The Impact of Partisan Politics on Bureaucratic Performance: Evidence from India

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First Draft: January 18, 2016
This Draft: November 16, 2016

Abstract

Existing studies show party alignment impacts positively the distribution of government resources, implicitly assuming this improves policy outcomes. The opposite could be true, however, if alignment reduces the incentives for good bureaucratic performance. To illustrate this alternative, I introduce a theory where only co-partisan legislators credibly threaten to punish bureaucrats. The theory yields two predictions. First, co-partisan legislators are more likely to sponsor, and bureaucrats to approve projects associated with higher rents. Second, legislators anticipating a favorable disposition from bureaucrats, use more resources during periods of partisan alignment. I test these predictions focusing on India's Member of Parliament Local Development Scheme. As evidence of the political pressure exerted on bureaucrats, the paper shows co-partisans experience shorter project approval times, and anticipating favorable treatment, co-partisans use more resources. Finally, I show that co-partisans oversee the implementation of low quality projects more frequently, suggesting they are better positioned to extract rents.

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1 Introduction

A large number of studies show that constituencies aligned on a partisan basis with national authorities benefit from the distribution of additional resources from government programs (Ansolabehere and Snyder 2006, Larcinese, Rizzo and Testa 2006, Solé-Ollé and Sorribas-Navarro 2008, Arulampalam et al. 2009, Brollo and Nannicini 2012, Fouirnaies and Mutlu-Eren 2015, Duquette-Rury et al. 2016). Relying on economic retrospective voting, this literature posits that as long as there is a sufficient level of credit spillover, national authorities have an incentive to distribute resources, such as spending, to lower-level authorities on a partisan basis. The implicit assumption made in this literature is that the additional resources distributed to aligned constituencies leads to an improvement of voter welfare.

This literature, however, does not consider any role for bureaucrats, the actors ultimately in charge of implementing policy. But their role is particularly relevant, as bureaucratic autonomy from political interference is relatively rare (Rauch and Evans 2000, Carpenter 2001). Indeed, according to data from the International Country Risk Guide (ICRG), 61 percent of countries in 2015 reported below average levels in the index of bureaucratic quality, suggesting that in these countries bureaucratic agencies often experience political interference. In this context, the role of bureaucrats may account for worse policy outcomes under partisan alignment (Gulzar 2015) – specially if incentives for good bureaucratic performance become distorted.

To illustrate this possibility, this paper introduces a theory where bureaucrats are in charge of implementing legislator-sponsored projects. Bureaucrats care about the quality of projects but also have career concerns. Further, the fate of bureaucrats depends on the discretion of a governor. There are two types of sponsoring legislators: those who belong to a governor's party (co-partisans) and those who belong to the opposition. Legislators propose projects that vary in quality, with a preference for low-quality projects, as these are

associated with higher rents.

Under this framework, I make two predictions. First, under party-alignment, legislators propose and bureaucrats approve low-quality projects. This happens because only co-partisan legislators can credibly threaten to punish bureaucrats. Second, anticipating a favorable disposition by bureaucrats, legislators tend to use a higher share of resources during periods of partisan alignment.

To test these predictions, I analyze a unique data set of development projects implemented under India's Member of Parliament Local Area Development Scheme (MPLADS). Under this program legislators receive a fixed fund every fiscal year to implement local development projects. The implementation of projects, however, is subject to the approval of bureaucrats, whose career prospects depend on Chief Ministers – the top political authorities at the state level (Wade 1982, 1985, Banik 2001, Krishnan and Somanthan 2007, Das 2013). The variation in party alignment between legislators and Chief Ministers across time and states, the fact that the funds legislators receive are exogenous, and that the career of bureaucrats depends on a clear political authority allows me to isolate the impact of party-alignment on the incentives bureaucrats face.

The paper presents the following findings. As evidence of the favorable disposition of bureaucrats towards party-aligned legislators, I show that works sponsored by co-partisan legislators report shorter approval times. I also show that party-aligned members of parliament report higher usage of resources available under the MPLADS, suggesting that legislators are strategic in the use of their money. Finally, I analyze data from reports of audited works under the MPLADS, and find that co-partisan legislators are more likely to be associated with wasteful projects implemented by NGOs, organizations that have been traditionally associated with the siphoning of funds. This evidence suggests that co-partisan legislators are more likely to extract rents. Together, these findings provide support for arguments in the foreign aid literature holding that projects with lower approval times are of lower

quality (Kilby 2013). Further, the evidence in this paper contributes to the literature on the political economy of development funds (see, for example, Keefer and Khemani 2009), and is applicable to a wide variety of settings. Legislator development funds have been adopted in a wide set of countries (including Mexico, Ghana, Honduras, Kenya, Malawi, Malaysia, Nepal, Pakistan, Phillippines, Tanzania and Zambia among others), where corruption has been a key feature in the management of these programs (Hickey-Tshangana 2010).

The paper is related to recent theoretical and empirical work that highlights different mechanisms affecting bureaucratic performance. This literature shows that, for example, electoral manipulation affects bureaucratic compliance (Gehlbach and Simpser 2015), bureaucratic turnover follows political cycles (Iyer and Mani 2012), political competition (Nath 2014) and increasing the number of political principals has a negative impact on the productivity of bureaucrats (Gulzar and Pasquale Forthcoming), and that the quality of bureaucrats may counteract the negative impact of politics on policy (Dincecco and Ravanilla 2016).

The findings in this paper also build on the vast literature in American politics on the political control of the bureaucracy. These studies show how presidential appointments (Moe 1985, Wood and Waterman 1991), administrative procedures (McCubbins, Noll and Weingast 1987), and the partisan control of the executive and legislative branches of government (Acs 2016) affect the ideological orientation of policies across different domains. Other studies focus on how presidential appointments and the presence of asymmetries of information affect the distribution of government resources (Lewis 2008, Gordon 2011). However, neither set of studies sheds light on the impact of party alignment on the incentives facing bureaucrats, and the quality of policies these bureaucrats implement. Finally, the findings in this paper complement the insights in Bertrand et al. (2015), who show that the incentives bureaucrats face within organizations matter for the performance of agencies and economic growth.

The rest of the paper is organized as follows. Section 2 introduces the theory that

examines the impact of partisanship on bureaucratic performance. Section 3 discusses the institutional background in India and the details regarding the operation of the MPLADS. In Section 4 I discuss the data analyzed to test my theory, and in Section 5 I present the main findings of the paper. Section 6 concludes.

2 Theory

In this section I introduce a theoretical framework to examine the impact of co-partisanship on bureaucratic performance. The theory I introduce predicts that the quality of bureaucratic performance becomes compromised under periods of partisan alignment. My theory also predicts that legislators should display strategic behavior by using more resources for the implementation of projects when they share party affiliation with the incumbent governor.

The framework I introduce involves three different actors: a legislator, a governor, and a bureaucrat. Legislators can either share party affiliation with the governor, or belong to the opposition. Legislators care about maximizing rents and their electoral prospects. However, there is a conflict between the two goals, as maximizing rents (in the form of corruption, for example) may have a negative impact on the future electoral prospects of the legislator. To further their goals, the legislator chooses in a given period to propose either a low or high quality project. Low quality projects are associated with higher rents but lower electoral returns; for high quality projects, the opposite relationship holds.

The governor derives higher utility from projects of better quality regardless of the partisan identity of the legislator responsible for the project. One reason why governors enjoy a payoff for projects sponsored by legislators is that voters may pass onto them part of the responsibility for the implementation of and benefits associated with local projects. Indeed, this source of utility for governors can be interpreted as the standard "spillover" assumption made in the literature on the impact of partisan alignment on the distribution of government

resources (Larcinese, Rizzo and Testa 2006, Solé-Ollé and Sorribas-Navarro 2008, Brollo and Nannicini 2012, Fouirnaies and Mutlu-Eren 2015).

However, when the proposing legislator belongs to the same party as the governor, I also assume that the latter derives an additional payoff inversely proportional to the quality of the corresponding implemented project. Brollo and Nannicini (2012) make a similar assumption in assessing the strategy of a central government in the allocation of federal spending at the municipal level. The difference is that I assume that the additional payoff is negatively related to the quality of the implemented project. One way to interpret this additional assumption is that co-partisan legislators can commit to mobilize their clients on behalf of a co-partisan governor, and that their effort is proportional to the amount of rents they extract from a given project.

As in Ting (2012), bureaucrats care about the quality of policy and have career concerns. In practice, this means that their utility increases with the quality of the projects that legislators propose, and which they are in charge of approving and implementing. But bureaucrats are appointed by the governor, and can be replaced from their post by her authority.

This simple setting imposes a set of incentives that have an impact on the performance of bureaucrats, and thereby on the type of projects that get implemented. In particular, if we assume that legislators place a higher weight on rents relative to electoral outcomes, and a sufficiently small level of credit spillover, I argue that low-quality projects are more likely to be implemented when the governor and the legislator belong to the same party.[1]

The set of mechanisms leading to this prediction is simple. When the governor and a legislator share party affiliation, the former is in a position to credibly threaten to punish a

[1]The assumption of legislators caring more about rents than electoral outcomes is reasonable in the context of India. Studies have found an incumbent disadvantage in national and local elections (Linden 2004, Uppal 2009). Thus, legislators knowing that they have a low chance of re-election may simply do best by diverting their efforts to extract rents while in office.

bureaucrat if she does not approve the implementation of a low quality project. Bureaucrats, knowing that they would be replaced if they do not approve the low quality projects of co-partisan legislators, are willing to compromise to remain in their post. Thus, co-partisan legislators being aware of the pressure under which bureaucrats operate, propose low-quality projects, which maximize their rents.

We can also extend this framework to think about a legislator's optimal allocation of resources over time. For instance, suppose now that legislators have enough resources to see the implementation of one project. Suppose also that there is more than one period, and that the chief minister's partisanship changes with some probability in the second period. Under this setting, and for a sufficiently high probability of change in the partisan identity of the governor, opposition legislators will defer the use of their resources for the second period.

In sum, the theoretical framework discussed in this section predicts that the implementation of low-quality projects is more likely under co-partisan legislators. The theory also predicts that legislators are more likely to use their resources in periods when they are aligned with the incumbent governor. Underpinning both predictions is the presence of a bureaucrat, whose performance becomes comprised only when the legislator and governor belong to the same party. Finally, the framework introduced in this section is consistent with the principal-agent approach followed in the political control of the bureaucracy literature (Huber and Shipan 2011), where the behavior of bureaucrats and politicians is driven by the strategic anticipation of each other's actions (Moe 1985, McCubbins, Noll and Weingast 1987). The next section discusses the setting in which I test the specific predictions of the framework.

3 Institutional Setting

This section provides a brief background discussion on India's political institutions and civil service. The section also describes the main features of the Members of Parliament Development Scheme (MPLADS), the program I focus on to the test my theory.

3.1 Indian Political Institutions

India is a parliamentary democracy. General elections take place every five years, unless a sitting government calls for one before the period mandated by the law. Candidates compete in simple plurality races for a seat in the national parliament (Lok Sabha) to represent one of the 543 constituencies in the country.[2] The party system in India is fragmented (Brass 1994, Chhibber and Kollman 1998, Chhibber, Refsum Jensenius and Suryanarayan 2012), as there are two major national parties, the *Bharatiya Janata Party* (BJP) and Congress, and a relatively large number of parties with a regional base, such as the Communist Party in West Bengal and the All India Anna Dravida Munnetra Kazhagam (AIADMK) in Tamil Nadu.

India is also a federal democracy, consisting of 29 states and 7 union territories. State political institutions mirror, with some exceptions, those at the federal-level. The constitution ordains that states must hold elections every five years. Local legislators, affiliated to either one of the national or regional parties, are elected in simple plurality races. After the election, legislators from the majority party (or coalition) select a Chief Minister (the equivalent of a governor).

Because the focus in this paper is on the partisan alignment between national legislators and Chief Ministers, it is important to consider the different scenarios under which the partisan identity of the latter changes. A change in the partisan identity of the Chief Minister

[2]Parliament has a total of 545 seats, but two ot them are for nominated members.

may take place when: her party (or coalition) loses its majority after an election; she steps down after losing confidence from her coalition; or she steps down, but her party (or coalition) failing to agree on a replacement, bringing about the declaration of President's Rule. In the first case, the partisanship of the Chief Minister changes if a new party (or coalition comes into power). In the second case, a change in the partisan identity of the Chief Minister comes about if the reigning coalition chooses a leader from a different party. Lastly, under President's rule the central government administers the state until the date for the next election, thereby leaving a void in state leadership.

