

Military Corruption in China: The Role of *Guanxi* in the Buying and Selling of Military Positions

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Abstract

How does *guanxi* facilitate corrupt transactions? Utilizing fieldwork data and published materials, this paper investigates how *guanxi* practices distort the formal military promotion system and facilitate the buying and selling of military positions in the People's Liberation Army (PLA). It identifies the three key functions of *guanxi* in facilitating corrupt transactions: communication, exchange and neutralization. *Guanxi* enables effective and safe communication among corrupt military officers, holds transaction partners to their word, and neutralizes their guilt about committing corrupt acts.

Keywords: China; military corruption; *guanxi*; promotion; the PLA

Since President Xi Jinping 习近平 widened his anti-corruption drive to encompass the People's Liberation Army (PLA) in 2014, dozens of generals have been placed under investigation or convicted of corruption, including two vice-chairmen of the Central Military Commission (CMC), Xu Caihou 徐才厚 and Guo Boxiong 郭伯雄.¹ The vast majority of generals caught in the anti-corruption campaign were from the General Political Department (GPD), the General Logistics Department (GLD) and military regions' logistics departments, which control the selection of army officers and the enormous budgets that fund infrastructure and supplies.² The downfall of these generals, especially Xu who was in charge of personnel matters for 13 years, revealed the extent of the problem of buying and selling military positions.³ According to one retired PLA major-general, Yang Chunchang 杨春长, the strength of a candidate's *guanxi* 关系 and his or her willingness to make bribe payments were essential criteria for

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1 Scmp.com. 2015. "Aide of former Chinese generals Xu Caihou, Guo Boxiong now facing graft probe," 14 February, <http://www.scmp.com/news/china/article/1712424/aide-former-pla-generals-xu-caihou-guo-boxiong-put-under-graft-probe>. Accessed 15 October 2015.

2 The number of military officers exposed may be only the tip of the iceberg. The evidence so far disclosed by the Chinese government is, however, insufficient for the author to assess how common the buying and selling of military positions is. For discussion, please see Mulvenon 2015, 3.

3 Chase et al. 2015.

recruitment to and allocation of military positions during Xu's tenure.⁴ This prompts the following questions: what role does *guanxi* play in the buying and selling of military positions? And, what is the relationship between bribe payments and *guanxi* in this process?

A PLA officer⁵ who sells military positions is able to help the buyer either transfer to a better position at the same grade level (lateral transfer) or gain promotion to the next level up.⁶ Each PLA officer is assigned to one of 15 grade levels (*zhiwu dengji* 职务等级), which determines the officer's status and authority within the PLA hierarchy.⁷ Although officers at the same grade level are equal in status, they occupy different positions (*zhiwei* 职位) with different duties and powers. For example, a logistics officer in charge of fuel and supplies has more opportunity to obtain corrupt benefits than a specialized technical officer at the same grade level. In a given unit, the head of the cadre department has a higher chance of gaining promotion than the head of the publicity department, even though both positions are on the same grade.⁸ These differences create incentives for PLA officers to use corrupt practices to transfer to a potentially more lucrative position at the same grade level.

The PLA has also established its own ranking (*junxian* 军衔) system. In contrast to the US military, which has "10 officer grades and 10 equivalent ranks," the PLA "has 15 grades and 10 ranks."⁹ The terms "grade" and "rank" are not synonymous in the PLA, and each rank is associated with between one and four grade levels.¹⁰ That is to say, an officer's rank does not dictate his or her exact grade, authority or responsibilities. As Kenneth Allen explains, "rank is a key indicator of position within the hierarchy of foreign militaries," while "grade [which is based on an officer's position] is the key indicator of authority within the PLA."¹¹ As a result, PLA officers care more about position and grade than about rank.¹²

The existing literature on Chinese military corruption pays special attention to how the military's growing commercialization in the 1980s and 1990s led to an explosion of corruption¹³ and smuggling,¹⁴ but the buying and selling of military positions remains largely unexplored. *Guanxi* researchers have noted the

4 Xinhuanet.com. 2015. "Shaojiang bao Xu Caihou maiguan neimu" (Retired generals point to the military's serious problem of selling military positions), 10 March, http://news.xinhuanet.com/legal/2015-03/10/c_127562610.htm. Accessed 15 October 2015.

5 Based on the nature of positions, PLA officers are classified as commanders, political officers, logisticians, armaments officers, specialized technical officers and academic staff.

6 Skype interview with former military officer S, December 2015.

7 Kaufman and Mackenzie 2009.

8 Skype interview with former military officer T, December 2015.

9 Allen and Shraberg 2011, 7.

10 For example, a "regiment leader-grade officer" should hold the rank of colonel or lieutenant colonel, while a lieutenant colonel may hold "the grade level of regiment leader, or regiment deputy leader, or battalion leader." Kaufman and Mackenzie 2009, 75.

11 Allen 2010, 6.

12 Skype interview with former military officer T.

13 Chao 2013; Chase et al. 2015; Cheung 2001; Mulvenon 2003; 2006.

14 Shieh 2005.

corrosive effects of *guanxi* within China's weak institutional environment and the relationship between *guanxi* practices and corruption,¹⁵ but owing to the lack of empirical evidence, they have omitted to study the role of *guanxi* in military corruption. The aim of this paper is to contribute to the study of “the corruption-facilitating roles of *guanxi*” by investigating military corruption in the People's Republic of China (PRC).¹⁶ Specifically, it examines the negative effect of *guanxi* practices on the formal promotion system in the military, and identifies how *guanxi* facilitates the buying and selling of military positions.

