

# Financial disclosure and political selection: Evidence from India<sup>\*</sup>

Raymond Fisman<sup>†</sup>  
Florian Schulz<sup>‡</sup>  
Vikrant Vig<sup>§</sup>

This version: May 2017

## Abstract

We study the effect of financial disclosure on the selection of politicians, exploiting the staggering of Indian state assembly elections to identify the effect of disclosure laws. We document a 13 percentage point increase in exit of winning candidates post-disclosure, indicating that disclosure has a large effect on politician self-selection. This selection coincides with higher probability of winning for remaining incumbents, relative to a set of counterfactual candidates, suggesting that voters interpreted the selection as positive. We also find that state which experience turnover post-disclosure have faster income growth, reinforcing our interpretation of disclosure leading to improved selection of legislators.

*JEL Classification:* D72; D73; D78

*Keywords:* Information disclosure; Political selection; Indian politics

---

<sup>\*</sup>Acknowledgments: We would like to thank Arkodipta Sarkar, Andrew Siegel, as well as participants at Harvard's positive political economy seminar, HEC Montreal, Massachusetts Institute of Technology, University of Chicago, and the University of Southern California for their helpful comments and suggestions.

<sup>†</sup>Boston University. Email: [rfisman@bu.edu](mailto:rfisman@bu.edu)

<sup>‡</sup>University of Washington. Email: [fschulz@uw.edu](mailto:fschulz@uw.edu)

<sup>§</sup>London Business School. Email: [vvig@london.edu](mailto:vvig@london.edu)

# 1 Introduction

The role of information on the behavior of elected officials by voters is a central element to agency theory in political economy. In theory, a better-informed electorate can mitigate moral hazard among incumbents (e.g., Barro (1973); Ferejohn (1986)), elect more honest or competent politicians (Besley (2005)), and even encourage positive self-selection by politicians themselves (Dal Bó et al. (2016)).

With motivations of greater transparency and accountability, many countries require that politicians provide financial asset disclosures on taking office.<sup>1</sup> In some cases, including that of India which is our focus here, public asset disclosures are required even to stand for office.

There is little evidence to date on whether these disclosure laws have any effect on political selection, whether via self-selection of those who choose to stand for office or the selection of politicians by voters. Interest in such questions has increased with the release of the Panama Papers in early 2016, which brought unexpected transparency to the finances of politicians in a number of countries. The disclosures from the leak resulted in the resignation of Iceland's prime minister and the shaming of many others. Great Britain's Prime Minister David Cameron initially resisted discussing his finances and called them a private matter. His reaction suggests a negative consequence of disclosure requirements: they may discourage otherwise qualified politicians from taking office.

This paper provides, to our knowledge, the first empirical analysis of the effects of asset disclosure laws, by examining a change in the financial disclosure requirements for Indian state-level Members of the Legislative Assembly (MLAs). Specifically, we study the selection of politicians (both self-selection and selection by voters) around a Supreme Court ruling on citizens' right to information (RTI) that, since November 2003, has required all candidates standing for state or national office disclose the value and composition of their assets. Disclosure is mandatory, with punitive consequences for misreporting, and asset disclosures are publicized via civil society organizations such as the Association for Democratic Reforms

---

<sup>1</sup>See Djankov et al. (2010) for a detailed list.

(ADR) as well as the media.

For the purposes of studying the impact of disclosure, the date of the ruling was fortuitous. It went into effect on November 2003, in the midst of the 2002-2004 wave of state elections. As a result, 10 states held elections in the 18 months prior to the change, and 10 states held elections in the 18 months following. We argue that a comparison of changes in pre- and post-disclosure states allows us to credibly distinguish the effects of disclosure rules from general time trends.

We find that in the first post-RTI period (when asset disclosures were first required), we find no effect on the fraction of MLAs standing for reelection (referred to henceforth as the “rerun rate”). Note that these were disclosures that revealed the level, but *not* the growth, in assets. In the second post-RTI period, however, we find a large (13 percentage point) decline in the rerun rate. (We emphasize that our empirical analysis exploits differences in the timing of (pre-determined) elections across states, to compare the trajectories of states that held elections just before the passage of the RTI Act versus those with elections just after.) We find no effect of disclosure laws on the willingness of a runner-up candidate to stand again for election. The difference in patterns between winners and runners-up emphasizes that, among otherwise comparable candidates, disclosure reduces the rerun probability only for elected candidates.

If disclosure primarily discouraged candidates from standing for election due to privacy concerns — as suggested by some of the Panama Papers fallout cited above — we would expect to observe at least some immediate impact, and also an effect on non-incumbent candidates. Our results are more easily reconciled with incumbents self-selecting out of office rather than arousing suspicions of corruption by revealing asset accumulation in office.

We provide two further analyses which suggest that the increased exit rate of incumbents was the result of positive self-selection of incumbent politicians. First, we show that politicians who chose to continue standing for election post-RTI were preferred by voters, relative to incumbents in the pre-RTI era: More specifically, we show that, while incumbents faced

an electoral disadvantage in the earlier part of our sample (consistent with prior work by, for example, Linden (2004) and Anagol and Fujiwara (2016)), this incumbency disadvantage disappears in the *second* election that follows the passage of the RTI Act, i.e., in the same election when rerun rates decline sharply. Second, we present evidence which suggests that candidates who self-select out of running for office are succeeded by higher-quality replacements: Post-disclosure, turnover induced by retiring incumbents leads to higher local GDP growth (relative to pre-disclosure), and that the replacement of retiring incumbents is associated with a shift toward development-focused government expenditures. These patterns are, overall, consistent with politicians who might have been eliminated by voters (armed with information on asset growth provided by disclosures) self-selecting out of running for office, with their seats filled by higher-quality replacements.

Finally, we find that the relationship between recent economic growth and incumbent reelection is attenuated with the introduction of disclosures, which we interpret as further suggestive evidence that disclosures provide information to voters that may be used to evaluate candidates.

Our work contributes most directly to research on the effects of increased transparency and accountability on the quality of government. Notable contributions include several papers that exploit experimental or quasi-experimental variation in information disclosure to study the effects on incumbent reelection. These include Ferraz and Finan (2008), who focus on the impact of corruption audits in Brazil, and Casey (2015), who studies the effect of information on ethnic allegiances in Sierra Leone.

A number of studies have used asset disclosure data to study politicians' wealth accumulation.<sup>2</sup> These studies exploit the data generated by disclosure laws to study politicians' wealth, rather than studying the effects of disclosure itself.

Djankov et al. (2010) document the existence of disclosure laws and the extent of compliance using cross-country data, and examine the correlates of these variables. Consistent

---

<sup>2</sup>See, for example, Fisman, Schulz, and Vig (2014) for an analysis of wealth accumulation by Indian MLAs; Folke, Persson, and Rickne (2015) for Sweden, and Eggers and Hainmueller (2009) for the United Kingdom.

with our findings, they find that public disclosure is associated with better government and less corruption. We are, to our knowledge, the first to go beyond cross-country correlations in examining the impact of disclosure laws on the selection and behavior of politicians. Relative to this earlier work, we provide a more compelling approach to identification, and can also assess the channels through which disclosure impacts government performance.<sup>3</sup>

Finally, we contribute to the discussion on the determinants of politician selection and performance. Ferraz and Finan (2009), Gagliarducci and Nannicini (2013), and Fisman et al. (2015), for example, examine on the effect of bureaucratic pay on the quality of candidates, as well as their performance once in office. Besley et al. (2013) and Banerjee and Pande (2007) consider the role of competition, both within and across parties, while Beath et al. (2014) study the role of electoral rules, exploiting a field experiment in Afghanistan. We share with many of these papers an emphasis on microeconomic identification, taking advantage of the timing of the RTI Act’s passage to credibly identify the effects of disclosure on political selection.

## 2 Background and Data

### 2.1 Background on asset disclosure laws, and their potential impact on political selection

Prompted by a general desire to increase transparency in the public sector, a movement for freedom of information began during the 1990s in India. These efforts eventually resulted in the enactment of the Right to Information Act (2005), which allows any citizen to request information from a “public authority,” among other types of organizations. During this period, the Association for Democratic Reforms (ADR) successfully filed public interest litigation with the Delhi High Court requesting disclosure of the criminal, financial, and

---

<sup>3</sup>A number of scholars have examined how greater transparency and information disclosure affect the functioning of government transfer programs. Banerjee et al. (2015), for example, look at the effects of providing Indonesian villagers with more information on a subsidized rice program, while Reinikka and Svensson (2011) examine the impact of publicizing leakage of school fund transfers in Uganda.

educational backgrounds of candidates contesting state elections.<sup>4</sup> Disclosure requirements regarding politicians' wealth, education and criminal records were de facto introduced across all states beginning with the November 2003 assembly elections in the states of Chhattisgarh, Delhi, Madhya Pradesh, Mizoram, and Rajasthan.

Candidate affidavits provide a snapshot of the market value of a contestant's assets and liabilities at a point in time, just prior to the election when candidacy is filed. In addition to reporting their own assets and liabilities, a candidate must disclose the wealth and liabilities of their spouse and dependent family members. This requirement prevents simple concealment of assets by putting them under the names of immediate family members. Criminal records (past and pending cases) and education must also be disclosed.

Punishment for inaccurate disclosures may include financial penalties, imprisonment for up to six months, and disqualification from political office. While there have been a handful of revelations of politicians' asset misstatements<sup>5</sup> and at least one prosecution (against Jharkhand minister Harinarayan Rai, for failing to disclose assets) for the most part, popular accounts focus instead on the very high level of asset accumulation implied by these disclosures.<sup>6</sup>

High profile reports of politicians' wealth accumulation began at least as early as November 2008, the first election cycle when asset growth could be calculated from public disclosures. For example, *Tribune India*, an English language daily newspaper, reported on a Delhi Election Watch study on MLAs' wealth accumulation in office. The article reported that: "[The] DEW found that a total of 45 sitting legislators were re-contesting elections and most have shown a huge increase in their assets from 2003 to 2008. The study reveals that of these sitting lawmakers, there are a few who have registered a growth of more than 1,000 per cent in their assets in last five years." The story illustrates both that watchdog groups made immediate

---

<sup>4</sup><http://adrindia.org/about-adr/>

<sup>5</sup>For example, Firstpost India reported that Himachal Pradesh MLA Anil Kumar failed to declare ownership of a pair of properties in his 2007 disclosure.

<sup>6</sup>See, for example, "How the political class has looted India," *The Hindu*, July 30, 2012, [<http://www.thehindu.com/opinion/lead/how-the-political-class-has-looted-india/article3700211.ece>].

use of the data produced by disclosures, and that they found a ready audience for their work.

Finally, the findings of Chauchard et al. (2016) indicate that this information is relevant for Indian voters' opinions of candidates. Using a vignette experiment conducted in 2015 in the northern state of Bihar, Chauchard et al. (2016) show that voters associate politicians' asset accumulation very directly with corruption, and voice strong disapproval of it. Based on these results, it is plausible that information on incumbents' wealth accumulation could impact voters' choices.

None of the preceding discussion rules out the existence of under-reporting or otherwise misleading disclosures. However, overall it suggests that disclosures included at least *some* information on candidate attributes that appeared to be relevant to voters and, furthermore, that this information was then communicated to the public via the media and civil society organizations. Noisy or inaccurate disclosures — to the extent that they are recognized as such by the public — would, most obviously, bias our analysis against finding any relationship between disclosure and political selection.

## 2.2 Data

### 2.2.1 State Assembly Election Data

The principal data on elections are collected from the Statistical Reports of Assembly Elections provided by the Election Commission of India (ECI).<sup>7</sup> Legislative Assembly elections are held regularly in all of India's 28 states as well as in two Union Territories (Delhi and Puducherry), and Members of the State Legislative Assembly (MLAs) are elected from each of the state's assembly constituencies (ACs) in first-past-the-post voting.

The average electoral cycle is five years. Critical to our identification strategy, elections are staggered across states with at least some elections being held in almost every year.

It is rare for elections to diverge from a cycle of exactly five years, alleviating concerns about the sorting of elections around the passage of disclosure requirements. For example, all

---

<sup>7</sup>[http://eci.nic.in/eci\\_main1/ElectionStatistics.aspx](http://eci.nic.in/eci_main1/ElectionStatistics.aspx)

of the states that held elections in November 2003 (Chhattisgarh/Madhya Pradesh, NCT of Delhi, Rajasthan, Mizoram) also held elections in the same month 5 years earlier (November 1998). The same is true for the states with elections in February 2003 (Himachal Pradesh, Meghalaya, Nagaland, Tripura) which all had previous elections in February 1998. (Additionally, election dates are set well in advance, making it that much less likely that sorting would be a concern.)

For each state and union territory, we collect data from all available reports beginning up to five elections prior to the first election with mandated disclosure of candidate affidavits (henceforth referred to as election  $e(1)$ ). Table 1 provides an overview of the state assembly elections in our sample, along with some general descriptive statistics. For 13 of the 30 states, we observe three elections following the implementation of disclosure requirements.

Overall, the data consist of 30,398 assembly constituency elections, comprising a total of 299,967 candidate observations with information on candidate name, gender, party, and vote outcome, as well as information on constituency-level reservation status (Scheduled Caste (SC), Scheduled Tribe (ST), or “General”)<sup>8</sup>, voter turnout, and electorate. For post-2003 elections, reports also include candidate age and caste category (i.e., Scheduled Caste, Scheduled Tribe, or General). On average, each constituency covers an electorate of about 145,000. Voter turnout in ACs averages 65.26 percent (standard deviation of 13.61 percent) and just less than five percent of candidates are women.

One crucial confound to our analysis is the outcome of India’s Delimitation Commission, which began the process of redrawing state and national election boundaries in 2001. Elections with the newly created boundaries were first held in Karnataka in May, 2008 — exactly one election cycle after disclosure requirements were put in place. Redistricting could plausibly affect recontesting decisions, as candidates facing a very different electorate may be less inclined to stand for reelection. This will make it critical in what follows to account

---

<sup>8</sup>SC and ST constituencies are reserved for candidates classified as SC or ST, in accordance with a policy introduced to promote the representation of historically under-represented groups. General Caste candidates cannot compete in these constituencies.

for constituencies’ degree of redistricting. The Delimitation Commission itself took it as its explicit goal to redraw boundaries such that, “the population of each parliamentary and assembly constituency in a State shall, so far as practicable, be the same throughout the State” (Delimitation Commission of India, 2004). One particular constraint on the Delimitation Commission was that all constituencies had to remain within administrative districts, making the Commission’s task, in effect, one of equalizing constituency populations within each district. Indeed, Iyer and Reddy (2013) show that deviation from the district average is an *extremely* good predictor of the extent of redistricting. (Iyer and Reddy argue that, furthermore, delimitation was “politically neutral for the most part.”) We therefore include controls for “propensity for delimitation” in our analyses below to account for the extent to which a constituency is vulnerable to redistricting, based on its relative population.<sup>9</sup>

**Matching Candidates:** For each assembly constituency election, we match winners and runners-up with candidates who contest in the subsequent election for that constituency. In a first step, we employ a fuzzy matching algorithm that accounts for differential spelling of names across elections. Due to the many commonalities across names, in the second step we manually check the set of all probable matches, discarding those matches that prove unlikely to be the same candidate. For example, “A.R.KRISHNAMURTHY” (Santhemarahalli AC in Karnataka election 1999) is not the same candidate as “KRISHNA MURTHY MS” in the subsequent election. On the other hand, “RATHOD ANIL (BHAIYYA) RAMKISAN” and “ANILBHAIYYA RAMKISAN RATHOD (B.COM)” (Ahmednagar South constituency in Maharashtra elections 1999 and 2004) are a match even though the names in the ECI reports are somewhat distinct

After elections during the 1980s, five smaller states experienced reorganizations which resulted in changes in the number and naming of constituencies (for example, Arunachal Pradesh had 30 ACs in the 1984 election and 60 ACs in the 1990 election). We do not attempt to match candidates in those years, which occur decades prior to the policy change

---

<sup>9</sup>Specifically, we will follow Iyer and Reddy in controlling for population and population squared. They additionally find that share male and share literate are predictive of delimitation but unfortunately these variables are not available at the constituency level for most states.

of interest in our paper.