Another important feature of India's institutional configuration is that since 1971 national and most state elections do not follow the same calendar. This feature stems from Indira Gandhi's strategic decision to call for a fresh national election the year after the splintering of the Congress Party into the ruling and opposition factions (Rudolph 1971, Weiner 1971, Rudolph and Rudolph 1987). This means that in addition to the within-state cross-sectional variation in party alignment between national legislators and a Chief Minister, individual MPs may also experience a change in their alignment status between general elections.

3.2 The Indian Administrative Services

The Indian Administrative Services (IAS) is the most important and prestigious branch of the civil service in the country. The IAS is the direct descendant of the Indian Civil Service (ICS), considered the "the 'steel frame' of the British Raj" before independence (Das 2013). Entry to the service is competitive. Officers are first selected to the service through a general examination. Subsequently, accepted candidates take a further test to determine their rank within the service. Officers are assigned to state cadres, with the possibility of serving stints in the central government.

The original framers of the Indian constitution had the intention of insulating IAS mem-

bers from politics. The intention at the time of the constitutional convention was to create an institutional setup guaranteeing members of the civil services implementing policies in an impartial manner (Krishnan and Somanthan 2007). In practice, however, IAS officers are not free from political pressure. Part of the reason for this situation is the fact that there are no clear guidelines for the transfer of IAS officers, and Chief Ministers may exercise a significant amount of influence to decide their fate (Banik 2001).

Indeed, there is anecdotal evidence showing Chief Ministers using their discretion to punish IAS officers when they are unsatisfied with a bureaucrat's performance. There are accounts, for example, involving Chief Ministers manipulating an officer's Annual Confidential Report (ACR), a key part of the evaluation determining the promotion prospects of IAS officers, when bureaucrats have fallen out of favor (Banik 2001, p. 114). Chief ministers also rely on "encadrement" (Krishnan and Somanthan 2007). This practice involves the creation of additional civil service posts with less prestige, and to which bureaucrats can later be transferred. There is also abundant evidence indicating that legislators use their influence to keep bureaucrats in line (Banik 2001, Wade 1982, 1985).

There is evidence of political cycles in the transfer of IAS officers across posts (Iyer and Mani 2012). The frequency of transfers varies by state, and is considered one of the key issues in the agenda for reform of the civil services in India Das (2013). However, little is known about when and how the discretion a Chief Minister enjoys in transferring bureaucrats affects the quality of bureaucratic performance. There is some anecdotal evidence suggesting that frequent transfers diminish the moral of civil servants, thereby negatively affecting the implementation of development programs (Banik 2001). Other accounts suggest that officers subvert the implementation of development programs in order to extract rents, which they subsequently use to bolster their promotion prospects (Wade 1982, 1985). Yet other studies note the partiality of officers in their favorable treatment of politicians close to ruling parties (Krishnan and Somanthan 2007). But there is no systematic evidence, or specific predictions,

regarding the conditions under which bureaucratic performance becomes compromised.

To fill this gap I focus on the Member of Parliament Local Area Development Scheme (MPLADS). As I discuss in the next subsection, the institutional arrangment that the scheme ordains mirrors the features of my theory. This allows me to predict, and test, when the discretion of Chief Ministers is more likely to negatively impact bureaucratic performance.

3.3 The MPLAD Scheme

The MPLAD Scheme was created in 1993. As stated in the scheme's guidelines, the purpose of the program is to provide MPs with funds so that they propose and finance the construction of durable assets of a developmental nature in their constituencies. The government of India, through the Ministry of Statistics and Programme Implementation (MOSPI), has established a set of guidelines ordaining that works should be carried out in the following priority areas: drinking water, primary education, public health, sanitation, and construction of roads, etc.

The key features of the program are as follows. While in office, each member of parliament receives a fixed amount of money every fiscal year regardless of the constituency a legislator represents. At the program's inception, the annual endowment was Rs. 5 Lakhs, but was increased to 2 Crore in the period 1998-1999, and again to Rs. 5 Crore (approximately 750,000 USD) since the the fiscal year 2011-2012. Importantly, the funds associated with the program do not lapse. That is, any funds left at the end of a fiscal year can be used in the subsequent year. This rule also applies at the end of a given parliamentary term; the incoming MP inherits any funds left unspent by her predecessor.

Under the program, MPs are responsible for identifying local needs and sponsoring eligible projects to address them. MPs submit their recommendation to a district authority, who is in charge of both sanctioning the project and choosing, following the existing rules, the agency in charge of implementing the work. The district authority can be either the district

magistrate, collector, or deputy commissioner. All of these posts are filled with officials drawn from the pool of IAS officers, and officers consider these positions to be prestigious (Iyer and Mani 2012).

Importantly, the institutional setup of the MPLAD scheme mirrors the incentive structure laid out in my theory. District authorities work in a given state under the de facto authority of a Chief Minister. At the same time MPs, who may or may not belong to the Chief Minister's political party, recommend projects for the district authority's approval. As my theory illustrates, this setting affects the quality of projects legislators propose and the bureaucrats approve. This setting should also affect the overall disposition of bureaucrats towards co-partisan legislators. Indeed, the current director of the MPLADS stressed to me the importance of party alignment, noting that opposition legislators generally complain because the approval of their proposals and the implementation of their works gets stalled. To address this situation, the head of MOSPI is forced to issue directives aimed at moving forward the projects of opposition legislators.[3]

4 Data

This section describes the two main data sources (the MPLADS Monitoring System and an evaluation of projects implemented under the scheme) and coding procedures I use to test the impact of party alignment on bureaucratic performance.

4.1 MPLADS Monitoring System

I rely on the MPLADS Monitoring System as the first data source to examine the impact of party alignment on bureaucrat performance and the strategic behavior of MPs. The system was set up by the central government to keep a record of all the approved works associated

[3]Phone interview with Darbamulla Sai Baba on April 22nd, 2016.

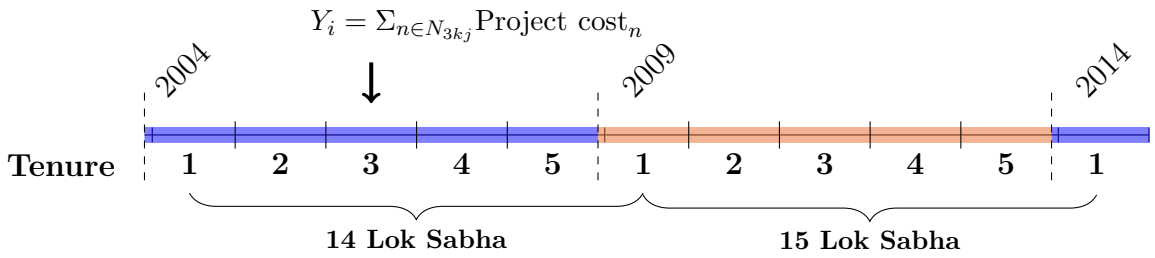

Figure 1: **Party Alignment and Aggregating Outcomes using MPLADS Monitoring Data.** The line segment represents the overlap between state adminstrations and legislative periods in Rajasthan. The dashed vertical lines indicate the timing of state elections, and the solid vertical lines demarcate years of tenure within a given state administration. Segments shaded in blue (orange) correspond to years when a BJP (Congress) Chief Minister was in power. A legislator is coded as co-partisan if during a given tenure year he is affiliated to the same party as the Chief Minister in office. Total approved cost (Y_i) is defined as the sum across the N individual cost of approved projects for MP j in administration k in a given tenure year.

with the scheme across parliamentary sessions. For each work the system provides the name and constituency of the sponsoring MP; the date the work was submitted for approval; the date on which the work was accepted; the cost approved by the district authority for its implementation; and the implementation status among other details. The records in the system correspond to more than $300,000$ works approved during the 14^{th} and part of the 15^{th} Lok Sabha, which span the period May 2004 to February 2014.

Figure 1 illustrates the procedure I follow to code my main predictor and outcomes of interest using the monitoring data. The line segment represents the overlap between the 14^{th} and 15^{th} Lok Sabha with the corresponding three state administrations in Rajasthan. The part of the line segment shaded in blue and orange represent the periods during which a BJP and a Congress Chief Minister was in power, respectively. The dashed vertical lines represent the timing of state elections, and the solid vertical lines demarcate the years of tenure during a given state administration. We can see, for example, that with the exception of the first four months of 2009, the BJP governed Rajasthan for most of the 14^{th} Lok Sabha.

Using this information, I create an indicator variable for party alignment (co-partisan) for each year of tenure across administrations. The variable takes the value of 1 if an MP

is aligned with the chief minister during a tenure year of a given administration and zero otherwise. Notice that this approach yields within- and across- MP variation in the co-partisan indicator. For instance, in the first year of tenure of the BJP state administration coinciding with the 14 Lok Sabha the co-partisan indicator takes a vale of 0 for a Congress legislator and a value of 1 for a BJP MP representing a constituency in Rajasthan. Similarly, a BJP MP serving in the 14 Lok Sabha would take the value of 1 prior to December 2008 but zero thereafter.

To examine whether bureaucrats display favoritism toward co-partisan legislators, I examine how long it takes for bureaucrats to approve proposal of legislators. This outcome is simply defined as the log of the difference in the length of time (weeks) between the time a district authority approved a project for implementation and the date in which an MP submitted the work for approval.

I also create two additional outcomes to examine the strategic behaviour of MPs in the use of resources associated with the MPLADS: the total approved cost across projects and the total number of approved projects during a given tenure year of a state administration. As Figure 1 illustrates, I created these outcomes by simply summing the total approved cost (or number of approved projects) for MP j submitted during state administration k in a given year of tenure.[4]

The final sample I analyze to assess the impact of co-partisanship on the approval time of MP work proposals consists of $320,883$ works implemented across 21 states in India, which together account for close to 97 percent of the country's population in the 2011 census. This universe of works, which I refer to as the monitoring sample, is distributed across 835 MPs. A total of 51.71% of works were proposed by co-partisan legislators. To estimate the

[4]In some periods MPs register no approved works in the monitoring system. I impute those periods with zeros in the total approved cost and total number of projects. The imputation procedure I follow for such MPs is problematic in cases where they report works with a missing recommendation date for the work. Below I check the robustness of my results when including and dropping MPs of this type from the analysis.

impact of party alignment on the total amount of resources that MPs use during periods of co-partisan alignment, I aggregated the monitoring sample over state administration years of tenure. I refer to this sample as the monitoring aggregated sample, and consists of $5,512$ state administration tenure-years. In 45.95% of this universe of tenure-years MPs were aligned with the sitting Chief Minister in their respective states.

4.2 MPLADS Evaluation

To estimate the impact of co-partisanship on the quality of projects that MPs sponsor, I draw on empirical evidence from a unique evaluation of works implemented across India under the MPLADS. As part of its monitoring responsibilities, MOSPI commissioned the Agricultural Financial Corporation Ltd. (AFC), through a public bid, to carry out an evaluation of works implemented under the MPLAD scheme. The period of analysis covers the years 2000-2012.

The sample is restricted to 98 (out of a total of 640) districts distributed across 12 states in India.[5] Figure 2 shows a map of the districts part of the evaluation (represented by red dots). The map shows a pronounced bias towards the north (with the exception of Karnataka, no southern state is represented in the study), and within each state some regions were more likely to see districts included in the sample. For instance, in Uttar Pradesh one can see that most of the districts included in the sample are clustered along a north-south corridor in the eastern part of the state. In the empirical analysis section I show that the non-random nature of the sample is not an issue of concern for the inferences of interest.

The AFC organized teams of 12 people to travel to each of the districts in the sample. The teams were in charge of auditing about 50 works approved by district authorities and implemented during the period of interest. Each work was assessed along several dimensions including: the amount proposed by the MP and the amount sanctioned for implementation

[5]The sample was drawn based on the number of districts as of 2012. The current number of districts in the country is 675. In addition, MOSPI commissioned the audit of 100 districts, but I was able to obtain a copy of the report for 98 of them.

