

8. REPUTATION AND CORRUPTION

If China as a society shows a great deal of respect for the aged, it does the same for its time-honored universities. New universities, in contrast, have to earn respect. In 1983 SZU enrolled its first students just a few months after it had received official authorization. Despite its newness, the university was able to attract over 200 *benke* students, but many of these students had low test scores and chose SZU because they did not meet the requirements of their first choice schools. Generally, universities in China are judged by the college entrance examination scores of their freshmen. The first SZU leaders felt the imperative to raise the quality of freshmen. They did this by recruiting students outside the examination process, by marketing SZU through glossy color brochures, and by inviting secondary school principals to visit campus for what amounted to “friendly persuasion.” Faculty members and even students in the early years visited key secondary schools around Guangdong Province to make sales pitches. In addition, articles had appeared in key national publications, such as *Guangming Daily*, which promoted SZU’s work-study program, credit system, Party integration with administration, and the absence of the two major grains of a student’s “iron rice bowl”: job assignment and automatic scholarship. An array of central leaders, including Zhao Ziyang and Li Peng, had visited the campus and commented positively on many aspects of the university. Also, the university had been the subject of two books, Tang Cairu’s *Searching for SZU’s Reform Path* and Chen Hao’s *New Thoughts, New Explorations, New Patterns*. The school had publicized itself through self-published glossy pictorials to commemorate the third and fifth anniversaries, and a variety of pamphlets, brochures and booklets were distributed freely on request. Some of them were printed in complex Chinese characters, such as used in Hong Kong and Taiwan, suggesting they catered to an expatriate Chinese audience. From 1986 the administration published annual reports in the form of yearbooks, which provided much of the data on which this present volume is based. As a result of these various initiatives, students with higher scores started to write down SZU as their first choice. The successful handling of the 1986 student demonstrations seemed only to enhance the university’s reputation. By 1989 SZU had earned the public’s recognition as a fresh, innovative institution, an opinion that was shared by municipal and provincial leaders as well as those in Guangdong’s education circles. Then came 4 June 1989.

Reputation

Upon their arrival on campus, the Wei-Wu team determined that SZU suffered an ignoble reputation. According to Party Secretary Wu, in their pursuit of outside income SZU teachers had told lies and made false ads, damaging the school's standing.¹ The articles written by SZU officers that appeared in the media following Tiananmen reconstructed the image of Luo's SZU into something that was very different from the public perception of a well-run university. Shenzhen residents were now being told that student affairs under the Luo administration had run amuck. Characterizing student management as "free-running water" (*fang ren zi liu*), a January 1990 article with the by-line "SZU Office of the Party Committee" said that the past emphasis on the Three Selves (self-discipline, self-strengthening, self-independence) had been a grave mistake. Wei-Wu claimed that under their leadership students were now finally being punished for fighting and cohabiting. No longer were students permitted to be willfully absent from class or be allowed to find their roommates freely. There would be mandatory wake-up calls and lights-out.² An article in May 1990 reported on the favorable outcome of rectification. The library was now fully occupied, class attendance was over 95% and "students are highly inspired and concentrate on study, and teachers teach seriously and serve as role models."³ The reading public was told that the university had been mismanaged politically. An article in *China Education Daily* reported that in 1990, 40 students had been expelled or persuaded to drop out. Stricter regulations had been put in force. A Party school had been set up to ensure that students and teachers "resist the influence of capitalist ideologies...and build up a correct life view and outlook on the world..."⁴ Another article by Party Secretary Wu himself in the same paper reported the successes of rectification. "All this has greatly improved the reputation of the Party among students and teachers."⁵ (Quite the opposite was apparently true, given teachers' and students' unwillingness to join the Party under Wu's leadership.)

From the early 1990s much of the attention SZU received in the press, however, was negative. A one-page article in the October 1990 issue of *Cheng Ming*, a monthly Hong Kong periodical that deals with Mainland affairs, discussed post-Tiananmen changes at SZU.⁶ The article, written under the pen name Tu Li (Killing Power) focused on corruption at SZU, mentioning the influence President Wei had used to enable his son, who had failed a required test, to go abroad for study. It also referred to a scam that involved the selling of bogus SZU degrees which were chopped with Luo Zhengqi's presidential chop even after he had left office. After the incident was exposed, the head of the Media Department fled China for France. The

article also mentioned that the university community believed that high university officials had been involved in the scam. The article speculated that the central government did not want SZU to succeed so it purposely chose a “low class” Party secretary. It questioned the integrity and character of the Wei-Wu leadership. The magazine *Cheng Ming* is not permitted in China, but a copy of this article was photocopied and spread among teachers, so that almost everyone on staff had read it within several weeks of its publication.

An even more damning article appeared in October 1992 in the *Shenzhen Tequ Bao*, the zone’s leading daily newspaper. Entitled “Mis-directed Yang Fang,” it told the story of a Law Department student, who had been diligent in high school, but whose pursuit of knowledge was corrupted when he attended university. The people in the story were misidentified; the school itself was called Exploration University, located by Bigfoot Lake (historically, SZU’s Wenshan [Knowledge Hill] Lake had been known as Smallfoot Lake), and there was little doubt that the account referred to SZU. SZU’s Party secretary himself labeled it a “sarcastic and mean article.”⁷ The essay attacked the rigidity of the education system and the students’ preoccupation with doing business. That Shenzhen’s most widely-read newspaper would print such criticism of SZU suggests the degree to which the university’s reputation had fallen.

1993 murders

The next negative accounts of SZU appeared in March 1993 and recounted the campus murder in which a night school student had slain his girlfriend with a fruit knife.⁸ From that point on, SZU mounted a public relations blitz that was to last over three years and produce several hundred newspaper articles favorable to the university. One of the first appeared in May 1993 in *Shenzhen Tequ Bao*. Entitled “Standing on the New Starting Line,” the article took the form of a lengthy interview with President Cai, enhanced by the reporters’ own praise for the progress Cai was making.⁹ But the event that occurred on campus the day following the article’s appearance was to become the most damaging blow the university would feel. The incident was the Cuckoo’s Hill murder of a former student by a group of 11 students. Within a few days the news of the Cuckoo’s Hill murder had made the campus rumor mill. A few days after that, the rumors had spread throughout the economic zone; I, myself, received five calls from alumni inquiring about the validity of the rumors. Within six weeks, the Cuckoo’s Hill murder was being reported in the media, first in Hong Kong, then three weeks later in

Shenzhen.¹⁰ The details of the murder, as pieced together from the various media, shocked the general public.

On the afternoon of 4 May 1993, three young men were drinking at a campus café around 3 p.m. One was Li Haidong, 25, a former 1987 *daipei* student from the International Finance and Trade Department. He was known around campus as a “bad kid.” Despite the fact that he had been formally expelled, Li had remained on campus, working part-time as a watchman in a dance hall. His drinking partners that afternoon were Yang Guan, a freshman from Chemistry, and Ying Bing, a second-year Economics *zhuanke zifei* student. Li took Yang’s switchblade, and Ying forced him to give it back. That evening, Yang talked about the incident with Chen Liang, a Management *zhuanke* student. Altogether ten people went to locate Li. They found him in a campus café next to the roller rink. Chen threw a wine glass at Li. Then Ying dared Li to attack him. Li, in turn, dared all ten, saying to Ying, “If you don’t kill me tonight, I’ll kill you first, then Chen, then Yang.” Profanity was exchanged, including *xiabi*, a curse word for vagina. Chen struck Li with a glass, and the three leaders beat him with a chair, then struck him unconscious. Chen intimidated the bystanders to join in. As they all dragged Li from the café, he regained consciousness and pled for mercy. They feared what Li might do if he lived. Ying had a knife and asked all ten to stab Li. After he was dead, the group, which now numbered 11-13, discussed how to dispose of the body. There were several proposals. One was to cut the body into 13 pieces and bury him outside the SEZ the following day. Until then, they would dig a deep grave. They dragged the corpse across the road to Cuckoo’s Hill, which is behind Teaching Building E, and aside the former grave yard. They stole a pick from a local garden and dug Li’s grave, where they buried him at 5 a.m. All 13 covered the body with soil, cement blocks and twigs. Ying kept the names of the 13 on a scrap of paper. If anyone ratted, he said, they would be killed. If nothing happened within three days, the paper with the names would be destroyed. The men then burned the victim’s clothes on the beach. The group could not reach agreement on the next step, but eventually they decided that they needed to take the corpse out of the SEZ and destroy it with chemicals. They finally retired for the evening, some six hours after the murder had begun.

The next afternoon Ying and Chen bought gloves and chemicals. Two of the bystander/participants went to fetch a car. The body was exhumed, and sulfuric acid was used to erase identifying marks. Chen and Ying drove it across the Shenzhen border for burial. One of the participant/bystanders, persuaded by a friend, reported the crime to Public Security. One hundred security guards swarmed upon campus and arrested some of the conspira-

tors. Of the five who fled three of them soon reported to the SZU Security Office with their parents, but Chen and Ying went into hiding. Public Security found them when they used their beepers to call a friend to ask for money to help them escape. They were arrested 7 May in the Baoan hostel where they were living. The case went to court. The ringleaders received life sentences and the bystander/participants were given lesser terms. Although murder is a capital crime in China, none of the perpetrators was executed because, according to several sources, many of them had influential parents who, through various means of persuasion, appealed for leniency.

The Cuckoo's Hill murder, which was widely reported in China, "had damaged the image of the university and of the SEZ," according to a state-level publication.¹¹ After summer break, when SZU resumed in fall 1993, another damaging piece appeared in a local paper. An investigative report in the zone's *Legal Daily*¹² painted a picture of a university that had deteriorated sharply from its origins. Entitled, "Will SZU Be As Shining As Before," the article was lengthy by Chinese newspaper standards, over 9,500 characters. Near the beginning it set the tone for criticism, reflecting that people referred to SZU as having: "first rate environment, third rate teaching and study management, and ninth rate students." It was especially critical of the teachers, commenting that some were so busy playing the stock market that they did not even bother coming to class. The overall teaching was poorer than that in secondary school. Twenty percent of the freshmen never bothered to attend class, a figure that raised to 50% for seniors. It mentioned students' cheating and bribing teachers so they could "get past the escape line of 60."¹³ Interviewing local enterprise leaders, the reporters estimated that half of Shenzhen's work-units did not want SZU graduates. One professor interviewed commented that SZU had only itself to blame for the current sad state of affairs. "We feel ashamed to be professors here," he said. Neither students nor staff took sufficient pride in the university to wear the school badge, according to the journalists (This situation is similar to what happens in northern China schools where "students pin their school badges to their bottoms."¹⁴). The reporters pointed out SZU's low level of management. For illustration, they referred to a notice promulgated after the Cuckoo's Hill murder which announced that the students who were then under investigation were expelled from SZU. The notice, however, "confused which departments they came from or what they were studying." The report mentions that many teachers were treated unfairly in terms of housing distribution and that staff, in general, were upset that the university's leaders spent so much time on overseas travel.

This *Legal Daily* article had a profound influence on community opinion, saying out loud what many people already knew: that SZU's reputation had fallen dramatically. The university leaders, however, did not accept the criticisms. Zhang Bigong, who had been in charge of propaganda for several years, labeled the newspaper article as "insulting and full of untruths." Zhang went so far as to say "There is nothing wrong with Shenda." Zhang, who was put in charge of alumni affairs for the tenth anniversary, declined to develop an alumni organization, saying that alumni relations were the province of each individual department. He said that the officially constituted alumni association had refused to deal with SZU's post-Tiananmen leaders; by the early 1990s the association had altogether ceased to exist. A few alumni were approached for donations, paying ¥8,000 (US \$1,380) to have their pictures in the commemorative *Pictorial*; most prominent among them was Giant Group Founder Shi Yuzhu (whose empire a few years later would be forced into bankruptcy). Otherwise, the SZU leaders did not want to deal with alumni, whom one leader privately characterized as "more trouble than they are worth."