Asset disclosure requirements commenced with the November 2003 state elections and all assembly elections had mandatory disclosure of candidate affidavits by 2008. While we match candidates within constituencies prior to disclosure, post-disclosure matching is done within state. This accounts for politicians who choose to rerun but switch constituencies within a state across elections. This is largely necessitated by renumbering and boundary-shifting of constituencies between elections post-2003, and allows for a consistent comparison of rerun probabilities of candidates at  $e(0)$  – the last election prior to disclosure – with rerun probabilities of contestants at  $e(-1)$  and earlier.

This approach may cause an *upward bias* when comparing rerun probabilities of candidates at  $e(1)$  – the first election with disclosure – with rerun probabilities of contestants at  $e(0)$ , since within-state matching is more likely to generate a candidate match than within-constituency matching. Given this upward bias, we argue that our estimates of asset disclosure on rerun propensity (which is negative) are plausibly biased toward zero. (This approach also alleviates possible concerns of increased labor mobility over time and within state that would otherwise not be accounted for in within-constituency matching.<sup>10</sup>)

For candidate  $i$  in state  $s$  who stood for election at time  $t$ , we define the indicator variable  $RunNext_{ist}$  to denote whether  $i$  was also a candidate in the next election. We define the state-election level variable  $Disclosure_{st}$  to denote whether asset disclosures are required at time  $t$ .

Recall that we will examine the impact of disclosure on both rerun probabilities as well as electoral success conditional on standing for reelection. In our rerun analysis, our main interest will be in studying the *RunNext* probabilities of MLAs. In a set of placebo regressions, we will examine the rerun decisions of politicians who stood for office at  $t$  but came in second (the “runners-up” sample). To study the impact of disclosure on electoral success, we define  $Winner_{ist}$  as an indicator variable denoting that candidate  $i$  in state  $s$  was elected at time  $t$ .

---

<sup>10</sup>We further verify that *across*-state mobility is virtually non-existent, i.e., politicians are state-bound.

Over the entire sample of assembly constituency elections, winners on average rerun 72.22 percent of the time while runners-up rerun 42.11 percent of the time. Focusing on the restricted sample of constituencies in which both the incumbent and runner-up stand for office in the next election, in the pre-disclosure period the incumbent is 5.7 percentage points less likely to win than the runner-up. In the post-disclosure period, incumbents are 4.4 percentage points *more* likely to win.<sup>11</sup>

Unfortunately, we are able to observe detailed candidate characteristics only in the post-disclosure period, making it impossible to examine the effect of disclosure on wealth accumulation. For the purposes of this paper, we thus focus primarily on variation in the state-level introduction of financial disclosures rather than variation in the contents of the disclosures themselves. We utilize the affidavits here for the purpose of matching candidates across elections, at the state level, in the post-RTI era as necessitated by the redistricting that took place in 2008. These affidavits were gathered from either the GENESYS Archives of the Election Commission of India (ECI)<sup>12</sup> or the various websites of the Office of the Chief Electoral Officer in each state. (A sample affidavit is shown in the Appendix. For further details, see Fisman, Schulz, and Vig (2014).)

### 2.2.2 Additional state and local variables

We will include a number of variables in our analysis that reflect constituency, district, or state-level attributes. Of particular importance, we use constituency population data from the 2001 Census (used by the Delimitation Commission to determine constituency boundaries) to generate *PopDev*, the absolute deviation of constituency population from the district average. This is the variable that Iyer and Reddy (2013) show is highly predictive of extent of redistricting. Following Iyer and Reddy (2013), we will additionally include interactions for *Population* and *Population\_Squared* as an alternative approach to controlling for delimitation

---

<sup>11</sup>If we use the entire sample of recontesting winners and runners-up (i.e., we do not condition on both winner and runner-up recontesting in the same constituency), the pre-disclosure incumbency advantage is 1.5 percentage points, whereas the post-disclosure advantage is 10 percentage points.

<sup>12</sup><http://eci.nic.in/archive/>

propensity.

We also obtain local GDP information from Indicus Analytics, an Indian subsidiary of Nielsen that offers data and economic analysis services. These district-level data, which are built up from both government data and surveys across a range of sectors, are employed by a range of users, from investors to marketing firms. Their data are also used by a number of government agencies, including the Planning Commission and the Reserve Bank of India. These data are available for 2002 - 2015. To put these data in a per capita form, we interpolate district-level populations using the Censuses of 2001 and 2011, assuming constant percentage growth.<sup>13</sup>

We include a number of additional variables (including literacy rates; state-level GDP level and growth; SC/ST concentration; and measures of corruption) to compare states that held elections just before versus just after disclosure rules went into effect, and to examine the heterogeneity of responses to disclosure. Finally, to assess the potential role of legislators in promoting GDP growth, we also collected data on state-level government budget allocations from the Reserve Bank of India. We use the RBI-generated categories of developmental and non-developmental expenditures to demarcate government spending that aims to boost economic development. For example, infrastructure spending, education, and urban development are classified as developmental, while administrative services are non-developmental. Overall, developmental expenditures comprise 64.3 percent of overall district spending, while 34.5 percent is non-developmental (a small residual fits neither category, and is classified as *other*).

We provide definitions and sources for the variables employed in our analysis in Table 2.

---

<sup>13</sup>While district-level income data are partly available via government websites, these data are notoriously unreliable, as reflected in the wide within-district variance in GDP growth rates. It is not uncommon to find districts where growth veers from double-digit growth to double-digit decline from year to year. To take one extreme example, Jalor district in Rajasthan, according to government statistics, had GDP growth in the years 2001-2005 of 40.0, -24.3, 46.4, and -14.7 percent. This works out as a five year growth rate of just over 7 percent, but with unrealistically wild variation from year to year.

### 3 Hypotheses and Empirical Strategy

Our aim in this paper is primarily to explore empirically the consequences of disclosure for political selection. Different modeling assumptions will yield distinct predictions on the effect of disclosure. However, as a way of framing the results that follow, in the Appendix we lay out a formal model of political selection under asymmetric information. The model generates a set of intuitive predictions that will be useful for organizing our analysis, and illustrating how our findings can be reconciled with a straightforward model of political selection. In particular, our model yields the following results:

- **(Increased Exit)** There will be higher exit of incumbents in the second post-disclosure election, when contesting requires the disclosure of asset *returns*.
- **(Reelection)** Since disclosure provides more information on candidate quality, under disclosure re-contesting incumbents are more likely to be reelected, as only high quality incumbents will choose to stand for election. Thus, disclosure leads to positive selection.
- **(Improved Pool)** Since only low ability incumbents choose to exit, their replacements, even if chosen randomly, will be of higher expected ability.
- **(Signal relevance)** Under disclosure, observable signals of candidate quality — such as local economic growth — are less predictive of incumbent reelection, since disclosures provide voters with other information about incumbent quality.

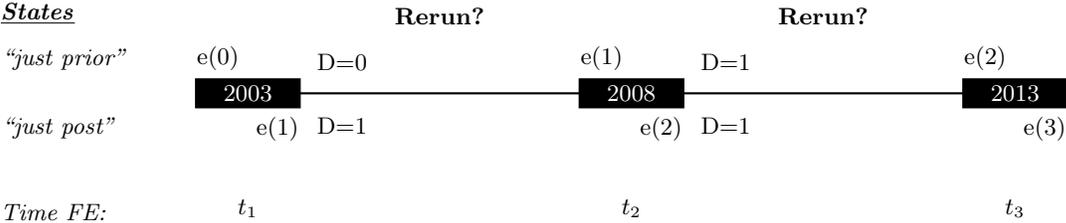
Our main empirical challenge is distinguishing the effect of disclosure on incumbent exit and reelection rates from general time trends. As noted in the preceding section, the precise timing of elections is critical to making this distinction — if all state assembly elections took place concurrently, it would be impossible to separate the effects of disclosure from the time trends that are evident in the data.

As we detail in Section 2.1, five states held elections concurrent with the advent of asset disclosure requirements (Chhattisgarh, Delhi, Madhya Pradesh, Mizoram, and Rajasthan) in

November 2003. In just the eight months preceding November 2003, four other states held elections. In all of these cases, the election schedule was set well before the timing of disclosure requirements, which were created as a result of a court ruling, became apparent. A total of 20 states held elections in the 36 month window around the November 2003 implementation of disclosure requirements, 10 in the 18 months prior to this date (*just before* states), and 10 in the 18 months that followed (*just after* states). See Table 1 for details on timing.

Table 3 compares the basic attributes of *just before* and *just after* states. We observe no significant differences between the two in terms of literacy, income, corruption (as measured by Transparency International’s state-level ranking), population, Scheduled Caste concentration, or voter turnout. This lack of differences in observables between the two groups lends credibility to our claim that sorting of elections around November 2003 is essentially random.<sup>14</sup>

Figure 1: **Outline of Empirical Strategy**



Notes: This figure lays out the general identification strategy employed in our analysis focusing on the subset of states that held elections in 2003, *just prior* to and *just post* the implementation of financial disclosure requirements for contestants in state assembly elections. Our variable of interest is the rerun decision (incumbent selection) of MLAs elected at  $e(\tau)$ , depending on whether re-contesting required the revelation of politician asset *growth* ( $D = 1$ ) or not ( $D = 0$ ). The timing of elections further allows us to control for general time trends using time period fixed effects.

Figure 1 lays out the general identification strategy employed in our analysis, focusing on the subset of states that held elections in 2003, *just prior* to and *just post* the implementation of financial disclosure requirements. Observe, in particular, that at calendar time 2003, politicians in some states had yet to face disclosure requirements, while in others — where the

<sup>14</sup>Note that Uttar Pradesh constitutes a significant fraction of the *just before* constituencies in our sample. Our findings on the effects of disclosure are slightly stronger if we omit it from our analysis. Furthermore, given that turnout and GDP per capita are low in Uttar Pradesh, its exclusion leads to better balance on observables.

election occurred just months later — disclosures were already required. By 2008, all state assembly candidates had to file asset disclosures. However, candidates in *just post* states were making disclosures for the second time, thus revealing their asset accumulation while in office, while candidates in *just prior* states made disclosures for the first time, revealing only their wealth levels. Our estimating equation exploits this difference in the timing of elections to separate disclosure effects from time trends.

The basic intuition of our analysis is captured in Table 4, where we show the *RunNext* probability of MLAs as a function of elections relative to the advent of asset disclosures. Focusing on elections immediately around the introduction of disclosure requirements, we observe an increase in rerun probability between  $e(-2)$  and  $e(-1)$  for the *just before* subsample, where elections span the years 1993 and 1997. For the *just after* subsample over approximately the same time period (1993 - 1998), we similarly observe a small increase in the rerun rate. (Rerun rates are also very similar for the last election of the 1980s in each group.) This suggests some common time trend between the two groups. However, in 2003 the two sets of states diverge – for politicians in the *just before* subsample elected in 2002-2003 at  $e(0)$ , the probability of standing for reelection continues to increase. By contrast, for those elected in *just after* states in 2003-2004 at  $e(1)$ , there is a steep drop in rerun probability. Interestingly, one election cycle later, MLAs in *just after* states experience a drop in rerun probability. The fact that the drop in rerun probability appears to be timed to election cycles relative to disclosure requirements, rather than timed to calendar date, is the basis of our claim of a causal effect of disclosure.

In Appendix Table A-1 we show a comparable table to examine the rerun probabilities for runner-up candidates. For this group of “placebo” candidates, we observe no drop in their odds of recontesting, indicating that the decrease in rerun rates for MLAs associated with disclosure does not reflect a general decline in interest in running for office.

Before proceeding to our main specification, we note that Table 4 also shows some divergences between the two subsamples in first two election cycles in the 1980s (we do not

have earlier data to extend the comparison further back in time). This will add noise to the identification of a post-disclosure drop in *RunNext*. While these differences raise some concerns about comparability, they occurred nearly two decades prior to the implementation of disclosure laws, and are driven in large part by large increases in two large “just post” states, Madhya Pradesh and Orissa. These increases led to near-identical rerun rates for the two groups of states by the late 1980s.<sup>15</sup>

In summary, the clear similarity in rerun rates over the three election cycles preceding the disclosure law, combined with the very strong balance between just before and just after states, gives us confidence that unobserved differences are unlikely to be driving our results.

Our main specification for examining candidates’ rerun decisions is given by:<sup>16</sup>

$$RunNext_{ist} = \alpha_s + \gamma_t + \beta Disclosure_{st} + \delta' Controls_{ist} + \epsilon_{ist} \quad (1)$$

where *RunNext<sub>ist</sub>* indicates whether a candidate who ran at *t* also chose to run for office in the next election, while *Disclosure<sub>st</sub>* indicates that disclosures were required at time *t* in state *s*. Throughout, we report bootstrapped standard errors clustered at the state level, using the method of Cameron, Gelbach, and Miller (2008). The specification, by focusing on the rerun decisions of politicians in office, thus assesses whether a candidate’s decision to stand for office is affected by disclosures that would allow the public to infer his asset *growth* while serving in office (since, by standing for reelection, a candidate will provide voters with snapshots of wealth from the beginning and end of his term).

The time effect  $\gamma_t$  absorbs any time-specific effects. We include a total of seven time period fixed effects to account for groupings of elections. For example, there is one time dummy for the period 2002-2004, which allows us to absorb the effects of having an election in this time period. This focuses our comparison of rerun rates of politicians in *just before* versus *just after* states in those years.

---

<sup>15</sup>In unreported analyses, we confirm that our results are not sensitive to using this shorter time period instead.

<sup>16</sup>Results are essentially unchanged if we use a Probit or Logit instead of the linear model.

We provide several additional pieces of analysis in Section 4.2 on voter preferences, building on the *Reelection*, *Improved Pool*, and *Signal Relevance* predictions above. These involve examining how incumbency disadvantage is affected by disclosure, and also a more involved discussion of how we expect positive self-selection to affect local conditions. This will require a more involved discussion on the estimation of incumbency advantage and related issues, which we defer to Section 4.2.1.

## 4 Results

### 4.1 Effect of disclosure on running for election

Table 5 provides results on the effect of asset disclosure on politicians choosing to exit, the first prediction associated with our model (*Increased Exit*). If disclosure laws are effective in providing voters or enforcement authorities with information on rent-seeking, we conjecture that exit rates will increase post-disclosure.

The sample consists of those states that had elections between 2002 and 2004 (listed in Panels (A) and (B) of Table 1). Controlling for time trends, column (1) of Table 5 estimates that asset disclosures are associated with a 16.6 percentage point decrease in the re-contesting probability of legislative assembly members. This decline, relative to a pre-disclosure base of about 75 percent, is large in magnitude and significant at the 1 percent level. This estimate increases to 19.87 percentage points (t-statistic of 5.7) when restricting the sample to only those states with elections in 2003; see Appendix Table A-3.

When we add state fixed effects in column (2), the effect size drops to -0.132, still significant at the 1 percent level. In columns (3) and (4), we add candidate-level and constituency-level controls, respectively. These additions have little impact on the coefficient on *Disclosure*. Finally, in columns (5) and (6) we aggregate data to the state-election level, using the state-election average of *Rerun* as the dependent variable. The point estimates (and significance) of the *Disclosure* coefficient are very similar to those obtained in our constituency-level regressions.

