Development Assistance & Crime-Accused Politicians: Evidence from Indian Elections *

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Abstract

In this paper, we investigate whether financial investments for Development Assistance (DA) programs or projects encourage the candidacy of politicians of poor quality, characterized by criminal and serious crime accusations, including corruption charges. Due to the availability of systematic data, we use the DA projects funded by the World Bank exclusively; however, the findings from this analysis could be applicable to any large programs or projects with substantial financial resources. Employing a linear regression model with multi-way fixed effects, we find weak evidence that World Bank funded DA projects are associated with an increase in the share of first-time candidates facing criminal and serious crime accusations contesting in elections between 2008 and 2015. Further, we expand our investigation to consider other characteristics of candidates, such as their education and net assets, aiming to provide a more comprehensive understanding of the influence of DA funding in a constituency on the quality of political representation. Finally, we employ a sharp regression discontinuity design in close margin elections on the outcome and borrower ratings of the DA projects, but fail to observe a robust relationship between the crime accusation status of narrowly elected legislators and these ratings.

Keywords: World Bank Development Assistance, Foreign Aid, Political Criminalization, Political Selection
JEL Codes: O10, F35, D72, D73

*We express our gratitude to Giacomo De Giorgi, Jérémy Lucchetti, Salvatore Di Falco, Monika Mrázová, and Domenico Tabasso for their helpful feedback and comments. Additionally, we extend our appreciation to the attendees of the Brown Bag Seminars 2024 (Institute of Economics and Econometrics, Geneva School of Economics and Management), the PhD Day Workshop 2024 (Institute of Economics and Econometrics, Geneva School of Economics and Management, and The Geneva Graduate Institute), and the Swiss Society of Economics and Statistics Annual Congress 2024 – for their valuable inputs.

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1 Introduction

The global south has long been grappling with profound socio-economic challenges, predominantly marked by pervasive inequality and prolonged stagnation in growth and development. This situation has led to the initiation of various aid mechanisms aimed at mitigating these pressing issues. In response, numerous organizations, predominantly based in the global north and financed substantially by the countries of the Organization for Economic Cooperation and Development Assistance Committee (OECD-DAC), have directed their financial resources towards regions in need of development assistance. These efforts are part of a broader attempt to facilitate economic progress and social upliftment, not just in terms of temporary relief, but to lay down a sustainable foundation for future growth and equitable development. Sachs (2005) emphasizes the positive role of foreign aid in economic development.

In this paper, we explore the relationship between development programs and criminally accused politicians, with a specific focus on how these large-scale financial inflows might influence the quality of political candidacy in India. We specifically examine the World Bank's Development Assistance (henceforth, DA or WB DA) programs, which have been pivotal in channeling significant amounts of aid to developing countries. World Bank emerged as a pioneering leader in this context, introducing their flagship DA programs. This initiative is designed to provide substantial support for a variety of projects in these countries. The scope of these projects is diverse and includes critical areas such as infrastructure, construction, trade, environmental conservation, education. The choice to focus on WB DA programs was strategically made due to the systematic data availability and the scale of their financial commitments, particularly to India. The annual average of the DA commitments that the World Bank made to India, depicted by Figure A1 in Appendix A.1, underscores the massive scale of these interventions, reinforcing the foundation of our research. This study leverages detailed, publicly accessible data from these programs to analyze the broader implications of substantial financial resources on political representation in emerging democracies. The

findings from Asher and Novosad (2023), which discusses how natural resource rents can influence the selection of corrupt public office holders, suggests that the findings from this paper is driven by the presence of significant financial resources rather than any specific characteristics of the DA programs. This underscores that our focus on World Bank DA projects is just one example among many possible scenarios where magnitude of financial inflows could shape political landscapes, indicating a broader, systemic issue across various types of development aid and public resource management.

However, alongside the potential positive impact of the significant financial infusion from the WB DA projects, skepticism regarding the effectiveness of these projects persists. For instance, substantial investments by the World Bank in the urban development of Kolkata, despite considerable funding and efforts towards institutional reform, have been scrutinized for their high opportunity costs and the creation of institutional enclaves that potentially undermine local institutions (Harris, 1989; Ljung & Zhang, 1989). Berkman (2008) points out the potential misdirection of resources from WB DA projects and Andersen et al. (2022) highlights the systemic issue of aid misappropriation, noting significant increases in bank deposits in offshore financial centers following foreign aid influx, contrasting sharply with other financial centers. On the subject of aid allocation, scholars such as Collier and Dollar (2002) and Carter (2014) discuss strategies that should prioritize governance quality along with poverty levels. Deaton (2013) also emphasizes the need for considering per capita income levels and governance quality in aid distribution, while Bourguignon and Platteau (2022) underscores the intricate balance required between improving governance and managing aid allocation. By exploring the intricate relationships among financial support for development, governance standards, and political representation, this research aims to provide valuable insights that can inform policy and practice in the domain international developmental assistance.

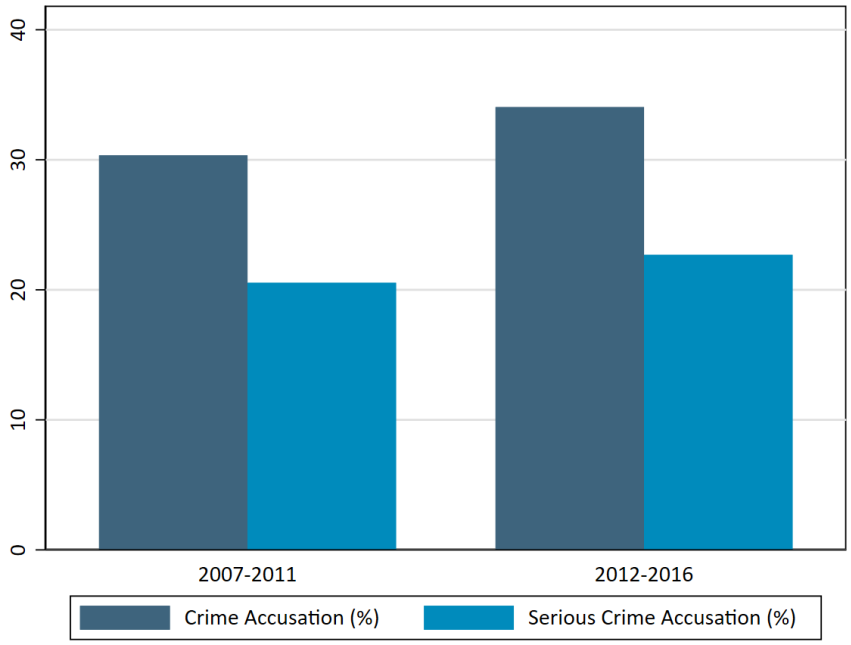
A substantial body of literature highlights the critical role of politicians' quality in the effective implementation of development assistance. As noted by Svensson (2000), finan-

cial corruption can diminish the effectiveness of aid, whereas Burnside and Dollar (2000) argue that aid is more effective in countries with sound fiscal and monetary policies. Feil (2021) identifies a correlation between corruption levels and project performance, suggesting that the corruption levels of recipient countries should be considered during the design and implementation of projects.

The economic impacts of corruption are debated under two contrasting theories: 'Greasing the Wheels' and 'Sanding the Wheels' (Dreher & Gassebner, 2013). The 'Greasing the Wheels' theory posits that corruption can bypass bureaucratic red tape, enhancing efficiency under specific conditions, possibly leading to increased economic activity and reduced crime. Conversely, the 'Sanding the Wheels' theory argues that corruption generally hinders economic activities by corroding institutional integrity. Méon and Weill (2010) suggest that in contexts with weak institutional frameworks, corruption could act as an efficient 'grease.' They observe that in such environments, corruption might be less detrimental to efficiency, with potential positive impacts in settings with extremely ineffective institutions. Similarly, Kato and Sato (2015) find that corruption has positive marginal effects on gross value added per worker and the capital-to-labour ratio in regulated manufacturing sectors of India.

Building on this nuanced foundation, we now explore the political landscape of India, focusing on local electoral processes within state assembly constituencies from 2008 to 2015 — a period marked by significant political and economic shifts, accompanied by an increase in the prevalence of politicians accused of crime and serious crime winning elections.[1]

[1] A serious crime or offense, as defined by the Association for Democratic Reforms (ADR), encompasses any criminal act that satisfies at least one of the following criteria: offenses punishable by a term of five years or more, non-bailable offenses, electoral violations, as well as crimes such as assault, murder, kidnapping, rape, and offenses under the Representation of the People Act and the Prevention of Corruption Act. This definition highlights the gravity of offenses considered severe due to their significant implications for public safety and legal justice.



[a]

Figure 1 Criminally Accused Legislators across Electoral Cycles

[a]Source: Electoral Affidavits, ADR MyNeta Portal.

As shown in Figure 1, comparing the electoral cycles from 2007-2011 and 2012-2016, the proportion of winning candidates in state assembly elections accused of serious offenses rose by 10.47%, while those facing any criminal charges increased by 12.29%. The presence of criminally accused politicians may negatively impact the economy, exacerbating poverty and corruption, as documented in studies like Prakash et al. (2019b) and Chemin (2012). Hence, the increasing criminalisation in Indian politics suggests that it is essential to understand the relationship between the DA projects and the politicians' quality.

In this paper, we pose a critical research question that stands at the intersection of international development assistance and political economy. The question of interest is as follows:

Does the allocation of the WB DA funds influence the participation of poor-quality candidates, characterized by criminal accusations and serious crime accusation (which includes corruption charges), in state elections in India? We highlight that our examination of WB

DA is just one example among many potential scenarios where large financial inflows might impact local political dynamics. The financial infusion associated with these DA projects potentially creates fertile ground for rent-seeking opportunities for politicians in constituencies with these projects.

To address our research question, we investigate whether the presence of active DA projects corresponds to an increased propensity for candidates with criminal backgrounds (specifically those charged with property crimes and serious offenses[2]) to participate in upcoming state election, indicating a potential 'Selection Effect'. Furthermore, we also examine whether the presence of DA projects have any differential impact on the electoral candidate's other characteristics, such as education level, net assets, and demographic characteristics.

To examine the potential effect on entry of politicians with criminal accusation, we employ a linear regression model with multi-way fixed effects as our core empirical strategy. Our methodology is designed to elucidate the selection outcomes by involving a gradual integration of necessary fixed effects into our main specification, a crucial step for addressing potential unobserved heterogeneity. We conduct our analysis at the constituency-year level, focusing on the DA projects before the upcoming election and the characteristics (or, quality) of the candidates contesting the election during the period of 2008-2015. India underwent a delimitation of constituencies in 2008. Therefore, to avoid the bias of reconstruction of constituencies, we restricted our study to the period from 2008 onward.

To mitigate the influence of prior political experience, knowledge, and other incentives that could encourage recontesting, our study focuses specifically on candidates who are contesting for the first time. This approach allows us to more accurately isolate the impact of DA projects on the entry of new candidates with potentially 'crooked' characteristics into politics. We have also extended our analysis to consider all candidates including those who have previously contested elections. Furthermore, we have incorporated the length of time between the implementation of the DA project and the subsequent election into our model to

[2]Serious crimes are defined in more detail in Section 4.2.

examine if extended exposure to these projects influences the likelihood of candidates with criminal accusations contesting elections. These extensions aim to ensure robustness of our main analysis.

We also highlight the importance of the quality of the implementation of these DA projects. To understand whether the criminality of the politician affects the quality of the implementation of the program, we look at the evaluation ratings of the DA project IDs as a proxy for this quality.

Our results present a nuanced understanding of the relationship between Development Assistance (DA) and political representation. Linear regression models without fixed effects (i.e., reduced-form correlation) reveal a strong and positive correlation between the existence of the DA project prior to an election and the criminal accusations against candidates in the upcoming election. A positive correlation of heterogeneous magnitude is also observed for accusations of serious crime, property crime, and violent crime. Furthermore, we find that the presence of a DA project is positively correlated with the level of education, net assets, and age of the candidates, but negatively correlated with the candidate being from SC/ST (Schedule Caste/Schedule Tribe) communities. However, we suspect there may exist unobserved heterogeneities at the state-year, district, and constituency levels. We control for those in our main fixed-effects model, using all the three: constituency, district, and state-year fixed effects. In this analysis, constituencies with DA projects prior to elections show approximately a 4 percentage point higher likelihood of first-time candidates with serious crime accusations, including corruption, contesting in elections. This robustness persists across analyses involving all candidates and remains after controlling for individual characteristics such as net assets, age, caste, gender, and education. However, the significance of these correlations varies when introducing fixed effects and adjusting model specifications, indicating only a tentative association rather than conclusive causality.

