

# Coethnic Voters and Candidate Choice by Political Parties.

Tushar Bharati

University of Southern California

*tbharati@usc.edu*

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# Motivation

- 62% of Indians had first hand experience of paying bribes or influence peddling to get jobs done in public offices successful. (Transparency International, 2008)
- Corruption erodes the institutional capacity of the legislature, the executive and the judiciary.
- Procedures are disregarded, resources are siphoned off, and public offices are bought and sold.
- Corruption undermines the legitimacy of institutions and such democratic values as trust and tolerance.

# Corruption in Politics

- Around a fourth of the MPs accused of crimes.
- Criminally accused politicians affect economic activity and outcomes. (Prakash, Rockmore and Uppal, 2015)
- Criminally accused politicians affect public good provision. (Banerjee et al., 2010)
- Criminally accused politicians affect judicial outcomes.

# Corruption in Politics

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## Judicial Tears of Despair and the Failure of Institutions

By C Aryama Sundaram | Published: 08th May 2016 04:00 AM | Last Updated: 08th May 2016 09:48 AM

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Sundaram is a senior advocate in the Supreme Court

The Chief Justice's tears at a judicial conference was a lament on the alarming increase in pendency of cases leading to a veritable breakdown in the justice dispensation system. The plea seeking the government's cooperation for improvement of the judicial infrastructure and increase in judicial strength was well taken. It is indeed shocking that allocation for the judiciary in a state's budget is hardly 1.5 per cent with many states allocating less.

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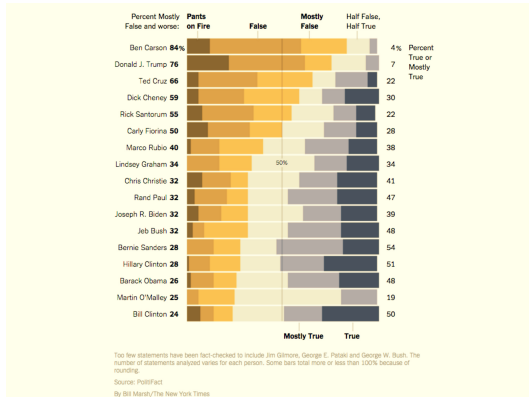
# Popular Hypothesis

- Why do voters elect criminal (accused or/and indicted) candidates to office?
- Voters are willing to compromise on the quality of the candidate as long as they can elect a co-ethnic candidate. (Key (1949), Dahl (2005), Young (1979), Bates (1983), Horowitz (1985), Banerjee and Pande (2009), Vaishnav (2010), Acharya et al. (2014), Banerjee et al. (2010) and Chauchard (2016))

# Ethnic Voting



# Ethnic Voting





# Ethnic Voting



# Inefficiencies of Ethnic Voting

- When ethnic group members choose to vote based on their ethnic identity alone and no other observable characteristics of the candidates, they engage in **ethnic voting**.
- Four ethnicities in a population - A, B, C, D, with voters co-ethnic preference:  $D > C > B > A$ .

**Table: Co-ethnic preference and strategic choice of candidates.**

Party X	Party Y
Candidate: Xa	Candidate: Yc
Ethnicity: A	Ethnicity: C
Criminal Cases: Lowest	Criminal Cases: Second Lowest
Candidate: Xb	Candidate: Yd
Ethnicity: B	Ethnicity: D
Criminal Cases: Second Highest	Criminal Cases: Highest

Winner, if political parties do not internalize co-ethnic preferences, is B. If they do internalize co-ethnic preferences, winner is D.

# Research Question

- **Do political parties look at the ethnicity of potential candidates when deciding whom to run for elections?**
- A simple variant of endogenous entry where political parties choose candidates from a particular ethnicity to maximize their vote count.
- Test it against data from parliamentary and assembly elections from the state of Uttar Pradesh (UP) and Bihar.
- Role of information and education in this context.