Cai redoubled his efforts to offset all the bad news with favorable reporting about SZU. Rebuilding the university's reputation was a common theme in several of Cai's speeches. Developing relations with foreign universities was also part of his effort at building reputation. SZU had enhanced its national reputation by conferring an honorary professorship in August 1991 on Japanese Prime Minister Kaifu Toshiki, who had first visited SZU in 1985. Over the year's Kaifu had become SZU's favorite foreigner, first as Japan's reform-minded Minister of Education and later during and after his brief stint as prime minister (1989-1991), which ended in failure. Kaifu's 1991 honorary degree was conferred in a ceremony that took place in Beijing's Diao Yu Tai Hotel, the residence for official state visitors. In attendance were SEdC vice-director He Dongchang, heads of various ministries, the Shenzhen mayor and the entire leadership of SZU—Wei, Wu, Ying and Zheng. This event happened just days before Cai's arrival at SZU, and it must have impressed on him the importance of favorable publicity. During his tenure as president, Cai conferred honorary professorships on a dozen visitors and he himself received an honorary doctorate from a Japanese university. Cai appeared for photo opportunities whenever possible; he is pictured in each of the first 11 pictures in the *SZU 1994 Yearbook*, and eight of the first 10 pictures the following year.

Cai was convinced that SZU's bad reputation was due only to a misunderstanding among the public. With good public relations work, SZU's reputation could be restored. Cai's ulterior motive for improving the univer-

sity's image, according to many at the university, was to have his own contract continued past the date he reached 60 in 1995. In any case, the Publishing Center went into high gear, producing 40 brochures and other publications on the university in 1993 alone. The *News Briefs* began publishing three times per week, rather than two. The Propaganda Department reported in 1995 that it had arranged for 170 articles on SZU to be published.¹⁵ On 1 May 1994 SZU inaugurated *Shenzhen Daxue Bao*, a bi-weekly daily paper with many student contributions. Run out of the Propaganda Office, the paper began on a shoe-string budget. Over its first year of operation, the paper received more awards in journalism than any of the other 30 university papers in Guangdong. Many of its articles were reprinted in local and national periodicals. About the same time, the SZU Higher Education Research Institute became an arm of the Propaganda Office. Its director Yang Yiyi, who transferred in from his previous assignment in the Propaganda Office, started producing public relations pieces on the university that appeared in local and national newspapers. No actual research on education came forth from the Institute, but Yang attended several international conferences presenting papers that praised SZU.

Accreditation

In addition to improving public relations, Cai Delin's major effort at restoring SZU's sagging reputation was directed at passing the 1995 state-level accreditation. A few years before, at a meeting of academic heads of universities that had been created since 1980, an official from the SEdC put new universities on notice that they were to undergo accreditation, supervised directly by the SEdC. The accreditation would be a serious undertaking, with teams of experts visiting each campus, examining every aspect of the university, including testing the students. The outcome of this inspection could be one of three: pass, pass conditional to stated improvements, or fail. The SEdC let it be known that it considered small, single purpose institutions to be inefficient, and it recommended mergers and expanding of specialties.¹⁶ In this regard, SZU was not a major concern for the SEdC. SZU had already consolidated with the Shenzhen Teacher's College, and unless it wanted to join operations with the brand new Shenzhen Polytech, there was little more merging that could be done. In 1994 the Chemistry Department had undergone a mini-accreditation by the SEdC, and this trial run had afforded SZU an opportunity to determine its weaknesses. More important, it had allowed university leaders to become familiar with the accreditation process.

The nationwide accreditation would take place in three stages: 108 universities founded after 1978 (nine of them comprehensive¹⁷) would be included in the first round, 1995-1996. As it turned out, SZU was selected to be in the first group of universities, and accreditation week was slated for November 1995. The university was informally given a set of guidelines which specified the types of ratios and indices the SEdC considered acceptable. For example, enrollment should be above 3,500 undergraduates (including *zhuanke*) and teacher-student ratio should be between 1:8 - 1:9. Points would be deducted for each of the items that was outside the recommended parameters.

Precursors to accreditation

SZU had only limited experience with evaluation, and there was no ongoing systemic review that was included in or outside the annual budgeting cycle. Presidents and Party secretaries evaluated the heads of offices and departments using whatever criteria they chose. Program evaluation was not required by the municipal or provincial government. Most inspection tours by upper level leaders occurred on short notice and involved little more than campus tours, formal meetings and the requisite banquet. In addition to the 1994 Chemistry Department mini-accreditation, SZU had undertaken a large scale review in 1992, and subsequently it implemented an annual review that included a student evaluation questionnaire.

1992 index evaluation

In April 1992 the Academic Affairs Office promulgated an evaluation procedure by which departments self-assessed their major core courses.¹⁸ Each head of an academic department was given detailed instructions on how to quantify 37 variables. As indicated in Figure 8.1, the variables were grouped at three levels. Values at the lowest level were multiplied by a coefficient; these were summed-up (moving left on Figure 8.1). This resulted in a composite index score providing a basis for comparing departments.

To illustrate, variable #1, age, had three categories, according to the instruction manual. Average faculty age 44-55 earned full marks; average age 55-60 earned 80%; average age over 60 earned 60%. The score was then multiplied by the variable's co-efficient, in this instance .1. Variable #28, for example, concerned "teaching content in accordance with the outline, paying attention to reviewing and expanding, at normal speed." The categories were defined as "basically all right" (100%), "not all right" (80%), and "abnormal speed" (60%). Many of the variables contained such categories

that required the department head's subjective judgment whether an item was "excellent," "good," or "ordinary."

The index system was weighted in such a way that five variables (#6, #29, #7, #9, #19) accounted for 31.1% of the total score. These variables addressed teaching quality. Three variables that addressed research (#8, #9, #10) accounted for 11.4% of the final score. That the evaluation put less emphasis on research was consistent with *de facto* university policy that considered SZU a teaching rather than a research university. The index relied heavily on the subjective judgments of department heads, the people responsible for completing the forms. Nine subjective variables (#2, #12, #28, #29, #32, #34, #35, #36, #37) accounted for 26.2% of the final score. Many of the 37 variables had hidden assumptions. Some assumptions—that healthy teachers are better than sick teachers—are not troublesome. Others, however, raise problems. Variable #1 assumes that middle-aged teachers, regardless of quality, are best. Variable #4 gives full marks if 40% of a department's teaching staff have associate professor ranks or above. Other variables assume that teachers should teach at least two courses each term; that 60% of courses should be taught by staff with advanced degrees; that publishing research at the state-level is better than at lower levels; that course materials should always be in use; that mere existence of a teaching outline and teaching calendar, regardless of quality, is sufficient; that self-edited books and foreign books, irrespective of quality, are preferred over other types; and that falling behind an outline means an ineffective teacher. All in all, the index evaluation was so ridden with assumptions and so relied on the subjective judgments of department heads that although the exercise was taken seriously by the university community, the results had little meaning. The Foreign Language Department, for example, was assessed in the opinion of its leaders as one of the best departments at SZU. Given FLD's poor reputation on campus, this result by itself somewhat destroyed the credibility of the exercise in the eyes of most SZU teachers and leaders. The 1992 exercise involved several thousand person hours; the degree to which the process of filling out the forms proved informative to staff is unknown. The overall results were never publicized.

Student feedback

Another type of evaluation was implemented in 1994 on a trial basis and subsequently became part of SZU annual routine. Students were asked to evaluate their teachers on a computer-readable form that included 21 criteria (see Table 8.1). Student feed-back was used to award teachers who received

the highest marks, but otherwise the results were not shared with the teachers who were evaluated. Department heads retained them for possible future use, such as promotion. Since the results were not made public or given to each teacher, it is unclear what purpose the evaluation served, other than to give information to department heads that might prove useful to them in the future. The forms were confidential. Each form required the name of the teacher being evaluated and his/her course. Students could choose which courses to evaluate; they were required to reveal on the form only their department, major, year, and sex. The evaluation employed a five-item Likert scale from “very poor” to “very good.”

1995 SEdC accreditation

The 1995 SEdC accreditation was seen as a way to improve SZU’s reputation. Vice-president Zhang Bigong, in a pep talk to the staff in February 1995, commented that “Our only option is to pass the accreditation. It relates to the reputation of SZU and to the future of SZU. The best way to stop rumors about SZU is to pass the accreditation.”¹⁹ Zhang admonished teachers, noting:

We visited some small schools Jisou and Wuyi and were impressed by the work ethic and responsibilities of staff and teachers. Compared with them, our life and payment are better here, but we lag behind them in *jiaofeng* [teaching wind]. We have to admit this and be ashamed of this. Many of our teachers are irresponsible and privately ask others to conduct their classes and other practices against the rules.

Preparation for the November 1995 accreditation by the SEdC was a major exercise at SZU beginning spring 1995 and consuming tens of thousands of person-hours. The campus was spruced up. All the student dorms were painted. Eighteen campus stores were closed and 14 illegal structures torn down. Leaky pipes were fixed; sagging power cables were tightened. A rubbish dump between student dormitories was transformed into pocket-sized Morning View Park. Shenzhen city provided several extra million yuan to help SZU pass the accreditation.

The university leaders had been given the index system on which the accreditation would be based. More importantly, they had informally obtained a copy of the coefficients used by the SEdC to compute the final score. Armed with these documents, SZU’s leaders knew what was expected of them. This, in many cases, allowed them to fit the data to obtain the desirable results. Over a period of a year, SZU leaders accessed the university’s strengths and weaknesses in order to make appropriate adjustments, in either

reality or data. Each department and office was instructed to complete self-evaluations providing information that would be eventually compiled into the university's summary self-evaluation. Each teaching department set up an *ad hoc* accreditation committee which required individual teachers to compile elaborate documentation for each course they taught. In addition to information on syllabus, textbooks, and weekly class plan (which teachers routinely prepared as exercises that occurred almost every other year), they were asked to provide information on their research, on teaching, exams, the evaluation criteria used for scoring, and the distribution of scores. Teachers who did not have this information at hand had to hunt it down in the various teaching offices that kept back-copies of exams, grade sheets, text ordering records, etc. During the 1995 spring term, departments focused all their energies on data collection. The *New Briefs* for those months gave progress reports for the different units. The accreditation committee of the Social Sciences Department, for example, reported that "all teachers are determined to take advantage of accreditation to improve their work."²⁰ The Physics Department reported it was busy checking its own laboratory equipment against the SEdC's recommended list. It noted that it was building up a complete file data base, including daily logs, maintenance logs, and logs of experiments conducted.²¹ (Whether it was reconstructing and back-dating records is unclear.) In March the Management Department decided to reduce out-of-plan classes to prevent them from hindering its *benke* courses. Its teaching plans were fully revised; efforts were made to send more teachers abroad for training; transparency of financial work was improved.²² A month later, Management reported that it had required all its staff to do a thorough self-examination; teaching-research offices were told to stress teaching research work, including making new class plans, improving new courses, further developing backbone courses, and strengthening the use of A/V. Its students were told to organize "study experiences exchanges" and academic contests. To improve the departmental library, Management subscribed to new magazines and books. CCP members in Management served as models in the accreditation fight.²³ The leaders of Civil Engineering visited Huanan Polytech in Guangzhou to pick up pointers on how to prepare for the accreditation. The department decided to adjust the curriculum to ensure that the total teaching hours fell below 3,000, as required by the SEdC.²⁴

The university's collection of accreditation documents, with all its attachments, ran hundreds of pages in length. The self-evaluation index included 33 variables, for each of which SZU was to grade itself on an A-B-C-D basis. In addition, SZU was to propose improvement measures. Once the SEdC team had finished its week-long visit, the university would prepare

“teaching work adjustment measures” which would address the team’s findings.