For the evaluation outcome with the borrower and outcome ratings of the projects, to isolate the effect of electing criminally accused politicians, we employ a sharp Regression

Discontinuity (RD) design in close-margin elections comparing pairs where a criminally accused politician wins against a non-criminally accused politician in narrow margins. The RD approach leverages the random nature of election outcomes near the electoral threshold to approximate a natural experiment, focusing on the post-election DA evaluation rating outcomes as the dependent variable. The results show no strong statistical link between narrowly elected criminally accused legislators and World Bank project outcomes. While some estimates suggest a modest positive effect, they lack precision, preventing firm conclusions. Overall, the influence of accused politicians on borrowing and project performance appears negligible or too subtle to strongly draw an inference.

The negative impact of aid on institutional quality has previously been discussed (Knack, 2001), with Collier (2007) and Kanbur and Sumner (2012) noting that the countries most in need of aid often suffer from poor governance. Furthermore, the selection effect, as demonstrated by Asher and Novosad (2023), shows how natural resource rents can lead to the selection of corrupt public office holders, a phenomenon further supported by the findings of Shleifer and Vishny (1994) and Fisman et al. (2014), who observed that rent-seeking behavior facilitates wealth accumulation among politicians. This paper makes a significant and novel contribution by bridging these discussions to explore the intersection of Development Assistance (DA) and the Political Selection Effect. Our study focuses on the World Bank's Development Assistance due to the comprehensive and publicly available data offered by their extensive project reports. This strategic choice not only facilitates detailed analysis but also allows us to hypothesize that large financial infusion from other sources of assistance might exhibit comparable impacts on political candidacy quality.

In Section 2, we highlight the background of our study - focusing on the relevance of World Bank's DA to India, followed by the Indian political context. Next, we have Section 3, where we discuss on the two main datasets used in our study: World Bank DA data and political data. Section 4 sheds light on the empirical strategy. We have outlined the results in Section 5, and Section 6 concludes the paper.

2 Background

2.1 World Bank's Development Assistance and India

Development assistance projects are prevalent across the globe, originating from various sources, mostly among the developed nations and targeting regions that are developing or underdeveloped. In this study, we specifically focus on the development assistance provided by the World Bank. Indeed, we could have chosen any other development assistance program that is directed to similar settings. However, WB DA projects cater to a much longer timeline, a massive reach of countries (especially out target country, viz. India), and a substantially greater magnitude of loan amounts. Despite this choice being primarily and initially driven by the availability of comprehensive project data that the World Bank publicly publishes, it was also a natural choice due to its scale and outreach. Hence, it is important to note that our findings are not unique to DA projects; rather, they can be applicable to any large public projects involving significant financial flows. Regarding the accessibility of data, there is a wealth of information in the publicly accessible evaluation reports that detail the loans and projects. We have sourced this data from AidData.org, an organization that has geocoded these grant projects. Further details about the data are provided Section 4.1.

The World Bank's Development Assistance, encapsulated as Net Official Development Assistance (ODA)[3], plays a pivotal role in the global landscape of aid and economic support. ODA primarily comprises disbursements of concessional loans (net of repayments) and grants provided by official agencies of the Development Assistance Committee (DAC) members, multilateral institutions, and non-DAC countries. These financial instruments are fundamentally aimed at promoting economic development and welfare in DAC-listed ODA recipient countries. In a typical fiscal year, the World Bank's lending exceeds the substantial

[3]Official development assistance (ODA) is defined as government aid that promotes and specifically targets the economic development and welfare of developing countries. The DAC adopted ODA as the "gold standard" of foreign aid in 1969 and it remains the main source of financing for development aid (Source: OECD).

sum of $30 billion to its client nations. A snapshot of the global distribution of DA projects is provided in Figure A2 in Appendix A.1, with a highlight on India.

The World Bank's approach in extending support to developing countries is multifaceted, involving low-interest loans, zero- to low-interest credits, and grants. These funds are channelized into a broad spectrum of sectors, including education, health, public administration, infrastructure, financial and private sector development, agriculture, as well as environmental and natural resource management. In particular, several of these projects are co-financed, involving collaborations with governments, other multilateral institutions, commercial banks, export credit agencies, and private sector investors, thereby broadening the impact and scope of these initiatives.

The World Bank employs a comprehensive six-stage project cycle for the design, preparation, implementation, supervision, and evaluation of its projects (World Bank Information Briefs, 1993). This cycle begins with *Identification*, where the projects are proposed primarily by the borrower and shaped according to the Country Partnership Framework (CPF) and the Systematic Country Diagnostic (SCD), leading to the creation of a Project Concept Note. The *Preparation* stage involves detailed technical, economic, social, and environmental assessments, with the World Bank providing advisory support and conducting various reviews. *Appraisal* follows, allowing for a detailed review of the project and confirmation of the expected outcomes and viability. The *Negotiation/Approval* stage finalizes project details and documentation for the Bank's Board of Executive Directors' approval. *Implementation* is primarily the borrower's responsibility, with the Bank offering support and ensuring adequate fiduciary controls. Finally, *Completion/Validation and Evaluation* assess the project's effectiveness, compliance with Bank policies, and the sustainability of its benefits, including validation by the Independent Evaluation Group (IEG) (Baum, 1978). This project cycle is summarized in Figure A3 in Appendix A.1. Throughout these stages, key documents such as the Project Information Document, Environmental and Social Review Summary, and Implementation Completion and Results Report are prepared and made publicly available,

enhancing transparency and accountability in project execution.

For the purpose of our analyses that studies the nature of success (or failure) of the project vis-a-vis the political scenario of the constituency in which it was executed, we utilize the IEG Implementation Completion and Results Report Review (ICRR)- which serves as an independent validation of the World Bank's project outcomes as stated in their Implementation Completion and Results Reports (ICR). The ICRR, a desk-based assessment, critically validates the evidence, content, and ratings presented in the ICRs, ensuring an objective appraisal of project success and impact. By conducting interviews with the last task team leader and reviewing the ICR documentation, the Independent Evaluation Group (IEG) formulates its own project ratings using the same evaluative criteria employed by the original World Bank project teams. These ratings, reflecting the IEG's independent perspective, are instrumental in our study as they provide a comparative framework to assess the effectiveness of Development Assistance through various project ratings issued by both the ICR and the IEG, thereby contributing to a comprehensive understanding of the projects' outcomes. The relevant sections of the ICR Review and the IEG Report that we consider are 'Outcome' and 'Assessment of Borrower Performance' (comprising 'Government Performance' and 'Implementing Agency Performance'), details of which are highlighted in Section 4.1.

In this paper, we focus on a geocoded data set that includes all World Bank projects for India in the IBRD (International Bank for Reconstruction and Development) and IDA (International Development Association) lending lines[4] approved from 1995-2014. The projects encompass a vital range of sectors, including: Agriculture, Forestry, Fishing; Banking and Financial Services; Government and Civil Society; Health; Social Infrastructure; Transport and Storage; Water Supply and Sanitation; Energy Generation; Education; Mining; Communications; Environmental Protection. The locations of the project, as indicated by Figure

[4]The International Bank for Reconstruction and Development (IBRD) lends to governments of middle-income and creditworthy low-income countries. The International Development Association (IDA) provides interest-free loans – called credits – and grants to governments of the poorest countries. Together, IBRD and IDA make up the World Bank (Source: World Bank).

A4 in Appendix A.1, span the whole country, across different states, not focusing on any particular region even though there is variation across states. The duration of the projects ranges from 0 (minimum) to 13 (maximum) years, with the mean and median at 6.2 and 6 years, respectively.

2.2 Indian Political Context

In the multi-tiered federal structure of India, comprising national, state, and local levels of governance, the dynamics of political power, especially among Members of Legislative Assembly (MLAs), play a critical role in shaping the performance of the local development projects (including the projects funded by WB DA). This structure, with the national-level legislature divided into the Upper House (Rajya Sabha) and Lower House (Lok Sabha), and many states following a similar bicameral system (Vidhan Parishad and Vidhan Sabha), provides a backdrop for understanding the interplay between political authority, criminalization, and developmental initiatives.

The Constitution of India delineates the legislative, executive, and economic responsibilities at the union and state levels. State legislators, with their executive power, have an intrinsic role in influencing state bureaucracy and thus affecting the administration of the DA program funded projects (Asher & Novosad, 2023; Chemin, 2012; Cheng et al., 2020; Prakash et al., 2022).

The engagement of MLAs in DA projects, given their significant influence on state resources and bureaucratic mechanisms, raises concerns about the equitable and effective use of DA resources. This concern is applicable to any other developmental projects with financial flows.

DA projects which require substantial financial resources and attract significant attention are susceptible to rent seeking and embezzlement activities that go against the goals of the projects (Asher & Novosad, 2023).

The situation becomes more challenging due to the increasing criminalization of politics,

characterized by a rising proportion of politicians with a criminal background. This trend is demonstrated among winning candidates in Figure 1, which presents a comparative analysis over successive election cycles, confirming the escalating prevalence of criminally accused candidates in Indian politics also documented in Vaishnav (2022) and Prakash et al. (2022).

The Supreme Court (SC) of India implemented a mandate in 2003 that requires candidates to disclose their criminal records and financial details. Specifically, candidates are required to report any prior convictions and pending accusations for crimes punishable with imprisonment for two years or more, in which a charge has been framed or cognizance has been taken by the Court of Law. These charges are limited to those framed before the six-month period preceding the election. Sworn affidavits serve as a means of minimizing deliberate misreporting, as candidates can face penalties for providing false information, and rival candidates (as well as news, print, and other forms of journalistic media) have incentives to verify the information in these affidavits. In Indian electoral law, candidates must declare any serious criminal charges but can still run for elections unless convicted. If convicted with a sentence of two years or more, they are immediately disqualified from contesting elections for the duration of their sentence.

During the state assembly elections between 2008 to 2015, 17.7% of the candidates who contested for the first time faced criminal charges, among them 10% were accused of serious crimes. Hence, it is essential to address the problem of politicians exploiting their authority in DA projects for personal benefits in order to preserve the credibility of these initiatives. To ensure that DA funds are used effectively, in accordance with their intended developmental objectives, it is important to have strong monitoring measures in place, particularly considering politicians who are facing criminal charges.

3 Lessons from Theory

Large financial inflows from projects like the World Bank DA inherently create rent-seeking opportunities. The substantial budgets of these projects allow for significant discretion in resource allocation, making them a target for those seeking to extract economic rent without contributing to productivity. This economic behavior, grounded in the theory of Krueger (1974), suggests that as available rent in a system increases, so does the incentive for rent-seeking over productive activities.

Moreover, the presence of these financial resources attracts candidates with adverse qualities to politics, drawn by the prospect of controlling significant funds. Economic theories on political adverse selection, as discussed by Besley (2007), highlight that asymmetric information in political markets allows such low-quality candidates to succeed, as voters have limited information into the true nature of the candidates' intent.

Development Assistance projects, such as those funded by the World Bank or similar large financial windfalls, are susceptible to rent-seeking and corruption due to substantial monetary inflows (Asher & Novosad, 2023). Hence, substantial financial inflows from development projects can create environments ripe for corruption and attract lower-quality political candidates. Based on these foundational economic principles, the hypothesis is articulated as follows:

Hypothesis: If there is rent-seeking opportunities from the financial inflows, the allocation of World Bank Development Assistance (WB DA) is hypothesized to increase the likelihood of electing candidates with criminal backgrounds and serious accusations, including corruption, in state elections in India. We also clarify that this hypothesis extends to any development project with substantial financial injections.

4 Data

In this section, we will detail the two primary datasets utilized in our study: World Bank Development Assistance (WB DA) and Political Data.

4.1 World Bank: Development Assistance Data

The study utilizes geocoded data on global development assistance to India from OECD-DAC countries from AidData.org. This data set encompasses World Bank projects in India under the IBRD and IDA lending lines, approved between 1995 and 2014. The annual flows to India from these OECD-DAC donors are shown in Figure A1 in Appendix A.1. The range of project start dates spans from 1995 to 2014, and the projects culminated between 1999 and 2021. We have analyzed the data at various state-assembly constituency levels, serving as a close proxy for the ADM3[5] administrative level.

A significant contribution of this research is the spatial joining of geocoded World Bank DA data at the level of the Indian assembly constituency, which provides a nuanced understanding of the distribution and impact of DA at the local constituency level. To execute this, we use two raw datasets, World Bank DA and India AC Shapefiles. The former is sourced from AidData.org (2017) and the World Bank (2017) database, as published in 2017. Shapefiles for the Assembly Constituencies in India are obtained from the Election Commission of India's (ECI) Polling Station Locations website (Data(Meet), Community Maps Project).

