

ESSAYS ON EMPIRICAL POLITICAL ECONOMICS

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**DEPARTMENT OF HUMANITIES & SOCIAL SCIENCES
INDIAN INSTITUTE OF TECHNOLOGY DELHI
MARCH 2017**

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ESSAYS ON EMPIRICAL POLITICAL ECONOMICS

by

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Submitted

in fulfilment of the requirements for the degree of Doctor of Philosophy

to the



INDIAN INSTITUTE OF TECHNOLOGY DELHI

MARCH 2017

CERTIFICATE

This is to certify that the thesis titled “**Essays on Empirical Political Economics**”, submitted by **Mr. Sitakanta Panda**, to the Indian Institute of Technology Delhi, for the award of the degree of **Doctor of Philosophy** in Economics is a bona fide record of original research work carried out by him under our supervision in conformity with the rules and regulations of the Institute. The results presented in this thesis have not been submitted, in part or full, to any other University or Institute for the award of any degree or diploma. We certify that we have read this dissertation and that, in our opinion, it is fully adequate in scope and quality as a dissertation for the degree of Doctor of Philosophy.

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ACKNOWLEDGEMENTS

There are many people I am deeply thankful to, for helping me in so many ways during my doctoral days at IIT Delhi. I begin with the two people with whom I have spent some of my life's most joyful moments. I am so earnestly grateful to two wonderful blokes, my advisors Ankush Agrawal and Sourabh Bikas Paul, for their unflinching guidance and support throughout the doctoral program. Without their kind help and timely advice, this study would not have been possible. It is not just about their supervision and scholastic help, their affection and friendship will be my life's treasure. Prof. Katharina Michaelowa (University of Zurich) provided me her unstinted advice and support during this thesis preparation. I am ever so grateful to her for many invaluable comments and helpful conversations as well as the moments of shared joys in Zurich and Delhi.

I owe my heartfelt gratitude for everything to a lot of people in my life; my *Maa* and *Bapa* (parents) being the foremost. My mother (late Pusalata Panda), and my father (Gobinda Chandra Panda) have always been my biggest source of strength. Their parental love for their lone child is the nicest takeaway from this birth of mine. Had they not instilled the traits of patience and resilience in me, I would not have been able to go through this life full of ups and downs thus far. For his parent-like role in my life, I am ever so grateful to my college professor Dr. Braja Mohan Mishra, *Sir*, thank you, thank you so much for your love and blessings, and for everything. I also owe oodles of gratitude to all in my extended family, especially my grandmothers (*Aai*) from both the parental sides. A special warm thank-you to Madhusmita, my wife, for keeping me sane and happy through these gruelling years. *Jayanta Sir* who has been a great source of inspiration and support since last many years, *Bharat Sir* who has been part of my life journey in many intimate ways, many sincere thanks for your unflinching support over the years.

Jagdishbhai, Santoshnana, Chavi, Jyoti, thank you so much for your presence in my life. At IIT Delhi, I have met many nice friends who have brought cheer to my student life, many warm thanks to Neeraj, Vishal, Vedpal (mechanical engg.), Nitesh, Gopinadh, Basant (civil engg.), Sandip, Kanhu bhai, Jayesh, Chinju, Satheesha, Neha, Megha, Altaf (economics), Pulkit, Nivida, Mahima, Khushbeen (psychology), Swati (sociology), Monika, Bala Mam (dept. office), Shweta (library), Ashish, Khalid (DMS), and Mahendra (policy studies). During my research visits at University of Zurich, my friend and project colleague Viola Asri

provided great support. The IITD years would have been less memorable without the presence and support of these nice folks.