In Appendix Table A-4 we repeat these analyses, further setting  $Rerun = 1$  for incumbents who switch from state politics to running for the national legislature, the Lok Sabha (on average, about 12 percent of exiting MLAs contest in the subsequent Lok Sabha election). This leads to a slight increase of our point estimates on the effect of disclosure. In Appendix Table A-5, we further control for district-level fixed effects; results are near-identical to those reported in Table 5. Finally, in Appendix Figure A-1 we show point estimates for the coefficient on *Disclosure* for subsamples that leave out one state at a time to ensure that the results are not driven by a single large, influential state. We find that the point estimates change little across subsamples.

We obtain a clearer sense of the pattern across elections in Figure 2, which plots rerun probabilities of winners and runners-up over election cycle time. In Panel A, we show the pattern for the winners sample, which reveals a drop in recontesting rates in the election immediately following the advent of asset disclosure requirements ( $e(1)$ ). In the second election ( $e(2)$ ), recontesting rates revert to close to their pre-disclosure level at  $e(0)$ . It is difficult, based on these patterns alone, to discern whether there is a one-time drop in recontesting rates as certain “types” of candidates opt out of standing for office, or whether there is a permanent drop, coupled with a secular increase in the rerun rate.

In Panel B of Figure 2 we show the analogous patterns for the runners-up sample. Notably, there is no difference between pre- and post-disclosure rerun probabilities. In particular, there is no difference between the probabilities of runners-up standing for reelection at  $e(0)$ ,  $e(1)$  or  $e(2)$ . Thus, while disclosure is associated with a drop in rerun rates of elected politicians, it had no impact on the rerun decisions of runners-up who, we argue, present a credible comparison set of political aspirants.

In Figure 3, we show the recontesting rates of MLAs and runners-up for just the 13 states for which we have data from the third post-disclosure election (i.e.,  $e(3)$ ). We observe near-identical patterns to those of the full sample.

#### 4.1.1 Robustness, and heterogeneous effects of disclosure on running for election

As we observe in Section 2, a crucial confound for our analysis is the redrawing of constituency boundaries that took place one electoral cycle after asset disclosures became mandatory. If the cost of standing for reelection increased when incumbents had their constituency boundaries redrawn, this could account for the higher exit rates we associate with disclosure. As Iyer and Reddy (2013) observe, delimitation had widely varying effects on constituency boundaries, in large part as a function of how far a constituency’s population deviated from the district average (since, recall, the goal of the Delimitation Commission was to re-equate constituency sizes within each district). We follow Iyer and Reddy in employing population deviation from the district mean (scaled by the mean), as well as population and population squared, as measures of constituency-level propensity for delimitation. In the first column of Table 6, we allow the effect of *Disclosure* to vary with the absolute percentage deviation of constituency population from the district average (*PopDev*). The coefficient on the interaction term  $Disclosure * PopDev$  is small and statistically insignificant. In column (2) we include interactions with population and population squared; again neither interaction term approaches significance.<sup>17</sup> Additionally, we note that if delimitation were driving the result, we might expect to see a drop in the rerun rates of runners-up, who were similarly confronted with redrawn constituency boundaries. Yet, as we observe at the end of the preceding section, runners-up exhibit no such change in their rerun rates.

We next consider whether the effect of *Disclosure* on exit rates differs according to state-level corruption. Corruption could, in theory, amplify or dampen the effects of disclosure on selection. It could increase the effects of disclosure if, for example, corruption increases the rents available to politicians. Alternatively, high corruption states may be corrupt precisely because voters put less weight on rent seeking, in which case disclosure will have less effect on exit if corruption is high.

Columns (3) and (4) of Table 6 include an interaction term,  $Disclosure * Corruption$ ,

---

<sup>17</sup>Results are robust and nearly unchanged when alternatively controlling for population and population squared as measured in 2001 interacted with time dummies.

using two separate state-level measures of corruption. First, we use a perception-based corruption measure provided in a 2005 study on corruption by Transparency International India (*CorrIndex*). This report constructs an index for 20 Indian states based on perceived corruption in public services using comprehensive survey results from over 10,000 respondents. We also use an indicator variable, *BIMARU*, to denote constituencies located in the states of Bihar, Madhya Pradesh, Rajasthan, and Uttar Pradesh which have been singled out for corruption and dysfunction (“bimar” means sick in Hindi; see Bose (2007)).

The coefficient on  $Disclosure * CorrIndex$  is negative, significant at the 5 percent level. Given the standard deviation on *CorrIndex* of 1.01 (the difference between, say, Gujarat and Jharkhand, or Madhya Pradesh and Bihar), the coefficient of -0.044 implies that a one standard deviation increase in corruption will result in *Disclosure* increasing incumbent exit by 4.4 percentage points. We obtain qualitatively similar results (significant at the 10 percent level) using *BIMARU* as our measure of corruption. These findings suggest that asset disclosures, at least in the context of Indian reforms, had a *greater* effect on self-selection of political candidates in high corruption environments.

In Column (5) we include the interaction of disclosure with margin of victory. If disclosure served to weed out politically weak (low margin) candidates (which could also potentially explain the incumbency effects we discuss below), we would expect this term to have a positive effect. Its coefficient is instead very small, negative, and statistically insignificant. (We obtain similar results if we measure political weakness in other ways, for example by whether the politician’s party forms part of the state government.)

Finally, in Column (6) we include the interaction  $Disclosure * Newspaper Circulation$ , which is marginally significant (at the 10 percent level) and positive. This implies that disclosure has *less* of an effect in areas with more readership.<sup>18</sup> This is consistent with the view that high circulation areas have better-informed voters and more responsive governments to begin with, as suggested by Besley and Burgess (2002), as well as Gentzkow, Shapiro, and

---

<sup>18</sup>For completeness, we include in Appendix Table A-6 an additional set of results on the heterogeneity of the effect of disclosure by candidate or constituency attributes.

Sinkinson (2011), leading to a more muted effect from greater transparency. The weaker impact of disclosure in high circulation areas also fits with the recent theoretical contribution of Boffa et al. (2016), which argues that rent extraction is a decreasing and convex function of voter information. Thus, alternative sources of information may be substitutes in limited rent extraction.<sup>19</sup>

## 4.2 Positive selection of candidates: Disclosure and incumbency disadvantage

In organizing our analysis in Section 3, we argued that disclosure plausibly increases exit rates because low ability (or high rent-seeking) politicians self-select out of office, anticipating that they would not be reelected even if they chose to rerun. We examine whether the increased exit rates documented above are associated with the positive selection of candidates, in the sense of being more preferred by the electorate. That is, we explore whether disclosure leads to higher *reelection* rates for incumbents (i.e., the politicians who choose to recontest). If it is the case that disclosure leads to positive self-selection (i.e., an *improved pool* of candidates), we also look at whether, post-disclosure, there is an improvement in local economic conditions when a politician self-selects out of office.

### 4.2.1 Effect of disclosure on incumbency disadvantage

As Anagol and Fujiwara (2016) and Linden (2004) have shown, incumbents in India have traditionally suffered from a disadvantage at the polls.<sup>20</sup> If disclosure leads to positive selection (from the electorate’s perspective) in who stands for office, the success of politicians who choose to run for reelection will be higher, i.e., the incumbency disadvantage will decline.

We investigate this possibility by comparing the electoral success of incumbents against a comparison group of politicians who were runners-up in the election in which the incumbent

---

<sup>19</sup>Of course, one might argue the opposite, since the media and disclosure may play complementary roles in informing the electorate. As we have emphasized throughout, the theory is largely ambiguous on the predicted effects of disclosure — our contribution is to document the observed patterns in a policy relevant setting.

<sup>20</sup>Klasnja and Titiunik (2016) show that there is an incumbency disadvantage in a large number of developing economies.

was elected. In our main analysis, we include in our sample all constituency elections in which both the winner and runner-up choose to rerun. Below, we provide further discussion on the rationale for using this approach to estimating incumbency advantage, and describe a series of robustness checks to ensure that our findings are not sensitive to our specification or sample restrictions.

The timing in our specification parallels that of our exit analysis. We thus estimate the probability that an incumbent at time  $t$  is reelected at time  $t + 1$ , and in particular examine whether this probability is affected by disclosure at time  $t$  (implicitly assuming that asset *growth* is the information of relevance to voters):

$$\begin{aligned} \text{Winner}_{ist+1} = & \alpha_s + \gamma_t + \beta_1 \text{Winner}_{ist} * \text{Disclosure}_{st} + \beta_2 \text{Winner}_{ist} \\ & + \beta_3 \text{Disclosure}_{st} + \delta' \text{Controls}_{ist} + \epsilon_{ist} \end{aligned} \quad (2)$$

The direct effect of *Winner* captures the incumbent (dis)advantage in an election where disclosure is *not* required. The interaction term *Winner \* Disclosure* captures the change in incumbency advantage that comes with disclosure.

We present the results in Table 7. Column (1) indicates a pre-disclosure incumbent disadvantage of 5.7 percent (significant at the 10 percent level), comparable to estimates from Linden (2004). The interaction term, *Winner \* Disclosure*, has a coefficient of 0.101, indicating that incumbents have a (weak) electoral advantage relative to challengers after the advent of disclosure requirements. The inclusion of a range of controls (column (2)) has very little effect on the estimated incumbency disadvantage, or how it is affected by disclosure. In columns (3) - (5) we limit the sample to close elections: those won by 10, 5 and 3 percent respectively. Unsurprisingly, the pre-disclosure incumbency disadvantage is far stronger in relatively close elections, but in column (3) the coefficient on the interaction term *Winner \* Disclosure* is largely unchanged. In columns (4) and (5), the interaction term shrinks in magnitude by about a third (but remains significant at the 10 percent level). (When we split the sample of constituencies based on distance from the mean district population (our measure for extent of delimitation propensity) we observe if anything a bigger shift in incumbency disadvantage

among constituencies that are quite close to their district averages.)

Overall, our data thus support the prediction that disclosure leads to greater reelection probabilities for incumbents.

In concluding this subsection, we observe that measuring incumbency advantage is a field unto itself. First, we emphasize that, given the multi-candidate nature of Indian elections, measuring incumbency advantage requires that we provide an appropriate benchmark against which to measure incumbent electoral success. (This stands in contrast to, for example, elections in the United States, in which there are generally only two viable candidates fielded by the major parties. In two candidate systems, 50% provides a natural benchmark.) We argue that the runner-up's probability of victory serves as the most natural point of comparison. To gain an appreciation of why this is so, consider a closely contested election between two candidates that was essentially decided by a coin toss. If an equally preferred candidate enters the subsequent race together with the current candidates (runner-up and incumbent) and each candidate receives one-third of the vote in expectation, then simply comparing the incumbent's winning probability between two elections will present a misleading picture of incumbency advantage. Our preferred approach, presented in Table 7, further restricts the sample to cases in which the incumbent and the runner-up both recontest, allowing us to further keep the counterfactual candidate constant.

We additionally note that our results are not sensitive to the method employed to estimate incumbency advantage. If, following Anagol and Fujiwara (2016), we measure incumbency advantage using a regression discontinuity design for  $Disclosure = 0$  and  $Disclosure = 1$  samples separately, we obtain very similar estimates of a change in incumbency disadvantage associated with disclosure. The estimated discontinuities are -25.5% and -18.2% for the  $Disclosure = 0$  and  $Disclosure = 1$  samples respectively, estimates that are close to the incumbency disadvantage estimates in the narrow margin results presented in Table 7. Finally, in Appendix Table A-7 we present results paralleling those in Table 7, but including all winners and runners-up in our analysis (rather than just winner and runner-up pairs of

constituencies in which both rerun). This has little impact on our measure of incumbency disadvantage, nor on disclosure’s impact on incumbency advantage.

#### 4.2.2 Performance in office

If lower-quality MLAs self-select out of politics as a result of disclosure, our model predicts that incumbents who choose not to run will be replaced by, on average, higher quality entrants (i.e., a random draw is better than a negatively selected incumbent).

Our empirical analysis aims to capture whether local economic outcomes, as measured by district-level GDP per capita, are affected by disclosure.<sup>21</sup> Observe that the positive selection effects of disclosure are subtle, occurring only in cases in which the incumbent chooses to opt out of rerunning — if he chooses to rerun, he is of the high quality type. We will therefore be interested primarily in the interaction of *Disclosure* with *RunNext*. Identifying the differential effect of disclosure on growth in high versus low turnover states is less clean than that of our main analysis, which relies only on quasi-experimental variation in the timing of state elections. We include the interaction term, however, because it allows us to probe more directly our model’s intuition that the beneficial effects of disclosure are greater in places where incumbents self-select out of office.

In our main results, we use state-time averages, since that is level for which government expenditures are available. We further demean the *RunNext* variable so that the direct effect of *Disclosure* is interpretable as the impact of introducing disclosure rules on GDP growth in a state with an average rerun rate. (As a robustness check, we present district-level analyses of our GDP growth results in Appendix Table A-8, using our district-level GDP data.) Our specification is as follows:

$$\begin{aligned}
 GDPGrowth_{st+1} = & \beta_1(RunNext_{st} - \overline{RunNext_{st}}) * Disclosure_{st} + \beta_2 Disclosure_{st} \\
 & + \beta_3(RunNext_{st} - \overline{RunNext_{st}}) + \alpha_s + \gamma_t + \epsilon_{st}
 \end{aligned} \tag{3}$$

---

<sup>21</sup>Since we do not have data on candidate attributes in the pre-disclosure period, we cannot compare, say, how candidate education changes with disclosure.

where  $GDPGrowth_{st+1}$  is per capita GDP growth in state  $s$  in the term *following* the election when the rerun decision of the incumbent elected at time  $t$  is made. Note that the timing is consistent with when we would expect to see an effect on politician quality, based on our exit results above, as we measure GDP growth in the term after a large number of incumbents self-select out (and hence avoid revealing their asset growth). The direct effect of the fraction of incumbents that choose to run for election on per capita GDP growth is given by  $RunNext_{st}$ , the state-level average of  $RunNext$ . As noted above, in our regression we demean  $RunNext$  so that  $\beta_2$  captures the direct effect of disclosure in an average state. The differential effect of incumbents dropping out, post-disclosure, is captured by the coefficient on the interaction term,  $\beta_1$ : if disclosure leads to the selecting out of low ability candidates, we expect  $\beta_1 < 0$ .

We present the results in Table 8. The coefficient on the direct effect of disclosure,  $\beta_2$ , is positive and large in magnitude, implying a 1.7 percentage point increase in state-level growth relative to a mean of 6.4%, though not statistically significant (p-value = 0.163). Our main interest is in the consequences of disclosure for growth in states with high rates of politician turnover. The coefficient on the interaction term,  $\beta_1$ , is -0.231, significant at the 5 percent level. This implies that disclosure was associated with a 3.5 percent higher level GDP growth in a high turnover state like Rajasthan ( $RunNext = 0.6$  in the second post-disclosure period) relative to a low turnover state like Maharashtra ( $RunNext = 0.75$ ).

To delve into the channels through which new political entrants might impact economic growth, in columns (2) - (4) we present a set of regressions that use government expenditure shares as the dependent variable, but otherwise following the same specification as in column (1). We do not find any direct effect of disclosure on expenditure composition for an average turnover state. However, analogous to our growth regressions, we find that budget allocations for development-focused expenditures (such as infrastructure, education, and urban development) increase in states with a high rate of political turnover (as reflected by lower values of  $RunNext$ ), particularly in states where disclosure is required. These findings are broadly consistent with government decisions playing at least some role in the higher GDP growth

that we document in the preceding table.

Together, our performance regressions combined with those on reelection probabilities suggest that disclosure led to improved selection of politicians.

