# THE MARKET FOR CRIMINALITY:
# MONEY, MUSCLE AND ELECTIONS IN INDIA

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Abstract: In many developing democracies, the prevalence of politicians with criminal records raises questions about why parties recruit such candidates to contest elections. Building on a strand of the political selection literature that emphasizes a party's desire for "rents," I argue that parties are attracted to candidates with criminal records because they have access to independent sources of wealth that allow them to function as self-financing candidates. Drawing on a unique dataset of Indian politicians that contains information on virtually the entire universe of candidates to state office between 2003 and 2009, this paper finds strong support for the proposition that money and "muscle" are complements. These findings are robust to a range of alternative explanations; additional covariates; alternate measures; and additional testing using data from national-level parliamentary candidates. The results of this study raise interesting questions about the connections between money politics, legislative malfeasance, and democratic accountability.

"The voter [in India] is subject to the law of the two 'Ms,' money and muscle."

*-- Christophe Jaffrelot (2002)*

*"Bhai saara mat khao, BSP ne MLA, MP banaya hain, ek lakh party ke liye lao."*
[Brother, don't eat it all yourself, the BSP has made you an MLA or MP, now bring one lakh (100,000 rupees) to the party.]

*-- Kumari Mayawati, BSP president and Chief Minister of Uttar Pradesh* (2003)

## 1.    Introduction

One hour west of Patna, the capital of the north Indian state of Bihar, sits the town of

Bikram, once best known for its canal network constructed by the British colonial administration

and later for the violence that would take place during the worst of the Maoist uprising.  In the

fall of 2010, however, Bikram was in the news for the intense political contest being waged there

leading up to regional elections.  In Bikram, a young candidate known only by his first name—

Siddharth—was threatening to spoil the re-election campaign of the incumbent Member of the

Legislative Assembly (MLA).

Siddharth, the chosen candidate of the leading opposition alliance, was a relative

unknown to local residents, save for three facts: that he had spent a decade in jail on murder

charges; that he came from influential, wealthy upper caste (*Bhumihar*) stock; and that he spared

no expense to contest elections.  Siddharth's transformation from convict to candidate was a

fascinating story.  After serving jail time for murder, Siddharth sought to reinvent himself as a

local "Robin Hood," doling out patronage in the form of free medical care to residents and

cultivating an image of a *dabangg* (a Hindi word carrying the dual meaning of "feared" as well

as "fearless") local leader (*Times of India*, November 4, 2010).[1]  Locals claimed that it was an

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[1] Apparently, Siddharth nursed his constituency within jail as well.  In the words of one press report: "A good number of people Siddharth helped during his stay in Beur Central Jail, while serving a life term in a murder case,

open secret that Siddharth had received the opposition's backing by virtue of the fact that he

came equipped with serious financial resources to contest elections.  Indeed, several local

officials privately stated that Siddharth had paid the party handsomely for the privilege of

running.

In the end, Siddharth lost the election by a narrow margin.  But the fact that a political

newcomer and convict who had never been associated with politics nearly won the race raises

questions about the role money and criminality—often termed "muscle" in local parlance—play

in India's democracy.  These questions are particularly relevant, as candidates like Siddharth are

far from anomalous.  Over the past two decades, there has been a growing focus among

government officials, observers and scholars of India on the corrosive role criminality and the

unrestrained flow of money are playing in the electoral domain.  Yet, the concerns voiced in

India are not unique.  Indeed, they echo those heard elsewhere in the developing world, from

Afghanistan and Nigeria to Jamaica and Thailand.

Rather than viewing money and criminality as independent forces, this paper asks

whether they are, as the case of Siddharth suggests, interconnected.  In other words, might

"muscle" be valuable to parties because it brings money along with it?  In most democratic

settings, political parties are responsible for selecting candidates who stand for elections.  The

presence of "bad politicians" in many developing country settings begs the question of why

parties embrace candidates linked to criminal activity.  Recent theoretical work on political

selection suggests one reason parties might find bad politicians attractive is due to rents.  If rents

accrue to parties as well as successful candidates, and protection of those rents is dependent on

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have pledged to ensure his victory…Pappu Pundit, one of those lodged in the jail with Siddharth, recalled how the latter helped him get bail. Not only that, Siddharth also arranged a separate ward for his stay and it was due to his good grace that Pappu got food of his choice in jail" ("This & That," *The Telegraph*, November 9, 2010).

selecting bad politicians, then parties might have an interest in recruiting bad candidates (Besley 2005, 2006).  Here, we can think of rents not simply as the illicit financial rewards of office, but also the ability of candidates to cover the expenses of contesting elections and to bring in resources for the party (thereby liberating scarce party resources for other purposes).   There is some evidence from India—anecdotal, as well as from secondary sources and personal interviews—that money and muscle do go hand in hand, though empirical evidence has been scant.

Analyzing the nature of party selection can be difficult, especially when a candidate's personal attributes likely play a leading role.  Determining the financial capacity or criminal characteristics of candidates is often difficult; and even when we do have data, it is often restricted to winners rather than *all* candidates standing for office (which could lead to selection bias, if winners are systematically different from the broader candidate pool).

This paper seeks to remedy these shortcomings through an analysis of a unique source of data made available for every candidate to legislative office in India, the world's largest democracy.  Since 2003, every candidate contesting state and national elections has been required to submit a legal affidavit disclosing his or her personal educational, financial, and criminal records.  Utilizing a dataset that contains information on virtually the entire universe of candidates to state office—more than 45,000 individuals across 35 elections in 28 states— between 2003 and 2009, this paper examines the factors that influence a party's decision to place a criminal candidate on the ballot.  The statistical evidence presented below suggests that money and muscle do in fact go hand in hand: the extent of a candidate's personal financial assets is strongly positively correlated with his criminal status.  This finding is robust to a host of individual, constituency, and district-level controls as well as unobserved state and district-level

variation. Furthermore, the positive relationship is robust to a range of definitions of both wealth and criminality. The probability of facing a serious indictment increases by between 2-4 percent as an average candidate's wealth moves from the 25th to 75th percentile value in the sample. While the focus of this paper is primarily on candidates contesting state elections, I demonstrate that the relationship also holds for candidates to national (parliamentary) office.

The findings of this paper have great relevance not only for the study of political selection, yet they also contribute to at least two other bodies of work in social science. First, there is a growing body of literature on the determinants of corruption and malfeasance among politicians. Recent empirical studies have examined cases as diverse as Brazil (Brollo et al. 2011; Ferraz and Finan 2010); Italy (Chang et al. 20110; Galasso and Nannicini 2011); Japan (Nyblade and Reed 2008); Russia (Gehlbach et al. 2010); and the United States (Welch and Hibbing 1997).[2]

Within this larger body of work, there is a growing literature on corruption and criminality in Indian politics, including recent work that makes use of candidate affidavit data (Chemin 2008; Banerjee and Pande 2009; Aidt, Golden and Tiwari 2011; and Bhavnani 2011). This paper differs from this body of work in several important ways. First, this study codes individual charges contained under each criminal indictment a candidate faces. This disaggregated coding allows us to separate "serious" from "frivolous", or politically motivated, charges. Second, the data collected for this study constitutes the most comprehensive database of candidate affidavits across time and space.[3] Third, this study focuses on the interplay between

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[2] In addition, there is a large body of work that examines the impact of institutional design on malfeasance (Chang and Golden 2006; Kunicova and Rose-Ackerman 2005; and Persson and Tabellini 2003). One of the benefits of this subnational study is that institutional and electoral rules are virtually identical across India's states.
[3] Chemin (2008) uses data from the 2004 parliamentary elections; Aidt, Golden and Tiwari (2011) use data from the 2004 and 2009 parliamentary elections; Bhavnani (2011) uses data from elections in 11 states and the 2004 and 2009 parliamentary elections; and Banerjee and Pande (2009) rely on data from state elections in Uttar Pradesh.

money and criminality, a connection that has heretofore been ignored by scholars who have chosen to look at one or the other in relative isolation.

This paper is also relevant for the study of election finance in developing countries. While there is a voluminous literature on the financing of elections in advanced democracies (Scarrow 2007), we know much less about the nature of election finance in non-OECD countries. In this latter set of countries, due to the weakness of accountability and monitoring institutions, parties are said to engage in a diverse array of licit and illicit methods of funding their activities (Pinto-Duschinsky 2002). This study points to one such strategy—the recruitment of candidates suspected of criminal activity—that merits attention for both normative as well as positive reasons.

This paper is the first part of a two-part examination of party selection of criminal candidates. To be clear, an argument built on money is at best a partial explanation of why parties recruit criminal candidates. If criminal candidates come equipped with resources, this tells us *why* parties are attracted to them; it does not, however, tell us much about *when* parties are likely to field them in elections. In related work, Vaishnav (2011a, 2011b) argues that candidates who are suspected of engaging in criminal activity tend to draw support from parties and voters to the extent that they represent castes or communities that are vying for local dominance. Indeed, a small body of ethnographic research has shown that where local groups are either trying to protect traditional patterns of dominance or to consolidate newfound dominance, it is rational for parties and voters to embrace criminal or strongman candidates in electoral contests (Michelutti 2010; Witsoe 2005, 2009; Berenschot 2008).

The remainder of this paper is organized in seven sections. In the next section, I review the literature on political selection, particularly the strand of work that seeks to elucidate the

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conditions under which "bad politicians" gain traction. Then, building on these insights from the literature, I demonstrate that the facts of the Indian case suggest that there are good reasons to hypothesize that money and criminality operate as complementary factors in the political arena. In the fourth section, I introduce the dataset constructed for this analysis. In particular, I detail the challenges of measuring the study's two primary variables: money and criminality. In the fifth section, I present the statistical model and empirical results of the analysis on party selection, including regressions controlling for a range of alternative explanations. Following this, I present results from robustness tests involving additional covariates, alternate measures of money and criminality, and data from national elections. Finally, I conclude with a discussion of the implications of this paper for broader research on political selection, criminality, and money politics.

## 2. Political selection

The study of political selection is a growing field of inquiry in economics and political science. Yet several of the seminal contributions in this area have not adequately acknowledged the role political parties play or the strategic calculations of parties in contexts in which ideology is a non-factor and parties are weakly institutionalized and constrained in resources. In such situations, more recent work suggests it is plausible that parties place a premium on candidates equipped with resources and networks rather than personal probity.

### 2.1 Theoretical considerations

The classic political economy model of politics first proposed by Anthony Downs (1957) was premised on the search for the policy preferences of the median voter. The question of *who*

politicians are took a backseat to *what* policies they might offer and how closely they represent the views of the median voter. As a result of Downs' influential early work, for decades political economy did not consider political selection or the characteristics of politicians themselves. The identities of politicians were, in some sense, a black box.

Novel work by Osborne and Slivinski (1996) and Besley and Coate (1997) ushered in the "citizen-candidate" model of politics, whereby political identity became a key driver both of selection and of future policy change. In the classic citizen-candidate model, any citizen can put himself forward as a candidate in the election, and then all citizens elect politicians from the self-declared group of candidates. In the final stage of the model, the winning candidate can decide to implement his preferred policy. One nice feature of the citizen-candidate framework is that it treats the candidate pool in an election as endogenous and, as a result, provides for the fact that a politician's identity matters for voters and for policy outcomes.

This elegant model of politics contains several attractive features, but it overlooks the fact that in most democracies parties play an important role mediating the relationship between the candidates and the electorate. As Poutvaara and Takalo (2007) point out, a model premised on the self-selection of candidates renders parties redundant, which is out of sync with the essential gate-keeping role they fulfill in most modern democracies. The result of this oversight has been a lack of focus on the *demand* for different types of politicians from the viewpoint of party elites (Galasso and Nannicinni 2011).

Why might parties select "bad politicians," or candidates associated with criminal activity? Besley (2005) suggests one reason concerns the pursuit of rents. That is, if rents accrue to candidates as well as parties, protection of those rents might be dependent on the selection of "bad politicians." This rent-seeking motivation is potentially compounded by the

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fact that elites often dominate selection procedures, especially in developing democracies. When intra-party democracy is weak and where party primaries do not exist and/or party elites are empowered to pick candidates, selection can be a highly opaque, connections-driven process. According to Besley, top-down or *ad hoc* selection processes "could allow bad candidates, intent on using their political office for private ends, to use their influence." This is especially likely to be the case in developing democracies, where there is ample evidence that ideology plays a minimal role as a screening mechanism for parties and voters.[4]

When we think of rents, we typically think of illicit acts of corruption; but we can construct a more expansive definition of rents that could also fit Besley's hypothesis. Take election finance, for instance. Arguably, in order to succeed, a party's primary job is to contest (and win) elections. And because elections cost money, parties often have to use money from their own coffers to subsidize candidates' expenditures. On the other hand, if parties do not have to cover a candidate's campaign costs due to his ability to independently finance his campaign— the candidate does not constitute a drain on party funds. The result is a positive "rent," in the sense that the party has more money to spend on other activities (or to distribute among elites).

Second, criminal candidates who are well resourced might be in a position to directly provide funds to the party for the privilege of running or to subsidize poorer candidates. Third, criminal candidates could engage in run-of-the-mill rent seeking on behalf of parties, either contributing ill-gotten gains to party coffers or helping to protect the party's illicit gains. For example, Poutvaara and Takalo (2007) present a formal model in which the interactive effect of costly election campaigns and large financial rewards to office help fuel a party's desire to recruit low quality politicians.

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[4] As Keefer (2004) writes: "In young or poor democracies, political party development and other indicators of credibility in political systems are often weak. Parties have little history and no identifiable positions on issues."

Initially, the presence of criminally suspect candidates contesting elections could be limited to a few "bad apples", yet over time their entry could create long run path dependency. Caselli and Morelli (2004) argue that one crucial motivator for aspiring candidates is the rewards to office or "ego rents" (the psychological rewards associated with holding office). If low quality candidates contest elections, either for status reasons or the fact that they have a comparative advantage in seeking office (e.g. lower opportunity costs), they can generate negative externalities for high quality politicians. This is because the presence of low quality candidates has an adverse effect on the ego rents of high quality candidates, thereby creating disincentives for them to seek office and positive incentives for more low quality candidates to do the same. Thus, over time polities can get stuck in a "bad equilibrium" trap.[5]

To date, the hypothesis that bad politicians are attractive to parties because of their underlying desire for rents has not been the subject of extensive empirical inquiry. In the next section, I describe the contours of the Indian case and why the marriage of money and "muscle" is a plausible consequence of the structure of Indian electoral politics. In the empirical section, I formally test the hypothesis using data from candidates to India's elected state assemblies. I also explore other hypotheses developed in the political selection literature, linking the presence of bad politicians to factors such as political competition, electoral uncertainty, and the availability of information.