For their warm support and suggestions at various stages of the program, I am sincerely thankful to the HSS faculty members, especially Vrajindra Upadhyay, Jayan Jose Thomas, Debasis Mondal, Sarbeswar Sahoo, Ravinder Kaur, Purnima Singh, and Upasna Sharma. After my thesis submission, I had joined as a visiting scientist (post-doc) at the Economic Analysis Unit, Indian Statistical Institute Bangalore and was working there till last week. I thank the ISI-B faculty (especially Prof. Madhura Swaminathan) and the scholars there for their great support during my stint there. I deeply thank the examiners (domestic and foreign) for their immensely helpful comments on this thesis. Off campus, I am fortunate to have got a large number of friends and well-wishers in many places, too numerous to mention, I thank them wholeheartedly and I will never forget them in my life.

Like many graduate students, I have been through phases of doubt. The support I have received from all these people and others has only strengthened me over the years, but any inadequacies or errors in my work are my responsibility alone.

I will always cherish the fond memories of my doctoral program at IIT Delhi.

Sitakanta Panda

IIT Delhi
March 8, 2017

ABSTRACT

In this dissertation, I have studied three interrelated topics in political economics, namely, voter turnout, dynastic politics, and impact of the Right to Information (RTI) laws on governance outcomes. Quality of democracy is the central, overarching theme of this dissertation. Electoral participation is fundamental to ensuring an improved quality of democracy. After clean and free elections, legislator quality is a *sine qua non* for betterment of the quality of democracy. Legislator quality entails lower levels of concentration of power in the hands of a few political families (dynasties), lower or little criminality in politics etc. Once a certain degree of legislator quality is considered, another important factor that influences the quality of democracy is the quality of legislation that legislatures enact. For instance, laws aimed at improving transparency in governance (like RTI) are critical to ensuring an improved quality of democracy as it empowers the citizens and encourages their participation in governance.

India is a fairly well functioning vibrant democracy and a federal republic with regularly held free and fair plurality-rule elections in three tiers of government (local body, state assembly, and parliament), an independent judiciary, relatively free media, and an electorate comprising almost a billion population. Chapter 1 serves as a broad introduction to the concepts and themes in the thesis, it provides us with a concise account of the historical background on Indian government and political system, and surveys the literature on the influence of candidate characteristics on electoral outcomes, and briefly introduces us to various opinions and analyses of several political scientists and economists on the 2014 Lok Sabha elections.

Elections are critical in according popular legitimacy to the democracies and, in that respect, electoral participation is an important dimension of the quality of democracy and civic engagement. Empirically understanding what factors drive citizens' decision to turn out to vote is central to the theory and practice of democracy and has implications for voter mobilisation efforts of the political parties and government agencies. In Chapter 2, I study the individual (micro) level determinants of electoral turnout in the 2004 Lok Sabha elections exploiting a nationally representative household survey dataset (India Human Development Survey- 2005). I find convincing yet mixed evidence in support of political-institutional, mobilisation, socialisation and resource models in explaining individual level electoral turnout. I find that political-institutional factors, namely, participation in local civic body

meetings, prevalence of local conflict, and caste conflict in neighbourhood, significantly increase the predicted probability of voter turnout. Psychological factors like public confidence in state government and institutions (newspapers and judiciary) and socialisation model factors like local political connections have a significantly positive effect. Among the mobilisation model variables, exposure to media (television watching), caste association membership significantly increase the likelihood of voting whereas business association membership has a significantly negative effect. The 'resource model' factors like time family lived in the place, age, holding of below-poverty-line cards, and receipt of government program benefits are positively associated with voter turnout whereas being female, being a metropolitan city resident, business being the main income source vis-a-vis cultivation, urban residence, and the age quadratic significantly reduce voter turnout. When separately analysing the rural and urban, male and female contexts, we largely obtain the same line of results.

