Numerical Games and Officials' Achievements

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"Administrative accountability" is a basic working ethic for all modern governments to follow. Rather than follow the practices of feudal political systems, "administrative accountability" reflects the spirit of democratic politics. It requires authority to act for the public and to come from the people through free elections. It asks that the motivation of administrators reflects the people's interests. It requests that public authority be loyal to the voters' will. It demands that the government be capable of executing its duties, embodying a constitutional relationship between the government and the people in all its work, on its peoples' behalf. "Administrative accountability" also requires that power and officials' conduct be limited by law, and that any official who commits wrongdoing should be punished according to the laws and regulations of the government. The American scholar Starling defines it as responsible administration, including responsiveness, flexibility, competence, due process, accountability, and honesty (Starling, 1986, pp.115-125).

Responsible administration fails due to the weaknesses of human nature. Even in well-developed countries, there exists an obvious gap between reality and what the people desire from their government. Citizens often complain about bureaucratic delay due to red tape. In some developing countries, the situation is even worse. In these countries, people not only have to tolerate the ordinary bureaucratic phenomenon that exists in well-developed countries, but are also overburdened with absurd administrative conduct such as bragging, trickery, and fixing rent prices.

A recent case study (Yuan and Yuan, 1999) explores one of these unfair practices by exploring the effect it has on the income of Chinese peasants. This case study examines the difficulties and potential solutions to problems of administrative accountability in developing countries.

Documenting social development and economic change is necessary for every country. Like eyes and ears, accurate or not, the statistics that get reported directly influence how governments make policy and decisions, as well as whether taxes will rise or fall. According to the 1998 Report of the China State Statistics Bureau (1999), the average annual income of 8.6868 million peasants (69.6 percent of China's total population) was 2,160 RMB ($261), up 4.3 percent from the previous year. However, central government
agencies that conducted the examination reveal that among the 60,000 illegal cases, more than half of them related to false statistics. These illegal activities include reporting of false industrial output, false obligated education, false human reproduction, and false export product value (Gu, 2000). Comparatively, one finds the most severe cheating in the statistics that inaccurately document peasant income and the value of output by local industries. The false statistics recorded by some local government employees call all state reports into question.

**Probe**

Dan Jiangkou, a county in Hubei Province of China, formerly was listed among the nation’s poorest counties according to its economic output and level of social development. It is said that between 1996 and 1998, the county experienced great changes. According to its own report, the economic development of Dan Jiangkou is described in Table 1.

Formerly a poor town, the great achievements made Dan Jiangkou well known throughout Hubei Province. It earned the name “Advanced County for Conquering Poverty” in 1996 from a leading institution affiliated with the central government. A year later, it was listed among the “Ten Best Counties and Cities in Terms of Economic Strength” of Hubei Province. Also in 1997, Dan Jiangkou was named one of the “Ten Models of Economic Efficiency of Hubei Province.”

Unfortunately, just as all the news outlets of Hubei were enthusiastically reporting the success of this model and praising Dan Jiangkou leaders for their success in overcoming poverty and acquiring wealth, some negative information about these achievements was leaked.

When, in July of 1999, correspondents of Xinhua News Agency went to Dan Jiangkou to investigate, they were surprised to find that the statistical table for the month of August had already been completed for a village named Yu Zhenguan. When the leader of the village was asked why the statistical tables had been completed a month ahead of time, he replied that some villages had even completed the tables for the entire upcoming year.

Afterwards, as expected, the reporters discovered that in the Wu Dangshan Tourism Economic Special Zone under Dan Jiankou County, the village of Yuan Heguan had, by July, indeed already recorded the statistical tables for the rest of the year. Its table for December indicated that by the end of 1999 the total output value of township industries was 21,410,000 RMB, the sales income was 20,790,000 RMB, and profit was 540,000 RMB. In each of these items, the accomplishments achieved exactly 101 percent of the year plan. Tables 2 and 3, completed in July 1999, document — five months early — the results for the month of December.

According to Zhang Dahua, who had some clerical responsibilities in Yuan Heguan Village, the town had no industries at all. Compelled by the higher authority, village leaders had no alternative but to fabricate the so-called output value of industries. The industrial income they falsified in 1998 was 2.28 million RMB; this figure grew to 7.5 million RMB, according to town employees. The town leader recorded that the town raised 385 pigs, then increased this figure to 2,010 pigs. Next, the town calculated the income generated from raising pigs at 1,000 RMB per pig and the output value went up. Yu Zhenguan Village had no industry; nevertheless, some of the officials of this town lied about an industrial income, claiming it earned 4.2 million RMB in 1998.