### 4.3 Signal value of economic growth

We finally turn to the *signal relevance* hypothesis which holds that, if disclosures provide additional information on candidate quality, other measures will receive less weight in assessing candidates in the post-disclosure period. To operationalize this prediction, we focus on GDP growth per capita as a signal on politicians' performance. We examine whether growth affects candidates' reelection prospects, and whether this relationship is attenuated post-disclosure. Since GDP growth is available only at the district level, we use the following (district-level) specification:<sup>22</sup>

$$\begin{aligned} \text{Winner}_{dst+1} = & \alpha_s + \gamma_t + \beta_1 \text{GDPGrowth}_{dst} * \text{Disclosure}_{st} + \beta_2 \text{GDPGrowth}_{dst} \\ & + \beta_3 \text{Disclosure}_{st} + \delta' \text{Controls}_{dst} + \epsilon_{dst} \end{aligned} \quad (4)$$

$\text{Winner}_{dst+1}$  captures the fraction of incumbents in district  $d$  that are reelected at  $t + 1$ . Observe that, in contrast to our incumbency advantage regressions above, the measure we employ here captures both selection (*RunNext*) and success conditional on choosing to run. In Appendix Table A-9, we disaggregate the effect of GDP growth into its impact on candidate self-selection versus candidate success conditional on choosing to run. Our point estimates suggest a larger role for GDP growth on electoral success than on self-selection, but these results are too noisy to allow for any decisive interpretation.

In column (1) of Table 9, we begin by showing the relationship between district GDP growth and the fraction of candidates reelected, excluding the interaction term  $\text{GDPGrowth}_{dst} * \text{Disclosure}_{st}$ . Consistent with the findings of, for example, Wolfers (2007) past economic performance is a significant predictor of reelection. A one standard deviation increase in GDP

---

<sup>22</sup>We obtain very similar point estimates with similar standard errors in constituency-level specifications, proxying for AC-level GDP growth with district-level growth.

growth (0.059) increases the fraction of politicians that remain in office by 2.5 percentage points, or 11 percent of a standard deviation. When we add  $GDPGrowth_{dst} * Disclosure_{st}$  in column (2), we find that the relationship between GDP growth and reelection rates exists only in the pre-disclosure period: the coefficient on the direct effect of GDP growth increases from 0.428 to 0.584, while the coefficient on the interaction term is negative but of a near-identical magnitude (significant at the 10 percent level). We add district-level controls in column (3), which has only a modest effect on our point estimates (the interaction term is now significant at the 5 percent level). Following Brender and Drazen (2008), in columns (4)-(6) we also consider the role of GDP growth in the election year, to account for the electorate’s emphasis on recent economic performance. Using election year growth generates very similar results.

Our results are thus consistent with voters using disclosures to assess candidates. In the pre-disclosure period, GDP growth was predictive of electoral success. This pattern disappears in the post-disclosure period, consistent with voters using alternative performance metrics to evaluate politicians.

## 5 Conclusion

In this paper we provide, to our knowledge, the first empirical analysis of the effects of asset disclosure laws on political selection, in the context of state-level legislative elections in India. Because disclosure laws were implemented in November 2003 amidst a wave of state elections, we are able to distinguish the impact of disclosure from general time trends.

We find that disclosure leads to a higher exit rate of incumbents, an improvement in the reelection rate of those who remain, and an untethering of the correlation between economic growth and electoral success. Moreover, these patterns are found only for incumbent MLAs rather than runners-up candidates who, we argue, present a credible comparison group of non-elected political aspirants. Our results are also robust to narrowing our sample to the set of states that held elections in 2003, tempering concerns about broader, concurrent shifts in the political landscape.

We argue that these findings are most easily reconciled with a model in which disclosure leads to the selection of politicians more preferred by the electorate. In this sense, our findings are optimistic: disclosure laws have the effect that models of electoral accountability—and transparency advocates—would have hoped for.

There are several directions that we hope to take in future research. First, as we observe at the outset, the efficacy of disclosure laws surely varies between countries and circumstances. It will be useful to examine the effects of disclosure in other settings. We may also benefit from a more intensive study of the consequences of India's disclosure laws. Most obviously, we have observed only a few electoral cycles since disclosure rules were put in place. It will be illuminating to see how disclosure impacts Indian politics over a longer time horizon, as more data becomes available in the future.

## References

- Anagol, Santosh and Thomas Fujiwara, forthcoming, *The Runner-Up Effect*, Journal of Political Economy.
- Banerjee, Abhijit, Rema Hanna, Jordan Kyle, Benjamin A. Olken and Sudarno Sumarto, 2015, *Tangible Information and Citizen Empowerment: Identification Cards and Food Subsidy Programs in Indonesia*, Working Paper.
- Banerjee, Abhijit and Rohini Pande, 2007, *Parochial Politics: Ethnic Preferences and Politician Corruption*, Working Paper.
- Barro, Robert, 1973, *The Control of Politicians: An Economic Model*, Public Choice 14, 19-42.
- Beath, Andrew, Fotini Christia, Georgy Egorov and Ruben Enikolopov, 2014, *Electoral Rules and Political Selection: Theory and Evidence from a Field Experiment in Afghanistan*, Working Paper.
- Besley, Timothy, 2005, *Political Selection*, Journal of Economic Perspectives 19(3), 43-60.
- Besley, Timothy and Robin Burgess, 2002, *The Political Economy of Government Responsiveness: Theory and Evidence from India*, Quarterly Journal of Economics 117(4), 1415-1451.
- Besley, Timothy, Olle Folke, Torsten Persson and Johanna Rickne, 2013, *Gender Quotas and the Crisis of the Mediocre Man: Theory and Evidence from Sweden*, Working Paper.
- Boffa, Federico, Amedeo Piolatto, and Giacomo AM Ponzetto, 2016, *Political centralization and government accountability*, Quarterly Journal of Economics 131(1), 381-422.
- Brender, Adi and Allan Drazen, 2008, *How Do Budget Deficits and Economic Growth Affect Reelection Prospects? Evidence from a Large Panel of Countries*, American Economic Review 98(5), 2203-2220.
- Brennan, Geoffrey and James M. Buchanan, 1980, *The Power to Tax: Analytical Foundations of a Fiscal Constitution*, Cambridge University Press.
- Cameron, A. Colin, Jonah B. Gelbach and Douglas L. Miller, 2008, *Bootstrap-Based Improvements for Inference with Clustered Errors*, The Review of Economics and Statistics 90(3), 414-427.
- Casey, Katherine 2015, *Crossing Party Lines: The Effects of Information on Redistributive Politics*, American Economic Review 105(8), 2410-2448.
- Chauchard, Simon, Marko Klasnja, and S.P. Harish, 2016, *Private Gains, Public Office: A Vignette Experiment in India*, Working Paper.
- Dal Bó, Ernesto, Frederico Finan, Olle Folke, Torsten Persson and Johanna Rickne, 2016, *Who Becomes a Politician?*, Working Paper.
- Diamond, Douglas, 1991, *Debt Maturity Structure and Liquidity Risk*, Quarterly Journal of Economics 106(3), 709-737.
- Djankov, Simeon, Rafael La Porta, Florencio Lopez-de-Silanes and Andrei Shleifer, 2010, *Disclosure by Politicians*, American Economic Journal: Applied Economics 2(2), 179-209.
- Eggers, Andrew and Jens Hainmueller, 2009, *MPs for Sale? Estimating Returns to Office in Post-War British Politics*, American Political Science Review 103(4), 513-533.

- Ferejohn, John, 1986, *Incumbent Performance and Electoral Control*, Public Choice 50, 5-25.
- Ferraz, Claudio and Frederico Finan, 2008, *Exposing Corrupt Politicians: The Effects Of Brazil's Publicly Released Audits on Electoral Outcomes*, Quarterly Journal of Economics 123(3), 703-745.
- Fisman, Raymond, Nikolaj Harmon, Emir Kamenica and Inger Munk, 2015, *Labor Supply of Politicians*, Journal of the European Economic Association 13(5), 871-905.
- Fisman, Raymond, Florian Schulz and Vikrant Vig, 2014, *The Private Returns to Public Office*, Journal of Political Economy 122(4), 806-862.
- Folke, Olle, Torsten Persson and Johanna Rickne, forthcoming, *Preferential Voting and the Selection of Party Leaders: Evidence from Sweden*, American Political Science Review.
- Gagliarducci, Stefano and Tommaso Nannicini, 2013, *Do Better Paid Politicians Perform Better? Disentangling Incentives from Selection*, Journal of the European Economic Association 11(2), 369-398.
- Gentzkow, Matthew, Jesse M. Shapiro and Michael Sinkinson, 2011, *The Effect of Newspaper Entry and Exit on Electoral Politics*, American Economic Review 101(7), 2980-3018.
- Iyer, Lakshmi and Maya Reddy, 2013, *Redrawing the Lines: Did Political Incumbents Influence Electoral Redistricting in the Worlds Largest Democracy?*, Working Paper.
- Klasnja, Marko, 2015, *Corruption and the Incumbency Disadvantage: Theory and Evidence*, Journal of Politics 77(4), 928-942.
- Klasnja, Marko, 2016, *Increasing rents and incumbency disadvantage*, Journal of Theoretical Politics 28(2), 225-265.
- Klasnja, Marko, and Rocio Titiumik, 2016, *The Incumbency Curse: Weak Parties, Term Limits, and Unfulfilled Accountability*, American Political Science Review, forthcoming.
- Linden, Leigh, 2004, *Are Incumbents Always Advantaged? The Preference for Non-Incumbents in India*, Working Paper.
- Persson, Torsten, and Guido Tabellini, 2000, *Political Economics: Explaining Economic Policy*, MIT Press.
- Reinikka, Ritva and Jakob Svensson, 2011, *The power of information in public services: Evidence from education in Uganda*, Journal of Public Economics 95(7), 956-966.
- Wolfers, Justin, 2007, *Are Voters Rational? Evidence from Gubernatorial Elections*, Working Paper.

Table 1: Overview of State Assembly Elections

Notes: This Table provides an overview of the state assembly elections in our sample along with some general descriptive statistics (this data corresponds to the gray-shaded election years). Election e(1) indicates the first election post the information disclosure reform of 2003. Panel (A) lists states that had elections immediately following the disclosure reform (2003/04) and Panel (B) lists the subset of states that had elections just prior to the reform (2002/03). Panel (C) list the remaining states in our sample. \*Carved out of Madhya Pradesh; \*\*carved out of Uttar Pradesh; \*\*\*carved out of Bihar (all in 2000). Source: Statistical Reports on General Elections, Election Commission of India, New Delhi (various years).

	Election period e(t)								Election Statistics			
	e(3)	e(2)	e(1)	e(0)	e(-1)	e(-2)	e(-3)	e(-4)	Electorate	Constit- uencies	Total Contestants	Turnout
<b>(A) Just post States</b>												
Andhra Pradesh	2014	2009	2004	1999	1994	1989	1985	1983	57,892,259	294	3,655	72.4%
Arunachal Pradesh	2014	2009	2004	1999	1995	1990	1984	1980	749,948	60	157	74.8%
Chhattisgarh*	2013	2008	2003	--	--	--	--	--	15,218,560	90	1,066	70.5%
Delhi	2013	2008	2003	1998	1993	1983	1977	--	10,726,573	70	875	57.6%
Karnataka	2013	2008	2004	1999	1994	1989	1985	1983	40,363,725	224	2,242	64.7%
Madhya Pradesh	2013	2008	2003	1998	1993	1990	1985	1980	36,266,969	230	3,179	69.3%
Maharashtra	2014	2009	2004	1999	1995	1990	1985	1980	75,968,312	288	3,559	59.5%
Mizoram	2013	2008	2003	1998	1993	1989	1987	1984	611,618	40	206	80.0%
Orissa	2014	2009	2004	2000	1995	1990	1985	1980	27,194,864	147	1,288	65.3%
Rajasthan	2013	2008	2003	1998	1993	1990	1985	1980	36,273,170	200	2,194	66.3%
Sikkim	2014	2009	2004	1999	1994	1989	1985	1979	300,584	32	167	81.8%
	2013.5	2008.5	2003.6	1998.7	1993.9	1989.4	1984.8	1981.0	301,566,582	1,675	18,588	
<b>(B) Just prior States</b>												
Goa	--	2012	2007	2002	1999	1994	1989	1984	1,010,246	40	202	70.5%
Gujarat	--	2012	2007	2002	1998	1995	1990	1985	36,593,090	182	1,268	59.8%
Himachal Pradesh	--	2012	2007	2003	1998	1993	1990	1985	4,604,443	68	336	71.6%
Jammu & Kashmir	--	2014	2008	2002	1996	1987	1983	1977	6,461,757	87	1,354	61.2%
Manipur	--	2012	2007	2002	2000	1995	1990	1984	1,707,204	60	308	86.7%
Meghalaya	--	2013	2008	2003	1998	1993	1988	1983	1,214,636	60	331	89.5%
Nagaland	--	2013	2008	2003	1998	1993	1989	1987	1,302,266	60	218	87.2%
Punjab	--	2012	2007	2002	1997	1992	1985	1980	16,775,702	117	1,043	75.5%
Tripura	--	2013	2008	2003	1998	1993	1988	1983	2,037,998	60	313	92.5%
Uttar Pradesh	--	2012	2007	2002	1996	1993	1991	1989	113,549,350	403	6,086	46.0%
Uttarakhand**	--	2012	2007	2002	--	--	--	--	5,985,302	70	785	59.5%
		2012.2	2007.2	2002.2	1997.2	1993.0	1989.1	1985.3	191,241,994	1,207	12,244	

(continued on next page)

(Table 1 cont.)

	Election period e(t)								Election Statistics			
	e(3)	e(2)	e(1)	e(0)	e(-1)	e(-2)	e(-3)	e(-4)	Electorate	Constit- uencies	Total Contestants	Turnout
<b>(C) Other States</b>												
Assam	--	2011	2006	2001	1996	1991	1985	1983	17,434,019	126	997	75.8%
Bihar	--	2010	2005	2000	1995	1990	1985	1980	51,385,891	243	2,135	45.9%
Haryana	2014	2009	2005	2000	1996	1991	1987	1982	12,735,888	90	983	72.0%
Jharkhand***	2014	2009	2005	--	--	--	--	--	17,766,202	81	1,390	57.0%
Kerala	--	2011	2006	2001	1996	1991	1987	1982	21,483,937	140	931	72.4%
Puducherry	--	2011	2006	2001	1996	1991	1990	1985	659,420	30	218	86.0%
Tamil Nadu	--	2011	2006	2001	1996	1991	1989	1984	46,603,352	234	2,586	70.8%
West Bengal	--	2011	2006	2001	1996	1991	1987	1982	48,165,201	294	1,654	82.0%
	2014.0	2010.5	2005.7	2000.7	1995.7	1990.7	1986.7	1982.0	216,233,910	1,238	10,894	

Table 2: **Variable Definitions**

<b>Variable</b>	<b>Description</b>
<b>Disclosure</b>	Dummy variable indicating that asset disclosures were required at time $t$ (and therefore, recontesting at $t+1$ would require the disclosure of wealth accumulation over the election cycle).
<b>RunNext</b>	Dummy variable for whether a candidate runs in the subsequent election.
<b>Winner</b>	Dummy variable indicating whether the contestant won the election at $t$ .
<b>Female</b>	Dummy indicating the gender of the candidate (1 = Female).
<b>Margin</b>	Vote share difference between winner and runner-up (scale of 0 to 1).
<b>PriorRunner</b>	Dummy variable taking on a value of 1 if the candidate contested the preceding election ( $t-1$ ).
<b>Incumbent</b>	Dummy variable taking on a value of 1 if the contesting candidate won the preceding election ( $t-1$ ).
<b>SC/ST Constituency</b>	Dummy variable indicating whether the constituency of the candidate is that of disadvantaged groups, so-called Scheduled Castes and Tribes (SC/ST).
<b>No. Candidates in AC</b>	Number of candidates contesting assembly constituency election at $t$ .
<b>Voter Turnout in AC</b>	Voter turnout in AC election at $t$ .
<b>AC Electorate</b>	Total electorate of assembly constituency at $t$ .
<b>PopDev</b>	Absolute percentage deviation of assembly constituency population from the district average as of last election prior to delimitation.
<b>Newspaper coverage</b>	Normalized state-level newspaper circulation per capita as of 2001 (winsorized at the 5 percent level to mitigate the impact of extreme outliers). Demeaned for ease of interpretation. Source: Open Government Data Platform India.
<b>CorrIndex</b>	Survey-based state corruption index (based on perceived corruption in public services) as reported in the 2005 Corruption Study by Transparency International India. The index takes on a low value of 2.40 for the state of Kerala (perceived as “least corrupt”) and a high value of 6.95 for Bihar (perceived as “most corrupt”). Demeaned for ease of interpretation.
<b>BIMARU</b>	Indicator variables to denote constituencies located in the states of Bihar, Madhya Pradesh, Rajasthan, and Uttar Pradesh.
<b>Literacy</b>	District-level literacy rate based on Census 2001 (scale of 0 to 1). Demeaned for ease of interpretation.
<b>GDPGrowth</b>	District-level growth in GDP per capita (in real terms, unless otherwise stated). Annualized growth rates are measured over the election term, or if indicated, over the year preceding the election. Sources: Indicus Analytics, Censuses of 2001 and 2011.

