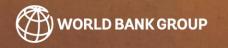
Making Politics Work for Development

HARNESSING TRANSPARENCY AND CITIZEN ENGAGEMENT





What is the problem of politics and governance?

Government failure

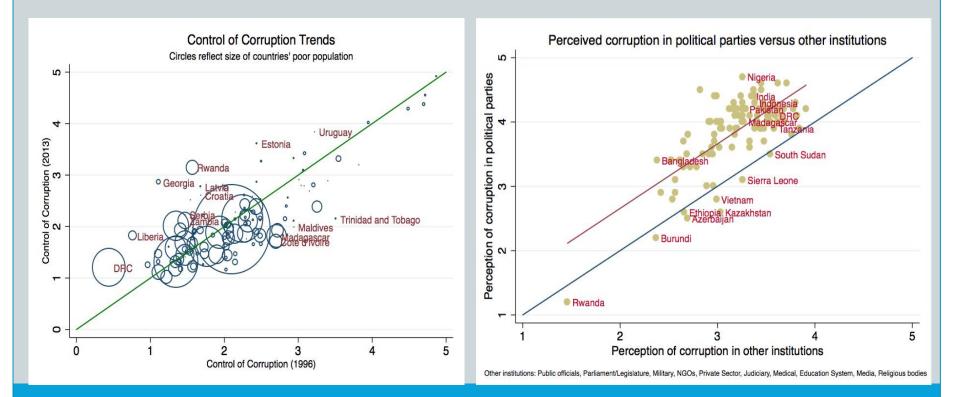
Governments fail to provide public goods when leaders knowingly and deliberately ignore sound technical evidence or are unable to implement good policies

- > Adverse political incentives
- Perverse behavioral norms in the public sector, among citizens and cadres of public officials, not just among politicians

These problems are prevalent in both rich and poor countries, and transcend national boundaries

Example of government failure in poor countries

- Systemic and persistent corruption
- "Culture of corruption": rational beliefs about how others are behaving in the public sector, and the likelihood of getting caught and punished



Example of government failure in rich countries

Beyond corruption and accountability: ideological polarization and distributive conflict

- Ideological beliefs and "motivated reasoning" can lead to resistance of technical evidence
- Cognitive limitations to understand the "equilibrium" consequences of policies that confer short-term benefits
- Citizens can organize to pursue their special interests at the expense of the greater public good
- Distributive conflict can allow leaders to further polarize citizens and build ideological constituencies rather than seek common ground to address shared problems

The "big picture" Finding

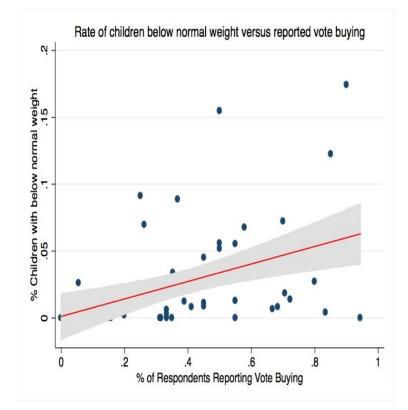
Political Engagement

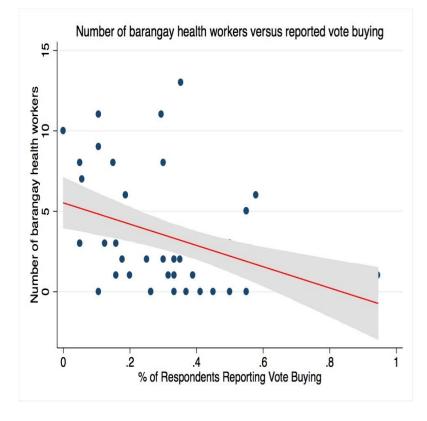
Transparency

Government failures can be understood as a consequence of "unhealthy" political engagement: when leaders are selected and sanctioned on the basis of providing private benefits rather than public goods

Solutions lie in fostering "healthy" political engagement within any formal context Should be targeted to nourish political engagement—shift it towards the public good—at multiple levels of government, starting with the lowest level or the "first mile"