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<th>Table 1: Main Economic Indexes of Dan Jiangkou 1996–1998</th>
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Notes:

a. GOVIA = gross output value of industry and agriculture
b. AGR = annual growth rate
c. RPCHI = rural per capita household income
d. 1 US $ = 8.27 yuan RMB

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Table 2: Monthly Statistics Table for Main Economic Indexes of Dan Jiangkou Township Industries (1)

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<th>Year Plan</th>
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Being suspicious regarding the numbers that had been recorded, the reporters decided to investigate further. They discovered that all of the 17 villages of Wu Dangshan Tourism Special Economic Zone of Dan Jiangkou had cheated in their reports.

First, Cha Yanggou, a village consisting of 57 families and a total of 212 villagers. It had no specialized vegetable farming except some scattered little gardens grown by families. But their 1998 report indicated that there was as much as 13 mu vegetable growth (1 mu = 666.7 square meters) in the summer and that they achieved a total output of 82,500 kg and had a 6,300 kg per mu yield. The vegetable growing area in the autumn also was listed as 13 mu. But the total output was increased to 850,000 kg, and the yield of vegetables reached 65,000 kg/mu.

Second, Zi Xia village had 16 minivan taxies doing business. Their true average income was 100,000 yuan per year. But the statistics figure for the total income of all the taxies unexpectedly became 5.4 million yuan in

Table 3: Monthly Statistics Table for Main Economic Indexes of Dan Jiangkou Township Industries (2)

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1998 instead of 1.6 million yuan.

Third, Ba Xianguan, a village without any industry, had hundreds of mu of tea plantation and an income of 2 million yuan RMB from tea processing and sales was already counted into the total income of agriculture. But forced by the higher level officials, the village had to recount tea processing sales and income as industrial income and make a false report of eleven million yuan in industrial income, according to the village’s head Wang Fuguo.

Fourth, Mei Zigou, a village of 200 families, reported in its statistics table that the number of poultry being raised in 1998 was 33,100. But a village leader said that the real number was only 3,000.

Fifth, Min Jiaogou, a village of 214 families, made a false statistical report in 1998 claiming that the villagers raised 2,700 pigs, an average of 12.7 pigs per family. The report also falsely claimed that this village raised 8,800 chickens, 40 per family by average. The report also claimed the village harvested 230,000 kg of fish out of a 10 mu fishpond, or an unlikely 23,000 kg per mu.

Sixth, Qing Pu village had to report in 1998 that its overall economic income was 15.9 million yuan in total, with 4.76 million yuan in industrial output. The average per capita income was 2,568 yuan. Liu Zhengqiang, the party branch secretary of the village, explained after a magazine disclosed the numbers game of Dan Jianghou County, that the relevant branch of county government sent staff members to quickly conceal what they did. They forced the village heads to try their best to show they did actually produce the exaggerated amounts. In the end, they barely got 481,000 yuan of industrial output value, including three woodworking carpentry families, two smithies, two tailoring families, and four bean-curd yards, which had already been counted among the income of catering. Apparently, this 481,000 yuan was too far from the falsified 4.76 million yuan. According to Liu Zhengqiang, the overall economic income of the village was at most 2.95 million yuan, which was not even enough to be close to the inaccurate 15.9 million yuan. The real per capita income was expected to be 1,500 yuan, about 1,068 yuan less than the exaggerated 2,568 yuan. Among the 258 families, there were 60 still living in poverty. Some villagers even had little food to eat. How could it be expected to become a well-to-do village in such a short period?

Clearly, the higher authority manipulated this numbers game. All the villages had to make up the statistical tables under the orders of town heads who were also driven by the county leaders. Town heads usually divided the numerical task given them by county leaders into 12 parts (one for each month) and made the figure increase monthly by a certain percentage. The last monthly statistical report was made up to be neither more nor less than 1 percent, over-fulfilling the so-called numerical task.

The workers of Da Wan village described this process of manipulation as follows.