3.    **Contextualizing the puzzle**

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[5] On path dependence, Caselli and Morelli (2004) write: "Relatively low rewards from holding office will discourage high-quality citizens from seeking office, thereby making it easier for low-quality ones to be elected." This finding is echoed in the work of Beniers and Dur (2007), whose model predicts that politicians will have stronger incentives to behave opportunistically if they believe other politicians are more likely to do so as well.

Because this study examines party selection in India, some local context is important. This section provides an overview of the influence of criminality and money in recent Indian electoral politics. While criminality and politics have been linked throughout India's post-independence history, there is a belief among seasoned observers that the affinity has grown stronger, as criminal candidates now directly stand for elections (rather than working behind the scenes on behalf of politicians). Below I stipulate that one factor motivating parties to embrace candidates with criminal records is the increasing costliness of elections. Crucially, this section provides some intuition for the hypothesis that one of the advantages criminal candidates possess is access to financial resources.

## 3.1    Criminalization of politics in India

In recent years perhaps one of the most oft-quoted statistics on Indian politics is that one-quarter of its Members of Parliament (MPs) face pending criminal charges. This fact about Indian politics has been highlighted by academics, civil society, and media outlets ranging from *The Economist* to the *Times of India* as evidence of the growing "criminalization" of Indian political society. The statistics among elected state legislators, though less discussed, are of a similar magnitude. According to data collected by the author, one-fifth of all MLAs are under indictment at the time of their election.[6] If voters consistently rejected candidates with criminal records, one might question whether studying their selection is of great relevance for political science. In fact, indicted candidates fare exceptionally well at the polls: compared to "clean" candidates they have a 2:1 advantage in terms of winning election, as Figure 1 demonstrates. In

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[6] In all, 4,712 out of 46,739 candidates (or 10 percent) seeking state office between 2003 and 2009 contested elections while under criminal indictment. 2,814 (or 60 percent) of these candidates were indicted on at least one serious charge, and 1,895 (or roughly 40 percent) were indicted on charges that warrant up to five years in jail (if convicted).

fact, as the definition of criminality becomes more restrictive (based on the increasing severity of the charges), the success rate of indicted candidates rises.

*[INSERT FIGURE 1 HERE]*

The affinity between crime and politics is not a new phenomenon; to the contrary, it has been an issue facing the Indian republic since its first post-independence election in 1952. During the early years of the postcolonial period, many politicians were suspected of possessing links to criminals, gangs and other illicit networks. Yet, observers of Indian politics have noted that there was a qualitative change in the 1970s as criminals actively joined politics, no longer content to concede the spotlight to party bosses.[7] The causes of this shift are complex and multidimensional, but they are likely the outcome of the breakdown of Congress Party dominance. As the clientelistic, vertical networks of patronage overseen by Congress notables withered away, there was no immediate central organizing principle for state-society relations (Jaffrelot 2002). The decline of Congress, combined with weak and ineffective political organizations, the breakdown of state authority and the politicization of the state, and the failure of democratic governance to resolve societal conflict created space for new political entrepreneurs—including criminals—to play a larger role (Kohli 1990).

Popular laments and newspaper op-eds over "corrupt" politicians and the sway held by politicians with criminal ties have been common fare for followers of Indian politics since at least the early 1990s. The growing concern with the influx of criminality in India's politics led

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[7] A government-sponsored commission concluded that earlier, "the criminal was only content to playing second fiddle to the politician to enable him win the election and in turn to get protection from him. The roles have now reversed. It is the politician now, who seeks protection from the criminals. The latter seek direct access to power and become legislators and ministers" (NCRWC 2002).

the government to convene an independent commission to look into the matter. The commission

concluded:

> "The nexus between the criminal gangs, police, bureaucracy and politicians has come out clearly
> in various parts of the country…[T]hese gangs enjoy the patronage of local level politicians,
> cutting across party lines and the protection of Government functionaries. Some political leaders
> become the leaders of these gangs…and…get themselves elected to local bodies, State Assemblies
> and the National parliament. Resultantly, such elements have acquired considerable political
> clout." (Government of India, Vohra Committee 1995)

Indeed, the rise to prominence of politicians with criminal associations has become deeply

institutionalized into the fabric of India's democracy. When the Congress-led national

government narrowly defeated a no-confidence motion in July 2008, crucial votes in its favor

came from the insides of jail cells. On the eve of the vote, the government temporarily released

six pro-government MPs—all of whom were in jail, either convicted or awaiting trial, on murder

charges incarcerated—so they could cast their votes in Parliament and help title the vote in the

government's favor.[8]

While the narrative presented thus far emphasizes the entry of criminals into politics, it

should be noted that India has also witnessed the reverse process. Many politicians, who were

not linked with wrongdoing when they first joined politics, later got involved in criminal activity

in order to stay in office (Jaffrelot 2002; Manor 2002). While the dynamics are different, in the

latter case it is still relevant to ask why parties seem to reward politicians (via re-nomination)

who are associated with wrongdoing—in spite of the high rates of legislator turnover and the

reality of incumbency disadvantage.[9]

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[8] The 2008 no confidence vote was also marred by another criminal escapade in which pro-government MPs
allegedly bribed legislators to vote in favor of the government's survival. During parliamentary debate, three
opposition MPs waved wads of cash they claimed were given to them to buy their support (*Tehelka* 2011)
[9] Several scholars have found that incumbents contesting both state and national office in India are significantly less
likely to win than comparable non-incumbents (Linden 2004; Uppal 2009; Ravishankar 2007).

### 3.2  Money and elections

Money is an essential feature of democratic politics, and India is no exception in this regard.  Economists estimate that candidates and parties in the 2009 Indian national elections spent roughly $3 billion on campaign expenditures, with election spending alone boosting India's GDP growth by .5 percent for two quarters of 2009 (Timmons and Kumar 2009).  While we lack longitudinal data on election spending, in recent years there is a deeply held belief among students of Indian politics that the costs of elections have skyrocketed.  We can identify at least five drivers of this growth.

First, as India's population has grown, the size of political constituencies has ballooned.[10] The growth of constituencies over time means that candidates have to spend more money to woo potential voters.  Second, there has been a marked increase in the competitiveness of Indian elections.  The decline of the Congress system and the dawn of the coalition era coincided with the establishment of new parties at the national and state levels (Ziegfeld 2010).  According to Sridharan (2009), the number of national parties declined from 8 to 6 between 1989-2004, while the number of state parties increased from 20 to 36 and the number of registered parties doubled from 85 to 173.[11]  Competition has also added to electoral uncertainty, meaning that parties find it increasingly difficult to calculate the elasticity of votes to expenditures.[12]

Third, the 73rd and 74th Amendments to the Constitution (1992-1993) established a new three-tiered system of decentralized governance, adding nearly 2.9 million *new* elected positions

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[10] Today the median state assembly constituency contains more than 150,000 inhabitants, while larger parliamentary constituencies (which are comprised of several smaller assembly constituencies) contain between 1.5 and 2 million people.  The median parliamentary constituency in 1952 had fewer than 300,000 voters.

[11] In 1977, 2,439 candidates contested parliamentary elections in India's 543 constituencies representing 35 different political parties.  By 2009, although the number of constituencies did not change, the numbers had jumped to 8,070 candidates and 207 distinct parties (author's calculations, based on grouping Independents together as a single political party).  The trends are similar for state assembly elections.

[12] Incumbency disadvantage has also contributed to electoral uncertainty in the post-Congress era.

to India's democratic patchwork (and exponentially increasing the demand for election finance).[13] Fourth, because parties are poorly organized and weakly institutionalized, they are not able (or always willing) to adequately provide campaign funds from their own coffers. While all parties raise funds through membership dues, at Rs. 5 to 25 (about $0.1-0.5 at current exchange rates) per member, dues are marginal to the cost of fighting elections.

Fifth, there is a yawning gap between *de facto* versus *de jure* election finance regulations. On paper, there are strict statutory limits on election expenditures (Rs. 1-2.5 million for parliamentary seats and between Rs. 0.5-1.0 million for assembly seats); yet the limits are widely ridiculed as unrealistic.[14] The unrealistically low limit coupled with loopholes and weak non-electoral mechanisms of accountability have resulted in large flows of illicit election finance. Thus, even when candidates to disclose campaign expenditures, the disclosures are farcical.[15]

The thirst for election finance could be partially offset if elections are state funded; but in India, state funding does not exist. To quench the thirst for private financing, Kapur and Vaishnav (2011) argue that parties have adopted a "portfolio" approach in financing their activities. "Investments" within those portfolios include: the recruitment of criminal candidates; the entry of businessmen candidates and high net-worth benefactors; ticket-buying; and domestic and international money laundering. In related work, Vaishnav (2011a) argues that parties assign criminal candidates greater weight in their portfolios in areas where competition between ethnic groups is intense. In the next section, I focus on the first mechanism, or why criminality and money go hand in hand.

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[13] Political parties field candidates at all three levels, even at the village level where formal partisan affiliations are prohibited (though regularly brandished).
[14] Assuming an assembly constituency population of 150,000 people, this implies spending between 6 and 13 cents per resident.
[15] Independent estimates of average spending in a parliamentary election range between Rs. 8.3-13 million as of 1998-1999 (Sridharan 2006b; Kumar 2002).

### 3.3    Criminality, money and comparative advantage

Parties have an array of potential candidates to choose from, so why do they choose

candidates with criminal records?  In this section, I argue that a major reason motivating this

calculation relates to money, namely that candidates linked to criminal activity are likely to have

a resource advantage and are willing to deploy these resources in the service of politics.  Rather

than viewing money and "muscle" as independent forces shaping India's electoral politics, I

argue that these forces are inexorably linked.  Parties place a premium on muscle, in part,

because it often brings with it the added benefit of money.

The argument that money and muscle are complimentary forces is one that several

observers of Indian politics have made in recent years, but which has not been subject to much

empirical analysis.  James Manor, writing about the criminalization of politics in India, has

argued that parties recruit criminals because "[c]riminals bring with them money and the

capacity to raise it, often through extortion" (2002, 234).  Furthermore, legislators have gotten

mixed up with criminal elements because such individuals "can assist in generating funds to

meet the soaring costs of elections" (*Ibid*, 235).  Jaffrelot (2002, 94) remarks that, "[with] the

growth in the financial outlay of politicians, money has become another major reason for

collaborating with the underworld."  An ethnographic account of *goondas* (thugs) in the western

state of Gujarat highlights the fact that for parties, "*goondas* are indispendible for the money they

bring in" (Berenschot 2008, 7).  Describing local realities in a poor section of Ahmedabad,

Berenschot states that the election budget of the local MLA—who has deep ties to criminal

elements—comes largely from *hafta*, the payments owners of illegal business (such as liquor

bootleggers and gambling dens) pay to politicians for protection. In this way, *goonda* politicians are able to marshal both muscle power and money power for political ends.

In 2004, Paul and Vivekananda conducted one of the first analyses of elected officials using newly public affidavit data. Though descriptive in nature and focused only on the 543 elected Members of Parliament, the authors' findings are illuminating. The authors found a strong correlation between a candidate's criminal record and his financial assets; in fact, the overall asset base of members increased with the severity of the charges filed. In summarizing their findings, the authors remark that "[it] is almost as if with larger assets one can graduate to a higher level on the crime ladder" (4931).

To provide some intuition for this association, I proceed by first describing how political recruitment and party selection can work to facilitate the marriage of criminality and politics. I then turn to outlining some possible advantages criminal candidates have with respect to resources.

### 3.3.1 Political selection in India

First, political parties in India are hierarchically organized and lack credible intra-party democracy, and so parties are organized in a manner that maximizes the discretionary power of party elites (Mehta 2001).[16] Because party elites play an outsized role in choosing candidates, their personal connections play a large role in selection.[17] Such an elite-dominated process, as Besley suggests, can facilitate an influx of "bad" candidates who are willing to use political office for private ends. Although parties often have very detailed, decentralized procedures for

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[16] This is true, even for the Congress Party, which—despite its electoral success in the post-independence period—has suffered from a top-heavy, under-institutionalized organizational structure (Chhibber (1999, 72).
[17] One consequence of this is nepotism or "dynastic politics." French (2011) has found that nearly 30 percent of MPs elected in 2009 have a hereditary connection.

candidate selection on paper, in practice a party's state unit will often authorize the party leader

to select candidates to stand for election (Sridharan and Farooqui 2011).[18]  Established parties,

such as the Congress or the BJP, have experienced serious organizational decay over time:

indiscipline; factionalism; and a lack of intra-party democracy are among the contributing

factors.  As for the proliferation of new parties that have sprouted up largely since the early

1990s, many of them have not dedicated themselves to the hard work of creating enduring party

structures (Manor 2002).  Cherry picking powerful strongmen, many of whom ran afoul of the

law in an effort to fill in the void left by the decline of mediating institutions, represented a quick

and dirty way of political recruitment.[19]

Second, ideology is not a motivating factor in Indian politics.  In a context in which

ideology is unimportant, parties prioritize maximizing their chances of winning the election over

implementing their preferred policies.  The absence of ideology allows criminal candidates to

operate as free agents, seamlessly moving between parties.  Take the case of noted gangster-

turned-politician Mukhtar Ansari of Uttar Pradesh.  Ansari got his start in politics as a member

of the BSP, which later expelled him once his criminal rap sheet began creating headaches for

the party.  Ansari then contested elections as an Independent with the tacit support of the

Samajwadi Party (SP), the BSP's chief rival.  Ansari later fell out with the SP and rejoined the

BSP, contesting the 2009 national elections under their banner.  When he failed in his election

efforts, the BSP cut ties with him.  In 2010, Ansari announced that he was forming a new

political outfit, Qaumi Ekta Dal, to contest elections in 2012.

