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# Working Paper Selecting the Best of Us? Politician Quality in Village Councils in West Bengal, India

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# Selecting the Best of Us? Politician Quality in Village Councils in West Bengal, India

# Abstract

Who gets elected to political office? The *negative selection hypothesis* posits that the inherently dishonest run for office, expecting to earn political rent. Alternatively, the *positive selection hypothesis* suggests that individuals join politics to make a difference. Developing country politicians are frequently stereotyped as embodiments of the negative selection hypothesis. Using survey and experimental data covering village councils in rural West Bengal, we find that inexperienced village council politicians are less dishonest and more pro-social than ordinary citizens. Our findings also suggest that this idealism wears off with time.

### JEL-Codes: C930, O120, O530, Z180.

Keywords: selection into politics, politician quality, corruption, experiments, behavioural games.

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"Politics is the last resort of scoundrels." – George Bernard Shaw (1856–1950) "Power tends to corrupt, and absolute power corrupts absolutely." – Lord Acton (1834–1902)

#### **1. Introduction**

These two quotes, generally attributed to the playwright George Bernard Shaw and the British historian, statesman, and writer John Emerich Edward Dalberg-Acton (Lord Acton), respectively, feature prominently in popular political discourse. Yet, we often do not pause to reflect that Shaw and Lord Acton convey two quite different perceptions of politicians. Shaw's view, which might be thought of as a *negative selection hypothesis*, is more cynical and suggests that inherently dishonest personalities (compared to other members of the citizenry) gravitate towards a political career—most likely in the hopes of reaping rents from holding office. Here, socialization within political institutions plays only a limited role. Acton's view is more charitable, and may be thought of as a *positive selection hypothesis*, where those who seek office are not more dishonest than others (and may well be less corrupt). For him, it is the exposure to politics that makes politicians corrupt.<sup>6</sup>

While study of corruption may be the *sine qua non* of much research on politics and politicians, more recent work has addressed the broader issue of *politician quality*. How do the attributes, attitudes, and behavior of those who enter politics differ from

<sup>&</sup>lt;sup>6</sup> Lord Acton does not specifically say that politicians are more honest than citizens, merely that they are not more dishonest. In that sense, this is a null hypothesis. Acton's view is that socialization within politics may render dishonest even those initially committed to making a difference. To keep things simple, we take the liberty of labelling Shaw's view the *negative selection* hypothesis and refer to the Actonian perspective as *positive selection* to contrast the latter with the former, with the caveat that positive selection implies that politicians are either no different from ordinary citizens or initially more honest. The positive selection hypothesis also does not rule out the fact that not everyone may be corrupted by the powers of office. Individual preferences and motivations for joining politics have been extensively studied in the political science literature. See, for example, Wittman (1983) and Calvert (1985).

those of ordinary citizens? In a review of the literature on selection into politics in industrial countries, Dal Bó *et al.* (2019) suggest that data on the quality of politicians have been wanting, and are often limited to information about education and income. This is even more true of studies in the developing world.

We address the issue of politician quality using data from surveys and lab-inthe-field experiments conducted in the state of West Bengal in India. Our participants are drawn from three distinct groups: (i) *inexperienced politicians* who are newly (firsttime) elected to village councils known locally as Gram Panchayats (henceforth *GP*); (ii) *experienced politicians* who have served on the village councils for at least one fiveyear term in the past (these include outgoing and re-elected councilors), and (iii) *regular citizens* from the same catchment area, but with no prior political experience or overt political connections.

In addition to survey data on individual characteristics such as sex, age, education, occupation, asset ownership, caste/religion, and family ties to politics, we collect data from a series of incentivized experimental tasks designed to capture preferences for altruism, fairness, trust, trustworthiness and cooperation, attitudes towards risk, and measures of dishonesty. In our survey, we also collect data on selfesteem and self-efficacy, to capture politicians' self-perceived effectiveness; perceptions of and attitudes towards politics and political institutions; and Raven's progressive matrices test scores, which capture cognitive ability.

To the best of our knowledge, ours is the first study to collect both extensive survey and experimental data on the preferences, beliefs, attitudes and behavior of actual politicians and members of the public in the same location. This allows us to obtain a rich understanding of what sets politicians apart from the rest of the local

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population, including any propensity towards corruption. Our study also provides an important reference point and external validity check for prior studies on dishonesty and corruption that rely either on naturally occurring data or on data from survey responses and/or experimental tasks where subjects are university students and/or ordinary citizens.

We find strong evidence in favor of the *positive selection hypothesis*. Compared to ordinary citizens, inexperienced politicians (those elected to office for the first time) emerge as not only more honest in our experimental tasks, but also more pro-social, better educated, better-off, have higher self-esteem, higher self-efficacy, and greater trust that political institutions do the right thing. This is consistent with findings from Swedish politics (as discussed in Dal Bó *et al.* (2019)). Our data also provide evidence to support Lord Acton's dictum that power corrupts. Compared to inexperienced politicians, experienced politicians emerge as more cynical about political institutions, less pro-social, and more dishonest.

#### 2. Literature on politician quality

The quality and behavior of politicians is of interest to economists as well as political scientists. Much of the research in this area has operated with the implicit theoretical assumption that office-holding is predicated on substantial monetary and non-monetary rewards. Caselli and Morelli (2001), for example, explain how low-quality citizens have a comparative advantage for pursuing elected office because their wages are lower than that of high-quality citizens. A primary pull of office-holding is thus the lower opportunity cost for the less-able candidates and the greater potential to extract rents from being in such positions.

Fisman *et al.* (2014) analyze wealth accumulation among politicians in Indian states purposively selected for high levels of corruption (Bihar, Madhya Pradesh, Rajasthan, and Uttar Pradesh). Taking advantage of the public disclosure of personal assets that is now mandatory for all candidates running for higher office in India, they find that the average annual asset growth rate of those who won elections is significantly higher than for those who came in second. They argue that their findings are consistent with a *rent-seeking explanation*, where the scope for rent extraction increases as politicians rise in the hierarchy. While there are pecuniary benefits to being an office-holder, Fisman *et al.* (2014) are unable to say whether it is the more dishonest persons who get elected, as there is no relevant control group of ordinary citizens.

A related set of studies has explored whether raising the salary of politicians will attract higher-quality candidates. Besley (2004) provides weak evidence in favor of this hypothesis, using data for U.S. governors. Drawing on data from Italian municipalities between 1993 and 2001, Gagliarducci and Nannicini (2013) find that better-paid politicians reduce the overall size of the government machinery by improving efficiency. Further, they indicate that most of this gain is driven by the more competent politicians attracted by higher wages. However, Kotakorpi and Poutvaara (2011) report slightly different findings. They take advantage of a natural experiment where the salaries of Finnish Members of Parliament were increased by 35% in 2000, intended to make their salaries more competitive. Using a difference-in-differences design, with candidates in municipal elections as control group, the salary increase was found to increase the share of candidates with higher education—but only among female candidates: there was no significant change for male candidates. Dal Bó *et al.* (2019), using a rich data-set from Sweden, compared ordinary citizens and politicians standing for municipal and parliamentary elections between 1991 and 2010. Swedish MPs (Members of Parliament) were found to have more formal education, with higher pre-election earnings and higher cognitive ability and leadership scores (as recorded from military enlistment tests for males, at age 18) than the candidates who win in municipal elections—who, in turn, had more formal education, with higher earnings and higher scores than ordinary citizens. This is consistent with strong positive selection into office when moving from the lowest (municipal) to the highest tier of political representation.

The Dal Bó *et al.* (2019) findings give rise to several questions. First, are the drivers of selection among persons elected to office in developing countries differ systematically from those in developed countries; second, are these drivers differ for lower and upper tiers of political representation; and third, if yes, how can such differences be explained.

Vaishnav (2017) argues that electoral success in India is affected less by politician quality as defined in developed countries; rather by voter perceptions as to how effective the candidate is. Central in the Indian context is "muscle"—whether legal or not—and capacity to maneuver bureaucratic and other hurdles and get things done. Vaishnav (2017) uses this concept of "effectiveness" to explain why many politicians, perceived as corrupt and with often serious criminal records, continue to win elections in India. Banerjee *et al.* (2020) theorize along similar lines as to why, in developing country settings, persons less concerned about their moral stature are more likely to join politics.

To summarize, Dal Bó *et al.* (2019) demonstrate the intensification of selection on quality as one moves up the political status ladder in Sweden. In the Indian context, Fisman *et al.* (2014) and Vaishnav (2017) find evidence of significant corruption among high-level politicians. However, these studies fail to provide evidence on selection into politics or information about the attributes and qualities of politicians at any level of politics.