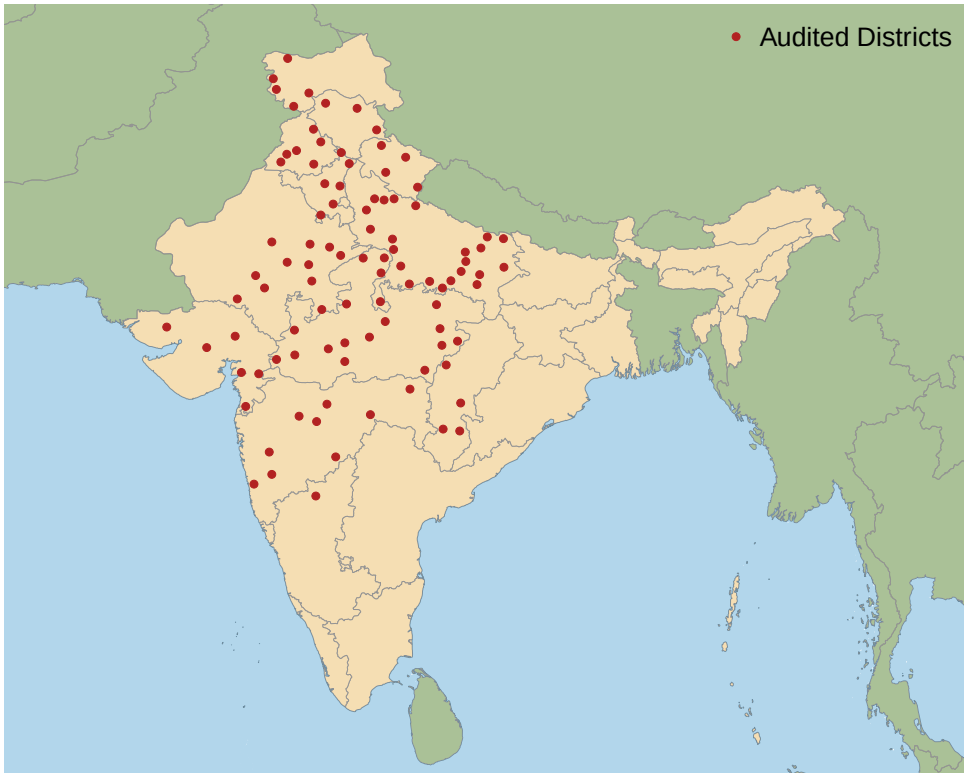

Figure 2: **Sample of Districts in the MPLADS Evaluation.** The red dots represent the 98 districts included in the evaluation of works implemented as part of the Member of Parliament Local Area Development Scheme in the period 2000-2012. In each district approximately 50 works were assessed along several dimensions including the overall usefulness of a work, the work's eligibility, and the type of agency in charge of implementing a project, among others.

by the district authority, the proposal's submission and approval dates, the agency in charge of implementing the project, the usefulness of the work, the project's eligibility, and the type of procurement under which the project was implemented, among others. The AFC summarized this information in detailed district reports encompassing close to 10,000 pages, with each report devoting two pages to each work under a common format.[6]

To code the different outcomes and the main predictor of interest, I first restrict the sample to include only works sponsored by members of the Lok Sabha.[7] I then create a co-

[6]Figures 7 and 8 in the Appendix A display the front and back an example of a report for a work implemented in Faridkot, Punjab.

[7]The reports also include works by members of Rajya Sabha, the upper house of the Indian parliament whose members are elected by state legislatures. The MPLADS guidelines for members of this chamber are broadly similar to the ones that apply to members of the Lok Sabha. However, there are also important

partisanship indicator across works following the same procedure discussed in the previous section. As before, an MP is a co-partisan if the date in which she submitted the project proposal she is affiliated to the same party as the Chief Minister in power.

I then extract the information in the reports, through an automated method (with manual verification), to code the following binary outcome variables for each work: *wasteful*, *ineligible*, *tender*, and *ngo*. The *wasteful* indicator takes the value of one if the auditor deemed the project a waste of resources. This may happen if the project was never completed years after its approval date, if the project was not found by auditors, if it was completed but never used by anyone in the community, or if the project was in a condition as to be deemed unusable.[8] Wasteful projects may be associated with higher rents if, for example, legislators devise a scheme under which contractors overcharge the government for a given input but use one of lower quality and price at the time of implementation. This could allow legislators and contractors to pocket the surcharge, which is not an uncommon practice in India. Wade (1985) discusses, for example, instances of a similar scheme in the context of an irrigation work.

The indicator variable *ineligible* takes the value of one if auditors consider the project not permissible under the ruling guidelines at the time a project proposal was submitted for approval. Reasons for ineligibility found in the reports include: works benefitting a particular community (e.g. a religious group), projects limited to renovating existing assets, and works commissioned for implementation to entities not meeting the required criteria (e.g. a minimun number of year of existence prior the approval of a work). Again, ineligible

differences. For instance, whereas MPs can only sponsor works in the constituency they represent, Rajya Sabha members can do it across any districts within the state. Another difference is that unspent funds by outgoing member of the Rajya Sabha are distributed equally by the state government among all the incoming members.

[8]The following excerpt from a report of a work in Nagaur, Rajasthan provides an example of a wasteful project: "The work [rain water drainage system], if completed, would have immensely benefited the village community. Even after 9 years, no efforts were made to complete the work by dovetailing/convergence. Thus no benefit could be made of the work done in MPLAD Scheme and the money got wasted."

projects may confer additional benefits to politicians if such works promise higher electoral returns by being popular among a specific set of key constituents, for example.

The *tender* indicator takes a value of one if the work was assigned to a contractor through public bidding. This variable measures the ability of politicians to capture rents if avoiding public bidding allows politicians to receive kickbacks from cronies to ensure that they are put in charge of implementing approved projects.

Finally, *ngo* takes the value of one if a "trust" (a type of NGO) was in charge of the implementation of a given work. I use the latter variable as a proxy for corruption, as MPs have used these organizations in the past to siphon funds associated with the scheme. In particular, legislators in the past have been able to assign works to trusts headed by relatives.[9]

The final evaluation sample includes a total of 3,426 works sponsored by 228 MPs representing constituencies across 12 states and three parliaments. A total of 52.31% of works in the sample were proposed by co-partisan MPs. The percentage of wasteful, ineligible, works implemented by a trust, and through public bidding in the sample is 12.74%, 9.83%, 12.77%, and 33.74% respectively.

4.3 Additional Covariates

The analyses in the next section include other political and socio-economic covariates that may have an impact on the different outcomes of interest. Among the political, I include the margin of victory of MPs, a legislator's party affiliation, the level of turnout, and an indicator variable for whether a constituency is reserved for members of the Scheduled Castes or Tribes. I obtained the information to measure these covariates from the statistical reports that the Electoral Commission of India published for the general elections corresponding to the 14

[9]In one particular instance a district report notes: "The work was found ineligible under the MPLAD Scheme guidelines. Because, field researcher found that the trust under which this asset has been created is headed by the close relatives of the recommending Member of Parliament."

and 15 Lok Sabha.[10] In the case of earlier parliaments, I obtained the information from the dataset assembled by Jensenius (2016), which is available through the Constituency-Level Elections Archive (CLEA).[11]

For the socio-economic confounders, I created an index of district "capacity." To create this index I use the proportion of villages in a given district with a main paved road, that have a bus stop within two kilometers, and that report the presence of a primary health center in the district as reported in the 2001 census village directory. Finally, in the analyses that follow I also control for the total number of MPs under the jurisdiction of a given district for the purposes of the MPLADS. This additional covariate is necessary, as the number of legislators per district official may affect the workload and incentives that bureaucrats face (Gulzar and Pasquale Forthcoming).

5 Empirical Findings

In this section I test the main predictions of my theory. I first show that works sponsored by co-partisan legislators report shorter approval times, suggesting that bureaucrats display favoritism towards MPs aligned with the Chief Minister. I then show that the total cost and number of projects approved is higher among co-partisan legislators than among those who belong to the opposition. This evidence suggests that MPs are strategic in the use of resources associated with the program. Finally, I show that co-partisan legislators are more likely to propose wasteful projects and works implemented by NGOs, which indicates that party alignment affords politicians better opportunities to extract rents. Together, these findings support my hypothesis that bureaucratic performance becomes comprised because members of parliament aligned with a Chief Minister can credibly threaten to punish civil servants.

[10] http://eci.nic.in/eci_main1/ElectionStatistics.aspx
[11] http://www.electiondataarchive.org/

5.1 Co-Partisanship and Bureaucrat Favoritism

To test the impact of party alignment on bureaucratic performance, I first analyze the monitoring sample and fit the following random effects model:

$$
\begin{aligned}
Y_i &= \beta_0 + \text{coparty}_{k[j[i]]}\beta_1 + X^{\top}_{l[j[i]]}\beta_2 + t_{k[i]}\beta_3 + t^2_{k[i]}\beta_4 + \alpha_j + \alpha_k + \alpha_l + \epsilon_i \\
\alpha_j &\sim \mathcal{N}(0, \tau_j) \\
\alpha_k &\sim \mathcal{N}(0, \tau_k) \\
\alpha_l &\sim \mathcal{N}(0, \tau_l)
\end{aligned}
\tag{1}
$$

where Y_i is the log duration of the time (in weeks) it takes for project i to be approved. The main variable of interest is $\text{coparty}_{k[j[i]]}$, a binary indicator equal to 1 if legislator j belongs to the same party as the sitting Chief Minister at the time of project proposal i during state administration k.[12] $X^{\top}_{l[j[i]]}$ denotes a vector of other covariates linked to project i through legislator j during legislature l. This vector includes the number of MPs working with the same district authority as a legislator, a legislator's margin of victory, turnout in the race in which she was elected, an indicator variable for whether the MP represents a reserved constituency, and a dummy for a legislator's party affiliation. I also include in the model the years of tenure of a state administration ($t_{k[i]}$) and the square of this term. [13] In a second specification I also consider the interaction between *coparty* and state administration years of tenure. Finally, to account for the clustering of observations, the model includes legislator (α_j), state administration (α_k), and legislature (α_j) random effects. I fit a similar model to the monitoring aggregate sample. The only difference in this model is that it aggregates the

[12] The indexing notation for covariates follows the approach for grouped data introduced in Gelman and Hill (2007).

[13] The model fitted in this section does not allow for the possibility of party alignment varying over time for a given project as only less than 4% of projects in the monitoring and evaluation sample are observed across different state administrations.

outcome over state administration tenure-years, controls for the lag level of expenditure per period, and includes MP and legislature random effects.

The estimates of these models, presented in Table 1, show unambiguous evidence that party alignment has a significant effect on bureaucratic performance and the behavior of legislators. Columns (1)-(2) report the estimates for the monitoring sample where the unit of analysis is an individual work, and columns (3)-(6) report the results for the monitoring aggregated sample. The first column shows that projects proposed by co-partisan MPs take close to 16% less time to be approved relative to those proposed by opposition legislators. The average approval time in the sample is 11.17 weeks, so the decline represents approximately a two-week decrease in the waiting time for legislators.

I argue that this estimate is driven by the threat of punishment facing district officials. However, an alternative mechanism for the observed pattern in the data could be that chief minister stacks local posts with loyalists as suggested in Iyer and Mani (2012). To adjudicate between these two competing mechanisms, Column (2) reports estimates from model that interacts the co-party indicator with the state administration years of tenure. The point estimate for the interaction between the linear term for tenure and co-party is positive and statistically significant. The estimate indicates that an additional year of tenure reduces the difference in time of approval between the proposals of co-partisan and opposition legislators by approximately 2%. This evidence suggests that as the end of a state administration comes to an end, the threat of punishment by a Chief Minister diminishes, thereby reducing the incentive of bureaucrats to favor co-partisan legislators.

Column (3) shows that co-partisan MPs report a 31% increase in cost sanctioned relative to opposition MPs. Column (5) reports an estimate of 26% for the increase in the total number of approved projects for co-partisan legislators. The findings in Columns (4) and (6) shows that these results are robust to accounting for the interaction between co-partisanship and a state administration's years of tenure.

