Politicians and Bureaucrats

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Research Question

1. Do politicians characteristics have any influence on the state of the government/bureaucracy?

Next

2. Can economic shocks influence candidate selection?, OR/AND
3. Influence of politicians over economy through the bureaucracy.

Motivation

- Existing literature about firm-politician linkage (Ackigit et al., Khoban et. al.). Usually in these type of papers government is more or less absent. In reality, politicians have little to no executive power and there is a layer of bureaucracy that should in principal insulate the firms/economy from political intervention.
- Another angle in this space is how do bureaucrats respond to the institutional incentives.

So two questions for next steps:

- What are the characteristics of politicians that are instrumental in influencing bureaucracy.
- What motivates politicians to engage in this behavior, assuming there is a cost of influencing bureaucracy as its not legally their mandate to do so.

Plan for today

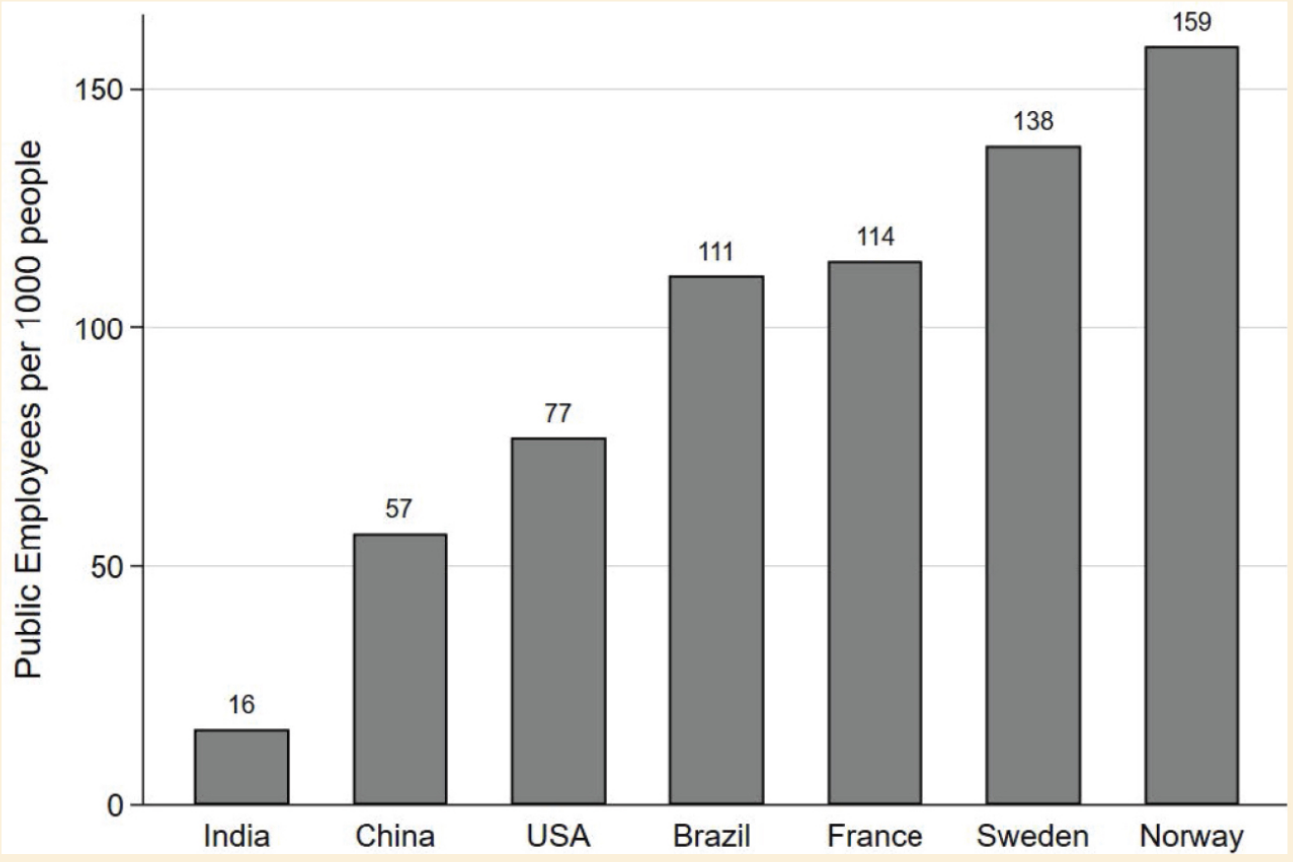
1. Setting and data
2. Descriptive
3. Simple OLS result on close election sample making the case for channel.

