2. Crime and its Control in China

Both Hong Kong and the mainland have experienced profound social, political and economic changes in the past 30 years, which have influenced crime rates and the responses to crime. Research on crime and victimisation is well developed in Western industrialised countries, but less so in developing countries and new economies. In Hong Kong, official crime and justice statistics as well as data from victimisation surveys are readily available. Information from the mainland is becoming more accessible, particularly in the English language; however, crime statistics are limited, by and large, to aggregate national data. Although the extent and nature of crime in communist China are still subject to speculation, there is a tendency towards a more open discussion of crime problems, and a growing body of empirical (albeit small-scale) and criminological studies is appearing in the relevant scholarly and police journals. Generally, experts agree that crime rates were traditionally very low, but rose dramatically in the 1980s (Bakken 2005; Messner et al. 2007a). In this chapter, we review data and trends for crimes against both persons and businesses to contextualise the results of the ICBS. We argue that the general climate for criminal activity will be relevant to the risks of crimes against business. We also provide an overview of policing and crime-control mechanisms, first looking at Hong Kong and then at the mainland, including what is known about crime problems in Shanghai, Shenzhen and Xi’an. We compare crime and victimisation rates in Hong Kong and the mainland with a number of selected countries in Asia and the rest of the world, drawing from both official data and victimisation surveys. Finally, we discuss how well these data fit with theories of modernisation and crime.

Crime and Policing in Hong Kong

Crime Trends and Common Crime

Despite its economic success and ‘safe city’ status, Hong Kong has experienced several crime waves and major crises in the past half-century. Industrialisation after World War II produced social problems—notably, a class of urban poor, aggravated by the continuous influx of migrants. Long-held anti-colonial feelings and social discontent led to riots in 1966 and 1967, to which the Government responded by implementing social reforms regulating working conditions and funding public housing to accommodate the influx of migrants from mainland China. Yet, crime continued to increase and official figures of police-recorded crime feature a rapid rise during the early 1970s, which was maintained from 1974 (1294 per 100 000) until 1995 (1493 per 100 000). From the mid-1990s, crime rates started to decrease. For example, the rate of homicide stood at 0.79 per 100 000 population in 1961, which rose to 2.79 in 1972 and 2.4 in 1990. By 2005, it had fallen to 0.49—a lower level than in 1961. The pattern for other crimes followed that of homicide (see Broadhurst et al. 2007 for details).
The Asian financial crisis of 1998 triggered a recession in the Hong Kong property market and the 2003 SARS (Severe Acute Respiratory Syndrome) epidemic further depressed the already weakened Hong Kong economy. These events intensified social instability and might have been reflected in an increase in the overall crime rate in 1999 and 2003, but the effect was temporary because crime rates returned to the previous lower level in the late 2000s. The drop in crime since the mid-1990s matches a reduction in the population group with the highest risk of offending—that is, those aged fifteen–twenty-nine years (Broadhurst et al. 2008).

Table 2.1 Hong Kong: Police-recorded crime, 1999 and 2004, and Crime Victimisation Survey, 2005 (rate per 100 000)

<table>
<thead>
<tr>
<th>Police-recorded crime(^a)</th>
<th>Hong Kong CVS(^b)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1999</td>
<td>2004</td>
</tr>
<tr>
<td>All crime</td>
<td>1162</td>
</tr>
<tr>
<td>All violent crime</td>
<td>238</td>
</tr>
<tr>
<td>Homicide</td>
<td>0.9</td>
</tr>
<tr>
<td>Wounding and serious assault</td>
<td>112</td>
</tr>
<tr>
<td>Robbery</td>
<td>55</td>
</tr>
<tr>
<td>Criminal intimidation</td>
<td>17</td>
</tr>
<tr>
<td>Burglary</td>
<td>139</td>
</tr>
<tr>
<td>Deception/fraud</td>
<td>52</td>
</tr>
<tr>
<td>All theft</td>
<td>441</td>
</tr>
<tr>
<td>Shop theft</td>
<td>-</td>
</tr>
<tr>
<td>Triad-related crime</td>
<td>44</td>
</tr>
</tbody>
</table>

Sources: Census and Statistics Department, Hong Kong (2007a); Hong Kong Police Force (2009a).

Notes: \(^a\) Rates are per 100 000 population and are calculated based on population data from the Census and Statistics Department; except for homicide, rates have been rounded to the nearest whole number; \(^b\) except for ‘all crime’, rates are per 100 000 population \textit{aged twelve and over}; to enable comparisons, we have converted the rates per 1000 reported by the CVS to rates per 100 000; \(^c\) overall rate estimated by adding up total N household crime + N personal crime/total population; rate is underestimated because the CVS sample consists of people aged twelve and over; \(^d\) in the CVS, 10.2 per cent of crime victims believed the incident might have involved triads, but this is not directly comparable with police definitions of triad-related crime.

Table 2.1 presents official crime statistics for 1999 and 2004 (the reference year for the ICBS), and rates of victimisation reported in the Hong Kong Government’s own victimisation survey for 2005. Not surprisingly, victimisation rates are much higher than those in official records because not all crimes are reported or come to the attention of the police. In addition, the Hong Kong UNICVS showed that rates of reporting to police tended to be relatively low, particularly for less serious offences (Broadhurst et al. 2010). For example, the official rate of burglary represents less than 10 per cent of the estimates from the UNICVS, but
for wounding and serious assault, the official record accounts for 35 per cent of
the UNICVS estimate. In both 1999 and 2004, homicide rates were less than 1
per 100 000 population—about the same level as in the early 1960s. At 1199 per
100 000, the 2004 overall rate of crime was similar to that of 1999 (1162).

**Crimes against Business, Non-Conventional and
Organised Crime**

It is difficult to know the extent of crimes against business because official crime
statistics typically do not report the characteristics of victims. For example,
police record the number of frauds reported to them, but the monetary amount
of the fraud and details about perpetrators and victims are rarely available. Since
fraud can be perpetrated by businesses against consumers or other businesses,
or by suppliers, consumers and other persons against businesses, official
statistics are inadequate to study the fraud victimisation of businesses. Studies
and surveys that specifically target business (like those reviewed in Section 1.2)
are more useful; we found only two studies that had been conducted in Hong
Kong and one in the mainland.

In 2009, seven large retail corporations located in Hong Kong took part for the
first time in the Worldwide Shrinkage Survey or Global Retail Theft Barometer,
which examines the cost to retailers of ‘shrinkage’—that is, loss of stock due to
theft by customers, employees and suppliers, and loss due to errors.¹ Across the
41 countries surveyed, shrinkage was estimated to represent 1.43 per cent of
global retail sales in 2008–09. In Hong Kong over the 12 months of the survey
period, shrinkage cost US$294 million to the retail industry and represented
0.9 per cent of total retail sales. One-quarter of the loss was due to pricing and
accounting errors; three-quarters to theft and fraud: 52 per cent was attributed
to theft by customers and shoplifting, 19 per cent to theft by employees, and 9
per cent to fraud by suppliers. Consistent with Hong Kong’s generally low rates
of all types of crime, Hong Kong ranked second-lowest among the 41 countries
included in the survey, just ahead of Taiwan. India reported the largest shrinkage
(3.2 per cent of retail sales); Singapore, China and Japan (1.2 per cent, 1.1 per
cent and 1 per cent respectively) ranked lower than Western countries such as
the United States (1.6 per cent) and the United Kingdom (1.4 per cent) (Bamfield
2009).

Hong Kong companies have participated in three sweeps of PriceWaterhouseCoopers’ (PWC) Global Economic Crime Survey, which every

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¹ The survey has been conducted globally since 2001 by the British Centre for Retail Research. The 2009
sweep surveyed 1069 large retail companies across 41 countries. The data period was one year: 1 July 2008 to
30 June 2009. In 2009 and for the first time, the survey included companies in four Chinese cities: Hong Kong,
Beijing, Guangdong and Shanghai.
two years since 2001 has examined the prevalence of and perceptions about economic crime against businesses in 40 countries from all regions of the world. In 2007, PWC contacted the representatives of 100 Hong Kong companies and asked them about their experiences of asset misappropriation, accounting fraud, corruption and bribery (including extortion), money laundering, and intellectual property (IP) infringement (PWC 2007b). As Table 2.2 shows, of the 100 companies surveyed, just more than one-quarter (26 per cent) reported that they had been victims of economic crime in the past two years, which was much lower than the global average of 43 per cent. Yet, this figure was 4 percentage points higher than in the 2005 survey. Nearly half (N = 46) the companies surveyed also conducted business activities in mainland China and those were asked about their experiences of victimisation and perceptions of economic crime in the mainland. For them, the rate of victimisation was slightly higher, at 29 per cent, and the type of victimisation was different. Bribery and corruption were reported more frequently in the mainland (14 per cent—close to the global average) than in Hong Kong (9 per cent), and the prevalence of IP infringement (21 per cent) was much higher than in Hong Kong (7 per cent) and globally (15 per cent).

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Asked about the likelihood that, in the next two years, their company would become a victim of economic crime, only 4 per cent of Hong Kong respondents thought this was likely or very likely to occur within Hong Kong, but 11 per cent believed it could happen in mainland China. Respondents from the rest of the world generally perceived that corruption was a major obstacle to doing business in the mainland.

In contrast with the mainland, Hong Kong is perceived as one of the least-corrupt countries in the world, but this was not always the case. During the colonial period and particularly in the 1950s and 1960s, when Hong Kong experienced rapid economic and population growth, corruption was extensive and endemic in all government agencies, including the police force. In 1973, revelations that Chief Police Superintendent, Peter Godber, had accumulated great wealth through receiving bribes and had managed to flee Hong Kong led to a public outcry. In 1974, the Independent Commission Against Corruption (ICAC) was established (Lethbridge 1985). The ICAC is independent of the police and proactively fights corruption through law enforcement, prevention and education, and is often represented as a model anti-corruption agency.

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2 The companies surveyed are selected randomly and for each country the sample size is determined according to the country’s GDP. The 2007 sample included 47 per cent of respondents from Western Europe, 17 per cent from North and South America, 16 per cent from the Asia-Pacific, 15 per cent from Central and Eastern Europe, and 5 per cent from Africa.

