

## **Stepping up Anti-corruption Effort, Promoting Economic Development and Building Harmonious Society**

Ladies and gentlemen,

It's a great honor to meet you all in this beautiful country. On such a significant occasion, I'd like to, on behalf of the Ministry of Supervision of the People's Republic of China, extend our most sincere greetings to everyone.

Since the reform and open-up policy was adopted, China has been enjoying stable political situation, steady but rapid economic progress at annually over 8% GDP rate. The standard of living has been improving and especially the population of poverty has dramatically dropped. China has made the surprising achievements. According to the World Bank, in a decade from 1991 to 2000, the global poverty population earning less than one dollar daily has decreased by 274 million, of which China accounted for 151 million, 55% of the global poverty-alleviation population, or 75% of the poverty-alleviation population in the developing countries. This achievement wouldn't be made if Chinese government failed to stress and strengthen the effort on the honest administration. In recent years, Chinese government has put the anti-corruption work as a significant issue which has a profound impact on the nation's long-term stability. We have worked hard to promote the administration by law and construct the law-based governments and firmly practice against the corruption, Subsequently, these efforts effectively guarantee the economic development, boosting the development of democratic and legal system, advancing the social fairness and justice, and protect the benefits of

people. Ministry of Supervision exercises all the legal rights to of inspection, investigation, punishment and proposal. It works together with other related authorities to take a series of measures, conducts various actions against corruption and advances honest administration. Therefore, we can find and remove without delay any economic and social disturbance and destruction incurred by corruptions. Over these years, we have mainly completed the following works.

(I) Work out the outstanding issues that damage the people's interests and promote the social fairness and justice. In the anti-corruption work, the emphasis is to preserve legal rights and interests of people. Some active measures have been taken to solve the overcharging problems in field of education and rectify the malpractices in the drug procurement and sales as well as the medical services, relieve the farmers' burdens. These actions underlie some programs on the malpractices such as the infringements upon the farmers' interests in land expropriation and requisition, upon the urban residents' interests in the housing demolition and relocation and upon the workers' legal rights and interests during the business reorganization and bankruptcy. These programs are also undertaken to regulate the arbitrary deduction of migratory workers' wages and salaries. With all these implementation of the programs, some provoking problems are solved with much public satisfaction and protection of the rights and benefits of people. For instance, we made efforts to completely solve the default of construction payments and the delayed payments of migratory workers' wages and salaries in the field of construction. Until the first half of this year, the delayed wages and salaries for the past years have been basically settled. In the field of education, we insist on a prior strategy for developing education which means

to promote the coordinated development of educational resources, enable everyone an equal access to education and promote the new rural cooperative medical system for farmers based on the fundamental medical security. All these are echoed with warm welcome from the public.

( II ) Promote the comprehensive reform in the rural areas and liberate and develop the rural productive force. Thanks to the regulations of taxation work and the removal of unreasonable charges, and the reduction and exemption of agricultural taxes, Chinese government relieves the farmers' burden up to over RMB ¥ 120 billion, bringing the tangible benefits to billions of farmers. The reform on the guarantee mechanism of rural compulsory education funds is implemented in a purpose of that all the tuitions and sundry expenses in the nationwide rural primary and secondary schools will have been exempted by the year of 2007. The students from poverty family as estimated amount as 150 million will also be granted the living subsidies. The reforms on administrative institutions at township are launched to reduce the overstaffed official and thus increase the efficiency. Meanwhile, much attention is drawn to the social vulnerable group and more efforts are taken to conduct the poverty alleviation work. In 2005, the poverty-alleviation fund of RMB ¥ 12.2 billion was appropriated from the central budget, thereby reducing the number of poverty-stricken rural people by 2.9 million year-on-year. In order to guarantee the proper implementation of various farmers' subsidies, we organize the concentrated inspection and the special audit on an annual basis, and perform the strict supervision over the use of poverty-alleviation funds and the execution of poverty-alleviation projects so that sufficiently funds the farmers in strong hopes to shake off poverty and get rich, and

get a strong impetus to the rapid economic development and the social harmony and progress in the rural areas. Recently, we have issued a regulation on strengthening the grassroots construction of honest administration in the rural areas, standardizing the conducts of those grassroots administrators in the rural areas. These regulations attempt to guide these officials to strengthen their development awareness, carry out the development measures and earnestly safeguard and realize the farmers' economic benefits.