Concept and Theory

Guanxi and guanxi practice

Guanxi is frequently translated as a Chinese version of “social connections,” “particularistic ties” or “personal networks”; however, these translations are not exact because of “the complicated and rich meaning of the word.”¹⁷ The meaning of *guanxi* varies according to context and, as Ling Li argues, requires “the unspoken understanding of the contextual situation in which the conduct described in the conversation takes place.”¹⁸ For example, when one says, “*lao Zhang shi wode guanxi*” 老张是我的关系 (senior Zhang is my *guanxi*), the speaker uses *guanxi* to refer to a person; when one says, “*laoban you henduo guanxi*” 老板有很多关系 (my boss has a lot of *guanxi*), *guanxi* here refers to social resources. *Guanxi* also refers to an act when it is used in verb-phrases, such as *zou guanxi* 走关系 (to go through *guanxi*), *la guanxi* 拉关系 (to pull *guanxi*), and *gao guanxi* 搞关系 (to play *guanxi*).¹⁹ *Guanxi* scholars usually use the term “*guanxi* practice” to refer to these verb-phrases. *Guanxi* practice is defined by Li as:

an amalgamated concept representing the conduct and the process of conduct of soliciting, receiving, offering or delivering a service by one party to another, which satisfies the following conditions: (1) the service involves the exercise of entrusted power by one party, resulting in favorable treatment to the other, which also means that at least one of the parties is endowed with entrusted power, most notably, from a public entity; (2) the service is delivered either as a reciprocation to a favor previously received from the other party or as an act to generate proper reciprocation from the other party in the specified or unspecified future.²⁰

Guanxi and *guanxi* practice, as Lisa Keister points out, are “key to understanding all manner of social relations in China.”²¹ The formation and maintenance of *guanxi*, as Xiaoyang Qi argues, need to “follow implicit social norms which seem to be purely local in their sense if not meaning.”²² Key norms of *guanxi*

15 Bian 1997; Lovett et al. 1999; Xin and Pearce 1996.

16 The theory of “the corruption-facilitating roles of *guanxi*” is generated by Zhan (2012).

17 King 1991, 68.

18 Li, Ling 2011b, 166.

19 Ibid.

20 Li, Ling 2011a, 4.

21 Keister 2012; Chen, Chen and Huang 2013.

22 Qi 2013, 309–10.

include the principles of reciprocity, *mianzi* 面子 (face), *renqing* 人情 (obligation) and *ganqing* 感情 (affection or sentiment).²³ Chinese culture emphasizes the importance of maintaining social harmony, which requires Chinese people to fulfil the “reciprocal obligations expected of all the parties in a social relationship.”²⁴ Failing to meet reciprocal expectations and obligations leads to the loss of *mianzi* – a person’s “social position or prestige” which enables him or her to gain access to resources or to get things done.²⁵ *Renqing* refers to the obligation to exchange symbolic and material resources within *guanxi* networks in order to build one’s *mianzi* and cultivate *ganqing* with other *guanxi* members.²⁶ *Ganqing*, as an affective component of *guanxi* and “an indicator of closeness of *guanxi*,”²⁷ “functions more as a safeguard measure for the favour-grantor to guarantee the return of the favour.”²⁸

The importance of guanxi in corrupt transactions

China scholars view *guanxi* as an informal institution that may be a substitute for or complement the formal legal system in transitional China.²⁹ To be specific, private individuals and entrepreneurs tend to employ *guanxi* practices to protect property rights, safeguard transactions, obtain state-owned resources, and resolve disputes in weak institutional environments that are characterized by a lack of market mechanisms and legal infrastructure.³⁰ Moreover, *guanxi* networks, as Kuang-chi Chang argues, are “used to bypass officially sanctioned, and onerous, bureaucratic procedures, solicit protection from more powerful actors, and acquire otherwise unavailable resources.”³¹

Guanxi networks not only function as substitutive informal institutions for “achieving what formal institutions are designed, but fail, to achieve,” but also offer efficient governing mechanisms to solve problems encountered during corrupt transactions.³² Compared with legal market transactions, which are facilitated by market mechanisms and protected by the formal legal system, the actors in corrupt exchanges have to cope with a high level of environmental and behavioural uncertainty.³³ The major threat arising from corrupt transactions is the risk of punishment, which compels transaction partners to create an operating environment that is characterized by a high degree of secrecy and opacity.³⁴ Such an operating environment, however, leads to limited participation

23 Fan 2002a; Zhan 2012.

24 Wu and Leung 2005, 448.

25 Merrilees and Miller 1999, 268.

26 Luo 2000.

27 Wang, Cheng Lu 2007, 82.

28 Li, Ling 2011b, 170.

29 Wang, Peng 2014.

30 Chan 2009; Luo 2000; Peng 2003; Xin and Pearce 1996.

31 Chang 2011.

32 Wang, Peng 2014, 812.

33 Della Porta and Vannucci 2005; see also Wang, Peng 2016.

34 Lambsdorff 2002.

and a limited exchange of information, which in turn prevents transaction participants from efficiently gathering information, evaluating the quality of corrupt services and assessing potential partners' willingness to comply with corrupt contracts.³⁵ A participant in a corrupt transaction is exposed to a high risk of being cheated by the counterpart (i.e. the transaction is subject to a high level of behavioural uncertainty). Corrupt exchanges are usually non-simultaneous, which creates incentives for opportunistic behaviour, and corrupt contracts cannot be enforced by formal institutions.³⁶ In addition, corrupt transactions need to tackle the moral cost of demanding bribes and committing bribery.³⁷

Partners in corrupt transactions tend to employ *guanxi* practices to overcome these environmental and behavioural uncertainties. Recent years have witnessed a growing body of literature that focuses on the ways in which *guanxi* facilitates corrupt transactions by dealing with these uncertainties.³⁸ Vivian Zhan's theory of "the corruption-facilitating roles of *guanxi*" suggests that *guanxi* enhances opportunities and incentives for public officials to engage in corruption in three ways: communication, exchange and norms.³⁹ First, the *guanxi* network functions as a transmitter of information, helping members to identify potential exchange partners. Second, the trust and reputations built up within the *guanxi* network facilitate the exchange of corrupt benefits between public officials and businesspeople by guaranteeing the fulfilment of all the agreed obligations by both sides and minimizing the risk of being detected and punished. Third, the norm of gift-giving and the principle of reciprocity encourage government officials to meet demands that emanate from *guanxi* networks, regardless of laws and regulations; that is to say, the normative elements of *guanxi* networks distort the legal norms designed by state authority.