3 Although the survey has been conducted every two years and Hong Kong participated in the 2003 and 2005 sweeps, disaggregated (by city) results were not available, so we draw only from the fourth sweep, conducted in 2007 and covering crimes that occurred in the previous two years.
Table 2.2 Economic Crime Victimisation of Hong Kong Businesses and Global Averages, PWC Global Economic Crime Survey, 2005–06 (per cent)

<table>
<thead>
<tr>
<th>Type of economic crime</th>
<th>All Hong Kong businesses N = 100</th>
<th>Hong Kong businesses with activities in the mainland N = 46&lt;sup&gt;b&lt;/sup&gt;</th>
<th>Global average N = 5428&lt;sup&gt;c&lt;/sup&gt;</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total economic crime</td>
<td>26</td>
<td>29</td>
<td>43</td>
</tr>
<tr>
<td>Asset misappropriation</td>
<td>19</td>
<td>14</td>
<td>30</td>
</tr>
<tr>
<td>Accounting fraud</td>
<td>8</td>
<td>10</td>
<td>12</td>
</tr>
<tr>
<td>Corruption and bribery</td>
<td>9</td>
<td>14</td>
<td>13</td>
</tr>
<tr>
<td>Money laundering</td>
<td>4</td>
<td>2</td>
<td>4</td>
</tr>
<tr>
<td>IP infringement</td>
<td>7</td>
<td>21</td>
<td>15</td>
</tr>
</tbody>
</table>


Notes: <sup>a</sup> The Global Economic Crime Survey was conducted in 2007 and refers to victimisation in the previous two years; <sup>b</sup> sub-sample of Hong Kong respondents who had business activities in China and were asked to report victimisation that occurred in their mainland business; <sup>c</sup> total number of business respondents interviewed in 40 countries and victimised anywhere.

The ICAC 2006 Annual Survey reported that 2.8 per cent of about 1500 citizens contacted had been the victims of corruption by government or business representatives (ICAC 2006).<sup>4</sup> The survey also indicated low tolerance of corruption, with 66 per cent of respondents saying that it was totally unacceptable. Nearly one-quarter of respondents, however, believed that corruption might increase in the future because of the growing volume of commercial exchange with mainland China, where corruption is more prevalent. Similar concerns were raised following the 1997 hand-over of Hong Kong to China. For example, Chan (2001) questioned whether increasing social and economic integration with the mainland would provide further opportunities for corruption and negatively affect the business culture in Hong Kong. Official data from the ICAC do not support this hypothesis. Immediately following ICAC’s inception, the rate of reported corruption cases was at its highest (71 per 100 000 population), but quickly fell to 35 per 100 000 in the early 1980s (Figure 2.1, top graph). It peaked in 2000, following the hand-over and the Asian financial downturn, but dropped back to 55 per 100 000 in 2004 and kept falling, to 48 per 100 000 in 2010. Looking at Figure 2.1, we must keep in mind that the numbers of corruption cases reported to ICAC reflect the public’s willingness to report and ICAC’s proactive policies as much, if not more, as actual levels of corrupt practices. ICAC is rated highly by the Hong Kong population, with 99 per cent of respondents stating in 2004 that ICAC deserved their support (ICAC 2006).

During ICAC’s early years, the bulk of cases related to corruption in government departments (83.5 per cent in 1975). Over time, the relative proportion of

<sup>4</sup> No respondent to the 2006 UNICVS in Hong Kong reported any incident of corruption by officials (Broadhurst et al. 2010).
cases relating to the government sector decreased, and, in 1988, the balance shifted, with the majority of cases originating in the private sector (Figure 2.1, bottom graph). The proportion of reports relating to the private sector has remained small—from 3.7 per cent in 1975 to 6.5 per cent in 2010. These trends reflect ICAC’s policies more than the actual extent of corruption and bribery. The initial focus of ICAC was to control the extensive corruption in the public and government sectors; once this was achieved, ICAC officers turned to corruption in the private sector and uncovered many cases. The rise in the number of cases originating in the private sector does not necessarily mean that corruption was not present before, but rather was less subject to control (Lo 1993, 2003).

**Figure 2.1 Cases of Corruption Reported to Hong Kong ICAC, 1975–2010: Rate per year (top) and types of case (bottom)**


Another threat to business comes from organised crime, particularly the infamous Hong Kong triads or ‘black’ societies. Typical triad-related activities include blackmail, extortion, price fixing and protection rackets involving local shops, small businesses, restaurants, construction sites, wholesale and retail markets, and places of public entertainment. Smuggling, counterfeiting, money laundering and credit-card fraud constitute other important sources of
illicit profit that harm legitimate businesses. In the early 2000s, triads started to counterfeit CDs and DVDs, as technology made it easier to mass-produce them. In 2003, an officer from the Hong Kong Organised Crime and Triad Bureau successfully infiltrated the Woh Sing Woh triad, whose members were involved in the manufacturing and distribution of pirated video compact discs (VCDs). Gang members were selling the VCDs through about 20 street stalls and were able to earn up to HK$50 000 a day in profit. About 40 people were arrested (The Standard 2003). On occasion, triads have teamed up with legitimate businesses to monopolise newly developing markets, such as home decoration companies, waste disposal, non-franchised public transport routes and elements of the film industry (Broadhurst and Lee 2009; Chu 2005).

Despite periodic alarm over their influence, triad involvement in recorded crime has remained static at between 3 and 4 per cent of all recorded crime in Hong Kong over the past 20 years (Broadhurst and Lee 2009). In 2004, official statistics estimated the rate of triad-related offences was 37 per 100 000—down from 44 per 100 000 in 1999. During the pre-ICAC period, the climate of rampant corruption, particularly within the police, provided fertile ground for triad-related activities, but the suppression of corruption and bribery among police and other government agencies, along with police reforms, has somewhat limited the growth of the triads. In the past decade, however, Hong Kong triad members have increased their activities in China, particularly in Guangdong Province and Shenzhen, where elements of the emerging market economy were unprotected by law, creating opportunities for protection and corruption (Broadhurst and Lee 2009).

**Policing and Crime Control in Hong Kong**

Hong Kong’s low crime rate might reflect the relative effectiveness of law enforcement with a comparatively high incarceration rate, large police force and significant public resources allocated to crime control and security. Hong Kong has its own police force, independent of that of the mainland, and has retained its criminal justice system based on English common law since reunification. In 2004, 10.5 per cent of Hong Kong’s total budget was allocated to security (<www.budget.gov.hk/2004/>), with the police force totalling 32 254 sworn officers including auxiliaries, or a rate of 469 per 100 000 population (Hong Kong Police Force 2009b). This is larger than other Asian and most Western jurisdictions. In addition, Hong Kong supports a relatively large private policing and security sector. The death penalty was abolished in 1991, but Hong Kong

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5 In 1999, there were 722 registered security and guarding companies in Hong Kong, employing approximately 160 000 registered personnel (Personal communication, Security and Guarding Services Industry Authority HK SAR). In comparison, according to Nalla and Hoffman (1996), there were about 200 security companies in Singapore, which employed between 15 000 and 20 000 private police—a ratio of about two private police to every public police officer, while Hong Kong’s ratio is closer to five.

6 No execution had taken place since 1966.
has a moderately high rate of incarceration per 100,000 persons. According to Hong Kong Correctional Services Department’s figures, the average daily prison population in 2004 was 13,138, or a rate of 193 per 100,000 population; however, the rate is inflated by the significant number (up to one-third) of mainland Chinese who are incarcerated for immigration offences that include short mandatory imprisonment.\(^7\)

Hong Kong’s use of imprisonment seems to be supported by the population. The 2006 UNICVS asked respondents what sentence they thought a twenty-one-year-old recidivist burglar should receive for stealing a colour television. Nearly 60 per cent of Hong Kong respondents opted for a prison sentence, followed by 28 per cent who favoured community service. The proportion of respondents who chose imprisonment was much higher than the international average of 38 per cent (Broadhurst et al. 2010).\(^8\)

Conscious efforts have been made to increase the legitimacy of the Hong Kong Police, and the successful transition from a once suppressive colonial quasi-military police force into the current professional and modern police service with its client-oriented consensus policing style has contributed to increasing reporting rates and effective crime prevention. Corruption—once endemic—has been successfully controlled and the Hong Kong Police have generally received the support of the citizens. The 2006 UNICVS found that 96 per cent of respondents thought that police in their area had done a ‘fairly good job’ or a ‘very good job’ at controlling crime and 94 per cent either fully agreed or tended to agree with the statement that police do everything they can to help. Of victims of crime who reported the incident to the police, 67 per cent were satisfied with the police response (Broadhurst et al. 2010).

Hong Kong residents are aware that their city is safe. In the UNICVS, few respondents (5.6 per cent) indicated that they felt ‘a bit’ or ‘very unsafe’ in Hong Kong streets after dark. Of all the cities surveyed, Hong Kong recorded the lowest level of concern about street crime, followed by the Scandinavian countries. Similar results were found for crime against households: nearly three-quarters of respondents (71.8 per cent) felt that it was unlikely that their home would be burgled in the coming year; only 1 per cent thought a burglary was ‘very likely’, and 27.2 per cent perceived it was ‘likely’. People aged fifty-five and over were less concerned about their household being victimised than younger people aged twenty-five to thirty-four years. Compared with the other industrialised cities that participated in the UNICVS, Hong Kong residents were

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\(^7\) This figure includes inmates in prisons, detention centres, rehabilitation centres, training centres and drug-addiction treatment centres (Hong Kong Correctional Services Department: <www.csd.gov.hk/english/ins/ins_stat/files/chartdata2009.htm>).

\(^8\) The proportion of respondents who opted for a prison sentence was generally higher in common-law countries (for example, England and Wales, 51 per cent) than in civil-law countries (van Dijk et al. 2007).
far less likely to have alarms or special security doors installed in their house; however, nearly half the respondents said they were taking part in formal and informal systems of neighbourhood watch (Broadhurst et al. 2010:Ch. 7).