Among the variables in our data set, the precision code stands out for its importance in determining the level of geographical specificity of the projects by indicating to what extent the projects have been geocoded. This has been thoroughly summarized in Table A1 in Appendix A.3. Figure A10 provides an idea of the location of the projects in India at the level of the assembly constituency, classified by precision code. In our sample, we have

[5] ADM_is are administrative boundaries. For our case, ADM3 is a the very disaggregated level of assembly constituencies (Country $\implies$ States $\implies$ Districts $\implies$ Constituencies) in India (Source: geoBoundaries).

chosen with care to focus exclusively on precision codes 1 and 2. Our rationale behind this choice is two-fold: First, these codes provide the highest level of geographic accuracy within our dataset, ensuring the reliability of the spatial analysis. Second, by focusing on them, we are able to approximate data at the state assembly constituency level, which is pertinent to our study.

Combining the two datasets: geocoded assembly constituencies and WB DA projects of precision code 1 and 2, we see that the distribution of projects in ACs of India do not show any locational bias, i.e. the projects are spread across the country, as illustrated by Figure A10 in Appendix A.1.

From the IEG Implementation Completion and Results Report Review (ICRR)- a product of the Implementation Completion and Results Reports (ICR) that is reviewed by the Independent Evaluation Group (IEG), project ratings are generated. These ratings, reflecting the IEG's independent perspective, are instrumental in our study as they provide a comparative framework to assess the effectiveness of Development Assistance through various project ratings issued by both the ICR and the IEG, thereby contributing to a comprehensive understanding of the projects' outcomes. We consider the two relevant sections of the ICR Review and the IEG Report- 'Outcome' and 'Assessment of Borrower Performance'. In assessing project 'Outcomes', a general review is performed using a subjective scale to construct ratings, with exemplifications provided in Figure A5 Appendix A.1. For this, we do a full sample analysis on the outcome ratings. Moreover, central to our question is the 'Assessment of Borrower Performance', divided into two subcategories: 'Government Performance' and 'Implementing Agency Performance'. 'Government Performance' stands as the pivotal variable for examining the role of politicians in project execution. On the other hand, 'Implementing Agency Performance' serves as a second check within our evaluative framework. These categories are synthesized into an 'Overall Borrower Performance Rating', details of which, including a snapshot of the ratings table, are illustrated by the Figures A6 and A7 in Appendix A.1. In this regard, using the government performance ratings, we carry

out a partial sample analysis, as there might be a missing data problem in this case. We found that not all project ids have an associated government performance rating. However, we solve this issue by doing a study on the overall borrower performance ratings, which are more widely available. Finally, to corroborate any inconsistency between the investigation on the government performance ratings and the overall borrower performance ratings, we perform a partial analysis with implementing agency performance ratings.

In our study, the establishment of a robust counterfactual group is essential for an accurate assessment of the impact of Development Assistance (DA). Our counterfactual group consists of all assembly constituencies within districts that did not witness the presence of DA prior to the election in the period of time t.

4.2 Political Data: Electoral and Candidate

In this study, we use a meticulously curated data set derived from the Election Commission of India (ECI), focusing on affidavits submitted by candidates in state legislative assembly elections.

Additionally, we have considered the very significant issue of Delimitation in India. Delimitation, in the context of electoral geography, is the process of redrawing the boundaries of electoral constituencies. One of the primary reasons is to maintain population balance. As populations grow and move, some areas may become more densely populated than others. Delimitation ensures that constituencies remain approximately equal in terms of population size, which helps to maintain equal representation for all citizens. In India, a significant proportion of the constituencies underwent delimitation (boundary reconstruction) in 2008.[6] To account for this, we consider those elections that took place post-delimitation. This approach ensures the accuracy of constituency-fixed effects in our analysis. Due to the aforementioned factor, our sample of state legislative assembly elections ranges from 2008 to 2015.

[6]Delimitation in India is conducted by the independent Delimitation Commission, which is mandated to ensure equitable representation without political bias. Constitutional and legal frameworks restrict direct influence from individual electoral candidates.

The electoral affidavits, digitized and available through the Association for Democratic Reforms (ADR) on the 'myneta.info' portal,[7] are complemented by election data sourced from Development DataLab (Asher et al., 2021; Jensenius & Verniers, 2017; Prakash et al., 2019a) and the Trivedi Center for Political Data [8]. To address our research questions, we collect the data for the candidates contesting for the first time in state assembly election.

The affidavits contain comprehensive information, such as assets, liabilities, criminal charges (with specific IPC sections), age, education, caste status, party affiliation, and profession of the candidates. This detailed data set allows for a detailed analysis of the characteristics or quality of politicians. In Appendix A.1, an example affidavit has been provided, which is shown in image A8; while an example of the digitized version on 'myneta.info' can be seen in A9.

In this study, we use a detailed web scraping process to collect data from the Association for Democratic Reforms (ADR) 'myneta.info' portal.[9] Our objective was to extract information from the digitized affidavits submitted to the Election Commission of India (ECI). To do this, we developed custom algorithms that were specifically designed to navigate the data structures on the portal. These algorithms ensured the accurate extraction of key details, criminal charges (along with corresponding IPC sections such as the candidates), as well as their assets, liabilities, age, gender, and caste type. The data we collected span multiple election years and encompass a wide range of variables.

The web scraping process was instrumental in accurately extracting and categorizing criminal charges against candidates into distinct types: serious, violent, and property crime, according to the IPC sections and definitions provided by the Association for Democratic Reforms (ADR). This meticulous classification transformed the extensive and unstructured data set into an analyzable format, enabling a detailed analysis of politician quality within India's electoral landscape.

[7] https://myneta.info/

[8] Data: "TCPD Individual Incumbency Dataset 1962-current", Trivedi Centre for Political Data, Ashoka University.

[9] https://myneta.info/

Our method of classifying crimes, as detailed in the study, utilizes multiple criteria outlined by the Association for Democratic Reforms (ADR)[10] to categorize serious crimes. This includes offenses punishable by a term of five years or more, non-bailable offenses, electoral violations, as well as crimes such as assault, murder, kidnapping, rape, and offenses under the Representation of the People Act and the Prevention of Corruption Act. Therefore, the measure of serious crime is of primary importance as it captures politicians who could be accused of serious financial crimes (including corruption charges).

Violent crimes are defined following the guidelines of the National Crime Records Bureau (NCRB) and include offenses such as murder (Section 302 IPC), culpable homicide (Section 304 IPC), kidnapping (Sections 363-369 IPC), and rape (Section 376 IPC). Property crimes, according to IPC chapters 17 and 18, encompass theft (Sections 378-462 IPC), extortion, criminal breach of trust, cheating, and forgery (Sections 463-489E IPC). This comprehensive classification facilitates a nuanced analysis of the nature and extent of criminality among political candidates, offering deeper insights into the intersections between crime, serious crime (including corruption) and politics in India. Table 1 provides a summary of criminal accusations among first-time candidates, illustrating the comparison between constituencies with and without Development Assistance (DA).

Therefore, this data set offers an in-depth perspective on the intersection of criminality and political power. The rich data derived from these affidavits, combined with election data from Development DataLab and the Trivedi Center for Political Data, provide a robust foundation for analyzing the quality and integrity of political candidates in the democratic context of India.

[10]https://adrindia.org/content/criteria-categorization-serious-criminal-cases

5 Empirical Strategy

5.1 DA and Candidates' Criminal Accusations

In this section, we explore the empirical strategy to understand the potential relationship between Development Assistance (DA) and the prevalence of candidates with criminal accusations who are contesting for the first time. Preliminary data analysis indicates a notable pattern: constituencies with DA before the election to have a higher incidence of first-time contestants facing criminal charges, as depicted in Table 1 and illustrated by Figure 2.

We observe a consistent difference in the share of politicians accused of various crimes—any, serious, violent, and property—in DA and Non-DA constituencies. In Table 1, significant mean differences are evident for criminal accusation variables and other characteristics, with the exception of the gender ('Male') dummy variable.

These observations suggests the need for a detailed econometric analysis to determine whether Development Assistance (DA) projects might inadvertently influence the political landscape by encouraging the candidacy of individuals with criminal records. Specifically, we investigate the effect of an operational DA project in an assembly constituency before an election on the likelihood of candidates with criminal accusations contesting elections. Our investigation aims to address possible confounding factors and establish association and potential causality. We also note that this investigation can be extended to any large development projects or programs.

Table 1 Summary Statistics

Variable	DA Constituencies			Non-DA Constituencies			Mean Diff.
	Mean	SD	n	Mean	SD	n	
Criminal Accusation							
Crime	0.19	0.39	5923	0.17	0.38	13050	0.02***
Serious Crime	0.12	0.32	4742	0.10	0.29	10087	0.02***
Property Crime	0.09	0.28	4742	0.06	0.25	10087	0.03***
Violent Crime	0.08	0.28	4742	0.06	0.24	10087	0.02***
Number of Crimes	0.46	1.49	5923	0.40	1.46	13050	0.06***
Other Characteristics							
Education	10.74	3.31	5627	10.52	3.39	12149	0.22***
Log of Net Assets	14.51	2.19	5715	14.06	2.20	12465	0.45***
Age	45.26	11.26	5859	44.54	11.28	12945	0.72***
Male	0.93	0.26	5923	0.93	0.26	13048	0.00
SC/ST	0.27	0.44	5923	0.38	0.48	13050	-0.11***

Notes: *p<0.10; **p<0.05; ***p<0.01
Mean Diff. = Mean of DA Constituencies - Mean of Non-DA Constituencies
SC/ST refers to Scheduled Castes and Scheduled Tribes in India, which are groups of historically disadvantaged communities recognized under the Indian Constitution for affirmative action.

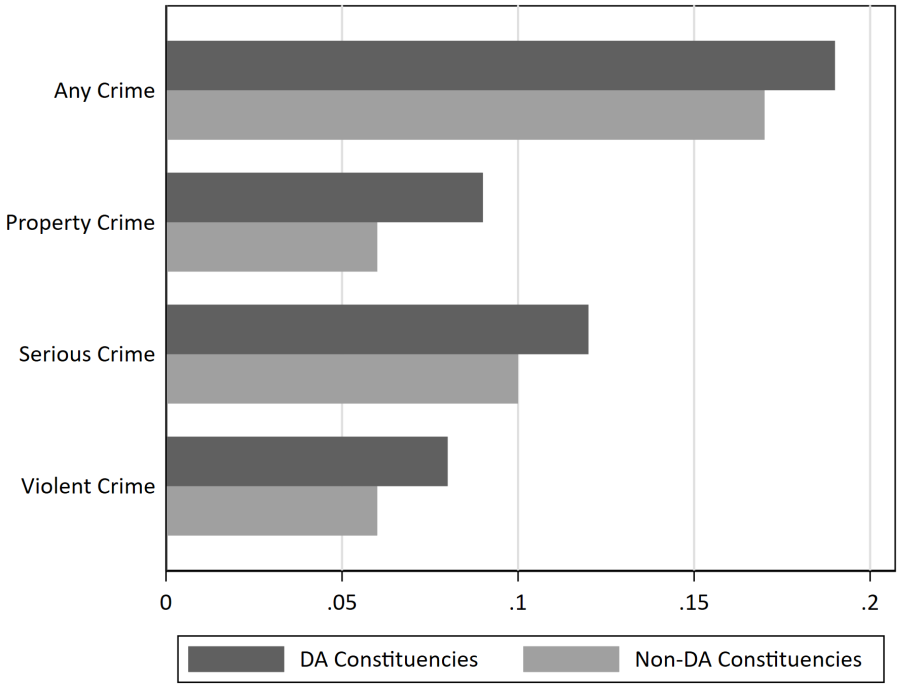


Figure 2 Mean Comparison: Criminality of Contesting Candidates

The electoral selection effect hypothesis suggests that the prospect of rent-seeking opportunities in constituencies with Development Assistance (DA) projects may attract more politicians with criminal backgrounds, especially those involved in property and serious crimes, to contest and succeed elections. The intuition is that these politicians are drawn to the opportunity of personally benefiting from DA projects. Following the approach of Asher and Novosad (2023), we analyze the outcome of the elections at time t and conduct a study at the constituency-year level. Our aim is to understand how the availability of rent-seeking opportunities through DA projects might influence the entry of candidates inclined toward such opportunities, thus impacting the quality of political representation. This method allows us to examine the potential unintended consequences of DA projects on the selection of electoral candidates.