Way forward

Setting and data

- State Assembly elections. Data consists of covariates for all running candidates (pre and post election).
- Around 4200 election constituency, election every 5 years.
- Universe of bureaucracy for two states (Rajasthan and Uttar Pradesh). Posting orders, transfer dates, post description, etc.
- Data covers around 2500 officers serving for ($\sim$) 7000 posts.
- High baseline churn, average officer-post link lasts around 13-15 months.

Figure 3.1: Per Capita Public Employees across Countries

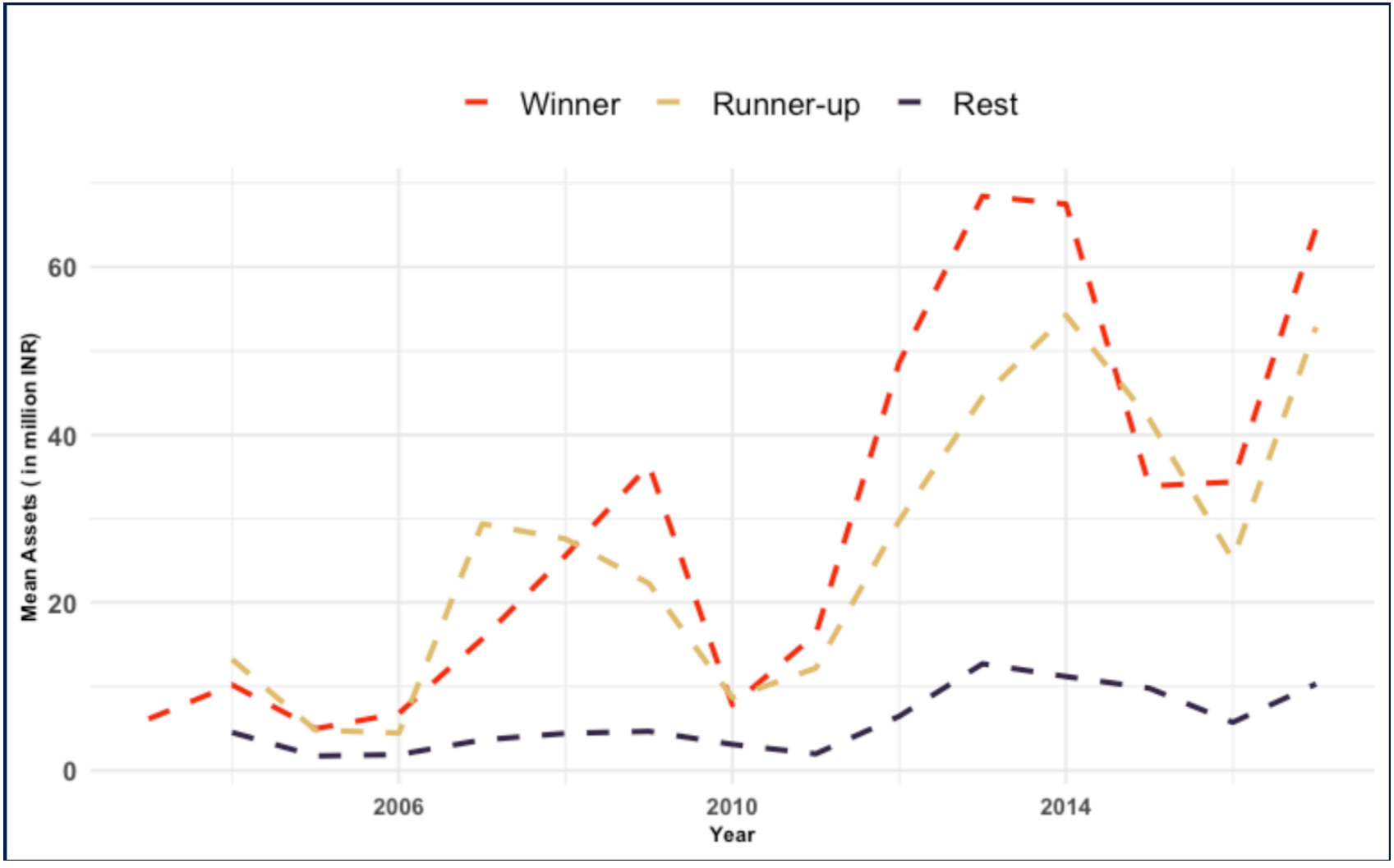


Note(s): Data from Chandrasekhar and Ghosh (2019), graph recreated by author.