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[18] The author's interviews with senior officials from the major parties contesting the 2010 assembly elections in Bihar confirm that often a small group of elites is empowered to make decisions on ticket distribution.  In some instances, the decision is left to the party leader alone.  See, for instance: http://www.bihartimes.in/Newsbihar/2010/Sep/Newsbihar19Sep2.html.

[19] As one Congress MP privately quipped to the author: "If you put a few big-time criminals in room and you have a few *crores* [an Indian unit of wealth equal to Rs. 10 million], you can call yourself a party.  *Crores* and criminals are the essential ingredients."  Author's interview with Congress MP from Andhra Pradesh, New Delhi, August 2009

### 3.3.2 Financial capacity of criminal candidates

If the nature of party organization in India provides a backdrop for the opportunity "bad" candidates enjoy, their financial capacity represents a crucial incentive for parties. Because parties are in need of finances to fund activities such as campaigning, voter mobilization and vote buying, they must strategically select candidates who will not be a drain on finite party coffers. In other words, parties are locked in a dilemma that pits their interest in maximizing their chances of electoral victory against the reality of limited resources. Here, criminal candidates possess several advantages.

First, qualitative research shows that candidates with criminal records tend to be strongly rooted to the villages and towns that make up their constituency (Witsoe 2005; Vaishnav 2011b). In other words, criminal candidates tend to be "native sons," or individuals who are clearly identified with a local base that is territorially rooted. They are people of prominence in the local community, whose networks of kinship and patronage are substantial.[20] In a practical sense, such candidates can accumulate resources through local patronage networks and can leverage their power within the network to obtain political support from other network members. In turn, these networks help to form the candidate's base of support come election time.[21]

Second, to be a person of prominence in rural India has historically implied a connection to land and landowning. If we accept that criminal candidates tend to be prominent members of local Indian society, then we might expect criminal candidates to have an advantage in land assets. The connection between influence and land is neither linear nor consistent across time

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[20] Based on data collected from the November 2005 elections in Bihar, candidates with serious criminal indictments are significantly more likely than "clean" candidates to contest elections from constituencies located within their home district. The differences are significant at the 10 percent level using a two-tailed t-test.
[21] Baland and Robinson (2008) describe a similar process involving wealthy agrarian elites in mid-20th century Chile.

and/or space. Nevertheless, it is not too strong a statement to say that rural power is frequently tied to land ownership.[22] Thus, land is a reasonable measure of social prestige and power in a predominantly agrarian country. A fair amount of social conflict involves disputes over land and the insecurity around property rights, and many criminal politicians gain support by mobilizing voters along this cleavage. Indeed, the data show that candidates under serious criminal indictment do, in fact, have an advantage in terms of the value of their agricultural landholdings.

Finally, we might stipulate that if an individual is implicated in serious ongoing criminal proceedings, one can plausibly assume that he might be less ethical than the average citizen. This potential ethical deficit means that criminally suspect candidates may be able to raise significant funds through illicit means (or may already possess considerable ill-gotten gains) and to condone rent-seeking activities by the party. This is akin to Besley's logic of embracing "bad politicians" to protect rents.

The resource advantage of criminal candidates presents several opportunities for parties. We can think of the resources criminal candidates bring to the table as a cross-subsidy of lesser-endowed candidates; and this subsidy can either be implicit or explicit. We can think of a self-financing candidate who coves the costs of his campaign, freeing up party resources for other candidates, as an implicit subsidy. Parties can direct their resources to candidates who really need party funds.

As elections have become more costly, the resources criminal candidates bring to bear can minimize the financial burden faced by parties contesting highly competitive elections. One important fact to keep in mind about elections in India is that the campaign period lasts for only a matter of weeks. Although campaigns are short, they require two primary inputs: money and

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[22] In a study of rural *panchayat* candidates in southern India, Besley, Pande and Rao (2005) find that land ownership is positively associated with political selection.

labor. Candidates must shell out for transportation; workers (and their nourishment); rallies; equipment; paraphernalia; and clientelistic goods. In many low-income democracies, the distribution of private goods in exchange for political support is a critical component of campaigns. Historically, candidates have resorted to handing out liquor, small amounts of cash or food to entice voters; though in recent years, expectations for handouts have greatly increased (as have their budgetary implications).[23]

Given the short time frame and the nature of retail politics in India, campaigns also require a brief, yet intense, reliance on manual labor to organize rallies, command vehicles, and recruit volunteers. Criminal candidates, to the extent they are embedded within larger social networks (often dominated by males), represent an adaptable foundation for political campaigns.

But, if candidates provide funds (rents) to the party itself, this can also act as an explicit subsidy of other party-affiliated candidates. In India, this often takes the form of ticket buying, whereby potential candidates pay parties for the privilege of contesting elections under their banner. If party leaders can sell party tickets to the highest bidder, then they can create new sources of revenue for themselves and the party. This is the exchange that Siddharth (described in the introduction) allegedly engaged in.[24]

The buying and selling of party tickets is a common phenomenon—what seems to vary is the transparency with which it is done. Some parties, such as the BSP, openly embrace the practice of ticket buying. Sridharan and Farooqui (2011) describe the process in the following terms:

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[23] For instance, one of the leaked U.S. diplomatic cables made public by *Wikileaks* documents in fascinating detail the exorbitant (alleged) vote buying practices parties employ in southern India (Hiddleston 2011).

[24] The rumor was that Siddharth's father, a prominent doctor, used his personal wealth to buy Siddharth's ticket from LJP party president Ram Vilas Paswan, outbidding another wealthy physician from the area who sought the party ticket for himself (Author's personal interviews in Bikram, October 31 and November 7, 2010).

"In the BSP, the nomination process is centrally about money and candidates are expected to 'buy' their nominations by making contributions to the party, to be paid personally to the leader, Kumari Mayawati. The process begins with potential candidates approaching [local party] coordinators…with initial payments for sending their names up to Mayawati. They then have to make direct payments to be considered for the nomination." (11)

Mayawati has openly owned up to the practice, stating: "Since many rich persons were keen to contest on our party ticket, I see nothing wrong in taking some contribution for them; after all, I use the money to enable poor and economically weak Dalit [lower caste] candidates to contest" (Pradhan 2006).

The financial incentive for parties to recruit criminal candidates is also borne out by personal interviews conducted by the author with MPs, MLAs and leaders of state and national parties. Prior to the 2010 state elections in Bihar, the state treasurer of a major national party contesting elections admitted that his party explicitly made the money-muscle calculation when determining its ticket distribution. "All parties claim to shun criminality, but as they say, 'all is fair in love and war.' Parties select people who can win by hook or crook (*sam daam dhand bhed*), and the most important criteria is financial assets."[25] The deputy president of this party also confided to me that parties support criminals because they have "currency" with the masses. He explained that "currency" was both literal—money—as well as figurative, in terms of their ability to mobilize popular, caste-based support.[26]

### 3.3.3 Incentives to join politics

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[25] Author's interview with Bihar state treasurer of major national party, Patna, October 2010.
[26] Author's interview with Bihar deputy president of major national party, Patna, October 2010.

Thus far, we have addressed why parties desire indicted politicians to run as their candidates. This is the *demand* side of the equation, but what about the *supply* side? That is, why do candidates suspected of criminality want to run in the first place? There are at least three reasons. First, candidates involved in criminal activity seek elected office because they fear the retributive reach of the state, so they calculate that they must join politics to evade prosecution. While politicians in India do not have formal immunity from criminal prosecution, office-holders can rely on the trappings of office to delay or derail justice. Most notably, numerous studies have documented the ability of politicians in Indian to transfer bureaucrats for political reasons unrelated to the quality of their performance (Iyer and Mani 2011; de Zwart 1994; Wade 1982).

Second, as previously stated, aspiring politicians are said to value the psychological rewards, or "ego rents," associated with office. After serving as hired hands for major parties, many criminals employed by politicians eventually realized that they had accumulated enough local notoriety to cut out the politician-middleman and contest elections directly. The criminal-turned-politician Ashok Samrat, who contested elections in north Bihar, explicitly embraced this view:

> "Politicians make use of us for capturing the polling booths and for bullying the weaker sections… But after the elections they earn the social status and power and we are treated as criminals. Why should we help them when we ourselves can contest the elections, capture the booths and become MLAs and enjoy social status, prestige and power? So I stopped helping the politicians and decided to contest the elections." (Nedumpara 2004)

The status rewards to office apply to both criminal and clean candidates, but it is possible that the "criminalization" of politics has weakened the status rewards of office for clean candidates (following the logic of Caselli and Morelli 2004). Third, there is anecdotal evidence that some criminal politicians are contesting elections where their rivals have decided to do the same,

resulting in constituencies dominated by criminal competition.[27] In such instance, politics

becomes the arena through which rivalries play themselves out. Although the press has

highlighted numerous examples from north India, criminal competition in elections is very much

present in the south as well.[28]


## 4.    Data and measurement

In this section, I present the details of the unique, author-constructed dataset on

candidates to state legislative office. I begin by justifying the focus on state-level politics, before

describing the new affidavit regime and the construction of the dataset. I then discuss in detail

the measurement of candidate wealth and criminality, the two key variables for this study.


### 4.1    Focus on state politicians

India is a federal parliamentary democracy comprised of 28 states and 7 Union

Territories, where elections to the state and national assemblies are governed by identical first-

past-the-post, single-member district rules.[29] Unlike some studies on criminality in Indian

politics (Aidt, Golden and Tiwari 2011; Chemin 2008), this study focuses primarily on the role

of state legislators (known as MLAs) for three reasons. First, because there are more than 4,300

MLAs across India's 30 state assemblies, by sheer virtue of numbers, these legislators are subject

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[27] One observer of state politics in the Pratapgarh constituency of Uttar Pradesh lamented the state of elections in the area: "It is a fight not between candidates and how good they are, or how much development the Congress party or anyone else promises to bring, but between *goonda* and *goonda* [thugs]" (Malhotra 2009).

[28] For instance, the Kadapa region of the southern state of Andhra Pradesh is well known as a hotbed for politicians who use extra-legal tactics to exact political retribution. It is widely speculated that the late Chief Minister of Andhra Pradesh and Kadapa native, YS Rajasekhar Reddy of the Congress Party, catapulted to state-wide notoriety by using muscle power to settle scores with potential rivals in his home district (Balagopal 2004; Aiyar 2004). One typical story of criminal competition in north India is discussed in Sethi (2005).

[29] With the exception of Delhi and Pondicherry, which have state legislatures, the Union Territories are directly governed by the central government.

to much less scrutiny than their national-level counterparts. Aside from Bhavnani (2011) and

Vaishnav (2011a) there has also been little academic attention paid to examining the profiles of

MLAs across states using data obtained from affidavits.[30]

Second, MLAs play a much more influential role in their constituents' daily lives than

MPs. In fact, public opinion data reveals that a majority of citizens believe that state government

has the primary responsibility for solving problems related to public goods provision (Chhibber

et al. 2004).[31] In addition, India's federal parliamentary structure offers a unique laboratory for

subnational comparative analysis because political and electoral institutions are consistent across

states (Snyder 2001).

## 4.1    Constructing the dataset

The primary source of data for this study comes from legal affidavits submitted by

candidates to the Election Commission of India (ECI) at the time of their nomination. In 2003, a

landmark Supreme Court judgment mandated that all candidates to state and national office must

publicly disclose information about any pending criminal cases; financial assets and liabilities

(including those of their spouse and dependents); and educational qualifications. The ECI posts

these affidavits on their website, but not in a manner that is suitable to systematic analysis.[32]

Fortunately, the Liberty Institute, a Delhi-based think tank, has created a web-enabled database

of affidavits, which they have uploaded and translated into English (Appendix Table A-1

contains one sample affidavit drawn from the web database). Using a Java-based script, I

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[30] Because MLAs function at the state-level, data collection requires a much more significant effort because it involves compiling information across a large number of jurisdictions.

[31] Scholars dating back at least to Bailey (1963) have noted that MLAs are consumed not by their representative or legislative functions, but by their role as intermediary. Both voters and MLAs themselves view the role of a state legislator a "fixer" in the process of policy administration and implementation (see Chopra 1997 for a review).

[32] The affidavits are merely scanned and posted, often in regional languages, and regularly difficult to decipher.

extracted this data from tens of thousands of discrete webpages into a tabular form suitable for

quantitative analysis. Where possible, missing or incomplete data were entered by hand using

information from the original affidavits. The end result is a dataset of 46,739 candidates from 35

assembly elections across 28 Indian states from 2003-2009. This data reflects 5,001 discrete,

constituency-level elections.

The affidavit data provides details on candidates' backgrounds but not on election-related

parameters. For that, one has to match the affidavits with election returns from the ECI.

Unfortunately, this process is not straightforward given inconsistencies in the spelling of

candidates' names.[33] To remedy this, I used an automated procedure of approximate string

matching to rank name matches in both datasets (according to the popular Levenshtein edit

distance method). Once approximate matches were identified, I adopted a conservative strategy

of using affidavit information on a candidate's age, assembly constituency, party affiliation, and

sex to identify exact matches in the ECI data.[34]

To complete the dataset, I merged data from two additional sources. The first is the 2001

Census of India, which provides basic demographic data, such as population and literacy. The

second is data from Government of India's National Crime Records Bureau, which provides data

on crime incidence in India.[35] Both institutions provide data at the administrative district level

(districts are analogous to U.S. counties), whose boundaries differ from those of political

constituencies. In 2010, there were 4,135 assembly constituencies nested within 626 districts,

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[33] For instance, the name of one candidate is listed as "A.P. Veermani" on the ECI return, but noted as "Veermani A.P." on his affidavit. Matching is also difficult because often times candidates from a given assembly constituency have the same name. In the 2008 Chhattisgarh elections, there were four candidates named "Lekhram Sahu" in the Kurud constituency.
[34] Only when all fields in the two datasets were identical did I consider the result a true match. This process often required individual hand matching where there were discrepancies. In some cases, I discovered data entry errors in the affidavit dataset. In these instances, I relied on the ECI data as the "true" data.
[35] I thank the Center for Systemic Peace at George Mason University for compiling and sharing this data.

and I match them using information from the Indian Administrative Atlas (Government of India 2011).