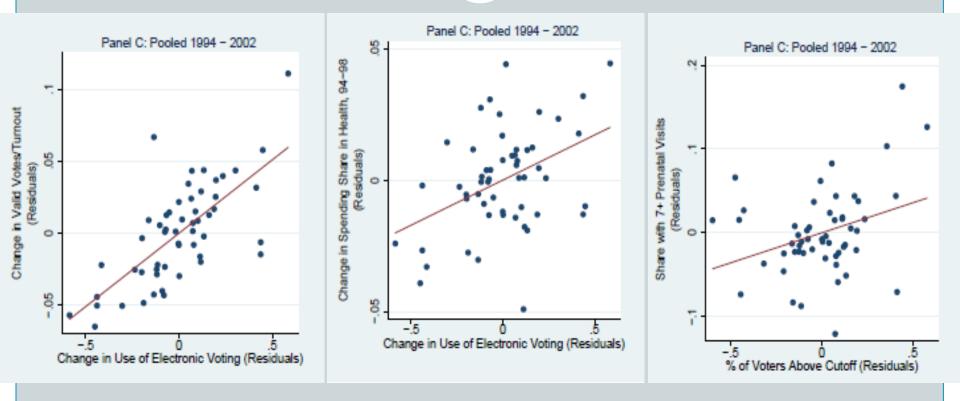
Eg: While vote-buying is associated with worse health outcomes...





(Khemani, 2015)

...Effective enfranchisement of poor citizens leads to better health outcomes



(Fujiwara, 2015)

Eg. Voters and contenders are influenced by information



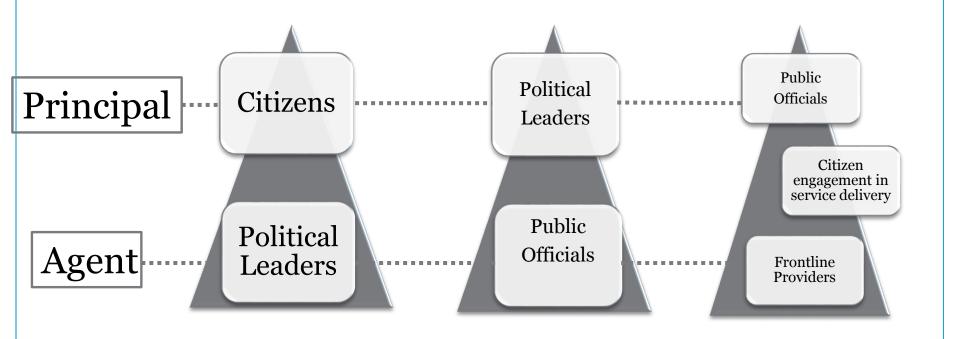
Political debates among candidates in Sierra Leone changed voter behavior, and increased constituency service by elected politicians



Source: Bidwell et al, 2016

How PE + T are fundamental to governance

- 1. Incentives and accountability of leaders
- 2. Selection of different types of leaders
- 3. Shaping of Behavioral Norms



Example from India:

- Once upon a time, the city of Kanpur was regarded as the Manchester of the East.
- Now it is without electricity and industry (http://www.powerless-film.com/)