In general, however, SZU generally lacked consistent systems for collecting and presenting even basic data in such areas as student enrollment.²⁵ The systems that existed permitted the university a degree of flexibility in achieving the appropriate results. Take enrollment, for example. The SEdC wanted to see an enrollment of 3,500 full-time undergraduates. SZU’s enrollment in 1995, as based on the published state plan, was estimated at 2,596. Adjusting for late enrollments, actual enrollment came to 3,115. This fell short, however, of the state requirement. SZU, however, reported to the SEdC that it had 3,583 in-plan students, a figure that, although lacking a basis in reality, exceeds the SEdC minimum of 3,500. Much of the data used in SZU’s self-evaluation appears unable to withstand scrutiny by an independent auditor, and it is clear that the SEdC did not look over the data as a careful examiner might have done. Another example of data manipulation concerned donations, something that the SEdC looked favorably on. SZU reported a ¥15 (US \$1.80) million gift by Pan Wangjiu for the establishment of a Culture and Media College. Only 10% of that donation was ever received and, in 1998, the building remained no more than a hole in the ground, literally. Many of the items in the evaluation (just like in the 1992 precursor) called for subjective judgments. SZU gave itself a B on each of several variables, including overall academic atmosphere, teaching atmosphere, and study atmosphere, although a more objective assessment would have generated Cs and Ds.

Given that SZU’s leaders were filling out the evaluation forms themselves, the only uncontrollable aspect of the accreditation that had them seriously worried was the spot tests that were to be given students. Three or more groups of students were to be spot tested when the SEdC accreditation team visited campus. It was uncertain who (by year or major) would be tested on what subjects; there were dozens of possibilities (e.g., 1991 English majors on computer knowledge, 1992 Chemistry majors on math, etc.). For a self-evaluation item that concerned these random tests, SZU had to predict how well students would fare. It had the option to give itself A, B, or C. The top grade meant a prediction that 80% of the students would pass the sample tests. A grade of C, in contrast, was required if only 60% of sample test takers were expected to pass. A grade of B would have split the difference at 70. SZU’s leaders gave students a C in this regard.

Contrary to SEdC policy, but fortunate for the SZU leaders, the university was informally notified in advance exactly which students would be tested on what subjects. Students who would be taking tests were placed in

intensive cram sessions for the week prior to accreditation. All their regular courses were canceled. As it turned out passing rates varied: 88% for advanced math, 79% for college physics, and 68% for accounting. A grade of high B for the students would have proven a more accurate prediction than the C that was given. When SZU made the prediction several months before accreditation, the leaders did not know specific details of the testing. They made a general assessment which indicated that they lacked confidence in the students; as it turns out they had underestimated students' abilities.

The first items on the accreditation concerned student funding. A grade of A required a ¥1,000 (US \$120) per capita outlay for six items (textbook development, consumable supplies, lab equipment, job practice, library and teaching materials). SZU computed its 1995 per capita outlay at ¥6,162 (US \$740). To bring the figure closer to the norm in China, night school students were included as one-third FTE, but the figure only lowered to ¥4,849.50 (US \$580). The increase of funding was much greater than the 5% required for grade A. (SZU's growth had averaged 67% over four years.)

Judgment played a large role in the self-evaluation. In some items SZU interpreted figures in a way most favorable for the university. Five such manipulations of data are described here:

- In terms of teachers' age, 80% of teaching staff under age 40 equaled grade A and 50% equaled grade C. Splitting the difference, grade B for this item should be 65%. (For all items, the SEdC let grade B be an unspecified amount between A and C.) SZU gave itself a B, although only 56% of its teachers were under age 40.
- For library books per student, 180 defined grade A and 120 grade B. SZU figure was presented as 162 books per student. In fact, many of SZU's books were duplicates; observation suggests that the average book in the collection had at least 1.5 copies. In real terms, the library's collection of unique books is much smaller than the actual numbers suggest.
- If 90% of SZU's *benke* students participated in job practice (*gongzuo shixi*), the university would earn an A for the relevant item (80% would have meant the grade C). SZU gave itself a B, but in fact very few students undertook real job practice over the required periods. To graduate, all students had to meet the letter of the requirements and return a properly chopped form that had a *danwei*'s endorsement. In many cases, however, students had not actually worked in a *danwei*; they had merely arranged to get an enterprise to chop the form. An example: For my dissertation data, I had students code variables and complete coding sheets in an exercise that took five students about 100 hours. The FLD permitted these students to let their coding for me serve as their job practice. To get proper credit, they needed to have their forms

chopped, so I gave the forms to a friend whose father was the Party boss of an enterprise. He returned the properly chopped forms which stated that the students had worked for this *danwei*; students received credit for job practice. In this particular case the students actually did work, though not for the *danwei* that chopped the forms. In many other cases, students did no work at all and still found an enterprise to chop their forms. SZU turned a blind eye to this widespread corrupt practice.²⁶

- For the item on academic atmosphere, the self-evaluation received grade B for an alleged 376 academic lectures that had been open for students from 1992 through May 1995, or 107 per year. For this entire period, the *News Briefs* reported only 12 public lectures. In fact, SZU offered very few academic lectures per year, not more than usually two or three a year in each department. The 107 figure appears to be grossly inflated.
- SZU also reported that student publishing amounted to one article per every three Arts students (SEdC required 1:2 ratio for grade A). Given the paucity of student publications and the fact that probably a handful of students were responsible for most of the published articles, figures that resulted in a 1:3 ratio appear to be inflated, also.

In some items, however, SZU gave more accurate assessments. Fixed lab assets per student were computed at ¥12,621 (US \$1,510), above the ¥10,000 (US \$1,200) required for an A in this category. SZU, however, gave itself a B, admitting that the “distribution of lab equipment was not sufficiently balanced.” SZU gave itself grade C in teaching management, in part because it received a D in one aspect: only 8.3% of the AAO staff had senior qualifications, as opposed to the 30% needed for grade A. Although known as a technologically advanced school, SZU received only a B in micro computer-aided management. The Academic Affairs Office still drew up classroom arrangements by hand, for example, despite the availability of software to set teaching and classroom assignments.

Any data fudging and manipulation that occurred in SZU’s self-evaluation report is understandable. Passing the accreditation was seen as a necessary step toward two other goals that President Cai wanted to achieve for SZU. One was the right to award masters degrees. Shortly after the successful accreditation, in fact, SZU was given the right to recruit masters students in three fields: Architecture, Electronics and Special Economic Zone Economics. Cai also wanted SZU to be included in the “211 Program,” which was a national competition to select 100 key universities for the 21st Century. Despite the extreme unlikelihood of SZU’s being included among this élite (Guangdong Province was expected to be able to put only four institutions into “211”), Cai and Shenzhen leaders began stressing that SZU

deserved to be included.²⁷ All this was an additional public relations ploy to further improve the university's reputation. And, as noted earlier, Cai's most personal reason for passing the accreditation was that he believed (inaccurately, it turns out) that a pass would serve as a convincing reason for the municipality to extend his contract.

China Spring article

All this effort on the accreditation might have produced the desired results—the university's renewed reputation and Cai's renewed contract—had it not been for an article that appeared in an U.S.-based Chinese language journal called *China Spring*. A magazine banned in the PRC, *China Spring* caters to Chinese intellectuals abroad and provides comment on political and social affairs of the Mainland. A 7,750-character article entitled “SZU under the Governance of Cai Delin” appeared in the March 1996 issue under the pen name Bei Aizhi (homonym for “the sad one”). In all probability the article, like the *Cheng Ming* piece before it, was authored by a member of the SZU community, for it included a lot of information only someone inside would know. It started out with a series of ditties (sharp poetic phrases) that were circulating around the campus, ridiculing the leadership. It then talked about corruption, including president Wei's tampering with his son's academic record in order to enroll him in an American university. But the main focus was Cai Delin, and the various forms of corruption that plagued his leadership. It mentioned hometown people Cai had appointed to various offices in order to establish a Chaozhou faction on campus. It discussed the president's keeping a mistress on campus, protecting corrupt officials, such as those in the Foreign Language Department, giving administrative posts to incompetent people and accepting bribes for favors. It talked about how the financial records were manipulated to show that more funds went into research than actually occurred. It offered another ditty:

Luo Zhengqi, much contribution;
Wei Youhai, a few bad records;
Cai Delin, all sorts of sin.

The article concluded with the author's analysis of SZU's major problems: the lack of sound systems (viz., financial, academic, research); lack of democracy; concentration of power; the absence of free speech. “SZU people can do nothing to change this situation,” the author opined. “All they can do is wait for miracles, like the proverbial ‘silly wife who awaits the return of her unfaithful husband.’”

For an entire week in spring 1996, the SZU campus was abuzz with discussion of this article. Who was the author? How did he or she get so much information? Cai Delin, himself, called a meeting of mid-level cadres to denounce the article; Wei Youhai sent out a personal letter to all departments proclaiming his innocence of any wrongdoing. A reward was offered for anyone who reported the author. For Cai, the article could not have come out at a worst time. On a high after leading SZU successfully through the accreditation, he figured he was assured a contract renewal. All heads of departments and offices—themselves Cai appointees—had signed a petition that was sent to the upper levels imploring them to reappoint Cai as president. It is unknown whether Cai would have been kept on if the *China Spring* article had not appeared, but shortly after the article's publication, officials in the city government let it be known that a search was on for a new president and new Party secretary. The timing may have been coincidental, but much of the SZU community believed the article to be the decisive factor that influenced city leaders to find new leadership in order to rebuild the university's reputation. In 1995 Cai admitted SZU's reputation was still so low that "long-time SZU comrades are not happy about the fact that SZU is still listed at the bottom of the list of over 1,000 universities." Ironically, Cai who was so concerned with reputation saw his own esteem plummet along with that of the university.

Corruption

One of the contributors to SZU's negative reputation, both among stakeholders—staff, students, parents, alumni, and upper-level officials—and the public at large was the perception of corruption. This persistent perception was reinforced by observation and rumors, as well as accounts mentioned in SZU's official media and some published articles. This section's discussion of corruption at SZU first tackles the thorny issue of defining corruption in the Chinese educational context. Then, a brief literature review examines the cellular nature of the Chinese polity and the phenomenon of *guanxi*. Throughout, the discussion of corruption refers to some of the over 50 incidents of corruption that I identified during field research. These are cited here by case number (e.g., Case A, 1985) and summarized in Table 8.3 at the end of this chapter, pages 296-300. The section ends with an exploration of the relationships between corruption and cellularism and *guanxi*, attempting to offer some insight into how these latter catalytic elements foster corruption. My major thesis is that two factors strongly influenced and indeed permitted corrupt occurrences within SZU. One was the cellular nature of

the *danwei*, which allowed the *lingdao* (leaders) of individual academic departments to operate semi-autonomously. This encouraged a patron-client relationship between the university's principals and the heads of individual cells. The second influential factor concerned the nature of the decision-making process, which emphasized individuals and their relationships. Personal relationships at SZU between individuals were often more important than rules or regulations.

