

# The Limited Impact of Information on Political Accountability: An Experiment on Financial Disclosures in India

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## Abstract

Politicians are increasingly required to disclose their financial information, with the aim of sanctioning suspicious wealth accumulation in office. Yet, many politicians rapidly accumulate wealth and win reelection when public disclosures exist. Relying on a conjoint experiment and original survey data from India, we examine why voters may fail to act on information from disclosures. When presented with the information, our respondents strongly disapprove of large wealth accumulation and do not on average exhibit in-group biases, which suggest that they are not indifferent to this issue. Our other findings explain why disclosures nonetheless have a limited impact on accountability, in spite of the fact that voters strongly react to the information they contain. We first show that real-world voters are insufficiently familiar with the disclosures' content, and that they weigh wealth accumulation less than candidates' record in office. Moreover, we find that important voter subgroups tolerate their co-partisans' wealth increase.

**Keywords:** Transparency; Accountability; Corruption; India; Financial Disclosure

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Justice Louis Brandeis famously wrote in 1913 that “[s]unlight is said to be the best of disinfectants.”<sup>1</sup> While Brandeis was arguing for benefits of greater transparency in bankers’ intermediary services to investors, his logic features prominently in the large literature on political accountability. Greater transparency should disincentivize corrupt or otherwise inept candidates from running for office, and should enable voters to hold their representatives to higher performance standards (e.g. Adserà, Boix and Payne, 2003; Hölmstrom, 1979; Przeworski, Stokes and Manin, 1999).

Following this logic, a number of empirical studies have examined the effect on political accountability of transparency through such channels as institutional design (e.g. audits), the media, information campaigns (e.g. leaflets), and civil society. The evidence from these studies has overall been mixed. While some studies find strong beneficial effects of increasing transparency (e.g. Brunetti and Weder, 2003; Ferraz and Finan, 2008; Reinikka and Svensson, 2011), others find either small effects, no effects, or effects conditional on contextual factors (e.g. Arias et al., 2016; Banerjee et al., 2011; Chong et al., 2015; Humphreys and Weinstein, 2012; Olken, 2007; Schwindt-Bayer and Tavits, 2016; Snyder and Strömberg, 2010).

In this article, we explore whether a different type of transparency initiative – mandatory financial disclosures by incumbents – can help improve accountability, and if not, *why* it does not. As such, we contribute to the growing literature on information and accountability in two ways: first, by studying the effect of a normatively important form of information – denoting incumbents’ ability to accumulate private wealth while in office; second, by examining a rich set of explanations as to why voters often fail to act on information revealing potentially problematic behavior about their incumbents.

While the existing literature has largely overlooked the impact of mandatory financial disclosures, they have become increasingly common: whereas only 22 countries had such a system in place in 1980, 161 countries had it in 2015 (Djankov et al., 2010; Rossi, Pop and

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<sup>1</sup>“What Publicity Can Do.” *Harper’s Weekly*, December 20, 1913, p. 10.

Berger, 2016). More than 80 countries make these disclosures *publicly* available. As a result, asset disclosures have become the focus of increasing public interest.<sup>2</sup>

Studying the impact of financial disclosures is important because they are *by design* intended to increase the potential for political accountability. Disclosures in principle allow citizens, oversight agencies or the media to monitor politicians' private returns in office, both deterring illicit enrichment and allowing for sanctioning of those politicians whose wealth accumulation raises suspicions of corruption.<sup>3</sup> However, existing evidence does not provide strong support for the existence of these intended benefits. While financial disclosures may improve the quality of politicians running for office (Fisman, Schulz and Vig, 2016), many incumbents continue to accumulate massive amounts of wealth in office and to win reelection even when asset disclosures are public (e.g. Bhavnani 2012; Fisman, Schulz and Vig 2014).

To explore why financial disclosures may have limited effects on political accountability, we collect and analyze original micro-level data from India. Qualitative work about India has often described the ability of India's political representatives to amass wealth in office (Manor, Michelutti, Gupta). Because political candidates' financial declarations are public and mandatory in India, quantitative work has also attempted to quantify this accumulation.<sup>4</sup> In spite of their public nature, politicians' self-reported returns to office are extremely high: the average nominal wealth increase during a 5-year legislative term by Indian state legislators is around 350 percent, compared to just 17 percent among Indian households.<sup>5</sup> At

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<sup>2</sup>Mentions of asset disclosures in the global written corpus (as provided by Google) has increased more than 14-fold over this period (Figure A1 in the Online Appendix).

<sup>3</sup>For example, the Ethics in Government Act of 1978, which established financial disclosure requirements for many public servants in the U.S., was a direct product of concerns about the lack of transparency arising from the Watergate Scandal.

<sup>4</sup>The disclosures are self-reports. While the law prescribes monetary fees and a potential prison sentence of up to six months for false disclosure (Article 125A of the Representation of the People Act), it is possible that the amounts reported are on average under-estimates, due to diversion or hiding of reportable assets. Reactions to these likely underestimates nonetheless inform voters' reactions to wealth accumulation in office.

<sup>5</sup>The real average wealth increase among Indian state legislators (in 2014 rupees) is about 190 percent. The best available data for the household wealth increase (<http://ihds.umd.edu/assetscale.html>) do not allow us to calculate the real change, but it is likely even lower than the nominal increase.

the same time, the salience of asset disclosures in the English-language press has increased close to 7-fold since their introduction in 2004, particularly around elections (Figure A2 in the Appendix).

We fielded two surveys to socially diverse samples of citizens in the northern Indian state of Bihar, where politicians' wealth accumulation closely resembles national trends (see Figure A3 in the Online Appendix). The key part of our first survey is a lab-based conjoint experiment (Hainmueller, Hopkins and Yamamoto, 2014), in which respondents evaluated several fictional but realistic candidate profiles. As part of this experiment, we randomly varied a number of characteristics of these candidates – both characteristics commonly examined in the literature on Indian politics (Chandra 2004; Vaishnav 2011), such as party affiliation, record in office, ethnicity, class, and criminality, and, for the first time, information about politicians' wealth and wealth increase in office. Such rich profiles increase the realism of our experiment and lessen the risk of social desirability bias. More importantly, this design allows us to identify how respondents react to different candidate characteristics and the relative weights that they place on information about wealth relative to other information about their candidates. In our second field survey, rather than supplying and controlling the information about wealth the respondents receive and measuring its effects, we collected data on the knowledge that citizens comparable to our experimental participants have about the wealth and wealth increase of their actual representatives.

This design allows us to test a large number of competing explanations for the limited impact of policies aimed at increasing transparency – in our case, financial disclosures – on political accountability. First, we test whether informed voters elect wealth accumulators because they are indifferent to politicians' wealth accumulation or because they value it. The data from our conjoint experiment clearly do not support this hypothesis. Contrary to prominent arguments suggesting that Indian voters may favor “bad types” (Vaishnav, 2011), or that their preferences are primarily determined by ethnic ties (Chandra, 2004),

we find that voters strongly *disapprove* of high wealth accumulation in office. They view greater wealth accumulators as more corrupt and more prone to violence and are generally less willing to vote for them. Because these effects are large, highly statistically significant and increasing with the size of wealth accumulation, they are unlikely to be idiosyncratic to our methodology.

In light of these results, we examine several alternative explanations as to why Indian voters often elect wealth accumulators *even though they disapprove of wealth accumulation in office*. We rely on data from our second survey (on respondents knowledge of the wealth increase of their actual representatives) to examine a second hypothesis – that wealth accumulators enjoy support because citizens are not sufficiently familiar with information from financial disclosures. We find some support for this hypothesis: while our respondents overwhelmingly believe that representatives become richer in office, they do not perform very well when it comes to estimating the actual wealth or wealth accumulation of their own representatives. Moreover, we find that respondents who are more knowledgeable about politics are less tolerant of high wealth increase than the less politically knowledgeable, which similarly suggests that a lack of information may be to blame.