	Log Approval Time		Log Approved Cost		Log Number of Projects	
	(1)	(2)	(3)	(4)	(5)	(6)
Co-Party	−0.152***	−0.170***	0.269***	0.333***	0.221***	0.303***
	(0.008)	(0.009)	(0.077)	(0.109)	(0.065)	(0.092)
MPs per District	0.018	0.020*	0.200***	0.200***	0.140***	0.139***
	(0.012)	(0.012)	(0.061)	(0.061)	(0.053)	(0.053)
Margin	0.152***	0.155***	0.035	0.020	0.064	0.046
	(0.056)	(0.056)	(0.450)	(0.450)	(0.387)	(0.387)
Turnout	−0.322***	−0.325***	1.789***	1.789***	2.259***	2.262***
	(0.089)	(0.089)	(0.454)	(0.454)	(0.392)	(0.392)
Reserved	−0.012	−0.012	−0.149	−0.149	−0.126	−0.126
	(0.043)	(0.043)	(0.109)	(0.109)	(0.094)	(0.094)
Bye Election	−0.149***	−0.147***	0.421**	0.420*	0.293	0.293
	(0.019)	(0.019)	(0.214)	(0.214)	(0.182)	(0.182)
Log Cumulative Spending			−0.002	−0.001	−0.008	−0.007
			(0.010)	(0.010)	(0.008)	(0.008)
CM Tenure	−0.022***	−0.034***	−0.018	−0.021	0.015	0.019
	(0.004)	(0.006)	(0.062)	(0.083)	(0.052)	(0.070)
CM Tenure^2	−0.005***	−0.004***	−0.009	−0.001	−0.015	−0.007
	(0.001)	(0.001)	(0.016)	(0.021)	(0.013)	(0.017)
Co-Party × CM Tenure		0.019**		0.018		0.005
		(0.008)		(0.125)		(0.105)
Co-Party × CM Tenure^2		−0.002		−0.021		−0.021
		(0.002)		(0.031)		(0.026)
Intercept	2.023***	2.044***	1.685***	1.612**	0.741	0.652
	(0.284)	(0.284)	(0.640)	(0.643)	(0.590)	(0.592)
Party Dummies	Yes	Yes	Yes	Yes	Yes	Yes
Parliament RE	Yes	Yes	Yes	Yes	Yes	Yes
MP RE	Yes	Yes	Yes	Yes	Yes	Yes
Administration RE	Yes	Yes	No	No	No	No
Observations	320,883	320,883	5,506	5,506	5,512	5,512
Log Likelihood	−385,004.2	−385,005.5	−11,876.27	−11,879.72	−10,968.49	−10,971.06

Note: *p<0.1; **p<0.05; ***p<0.01

Table 1: **Co-Partisanship, Approval Times, and Use of MPLADS Resources** The table reports regression estimates for the relationship between co-partisanship and the log of approval times for development works (Columns 1-2), the log of total cost approved (Columns 3-4), and the log of the total number of approved projects (Columns 5-6) during a given year of a state administration. The estimates show that party alignment decreases the approval times of projects, and is associated with higher total cost and number of approved projects by bureaucrats. Columns (2), (4), and (6) report estimates from a model that considers heterogenous effects by the year of tenure of a state administration. Only the model considered in Column (2) shows that the effect of co-partisanship on approval times decreases as a state administration progresses.

The estimates in Columns (3)-(6) can be the result of two mutually reinforcing mechanisms. First, one could find a higher cost sanctioned during co-partisan periods because legislators are strategic in their use of resources. Knowing that they can extract higher rents, legislators may hoard their resources to use them when they are co-partisans of the sitting chief minister. Second, bureaucrats may exhibit favoritism toward aligned MPs because of the looming threat of transfer. Thus, even if MPs are not strategic, bureaucrats would be more likely to approve projects of co-partisan legislators, thereby accounting for observed patterns in Table 1.[14]

The regression estimates reported in Table 1 illustrate other interesting findings. For instance, a project's approval time is longer in districts with more MPs. This result is consistent with the findings in Gulzar and Pasquale (Forthcoming). However, the mechanism underlying this pattern is different. In Gulzar and Pasquale (Forthcoming), the performance of bureaucrats suffers is because the electoral benefit of a given program becomes diluted in the presence of multiple principals. In the context of the MPLADS this is unlikely to be the case, as projects bear a plaque detailing the specific legislators responsible for them. Thus, it is more likely that the observed pattern is the result of the increased workload for bureaucrats when they have to deal with the proposals of several MPs at the same time.

The estimates in Table 1 also show that higher turnout accounts for shorter project approval times; for the total costs bureaucrats approve; and the number of projects that MPs sponsor. Bye elections are associated with lower approval times, higher total costs approved and total number of projects. Surprisingly, there is no evidence that a legislator's

[14]A potential concern with the findings reported in Table 1 is that they are simply mechanical, and driven by the first year of administration of state governments, when MPs and bureaucrats do not have much backlog of projects pending for approval. To address this issue, Table 6 in the Appendix reports estimates for the coefficients in equation 1 based on a sample that drops all observations in the first year of a state administration. For the aggregated sample, Columns (5)-(6) and (9)-(10) in Table 6 in the Appendix also reports findings when dropping legislators who reported missing values in the dates of some of the projects they submitted, and for which I could not determine the year of state administration to which they correspond. The results using these alternative samples remain unchanged.

margin of victory influences any of the outcomes examined above. However, Table 5 in the Appendix considers an alternative model specification where instead of the margin of victory, I use the log of its reciprocal. The estimates under this alternative specification indicate that smaller margins of victory are associated with shorter approval times.

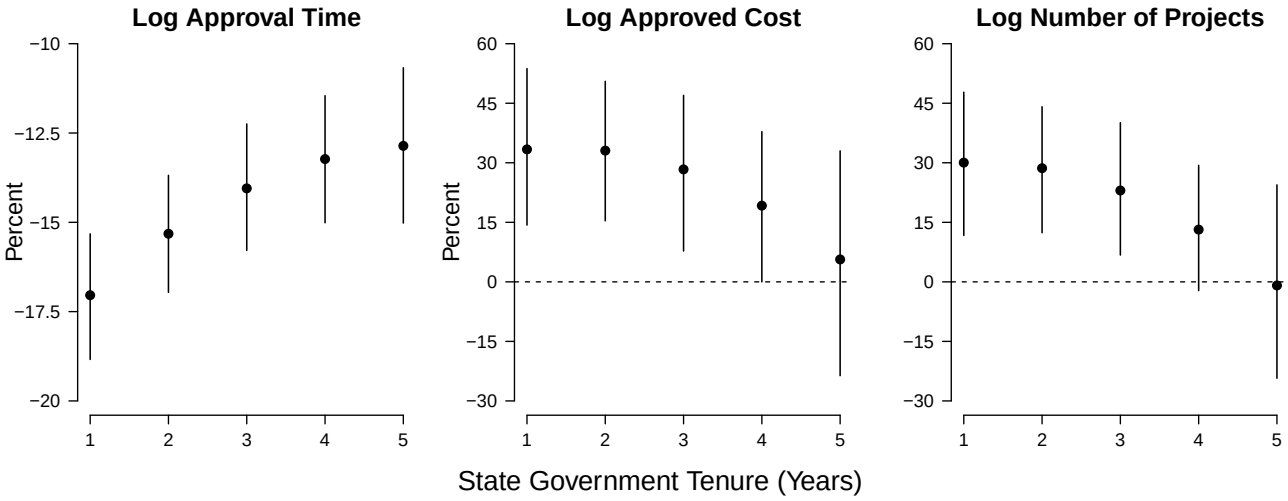

Figure 3: **Impact of Co-Partisanship by State Administration Year of Tenure.** The panels in the figure plot point estimates (and 95% confidence intervals) of co-partisanship's impact on the log of project approval time (left), total approved cost (middle), and total number of approved projects (right) by year of tenure of a state administration. All three panels shows that the impact of co-partisanship decreases as the tenure of state administrations progresses.

Finally, to get a sense how the effect of party alignment varies as a state administration progresses, Figure 3 plots point estimates (and 95% confidence intervals) for the impact of co-partisanship on the log of a project's approval time (left panel), the log of total cost approved across projects (middle panel), and the log of the total number of works approved (right panel) across a state administration's years of tenure. The left panel shows a stark pattern, as the difference in approval time between works sponsored by co-partisan and opposition MPs decreases by 6 percentage points, from close to 18% in a state administration's first year of tenure to less than 12% in its last year.

Although the patterns in the middle and right panels are less stark, one can still see that

the impact of co-partisanship decreases as the tenure of a state administration progresses. For instance, the middle panel shows that the difference in the total cost sanctioned between co-partisan and opposition legislators decreases from close to 35% in the first year of an administration to less than 15% in the last. The pattern in the right panel for the total number of projects approved is very similar.

Extrapolation is a concern in estimating the heterogenous impact of co-partisanship on the different outcome of interest. In particular, this could be problematic if, for example, the number of observations used to estimate the relationship between co-partisanship and the log of approval time during the last year of state administration was disproportionately smaller in relation to previous years. Figure 9 in the Appendix shows that this is not the case. The figure shows that the distribution of observations is similar across years of tenure and legislator type. For instance, 30% of the observations in the monitoring sample are found in the first year of tenure, 25% in the second year, 20% in the second year, and 20% in years four and five. This pattern holds across all samples analyzed in this section.

5.2 Co-Partisanship and the Quality of Projects

Co-partisanship not only influences the approval times of development projects and the amount of resources that legislators use. In this section, I show that party alignment gives rise to projects of lower quality and projects implemented by organizations traditionally associated with corruption in India.

The evidence in this section is based on the analysis of the evaluation sample, where the unit of interest is an individual work, and consists of $3,635$ observations. The outcomes I analyze include whether a project was wasteful, whether it was implemented by an NGO, whether it was ineligible under the existing guidelines, and whether it was implemented through a public bid. As robustness check, I also examine the relationship between co-

partisanship and the log of project approval time.

To estimate the relationship between co-partisanship and the outcomes of interest, I fit the model represented in equation 1. All regression estimates are reported in Table 2. The estimates in Columns (1) and (3) show that co-partisanship is positively correlated with wasteful projects and with NGOs as the agency in charge of their implementation. In particular, works sponsored by co-partisan legislators are 3.6 and 6.2 percentage points more likely to be wasteful and implemented by an NGO respectively. Columns (2) and (4) examine whether the relationship between co-partisanship and these two outcomes varies by a state administration's year of tenure. The estimates show that this is only the case for the wastefulness of projects (see Column 2). Surprisingly, the estimates in Columns (5)-(8) show that co-partisanship does not seem to be associated with the ineligibility of project and the type of contracting procedure for their implementation. Finally, Column (9) shows that when a co-partisan MP submits a proposal, it is subject to a shorter approval time, which replicates one of the main results in Table 1.

These findings suggest that co-partisan MPs, sensing the threat bureaucrats face, have better chances of pushing forward projects associated with higher rents (and thus lower quality) to be implemented by organizations that may allow them to siphon off money from the scheme. Indeed, as suggested in the foreign aid literature, lower approval times may result in bureaucrats paying less attention to the proposals they consider, and thereby leading them to approve projects with lower merit (Kilby 2013).