Defining corruption

Corruption in the Chinese context is not very precise a concept as it comprises a lot of political terms: *tanwu* (malpractice) and *fubai* (decay and putrefaction), *guandao* (speculation by officials), economic crimes (*jingji fanzui*), the more general *buzheng zhi feng* (unhealthy tendencies), *shouhui* (bribe-extorting), and *tequan* (privilege-seeking activities).²⁸ Over the past decade and a half, Western-educated sinologists have published about a dozen articles on corruption in China in key academic journals.²⁹ Most of these theorize about corruption. For reference they use accounts published in the official Mainland press. Some pieces relate anecdotes, but none relies much on participant-observation or techniques that are ethnographic in nature. Despite this major weakness, the literature makes a number of insightful and valuable contributions to our understanding of Chinese corruption.

The generally accepted definition of corruption by Western scholars is that it occurs when individuals use their public roles for personal gain and when their behavior deviates from normal duties or violates rules.³⁰ This leads into a public opinion definition of corruption, one which emphasizes perception. Both elite and mass opinion tolerate some types of misconduct—"white" or "creative" corruption—while other forms—"black" corruption—are condemned.³¹ Whereas "predatory" corruption occurs when those in power make use of their position and thus preserve their monopoly, "creative" corruption enables entrepreneurs to weaken bureaucratic monopolies. It furthers modernization. In between falls "gray" corruption where there is no clear consensus. The importance of the legal definition of corruption is diminished because "under certain circumstances, citizens may reasonably feel that an act which is legally defined as corruption is nevertheless a necessary tool to survive."³² Given China's underdeveloped legal system where the rule of relationships is often as important as (or more important than) the rule of law,³³ the validity of this view is obvious. Corruption is not a clear-cut issue. Changing concepts of corruption have evolved in China between the early 1950s to the early 1980s.³⁴ Not only did percep-

tions change, but morals also shifted. Different groups within a society may adhere to different morals. It is not the deeds themselves that are solely important, but also the perceptions of those deeds based on values held by the perceiving group. For thousands of years Chinese theorists have moralized politics. Western theorists on corruption face the difficult task of reconciling very different concepts within the Western liberal-democratic and Chinese moral-despotic traditions. These concepts relate to individualism, views of human nature, rule of law and moralization in politics.³⁵

For the purposes of this book, the term corruption is used in its public-perception sense. The counting of cases resulted from asking informants “to describe any incidents you consider to be corruption.” The over fifty cases of corruption identified for SZU in Table 8.3 were, therefore, either witnessed by me or reported to me by the principals or by other members of the university community. Public perception, however, is not uniform: a given incident may be perceived as white, black, or gray corruption by different members of the community. The school leader who falsifies school records in order to send his child abroad for study³⁶ may believe he engages in no more than the “white” form of corruption, exercising a right owed to him according to his position. Ordinary teachers, who lack access to the channels needed for helping their children, might describe the same incident as “black” or “gray.” Other cases where the degree of corruption is contested include embezzlement of funds,³⁷ nepotism,³⁸ non-merit-based hiring and promotion,³⁹ thwarting investigations into financial wrongdoing,⁴⁰ and the tendering/extortion of funds from students who wish signatures and chops on paperwork needed to go abroad.⁴¹

Corruption in the academy

Defining corruption within the university context provides a further complication. How is corruption in educational work-units different from the types of corruption that exist elsewhere? Unlike the alleged corrupt practices cited immediately above, not all corruption in educational *danwei* concerns financial matters.⁴²

Universities differ from other work-units because of their unique input-throughput-output arrangement. The definition suggested above—the use of official roles for personal gain in such a way that violates accepted norms—proves too narrow. It focuses on *lingdao* while excluding non-officials such as ordinary teachers and students. Given the nature of promotion through examinations and the importance of grades, schools have rules as well as norms that relate to certain forms of misbehavior peculiar to the campus.

Types of “academic corruption” include cheating on tests,⁴³ grade fixing,⁴⁴ manipulations in admissions,⁴⁵ plagiarism,⁴⁶ falsifying credentials, and the sale of bogus degrees.⁴⁷ The only one of these that received constant official attention at SZU was cheating.

Cheating

An American academic who taught for six years at Union University’s Beijing Institute of Tourism writes about⁴⁸

...a student who cheated on the first-year final but was allowed to continue his education because administrators who knew the family pressured his teachers. The student failed his second-year courses, had an abysmal attendance in his third year, cheated again on exams, did not attend the makeup exams given, and cheated on the “last chance” senior makeup exam...

Expatriate teachers are not the only ones who are astounded by the amount of cheating that occurs in the Chinese university classroom. A book critical of China’s higher education discussed the gale force “cheating wind” and pointed to a survey that found that cheating on exams to be “extremely common.”⁴⁹ Since almost every student cheats, there is little that the authorities can do, the author concluded.

In SZU’s early years cheating cases were dealt with by the Student Self-Disciplinary Committee, but that was a bit like letting the proverbial wolf baby-sit the lamb. By 1986 a student who got caught cheating on an exam would receive an automatic zero for the course as well as be put on probation.⁵⁰ Such harsh punishment did not result in less cheating; rather the strictness provided a major disincentive for teachers to enforce the rule although the same regulations said that “teachers’ supervision should be serious or the teachers would be reprimanded.” Rules in 1987 tightened a possible loophole: students who needed to go to the toilet during an exam had to be escorted by a teacher (The regulations do not specify at what point, if any, a student would be given privacy).⁵¹ Rules in 1988 differentiated between cheating on one’s own (which earned a Bad Record in the *dangan*) and helping others to cheat (which earned a Big Bad Record). In the latter case, all cheaters—both beneficiaries and helpers—were to receive a zero in the course and not be permitted to correct the score with a make-up.⁵² This, in effect, meant that getting caught cheating on a required major course would prevent a cheater from getting a bachelors degree at graduation.

Post Tiananmen rectification, according to the new leaders, resulted in a great reduction in cheating.⁵³ This success was attributed, in part, to cam-

pus-wide broadcasts before the exams that “guided students to take exams with a proper attitude against cheating.”⁵⁴ Regulations passed in 1991 tightened up exam discipline by requiring exam takers to show their ID cards and, perhaps to resolve the lingering bathroom problem, prohibited anyone who left the exam from returning. There was to be no delay in handing in papers, an attempt to prevent the group approach to exam taking.⁵⁵ New rules of punishments in 1991 categorized cheating by seriousness and, in effect, made cheating context related. Cheating on quizzes was to result in publicized criticism; in mid-terms, earned a warning; in finals, a Bad Record. Twice cheating produced probation.⁵⁶ Despite a decade’s effort to rid SZU of cheating, by 1993 it was “still rampant,” in the words of Cai Delin.⁵⁷ As the SEZ prospered and students’ families were becoming richer, a new phenomenon occurred: students were bribing teachers to pass courses.⁵⁸ Cognac (Nescafe for poorer students) was an especially popular gift. Regulations in 1994 addressed this problem and declared as cheating any attempt by “students or others to try to persuade teachers to raise scores.” Teachers were made fully responsible for the accuracy of grades. Grades were not allowed to be changed once they were put into the AAO computer system. At that point the academic department was held responsible for the grades’ accuracy; if they made mistakes, the leaders were supposed “to write self-criticisms and report to AAO for action.”⁵⁹ Cheating still occurred. In the first six months of 1994, most of the 39 students whom SZU punished were disciplined for cheating offenses.⁶⁰ New anti-cheating regulatory language was issued in the run-up to the 1995 accreditation. Differentiation was dropped; all cheating resulted in a zero and disqualified the student from taking the test. For the first time, cheating was defined in specifics, to include peeping and carrying notes, taking exams for others, or passing notes to others; ordinary cheating on exams or assistance to cheaters produced a Bad Record for the students; cheating a second time or using a substitute exam-taker would result in probation.⁶¹ Cheating became a worry during the accreditation, as students would be taking tests monitored by the SEDC, and the SZU leaders were “determined to seriously handle exam cheating.”⁶² It was classified by the Students Affairs Office as one of 10 reprehensible items.⁶³ In its self-evaluation report for the 1995 accreditation SZU repeated the familiar refrain: cheating was being seriously handled, but the university gave itself only a C in the management category that included cheating.⁶⁴

Just a few days before the accreditation inspection team visited, 12 students were caught cheating on the province-wide advanced math test given to *zhuanke* students. Six students from Electronics had taken the test for the *zhuanke* students. Two weeks after the accreditation, the university publi-

cized the names of the cheaters in a *News Brief* and reported that the culprits had each been put on one year's probation.⁶⁵

These various efforts made not much of a dent into the routine practice of cheating. Department heads were forever having meetings with their students on the topic of cheating. The Economics Department in June 1995 warned students that teachers would no longer be forgiving to cheaters. No student was to harass a teacher about exam grades. Students who called teachers to ask scores would automatically fail the course.⁶⁶ A few weeks later, Management, Electronics and IFT each disciplined four students for cheating on exams.⁶⁷ After that Management followed Economic's lead and held meetings before exams to warn students of the consequences of cheating. It seemed to work.⁶⁸ The general practice at SZU was to single out certain cheaters, who would be punished severely in such a way that they were prevented from receiving a bachelors degree. But killing the chicken did not really much scare the monkeys. From 1992 to mid-1995, 75 students were punished for cheating.⁶⁹ In another case that was reported in a local newspaper, a teacher in the Chinese Department was discovered taking a test for a student; he was reprimanded but did not lose his faculty position. In spring 1997 the fee charged by one substitute test-taker (for Band 4, the uniform English test for non-English majors) was ¥1,300 (US \$150). It was paid by a senior who, having failed Band 4 on several previous occasions, could not graduate without passing it. (The fee was negotiated down from the original asking price of ¥1,500 [US \$170]).⁷⁰

School mission

The most severe limitation of the standard definition for corruption concerns its excluding from consideration the corruption of school mission. In each society schools have a certain mission, founded upon academic principles and developed through tradition, that would not be similar in other *danwei*. A university's primary mission in China concerns educating future *rencai* and the pursuit of a research agenda. Despite the presence of income-generating enterprises and institutes, the university's major mission remains academic. The students' primary mission is to study diligently and to develop skills and talent for society's future use. The "long live 60" phenomenon—striving to reach the minimum passing grade—is a corruption of mission.⁷¹

The primary mission of SZU's teachers was instruction and research. But most teachers stayed on campus only long enough for their teaching duties, usually four hours in the morning. They were not easily accessible to

students, nor did they hold office hours. Contact hours in class almost equated to total hours of work. There was no written work for them to review; few teachers required students to write essays. Classes that had been taught in previous years required little additional preparation. Exams were usually multiple-choice. Most teachers could finish marking exam papers within a few hours. Given that the *lingdao* did not rely on committees and rarely consulted teachers for input, regular teachers were not involved in administrative duties either. All in all, teachers at SZU were defined by their teaching duties; broader involvement common to educators elsewhere (research, individual tutoring with students, course preparation) was not expected. Such “disengagement” from education was manifested in teachers’ cavalier attitudes toward student needs,⁷² for example their using mobile phones to conduct private business during class time.⁷³ In sum, corruption in educational *danwei* applies not only to *lingdao*, but also to teachers and students, in other words any member of the campus community whose actions violate accepted norms.⁷⁴

The various incidents of corruption that have been identified for SZU may be categorized, with the first step in classification involving a determination whether exogenous or endogenous variables foster corruption. Environmental factors beyond the school’s control, such as Shenzhen’s high cost-of-living contribute to disengagement by forcing teachers to moonlight and students to take part-time jobs. Other local socio-economic influences may also be held accountable for various campus crimes and misdemeanors on court dockets, including prostitution,⁷⁵ murder,⁷⁶ copyright infringement,⁷⁷ and contract renegeing.⁷⁸ Most corruption of mission was influenced by exogenous factors. Shenzhen, as depicted in a 1996 *Newsweek* cover story, offered plenty of opportunities for evil.⁷⁹ The remainder of cases, however, comes under the influence of endogenous factors (see Table 8.2, next page).