The third explanation we examine relates not to voters' level of information, but to the structure of their preferences. Simply put, voters may dislike wealth accumulation but place relatively lower weight on it compared to other factors. Returning to data from our conjoint experiment, we do find support for this mechanism: our respondents weighed information about a politician's record more heavily than information about wealth accumulation. This suggests that reactions to information about wealth accumulation, however negative, may not be strong enough to prevail over reactions to other politician characteristics.

While we see these explanations as the main explanations for the limited impact of disclosures, we briefly examine several additional explanations suggested by the literature on corruption and accountability to confirm our results. We do not find evidence suggesting that

voters better tolerate wealth increase in office when only high wealth accumulators are on offer (an increasingly frequent situation in India). We similarly do not find evidence suggesting that wealth accumulators are perceived as more likely to provide personalistic benefits. Finally, we do not find evidence suggesting that voters only penalize wealth-accumulating candidates that do not belong to their group. We do, however, find evidence that supporters of one of Bihar’s main parties – the RJD, a party whose leader has consistently emphasized the need for the empowerment of lower-caste groups over other concerns, including “good governance” (Witsoe, 2013) – are more tolerant of co-partisan politicians’ wealth accumulation. While these heterogenous effects require further investigation, they suggest another explanation, that leaders and parties mainly focused on a single issue may lead to the creation of political “cultures” which entirely overlook the need to monitor corruption.

While all of these results emerge from a specific sample and should be replicated, our respondents are similar to Bihari and Indian voters (see Table A2 in the Appendix), suggesting that our findings are unlikely to be idiosyncratic to our sample. Generally, our findings indicate that the beneficial effects of disclosures are *conditional* on voters’ level of information about disclosures and *conditional* on the structure of their preferences. Both of these factors may be driven by deeper contextual trends in India, such as relatively high levels of illiteracy, strong reliance on patronage networks, and forms of politics that are more personalistic than programmatic. This implies that disclosures will remain ineffective in contexts similar to India as long as these broader trends are not reversed, or that policy interventions hoping to increase political accountability will also need to address these broader challenges.

## **1 Why May Asset Disclosures Have a Limited Impact?**

Research utilizing asset disclosures to measure private returns to public office indicates that politicians often rapidly enrich themselves in office in ways that raise suspicions (Baltrunaite

2014; Bhavnani 2012; Fisman, Schulz and Vig 2014; Author).<sup>6</sup> Importantly, this happens despite publicly available disclosures. Data from India illustrates this trend well: for example, in the state of Bihar – the state in which our study was run – a state legislator on average *quadruples* their wealth over the span of their term (this is close to the average for state legislators across India; as seen in Figure A3 in the Appendix).<sup>7</sup> Moreover, greater wealth accumulation is not necessarily electorally disadvantageous: in the latest state legislative elections in Bihar, the recontesting candidates with above-median wealth increase won close to 60 percent of the time, whereas those with below-median wealth accumulation won around 48 percent of the time.

This suggests that financial disclosure systems may often fail to fulfill their intended purpose of facilitating political accountability through greater transparency. What mechanisms may lead to such outcomes? In this section, we outline three mechanisms which we see as the most likely explanations for the potential limited impact of disclosures.

## **1.1 H1: Voters Are Indifferent to (or Value) Information About Wealth Accumulation**

It is commonly expected that voters will react negatively to information suggested that their incumbents accumulate wealth in office, especially if changes in their own income or wealth are out of line with those of politicians, or if they are not presented with reasonable explanations for such politicians' returns (Di Tella and Weinschelbaum, 2008). While micro-level studies have so far not generated specific expectations regarding voters' views on politicians' levels of wealth accumulation in office, they have shown that voters often disapprove of corruption or criminality (Banerjee et al. 2014; Weitz-Shapiro and Winters 2013; Author).

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<sup>6</sup>Existing evidence from established democracies, though limited, suggests smaller returns to office (Amore, Bennedsen and Nielsen, 2015; Kotakorpi, Poutvaara and Terviö, 2015). Eggers and Hainmueller (2009), however, show that post-tenure returns in the UK can be quite large.

<sup>7</sup>Wealth increase is even higher among politicians in the executive branch and the national parliament, the Lok Sabha (Fisman, Schulz and Vig, 2014).

It is nonetheless possible that voters value wealth accumulation, or that they are indifferent to it. Wealth accumulation need not always be equated with corruption. Voters may view large wealth increase as a signal of skill, drive, intelligence, or some other desirable characteristic. For example, in the aftermath of the *Mani pulite* (“Clean Hands”) investigations that exposed systemic corruption in Italian politics, Silvio Berlusconi’s supporters touted his \$13.5 million in net annual earnings as a signal of *uomo forte* – a strong man who would employ his business acumen for effective as well as incorruptible leadership.<sup>8</sup> In the recent U.S. Presidential election, data unambiguously suggest that support for President-Elect Donald Trump was boosted by his image as a successful businessman.<sup>9</sup>

In the Indian context, several arguments suggest that specific groups of voters, especially when evaluating specific types of politicians, value their willingness to break the law (Vaishnav, 2011). While there is to the best of our knowledge no argument that implies that voters should *overall* react positively to information about politician malfeasance, many prominent models of voting behavior emphasize ethnicity and party labels as central criteria in voters’ choices, implying that voters may be relatively indifferent to the other, individual-level characteristics of candidates (Chandra, 2004). This hypothesized indifference may equally lead to the selection of corrupt or wealth-accumulating politicians.

## 1.2 H2: Voters Do Not Have Sufficiently Precise Information

A second possibility is that voters do not approve of wealth accumulation in office, but support enriching politicians because they are not sufficiently familiar with – or imperfectly understand – the information contained in the publicly available financial disclosures. Voters may not know that incumbents are accumulating wealth, which incumbents are wealth

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<sup>8</sup>See Francesco Giuglietti and Davide Maneschi, “Why Italians Vote for Berlusconi,” *The New York Times*, February 26, 2013, <http://www.nytimes.com/2013/02/27/opinion/global/why-italians-vote-for-berlusconi.html>.

<sup>9</sup>See for instance <http://www.gallup.com/poll/189773/trump-support-built-outsider-status-business-experience.aspx>



accumulators, or what the sources of incumbents' wealth increase are. This hypothesis is coherent with the results presented in studies which have attributed the lack of punishment of corrupt politicians to insufficient information (e.g. Chong et al., 2015; ?; Ferraz and Finan, 2008; Reinikka and Svensson, 2011; Weitz-Shapiro and Winters, 2013).

Despite asset disclosures being publicly available in India, it is not clear how much information citizens have about wealth accumulation among real-world politicians. To the best of our knowledge, we are the first to explore this question empirically.

### **1.3 H3: Voters *Relatively* Disapprove of Wealth Accumulation**

The third mechanism we examine relate not to voters' level of information, but to the structure of their preferences. These preferences-based hypotheses suggest that better information dissemination may not suffice. Voters may end up choosing candidates with attributes that they disapprove of because of the particular structure of their preferences, even when they have sufficient information.

When evaluating candidates, it is likely that voters take several factors into consideration. If that is the case, they may disapprove of wealth accumulation but put less weight on it compared to some other factor. Drawing on experimental evidence in the northern Indian state of Uttar Pradesh, (Author) illustrates this logic: voters strongly penalized criminal candidates, yet caste was generally more important, inducing voters to often penalize criminals from their own caste less compared to "clean" candidates from some particularly disliked groups. A similar logic may apply to the issue of wealth accumulation: voters may strongly disapprove of large wealth accumulation in office, but weigh this factor less so than other factors, such as the candidate's ability to deliver developmental goods or handouts, or her caste. If and when this is the case, many candidates whom voters know to be accumulating large amounts in office could be selected.

## 2 Research Design: Two Surveys in Bihar

In order to test these three hypotheses, we fielded two surveys to socially diverse samples of citizens in the northern Indian state of Bihar.

