"Officials Make Statistics and Statistics Make Officials: Campbell’s Law under Authoritarian Regimes"

Abstract

Spectacular economic growth in China suggests Chinese Communist Party (CCP) leaders have somehow gotten it right. Political economists argue that by substituting for bottom-up accountability-inducing mechanisms with top-down, bureaucratic controls that link sub-national officials’ career prospects to observable indicators of growth, leaders can motivate substantial effort on the part of sub-national officials to provide the public goods necessary to sustain the Chinese growth miracle as well as CCP rule.

I argue that in doing so, leaders enter into a Faustian bargain: Linking careers to indicators may motivate effort, but at the cost of perverse incentives for officials to manipulate these same indicators. I build upon a recent findings in an environmental literature on the manipulation of air quality data (Ghanem and Zhang 2013) and exploit the exogenously determined assignment of this link during a recent air quality improvement campaign in urban China to show that officials falsified data and distorted their resource allocation priorities in response to leaders linking career prospects to the annual proportion of so-called Blue Sky days. Furthermore, leaders evidently were not capable of perfectly coordinating manipulation by officials, since officials falsified data even when leaders stood no chance of benefitting. I conclude by discussing the implications of these findings for understanding the Chinese growth miracle as well as the ability of leaders to address public policy challenges and provide public goods necessary to support continued CCP rule.