



MARCHING ON QUICKSAND: HOW CORRUPTION IS UNDERMINING CHINA'S MILITARY

by
Xuan Dong

In April this year, *The Financial Times* exposed that [He Wei Dong](#) was under investigation for alleged corruption. As a vice-national-level leader of the Chinese Communist Party (CCP) Central Committee, he held the highest military rank, 上将 (upper commander/ General), within the People's Liberation Army (PLA). Due to his extraordinarily high rank, his absence from public view had already been noted following the conclusion of the Two Sessions in March 2025.

Although the CCP anti-corruption campaign has been underway for over a decade, the growing number of cases, and the increasing seniority of those implicated, has been significant. Corrupt practices within the military system include, among others, bribery, embezzlement, favoritism, kickbacks, and conflicts of interest. Since the CCP General Secretary and state leader Xi Jinping assumed office in 2012, numerous regulations and directives have been issued to combat corruption within the armed forces. As early as 2015, a [directive](#) was approved calling for the comprehensive elimination of paid services offered by the military to external entities, reflecting the CCP's recognition of systemic misconduct within both the PLA and the People's Armed Police. Surplus military resources had been commercialized for private gain, effectively transforming state assets into avenues for personal enrichment.

While some political analysts [argued](#) that such corrupt actions have minimal impact on the PLA's capability, they risk underestimating the systemic consequences. Others point to the CCP's ongoing anti-corruption efforts as a mitigating factor. However, widespread corruption has taken a serious toll on the PLA's effectiveness and credibility, by diminishing the military strength of the CCP.

Overview of Corruption in China's Military Sector

In a [speech](#) following his election at the end of 2012, Xi stressed that corruption within the Party had become a serious problem. Over the following three years, his consistent emphasis on [the goal](#) of strengthening the Chinese armed forces signaled a strategic prioritization of military capability. This focus not only underscored the centrality of military capabilities in Xi's broader agenda but also marked a shift toward high-tech scientific research and its integration into the defense sector. Afterwards, reports of corruption within the military or relevant field such as state-owned military research and development (R&D) industries, have continued to emerge, despite the Chinese authorities' consistently low-profile approach to handling such news.

Typically, official statements merely cite 'serious disciplinary violations' in reference to dismissed officers, while further details can only be obtained through unofficial channels or intelligence sources. High-ranking officials both in the party and in military cast [doubt](#) on the feasibility of China's military modernization objectives and its pronounced strategic ambition toward Taiwan's territory as many believe that the CCP's military strength is likely not as formidable as repeatedly claimed.

Procurement Fraud and Erosion of Equipment Quality

Following Xi's continued pursuit on military-civil fusion (MCF), China opened weapons procurement and equipment development to private enterprises, previously restricted to state-owned firms. [By 2018](#), around 3,000 private companies were involved in military production. However, as noted by some China-based [researchers](#), the rapid influx of firms—many lacking necessary qualifications—raised concerns about the procurement of substandard components driven by cost-cutting and profiteering.

Since then, reforms have aimed to improve oversight and quality control. The Equipment Development Department of Central Military Commission (EDDCMC) expanded public bids and introduced

stricter qualification requirements via the PLA's procurement platform. While these [measures](#) enhanced transparency and standardization, persistent challenges, such as bureaucratic inefficiencies and uneven integration, continue to limit the broader effectiveness of MCF. More recently, the MCF initiative has also seen reduced visibility in official discourse, possibly reflecting strategic recalibration amid growing external scrutiny.

According to a detailed 182-page [report](#) by the U.S. Department of Defense on China's armed forces, the dismissal of several officials formerly responsible for equipment development projects casts serious doubt on the quality and reliability of China's weaponry. U.S. intelligence has also revealed a series of [alarming equipment scandals](#), including missiles containing water instead of fuel, and missile silos fitted with incompatible lids, putting a question mark on the integrity of China's military infrastructure.