State action, however, only partly accounts for the low levels of crime and fear of crime experienced in Hong Kong. Broadhurst et al. (2008) argue that this is the result of a complex mixture of cultural traditions, proactive crime prevention and the increasingly professionalised police service. Family oriented Confucianist values, a large police force that focuses on a client-services approach, strict firearms laws, high levels of formal and informal surveillance, effective control of cross-border crime, an ageing population, ethnic homogeneity, proactive efforts to suppress organised crime and corruption, and severe punishment for the convicted all serve to reduce opportunities for crime.

Crime and Policing in Mainland China

Crime Trends and Common Crime

Until 1986, when, for the first time, China submitted its national crime statistics to Interpol, crime statistics were classified as state secrets (Zhong 2009a). In 1987, the first issue of the China Law Yearbook reported national crime statistics. Along with a variety of other indices, official crime statistics are reported yearly by the National Bureau of Statistics of China (<www.stats.gov.cn/english/statisticaldata/yearlydata/>), but are not disaggregated by province or city. Depending on their seriousness and the harm caused, offences are classified as criminal (more serious) or public security (less serious) cases. In this section, we focus only on criminal cases. Unlike federal countries such as the United States and Australia, which administer criminal law at each state’s level, mainland China has a national criminal law and criminal procedural law. Local police departments are supposed to follow a standardised procedure to record crimes, and statistics are compiled at the provincial and national levels.

Drawing from official and other sources, Zhong (2009a) cites an overall rate of recorded criminal cases of 59 per 100 000 population in 1951, falling to 44 per 100 000 in 1960 and 30 per 100 000 in 1965, before creeping back up to 56 per 100 000 in 1978. In 1981, which was described as ‘the year of the crime wave’ (Bakken 2005:64), the overall crime rate reached 89 per 100 000. The next seven years saw a general decline, with rates per 100 000 of 52 in 1985 and 75 in 1988. In 1989, the rate of recorded crimes more than doubled to 182 per 100 000, and with some fluctuations kept going up to reach 363 per 100 000 in 2004, the year preceding the ICBS. The clearance rate for criminal cases in China is surprisingly high compared with Western standards: from 77.5 per cent of
recorded crimes solved in 1951, to about 90 per cent in the late 1950s.\(^9\) From then to the year 2000, clearance rates oscillated between 55 and 80 per cent, but fell to 40–45 per cent from 2000 to 2004 (Zhong 2009a:100). While the volume of crime has increased in China in the recent period of rapid modernisation, the increase has not been uniform across all crime types. Liu (2005) used annual time-series data on major crimes in China from 1978 to 1999 to analyse the level of change by type of crime. He found that economically motivated crimes, such as larceny, fraud and robbery, increased at a faster rate than others. Grand larceny—defined as theft to a value of CNY3000 (US$370) and more—increased the most (9042 per cent over 21 years), then robbery (2722 per cent), followed by fraud (692 per cent). In contrast, homicide and rape increased at the slower rates of 253 per cent and 131 per cent respectively.

In 2005, the overall crime rate across mainland China was relatively low at 356 per 100 000 population (see Table 2.5). This figure, however, includes only the most serious cases—that is, those categorised as criminal rather than public security offences. Thefts represented the bulk of all recorded crimes (242 per 100 000), and the official rate of homicide stood at 1.6 per 100 000.

As in the rest of the world, in China, official crime statistics do not provide an accurate picture because only a small proportion of all crimes comes to the attention of the police: victims’ reporting behaviour varies over time; crime definitions change;\(^10\) and recording standards might not be consistent (see He and Marshall 1997). In China, seemingly more so than in industrial countries, crime has been chronically under-recorded by police (Yu and Zhang 1999). Bakken (2005) argues that under-recording and fluctuations in rates of police recording of crime in the 1980s and mid-1990s were, in part, due to the differential emphasis over time on ‘case-cracking’ bonuses: during periods when bonuses were indexed to clearance rates, police officers tended not to record hard-to-solve cases, such as rape cases, so they could show high clearance rates. When less importance was given to clearance rates, crime rates started to increase as police recorded a broader range of cases, but, at the same time, clearance rates declined. In the late 1990s, it became evident that bonuses did not boost police effectiveness, and the practice was reduced or stopped.

Yu and Zhang (1999) discussed the findings of the large-scale National Study of the Crime Problem in Modern China, conducted across mainland China in

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\(^9\) Zhong (2009a) notes that during the three years 1958–60, crime rates were low and clearance rates extremely high. She suggests that these were the early years of the Great Leap Forward, and generally inflated figures were published on all types of topics.

\(^10\) For example, in China, offences are classified as criminal offences or public security offences depending on their seriousness. Until 1992, the monetary threshold that differentiated theft as a public security offence from theft as a criminal offence in urban areas was CNY80, but, in 1992, it was raised to CNY500. In the few years post 1992, overall crime rates fell significantly, but this was because a large proportion of thefts was no longer being recorded as criminal offences but as public security offences (Zhong 2009a).
the late 1980s, which examined police crime-recording patterns. They found that under-recording of crime occurred at the local, provincial and national levels. The authors suggest that between 1985 and 1988, only about one-third of all crime incidents reported to the police were counted in the official crime statistics. Homicide had the highest recording rate (88 per cent) and theft, the lowest. Taking into account the under-recording and other factors related to offence classification, the overall crime rate in China in 1990 was estimated to be 800 per 100 000 population, rather than the official published rate of 200 per 100 000 (Yu and Zhang 1999:256). Yu and Zhang suggest that under-recording was probably not as high in the pre-reform period, but economic reforms and social change in the 1980s have led to an increase in crime and in the police workload, without a comparable increase in material and human resources. Based on the findings of the National Study, the Chinese Government has made changes to police procedures and recording rates have increased, suggesting that official rates in the past decades are becoming more accurate.\footnote{Although homicide seems to be the most accurately recorded crime, there are large differences between the officially publicised rate and the ‘internal’ rate, circulated among officials. Internal figures for homicide for the period 2000–03, obtained by Bakken (Personal communication, 17 November 2010), produce rates per 100 000 of 3 in 2000, 3.7 in 2001, 4.1 in 2002, and 3.8 in 2003. In contrast, official rates of homicide were: 2.2 in 2000 and 2001, 2.1 in 2002, and 1.9 in 2003.}

Although two completed victimisation surveys have been conducted in Beijing, in 1994, and in Tianjin, in 2004, it is difficult to compare their results with official statistics because different offences are included and victim surveys count all types of victimisation regardless of their seriousness or official classification. The 1994 UNICVS Beijing sample of 2000 people over the age of sixteen was interviewed face-to-face, and 12.6 per cent reported at least one victimisation in the past 12 months of any of the standard UNICVS household and personal crimes; the majority of victims had experienced the theft of a bicycle (10.9 per cent) (Zhu et al. 1995).\footnote{A repeat of the Beijing UNICVS was conducted in 1996 by the UNODC and the Institute of Crime Prevention (Ministry of Justice, PRC), but the results were not published.} Ten years later, in Tianjin, one of the largest cities in mainland China, Messner et al. (2007b) found that in the past year (2003) 11.5 per cent of respondents had been victims of personal theft, 2 per cent of robbery and another 2 per cent of assault. This study considered only incidents that occurred in public places.\footnote{The Tianjin study primarily examined the relationship between lifestyle/routine activities and victimisation, and did not use the standard UNICVS questionnaire, although crimes were similar (personal theft, robbery, and assault and threats) but limited to those that occurred in a public place. The sample consisted of about 2500 respondents aged eighteen years and over, who were asked about victimisation within the past five years (1999–2003) and the past year (2003). The unusual administration of the questionnaire might have influenced the willingness of respondents to report crime victimisation (see Messner et al. 2007b for details).}
Crimes against Business, Non-Conventional and Organised Crime

The Global Retail Theft Barometer is the only survey we found that had been conducted in mainland China and focused on crimes against business—in this case, retail. Forty-six large retailers were interviewed in Beijing, Guangdong and Shanghai about their losses due to theft. The survey estimated that losses totalled US$1.089 billion or 1.1 per cent of total retail sales. In China, 18 per cent of shrinkage was due to various pricing and accounting practices, while the remaining 82 per cent was attributed to theft by customers (48 per cent) and employees (24 per cent) and fraud by suppliers (6 per cent). Errors and fraud by suppliers accounted for a smaller proportion of loss in China than in Hong Kong (18 per cent versus 25 per cent and 6 per cent versus 9 per cent respectively); theft by employees was slightly more frequent in China (24 per cent compared with 19 per cent in Hong Kong) (Bamfield 2009).

Another survey, the PWC Global Economic Crime Survey (PWC 2007a), gives us some indication of the risk of victimisation from the perspective of foreign investors. Globally, 21 per cent of companies reported that they had been victims of corruption/bribery by a perpetrator located overseas, and 17 per cent of these perpetrators were from China. The highest risk, however, was for IP infringement—that is, the illegal reproduction of products protected by copyright, trademarks or patents: 41 per cent of companies surveyed suffered from IP infringements; of these, 44 per cent of perpetrators originated in China. Across the 40 countries and 5400 companies that participated in the survey, about 500 respondents had business interests in mainland China. More than one-quarter of them (26 per cent) worried about corruption and bribery, and 23 per cent about IP infringement occurring in China. While their perception of the risk of IP infringement in mainland China was notably higher than for other regions (Europe, 16 per cent, and North America, 19 per cent), they also perceived the risk of corruption and bribery was substantially higher in China compared with Europe (18 per cent) and North America (12 per cent).

China has never been free of corruption, but its frequency and costs are increasing. According to a study by the Chinese Academy of Sciences and Qinghua University (cited in Yu 2008), no cases before 1992 reached CNY100 000 (US$13 000). Post 1992, 73 per cent of cases exceeded this amount, 32 per cent involved more than CNY1 million (US$130 000) and 11 per cent were in excess of CNY10 million (US$1.3 million). Organisational bribery—that is, bribery financed by companies to get market advantages—is also on the rise. Targets of bribery are no longer limited to state officials but include employees and executives of rival companies and specialised government branches. In the mainland, corruption in the public sector is already a major source of domestic
discontent. Yu (2008) linked a number of popular protests nationwide to evictions and land acquisitions by corrupt local government officials in collusion with property developers. Since there were few responsive official channels for people’s grievances, with petitions least effective, public protests were often the only recourse.

