controlled or even reduced, over the longer term it could wreck serious damage to the Chinese economy and bring growth rates down, perhaps dramatically. Nevertheless, I contend that thirty years of sustained rapid growth in the face of rising corruption, sets China apart from the much more common pattern where rising corruption has wrought crippling damage and stifled economic growth.

Chapter 5 : Developmental Corruption - Cornell Scholarship

controlling corruption and sustaining rapid growth economic miracles, it is clear that corruption, primarily in the form of political or structural corruption and machine politics, played a central role by laying the.

Chapter 6 : Corruption in China - Wikipedia

corruption and GDP growth is difficult to assess, corruption does have significant negative effects on a host of key transmission channels, such as investment (including FDI), competition, entrepreneurship, government efficiency, including with regards to government.

Chapter 7 : Anticorruption and Corruption - Cornell Scholarship

By then, economic reforms had already created dynamic economic growth, with the result that China's post-Mao economic take-off preceded the real worsening of corruption and corruption was not an insurmountable a-priori barrier to rapid growth, as is often the case elsewhere.

Chapter 8 : Project MUSE - Double Paradox

corruption and GDP growth is difficult to assess, corruption does have significant negative effects on a host of key transmission channels, such as investment (including FDI), competition, entrepreneurship, government efficiency, including with regards to government gove.