An alternative mechanism for the patterns observed in the data may be that when there is partisan alignment, bureaucrats and legislators are not afraid of being caught for engaging in corrupt practices. To rule out this possibility, I examine the impact of co-partisanship across a state administration's years of tenure. The theory I introduce yields a clear prediction regarding the heterogenous effect of co-partisanship. As an administration progresses, the power and time a Chief Minister has to transfer bureaucrats diminishes along with the ability

	Wasteful Project		NGO-Implemented		Ineligible Project		Tendering		Log Approval Time	
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
Co-Party	0.036**	0.070***	0.062***	0.046*	−0.003	−0.001	−0.002	−0.002	−0.241***	−0.150
	(0.017)	(0.025)	(0.017)	(0.024)	(0.014)	(0.022)	(0.022)	(0.031)	(0.068)	(0.098)
Margin	0.173*	0.167*	−0.126	−0.123	−0.031	−0.030	−0.105	−0.108	−0.770*	−0.801*
	(0.091)	(0.091)	(0.106)	(0.107)	(0.076)	(0.076)	(0.151)	(0.151)	(0.450)	(0.449)
Turnout	−0.022	−0.032	0.140	0.144	0.167	0.170	0.077	0.082	−1.743***	−1.754***
	(0.132)	(0.132)	(0.159)	(0.159)	(0.107)	(0.108)	(0.240)	(0.241)	(0.669)	(0.668)
Reserved	0.028	0.027	−0.016	−0.015	−0.003	−0.004	−0.113**	−0.114**	−0.010	−0.017
	(0.025)	(0.025)	(0.034)	(0.034)	(0.021)	(0.021)	(0.056)	(0.056)	(0.136)	(0.136)
CM Tenure	−0.044***	−0.031	−0.007	−0.024	−0.016	−0.006	0.032*	0.048**	−0.071	0.034
	(0.014)	(0.020)	(0.013)	(0.019)	(0.013)	(0.018)	(0.017)	(0.024)	(0.054)	(0.078)
CM Tenure^2	0.009**	0.008	−0.002	0.002	0.003	−0.0003	−0.012***	−0.018***	0.004	−0.023
	(0.004)	(0.005)	(0.003)	(0.005)	(0.003)	(0.005)	(0.004)	(0.006)	(0.014)	(0.019)
Co-Party × CM Tenure		−0.025		0.032		−0.019		−0.032		−0.196*
		(0.028)		(0.026)		(0.025)		(0.032)		(0.105)
Co-Party × CM Tenure^2		0.001		−0.008		0.006		0.012		0.051*
		(0.007)		(0.006)		(0.006)		(0.008)		(0.027)
Intercept	0.041	0.033	0.109	0.115	−0.049	−0.054	0.138	0.132	3.320***	3.255***
	(0.125)	(0.125)	(0.148)	(0.149)	(0.103)	(0.104)	(0.217)	(0.218)	(0.615)	(0.612)
Party Dummies	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Parliament RE	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
MP RE	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Administration RE	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Observations	3,414	3,414	3,421	3,421	3,426	3,426	3,417	3,417	3,001	3,001
Log Likelihood	−990.809	−996.224	−724.413	−731.533	−683.074	−690.344	−1,500.331	−1,506.186	−4,601.187	−4,604.387

Note: *p<0.1; **p<0.05; ***p<0.01

Table 2: **Impact of Co-Partisanship on Project Quality and Type of Implementing Agency.** The table reports estimates of the relationship between co-partisanship and the probability that projects are wasteful and implemented by NGOs. Columns (1) and (3) show that co-partisanship is negatively associated with these outcomes. Columns (2) and (4) explore heterogenous effects, and shows that these are only present in the case of wasteful projects, with the impact of co-partisanship decreasing throughout the tenure of a state administration. Columns (5)-(8) show that co-partisanship bears no effect on the eligibility of projects or the contracting procedure for their implementation. Columns (9) shows that the project approval times of co-partisan legislators are shorter, replicating the result reported in the analysis of the monitoring sample.

of a legislator to threat civil servants. Thus, we should see that the impact of co-partisanship decreases over time. In contrast, it is less clear what the implications are regarding the presence of heterogenous effects when a bureaucrat and legislator collude. Unless audits are common, the collusion behavior between aligned legislator and bureaucrats should remain constant over time.

Figure 4 provides evidence to adjudicate between these two mechanisms, and shows that the effect of co-partisanship on the probability of wasteful projects decreases over time within an administration. The figure plots point estimates (and 95% confidence intervals) for the difference in the probability of sponsoring a wasteful project (left panel), sponsoring a project implemented by NGOs (middle panel), and the log of project approval time (right panel) between works sponsored by co-partisan and opposition MPs. The clearest pattern is observed in the left panel, which shows that the impact of co-partisanship on wasteful projects decreases from 7 percentage points in the first year of an administration, to close to 0 during the last year.

District capacity could be another potential explanation for the findings reported in Table 2. Under this alternative account, the lower quality of bureaucrats could simply be a confounder of co-partisanship. Table 7 in the Appendix reports findings when fitting equation 1 and including an index of public goods provision as a proxy for district capacity.[15] The estimates in Columns (1) and (2) show that district capacity is negatively correlated with the wastefulness of projects. However, even after controlling for this potential confounder we still see that the estimate for the co-partisanship coefficient is negative and statistically significant.[16]

[15]To measure district capacity I use the 2001 village directory census data, and for each district I compute the proportion of villages that report the presence of a primary health center, a main paved road, and a bus stop within 2 kilometers. I then use factor analysis to compute the principal component from these three variables, which I use as the measure of capacity.

[16]Other variables of interest in Table 2 include margin of victory and turnout. The estimates in Columns (1) and (2) show that the margin of victory is positively correlated with the probability of a wasteful project. (Table 8 considers an alternative regression model specification that controls for the reciprocal of the margin

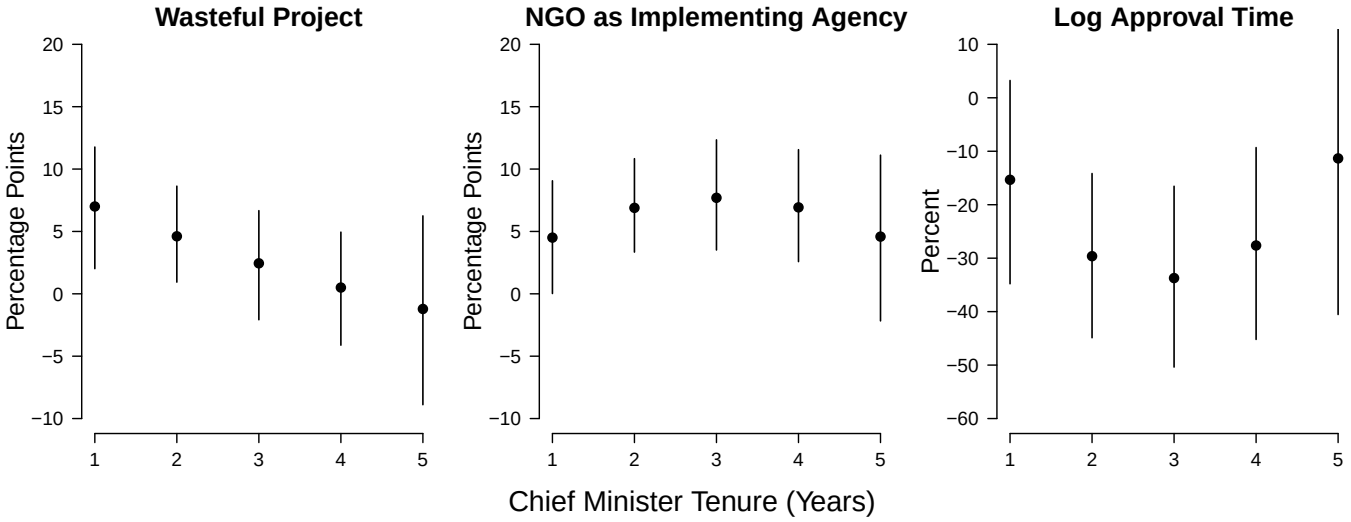

Figure 4: **Impact of Co-Partisanship on Project Quality, Project Implementing Agency, and Approval Time by State Administration Year of Tenure.** The panels in the figure plot point estimates (and 95% confidence intervals) of co-partisanship's impact on the probability that a project is wasteful (left), that an NGO is in charge of its implementation (middle), and on the log of project approval time (right). The effect of co-partisanship only varies by the year of state tenure in the case of a project's propensity to be wasteful, decreasing from 7 percentage points during the first year of tenure to close to zero in the last.

Yet another possibility is that party alignment affects the calculation of legislators regarding the types of projects they propose. This could be an issue if certain project types, for example, are more likely to be wasteful, or take less time to be approved. To assess this mechanism, I implement the approach introduced in Acharya, Blackwell and Sen (Forthcoming) to estimate the Average Controlled Direct Effect (ACDE) of co-partisanship on the different outcomes of interest examined in Table 2. The ACDE identifies the effect that a treatment has on an outcome when the value of a given of post-treatment variable is set to some value. This approach is particularly useful in the present context because partisan alignment may affect the type of projects legislators propose.

To measure project type, I rely on the sector to which each project belongs as reported

of victory. The estimates from the alternative model are qualitatively similar to those reported in Table 2.) Turnout does not seem to be associated with any of the outcomes examined in the evaluation sample.

in the MPLADS evaluation. I aggregated sectors into the three largest categories: roads or bridges, educational facilities, and other works (the latter category comprises mainly the construction of community halls). In the particular application I examine, the ACDE refers to the effect of co-partisanship on the different outcomes analyzed in Table 2 when a project belongs to the roads and bridges sector. The results of this analysis are reported in Table 3. The table shows that after accounting for the sector to which a project belongs, party alignment still has a positive impact on whether a project is wasteful and a negative impact approval time. The point estimate for the ACDE of co-partisanship on whether a project is implemented by an NGO is smaller than the one reported in Table 2, and is not statistically significant. This evidence suggests that legislators are constrained in the types of agencies allowed to implement certain projects. Thus, in order to maximize their rents, aligned legislators are more likely to propose certain projects so that these can be implemented by their preferred agencies. Indeed, Figure 10 in the Appendix shows that co-partisan legislators are more likely to propose works in the Other and Educational Facilities sectors, for which there may be more flexibility in the choice of implementing agencies.

	Wasteful	NGO-Implemented	Ineligible	Tendering	Log Approval Time
ACDE	0.042	0.033	0.001	0.015	-0.219
s.e.	0.022	0.025	0.016	0.048	0.113
p-value	0.059	0.193	0.928	0.753	0.053

Table 3: **Average Controlled Direct Effect (ACDE) of Co-Partisanship in Evaluation Sample.** The table reports point estimates (bootstrap standard errors and p-values) for the Average Controlled Direct Effect (ACDE) for the impact of co-partisanship on the outcomes in the evaluation sample analyzed in Table 2. The ACDE accounts for the potential effect that co-partisanship may have through the sector to which a given project belongs. All point estimates are based on regressions that include the same set of baseline covariates reported in Table 2.

5.3 Sources of Variation in Co-Partisanship

Given the absence of exogenous variation in co-partisanship, questions remain about the source of identification to estimate the impact of this variable on the quality of MPLADS projects and overall bureaucratic performance. To address this concern, I further explore the data to characterize the difference sources of variation in co-partisanship.

As discussed in section 4, there are two sources accounting for the variation in co-partisanship: across legislators within the state, and within legislators across administrations. Figure 5 explores the two sources of variation in the co-partisan variable in the two parliamentary periods covered in the monitoring sample. Each barplot reports the total number of MPs (grey), the total number of MPs who were only co-partisans (dark grey), and those that experienced at least one transition from co-partisan to opposition status (switchers) or viceversa (light grey), across each of the states analyzed in the sample.[17] The figure shows that in states such as Maharashtra and West Bengal in the 14 Lok Sabha, all the variation comes from the across comparison between co-partisan and opposition legislators within the state. Things are different in states such as Tamil Nadu, where the identification comes from both the within- and cross-comparison of legislators.[18]

Still, the broad picture depicted in Figure 5 does not quantify the contribution of each of the two sources of variation to the estimates of the impact of co-partisanship on bureaucratic performance. To provide an answer to this question, I implement the approach proposed in Aronow and Samii (2016). This procedure allows researchers to compare a "nominal sample" (such as the one depicted in Figure 5) and an "effective sample", consisting of

[17] Switchers exclusively refer to MPs that experienced a change in administration in the states they represent, as it is illegal for them to "cross the floor" while in office.

[18] States such as Uttar Pradesh, Bihar, Haryana, experienced a change in the partisan identity of the state administration during the 14 Lok Sabha. Yet as can be seen in Figure 5, not all MPs who were co-partisan experienced a transition to opposition status in the monitoring sample. This can happen because either there are no records of approved works for a given MP following a change in administration, or the MP stepped down from office before the change in state leadership.