### 2.1 Context

Both surveys took place in Madhepura district, in the northeastern part of the state. While we are generally interested in Indian voters' reactions, Bihar is a good fit for both practical and substantive reasons. Practically, state elections in Bihar were about to take place (in the fall of 2015) at the time we fielded this study (in the spring of 2015), providing us with a relevant setting to measure likely voter evaluations of prospective candidates. Substantively, Bihar is a state in which prominent recent works on Indian politics suggest we should encounter high levels of corruption and/or high levels of support for corrupt politicians (Witsoe 2013, Vaishnav 2011). Besides, levels of wealth accumulation by incumbents in Bihar have been comparable to levels of wealth accumulation in the rest of the country (Figure A3). Finally, as noted above, Bihar is a state in which wealth accumulation in office does not overall appear to harm incumbents' chances of reelections.

Because we wanted rural voters to constitute the majority of the sample in order to reflect the population of Bihar (which is over 85 percent rural), we randomly selected Madhepura district among the list of districts whose capital city counted fewer than 50,000 inhabitants. Implementing a complex, randomized survey-experiment in an environment with relatively high illiteracy can be technically challenging, and these challenges can lead to unrecorded errors. Moreover, privacy is hard to achieve in rural India, which leads to considerable misreporting (Author). For these reasons, we implemented this experiment in a lab-in-the-field setting in a single district, which allowed us to better monitor the work of our interviewers and to ensure that interviews were both private and confidential.

While basing the experiment in one district allowed us to generate more reliable data, it by definition limits the representativeness of our results. However, as shown in Table A1 in the Appendix, Madhepura resembles the state of Bihar as a whole on a number of relevant dimensions. Also, our sample is similar on a number of key characteristics to the populations of Bihar and India, as shown in Table A2 in the Appendix. As a result, we are confident that our inferences – while they may not rely on a representative sample of North India – are nonetheless broadly informative about the preferences of voters in the region.

## 2.2 The Conjoint Experiment

We first designed and ran an original survey experiment in which a diverse sample of individuals of Madhepura district evaluated candidates on several dimensions, including wealth and wealth accumulation ( $N = 1,020$ ).

As described in more detail in section A3 of the Appendix, our sampling procedure attracted a diverse sample of respondents to our lab location, where participants first responded to a short “background survey” eliciting their demographic and socio-economic information.<sup>10</sup> At the end of this interview, respondents were invited to wait for a few minutes in a waiting area until they could participate to a seemingly unrelated study on “political and social personalities.” During this interview, we presented each respondent with three experimental vignettes. Each vignette featured a photograph and a summary of the attributes of the politician, presented in bullet points (see the example in Figure A4). Because of relatively low rates of literacy, and because many respondents could not read the information from the profiles, we did not ask them to; instead, interviewers relied on a carefully practiced script to summarize the information contained on the vignettes while they were showing the prompt to the respondent. The respondents were subsequently asked to evaluate the politician on several dimensions. Following the experiment, respondents par-

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<sup>10</sup>The questionnaire for this background survey can be found in Section A11 of the Online Appendix

anticipated to another short survey while allowed us to measure their knowledge about and involvement in politics.<sup>11</sup>

### 2.2.1 Summary of Manipulations

Each experimental vignette listed a number of attributes of a fictitious politician that enumerators described as a “current state legislator and likely candidate in the upcoming state elections.”<sup>12</sup> Using fictitious candidates allowed us to randomly assign politician attributes, which would have been impossible and unethical with real politicians.<sup>13</sup> While such a design gives our experiment a high degree of internal validity, an important limitation is that respondents might react differently to fictional profiles than to real-world politicians whom they know or stand to benefit from. We address this concern in Section 4 below.

Each vignette featured eight attributes of the politician, as shown in Figure A4. To randomly manipulate this large number of attributes, we rely on the conjoint design formalized by Hainmueller, Hopkins and Yamamoto (2014). Conjoint vignettes allow for richer profiles and more realistic experiments than more traditional survey experimental designs. This is important from a methodological standpoint, as it allows us to reduce the risk of “masking” of the effects of interest because of composite or multi-dimensional treatments (e.g. separating the effect of initial wealth from the effect of wealth accumulation; Hainmueller, Hopkins and Yamamoto N.d.).<sup>14</sup> This richness is also useful for limiting social desirability: if each

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<sup>11</sup>The post-treatment survey questionnaire can also be found in Section A11 of the Online Appendix.

<sup>12</sup>All respondents were debriefed at the end of the post-treatment survey that the politicians showed in the vignettes were fictitious.

<sup>13</sup>Because many voters know the identity of likely candidates in their district, these fictional politicians were presented as incumbents in other, non-neighboring districts of Bihar. Since some voters may have known the identity of incumbents from other districts immediately before the election, we ran the experiment seven months before. Our interviewers reported that the respondent may not have perceived the politicians as real in less than four percent of the cases. Our results are robust to excluding these observations.

<sup>14</sup>Hainmueller, Hopkins and Yamamoto (N.d.) demonstrate that the benefit of reducing the risk of masking must be weighted against the risk of overwhelming respondents with too much information, thus inducing “survey satisficing.” We do not see evidence of this issue in our data. Our interviewers reported that close to 90 percent of respondents were giving focused and attentive responses. Also, attributes do not have stronger effects when listed first or last (see Figure A5 in the Online Appendix). Our choice of

profile contains several pieces of information, it becomes difficult for respondents to guess the subject of researchers' investigations. Besides, it makes it easier for them to endorse a politician with a controversial characteristic in front of an enumerator, insofar as that enumerator cannot guess which politician characteristics is driving respondents' reactions.

Our manipulations are described in detail in Table A3 in the Online Appendix. Our key manipulations concern the politician's *wealth increase* since his election in 2010 (i.e. during the 2010-2015 session of the Bihar state assembly) and his *wealth* at the onset of this period, in 2010.<sup>15</sup>

The information on initial wealth was always presented before the wealth accumulation information. The possible values for 2010 wealth were: 5 lakhs, 8 lakhs, 45 lakhs, 85 lakhs, 2 crores and 4 crores rupees (a lakh is 100,000 rupees; a crore is 10 million rupees). These values correspond roughly to the 5th, 10th, 25th, 50th, 75th, 90th, and 95th percentile of the distribution of the observed, self-reported 2010 wealth among incumbent MLAs in Bihar. To simplify the presentation of the results, we group these treatments into three categories of 2010 wealth in our analysis section below: below median, median–75th percentile, and above 75th percentile.

We also use seven values for a politician's wealth increase since 2010: no increase, slight increase, increase of two, three, five, ten, and thirty times. Once again, these values roughly correspond to the 5th, 10th, 25th, 50th, 75th, 90th, and 95th percentile in the distribution of observed wealth increase among rerunning MLAs in Bihar for 2005-2010. The ten-fold and larger wealth increases are by no means unheard of – eleven state legislators in Bihar had wealth accumulation between 2010 and 2015 in excess of 900 percent.<sup>16,17</sup> For simplicity, we

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attributes was guided by how real-world candidates are usually presented.

<sup>15</sup>Insofar as we control for the wealth of the politician in that fashion, we are able to isolate the effect of *wealth accumulation* from the effect of initial wealth.

<sup>16</sup>These values are nominal increases. We chose to focus on nominal rather than real increases because: (a) public discussions almost exclusively focus on nominal wealth increases; (b) directing attention to real vs. nominal increases would likely confuse most respondents and complicate the experiment.

<sup>17</sup>We draw the values from the sample of rerunning incumbents because otherwise we cannot calculate

present the results by grouping these treatments into three categories: no increase, below-median increase, and above-median increase.<sup>18</sup> When a profile featured wealth increase (i.e. not a “no increase” condition), we also randomly varied whether the press had or had not reported suspicions of illegality related to this wealth accumulation.

Beyond these three wealth-related manipulations, the experiment also randomized five candidate attributes commonly presented in the media profiles of Indian politicians and studied by the literature on candidate evaluations in India and more broadly: party affiliation, ethnicity, performance record, social background (i.e. their class before they entered politics), and whether they faced criminal charges. A candidate’s ethnicity and party affiliation are important predictors of citizens’ evaluations in India (Chandra 2004; Author). Information about candidates’ social class and perceived record are also commonly highlighted. Moreover, any criminal charges that a candidate faces have to be reported on the disclosures and have received both popular and research interest (Prakash, Rockmore and Uppal, 2015; Vaishnav, 2011).