Table 3: Comparison of *just before* and *just after* States

Notes: This table provides some descriptive statistics for the two subsets of states that had elections *just before* and *just after* the disclosure event. Data are sourced from 2001 census publications by the Government of India and from the Reserve Bank of India (RBI). *Voter Turnout* refers to the turnout in the 2002-2004 state elections and *Change in Voter Turnout* to the change in turnout between the 2002-2004 elections and the previous elections. *GDP p.c.* measures the per capita net state domestic product at factor cost (Rs, 2003-04). *Avg. GDP p.c. growth/year* is the average yearly growth rate in GDP per capita in the three years prior to 2003/04. *Corruption Index* measures state-level corruption (Source: Corruption Study 2005, Transparency International India (June 30, 2005)). *Delimitation Propensity* is a measure of population size imbalance and defined as the average of absolute differences (in percent) of constituency populations from the average population of all constituencies within a district. Standard deviations are reported in brackets and t-statistics for tests of differences in state-level means are shown in parentheses.

Variables	<i>Just after States</i>	<i>Just before States</i>	(T-stat)
Total Constituencies (ACs)	1,675	1,207	
% Reserved constituencies (SC/ST)	29.0%	29.8%	
Population/AC	248,842	229,568	
Size/AC (sq. kms.)	1,092	741	
Literacy Rate	68.1%	68.5%	(-0.09)
	[10.3%]	[8%]	
GDP p.c.	22,203	24,203	(-0.43)
	[9,905]	[11,627]	
Avg. GDP p.c. growth/year	6.2%	5.8%	(0.47)
	[1.7%]	[1.9%]	
Corruption Index	4.97	4.69	(0.57)
	[0.64]	[1.15]	
SC/ST Concentration	37.6%	36.4%	(0.11)
	[23.3%]	[27.8%]	
Voter Turnout	67.8%	68.1%	(-0.06)
	[7.2%]	[14.4%]	
Change in Voter Turnout	0.8%	-0.2%	(0.37)
	[4.8%]	[5.6%]	
Delimitation Propensity	15.4%	15.3%	(0.03)
	[4.7%]	[4.9%]	

Table 4: **Disclosure and Recontesting**

Notes: This Table shows rerun-probabilities of state assembly election winners for the states shown in Panels (A) and (B) of Table 1. Election e(1) indicates the first state election post the information disclosure reform of 2003 and the corresponding probability shows the fraction of candidates that rerun in the following election, which subjects the candidate to multiple asset disclosures. *Avg. year* is the candidate-weighted average of election years at e(t) (e.g., weighted average of 2003 and 2004 for the just post event states at e(1)).

“Just Prior to Event” States			“Just Post Event” States		
Election	Avg. year	Prob( <i>RunNext</i> )	Election e(t)	Avg. year	Prob( <i>RunNext</i> )
e(-5)	1981.6	0.740	e(-4)	1981.1	0.569
e(-4)	1985.3	0.772	e(-3)	1984.8	0.637
e(-3)	1989.1	0.759	e(-2)	1989.4	0.769
e(-2)	1993.0	0.749	e(-1)	1993.9	0.741
e(-1)	1997.2	0.819	e(0)	<b>1998.7</b>	<b>0.786</b>
e(0)	<b>2002.2</b>	<b>0.834</b>	e(1)	<b>2003.6</b>	<b>0.669</b>
e(1)	<b>2007.2</b>	<b>0.779</b>	e(2)	2008.5	0.758
e(2)	2012.2	n/a	e(3)	2013.5	n/a

Table 5: **Disclosure and Recontesting of Winning Candidates**

Notes: This Table investigates the effect of multiple asset disclosures on the re-contesting propensities of members of the legislative state assemblies (MLAs). The sample includes MLAs of the 22 states shown in Panels (A) and (B) of Table 1. The dependent variable is an indicator that takes on a value of 1 if an MLA ran in the subsequent state election. *Disclosure* is an indicator that is defined as 1 if recontesting will require the disclosure of *subsequent* affidavits (which allows measurement of wealth accumulation over the election cycle). All specifications include time fixed effects to control for general time trends. Bootstrapped standard errors clustered at the state level are given in parentheses (Cameron, Gelbach, and Miller (2008)). Coefficients with \*\*\*, \*\*, and \* are statistically significant at the 1%, 5%, and 10% levels, respectively.

Variables	(1)	(2)	(3)	(4)	(5)	(6)
	RunNext					
Disclosure	-0.166*** (0.040)	-0.132*** (0.046)	-0.135*** (0.045)	-0.139*** (0.045)	-0.182*** (0.050)	-0.121** (0.047)
Female			-0.057*** (0.019)	-0.054*** (0.019)		
Margin			0.048 (0.032)	0.064* (0.036)		
PriorRunner			0.054*** (0.015)	0.052*** (0.016)		
Incumbent			0.042*** (0.013)	0.043*** (0.013)		
SC/ST Constituency				-0.013 (0.009)		
No. Candidates in AC				-0.001 (0.001)		
Voter Turnout in AC				0.118** (0.050)		
log(AC Electorate)				0.034** (0.014)		
Observations	18,195	18,195	17,584	17,584	127	127
Time FE	Yes	Yes	Yes	Yes	Yes	Yes
State FE	No	Yes	Yes	Yes	No	Yes
R-squared	0.024	0.04	0.051	0.052	0.229	0.582

Table 6: **Robustness and Heterogeneity**

Notes: This Table investigates the effect of multiple asset disclosures on the re-contesting propensities of members of the legislative state assemblies (MLAs). The sample includes MLAs of the 22 states shown in Panels (A) and (B) of Table 1. The dependent variable is an indicator that takes on a value of 1 if an MLA ran in the subsequent state election. *Disclosure* is an indicator that is defined as 1 if recontesting will require the disclosure of *subsequent* affidavits (which allows measurement of wealth accumulation over the election cycle). Column (1) controls for possibly confounding effects of the redrawing of constituency boundaries by allowing the effect of *Disclosure* to vary with the absolute percentage deviation of constituency population from the district average (*PopDev*). Column (2) provides an alternative specification that includes interactions with population (measured in 100,000) and population squared. Columns (3) and (4) investigate how exit rates differ by state-level corruption using a perception-based corruption measure (*CorrIndex*) as well an indicator variable (*BIMARU*) for states which have been singled out for corruption and dysfunction (the measures are described in more detail in section 4.1.1). All specifications include time fixed effects to control for general time trends. Standard errors clustered at the state level are given in parentheses. Coefficients with \*\*\*, \*\*, and \* are statistically significant at the 1%, 5%, and 10% levels, respectively.

Variables	(1)	(2)	(3)	(4)	(5)	(6)
			RunNext			
Disclosure	-0.133*** (0.047)	-0.126** (0.063)	-0.127*** (0.048)	-0.119** (0.051)	-0.131*** (0.045)	-0.143*** (0.043)
Disclosure*PopDev	0.059 (0.069)					
PopDev	-0.036 (0.031)					
Disclosure*Population		-0.005 (0.029)				
Disclosure*Population_Squared		0.001 (0.003)				
Population		0.002 (0.025)				
Population_Squared		0 (0.002)				
Disclosure*CorrIndex			-0.046** (0.021)			
Disclosure*BIMARU				-0.046* (0.024)		
Disclosure*Margin					-0.022 (0.113)	
Margin					0.081* (0.042)	
Disclosure*Newspaper coverage						0.205* (0.118)
Observations	15,769	18,194	15,633	18,195	18,125	17,625
Time FE	Yes	Yes	Yes	Yes	Yes	Yes
State FE	Yes	Yes	Yes	Yes	Yes	Yes
R-squared	0.043	0.04	0.032	0.04	0.04	0.04

Table 7: **Disclosure and Incumbency Advantage**

Notes: This Table investigates the effect of the disclosure reform on the subsequent electoral success of re-contesting candidates. This sample consists of paired constituency winners and runners-up of the “just post” and “just prior” states shown in Table 1. *Disclosure* is an indicator that is defined as 1 if recontesting will require the disclosure of *subsequent* affidavits (which allows measurement of wealth accumulation over the election cycle). In columns (2) - (6) we add candidate-level and constituency-level controls as well as national and state party fixed effects, and columns (3) - (6) further restrict the sample to elections decided by close margins. All specifications include state fixed effects and time fixed effects to control for general time trends. Standard errors clustered at the state level are given in parentheses. Coefficients with \*\*\*, \*\*, and \* are statistically significant at the 1%, 5%, and 10% levels, respectively.

Variables	(1)	(2)	(3)	(4)	(5)
	<i>Winner<sub>t+1</sub></i>				
Disclosure*Winner	0.101*** (0.032)	0.108*** (0.031)	0.112*** (0.033)	0.073* (0.044)	0.068* (0.036)
Winner	-0.057* (0.032)	-0.060* (0.032)	-0.179*** (0.032)	-0.225*** (0.035)	-0.228*** (0.028)
Disclosure	-0.066** (0.030)	-0.074** (0.033)	-0.080** (0.036)	-0.027 (0.037)	-0.009 (0.033)
Female		-0.027* (0.016)	-0.025 (0.021)	-0.006 (0.043)	-0.02 (0.051)
PriorRunner		-0.015 (0.014)	-0.026 (0.021)	-0.004 (0.024)	-0.016 (0.026)
Incumbent		0.056*** (0.020)	0.055** (0.022)	0.037 (0.023)	0.033 (0.024)
SC/ST Constituency		-0.021*** (0.008)	-0.027*** (0.010)	-0.021 (0.016)	-0.029 (0.018)
No. Candidates in AC		-0.001 (0.001)	-0.002* (0.001)	-0.002** (0.001)	-0.002** (0.001)
Voter Turnout in AC		0.105*** (0.026)	0.110*** (0.040)	0.063 (0.044)	0.028 (0.081)
log(AC Electorate)		0.004 (0.027)	-0.001 (0.036)	0.005 (0.037)	0.008 (0.034)
Close Elections:			Margin  ≤ 10	Margin  ≤ 5	Margin  ≤ 3
Observations	11,602	11,282	6,828	4,064	2,570
Time FE	Yes	Yes	Yes	Yes	Yes
State FE	Yes	Yes	Yes	Yes	Yes
R-squared	0.007	0.013	0.035	0.055	0.057

Table 8: **Politician Selection, Economic Growth and State Budget Allocation**

Notes: The table examines how state-level economic growth, as captured by state-level real GDP per capita, and state government expenditure allocation respond to incumbent turnover. Since the dependent variables vary only at the state level, we similarly aggregate  $RunNext$  to the state-level and demean it ( $RunNext - \overline{RunNext}$ ). The dependent variables in Columns (2), (3) and (4) capture the proportion of state expenditure that is allocated to *Development* (including, for example, expenditure allocated to economic services, education, public health, and urban development), *Non-Development* (for example, expenditure allocated to administrative services), and *Other* (defined as residual expenditure not explicitly designated as for either development or non-development purposes). For reference, on average, 64.32% of state expenditure is allocated to *Development*, 34.53% to *Non-Development*, and 1.14% to *Other* (Source: Reserve Bank of India). Standard errors clustered at the state level are given in parentheses. Coefficients with \*\*\*, \*\*, and \* are statistically significant at the 1%, 5%, and 10% levels, respectively.

Variables	(1)	(2) State Government Expenditure Allocation (t+1)		
	$GDPGrowth_{t+1}$	<i>Development</i>	<i>Non-Development</i>	<i>Other</i>
Disclosure*( $RunNext - \overline{RunNext}$ )	-0.231** (0.092)	-0.355** (0.140)	0.389*** (0.122)	-0.034 (0.022)
Disclosure  ( $RunNext - \overline{RunNext}$ )	0.017 (0.012)	-0.004 (0.025)	0.011 (0.023)	-0.007 (0.005)
	0.233*** (0.073)	0.045 (0.072)	-0.041 (0.069)	-0.004 (0.010)
Observations	47	70	70	70
Time FE	Yes	Yes	Yes	Yes
State FE	Yes	Yes	Yes	Yes
R-squared	0.804	0.87	0.887	0.904

Table 9: GDP Growth and Electoral Outcomes

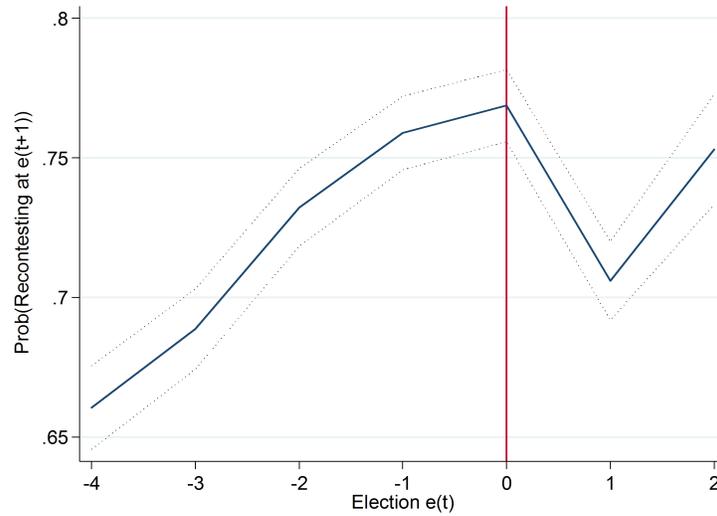
Notes: The dependent variable captures the fraction of incumbents in district  $d$  that are reelected at  $t + 1$  (the measure captures both selection (*RunNext*) and success conditional on choosing to run). Columns (1)-(3) use *average* growth in real GDP per capita, and columns (3)-(6) use growth in real GDP per capita during the *election year*. Standard errors clustered at the state level are given in parentheses. Coefficients with \*\*\*, \*\*, and \* are statistically significant at the 1%, 5%, and 10% levels, respectively.

Variables	Average growth			Election-year growth		
	(1)	(2)	(3)	(4)	(5)	(6)
	Winner <sub>t+1</sub>			Winner <sub>t+1</sub>		
GDPGrowth	0.428** (0.185)	0.584*** (0.212)	0.573*** (0.177)	0.328*** (0.104)	0.429*** (0.145)	0.409*** (0.127)
Disclosure*GDPGrowth		-0.592* (0.337)	-0.696** (0.335)		-0.396* (0.236)	-0.431* (0.255)
Disclosure		-0.016 (0.045)	-0.017 (0.044)		-0.022 (0.038)	-0.028 (0.038)
Female			-0.044 (0.056)			-0.043 (0.056)
Margin			0.613*** (0.221)			0.601*** (0.227)
PriorRunner			-0.071 (0.048)			-0.071 (0.048)
Incumbent			0.148*** (0.043)			0.150*** (0.043)
SC/ST Constituency			-0.069 (0.045)			-0.07 (0.045)
No. Candidates in AC			-0.001 (0.003)			0 (0.004)
Voter Turnout in AC			-0.19 (0.121)			-0.19 (0.126)
log(AC Electorate)			-0.039 (0.030)			-0.038 (0.029)
Observations	1,074	1,074	1,072	1,074	1,074	1,072
Time FE	Yes	Yes	Yes	Yes	Yes	Yes
State FE	Yes	Yes	Yes	Yes	Yes	Yes
R-squared	0.102	0.107	0.149	0.102	0.106	0.147

Figure 2: **Recontesting**

Notes: The following graphs show time series of re-run probabilities over election cycle time. Election  $e(0)$  indicates the last election prior to disclosure and the figure plots the percentage of winners at  $e(t)$  that re-contested in the subsequent election  $e(t+1)$ . Election  $e(1)$  indicates the first election post the information disclosure reform of 2003. Panel A plots probabilities for Members of the Legislative Assemblies (MLAs) and Panel B plots probabilities for corresponding election runners-up. 95% confidence intervals are indicated by dotted lines.