(unexplored) Features:

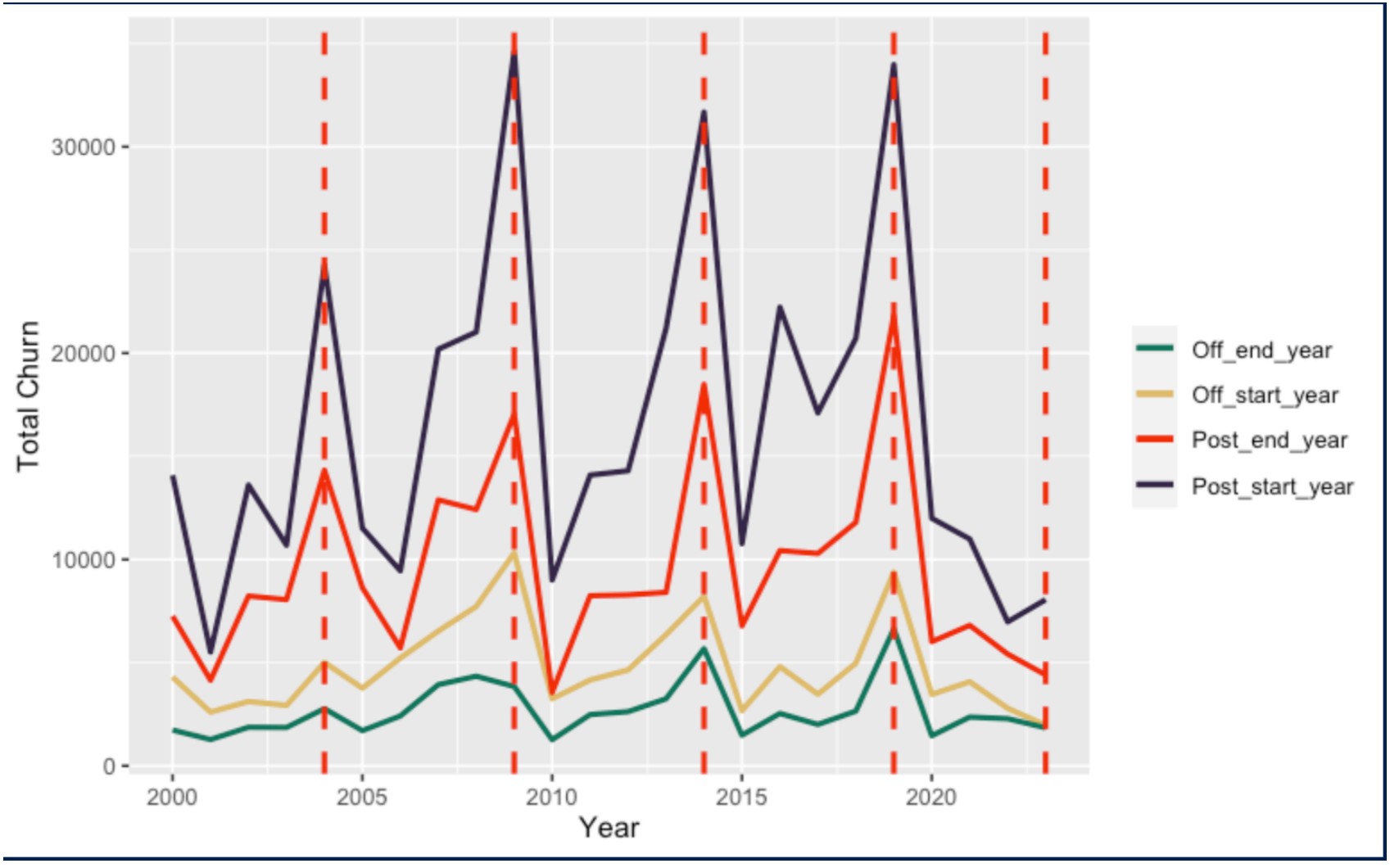
- One officer can serve in unrelated departments/profiles simultaneously.
- Often ad-hoc posts are created for temporary purpose (with prefix like Spl. Add.) that have very short duration (~20-50 days).