Categorization of corruption

A copyright infringement case deserves special mention as it received international media attention.⁸⁰ In 1991 Mr. Ma Liang, an employee of a Guilin scale and tool factory, contracted with SZU’s Reflective Materials Factory to reproduce the Microsoft hologram. On the basis of various documents Ma provided, SZU eventually produced for Mr. Ma 282,849 “Microsoft” and 211,617 “MS-Dos” laser holograms, as well as a Microsoft template mold,

Table 8.2: Corruption largely influenced by endogenous factors

- 10 cases of academic achievement corruption that involve cheating, plagiarism, grade fixing and the use of substitute test-takers and substitute athletes in sporting events;
 - 11 cases peculiar to the educational process (without money consideration), including admissions irregularities, appointments and promotions not based on merit;
 - 9 cases of money-related misconduct, such as embezzlement, extortion, bribery, and degrees-for-sale;
 - 5 cases that don't fit into the above categories and involve moral judgments, such as nepotism, preventing the investigation of one's friends, renegeing on existing contracts, and improper housing allocation
-

for a total fee of HK \$139,141.41 (US \$17,600). Some time after that, Microsoft discovered that buyers of its software were attempting to register their purchases under bogus serial numbers. Pirated software sold in the U.S. was tracked down to a distributor in Taiwan, and the holograms were in turn traced to SZU's reflective materials enterprise. In March 1992, Chinese government officials raided the Reflective Materials Factory and found 650,000 Microsoft holograms for use in pirated copies of Microsoft software. In March 1994, a Shenzhen administrative court determined that the Reflective Materials Factory had infringed Microsoft's trademark.⁸¹ The administrative court ordered Reflective Materials to pay Microsoft ¥22,375.90 (or about US \$2,600), an amount representing the reported profit the factory earned as a result of the infringement. That most of the benefit had gone to other parties is implicit in the court's ruling. The factory was also fined approximately the same amount to be paid into the national treasury. Microsoft had estimated its losses at US \$20 million.⁸²

The complex denotative meanings of corruption that stem from employing various observer-dependent definitions do little to simplify the concept. An all-inclusive Venn diagram based on this classification system produced over a dozen intersections, unions, subsets and empty sets, and it even required geometrical manipulation to square circles. Some bivariate relationships, however, do lend themselves to visual presentation. Figure 8.2 shows the dynamic relationship between MISSION and MORALITY. The intersection of the two variables was manifested in on-campus prostitution, thefts⁸³ and murders. MISSION by itself was represented by teacher and student disen-

gement and inattention to academics. MORALITY by itself included violations dependent on the moral code of the informant.

Figure 8.2: Corruption of mission - morality representation

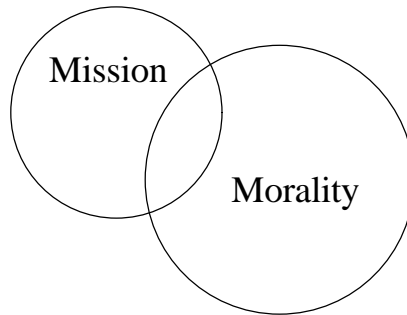


Figure 8.3 on the next page suggests a small intersection between MORALITY and MONEY; the latter was certainly not a subset of the former. In other words, much perceived corruption that involved moral issues did not involve finances (e.g., educational process, academic achievement matters). Not all perceived corruption that involved money involved morality as well. An example would be teacher moonlighting or students' preoccupation with part-time jobs. Also, money played a small role in the specific incidents characterized as endogenous, where influences originated from within the academy, as illustrated in Figure 8.4, next page. In sum, there was only a small degree of overlap between the financial category and the two groupings of academic achievement and educational process. Most of the corruption in mission came from influences outside the school.

Corrupt practices at SZU, as perceived by members of the school community, were spread among administrators, teaching staff and students. About 30% of the cases involved department heads. The president or vice-presidents were implicated in about 15% of the incidents, approximately two-thirds of which also involved department heads. Students participated in about one-quarter of the cases, half of which concerned faculty or administrators. Teaching staff who were not administrators were involved in only a few of the cases, perhaps a further indication of their disengagement from the school.

Figure 8.3: Relationship between corruption involving money and morality issues

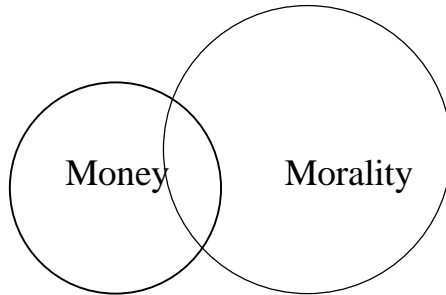
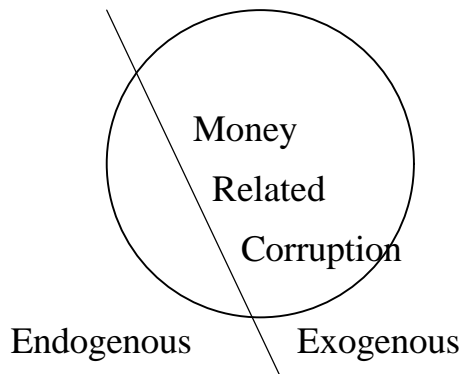


Figure 8.4: Money-related corruption in terms of endogenous and exogenous factors



Financial corruption—case of the Foreign Language Department

The Foreign Language Department provides a rare glimpse into how corruption was handled at SZU. The FLD case was unique in that it often took place in the public arena. Because so many people were involved—persons who considered themselves in opposing factions—information tended to flow thoroughly around campus. The relative transparency of the case exposes the impotence of the Party branch in disciplining its own rogue members.

Problems in FLD began in 1990, a difficult time for staff who were working long hours to earn enough money to make the downpayments required for their new flats. The average teacher in FLD was teaching over twenty hours as the department, under its new leaders Tan Zaixi and Gao Litian, was offering dozens of side-courses. In spring 1993 an anonymous letter circulated among faculty members in the department. The letter pointed out that FLD teachers were working harder but earning less than their colleagues in other departments. The letter, in a very subtle fashion, was asking where the money was going. It did not mention Tan or Gao by name. At that time anonymous letters, a phenomenon which will be discussed in the concluding chapter, were rare at SZU. This particular letter caused quite a stir and, as its authors probably intended, a copy quickly got back to the leadership. They were livid. In previous reports, Tan had portrayed himself as a benevolent and unselfish leader. In the department's statement that appeared in previous yearbooks, he had written:

Compared with the past, we [FLD] have fewer people, yet a heavier work load. One leader is also Party secretary. We employ only one assistant. Our group of three takes care of all teaching, research, moral education of students, public English, and we must still handle emergency items like organizing night school students to take the adult education exam and organizing social investigations. Our motto: no matter how difficult the work is, we will do it well. We pay little attention to personal gain. We sacrifice sleep and forget to eat, working overloaded.⁸⁴

...[I have] set up high standards for myself and devoted myself to work in every dimension and act as an exemplary model, regardless of personal gain or loss, just to push FLD ahead...The leaders are unified and fully devoted to work, sacrificing other work and forgetting to eat, extremely over-loaded...⁸⁵

Believing that his integrity was in question, Tan chose to issue a quite detailed response—one that attempted to answer various implicit charges. Yet, Tan's response raised more questions than it answered, and in fact, set off alarm bells among faculty who had up until that time not been concerned about the department's finances. One of the staff's concerns dealt with department bookkeeping. The cashier the leaders had appointed was the wife of a FLD teacher. She had little education, was only semi-literate and had no accounting experience. Most importantly, the accounting was not transparent. Many teachers felt that the leaders' "holier than thou" tone that came across in Tan's response was a ruse. One teacher referred to an old idiom: *ci di wu yin san bai liang*. The phrase translates as "there is no 300 *liang* of silver here." It refers to a story about a man who found 300 *liang* of silver on a road. He buried it for safe keeping, but was so afraid that someone

might find it that he put up a note that said “there is no silver here.” Another man passing by saw the note, became curious and then hunted for the silver, which he found. Before absconding with the silver, he put up his own note: “Li Si living at the west of the village did not steal your silver.”⁸⁶ Every Chinese school child knows the moral of the story. The leaders of the FLD, in the eyes of my informants, had themselves put up a 300 *liang* type of note.

Unable to get the transparency they desired, the staff and teachers of FLD went directly to Cai Delin and requested they be granted the right to audit the FLD accounts. After considerable lobbying, they received permission, and the FLD staff selected seven of their members to audit the accounts. Over a period of three months, the audit team spent hundreds of hours going over invoices and receipts, unable to audit all the department’s books because the leaders had reported some of them lost. While all this was happening, the students who had enrolled in 1989 started to complain about not receiving their deserved funds for job practice (*gongzuo shixi*). As juniors they were supposed to be given ¥320 (US \$58) per student, but the most they had ever received was ¥80 (US \$15). They had noticed that their peers in other departments had all received the funds. When they confronted the FLD leaders, the leaders admitted they had received the funds from the Finance Office, but that they had used the money for other purposes; they said that how the funds were to be distributed was well within their discretion as *lingdao*.

After several months, the audit committee produced a document with some two hundred pages of attachments. They found that the FLD leaders could not account for about ¥100,000 (US \$18,100) of funds that had been generated from the various out-of-plan courses that the department operated. This figure had been calculated by adding up receipts given students for their tuition and deducting costs and departmental expenses. In no uncertain terms, the audit report accused Tan and Gao of embezzlement. The report was sent to President Cai. For about six months, the President sat on the report. Over this period the rank and file teachers coalesced into factions that either supported or opposed the leadership. The audit committee and their sympathizers composed one faction. The other included Tan and Gao and their *guanxi* network. Tan, himself, had appointed about a dozen teaching staff, all who felt beholden to him for their positions. Over the period of a year, factional politics came into full force to the degree that members of opposing camps were hardly civil to each other. The Party vice-secretary sided with the anti-Tan/Gao group and went about generating support within the university’s Party organization.

SZU Document #121 (24 May 1995)**A Circulated Notice on the Result of Auditing the Foreign Language Department's Financial Affairs, January 1990 - July 1993.**

To all administrative units of this university:

In accordance with university policy, the university's Auditing Office has studied the financial income and expenses of the Foreign Language Department [FLD]. The results of this investigation follow:

Adhering to University stipulations, a second-level financial office has existed in the FLD to handle departmental income generated over and above the plan [viz., side-business income]. The office is composed of an accountant and a cashier with the FLD leadership assuming overall responsibility for financial affairs. In general, the set-up of the financial office was complete. If the FLD's business had been handled strictly according to procedures, checks and balances would have existed and proper supervision of finances could have occurred. In reality, the department did not work according to the structure; thus, the following violations of rules and regulations occurred.

