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Referee Report:
Dishonesty and Public Goods Provision: A Tale of Tax-Evading Politicians
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Mahzab's paper (2020) studied the effect of dishonest politicians on distributing government-provided goods to its residents using close elections in Bangladesh. This is done by looking using a sharp regression discontinuity model of close elections in Bangladesh between honest and dishonest politicians with the winner of these elections being the cutoff for treatment in the upazilas, subdistricts in Bangladesh. Politicians' honesty is determined by tax and other publicly available data on the candidates and how government social programs change in the time after the winner's election. This paper accomplishes what it set out to do by looking at various measures of a politician to determine their honesty like criminal background, education, and finances. Measures of upazilas' health, social program, and transportation sectors were looked at by the author to determine the distribution of government-provided goods. The key findings of this paper are in a 5-year period beginning in 2009, upazilas with close elections that ended with a dishonest politician in office had a 27% decrease in households that benefitted from government-provided social programs in comparison to honest politicians.

This paper is not the first to address this research question with many other pieces of existing literature with results that this author mentions throughout the paper. This paper does attribute a lot of thought and decision-making based on multiple pieces of existing literature related to the same question like lighting at night and measures of behavior that dishonest politicians engage in. The main contributions of this paper are the methods the author used to determine dishonest politicians, expanding further on the actions and behaviors of dishonest politicians, government good distribution under different types of political corruption, and the data gathering methods. This paper shares a lot of similarities with similar pieces of existing literature due to the author's use of existing literature in data gathering and usage decisions.

Mahzab's paper has an explicit theoretical model for the distribution of government-provided goods in upazilas using voter groups and assuming no consumption of these goods in other upazilas. The author then looks at the utility differences between different voter groups. There end up being 2 different types of theories that say the distribution of government-provided goods will be fairer under a more honest politician or the honesty of the politician does not absolutely influence how the fairness of the distribution of government-provided goods or the happiness of their residents. The theoretical model does hold up upon closer scrutiny and especially under the theory that honesty is not the sole determining factor. Considering that the author determines honesty using personal information, financial, and tax records, multiple other factors would determine whether a candidate would engage in corruption.

This paper has a clear identification strategy using a sharp regression discontinuity design where treatment is assigned by the winning candidate of a close election. The elections have to be close enough to where it seems that by chance either candidate can win. The honesty value of

the winning candidate determines whether the upazila is given an honest or dishonest politician treatment.

There is a lot of omitted variables bias that could have affected the results in the form of corruption, the distribution of data, and tax laws. Background information on Bangladesh's tax laws and compliance should have been included to give a better idea of how well this criterion is to determine whether a candidate is dishonest. The probability of regular individuals and politicians engaging in tax evasion, how easy or common is it for individuals to legally avoid paying as many taxes as possible, is tax evasion a noteworthy crime in Bangladesh, and government censorship. As anything greater than the maximum amount that does not require an income tax form and with no income tax is the threshold for determining that a candidate is dishonest by tax evasion. It is important to determine all the factors that go into the tax end result. The legality omitted variables that might affect the estimate are potential changes in the law, anti-corruption sentiment, and other government agency corruption. Potential changes in the law would determine the likelihood a candidate is going to participate in tax evasion. Anti-corruption sentiment among citizens and other politicians would make a dishonest politician more of a target for tax evasion or other crimes. Lastly, other government agency corruption like tax agencies might make any dishonest politician look honest or an honest politician look dishonest.

There have been other political journal articles about various topics that have used a regression discontinuity design to assign the treatment of close elections. This paper improves upon other previous efforts in terms of the data used to try to identify the honesty of politicians on a systematic scale that would otherwise be difficult to determine.

The author uses multiple types of data sources for candidates like their financial data including asset amounts and tax forms and personal information like criminal records and education. Most of which are found in candidate-provided information that is required due to a 2009 law that includes financial and personal information. Measures of upazilas' community clinics, health bed capacities, average stay time, and survey data on the number of community clinic patients with COVID-19 are used to determine changes in health under a certain type of politician. Additionally, the change in paved roads is used to measure the change in infrastructure.

The data is well-suited to answer the research question based on how the author structured the design and utilized the data to build upon the results of existing literature. The unique part of the data is how it is being utilized within the structure. There are compelling balance checks between upazilas that have honest politicians and those who have dishonest politicians in office with descriptive statistics that include multiple factors like education, light, population, and sanitation. The paper does not deal with attrition. More contextualized evidence feels necessary for some internal validity of removing underlying corruption in the upazilas election system and for better external validity in other countries.

The empirical model is correctly specified and could be improved with additional data and a more robust way of determining the honesty of a politician. The interpretations of the

coefficients are clear and correct with most of the important data being in graphs and tables. Mahzab shows all the main specifications of the main model, although they could have employed other measures that would determine if a politician is corrupt like press reports and other government agency corruption. Overall, the effect sizes are reasonable considering other literature that the author mentioned throughout the paper.

There are efforts to identify potential mechanisms using existing literature and the data available. That determines the best methods of identifying dishonest politicians and factors that affect the distribution of government-provided goods and the effect these resources have on development. Mahzab made the best possible use of their data and could have improved their paper easily with more background information on the tax laws and situations in Bangladesh. The mechanisms explored are not necessarily the "right" ones and "better" ones can be explored but there are most likely limitations in getting the data necessary to create a convincing argument. The story the author is telling is convincing with reasonable estimates. Plausible alternative stories can emerge from their analysis if someone finds an underlying variable like widespread corruption that contributed to preventing residents from consuming government-provided goods like social programs.

The most important assumptions embedded in the empirical strategy are that there are no large underlying variables that are affecting the distribution of government-provided goods. These assumptions can be violated in many ways such as upazilas-wide corruption where the distributors are stealing or abusing government-provided goods and resources. This paper only includes robustness checks for the identification of honest and dishonest politicians and does not adequately address the potential corruption from other government agencies or actors.

<div align="center">References</div>

Mahzab, M. (2020). *Dishonesty and Public Goods Provision: A Tale of Tax-Evading Politicians*. 1–60. https://blackboardcdn.com/