Panel A: Winners



Panel B: Runners-up

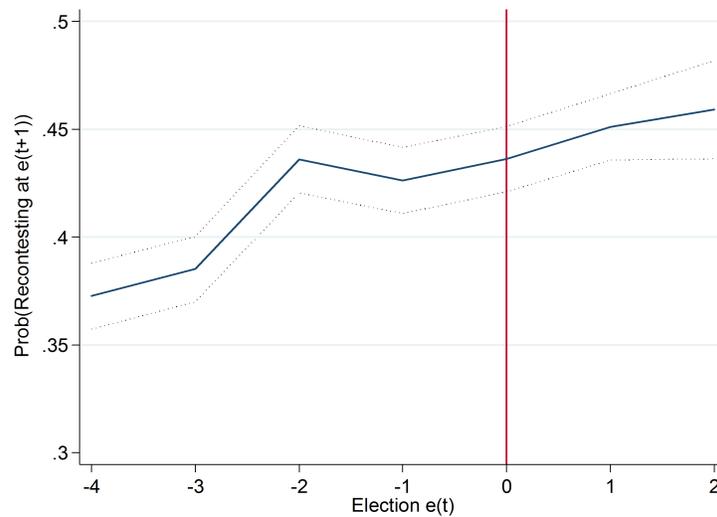
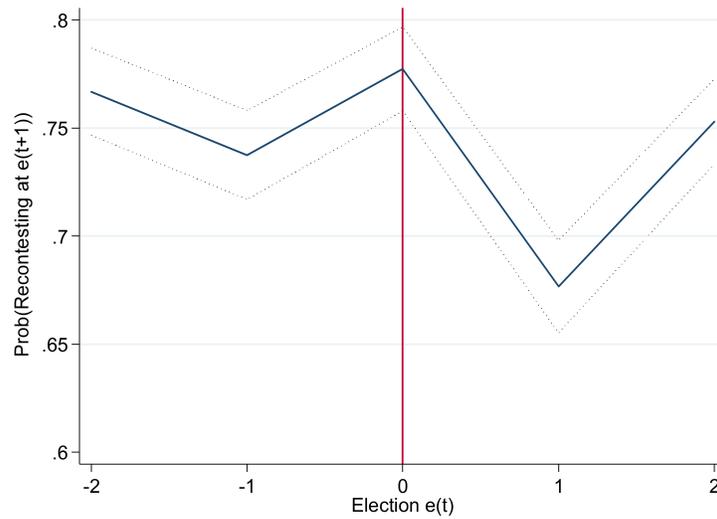


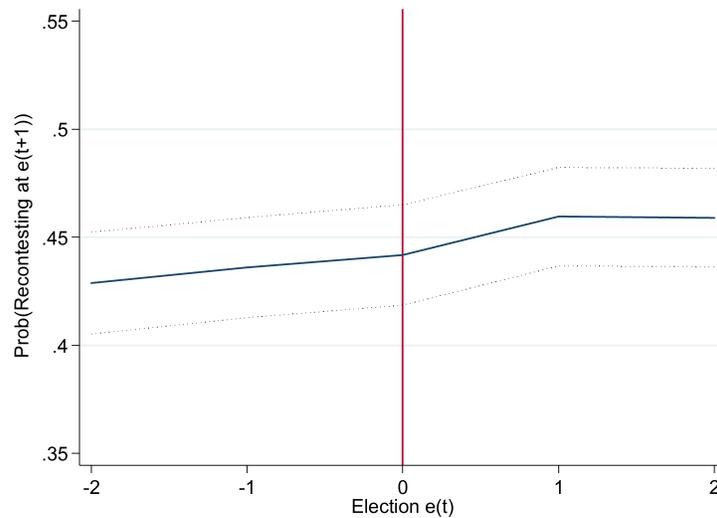
Figure 3: **Recontesting - States with 3 post-disclosure elections**

Notes: The following graphs show time series of re-run probabilities over election cycle time for the subset of 13 states with three elections post disclosure. Election  $e(0)$  indicates the last election prior to disclosure and the figure plots the percentage of winners at  $e(t)$  that re-contested in the subsequent election  $e(t+1)$ . Election  $e(1)$  indicates the first election post the information disclosure reform of 2003. Panel A plots probabilities for Members of the Legislative Assemblies (MLAs) and Panel B plots probabilities for corresponding election runners-up. 95% confidence intervals are indicated by dotted lines.

Panel A: Winners



Panel B: Runners-up



## A Appendix: A model of disclosure and political selection

We present a stylized model of asymmetric information in which voters are forced to pool high- and low-quality candidates (i.e., public-minded and rent-seeking) in the absence of disclosure. Our model provides a set of intuitive predictions on the consequences of disclosure for political selection, and the resultant economic consequences.<sup>23</sup> The reader should not interpret our model as generating a set of structural parameters to be estimated. Alternative modeling assumptions or constraints on parameter values may generate distinct predictions — rather, our purpose is to illustrate how our set of empirical analyses may be generated by a spare and straightforward model of political selection.

### A.1 Model Setup

We consider an economy with 2 periods (during which politicians hold office) and 3 dates ( $t=1, t=2, t=3$ ) marking the beginning and end of each period. A pool of incumbents is assigned at  $t=1$ . Politician ability is given by  $\theta$ , which can be high or low, i.e.,  $\theta \in \{\theta_H, \theta_L\}$ . Ability type is private information. For the pool of incumbents at  $t=1$ , the probability that a politician is of high ability is given by  $p$ . This initial pool of officeholders can stand for reelection at date  $t = 2$ . (We could base our model on different preferences or talents over rent extraction rather than ability to generate public welfare. This would generate an identical set of predictions.)

Each period, politicians invest public resources that generate publicly observable benefits  $B$ , such as government-provided social services or economic growth. We assume that these benefits are realized at the end of each period, with  $\mathcal{B} \in \{B_H, B_L\}$ . The probability that  $\mathcal{B} = B_H$  is given by  $\theta$  and we assume that  $1 > \theta_H > \theta_L = 0$ . That is, while the payoff is risky for high ability types, the “investment returns” are low with certainty for low ability politicians. We further assume that ability type is persistent and that (if relevant) public benefits are drawn independently across periods. At the beginning of the legislative cycle, a politician also chooses whether to engage in rent extraction, so that realized rents are  $\mathcal{R} \in \{R, r\}$ , where  $R > r$ , initially unobservable to voters. If the officeholder decides to engage in rent seeking ( $\mathcal{R} = R$ ), then benefits will be low with certainty, i.e.,  $\mathcal{B} = B_L$ .<sup>24</sup>

Politicians have preference over both public service and private rents. Each period a politician’s utility is given by  $U = \alpha \cdot \mathcal{B} + \mathcal{R}$ . We further assume that high ability politicians prefer to “behave”, that is,  $\alpha \cdot \theta_H \cdot (B_H - B_L) > R - r$ . Following the first period realization of  $\mathcal{B}$ , at  $t = 2$  politicians have the choice of standing for reelection. Running an election campaign incurs costs of  $k$  (in our two-period setting there is no re-contesting at  $t = 3$ ). For simplicity, we normalize outside option wages and salaries to zero, assume a discount rate of zero, and

---

<sup>23</sup>The structure of our model is inspired by Diamond (1991).

<sup>24</sup>This assumption can also be motivated based on non-verifiable “investment” in the community that is stolen by the politician.



**Lemma 1** *Let  $\phi = \Pr(\theta = \theta_H | \mathcal{I})$  where  $\mathcal{I}$  is the information set of the electorate (e.g., realization of  $\mathcal{G}$  only prior to disclosure). At  $t=2$ , before running a campaign, a re-contesting incumbent politician expects to be reelected with probability  $\phi$ .*

Lemma 1 follows directly from the assumptions on recontesting at  $t = 2$ . Thus, a politician's objective function can be succinctly written as:  $U = \alpha \cdot \mathcal{B}_1 + \mathcal{R}_1 + [\phi \cdot (\alpha \cdot \mathcal{B}_2 + \mathcal{R}_2) - k] \cdot \mathbb{1}_{\{\text{rerun}\}}$  where  $\mathbb{1}_{\{\text{rerun}\}}$  is an indicator for whether the incumbent recontests at  $t = 2$ .

## A.2 Standing for reelection in the absence of disclosure

Conditional on being elected at  $t=2$ , H-type and L-type candidates choose  $\mathcal{R}_2^H = r$  and  $\mathcal{R}_2^L = R$ , respectively (individual rationality). Further, if public benefits are *high* in the first period ( $\mathcal{B}_1 = B_H$ ), the incumbent candidate type is revealed perfectly to the electorate as high ability. The politician thus chooses to rerun and is elected with certainty. If public benefits are *low* in the first period ( $\mathcal{B}_1 = B_L$ ), then the electorate cannot infer the incumbent's type. By Assumption 1, both high and low ability type candidates choose to rerun and are elected with probability  $\phi = \left( \frac{p - p\theta_H}{1 - p\theta_H} \right)$  (which is less than unity).

Thus, pre-disclosure we get the following prediction: Observable public benefits serve as a (noisy) signal of candidate ability and is thus predictive of electoral success. Further, the rerun rate without disclosure (which, given our parameter assumptions, leads to the extreme case where all incumbents recontest), serves as a benchmark to compare against the rerun rates when disclosures are required.

## A.3 Political selection with disclosure of asset growth

With disclosure of  $\mathcal{R}_1$ , incumbent type is perfectly revealed though the disclosure of asset returns  $\mathcal{R}_1$  alone (by Assumption 2 only low ability incumbents choose  $\mathcal{R}_1 = R$ ). The previously noisy signal of ability,  $\mathcal{B}$ , loses relevance. Since types are revealed, by Lemma 1, all low ability politicians exit the sample at  $t = 2$ .

Thus, we get the following additional predictions, summarized below as Proposition 1.

**Proposition 1** *Disclosure of asset growth of incumbents will result in the following:*

- **(Increased Exit)** *Relative to the pre-disclosure period, there will be higher exit of incumbents at  $t = 2$  when contesting requires the disclosure of asset returns.*
- **(Reelection)** *Since, under disclosure, only high ability incumbents choose to recontest and are elected with probability 1, re-contesting incumbents are more likely to be reelected. That is, disclosure leads to positive selection.*

- **(Improved Pool)** *Since only low ability incumbents choose to exit, their replacements, even if chosen randomly, will be of higher expected ability.*
- **(Signal relevance)** *Under disclosure, observable public benefits  $\mathcal{B}$  are less informative as a signal of candidate ability, and hence is less predictive of incumbent reelection.*

These intuitive propositions follow straightforwardly from the parameter restrictions, when combined with Lemma 1. In particular, whereas there is pooling of high and low types when  $\mathcal{B}_1 = B_L$  in the absence of disclosure, all low ability incumbents exit under disclosure, leading to higher exit. It immediately follows that the electoral success of incumbents who, under disclosure, are revealed as high ability, will improve (*reelection*). Since only low ability incumbents choose to exit, disclosure will also lead to politicians of higher expected ability (and hence higher expected  $\mathcal{B}$ ) (*improved pool*).<sup>25</sup> The perfect separation of high and low ability incumbents under disclosure leads to the irrelevance of alternative signals of quality (or, under a more general model, revelation of an additional quality signal will reduce reliance on existing signals) (*signal relevance*).

---

<sup>25</sup>Our arguments in this section are in line with the model of Klasnja (2016), which focuses directly on corruption and the incumbency disadvantage. See also Klasnja (2015) for evidence from Romania.

Table A-1: **Recontesting of Runners-up**

Notes: This Table shows rerun-probabilities of state assembly election runners-up for the states shown in Panels (A) and (B) of Table 1. Election  $e(1)$  indicates the first state election post the information disclosure reform of 2003 and the corresponding probability shows the fraction of candidates that rerun in the following election, which subjects the candidate to multiple asset disclosures. *Avg. year* is the candidate-weighted average of election years at  $e(t)$  (e.g., weighted average of 2003 and 2004 for the just post event states at  $e(1)$ ).

“Just Prior to Event” States			“Just Post Event” States		
Election	Avg. year	Prob( <i>RunNext</i> )	Election $e(t)$	Avg. year	Prob( <i>RunNext</i> )
$e(-5)$	1981.6	0.400	$e(-4)$	1981.1	0.327
$e(-4)$	1985.3	0.461	$e(-3)$	1984.8	0.360
$e(-3)$	1989.1	0.450	$e(-2)$	1989.4	0.417
$e(-2)$	1993.0	0.459	$e(-1)$	1993.9	0.425
$e(-1)$	1997.1	0.486	$e(0)$	<b>1998.7</b>	<b>0.440</b>
$e(0)$	<b>2002.2</b>	<b>0.501</b>	$e(1)$	<b>2003.6</b>	<b>0.444</b>
$e(1)$	<b>2007.2</b>	<b>0.509</b>	$e(2)$	2008.5	0.452
$e(2)$	2012.2	n/a	$e(3)$	2013.5	n/a

Table A-2: **Disclosure and Recontesting of Runners-up**

Notes: This Table investigates the effect of multiple asset disclosures on the re-contesting propensities of state assembly election runners-up (“Placebo test”). The sample includes runners-up for the 22 states shown in Panels (A) and (B) of Table 1. The dependent variable is an indicator that takes on a value of 1 if the candidate ran in the subsequent state election. *Disclosure* is an indicator that is defined as 1 if recontesting will require the disclosure of *subsequent* affidavits (which allows measurement of wealth accumulation over the election cycle). All specifications include time fixed effects to control for general time trends. Standard errors clustered at the state level are given in parentheses. Coefficients with \*\*\*, \*\*, and \* are statistically significant at the 1%, 5%, and 10% levels, respectively.

Variables	(1)	(2)	(3)	(4)	(5)
	RunNext				
Disclosure	-0.057 (0.045)	-0.001 (0.034)	-0.005 (0.032)	-0.005 (0.032)	-0.005 (0.032)
Female			-0.099*** (0.013)	-0.100*** (0.013)	-0.100*** (0.013)
Margin			-0.716*** (0.058)	-0.721*** (0.058)	-0.723*** (0.060)
PriorRunner			0.084*** (0.013)	0.084*** (0.013)	0.084*** (0.013)
Incumbent			0.112*** (0.013)	0.112*** (0.013)	0.112*** (0.013)
SC/ST Constituency				0.022 (0.015)	0.021 (0.014)
No. Candidates in AC				-0.001 (0.001)	-0.001 (0.001)
Voter Turnout in AC					-0.015 (0.064)
log(AC Electorate)					0.004 (0.023)
Observations	18,125	18,125	17,584	17,584	17,584
Time FE	Yes	Yes	Yes	Yes	Yes
State FE	No	Yes	Yes	Yes	Yes
R-squared	0.007	0.033	0.1	0.1	0.1

Table A-3: Disclosure and Recontesting (*States with elections in 2003 only*)

Notes: This Table investigates the effect of multiple asset disclosures on the re-contesting propensities of members of the legislative state assemblies (MLAs). The sample includes MLAs of the states that held elections in 2003, prior to and post the implementation of disclosure requirements. The dependent variable is an indicator that takes on a value of 1 if an MLA ran in the subsequent state election. *Disclosure* is an indicator that is defined as 1 if recontesting will require the disclosure of *subsequent* affidavits (which allows measurement of wealth accumulation over the election cycle). All specifications include time fixed effects to control for general time trends. Standard errors clustered at the state level are given in parentheses. Coefficients with \*\*\*, \*\*, and \* are statistically significant at the 1%, 5%, and 10% levels, respectively.