## 4.2    Criminality: measurement issues

Under the affidavit regime, candidates are required to provide specific details related to any pending criminal cases in which they stand accused.  In other words, the data contain information on the suspicion of criminal wrongdoing, rather than convictions—a point I will return to shortly.  There are potentially two concerns with candidates' self-reported criminal records: false reporting and politically motivated charges.  With regards to false reporting, we might be concerned that candidates have an incentive to lie on their affidavits and, thus, either hide or under-report pending criminal cases.  Given the ease with which the public can obtain information on a candidate's criminal record and the fact that criminal proceedings are a matter of public record (not to mention the fact that other candidates have an incentive to serve as whistleblowers), this is not a serious concern.  Furthermore, many indicted candidates have no incentive to falsify their criminal records because, as several studies have shown, they often embrace their hardened reputation as a badge of honor (Michelutti 2007; Witsoe 2005; Vaishnav 2011b).

The issue of politically motivated charges is a more challenging one.  Under the affidavit regime, candidates must disclose any pending criminal cases in which they stand accused. Pending cases do not always produce convictions, and there is no doubt that data on the latter serve as a better indicator of criminality.  Under Indian law, a candidate is precluded from

standing for election only if convicted of a crime, not if he is merely charged with one.[36]

Unfortunately, data on convictions do not exist—both because there is no central clearinghouse for such information and because most cases do not result in convictions, due to the well-documented weaknesses of the Indian judicial system (Wilkinson 2001; Micevska and Hazra 2004; Chemin 2009).[37]

Although we are unable to distinguish between pending cases and convictions, it is worth noting that candidates are not required to disclose a mere filing of charges against them. Candidates must only disclose charges that a judge has deemed credible and worthy of judicial proceedings following independent investigations by the police and prosecutors. This distinction is important as it is the difference between a mere allegation and what we in the United States consider an "indictment." In other words, a politician need only disclose a charge when a judge has determined there exists sufficient evidence of wrongdoing for official charges to be framed and a criminal judicial process to commence.[38]

The fact that candidates must only disclose indictments helps to reduce the presence of frivolous charges. While indictments are a higher bar than the filing of charges, we can further refine our measure of criminality to reduce the risk of including politically motivated charges in

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[36] According to Section 8(3) of the Representation of the People Act of 1951, a person convicted of a crime and sentenced to more than two years cannot contest elections for six years following the completion of his jail term.
[37] Irrespective of the defendant's guilt or innocence, India's wheels of justice move in slow motion. As of late 2010, there were 10,370 pending criminal cases before the Supreme Court; 881,647 before the High Courts; and 20,096,614 before District and Subordinate Courts (Supreme Court of India 2010).
[38] The first step in the process is the filing of a First Information Report (FIR) by police authorities. Once an FIR has been filed, police conduct a preliminary investigation to determine if there is sufficient *prima facie* evidence of wrongdoing. If such evidence exists, they file a "chargesheet" and government prosecutors launch an investigation. If prosecutors concur with the police recommendation, they file charges with the relevant court. Finally, a judge must determine whether to "take cognizance" of the case and frame charges. It is only after a judge takes cognizance that a candidate must disclose there is a pending case against him.

the data.[39]  On their affidavits, candidates are required to list the number of pending criminal

indictments, including for each case the section(s) of the Indian Penal Code (IPC) they are

charged with violating.  I coded each section of the IPC and matched each affidavit-listed charge

with the relevant section of the code—in addition to supplementary information provided under

the 1973 Code of Criminal Procedure.[40]  I use this data to distinguish between "serious" and

"frivolous" charges.  I classify frivolous charges as those that might be related to assembly,

campaigning, elections, lifestyle, opinion or speech—or those that lend themselves most easily to

political retribution.  The remainder I consider to be "serious" charges.

There are three advantages to distinguishing between charges in this way.  First,

politicians engage in a variety of activities—such as protests, processions, and agitations—that,

depending on the circumstances, could be against the law.  In democracies around the world,

politicians often court arrest and even imprisonment for political purposes.  Indeed, given the

Gandhian roots of India's pro-independence movement, its political class often places great

value on such forms of civil disobedience.

Second, while indictments present a higher hurdle than mere charges, they are not

immune from abuse.  A government looking to create trouble for a politician could find ways of

returning a false (or weak) indictment in order to tarnish his reputation.  Here I make the

assumption that it is more difficult to engineer a false indictment against an individual on serious

charges than frivolous ones.  For instance, officials intent on maligning a politician with false

charges are likely to have a harder time manufacturing an indictment on murder charges than one

alleging unlawful assembly.  Third, because this study is interested in the serious criminality that

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[39] The strategy I employ here is similar to the one in Chang et al. (2010), whose study of malfeasance in the Italian legislature separates "opinion"-related investigations from all other criminal investigations in order to dispense with charges likely to arise during the process of campaigning.

[40] For instance, if a candidate is charged under Section 302 of the IPC, this is matched to the relevant category of crime ("Offenses against the human body"); the specific act ("Murder"); and the minimum sentence ("10 years").

is symptomatic of the growth of muscle power in politics, an exclusive focus on "serious" crimes that are unlikely to be related to election activities makes substantive sense.

Two examples illustrate why it is essential to carry out a disaggregated coding down to the level of individual criminal charges. In May 2011, Rahul Gandhi (a Congress Party MP and the scion of India's most storied political family) was arrested in Uttar Pradesh after participating in a *dharna* (peaceful demonstration) to raise awareness about farmers' rights. Gandhi was arrested and charged with violating IPC sections 144 (joining an unlawful assembly with anything that can be used as a "weapon of offence") and 151 (knowingly joining an assembly after it has been ordered to disperse). Gandhi's participation in a peaceful protest was a savvy attempt to woo support in advance of state elections but was not linked in any credible way to criminal activity (*The Hindu*, May 12, 2011). Contrast this to the case of Shekhar Tiwari, an MLA from the same state, who was charged with attempting to extort, and later abducting and killing a bureaucrat who refused to "donate" money to the MLA's BSP party. Tiwari—who was charged with violating sections 302 (murder), 342 (wrongful confinement), and 364 (kidnapping), among others—was sentenced to a life in prison the same month Gandhi was arrested for his civil disobedience (Rai 2011). Analyses that do not distinguish between the types or severity of charges are prone to conflating these cases.

Therefore, the primary measure of criminality employed in the analysis below is a dichotomous variable, *Serious Indictment*, which takes the value of 1 if the candidate is indicted in at least one case in which he is accused of perpetrating a "serious" crime, and 0 if he faces no charges or only "frivolous" charges. To understand the types of charges candidates face and to demonstrate the distinction between serious and frivolous charges, Panel (a) of Table 1 displays the five most common "frivolous" charges. Of the five most common "frivolous" charges, three

are in the category of "public tranquility", which are commonly associated with protests or civil disturbances.[41] I deem "criminal intimidation" not to be a serious charge as it is often related to verbal rather than physical threats, throwing open the possibility that statements made in a political setting could be taken out of context.[42] The same principle can be applied for the charge "voluntarily causing hurt," which is also classified as a "frivolous charge."[43]

[*INSERT TABLE 1 HERE*]

Panel (b) of Table 1 displays the five most common "serious" charges, which together account for roughly half of all serious infractions. Four of the top five charges are offenses against the human body that involve physical offenses (the exception if theft, which is a property crime). The average candidate charged with serious violations of the law faces 2.39 pending indictments, though there is a great deal of variation (standard deviation of 3.21). As a robustness test in the empirical section below, I also employ three more restrictive definitions of criminality to test whether the results are sensitive to any one particular definition.

**4.3 Testing for politically motivated charges**

Before proceeding, we can also formally test for political motivation in three ways. The results of these tests, while suggestive, do not provide any *prima facie* evidence of an association between prior political success and indictments. First, if cases are politically motivated, one

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[41] Rioting is the most common charge, accounting for almost 12 percent of all minor charges and 8.7 percent of all charges in the dataset.
[42] The Indian Code of Criminal Procedure offers the following illustration of an act that could be classified as "criminal intimidation," involving Persons A and B: If A, for the purpose of inducing B to desist from prosecuting a civil suit, threatens to burn B's house, A is guilty of criminal intimidation.
[43] Indian law makes a distinction between "voluntarily causing hurt" and "voluntarily causing *grievous* hurt." I code the latter as a serious charge.

observable outcome might be that successful politicians are more likely to be susceptible to framing of false charges made by jealous rivals. To analyze whether popular politicians are disproportionately under indictment, we take advantage of the fact that seven states in our dataset (plus the national parliament) have experienced two elections under the affidavit regime (in 2003/4 and 2008/9). Thus, we can examine candidates at two time periods and test whether the presence of a serious indictment in time $t$ is related to the political success the candidate experienced in the prior election in time $t$-$1$. Unfortunately, constructing a dataset of re-contesting candidates presents its own challenges for a host of reasons.[44] After using an approximate string matching algorithm to identify the potential pool of re-contesting candidates over two election cycles, I used two unique identifying fields—candidates' fathers' names and their home addresses—to identify exact matches.[45]

To test the proposition that politically successful politicians are more likely to be indicted on serious charges, I estimate a logistic regression of the following form:

$$\Pr(y_{it} = 1) = \log it^{-1}(\phi VoteShare_{it-1} + \delta Indicted_{it-1} + \gamma Incumbent_t + \varepsilon \qquad (1)$$

In equation (1), the outcome variable is a binary indicator of whether candidate $i$ is indicted on a serious criminal charge in the most recent election ($t$). The outcome, in turn, is a function of a measure of prior electoral performance ($VoteShare_{it-1}$), a binary indicator variable of a candidate's indictment status ($Indicted_{it-1}$) in the previous election, a binary indicator variable of

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[44] There are four primary difficulties: lack of standardized reporting of candidate names; party switching among candidates; redistricting of constituencies, which took place in 2007; and dynastic candidates (whose names are very close to their ancestors).
[45] When one of both of these fields is not filled out or is difficult to decipher, I relied on supplementary information.

candidate incumbency ( *Incumbent$_t$*)*,* and an error term ( $\varepsilon$) that is clustered at the level of the constituency.

Table 2 displays the regression results. I run three models: using state data; national data; and the two datasets pooled together. There is no evidence of a relationship between prior electoral performance and a candidate's criminal status. In fact, the strongest predictor of a candidate's criminal status in *t* is the presence (or absence) of a prior indictment in *t-1*.

**[***INSERT TABLE 2 HERE***]**

A second way of explicitly testing for politically motivated charges is to study differences between incumbent and opposition politicians. If charges are easily manipulated, we might predict that the party in power would manufacture indictments against its political opposition while simultaneously squeezing the judiciary to drop cases against ruling party politicians. To investigate this claim, I examine data from the north Indian state of Bihar, which has the dubious distinction of fielding criminal candidates in elections (not to mention actually voting them into office) with greatest frequency. Table 3 contains information on candidates from Bihar's two most recent elections (2005 and 2010). According to this data, there does not appear to be any systematic pattern of political targeting: candidates from the incumbent party are just as likely as opposition candidates to face serious indictment.

*[INSERT TABLE 3 HERE]*

A final method of testing for politically motivated charges is to explore the timing of when charges are filed against politicians. For instance, if most charges are filed against politicians around elections, this would be suggestive of an underlying political motivation. In their affidavits, candidates are required to disclose the date on which the relevant judicial body has taken cognizance of each pending case. What we would like to know, however, is when the initial charges were filed (since there is typically a lag between the date charges are filed and when a court takes cognizance of a case). In 2006, the Allahabad High Court (which has jurisdiction over Uttar Pradesh, India's most populous state) asked the government to provide information on the criminal records of all sitting politicians in the state. The report, which I obtained from the court, discloses the year in which charges were filed against politicians who had open cases (and is current as of early 2007).[46]

From this data, it is clear that the vast majority of charges against sitting MLAs were not filed in election years: charges filed in an election year account for roughly one-quarter of all charges. While there is an increase in charges filed in 2002 (the most recent election year in the data), there are also a substantial number of cases filed in the years before and after this election.[47] A second interesting finding from this data concerns the pendency of cases: as of 2007, nearly 50 percent of cases against sitting MLAs were at least ten years old (with one case dating back as far as 1968). This reinforces the point made earlier that convictions are few and far between due to inefficiencies in India's judicial system.

## 4.4    Candidate wealth: measurement issues

[46] The government of Uttar Pradesh submitted the report in response to a request from the Allahabad High Court emanating from Criminal Misc. Writ Petition No. 5695 of 2006, *Karan Singh Versus State of U.P. and others*.
[47] Since elections were held early in 2002, it is possible that many charges were actually filed after elections. There was also an increase in charges filed against MPs in 2002, which was not a parliamentary election year. This suggests that the increase is due to other factors.

According to ECI guidelines, candidates must disclose details regarding their financial assets (and liabilities), including those of their spouse and dependents. In the analysis below, I aggregate candidates' movable and immovable assets into an overall indicator of wealth, which is the measure used to capture a candidate's resource base (*Log Candidate Wealth*).[48] It is important to note that, strictly speaking, candidate wealth is a proxy for a candidate's *financial capacity*. We assume that the extent of a candidate's personal wealth is positively associated with networks, social connections, fundraising ability, and overall spending power.

As with the data on criminal charges, there are two concerns with the data on candidate assets: *benami* assets and false reporting. *Benami* assets are those assets an individual lists under the names of friends or family in order to avoid scrutiny. In India, and in many other developing country settings, it is common practice to hide the true identity of the "beneficial owner" of assets (for a variety of financial and legal reasons). The ECI attempts to address this issue by requiring candidates to disclose the assets of their immediate family members, but a candidate could presumably transfer assets to a friend or non-immediate family member to evade this requirement. This is a valid concern.

The issue of false reporting, while not a concern with the criminality data, is very much a concern here. Unlike pending criminal cases, which are a matter of public record and are often reported on in the media, a candidate's financial details are difficult to independently verify. To counteract the possibility of false reporting, the ECI stipulates that furnishing false information is grounds for criminal prosecution or disqualification. In practice, however, it is not clear whether the threat of such punishment is enough to deter false reporting.

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[48] Movable assets include: cash; financial deposits; jewelry; vehicles; other financial instruments such as insurance policies or national saving schemes; securities; and other movable assets (such as the value of claims or interests). Immovable assets encompass several categories: agricultural land; non-agricultural land; commercial and residential buildings; residence (apartment/house); and other immovable assets.