Ling Li's research concentrates on the significance of *guanxi* practices in acts of bribery in China by investigating how *guanxi* practices remove both legal and moral barriers, control transaction risks and reduce moral costs.⁴⁰ As Li argues, exchanging favours with people who "are socially and/or sentimentally connected" is an effective strategy for reducing internal risks (for example, the non-performance of exchange partners) and external risks (the risk of exposure and the threat of legal punishment).⁴¹ This is because engaging in opportunistic behaviour with one exchange partner implicates all members of the network. Collective responses from *guanxi* members to opportunistic behaviour can include the withdrawal of membership benefits and even the exclusion of the opportunist from the *guanxi* network.⁴² The existing research into the function

35 Ibid.

36 Della Porta and Vannucci 2005.

37 Balafoutas 2011.

38 Bian 1997; Lovett et al. 1999; Luo 2008; Wang, Peng 2013; Wang, Chunyu, Ye and Franco 2014; Xin and Pearce 1996.

39 Zhan 2012.

40 Li, Ling 2011a.

41 Li, Ling 2011b, 171.

42 Schramm and Taube 2004.

of *guanxi* in corrupt transactions provides a useful tool with which to gain a better understanding of the precise roles *guanxi* plays in the buying and selling of military positions.

Data and Methods

Collecting reliable data was the most difficult part of the research for this paper. The project was initially designed to rely on analysis of existing Chinese military publications. Special attention was paid to the PLA's official newspapers, including *Liberation Army Daily* (*Jiefangjun bao* 解放军报), *Air Force News* (*Kongjun bao* 空军报), *Rocket Force News* (*Huojianbing bao* 火箭兵报), and *People's Navy* (*Renmin haijun* 人民海军). Data were also gathered from China National Knowledge Infrastructure resources (CNKI, *Zhongguo zhiwang* 中国知网) and online searches using keywords such as “military corruption” (*jundui fubai* 军队腐败), “buying and selling military positions” (*jundui maiguan maiguan* 军队买官卖官), “anti-corruption in the PLA” (*jiefangjun fanfu* 解放军反腐), and “corruption related to appointment and promotion” (*xuanren yongren fubai* 选人用人腐败).⁴³ The published data, however, provided very limited useful information regarding military corruption, and especially the buying of promotions and the selling of positions within the PLA. This spurred the attempt to collect empirical data in China.

Needless to say, owing to the politically sensitive nature of the topic, conducting fieldwork in China about military corruption is extremely difficult. International scholars, including those from Hong Kong, are regarded as “enemies” by PLA officers and researchers. During the course of my research, I found it very hard to gain access to interviewees: subjects either declined invitations for interviews altogether or merely offered information or viewpoints that were identical to those reported on state-owned media. Using personal connections to collect data is viewed by scholars as the most effective strategy to obtain reliable information in mainland China.⁴⁴ Unfortunately, this strategy is not always effective. Despite having personal connections with PLA officers, and relying on middlemen when such connections did not exist, I was turned down by most of the PLA officers I contacted for interviews. These officers were concerned that their participation might affect their chances of promotion.

This problem was resolved when a middleman suggested that soon-to-be-demobilized PLA officers and retired officers would make more willing subjects. In total, I conducted 20 interviews with PLA officers, former army officials and a military researcher. Because sharing their perceptions of military corruption would not result in any significant career risk, the former military officers

43 CNKI is the largest and the most comprehensive distributor of academic digital resources in China and was developed by Tsinghua University. It offers full-text access to academic journals, newspapers, doctoral dissertations and conference papers.

44 Heimer and Thøgersen 2006.

and army officials who were close to retirement provided quality and reliable data during their interviews. Information garnered from the military researcher and PLA officers who were still on active duty, although limited, proved helpful to test the validity and reliability of the interview data obtained from the retired and soon-to-be-demobilized officers. These interviews on the buying and selling of military positions generated around 87,000 words of transcript material.

Interviews were held only with low- and mid-level PLA officers; it proved impossible to gain access to high-ranking army officials. As such, the information gathered through the fieldwork can help to explain how low- and mid-level officers make use of *guanxi* practices when buying and selling military positions, but it is less helpful for identifying the reasons for the involvement of high-ranking PLA officers in the selling of military positions.

Problems in the Selection and Appointment of Military Officers

Fieldwork data suggest that the formal rules for appointing PLA officers are distorted by *guanxi* practices and that promotion opportunities are unfairly distributed within the military. This section therefore investigates problems in the decision-making process behind promotions within the military and examines the logic of allocating promotion opportunities. As the empirical data reveal, the selection and appointment of military officers follow *guanxi* rules (*renren weiqin* 任人唯亲) rather than meritocratic principles (*renren weixian* 任人唯贤).

Concentration of power in the military promotion system

It was Jiang Zemin 江泽民, the “core” of the third generation of Chinese Communist Party (CCP) leaders, who tried to standardize the PLA’s system for the appointment and promotion of personnel.⁴⁵ In December 2000, the members of the 19th meeting of the Standing Committee of the Ninth National People’s Congress approved the amendment of the “Regulations of the Chinese People’s Liberation Army on the military services of officers in active service.”⁴⁶ The new regulations aimed to create clear and uniform requirements for the appointment and removal of PLA officers. For example, Article 4 of the new regulations stresses the importance of political integrity, professional competence and measurable performance in the selection of officers. Article 10 states that operational, political, logistics and armaments officers should have received training in schools or academies prior to promotion.

The CCP constitution stipulates that, in accordance with the principles of “collective leadership” (*jiti lingdao* 集体领导), “democratic centralism” (*minzhu*

45 Li, Xiaobing 2012.

46 For more information, see: “Decision of the standing committee of the National People’s Congress on amending the regulations of the Chinese People’s Liberation Army on the military service of officers in active service,” 28 December 2000, <http://en.pkulaw.cn/display.aspx?cgid=32107&lib=law>. Accessed 5 May 2015.

jizhong 民主集中), “consultation before formal meetings” (*huiqian yunniang* 会前酝酿),⁴⁷ and “decisions through formal meetings” (*huiyi jue ding* 会议决定), “all major issues should be decided upon by Party committees after discussion.”⁴⁸ As the PLA is controlled by the CCP, this stipulation also applies to the selection and appointment of military officers.⁴⁹ However, the constitution fails to detail the operational procedure for this decision-making principle, leaving it open to ambiguous and flexible application, and thus abuse, by superiors.⁵⁰ This is especially true for the military. On the one hand, the PLA emphasizes the importance of speed and efficiency in decision making in order to improve conflict and crisis management.⁵¹ On the other hand, the decision-making process within the PLA is not subject to any external monitoring by the media or civic groups.⁵² The need for efficient decision making and the lack of external monitoring mean that the process for appointing military officers is a particularly opaque one, with the concentration of power over personnel selections remaining within the PLA.