#### **3.** Study Design and procedures

We study politicians and citizens in the district of North 24 Parganas in the state of West Bengal in eastern India. Specifically, we collected data from 31 randomly selected GPs across 11 randomly selected blocks (sub-districts) in the district.<sup>7</sup> Each village council (GP) in West Bengal covers between 5 and 15 villages and is headed by a *Pradhan* (village council head). GPs are responsible for identifying beneficiaries for government anti-poverty programs, for the upkeep of local public goods, and implementation of various developmental programs. They have little revenue-raising capacity and are funded mainly through national and state grants. Members of the GP are elected through universal adult franchise. A candidate for a GP seat may be nominated by a political party or stand as an independent candidate, but must be a resident of one of the villages within the GP that he/she represents.

<sup>&</sup>lt;sup>7</sup> Figure 1 shows the location of West Bengal in India as well as the district where our fieldwork was conducted. The 11 blocks canvassed for this study are Amdanga (1), Barasat–I (1), Barasat–II (2), Basirhat–I (5), Basirhat–II (7), Deganga (2), Gaighata (5), Habra–I (3), Habra–II (2), Hingalganj (2) and Sandeshkhali–I (1). The numbers in parentheses indicate the number of GPs canvassed within each of those 11 blocks. GPs form the lowest level of the three-tiered local government system in rural India, the other two being the *Panchayat Samity* (block or sub-district level) and the *Zila Parishad* (district level). West Bengal has a population of approx. 90 million, out of which approximately 11 million persons live in North 24 Parganas, one of 23 districts that make up the state.

GP elections were conducted in the State of West Bengal for the first time in 1978, soon after the Left Front coalition led by the Communist Party of India (Marxist) came to power in the State Assembly in 1977. Elections have been conducted every five years since.<sup>8</sup> Following the 73<sup>rd</sup> Amendment to the Indian Constitution (ratified in April 1993), seats have been reserved for the Scheduled Castes (SC) and Scheduled Tribes (ST) according to the proportion of SCs and STs in the district and also for women.<sup>9</sup>

#### 3.1 Design

Our sample consists of 400 elected members and 100 ordinary citizens who are residents of the 30 GPs. To be able to compare politicians with more and less experience, while controlling for as many other factors as possible, we sampled both incoming and outgoing politicians in the same locations. Of the 400 politicians we interviewed, 195 were *inexperienced* (elected for the first time, had never held office before); the other 205 had *prior experience* with public office (44 re-elected and 161 outgoing). We call these *experienced*. The list of politicians to be interviewed from each panchayat was generated randomly from data available from the Election Commission of India. Contact with the selected politicians was established by either contacting the *Pradhan* of the GP, or via the Block Development Office, which is the chief administrative body with authority over the functioning of the GP.

<sup>&</sup>lt;sup>8</sup> Recently, the state of West Bengal has witnessed intense political competition between two rival political blocks: the Left Front led by the Communist Party of India (Marxist) and the All India Trinamool Congress (AITC). The Left Front held power in the West Bengal state legislature and village councils continuously from 1977 until 2011. In the state legislative assembly elections in 2011, the Left Front lost its majority, and AITC formed the state government. A similar pattern followed for the village council elections as well: up until 2013, the Left Front controlled the majority of village councils in the state. After the 2013 village council elections, most village councils have an AITC majority.

<sup>&</sup>lt;sup>9</sup> 33% of seats were reserved for women in the 1993, 1998, 2003, and 2008 GP elections. This proportion increased to 50% in the 2013 election and remained at this level in 2018. Reservation for women was orthogonal to the caste-based reservation. We discuss the issue of reservations and how they correlate with observed outcomes in Section 4.3.3.

Once the list of respondents had been finalized, fieldworkers approached the respondents and set up an appointment. Respondents could choose the time and place. Typically, meetings with elected politicians were held in the local GP office; ordinary citizens were usually interviewed in their homes or at another location such as a shop, for those who ran small businesses.

West Bengal held GP elections in June 2018, but the results were not declared until September 2018. The new councils officially took over the governance roles (and the new *Pradhan* was elected from the set of elected members) in October 2018. Our surveys and experimental sessions were conducted in September–October 2018, after the results had been announced but before the new council had officially taken charge. Thus, for the purposes of the current study, the inexperienced (first time elected) politicians were truly inexperienced and had not been socialized into politics.

#### **3.2.1** Experimental Tasks

Each session with the sampled politicians and members of the public started with the respondents participating in a series of incentivized experiments, in order: (1) the dictator game, which we use as a measure of generosity (Forsythe *et al.* (1994); (2) an ultimatum game, which measures respondents' notions of fairness (Güth *et al.* (1982)); (3) a trust game, designed to measure trust and trustworthiness (Berg *et al.* (1995)); (4) a public goods games with a punishment option, to capture cooperation and norm enforcement (Ledyard (1995), Chaudhuri (2011)); (5) an investment decision task, to shed light on risk attitudes (Gneezy and Potters (1997)); (7) a die throwing task designed to test for dishonesty and corruption (Fischbacher and Föllmi-Heusi (2013)).

See Appendix 1 for a brief description of the Experimental Tasks and Appendix 2 for the experimental Instructions.

Given the salience of corruption or dishonesty as a key attribute of politician quality, it was particularly important to find a credible metric of corruption, so we discuss the die throwing task (7) in greater detail. Each participant is given an unbiased 6-sided die, asked to toss it 30 times (in private) and then report the number of sixes obtained. Participants receive a small sum of money for each six reported. These payments are made purely on the basis of self-reporting: the participants are not monitored, and we make this clear to them. Our analytical approach consists of comparing the distribution of sixes reported by the three groups of respondents in our study.

Voluminous evidence validates the use of the die-tossing task (or variants of it, where participant earnings depend on self-reported outcomes) as a reliable measure of dishonesty and/or corruption—at the level of individuals, as well as at the macroeconomic level. Several studies have used variants of this task to examine dishonesty among segments of the Indian population. Banerjee *et al.* (2015) report that the degree of untruthful reports is significantly higher among Indian students who are preparing to enter the country's civil service, which is known for endemic corruption, compared to students preparing for private-sector jobs. Hanna and Wang (2017) find a similar lack of truthfulness among students preparing to enter the Indian civil service, and a positive correlation between untruthful reports and absenteeism among public hospital nurses. Finally, using a behavioral experiment which combined a standard dieroll task with Bluetooth technology, Kröll and Rustagi (2017) measured honesty among milkmen in Delhi at both extensive and intensive margins. They then bought milk from

the same milkmen, and found that cheating in the field, measured by the amount of water added to milk, was significantly and positively correlated with the milkman's degree of dishonesty.<sup>10</sup>

With the exception of the investment decision task and the die-throwing task (which are individual decision-making tasks), in all the other tasks, participants play both roles of first mover and second mover.<sup>11</sup> For all of the paired games, we rely on the *strategy method* for eliciting responses. This implies that all interactions are carried out on a one-on-one basis between the enumerator and the participant. Once all responses have been recorded, we match participants *ex-post*. We first decide, by a coin toss, whether a given participant will be paid for the first mover role or the second mover role. We then match the set of first movers with the set of second movers, to determine cash payments. Participants do not know whom they will be matched with: a politician could be matched with another politician or with an ordinary citizen. Respondents are matched across GPs; participants are not informed about their earnings in-between tasks, to ensure that there are no potential wealth effects. On average, the participants earned Rs. 800.<sup>12</sup>

<sup>&</sup>lt;sup>10</sup> For similar evidence connecting behavior in the die-tossing task (or variants thereof) with other measures of corruption/dishonesty in other countries, see Dai *et al.* (2017), Cohn *et al.* (2014), Cohn *et al.* (2015), Cohn and Maréchal (2019). Gächter and Schulz (2016) and Olsen *et al.* (2019) have conducted cross-sectional studies to examine how behaviour in the die-tossing task is correlated with country-level measures of corruption such as the Corruptions Perceptions Index. They find that citizens of more (less) corrupt countries tend to be less (more) truthful in reporting their die-tossing task.

<sup>&</sup>lt;sup>11</sup> In the dictator game, whereas the second mover has no decision to make, there is one pairing where the participant makes the allocation decision, while in another pairing the participant is the passive recipient.

<sup>&</sup>lt;sup>12</sup> This is equivalent to approx. USD \$37 using the PPP exchange rate available at https://data.oecd.org/conversion/purchasing-power-parities-ppp.htm. As of 2018, elected GP members in West Bengal are paid a monthly stipend of Rs. 1000. For the GP councillors who participated in our experimental sessions, earnings were therefore close to a month's regular stipend.

#### 3.2.2 Our survey data

Upon completion of the experimental part, we administered an extensive postexperiment survey to elicit information on (*i*) demographic and socio-economic characteristics of the participants and their households; (*ii*) self-efficacy; (*iii*) selfesteem (or self-confidence);<sup>13</sup> (*iv*) political aspirations; (*v*) degree of trust in political institutions; and (*vi*) attitudes towards nepotism and corruption.<sup>14</sup> Finally, to measure cognitive ability, each participant took part in a Raven's Progressive Matrices test (Appendix 3).<sup>15</sup> An average session lasted for 90 minutes, including the experimental tasks and the survey.