Regarding the ethnicity of the candidate, we ensured that one of the three politicians rated by each respondent was from the subcaste of the respondent, which we knew from the pre-treatment demographic survey; for the remaining two profiles, we randomly drew from a list of the eleven largest subcastes in Madhepura. The party of the candidate was a random draw among the RJD, JD(U), BJP and the Congress (INC), parties that get the lion’s share of the vote in Bihar.<sup>19</sup> Regarding record in office, politicians were described as having been “[very active/not very active] in terms of development and infrastructure,” and

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the wealth increase. While focusing on rerunning incumbents may produce some selection bias in the values of wealth accumulation we use, it covers the same sample that the voters would likely be most attentive to if they themselves focused on wealth accumulation. Also, these estimates of wealth increase are likely downward-biased due to likely under-reporting by the highest wealth accumulators.

<sup>18</sup>As seen below and in Figure A8 in the Online Appendix, where we disaggregate the wealth results to include all seven values, this decision does not affect the substantive interpretation of our results.

<sup>19</sup>While major parties do not provide tickets to groups on a proportional basis, all four major parties did in 2015 run candidates from each of these castes or religious groups. Accordingly, we deliberately do not restrict the matches between parties and groups.

having done “[a lot/very little] for his constituency.” For the social background treatment, we varied whether the politician originally (i.e. before they *entered* politics) hailed from a “poor,” “middle income” or “rich” family. Finally, for the criminality treatment, the politician was described as either “not charged in any criminal cases” or “charged in several criminal cases.”<sup>20</sup>

The experimental vignettes were the product of three sets of randomizations. First, the order of the bullet points was randomized (the three wealth attributes were randomized as a block, with initial wealth appearing first, followed by the wealth accumulation information – size and legality). Second, the particular value of each attribute (e.g. the party) was randomized.<sup>21</sup> Finally, the three vignettes were presented in random order to the participants.

Section A8 in the Online Appendix shows through a series of diagnostic tests that our randomizations were successfully implemented. Respondents’ pre-treatment characteristics are balanced across our manipulations (Table A4) and there are no order effects, as our treatment effects are stable across the three vignettes (Table A5), and with respect to the order of the candidate attributes (Figure A5).

### 2.2.2 Outcome Variables

After the interviewer had read and thoroughly explained the content of each vignette, they asked the respondent the following outcome questions (reproduced in full in Section A11 in the Online Appendix): (1) whether they would consider voting for the politician (yes/no); (2) how good a job the politician would do in addressing constituents’ problems (1–5 scale);

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<sup>20</sup>The remaining two manipulations are not of direct theoretical interest to this study: the face of the politician, and the district in which the politician planned to run. Accordingly, we do not focus on these manipulations in the rest of this article, but we show in Table A6 in the Online Appendix that they generally have null effects and do not interact with our key treatment – wealth accumulation in office.

<sup>21</sup>All the attributes except ethnicity and the legality of wealth accumulation were randomized unconditionally and with repetition. The legality treatment was randomized conditional on the wealth accumulation treatment not being “did not increase.” The ethnicity treatment was partly conditional on the respondent’s stated ethnicity, according to the procedure detailed in the text. Finally, the photograph was randomized without repetition, to ensure that it would differ for each politician profile.

(3) how helpful the politician would be for the respondent personally (1–5 scale); (4) how likely it is that the politician was corrupt (1–5 scale); and (5) how likely that the politician was to engage in violent activities (1–5 scale).

In the article, we focus on respondents’ vote intention, and report the results for the other outcomes in the Online Appendix. While the preferences elicited through the voting question cannot be equated with actual voting decisions, they provide us with insights about the kinds of politicians the voters generally value and prefer (Figure A11 in the Appendix shows that our results are very similar when using the other question we might have wished to use, i.e. item (2) above.

## 2.3 The Information Survey

The second component of our research design consisted of a separate survey about voters’ level of information about the wealth and the wealth accumulation of *actual* representatives. A month after the end of our conjoint experiment, we surveyed a separate sample of Madhepura citizens about their awareness of levels of wealth and wealth accumulation among Bihar state legislators and representatives in their own constituencies.

While our sampling strategy ensured that participants in the first study were not re-surveyed as part of this second study, the two samples were drawn from the same district population and are very similar on demographic and socio-economic variables ( $N = 323$ ).<sup>22</sup>

We asked respondents to answer three questions about two different actors. We first asked them whether they could guess the total assets of (1) the “average Member of the Legislative Assembly (MLA)” in Bihar, and (2) the assets of their own MLA; second, we asked them whether they thought each type of actor (both the average MLA and their actual MLA) had gotten richer since 2010; and if so, (3) to give their best guess of the

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<sup>22</sup>We did not ask respondents in our first experimental survey about their knowledge of wealth and wealth increase among actual politicians in order not to risk priming the purpose of the experiment.



size of that wealth increase.<sup>23</sup> For the questions involving best guesses, we offered the same seven categories as those in our conjoint experiment, in order to structure the responses and decrease measurement error. While the conjoint experiment allowed us to evaluate reactions among respondents who are by design informed, these data allow us to evaluate citizens' baseline levels of awareness of real politicians' wealth accumulation, and hence to test H2.

### 3 Analyses and Results

#### 3.1 Testing H1: Do Voters Value Wealth Accumulation?

To test this hypothesis, we rely on the data from our conjoint experiment. The multiple randomizations described above allow us to estimate separate causal effects for each of the treatment components. Besides, since the estimates represent effects on the same outcomes, the conjoint design allows us to compare the attribute effects on the same scale.

Following Hainmueller, Hopkins and Yamamoto (2014), our main effect of interest is the average marginal component effect (AMCE). The AMCE is the marginal effect of a change in the value of an attribute, averaged over the joint distribution of all other attributes. For example, the AMCE for above-median wealth increase measures the *ceteris paribus* change in the respondent's probability of voting for the candidate when the respondent is shown a candidate profile with above-median wealth increase compared to a profile with another value of wealth accumulation. The *ceteris paribus* effect is obtained by calculating this wealth increase effect for every combination of the other attributes, and then taking the weighted average, where the weights are based on the frequency with which each combination of the other attributes appears in our sample. In practice, calculating the AMCE is straightforward – it involves running a regression of our outcome variable on a set of dummy variables, one for each value of each attribute, excluding one category for each attribute as the reference

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<sup>23</sup>The questions are reproduced in Section A11 in the Online Appendix.

category (we describe the base category for each attribute below).<sup>24</sup> For two attributes – party and ethnicity – we examine the effect of co-partisanship and co-ethnicity between the respondent and the candidate profile, rather than the effects of a candidate’s party and ethnicity per se, which are not of theoretical interest.<sup>25</sup>

To establish how respondents reacted to information about wealth and wealth accumulation, we start by showing the treatment effects of information about wealth accumulation and other attributes on respondents’ vote intentions. To retrieve these effects, we specify a base category for each candidate attribute, to which we compare the effects of other attribute categories. Our base politician profile shares the partisan affiliation and ethnicity of the respondent, has a good record in office, no criminal charges, comes from a poor background, has below-median initial wealth, and did not increase his wealth during the current term in office. We can then examine, for example, the effect of providing information on below-median wealth accumulation relative to no wealth increase, or the effect of a non-co-partisan versus a co-partisan politician. In the rest of this article, our effects for any attribute are always relative to these reference categories, unless stated otherwise.