The estimation equation, following Correia (2016), is explained below:

$$Y_{c,d,s,t} = \beta_0 + \beta_1 \cdot DA_{c,d,s,t^-} + \delta_c + \mu_d + \gamma_{s,t} + \epsilon_{c,d,s,t} \tag{1}$$

where:

$Y_{c,d,s,t} \in \{0, 1\}$ is an **indicator variable** for whether the elected candidate is facing **criminal charges for any, serious, property crime, violent crime, gender, caste type**, or is a **continuous variable** for **years of education, age, and logarithmic net assets**.

The variable $DA \in \{0, 1\}$ is defined in the following manner:

$\implies$ DA $= 1$: If any project was active before the upcoming election (hence, at (t^-) in c at d in s.

$\implies$ DA $= 0$: (Counterfactual) If no project was active before the upcoming election. Hence, our comparison group consists of all constituencies without the geocoded location of DA in the electoral cycle prior to the election at time period t.

Here, multi-way fixed effects (FE) are used to address the unobserved heterogeneity. There could be potential endogeneity in terms of policy changes conducted at the state level

or state-level changes in political criminality that could be correlated with the allocation of DA; however, our state-year FE ($\gamma_{s,t}$) controls for it and our estimates get driven directly by the variation in DA shocks with a given state election. In addition to that, $\gamma_{s,t}$ also controls the fiscal effect of DA loans, part of which accrues to state governments.

The district FE (μ_d) and the constituency FE (δ_c) control for factors that remain constant across a specific district (demographics, geography, local policies that are time invariant, etc.) and a specific constituency (voter attitudes, incumbent politicians, specific regional policies, etc.) respectively.

Despite this robust fixed effects approach, the intrinsic endogeneity of DA project allocation, possibly correlated with unobserved factors like policy shifts or historical political criminality, limits our ability to claim causality. Thus, while our findings could indicate significant correlations and associations which hint at the potential causal impact of DA projects, definitive causal interpretation require further validation. Future research could strengthen these findings by employing instruments or exploring natural experiments to isolate the causal effects of development assistance more decisively.

In the main analysis, we limit our treatment and comparison groups to candidates who are contesting an election for the first time. This decision is grounded in a critical assumption: newcomers to the political sphere possess fewer pre-existing political incentives compared to candidates who have already contested in elections. This distinction is crucial for our investigation, as it allows for a more nuanced understanding of the selection effect attributable to DA projects. By focusing on first-time candidates, our goal is to isolate the influence of DA from other electoral dynamics that could confound the effects observed in more experienced candidates.

We restricted our study from 2008 to 2015 to avoid bias from delimitation. Delimitation, the process of redrawing electoral constituency boundaries to reflect population changes and ensure equitable representation, is a pivotal factor in the analysis of Indian political data. In 2008, a significant portion of the constituencies underwent delimitation, substantially

altering their boundaries. This redrawing can significantly impact the political landscape by potentially introducing biases in the analysis of electoral outcomes and candidate characteristics, due to shifts in constituency demographics, size, and political alignment. To avoid these challenges, our study focuses exclusively on assembly constituency elections in the years following the 2008 delimitation. By doing so, we aim to accurately account for constituency fixed effects (FEs) in a post-delimitation context.

For robustness, we conducted an analysis that includes all candidates, including those who have previously contested elections. Across all the state assembly elections from 1961 to 2023, 384,785 out of 474,475 were first-time candidates.[11] Within our treatment and control groups for this study, 79.62% [12] of the candidates are contesting for the first time within our sample period from 2008 to 2015.

We also extend robustness checks by controlling for additional candidate characteristics such as education, net assets, age, gender, and caste (SC/ST status). By controlling for these characteristics, we aim to isolate the effect of DA projects from these confounding influences, ensuring that our results more accurately reflect the specific impact of development assistance on the likelihood of criminally accused candidates contesting elections.

We also expand our investigation to assess the impact of the duration of World Bank Development Assistance (WB DA) projects on the probability of electing candidates with criminal backgrounds. By incorporating the variable: time between the initiation of these DA projects and subsequent the elections, we aim to determine if longer or shorter exposures to these initiatives differently influence candidate behaviour. This analysis explores whether the length of project exposure before elections intensify or mitigate rent-seeking and corruption. It questions whether prolonged exposure to development projects deepens rent-seeking within local political systems or encourages greater public scrutiny and participation, potentially curbing corrupt practices.

This investigation also serves as a robustness check. By examining the effects of the

[11] Source: Trivedi Centre for Political Data

[12] 15,099 out of 18,963 candidates have contested for the first-time.

duration between the implementation of DA projects and subsequent elections, we ensure that our findings reflect the sustained impacts of development assistance rather than short-term financial influences. Following, eq. 1, The new estimation equation incorporating project duration is as follows:

$$Y_{c,d,s,t} = \beta_0 + \beta_1 \cdot DA_{c,d,s,t^-} + \beta_2 \cdot (DA_{c,d,s,t^-} \times DUR_{c,d,s,t^-}) + \delta_c + \mu_d + \gamma s, t + \epsilon_{c,d,s,t} \quad (2)$$

where:

The variable DUR_{c,d,s,t^-} is defined as the time in years from project initiation to the election year. The interaction term $DA_{c,d,s,t^-} \times DUR_{c,d,s,t^-})$ assesses how the effect of DA on electoral outcomes varies with the duration of the project. In the estimation, either the duration variable (DUR) or the interaction term (DAxDUR) will be omitted to avoid multicollinearity. We choose to remove the duration (DUR) to ensure that the model's coefficients remain interpretable and statistically valid. The interpretation of the other variables and their corresponding coefficients remains consistent with the descriptions provided earlier in the analysis.

5.2 Candidates' Criminal Accusations and DA Evaluation

Next, we illustrate an empirical design to understand if the criminality of the politician affects the quality of the implementation of the program. We shall take the evaluation ratings of the DA project IDs as a proxy for the quality of the implementation.

The influence of politicians with criminal accusations on development outcomes poses significant estimation challenges. Politicians can potentially manipulate legal frameworks, impacting judicial impartiality (Michaelowa et al., 2019; Poblete-Cazenave, 2020). Regions electing such politicians often differ significantly in observable characteristics from other regions.

To isolate the effect of electing criminally accused politicians, we employ a sharp Regres-

sion Discontinuity (RD) design in close-margin elections (4% is our preferred specification), comparing pairs where a criminally accused politician wins (CA-NA) against a non-criminally accused politician (NA-CA). The RD approach leverages the random nature of election outcomes near the electoral threshold to approximate a natural experiment, focusing on the post-election DA evaluation rating outcomes as the dependent variable:

$$DA.EVAL_{i,cs,t_+} = \delta + \eta \text{Accused}_{jis,t} + f(\text{Win Margin}_{jis,t}) + \theta X_{jis,t} + \upsilon_{jis,t_+} \tag{3}$$

where DA_EVAL_{jis,t_+} represents the evaluation rating and $\text{Accused}_{jis,t}$ is a binary indicator of a criminally accused winner.

DA_EVAL_{jis,t_+} measures the average evaluation rating of development project (i) at the project ID level in the relevant constituency c in district d following the election. This rating captures how favorably each project is assessed in terms of implementation quality and impact. By comparing evaluations in constituencies where an accused politician barely won (treatment) to those where a non-accused candidate barely won (control), we aim to isolate the effect of criminal charges on subsequent development assistance.

Validation Checks

A key assumption in RD designs is that units cannot manipulate the forcing variable around the cutoff. Figure 3 shows the density of the forcing variable (vote margin), tested via the McCrary test. The results suggest no significant discontinuity in the density at the cutoff, showing no manipulation at the cutoff.

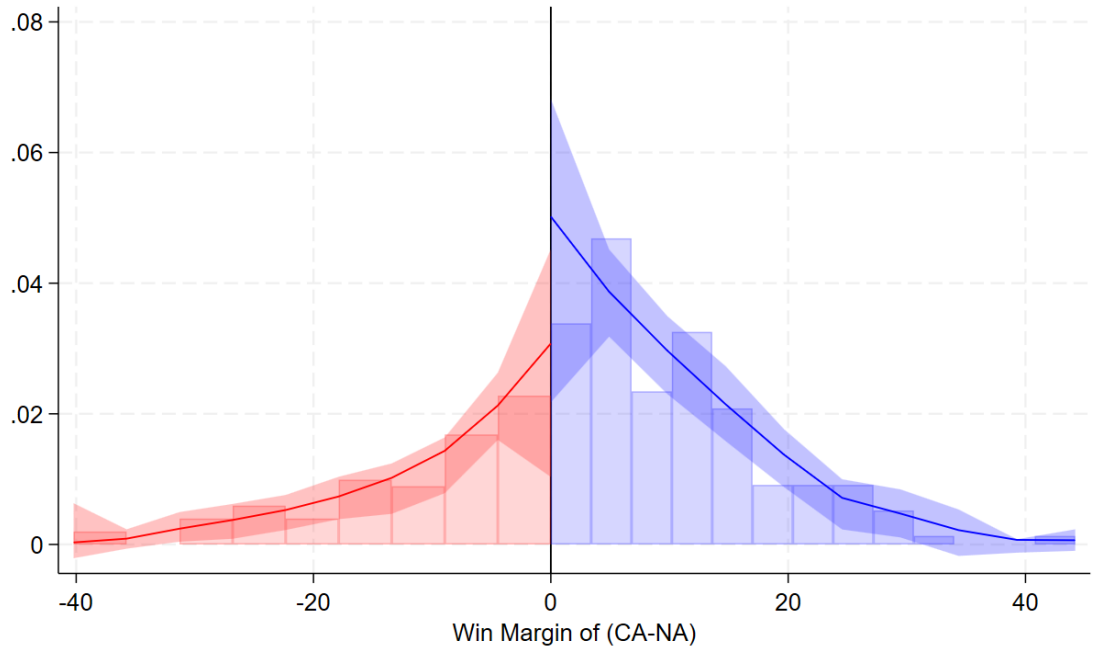


Figure 3 Density of forcing variable: McCrary Manipulation test

In Table 2, we assess the balance of baseline characteristics between the treatment and control groups. Key variables include electorate size, valid votes, turnout percentage, gender, age, education, net assets, minority status [13], night light as a proxy of economic activity, and population. We find that night light is not balanced between two groups which implies that we need to control for that in our primary RD designs to check robustness.

[13] If the politician belongs to Scheduled Caste/Tribe community)

Table 2 Balance Test: Baseline Characteristics

	(CA-NA) Mean	(NA-CA) Mean	RD Estimate
Voters' Characteristics			
Log Electors	12.07	11.99	0.16
Log Valid Votes	11.68	11.67	0.08
Turnout Percent	69.59	73.09	-2.45
Politicians' Characteristics			
Minority Status	0.17	0.26	0.05
Female	0.03	0.22	-0.21
Age	48.83	52.48	-5.23
Education	11.18	10.81	1.90
Log Net Assets	15.62	15.96	-0.81
Constituency Characteristics			
Night Light	12.62	5.25	4.79**
Population ('0000)	28.08	26.85	7.10

Notes: Columns report CA-NA Mean, NA-CA Mean, and RD Estimate. Significance levels: * p¡0.1, ** p¡0.05, *** p¡0.01.

6 Main Results

6.1 DA and Candidates' Criminal Accusations

Our analysis focuses on the political selection effect in constituencies with ongoing Development Assistance (DA) projects, providing suggestive evidence of correlation. The regression tables for both any and serious criminal accusations reveal significant correlations in the initial model presented in column (1). These correlations remain robust at 10% level significance after adjusting for constituency, district, and state-year fixed effects in our main specification (column (6)). However, when varying the fixed effects specifications, these correlations are not consistently significant. Thus, our findings suggest a tentative association but do not conclusively establish causality.