Apart from the police, three government agencies deal with cases of corruption: the Central Commission for Discipline Inspection (the Chinese Communist Party’s disciplinary apparatus), the Ministry of Supervision, which oversees the behaviour of government agencies, and the Supreme People’s Procuratorate (including the General Bureau of Anti-Corruption), a branch of the judiciary. Neither the judiciary nor any other anti-corruption mechanism is, however, independent of the Communist Party. Corruption statistics are available only on an irregular basis, making the study of trends impossible. Wedeman (2006) and Yu (2008) remark that many reports of corruption are not acted upon and only a relatively small proportion of all reported cases are prosecuted; most are ignored or dealt with administratively. Yet, the Chinese Government has shown concern at the extent of corrupt practices both in the public and in the private sectors, and every three to four years, campaign-style actions are launched to fight corruption. While these might reduce petty corruption, they do little to stamp out grand corruption. Cases that are prosecuted are often harshly punished, sometimes through the death penalty, although public figures tend to receive more lenient sentences (Fan and Cha 2008).

Policing and Crime Control

Social control in China is achieved through a mixture of formal and informal mechanisms. Klein and Gatz (1989:169) remark that ‘social control is formally invested in less formal structures…formal agencies make informal groups the locus of social control’. The policing system consists of a network of social-control institutions, which apart from the public security organs per se includes the neighbourhood committees, the work units, the household registration system and, more recently, an emerging private security industry. Among other responsibilities, the neighbourhood committees and the work units operate closely with the Public Security Bureau (PSB or People’s Police) to manage social order at the grassroots level. The household registration system (hukou) is under the jurisdiction of the local police and aims at maintaining social stability by controlling people’s movement and place of residence.\textsuperscript{14} In China, crime is a morally charged behaviour, which brings shame not only to the perpetrators but also to their family and the social organisations to which they belong.

\textsuperscript{14} The purpose of the hukou system goes beyond population control. The hukou system forms the basis of the allocation of state services and benefits. There are two types of hukou: for rural and urban dwellers. Citizens with agricultural hukou are not entitled to state benefits, apart from the right to farm, while those with
Therefore, private, social and state entities are expected to mobilise to control crime, in a process in which ‘the formal mixes with the informal and the private blurs with the public’ (Zhong 2009a:110). The traditional policing functions of law enforcement, order maintenance and public service are mostly performed by the People’s Police under the Ministry of Public Security and the People’s Armed Police (PAP), a paramilitary force deployed to ensure domestic safety and public order that is controlled by the Central Military Commission and the State Council. Both have equivalent powers such as the power to arrest and question suspicious persons, and to search and seize property. The difference between the two police forces is difficult to describe. Sun and Wu (2009) suggest that the People’s Police tend to handle public security or criminal cases while the PAP focuses on cases that potentially threaten the stability of the state, such as large-scale disorder (and riots), organised crime and terrorism, but this might further evolve with the new People’s Armed Police Act promulgated in 2009.

Unlike in Hong Kong, in the mainland, low crime rates cannot be directly correlated with the strength of the police force as China has a rather low police–public ratio. In 1997, data provided to the United Nations by Chinese authorities indicated that the rate of police officers per 100 000 population was 96, but it appears this figure relates only to the People’s Police. From numbers provided by Zhong and Grabosky (2009), we estimate that in the period 2003–07, and including both People’s Police and PAP, the ratio was 181 per 100 000 persons. This figure is comparable with that of Japan, but lower than Western countries and 2.5 times lower than Hong Kong. An important evolution of the policing system in China, however, is the emergence of private security in the 1980s and its spectacular growth since then. Two major factors, relating to China’s economic transformation, account for the introduction of the private security industry. First, the police lacked the resources to deal with rapidly climbing rates of crime in the 1980s. Second, foreign investors were reluctant to accept the Chinese police’s direct involvement in their company’s internal security, and preferred using private security services. Modelled on Hong Kong’s guarding and security agencies, the first mainland security services company started operating in 1985 in the Shenzhen SEZ, and within a few years all major cities had permitted their use. By December 2005, it was estimated that there were four million security guards nationwide (Zhong 2009b). Unlike the regulation of such services in the West, private security companies in China are under the non-agricultural hukou receive various privileges and benefits. It is difficult to transfer from an agricultural to a non-agricultural hukou, which makes it difficult for rural workers to migrate to cities in search of work. For more detail on these institutions of social control in China, see Zhong (2009a).

15 Zhong and Grabosky (2009:439) report that the number of public security police personnel in 2003 was 1.7 million, and the number of People’s Armed Police personnel in 2007 was 660 000. Based on a total population of 1.3 billion, these figures result in a rate of 181 per 100 000.
direct control of the police, and it appears they carry out up to one-third of all police work including catching suspects (Dutton 2005; Zhong and Grabosky 2009).

China’s incarceration rate—118 per 100 000 population in 2003—is roughly in line with international averages (Walmsey 2005). On the other hand, China, in addition to imprisonment, applies the death penalty on a large scale, although the exact number of executions is unknown. Trevaskes (2010b; see also Johnson and Zimring 2009) estimates that each year more people are executed in China than in the rest of the world combined. In 2005, nearly 70 crimes attracted the death penalty, including economic crime and corruption, but it seems there is little consistency in its application and few checks and balances. The recent introduction of the mandatory review of death sentences by the People’s Supreme Court appears to have had a check on the use of the death penalty. It is estimated that about 8000 people are executed each year with probably a greater number during ‘strike-hard’ campaigns (Fan and Cha 2008; Wang 2007). In China, as in Hong Kong, the population seems to support harsh punishment. The 1994 Beijing ICVS found that 84 per cent of Chinese respondents chose imprisonment as a suitable sentence for the twenty-one-year-old recidivist burglar, which was the highest rate among the 58 nations surveyed (Bakken 2004).

Faced with rising crime rates in the post-reform period, the Chinese Government launched several national ‘strike-hard’ campaigns, in 1983–86, 1996–97 and 2001–02. Tanner (2005:171) describes this campaign-style policing as ‘concentrated, fixed-term, special targeting of particular categories of crime for arrest and severe punishment’. Through mass rallies and public parading of offenders, the Government endeavoured to convince large numbers of citizens to get involved in the campaigns, but Tanner argues that such mass involvement is on the decline. Moreover, these ‘strike-hard’ campaigns have been criticised because of their excessive punishment, particularly the extensive use of the death penalty, and the lack of any long-term effectiveness or deterrence value. As mobilising the masses to fight crime became increasingly difficult, the police forces needed to reform to keep pace with the rapidly changing social and economic environments. In an effort towards modernisation and professionalisation, the Chinese police became less concerned with political matters and more focused on order maintenance, crime control and law enforcement. Wong (2002) describes the many changes that took place throughout

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16 Although reforms in respect to the death penalty are in process and the number of offences that attract the death penalty has declined (to about 50), the absence of reliable data makes it difficult to assess the impact of these important changes. It is likely that if the number of death sentences decreases, replaced with a greater use of the suspended death penalty, the rate of incarceration will increase (Personal communication, 27 October 2010, Professor Lu Jianping, Beijing Normal University, and Professor Liang Genlin, Peking University).
the public security organisations from the late 1980s: changes in values, culture and management philosophy; the reorganisation and standardisation of the police forces’ structure and practices; the introduction of personal rewards; increased professionalisation through the development of police academies; and perhaps most importantly, the adoption in 1995 of the Law on People’s Police of the PRC, which institutionalised and regulated the structure, operations and powers of the People’s Police. New proactive rather than reactive policing practices were implemented. For example, starting in Shanghai in 1993 and soon spreading to all cities, conventional beat policing (foot patrols) was introduced as a mechanism to help police react to problems quickly, prevent crime and improve citizen–police relations. Another innovation was the establishment in 1996 of a national telephone emergency hotline to report crime, seek help and register complaints. (For a detailed review of police reforms in China, see Dutton 2005; Wong 2002, 2004, 2011.) Wong (2004) suggests that police reforms have also been prompted by the Chinese police’s perceived lack of legitimacy and the deteriorating relationship between the police and the public. For example, in 2003, police had been accused of engaging in illegal behaviour, receiving bribes, abusing their power and brutalising suspects. In the next section, we explore in more depth the attitudes of the Chinese population to crime and a variety of social issues and their perception of the police and other institutions.

Public Attitudes to Crime and Public Security

The extent that crime generates fear and concern and the level of public confidence in police are routine questions in household victimisation surveys and are of interest to businesses, especially those sensitive to changes in discretionary consumer behaviour. Public opinion can be influential in focusing government attention on neglected issues; however, surveys of attitudes to crime in China are scarce. Although perceptions about crime might not always reflect actual risks of crime, they often give an indication of unease over change. Both the pace of social change and the perceived effectiveness of police (among other agencies) in maintaining law and order are most likely to impact on perceptions of crime. Confidence in police, as one of the most visible symbols of the state, will thus act as a litmus test of the legitimacy of governance, and the extent of crime (and corruption) becomes a proxy measure of government performance. In an authoritarian state, this conflation of cause and effect creates ambiguity over what crime signifies, and statistics about crime are highly sensitive facts. Therefore, not surprisingly, we have limited data on the fear of crime in China but we can draw on two earlier studies produced by the Ministry of Public

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17 Wong (2004), for example, reports the case of Sun Zhigang, who was beaten to death in Guangzhou in 2003, and of Li Siyi, a three-year old girl who died of starvation after the police arrested her mother but did not allow her to organise for the care of her daughter.
2. Crime and its Control in China

Security (MPS) and the UNICVS in the late 1980s and early 1990s respectively and two later studies conducted in 2003 by the Chinese National Bureau of Statistics and a commercial marketer.

The Sense of Public Security survey reported the responses of a national survey by the MPS of 12,652 respondents over the age of eighteen (84.3 per cent response rate to 15,000 distributed questionnaires) undertaken in December 1988 (Chang 1990). This survey asked five basic questions.

1. What is your evaluation of the contemporary situation of public security?
2. What is your personal perception of the current state of social order?
3. Are you afraid to go out alone at night?
4. Are you afraid of a stranger visiting you when you are home alone?
5. Does a woman need a companion in order to go to work safely on a night shift?

