

China's Anticorruption Campaign and Civil Servant Fever

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An efficient bureaucracy is critical to a nation's triumph, but corruption threatens it. As such, many countries implement various measures to rectify their bureaucrats' behaviors. These anti-corruption measures may also influence people's calculations of attaining bureaucratic jobs. It is important to understand the impact of anti-corruption measures on the selection of bureaucrats, which is relevant for a bureaucracy's long-term development.

Our study delves into this issue within the Chinese context. The fervent interest in bureaucratic jobs is a persistent phenomenon in Chinese society, which is often called the "civil servant fever." A range of privileges or even rents, such as extravagant spending by bureaucrats, likely have fueled this phenomenon. However, bureaucratic norms were significantly shifted in the wake of the anti-corruption campaign starting in 2013, marked by stringent top-down inspections. We examine how such an anti-corruption drive has affected entry into central government departments during the period 2012-17, which are often regarded as the most prestigious positions in Chinese bureaucracy. Our results reveal that, compared to uninspected departments, those inspected saw about one-third fewer applicants. Importantly, this decrease is not due to people transferring to uninspected departments but rather people leaving the bureaucratic job market altogether.

What changes did the anti-corruption campaign induce and thus discourage entry into the bureaucracy? We uncover two important channels. First, the campaign heightened the likelihood of detection and punishment for corruption. We observe a noticeable increase in crackdowns on senior local leaders for corruption during the anti-corruption era, not to mention the low-ranked bureaucrats. Second, the campaign caused a significant reduction in questionable spending, such as receptions, tourism, and trips. Importantly, there is no change in legal income during the period we study.

The anti-corruption campaign can have twofold effects. First, by reducing pecuniary incentives, the campaign makes bureaucracy less attractive to high-ability people, who may find better opportunities in other sectors. Second, the campaign retains people who are committed to honest products and have a genuine passion for public service. We view both effects as beneficial to society. The first effect may improve the allocation of talent by redirecting capable people to more productive sectors. The second effect may be more critical, as many bureaucratic duties do not require extraordinary abilities but instead call for integrity and passion. Nonetheless, it remains an open question how the government should strike a balance between abilities and passions in undertaking anti-corruption measures.