

China pays for crimes against business

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Chinese market. Credit: Greg Walters/Flickr

The Chinese Government is struggling to prevent crimes against businesses, according to a new study from The Australian National University.

The study, co-authored by Professor Roderic Broadhurst in the ANU College of [Asia](#) and the Pacific, surveyed more than 5,100 businesses in [Shanghai](#), [Hong Kong](#), Shenzhen and Xi'an. It is the first large-scale survey of business victimisation in the four Chinese cities.

Professor Broadhurst said the snapshot showed that the level of crime reported by Chinese businesses was lower than other emerging economies such as Brazil, Russia, Nigeria and India, and considerably lower than Western and Eastern Europe.

“However, incidents of bribery and extortion were more frequent in China than in Western Europe and Australia, but less frequent than in Eastern Europe,” Professor Broadhurst said.

“More than one-quarter of businesses reported at least one incident of crime over the past year. This represents an estimated annual loss of between US\$4.9 and 5.6 billion for the four cities.

“We also found that there was a higher risk of non-conventional crime – like fraud, bribery, and intellectual property offences – than common crime, like robbery, assault, and theft. In fact, across the four cities, the rate of non-conventional crime was more than three times higher than common crime.

“Crime in China has risen sharply over the past 40 years and is associated with a state of anomie, or ‘loss of social norms’, that are the result of rapid and significant societal change. Economic crime, especially fraud has also risen at a much faster rate than common or street crime, supporting the suggestion that a growth in property crime is also associated with modernisation.”

Professor Broadhurst added that the survey also pointed to the emergence of new enemies of the Chinese state.

“Although public police have been able to contain common or street crime, they have not yet transformed into policing agencies with a capacity to focus on [crime](#) against business, which is both highly attractive to a new type of criminal and harmful to society,” he said.

“Identifying the ‘new enemies of the state’ has become harder than in the past when the simple categories of class enemies, ‘rightists’, feudal remnants and the like, could be readily distinguished and demonised. Economic criminals, it seems, are hard to distinguish from valued

entrepreneurs, business leaders and officials who gamble with venture capitalists and fall for fanciful and fraudulent innovators.”

More information: The study has been published by ANU E Press as the book *Business and the risk of crime in China*. The book is available online at [epress.anu.edu.au/titles/asian ... siness risk citation](http://epress.anu.edu.au/titles/asian...siness_risk_citation)

Provided by Australian National University

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