

How Zero-Tolerance Accountability Rules Can Produce “Lying Flat” Officials

Yi Chen, Qiang He, Jiaqi Liu, and Li-An Zhou (2025). **Remedy or Retreat? Investigating Ex-post Incentives under the One-Vote Veto System.** Working paper, SSRN.

China evaluates its local government officials through a competitive promotion system in which officials are assessed across multiple dimensions — economic growth, environmental protection, social stability, and more. To ensure compliance with priority objectives that might otherwise be sacrificed in the pursuit of GDP, the central government has long used a “one-vote veto” mechanism: a single critical failure in a designated area nullifies all other accomplishments and can block or terminate a career. The veto has been applied to family planning, compulsory education, environmental protection, and poverty alleviation among other areas. What happens to the behavior of officials after a veto-triggering event happens?

The data. The researchers compiled daily records for each of 276 cities (prefectures) from 2015 to 2022, linking detailed records of every major workplace safety accident (those involving 3 or more fatalities, sourced from the State Work Safety Supervisory Committee) to daily measures of local government activity: newly registered firms (from the business data platform Qichacha), environmental penalties, and workplace safety penalties. They also collected career records for mayors and party secretaries across all prefectures. To estimate the effects of accidents on official behavior, they used a regression discontinuity design where they examined changes in government activity in the 28 days before and after a major workplace safety accident occurred.

INSIGHTS

■ Before 2018, major workplace safety accidents damaged but did not end the careers of local officials in China. To recover their promotion potential after an accident, officials boosted work performance in other areas: firm registrations (a GDP proxy) rose about 10% and environmental penalties rose about 3%.

■ A 2018 reform made major workplace safety accidents a “one-vote veto” item that automatically disqualified officials from promotion. The new policy caused officials to stop trying to compensate in other ways to save their promotions.

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Before the veto policy: officials compensated for failure.

Prior to the 2018 reform, local officials responded to major workplace safety accidents with compensatory activity. In the weeks following an accident, firm registrations — a key performance indicator in cadre evaluations and a proxy for local economic development — rose by approximately 9.7% in the affected prefecture, and environmental penalties rose by approximately 2.8%. The rise in registrations was made possible by the discretionary control of officials over the approval process: while applications formally take several days to review, local governments can accelerate the queue by prioritizing pending applications and streamlining procedures. However, the average registered capital of newly registered firms — a proxy for firm quality — fell significantly in the days following a major workplace safety accident, suggesting that officials were approving marginal applications to boost headline numbers.

Meanwhile, environmental indicators also improved: sulfur dioxide emissions from monitored enterprises fell significantly in the weeks following an accident, indicating that the uptick in environmental penalties reflected renewed enforcement. The compensation pattern was strongest among officials with the most to gain from promotion — younger mayors and those with higher ex-ante promotion likelihood showed significantly larger compensatory responses than their peers with weaker career prospects.

■ Younger officials and those with stronger career prospects showed the most pronounced compensatory responses before the reform, and the steepest drop-off after.

■ The reform reduced accidents — major incidents fell from 223 in 2017 to 39 in 2022 — but contributed to “lying flat” among officials, who abandoned effort across all governance tasks once a failure made further performance irrelevant.

After the veto policy: officials gave up. Once the veto reform took effect — with most provinces issuing implementing regulations in 2018 — the compensatory responses following an accident disappeared. Neither firm registrations nor environmental penalties showed any significant change in the weeks following a major workplace safety accident. The veto reform confirmed what officials had presumably feared: a major accident now permanently derailed promotion prospects regardless of subsequent performance. With redemption off the table, the observed response was to “stop trying.”

A rule that discourages governing. The findings illuminate a structural tension in rigid accountability systems. The veto reform did achieve its primary goal — major accidents fell from 223 in 2017 to just 39 in 2022 — but the findings suggest this came at a cost to broader governance effort. Once failure in a secondary task (workplace safety) triggers a career-ending veto, officials have no motivation to perform even in their primary responsibilities. The study echoes concerns raised in a 2019 central government document, which acknowledged that overuse of the veto mechanism had produced “lying flat” behavior among local officials — shirking across the board rather than responding to setbacks with renewed effort.