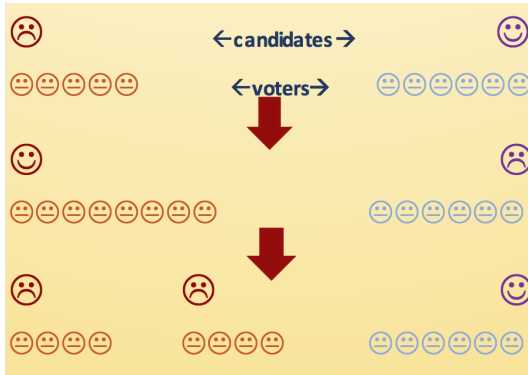
# Model

- Static, simultaneous move game. P political parties, indexed by p, each decide which ethnicity candidate to run from a constituency.
- C constituencies, indexed by c and E ethnicities, indexed by e.
- Each party has a vote profit function that it maximizes:

$$\Pi_{pe}^c = X_e^c \beta + \xi^c + \mu_p + \tau_p^c - g(\mathbf{n}^c, \Gamma_e^c) + \varepsilon_{pe}^c \quad (1)$$

- Informational asymmetry regarding the idiosyncratic component of a rival party's decision making rule.

# Model



# Assumptions

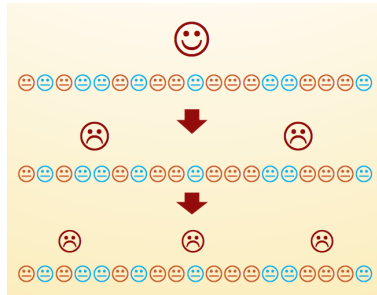
**Assumption 1 (Independent Symmetric Candidate Profitability Type):** The profitability type of a candidate of ethnicity  $e$ , from party  $p$ , in constituency  $c$ ,  $\varepsilon_{pe}^c$  is private information to the party and  $\varepsilon$ 's are independently and identically distributed draws from the distribution  $F(\cdot)$ . This distribution is common knowledge. (We assume  $F(\cdot)$  to be standard normal or type 1 extreme value distribution)



# Assumptions

## Assumption 2 (Linear Additive Competition Effect):

$$g(\mathbf{n}^c, \Gamma_{\cdot e}^c) = \sum_h \gamma_{he} n_h^c; \quad e, h \in \{\text{General}, \text{Reserved}\}$$

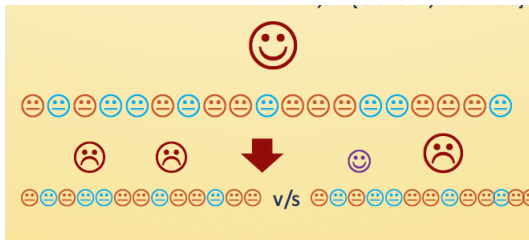


# Assumptions

## Assumption 3:

- (i) *Proximity Competition Effect:*  $\gamma_{ee} > \gamma_{ef}$
- (ii) *Symmetric Competition Effect:*  $\gamma_{fe} = \gamma_{ef}$

$e, f \in \{\text{General, Reserved}\}$





# The Equilibrium

$$p_{re} = Pr(X_e^c \beta - \sum_h \gamma_{he} E(n_h^c) + \varepsilon_{re}^c \geq X_f^c \beta - \sum_h \gamma_{hf} E(n_h^c) + \varepsilon_{rf}^c);$$

$$\forall r \in P; \quad e, f, h \in \{General, Reserved\}$$

$$p_{re} = p_e^c = Pr(\varepsilon_{re}^c - \varepsilon_{rf}^c \geq -(X_e^c \beta - \gamma_{ee}(P-1)p_e - \gamma_{fe}(P-1)p_f$$

$$- X_f^c \beta + \gamma_{ef}(P-1)p_e + \gamma_{ff}(P-1)p_f))$$

$$= F((X_e^c - X_f^c)\beta - (\gamma_{ee} - \gamma_{ef})(P-1)(p_e - p_f))$$

# Comparative Statics

$$\frac{\partial p_{re}}{\partial X_e^c} > 0 \quad (2)$$

$$\frac{\partial p_{re}}{\partial n_e^c} < 0 \quad (3)$$

$$\frac{\partial p_{re}}{\partial n_f^c} > \frac{\partial p_{re}}{\partial n_e^c} \quad (4)$$

# Data

- Candidates ethnicity data: Election Commission of India.
- Constituency level population composition data through RTIs to block development offices and delimitation reports
- Candidate characteristics data from PILs submitted to the Delhi High Court.
- PMGSY roads construction data from OMMS and education data from the 2001 census.
- UP PE (2009,2014), Bihar PE (2009,2014), UP AE (2012), Bihar AE (2010)