#### 4. Results

Our primary interest lies in understanding selection and who gets elected to political office in local-level politics. If the *negative selection hypothesis* holds, we expect those who are already corrupt to gravitate towards political office. In that case, we expect neophyte politicians to be more dishonest and less pro-social than ordinary citizens. Exposure to political office should play a limited role, so we would not expect to find a sharp difference between inexperienced and experienced politicians. By contrast, if selection is driven by the Actonian *positive selection hypothesis*, we would expect those who choose to run for office to be more honest and less corrupt than members of the public, or that there are no differences. For the broader interpretation of positive

<sup>&</sup>lt;sup>13</sup> Our self-esteem and self-efficacy measures are abridged and modified variants of the Rosenberg Selfesteem Scale (Rosenberg (1965)) and of Rotter's Locus of Control Questionnaire (Rotter (1966)).

<sup>&</sup>lt;sup>14</sup> This is done using vignettes (see Truex (2011)). For details, see Section 4.3.2.

<sup>&</sup>lt;sup>15</sup> Raven progressive matrices tests are well-suited for measuring cognitive ability in low-income settings, as they capture 'the capacity to think logically and solve problems in novel situations, independent of acquired knowledge' (Mani *et al.* (2013)) and their claimed neutrality to variation in educational experience. In implementing Raven's tests, we closely followed the protocol used by Mani *et al.* (2013).

selection, first-time politicians should, in addition, outperform ordinary citizens on positive attributes and other indicators of individual quality covered by our data. For pro-social preferences and other qualities, we expect some of this to deteriorate with time in office and greater exposure to the workings of political institutions. We thus expect inexperienced politicians to be more honest and pro-social than experienced politicians.

#### 4.1 Selection

A comparison of Columns 2 and 3 in Table 1 shows that, relative to ordinary citizens, inexperienced politicians are richer (they own more land), more educated (are less likely to have left school at the primary level (23 % vs. 10.8 %)) and are more likely to have political leaders in the family or extended family. Surprisingly, however, the average number of matrices correctly completed in the Raven's Progressive Matrices test was significantly lower for inexperienced politicians, relative to ordinary citizens.<sup>16</sup>

Table 2 shows that there are notable differences between inexperienced politicians and members of the public with respect to self-esteem. Inexperienced politicians are more likely to agree or strongly agree that they can get things done; they can defend an opinion; they get respect and can win an argument. Table 2 also suggests that inexperienced politicians are significantly more likely to agree or strongly agree with the statement that they are able to influence local government decisions and improve living conditions and the quality of public programs in the village. Relative to ordinary citizens, inexperienced politicians exhibit significantly greater trust in political institutions and leaders (including the *Pradhan*, the local MLA, and the local MP).

<sup>&</sup>lt;sup>16</sup> This result is in contrast to those in Dal Bó *et al.* (2019), who find that the cognitive ability of politicians is higher than that of non-politicians.

Finally, inexperienced politicians are significantly more likely to exhibit future political aspirations.

Table 3 presents summary statistics on choices made in the experimental tasks. We first discuss results for the die-tossing task, which is the key metric for dishonesty and corruption in our study. Recall that in the die-tossing task, participants are given an unbiased die, asked to retire to a private corner, roll the die 30 times and then report the number of sixes obtained. Participants are paid Rs 5 for each six reported. That there is no monitoring is an incentive to misreport in order to maximize earnings. As participants are tossing an unbiased die, over thirty rolls we would expect an average of five sixes. Figure 2 presents the distribution of the reported number of sixes by our three groups of interest.<sup>17</sup> On average, the reported number of sixes are 10.2 for ordinary citizens, 7.7 for inexperienced politicians and 8.5 for experienced politicians. The difference between the reported sixes of inexperienced politicians and citizens is highly significant (p < 0.01).<sup>18</sup>

In addition, relative to ordinary citizens, inexperienced politicians express a stronger preference for fairness (the minimum acceptable offer in the ultimatum game is significantly higher for inexperienced politicians). They are more trustworthy (in terms of returning money in the trust game as the second mover) and are more cooperative (they are more likely to contribute to the public good).

These descriptive statistics therefore support not only the Actonian positive selection hypothesis in terms of lower corruption on the part of inexperienced

<sup>&</sup>lt;sup>17</sup> We also present in Figure 2, a theoretical distribution of the draws of sixes from a simulation of 10,000 draws of an unbiased die.

<sup>&</sup>lt;sup>18</sup> Using the non-parametric Wilcoxon rank sum test, the number of sixes reported by inexperienced politicians is significantly smaller than that reported by citizens (|z| = 5.196; p < 0.01).

politicians, but also that in terms of human capital, wealth, self-esteem, self-efficacy, aspirations, and pro-social preferences.

#### 4.2 The role of experience

We next look at the effect of experience. Here, for each of Tables 1–3, we focus on Columns 3 and 4, which represent inexperienced and experienced politicians, respectively. Table 1 shows that, relative to inexperienced politicians, experienced politicians are significantly more likely to belong to Hindu general castes and are less likely to be non-Hindus. Inexperienced politicians are significantly more likely to be affiliated to AITC. Further, inexperienced politicians are significantly more likely than experienced politicians to have completed middle school, and are more likely to be female; on the other hand, they are significantly less likely to have completed secondary school or to have been a resident of the village for fewer years; they are younger and have lower cognitive ability as measured by the number of correct answers in the Raven's Test.

Table 2 indicates that, compared to experienced politicians, inexperienced politicians display greater trust in the Gram Pradhan and the local MP. Not surprisingly, they are more likely to be nervous when speaking at village council meetings; they also express greater political aspirations in terms of seeking public office in the future.

Finally, from the results presented in Table 3 we see that there is evidence that inexperienced politicians make difference choices compared to the experienced politicians in the experimental tasks.<sup>19</sup>

<sup>&</sup>lt;sup>19</sup> While using a t-test the difference in the number of reported 6's in the die throwing task is not significantly different between inexperienced and experienced politicians, using the non-parametric

#### 4.3 Regression Analysis

We now turn to formal regression analysis to check for the robustness of our nonparametric test results.

# 4.3.1 The selection issue: Do newly elected politicians differ from ordinary citizens?

To examine the selection question, we restrict the sample to ordinary citizens and inexperienced politicians. As noted, the inexperienced politicians (those elected for the first time in 2018) had not yet taken up office, and had thus not yet been socialized into politics. Therefore, comparing ordinary citizens and inexperienced politicians informs us about selection into politics. The estimating equation takes the following form:

$$y_{iv} = \alpha_0 + \alpha_1 \mathbf{X}_{iv} + \varepsilon_{iv} \tag{1}$$

The dependent variable takes the value of 1 if the individual is an inexperienced politician, and the value 0 if not. We present results corresponding to different specifications. In Column 1, we include only socio-economic and demographic characteristics: age, gender, highest level of education attained (the reference category is "less than primary schooling"), caste and religion (with "Muslim" as reference category), land ownership, primary occupation, number of political leaders in the extended family, cognitive ability (measured using the Raven's Test) and party affiliation.<sup>20</sup> In Column 2, we add variables that capture efficacy, self-esteem, trust in political institutions, and future political aspirations. In Column 3, we include

Wilcoxon rank sum test, the number of sixes reported by inexperienced politicians is significantly lower than that reported by experienced politicians (|z| = 2.182; p < 0.03).

<sup>&</sup>lt;sup>20</sup> For ordinary citizens, we use self-reported party affiliation. For politicians, we use the party that nominated them. In West Bengal, unlike in many other parts of India, parties contest GP elections.

behavioral characteristics (proportion sent in the Dictator Game, the Ultimatum Game, and the Trust Game, minimum acceptable offer in the Ultimatum Game, average trustworthiness, contribution to the public good, proportion invested in the risky asset in the Investment Game, and, finally, the reported number of sixes in the die-throwing task).<sup>21</sup>

The regression results generally corroborate the differences in means reported in Tables 1–3. While not all the regressors are significant in every specification, the evidence indicates that inexperienced politicians are marginally more likely to own more land, have more political activists in their families, and have lower scores on the Raven's test. They believe that they can get things done and influence local government decisions. These effects are considerable: around 25 percentage points for the former (get things done) with differences of around 16–21 percentage points for the latter (influence government decisions). Inexperienced politicians are marginally more likely to trust the Gram Pradhan and significantly more likely to trust the local MP (almost 20 percentage points more than among ordinary citizens). Not surprisingly, inexperienced politicians are 32–34 percentage points more likely to express future political aspirations, i.e. exhibit a significantly greater desire to run for office in the future. Turning to the experimental tasks, inexperienced politicians, on average, report significantly fewer sixes compared to citizens in the die-tossing task, and make more generous offers in the dictator game.<sup>22</sup> The evidence here also reinforces the impression

<sup>&</sup>lt;sup>21</sup> In the results presented in Table 4, standard errors are clustered at the GP level. The results remain unaffected if instead we use Wild cluster bootstrapped standard errors. These results are available on request. The within block estimates (regressions with block fixed effects) are qualitatively similar to those presented in Table 3 (of course different in terms of the actual magnitudes). The estimated effect of the reported # of 6's is, however, now only marginally significant. These results are also available on request. <sup>22</sup> The difference in minimum acceptable offers in the ultimatum game and contribution to the public

good lose their statistical significance when we control for co-variates.

from Section 4.1 in favor of the positive selection hypothesis. On a range of measures, inexperienced politicians appear to be more pro-social and more trusting of institutions than ordinary citizens.