In practice, decision-making power is concentrated in the hands of two officers, the political officer and the commander, in every unit at the company level and above. This “dual-leadership system” (*shuang zhuguan zhi* 双主官制) is designed to set up the mechanism of mutual supervision; however, in reality the political officer and the commander tend to collaborate with one another to promote their common interests.⁵³ A retired military officer offered his understanding of the mutually beneficial network that exists between the political officer and the commander:

This does not mean that these two officers must agree with each other all the time. They can disagree with each other. But they have to compromise to reach consensus and make decisions together ... solidarity among members of a Party branch (*dangwei banzi* 党委班子), especially between the political officer and the commander, is an important component of performance assessment. Frequent conflicts between them would raise inevitable questions about these officers’ ability to cooperate, decreasing their chances of promotion.⁵⁴

This concentration of power steers the selection and promotion processes away from collective leadership. The appointment of officers relies mostly on the principle of “consultation before formal meetings.”⁵⁵ Although the formal decision is not taken prior to the formal decision-making meeting, the leader’s choice of candidate is made clear during the consultation process and is then supported by the other members from that point on. In other words, weak collective leadership leads to the unfair distribution of promotional opportunities.⁵⁶ In order to

47 According to interviewees, “consultation before formal meetings” refers to “case-specific/ individual consultations” (*gebie yunniang*).

48 Lin 2013, 39; see also Zeng 2015; Zuo 2015.

49 Interview with military officer H, Beijing, April 2015.

50 Lin 2013; Yu 2010.

51 Scobell and Wortzel 2005.

52 Saunders and Scobell 2015.

53 Ibid.

54 Skype interview with former military officer P, October 2015.

55 Interview with former military officer C, Tianjin, April 2015.

56 Interview with former military officer L, Tianjin, April 2015.

balance different interest groups, the political officer and the commander need to know what *guanxi* resources candidates possess and which positions candidates occupy within different *guanxi* networks. They will also examine whether the promotion of an officer will bring them personal benefit.⁵⁷ That is to say, the distribution of promotion opportunities is not only the process of exchanging power for money but also an important way of seeking future rewards from *guanxi* networks.

Privileged groups and hometown ties

Owing to the lack of external monitoring, officers who control personnel appointments and removals are able to maximize their own personal interests by creating tailored standards for the selection of competent officers.⁵⁸ The existence of a special group of officers – “three types of princes” (*sanye* 三爷) – has had a significant and negative impact on morale within the PLA and has destroyed public trust in the military. These “princes” are the sons of senior officers (*shaoye* 少爷), the sons-in-law of senior officers (*guye* 姑爷) and the secretaries of senior officers (*shiye* 师爷). Although family members are not allowed to hold positions directly under the leadership of each other, senior officers have an immense incentive to employ all their resources to assist in the promotion of their relatives.⁵⁹ Officers at the level of corps leader and above are allowed to have full-time secretaries. This long-term leader–subordinate relationship provides opportunities for senior officers and secretaries to share their emotional reactions to work-related and private issues, and thus leads to the development of strong bonds between them. Secretaries therefore occupy important positions in senior officers’ *guanxi* networks and have obvious advantages when seeking promotion.⁶⁰ By making use of the influence of senior members, these princes can gain promotion even when their profiles do not meet all the essential criteria, for example, a university education or relevant work experience. It is common practice for these princes to find opportunities to gain the necessary qualifications *after* they are promoted, rather than before.⁶¹

Hometown ties are another essential factor in the selection of military officers for promotion. Reflecting the Chinese saying, “fixed barracks, floating soldiers” (*tieda de yingpan, liushui de bing* 铁打的营盘, 流水的兵), officer turnover in the

57 Interview with military officer H.

58 The PLA established a cadre department (*ganbu bu*) in every unit at regimental level and above. Its purpose is to take charge of promotions and reassignments for military officers. But, the cadre department tends to design promotion criteria based on the instruction of unit leaders – the political officer and the commander – owing to its lack of independence. The head of the cadre department is commonly appointed by the unit Party committee, which is headed by unit leaders, and the daily operation of this department is supervised by the same committee.

59 China’s one-child policy has been strictly enforced in the PLA, which means that each military family only has one child. Familial obligations encourage senior officers to favour their children by ignoring laws and regulations.

60 Interview with former military officer K, Tianjin, April 2015.

61 Interview with military officer F, Beijing, April 2015.

military is high. A newly appointed unit leader's first and most fundamental task is to take control of his unit's overall situation quickly. A widely accepted strategy is to appoint subordinate officers whom the unit leader trusts to important positions. Sometimes, there are no strong ties between the newly appointed unit leader and his subordinates at first, which means that the unit leader must develop and nurture *guanxi* within the unit. By using *guanxi* bases, the unit leader is able to establish strong relationships with subordinates within a short period.⁶² The unit leader will review the personnel files of officers in order to identify any who come from prominent military families, or who come from the same hometown or university as the unit leader.⁶³

Guanxi bases allow connected people to build strong ties easily and quickly.⁶⁴ Take the hometown tie (*laoxiang guanxi* 老乡关系) for example. PLA officers from the same regions tend to group together. Strong bonds are quickly forged between officers who have hometown ties owing to a common language (*gongtong yuyan* 共同语言), as speaking dialect reduces the psychological distance between them.⁶⁵ The importance of *guanxi*, especially hometown ties, in the selection and promotion of officers encourages many lower-level officers to change their place of origin in their personnel files and learn new dialects in order to secure promotion.⁶⁶