Variables	(1)	(2)	(3)	(4)	(5)
	RunNext				
Disclosure	-0.199*** (0.035)	-0.127* (0.066)	-0.134** (0.066)	-0.134** (0.066)	-0.135** (0.062)
Female			0.006 (0.015)	0.008 (0.015)	0.009 (0.014)
Margin			0.033 (0.108)	0.048 (0.109)	0.051 (0.105)
PriorRunner			0.054*** (0.017)	0.054*** (0.017)	0.054*** (0.018)
Incumbent			0.043** (0.020)	0.043** (0.020)	0.044** (0.020)
SC/ST Constituency				-0.040*** (0.007)	-0.041*** (0.012)
No. Candidates in AC				0 (0.001)	-0.001 (0.001)
Voter Turnout in AC					-0.034 (0.125)
log(AC Electorate)					0.073*** (0.018)
Observations	4,070	4,070	3,954	3,954	3,954
Time FE	Yes	Yes	Yes	Yes	Yes
State FE	No	Yes	Yes	Yes	Yes
R-squared	0.017	0.03	0.041	0.043	0.044

Table A-4: **Disclosure and Recontesting of Winners (*incl. switchers*)**

Notes: This Table investigates the effect of multiple asset disclosures on the re-contesting propensities of members of the legislative state assemblies (MLAs). The sample includes MLAs of the 22 states shown in Panels (A) and (B) of Table 1. The dependent variable is an indicator that takes on a value of 1 if an MLA ran in the subsequent state election or contested a parliamentary election (Lok Sabha) at the time of or before the next state election. *Disclosure* is an indicator that is defined as 1 if recontesting will require the disclosure of *subsequent* affidavits (which allows measurement of wealth accumulation over the election cycle). All specifications include time fixed effects to control for general time trends. Standard errors clustered at the state level are given in parentheses. Coefficients with \*\*\*, \*\*, and \* are statistically significant at the 1%, 5%, and 10% levels, respectively.

Variables	(1)	(2)	(3)	(4)	(5)
			RunNext		
Disclosure	-0.180*** (0.044)	-0.144*** (0.048)	-0.149*** (0.048)	-0.150*** (0.048)	-0.153*** (0.048)
Female			-0.068*** (0.020)	-0.066*** (0.020)	-0.064*** (0.020)
Margin			0.049 (0.031)	0.051 (0.031)	0.066* (0.034)
PriorRunner			0.044*** (0.014)	0.044*** (0.014)	0.042*** (0.014)
Incumbent			0.054*** (0.014)	0.054*** (0.014)	0.055*** (0.014)
SC/ST Constituency				-0.019** (0.009)	-0.011 (0.009)
No. Candidates in AC				-0.001 (0.001)	-0.001 (0.001)
Voter Turnout in AC					0.131** (0.053)
log(AC Electorate)					0.043*** (0.016)
Observations	18,195	18,195	17,584	17,584	17,584
Time FE	Yes	Yes	Yes	Yes	Yes
State FE	No	Yes	Yes	Yes	Yes
R-squared	0.024	0.041	0.053	0.054	0.055

Table A-5: Disclosure and Recontesting (*District fixed effects*)

Notes: This Table investigates the effect of multiple asset disclosures on the re-contesting propensities of members of the legislative state assemblies (MLAs). The sample includes MLAs of the 22 states shown in Panels (A) and (B) of Table 1. The dependent variable is an indicator that takes on a value of 1 if an MLA ran in the subsequent state election. *Disclosure* is an indicator that is defined as 1 if recontesting will require the disclosure of *subsequent* affidavits (which allows measurement of wealth accumulation over the election cycle). All specifications include time fixed effects to control for general time trends. In columns (5) and (6), the dependent variable is measured as average of *RunNext* at the district-level. Bootstrapped standard errors clustered at the state level are given in parentheses. Coefficients with \*\*\*, \*\*, and \* are statistically significant at the 1%, 5%, and 10% levels, respectively.

Variables	(1)	(2)	(3)	(4)	(5)	(6)
	RunNext					
Disclosure	-0.166*** (0.040)	-0.130*** (0.045)	-0.126*** (0.045)	-0.130*** (0.044)	-0.150*** (0.040)	-0.113*** (0.049)
Female			-0.055*** (0.021)	-0.052** (0.021)		
Margin			0.075** (0.032)	0.095*** (0.034)		
PriorRunner			0.049*** (0.015)	0.047*** (0.015)		
Incumbent			0.031*** (0.012)	0.031*** (0.012)		
SC/ST Constituency				-0.018** (0.008)		
No. Candidates in AC				-0.001* (0.001)		
Voter Turnout in AC				0.169** (0.072)		
log(AC Electorate)				0.057*** (0.021)		
Observations	17,960	17,960	17,480	17,480	2,642	2,642
Time FE	Yes	Yes	Yes	Yes	Yes	Yes
District FE	No	Yes	Yes	Yes	No	Yes
R-squared	0.024	0.072	0.079	0.081	0.084	0.305

Table A-6: **Exit and Other Heterogeneity**

Notes: The sample includes members of the legislative state assemblies (MLAs) of the 22 states shown in Panels (A) and (B) of Table 1. The dependent variable is an indicator that takes on a value of 1 if an MLA ran in the subsequent state election. *Disclosure* is an indicator that is defined as 1 if recontesting will require the disclosure of *subsequent* affidavits (which allows measurement of wealth accumulation over the election cycle). All specifications include state fixed effects and time fixed effects to control for general time trends. Standard errors clustered at the state level are given in parentheses. Coefficients with \*\*\*, \*\*, and \* are statistically significant at the 1%, 5%, and 10% levels, respectively.

Variables	(1)	(2)	(3)	(4)	(5)	(6)
			RunNext			
Disclosure	-0.133*** (0.045)	-0.132*** (0.046)	-0.118*** (0.039)	-0.138*** (0.045)	-0.113** (0.048)	-0.11 (0.096)
Disclosure*Literacy	0.248** (0.116)					
Literacy	-0.11* (0.057)					
Disclosure*Female		-0.006 (0.026)				
Female		-0.064*** (0.022)				
Disclosure*PriorRunner			-0.028 (0.021)			
PriorRunner			0.089*** (0.009)			
Disclosure*Incumbent				0.021 (0.015)		
Incumbent				0.074*** (0.010)		
Disclosure*SC/ST Constituency					-0.065** (0.028)	
SC/ST Constituency					-0.001 (0.009)	
Disclosure*Voter Turnout in AC						-0.04 (0.134)
Voter Turnout in AC						0.133** (0.065)
Observations	17,918	18,195	17,649	17,649	18,195	18,125
Time FE	Yes	Yes	Yes	Yes	Yes	Yes
State FE	Yes	Yes	Yes	Yes	Yes	Yes
R-squared	0.042	0.041	0.049	0.047	0.041	0.041

Table A-7: **Disclosure and Incumbency Advantage** (*full sample*)

Notes: This Table investigates the effect of the disclosure reform on the subsequent electoral success of recontesting candidates. This sample consists of *all* constituency winners and runners-up of the “just post” and “just prior” states shown in Table 1. *Disclosure* is an indicator that is defined as 1 if recontesting will require the disclosure of *subsequent* affidavits (which allows measurement of wealth accumulation over the election cycle). In columns (2) - (6) we add candidate-level and constituency-level controls as well as national and state party fixed effects, and columns (3) - (6) further restrict the sample to elections decided by close margins. All specifications include state fixed effects and time fixed effects to control for general time trends. Standard errors clustered at the state level are given in parentheses. Coefficients with \*\*\*, \*\*, and \* are statistically significant at the 1%, 5%, and 10% levels, respectively.

Variables	(1)	(2)	(3)	(4)	(5)
	<i>Winner<sub>t+1</sub></i>				
Disclosure*Winner	0.083** (0.033)	0.089*** (0.032)	0.076*** (0.027)	0.054* (0.030)	0.034 (0.029)
Winner	0.012 (0.034)	0.008 (0.034)	-0.122*** (0.030)	-0.175*** (0.027)	-0.184*** (0.020)
Disclosure	-0.074** (0.030)	-0.078** (0.032)	-0.090*** (0.032)	-0.036 (0.031)	-0.017 (0.036)
Female		-0.036** (0.016)	-0.052** (0.022)	-0.04 (0.034)	-0.052 (0.041)
PriorRunner		-0.028* (0.015)	-0.034* (0.020)	-0.031 (0.021)	-0.036 (0.026)
Incumbent		0.078*** (0.017)	0.065*** (0.018)	0.054*** (0.017)	0.056** (0.024)
SC/ST Constituency		-0.028*** (0.009)	-0.032** (0.014)	-0.022 (0.018)	-0.043* (0.022)
No. Candidates in AC		-0.001 (0.001)	-0.001 (0.001)	-0.001 (0.001)	-0.001 (0.001)
Voter Turnout in AC		0.151*** (0.056)	0.131** (0.060)	0.095* (0.056)	0.089 (0.071)
log(AC Electorate)		0.034 (0.026)	0.025 (0.038)	0.023 (0.037)	0.022 (0.029)
Close Elections:			Margin  ≤ 10	Margin  ≤ 5	Margin  ≤ 3
Observations	21,280	20,616	11,052	6,320	3,959
Time FE	Yes	Yes	Yes	Yes	Yes
State FE	Yes	Yes	Yes	Yes	Yes
R-squared	0.011	0.018	0.024	0.04	0.049

Table A-8: Performance in Office

Notes: The table examines whether local economic growth, as captured by district-level GDP per capita, responds to incumbent turnover. Since the dependent variable varies only at the district level, we similarly aggregate *RunNext* as well as other candidate-level and constituency-level controls to the district-level. In Columns (1), (2), (4) and (5), the dependent variable is measured on a *real* basis, while column (3) uses growth in *nominal* GDP per capita. Standard errors clustered at the state level are given in parentheses. Coefficients with \*\*\*, \*\*, and \* are statistically significant at the 1%, 5%, and 10% levels, respectively.

Variables	(1)	(2)	(3)	(4)	(5)
	<i>GDPGrowth<sub>t+1</sub></i>				
Disclosure*RunNext	-0.027*	-0.029**	-0.035**	-0.030**	-0.027**
	(0.014)	(0.014)	(0.014)	(0.014)	(0.013)
Disclosure	0.017	0.013	0.012	0.014	0.012
	(0.013)	(0.010)	(0.011)	(0.010)	(0.010)
RunNext	0.017	0.024**	0.027**	0.027**	0.023**
	(0.011)	(0.012)	(0.011)	(0.012)	(0.011)
Female				0.007	0.006
				(0.007)	(0.005)
Margin				0.063***	0.072***
				(0.019)	(0.022)
PriorRunner				-0.003	0.000
				(0.006)	(0.005)
Incumbent				-0.007	-0.008
				(0.005)	(0.006)
SC/ST Constituency					-0.012***
					(0.004)
No. Candidates in AC					0.000
					(0.000)
Voter Turnout in AC					0.017
					(0.025)
log(AC Electorate)					-0.020**
					(0.008)
Observations	960	960	960	960	959
Time FE	Yes	Yes	Yes	Yes	Yes
State FE	No	Yes	Yes	Yes	Yes
R-squared	0.048	0.185	0.166	0.206	0.247

Table A-9: **GDP Growth and Electoral Outcomes** (*disaggregation of effects*)

Notes: The table disaggregates the effect of GDP growth into its role in candidate self-selection versus candidate success conditional on choosing to run. In Panel A, the dependent variable captures the fraction of incumbents in district  $d$  that recontest at  $t + 1$  and in Panel B, the dependent variable captures the fraction of incumbents in district  $d$  that are reelected at  $t + 1$ , conditional on recontesting. Columns (1)-(3) use *average* growth in real GDP per capita and columns (3)-(6) use growth in real GDP per capita during the *election year*. Standard errors clustered at the state level are given in parentheses. Coefficients with \*\*\*, \*\*, and \* are statistically significant at the 1%, 5%, and 10% levels, respectively.

Panel A: Recontesting

Variables	Average growth			Election-year growth		
	(1)	(2)	(3)	(4)	(5)	(6)
		RunNext			RunNext	
GDPGrowth	-0.241 (0.166)	-0.133 (0.181)	-0.111 (0.169)	0.041 (0.152)	-0.074 (0.136)	-0.039 (0.134)
Disclosure*GDPGrowth		-0.192 (0.409)	-0.283 (0.369)		0.338 (0.441)	0.245 (0.419)
Disclosure		-0.122*** (0.040)	-0.134*** (0.036)		-0.154*** (0.042)	-0.166*** (0.040)
Female			-0.043 (0.053)			-0.045 (0.053)
Margin			-0.228* (0.123)			-0.239* (0.123)
PriorRunner			0.038 (0.047)			0.033 (0.046)
Incumbent			0.124** (0.053)			0.127** (0.052)
SC/ST Constituency			-0.024 (0.032)			-0.019 (0.032)
No. Candidates in AC			0.001 (0.004)			0.001 (0.004)
Voter Turnout in AC			-0.243*** (0.086)			-0.240*** (0.089)
log(AC Electorate)			-0.083 (0.052)			-0.077 (0.048)
Observations	1,074	1,074	1,072	1,074	1,074	1,072
Time FE	Yes	Yes	Yes	Yes	Yes	Yes
State FE	Yes	Yes	Yes	Yes	Yes	Yes
R-squared	0.104	0.122	0.156	0.102	0.122	0.155

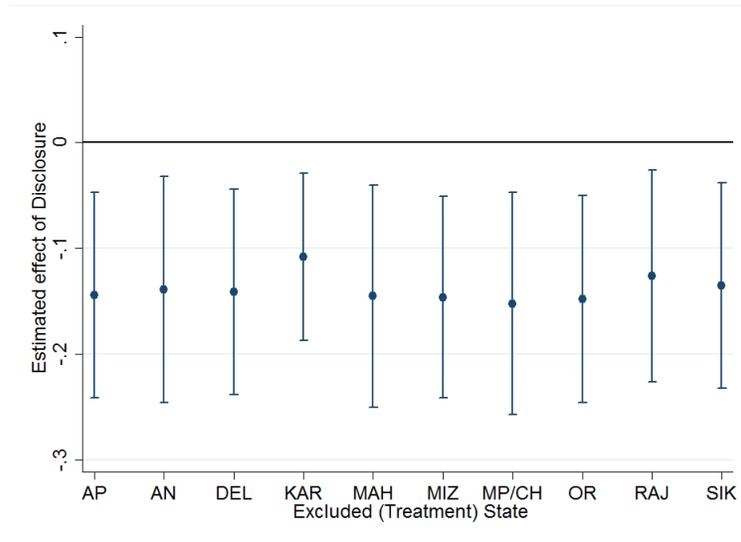
Panel B: Winning (conditional on recontesting)