In principle, we are concerned with two types of false reporting: under-reporting and over-reporting. The natural tendency of most skeptics is to assume that candidates regularly under-report the true value of their assets. It is instructive to note, however, that despite the possible incentive to underreport assets, the reported assets of winning candidates are startlingly high. To put this in perspective, the median net worth of a viable candidate is around $50,000 (the median net worth of an MLA is around $70,000), while the median Indian household is worth roughly $1100.[49] This puts the wealth ratio of MLAs to the average Indian household at 63:1. Based on financial disclosures made by members of the U.S. Congress in 2009, the median Member of Congress (combined House and Senate) is worth around $911,500 compared to a median household net worth in the US of nearly $100,000. At 9:1, the wealth ratio of politicians to households in the United States is orders of magnitude smaller than in India.[50]

Second, because candidates are required to file updated affidavits each time they contest elections, we can also examine the growth in re-contesting candidates' assets over time. A civil society analysis of MPs elected in 2004 who decided to re-contest elections in 2009 reported their assets increased, on average, by 289 percent while in office.[51] Such comparisons can be misleading, however, as winners might systematically differ from losers on key dimensions and the decision to re-contest is endogenous. Using a methodologically rigorous research design, Bhavnani (2011) estimates that winning elected office increased an incumbent's assets by 25 percent over five years (or roughly $54,000). He estimates that between 5 and 8 percent of incumbents possess "suspect assets," or assets above and beyond what they could legitimately

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[49] "Viable" here is defined as a candidate who earns at least five percent of the vote.
[50] Data on members of the US Congress is from the Center for Responsive Politics (http://www.opensecrets.org/pfds/index.php).
[51] In comparison, the value of gold (one of the world's fastest appreciating commodities) increased by 131 percent over the same period (Thakur 2011).

earn as legislators. Bhavnani's estimates, while less spectacular that popular claims, do suggest

that not all legislators attempt to cover up evidence of the financial rewards to office.

Third, despite possible incentives to under-report, in recent years there have been several

investigations of high-profile politicians on suspicious of possession of "disproportionate assets."

Authorities have brought disproportionate asset cases against at least six Chief Ministers in

recent years, including Mayawati who enjoyed a 50-fold increase in her wealth between 2003

and 2007.[52]

The high value of assets being reported raises the question of whether candidates actually

have an incentive to *over*, rather than under, report. There are two possible reasons for over-

reporting. First, one could argue that candidates inflate their assets in hopes that their wealth

might act as a deterrent against potential challengers. The timing of the affidavit declarations

(just a few weeks prior to elections) makes this unlikely. At this stage, parties have already

formulated their slate of candidates.

A second possible reason for over-reporting is that candidates believe voters prefer

wealthier candidates. This is unlikely, however, to affect the actual filed affidavit because it is

not at all clear how aware the average voter is of the details of the affidavits. It is more likely

that candidates would seek to exaggerate their financial largesse through clientelism rather than

on candidacy paperwork.[53] Furthermore, grossly exaggerating one's stated financial assets

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[52] Mayawati's self-disclosed personal wealth increased from around Rs. 10 million in 2003 to Rs. 500 million in 2007. She maintains that the dramatic shift is a result of 5 and 10 Rupee (10 and 20 cent) donations from her supporters (*Outlook India* 2010).

[53] There is a third possible reason to over-report one's assets, and that is to cover one's tracks for expected future corruption. If a candidate plans on engaging in corruption in the future, he might seek to overstate his assets so that any future ill-gotten gains will appear as wholly legitimate. While this is possible, this strategy still runs the risk of a "disproportionate assets" investigation if the numbers are too far out of line with what is known about an individual's likely wealth.

invites investigation from the authorities, unflattering media scrutiny, and allegations of corruption and disproportionate assets.

In sum, we cannot rule out the possibility that candidates file false financial disclosures, yet there appear to be few incentives to over-report assets. To the extent candidates provide inaccurate information, it seems the incentives are to under-report.[54] Given the substantial nature of the declarations candidates do make, it appears that there is likely a lower bound on this under-reporting.

## 5. Findings

In this section, I present the results of the empirical analysis. First, I begin with some descriptive statistics on criminality and money in Indian state politics. These descriptive statistics offer suggestive evidence in support of my hypothesis that money and "muscle" are complements, rather than substitutes. To explore this connection further, I use hierarchical linear modeling to identify the correlates of being a candidate facing serious criminal indictment. The results demonstrate that indicted candidates are indeed significantly wealthier than their clean counterparts, even after controlling for a host of individual and constituency-level covariates, as well as unobserved district, state and time variation. Furthermore, the results hold, even after controlling for variables that capture alternative hypotheses emanating from the literature.

## 5.1 Descriptive statistics

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[54] Indeed, an investigation of several prominent politicians' asset declarations found that, if anything, they underreported the market value of their financial assets (Baweja and Khanna 2004).

Summary statistics for all variables used in the analysis can be found in Appendix Table A- 2. To begin our empirical exploration of money and muscle, Figure 2 graphically demonstrates the percentage of candidates under serious indictment according to candidate wealth quintiles. The striking thing about this graphic is the monotonic relationship between criminality and wealth. While only three percent of candidates in the lowest wealth quintile were under indictment, this figure increases in step with wealth—twelve percent of candidates in the top wealth quintile face indictment.

[*INSERT FIGURE 2 HERE*]

Figure 3 presents kernel density plots of (log) candidate wealth by indictment status. There are a large number of candidates who claim to possess no (or very little) personal wealth, which explains the clustering around zero. As for the remaining candidates, indicted candidates possess a clear advantage. The median "clean" candidate has a personal wealth of roughly Rs. 400,000 (almost US$ 9,000), while the median indicted candidate is worth almost Rs. 1.1 million or US$ 24,000.[55] The next section tests whether differences apparent from the descriptive data are confirmed using multivariate regression.

[*INSERT FIGURE 3 HERE*]

**5.2     Model**

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[55] Even if we discard all candidates who report little or no wealth, indicted candidates still have a Rs. 500,000 (or US$ 12,000) advantage.

To more systematically assess the connection between money and muscle, I estimate a multilevel logistic regression model of the following form:

$$\Pr(y_i = 1) = \log it^{-1}(\alpha_j + \delta_k + \chi_m + \beta X_i + \eta C_n) \tag{2}$$

$$\alpha_j = \gamma_0 + \gamma_1 Z_j + U_j \tag{3}$$

$$\delta_k = \phi_0 + U_k \tag{4}$$

$$\chi_m = \varphi_0 + U_m \tag{5}$$

The outcome is a binary indicator of a candidate's indictment status, where a value of 1 indicates the candidate is indicted on serious charges (*Serious Indictment*). $X_i$ is a vector of candidate characteristics and $C_n$ is a vector of constituency characteristics., while $\alpha_j$ are district-level random effects, $\delta_k$ are state-level random effects, and $\chi_m$ is a random effect for the year of the election (to control for any variation over time and because several states in the dataset experienced two elections). The state and year random effects terms are comprised of a baseline intercept and a random error, which is normally distributed with mean 0 and variance $\sigma^2$. The district-level intercepts are modeled as a function of a baseline intercept, a set of district-level variables, and a normally distributed error term.[56]

The overall goal of multilevel modeling is to account for variance in an outcome variable that is measured at the lowest level of analysis by considering information from all levels. Multilevel modeling represents an optimal strategy for addressing the question under study here for a few reasons. First, multilevel modeling allows us to account for individual and group-level variation when estimating group-level coefficients. In understanding candidate selection, we have good theoretical reasons for expecting that district-level predictors, for instance, play a

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[56] I experimented with including a constituency-level random effects parameter but this did not substantively alter the results, so I left it out.

significant role.  In classical regression, it is not possible to include both group-level predictors and group-level random-effects in the same model (Steenbergen and Jones 2002).  Second, unlike classical regression, which treats all observations as independent, multilevel approaches allow researchers to use all the information that is available but have correctly estimated standard errors with clustered data.  This is because multilevel modeling represents a compromise between the two extremes of completely pooling the data and estimating separate models for each group (no pooling).  By "partially pooling" estimates, multilevel modeling considers pooled and unpooled information and weighs that information according to the sample size of the groups and the within and between-group variation (Gelman and Hill 207, 254).

## 5.3 Are Money and Muscle Complements?

In the baseline specification, I regress *Serious Indictment* on *Log Candidate Wealth*, including random effects parameters for states, years and districts.  The results are displayed in Column 1 of Table 4.  Column 2 adds additional candidate controls (*Age, Sex, Log Total Liabilities*).  Column 3 includes a basic set of constituency controls for the size of the electorate (*Log Total Electors*) and the constituency's reservation status*, (SC Constituency, ST Constituency*).[57]

*[INSERT TABLE 4 HERE]*

Across all three models, the coefficient on candidate wealth is positive and strongly significant ($p < .001$).  Because logit coefficients are difficult to interpret, I simulate predicted

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[57] In a companion article, the author finds that criminality is lower in reserved constituencies. In reserved areas, parties will hesitate to field indicted candidates whose popularity rests on catering to these reserved minority groups at the expense of other segments of the electorate.  Doing so risks alienating the non-minority population, who could coordinate their votes against the "criminal" minority candidate.

probabilities to calculate the effect of moving from the 25th to 75th percentile in candidate wealth

on the likelihood of possessing a criminal indictment, holding all other variables at their mean

value.[58]  For a 44 year-old male non-incumbent candidate contesting elections in a general

constituency of average size, an increase in wealth from the 25th to 75th percentile increases the

likelihood of facing serious indictment by 2.6 percent (95% CI: 1.7 to 3.8 percent).

However, the impact of wealth on the likelihood of possessing a serious indictment is sensitive to

the wealth values that one chooses to compare.  Figure 4 provides a sense of the variation.


*[INSERT FIGURE 4 HERE]*

To confirm this relationship is not spurious on account of the large number of candidates

contesting elections who are minor candidates, I re-run the baseline models after limiting the

dataset to those candidates who can plausibly be considered "viable."  This shrinks the dataset

considerably, as two-thirds of all candidates earn less than five percent of the vote, leaving us

with around 15,000 candidates.  However, 60 percent of indicted candidates remain in the dataset

of viables (compared to just 30 percent of the unindicted candidates).

Second, I re-run the model dropping all candidates without party affiliation (e.g.

independents).  In the dataset, independents constitute almost 40 percent of candidates standing

for election, yet they account for less than four percent of eventual winners.  More often than not,

independents are minor candidates.  For example, the average vote share of an independent

candidate is around 2 percent—nearly 10 times smaller than that of national party candidates.[59]

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[58] Continuous covariates are held at the mean, and binary covariates at their mode.
[59] I do not drop independents from the overall analysis because it is often the case that they contest elections with informal party backing.  Parties support independents informally in a variety of situations: where a party factions is dissatisfied with the official party nominee; when there is discord within parties in a coalition; or when a party supports a "dummy candidate" to draw votes away from rival candidates.  In other words, there is often a behind-the-scenes selection process for unaffiliated candidates.

The results when restricting the data to these two smaller subsets are presented in Table 5. Eliminating minor candidates or those without party affiliation does not substantively change the relationship between money and muscle. In the following sections, I address whether this relationship holds in the face of alternative explanations.

[*INSERT TABLE 5 HERE*]

## 5.4 Information and accountability

Several recent contributions to the political selection literature suggest that voters might support bad politicians if they lack adequate information about candidate quality and, thus, cannot identify politicians who are/are not fit to serve as representatives (Besley 2005, 2006). If information breeds accountability and voters lack information, their ability to hold politicians to account will be limited. If we assume that parties incur a reputational cost if they field a criminal candidate, parties might only select such candidates where a large proportion of voters are uninformed. Indeed, the only other quantitative analysis of the political selection of criminal candidates in India explicitly invokes this argument to suggest that parties are more likely to list criminals in areas where there is a high percentage of uninformed voters (Aidt, Golden and Tiwari 2011).[60] To control for the information environment of a constituency, I rely on three measures, all of which are available at the district-level: the literacy rate (*Literacy*), and the percentage of households in the district with access to radio or access to television (*Percent Radio* and *Percent TV*, respectively). Another way of conceptualizing the electorate's level of

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[60] The authors argue that, "putting a criminal on the list is risky because informed voters are likely to take this into account and to penalize the party as a result." Uninformed citizens, however, "lack the cognitive skills, information or the capacity to evaluate political choices in light of their own preferences."

political awareness is to control for the degree of social mobilization in a constituency. To do so, I also control for the lagged value of voter turnout in a constituency (*Prior Turnout*). Columns 1-4 of Table 6 demonstrate that, even after controlling for the information or social mobilization level, the relationship between money and muscle is unaffected.

[*INSERT TABLE 6 HERE*]

## 5.5. Uncertainty and political competition

An alternative explanation of where parties recruit criminal candidates revolves around electoral competition. Indeed, Aidt, Golden and Tiwari (2011) argue that parties will deploy candidates only in low information environments and under "politically extreme" conditions. The logic is that parties will only be willing to take a risk on fielding a candidate associated with criminality only in highly competitive races when their backs are against a wall. When uncertainty is high, parties may calculate that the benefits outweigh the potential costs associated with sponsoring a "tainted" candidate.[61] To proxy for the degree of uncertainty, I use two measures: the lagged margin of victory in a given electoral constituency (on the assumption that close elections in *t-1* serve as a signal for parties about the competitive environment in time *t*) (*Prior Margin*); and the number of viable candidates contesting elections in time *t* (*Prior Viable Count*). Columns 5 and 6 of Table 6 display the regression results, and it is clear that controlling for uncertainty does not affect the core result.

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[61] For instance, Galasso and Nannicini (2011) devise a formal model in which parties allocate "expert" (competent) and "loyal" (less competent) candidates across electoral districts. Their model predicts that parties will allocate expert candidates in electorally contestable districts because they have the greatest chance of wooing swing voters. The authors confirm their predictions with empirical evidence from the Italian parliament.