Figure 1 presents the AMCE for each politician attribute (compared to the reference category) on our main outcome variable, the vote intention.<sup>26</sup> As can be seen from the estimates at the bottom of the figure, respondents strongly *penalized* candidates who were presented as having accumulated greater wealth in office. The treatment effects of the “below median” and “above median” wealth increase (relative to “no increase”) are both

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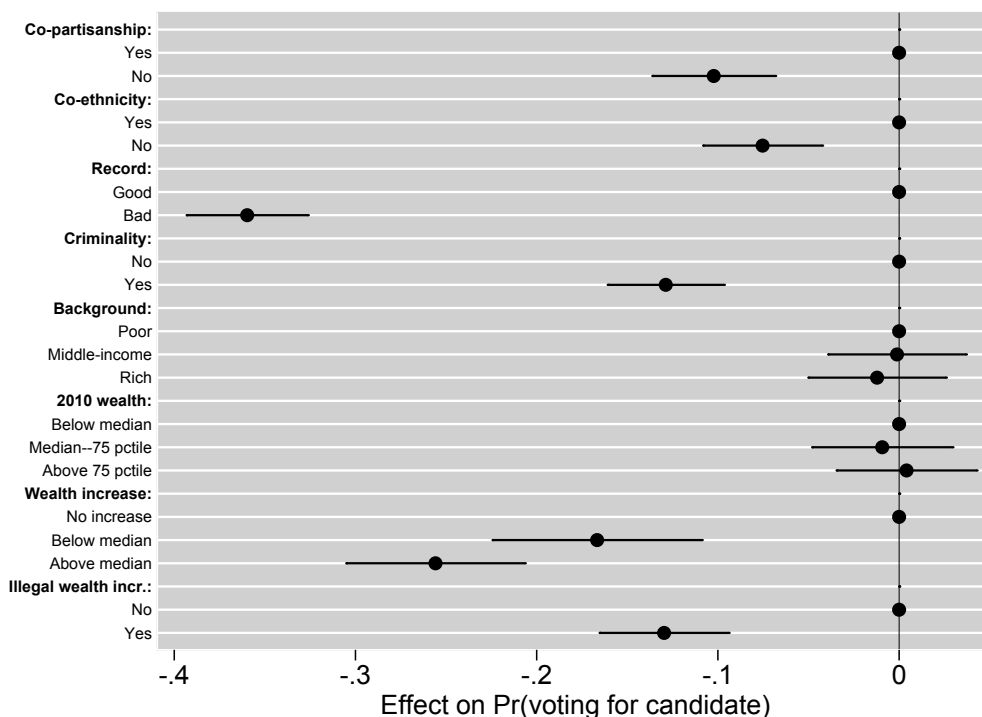
<sup>24</sup>Since the information about the legality of wealth accumulation is conditional on wealth increase, the legality AMCE is not defined for profiles featuring no wealth increase.

<sup>25</sup>For the ethnicity treatment, the procedure to calculate the AMCE is somewhat different than for the other AMCEs, because one of the vignettes featured a candidate ethnicity that was not randomized, but matched the ethnicity of the respondent. To account for this, we use the indicator for the matched vignette as an instrument for the co-ethnicity indicator. To save on space, we describe the procedure in more detail in Section A7 in the Online Appendix.

<sup>26</sup>This and all subsequent graphs show the 95 percent confidence intervals based on the respondent-clustered standard errors. Also, all the graphs exclude the AMCEs for photographs and districts, because they are theoretically uninteresting. The results for these manipulations are shown in Table A6.

negative and highly statistically significant.<sup>27</sup> The magnitude of these effects is not trivial: the penalty for above-median wealth increase is about 26 percentage points, or about 40 percent of the average probability of voting intention for any profile. Also, the size of wealth increase clearly matters. The effect for the below-median wealth increase treatment is about 54 percent smaller in magnitude than for above-median wealth increase, and the difference between the two effects is statistically significant at  $p < .001$ .

Figure 1: Candidate attribute effects on vote intention



Importantly, these effects exist across different types of candidates, as respondents were not more likely to excuse wealth accumulators with whom they shared caste or partisan attributes, or wealth accumulators that were otherwise presented as having a good record in office.<sup>28</sup> As seen in Figure A7, interaction effects between these candidate characteristics

<sup>27</sup>As can be seen in Figure A8 in the Online Appendix, where we disaggregate the wealth results to include all seven values, any increase in wealth, even as small as 20 percent, has a significant negative effect on the probability of voting for the candidate.

<sup>28</sup>Though the variable we manipulate is different, this contradicts the kind of argument made by (Vaishnav,

and our main treatment – wealth accumulation – remain insignificant, which suggests that there were no heterogenous effects within our sample.<sup>29</sup>

Unsurprisingly, suspicions of *illegal* wealth increase on average accentuate the negative effect of wealth increase on the vote intention (the bottom-most AMCE in Figure 1). However, as shown in Figure A9 in the Online Appendix, even when respondents are explicitly told that there is no suspicion of illegality, high wealth increase (ten-fold or thirty-fold) results in a statistically significant lower probability of vote (at  $p < .032$  or lower).

Aside from wealth increase, many of the other treatments also show statistically significant effects on vote intention.<sup>30</sup> Respondents are less likely to vote for non-co-partisan and non-co-ethnic profiles, for politicians with a bad record in office, or those facing criminal charges. The effects of information on wealth accumulation are however *larger* than the effect of most of these other characteristics.<sup>31</sup>

This finding suggests that wealth accumulation was an important consideration for our respondents. Besides, responses to additional survey items suggest that respondents viewed wealth accumulation as indicative of “bad” candidates. As evidenced by Figure A10 (Appendix), information about wealth accumulation significantly increased respondents’ propensity to view the candidate as both more corrupt (left panel) and more violent (right panel).<sup>32</sup>

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2011), according to whom voters may overall penalize criminals but nonetheless tend to celebrate *co-ethnic* criminals. Other studies have similarly hypothesized that voters’ reactions to corruption can be mitigated by other politician characteristics, such as ethnicity (Banerjee and Pande, 2011), party affiliation (Anduiza, Gallego and Muñoz, 2013; Rundquist, Strom and Peters, 1977), or that voters excuse corruption by politicians who otherwise deliver good performance in office, such as strong economic growth (Barbera, Fernandez-Vazquez and Rivero 2016; Zechmeister and Zizumbo-Colunga 2013; Author).

<sup>29</sup>Results presented in our robustness section below nuance this conclusion.

<sup>30</sup>Results in Figures 1 and A10 contain many treatment effects. One concern is that some of the statistically significant AMCEs we report may have arisen simply by chance due to performing multiple comparisons. Figure A6 in the Online Appendix shows that none of our results are substantively affected by applying a multiple-comparison correction.

<sup>31</sup>The above-median wealth increase AMCE is statistically significantly larger than AMCEs for ethnicity, partisanship and criminality at  $p < .001$ . The below-median wealth increase is larger than the ethnicity and partisanship AMCEs at  $p < .01$  and  $p < .07$ , respectively.

<sup>32</sup>Our respondents may vary in what they see as corrupt or violent behavior, but on average, their views correlate consistently negatively with their evaluations of wealth accumulation.

These impressively large and robust negative effects are unlikely to be due to respondents' anti-rich bias, since we also manipulated the candidates' initial level of wealth, and the effects are noticeably smaller and generally statistically indistinguishable from zero. Moreover, because wealth accumulation is one among many manipulated attributes in our design, and because these effects are large, we deem it unlikely that they owe primarily to a survey effect or to social desirability bias. The wealth accumulation treatment was one among ten other treatments, and was not in any way emphasized by the interviewers. Therefore, it is unlikely that the respondents could have known that we were primarily interested in this treatment, or that they would have felt pressured to dislike a wealth accumulator.<sup>33</sup> Besides, we have no *a priori* reason to believe that wealth accumulation would be a more sensitive treatment than ethnicity or criminality. Accordingly, we interpret these responses as strong evidence that Bihar voters *disapprove* of wealth accumulation in office.

### 3.2 Testing H2: Are Voters Aware of the Information on Asset Disclosures?

While Bihar voters disapprove of wealth accumulation, they might continue supporting wealth accumulators because they are not sufficiently familiar with the content of asset disclosures. To evaluate this possibility, we rely on our information survey.