Variables	<i>Average growth</i>			<i>Election-year growth</i>		
	(1)	(2)	(3)	(4)	(5)	(6)
	<i>Winner<sub>t+1</sub></i>			<i>Winner<sub>t+1</sub></i>		
GDPGrowth	0.624** (0.268)	0.735*** (0.285)	0.704*** (0.243)	0.328** (0.145)	0.502** (0.201)	0.446** (0.197)
Disclosure*GDPGrowth		-0.545 (0.576)	-0.685 (0.575)		-0.626* (0.338)	-0.631* (0.348)
Disclosure		0.051 (0.065)	0.057 (0.060)		0.063 (0.047)	0.059 (0.044)
Female			0.009 (0.082)			0.01 (0.080)
Margin			1.087*** (0.297)			1.080*** (0.304)
PriorRunner			-0.098** (0.042)			-0.096** (0.043)
Incumbent			0.084 (0.052)			0.084 (0.052)
SC/ST Constituency			-0.101** (0.048)			-0.104** (0.048)
No. Candidates in AC			-0.002 (0.003)			-0.001 (0.003)
Voter Turnout in AC			-0.136 (0.161)			-0.139 (0.165)
log(AC Electorate)			-0.012 (0.036)			-0.014 (0.034)
Observations	1,059	1,059	1,057	1,059	1,059	1,057
Time FE	Yes	Yes	Yes	Yes	Yes	Yes
State FE	Yes	Yes	Yes	Yes	Yes	Yes
R-squared	0.084	0.086	0.137	0.079	0.083	0.134

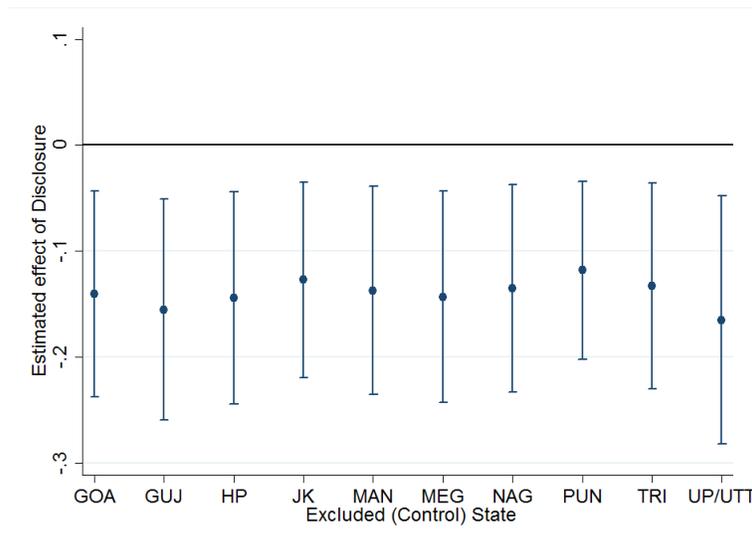
Figure A-1: **Robustness**

Notes: The following graphs show estimated effects of disclosure on recontesting probabilities of incumbents, individually excluding each treatment state (Panel A) or control state (Panel B) from the estimation. Specifically, the graphs show point estimates and 95 percent confidence intervals of the estimated effect of disclosure (Table 5, Column (4)) for each subsample of states.

Panel A: Exclusion of “treatment” states



Panel B: Exclusion of “control” states



## Sample Affidavit



3925 7-4-2003 10  
 55-20-50. 25000  
 2008 5000. 20000  
 K. RAMAKRISHNA  
 STAMP VENDOR  
 PANNUR -

### ANNEXURE - 1

AFFIDAVIT TO BE FURNISHED BY CANDIDATE ALONG WITH NOMINATION PAPER  
 BEFORE THE RETURNING OFFICER

for election to the Andhra Pradesh Legislative Assembly (Name of the House)  
 from 97 Ponnur constituency  
 (Name of the Constituency)

I, Narendra Kumar Dhulipalla Son of Late Veeraiah Chowdary aged 36 years, resident of Chintalapudi Village, Ponnur Mandal candidate at the above election, do hereby solemnly affirm and state on oath as under :-  
 (Strike out whichever not applicable)

- (1) The following case is pending against me in which cognizance has been taken by the court.
- (i) Section of the Act and description of the offence for which cognizance taken :  
 Section 147 - roiting, 148-roiting armed with dedly weapon, 188- dis obedience to order duly promulgated by public servant, 427- mischief, R/W 149 unlawful assembly of I.P.C.
  - (ii) The Court which has taken cognizance:  
 The court of Judicial Magistrate of I Class Ponnur
  - (iii) Case No. :  
 CC 128/99 on the file of Judicial Magistrate of I Class Ponnur, later on tranfer to the Court of V Additional Munsif Magistrate, Guntur. The same was renumbered C.C. 46/2001 and the same is pending there.
  - (iv) Date of order of the Court taking cognizance. :  
 7-8-1999.
  - (v) Details of applicatins for revision etc., if any, filed against above order taking cognizance:  
 At the instance of one of the accused in the above case i.e., A4 Chittinani Pratap, the Honourable High Court of A.P. by its order dated 23-1-2003 and passed in Cr. M.P. 206/2003 in Cr. P. 332/2003 stayed all further proceedings in the above said case pending inthe court of V A.M.M. Court, Guntur.

*P. V. Raju*  
 P. V. RAJU  
 ADVOCATE & NOTARY  
 Near Market  
 PANNUR - 522 124

*Narendra Kumar Dhulipalla*

(2) That I give herein below the details of eh assets (immovable, movable, bank balance, etc.) of myself, my spouse and dependents.

**A. Details of Movable Assets :**

(Assets in joint name indicating the extent of joint ownership will also have to be given)

S. No.	Description	Self	Spouse Name Jyothirmai D.	Dependent -1 Name : D. Vaishnavi	Dependent -2 Name : D. Vydeepthi	Dependent -3 etc., name
1.	Cash					
2.	Deposits in banks, Financial Institutions and non Banking Financial Companies	Rs. 13,000 S.B.A/c. No. 600570, SBH, Assemly Ext. Counter, Hyderabad Rs. 6160 A/c. No. 01190005860, SBH, Ponnur. Rs. 11,000 A/c. No. 1, Chaitanya Grameena Bank, Ponnur. Joint A/c. with wife Rs. 11,012 A/c. No. 13115, Andhra Bank, Ponnur.				
3.	Bonds, Debentures and shares in companies	Rs. 10,000 shares in Dhulipalla Milk Line(P) Ltd. worth of Rs. 1,00,000.				
4.	Other Financial instruments NSS, Postal Savings, LIC Policies, Etc.,	LIC Policy No. 64165615 for Rs. 2,00,000 LIC Policy No. 672872728 for Rs. 5,00,000	LIC Policy No. 672872729 for Rs. 5,00,000			
5.	Motor Vehicles (details of make, etc.,)		Ambassador AP7F 9999 model 2000 value of Rs. 2,00,000			
6.	Jewellery (give details of weight and value)	30 gms. worth of Rs. 13,500	800 gms. worth of Rs. 3,60,000	50 gms. worth of Rs. 22,500	50 gms. worth of Rs. 22,500	
7.	Other Assets such as values of claims/ interests					

Note :- Value of bonds / Shares / Debentures as per teh latest market value in Stock Exchange in respect of listed companies and as per books in case of non-listed companies should begiven.

\*Dependent here means a person substantially dependents on teh income of teh candidate.

*P. Jaya Raju*  
**P. JAYA RAJU** M.Cem., B.L.  
 ADVOCATE & NOTARY  
 Near Market  
 PONNUR - 522 124

B. Details of Immovable Assets :

(Note : Properties in joint ownership indicating teh extent of joint ownership will also have to be indicated.

S. No.	Description	Self	Spouse Name Jyothimai D.	Dependent -1 D. Vaishnavi	Dependent -2 D. Vydeepthi	Dependent -3 etc., name
1.	<b>Agriculture Land</b> Location(s) Survey Number(s) Extent (Total measurement) Current market value	Vallabharaopalem Vill. Ponnur Mdl. Survey Nos. 750-7, 0-34Cents 750-9, 0.37 Cts. 750-4, 1.41 Cts. 750-1, 0.70 Cts. 750-6, 0.17 Cts. 750-10, 0.17 Cts. Total Acre 3.16 Cents worth of Rs. 6,00,000  Enguturu Vill. Amaravathi Mdl. Survey Nos. 271-1A, 271-1C Ac 1-65 Cts worth of Rs. 82,500	Marripudi Vill. Bapatla Mdl. Survey Nos. 42/2, 0-67 Cts 79/1, 0.06 Cts. 78/1, Ac. 4.09 Cts. Total Acre 4.82 Cents worth of Rs. 9,50,000  Pundla Vill. Bapatla Mdl. Survey Nos 272-1 Ac. 2.93 Cts 284-1, Ac. 1.10 Cts. 284-2, 0.92 Cts. 284-3, 0.80 Cts 284-4, 0.97 Cts 284-5, 0.80 Cts. 176-1,2 0.12 Cts. Total Acre 7.64 Cts worth of Rs. 12,00,000			
2.	<b>Non-Agriculture Land</b> Location(s) Survey Number(s) Extent (Total measurement) Current market value	Chintalapudi Vill. Ponnur Mdl. House site 2 Cts worth of Rs. 10,000	Sai Baba Road, Koretapadu, Guntur D. No. 42-43-44, Plot No.18, Yards 239 worth of Rs.3,00,000			
3.	<b>Buildings (commercial and residential)</b> Location(s) Survey/Door Number(s) Extent (Total measurement) Current market value					
4.	<b>Houses / Apartments etc.</b> Location(s) Survey/Door Number(s) Extent (Total measurement) Current market value					
5.	<b>Others</b> Such as interest in property					

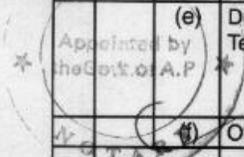
*Dubey*

*P. Raja*  
P. JAYA RAJU M.Com., B.L.  
ADVOCATE & NOTARY  
Near Market  
PONNUR - 522 124

(3) I give herein below the details of my liabilities / overdues to public Financial institutions and Government dues :-

(Note : Please give separate details for each item)

S. No.	Description	Name and address of bank/ Financial Institution (s) / department(s)	Amount outstanding as on 31-03-2004
(a) (i)	Loans from Banks	1. Chintalapudi PACS	Ac.No. 249 Rs. 25,000-00
		2. S.B.H., Ponnur towards my share in Dhulipalla Milk Line PLtd., Mulukuduru	Rs. 16966
(ii)	Loans from Financial Institutions		
(iii)	Government dues :-		
(a)	Dues to department dealing with Government accommodation		
(b)	Dues to department dealing with Supply of water		
(c)	Dues to department dealing with Supply of Electricity		
(d)	Dues to department dealing with Telephones		
(e)	Dues to department dealing with Telephones		
(f)	Other dues if any		
(b) (i)	Income Tax including surcharge (Also indicate the Assessment year upto which Income Tax Return filed. Give also Permanent Ac- count Number (PAN)		
(ii)	Wealth Tax (Also indicate the as- sessment year upto which Wealth Tax return filed.)		
(iii)	Sales Tax (Only in case of Proprietary Business)		
(iv)	Property Tax		


  
 Appointed by  
 the Govt. of A.P.

P. JAYA RAJU  
 ADVOCATE & NOTARY  
 Near Market  
 PONNUR - 522 124

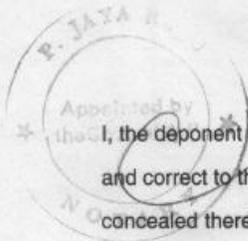
*Dubey*

(4) My educational qualifications are as under :-  
(GIVE DETAILS OF SCHOOL AND UNIVERSITY EDUCATION  
(Name of School / University and the year in which the course was completed should be given.)

Z.P.H.S., Ananthavarapadu	from 1981 - 1982	S.S.C
Andhra Lyola College, Vijayawada	from 1982 - 1984	Intermediate
University of Mysore, Mysore	from 1984 - 1989	B. Tech.

  
DEPONENT

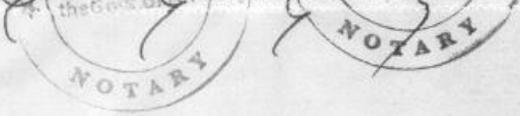
Verification



I, the deponent above named, do hereby verify and declare that the contents of this affidavit are true and correct to the best of my knowledge and belief, no part of it is false and nothing material has been concealed therefrom.

Verified at Ponnur this the 21 day of April 2004.

  
DEPONENT



*PJ Raju for Tupa*  
P. JAYA RAJU M. Com., B.L.  
ADVOCATE & NOTARY  
Near Market  
PONNUR - 522 124



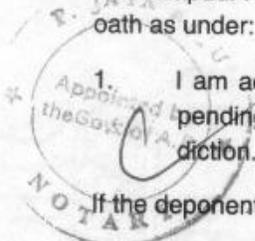
3993 7.4.2004 10/-  
 Sold To 5805 3054 270000. 2552050. 270000.  
 For whom 5805 3054 270000. 2552050. 270000.  
 K. RAMAKRISHNA  
 STAMP VENDOR  
 PONNUR

**ANNEXURE XIII C**  
 (CHAPTER V, PARA 9.3)

FORM 26  
 (SEE RULE 4A)

Affidavit to be furnished by the candidate before the returning officer for election to A.P. Legislative Assembly (name of the House) from 97 Ponnur Constituency (name of the constituency).

I, Narendra Kumar Dhulipalla son of Late Veeraiah Chowdary aged about 36 years resident of Chintalapudi Village, Ponnur Mdl. candidate at the above election, do hereby solemnly affirm/state on oath as under:



1. I am accused of any offence(s) punishable with imprisonment for two years or more in a pending case(s) in which a charge(s) has/have been framed by the court(s) of competent jurisdiction.

If the deponent is accused of any such offence(s) he shall furnish the following information.

- (i) Case/First information report No. /Nos 38/98 of Ponnur (Town) Police Station.
- (ii) Police Station(s) Ponnur Town, District(s) Guntur, State(s) A.P.
- (iii) Section(s) of the concerned Act(s) and short description of the offence(s) for which the candidate has been charged:  
 Section 147-Roiting, 148-Roiting armed with deadly weapon, 188-disobedience to order duly promulgated by public servant, 427- mischief, R/W, 149- unlawful Assembly of I.P.C.
- (iv) Courts which framed the Charge(s):  
 The Court of Judicial Magistrate of I Class, Ponnur in C.C. 128/99.

P. J. Raju  
 244793  
**P. JAYA RAJU** M.Com., B.L.  
 ADVOCATE & NOTARY  
 Near Market  
 PONNUR - 522 124

*(Handwritten signature)*

(v) Date(s) on which the charge(s) :

7-8-1999.

(vi) Whether all or any of the proceeding(s) have been stayed by any court(s) of competent jurisdiction:

At the instance of one of the accused in the above case i.e., A4 Chitineni Pratap the Honourable High Court of A.P. by its order dated 23-1-2003 and passed in C.R. P. 206/2003 in CRMP 332/2330 stayed all further proceedings in the above said case pending in the court of V A.M.M. Court Guntur.

2. I have not been convicted of an offence(s) other than any offence(s) referred to in sub-section (1) or sub-section 92), or covered in sub-section (3), of the Representation of the People Act, 1951 (43 of 1951) and sentenced to imprisonment for one year or more.

I have not been convicted.

If deponent is convicted and punished as aforesaid, he shall furnish the following information.

(i) Case/First information report No./Nos. ----

(ii) Court(s) which punished ----

(iii) Police Station(s) ----

(iv) Section(s) of the concerned Act(s) and short description of the offence(s) for which the candidate has been charged ----

(v) Date(s) on which the sentence(s) was/were pronounced -----

(vi) Whether the sentence(s) has/have been stayed by any court(s) of competent jurisdiction --

Place Ponnur

Date : 7-4-2004

*[Signature]*  
Signature of Deponent.

**VERIFICATION**

I, the above named deponent do hereby verify and declare that the contents of this affidavit are true and correct to the best of my knowledge and belief, no part of it is false and nothing material has been concealed therein.

Verified at Ponnur this 7th day of April 2004.

*[Signature]*  
Signature of the deponent

Note : "The columns in this Form which are not applicable to the deponent may be struck off"



*P. Raja*  
*3/2/04*  
P. JAYA RAJU M.Com., B.L.  
ADVOCATE & NOTARY  
Near Market  
PONNUR - 522 124