**5.6 Incumbency effects**

One obvious driver of party demand for indicted candidates is incumbency. If certain constituencies are either personal or partisan strongholds, this is likely to influence a party's selection calculus. If the constituency is an indicted candidate's stronghold, he is already entrenched in the local power structure and thus, it is no surprise if a party continues to support him. If the constituency is a core constituency for the party, parties might not hesitate to field an indicted candidate because voters are electing parties rather than candidates—rendering the identity of the candidate irrelevant.[62] Although incumbency is not predictive of electoral success in India (due to incumbency *disadvantage*), it could still influence candidate selection. To control for both personal and party incumbency, I construct two indicator variables (*Incumbent* and *Party Incumbency*). Columns 7 and 8 of Table 6 indicate that, even after controlling for incumbency factors, the relationship between money and muscle is robust.

**6       Robustness**

In the following section, I run a series of robustness tests to assess the sensitivity of the primary finding of this paper. I proceed along several tracks, including by adding covariates; employing alternate definitions of money and criminality; dropping outliers; and re-running the analysis using data from national-level parliamentary candidates.

**6.1     Additional candidate controls**

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[62] For instance, Keefer and Khemani (2009) find that in partisan strongholds Indian legislators often exert less effort to deliver pork barrel to their constituencies because there is little incentive to cultivate a personal vote (the effect disappears in candidate strongholds). By the same logic, in party strongholds, the party might have less incentive to field a high-quality candidate.

I first assess the robustness of my findings by re-running the analysis with a set of

additional candidate covariates. Namely, I control for a candidate's education (*Education*) and

willingness to submit his income tax ID number to election authorities (*PAN*).[63]  Additionally, I

also control for partisan affiliation because different parties might use different criteria for

selection. I do this in two ways—by controlling for the classification of a candidate's political

party type (*National*; *State*; *Unregistered*; with *Independent* as the reference category) as well as

controlling for his affiliation with one of the six, major national political parties (*BJP, BSP, CPI,*

*CPM, INC, NCP*).  Controlling for additional candidate-level covariates does not alter the link

between money and muscle (Table 7)


[*INSERT TABLE 7 HERE*]


## 6.2    Alternative measures of criminality

The outcome variable I use throughout this analysis is a binary indicator of whether a

candidate is indicted on a "serious" charge. The classification of "serious" versus "frivolous"

charges involves making a subjective distinction between charges that can be construed as

plausibly politically motivated and those that appear to be unrelated to a politician's vocation

*and* of a serious nature. To test whether my results are sensitive to a particular definition of

criminality, I consider three alternative measures. The first is a binary measure (*Heinous*

*Indictment*) of whether a candidate is indicted on a "heinous" charge, as defined by India's

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[63] *Education* is not included in the baseline regressions due to the large amount of missing data. A candidate's
unique income tax id is known as a Permanent Account Number (*PAN*). Every Indian is required to have a PAN in
order to execute most official financial transactions, including paying taxes. Candidates are required to disclose
their PAN number (if they have one) as part of their affidavit submissions.

leading independent electoral watchdog, the Association for Democratic Reforms (ADR).[64] The

second is a binary measure of whether a candidate is indicted on at least one charge that would

warrant a jail term of up to five years (if convicted) (*Five Years*). This limits the scope of

charges to ones of a very serious nature given the stiff penalties associated with them. The third

is a binary indicator of whether a candidate is charged with a serious crime *and* faces multiple

ongoing indictments (*Multiple Indictments*).[65] Columns 1-3 of Table 8 contain the regression

results, indicating that irrespective of the definition of "criminality," money remains a strong

predictor of an indicted candidate.


[*INSERT TABLE 8 HERE*]


## 6.3    Crime incidence

One possible explanation for the motivations of parties to recruit indicted candidates

could be related to local factors that are responsible for greater criminal activity, in general. In

other words, where society is more criminalized, it might not be surprising to observe greater

numbers of criminals involved in politics. Unfortunately, Indian crime statistics are notoriously

unreliable because local authorities have incentives to underreport the true incidence of crime.

However, one of the few measures that scholars believe is reasonably reliable is the murder rate

because murders, unlike other types of crime, are difficult to conceal—and thus, to underreport

(Wilkinson 2008). To control for the level of local crime incidence, I control for the per capita

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[64] Because ADR's definition of a "heinous" charge includes charges I believe are minor (such as the public singing of obscene songs under IPC 294) or possibly politically motivated, I choose not to adopt their classification throughout the analysis.
[65] Of the 2,814 candidates indicted on serious charges, 1,529 or 54 percent of them face a single criminal indictment. Under this alternative measure, I treat the latter candidates as "clean."

murder rate (*Murders per capita*), which is available at the district level. The results are unaffected (see Column 4 of Table 8).

## 6.4    Alternative measures of wealth

Thus far, to measure a candidate's wealth, I have relied on an aggregate measure of a candidate's assets. Yet, candidates provide much more detail on their assets in their affidavit disclosures. As a first step in distinguishing what type of wealth criminal candidates are likely to possess, I disaggregate wealth into its two primary components, *Movable* and *Immovable Assets*. When we re-run the analysis on these two wealth components separately, we find that while both variables are positive and significant, the coefficient on the *Movable Assets* variable is twice as strong (Table 9). This stronger relationship between criminal candidates and movable assets is in sync with our argument that stresses criminal candidates' advantage in accessing liquid financial resources that could be harnessed for the purposes of an electoral campaign.[66]

[*INSERT TABLE 9 HERE*]

## 6.5    Dropping states

I experiment with two methods of dropping states to check robustness. The first method is to run several iterations of the baseline regression, each time dropping one state from the analysis to see if a blatant outlier is driving the overall results. There is no evidence that any one state is driving the results (results not reported here). The second method is to discard those states that exhibit the greatest prevalence of criminal candidates. In particular, we might be

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[66] Appendix Table A-4 parses the data even further, examining differences among each sub-class of movable and immovable assets separately to identify what specific assets are likely to be associated with an indicted candidate.

concerned that a small number of states located in the Hindi Belt of north India—known as the BIMARU states (Bihar, Madhya Pradesh, Rajasthan, Uttar Pradesh)— might be driving the overall results as they boast among the highest rates of criminal candidacy. I drop these four states from the dataset (plus the three new states of Chhattisgarh, Jharkhand, and Uttarakhand, which were carved out from these larger entities in 2000), yet the results do not change (results not reported here).

## 6.6    Member of Parliament candidate data

Thus far, this paper has examined the proposition that financial capacity is central to understanding the incentives of parties to recruit candidates with criminal reputations using data on the universe of state legislative candidates over a six-year period. But criminality among India's politicians is an issue at the state as well as the national levels. In fact, if parties are motivated to field indicted candidates on account of their financial capacity, this motivation is likely to be felt even more acutely in national elections, where constituencies are larger; elections are costlier; and the rewards to office are arguably greater. Therefore, if there is truly a strong connection between money and muscle, we should be able to replicate our results using data on candidates to national parliamentary office.

As a final robustness test, I analyze data from the 2004 and 2009 Indian national elections to assess whether the model of candidate selection presented here using state elections is confirmed when using national level data. This is "out-of-sample" test in that we have tested our model using state-level data and now want to see whether our model of money and muscle travels, when using an entirely different dataset of candidates to national office. The format of the affidavits submitted by parliamentary candidates is identical to that of state legislative

candidates, facilitating an easy comparison of the two classes of candidates. The results, graphically depicted in Figure 5, strongly reaffirm the connection between money and muscle.


[*INSERT FIGURE 5 HERE*]


7.      **Conclusions**

This paper uses unique data on the near universe of candidates contesting regional elections in India to examine the puzzle of why parties nominate politicians with criminal records. Despite the growing chorus of voices within India commenting on the growth of criminality in electoral politics, there have been surprisingly few empirical studies examining the issue. Building on a strand of the political selection literature which argues that parties recruit "bad politicians" due to a rent-seeking motivation, this paper puts forward the hypothesis that the allure of candidates with criminal records is linked, at least in part, to their personal financial capacity. Using data on more than 45,000 state legislative candidates seeking office between 2003 and 2009, I find that there is a robust, positive association between a candidate's criminal status and his financial assets. Money is very clearly linked to "muscle."

This paper also tests competing explanations offered by the broader literature and finds that the connection between money and serious criminality is unaffected, even after controlling for them. It would be wrong, however, to conclude on the basis of evidence put forward in this paper that money is the only motivation parties face when nominating candidates with criminal records. As I point out in the introduction, the connection between money and criminality is, at best, a partial explanation of a party's selection behavior. A criminal candidate's ability to self-finance elections and subsidize party activities tells us something about *why* parties might be

attracted to candidates with criminal records, though if this were the only consideration, we would expect parties to field criminal candidates in every constituency across India. This is clearly not the case.

In a companion paper on the political selection of criminal candidates, I argue that a party's decision on *where* to field an indicted candidate is shaped by considerations about caste politics. Ethnographic evidence of criminality in Indian politics suggests that criminal candidates are often valuable for their caste or communal *bona fides*, which allows them to curry favor with communities vying for local dominance. Using affidavit data, Vaishnav (2011a) demonstrates that there is significantly less criminality in reserved constituencies, where caste cleavages are less salient and concerns over dominance are muted. In these areas, candidates share the same ethnic background but voters are largely non co-ethnics, creating disincentives for parties to mobilize by making explicit caste-based appeals. Furthermore, there is also markedly less criminality in the indirectly-elected upper house of India's parliament (Rajya Sabha) compared to the popularly elected lower house (Lok Sabha)—a difference related to the weak incentive to engage in caste politics in elections where candidates to not face a popular electorate.

To the extent money does play a role in understanding criminal candidacy, however, it highlights our lack of understanding of how exactly parties finance elections in the developing world. Election finance—both its methods and sources—is an issue that has great relevance for ho politics functions in old and new democracies. Yet one key difference between the developed and the developing worlds is the alleged role that illicit election funds play in the latter. In developed democracies, there are well-established systems of monitoring and accounting for election finance and for prosecuting those involved in alleged improprieties. In developing

countries, however, scholars and observers have widely reported that illicit campaign finance expenditures often dwarf legal flows (Kupferschmidt 2009; Gingerich 2010).  While there is a great deal of anecdotal evidence regarding the presence of illicit (or "black") money in elections in developing countries, we still have a limited understanding of the mix of options at a party's disposal and under what conditions parties invest in certain strategies.

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**Table 1: Modal criminal charges faced by candidates**

*(a) Serious charges*

| IPC section | Violation | Category | Frequency | Percent |
|---|---|---|---|---|
| 341 | Wrongfully restraining any person | Human body | 973 | 16.6 |
| 353 | Assault or use of criminal force to deter a public servant from discharge of his duty. | Human body | 868 | 14.8 |
| 307 | Attempt to murder | Human body | 583 | 10.0 |
| 342 | Wrongful confinement | Human body | 288 | 4.9 |
| 379 | Theft | Property | 288 | 4.9 |

*(b) Frivolous charges*

| IPC section | Violation | Category | Frequency | Percent |
|---|---|---|---|---|
| 147 | Rioting | Public tranquility | 1775 | 12.1 |
| 323 | Voluntarily causing hurt | Human body | 1329 | 9.1 |
| 149 | Unlawful assembly | Public tranquility | 1150 | 7.8 |
| 148 | Rioting armed with a deadly weapon | Public tranquility | 1123 | 7.7 |
| 506 | Criminal intimidation | Intimidation | 1007 | 6.9 |

Note: The percent column refers to the share of a particular violation in relation to the specific class of charges (serious/frivolous).

**Table 2: Are cases politically motivated?**

| DV: Serious Indictment | -1<br>Assembly | -2<br>National | -3<br>Pooled |
|---|---|---|---|
| Indicted (t-1) | 1.28 | 3.19 | 2.19 |
| | [5.04]*** | [12.69]*** | [13.01]*** |
| Vote Share (t-1) | 0.83 | 0.59 | 0.59 |
| | [1.27] | [0.62] | [1.12] |
| Incumbent | -0.17 | -0.56 | -0.27 |
| | [0.68] | [1.28] | [1.21] |
| Constant | -2.71 | -2.69 | -2.67 |
| | [13.13]*** | [11.07]*** | [17.61]*** |
| | | | |
| Observations | 1209 | 742 | 1951 |
| Pseudo R-squared | 0.03 | 0.27 | 0.12 |

Note: * significant at 10%; ** significant at 5%; *** significant at 1%. Robust z statistics in brackets. Standard errors are clustered at the constituency level. Column (1) uses data from MLA candidates. Column (2) uses data from MP candidates. Column (3) pools MLA and MP candidates. All models estimated using logit. Outcome is a binary indicator of whether a candidate is under serious indictment.

**Table 3: Are opposition parties disproportionately targeted?**

| % MLA candidates indicted | 2005 | 2010 |
|---|---|---|
| BJP | 37 | **39** |
| JD(U) | 23 | **35** |
| LJP | 25 | 35 |
| RJD | **24** | 29 |
| INC | 22 | 19 |

Note: Percentage of MLA candidates facing serious indictment prior to the November 2005 and 2010 elections. Ruling parties heading into elections in **bold** typeface.

**Table 4: Are money and muscle complements?**

| DV: | -1<br>Serious indictment | -2<br>Serious indictment | -3<br>Serious indictment |
|---|---|---|---|
| (Intercept) | -4.95 | -5.55 | -6.15 |
| | [-18.01]*** | [-19.59]*** | [-6.31]*** |
| log_wealth | 0.14 | 0.13 | 0.13 |
| | [20.7]*** | [17.48]*** | [17.10]*** |
| age_iec | | -0.01 | -0.01 |
| | | [-3.12]** | [-3.13]** |
| sex | | 0.95 | 0.93 |
| | | [8.20]*** | [7.95]*** |
| log_total_liabilities | | 0.03 | 0.03 |
| | | [7.08]*** | [6.94]*** |
| log_tot_electors | | | 0.07 |
| | | | [0.88] |
| sc_constituency | | | -0.42 |
| | | | [-5.77]*** |
| st_constituency | | | -0.38 |
| | | | [-3.73]*** |
| $\sigma_{district}$ | 0.47 | 0.47 | 0.47 |
| $\sigma_{state}$ | 0.78 | 0.71 | 0.62 |
| $\sigma_{year}$ | 0.53 | 0.47 | 0.44 |
| Obs | 43519 | 41578 | 41578 |
| AIC | 18977 | 18145 | 18102 |
| BIC | 19021 | 18214 | 18197 |
| logLik | -9484 | -9064 | -9040 |
| deviance | 18967 | 18129 | 18080 |

Note: *** significant at the .001 level; ** significant at the .01 level.   Robust z statistics in brackets.  Outcome is a binary indicator of whether a candidate is under serious indictment.  All models are multilevel logisic regressions with random effects parameters for states, districts and years.