citizens

• Stealing electricity from the state is the norm





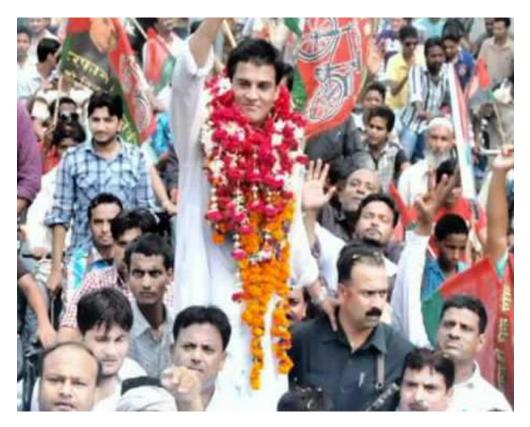
public officials

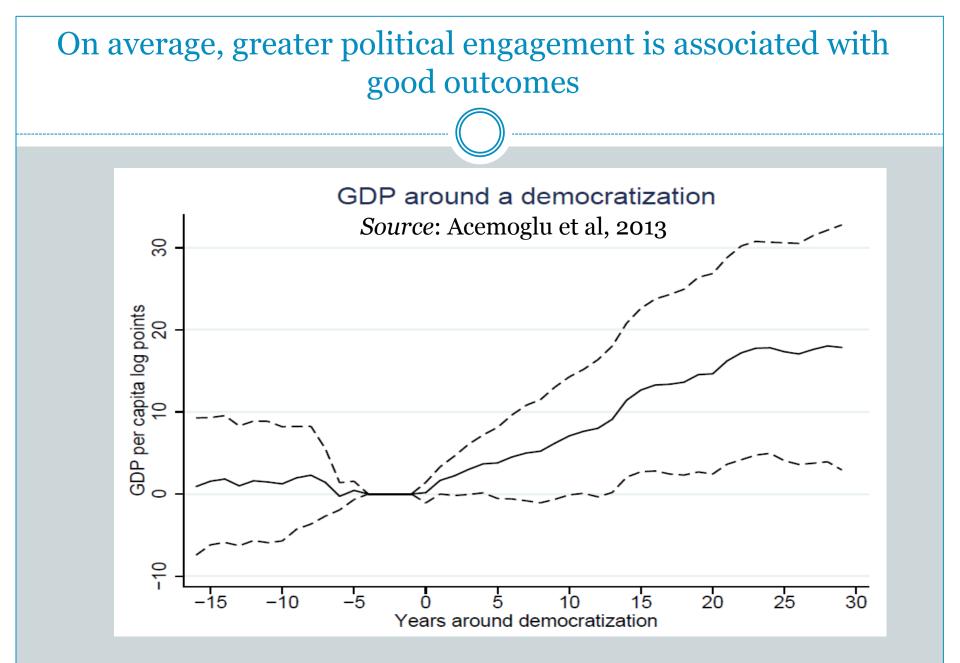
- The reforming public official (head of the state electricity company) is transferred
- Frontline service providers are alleged to collude in theft from the state



politicians

- Won the election by fighting the reforms
- Allegations of criminality and violence





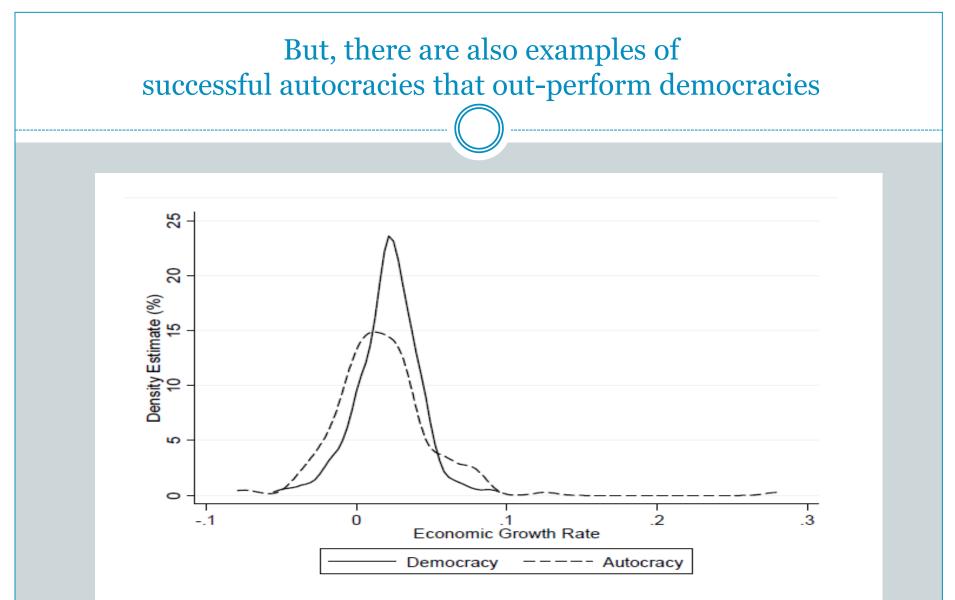
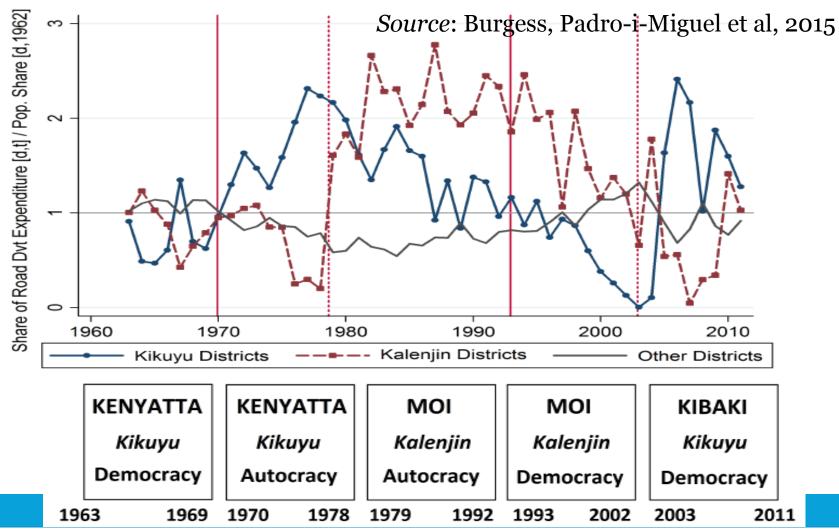