The author provided little detail, merely stating: ‘on all these five questions, respondents split approximately 50-50’ (Chang 1990:125). Almost half (49.1 per cent) the respondents feared going out alone at night—noted by the author as unexpected and much higher than reported by Beijing residents five years later. The 1994 Beijing UNICVS reported that only 19.5 per cent felt unsafe walking alone after dark (Zhu et al. 1995:Table 7, p. 210).

‘Crime in violation of the laws’ was identified as the biggest problem in the area of social order by 35.4 per cent of the respondents, and 19.3 per cent cited ‘confused social order’. In response to a question about ‘crime cases that might be a threat to you’, most feared property crime, followed by violent crime and ‘hooligan’ assault. Only 18.9 per cent of the respondents reported they would seek the help of police officers if their personal safety or that of their property were in danger. Chang concluded that the sense of security is lower than it was previously and he noted that among social issues (for example, social mobility, education, social order), which respondents were asked to rank, 44 per cent ranked ‘salary and prices’ and 28 per cent ranked ‘public order’ first. Among respondents, 17.7 per cent stated that they or members of their family had been illegally assaulted, and the author concluded that the sense of security thus arose from indirect experiences, concluding that ‘too much attention to crime in the media will not be acceptable because it might create a climate of terror’ (Chang 1990:127). This argument and its ancillary about the harm of publishing crime statistics have been frequently put to the first author by PSB officers and might partly account for the secrecy around crime and local criminal statistics.  

18 Although police approaches to attitude and victimisation surveys might be changing.
Gauging the salience of the crime problem compared with other problems is relevant to our understanding of the impact of crime. We ask business about how crime is perceived and the extent that crime and security and corruption are seen as obstacles to business activity compared with other issues such as consultation, tax and regulatory demands on business. As we report in Chapter 8, both these issues are indeed ranked by many businesses as problems and obstacles, but in this respect are business concerns any different from those of the public in general? Two relatively recent surveys are discussed here as a guide to the salience of crime: the Chinese Mainland Marketing Research Company (N = 10 716) face-to-face survey of attitudes to migrants, perceptions of current public security, corruption, government effectiveness/efficiency and community involvement in 32 cities in China in September 2003 (Nielsen and Smyth 2005) and an official annual national survey that began in 2003 on the public sense of security.

The Nielsen and Smyth (2005, 2009) analysis of this survey was concerned to show the relationship between perceptions of public safety and the rapid changes in Chinese urban life, especially the influx of ‘unruly’ migrants from the countryside. They reported that 37.1 per cent of the sample was satisfied with the current level of public security, 27.8 per cent was not and the remaining substantial proportion (35.1 per cent) indicated neutrality. Their path analysis of these data suggested that the respondents’ perceptions of security could be accounted for by routine activity theory. From this perspective, the influx of internal migrants to the cities was the equivalent of an increase in the numbers of motivated offenders while confidence in police and informal (guardians) was in decline. Respondents who felt that officials neglected their duties and were inefficient and corrupt were also more likely to perceive their risks of victimisation as higher. In other words, there was little confidence in formal guardians such as the police, and informal guardianship (community involvement) played a minor role in satisfaction with public security. They observed that urban residents (in particular older and more wealthy respondents) who felt uncomfortable with the floating migrant populations were also more likely to be less satisfied with public security.

The National Public Sense of Security Survey (NBS 2007) aims to gauge the feelings of the masses about public security and their evaluation of local social security and public order, the presence of guard posts and security patrols, intensity of crackdowns (‘strike hard’) on illegal and criminal activity, and what concerns the masses. The survey has been conducted since 2003, however, at the time of writing, the latest survey reported was for 2007. The survey reports are briefly described and provide no analysis of demographic variations or details.

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19 This survey is based on interviews in urban shopping malls and yielded 8152 usable responses from respondents aged fourteen to eighty-eight (see Nielsen and Smyth 2005).
of definitions of all the questions. The item on the public’s sense of overall safety in the 2007 sweep reported continued improvement in perceptions of public safety, with the majority of respondents (93.3 per cent) reporting feeling ‘very safe’ (20.8 per cent), ‘safe’ (42.8 per cent) or ‘basically safe’ (29.7 per cent), while the remainder felt ‘less safe’ (5.2 per cent) or ‘unsafe’ (1.5 per cent). As noted above, the Beijing UNICVS reported that in 1994 nearly one in five stated they felt a ‘bit’ or ‘very unsafe’ and a small minority (5.6 per cent) of Hong Kong respondents in 2006 reported being ‘a bit’ or ‘very unsafe’. In neither survey was there an option for being ‘basically safe’, whatever that might imply, and its inclusion frustrates any comparisons.

The National Public Sense of Security Survey has in each sweep asked respondents to nominate the issue of most concern to them. The initial list of nine topics was expanded in 2006 to 13 topics. Thus, prior to 2006, medical care, food hygiene, product safety and ‘others’ were not among topics to choose from; however, of interest to us is that ‘corruption’ has been one of the topics from the onset. The topics relating to medical care, food hygiene and product safety were added to the list at a time when such issues were gaining attention in media and government circles. As Table 2.3 shows, corruption has been ranked third (15.9 per cent of the sample), fifth (12.6–14.3 per cent) and sixth (7.6–9.1 per cent) among all the topics, showing a consistent level of salience among Chinese. Until the addition of ‘medical care’ to the list of topics, ‘social issues’—perhaps better captured by the idea of social values—was the most frequently nominated issue of concern. ‘Social issues’ also captures the notion of social behaviour, manners, adherence to rules and the like and so is a measure of concern over social change. The report provides no further breakdown of the responses (for example, by age, sex or place) and therefore provides only a limited perspective of the salience of one type of crime (that is, corruption). Since multiple responses were not allowed to this question, the relative salience of different issues of concern among respondents is unknown. Table 2.3 shows the persistent concern over corruption and social issues or values among Chinese. Since definitions of these topics are not provided, it is worth noting that perceptions of corruption are likely to be based on the more general idea of official misconduct rather than only the very serious offence of acceptance of bribes, so take into account relatively less serious conduct such as dereliction of duty, drunkenness and bullying by officials (Wedeman 2008).
Table 2.3 The Salience of Social Concerns in China, 2003–07 (percentage ranking each topic first)

<table>
<thead>
<tr>
<th>Ranking</th>
<th>2003</th>
<th>2004</th>
<th>2005</th>
<th>2006</th>
<th>2007</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Social issues 20.2</td>
<td>Social issues 19.0</td>
<td>Social issues 18.5</td>
<td>Social issues 15.0</td>
<td>Medical care 15.3</td>
</tr>
<tr>
<td>2</td>
<td>Unemployment 17.3</td>
<td>Social security 17.1</td>
<td>Social security 17.5</td>
<td>Medical care 14.9</td>
<td>Social issues 14.3</td>
</tr>
<tr>
<td>3</td>
<td>Corruption 15.9</td>
<td>Unemployment 16.8</td>
<td>Education 16.0</td>
<td>Social security 14.9</td>
<td>Social security 13.2</td>
</tr>
<tr>
<td>4</td>
<td>Social security 15.6</td>
<td>Education 14.5</td>
<td>Unemployment 15.4</td>
<td>Education 12.8</td>
<td>Education 12.6</td>
</tr>
<tr>
<td>5</td>
<td>Education 13.7</td>
<td>Corruption 14.3</td>
<td>Corruption 12.6</td>
<td>Unemployment 10.7</td>
<td>Unemployment 10.3</td>
</tr>
<tr>
<td>6</td>
<td>Wages 6.9</td>
<td>Wages 8.4</td>
<td>Wages 7.5</td>
<td>Corruption 9.1</td>
<td>Corruption 7.6</td>
</tr>
<tr>
<td>7</td>
<td>Environmental protection 4.3</td>
<td>Environmental protection 4.7</td>
<td>Environmental protection 5.8</td>
<td>Wages 6.0</td>
<td>Wages 7.0</td>
</tr>
<tr>
<td>8</td>
<td>Housing 4.00</td>
<td>Housing 3.37</td>
<td>Housing 4.4</td>
<td>Environmental protection 4.1</td>
<td>Environmental protection 4.7</td>
</tr>
<tr>
<td>9</td>
<td>Land requisition &amp; relocation 2.1</td>
<td>Land requisition &amp; relocation 2.0</td>
<td>Land requisition &amp; relocation 2.3</td>
<td>Food hygiene 3.4</td>
<td>Housing 4.7</td>
</tr>
<tr>
<td>10</td>
<td>Not asked</td>
<td>Not asked</td>
<td>Not asked</td>
<td>Safety of product 2.1</td>
<td>Safety of product 4.2</td>
</tr>
<tr>
<td>11</td>
<td>Not asked</td>
<td>Not asked</td>
<td>Not asked</td>
<td>Land requisition &amp; relocation 1.9</td>
<td>Others 2.0</td>
</tr>
<tr>
<td>12</td>
<td>Not asked</td>
<td>Not asked</td>
<td>Not asked</td>
<td>Others 1.8</td>
<td>Land requisition &amp; relocation 2.0</td>
</tr>
<tr>
<td>13</td>
<td>Not asked</td>
<td>Not asked</td>
<td>Not asked</td>
<td>Others 1.8</td>
<td>Not asked</td>
</tr>
</tbody>
</table>


Note: Percentages rounded to nearest decimal point.

Turning to the perceptions of the Chinese population about their policing institutions, 83 per cent of respondents in the 1994 Beijing UNICVS thought that the police were doing a good job at controlling crime. But, the majority (57.5 per cent) of the crime victims who had reported the incident to the police were dissatisfied with the police response, mainly because the police failed to recover their property or find and apprehend the offender (Zvekic and Alvazzi del Frate 1995). Survey data collected in 2003 in eight Chinese cities (including Shanghai and Xi’an) indicated that nearly three-quarters of respondents trusted
the police (17 per cent said they trusted police a lot and 55 per cent, to a degree). Support was not uniform, as younger Chinese reported lower levels of trust in police than older ones, and respondents who perceived they had some political power and influence were more likely to trust police than those without such perceived power (Wu and Sun 2009).