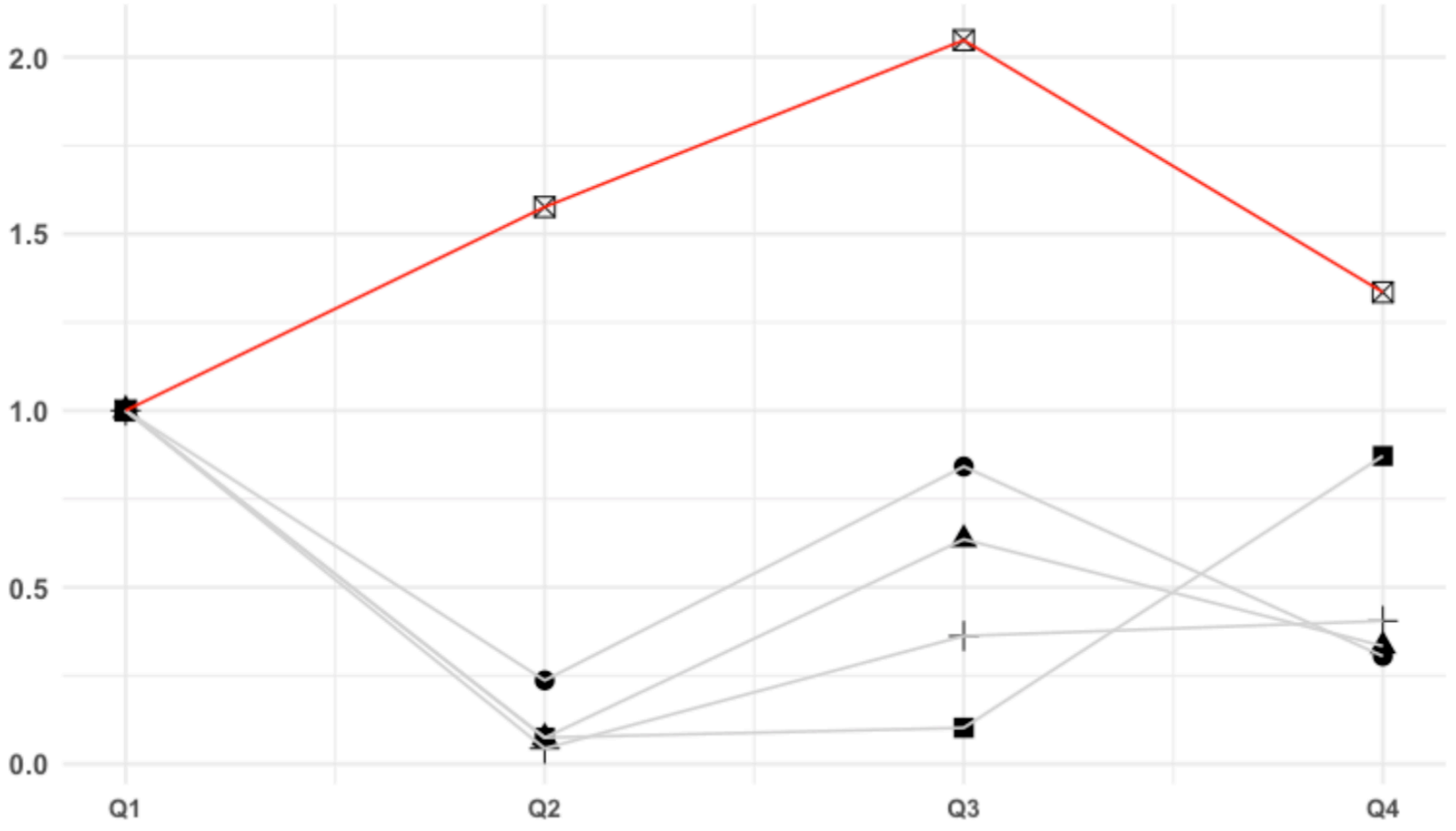
Descriptive - Elections

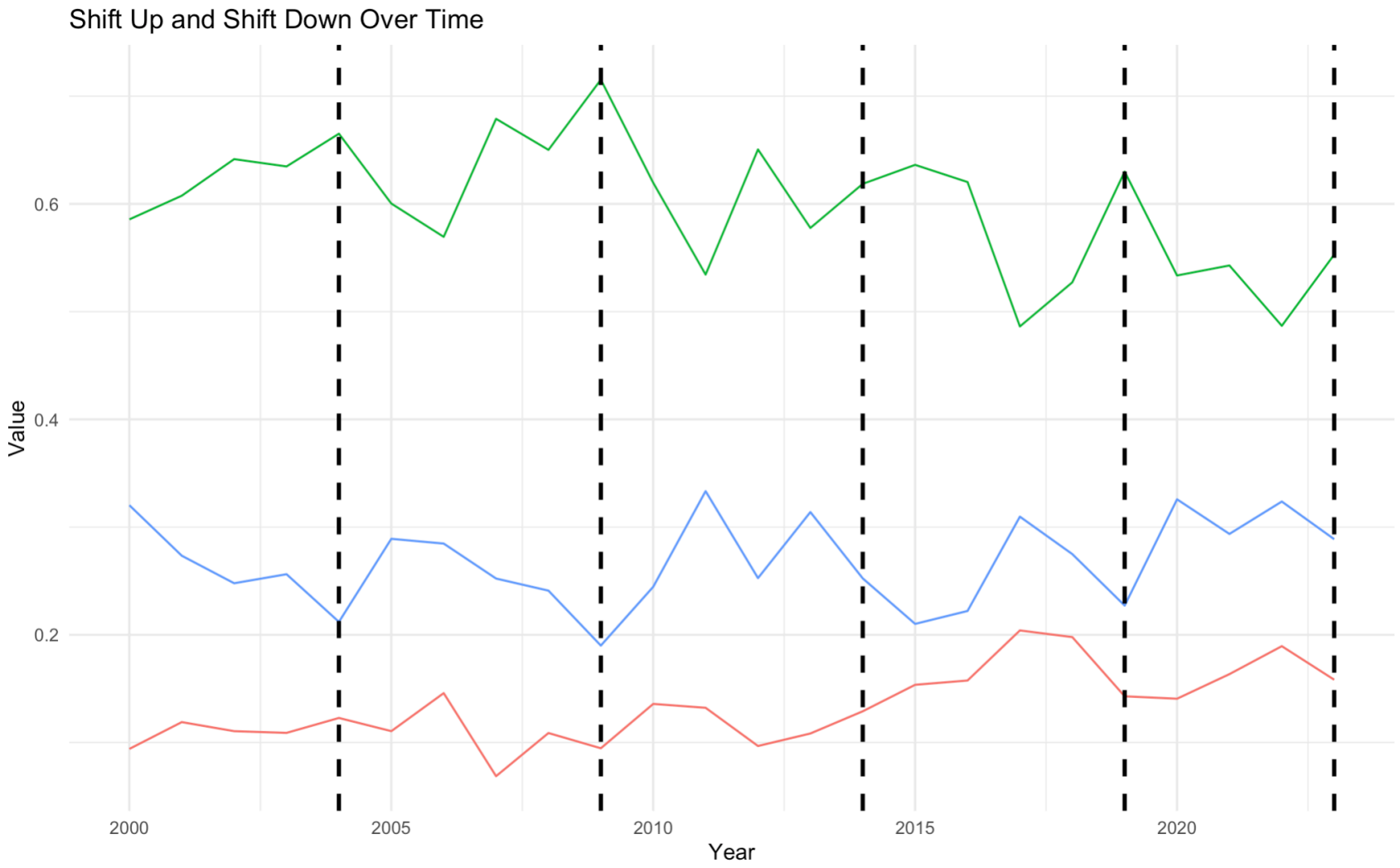


- Around 40-45% of the candidate pool has a graduate degree or above, this share is higher in the winner pool.
- Most candidate list “agriculture” related profession, “business” related keywords come up in 17% of the sample.
- Elections are quite competitive, presence of “incumbency disadvantage”.