The female dummy is statistically significant in the regression results presented in Table 4. To see whether the selection patterns differ between males and females, we estimate equation (1) separately for males and females. The estimated coefficients and 90% confidence intervals are presented in Figure 3. The different characteristics do not differentially affect the likelihood of selecting into politics for men and women.

#### **4.3.2** The role of experience

In Table 5, we present results concerning the question of experience. Here, we examine whether time in office (experience) changes politicians' behaviour, their attitudes towards corruption and nepotism, trust in institutions, self-esteem, efficacy, and aspirations. Our regression specification takes the following form:

$$y_{iv} = \beta_0 + \beta_1 \text{Experienced} + \gamma \mathbf{X}_{iv} + \varepsilon_{iv}$$
<sup>(2)</sup>

Here  $y_{iv}$  is the outcome variable of interest for politician *i* in village council (GP) *v*; Experienced is a dummy variable that takes the value of 1 if the politician is experienced. **X**<sub>*iv*</sub> denotes a vector of individual characteristics of each politician. These are gender, age, educational attainment (reference category: not above primary schooling), caste/religion (reference category: Muslim), land ownership, primary occupation, total number of political leaders in the family and whether the politician was elected to a reserved seat.

In Panel A of Table 5, we compare experienced and inexperienced politicians in terms of pro-sociality as measured by behavior in the experimental tasks. The results indicate that while time in office does not have a significant effect on any of the measures of pro-sociality, experienced politicians emerge as significantly more dishonest relative to inexperienced politicians. Specifically, experienced politicians report on average one more six in 30 draws of the unbiased dice (see column 4 in Panel A of Table 5).

In Panel B of Table 5, we examine whether the observed results on dishonesty are consistent with self-reported attitudes towards nepotism and corruption between experienced and inexperienced politicians. Our survey facilitates an examination of these attitudes. Specifically, participants were asked to respond on a 5-point Likert scale (ranging from strongly disagree to strongly agree) to each of the following vignettes:

- 1. It is acceptable for a shopkeeper to offer a politician a small gift to help keep the tax auditor away;
- 2. It is acceptable for a businessman to give a job in a family firm to a family member even though other applicants are more qualified;
- 3. It is acceptable for a government employee to give a government job to a family member even though other applicants are more qualified;
- 4. It is acceptable for a male politician to give a government job to a family member even though other applicants are more qualified;
- 5. It is acceptable for a female politician to give a government job to a family member even though other applicants are more qualified;
- 6. It is acceptable for a government employee to ask a schoolteacher for a small gift in exchange for approving his BPL card without proper documentation;
- 7. It is acceptable for a politician to ask a schoolteacher for a small gift in exchange for approving his BPL card without proper documentation.

We estimate a version of equation (2) where the outcome variables  $(y_{iv})$  are dummy variables that take the value 1 if the participant "strongly disagrees" or "disagrees" with the statement in the vignette. The regression results are presented in Panel B of Table 5. We find no systematic pattern in how experience affects attitudes towards corruption and nepotism: the experienced politician dummy is never statistically significant. This suggests that, while there is a significant difference as to *corrupt behavior* (as measured by the number of sixes reported in the die-tossing game) there are no significant differences in *professed attitudes towards corruption and nepotism* between experienced and inexperienced politicians.<sup>23</sup>

Attitudes towards corruption may be shaped by (and shape) the trust that politicians express towards political institutions and other politicians. To explore trust in local political institutions (GP and head of the village council), and in the local representatives in the state legislative assembly (MLA) and parliament (MP), we reestimate equation (2) using responses to the questions that measure trust in local political institutions as outcome variables. The relevant dependent variables in columns 1 through 4 of Panel C in Table 5 are dummies that take the value 1 if the participant responds by saying "almost always" or "most of the time". There is no evidence of significant differences in trust in political institutions between experienced and inexperienced politicians. Additionally, as the results in column 3 of Panel A of Table 5 show, there is no evidence that time in office has an effect on generalized trust, captured by the amount sent in the trust task.<sup>24</sup> Taken together, the descriptive statistics presented in Section 4.2 and the regression results presented in this section indicate that, compared to inexperienced politicians, experienced politicians are more dishonest (report more sixes in the die-tossing game) and express less trust in political institutions and leaders.

<sup>&</sup>lt;sup>23</sup> Such cognitive dissonance between *professed attitudes* and *actual behavior* is well-established (see, for example, Chaudhuri (2009)).

<sup>&</sup>lt;sup>24</sup> In Chaudhuri *et al.* (2020), we examine whether and how a gender gap in dishonesty among elected representatives change with time in office. While we find little evidence of a gender gap in the attitudes of inexperienced politicians, lower faith in political institutions and greater disapproval of corruption can be seen among experienced politicians, particularly women. However, this apparent hardening of attitudes among female politicians also coincides with more dishonest behavior in our experiments.

#### **4.3.3 Reservations: a possible channel to explain our results**

One important result, of strong positive selection, stands out. Overall, politicians, particularly inexperienced ones, emerge as more pro-social and honest than the ordinary citizens in our sample. It is our conjecture that these more favorable characteristics among politicians may be connected to the high turnover in these positions, perhaps reflecting the low remuneration for holding positions in village politics combined with the rotation of reserved seats, which often bars incumbents from running for re-election (see Jensenius (2017), Maitra (2020)). This could indicate that, at lower levels of politics in India, a new and different breed of politicians is (regularly) getting elected. To examine this, we ask whether politicians elected to reserved seats are different in terms of their behavioral characteristics, trust in institutions, self-esteem, efficacy, and aspirations. We consider the following regression:

$$y_{iv} = \alpha_0 + \alpha_1 \text{Reserved} + \delta \mathbf{X}_{iv} + \varepsilon_{iv}$$
(3)

Here  $y_{iv}$  is the outcome variable of interest for politician *i* in village council (GP) *v*; Reserved is a dummy variable that takes the value 1 if the politician is elected to a reserved seat.  $\mathbf{X}_{iv}$  denotes a vector of individual characteristics for each politician. These are gender, age, educational attainment (reference category: no more than primary schooling), caste/religion (reference category: Muslim), land ownership, primary occupation and total number of political leaders in the family.

The regression results are presented in Table 6. Candidates elected to reserved seats are more pro-social. They have a greater predisposition to fairness: the minimum acceptable offer in the ultimatum game is higher, as is the average amount sent in the dictator game. They also exhibit greater trust in political institutions (local MLA and local MP) to do the right thing compared to candidates elected to open seats.<sup>25</sup> Politicians in reserved seats also have somewhat higher Raven scores than those in unreserved constituencies, though the difference is not statistically significant. These findings indicate that political reservations contribute to the positive selection results reported in this study.

## 5. Concluding remarks

This study was motivated by the wish to understand the attitudes and motivations of those who are elected to political office, particularly for the first time. By and large, we find evidence in favor of what we call the *positive selection hypothesis*. Compared to both ordinary citizens and experienced politicians, persons who enter political office for the first time are more honest, generous, and cooperative; they have a greater sense of fairness, greater confidence in their ability to make a difference, and greater trust in political institutions and leaders. However, we also find evidence indicating that this optimism gradually wears off, so that experienced politicians are less honest than neophytes. Of course, this result must be treated with caution, as our data are not longitudinal; while we are comparing a group of recently elected inexperienced politicians with a different group of experienced politicians, our results are robust to controlling for a wide range of possible confounds.

Our evidence indicates that those who are elected into local-level politics are more honest than the citizenry at large. While this goes beyond the findings of Dal Bó *et* 

<sup>&</sup>lt;sup>25</sup> Using more detailed measures of reservation (gender reserved (UR (W)), caste reserved (SC, ST, OBC), and caste and gender reserved (SC (W), ST (W), OBC (W)), we find that gender reserved candidates are significantly less dishonest compared to unreserved candidates, whereas caste and gender reserved candidates are significantly more pro-social than are unreserved inexperienced candidates. These results are available on request from the authors.