The *Communiqué on the National Public Sense of Security Survey* shows the results of the 2007 attitude survey of respondents’ satisfaction with law-enforcement agencies (NBS 2007). The survey as described by the National Bureau of Statistics is an annual (since 2003) nationwide, multi-stage, stratified, proportional probability sample of 101 029 randomly selected households from which one member over the age of sixteen completes the questionnaire. Even allowing for the awkward translation provided in the official English version, the format of the questions is unconventional, as Table 2.4 illustrates: the majority of respondents reported being ‘satisfied’ or ‘basically satisfied’ with the performance of public security agencies. The surveys presented above indicate a high level of support for the police force, but we must keep in mind that citizens might be reluctant to express negative opinions of these institutions and the attitudes expressed are unrelated to actual experiences of crime victimisation.

Table 2.4 Attitudes of the Masses to Public Security Agencies in 2007 (per cent)

<table>
<thead>
<tr>
<th>Agency</th>
<th>Satisfied</th>
<th>Basically satisfied</th>
<th>Not satisfied</th>
</tr>
</thead>
<tbody>
<tr>
<td>Public Security Bureau</td>
<td>46.5</td>
<td>45.2</td>
<td>8.3</td>
</tr>
<tr>
<td>People’s Court</td>
<td>48.1</td>
<td>46.8</td>
<td>5.1</td>
</tr>
<tr>
<td>People’s Prosecutorate</td>
<td>51.6</td>
<td>44.2</td>
<td>4.2</td>
</tr>
<tr>
<td>Judicial administrative agencies</td>
<td>49.0</td>
<td>46.3</td>
<td>4.7</td>
</tr>
<tr>
<td>Social security governance office</td>
<td>50.6</td>
<td>44.2</td>
<td>5.2</td>
</tr>
</tbody>
</table>


Note: This question appears only in the 2007 survey and no trends are available.

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20 Results are presented in Wu and Sun (2009). The survey was conducted through face-to-face interviews by the Chinese Academy of Social Science Research Centre in Beijing, Chongqing, Dalian, Guangzhou, Nanjing, Qingdao, Shanghai and Xi’an. The sample was selected randomly, but included only 800 respondents, and we might wonder about the representativeness of such a small sample relative to the size of the Chinese population. In addition, the respondents’ city was not recorded; therefore, any examination of potential city effects is impossible.

21 The National Bureau of Statistics, however, does not provide further details on the means of administration, although we understand that it is by way of self-administered questionnaire delivered and retrieved by the bureau or its delegates.
Crime and Policing in Shanghai, Shenzhen and Xi’an

Unfortunately, only the Shanghai Statistical Yearbook (Shanghai Municipal Statistics Bureau 2006) provides detailed crime statistics; official data for the two other cities are sparse (Table 2.5). We gathered further information on crime and policing in the three mainland cities from a review of Chinese and English-language media reports (Appendix C). We present a brief chronological discussion of the crime problems and trends in each city.

Table 2.5 Mainland China: Police-recorded crime (including attempts) overall and by city, 2005 (rate per 100 000 population)

<table>
<thead>
<tr>
<th></th>
<th>Mainland</th>
<th>Shanghai</th>
<th>Shenzhen</th>
<th>Xi’an</th>
</tr>
</thead>
<tbody>
<tr>
<td>All crime</td>
<td>356</td>
<td>719</td>
<td>949</td>
<td>292</td>
</tr>
<tr>
<td>Homicide (completed)</td>
<td>1.6</td>
<td>1.4</td>
<td>4.5</td>
<td>-</td>
</tr>
<tr>
<td>Aggravated assault</td>
<td>12</td>
<td>12</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Robbery</td>
<td>26</td>
<td>14</td>
<td>465</td>
<td>-</td>
</tr>
<tr>
<td>Fraud</td>
<td>16</td>
<td>56</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>All theft</td>
<td>242</td>
<td>542</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Grand larceny</td>
<td>86</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

Sources: Government of Xi’an (2006); NBS (2006a); Shanghai Municipal Statistics Bureau (2006); Zhong (2009a).

Notes: a Except for homicide, rates per 100 000 have been rounded to the closest whole number; b rate for 1995, cited in Tan and Xue (1997); c rate for 2003, estimated from Chow (2004); d includes all thefts of value of more than CNY500 (US$60); e grand larceny consists of theft with a value of more than CNY3000 (US$400).

Shanghai

The media suggested a rise in reported crime in the mid-1990s; however, a major problem appeared to be an increasing number of economic crimes, particularly stock exchange fraud. The number of securities-related fraud jumped from two in 1991 to 240 in 1993. Stockbrokers blamed the lack of regulations for the growing rate of economic crime because, although the Shanghai Stock Exchange started operating in 1990, by 1995 there were still no national regulations as well as a lack of personnel to enforce local regulations. Corruption was also a concern, and, in 1994, the police set up task forces to deal with economic crime, particularly in government departments. For homicide, we estimate that, in 1995, the rate was about 0.7 per 100 000 population—that is, about half that of 2005. In 1998, citizens complained that Shanghai was no longer a low-crime city and that robbery, theft and burglary were on the rise. Yet, the police estimated that 30 000 to 40 000 criminal offences were reported in 1997—that is, a crime rate of about 350 per 100 000. The perceived increase in crime was attributed to a growing income gap, unemployment and the influx of migrant workers living in...
poor conditions. The courts reported that in 1998 the number of criminal trials had decreased compared with 1997, but cases of economic crime had increased by 12 per cent. In 1999, another task force was established to deal with economic crime. In June 1999, the Shanghai Police Municipal Investigative Team Against Economic Crime successfully prosecuted its first case of fraud-related crime. Weng Changzhong was arrested on charges of defrauding CNY290 million from 17 Shanghai banks over a four-year period. By claiming his registered company owned multiple assets, Weng was able to obtain loans, but disappeared each time repayments were due.

In 1996, Shanghai took part in the national strike-hard anti-crime campaign and deployed 20,000 public security and police officers along with civilian security personnel to patrol the streets. In 2000, patrolling was extended to cover nighttime and focus on 24-hour convenience stores and financial institutions. In the early 2000s, the media mentioned fluctuations in the rate of crime with an increase in 2003. The police still blamed migrant workers for a large proportion of the crimes committed in Shanghai, but reported that the proportion of crimes committed by migrants had decreased from 80 per cent in 1998 to 45 per cent in 2002. The police chief complained of a lack of police and planned to increase the size of the force from 260 officers per 100,000 population in 2004 to 300 in 2009. Compared with the average for China (181 per 100,000), Shanghai seems to have a rather large police force, which is complemented by a sizeable private security industry. Dutton (2005:215) estimated that in 1998 there were 27,000 private security officers in Shanghai—that is, nearly half the number of police officers.

In 2005 the overall official crime rate in Shanghai was about twice the national rate. The homicide rate was on par with the national average, rates of assault and robbery were relatively lower, but rates of fraud and theft were much higher. This is consistent with the media reports that emphasised the rise in economic crime in the past 15 years. Economic crime might partly account for the doubling in the overall crime rate between 1997 and 2005, although it seems that street crime had also risen.

Shenzhen

The increase in crime started earlier in Shenzhen and has been more dramatic than in Shanghai. Shenzhen’s crime trends illustrate the way in which social disorder often accompanies rapid modernisation and economic growth. Economic development in the Shenzhen SEZ attracted millions of rural migrants from all over China, many of whom were unemployed. The city was unable to quickly establish a reliable system of dispute settlement or create the circumstances for effective public order. It is estimated that the rate of serious crime increased by 67 per cent from 1993 to 1994. Tan and Xue (1997) reported a very rapid rise in homicide, from 1.38 per 100,000 in 1990 to 4.49 in 1995. Following complaints
by business people and visitors about the absence of police officers in the SEZ, in 1993, Shenzhen Municipality introduced police patrols (Wong 2002:307). As in Shanghai, here, the economic boom led to an increase in fraud and corruption, although some perpetrators were punished harshly. In July 1994, Liu Jianyi was executed by firing squad for defrauding his employer, Shenzhen Eastern Development Company, of more than US$20 000. Liu used his connections to secure contracts for the sale of pharmaceuticals. After he was paid for the products he kept the money, but when deliveries were not made, the fraud was discovered. When asked how he felt about Liu’s execution, the director of Shenzhen Eastern Development said, ‘Happy! Yes, very happy.’

The security problem was also aggravated by an inflow of triad-related gangs (Wang et al. 2003). By 1992, every district of Shenzhen had fallen to triad activities (mostly from Hong Kong but also Taiwan and Macau) and, in 2000, more than one million ‘black society’ members were estimated to be active in China (Broadhurst and Lee 2009). Incidents of extortion by triad-related groups became more frequent and continue to occur. For example, in January 2006, two bombs exploded at a supermarket owned by French retail giant Carrefour following cash demands made through an anonymous phone call. One customer was injured. Three other stores reported similar phone calls and were evacuated. Police arrested three people following the explosion.

With crime still rising, the police cooperated with customs in 2001 to crack down on smuggling, and with financial, taxation and industrial administrations in 2002 in an effort to reduce commercial and economic crime. A year later, police launched a ‘storm operation’ targeting serious crimes such as homicide, robbery and kidnapping. The aim was not only to improve social order, but also to protect the safety of Hong Kong people doing business and shopping in Shenzhen, because about that time as many as 30 Hong Kong people per month were kidnapped by Shenzhen criminals. In 2003, however, the PRC abolished the border permits controlling access to Shenzhen and abandoned the custody and repatriation system long used to expel beggars and indigents. The inadequacy of the local procurator’s office, the shortage of police and corruption among them made Shenzhen more vulnerable to crime: overall crime surged, with more than 100 000 offences recorded in 2003 (or a rate of about 1300 per 100 000 population). In a single year murder and assault increased by one-third and kidnapping by 75 per cent. The Shenzhen police and courts were overwhelmed (Broadhurst and Lee 2009). Some business owners started to deal with the crime problem themselves. In October 2003, a middle-aged woman was caught stealing four fish and containers of yoghurt in a supermarket. The head of security forced the woman to stand outside the shop holding a sign reading ‘I am shameless. I’m a thief’. Although the store manager had no right to punish shoplifters using public humiliation, most local retailers agreed with
the punishment. A small shopkeeper said, ‘I don’t see anything wrong with the woman wearing the sign. She deserves it.’ Retailers agreed that police did not treat shoplifters seriously enough.