Descriptives - Bureaucracy



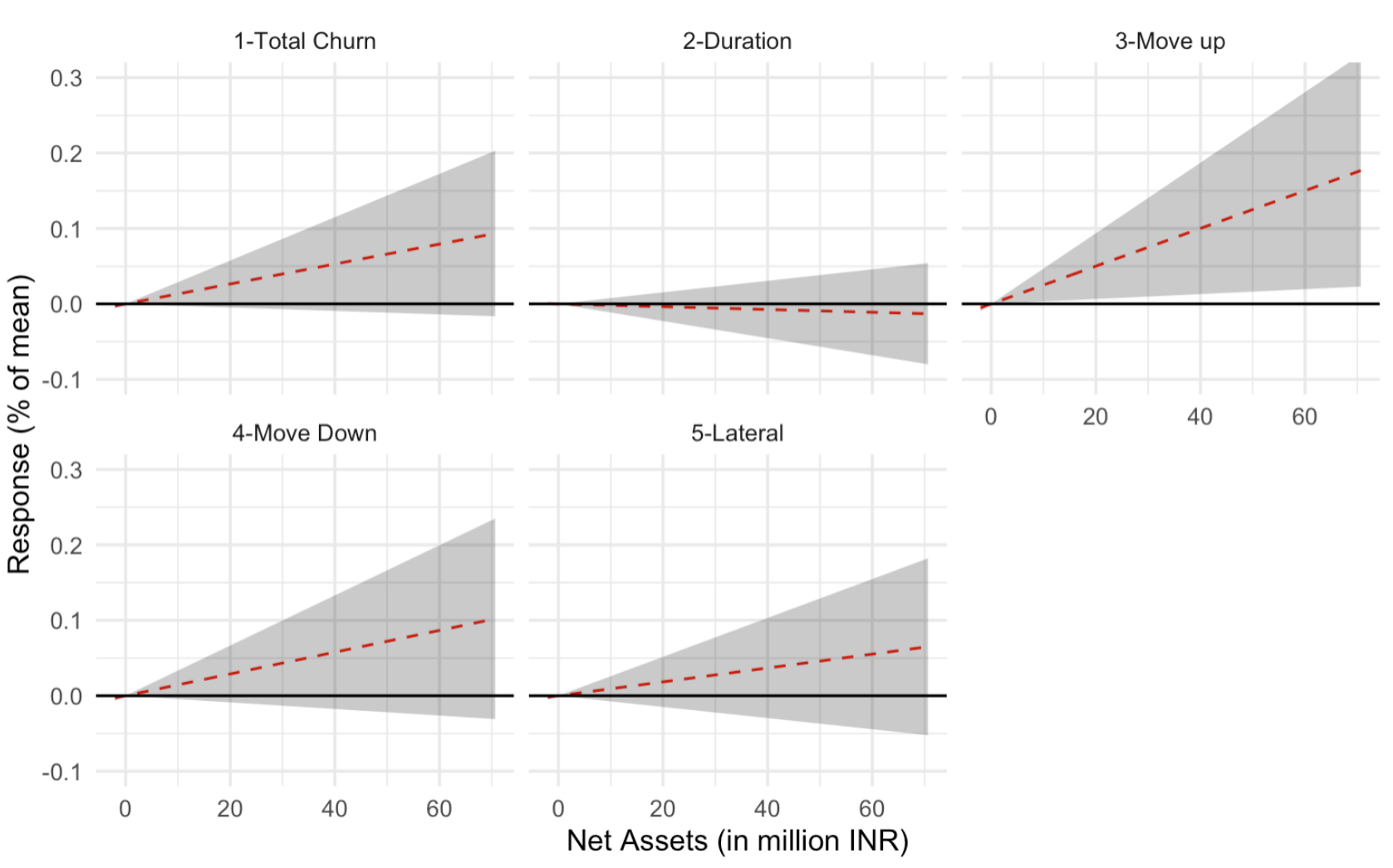

2.0
1.5
1.0
0.5
0.0
Q1
Q2
Q3
Q4

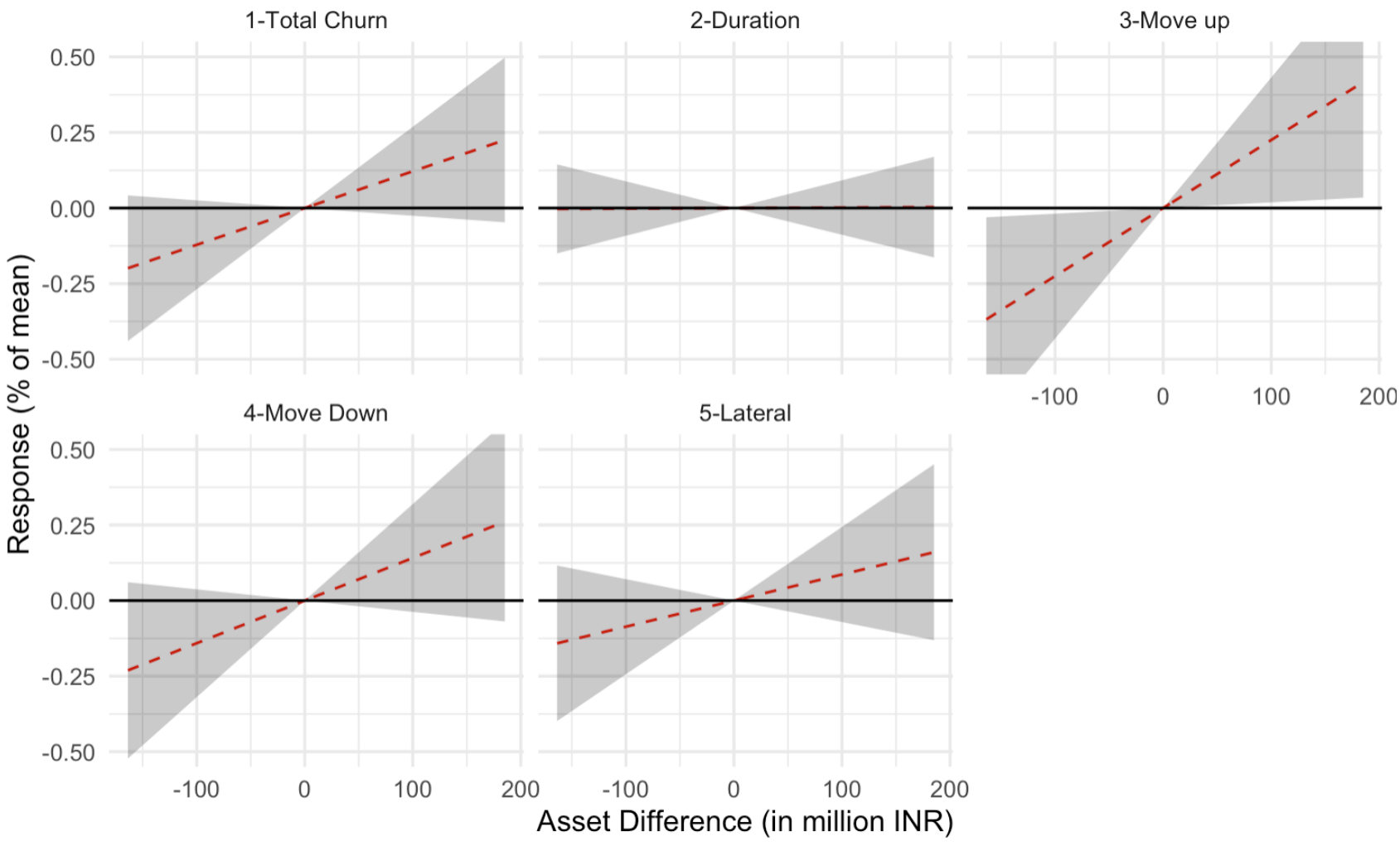

Shift Up and Shift Down Over Time
Value
0.6
0.4
0.2
2000
2005
2010
2015
2020
Year

Political Influence

- Administrative churn at the district level
- Elections at election constituency level.
- One administrative district comprises of several election constituency.
- Taking close election sample and mapping them to district level outcomes.

$$Y_{ead} = e + NetAsset_{ad} + StAlign_{ad} + X_{ad} + \epsilon_{ead}$$


1-Total Churn
2-Duration
3-Move up
4-Move Down
5-Lateral
Response (% of mean)
0.3
0.2
0.1
0.0
-0.1
0
20
40
60
Net Assets (in million INR)


1-Total Churn
2-Duration
3-Move up
4-Move Down
5-Lateral
Response (% of mean)
0.50
0.25
0.00
-0.25
-0.50
-100
0
100
200
Asset Difference (in million INR)

- Surprisingly, there seems to be consistently no effects of degree of alignment with the ruling state government on the bureaucratic churn.

Next Steps

- Whats really going on? Pining down what asset really is proxying for? And what departments are really getting affected.
- Two potential options: Economics Shock -> Political Selection OR Political Shock -> Economics Effect

Next Steps

- Moving to state level: Any state level aggregated political shock would be low resolution, but more states.