Figure 1: Economic Growth Distributions among Democracies and Autocracies

Source: Besley and Kudamatsu, 2008

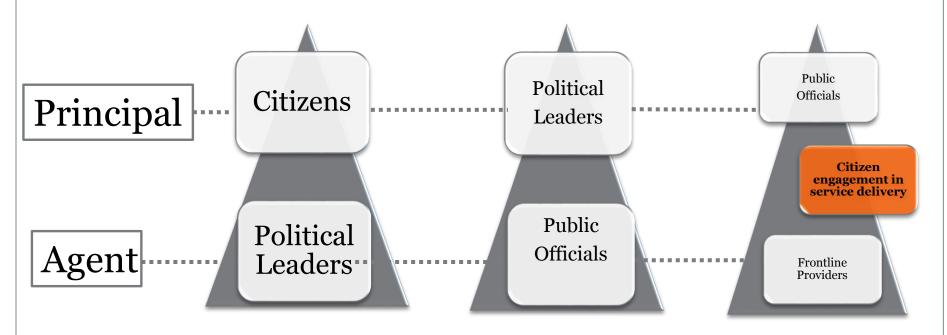
Authoritarian institutions also suffer from unhealthy political engagement

Figure 5: Road Expenditure in Kikuyu, Kalenjin and Other Ethnic Districts, 1963-2011



Unhealthy political engagement cannot be bypassed

- Transparency initiatives targeted at promoting "social" accountability are insufficient
- Reforms using innovative technologies can be sabotaged and repealed
- Capacity building can be ineffective in the face of weak incentives



PE + T are needed for institutional transition

- Building effective government institutions requires changes in political behavior—investments in formal capacity and innovative technologies are not enough
 - Confluence of transparency and widespread political engagement provide tipping points for homegrown institutional change
 - But change may not always go in the right direction: history does not end
 - Unhealthy political engagement can persist despite transparency, but there's no side-stepping it

Transparency has potential

• Transparency can interact with political engagement in order to overcome government failures

• Large body of evidence, drawn from a variety of contexts, that political engagement responds to transparency

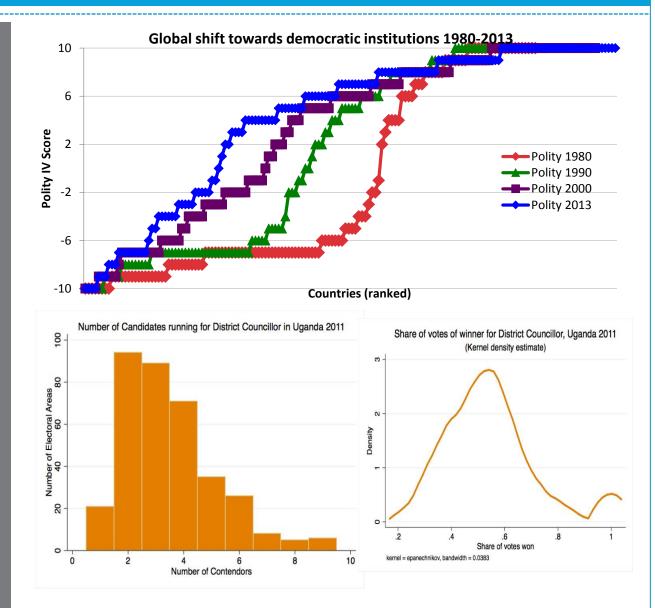
 Mass media can, potentially, coordinate political engagement on public good platforms; improve selection of leaders

• *Media may also influence demands and behavioral norms:* beyond information asymmetry in principal-agent problems

Policy Implications: Transparency

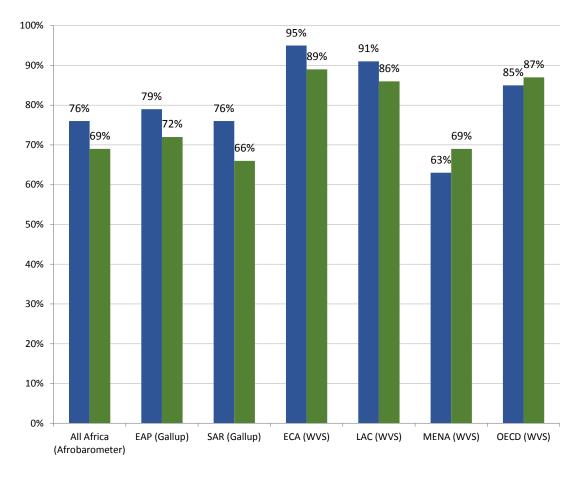
- Target transparency to improve the quality of political engagement: design matters
 - Information on performance and consequences of policy actions
 - "Infotainment" through persuasive mass media
 - Congruence of information content, media and political markets