1. Petty treasuries were established in private to conceal the FLD's income so it could submit less money to the school than required. Besides the regular second-level account, two additional accounts [*xiao jin ku*, *bu wan quan xiao jin ku*] were set up through which the FLD concealed part of its income. A considerable amount of money should have been remitted to the University and is still owed.

2. Receipt books were bought in private. The FLD, against the stipulations governing the uniform arrangement of school receipts, privately purchased receipt books other than those the university uniformly prints. These were chiefly used for receipts given to out-of-plan students who bought course books in the English courses or to acknowledge receipt of examination fees in guidance courses the FLD offers concerning the national-level self-study examination. A minority of receipts went for student tuition fees and course book fees for the courses contracted by the FLD staff.

Fraudulent applications and claims were made for allowances for business trips in order to improperly extract university funds. Spot checks of 25 allowances in the FLD in the 3½ years between January 1990 and July 1993 reveal that 13 of these were used to get more money than deserved by reporting fraudulently the places and length of business trips in such a way as to make excuses for exceeding the allowances. For instance, Tan Zaixi and Gao Litian, the two FLD leaders, went to Guangzhou for college English teaching investigation and research with two other teachers. On the *baogan* form, the trip duration was reported as January 5 - 12, 1993, and the place of the trip was surprisingly Wuhan. In reality, the trip lasted only three days.

Thus, Tan and Gao were reimbursed ¥1,237 [US \$215] more than permitted. In another incident, they approved another “trip” in the name of two teachers alleged to have been to Zhongshan University and Shantou University for five days; they got reimbursed ¥732 [US \$127]. In the former incident involving four people’s trip to Guangzhou, they should have been reimbursed ¥972 [US \$176], but instead through fabrication they got ¥1,988 [US \$361] more than deserved. In the 13 business trips under examination, Tan Zaixi got ¥532.25 [US \$92] more than he should have got on two trips while Gao Litian got ¥1,087.85 [US \$197] more than deserved on four trips.

4. Payments for teaching and bonuses were obtained by assuming false names and other people’s real names. For example, in the period December 1990 - December 1991, Tan Zaixi, Gao Litian and all the teachers drew teaching payments totaling ¥29,971 [US \$5,600] and averaging ¥873 [US \$164], all using false names. Tan (using the false name “Gong Meihua”) received ¥1,073 [US \$202] twice; Gao (using the false name “Ding Xinwei”) got ¥1,292 [US \$243] twice. Between the beginning of 1990 to January 1991, Tan and Gao on the pretext of work load subsidies for running out-of-plan courses drew ¥590 [US \$123] each by assuming the name of Zhang Dongping, a temporarily-employed teacher, and having the accountant complete the appropriate form. Between September 1990 and December 1991, Tan and Gao used false names You Benzhe (Tan) and Zhou Hua (Gao) to draw ¥448 [US \$84] and ¥432 [US \$81], respectively. They each reported an additional teaching hour per week, and later said that they considered this to be deserved payment (“work load subsidies”) for running the courses.

In light of the typicality of rule breaking that exists to different degrees in other administrative units of the University, and in order to strengthen financial discipline and educate cadres and financial workers of the whole university, the university leaders have decided that the following four terms be exercised in line with the principle seeking truth from facts:

1. All the funds owed the university from the FLD should be paid; all Tan and Gao’s fraudulent allowances of business trips and subsidies for “work load” should be returned.

2. As per university regulations, the responsible leaders, if having broken the school regulations, should have their school subsidies returned. The regulations should be enacted.

3. The leaders Tan Zaixi and Gao Litian write in-depth self-criticisms.

4. [This notice concerning] the problems existing in the FLD be circulated throughout the whole university so as to educate all cadres and rectify financial discipline.

Copies of the report had made their way to Shenzhen city officials and authorities in the Guangdong Higher Education Bureau. Under pressure, Cai eventually turned the report over the SZU audit office, which took several months to complete its own investigation. The matter was then referred to the Party's Disciplinary Inspection Commission, which was headed by the Party's deputy secretary, Wang Songrong. The Commission undertook its own investigation and produced a report for public circulation. Cai disapproved of the report, and various negotiations resulted in a compromise document. It was determined that the report, in the form of an official SZU Document, would be released while both Cai and Tan were away from campus. Document 95-121, released 24 May 1995, appears on the preceding two pages.

Analysis of Document 121

"Petty treasuries" and income unreported to the upper level were not uncommon in SZU departments, although such practices were specifically prohibited by regulations, issued 20 February 1990, which gave the Finance Office oversight of income-generating activities by university work-units. These regulations mandated full-time cashiers and accountants under the "double leadership" of units and the Finance Office. All receipts given out (e.g., receipts given to students paying tuition) had to be approved by the municipal Finance Office; unauthorized or self-printed receipts were strictly forbidden.⁸⁷

Document 121 identified two petty treasuries in the FLD. *Xiao jinku* refers to a "complete" treasury account, or one in which both the auditor and cashier participated. Books were kept according to regular methods, but the entire account was held in secret from the school authorities, and side-business income was not reported to the SZU Finance Office. It was an open secret that virtually every SZU department had such an account; university officials turned a blind eye, or according to the Chinese idiom: keep one eye open, the other closed. The *bu wanquan xiao jinku* account was an "incomplete" treasury account. This was the "more illegal" of the two, for an accountant was not used. The cashier, the wife of the English teacher, gave the money and receipt stubs directly to the department leaders. The procedure failed to incorporate the check-and-balances system ("reciprocal restraining and supervision") that existed in the other, less illegal account. The cashier dutifully performed her functions. Anyone who objected to the procedure immediately met the wrath of her husband, who had taught in the department almost from its inception and had earned a reputation for greediness.

By virtue of the fact that Document 121 was publicly circulated and posted on the notice board of each department,⁸⁸ school authorities put staff and leaders throughout the university on notice that checks-and-balances were required for all, even illegal accounts. The notice did not specifically prohibit the FLD's practice of keeping a second set of books not subject to university examination. This deliberate omission sent clear instructions throughout the campus that "complete" private treasuries would continue to be tolerated. Side-businesses were given the green light, but with the threat of a traffic cop posted at the intersection. Whether this policeman would keep both eyes open was subject to speculation.

The third section of the document discussed business travel subsidy. Since SZU's founding, the *baogan* practice had been in effect. *Baogan* refers to giving a person a lump-sum of money. If the sum exceeded actual expenditures, the recipient pocketed the difference. If the sum was insufficient to cover costs, s/he must personally make up the deficit. Under this policy no additional school funds were to supplement *baogan*. It worked this way: Before going on a trip, staff would complete a form, have it signed by the department head, and then submit it to the Finance Office. The form required the destination and duration of trip, and payment was made on this basis. Often, however, trips were increased in length and sometimes additional locations were inserted. Customarily, if a conference in Beijing, for example, was supposed to last four days, two days travel time would be added. On the form, Shanghai could be added if there were an academic justification (e.g., another conference, book-buying, academic investigation). The *baogan* policy was initiated under Luo Zhengqi to facilitate travel and do away with the tedious accounting of receipts and invoices that accompanied reimbursement. Over the years, various abuses had crept into the system. In the FLD, it was customary for leaders and staff to fabricate both destinations and trip length in order to obtain larger allowances. Around campus the FLD had earned a reputation for vigorous padding of the *baogan*.

The document's fourth section described the common practice of FLD teachers using false names in drawing additional salary. More than any other department, Foreign Language hired a number of part-time teachers, including graduates and even senior students, to teach side-business courses. Thus, it was not uncommon for the teachers' pay list to include unfamiliar names. Teachers would make up names—some used names of their spouse or personages from classical literature. This practice was intended to shield income from the tax authorities. Ironically, in 1990-1991 at the time the incidents occurred, the Shenzhen tax system was not well developed. Several

years later, however, tax was withheld directly from salary, no doubt to prevent the very abuses that had occurred in the FLD.

The Tan/Gao indictment and Cai Delin's attempt to block a full investigation did much to damage Cai's reputation. Many observers believed that the entire affair, which dragged on for three years, contributed to his downfall.

Corruption and cellularism

Over the past two decades sinologists have debated the extent to which China has been fiscally centralized or fragmented. During the Cultural Revolution the Maoist encouragement of self-reliance and self-sufficiency within administrative units contributed to a fragmented economy and "strengthened tendencies towards a cellular pattern of development over much of the Chinese economy—those largely self-sufficient cells being either local authority units or enterprises."⁸⁹ Maoist China produced both a system and policies conducive to economic fragmentation, which leaves its legacy today.⁹⁰

Within SZU a cellular structure had arisen over the tenure of three consecutive administrations. The school's leadership has exercised little authority over the individual academic departments—the cells. In academic issues, for example, the Academic Affairs Office delegated its supervisory authority to leaders of each academic department.⁹¹ Neither the school's Finance Office nor the Communist Party's local disciplinary unit effectively monitored the department *lingdao*.

Three-fifths of the cases of perceived corruption identified in Table 8.3 were abetted by the cellular nature of the school. As political scientist Lynn White has pointed out for the national level, "China's compartmentalized economy gives many incentives to hide money, so that the official figures are too incomplete to use for any major purpose."⁹² In SZU's case, cellularism produced a similar result, albeit through different processes. Financial irregularity could occur, in part, because there were no checks and balances on the action of the individual department heads. The case discussed just above serves to illustrate: the FLD leaders violated a Finance Office directive when they failed to pass on to students funds that were intended as subsidies for social investigation.⁹³ This case of funds misappropriation, as well as another,⁹⁴ illustrates how cellularism prevented supervision from functional authorities. In another instance, a vice-president (in his case a quite appropriate title!) was able to permit unauthorized use of the school seal (chop) so that degrees could be sold on the sly because individuals who used the chop

as part of their duties did not have control over it.⁹⁵ No administrative safeguards prevented the individual from using the seal for private gain.

Cellularism permitted irregularities in admissions, too. Despite regulations, *lingdao* are able to admit students in disregard to the formal admissions procedure established by the provincial government.⁹⁶ An unknown portion of the enrollment in excess of the approved state plan was back door (*hou men*) recruitment that may have involved gift-giving or bribes. Much of the excess recruitment may have been driven by competition, with each department trying to get the best students it could. The following case, although certainly not typical, is nonetheless illustrative:⁹⁷

I come from the provincial capital. Because I wanted to design electronic components, I chose as first choice Beijing Aerospace University (electronics major) and SZU (radio major) as my second choice. Since my exam score was within the top three in the province, I was selected by the admissions officers of the Beijing school [a key university who chose students during the first wave of schools]. My mother, however, learned that I would likely be assigned a job in China's remote northwest. She was distraught, rushed down to the admissions auditorium, and begged the Beijing Aviation officials not to take my file. She pleaded that as a widow, she did not want to lose her son. She convinced the school officials, one of whom was sympathetic, having lost her own father when she was young. So my mother was given the file, and she placed it back in the pile so that SZU could take it the next day. Several weeks later, I received a notice that I had been admitted to SZU as an architecture major. I had not even put down architecture as one of my choices! It so happens that before the official in charge of radio majors could look over my file, the Architecture head, who was impressed with my high score, grabbed me.