A closer examination reveals that the procurement process has been prioritized by the CCP in its scrutiny. The EDDCMC issued [a nationwide public notice](#) in July 2023 for information regarding any violation of legal norms during military equipment procurement, emphasizing several points on the reporting tip-off scale, including the effectiveness of procurement outcomes. This action illustrates that the party has been aware of severe systemic issues in military procurement, likely contributing to the ongoing corruption probes. Corresponding to this movement, the CCP issued an order on [Regulations on Military Equipment Scientific Research \(军队装备科研条例\)](#) in February 2025, underscoring the Party's attempt to restore institutional oversight and technical accountability in military R&D.

Assessing Corruption in Terms of Budget Efficiency and Military Readiness

Another perspective on the alleged deterioration of military capability can be seen through the national defense budget. As early as 2000, the International Monetary Fund (IMF) released a [cross-national study](#) indicating a significant correlation between corruption levels and military expenditure. China was

among the 120 sample countries. The study suggests that corruption not only inflates defense budgets but also undermines the efficiency of military spending, thereby weakening overall defense effectiveness.

Beijing has long been aware of the institutional risks embedded within its defense procurement system as aforementioned. Recent anti-corruption campaigns targeting senior officials within the equipment development and [military-industrial sectors](#) reflect the CCP's effort to reassert control and mitigate mismanagement. Nonetheless, systemic corruption continues to pose a threat to command integrity, budgetary efficiency, and strategic coherence within armed forces.

According to official Chinese figures, the defense budget has seen [a steady annual increase](#), averaging around 7.2% in recent years. However, due to longstanding concerns over data transparency, inconsistent reporting standards, and limited external oversight, international estimates of China's actual military expenditure often exceed official disclosures by a significant margin.

While detailed allocation data remains opaque, institutional analysis and cross-national research indicate that corruption can impair the efficient execution of military spending. Continuous increases in defense budgets may reflect not only strategic priorities but also an attempt to compensate for internal inefficiencies and governance deficits that erode military effectiveness over time.

Corruption Undermines Trust and Command Cohesion

Corruption within the military erodes internal trust and cohesion necessary for effective operations. In the case of the China's military, entrenched and illicit practices, such as bribery for promotions and embezzlement of resources, undermine professional standards and delegitimize military authority. When personnel perceive advancement and rewards as products of personal loyalty rather than merit, morale deteriorates and unit cohesion weakens.



In addition to undermining cohesion and professionalism, the pervasiveness of corruption has also reshaped the motivations of those entering the military and its affiliated sectors. A [report](#) in 2017 revealed that a growing number of individuals were drawn to the armed forces not out of patriotic duty or professional ambition, but as a channel for personal gain. The belief that military positions provide lucrative opportunities, whether through direct embezzlement, access to resources, or participation in corrupt procurement networks, has led some to actively seek roles where they can exploit systemic vulnerabilities. This rationale for enlistment may further dilute the overall integrity of the armed forces, as it introduces personnel who prioritize self-interest and personal profit over collective mission readiness and discipline.

Moreover, the fear-driven response to corruption, particularly the CCP's [political mechanisms](#) of denunciation and surveillance, contributes to a climate of suspicion. Officers may become more focused on maintaining political favor and avoiding scrutiny than on cultivating leadership or battlefield readiness. This environment suppresses initiative and reduces decision-making autonomy, both of which are vital in high-stakes operational contexts.

The regular [purging of senior officials](#), regardless of whether it stems from actual corruption or political infighting labeled as corruption, further disrupts command continuity and strategic planning. As military priorities shift from professionalism to political self-preservation, the PLA's capacity to function as a cohesive and combat-ready force is significantly diminished. Thus, corruption is not a peripheral issue—it is a central factor degrading military capability from within.

In sum, despite the CCP's deployment of extensive measures and its resolute stance against corruption, structural flaws inherent in China's political system lie at the heart of the problem. Without addressing these institutional roots—marked by autocratic control, limited oversight, and politicized command structures—corruption will continue to erode the PLA's effectiveness, cohesion, and credibility internally.

Xuan Dong is an intern at ISDP's Stockholm China Center. She has a Master's degree in International Affairs from Linnéuniversitetet. Her research interests span a variety of topics, including political ideologies, democratization, international relations, and cross-strait relations between Taiwan and China.