Costs of hard work and integrity

Hard work is not the key to career advancement for PLA officers. A widely accepted hidden principle in the PLA is that, "conducting a dirty/bad thing together with your superior is better than doing ten good things for him/her" (*gei lingdao ban shijian haoshi, buru yu lingdao ban yijian huaishi* 给领导办十件好事, 不如与领导办一件坏事).⁶⁷ To be specific, taking on additional workloads and responsibilities for the unit or senior members is not an effective strategy for promotion; there is no credit given for hard work and the extra workload increases the possibility of making mistakes. As a soon-to-be-demobilized PLA officer noted, "Mistakes are inevitable ... doing more work than others means you have more chance of making a mistake, or unintentionally offending your superior(s)."⁶⁸

However, jointly committing corrupt activities ("dirty things") is one of the most effective ways by which lower-level officers can win the trust and affection

62 *Guanxi* bases, as Chen, Chen and Huang argue, "usually refer to pre-existing particularistic ties between two interacting parties." Tsang suggests that *guanxi* bases can be divided into blood bases and social bases. The existence of *guanxi* bases does not automatically produce active *guanxi*. The establishment of active *guanxi* needs triggers: finishing a task (*shiqing*) through the cooperation of two partners, a process through which *xinren*, *ganqing* and *renqing* are produced. For more discussion, see Chen, Chen and Huang 2013, 171; Fan 2002a; Tsang 1998.

63 Interview with military researcher E, Beijing, April 2015.

64 Fan 2002b.

65 Interview with former military officer N, Beijing, April 2015.

66 Interview with military researcher E.

67 Interview with military officer H; interview with former military officer K.

68 Interview with military officer H.

of their leaders. “Dirty things” can refer to any kind of corrupt activity, including selling scarce resources monopolized by the military on the open market, embezzling military assets (money or property), creating false accounts, and aiding promotion by violating regulations.⁶⁹ Lower-level officers can become key members of their senior officers’ *guanxi* networks by collaborating with them in immoral or illegal acts.

It is important to note that not all military officers resort to corrupt behaviour in order to seek career advancement. In fact, there are many upright officers in the PLA, but they are more likely to be isolated by those in powerful positions.⁷⁰ A former military officer shared his experience of offending a senior officer by adhering to the principle of fairness:

A division deputy leader asked me to provide assistance for the promotion of his *laoxiang* 老乡 (a junior officer who was from the same hometown as him). I was reluctant to offer assistance because his *laoxiang*, according to my perception, was unqualified for promotion. His promotion would be unfair to the other, competent candidates. I gave the leader the reasons why I was not able to help, but my refusal angered him. He threatened to remove me from my position; in the end I compromised. The outcome was that his *laoxiang* gained promotion as planned but I was given no opportunity for further promotion.⁷¹

What this interviewee experienced can be described as “change the person if he does not change his mind” (*buhuan sixiang jiu huanren* 不换思想就换人). Every PLA officer is required to obey unconditionally (*juedui fucong* 绝对服从) his or her superior’s orders and instructions; however, there is no clear guidance about what personnel should do if these orders are in conflict with laws and regulations.⁷² There are two kinds of path from which a military officer may stray: the path laid down by his or her superiors, and the path set out by the laws and regulations of the PLA and the CCP. A military officer has to make a choice when these two paths do not coincide: selecting the first results in illegitimacy and choosing the second leads to insubordination. The rational choice made by the vast majority of officers is to obey orders unconditionally, regardless of moral or legal doubts.⁷³

To sum up, concentrating power in the hands of superiors, along with the lack of external monitoring, encourages superiors to maximize their personal interests by following *guanxi* rules when distributing promotion opportunities. Military officers who belong to privileged groups (for example, “princes”) or who have hometown ties with superiors are more likely to gain promotion. The military norm of unquestioning obedience makes officers believe that unconditionally obeying superiors’ unethical requests is both natural and moral, while those officers who perform their duties strictly according to laws and regulations are more likely to offend their superiors and thus lose career advancement opportunities.

69 Interview with former military officer K.

70 Interview with military officer H.

71 Interview with former military officer L.

72 Kaufman and Mackenzie 2009.

73 Skype interview with former military officer A, March 2015.

***Guanxi* in the Buying and Selling of Military Positions**

Fieldwork data suggest that being a member of a superior's *guanxi* network is cost-effective, enhances the chances of being promoted, and reduces the risk of being punished. The attractive returns generated by *guanxi* networks encourage PLA officers to employ this informal mechanism to get things done. The following discussion investigates the three ways in which *guanxi* facilitates the buying and selling of military positions: communication, exchange and neutralization.

Communication

Government officials and businesspeople involved in corrupt transactions require a secret and safe communication channel for information exchange.⁷⁴ In order to avoid being caught by law enforcement agencies, buyers and sellers of corrupt benefits tend to rely on *guanxi* networks in order to access secret and reliable information.⁷⁵ The communication channel provided through *guanxi* networks is characterized by a high degree of secrecy and a lack of transparency as information is restricted to insiders (i.e. *guanxi* members).⁷⁶

While businesspeople rely on *guanxi* networks to identify government officials who are in a position to sell corrupt benefits, PLA officers do not have such concerns for three reasons: (1) the military is a closed system and information about the sale of promotions within the PLA (for example, the “price tags” for different positions⁷⁷) is an open secret; (2) there is no need to identify a seller through *guanxi* networks because the power to allocate appointments is concentrated in the hands of superiors; and (3) there is no need to look for buyers through *guanxi* networks because under the “up or out” system, all officers, and especially lower-ranking officers, have an incentive to buy promotions.⁷⁸

Although it is clear who the buyers and sellers are in the marketplace for military positions, the importance of *guanxi* networks in identifying preferred transaction partners cannot be neglected. Faced with different buyers, the office seller tends to use *guanxi* networks to collect reliable information about these potential buyers. This strategy enables the seller to assess the credibility and trustworthiness of each buyer.⁷⁹ Similarly, before starting a transaction, the buyer tends to rely on *guanxi* networks to collect private and trustworthy information about the seller, such as their reputation. Superiors who always fulfil their promises (in assisting promotions) are defined as high-quality sellers. The reputations of

74 Zhan 2012.

75 Ibid.

76 Wang, Peng 2014.

77 Reuters. 2014. “Disgraced China military officer sold ‘hundreds’ of posts: sources,” 1 April, <http://www.reuters.com/article/2014/04/01/us-china-military-idUSBREA300GH20140401>. Accessed 8 May 2015.