Figure 2 presents the respondents' best guesses about wealth (left panel) and wealth accumulation (right panel) of the average Bihar MLA. The actual average and median 2010 wealth and wealth accumulation are indicated beneath each graph.<sup>34</sup> Figure 3, in turn, shows the respondents' best guesses about their own MLA's 2010 wealth (top panel) and 2010-2015

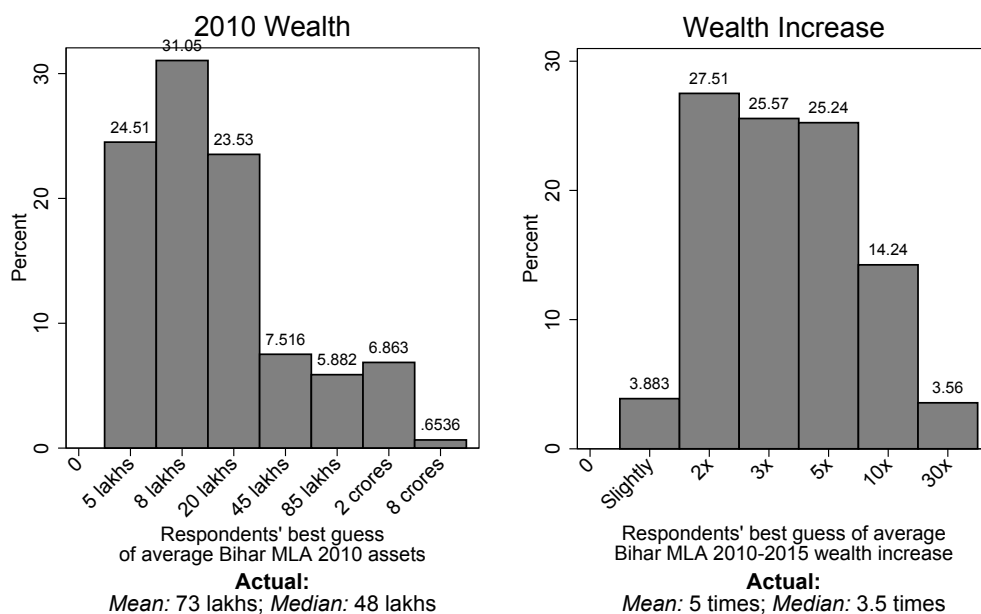
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<sup>33</sup>One way to gauge the potential size of the desirability effect is to examine the variation in the wealth accumulation AMCE with respect to the order in which the wealth attributes were presented. For example, it may be that social desirability bias would be greater when respondents heard the information about wealth accumulation first. As shown in Figure A5 in the Online Appendix, we do not find any evidence that the effect varies with the order in which the information about wealth accumulation was presented.

<sup>34</sup>For the actual wealth accumulation, we focus on the subset of MLAs elected in 2010 who reran in 2015, since we – as well as the public – can only calculate wealth accumulation among the rerunning MLAs.

wealth accumulation (bottom panel). Our respondents resided in one of two constituencies. The guesses made by respondents represented by Chandra Shekhar, in the constituency of Madhepura, are shown in the left panel, and the guesses of the respondents represented by Ramesh Rishidev, in the constituency of Singheshwar, are shown on the right. The actual wealth and wealth increase of these two state legislators are also indicated on each graph.

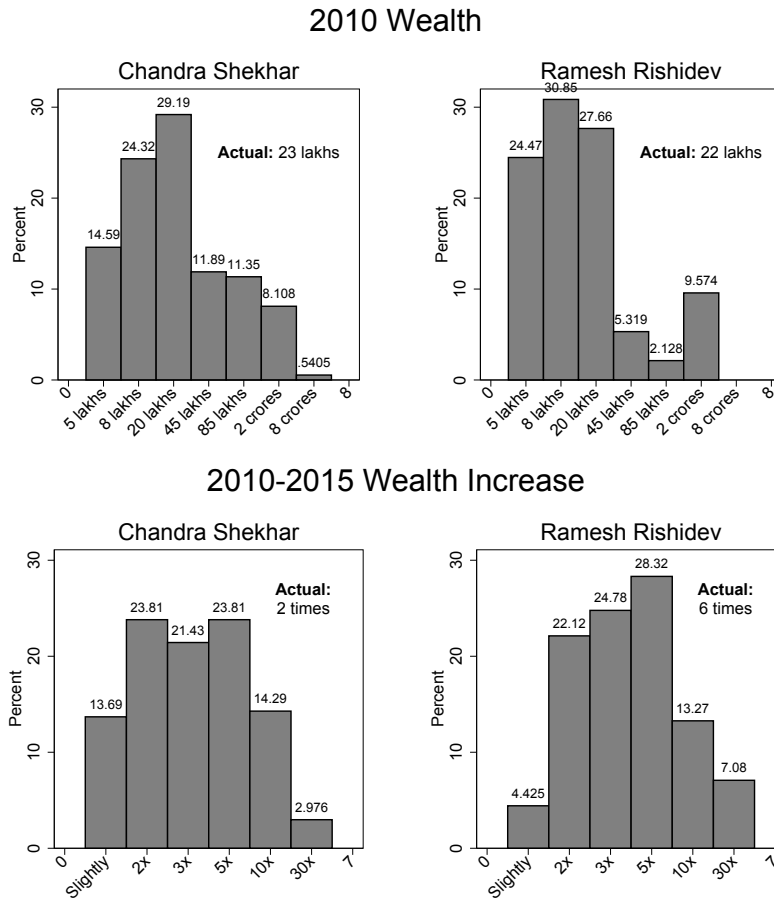
Figure 2: Respondents' guesses and actual wealth and wealth increase among Bihar MLAs



Two key findings emerge from Figures 2 and 3. Importantly, respondents appear to be keenly aware that state legislators are rich and that they accumulate wealth in office. 94 percent of respondents (not shown) correctly thought that the average Bihar MLA increased their wealth during the current term in office, while 90 percent of respondents correctly stated that their own MLA increased their wealth. Also, more than 95 percent of those who thought that the average MLA in Bihar increased their wealth suspected that the wealth

increase was large (double or more).<sup>35</sup> Figure 3 in turn suggests that our respondents are reasonably well informed about their own representatives. Close to a third of respondents guessed closest to both their MLAs actual 2010 wealth *and* actual wealth accumulation. Also, the respondents were generally aware that Ramesh Rishidev increased his wealth more than Chandra Shekhar did (approximately six-fold and two-fold, respectively).<sup>36</sup>

Figure 3: Respondents' guesses and actual wealth and wealth increase among own MLA



While this suggests that our respondents are generally aware that MLAs are rich and

<sup>35</sup>Such high respondents' average expectations about politicians' wealth accumulation suggest that another way to interpret the wealth accumulation effects in Figure 1 is that voters reward a lack of wealth accumulation as much as they punish high wealth accumulation. It is also plausible that punishment or reward is given primarily when observed wealth accumulation is different than a respondent's prior (Arias et al., 2016).

<sup>36</sup>The difference between the two distributions is significant at  $p < .1$ .

increase their wealth while in office, we cannot however conclude that voters are very well-informed. More than three-quarters of our respondents underestimate the 2010 wealth of Bihar MLAs, and about half of them underestimate their wealth accumulation. While the respondents are better at guessing their own representatives' wealth and wealth accumulation, there is still sizable heterogeneity. For example, roughly half of the respondents underestimate Ramesh Rishidev's wealth increase, and even more respondents overestimate Chandra Shekhar's wealth increase. Because the size of reported wealth accumulation matters for respondents' reactions (as shown above), this lack of precise information among voters may help explain their relative leniency at the polls.