Table 3 DA Projects and Candidate Criminal Accusation

	Any Criminal Accusation					
	(1)	(2)	(3)	(4)	(5)	(6)
DA Project	0.018***	0.000	0.034	0.008	-0.012	0.042*
	[0.01]	[0.01]	[0.02]	[0.02]	[0.02]	[0.03]
Observations	15099	15099	14978	15083	14978	14978
DA Sample Mean	0.19	0.19	0.19	0.19	0.19	0.19
Non-DA Mean	0.17	0.17	0.17	0.17	0.17	0.17
State-Year FE	N	Y	Y	Y	N	Y
Constituency FE	N	N	Y	N	Y	Y
District FE	N	N	N	Y	N	Y

Notes: *p<0.10;**p<0.05;***p<0.01; N: No, Y: Yes

For accusations of any criminal charges, column (1) of Table 3 initially reveals a positive and significant correlation of 0.018 between the existence of DA projects and first-time candidates contesting elections. This correlation suggests that DA projects are associated with an increase of 1.8 percentage points in the likelihood that candidates with any criminal history enter the elections. When we advance to our main empirical specification, which incorporates fixed effects for the constituency, district, and state years, as shown in column (6), the association becomes more pronounced, indicating a 4.2 percentage points increase in the likelihood of such candidates contesting. Given that the baseline likelihood of candidates with criminal or serious crime accusations contesting elections in DA constituency is 19%, the observed coefficient of 0.042 indicates a significant effect, raising this likelihood to approximately 23.2%. This suggests that DA projects or any other developmental projects with large financial influx, despite their developmental intent, may inadvertently increase the political participation of candidates with questionable legal backgrounds by more than 20% relative to the baseline, highlighting a potentially unintended consequence of these projects. Our analysis suggests a potential relationship between DA projects and increasing electoral participation of individuals with criminal accusations; however, this relationship varies under different specifications of fixed effects, which raises questions about the robustness of

our findings. To evaluate our hypothesis as discussed in Section 3, we emphasize that our analysis does not establish causality. Instead, we present our findings as suggestive evidence of an association, underscoring the inferential limitations of our empirical investigation.

Table 4 DA Projects and Candidate Serious Crime Accusation

	Serious Crime Accusation					
	(1)	(2)	(3)	(4)	(5)	(6)
DA Project	0.015***	0.006	0.041*	0.011	0.007	0.040*
	[0.01]	[0.01]	[0.02]	[0.02]	[0.02]	[0.02]
Observations	13248	13248	13117	13236	13115	13115
DA Sample Mean	0.12	0.12	0.12	0.12	0.12	0.12
Non-DA Mean	0.10	0.10	0.10	0.10	0.10	0.10
State-Year FE	N	Y	Y	Y	N	Y
Constituency FE	N	N	Y	N	Y	Y
District FE	N	N	N	Y	N	Y

Notes: *p<0.10;**p<0.05;***p<0.01; N: No, Y: Yes

For accusations of serious criminal charges, which include corruption charges, column (1) of Table 4 initially reveals a positive and significant correlation of 0.015. Advancing to our main empirical specification, incorporating fixed effects for constituency, district, and state years as shown in column (6), we observe a 4 percentage points increase in the likelihood of such candidates contesting in DA constituencies, addressing the hypothesis in Section 3. The 4 percentage point increase in the likelihood of candidates with serious crime accusations contesting elections, relative to a baseline likelihood of 12%, indicates a substantial impact, potentially increasing the prevalence of such candidates to 16%. Asher and Novosad (2023) also documented a significant 12.3 percentage point increase in the likelihood of candidates with violent crime charges contesting elections in constituencies rich in mineral wealth during price shocks. The findings of Asher and Novosad (2023) underscore that the phenomenon of adverse political selection that we observe in the context of Development Assistance (DA) from the World Bank may extend to any scenario involving financial resources under political

control. Hence, these findings broaden our understanding of how external economic factors can influence the quality of political representation.

The examination of property Crime and violent Crime, detailed in Appendix A.4 through Tables A2 and A3, delineates a different pattern from that observed for serious crimes (including corruption charges). Initially, a positive correlation is observed between DA projects and the incidence of candidates charged with property and violent crimes entering the electoral race for the first time. However, this preliminary correlation disappears with the application of fixed effects for constituency, district, and state years, indicating that the observed correlations may be influenced by unobserved heterogeneity. This divergence in findings suggests that the impact of DA projects on the candidacy of individuals with criminal backgrounds can vary significantly between different types of crime, with the characteristics of the underlying constituency playing a crucial role in this dynamic.

We extend our analysis to encompass all candidates, and the results are presented in Appendix A.5. The analysis for serious crime accusations, as detailed in Tables 4 and A5, reveals a consistent pattern. Specifically, columns (1) and (6) indicate a positive association, suggesting an increase in the likelihood of serious crime accusations by 4.2 to 4.7 percentage points. For property and violent crime accusations, no significant effects are observed in our main specification. Furthermore, the analysis does not yield any significant results for any crime accusations when all fixed effects are considered. Thus, except for the analysis involving any crime accusations, the results demonstrate robustness across different crime categories. Additionally, the pattern of findings on the likelihood of candidacy with different types of crime accusations in our main specification remains robust after controlling for individual characteristics such as net assets, age, caste, gender, and education, as detailed in Appendix A.6.

We now investigate whether the duration of DA projects influences the likelihood of first-time candidates with criminal (or, serious crime) accusations to contest in elections, examining potential heterogeneous effects across different project duration between the ini-

tiation of the project and the subsequent election.

We interpret the results of Table 5 with careful distinction between correlation and causation. In column (1), a statistically significant negative correlation is observed between the interaction of the DA project and duration, and the likelihood of first-time candidates with criminal accusations contesting elections. However, our main empirical specification in column (6), which incorporates fixed effects for the constituency, district, and state years, shows no significant effect from this interaction, suggesting that the influence of project duration does not significantly alter the likelihood. Additionally, the magnitude and significance of the DA project's association with the likelihood of criminally accused candidates contesting remain robust in our main specification, showing an increase of up to 5.4 percentage points. This underscores the robustness across two model specifications, establishing the claim in hypothesis. We emphasize again that these findings, while suggestive of an association, do not establish causality.

Table 5 DA Projects, Duration, and Candidate Criminal Accusation

	Any Crime Accusation					
	(1)	(2)	(3)	(4)	(5)	(6)
DA Project	0.043***	0.010	0.046*	0.018	0.019	0.054**
	[0.01]	[0.01]	[0.03]	[0.02]	[0.02]	[0.03]
Proj × Duration	-0.004***	-0.002	-0.004	-0.003	-0.008***	-0.004
	[0.00]	[0.00]	[0.00]	[0.00]	[0.00]	[0.00]
Observations	15099	15099	14978	15083	14978	14978
DA Sample Mean	0.19	0.19	0.19	0.19	0.19	0.19
Non-DA Mean	0.17	0.17	0.17	0.17	0.17	0.17
State-Year FE	N	Y	Y	Y	N	Y
Constituency FE	N	N	Y	N	Y	Y
District FE	N	N	N	Y	N	Y

Notes: *p<0.10;**p<0.05;***p<0.01; N: No, Y: Yes

Table 6 DA Projects, Duration and Candidate Serious Crime Accusation

	Serious Crime Accusation					
	(1)	(2)	(3)	(4)	(5)	(6)
DA Project	0.026***	0.011	0.049**	0.018	0.027	0.052**
	[0.01]	[0.01]	[0.02]	[0.02]	[0.02]	[0.02]
Proj × Duration	-0.002*	-0.001	-0.002	-0.002	-0.005*	-0.004
	[0.00]	[0.00]	[0.00]	[0.00]	[0.00]	[0.00]
Observations	13248	13248	13117	13236	13115	13115
DA Sample Mean	0.12	0.12	0.12	0.12	0.12	0.12
Non-DA Mean	0.10	0.10	0.10	0.10	0.10	0.10
State-Year FE	N	Y	Y	Y	N	Y
Constituency FE	N	N	Y	N	Y	Y
District FE	N	N	N	Y	N	Y

Notes: *p<0.10;**p<0.05;***p<0.01; N: No, Y: Yes

We also observe a similar pattern for the serious crime accusation (which includes corruption charges) in Table 6. Although a statistically significant negative correlation is found between the interaction of DA project duration and the likelihood of first-time candidates with criminal accusations contesting elections, the main specification reveals no significant effect from this interaction, indicating that the duration of the project does not significantly alter the likelihood. The consistency in direction and significance of the DA project coefficient with Table 4 confirms the robustness of our findings. Additionally, the likelihood of these tainted candidates contesting elections increases to 5.2 percentage points in this specification. Compared to the baseline of 12%, this represents a relative increase of about 43% in the propensity of such candidates to participate in elections. Though we cannot interpret the results as causal, the magnitude of these findings is concerning.

The analysis with property Crime and violent Crime, detailed in Appendix A.7 through Tables A12 and A13, initially show a positive correlation between DA projects and the incidence of candidates charged with property and violent crimes entering the electoral race for the first time. However, this preliminary correlation disappears with the application of fixed effects for constituency, district, and state years. This pattern delineates that the effect

of DA project on criminal candidacy varies across crime types and is significantly influenced by local characteristics. This finding suggests that the duration of these projects does not significantly alter the effects of DA on electoral candidacy for those with property or violent crime accusation.

In Appendix A.8, our investigation of the effects of Development Assistance (DA) projects on other characteristics of candidates reveals intriguing patterns, particularly in education and net assets, as evidenced by Tables A14 and A15. Column (1) shows a significant positive impact of the presence of DA projects on the education levels (0.280) and net assets (0.480) of the candidates, suggesting that DA constituencies could attract more educated and wealthier candidates. However, the consistency of these effects varies with the introduction of fixed effects, and we fail to find a causal relationship with our main specification in column (6).

The analysis further investigates whether the presence of DA projects encourages the participation of politicians with specific identities. We analyze whether male politicians are more likely to participate in elections, as detailed in Table A16. The investigation also extends to candidates belonging to the historically marginalized minority groups of Scheduled Castes (SCs) or Scheduled Tribes (ST), presented in Table A17. Furthermore, the candidate's age is examined in Table A18. The results reveal negligible to no significant correlation in these aspects. The lack of significant results across various models, especially when accounting for unobserved heterogeneity from factors such as constituency, district, and state year, highlights the absence of a clear correlation between DA projects and candidate characteristics.

The absence of significant effects upon the introduction of fixed effects for some of the crime measures and other characteristics suggests that the initially observed correlations could be influenced by other factors inherent to the constituencies or districts, such as socioeconomic conditions, local political dynamics, or historical trends. These factors, which remain constant within each constituency or district over time, could confound the observed relationships, confounding the true nature of the effect of DA projects on political selection

for these specific measures.

In summary, the analysis provides suggestive evidence of political selection dynamics within assembly constituencies benefiting from Development Assistance (DA) projects, with a particular focus on the candidacy of individuals facing serious criminal charges. While the evidence of correlation is not uniformly robust across all fixed-effects models, the findings from our main specification indicate that in constituencies with DA projects prior to elections, first-time candidates with accusations of criminal or serious criminal accusations are more likely to participate in the electoral process. This evidence highlights the potential influence of DA projects on the local political environment. However, it is important to note that such observations are not unique to DA projects; rather, our findings suggest that any large public projects involving significant financial infusion could inadvertently attract candidates with criminal backgrounds, particularly those facing serious (such as corruption) charges.

6.2 Candidates' Criminal Accusations and DA Evaluation

In the World Bank's project evaluation framework, *Outcome* and *Borrower* ratings are key indicators of project success: the former measures how effectively and efficiently a project achieves its development objectives, while the latter evaluates the borrower country's performance in preparing and implementing the project. These ratings typically originate from two sources: (i) the Independent Evaluation Group (IEG), formerly the Operations Evaluation Department (OED), which provides an impartial assessment that often confirms or refines the conclusions of the Implementation Completion and Results Report (ICR); and (ii) the ICR itself, compiled jointly by the World Bank and borrower after the project's completion. In our analysis, we match each project to the criminal status of the legislator overseeing the constituency at the time of, or immediately following, project implementation, using the legislator's narrow electoral win (or loss) to proxy for the effect of criminally accused politicians.

Table 7 Effect of Accused Politician on Project Evaluation Ratings

	Outcome Ratings		Borrower Ratings	
	IEG/OED	**ICR**	**IEG/OED**	**ICR**
Panel A. No Additional Control				
RD Estimate	1.09	0.96	0.92	0.78
	[0.75]	[1.19]	[2.76]	[3.14]
Control Mean	3.17	3.41	2.62	3.19
Observations	122	122	77	77
Left Bandwidth	3.10	3.22	2.47	2.30
Right Bandwidth	3.10	3.22	2.47	2.30
Panel B. With Additional Control	**(Only Outcome Ratings Reported)**[a]			
RD Estimate	1.25	1.75	–	
	[1.18]	[1.97]	–	
Control Mean	2.66	2.83	–	
Observations	65	65	–	
Left Bandwidth	1.57	1.55	–	
Right Bandwidth	1.93	2.21	–	

Notes: Each column reports RD estimates of the effect of having a criminally accused politician on project evaluation ratings (IEG/OED and ICR) at the project ID level. Panel A presents estimates *without* additional covariates, while Panel B includes *extra controls for baseline imbalances*. Standard errors (in brackets) are nearest-neighbor cluster robust at the district level. The bandwidths shown are estimated on each side of the cutoff following **calonico2017rdrobust<empty citation>**.
$^{*}p < 0.1;^{**}p < 0.05;^{***}p < 0.01$

[a]When additional control variables are introduced, our data on borrower ratings become too sparse for local polynomial regressions to converge around the electoral cutoff. In practical terms, there is insufficient variation once we split the sample into narrow win margins and condition on extra covariates. As a result, the algorithm used to determine the optimal bandwidth for the RD analysis (i.e., the local neighborhood around the cutoff) cannot converge on a suitable value of h. This leaves us unable to estimate RD effects for borrower ratings when controls are included, underscoring the challenges posed by limited sample sizes in close-margin settings.