*al.* (2019), our other results are consistent with their overall findings and provide a fairly optimistic portrayal of Indian politicians. It is difficult to compare our results directly with the findings of Fisman *et al.* (2014) and Vaishnav (2017), as they work with different types of data and with politicians at higher levels of elected office. Additionally, they do not have a citizen sample to compare and are thus silent on the selection question.

Specifically, we find evidence that inexperienced politicians elected from reserved seats are more positively selected than their unreserved counterparts. It thus appears that seat reservations at this level of Indian politics generate results in the selection of candidates who are less entrenched in existing political networks and therefore tend to be more pro-social. Bills have been introduced to implement reservation for women at the higher tiers, in addition to the reserved seats for SCs and STs, but these have not been enacted into law. Although we do not mean to suggest that reservations can be a panacea, our evidence seems to indicate that, at least in the Indian context, seat reservation may lead to positive selection of candidates—a topic we hope that future research will examine in greater detail.

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			Politician		Difference	
	All	Citizen	Inexp	Exp	Citizen – Inexp	Inexp – Exp
	(1)	(2)	(3)	(4)	(5 = 2 - 3)	(6 = 4 - 3)
Hindu General Caste	0.128	0.100	0.103	0.166	-0.003	-0.063*
	(0.334)	(0.302)	(0.304)	(0.373)		
Hindu OBC	0.098	0.080	0.097	0.107	-0.017	-0.010
	(0.298)	(0.273)	(0.297)	(0.310)		
Hindu ST	0.012	0.000	0.021	0.010	-0.021	0.011
	(0.109)	(0.000)	(0.142)	(0.099)		
Hindu SC	0.334	0.390	0.297	0.341	0.093	-0.044
	(0.472)	(0.490)	(0.458)	(0.475)		
Non-Hindu	0.428	0.430	0.482	0.376	-0.052	0.106**
	(0.495)	(0.498)	(0.501)	(0.485)		
Landowner	28.528	15.350	27.928	35.527	-12.578*	-7.599
	(59.072)	(47.287)	(63.146)	(59.361)		
AITC			0.928	0.707		0.221***
			(0.259)	(0.456)		
Reserved			0.815	0.795		0.020
			(0.389)	(0.405)		
Leaders in family	0.158	0.030	0.205	0.176	-0.175***	0.030
	(0.416)	(0.171)	(0.496)	(0.406)		
Leaders in extended family	0.136	0.040	0.169	0.151	-0.129**	0.018
	(0.504)	(0.197)	(0.563)	(0.544)		
Primary schooling or less	0.114	0.230	0.108	0.063	0.122***	0.044
	(0.318)	(0.423)	(0.311)	(0.244)		
Completed middle school	0.508	0.490	0.564	0.463	-0.074	0.101**
	(0.500)	(0.502)	(0.497)	(0.500)		
Completed secondary school	0.378	0.280	0.328	0.473	-0.048	-0.145***
	(0.485)	(0.451)	(0.471)	(0.501)		
Years resident in village	31.086	28.870	27.882	35.215	0.988	-7.333***
	(16.234)	(14.767)	(15.804)	(16.491)		
Age	40.844	37.280	38.662	44.659	-1.382	-5.997***
	(11.017)	(12.738)	(9.527)	(10.318)		
Female	0.502	0.500	0.569	0.439	-0.069	0.130***
	(0.500)	(0.503)	(0.496)	(0.497)		
Number correct in Raven's Test	4.144	4.530	3.631	4.444	0.899***	-0.813***
	(2.121)	(2.307)	(1.991)	(2.059)		
Sample size	500	100	195	205		

## **Table 1: Demographic and Socioeconomic Characteristics**

**Notes:** Figures in parenthesis are standard deviations. Inexperienced politicians include newly/first time elected politicians; Experienced politicians include re-elected and outgoing politicians. Significance: \* p < 0.10; \*\* p < 0.05; \*\*\* p < 0.001.

	All	Citizen	Politician		Difference	
			Inexp	Exp	Citizen – Inexp	Inexp – Exp
	(1)	(2)	(3)	(4)	(5 = 2 - 3)	(6 = 3 - 4)
Self-esteem"	0.016	0.710	0.054	0.000	0 0 4 4 * * *	0.027
Get things done. Agree	0.916	0.710	0.954	0.980	-0.244***	-0.027
Normous shout speaking A gree	(0.278)	(0.456)	(0.210)	(0.139)	0 175***	0 107**
Nervous about speaking. Agree	(0.465)	(0.416)	(0.393	(0.454)	-0.175	0.107
Defend oninion Agree	(0.403)	(0.410)	(0.490)	(0.434)	_0 198***	0.015
Detend opinion. Agree	(0.402)	(0.465)	(0.500)	(0.501)	-0.170	0.015
Get respect Agree	0.910	0 790	0.938	0.941	-0 148***	-0.003
	(0.286)	(0.409)	(0.241)	(0.235)	0.110	0.000
Win arguments. Agree	0.440	0.320	0.451	0.488	-0.131**	-0.037
	(0.497)	(0.469)	(0.499)	(0.501)		
Self-efficacy <sup>b</sup>	. ,	. ,	. ,			
Influence local government decisions. Agree	0.794	0.560	0.841	0.863	-0.281***	-0.022
	(0.405)	(0.499)	(0.367)	(0.344)		
Improve living conditions in village. Agree	0.882	0.740	0.897	0.937	-0.157***	-0.039
	(0.323)	(0.441)	(0.304)	(0.244)		
Improve quality of public programs. Agree	0.756	0.530	0.810	0.815	-0.280***	-0.004
	(0.430)	(0.502)	(0.393)	(0.390)		
Improve living conditions of family. Disagree	0.636	0.540	0.626	0.693	-0.086	-0.067
	(0.482)	(0.501)	(0.485)	(0.463)		
Improve respect for family. Agree	0.846	0.700	0.892	0.873	-0.192***	0.019
	(0.361)	(0.461)	(0.311)	(0.334)		
Trust in political institutions <sup><math>c</math></sup>						
Trust GP	0.916	0.820	0.944	0.937	-0.124***	0.012
	(0.278)	(0.386)	(0.231)	(0.244)		
Trust Pradhan	0.902	0.780	0.964	0.902	-0.184***	0.076**
	(0.298)	(0.416)	(0.187)	(0.297)		
Trust MLA	0.596	0.390	0.662	0.634	-0.272***	0.084
	(0.491)	(0.490)	(0.474)	(0.483)	0.272	0.0001
Trust MP	0.448	0.200	0.518	0.502	-0 318***	0 089*
	(0.498)	(0.402)	(0.501)	(0.501)	0.510	0.009
Agning politing	(0.+90)	(0.+02)	(0.501)	(0.301)		
Aspire politics	0.622	0.150	0.905	0 (79	0 (55	0 1 <b>07</b> 444
rian to run for office in future. Yes	0.022	0.150	0.805	0.0/8	-0.033	0.12/***
	(0.485)	(0.359)	(0.397)	(0.468)		
Sample Size	500	100	195	205		

 Table 2: Summary Statistics on Efficacy, Self Esteem, Trust in Institutions, and Political Aspirations.

**Notes:** Figures in parentheses are standard deviations. Inexperienced politicians include newly/first-time elected politicians; Experienced politicians include re-elected and outgoing politicians. <sup>*a*</sup>: Respondents were asked to answer on a 5-point Likert scale (*a lot, a moderate amount, a little, none at all, don't know*). <sup>*b*</sup>: Respondents were asked to answer on a 5-point Likert scale (*strongly disagree, disagree, neutral, agree, strongly agree*). <sup>*c*</sup>: Respondents were asked to answer on a 5-point Likert scale (*strongly disagree, disagree, neutral, agree, strongly agree*). <sup>*c*</sup>: Respondents were asked to answer on a 5-point Likert scale (*almost always, most of the time, only some of the time, almost never, don't know*). Significance \*\*\* p<0.01, \*\* p<0.05, \* p<0.1

#### Table 3: Summary Statistics on choices made in experimental tasks

			Polit	Politician		rence
	All	Citizen	Inexp	Exp	Citizen –	Inexp –
					Inexp	Exp
	(1)	(2)	(3)	(4)	(5 = 2–3)	(6 = 3 - 4)
Dictator Offer	61.020	61.000	60.256	61.756	0.744	-1.500
	(21.598)	(17.724)	(22.984)	(22.026)		
Ultimatum Offer	53.180	52.800	53.436	53.122	-0.636	0.314
	(16.426)	(13.263)	(16.559)	(17.713)		
Minimum Acceptable Offer	47.340	41.700	49.026	48.488	-7.326**	0.538
	(28.649)	(20.403)	(30.656)	(29.872)		
Trust Offer	59.960	58.600	60.103	60.488	-1.503	-0.385
	(20.853)	(16.454)	(21.824)	(21.868)		
Average Trustworthiness	0.414	0.379	0.427	0.418	-0.048**	0.009
	(0.204)	(0.209)	(0.200)	(0.205)		
Contribution to the Public Good	0.606	0.500	0.621	0.644	-0.121**	-0.023
	(0.489)	(0.503)	(0.487)	(0.480)		
Amount Invested in Risky Asset	61.010	60.350	59.103	63.146	1.247	-4.044
	(29.005)	(29.355)	(27.617)	(30.102)		
Reported Number of 6s	8.540	10.220	7.708	8.512	2.512***	-0.805
	(5.155)	(5.306)	(4.914)	(5.1300		
Sample Size	500	100	195	205		

**Notes:** Figures in parentheses are standard deviations. Inexperienced politicians include newly/first time elected politicians; Experienced politicians include re-elected and outgoing politicians. Significance: \* p < 0.10; \*\* p < 0.05; \*\*\* p < 0.001.