Given this mixed evidence, it would be unreasonable to discard information-based explanations. While we cannot directly test whether those who are better informed about wealth and wealth accumulation of actual representatives are more responsive to our experimental treatments, we provide some indirect evidence that this is plausible.<sup>37</sup> In both our surveys, we asked several factual questions about politics (see the questionnaire in Section A11 in the Online Appendix).<sup>38</sup> The respondents from our information survey with higher political knowledge make statistically significantly more precise guesses about actual politicians' wealth and wealth accumulation. Studies in other contexts have shown that more highly politically knowledgeable are on average less tolerant of corruption (Weitz-Shapiro and Winters 2015; Author). We therefore examine whether more highly knowledgeable respondents in our conjoint experiment are less lenient toward profiles with high wealth accumulation. The lower panel of Table A8 in the Online Appendix provide some supportive evidence. Respondents with political knowledge in the upper two quartiles are significantly less likely to express voting intention for above-median wealth accumulators than respondents in the

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<sup>37</sup>As mentioned above, we did not ask our experiment participants for their best guesses about actual wealth to avoid priming and/or experimental effects.

<sup>38</sup>The questions tap respondents' knowledge of the name and party of their MP and MLA, as well as basic familiarity with state and national politics. We measure political knowledge as a simple sum of correct or incorrect answers to these questions.



lower two quartiles.<sup>39</sup>

Altogether, this evidence suggests that more precise information might reduce the chance that wealth accumulators get re-elected. It however does not mean that it would altogether eliminate it. As argued above, this is because the structure of respondents' preferences might in turn lead them to prefer wealth accumulators even when well-informed – and when they disapprove of wealth accumulation.

### **3.3 Testing H3: Do Respondents Weigh Wealth Accumulation Less Than Other Factors?**

Our third hypothesis is that voters dislike wealth accumulation but weigh it relatively less than other factors. To measure the weight of each attribute, we can straightforwardly compare the magnitude of each AMCE in Figure 1 above. The only treatment that has a stronger effect than the wealth increase treatments is a politician's record in office. Respondents are considerably less likely to report willingness to vote for candidates with a disappointing record in terms of development than for a candidate with a "good record". This suggests that there is indeed support for H3 in our data: candidates with a good record may be able to offset the negative effect of high wealth accumulation.

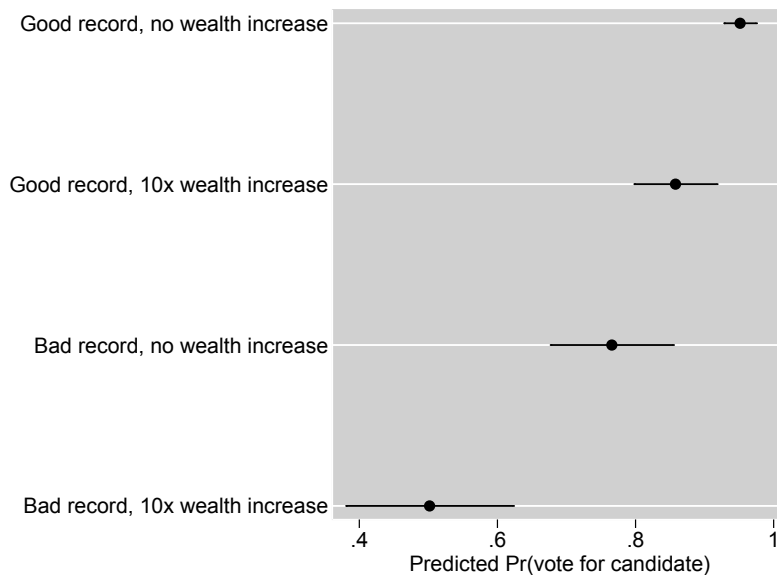
Figure 4 provides a graphical confirmation of this intuition: respondents were close to ten percentage points more likely to vote for profiles with high wealth accumulation and good record (second estimate from the top) than those with a bad record and no wealth increase (third estimate from the top; the difference is statistically significant at  $p < .01$ ). As expected, profiles with a good record and no wealth increase (the top estimate) are most

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<sup>39</sup>The factual knowledge questions are measured post-treatment, and do not capture the knowledge about wealth disclosures per se. Therefore, we also performed nearest neighbor propensity score matching of the respondents from our experimental survey with the respondents from our information survey on all the pre-treatment demographic and socio-economic variables. Assuming that the matched respondents would answer identically in both surveys were they asked all the questions, we find that the wealth accumulation AMCEs are somewhat larger for those with more precise information about wealth disclosures. The results are available upon request.

preferred and those with a bad record and high wealth increase are the least preferred (the bottom estimate in Figure 4). This suggests that our respondents – who overall penalized wealth accumulators – were still more likely to consider voting for wealth accumulators with a good record than for candidates with lower wealth increase with a bad record. In other words, respondents disapproved of wealth accumulation in office, but this disapproval was only relative.

Figure 4: Relative importance of politician record and wealth increase



## 4 Alternative Explanations and Robustness

Altogether, these findings explain why incriminating financial disclosures, and beyond, information about the probity of political representatives, may have a limited effect at the polls. The results presented so far provide support for two explanations: first, voters are insufficiently informed about the content of the disclosures, despite their public nature (H2); and second, even when informed about politicians’ wealth accumulation, voters dislike suspected malfeasance less than they appreciate the candidates’ ability to “deliver” (H3).

A number of alternative explanations, however, deserve to be examined. To the extent that our data allow us to, we explore them in this section.

One alternative explanation is that voters may ignore wealth accumulation when wealth accumulators are the only ones on offer, prompting voters to focus on other politician characteristics or other aspects of their performance. Several studies have argued that voters may ignore corruption when it is widespread, whether because voters may be discouraged from investing in monitoring politicians (Svolik, 2013), because they are more prone to engaging in corruption themselves and thus condoning it (Corbacho et al., Forthcoming), or because they may benefit more from corrupt than clean politicians in high-corruption environments (Author). We do not find evidence consistent with these arguments. Figure A12 in the Online Appendix shows that in principle, voters in many constituencies in Bihar could choose between candidates with quite different wealth accumulation. Close to half of the constituencies with at least three rerunning candidates had a greater range in wealth accumulation – maximum minus minimum candidate wealth increase – than twice the standard deviation in wealth accumulation in Bihar as a whole; in close to a quarter of the constituencies, the range was greater than three-times the Bihar standard deviation. Moreover, our experimental evidence suggest that respondents do not get inured to profiles with high wealth accumulation: those who were randomly exposed to two high wealth accumulators in the first two vignettes do not become more lenient towards a high wealth accumulating profile in the third vignette. Quite the opposite – these respondents then penalize above-median wealth accumulation about 80 percent *more* (significant at  $p < .043$ ).

Another potential explanation is that voters may appreciate wealth accumulators in the real world, for instance because they might see them as more likely to provide clientelistic or patronage goods (Chang and Kerr, Forthcoming; ?), but may reject hypothetical candidates in the context of an experiment. While we cannot directly probe this possibility, we also asked our respondents to rate each profile based on how good a representative they

thought the politician would be “for [them] personally” (see the questionnaire in Section A11 in the Online Appendix). While a fictitious politician cannot provide actual benefits, this question potentially taps into respondents’ perceptions regarding the likelihood of a particularistic exchange as a function of wealth accumulation. Responses to this item increase our confidence that these results are not an artifact of relying on fictitious politicians in the experiment: Figure A13 in the Online Appendix shows that greater wealth accumulation leads respondents to expect *fewer*, not greater, benefits.

Finally, a third alternative explanation relates to heterogeneous effects. It may be enough for wealth accumulators to win elections if sizable and/or influential groups of voters tolerate or value politicians’ wealth accumulation. This should arguably be more likely among supporters of monothematic parties (i.e., parties strongly focused on a single issue). When party leaders focus on a single issue that is not related to good governance, such as ethnic parties openly emphasizing the politics of identity-based empowerment or ethnic redressal, it is to be expected that wealth accumulation (and other forms of politician malfeasance) will be ignored by supporters of these parties.

In the context of Bihar, one such party clearly exists: the Rashtriya Janata Dal party, or RJD (Witsoe, 2013). The RJD, headed by Lalu Prasad Yadav, has since the 1980s aggressively promoted the politics of caste empowerment for Yadavs, traditionally a lower caste in the state of Bihar. The party has been in office several times since the 1980’s and is part of the ruling coalition that won the 2015 elections. As documented by Witsoe (2013), RJD leaders have never made corruption the center of their appeals (unless they embraced corruption as a necessary means to achieve a form of redressal for the lower-caste Yadavs).