The estimated coefficients in our RD regressions in Table 7, though sometimes positive, generally lack statistical significance. In other words, we do not observe a robust relationship between the criminal accusation status of narrowly elected legislators and borrower (or outcome) ratings of World Bank projects. These results suggest that the presence of an accused politician does not systematically worsen or improve project performance—at least not in a manner that is strong enough to be detected in these close-margin settings. While point estimates sometimes hint at a modest positive effect, their statistical imprecision precludes any firm conclusions. Taken together, these findings indicate that the practical influence of a criminally accused legislator on borrowing and project outcomes is either negligible or too

subtle to detect with our current data and methods.

Table A19 in Appendix presents RD estimates of the effect of electing a criminally accused politician on two measures of project financial performance—absolute delay (in days) and delay relative to overall project duration. Although the point estimates suggest a delay of approximately 218 days (or a 2% increase in duration), both estimates carry large standard errors and fail to achieve statistical significance. This is in part because the final bandwidth selection yields only 55 observations, reflecting our close election specification coupled with the relatively small number of projects that span these constituencies. Consequently, these results should be interpreted with caution, as the wide confidence intervals indicate no clear evidence that criminally accused legislators systematically increase or reduce delays in project implementation.

7 Conclusion

This study examines the intricate relationship between Development Assistance (DA) and the criminality of politicians, employing multi-way fixed effects for robust empirical analysis within the Indian context. Our findings reveal observable correlations between DA projects and various indicators of criminal accusations. Furthermore, we establish weak suggestive evidence of an association between DA projects and a higher likelihood of participation by accused candidates, particularly in serious crimes, thus highlighting the phenomenon of political selection in assembly constituities benefitting from DA projects. The phenomenon observed with DA can be applicable to any development project or other programs with substantial financial resources.

The limitations of this study are primarily related to the potential for unobserved heterogeneity in accurately assessing the impacts of Development Assistance on the criminality and corruption of electoral candidates. It is vital for future research to address these limitations, potentially through the adoption of alternative methodological strategies that can

more precisely isolate and identify these indirect effects and take into account unobserved heterogeneity. Furthermore, examining different contexts or case studies where the interplay between political quality and development assistance could vary could offer deeper insights.

We cannot rule out that DA (or, similar) projects may attract candidates with criminal backgrounds and higher net assets, among other significant demographic traits. Future studies should explore how the financial influx from these projects might draw criminally accused candidates with specific characteristics. Additionally, investigating how a criminal background and candidate traits such as high net assets or education affect the outcomes of DA projects could provide deeper insights into the dynamics at play.

Our findings underscore the importance of implementation quality in DA projects and suggest that the criminality of elected politicians does not have a clear, systematic impact on project outcomes. While our analysis provides a rigorous test of this relationship, the lack of strong statistical significance implies that any potential effects— whether positive or negative— are likely subtle or context-dependent. These results highlight the need for further research into the mechanisms that drive project performance, beyond the criminal background of legislators, to better understand the factors that truly shape these project outcomes.

In light of the findings that World Bank DA projects or other developmental initiatives with substantial financial investments may correlate with an increased propensity for crime-accused politicians, particularly those implicated in serious offenses such as corruption, to participate in electoral contests, it is crucial for development actors to consider the broader governance ramifications of their interventions. To mitigate the risk of inadvertently empowering candidates with criminal accusations, development actors must rigorously examine the historical criminal records of electoral candidates in the regions where these funds are allocated. This examination should inform the design and implementation of projects to prevent them from becoming conduits for rent-seeking behavior. Given the constraints external actors face in influencing domestic political dynamics, these organizations should prioritize the

enhancement of accountability and transparency. By engaging with local institutions and imposing stringent conditions on the utilization of funds, development actors can ensure their initiatives promote governance improvements rather than being exploited by opportunistic politicians. Future research should explore the mechanisms through which policy toolkits can be designed to further enhance these accountability measures, potentially reshaping the incentives for political candidates.

In conclusion, the findings derived from this study underscore the critical importance of considering the quality of local political candidates and the nuances of methodological approaches when evaluating the impact of development projects. Such research would enrich our understanding of how international development efforts intertwine with local political landscapes and economic development.

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A Appendix

A.1 World Bank Development Assistance

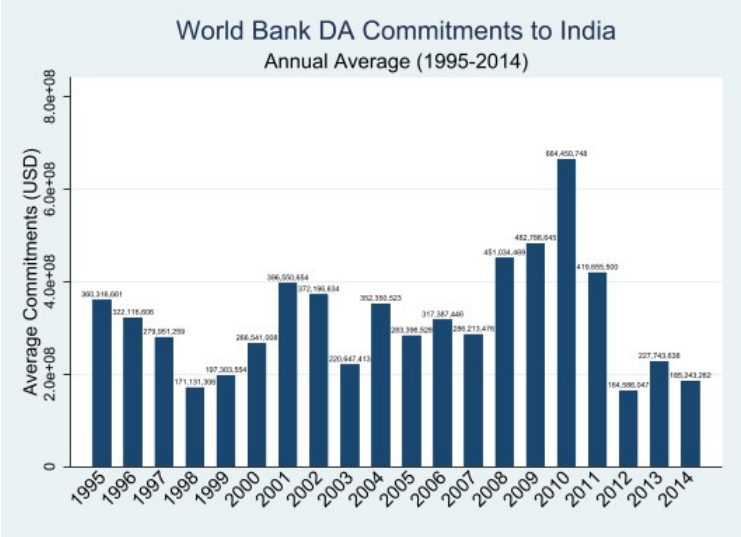


Figure A1 DA Commitments to India (1995-2014)

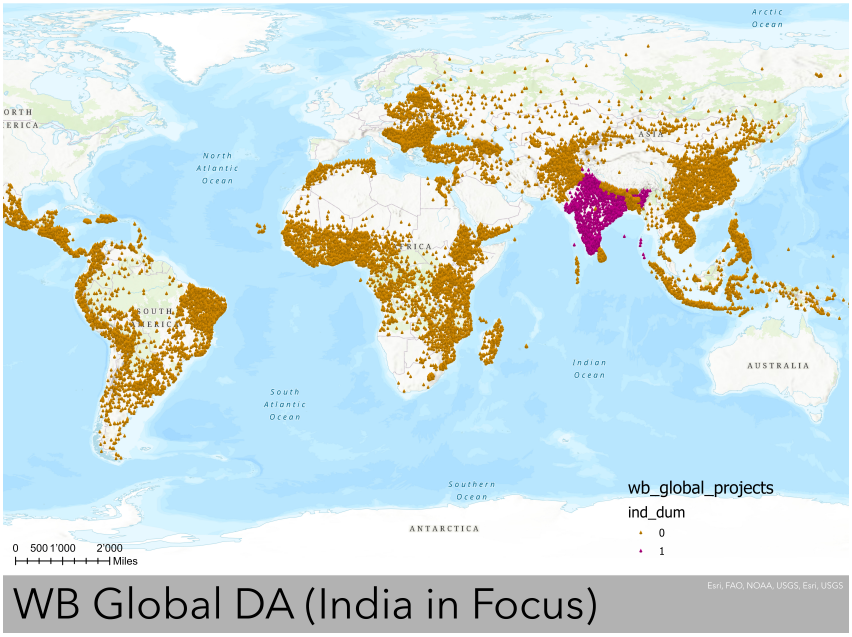
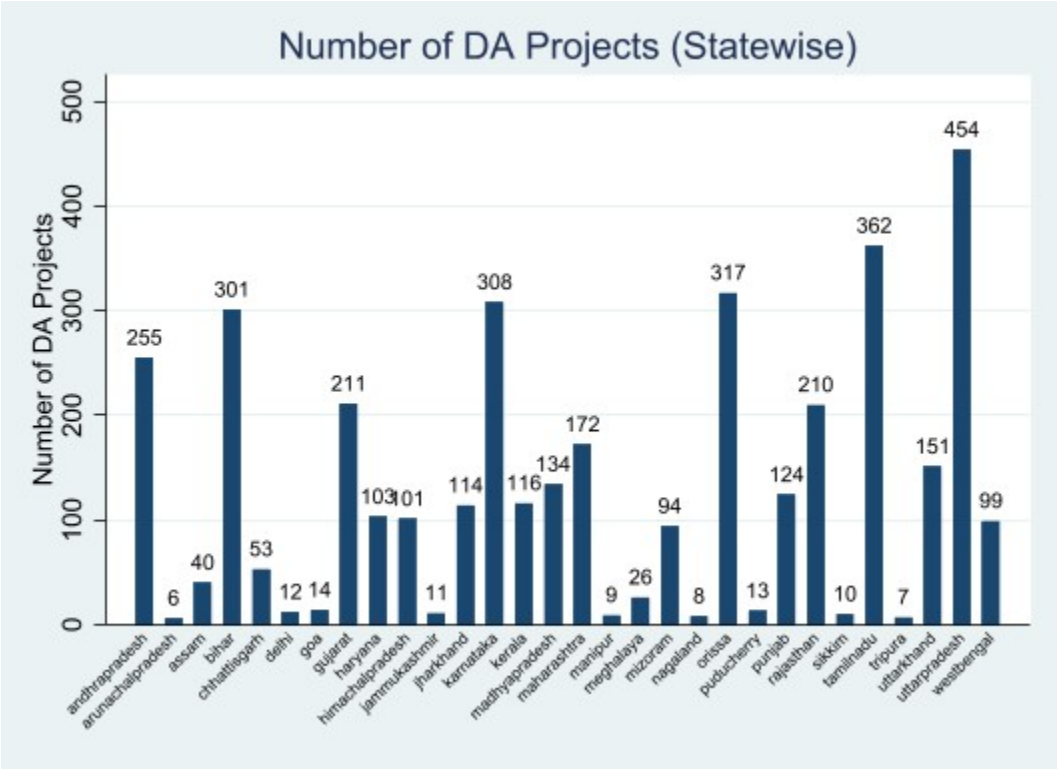


Figure A2 Mapping DA across the Globe: India in Focus (1995-2014)



Figure A3 World Bank Project Cycle



Note: Number of DA Projects = Number of DA projects in unique geocoded locations.

Figure A4 Number of DA Projects across States in India (1995-2014)

6. Outcome:

There were moderate shortcomings in achievement of development outcomes. Although the project development objectives were highly relevant to country strategies and priorities, the design lacked two important pieces: a mechanism to establish government commitment for the restructuring of the Maharashtra Krishna Valley Development Corporation (MKVDC), as well as to ensure a fundamental change in government procedures to set up sufficient O&M funding for the rehabilitated and modernized irrigation schemes. Therefore, relevance of design was rated modest. Achievement of the objective to strengthen the capacity of Maharashtra for multi-sectoral planning, development, and sustainable management of the water resources; is rated substantial due to the fact that although establishment of the Water Resources Corporation (MKVWRC) has not been completed, its envisaged function of river basin planning is being carried out by the existing institution. Achievement of the objective to improve irrigation service delivery and productivity of irrigated agriculture is rated Substantial, based on evidence that productivity and income gains have been achieved for the project beneficiaries compared to the control group in general and also water delivery and water use efficiency have been improved for the project beneficiaries. Efficiency is rated modest, due to lack of a more comprehensive analysis of water efficiency in general other than the economic rates of return reported by the ICR.

a. Outcome Rating: Moderately Satisfactory

Figure A5 Project Outcome Ratings

9. Assessment of Borrower Performance:

a. Government Performance:

The ICR notes that (p. 16), the reforms started by the Government in 2003 and continued thereafter established the necessary policy and regulatory frameworks for the water sector. For the most part the Government satisfactorily implemented these reforms. However, the legal covenant to restructure MKVDC into a fully functioning river basin agency (MKVWRC) was not complied with. Yet the government implemented some of the activities planned for the new agency under the existing institutional structure, e.g., developing water resources plans with a river basin concept. But delays in the contribution for counter-part funding negatively affected project implementation.