(III) Harness business bribery and build faire market environment. This year, we have concentrated throughout the country on business bribery and take the effective measures to solve the issues which claim the strong public goods, form a close tie with the interests of people and disrupt the order of market economy. Specifically, our work focuses on the business bribery in such critical fields as the engineering construction, drug procurement and sales, and government procurement. Significant breakthroughs were achieved in some cases of business bribery and severe punishment was imposed on the government officials involved. According to the relevant statistics, from August 2005 to June 2006, there are 6972 business bribery cases investigated and processed across the country. Out of them, 1603 cases, 23% of the total, are related to the public civilians, as 49 from the level of provincial ministry and bureau and 367 from the level of county (or coordinated division).

(IV) Seriously investigate and handle the cases of violating the laws and disciplines, and severely punish the corrupt officials. We treat the investigation and management of the cases of violating the laws and disciplines as an important means of practicing the strict administration and punishing the corruption, and constantly pursue the principle of punishing the corrupt officials by discipline and law. The discovered cases of violating the

disciplines and laws should be severely punished. We earnestly investigate and prosecute not just the significant cases but those happen around the common people and damage the public interests as well. In the process of investigation and processing, we stick to the principle of clear facts, tangible evidence, accurate positioning, proper disposal, complete formalities and legal procedures, maintain the legitimate rights and benefits of government officials, discover the weak links of management and supervision fields, improve the systems and plug up the loopholes, thereby achieving the favorable political, economic and social effects.

(V) Strengthen the supervision and inspection and rectify and standardize the market economic order. For the national macro-control policies, Ministry of Supervision has launched over 20 exclusive harnessing and inspecting programs this year to harshly combat the conducts disrupting the order of market economy. Therefore, the major decisions of the Central Government can be effectively executed through the guarantee of strict disciplines. We have urged the related regions and departments to correct their conducts such as the haphazard investments, construction of redundant projects and pursuit of unrealistic indicators. Then, we inspected the local governments on their implementation of regulation and control policies issued by the central government on the real estate market which thus are safeguarded for the benign development. We have prosecuted the cases concerned with illegal land requisition, use, approval and occupation for the strictly control over the land use and administration. In addition the special environment-friendly programs launched to rectify and punish the enterprises related to illegal pollutant emission in respect of the public health have been conducted through a

group of environmental law-breaking cases under supervision, where the enterprises with illegal pollutant emission are demanded to stop their production for rectification and the personnel in charge were seriously punished.

(VI) Intensify the suppression on the corruption from the beginning and continuously promote the market-oriented reform. In recent years, in an aim to remove the systematic obstruction that prevents the productivity development in a thorough way, we have promoted the in-depth reform of these systems as administrative approval, financial management, investment and personnel management, and subsequently, effectively resolved the defects of management systems in terms of power, finance and personnel. In the reform of administrative approval system, all the departments under the State Council have cancelled and adjusted 1806 administrative approval items, 50.1% of all the administrative approval items, and all the provinces (autonomous regions and municipalities) have cancelled and adjusted 22220 administrative approval items, over half of the total. As a result, the administrative approval items are considerably reduced in light of their conducts further standardized. Some significant progresses have been made in the reform of financial management system, the investment system, and the cadre and personnel system. In the meantime, we constantly take the transparent administration as an effective measure to enhance the government efficiency and prevent the corruption. At present, the transparent administration at the township level is being standardized while the transparent administration at the municipal and county (city) levels are comprehensively promoted. Schools, hospitals and public institutions and units related to water supply, power supply, environmental protection and public transport have also

practiced the systems of publicizing government work. The government work becomes increasingly transparent; the government and the public have an effective channel of communication; people have their democratic rights such as access, participation and supervision effectively guaranteed.