78 Officer retirement ages have been established for operational, political and logistics officers in combat troops based on their grade levels; for example, aged 30 for a platoon leader, 35 for a company leader, and 40 for a battalion leader. PLA officers either get promoted or leave the military when they reach mandatory retirement ages. For details, see Allen and Corbett 2004; Kaufman and Mackenzie 2009.

79 Interview with Jing Vivian Zhan, Hong Kong, 1 June 2015.

superiors who take bribes but then do not deliver on their promises are quickly destroyed as information about dishonest behaviour is quickly transmitted through *guanxi* networks.⁸⁰ In addition, buyers who have no direct connections to sellers have to engage with *guanxi* networks to identify middlemen who can facilitate corrupt transactions.⁸¹

Exchange

The major function of the *guanxi* network is to facilitate exchange. As Zhan argues, corrupt benefits are distributed according to “a preference ordering, with those closer to them enjoying higher priorities in receiving the corrupt benefits than those farther away.”⁸² Fieldwork data show that *guanxi* and bribe payments are two determining factors in the buying and selling of military positions.⁸³ To be specific, military positions come with price tags; however, transactions between sellers and buyers would not take place if assurances were not provided by *guanxi* networks.⁸⁴

In the 1990s, office buyers tended to make payments after obtaining promotion, and price tags for military positions did not exist. Trust, affection and moral obligation all played an essential part in the buying and selling of military positions. Since the 2000s, however, bribe payments have become a prerequisite for buyers to reach agreement with office sellers. That is to say, buyers who want to gain promotion have to meet the following conditions: (1) they must accept the price tag and make payment beforehand; and (2) they must possess strong *guanxi* ties with the seller or else find a middleman whose request cannot be rejected by the seller.⁸⁵ Interviewees point to two main reasons for the change in the timing of the payment. First, monetary success, as a principal cultural goal, has been instilled and enforced within the military since China’s economic reform. As one former military officer pointed out:

From PLA officers’ perspective, money becomes more and more important ... power will expire when they retire, but money does not have an expiration date ... in order to have a decent life after retirement, army officials have incentives to accumulate capital by transforming their power into money.⁸⁶

Second, buyers tend to pay first because competition for promotion is getting tougher. In the 1980s and 1990s, the biggest obstacle to promotion for lower-level officers was the lack of a university degree; in the new millennium, the vast majority of PLA officers are university graduates. This means that there are increasing numbers of qualified candidates for each position, giving rise to

80 Interview with former military officer L.

81 Skype interview with former military officer O, June 2015.

82 Zhan 2012, 102.

83 Interview with former military officer G, Beijing, April 2015.

84 Interview with military officer F; interview with military officer H.

85 Interview with former military officer L.

86 Skype interview with former military officer O.

more competition for promotion.⁸⁷ There can be some sense of assurance or psychological comfort for PLA officers who engage in corrupt practices when seeking career advancement. As a former military officer, who is now a senior government official, informed me:

Using payments to get things done (*huaqian banshi* 花钱办事) is an old tradition and is still widely practised today. Help seekers usually seek psychological comfort by paying bribes, because the acceptance of the payment by senior officers signals that what the seekers want is highly likely to be achieved. Refusing to accept payment means that there is no way to get things done.⁸⁸

Bribes have become an important factor when seeking promotion, which raises the question of whether highly competent candidates need to bribe senior officers. Fieldwork data suggest that a bribe payment is an indispensable, although not sufficient, element to gaining career advancement, even for competent officers. According to one interviewee:

Competent officers face a dilemma: to pay or not to pay. They can either choose to pay a cheaper price (e.g. 50,000 yuan) in advance to secure the promotion, or they have to pay a much higher price (e.g. 100,000 yuan) for the same promotion if they fail in the competition for promotion owing to the lack of payment beforehand ... in reality, PLA officers are less likely to get promoted without payment.⁸⁹

Payment in advance is used by the buyer to signal his or her trust and loyalty to the seller. Under such circumstances, the function of the payment is to offer assurance in corrupt transactions.⁹⁰ A buyer who chooses not to pay in advance usually fails to gain promotion and ends up having to pay more for the same position. There are two main reasons for paying a higher price. First, a PLA officer who misses a promotion opportunity falls behind his or her peer group and thus feels under greater pressure to gain promotion. Second, the officer who is in charge of appointments and promotions has to find a new opportunity for the late payer and so requires compensation for the extra time and energy that this takes.⁹¹ Payments have become an essential feature of PLA promotions and it is important to note that transactions will not take place if there are no *guanxi* ties. *Guanxi* networks – secret and safe trading platforms – are a necessary precondition for corrupt transactions.

The downfall of Xu Caihou, once the military's second-highest ranking officer, raises the question of why high-ranking officers engage in corruption. Clearly, Xu had achieved culturally defined goals, including a high social status. Special benefits, including housing, health care and education, provided by the Chinese government to top government and military officers and their families make the accumulation of wealth less necessary or attractive. However, Xu was still deeply

87 Interview with former military officer B, Tianjin, April 2015.

88 Skype interview with former military officer P.

89 Interview with former military officer B.

90 Interview, Jing Vivian Zhan.

91 Interview with former military officer B.

involved in the selling of military positions. News reports disclosed that one officer paid Xu 20 million yuan in exchange for a high-ranking position.⁹² Interviewee perspectives help to make clear the importance of *guanxi* and cash payments in corrupt exchanges involving high-ranking officers:

Xu did not actually need the money, but the cash transactions were important for both Xu and the buyers. For office buyers, a cash payment is the most important way for them to show their respect, appreciation and care ... for office sellers, high-ranking officers find it impossible to meet the expectations of all the members of their extensive *guanxi* networks, thus a price tag for each position is helpful, allowing them to decline demands from *guanxi* members who are unable to pay ... This lowers sellers' "workloads" and avoids disputes with *guanxi* members.⁹³

A cash payment, as the interviewee suggests, is perceived by military officers as the most efficient and effective way to create an emotional bond with superiors.⁹⁴ Emotional components, such as love, care, appreciation and respect, are embedded in the cash payments exchanged in corrupt transactions. The offer and acceptance of bribes is an important process for deepening *ganqing* and strengthening *guanxi* among corrupt officers. The stronger the emotional component, the closer the *guanxi*; the closer the *guanxi*, the more trust, assurance and security the *guanxi* provides for corrupt exchanges.