Example of an evaluation form for a city in central China

Category	Assessment Area	Assessment Indicator	Score	
Solidly Promoting Sustained and Healthy Economic Development (30 pts)	Economic Development (15 pts)	GDP growth of 8.5%	4 pts	
		Total fixed asset investment growth of 12%	1 pt	
		Industrial added value above designated scale growth of 9%	2 pts	
		Total retail sales of consumer goods reaching 89.3 billion yuan	2 pts	
		Total import/export trade volume reaching 6.3 billion yuan	2 pts	
		Local fiscal revenue growth of 6%	2 pts	
		Attracting domestic investment of 105 billion yuan	1 pt	
		Actual utilization of foreign investment of 900 million USD	1 pt	
		Structural Upgrading (8 pts)	Service sector added value as share of GDP reaching 28.5%	1 pt
			Non-public economy added value as share of GDP reaching 51%	1 pt
	Strategic emerging industries added value growth of 14.5%		1 pt	
	Private investment growth of 10%		1 pt	
	Tax revenue as share of local fiscal revenue reaching 72%		1 pt	
	Annual newly registered enterprises growth of 12%		1 pt	
	Newly added above-scale enterprises accounting for 12.6% of total enterprises		1 pt	
	Government debt growth no higher than the provincial government debt growth rate		1 pt	
	Innovation-Driven (7 pts)		R&D expenditure as share of GDP reaching 1.71%	2 pts
			Invention patent applications: 1,000	1 pt
		Technology contract transaction value reaching 2.994 billion yuan	1 pt	
		Total factor productivity reaching 55%	1 pt	
		Newly added high-tech enterprises: 7	1 pt	
		Newly added famous brands: 8	1 pt	
		Agricultural Development (2 pts)	Newly added efficient water-saving irrigation area of 55,000 mu	1 pt
	Agricultural product quality and safety inspection pass rate reaching 97.2%		1 pt	
	Poverty Alleviation (5 pts)	Poverty alleviation work achievements	5 pts	

Category	Assessment Area	Assessment Indicator	Score
Solidly Promoting Characteristic Modern Agricultural Construction (17 pts)	Ecological Environment (10 pts)	Urban air quality excellent days no fewer than 264 days	2 pts
		Chemical oxygen demand, ammonia nitrogen, SO ₂ , and nitrogen oxide emissions reduced by 7.2%, 7.2%, 9%, and 12% respectively	2 pts
		Fine particulate matter PM _{2.5} annual average concentration no higher than 57 micrograms/m ³	1 pt
		Inhalable particulate matter PM ₁₀ annual average concentration no higher than 102 micrograms/m ³	1 pt
		Clean energy consumption rate reaching 44%	1 pt
		Energy consumption per unit of GDP down 2.4%	1 pt
		CO ₂ emissions per unit of GDP down 4.13%	1 pt
		Major river cross-sections within the jurisdiction meeting water quality targets	1 pt

Category	Assessment Area	Assessment Indicator	Score	
Solidly Doing Well in People's Livelihood Guarantee and Improvement (26 pts)	People's Livelihood Improvement (12 pts)	Per capita disposable income growth of urban residents: 8.1%	4 pts	
		Per capita disposable income growth of rural residents: 9%	6 pts	
		Permanent population urbanization rate reaching 53.5%	2 pts	
		Social Security (5 pts)	New urban jobs: 42,000	1 pt
	Completion of national plan for public rental housing allocation: 2,757 units		1 pt	
	County-level employment rate reaching 90%		1 pt	
	Emergency storage capacity reaching 6.11 million cubic meters		1 pt	
	Social Governance (9 pts)		Urban and rural residents' medical insurance within-policy reimbursement ratio reaching 73%	1 pt
			Risk prediction and prevention rate reaching 83%	1 pt
		Major disaster social stability risk assessment rate reaching 92%	1 pt	
		Food and drug law violation case closure rate reaching 90% or above	1 pt	
		Product quality supervision and spot-check pass rate: 90.2%	1 pt	
		Public satisfaction with social governance reaching 91%	1 pt	
		No wage default incidents triggering group events of 50 or more people or causing serious consequences	1 pt	
		Business environment optimization work achievements	3 pts	