It is therefore possible that the RJD supporters would be more tolerant than other voters of wealth accumulation in office – at least by their co-partisans. To test this hypothesis, Figure 5 compares the wealth increase AMCEs for RJD and non-RJD supporters, broken down by co-partisanship between the respondent and the politician profile. As can be seen

from the figure, RJD supporters (the upper panel) are essentially unconcerned with wealth accumulation among candidates from their own party (the left graph), whereas they generally penalize non-partisans' wealth accumulation (the middle graph); the differences between the two panels are statistically significant (the right graph in the upper panel). In contrast, the partisans of other major parties (JD(U), BJP, and Congress, shown in the lower panel) penalize both co-partisans (the left graph) and non-co-partisans (the middle graph) at a similar rate (in fact, as seen in the lower right graph, they punish co-partisan politicians with the above-median wealth increase more than the non-co-partisans). While these heterogeneous effects may require further theorizing and empirical tests, they potentially point to an important complementary explanation: leaders and parties focusing mainly on a single issue – in the case of the RJD, perceived intergroup inequalities – may lead to the creation of political “cultures” that discount the need to monitor corruption.<sup>40</sup>

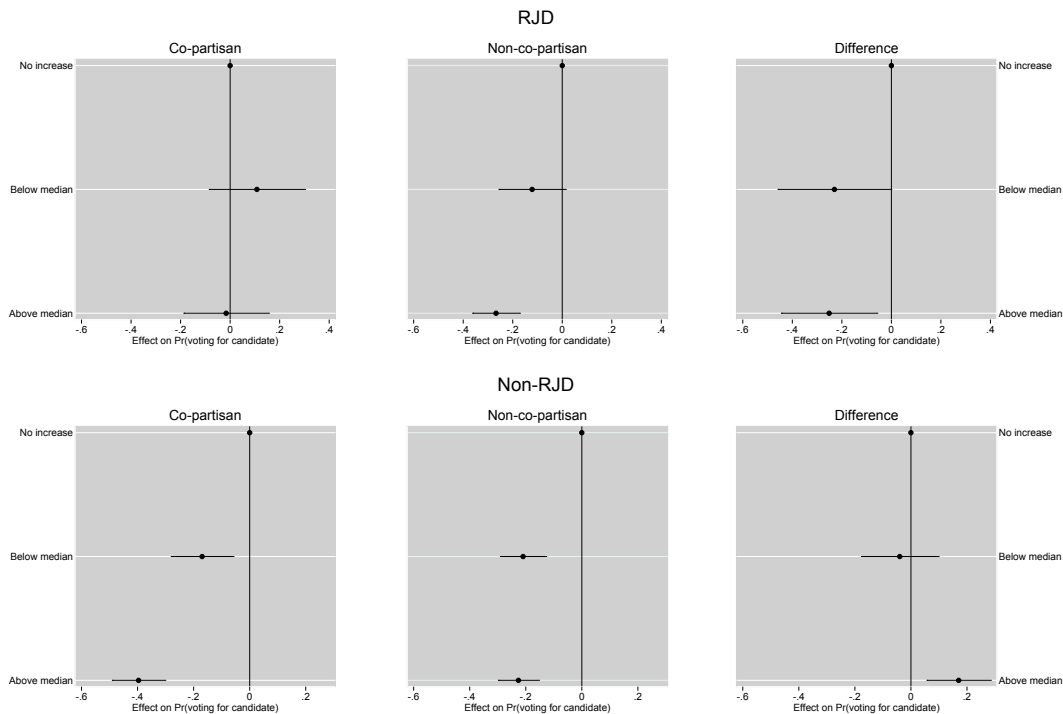
## 5 Discussion

Altogether, these analyses thus suggest three reasons why financial disclosures have a limited effect on Indian voters' behavior. First, while our respondents unambiguously disapprove of politicians' wealth accumulation and see it as a sign of corruption, they are not fully familiarized with the contents of the declarations (even though they overwhelmingly believe that their representatives are rich and accumulate wealth rapidly). Second, wealth accumulators may also benefit from the structure of voters' preferences. While our respondents do not show in-group biases when evaluating wealth accumulation, they weigh candidates' ability to deliver public goods more than information related to wealth increase, thus favoring candidates with large wealth increase and a good record compared to candidates with little or no

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<sup>40</sup>This argument is coherent with theoretical models emphasizing the role of a single factor, for instance ethnicity, in voters' choices (Chandra, 2004). Contrary to this argument, we however argue that most parties are not monothematic, and that only *some*, especially among ethnic parties – are.

Figure 5: Interaction effects with wealth increase for RJD and non-RJD supporters



wealth increase and a bad record. Third, additional analyses suggest that supporters of certain parties whose platforms are focused on issues other than probity (here, RJD voters) are considerably more tolerant of wealth accumulation, and that they do not penalize candidates from their own parties even when they accumulate wealth in office extremely rapidly.

These findings contribute to the growing literature that relies on micro-level data to explain the role of voters in the persistence of political corruption in democratic systems. While this literature has explored the rationale for the election of corrupt politicians (e.g. Rundquist, Strom and Peters, 1977; Weitz-Shapiro and Winters, 2013) or criminal candidates (Vaishnav 2011; Author), we focus on a related and salient, but so far neglected dimension: large wealth accumulation in office. In that sense, we extend some of the conclusions of this literature to another dimension of political malfeasance.

Because we distinguish between, and test for, a rich set of explanations as to why cor-

ruption is not always sanctioned, we also contribute to the broader literature on information and accountability. Our results help explain why disclosures and other transparency efforts – including voter information campaigns – have often had weak effects. While not entirely surprising, our results confirm that voters are frequently unfamiliar with the content of the disclosures. Coupled with our finding – the first we are aware of – that citizens disapprove or large wealth accumulation, the optimistic takeaway is that better efforts to publicize the information from the disclosures may strengthen accountability mechanisms.

However, our other results temper this optimism, as they suggest that the potentially beneficial effects of disclosures – and more broadly speaking, of information – on accountability may be *conditional* on a number of contextual factors. In order for information to reach its full potential and have a real impact at the polls, voters need to be aware of this information and understand it. Once informed, they need to weigh their representatives’ integrity at least as much as other aspects, such as politicians’ ability to deliver public or targeted goods. Whether or not voters behave as such to a large extent depends on deep-seated socio-economic trends – increased literacy and easier access to information for the former, and lesser reliance on state benefits and more programmatic forms of politics for the latter. Since institutions, groups and organizations disseminating information have little control over these trends, our findings may suggest that it will be difficult to make the voter information initiatives currently being run in many emerging democracies more effective (Arias et al., 2016; Banerjee and Pande, 2011). Such conclusion is however premature, as there might be ways for these campaigns to meaningfully inform voters and to affect the structure of their preferences in the short term. But future field and survey experiments should not only provide information, but also devise ways to change the structure of voters’ preferences, especially in countries in which voters can be suspected to disregard the probity of candidates as a priority.

Beyond its effect on public opinion, we believe future work may also fruitfully study other

consequences of rapid enrichment of the political elite. Recent data on wealth distribution in India suggests that the *median* Indian state legislator (MLA) comfortably sits among the top one percent.<sup>41</sup> What is more, assuming an average 5-year increase in wealth of 350 percent (the average rate of accumulation across all state legislators in the affidavit data), the *majority* of state legislators should move into the top one percent in terms of wealth after a *single* term in office. This implies not just that representatives are increasingly dissimilar from the population, but that they are increasingly homogeneous as a group. Both of these trends may increase representational inequality and overall levels of inequality, and for that reason deserve further attention.

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<sup>41</sup>Based on Credit Suisse estimates, (<https://publications.credit-suisse.com/tasks/render/file/?fileID=5521F296-D460-2B88-081889DB12817E02>, page 147).



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