Promotions and military positions have been transformed into commodities which are marketed through *guanxi* networks. A price tag for each position brings convenience to both the seller and the buyer, improving the efficiency of transactions.⁹⁵ Price tags are helpful for transaction partners to avoid disputes and maintain face. With price tags, the seller avoids the embarrassment of asking the buyer directly for payment, and she or he can refuse requests from *guanxi* members who are not willing to pay. Equally, a price tag means that the buyer does not need to guess how much she or he has to pay for the position. The absence of price tags brings uncertainty to the buying and selling of military positions:

First, paying more than the seller's expected figure creates an extra financial burden for the buyer; second, paying less than the figure leads to dissatisfaction from the other side, which can even result in transaction failure, loss of face and damaged *guanxi*.⁹⁶

The study of military corruption in China reveals an enhanced level of commercialization in *guanxi* dealings, but it is important to note that corrupt exchanges are very different from ordinary market transactions. The illegal nature of corrupt transactions prevents participants from resorting to legal protection and market mechanisms. Participants therefore have to rely on alternative forms of protection and enforcement mechanisms (i.e. *guanxi*). Moreover, the degree of the closeness of the *guanxi* is an important factor in the allocation of military

92 Caijing.com.cn. 2015. "Xu Caihou tamen jiaokong dangshi de junwei lingdao ren" (Xu Caihou marginalized the former chairman of the Central Military Commission), 9 March, <http://politics.caijing.com.cn/20150309/3835125.shtml>. Accessed 9 May 2015.

93 Interview with former military officer J, Tianjin, April 2015.

94 Skype interview with former military officer P.

95 Skype interview with former military officer O.

96 Ibid.

positions. Only those military officers who have strong ties with their superiors and who accept price tags are eligible to compete for important positions. According to one interviewee:

For senior officers, appointing candidates who are closer to them in the *guanxi* network to important positions is important for three reasons: first, it ensures efficient cooperation among superiors and subordinates; second, it offers a safe environment for misconduct and corruption; third, it enables senior officers to retain their influence in the military after their retirement ... for lower-level officers, they usually appreciate being given a chance to “buy” important positions because not all junior staff have such opportunities. The investment will be recovered quickly as new positions bring them more opportunities to abuse power [for their own] personal profit.⁹⁷

Neutralization

According to Ling Li, *guanxi* norms (that is, the principle of reciprocity and the norm of gift-giving) help to break down the moral and cognitive barriers of corrupt transactions.⁹⁸ “A government official is at the same time a private person embedded in a *guanxi* network”; she or he therefore feels obliged to meet the demands that arise from *guanxi* networks, even though such demands usually conflict with social and legal norms.⁹⁹ My study of buying promotions and selling positions in the PLA suggests that *guanxi* networks normalize corrupt transactions through the neutralization process.

The origin of neutralization theory can be found in the research by Gresham Sykes and David Matza on juvenile delinquency.¹⁰⁰ Their main argument is that young offenders tend to adopt techniques of neutralization in order to overcome the guilt of delinquent behaviour and to rationalize their actions when they violate social norms.¹⁰¹ Neutralization theory can explain how corrupt PLA officers use *guanxi* norms to neutralize their guilt, lessen their responsibilities and protect their self-image. Fieldwork data suggest that corrupt transactions are neutralized in two major ways: by denying the harm inflicted on the victim and by applying *guanxi* norms.

Denial of the harm caused to the victim. Denial of harm is frequently used by transaction participants to rationalize their acts. In the military, the promotion of PLA officers is largely influenced by the practice of *guanxi*.¹⁰² Most officers believe they are justified in employing *guanxi* networks to gain promotion. According to their understanding, achieving career advancement through *guanxi* networks is fair and also widely accepted.¹⁰³ A former military officer explained:

97 Skype interview with former military officer P.

98 Li, Ling 2011a.

99 Zhan 2012, 104; see also Li, Ling 2011a.

100 Sykes and Matza 1957.

101 Copes 2015.

102 Interview with military officer F.

103 Interview with military officer H.

From the perspective of personal capacity, there is a lack of individual differences in the military. The absence of wartime challenges in the past three decades makes it difficult for senior officers to select competent officers ... in most circumstances, almost all the candidates are qualified for promotion, but positions are very limited ... in practice, competition for promotion is a game of *guanxi* competition. We all know that the strength and closeness of *guanxi* between candidates and superiors are determining factors ... if you lose the game, you cannot blame anyone but yourself because you do not have enough *guanxi* resources.¹⁰⁴

It is clear that corrupt *guanxi* networks harm the whole organization by distorting social norms and legal institutions. However, transaction participants look only at individual-level benefits and not at organizational costs. According to their understanding, it is hard to find a victim because all participants in such transactions are beneficiaries. As an interviewee argued:

If you are a middleman, you will find that facilitating transactions brings benefits to all parties involved: first, it helps the office sellers (senior officers) to earn profits; second, it enables the buyers to gain promotions; third and most important, you create close ties with senior officers through assisting these transactions, thus senior officers are more likely to distribute promotions and opportunities to you in the future. You see, all are beneficiaries, no victims at all.¹⁰⁵

Application of guanxi norms. The PLA system for promotions is characterized by a lack of transparency, checks and balances. This weak formal system fails to prevent senior officials from abusing their positions of authority on behalf of their fellow *guanxi* members. The exchange of promotions and military positions has therefore become deeply intertwined with *guanxi* networks. Those involved in the buying and selling of military positions usually use the norms of *guanxi* to justify their behaviour.

