

# Where Are the Missing Dead? How Metrics Management Mitigates Official Data Misreporting in China

Guoer Liu\*

*Department of Political Science, University of Michigan, Ann Arbor, Michigan, USA; guoerliu@umich.edu*

---

## ABSTRACT

A perennial problem in executive politics is that agents charged with carrying out tasks have private information about their performance and corresponding incentives to manipulate this information. Conventional wisdom emphasizes external stakeholders as a source of reliable information. I instead focus on agents with competing interests and argue that when officials are subject to a relative performance evaluation metric, governing outcomes that are easily observable by their peers are more likely to be truthfully reported, while other outcomes are likely to be misreported. Using a difference-in-differences design and the varying reporting cost across sectors, combined with an original dataset on workplace accidents in China, I find that incorporating a “death cap” into the workplace safety metric management system has heterogeneous effects on reported accidents. While the counts of casualties and accidents dropped by 33.8% and 29.4% respectively, the decline was entirely driven by sectors in which peer monitoring was not feasible. The results highlight the conditions under which agents are restrained by their peers. In contrast to theories that truthful signals occur when interests are aligned or independent oversight is