After an empirical inquiry into why people turn out to vote, we then analyse the quality of legislators that get voted in. Political dynasties are a salient feature of the electoral politics of many developing and low-income countries like India whose governments are fraught with increasing electorate concerns regarding legislator quality and performance. The extant literature is thin on its empirical explanation of both the sides of the issue: the demand side (voters) and supply side (parties) factors affecting preferences for dynastic politics in large electoral democracies. In Chapter 3, besides estimating the dynasty premium in elections in a candidate level analysis, I try to fill the gap in the literature in that I also carry out a constituency level analysis to examine the twin questions, namely, why people elect dynastic politicians and why parties field them. Specifically, I analyze the candidate-level and constituency-level data on the 2014 Lok Sabha elections that had a total of 8251 candidates in all the 543 constituencies and examine the preferences of voters and political parties for the dynastic politicians. We find that the dynasty premium is a significant 13% in terms of predicted probability of winning and a significant 18% in terms of vote share. Factors like the dynastic incumbent legislator, relative wealth of the dynastic candidates to the non-dynastic ones, voter dissatisfaction (measured by the None of the Above vote share) and political competition significantly increase dynastic entrenchment in a constituency. Dynastic entrenchment (measured by the ratio of dynastic to total candidates) and dynastic incumbent legislator increase the combined vote share of the dynastic candidates (CVDC) and their chance of winning. Voter dissatisfaction, and given the dynastic incumbent MP, a more

competitive election reduce the CVDC and a dynastic candidate's chance of winning. Impact of economic conditions (proxied by satellite data on night time luminosity) on dynasticism has been statistically insignificant throughout. The candidates, the dynasts, and incumbent lawmakers, all of these belonging to the ruling United Progressive Alliance coalition had suffered voter wrath more than the non-UPA counterparts. Crime-accused candidates had significantly higher winning likelihood and vote share. Studying the demand side (voters) and supply side (parties) determinants and electoral effects of dynastic politics has critical governance implications in the context of developing countries like India.

After analysing the phenomenon of dynastic politics in India, we begin to realise the importance of the quality of legislation in improving the quality of democracy. In Chapter 4, I try to answer the question, how does the enactment of a transparency-improving measure like the Right to Information (RTI) laws influence the perceived governance outcomes in the countries that have adopted vis-a-vis the countries that have not adopted such a law? The "as if" randomized yet naturally occurring circumstance in which the RTI legislation was adopted in some countries in different periods of time provided an exogenous source of variation fitting a natural experiment to be exploited to examine its impact on three outcomes – government effectiveness, voice and accountability, and perceived corruption level sourced from the Worldwide Governance Indicators. Applying the differences-in-differences regression method to a dataset of 18 countries for the period 2002-2010, we find that the RTI law adoption has significantly increased the perceived government effectiveness but has no significant effect on voice and accountability and corruption level in the immediate years. However, when we consider the Transparency International corruption measure as the outcome, we find that the RTI law enactment had decreased the perceived level of corruption in the treated group countries in its initial years.

सारांश

मैंने राजनीतिक अर्थशास्त्र से संबंधित तीन विषयों का अध्ययन किया है - मतदान, वंशवादी राजनीति, और सूचना के अधिकार (आरटीआई) का शासन के नियमों पर प्रभाव। लोकतंत्र की गुणवत्ता इस अध्ययन का केंद्रीय विषय है। लोकतंत्र की बेहतर गुणवत्ता सुनिश्चित करने के लिए चुनावी भागीदारी मौलिक है। स्वच्छ और निःशुल्क चुनाव के अलावा सांसद गुणवत्ता अपरिहार्य है। लोकतंत्र की गुणवत्ता को प्रभावित करने वाला एक और महत्वपूर्ण कारक विधायिकाओं के कानूनों की गुणवत्ता है। उदाहरण के लिए, प्रशासन में पारदर्शिता को सुधारने के लिए कानून (जैसे आर. टी. आई.) लोकतंत्र की बेहतर गुणवत्ता सुनिश्चित करने के लिए महत्वपूर्ण हैं क्योंकि यह नागरिकों को शक्ति देता है और शासन में उनकी भागीदारी को प्रोत्साहित करता है।