Guanxi practitioners need to follow the rules of *renqing*, the main feature of which is “the necessity of reciprocity, obligation and indebtedness in interpersonal relations.”¹⁰⁶ Gift-giving within *guanxi* networks is widely practised by Chinese people as a way of building stronger *guanxi* bonds.¹⁰⁷ This common cultural practice of gift-giving, along with the intense competition for promotions, pressures low- and mid-level military officers into offering financial payments to show their respect, care, gratitude and appreciation. It is an essential means of creating *renqing* and cultivating *ganqing* with senior officers. Senior officers are obliged to accept these emotionally loaded bribes as to refuse payment would lead to a breakdown in mutual affection (*ganqing polie* 感情破裂), further disputes, and even the loss of their reputations within their *guanxi* networks. The high cost of saying “no” to *guanxi* members, especially those who have strong ties, compels senior officers to accept bribes. Acceptance generates further obligations and creates indebtedness: senior members must meet the expectations of those offering bribes in order to return their *renqing* and deepen their *ganqing*. *Guanxi* norms such as reciprocity and obligation therefore create a vicious corrupt circle of “giving, accepting, returning.”

104 Skype interview with former military officer O.

105 Interview with former military officer L.

106 Yang 1994, 122; see also Ke and Yue 2014.

107 Xin and Pearce 1996.

Guanxi members who fail to reciprocate favours are despised by other members of the *guanxi* network for being dishonest or lacking in human feelings (*mei renwei* 没人味).¹⁰⁸ In an interview, a former military officer explained:

Senior officers are “kidnapped” by *guanxi* networks. They feel obliged to assist those who are close to them within *guanxi* networks to obtain promotion ... it is also an effective way for them to develop their reputation in *guanxi* networks and maintain influence in the military.¹⁰⁹

In order to maintain and develop a favourable reputation, all payments will be returned to the buyer if the office seller fails to deliver the promised corrupt benefits.¹¹⁰ Such informal mechanisms also prevent buyers from reporting cases to the Commission of Party Discipline Inspection, lowering the risk of detection and punishment. Another interviewee mentioned the role of *guanxi* norms in combating the feelings of guilt felt by office sellers:

Guanxi norms are fig leaves. They [corrupt officers] do not feel guilty or ashamed. They perceive that their involvement in illegal businesses is not just for themselves but also for their families, friends, brotherhoods, and wider groups (*guanxi* networks). High praise from *guanxi* members helps to reduce guilty feelings [about committing corrupt acts].¹¹¹

Similarly, recognition from fellow members of a *guanxi* network is important for the office buyer, because the seller is usually within the same *guanxi* network as the buyer. A bad reputation within *guanxi* networks leads to isolation, while a good reputation enhances the possibility of career advancement.¹¹² In this case, *guanxi* norms are much more important to network members than social norms and legal institutions, and *guanxi* members’ perceptions are more important than the perceptions of outsiders.

The discussion above indicates that *guanxi* facilitates the buying and selling of military positions by enhancing communication, guaranteeing exchanges and reducing moral hazards. These functions encourage military officers to engage in *guanxi* practices in order to advance their personal interests and gain promotions.

Conclusion

This paper offers an exploratory study of the role of *guanxi* in facilitating the buying and selling of military positions. Fieldwork data suggest that the PLA’s ineffective promotion system, which concentrates power in the hands of a few senior officers and lacks external monitoring, encourages those senior officers to follow *guanxi* rules rather than meritocratic principles when allocating promotional opportunities. The buying and selling of military positions through *guanxi* practices is an attractive strategy for most PLA officers. Following in the footsteps of Li and Zhan, this paper contributes to the literature on “the corruption-facilitating roles of *guanxi*” by examining how *guanxi* practices increase corrupt

108 Interview with former military officer J.

109 Interview with former military officer L.

110 Interview with former military officer C.

111 Skype interview with former military officer O.

112 Ibid.

benefits and reduce the risk of punishment by offering a safe channel for communication, preventing non-performance from either party in the transaction and neutralizing the guilt of those committing corrupt acts.¹¹³ Using *guanxi* when buying and selling military positions is therefore a rational choice for officers seeking promotion.

This paper also investigates the relationship between bribe payments and *guanxi* in the buying and selling of military positions. In the 21st century, bribes have become an essential, although not sufficient, factor in corrupt exchanges. Bribes, usually in the form of cash payments, are a major way in which buyers of promotion can express respect and appreciation and create *renqing* and enhance *ganqing* with sellers of military positions. *Guanxi* norms such as reciprocity and obligation help those involved in the transaction justify their actions and encourage military officers to satisfy *guanxi* members' needs, regardless of laws and regulations. It is important to note that corrupt transactions would not occur if the assurance and security generated by *guanxi* practices did not exist. The degree of closeness of *guanxi* is also an important factor when senior officers allocate opportunities for promotion: only those who are close to power-holders within *guanxi* networks are qualified to compete for important positions.

Corruption is a global phenomenon, but the study of corruption in developing countries requires researchers to take local contexts and culture into consideration rather than just transplant Western theories. The integration of the concept of *guanxi* in the examination of military corruption in China offers a culturally specific meaning and understanding of what causes PLA officers to engage in the selling and buying of positions and how military officers employ *guanxi* to tackle the environmental and behavioural uncertainties associated with corrupt exchanges. Incorporating the concept of *guanxi* also contributes to the understanding of the social and cultural embeddedness of corruption and provides valuable resources for comparative corruption research.

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113 Li, Ling 2011a; Zhan 2012.

摘要: 关系是如何促成腐败交易的? 基于公开材料以及实地调查数据, 本文详细探讨了腐败官员如何通过关系运作来影响军队干部的选拔任用, 以及关系如何促成军队内部的买官卖官行为。文章指出关系在腐败交易中的三大作用, 即: 联络沟通, 保障交易, 以及抵消罪恶感。具体来讲, 关系为腐败交易双方提供安全有效的信息交流平台, 促使交易双方信守承诺, 以及消减因参与腐败而产生的内心罪恶感。

关键词: 中国; 军队腐败; 关系; 干部选拔; 解放军

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