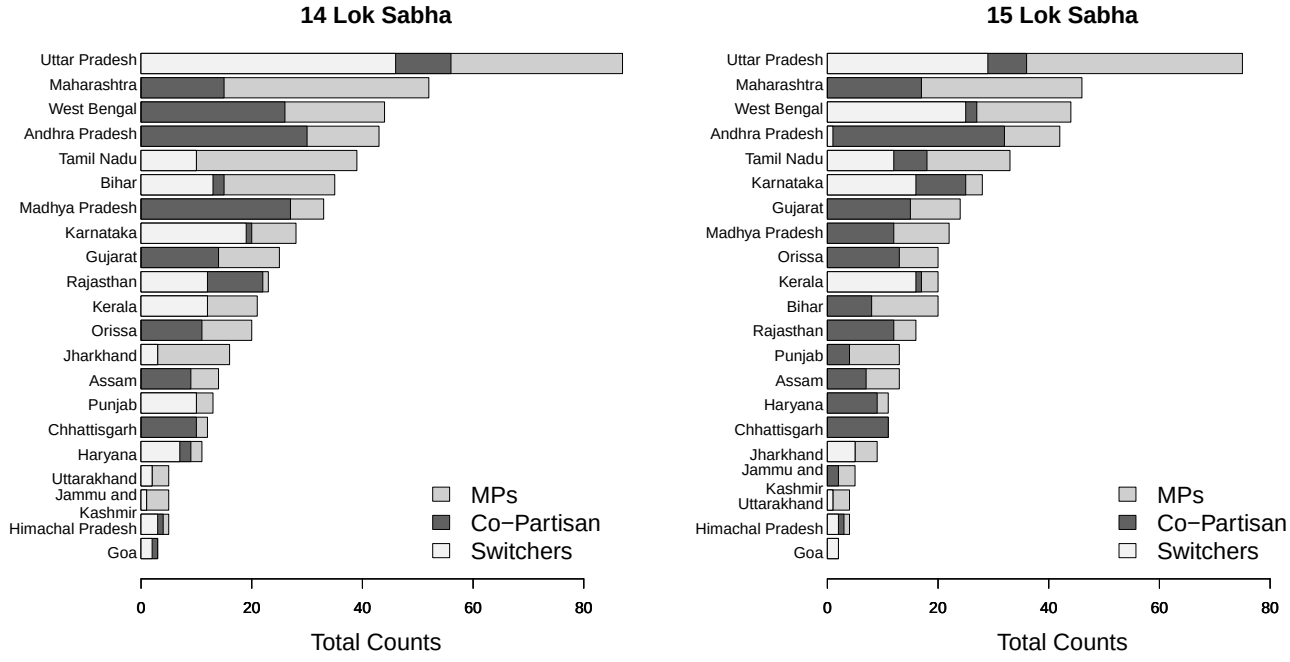

Figure 5: **Within- and Cross-Legislator Variation in Co-Partisanship Across States in the Monitoring Sample.** The figure displays for each state barplots representing the total number of MPs (grey), the total number of co-partisan legislators (dark grey), and (in light grey) the total number of MPs that switched from co-partisanship to the opposition (or viceversa) at least once within a parliamentary period. The left panel shows that during the 14 Lok Sabha states such as Maharashtra and West Bengal experienced only cross-sectional variation in co-partisanship. In contrast, the right panel shows that in the 15 Lok Sabha Uttar Pradesh and Tamil Nadu experienced both within- and cross-legislator variation in co-partisanship.

the observations (or groups of observations) contributing most to the regression estimates of a given covariate of interest. To characterize the effective sample one simply needs to compute a weight for each observation, defined as the square of the residual of a regression of the treatment on all pre-treatment covariates (normalized by the sum of all weights in the sample). Aronow and Samii (2016) show that higher values of a weight are associated with a higher impact on the estimates of an average treatment effect. One then can aggregate these weights along particular covariates of interest to determine the extent to which certain groups drive estimates of a treatment effect.[19]

[19]In particular, as defined in equation 9 of Aronow and Samii (2016), the average of a binary covariate

	Nominal Sample	Effective Sample
Monitoring	0.30	0.37
Aggregate	0.38	0.46
Evaluation	0.56	0.62

Table 4: **Proportion of Switcher MPs in the Nominal and Effective Samples.** The table reports the proportion of legislators who experience a transition from co-partisanship to the opposition (or viceversa) in the nominal and effective samples across the monitoring, aggregated monitoring, and evaluation datasets. For a given dataset (rows), the nominal sample simply reports the proportion of observation associated with switcher MPs. In contrast, the effective sample reports the weighted average of switcher MPs. Following Aronow and Samii (2016), the weights for the effective sample are defined as the normalized residual square from a regression of the treatment (co-partisanship) on observed covariates.

Table 4 reports the results from implementing this procedure, and shows that with the exception of the evaluation sample, the cross-legislator variation has a higher weight in estimating the impact of co-partisanship on the different outcomes of interest. For instance, the first row in the table shows that the proportion of switchers in the nominal and effective monitoring samples was only 30% and 37% respectively. A similar pattern holds in the aggregate monitoring dataset. However, we observe different a trend in the evaluation data. In this dataset switchers represented 56% and 65% of all observations in the nominal and effective samples respectively.

5.4 Representativeness of Evaluation Sample

Another concern regarding the empirical analysis that estimates the impact of co-partisanship on the quality of MPLADS projects is its reliance on a non-representative sample. It may turnout, for example, that the type of legislators and works evaluated during the government's audit are widely different in observed attributes in relation to their respective populations. Here I show that this is not a concern. Legislators included in the evaluation are

Z in the effective sample is given by $\frac{\sum_{i \in n} \mathbf{1}\{Z_i=1\} w_i}{\sum_{i \in n} w_i}$, where w_i is the normalized residual square from a regression of the treatment on observed covariates in a sample of n observations.

on average very similar to those who were not. Further, although on average the cost of audited works was higher (in relation to the universe of works of a given MP included in the evaluation), this simply indicates that the conclusions drawn in section 5.2 are limited to more expensive (and perhaps more visible) projects.

To assess the representativeness of legislators, I compute standardized mean differences between legislators included in the sample and those that were not along the following observables: the number of works legislators reported to MOSPI, the average cost sanctioned for reported works, the proportion of works different stages of progress (no report, ongoing, completed), and the proportion of MPs that had no works reported in the monitoring system. The left panel in Figure 6 shows the results from this exercise. Across all dimensions we find relatively small magnitudes for the standardized differences between MPs in and those excluded from the survey (all are below one third of a standard deviation).

To examine the representativeness of the works for the MPs included in the government audit, I compute the standardized mean difference of the log of the cost approved between works included in and excluded from the evaluation for each legislator. The panel on the right of Figure 6 displays a scatter plot of these differences (y-axis) against the proportion of sampled works for legislators (x-axis). In general, we observe that the cost for works in the evaluation is significantly higher, although the difference tends to fall as the proportion of works sampled for an MP increases.[20]

6 Conclusion

This paper introduced a theory to assess how partisanship affects bureaucratic performance. The paper argues that only co-partisan legislators can credibly threaten to punish bureau-

[20] As it can be seen in the figure, standardized differences in the log of cost are not close or equal to zero as the proportion of sampled works approaches one. The reason for this discrepancy is that district authorities may not have submitted the reports for all the works associated with a given MP. Another possibility is that district authorities may also have under-reported the cost of works.

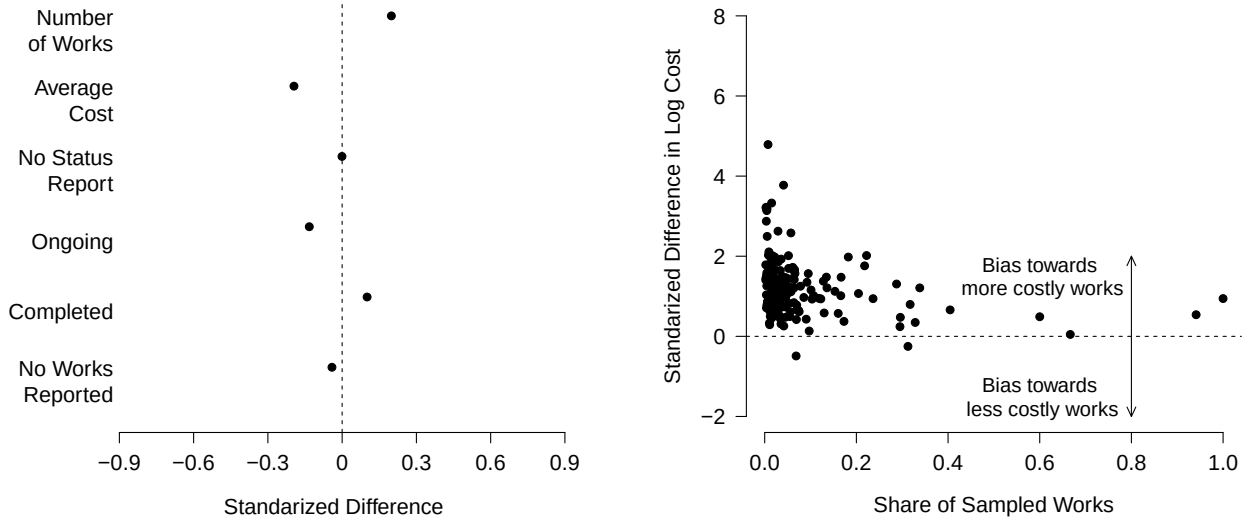

Figure 6: **Representativeness of Sampled MPLAD Works.** The panel on the left reports standardized differences along several indicators of MPLADS performance between in-sample and out-of-sample MPs. In general, MPs across the two groups tend to be similar, as the absolute value of standardized differences tends to be small. The panel on the right displays a scatter plot of standardized differences in the average log cost of works included in and excluded from the evaluation and the proportion of sampled works. Overall, works included in the sample tend to be more costly, but the difference tends to fall as the proportion of sampled works for a given MP increases.

crats. From this assumption, I introduced a theory that yields two predictions. First, co-partisan legislators are more likely to propose, and bureaucrats to approve, low-quality projects, which are associated with higher rents. Second, anticipating a favorable disposition from bureaucrats, legislators devote more resources for projects during periods of partisan alignment.

To test these predictions I analyzed two unique databases of works implemented under the MPLAD scheme. Using this data, I show that bureaucrats take a shorter time to approve works sponsored by co-partisan legislators. I also show that legislators use a higher proportion of their resources and number of projects during periods of partisan alignment. Finally, I find that co-partisan works are more likely to be wasteful and implemented by

NGOs. This evidence suggests that legislators are more easily able to extract rents when they belong to the same party as a Chief Minister.

The evidence in this paper contrasts with the accounts that find party alignment is associated with an increase in the the distribution of government resources, and implicitly assume this improves voter welfare (Ansolabehere and Snyder 2006, Larcinese, Rizzo and Testa 2006, Solé-Ollé and Sorribas-Navarro 2008, Arulampalam et al. 2009, Brollo and Nannicini 2012, Fouirnaies and Mutlu-Eren 2015, Duquette-Rury et al. 2016). The framework proposed in this paper shows that in certain contexts party alignment distorts the incentives for good bureaucratic performance, thereby undermining the quality of policy outcomes.

The findings in this paper have implications for other countries such as Mexico, Ghana, Honduras, Kenya, Malawi, Malaysia, Nepal, Pakistan, Phillippines, Tanzania and Zambia. All of these countries have adopted constituency development programs similar to the MPLADS, and also report instances of corruption in the implementation of projects under the schemes (Hickey-Tshangana 2010). But this set of countries also exhibits significant variation in the strength of party institutions, and the degree of professionalization and autonomy of its bureaucratic corps (Rauch and Evans 2000). To the extent that this is the case, future research could examine the varying degree of partisan influence on bureaucratic performance.