	(1)	(2)	(3)
Female	0.148**	0.090**	0.057
	(0.062)	(0.044)	(0.047)
Completed middle school	0.133	0.098	0.074
	(0.084)	(0.075)	(0.061)
Completed secondary school	0.132	0.059	0.045
	(0.085)	(0.076)	(0.062)
Age	0.002	0.003	0.002
	(0.003)	(0.003)	(0.002)
Hindu General Caste	0.005	0.050	0.027
	(0.077)	(0.078)	(0.078)
Hindu OBC	0.037	0.083	0.061
	(0.078)	(0.073)	(0.059)
Hindu SC or ST	-0.014	-0.025	-0.011
	(0.080)	(0.055)	(0.055)
Landowner	0.000	0.000*	0.000
	(0.000)	(0.000)	(0.000)
Primary occupation: self-employed farming	-0.085	-0.110	-0.076
	(0.079)	(0.078)	(0.071)
Primary occupation: self-employed non-farm activities	0.068	0.024	0.014
	(0.082)	(0.067)	(0.058)
Primary occupation: domestic duties	-0.058	-0.071	-0.028
	(0.065)	(0.059)	(0.056)
Total number of leaders in family	0.089**	0.030	0.008
	(0.034)	(0.031)	(0.022)
Raven's Test score	-0.019	-0.031**	-0.026***
	(0.015)	(0.011)	(0.009)
Affiliation AITC	0.583***	0.251***	0.296***
	(0.079)	(0.076)	(0.073)
Get things done. Agree		0.253***	0.249***
		(0.062)	(0.058)
Nervous speaking. Agree		0.032	0.046
		(0.060)	(0.050)
Defend opinion. Agree		0.040	0.065
		(0.047)	(0.040)
Get respect. Agree		-0.041	-0.058
		(0.071)	(0.077)

# Table 4: Selection into Politics—Citizens vs Inexperienced Politicians

Win arguments. Agree		0.055	0.060
		(0.038)	(0.040)
Influence local government decisions. Agree		0.156***	0.208***
		(0.046)	(0.051)
Improve living conditions in village. Agree		-0.065	-0.065
		(0.063)	(0.068)
Improve quality of public programs. Agree		0.019	-0.004
		(0.064)	(0.068)
Improve living conditions of family. Disagree		0.021	0.017
		(0.050)	(0.048)
Improve respect for family. Agree		-0.013	-0.004
		(0.061)	(0.046)
Trust GP		0.052	0.059
		(0.069)	(0.074)
Trust Pradhan		0.117*	0.115
		(0.065)	(0.072)
Trust MLA		-0.044	-0.015
		(0.067)	(0.053)
Trust MP		0.196**	0.176***
		(0.084)	(0.061)
Aspire politics. Yes		0.338***	0.315***
		(0.066)	(0.070)
Dictator offer			0.003**
			(0.001)
Ultimatum offer			-0.001
			(0.001)
Trust offer			0.001
			(0.001)
Average proportion returned in Trust game			-0.084
			(0.179)
Reported number of 6s in die-throwing task			-0.019**
			(0.008)
Contribute to Public Good			-0.033
			(0.040)
Proportion invested in Risky Asset			0.000
			(0.001)
Minimum Acceptable Offer in Ultimatum Game			0.001
			(0.001)
Constant	0.013	-0.329**	-0.357**
	(0.168)	(0.153)	(0.161)

Sample Size	295	295	295

**Notes:** Dependent variable = 1 if the individual was elected to office for the first time, 0 otherwise. Sample includes citizens and inexperienced (newly/first-time elected) politicians. Standard errors, clustered at the GP level are presented in parentheses. Significance: \* p < 0.10; \*\* p < 0.05; \*\*\* p < 0.001.

	(1)	(2)	(3)	(4)	(5)	(6)	(7)
Panel A: Decisions in Experim	nental Tasks						
	Dictator offer	Trust offer	Average	Reported # 6	Ultimatum	Minimum	Proportion invested
			Trustworthiness		Offer	Acceptable Offer	in Risk game
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
Experienced Politician	0.577	1.232	-0.0117	1.071**	1.644	0.855	5.084
	(2.140)	(1.934)	(0.0204)	(0.463)	(1.822)	(3.141)	(3.840)
Constant	58.56***	49.88***	0.544***	11.50***	46.45***	28.59*	62.07***
	(8.339)	(8.181)	(0.0778)	(2.184)	(7.040)	(14.77)	(11.49)
Panel B: Attitudes to Corruption	on						
	[1]	[2]	[3]	[4]	[5]	[6]	[7]
Experienced Politician	-0.0401	0.00739	0.0355	-0.0341	0.009	0.0003	0.0288
	(0.0312)	(0.0380)	(0.0245)	(0.0394)	(0.0211)	(0.0265)	(0.0195)
Constant	0.522***	0.660***	0.626***	0.648***	0.647***	0.777***	0.732***
	(0.133)	(0.131)	(0.135)	(0.127)	(0.105)	(0.0870)	(0.0850)
Panel C: Trust in Institution							
	GP	Pradhan	MLA	MP			
Experienced Politician	-0.00717	-0.0487	-0.0321	-0.0272			
	(0.0187)	(0.0291)	(0.0485)	(0.0586)			
Constant	0.834***	0.814***	0.539***	0.206			
	(0.0879)	(0.0974)	(0.177)	(0.199)			
Sample Size	400	400	400	400			

#### Table 5: Time in Office, Trust in Institutions and Attitudes to Dishonesty and Corruption

**Notes:** Sample restricted to Inexperienced (newly/first-time elected) and Experienced (re-elected and outgoing) politicians. Corruption vignettes in Panel B: [1] It is acceptable for a shopkeeper to offer a politician a small gift to help keep the tax auditor away; [2] It is acceptable for a businessman to give a job in a family firm to a family

member even though other applicants are more qualified; [3] It is acceptable for a government employee to give a government job to a family member even though other applicants are more qualified; [4] It is acceptable for a male politician to give a government job to a family member even though other applicants are more qualified; [5] It is ok for a female politician to give a government job to a family member even though other applicants are more qualified; [6] It is acceptable for a government employee to ask a schoolteacher for a small gift in exchange for approving his BPL card without proper documentation; [7] It is acceptable for a politician to ask a schoolteacher for a small gift in exchange for approving his BPL card without proper documentation; [7] It is acceptable for a politician to ask a schoolteacher for a small gift in exchange for approving his BPL card without proper documentation. Standard errors, clustered at the GP level are presented in parentheses. Significance: \* p < 0.10; \*\* p < 0.05; \*\*\* p < 0.001.

#### Table 6: Are Reserved Candidates Different?

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Panel A: Decisions in Ex	perimental Tasks							
	Dictator offer	Ultimatum	Trust offer	Average	Reported # 6	Contribution to	Proportion	Minimum
		Offer		Trustworthiness		Public Good	invested in	Acceptable
							risky asset	Offer
Reserved	7.877*	2.234	3.251	0.002	0.254	0.046	7.490	10.613*
	(4.592)	(2.805)	(4.092)	(0.046)	(0.791)	(0.094)	(5.987)	(5.673)
Constant	59.332***	58.271***	71.547***	0.314**	8.228***	0.083	72.435***	45.562**
	(8.799)	(9.677)	(12.277)	(0.141)	(2.601)	(0.244)	(17.027)	(16.657)
Panel B: Self-efficacy								
	Influence:	Improve:	Improve:	Improve: Living	Improve:			
	Local	Living	Quality of	Conditions of	Respect for			
	Government	Conditions of	Public	Family. Disagree	Family.			
	Decisions.	Village. Agree	Programs.		Agree			
	Agree		Agree					
Reserved	-0.117*	-0.055	0.001	0.043	-0.055			
	(0.064)	(0.055)	(0.065)	(0.076)	(0.045)			
Constant	0.947***	0.893***	0.723***	0.292	0.833***			
	(0.206)	(0.122)	(0.238)	(0.286)	(0.209)			
Panel C: Self-esteem						-		
	Get things	Nervous	Defend	Get Respect.	Win			
	Done. Agree	Speaking.	Opinion. Agree	Agree	Argument.			
		Agree			Agree			
Reserved	0.049	0.146	0.227*	-0.002	0.139			

	(0.044)	(0.113)	(0.116)	(0.054)	(0.122)	
Constant	0.718***	0.568**	0.636**	0.733***	0.364	
	(0.155)	(0.240)	(0.232)	(0.148)	(0.264)	
Panel D: Trust in Insti	tutions					
	Trust GP	Trust Pradhan	Trust MLA	Trust MP	Aspire	
					politics. Yes	
Reserved	0.029	0.084	0.190**	0.187*	-0.065	
	(0.050)	(0.058)	(0.080)	(0.107)	(0.054)	
Constant	0.767***	0.770***	0.404	0.086	0.701***	
	(0.119)	(0.127)	(0.277)	(0.250)	(0.169)	
Sample Size	195	195	195	195	195	

**Notes:** Sample restricted to Inexperienced (newly/first-time elected) politicians. Regressions control for a range of individual and household level demographic and socioeconomic variables. Standard errors, clustered at the GP level are presented in parentheses. Significance: \* p < 0.10; \*\* p < 0.05; \*\*\* p < 0.001.