The leaders of Da Wan village, with a population of 275 living mostly in old and shabby houses, no paddy fields and only 0.4 mu of hilly land per villager on average, falsified statistical tables in 1998 and reported that the villagers’ per capital income was 2,500 yuan and its industrial output value was 3.2 million yuan. The truth, according to the heads of the village, is that the figures were determined by the county leaders and then allotted to all villages level by level. If there was any village that did not obey, the town leaders would be punished by the county authorities.

Da Wan village was subordinate to Lao Juntang Administrative District. The district leaders assigned the duty for its villages according to the county’s order at the beginning of a year and asked those village heads to sign a written pledge. All of the village leaders were usually called to meetings with district leaders before the release of year-end statistics. The only topic of the meeting was fabrication, namely how to make the statistical numbers meet the allotted plan and look reasonable. Commonly, the village heads were asked to make a rough draft, which was then to be checked by a senior district leader. The report was not released until...
the authorities were satisfied. Da Wan village had no industry at all, and the village leaders felt it impossible to create the figure of 3.2 million yuan as industrial income. However, the district heads did not let the village leaders leave the meeting until they agreed to create the figure. The leader of Yu Zhenguang village mentioned above was forced to alter the statistics on per capita annual income time and again, from 1,800 yuan to 2,200 then to 2,450, only to satisfy the top district officials.

In fact, there had been very severe financial deficits in Dan Jiangkou County between 1996 and 1999. Of its reported 285 million yuan revenue in 1998, the county borrowed 17 million yuan from banks. In addition, nominal income amounted to only 118 million yuan. Even after this deception was exposed, the head of the county still boasted in a newspaper in July 1999 that the county’s industrial profit increased by 92.5 percent over the previous year. The real growth rate was only 0.6 percent.

What the leaders of Dan Jiangkou pursued was wrong — not for seeking honor or higher salaries — but for the means they utilized in the pursuit of their self-interest.

Analysis

Statistical fabrications are in the self-interest of public officials. Adam Smith’s concept of “economic man” (Smith, 1776), one motivated by profit and self-interest, can explain the fraudulent record-keeping in Dan Jiangkou County. Every person’s self-interest serves as the starting and ending point for his or her conduct (Ma, 1998). For government officials, the incentives to fabricate statistics include promotion, honor, and salary increases.

For a republican government, government workers share the same goals and interests as the member of the public who they represent and serve. If government workers try to achieve the demands and needs of the public, the rewards workers earn will be fair and legal. Perhaps only those public servants who make their own private goals synonymous with the public’s interests are qualified to lead. What the leaders of Dan Jiangkou pursued was wrong — not for seeking honor or higher salaries — but for the means they utilized in the pursuit of their self-interest. This case proves that the leaders of Dan Jiangkou cared nothing about the interests of the public they served. Their only interest was personal. They sacrificed the people’s interests in return for their so-called governing achievements, and they ignored the principles and spirit of administrative accountability.

It is important to study the causes of the deception in Dan Jiangkou County and to propose the means to treat dishonesty in government. The problem has its roots in morality as well as in the system of rule. In China, which is a developing country, the concept of “system” preceded the concept of “morality.” Without setting up a serious rational system of rules and regulations, people cannot expect good governance. This has been proven time and time again by China’s history of administration. Let us now put aside the discussion of ethics in government and focus our attention on the problem of materialism within the system.

There exist at least three factors responsible for the system defects we have seen in Dan Jiangkou province and elsewhere. First, the statistical system in use is one that makes it easy for governors to deceive the public. Currently, most agricultural economic data are collected without independent investigation by the local government’s leaders. The statistical system now in use has been in place for more than 50 years. Whether during the prior period of the Planned Economy, or in today’s market economy, individual leaders’ incentives determine the character of statistical-reporting. In an atmosphere in which an official’s promotion is largely decided by a statistic, who doubts that an official not accountable to the public and not having an ethic grounded in honesty will lack sensitivity to either accountability or honesty, and what will keep leaders from lying? I cannot say that local officials who record and report fabricated statistics will produce negative outcomes in all social circumstances. However, in China, I can say it will. Being in charge of record-
ing and reporting statistical data, officials find it tempting to falsify their achievements.

Considering this problem, the best way to solve it is to separate those who maintain the statistics from those leaders who have anything to gain from falsifying the numbers. The data documenting economic and social development should be collected by a sampling survey which remains independent from local administrators. The following must be ensured:

There is no temptation for individual statistical surveyors to falsify or alter data in pursuit of personal interests.