High-level corruption and gang-related attacks did little to boost citizens’ confidence. In 2003, Shenzhen’s former Deputy Mayor was sentenced to 20 years’ jail for abusing his authority for personal gain, and accepting bribes from businesspeople. The same year, local gangsters tried to bomb a police car in a war of intimidation. Some police were involved in providing protection to triads who operated vice premises. Crime in Shenzhen became so serious that a senior police official was forced to apologise over the city’s crime problem, and called in the Army to assist with foot patrols. Additional officers were employed, bringing the total police force to an estimated 16,000 officers, or a rate of 188 per 100,000 population, in 2005. While this is on par with the national average (181 in 2007), it is lower than Shanghai (260 in 2004), and much lower than Hong Kong (496 in 2004). Crime rates peaked in 2003–04 and thereafter declined in line with a surge in the apprehension and detention of offenders (Zhong 2009a:Ch. 7).

Xi’an

We found little information on crime and policing in Xi’an from official sources or newspapers. In 2005, the overall rate of officially recorded crime was 292 per 100,000, which was lower than the national average as well as crime rates in Shanghai and Shenzhen. The Xi’an Yearbook reported that the 2005 rate was down 17 per cent on 2004, and that the clearance rate had increased by 10 per cent. Theft by employees, however, was mentioned as a growing problem in Xi’an, with more than 900 cases discovered between 2003 and 2008. A large proportion of these cases had been targeting state-owned companies. In one case, theft by employees, combined with bribery and corruption, led to the loss of nearly US$1 million. A Xi’an prosecutor indicated that the Xi’an Government was taking the loss of government-owned assets very seriously. For example, in August 2010, the Xi’an Intermediate People’s Court convicted Zheng Shaodong, a former assistant to the Minister of Public Security, of abusing his position to benefit others in return for more than US$12 million in bribes between 2001 and 2007. Zheng was sentenced to death, but the sentence was suspended because he confessed his crimes and returned most of the illegally obtained money.

Anecdotal evidence suggests that homicide numbers had increased, which prompted the Xi’an Public Security Bureau to implement a new anti-homicide policy in 2001, in which the Director and Deputy Director of the PSB were directly responsible for dealing with all homicide cases. This strategy aimed for
‘two decreases and one increase’: a decrease in the number of homicide cases and the number of offenders, and an increase in the clearance rate of homicide cases.

In 2004, the Xi’an Government took some innovative action to control crime. Because of a shortage of police personnel, the Government started outsourcing some public security work to contractors in some villages. Contractors are responsible for preventing fire, robbery and vandalism. They do not have similar powers to police, such as arresting people or investigating crime, but when they discover problems they report to and seek help from police. In mid-2004, 16 villages were using contractors.

In 2005, the Chinese Central Government declared Xi’an ‘the best city for public security governance’. In 2006, informal interviews with 20 Xi’an citizens, including teachers and government officers, revealed that 80 per cent of the interviewees believed that Xi’an was a safe place to live; however, they also said that burglary and thefts were the biggest problems.

It is difficult to compare rates of crime in Hong Kong and the mainland because of differences in crime classification, particularly for less serious offences. The rate of homicide, however—one of the most serious crimes—was lowest in Hong Kong and highest in Shenzhen in 2004–05. Hong Kong and Shanghai recorded similar rates of theft and fraud, which were higher than the overall Chinese average. Both cities are important financial and commercial centres, and this might explain their higher rates of fraud and economic crime. The next section compares a range of crime and criminal justice indicators in China, Hong Kong and some Asian and Western countries, using standardised data.

Comparing China and the World

So far we have examined crime and policing in Hong Kong and the mainland, drawing mainly from national figures, but it is also important to consider how the situation in China compares with other industrialised countries and developing economies. Many obstacles, such as different definitions and counting rules, make it difficult to compare national statistics from various countries. In this section, we use data on crime, police strength and levels of incarceration gathered mostly by the United Nations and somewhat standardised to enable international comparability.22

22 We have tried to use the available data closest in time to the years of the China ICBS. Figures in this section might vary slightly from those already reported because of revision, standardisation and different collection methods; however, these figures are consistent between countries.
Homicide data are often used for comparative purposes because homicide is much less subject to the vagaries of reporting, recording and definitional changes than less serious crimes, which are also less likely to be reported. Figure 2.2 presents rates of police-recorded homicide and robbery, drawing on various sweeps of the UN Surveys of Crime Trends and Operations of Criminal Justice Systems (CTS),\(^{23}\) for Hong Kong, mainland China and selected countries in Asia, Europe and America.

Looking at homicide, we see that Hong Kong has one of the lowest rates among Asian countries and in the world. At 0.6 per 100 000 population, it is comparable with Japan (0.5) and lower than Singapore (0.9), Australia (1.6), England and Wales (1.6) and mainland China (2.1). The rate of homicide in the mainland is higher than in the industrialised countries included in the comparison except the United States (4.6),\(^{24}\) but much lower than Eastern European countries (particularly Russia, with a rate of 19.8 per 100 000) and developing countries in Asia (for example, Thailand, 8.5, and the Philippines, 7.6). For robbery, we see an opposite pattern to homicide, with higher rates of robbery in Western countries. These might be the result of higher reporting rates by victims compared with developing countries and the availability of more attractive targets\(^{25}\) (see, for example, van Dijk et al. 2007). Hong Kong’s rate of robbery is about one-third that of England and Wales and the United States, half that of Macau, but about twice that of mainland China. The rate of robbery for the mainland is among the lowest in the chart, but higher than Singapore (11.5 per 100 000) and Japan (4.1 per 100 000).

\(^{23}\) The survey is conducted annually by the UN Office on Drugs and Crime via a questionnaire sent to each member state. The questionnaire consists of a series of questions asking for data on the main components of the criminal justice system. Member states provide as much or as little data as is practicable for them, therefore, data are not consistently provided. For less serious crimes, the official rates are more of an image of the effectiveness of police than a record of crime because reporting rates might be low and the police ability to record crimes might be limited, particularly in developing countries.

\(^{24}\) If we consider the ‘internal’ rate of homicide reported in Footnote 11 (this chapter), we see that the unofficial rate of homicide in China might be comparable with that of the United States.

\(^{25}\) In developing countries, robberies might also be more often lethal—hence counted as homicides—than in developed countries.
Figure 2.2 Homicide and Robbery Recorded by Police: Hong Kong, mainland China and selected countries (rate per 100,000 population)


[Diagram showing rates of intentional homicide and robbery for various countries, with Hong Kong and mainland China highlighted for comparison.]
Victimisation surveys are one way to avoid some of the pitfalls attached to official crime data. Unfortunately, as noted earlier, mainland China participated in only one of the sweeps of the UNICVS—in 1994—and it is likely that, in more than 10 years, the level of victimisation has changed. Hong Kong did not take part in the 1992–94 UNICVS, but the Hong Kong Government ran its own Crime Victim Survey (CVS) in 1994 (Census and Statistics Department, Hong Kong 1999), using broadly comparable questions to the UNICVS (see Broadhurst et al. 2010 for a detailed comparison of the UNICVS and Hong Kong CVS). Beijing recorded a higher overall five-year victimisation rate than three other Asian cities (52.2 per cent compared with 43.8 per cent for Jakarta, 43.7 per cent for Mumbai and 40.1 per cent for Manila), but was lower than most European nations (ranging from 52.6 per cent for Albania and Macedonia to 77 per cent for Bulgaria and the Netherlands) (van Dijk 2000). Beijing’s higher rate was, however, due only to higher rates of bicycle theft, because for all other crimes, Beijing had a similar or lower likelihood of victimisation than these three Asian cities (Figure 2.3). Beijing and Manila recorded rates of bicycle theft more than five times those of Mumbai and Jakarta (10.9 per cent and 9.5 per cent). Apart from this unusually high figure, Beijing’s rates of burglary (1.5 per cent), robbery (0.5 per cent) and assault and threats (1.5 per cent) were in line with or lower than rates in Mumbai (1.3 per cent, 0.6 per cent and 1.6 per cent respectively for each type of crime), Jakarta (3 per cent, 1.4 per cent and 1.6 per cent), and Manila (2.9 per cent, 2.7 per cent and 1.6 per cent). With 2.2 per cent of burglary, Hong Kong rated higher than Beijing and Mumbai, but lower than Manila and Jakarta. Hong Kong’s rates were the lowest for robbery (0.4 per cent) and assault (0.2 per cent).

Turning to the strength of the police forces, the seventh CTS shows that in 2000 Hong Kong had one of the largest police forces per capita, with 496 police per 100 000 persons (Figure 2.4). Only a few countries, such as Italy (560), Portugal (485) and Ukraine (470), were comparable with Hong Kong, and most Asian jurisdictions had proportionally smaller police forces. Hong Kong’s large police force also exceeded that of most industrialised nations such as the United States (244), Australia (219) and England and Wales (210). In contrast, mainland China had a rather low police–public ratio, as noted above. The 1997 data provided to the United Nations by Chinese authorities indicated a rate of police officers per 100 000 population of 96, but it appears to count only the People’s Police. The rate doubles to 181 per 100 000 persons when we consider the estimate from Zhong and Grabosky (2009) that includes both People’s Police and People’s Armed Police, and is comparable with that of Japan—lower than Western countries and 2.5 times lower than Hong Kong.

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26 The CVS does not provide an overall rate of victimisation because different units of measurement are used for personal crime (individuals) and household crime (households).

27 Data for the Russian Federation were provided only for 1994, and the rate was a very high 1222 police per 100 000.
Figure 2.3 One-Year Victimisation Rates by Selected Crimes in Five Asian Cities, 1994 (per cent)

<table>
<thead>
<tr>
<th>Type of Crime</th>
<th>Hong Kong</th>
<th>Beijing</th>
<th>Bombay</th>
<th>Jakarta</th>
<th>Manila</th>
</tr>
</thead>
<tbody>
<tr>
<td>bicycle theft</td>
<td>N/A</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>robbery</td>
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<tr>
<td>burglary</td>
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<tr>
<td>assault &amp; threats</td>
<td></td>
<td></td>
<td></td>
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<td></td>
</tr>
</tbody>
</table>

Sources: Census and Statistics Department, Hong Kong (1999:118); data are not available for bicycle theft. Other cities: Zvekic and Alvazzi del Frate (1995:19).