Government Performance Rating Moderately Satisfactory

b. Implementing Agency Performance:

The lead implementing agency was the Water Resources Department (WRD) with management support provided by the multi-disciplinary Project Preparation and Management Unit (PPMU). The Agriculture Department (AD) and Water Supply and Sanitation Department were the executing agencies together with WRD. The AD implemented the agriculture support services activities. The Water and Land Management Institute (WALMI) provided training and capacity building for Water User Associations. The ICR notes that (p. 17), all the implementing agencies contributed to achievement of project outputs and outcomes. The fiduciary and safeguard aspects of the project were implemented in compliance with Bank requirements. Issues identified by Bank missions were generally addressed in a timely manner, e.g., FM reporting, speedier implementation of the dam safety component, and quality control of civil works implementation. However, the PPMU suffered from staff shortages in key areas. The ICR did not provide details about the nature of staff shortages and their consequences. The project team subsequently stated that staff shortages, particularly for Financial Management was a persistent problem that was raised in mission aid memoires and management letters. Failure to build the required capacity for M&E and to utilize the data from the third party M&E consultant as well as inability to properly coordinate and sequence investment with capacity building, particularly of WUAs were other shortcomings.

Implementing Agency Performance Rating : Moderately Satisfactory

Overall Borrower Performance Rating : Moderately Satisfactory

Figure A6 Borrower Performance Ratings

12. Ratings:	ICR	IEG Review	Reason for Disagreement/Comments
Outcome:	Moderately Satisfactory	Moderately Satisfactory	
Risk to Development Outcome:	Moderate	Moderate	
Bank Performance:	Moderately Satisfactory	Moderately Satisfactory	
Borrower Performance:	Moderately Satisfactory	Moderately Satisfactory	
Quality of ICR:		Satisfactory	

Figure A7 Evaluation: Ratings Table

A.2 Criminalization of Politics in India

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ANNEXURE XIII C
(CHAPTER V, PARA 9.3)

FORM26

(SEE RULE 4A)



Affidavit to be furnished by the candidate before the returning officer for election to .....
Legislative Assembly ...(name of the House) from ...Adilabad.....007.....
.....Constituency (name of the constituency)
I Jogu Ramanna ...son/daughter/wife of ...A. Khamma.....aged about
.....46.....years, resident of ..2-26...Deepaigude...Md. Jamil: Adilabad
candidate at the above election, do hereby solemnly affirm/state on oath as under: -

1. I am/~~am not~~ accused of any offence(s) punishable with imprisonment for two years or more in a pending case (s) in which a charge (s) has/have been framed by the court(s) of competent Jurisdiction.

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

(i) Case/First information report No./Nos...12/2005.....

(ii) Police station (s) ...Adilabad I T.....District (s)...Adilabad
State (s)...A.P.....

(iii) Section (s) of the concerned Act (s) and short description of the offence (s) for which the candidate has been charged...U/s. 147, 353, 332, 427 R/w 149 IPC.....

(iv) Court (s) which framed the charge (s) ...J.F.C.M. Adilabad.....

(v) Date (s) on which the charge (s) .....-.....

(vi) Whether all or any of the proceeding (s) have stayed by any court (s) of competent jurisdiction
...Yes...by the Hon'ble High Court in Crl. RP. Crl. RPNo.120/08.....

2. I have been/have not been convicted of an offence (s) other than any offence (s) referred to in sub-section (1) or sub-section (2), or covered in sub-section (3), of section 8 of the Representation of the people Act, 1951 (43 of 1951) and sentenced to imprisonment for one year of more.

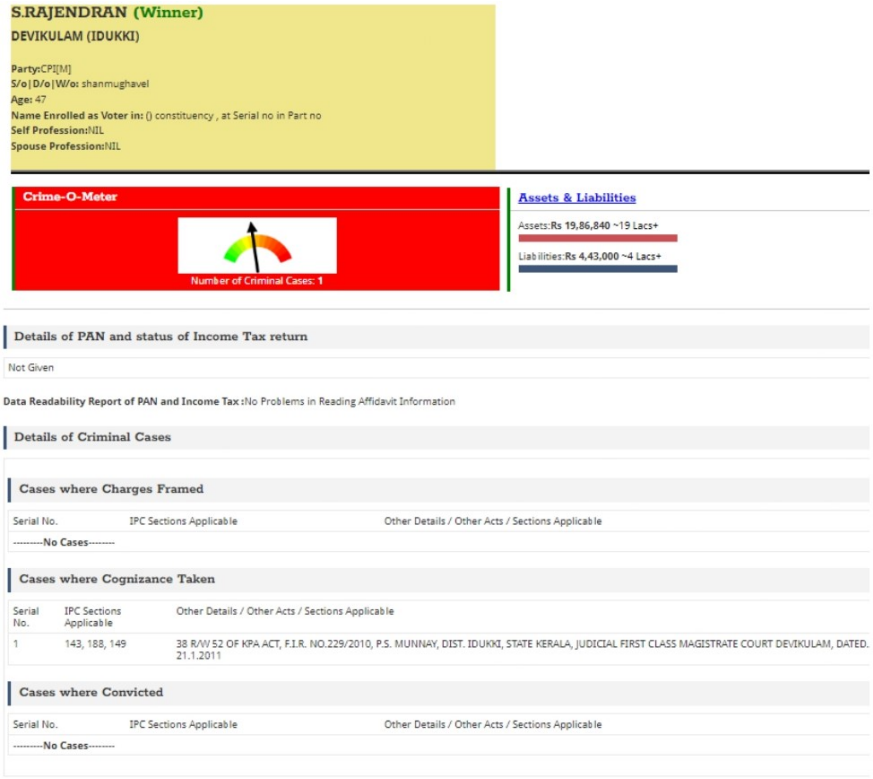
If the deponent is convicted and punished as aforesaid, he shall furnish the following information:

(i) Case/First information report No./Nos...12/05.....

(ii) Count (s) which punished...353, 332, 427 IPC.....

ECI: Election Commission of India.

Figure A8 Example: Politician's Affidavit from ECI



Digitization of ECI data on politicians' affidavits.

Figure A9 Example: ADR MyNeta Page

A.3 Data

Table A1 'Precision Code' Variable Description

Precision Code	Description
1	Coordinates correspond to an **exact** location, like a populated place or a hill. Also, for locations that join a location which is a line (road, railroad). Lines not coded, only connecting points.
2	Locations **near, in the area,** or **upto 25 kms away** from the exact location.
3	Location is, or is analogous to an **ADM2, or district** level.
4	Location is, or is analogous to an **ADM1, or state** level.
5	Location related to estimated coordinates, more than 25 kms away from specific location, or greater than ADM1 level.
6	Location can be only related to a political entity, pair of coordinates represent a country; for country-wide projects.
7	Sub-country information is unavailable.
8	Location estimated to be a seat of the administrative division or the national capital.

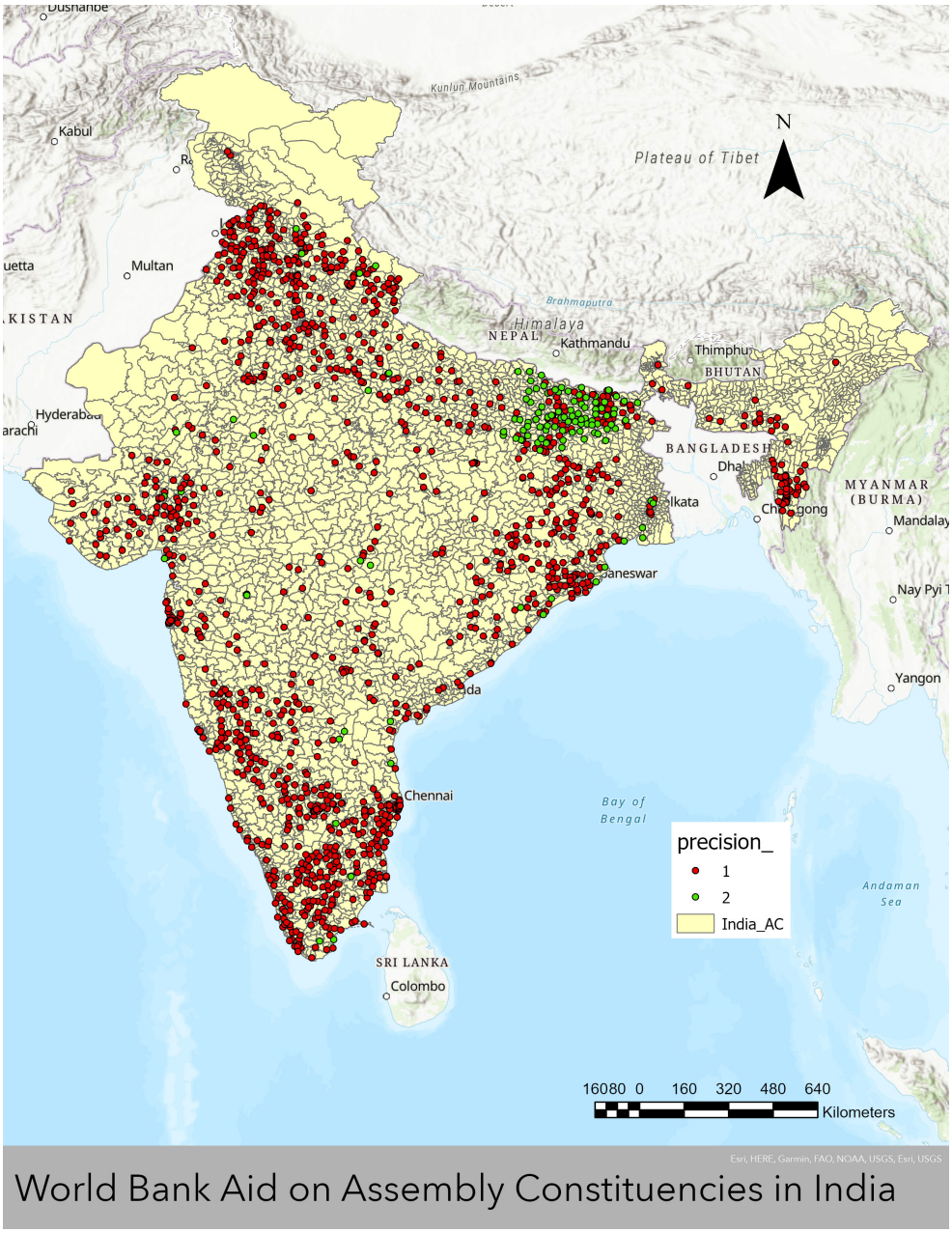


Figure A10 DA across Assembly Constituencies in India (1995-2014)

A.4 Results: DA Projects and Candidate Criminal Accusation

Table A2 DA Projects and Candidate Property Crime Accusation

	Property Crime Accusation					
	(1)	(2)	(3)	(4)	(5)	(6)
DA Project	0.016***	0.004	0.009	-0.002	-0.012	0.008
	[0.00]	[0.01]	[0.02]	[0.01]	[0.02]	[0.02]
Observations	13248	13248	13117	13236	13115	13115
DA Sample Mean	0.09	0.09	0.09	0.09	0.09	0.09
Non-DA Mean	0.06	0.06	0.06	0.06	0.06	0.06
State-Year FE	N	Y	Y	Y	N	Y
Constituency FE	N	N	Y	N	Y	Y
District FE	N	N	N	Y	N	Y

Notes: *p<0.10;**p<0.05;***p<0.01

Table A3 DA Projects and Candidate Violent Crime Accusation

	Violent Crime Accusation					
	(1)	(2)	(3)	(4)	(5)	(6)
DA Project	0.017***	0.007	-0.001	-0.014	-0.015	-0.004
	[0.00]	[0.01]	[0.02]	[0.01]	[0.02]	[0.02]
Observations	13248	13248	13117	13236	13115	13115
DA Sample Mean	0.08	0.08	0.08	0.08	0.08	0.08
Non-DA Mean	0.06	0.06	0.06	0.06	0.06	0.06
State-Year FE	N	Y	Y	Y	N	Y
Constituency FE	N	N	Y	N	Y	Y
District FE	N	N	N	Y	N	Y

Notes: *p<0.10;**p<0.05;***p<0.01

A.5 Results: DA Projects and Candidate Criminal Accusation (All Candidates)

Table A4 DA Projects and Candidate Crime Accusation (All Candidates)