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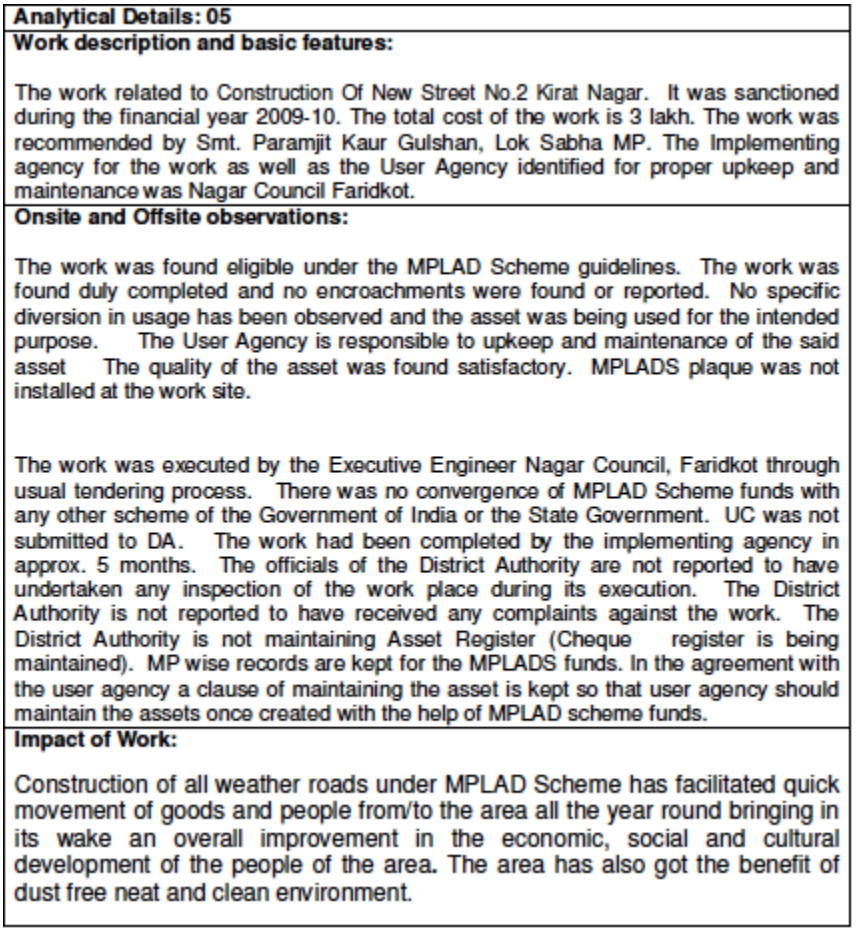
A Reports

Work Reference	5
Name of work	Construction Of New Street No.2 Kirat Nagar
Name of sector	Road pathways & Bridges
Name of MP	Smt. Paramjit Kaur Gulshan
Lok Sabha, Rajya Sabha or Nominated	Lok Sabha
Amount recommended by MP (Rs. lakh)	3.00
Date of MP's recommendation	01/06/2010
Amount sanctioned by DA (Rs. lakh)	1.50
Date of administrative sanction by DA	03/10/2010
Advance released (Rs.)	1.50
Date of release of advance as first installment	03/10/2010
Date of start of work	03/10/2010
Date of completion	08/19/2010
Date of Work Completion Report	08/19/2010
Unspent balance, if any (Rs.)	NIL
Type of Implementing Agency	LMB
Name of Implementing Agency	EXCUTIVE ENGINEER NAGAR COUNCIAL FARIDOT
Name of User Agency	EO,MC FDK.
Days to work completion after sanction	162
Expenditure booked (Rs. lakh)	3.00

- ✓ Work Eligible: Y
- ✓ Encroached upon: /N
- ✓ Deviations: N
- ✓ Resistance faced: N
- ✓ Complaints: N
- ✓ Asset well located: Y
- ✓ Asset useful: Y
- ✓ Plaque installed: N
- ✓ Tendering: Y
- ✓ Utilization Certificate :y
- ✓ Social & Cultural Impact: Y
- ✓ Environmental Impact: Y
- ✓ Overall Impact: Y

Figure 7: **Front Page of a Work's Detailed Report.** The figure shows the front page of the detailed report of a work implemented in Faridkot, Punjab. I rely on the information provided in these reports to measure the quality of works (wasteful, eligibility), the type of implementing agency (NGO or other entity), and whether they are implemented by co-partisan legislators.



Analytical Details: 05

Work description and basic features:

The work related to Construction Of New Street No.2 Kirat Nagar. It was sanctioned during the financial year 2009-10. The total cost of the work is 3 lakh. The work was recommended by Smt. Paramjit Kaur Gulshan, Lok Sabha MP. The Implementing agency for the work as well as the User Agency identified for proper upkeep and maintenance was Nagar Council Faridkot.

Onsite and Offsite observations:

The work was found eligible under the MPLAD Scheme guidelines. The work was found duly completed and no encroachments were found or reported. No specific diversion in usage has been observed and the asset was being used for the intended purpose. The User Agency is responsible to upkeep and maintenance of the said asset The quality of the asset was found satisfactory. MPLADS plaque was not installed at the work site.

The work was executed by the Executive Engineer Nagar Council, Faridkot through usual tendering process. There was no convergence of MPLAD Scheme funds with any other scheme of the Government of India or the State Government. UC was not submitted to DA. The work had been completed by the implementing agency in approx. 5 months. The officials of the District Authority are not reported to have undertaken any inspection of the work place during its execution. The District Authority is not reported to have received any complaints against the work. The District Authority is not maintaining Asset Register (Cheque register is being maintained). MP wise records are kept for the MPLADS funds. In the agreement with the user agency a clause of maintaining the asset is kept so that user agency should maintain the assets once created with the help of MPLAD scheme funds.

Impact of Work:

Construction of all weather roads under MPLAD Scheme has facilitated quick movement of goods and people from/to the area all the year round bringing in its wake an overall improvement in the economic, social and cultural development of the people of the area. The area has also got the benefit of dust free neat and clean environment.

Figure 8: **Back Page of a Work's Detailed Report.** The figure shows the back page of the detailed report of a work implemented in Faridkot, Punjab. I rely on this section of the reports to corroborate the information regarding the quality of the project provided on the front page.

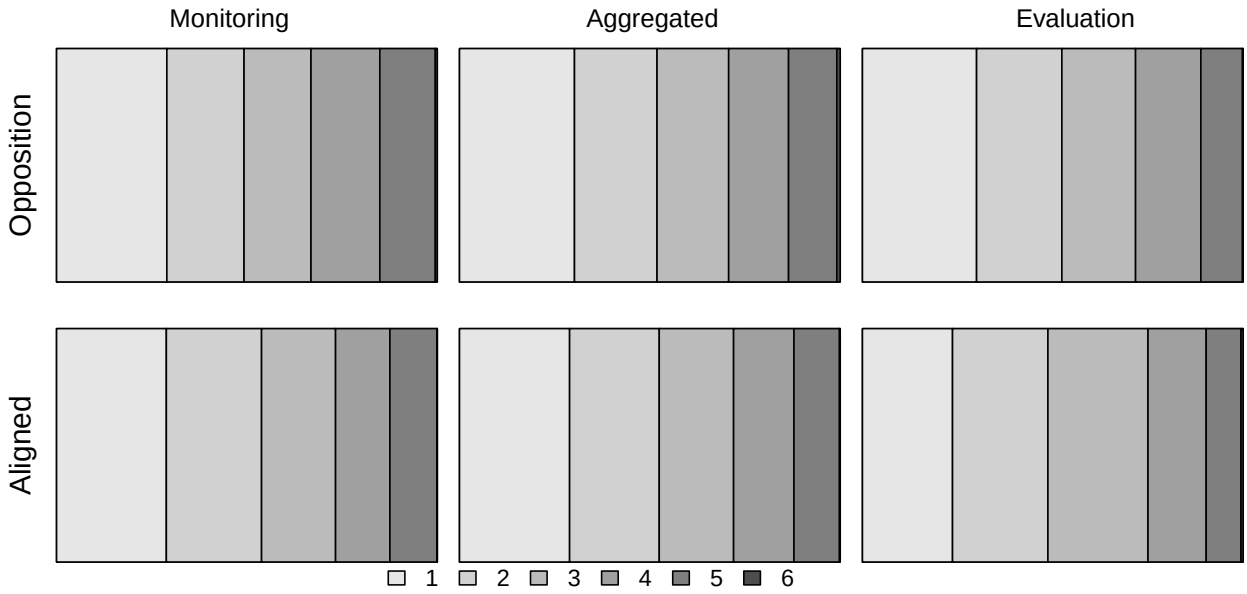


Figure 9: **Distribution of Chief Minister Tenure Across Samples by Party Alignment.** The barplots describe the distribution of Chief Minister Tenure (in years) by partisan alignment across the three samples used to examine the effect of party alignment on project quality and the strategic use of resources associated with the MPLADS. The distribution by party alignment across the three samples is similar. About 29 percent of observations belong to a Chief Minister's first year of tenure; 23 percent to the second year, 19 percent to the third year, 16 percent to the fourth year, and 13 percent to an administration's final year in office.

B Regression Tables

	Log Approval Time		Log Approved Cost		Log Number of Projects	
	(1)	(2)	(3)	(4)	(5)	(6)
Co-Party	−0.150***	−0.170***	0.267***	0.331***	0.219***	0.300***
	(0.008)	(0.009)	(0.077)	(0.109)	(0.065)	(0.092)
MPs per District	0.010	0.012	0.200***	0.199***	0.139***	0.139***
	(0.012)	(0.012)	(0.061)	(0.061)	(0.053)	(0.053)
Log(Margin Reciprocal)	−0.055***	−0.055***	−0.019	−0.019	−0.025	−0.024
	(0.004)	(0.004)	(0.037)	(0.037)	(0.032)	(0.032)
Turnout	−0.234***	−0.237***	1.806***	1.808***	2.281***	2.285***
	(0.089)	(0.089)	(0.453)	(0.453)	(0.391)	(0.391)
Reserved	−0.003	−0.002	−0.147	−0.147	−0.124	−0.124
	(0.043)	(0.043)	(0.109)	(0.109)	(0.094)	(0.094)
Bye Election	−0.106***	−0.103***	0.421**	0.420**	0.295	0.294
	(0.019)	(0.019)	(0.214)	(0.214)	(0.182)	(0.182)
Log Cumulative Spending			−0.002	−0.001	−0.008	−0.007
			(0.010)	(0.010)	(0.008)	(0.008)
CM Tenure	−0.022***	−0.035***	−0.018	−0.022	0.015	0.018
	(0.004)	(0.006)	(0.062)	(0.083)	(0.052)	(0.070)
CM Tenure^2	−0.005***	−0.004***	−0.009	−0.001	−0.015	−0.007
	(0.001)	(0.001)	(0.016)	(0.021)	(0.013)	(0.017)
Co-Party × CM Tenure		0.022***		0.018		0.006
		(0.008)		(0.125)		(0.105)
Co-Party × CM Tenure^2		−0.003		−0.021		−0.021
		(0.002)		(0.031)		(0.026)
Intercept	2.177***	2.203***	1.743***	1.667**	0.819	0.726
	(0.287)	(0.287)	(0.645)	(0.648)	(0.592)	(0.595)
Party Dummies	Yes	Yes	Yes	Yes	Yes	Yes
Parliament RE	Yes	Yes	Yes	Yes	Yes	Yes
MP RE	Yes	Yes	Yes	Yes	Yes	Yes
Administration RE	Yes	Yes	No	No	No	No
Observations	320,883	320,883	5,506	5,506	5,512	5,512
Log Likelihood	−384,906.2	−384,905.5	−11,878.63	−11,882.09	−10,970.69	−10,973.27

Note: *p<0.1; **p<0.05; ***p<0.01

Table 5: **Co-Partisanship, Approval Times, and Use of MPLADS Resources (Controlling for Reciprocal Margin of Victory)** The table reports estimates for the model in equation 1 but instead of controlling for a legislator's margin of victory, it controls for its reciprocal. The estimates for co-partisanship remain unchanged in relation to those reported in Table 1. However, the estimates show that smaller margin's of victory (corresponding to a large reciprocal) are associated with lower approval times.