**Table 5: Restricting the dataset to viable and party-affiliated candidates**

| | -1 | -2 |
|---|---|---|
| DV: | Serious indictment | Serious indictment |
| *Subset:* | *Only viables* | *Drop independents* |
| | | |
| (Intercept) | -6.07 | -5.98 |
| | [-5.54]*** | [-5.50]*** |
| log_wealth | 0.11 | 0.12 |
| | [12.85]*** | [14.07]*** |
| age_iec | -0.01 | -0.01 |
| | [-4.34]*** | [-3.62]*** |
| sex | 1.04 | 1.05 |
| | [7.73]*** | [7.97]*** |
| log_total_liabilities | 0.01 | 0.01 |
| | [2.65]** | [2.98]** |
| log_tot_electors | 0.11 | 0.09 |
| | [1.18] | [0.96] |
| sc_constituency | -0.51 | -0.48 |
| | [-6.08]*** | [-5.94]*** |
| st_constituency | -0.49 | -0.46 |
| | [-4.08]*** | [-3.96]*** |
| | | |
| $\sigma_{district}$ | 0.47 | 0.47 |
| $\sigma_{state}$ | 0.61 | 0.63 |
| $\sigma_{year}$ | 0.42 | 0.44 |
| | | |
| Obs | 23545 | 25391 |
| AIC | 12323 | 13057 |
| BIC | 12436 | 13147 |
| logLik | -6148 | -6518 |
| deviance | 12295 | 13035 |

Note: *** significant at the .001 level; ** significant at the .01 level.  Robust z statistics in brackets. Outcome is a binary indicator of whether a candidate is under serious indictment.  All models are multilevel logisic regressions with random effects parameters for states, districts and years.  Column (1) uses a subset of "viable" candidates; and Column (2) uses a subset of party-affiliated candidates.

**Table 6: Controlling for alternative explanations**

| DV: | -1 Serious indictment | -2 Serious indictment | -3 Serious indictment | -4 Serious indictment | -5 Serious indictment | -6 Serious indictment | -7 Serious indictment | -8 Serious indictment |
|---|---|---|---|---|---|---|---|---|
| (Intercept) | -6.65 [-6.55]*** | -6.21 [-6.27]*** | -6.13 [-6.25]*** | -6.71 [-6.04] | -6.22 [-6.32]*** | -6.23 [-6.30]*** | -6.26 [-6.42]*** | -6.04 [-6.15]*** |
| log_wealth | 0.13 [17.03]*** | 0.13 [17.10]*** | 0.13 [17.08]*** | 0.13 [16.89]*** | 0.13 [16.86]*** | 0.12 [15.41]*** | 0.12 [15.74]*** | 0.12 [15.85]*** |
| literacy_rate | 0.74 [1.94]^ | | | | | | | |
| percent_radio | | 0.16 [0.39] | | | | | | |
| percent_television | | | 0.21 [0.85] | | | | | |
| prior_turnout | | | | 0.30 [.94] | | | | |
| prior_margin | | | | | -0.06 [-0.23] | | | |
| prior_viable_count | | | | | | -0.02 [-0.71] | | |
| incumbent | | | | | | | 0.64 [10.09]*** | |
| party_incumbency | | | | | | | | 0.41 [6.83]*** |
| $\sigma_{district}$ | 0.47 | 0.47 | 0.47 | 0.47 | 0.47 | 0.48 | 0.47 | 0.48 |
| $\sigma_{state}$ | 0.63 | 0.62 | 0.64 | 0.60 | 0.60 | 0.59 | 0.61 | 0.60 |
| $\sigma_{year}$ | 0.46 | 0.44 | 0.45 | 0.43 | 0.43 | 0.42 | 0.44 | 0.43 |
| Obs | 41578 | 41578 | 41578 | 38586 | 38586 | 38586 | 41578 | 39569 |
| AIC | 18100 | 18104 | 18103 | 17106 | 17107 | 17020 | 18011 | 17492 |
| BIC | 18204 | 18207 | 18207 | 17209 | 17209 | 17149 | 18114 | 17595 |
| logLik | -9038 | -9040 | -9040 | -8541 | -8541 | -8495 | -8993 | -8734 |
| deviance | 18076 | 18080 | 18079 | 17082 | 17083 | 16990 | 17987 | 17468 |

Note: *** significant at the .001 level; ** significant at the .01 level.; ^ significant at the .10 level. Robust z statistics in brackets. Outcome is a binary indicator of whether a candidate is under serious indictment. All models are multilevel logisic regressions with random effects parameters for states, districts and years. All models include controls for age, sex, log financial liabilities, log total electors, and dummies for SC and ST constituencies. Column (1) uses a subset of "viable" candidates; and Column (2) uses a subset of party-affiliated candidates.

**Table 7: Additional candidate-level controls**

| DV: | -1 Serious indictment | -2 Serious indictment | -3 Serious indictment | -4 Serious indictment |
|---|---|---|---|---|
| (Intercept) | -7.08 | -5.98 | -6.86 | -6.08 |
| | [-6.66]*** | [-6.08]*** | [-6.96]*** | [-6.16]*** |
| log_wealth | 0.10 | 0.11 | 0.10 | 0.11 |
| | [8.76]*** | [13.72]*** | [13.39]*** | [14.31]*** |
| education_level | 0.00 | | | |
| | [0.62] | | | |
| PAN | | 0.27 | | |
| | | [4.95]*** | | |
| national_party | | | 0.80 | |
| | | | [13.31]*** | |
| state_party | | | 0.90 | |
| | | | [14.31]*** | |
| unrecognized_party | | | 0.25 | |
| | | | [3.25]** | |
| inc_party | | | | 0.21 |
| | | | | [2.83]** |
| bjp_party | | | | 0.55 |
| | | | | [7.81]*** |
| bsp_party | | | | 0.13 |
| | | | | [1.70]^ |
| ncp_party | | | | 0.04 |
| | | | | [0.24] |
| cpi_party | | | | 0.81 |
| | | | | [4.31]*** |
| cpm_party | | | | 1.60 |
| | | | | [12.14]*** |
| $\sigma_{district}$ | 0.44 | 0.48 | 0.49 | 0.48 |
| $\sigma_{state}$ | 0.58 | 0.59 | 0.57 | 0.60 |
| $\sigma_{year}$ | 0.42 | 0.43 | 0.41 | 0.42 |
| Obs | 24884 | 38586 | 38586 | 39569 |
| AIC | 12255 | 16997 | 16758 | 17282 |
| BIC | 12377 | 17125 | 16903 | 17445 |
| logLik | -6112 | -8483 | -8362 | -8622 |
| deviance | 12225 | 16967 | 16724 | 17244 |

Note: *** significant at the .001 level; ** significant at the .01 level.; ^ significant at the .10 level.  Robust z statistics in brackets. Outcome is a binary indicator of whether a candidate is under serious indictment.  All models are multilevel logisic regressions with random effects parameters for states, districts and years.  All models include controls for age, sex, log financial liabilities, log total electors, and dummies for SC and ST constituencies.

**Table 8: Alternate criminality measures and crime incidence**

| DV | -1 Heinous charge | -2 Five years | -3 Multiple indictment | -4 Serious indictment |
|---|---|---|---|---|
| (Intercept) | -7.19 | -7.22 | -9.90 | -6.02 |
| | [-7.20]*** | [-7.09]*** | [-7.49]*** | [-5.91]*** |
| log_wealth | 0.13 | 0.14 | 0.14 | 0.12 |
| | [14.84]*** | [14.56]*** | [12.20]*** | [15.38]*** |
| murderpc | | | | -1.59 |
| | | | | [-0.74] |
| | | | | |
| $\sigma_{district}$ | 0.39 | 0.41 | 0.55 | 0.48 |
| $\sigma_{state}$ | 0.51 | 0.45 | 0.70 | 0.59 |
| $\sigma_{year}$ | 0.42 | 0.43 | 0.48 | 0.43 |
| | | | | |
| Obs | 38586 | 38586 | 38586 | 38388 |
| AIC | 14946 | 13002 | 9396 | 16962 |
| BIC | 15066 | 13122 | 9516 | 17090 |
| logLik | -7459 | -6487 | -4684 | -8466 |
| deviance | 14918 | 12974 | 9368 | 16932 |

Note: *** significant at the .001 level; ** significant at the .01 level.  Robust z statistics in brackets.  Outcome variable in Column (1) is a binary indicator of whether a candidate is indicted on a heinous charge. The outcome variable in Column (1) is a binary indicator of a candidate's indictment status on a heinous charge.  The outcome variable in Column (2) is a binary indicator of a candidate's indictment status on a charge punishable by up to 5 years in prison, if convicted.  The outcome variable is Column (3) is a binary indicator of whether a candidate is indicted on serious charges and has multiple pending cases.  The outcome variable in Column (4) is a binary indicator of whether a candidate is under serious indictment.  All models are multilevel logisic regressions with random effects parameters for states, districts and years.  All models include controls for age, sex, log financial liabilities, log total electors, and dummies for SC and ST constituencies.

**Table 9: Movable and immovable assets**

| DV | -1<br>Serious indictment | -2<br>Serious indictment |
|---|---|---|
| (Intercept) | -6.27<br>[-6.38]*** | -5.53<br>[-5.48]*** |
| log_total_movable_asset | 0.11<br>[15.07]*** | |
| log_total_immovable_asset | | 0.05<br>[11.47]*** |
| | | |
| $\sigma_{district}$ | 0.49 | 0.53 |
| $\sigma_{state}$ | 0.57 | 0.56 |
| $\sigma_{year}$ | 0.43 | 0.44 |
| | | |
| Obs | 38186 | 35923 |
| AIC | 16883 | 16215 |
| BIC | 17002 | 16334 |
| logLik | -8427 | -8094 |
| deviance | 16855 | 16187 |

Note: *** significant at the .001 level. Robust z statistics in brackets. Outcome variable in Column (1) is a binary indicator of whether a candidate is under serious indictment. All models are multilevel logisic regressions with random effects parameters for states, districts and years. All models include controls for age, sex, log financial liabilities, log total electors, and dummies for SC and ST constituencies.

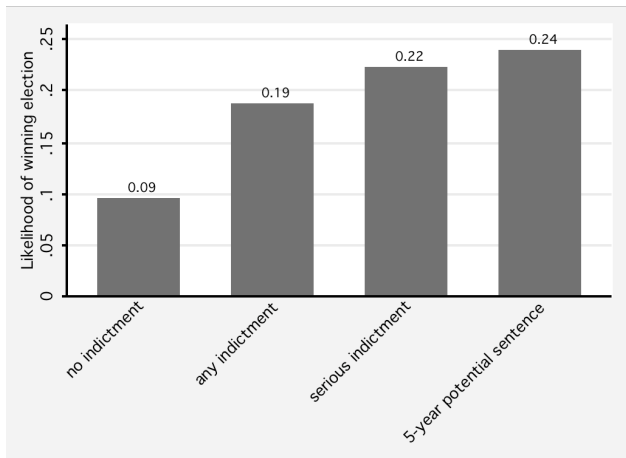**Figure 1: Likelihood of winning election, by indictment status**



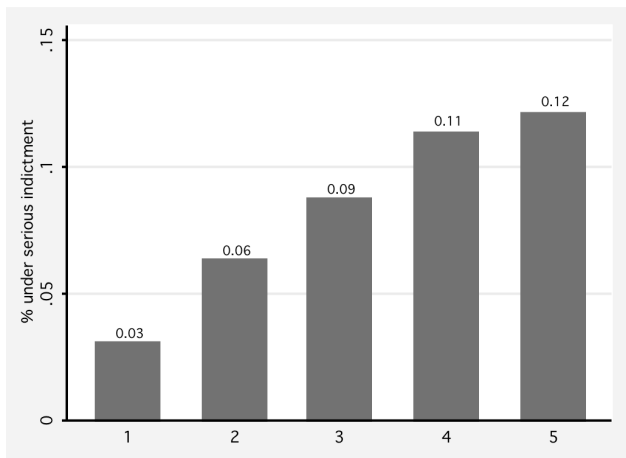**Figure 2: Percentage of candidates under serious indictment, by candidate wealth quintiles**