# Results

**Table: Parliamentary Elections**

VARIABLES	(1) (PE: Probit)	(2) (PE: Logit)
	General candidate selected	General candidate selected
General Voters (%)	0.0256*** (0.0086)	0.0502*** (0.0168)
Other general candidates	-0.0407*** (0.0154)	-0.0797*** (0.0306)
Other reserved candidates	-0.0266 (0.0504)	-0.0574 (0.0993)
Constant	-0.3424 (0.7011)	-0.9823 (1.3630)
Wald $\chi^2$ for $H_0 : \beta_1 = 1$	13193.50	3258.66
YEAR FE	YES	YES
STATE FE	YES	YES
Observations	2,071	2,071

Notes: \*\*\*  $p < 0.01$ , \*\*  $p < 0.05$ , \*  $p < 0.1$ . Robust standard errors in parentheses. The standard errors are clustered at parliamentary constituency level.

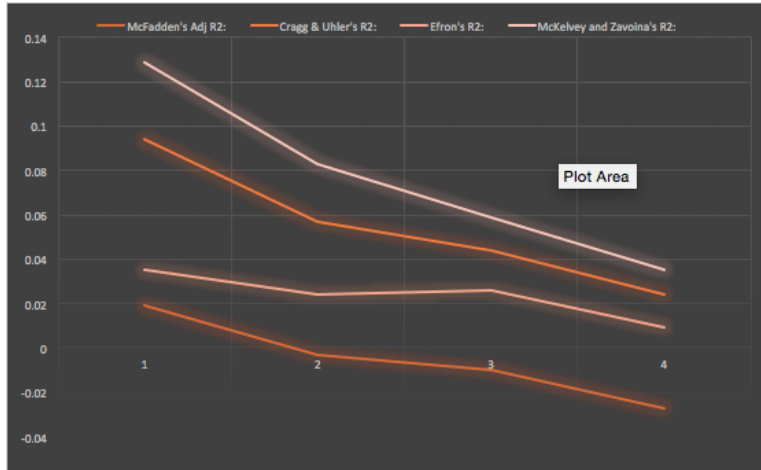
## Results

Table: Assembly Elections

VARIABLES	(1)	(2)
	(AE (All): Probit) General candidate selected	(AE (All): Logit) General candidate selected
General Voters (%)	0.0207*** (0.0039)	0.0427*** (0.0078)
Other general candidates	-0.0088 (0.0075)	-0.0174 (0.0147)
Other reserved candidates	-0.0839*** (0.0259)	-0.1617*** (0.0502)
Constant	0.0452 (0.3142)	-0.3643 (0.6309)
Wald $\chi^2$ for $H_0 : \beta_1 = 1$	62389.15	14730.55
STATE FE	YES	YES
Observations	6,117	6,117

Notes: \*\*\*  $p < 0.01$ , \*\*  $p < 0.05$ , \*  $p < 0.1$ . Robust standard errors in parentheses. The standard errors are clustered at assembly constituency level.

# Goodness of Fit



VARIABLES	(PE) General candidate selected	(AE) General candidate selected
General Voters (%)	0.0403*** (0.0127)	0.0281*** (0.0062)
Other general candidates	-0.0323 (0.0262)	-0.0107 (0.0113)
Other reserved candidates	-0.0786* (0.0409)	-0.0711* (0.0380)
High Connect	3.5687** (1.5184)	-0.1074 (0.8011)
General Voters * High Connect (%)	-0.0413** (0.0187)	0.0008 (0.0102)
Other general candidates * High Connect	-0.0579 (0.0412)	0.0005 (0.0146)
Other reserved candidates * High Connect	0.3758*** (0.1390)	0.0478 (0.0625)
Observations	2,002	5,326
YEAR FE	YES	NO
STATE FE	YES	YES








# Conclusions

- Parties consider the ethnicity of the potential candidates before deciding who to run for elections and differentiate themselves along ethnic lines to decrease competition.
- Reserved constituencies select candidates with lower number of criminal cases against them.
- The strategy is used more in less educated area.
- Reduction in information cost due to better connectivity tends to mute the co-ethnic voting effects.
- The inferior pool of candidate available to select from explains the inferior quality of the candidate more than co-ethnic voting.

# Way forward

- Information - <http://www.myneta.info/> 
- Education and Awareness - Post term analysis of performance of elected candidates at the local level.
- Rolling reservation system as at the Panchayat level.

# Conclusions