Figure 2: Results from the die-tossing task Panel A: Citizen Sample



**Panel B: Inexperienced Politician Sample** 



**Panel C: Experienced Politician Sample** 



**Notes:** Theoretical Distribution computed using 10,000 throws of an unbiased die. The bars present the outcomes reported by the participants, while the lines present the theoretical distribution. The Empirical distribution gives the reported number of 6s by each group (citizen, inexperienced politician, experienced politicians). Inexperienced politicians include newly/first-time elected politicians; Experienced politicians include re-elected and outgoing politicians.



Figure 3: Gender Differences in Selection

**Notes:** Coefficient estimates and 90% confidence intervals from a gender-specific variant of equation (1) presented.

#### **For Online Publication**

#### **Appendix 1: Brief Description of Experimental Tasks**

**Dictator Game:** This is a paired task. First mover has an endowment of Rs. 100; second mover has no initial endowment. First mover decides how much of this Rs. 100 (*x*) to send to the second mover. Second mover has no decision to make. Payoff of the two players is given by the split chosen by the first mover (100-x, x). Amount sent by first mover is considered a measure of first mover's level of *generosity/altruism*.

**Ultimatum Game:** This is a paired task. First mover has an endowment Rs. 100; second mover has no initial endowment. First mover decides on a split of the initial endowment of Rs. 100 (100–x, x) The second mover can either accept or reject the offer. If second mover accepts, then each gets the split offered by first mover (first mover 100–x, second mover gets x). However, if second mover rejects, then both get 0. This game (and the second mover's decision to reject small offers) is often used a measure of notions of *fairness*.

**Trust Game:** This is a paired task. First mover has an endowment of Rs. 100; second mover has no initial endowment. First mover can choose to send  $x \in [0, 100]$  to second mover. The amount sent (*x*) sent is multiplied by 3 and this tripled amount (3*x*) is given to second mover. Second mover then decides whether to send anything back  $y (\in [0, 3x])$  to first mover. This latter amount is not multiplied. The payoff of the first mover is 100-x+y and the payoff of the second mover is 3x - y. Amount sent by first mover is considered a measure of *trust*; the proportion returned by second mover is considered a measure of *trustworthiness/reciprocity*.

**Public Goods Game with Punishment:** This is a paired task. Each player has an endowment of Rs. 100. Each player has a binary decision to make: contribute 0 or the entire endowment to a common pool. Contributions to the common pool are multiplied by 1.5 and then redistributed equally among the two players. The decision to contribute is used as a measure of a player's *cooperative tendencies*. There is a second, punishment, stage. Each player is given an additional endowment Rs. 25 and asked whether he/she wishes to use any or all of this in order to punish the other player. For every rupee given up in punishment, the other player is penalized by Rs. 3. So, if a player wishes to use Rs. x for punishment, then he/she is left with

20-x, while the other player loses 3x out of his/her pay-off from the first stage. The amount foregone in punishment is used as a measure of a player's willingness to punish a violator of the cooperative norm.

**Investment Task:** This is an individual decision-making task. Each player is given an endowment of Rs. 100 and has the option of investing any amount  $x \in [0, 100]$  into a project. The remaining amount 100-x goes into a safe private account. The project is risky. With probability 0.5, the project will be a success and return 3x; with probability 0.5, the project will fail and return 0. Thus, the expected payoff is 0.5(3x + (100-x)) + 0.5(100-x). There is a 50% chance that the project will succeed, and a 50% chance that the project will fail. Given that investments are multiplied by 3, a risk-neutral person would invest the entire Rs. 100 in the project. The actual amount invested is used to show each player's degree of *risk aversion:* the higher (lower) the amount investment, the less (more) risk averse that player is.

**Die-throwing Task:** This is an individual decision-making task. Each participant is given an unbiased die and is asked to roll the die 30 times in private, and then report how many 6s were obtained in those 30 rolls of the die. Participants are paid Rs. 5 for each 6 they report; there is no monitoring. The number of 6s reported in this task is our primary measure of *dishonesty*.

#### **Appendix 2: Instructions for experimental games**

#### Instructions

This is a study about market decision making. We are a group of university professors running the study and we are not connected to the government in any way. The results are for research purposes only, and neither government officials nor anyone else will have access to the material that we collect. You can think of the decisions you will be asked to make as a series of games where you are playing against another person. The instructions are simple. If you follow them closely and make appropriate decisions, you may earn a considerable amount of money. These earnings will be paid to you in rupees at the end of this session.

We will now ask you to make a series of decisions. There are others like you taking part. For most of these decisions, you will be paired with another person. We will call the players Player 1 and Player 2. We will not tell you who the person you are playing with is. In most of the games below, we will ask you to play once as Player 1 and once as Player 2. We will explain as we go along.

As you play this game, there is another person in a different location who is also answering the same questions with another researcher. Based on the decisions that both of you have made, we will determine your earnings from the game.

For each game, we will ask you to make a decision once as Player 1 and once as Player 2. In order to calculate your earnings, we will count your decision either as Player 1 or as Player 2. We will decide this by tossing a coin after the experiment is over. If as a result of the coin toss you are Player 1 you will be paid as Player 1 for all the games. Please understand that there is no special advantage to being either Player 1 or Player 2. The money you make depends on your decisions and the decisions made by the other player. Sometimes, Player 1 may make more; at other times, Player 2 may make more.

If you are ready, we will now proceed. You can stop me and ask questions at any time. You can also discontinue the study at any time, without providing an explanation.

#### Game 1

This game has two players: Player 1 and Player 2. We will ask you to make one decision as Player 1 and a second decision as Player 2.

#### <u>Part 1:</u>

You are <u>Player 1.</u> You are paired with Player 2, whom you do not know. Player 2 will be in a different location and will be answering the same set of questions.

You have Rs. 100.00

You can choose to keep the entire Rs. 100.00. Or, if you wish, you can split this with Player 2. For example, if you wish to give Rs. 50.00 to Player 2, then Player 2 will get Rs. 50.00, and you will get Rs. 50.00.

Please indicate your choice and I will fill in the form appropriately. You are welcome to look at the form while I do so. Please correct me if anything is entered wrongly.

Your choice	Amount you wish	Amount you wish	<b>Total Amount</b>		
(Choose only one)	to keep	to send to Player	(in Rs)		
	(in Rs)	2			
		(in Rs)			
	0	100	100		
	10	90	100		
	20	80	100		
	30	70	100		

#### Form for Recording Decisions for Game #1

40	60	100
50	50	100
60	40	100
70	30	100
80	20	100
90	10	100
100	0	100

# Part 2:

You are <u>Player 2.</u> You are paired with Player 1, whom you do not know. Player 1 will be in a different location and will be answering the same set of questions.

Player 1 has Rs. 100.00

Player 1 can keep the entire Rs. 100.00. Or, if he/she wishes, then he/she can split this with you. For example, if Player 1 wishes to give you Rs. 40.00, then Player 1 will get Rs. 60.00 and you will get Rs. 40.00.

You have no decision to make.

#### Game 2

This game has two players: Player 1 and Player 2. We will ask you to make one decision as Player 1 and a second decision as Player 2.

#### Part 1:

You are <u>Player 1.</u> You are paired with Player 2, whom you do not know. Player 2 will be in a different location and will be answering the same set of questions.

You have Rs. 100.00

You must now offer to split this Rs. 100.00 with Player 2. For example, you can say that you wish to give Rs. 40.00 to Player 2.

We will then ask Player 2 whether he/she wishes to accept or reject your offer. If Player 2 accepts then you get Rs. 60.00 and Player 2 gets Rs. 40.00.

However, if Player 2 rejects your offer, then both of you get Rs. 0.

Please indicate your choice and I will fill in the form appropriately. You are welcome to look at the form while I do so. Please correct me if anything is entered wrongly.