**Figure 3: Kernel density plots of candidate wealth, by indictment status**
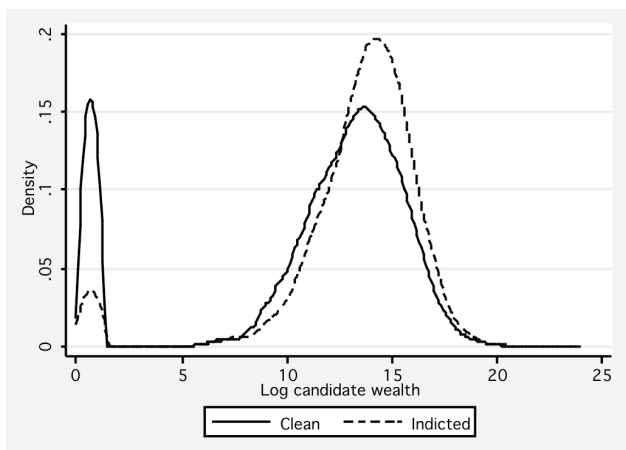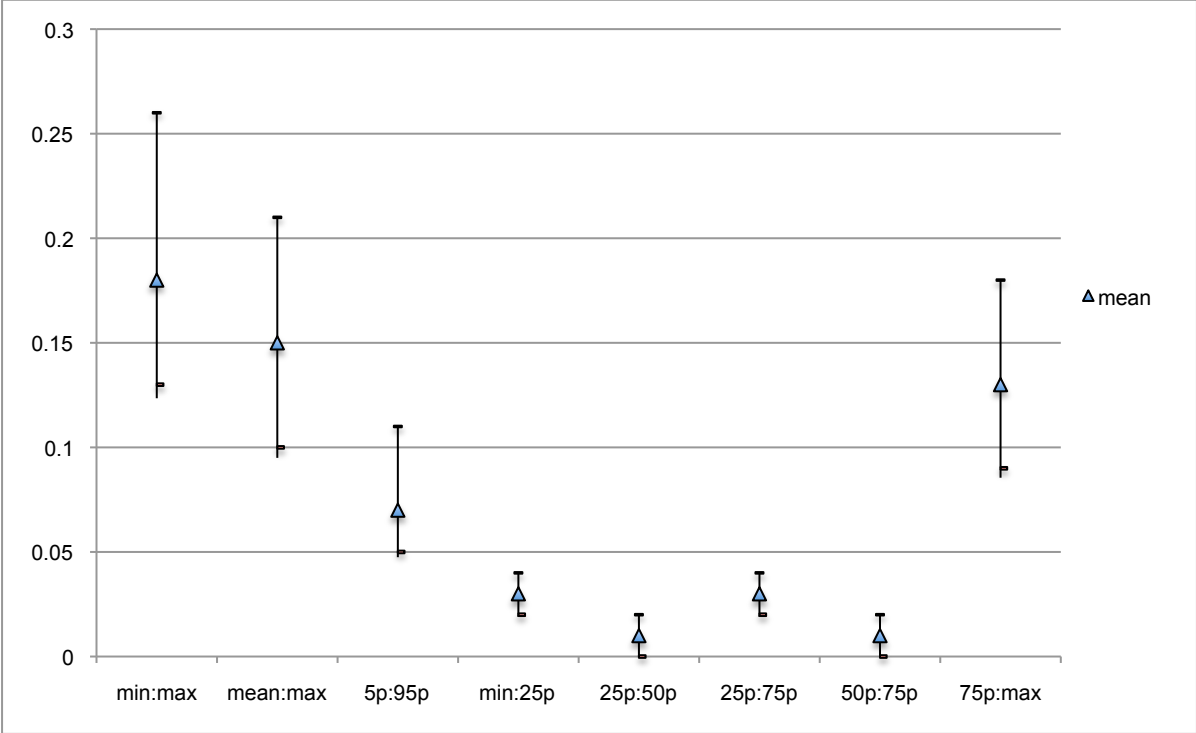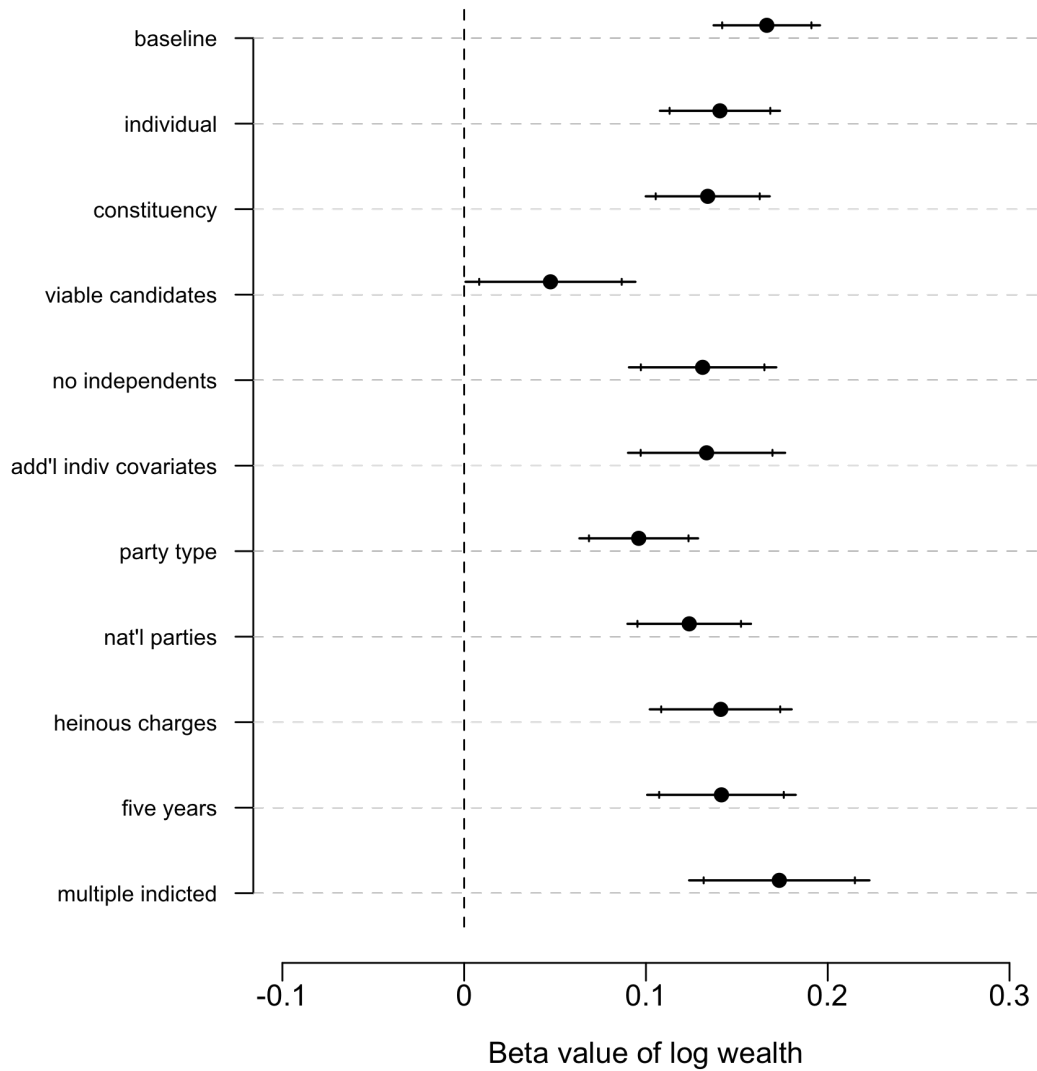
**Figure 4: Simulating predicted probabilities of changes in wealth on criminality status**



Note: Each bar represents the 95 percent confidence interval of the first difference in expected values [E(Y|X1)-E(Y|X)] from 1000 simulations. The small triangle represents the mean difference. Each simulation holds all continuous covariates at the mean value and binary covariates at the mode.

**Figure 5: Coefficient on candidate wealth variable from multilevel logistic regressions using parliamentary candidate dataset**



Beta value of log wealth

Note: Each dot represents the point estimate on the log wealth variable from a unique multilevel regression. The horizontal lines represent 95% confidence intervals, whereas the vertical tick marks represent 90% CI. The outcome variable is a binary indicator of whether a candidate is indicted on a serious charge (*Serious Indictment*). All models include constituency, state and year random effects terms.

# Appendix A-1: Sample affidavit

Constituency: **Alwar Urban**    District: **ALWAR**   Election Year: **2008**   State: **Rajasthan**

| | |
|---|---|
| **Candidate Name** | : **Banwari Lal Singhal** |
| **Party** | : Bharatiya Janata Party (BJP) |
| **Age** | : 43 |
| **Gender** | : Male |
| **Education Status** | : Under Graduate |
| **Address** | : 17A, MotiDungri ,Alwar |
| **District** | : Alwar |
| **Father's Name** | : Harish chand jain |

| **Movable Assets** | |
|---|---|
| Cash | 110,000 |
| Deposit in Banks, Financial Institutions and Non-Banking Financial Companies | 119,514 |
| Bonds, Debentures and shares in companies | 375,000 |
| Other Financial Instruments NSS, Postal Savings, LIC, Policies etc | 72,260 |
| Other assets, such as values of claims/ interests | 21,994 |
| Vehicle | 641,573 |
| Jewellery | 438,000 |
| | **Total : Rs. 1,778,341** |

| **Immovable Assets** | |
|---|---|
| Agricultural Land | 1,180,000 |
| Buildings (commercial and residential) | 2,284,140 |
| Others | 21,000 |
| | **Total : Rs. 3,485,140** |

| **Liabilities** | |
|---|---|
| | |
| Loan from Banks | 1,552,063 |
| | **Total : Rs. 1,552,063** |

| **PAN Available** |
|---|

| **Criminal Charges** | |
|---|---|
| **No of Cases: 2** | |

| IPC Section | Description |
|---|---|
| 420 | Cheating and dishonestly inducing delivery of property |
| 467 | Forgery of valuable security, will, etc. |
| 468 | Forgery for purpose of cheating |
| 471 | Using as genuine a forged document or electronic record |

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**Appendix A-2: Summary statistics**

| Variable | Obs | Mean | Std. Dev. | Min | Max |
|---|---|---|---|---|---|
| Serious Indictment | 46739 | 0.06 | 0.24 | 0 | 1 |
| Five Years | 46739 | 0.04 | 0.20 | 0 | 1 |
| Murders Per Capita | 46510 | 0.03 | 0.02 | 0 | 0.17 |
| Heinous Charge | 46739 | 0.05 | 0.22 | 0 | 1 |
| Multiple Indictment | 46739 | 0.03 | 0.16 | 0 | 1 |
| Log Immovable Assets | 40054 | 9.31 | 6.62 | 0 | 23.34 |
| Log Movable Assets | 42973 | 9.90 | 4.94 | 0 | 23.02 |
| Log Wealth | 43529 | 11.44 | 4.97 | 0 | 23.89 |
| Log Total Liabilities | 46739 | 4.01 | 5.14 | 0 | 20.80 |
| Age | 43985 | 43.95 | 11.00 | 21 | 93 |
| Sex | 46739 | 0.93 | 0.25 | 0 | 1 |
| Viable | 46739 | 0.33 | 0.47 | 0 | 1 |
| SC Constituency | 46739 | 0.14 | 0.34 | 0 | 1 |
| ST Constituency | 46739 | 0.09 | 0.29 | 0 | 1 |
| Log Total Electors | 46739 | 12.02 | 0.58 | 8.04 | 14.28 |
| Percent Radio | 46728 | 0.33 | 0.14 | 0.10 | 0.73 |
| Percent Television | 46728 | 0.32 | 0.20 | 0.01 | 0.82 |
| Literacy Rate | 46728 | 0.65 | 0.12 | 0.30 | 0.97 |
| Prior Turnout | 43191 | 0.64 | 0.11 | 0 | 1.00 |
| Prior Margin | 43191 | 0.11 | 0.10 | 0 | 1 |
| Prior Viable Count | 43191 | 3.19 | 1.08 | 1 | 8 |
| Incumbent | 46739 | 0.08 | 0.27 | 0 | 1 |
| Party Incumbency | 44380 | 0.11 | 0.31 | 0 | 1 |
| National Party | 46739 | 0.28 | 0.45 | 0 | 1 |
| State Party | 46739 | 0.17 | 0.38 | 0 | 1 |
| Unrecognized Party | 46739 | 0.16 | 0.37 | 0 | 1 |
| Independent | 46739 | 0.39 | 0.49 | 0 | 1 |
| INC Party | 46739 | 0.09 | 0.29 | 0 | 1 |
| BJP Party | 46739 | 0.08 | 0.27 | 0 | 1 |
| BSP Party | 46739 | 0.08 | 0.27 | 0 | 1 |
| NCP Party | 46739 | 0.01 | 0.12 | 0 | 1 |
| CPI Party | 46739 | 0.01 | 0.09 | 0 | 1 |
| CPM Party | 46739 | 0.01 | 0.11 | 0 | 1 |
| PAN | 46739 | 0.20 | 0.40 | 0 | 1 |
| Education | 29066 | 5.34 | 3.41 | 0 | 11 |
| Year | 46739 | 2006.32 | 1.86 | 2003 | 2009 |

**Appendix A-3: State elections in the dataset**

| State | Election years |
|---|---|
| Andhra Pradesh | 2004, 2009 |
| Arunachal Pradesh | 2004 |
| Bihar | 2005 (November) |
| Chhattisgarh | 2003, 2008 |
| Delhi | 2003, 2008 |
| Goa | 2007 |
| Gujarat | 2007 |
| Haryana | 2005 |
| Himachal Pradesh | 2007 |
| Jharkhand | 2005 |
| Karnataka | 2004, 2008 |
| Kerala | 2006 |
| Madhya Pradesh | 2003, 2008 |
| Maharashtra | 2004 |
| Manipur | 2007 |
| Meghalaya | 2008 |
| Mizoram | 2003, 2008 |
| Nagaland | 2008 |
| Orissa | 2004, 2009 |
| Pondicherry | 2006 |
| Punjab | 2007 |
| Rajasthan | 2008 |
| Sikkim | 2004 |
| Tamil Nadu | 2006 |
| Tripura | 2008 |
| Uttar Pradesh | 2007 |
| Uttarakhand | 2007 |
| West Bengal | 2006 |

Note: There are a few state elections excluded from this dataset due to data that is missing either from the Election Commission of India or the Liberty Institute database. The missing state elections are: Assam, 2006; Bihar, February 2005; Jammu and Kashmir, 2008; and Rajasthan, 2003.

**Appendix A-4: Differences in wealth, by asset sub-class**

| Variable | Indicted | Clean | Diff | t-test | p-value |
|---|---|---|---|---|---|
| *Wealth* | 13.29 | 11.32 | 1.98 | 20.40 | 0 |
| *Movable assets* | 11.70 | 9.78 | 1.92 | 19.81 | 0 |
| Cash | 8.10 | 6.96 | 1.14 | 10.67 | 0 |
| Deposits | 6.58 | 4.74 | 1.84 | 16.13 | 0 |
| Jewelry | 7.58 | 5.74 | 1.83 | 15.41 | 0 |
| Other movable assets | 1.83 | 1.06 | 0.78 | 10.66 | 0 |
| Other financial assets | 0.87 | 0.99 | -0.12 | -1.79 | 0.07 |
| Securities | 2.18 | 1.34 | 0.85 | 10.58 | 0 |
| Vehicle | 2.04 | 1.36 | 0.68 | 8.33 | 0 |
| *Immovable assets* | 11.42 | 9.16 | 2.26 | 16.94 | 0 |
| Agricultural land | 6.85 | 5.02 | 1.84 | 13.24 | 0 |
| Buildings | 2.45 | 2.92 | -0.47 | -4.01 | 0 |
| Non-agricultural land | 3.72 | 2.32 | 1.40 | 12.96 | 0 |
| Other immovable assets | 0.61 | 0.40 | 0.21 | 4.25 | 0 |
| Residence | 5.67 | 3.61 | 2.05 | 16.22 | 0 |

Note: All asset variables are log-transformed.