प्रथम अध्याय हमारी अवधारणाओं और विषय के व्यापक परिचय के रूप में कार्य करता है। यह हमें भारतीय राजनीतिक व्यवस्था की ऐतिहासिक पृष्ठभूमि का एक संक्षिप्त विवरण प्रदान करता है और चुनाव परिणामों पर उम्मीदवार की विशेषताओं के प्रभाव पर साहित्य का सर्वेक्षण करता है। साथ ही, 2014 के लोकसभा चुनावों पर विभिन्न विचारों, राजनीतिक वैज्ञानिकों, और अर्थशास्त्रिय विश्लेषण का सर्वेक्षण किया गया है।

लोकतंत्र के लिए चुनाव महत्वपूर्ण हैं और इस संबंध में चुनावी भागीदारी एक महत्वपूर्ण आयाम है। दूसरे अध्याय में, मैं एक राष्ट्रीय सर्वेक्षण (India Human Development Survey 2005) का उपयोग करते हुए 2004 के लोकसभा चुनावों में मतदान के व्यक्ति स्तर निर्धारकों का अध्ययन करता हूँ। मुझे राजनीतिक-संस्थागत कारकों (स्थानीय नागरिक निकायों की बैठकों में भागीदारी, स्थानीय संघर्ष का प्रचलन, और पड़ोस में जाति संघर्ष), समाजीकरण कारकों (स्थानीय राजनीतिक संबंधों), संगठन मॉडल (जाति संघ और व्यावसायिक संघ की सदस्यता), और संसाधन मॉडल के समर्थन में मिश्रित सबूत मिलते हैं। मनोवैज्ञानिक (राज्य सरकार और संस्थानों-अखबारों और न्यायपालिका-में विश्वास) और समाजीकरण कारकों का मतदान पर एक सकारात्मक प्रभाव पड़ता है। जब हम ग्रामीण और शहरी, पुरुष और महिलाओं का अलग-अलग विश्लेषण करते हैं, तो परिणामों की समानता प्राप्त करते हैं।

अब हम सांसदों की गुणवत्ता का विश्लेषण करते हैं। राजनीतिक राजवंश भारत जैसे कई विकासशील और निम्न आय वाले देशों की चुनावी राजनीति की मुख्य विशेषता है। अध्याय 3 में, मैं उम्मीदवार स्तर के विश्लेषण में चुनावों में dynasty premium का आकलन करता हूँ। विशेष रूप से, लोग क्यों वंशवादी राजनेताओं का चुनाव करते हैं और पार्टियां उन्हें क्यों पसंद करती हैं। मैं 2014 के लोकसभा चुनावों के उम्मीदवार स्तर और निर्वाचन क्षेत्र के आंकड़ों का विश्लेषण करता हूँ, जिसमें सभी 543 निर्वाचन क्षेत्रों में कुल 8251 उम्मीदवार थे। हमें पता चलता है कि गैर-वंशजों की तुलना में वंशव्यापी उम्मीदवार के जीतने की संभावना 13% अधिक और वोट प्राप्ति की संभावना 18% अधिक है। मतदाता असंतोष और अधिक प्रतिस्पर्धी चुनाव, एक वंशवादी उम्मीदवार की जीतने की संभावना को कम करता है। मांग पक्ष (मतदाताओं) और आपूर्ति पक्ष (पार्टियों) निर्धारकों और वंशवादी राजनीति के चुनावी प्रभावों का अध्ययन करना भारत जैसे विकासशील देशों के संदर्भ में महत्वपूर्ण कार्य है।

भारत में वंशवादी राजनीति की घटना का विश्लेषण करने के बाद, अध्याय 4 में, मैं इस सवाल का उत्तर देने की कोशिश करता हूँ कि आरटीआई जैसे पारदर्शिता सुधार के उपाय प्रशासनिक परिणामों को किस प्रकार प्रभावित करते हैं। 18 देशों के डेटासेट में 2002-2010 की अवधि के लिए differences in differences regression पद्धति को लागू करते हुए, हम पाते हैं कि आरटीआई कानून ने सरकार की प्रभावशीलता को काफी बढ़ाया है, लेकिन उत्तरदायित्व और कथित भ्रष्टाचार के स्तर पर कोई महत्वपूर्ण प्रभाव नहीं है।

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