Note: * Bicycle theft rates are based on owners, not the whole population.

Figure 2.4 Rates of Police Officers in Hong Kong, Mainland China and Selected Countries (per 100,000 population)

Sources: UNODC (2004); China (2003–07) estimated from Zhong and Grabosky (2009).
Figure 2.5 presents incarceration rates in a number of countries between 2003 and 2005. At 189 per 100 000, Hong Kong’s rate was on par with Macau (197), higher than England and Wales (141), Australia (117) and Japan (58), but lower than Thailand (264) and Singapore (392). The rate in the mainland (118) was lower than in Hong Kong, as well as Macau, Singapore and Thailand. Both the mainland and Hong Kong, however, had notably lower rates than the United States (726—the highest in the world) (Walmsey 2005, 2006).

Figure 2.5 Rates of Incarceration in Hong Kong, Mainland China and Selected Countries (per 100 000 population)


Note: The countries marked with asterisks are those where the use of capital punishment is still legal.

To conclude this comparative section, we examine Transparency International’s corruption index, which does not directly measure the prevalence of corrupt practices, but provides a reliable indication of the extent of corruption using the experiences and perceptions of a range of experts. The most frequently used global indices of corruption are the Corruption Perception Index (CPI) and the Bribe Payers Index (BPI). CPI scores relate to perceptions of the degree of

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28 Seymour (2005) argues that official rates are under-reported and estimates the rate of imprisonment in 2003 to be 160 per 100 000, which puts mainland China closer to Hong Kong.

29 The CPI has been published since 1995 and the BPI since 1999. The 2005 CPI was constructed using 16 sources originating from 10 independent institutions, and ranked 159 countries. For the full list of countries’ index and information on how it is constructed, see: <www.transparency.org/policy_research/surveys_
corruption in the public and political sectors as seen by businesspeople and country analysts. The BPI examines the ‘supply side’ of corruption by ranking leading exporting countries in terms of the likelihood that their companies will pay bribes to public officials in key emerging markets. Both CPI and BPI scores range between 0 (highly corrupt) and 10 (totally ‘clean’). Figure 2.6 presents the 2005 CPI and 2006 BPI for selected countries. The countries perceived as the least corrupt (that is, highest-ranking) were: Iceland (9.7), Finland (9.6), New Zealand (9.6) and Denmark (9.5), followed by Singapore (9.4). Hong Kong (8.3) was ranked fifteenth, but mainland China received a much lower score—of 3.2—ranking it seventy-eighth out of 159 countries. While China’s score was lower than Singapore’s and Hong Kong’s, it was similar to or higher than other Asian nations, such as India (2.9), the Philippines (2.5) and Indonesia (2.2). China also ranked ahead of Ukraine (2.6) and the Russian Federation (2.4).

In terms of the propensity of companies to offer bribes overseas, the country perceived as the least likely to do so was Switzerland (7.8). Japan ranked eleventh with a score of 7.1, followed by Singapore (6.8). Hong Kong ranked eighteenth with a score of 6, ahead of Taiwan (twenty-sixth, score of 5.4). While Hong Kong was assessed as a country where officials were relatively unlikely to accept bribes, this did not, however, translate into transparent business practices. Mainland China ranked second-last (4.9), just below Russia (5.2) and ahead of India (4.6). On both indices, mainland China scored low, suggesting that practices of both accepting and offering bribes are widespread. Official records of bribery and corruption cases are sparse. More than other types of crime, corruption is difficult to measure because of its clandestine and diffuse nature, and petty corruption is more likely to be exposed than grand corruption involving elites.

indices/cpi/2005> The BPI was published in 2002 and 2006. We use the 2006 ranking, which is closest to the years when the ICBS was conducted. The 2006 BPI drew from a sample of 11 000 businesspeople in 125 countries, and ranked 30 leading exporting countries. For details, see: <www.transparency.org/policy_research/surveys_indices/bpi/bpi_2006>
Source: Transparency International.

Note: CPI scores relate to perceptions of the degree of corruption as seen by businesspeople and country analysts; BPI scores rank leading exporting countries in terms of the likelihood that their companies will pay bribes to public officials in emerging markets; both indices range between 10 (totally clean) and 0 (highly corrupt).
Modernisation and Crime

The figures we have reviewed above are consistent with the broader literature on crime in China, and confirm that, regardless of the measures we use, crime rates in mainland China and Hong Kong are relatively low compared with many industrial and developing countries, particularly post-communist and transitional societies (Messner et al. 2007a). Hong Kong has long had a reputation as both a thriving and a safe city. In contrast, for 30 years following the establishment of the People’s Republic of China in 1949, China’s economy stagnated, despite efforts to increase industrial and agricultural production through economic planning led by the Central Government. After Mao’s death in 1976, rapid economic reforms and modernisation processes were implemented. The path to a ‘socialist market economy’ was rewarding, with a consistent annual growth in GDP of 9–10 per cent since 1990 and an almost sevenfold increase in average incomes between 1985 and 2006 (Yu 2008). Increasing economic prosperity, however, was accompanied by a rise in crime—described in a Chinese metaphor as ‘flies and mosquitoes coming through the window of reform’ (Zhong 2009a:99).

Liu (2004, 2005, 2006) argues that the Chinese transition from planned command economy to a market economy required a fundamental ideological and institutional turnaround. In the pre-reform period, egalitarianism was a tenet of Chinese communism and government policy and ideology discouraged the pursuit of individual economic interests. Under the new post-reform economic orientation, however, the values of the market—such as entrepreneurial motivation, individual economic ambition and personal success—started to be seen as essential to achieve economic growth. Numerous opportunities for private businesses have emerged and, according to Liu (2006:128), ‘getting rich by any means has become a national spirit’. Liu suggests that traditional modernisation theory—which attributes the rise in crime in developing countries to the breakdown of traditional society, social disorganisation, anomie and weakened social control—only partly applies in the Chinese context. He links the predominant increase in economically motivated crime compared with other forms of crime to the intense economic focus fostered by the Government and the market institutions.

While economic motivation can account for the significant rise in property crimes and the less spectacular rise in violent crime, it does not explain why, despite profound social and economic transformations, Chinese society maintained comparatively low rates of crime. Messner et al. (2007a) suggest that the combination of a set of ‘master forces’ and ‘pathway forces’ can help explain this apparent contradiction. Master forces are those that accompany modernisation and have been linked to rises in crime, such as urbanisation, growing inequality,
large-scale migration of labour and weakened social controls. These master forces exist in modern China as in other rapidly industrialising and modernising nations, and have expanded opportunities for crime. On the other hand, and unlike in Eastern European post-communist societies, in China, the transition to a market economy has been managed by a strong central government, which has retained control over organisational structures and successfully maintained an effective framework for both formal and informal social controls (the pathway forces). For example, the migration of workers towards cities such as Shenzhen has not resulted in the spread of shanty towns or the large-scale disorganisation often seen in cities in developing countries, although it has been accompanied by a notable increase in both violent and property crimes. In summary, while the process of industrialisation and economic development in China, as in other new economies, has been accompanied by rising crime rates, a strong central government has succeeded in mitigating the negative consequences of modernisation in a society where collective informal social-control mechanisms remain important.

The crime situation in mainland China, however, is paradoxical. On the one hand, the active role of a strong state has mitigated the criminogenic processes associated with modernisation; on the other hand, the tight control by the state over the economy has created ample opportunities for crime by government and business elites. Wedeman (2005) and others (for example, Brody and Luo 2009; Messner et al. 2007a; Pei 2007; Yu 2008) argue that the rise of corruption is due to structural opportunities brought about by the interface of both a command and market economy and the implementation of selective market mechanisms within a government-planned economy, where the Chinese Government has retained significant control over the economy and the business world. The coexistence of state and privately owned businesses creates opportunities for local officials to use their power for monetary advantages. The perception of the risks of getting caught is low, putting little restraint on behaviour. Strong state control seems to have inhibited the development of strong independent legal institutions, able to settle disputes fairly and control elite crime. Following the Wuhan Court scandal, the Chinese Government initiated reforms to try to stamp out corruption in the justice system and other parts of government. Corruption remains an issue of widespread concern, however, especially the role of officials (in the vernacular known as ‘umbrellas’) in protecting the emerging phenomena of ‘black societies’ or organised crime groups (see Qiu 2008; Tan and

30 Legal institutions are not exempt from corruption. The biggest judicial corruption scandal in recent years occurred in the Wuhan Court (Hubei Province) and involved nearly 100 judges and court officials. The case, tried in 2004, revealed an ingrained network of corrupt officials at all levels of the Wuhan court system and exposed an organised system of bribe extraction that included taking bribes from both plaintiffs and defendants, manufacturing court cases, abusing the power of judges to suspend business operations or confiscate property, and receiving bribes for delivering beneficial judgments (Human Rights in China 2005).

31 For detail of anti-corruption mechanisms and reforms in China, see Guo (2006).
Yang 2009). Corruption undermines the goal of market reforms by substituting market forces with corrupt distribution of opportunities, and increases income disparities. Henderson (2007) argues that civil society needs to play a leading role because an impartial and independent judicial system, including anti-corruption agencies, is crucial to maintain stability and encourage investment. Pei (2007) warns that endemic corruption might ultimately threaten China’s economic growth in a way similar to Indonesia and Japan, where widespread corruption has led, in part, to political upheaval and economic stagnation.

The UNICBS, like the omnibus crime victim surveys that address household and personal crime victimisation, provides an independent measure of the crime risks faced by Chinese businesses. In the context of China, where crime statistics—despite recent concessions to the need for evidence-based sources—have long been regarded as state secrets, alternative measures of the prevalence and nature of crime are an essential means of estimating the impact of crime. Such surveys help assess the likely scale and scope of risks of crime and are most valuable when repeated. In the next chapter, we outline the methods and limitations of the UNICBS snapshot of crimes against business in China.