#### Form for Recording Decisions for Game #2

Your choice	Amount you wish	Amount you wish	Total amount
(Choose only one)	to keep	to send to Player	(in Rs)
	(in Rs)	2	
		(in Rs)	
	0	100	100

10	90	100
20	80	100
30	70	100
40	60	100
50	50	100
60	40	100
70	30	100
80	20	100
90	10	100
100	0	100

# **Part 2:**

You are **<u>Player 2.</u>** You are paired with Player 1, whom you do not know.

Player 1 has Rs. 100.00

The form below shows the different amounts Player 1 may give to you. Please tell us which amounts you would accept and which ones you would reject. Please choose Accept or Reject for each row.

Player 1's share	Player 2's (your) share	Accept/Reject
(in Rs)	(in Rs)	(Choose for every option)
100	0	
90	10	
80	20	
70	30	
60	40	
50	50	
40	60	
30	70	
20	80	
10	90	
0	100	

#### Game 3

This game has two players: Player 1 and Player 2. We will ask you to make one decision as Player 1 and a second decision as Player 2.

#### Part 1:

You are **<u>Player 1.</u>** You are paired with Player 2, whom you do not know. Player 2 will be in a different location and will be answering the same set of questions.

You have Rs. 100.00. Player 2 has Rs. 0.00.

You are free to keep the entire amount.

Or you can offer to send some money to Player 2. For example, you can say that you wish to send Rs. 40.00 to Player 2.

However, any amount of money that you offer to Player 2 will be TRIPLED by us and given to Player 2. For example, if you offer to give Rs. 40.00 to Player 2, then Player 2 will receive Rs. 120.00.

Player 2 can decide to keep the entire amount offered to him/her. Or Player 2 can, if he/she so wishes, send a part or all of that amount back to you. This latter amount will NOT be TRIPLED anymore.

You will earn (Rs. 100.00) **minus** (any amount you sent to Player 2) **plus** (any amount Player 2 sends back to you).

For example, if you send Rs. 40.00, then Player 2 gets Rs. 120.00. Suppose Player 2 sends back Rs. 60.00. Then you earn Rs. 100.00 minus Rs. 40.00 plus Rs. 60.00 = Rs. 120.00.

Player 2 earns Rs. 120.00 minus Rs. 60.00 = Rs. 60.00.

# Task 1:

Your choice	Amount you wish	Amount you wish	Player 2 will then
(Choose only one)	to keep	to send to Player	get
	(in Rs)	2	(in Rs)
		(in Rs)	
	0	100	300
	10	90	270
	20	80	240
	30	70	210
	40	60	180
	50	50	150
	60	40	120
	70	30	90
	80	20	60
	90	10	30
	100	0	0

## Task 2:

If you chose to send any amount to Player 2:

1. Are you expecting to get any money back? \_\_\_\_ YES \_\_\_\_ NO

2. How much money are you expecting to get back from Player 2? Rs.

Keep in mind the amount of money that you sent to Player 2 and the amount Player 2 received as shown above.

#### <u>Part 2:</u>

You are <u>Player 2</u>. You are paired with Player 1, whom you do not know. Player 1 will be in a different location and wii be answering the same set of questions.

You have Rs. 0. Player 1 has Rs. 100.00

As Player 2, you may receive an offer from Player 1. As Player 1 makes offers in Rs. 10.00 increments and the amount offered by Player 1 is tripled, the amounts that you can expect to receive are shown below.

Now as Player 2, you have to decide whether you wish to keep the entire amount given to you, or whether you wish to send some of it back to Player 1. Please make a choice for every row.

If amount received is	then you want to Keep	Amount you wish to send
(in Rs)	(in Rs)	back to Player 1
		(in Rs)
30		
60		
90		
120		
150		
180		
210		
240		
270		
300		

#### Game 4

This game has two players: Player 1 and Player 2. The decisions made by the two players are the same, so we will ask you to make only *one* decision in this game.

#### Part 1:

You are <u>Player 1.</u> You are paired with Player 2, whom you do not know. Player 2 will be in a different location and will be answering the same set of questions.

You have Rs. 100.00. Player 2 has Rs. 100.00

You are free to keep the entire amount. Or, if you wish, you can put the Rs. 100 into a common pool. Player 2 has the same options: either keep the entire Rs. 100 or put it all in a common pool.

Any money put in the common pool will be multiplied by 1.5, and then divided equally between Player 1 and Player 2.

There are four outcomes:

1. Neither of you sends any money. You will both end up with Rs. 100.

Both of you put Rs. 100 in the common pool. The common pool now has Rs. 200. This will be increased to Rs. 300. This will be divided equally, so each player gets Rs. 150.
 Player 1 puts Rs. 100 in the common pool but Player 2 does not. Rs. 100 is increased to Rs. 150 and divided equally. Player 1 will end up with Rs. 75, while Player 2 will end up with Rs. 175 (Rs. 100 that he/she kept plus Rs. 75 returned from the common pool).
 Player 2 puts Rs. 100 in the common pool but Player 1 does not. Player 2 will end up with Rs. 75, while Player 1 will end up with Rs. 75, while Player 2 will end up with Rs. 75, while Player 2 will end up with Rs. 75, while Player 1 will end up with Rs. 75, while Player 2 will end up with Rs. 75, while Player 1 will end up with Rs. 75, while Player 2 will end up with Rs. 75, while Player 1 will end up with Rs. 75, while Player 2 will end up with Rs. 75, while Player 1 will end up with Rs. 75, while Player 2 will end up with Rs. 75, while Player 1 will end up with Rs. 75, while Player 2 will end up with Rs. 75, while Player 1 will end up with Rs. 75 (Rs. 100 that he/she kept plus Rs. 75 (Rs. 100 that he/she kept plus Rs. 75)

### Incomes in the four scenarios

## Player 2 Choice (in Rs)

(Amount put in common pool)



Please indicate your choice and I will fill in the form appropriately. You are welcome to look at the form while I do so. Please correct me if anything is entered wrongly.

## Form for Recording Decisions for Part 1 of Game #4

Your choice	Amount you wish	Your income if	Your income if
(Choose one	to put in the	Player 2 puts in Rs	Player 2 puts in Rs
option)	common pool	0	100
	(in Rs)	(in Rs)	(in Rs)
	0	100	175
	100	75	150

### Part 2:

#### Answer this only if you put Rs. 100 in the common pool.

Suppose Player 2 did not put any money into the common pool. This means that you now have Rs. 75 and Player 2 has Rs. 175.

We will give you an additional Rs. 25. You can keep this Rs. 25, so that you will have Rs. 100.

But if you want to you can give up some or all of this Rs. 25. But for every rupee that you give up, we will take away Rs. 3 from Player 2. So, for example, if you give up Rs. 10, then we will take away Rs. 30 from Player 2. If you give up Rs. 25, then we will take away Rs. 75 from Player 2.

Please indicate your choice and I will fill in the form appropriately. You are welcome to look at the form while I do so. Please correct me if anything is entered wrongly.

#### Form for Recording Decisions for Part 2 Game #4

Do you wish to give up money?	YES/NO
If yes, how much are you willing to give	
up?	

#### Game 5

In this study, you will be given Rs 100. You have the opportunity to invest a portion of this amount (between Rs 0 and Rs 100).

There is an equal chance that the investment will fail or succeed. If the investment fails, you lose the amount you invested. If the investment succeeds, you receive 3 times the amount invested. You keep whatever you chose not to invest.

We will toss a coin to determine whether the investment fails or succeeds. If the coin comes up heads, the investment succeeds and you win three times the amount you chose to invest. If the coin comes up tails, the investment fails and you lose the amount invested.

For example, suppose you choose to invest Rs 50. You therefore keep Rs 50. A coin toss will determine whether your investment is successful. If the coin toss comes up heads, the project is successful. In this case, your earnings from the investment are+ Rs 150 and your total earnings from Study 4 are Rs (50.00 + 150.00) = Rs 200.00

If, on the other hand, the coin comes up tails, the project is not successful. In this case, your earnings from the investment are Rs 0 and your total earnings from Study 4 are Rs (50.00 + 0.00) = Rs 50.00.

# Form for Recording Decisions for Game 5

Total Amount	Rs 100	
Amount you wish to keep (in Rs)		
Amount you wish to invest (in Rs)		
Result of coin toss	Successful ( )     Unsuccessful ( )	

# Game 6

Here is a standard 6-sided die. Please go to the booth in the corner. Roll the die 30 times and then tell us the number of times you received a 6. You will get Rs 5 for each 6 you receive in the process.

# Form for Recording Decisions for Game 6

Total Number of 6s received	
Amount earned (in Rs)	

# Appendix 3: Raven's Matrix Task

Respondents must figure out which of the eight figures in the lower panel goes into the missing box to complement the other eight figures that appear in the top panel.