(VII) Strengthen the construction of laws, regulations and systems, and combat the corruption through the legal means. The National People's Congress of the People's Republic of China adopted the United Nations Convention against Corruption and formulated the Implementation Outline of Completely Advancing the Administration by Law without delay to specify the aim and task of building a legal government. The Civil Servant Law is promulgated and implemented to promote the resignation system of leaders and the responsibility investigation system of personnel oversight. A series of laws and regulations including the Interim Measures for Handling the Conducts in Violation of Environmental Protection Laws and Disciplines are issued to further strengthen the supervision and inspection over the exercise of powers, performance of duties and law enforcement procedures of all the authorities. The special inspections are targeted at the implementation of the Construction Law, the Urban Planning Law, the Statistics Law, the Bidding Law, the Administrative Approval Law to investigate, punish and correct the conducts of non-compliance with law and impartial law enforcement, and maintain the unity, authoritativeness and effectiveness of national laws and regulations.

**Ladies and gentlemen!** Thanks to years of persistent efforts against corruption, China has made an obvious progress in the work combating corruption and advancing the

honest administration and effectively inhibited the trend of rampant corruption. The social and economic development manifests the good trend. We have realized that corruption combat and prevention is not something temporary. We must firmly stick to the guideline of “doing two jobs at once and attaching equal importance to each” during the whole course of modernization construction. We will “promote reform and opening to the outside world and punish corruption at the same time”, and strive for the positive interaction between combating the corruption and advancing the honest administration and achieving the social and economic development. Through the practical work of combating the corruption and advancing the honest administration for these years, we have accumulated some precious experiences and will continue to use and develop them in the future.

——Everything is arranged based on the priority of rejuvenating the country through clean and honest administration. Development is of overriding importance. Development is a key to all the problems in China. Work combating the corruption and advancing the honest government must be conducted on the basis of development. It should follow and serve this center of economic construction. It’s necessary to go deep into all the fields of economic construction and market economy, study and resolve the outstanding issues that hinder the reform and development, optimize the economic development environment, preserve the fair play in the market, strive for the mutual support and promotion between combating the corruption and advancing the honest government and the economic and social development, providing the political guarantee for building the thorough well-off society and accelerating the modernization construction in China.

——It’s imperative to adhere to the concept of giving priority to humans and conducting the administration for people, and promote the social harmony. The central issue for combating the corruption and advancing the honest government is to tighten the communication between the governments and people. We will implement the overall, coordinated and sustainable scientific development concept, giving priority to human,



focus on solving those significant issues that damage the public interests. Also, we should depend on the supports and participations for people to create the joint supervisions, observe the public conditions, understand the public opinions, pool the public wisdom and treasure the public resources, and earnestly maintain, realize and develop the fundamental interests of masses of people, promoting the fairness and justice and sustaining the social harmony.

——It's imperative to adhere to the strategic guideline of addressing both the symptoms and root causes, comprehensive treatment, punishment and prevention at the same time, and stressing the prevention, develop and improve the corruption punishing and preventive system with equal emphasis on the education, system and supervision. For one thing, we must investigate and handle the cases of violating the disciplines and laws, and severely punish the corrupt officials. For another, we shall, through deepening the reform and renovating the systems, integrate the work of combating the corruption and advancing the honest government into the overall planning of economic and social development. By this means, we can, assisted by the development ways and reform methods, combat and prevent corruption from several perspectives and comprehensively.

—— It's imperative to strengthen the international cooperation in the anti-corruption field. Since corruption is the common enemy of human society, fighting the corruption has become a common topic confronted by all the countries in the world. The mere dependence on the strength of one country will render it hard to thoroughly check the appearance and progress of corruption. Based on the principle of respecting sovereignty, equality and mutual benefit, respecting difference, sharing the results, progressive development, and stressing the effects, corruption can be effectively prevented and combated through the tightened international cooperation in the anti-corruption field.

Ladies and gentlemen, it is the shared hope for the people across the world to strive for development and promote harmony. It is an inevitable demand for the social and

economic development to advance the honest government, fight corruption, build the good social environment with the fairness and justice, clean and honest government, and harmony and stability. In order to meet the requirements from the new conditions and tasks, we will further step up the anti-corruption work and better serve the economic development and the construction of harmonious society of socialism!

Thanks for your attention!