	Log Approval Time		Log Approved Cost				Log Number of Projects			
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
Co-Party	−0.213***	−0.176***	0.243***	1.392***	0.231**	1.426***	0.181**	1.174***	0.170**	1.176***
	(0.011)	(0.022)	(0.092)	(0.328)	(0.094)	(0.338)	(0.078)	(0.274)	(0.078)	(0.281)
MPs per District	0.019	0.017	0.193***	0.195***	0.200***	0.202***	0.113*	0.115**	0.123**	0.126**
	(0.013)	(0.013)	(0.068)	(0.068)	(0.069)	(0.069)	(0.058)	(0.058)	(0.058)	(0.059)
Margin	0.125*	0.122*	0.020	−0.037	−0.075	−0.131	0.045	−0.008	−0.061	−0.111
	(0.065)	(0.065)	(0.499)	(0.499)	(0.514)	(0.515)	(0.427)	(0.428)	(0.434)	(0.434)
Turnout	−0.064	−0.038	1.252**	1.288**	1.302**	1.340***	1.779***	1.809***	1.819***	1.849***
	(0.109)	(0.111)	(0.501)	(0.501)	(0.514)	(0.515)	(0.431)	(0.432)	(0.435)	(0.435)
Reserved	−0.047	−0.047	−0.135	−0.137	−0.123	−0.124	−0.116	−0.118	−0.096	−0.097
	(0.048)	(0.048)	(0.119)	(0.119)	(0.121)	(0.121)	(0.102)	(0.102)	(0.103)	(0.103)
Bye Election	−0.271***	−0.273***	0.510**	0.514**	0.595**	0.603**	0.374*	0.379*	0.468**	0.474**
	(0.022)	(0.022)	(0.254)	(0.254)	(0.263)	(0.263)	(0.214)	(0.214)	(0.220)	(0.220)
Log Cumulative Spending			−0.009	−0.006	−0.011	−0.008	−0.013	−0.010	−0.014	−0.012
			(0.012)	(0.012)	(0.012)	(0.012)	(0.010)	(0.010)	(0.010)	(0.010)
CM Tenure	0.043***	0.060***	0.185	0.639***	0.193	0.657***	0.164	0.551***	0.169	0.552***
	(0.009)	(0.014)	(0.149)	(0.200)	(0.153)	(0.205)	(0.124)	(0.167)	(0.127)	(0.170)
CM Tenure^2	−0.017***	−0.019***	−0.044	−0.118***	−0.045	−0.119***	−0.040	−0.101***	−0.041	−0.100***
	(0.002)	(0.003)	(0.030)	(0.039)	(0.030)	(0.040)	(0.025)	(0.033)	(0.025)	(0.033)
Co-Party × CM Tenure		−0.027		−0.958***		−0.976***		−0.802***		−0.792***
		(0.019)		(0.302)		(0.312)		(0.253)		(0.258)
Co-Party × CM Tenure^2		0.003		0.158***		0.157**		0.126**		0.121**
		(0.004)		(0.060)		(0.062)		(0.050)		(0.051)
Intercept	1.818***	1.775***	1.932***	1.269*	1.885***	1.190	1.031	0.441	0.974	0.370
	(0.291)	(0.291)	(0.708)	(0.731)	(0.720)	(0.743)	(0.650)	(0.668)	(0.645)	(0.665)
Drop MPs with NAs	-	-	No	No	Yes	Yes	No	No	Yes	Yes
Party Dummies	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Parliament RE	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
MP RE	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Administration RE	Yes	Yes	No	No	No	No	No	No	No	No
Observations	227,689	227,689	3,874	3,874	3,690	3,690	3,880	3,880	3,690	3,690
Log Likelihood	−271,964	−271,969.6	−8,387.027	−8,382.807	−8,006.331	−8,001.472	−7,741.411	−7,736.051	−7,342.076	−7,336.197

Note: *p<0.1; **p<0.05; ***p<0.01

Table 6: **Co-Partisanship, Approval Times, and Use of MPLADS Resources (Dropping Observations Reported in First Year of State Administrations)** The table reports regression estimates for the relationship between co-partisanship and the log of approval times of development works (Columns 1-2), the log of total cost approved (Columns 3-6), and the log of the total number of approved projects (Columns 7-10) in a given period (dropping observations reported in the first year of a state administration). The findings reported in Table 1 are robust to this sample. Regression estimates of the impact of co-partisanship when analyzing the aggregated monitoring sample are also robust to dropping MPs who reported at least one work with a missing date of recommendations (Columns 5-6 and 9-10).

	Wasteful Project		NGO-Implemented		Ineligible Project		Tendering		Log Approval Time	
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
Co-Party	0.038**	0.075***	0.054***	0.038	0.007	−0.001	−0.004	−0.015	−0.198***	−0.129
	(0.018)	(0.026)	(0.018)	(0.026)	(0.015)	(0.023)	(0.025)	(0.034)	(0.074)	(0.103)
Margin	0.151	0.141	−0.111	−0.106	0.015	0.019	−0.030	−0.027	−0.599	−0.621
	(0.094)	(0.094)	(0.110)	(0.110)	(0.080)	(0.080)	(0.157)	(0.157)	(0.467)	(0.466)
Turnout	0.035	0.022	0.127	0.126	0.226**	0.235**	0.098	0.096	−1.826***	−1.841***
	(0.134)	(0.134)	(0.165)	(0.165)	(0.113)	(0.113)	(0.253)	(0.253)	(0.699)	(0.698)
Reserved	0.026	0.025	−0.007	−0.005	0.009	0.008	−0.093	−0.094	0.024	0.018
	(0.027)	(0.027)	(0.036)	(0.036)	(0.022)	(0.022)	(0.058)	(0.058)	(0.142)	(0.142)
District Capacity	−0.024*	−0.025*	0.029	0.030	−0.033***	−0.034***	0.019	0.019	−0.076	−0.075
	(0.015)	(0.015)	(0.018)	(0.018)	(0.012)	(0.012)	(0.032)	(0.032)	(0.079)	(0.078)
CM Tenure	−0.048***	−0.030	−0.011	−0.034*	−0.022*	−0.013	0.034*	0.045*	−0.093*	−0.012
	(0.015)	(0.022)	(0.014)	(0.020)	(0.013)	(0.019)	(0.018)	(0.026)	(0.056)	(0.083)
CM Tenure^2	0.011***	0.009	−0.001	0.005	0.005	0.001	−0.012***	−0.017***	0.007	−0.014
	(0.004)	(0.006)	(0.004)	(0.005)	(0.003)	(0.005)	(0.004)	(0.006)	(0.014)	(0.020)
Co-Party × CM Tenure		−0.031		0.043		−0.018		−0.022		−0.147
		(0.030)		(0.028)		(0.026)		(0.035)		(0.110)
Co-Party × CM Tenure^2		0.003		−0.012*		0.009		0.012		0.039
		(0.008)		(0.007)		(0.007)		(0.009)		(0.028)
Intercept	−0.005	−0.013	0.125	0.136	−0.108	−0.113	0.100	0.102	3.228***	3.181***
	(0.127)	(0.127)	(0.152)	(0.152)	(0.107)	(0.108)	(0.225)	(0.226)	(0.620)	(0.620)
Parliament RE	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
MP RE	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
State-Period RE	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Observations	3,128	3,128	3,132	3,132	3,137	3,137	3,129	3,129	2,767	2,767
Log Likelihood	−937.47	−942.811	−681.848	−688.083	−597.563	−603.347	−1,393.195	−1,398.145	−4,236.154	−4,240.171

Note: *p<0.1; **p<0.05; ***p<0.01

Table 7: **Impact of Co-Partisanship on Project Quality and Type of Implementing Agency (Controlling for District Capacity).** The table reports estimates of the relationship between co-partisanship and the probability that projects are wasteful and implemented by NGOs, after controlling for district capacity. As columns (1) and (3) show, the negative effect of co-partisanship on both outcomes is robust to controlling for this potential confounder.

	Wasteful Project		NGO-Implemented		Ineligible Project		Tendering		Log Approval Time	
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
Co-Party	0.038**	0.073***	0.062***	0.046*	−0.003	−0.002	−0.006	−0.006	−0.245***	−0.154
	(0.017)	(0.025)	(0.017)	(0.024)	(0.014)	(0.022)	(0.022)	(0.031)	(0.068)	(0.098)
Log(Margin Reciprocal)	−0.007	−0.007	0.012	0.012	0.002	0.002	−0.007	−0.007	0.058*	0.060*
	(0.008)	(0.008)	(0.008)	(0.008)	(0.007)	(0.007)	(0.012)	(0.012)	(0.034)	(0.034)
Turnout	−0.034	−0.044	0.146	0.149	0.168	0.171	0.063	0.067	−1.679**	−1.687**
	(0.132)	(0.132)	(0.159)	(0.159)	(0.107)	(0.108)	(0.241)	(0.241)	(0.670)	(0.669)
Reserved	0.023	0.023	−0.017	−0.015	−0.002	−0.003	−0.106*	−0.107*	−0.006	−0.014
	(0.025)	(0.025)	(0.034)	(0.034)	(0.021)	(0.021)	(0.056)	(0.056)	(0.136)	(0.136)
District Capacity	−0.045***	−0.031	−0.007	−0.023	−0.016	−0.006	0.033**	0.049**	−0.070	0.035
	(0.014)	(0.020)	(0.013)	(0.019)	(0.013)	(0.018)	(0.017)	(0.024)	(0.054)	(0.078)
CM Tenure	0.009***	0.008	−0.002	0.002	0.003	−0.0003	−0.012***	−0.018***	0.004	−0.023
	(0.004)	(0.005)	(0.003)	(0.005)	(0.003)	(0.005)	(0.004)	(0.006)	(0.014)	(0.019)
CM Tenure^2		−0.026		0.031		−0.019		−0.030		−0.196*
		(0.028)		(0.026)		(0.025)		(0.032)		(0.105)
Co-Party ×		0.001		−0.008		0.006		0.011		0.051*
CM Tenure		(0.007)		(0.006)		(0.006)		(0.008)		(0.027)
Co-Party ×	0.094	0.083	0.055	0.062	−0.060	−0.064	0.148	0.143	3.021***	2.942***
CM Tenure^2	(0.125)	(0.126)	(0.149)	(0.150)	(0.103)	(0.104)	(0.221)	(0.221)	(0.617)	(0.614)
Party Dummies	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Parliament RE	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
MP RE	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Administration RE	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Observations	3,414	3,414	3,421	3,421	3,426	3,426	3,417	3,417	3,001	3,001
Log Likelihood	−994.604	−999.948	−726.665	−733.797	−685.567	−692.833	−1,502.973	−1,508.846	−4,603.798	−4,607.007

Note: *p<0.1; **p<0.05; ***p<0.01

Table 8: **Impact of Co-Partisanship on Project Quality and Type of Implementing Agency (Controlling for the Log of the Margin of Victory Reciprocal).** The table reports estimates of the relationship between co-partisanship and the probability that projects are wasteful and implemented by NGOs after, controlling for the log of the reciprocal of a legislator's margin of victory. As columns (1) and (3) show, the negative effect of co-partisanship on both outcomes is robust to this alternative specification. However, in contrast to the estimates reported in Table 2, under this specification a legislator's margin of victory does not seem to be related to the probability that a project is wasteful.

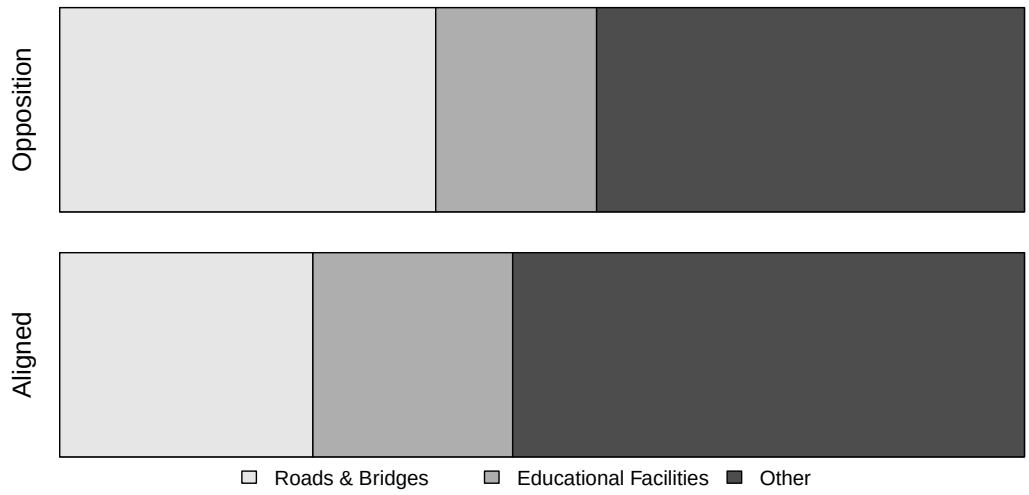


Figure 10: **Proportion of Works by Sector in the Evaluation Sample.** The barplots display the proportion of works across the three largest sectors (Roads and Bridges, Educational Facilities, and Other) reported in the MPLADS evaluation by legislator type (opposition and aligned). The figure shows that aligned MPs report a higher proportion of works in the Other and Educational Facilities sectors. This pattern may be explained by the higher degree of flexibility in the choice of implementing agency for works belonging to these sectors.