Admissions practices, however flaunted at SZU, pale in comparison with what has been reported to happen elsewhere in China. In Luzhou, for example, an admissions officer extorted bribes of several hundred thousand yuan in a scheme to sell *daipei* quota to fee-paying students.⁹⁸ Corruption in admissions by SZU *lingdao* went largely ignored by the AAO which, although charged with the responsibility of overseeing admissions, has no enforcement or disciplinary powers. The hiring and promotion of staff were also areas where department leaders hold largely uncontested power. As a result, there were a number of cases of non-meritorious promotions⁹⁹ and the hiring of staff on a non-competitive basis.¹⁰⁰ Departments were responsible for putting course grades into the computer network, and several cases of grade fixing occurred because no external authority monitored departmental procedures. One student had his friend who operated the departmental computer

change his course grade from fail to pass.¹⁰¹ Other students convinced a department head *post factum* that they should be exempted from a course they had actually failed.¹⁰²

Cellularism permitted *lingdao* to operate without peer review. Lower-level leaders were accountable to leaders at the higher level who, in turn, were accountable to *lingdao* further up the ladder. Leaders on the same horizontal plane did not communicate with one another. Thus, Architecture was able to poach an Electronics recruit, as noted.¹⁰³ Wei-Wu unilaterally revoked a legitimate contract for no other reason than it had been signed by Luo Zhengqi.¹⁰⁴ Academic departments were able to operate as encysted fiefdoms because administrative departments had little control over them. The same situation was reflected in the impotence of the Academic Affairs Office. The lack of concern given to academic matters by academic departments¹⁰⁵ coupled with the lack of effective oversight by Academic Affairs resulted in various abuses. Department heads were allowed to extract bribes,¹⁰⁶ manipulate admissions,¹⁰⁷ fix grades,¹⁰⁸ and hire and promote on criteria other than merit.¹⁰⁹ Finally, cellularism was evidenced at the student level where student organizations, especially the Student Self-Disciplinary Committee, operated without peer review.¹¹⁰ Members of student groups that fell under the purview of the Student Union had to bribe individual student leaders in order to remain in office.¹¹¹ The overseeing body operated much like an autarchy. There was little lateral communication between student groups; thus, they did not unite to voice their complaints. They were not even familiar with how one another operated.

Finally, cellularism also restricted department heads from exchanging information with one another. Each reported vertically to the university president in a patron-client relationship; department heads seldom talked with one another.

Guanxiwang and corruption

Today, as China faces diminished central control, negotiation becomes a necessary survival skill for participants at all levels of government.¹¹² In the absence of legal rights, social relationships provide a kind of informal property rights in a business system which has been referred to as "local corporatism," defined as "loosely coupled coalition between local government, financial institutions, and firms...aimed at promoting market-oriented growth."¹¹³ In the political system that accompanies local corporatism, bureaucrats at lower levels of government have veto powers over policy handed

down to them.¹¹⁴ The power hierarchy remains real, but relatively less important than the formally accepted model purports.

The national cellular structure that allows for considerable local autonomy in China was replicated in an “autonomy-through-negotiation” system within the SZU *danwei*. Cellularism, supplemented by relational bargaining, occurred at assorted rungs in the policy process, including organizations at the basic level. Moreover, it need not be restricted to economic decision-making units. Any work-unit with financial control may find inside it various autonomous sub-units. The above characterizations fairly accurately describe the decision-making process within SZU.

For centuries personal relationships have played a vital role in Chinese culture and have been seen to have had a positive impact on social and economic issues. This, however, is not the aspect of *guanxi* relevant to a discussion of corruption. The negative aspects permit economic and political benefits to accrue to the individual and not to the nation (or the work-unit) as a whole. Often the negative aspects of *guanxi* are referred to as *guanxiwang*, or the net of relationships. *Guanxiwang* is criticized for arising out of the vestiges of feudalism and the idea of capitalist self-interest.¹¹⁵ Taking unfair advantage of *guanxi* results in abuse of power.¹¹⁶ It encourages the accumulation of self-wealth out of state property.¹¹⁷ It “regulates unscrupulous allocation of interests, in opposition to the spirit of socialist cooperation, equal competition, democracy and law.”¹¹⁸ This use of relationships is condemned for being “particularistic, subjective and contingent,” rather than “cosmopolitan, objective and essentially human.”¹¹⁹ It provides a hospitable environment for crime.¹²⁰

Guanxiwang was evident at SZU in a number of corrupt practices. The diploma-for-sale incident referred to above was made possible by the strong relationship between the vice-president and his colleague (who later fled to France with a bogus passport).¹²¹ Non-merit hiring and promotion were often supported by the leader’s commitment to *guanxi*.¹²² In some cases, student’s involvement in cheating¹²³ and grade-fixing¹²⁴ as well as teachers’ permitting such abuses¹²⁵ was abetted by *guanxi*. The embezzlement case cited above¹²⁶ prompted the president’s protection of his client by thwarting the investigation,¹²⁷ another illustration of *guanxiwang* at work.

Guanxiwang and cellularism

The description of corrupt practices portrayed above helps to identify a pattern of administration that is supported by two catalysts: *guanxiwang* and cellularism. Together, they produced a patron-client framework. There was

not much lateral or inter-department communication. According to my informants, department heads did not often share *guanxi*, at least not in the context of university relations. As mentioned above, *guanxi* can change according to context. Certainly, if two department leaders were at a conference abroad, they would exhibit friendship that might be accurately described as *guanxi*. Within the university, however, each would have his/her own individual network. Those with power would certainly have the university president within their net.

The *guanxiwang*/cellularism nexus helps to open up a totalitarian structure; but in so doing, it produces corruption as a by-product. Almost by definition, totalitarian structures (whether at the state level or in the workplace) preclude systems of accountability. In practice there are no effective legal mechanisms or checks and balances to restrain the authoritarian power of the leadership. To some degree this pattern may occur in many types of organizations—whether corporations, companies, or Chinese work-units—characterized by strong central control, including hierarchical management structures and top-down decision-making processes. What permits it to survive is the use of *guanxiwang*.

Rigidity of a system that deters participation actually has a counterproductive consequence: members develop alternate strategies to participate. In the Chinese *danwei*, this encourages *guanxiwang*. Networks continue to bring in participants; their enlargement reinforces their power. Such was evidenced in the case of the Foreign Language Department where the head used department funds, according to the *ad hoc* committee's investigation, to wine and dine subordinates who were brought into the net. Fixing grades and other corrupt practices helped to maintain the net.

Cellularism within the *danwei* reflects many of the characteristics scholars of China have observed at the national, regional and local levels. As a metaphor from biology, a cell is a small component acting independently but also functioning as part of the whole. One of the features of a cell is a balance between its own autonomy and its role in the larger organization. Of course, a cell is not really autonomous; if cut away from its superstructure, it dies. It, however, offers an appearance of independence and indeed hosts an array of self-contained functions that make it appear to operate on its own. The metaphor applies well to academic settings, both in China and abroad. In describing the teaching department as the basic operating unit in American universities, Burton Clark calls it

the local rock on which the power of voice is based in academia, the organized base for the capacity of academics to exercise influence within the organization to which they belong and to branch out into larger circles.¹²⁸

Its power is derived from its being “where the imperatives of the discipline and the institution converge.” “Relatively democratic in its internal operation,” the American department forms the base of the structure of faculty power and as such “has undergirded the development of a dual authority structure within universities and colleges that on the campus at large takes the form of a major faculty collectivity, usually the academic senate, counterposed to the administration.” Professors are given much personal control, in both teaching and research. Balancing the personal and the collegial requires an institutional weighing of the rights and powers of the individual against those of the collectivity. But as Clark explains, there remains a possibility that power can transfer from the collegial group to the individual, the autocratic department head.¹²⁹

A strong tilt toward the personal produces barons—or, in guild terminology, masters who have complete control over journeymen and apprentices in their individual domains.¹³⁰

The American system, Clark contends, avoids the “propensity of academic guilds to slide into monopolies and the protection of arbitrary behavior...through the interpenetration of collegial and bureaucratic checks.”¹³¹ The case of SZU suggests both an absence of collegial atmosphere (the result of faculty and student disengagement) and a dearth of bureaucratic checks (arising from cellularism/*guanxiwang*). It is not surprising, therefore, that autocracy defined the academic politic of SZU.

The organizational configuration of SZU not only failed to prevent corrupt practices, but it indeed encouraged them. Cellularism prevented lateral information flow; decisions were made on the basis of vertical patron-client relations. Leadership encouraged cellularism for this very reason: department heads who were dependent on a patron were less likely to form groupings that threatened the leadership (the patron).¹³² Information flow may by itself impede corrupt practices but transparency could tend to stir up the school community to action. The threat of losing face might cause leaders to behave differently.

The moral component

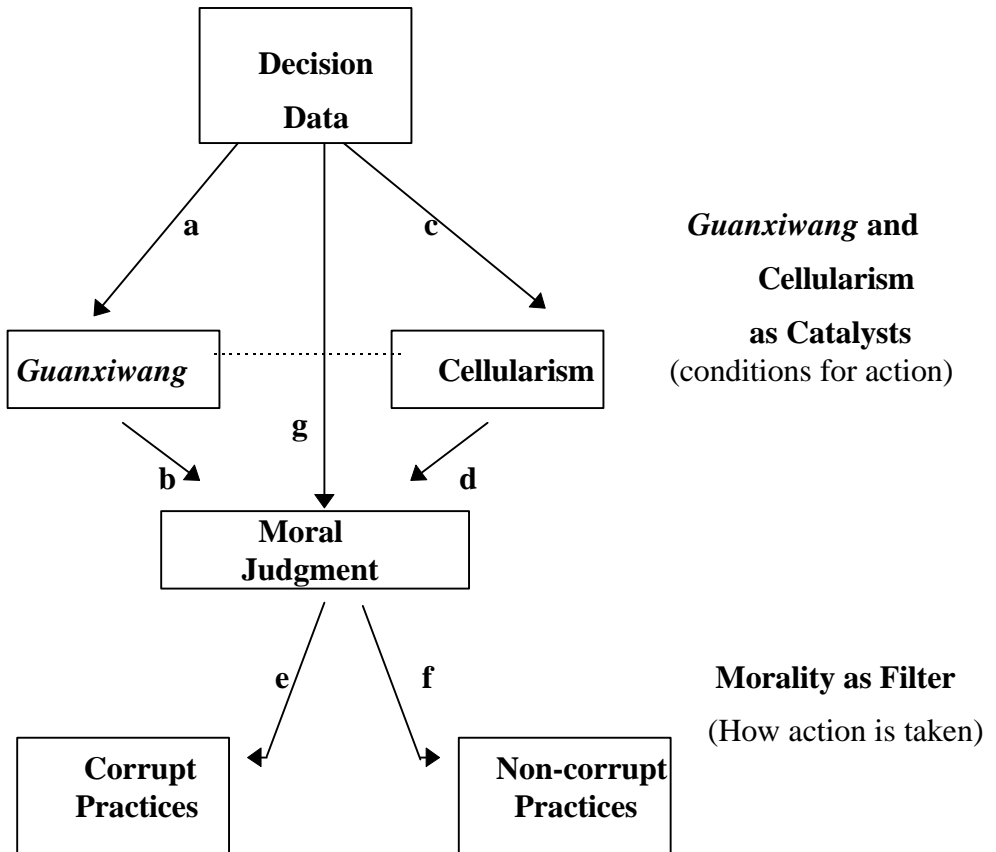
In decision-making, moral delineation is often blurred; judgment calls are required. Table 8.3 and Figure 8.5 suggest that questions of morality are associated with many of the corruption incidents identified. Morality serves as a filter, used consciously or unconsciously, through which decisions flow. Morality remained fuzzy at SZU; one often did what s/he could get away

with. There was no public forum to debate these issues. Many of SZU's faculty privately questioned the moral rectitude of the *lingdao*. The president of the school was imputed to favor cronyism. Since four of his top administrative appointments hailed from his native area of Chaozhou/Shantou in southeastern China, he was accused of running the school through the "Chao-Shan" clique. This took on a deeper insult when it came from faculty, most of whom grew up in northern China, because "Chao-Shan" conjures up the same implication of organized crime as attributed (however unjustly) to Brooklynites, Sicilians, Queenslanders or Marseilles residents. Given *lingdao* acceptance of gifts, intervention to change grades, the falsification of academic records in order for relatives to study abroad, refusals to investigate complaints of financial irregularity, and excessive banqueting and travel abroad, there was little surprise that the leadership was not held in high moral esteem. The same was true at the department level, where few departments were immune to some sort of scandal.