The agency is truly independent in selection of personnel and financing; therefore its work will rarely be interfered with by any outside elements.

The agency works with objective means of surveying and operates according to a set of strict scientific standards.

Currently, there exists a branch of government named the Rural Statistical System, directly subordinate to the State Statistics Bureau. Its role can be expanded to oversee the accurate and honest recording of village statistics.

Secondly, the Chinese administrative system currently measures administrative performance improperly, tempting local government officials to cheat. For a long time, agricultural output and rural economic development have stood as key criteria for assessing the performance of local governors. Since the “Great Leap Forward” in 1958, the pace of development (output value most often characterized through statistics) has become the decisive factor that determines a governor’s success and destiny. The phenomenon of officials’ success and/or failure resting on the statistics they have recorded decisively compels local officials to fabricate the numbers — this game of numbers has already formed part of the culture of administration in China.

In a highly centralized system, the lower level officials are usually sensitive to the goals and intentions of the higher officials. For example, during the era of Mao Zedong, a well-known governor of Huan Jiang County, Jiang Xi Province, told a tremendous lie to the whole country: He claimed that the county’s rice land produced a harvest of 65,000 kg per mu (Wang, 1998). Even in today’s market-oriented period, the traditional administrative culture that accepts playing games with numbers persists. Because of years of falsifying statistics, the output of farm and livestock products officially reported in 1995 was inflated by 40 percent (Lu, 1999).

The way to resolve this problem is to sever the link between the inflation of economic results and officials’ monopoly in creating and reporting statistical data from which they will reap personal and professional credit.

At all levels, including township, county level, prefecture, provincial, and national, the government must understand its duties. Indeed, it was a great turning point for China to change its focus from a class struggle to a struggle for economic development. But this does not mean that the government should assume the role of CEO. In a market-oriented economy, private companies must function with market discipline. The main role of government should be to gauge the market’s omissions and deficiencies, and to promote social equity and justice (World Bank, 1997). China’s Premier lectured at the China National School of Administration last June and called for the government to emphasize three key areas: administering according to the law, enhancing supervision over market order, and providing public service (Zhu, 2001). These new functions, re-oriented in accordance with the market economy, will change the standards by which administrative achievement is assessed. This means that the Chinese government is going to retreat from the area of economic production and become a provider of public service. If successful, this new policy will make the practice of inflating statistics by officials absolutely ineffectual.

The government must discontinue monitoring the
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The government through political reform. Traditionally, many Chinese leaders and scholars do not recognize decentralization as a democratic concept. The traditional relationship between the central government and local governments, in particular the boundaries of power, authority, and duty, has been discussed for more than 50 years (Bo, 2001, ch. 5). There have been times when the central government tried to change the administrative boundaries between levels, by increasing or decreasing the power to control personnel matters, finance, goods, and materials. Each time, the central government transferred some duties to the local government, and subsequently transferred them back. Thus, attempts to adjust power sharing never succeeded, and most people did not even know whether the power was held locally or centrally. In my opinion, for developing countries like China, democracy and decentralization must include at least two practices: elections and local autonomy.

The central government should promote local democratic elections for governors and representatives as soon as possible. Democratically held elections will also put all local governors and congressmen under the supervision of the public who elects them, which will reduce corruption in government. I do not think there is a more important step toward achieving an accountable and responsible government than holding democratic elections. Once people have the right to elect their leaders, there will be no reason that society could not form a "government of the people, by the people, and for the people." Democratic elections have been practiced in most villages for several years. Elections are being used by some townships. They will be introduced at the county level someday, and also at the province level in the future, so the faster the government moves to adopt a system to democratically elect leaders, the better it will be for the nation and its people.

The central government should give local officials the power and authority to make decisions autonomously. The essential principles of self-government limit the power of government. Ensure that governors are elected locally to serve the local needs; force local govern-
ment leaders to work under the national constitution as guided by the nation's macro-economic and social development policies; and perform all these local obligations according to law. This decentralization can set a direct constitutional governing relationship between the local government and its people. Decentralization can also make the boundaries between the local and central authorities clear and reasonable; it can consolidate local officials’ understanding of their responsibilities; and decentralization can enhance the democratic rights of citizens in resolving local issues. If these practices are put in place, China can speed the process of increasing government accountability and reducing the misconduct among elected officials. Responsiveness, accountability, competence, flexibility, and honesty will become second nature among the leaders and citizens of China.

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**References**