	Any Crime Accusation					
	(1)	(2)	(3)	(4)	(5)	(6)
DA Project	0.024***	-0.003	0.017	-0.004	-0.009	0.025
	[0.01]	[0.01]	[0.02]	[0.02]	[0.02]	[0.02]
Observations	18973	18973	18942	18970	18942	18942
DA Sample Mean	0.19	0.19	0.19	0.19	0.19	0.19
Non-DA Mean	0.17	0.17	0.17	0.17	0.17	0.17
State-Year FE	N	Y	Y	Y	N	Y
Constituency FE	N	N	Y	N	Y	Y
District FE	N	N	N	Y	N	Y

Notes: **p<0.05; ***p<0.01

Table A5 DA Projects and Candidate Serious Crime Accusation (All Candidates)

	Serious Crime Accusation					
	(1)	(2)	(3)	(4)	(5)	(6)
DA Project	0.019***	0.006	0.046**	0.020	0.024	0.047**
	[0.01]	[0.01]	[0.02]	[0.02]	[0.02]	[0.02]
Observations	14829	14829	14713	14823	14711	14711
DA Sample Mean	0.12	0.12	0.12	0.12	0.12	0.12
Non-DA Mean	0.10	0.10	0.10	0.10	0.10	0.10
State-Year FE	N	Y	Y	Y	N	Y
Constituency FE	N	N	Y	N	Y	Y
District FE	N	N	N	Y	N	Y

Notes: **p<0.05; ***p<0.01

Table A6 DA Projects and Candidate Property Crime Accusation (All Candidates)

	Property Crime Accusation					
	(1)	(2)	(3)	(4)	(5)	(6)
DA Project	0.021***	0.007	0.021	0.012	0.009	0.022
	[0.00]	[0.01]	[0.02]	[0.01]	[0.02]	[0.02]
Observations	14829	14829	14713	14823	14711	14711
DA Sample Mean	0.09	0.09	0.09	0.09	0.09	0.09
Non-DA Mean	0.06	0.06	0.06	0.06	0.06	0.06
State-Year FE	N	Y	Y	Y	N	Y
Constituency FE	N	N	Y	N	Y	Y
District FE	N	N	N	Y	N	Y

Notes: **p<0.05; ***p<0.01

Table A7 DA Projects and Candidate Violent Crime Accusation (All Candidates)

	Violent Crime Accusation					
	(1)	(2)	(3)	(4)	(5)	(6)
DA Project	0.022***	0.007	0.009	-0.008	0.004	0.008
	[0.00]	[0.01]	[0.02]	[0.01]	[0.02]	[0.02]
Constant	0.061***	0.066***	0.065***	0.071***	0.067***	0.065***
	[0.00]	[0.00]	[0.01]	[0.00]	[0.01]	[0.01]
Observations	14829	14829	14713	14823	14711	14711
DA Sample Mean	0.08	0.08	0.08	0.08	0.08	0.08
Non-DA Mean	0.06	0.06	0.06	0.06	0.06	0.06
State-Year FE	N	Y	Y	Y	N	Y
Constituency FE	N	N	Y	N	Y	Y
District FE	N	N	N	Y	N	Y

Notes: **p<0.05; ***p<0.01

A.6 Results: DA Projects and Candidate Criminal Accusation (Controlling for Other Characteristics)

Table A8 DA Projects and Candidate Crime Accusation (Controlling for Candidate Characteristics)

	Any Crime Accusation					
	(1)	(2)	(3)	(4)	(5)	(6)
DA Project	-0.002	-0.005	0.043*	0.012	-0.022	0.050*
	[0.01]	[0.01]	[0.03]	[0.02]	[0.02]	[0.03]
Observations	13342	13342	13201	13329	13201	13201
DA Sample Mean	0.19	0.19	0.19	0.19	0.19	0.19
Non-DA Mean	0.17	0.17	0.17	0.17	0.17	0.17
State-Year FE	N	Y	Y	Y	N	Y
Constituency FE	N	N	Y	N	Y	Y
District FE	N	N	N	Y	N	Y

Notes: **p<0.05; ***p<0.01

Table A9 DA Projects and Candidate Serious Crime Accusation (Controlling for Candidate Characteristics)

	Serious Crime Accusation					
	(1)	(2)	(3)	(4)	(5)	(6)
DA Project	0.002	0.003	0.053**	0.018	0.003	0.050**
	[0.01]	[0.01]	[0.02]	[0.02]	[0.02]	[0.02]
Observations	11619	11619	11483	11606	11481	11481
DA Sample Mean	0.12	0.12	0.12	0.12	0.12	0.12
Non-DA Mean	0.10	0.10	0.10	0.10	0.10	0.10
State-Year FE	N	Y	Y	Y	N	Y
Constituency FE	N	N	Y	N	Y	Y
District FE	N	N	N	Y	N	Y

Notes: **p<0.05; ***p<0.01

Table A10 DA Projects and Candidate Property Crime Accusation (Controlling for Candidate Characteristics)

	Property Crime Accusation					
	(1)	(2)	(3)	(4)	(5)	(6)
DA Project	0.006	0.003	0.021	0.005	-0.015	0.019
	[0.01]	[0.01]	[0.02]	[0.02]	[0.02]	[0.02]
Observations	11619	11619	11483	11606	11481	11481
DA Sample Mean	0.09	0.09	0.09	0.09	0.09	0.09
Non-DA Mean	0.06	0.06	0.06	0.06	0.06	0.06
State-Year FE	N	Y	Y	Y	N	Y
Constituency FE	N	N	Y	N	Y	Y
District FE	N	N	N	Y	N	Y

Notes: **p<0.05; ***p<0.01

Table A11 DA Projects and Candidate Violent Crime Accusation (Controlling for Candidate Characteristics)

	Violent Crime Accusation					
	(1)	(2)	(3)	(4)	(5)	(6)
DA Project	0.008	0.005	0.003	-0.012	-0.021	-0.002
	[0.01]	[0.01]	[0.02]	[0.02]	[0.02]	[0.02]
Observations	11619	11619	11483	11606	11481	11481
DA Sample Mean	0.08	0.08	0.08	0.08	0.08	0.08
Non-DA Mean	0.06	0.06	0.06	0.06	0.06	0.06
State-Year FE	N	Y	Y	Y	N	Y
Constituency FE	N	N	Y	N	Y	Y
District FE	N	N	N	Y	N	Y

Notes: **p<0.05; ***p<0.01

A.7 Results: DA Projects, Duration, and Candidate Criminal Accusation

Table A12 DA Projects and Candidate Property Crime Accusation

	Property Crime Accusation					
	(1)	(2)	(3)	(4)	(5)	(6)
DA Project	0.027***	0.005	0.013	-0.002	0.002	0.016
	[0.01]	[0.01]	[0.02]	[0.02]	[0.02]	[0.02]
Proj × Duration	-0.002**	-0.000	-0.001	-0.000	-0.004	-0.003
	[0.00]	[0.00]	[0.00]	[0.00]	[0.00]	[0.00]
Observations	13248	13248	13117	13236	13115	13115
DA Sample Mean	0.09	0.09	0.09	0.09	0.09	0.09
Non-DA Mean	0.06	0.06	0.06	0.06	0.06	0.06

Notes: **p<0.05;***p<0.01

Table A13 DA Projects and Candidate Violent Crime Accusation

	Violent Crime Accusation					
	(1)	(2)	(3)	(4)	(5)	(6)
DA Project	0.020***	0.006	0.004	-0.006	-0.002	0.008
	[0.01]	[0.01]	[0.02]	[0.02]	[0.02]	[0.02]
Proj × Duration	-0.000	0.000	-0.002	-0.002	-0.003	-0.004
	[0.00]	[0.00]	[0.00]	[0.00]	[0.00]	[0.00]
.00]	[0.01]	[0.01]	[0.01]	[0.01]		
Observations	13248	13248	13117	13236	13115	13115
DA Sample Mean	0.08	0.08	0.08	0.08	0.08	0.08
Non-DA Mean	0.06	0.06	0.06	0.06	0.06	0.06

Notes: **p<0.05;***p<0.01

A.8 Results: DA Projects and Candidate Other Characteristics

Table A14 DA Projects and Candidate Education Level

	Education (Schooling Years)					
	(1)	(2)	(3)	(4)	(5)	(6)
DA Project	0.280***	0.147*	0.001	-0.090	-0.296	-0.094
	[0.06]	[0.08]	[0.24]	[0.19]	[0.21]	[0.25]
Observations	14046	14046	13915	14033	13915	13915
DA Sample Mean	10.74	10.74	10.74	10.74	10.74	10.74
Non-DA Mean	10.52	10.52	10.52	10.52	10.52	10.52
State-Year FE	N	Y	Y	Y	N	Y
Constituency FE	N	N	Y	N	Y	Y
District FE	N	N	N	Y	N	Y

Notes: *p<0.10;**p<0.05;***p<0.01

Table A15 DA Projects and Candidate Net Assets

	Log Net Assets					
	(1)	(2)	(3)	(4)	(5)	(6)
DA Project	0.480***	0.058	-0.007	-0.018	0.394***	0.038
	[0.04]	[0.05]	[0.14]	[0.12]	[0.13]	[0.15]
Observations	14392	14392	14266	14376	14266	14266
DA Sample Mean	14.51	14.51	14.51	14.51	14.51	14.51
Non-DA Mean	14.06	14.06	14.06	14.06	14.06	14.06
State-Year FE	N	Y	Y	Y	N	Y
Constituency FE	N	N	Y	N	Y	Y
District FE	N	N	N	Y	N	Y

Notes: Net Assets = Assets - Liabilities, *p<0.10;**p<0.05;***p<0.01

Table A16 DA Projects and Candidate Gender

	Gender is Male					
	(1)	(2)	(3)	(4)	(5)	(6)
DA Project	0.002	0.003	0.002	0.011	0.013	-0.000
	[0.00]	[0.01]	[0.02]	[0.01]	[0.02]	[0.02]
Observations	15097	15097	14976	15081	14976	14976
DA Sample Mean	0.93	0.93	0.93	0.93	0.93	0.93
Non-DA Mean	0.93	0.93	0.93	0.93	0.93	0.93
State-Year FE	N	Y	Y	Y	N	Y
Constituency FE	N	N	Y	N	Y	Y
District FE	N	N	N	Y	N	Y

Notes: *p<0.10;**p<0.05;***p<0.01

Table A17 DA Projects and Candidate Caste

	Caste is SC/ST					
	(1)	(2)	(3)	(4)	(5)	(6)
DA Project	-0.095***	-0.053***	0.023	0.044*	-0.007	-0.003
	[0.01]	[0.01]	[0.02]	[0.02]	[0.02]	[0.02]
Observations	15099	15099	14978	15083	14978	14978
DA Sample Mean	0.27	0.27	0.27	0.27	0.27	0.27
Non-DA Mean	0.38	0.38	0.38	0.38	0.38	0.38
State-Year FE	N	Y	Y	Y	N	Y
Constituency FE	N	N	Y	N	Y	Y
District FE	N	N	N	Y	N	Y

Notes: SC: Scheduled Caste, ST: Scheduled Tribe (Historically marginalized groups with affirmative action policies), *p<0.10;**p<0.05;***p<0.01

Table A18 DA Projects and Candidate Age

	Age (in Years)					
	(1)	(2)	(3)	(4)	(5)	(6)
DA Project	0.827***	0.153	0.310	0.095	0.962	0.215
	[0.19]	[0.24]	[0.74]	[0.60]	[0.66]	[0.77]
Observations	14947	14947	14825	14931	14825	14825
DA Sample Mean	45.26	45.26	45.26	45.26	45.26	45.26
Non-DA Mean	44.54	44.54	44.54	44.54	44.54	44.54
State-Year FE	N	Y	Y	Y	N	Y
Constituency FE	N	N	Y	N	Y	Y
District FE	N	N	N	Y	N	Y

Notes: *p<0.10;**p<0.05;***p<0.01

Table A19 Effect of Accused Politician on Project Financial Performances

	Project Delay (Days)	$\frac{\text{Proj. Delay}}{\text{Proj. Duration}}$
RD_Estimate	218.35	0.02
	[820.47]	[0.23]
Control Mean	556.55	0.16
Observations	55	55
Left Bandwidth	4.00	4.00
Right Bandwidth	1.53	2.00

Notes: We have controlled for additional covariates that are not balanced in the baseline. Nearest-neighbor (nn) cluster robust standard errors at the district level are shown in brackets. The bandwidths reflect local polynomial RD estimates computed separately on each side of the cutoff.
$^{*}p < 0.1;^{**} p < 0.05;^{***} p < 0.01$