Cellularism, *guanxiwang*, and morality mediated in the decision-making process. The bottom part of Figure 8.5 shows how morality played the role of a solenoid in determining whether or not practices were corrupt. Some decisions were not subject to considerations of cellularism and *guanxiwang*, but all judgments were subject to implicit or explicit moral criteria. Thus, cellularism and *guanxiwang* can be seen to facilitate corrupt behavior, although they need not necessarily do so. They were important at SZU in over half of the fifty cases. In the top part of Figure 8.5, the path A-B-E represents corrupt practices influenced by *guanxiwang*. Path C-D-E depicts the influence of cellularism. When combined, the two factors produce path AG-CG-E. Much corruption might have been prevented if the catalytic elements of *guanxiwang* and cellularism had been neutralized. Take the case of grade fixing.¹³³ The computer operator who input the grades was a young man who happened to be from the same native place as a student who had failed the course. Given the importance of relationships in general, to have student computer-operators control the school's grade system seems a recipe for corruption. If input had been more carefully monitored by the Academic Affairs Office, the cellularism factor would have been weakened.

Both moral behavior and moral attitudes change over time. Cognitive dissonance theory in psychology explains that people may change their attitudes in the direction of greater consistency with their behavior.¹³⁴ Members of the SZU community have redefined corruption over the school's thirteen year history. By the mid-1990s they showed a higher degree of tolerance for practices they would have earlier considered unscrupulous.

Figure 8.5: Mediation of morality and paths for corruption



Paths to corruption:

- a-b-e** Corrupt practices influenced by *guanxiwang*
- c-d-e** Corrupt practices influenced by cellularism
- ag-cg-e** Corrupt practices influenced by cellularism and *guanxiwang*

The emphasis placed on the individual *lingdao* away from a more generalized rule of law characterizes Chinese political ideas in the country’s moral-despotic tradition.¹³⁵ Political leaders are expected to be moral exemplars. A Chinese idiom goes: If the upper beam is not straight, the lower one will go aslant. From ancient times until the present, sages and commentators have provided philosophical support for moral political rule. Although centuries of Chinese political thought have advocated the moralization of poli-

tics, centuries of reality have not produced moral politicians.¹³⁶ Indeed, much sagacious comment serves as a reaction to observed reality. Thus, history—in fact, a great deal of history—suggests that the moral-despotic tradition at the state level has failed the needs of the Chinese people. This seems to be the case for a lower level educational *danwei*, also.

The case of SZU shows that ten years of “autonomy-through-negotiation” leadership at the school have failed to produce moral political rule. Corruption, at least as perceived by the university community, was rampant. Administrators were seen as either themselves being corrupt or turning blind eyes to corruption. Both faculty and students disengaged from the university; research output fell; campus extra-curricular activities were minimal. Sinologist Jean C. Oi has found that in rural China “a freer market environment does not necessarily lead to the end of bureaucratic control nor the demise of cadre power.”¹³⁷ The same might be said for urban China if the case discussed here is illustrative. At SZU a freer market produced exogenous forces that moved teachers and students to disengage and encouraged *lingdao* to engage in corrupt practices, such as cronyism. More often than not, *guanxiwang* and cellularism were aids to corruption, certainly not impediments.

Given non-debated questions of morality, the absence of the rule of law, and the influence of *guanxiwang*, corruption at SZU is likely to remain. In China the concepts of corruption and morality afford a definitional looseness that suits the political needs of the leadership of local Communist Party at the *danwei* level. Without much faculty input or oversight, the department head relies on those s/he trusts, those with whom s/he holds *guanxi*. Whether this *guanxi* is used to benefit society (in this case the department or university) or to benefit the self depends largely on the moral characters of individual administrators and the transparency of their decisions.

Academics offer various contending approaches to corruption, but according to Chinese orthodoxy, corruption is a matter of personal morality. At SZU, the bottom line is that corruption was a moral decision. Cellularism and *guanxiwang* abet it, but in the final analysis, it remained a personal choice.

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21. *Brief # 417* (10 April 1995).
22. *Brief # 402* (6 March 1995).
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24. *Brief # 410* (24 March 1995).
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28. Levy, "Corruption, economic crime and social transformation since the reforms," 1995; Hao & Johnston, "Reform at the crossroads," 1995.
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 58. Case AF, 1992.
 59. "Notice on SZU reaffirmation of teaching discipline, 20 April 1994," *1994 Yearbook*, p. 212.
 60. "Resolution on conducting legal education among students, 9 September 1994," *1994 Yearbook*, p. 262.
 61. "Exam regulations revision, July 1994," *1994 Yearbook*, p. 238; "Regulations on student violations, 1 September 1994," *1994 Yearbook*, p. 232.
 62. Zhang Bigong, "Do a good job to receive the accreditation and guarantee passing, strive for good performance," *1995 Yearbook*, p. 23.
 63. The others were selfishness/indifference, hedonism, nastiness, one-day-at-a-time attitude, non-pioneering spirit, illegal behavior, alcohol abuse, vending/business involvement, unregulated rise and bed time: Student Affairs Office, "Work report," *1995 Yearbook*, p. 298. These also appear in *Brief # 421* (19 April 1995).
 64. "Self-evaluation report, 12 October 1995," *1995 Yearbook*, p. 54.

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65. *Brief # 489* (22 November 1995).
 66. *Brief # 448* (26 June 1995).
 67. *Brief # 453* (12 July 1995).
 68. *Brief # 566* (5 July 1996).
 69. "Self-evaluation report, 12 October 1995," *1995 Yearbook*, p. 57.
 70. Cases R, 1996, 1997.
 71. Case K, 1989-95.
 72. Case G, 1988-95.
 73. Case E, 1989.
 74. This broad definition is consistent with Kwong, *Bu Zheng Zhi Feng*, 1991/1992.
 75. Cases D, 1987, 1988, 1995. See Shum, "Campus with 'sex for sale,'" 1995, p. 39. The article had appeared earlier in Hong Kong's Chinese-language press.
 76. Cases AA, 1993.
 77. Case AG, 1994.
 78. Cases H, 1989-1995.
 79. Elliot, "Empty riches," 1996, pp. 8-12. The issue's cover read: "Bright lights, sick city; polluted, crowded and out of control: why Shenzhen is no Hong Kong."
 80. See e.g., _____, "Making out like bandits," *Newsweek*, 1994, p. 36; _____, "Asian-Pacific News," *Asian Wall Street Journal*, 1994; _____, *Microsoft...The Times* [London], 1994; Stephenson, "In the kingdom of Mao Bell," 1993.
 81. "Shenzhen Municipal Administration for Industry and Commerce," 1994.
 82. Case cited in Gikkas, "International licensing of intellectual property," 1996.
 83. Cases AN. In addition to reports from the Security Office, cited above in Chapter Three, books often went missing from the Library. Four students received serious warnings for stealing books in 1995 (*Brief #406*, 15 March 1995).
 84. *1989-90 Yearbook*, p. 61.
 85. *1991 Yearbook*, pp. 100-1.
 86. Li Si (literally Li number 4), as well as Wang Yi (Wang number 1), Zhang San (Zhang number 3), are the Chinese equivalent to John Doe.
 87. *1989-1990 Yearbook*, pp. 187-9.
 88. In some departments, the notice was removed by supporters of Tan and Gao. In the FLD, it was ripped down after one day, but not before copies were made and widely distributed. As all official documents, it remains on file in the school's Archive Office.
 89. Donnithorne, "China's cellular economy," 1972, p. 618. Similarly, China's peasant economy resembles a "honeycomb and web," according to Shue, *The Reach of the State*, 1988, pp. 123-52. Also, see the debate in *China Quarterly*

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- between Donnithorne and Lardy in "Comment," 1976.
90. Lyons, *Economic Integration and Planning in Maoist China*, 1987, p. 280: "The accustomed models of thought and the vested interests of provincial and local leaders who wield considerable authority in economic affairs create an inertia that the national leadership may find difficult to overcome."
 91. A similar situation occurs elsewhere in China. See Paine, "The educational policy process, 1992, pp. 195-6.
 92. White, *Shanghai Shanghaied?*, 1989, p. 4.
 93. Case AH, 1994.
 94. Case AE, 1994.
 95. Case C, 1987.
 96. Cases S, 1991-95; Cases U, 1993; Case A, 1985.
 97. Case A, 1985.
 98. Liu, "Combining tracks," 1994, p. 21.
 99. Cases AB, 1993-5.
 100. Case X, 1993; Case J, 1989-95.
 101. Case AM, 1995.
 102. Case AI, 1994.
 103. Case A, 1985.
 104. Case H, 1989. The municipal court later upheld the validity of the contract. See discussion pp. 191-2 above and pp. 328-9 below.
 105. Case I, 1989.
 106. Case AD, 1990.
 107. Case S, 1991
 108. Case AI, 1994 and Case Z, 1993.
 109. Case J, 1989 and Case AB, 1993.
 110. Case N, 1990.
 111. Case O, 1990.
 112. See Walder, "China's trajectory of economic and political change," 1993; Lampton, "A plum for a peach," 1992; Cheung & Iu, "Power negotiation between the centre and locale," 1994, pp. 139-52.
 113. Nee & Su, "Local corporatism and informal privatization in China's market transition," 1993, p. 2.
 114. Shirk, *The Political Logic of Economic Reform in China*, 1993, pp. 116-28.
 115. Yu, "A Discussion of guanxiwang," 1987, pp. 103-7.
 116. An article in *People's Daily*, 7 August 1987, cited in Luk, *Guanxi - Social Organization Pattern of Contemporary China*, 1988.
 117. Cai, "Guanxiwang must be broken," 1986, 23-4.
 118. Yan, "Comments on the rationalization of guanxiwang," 1990.
 119. Zhang, "Don't confuse guanxiwang with the sum of social relationships," 1986.
 120. Zhu, "Subculture of guanxi network in Chinese social life," 1993.

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121. Case C, 1987.
 122. Case J, 1989; Case X, 1993; Case AB, 1993; and Case AL, 1995.
 123. Cases R, 1991.
 124. Case AM, 1995.
 125. Case AI, 1994 and Case AM, 1995.
 126. Case AH, 1994.
 127. Case AK, 1995.
 128. Clark, *The Academic Life*, 1987, p. 64.
 129. *Ibid.*, 150-67 for quotations used.
 130. *Ibid.*, 153.
 131. *Ibid.*, 154.
 132. See Lee, *Central-local Political Relationships in Post-Mao China*, 1993, pp. 106ff.
 133. Case AM, 1995.
 134. See Festinger, *A Theory of Cognitive Dissonance*, 1957.
 135. Zheng, *A Comparison between Western and Chinese Political Ideas*, 1995.
 136. Mao's physician chips off yet another fragment from the Great Helmsman's pedestal. See Li, *The Private Life of Chairman Mao*, 1994.
 137. Oi, "Market reforms and corruption in rural China," 1989, pp. 221-3.