May be powerful in environments where citizens are already actively engaged in selecting and sanctioning leaders Space for citizens to participate as voters and contenders has expanded



Poor citizens report voting in large numbers

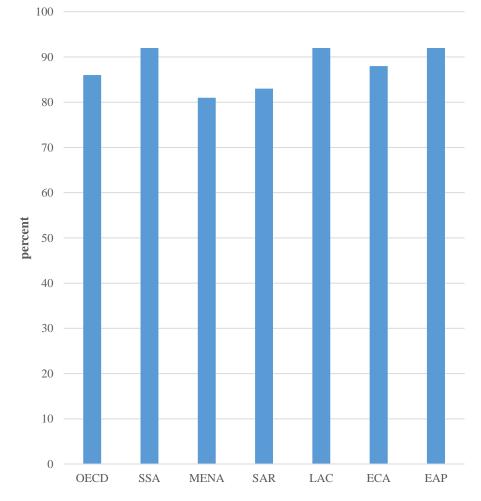
Self-Reported Voter Turnout Rates in National Elections by Education and Region



Primary education
More than primary education

Citizens feel that their vote matters

Percentage of respondents who answer that having honest elections is "very" or "rather" important for whether their country develops economically:

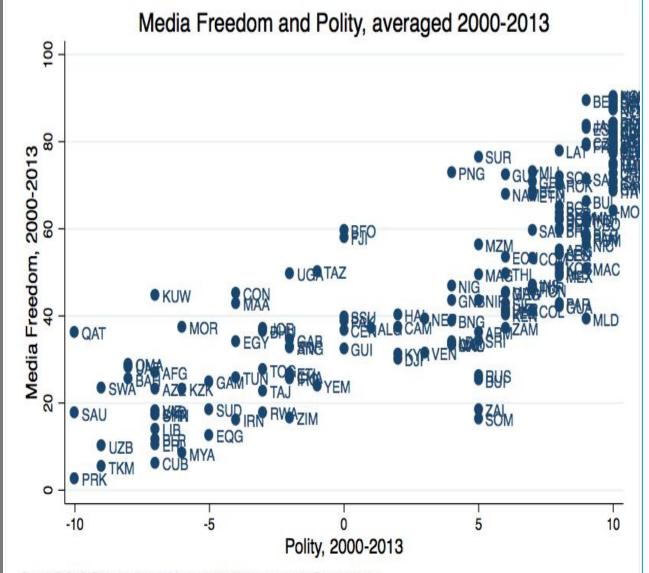


World Values Survey, 2010-2014

Freedom of Media

goes together with political engagement...

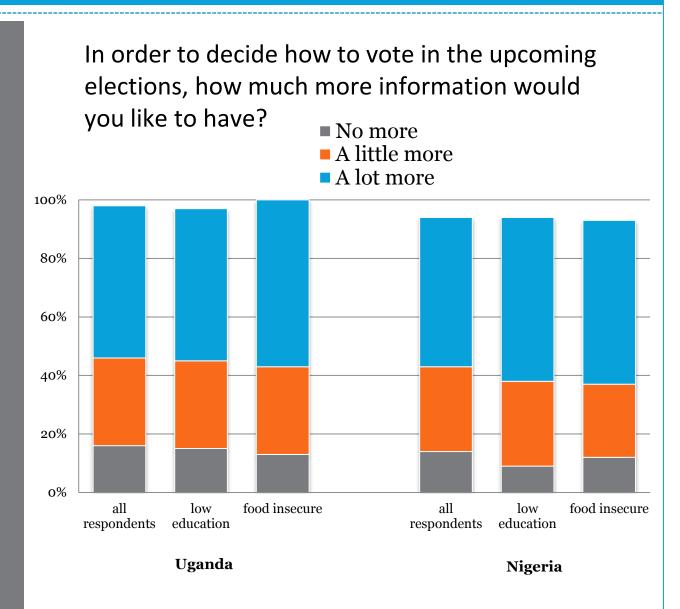
...but is also happening across a variety of institutional contexts ("the dictator's dilemma")



Source: Polity IV Project and media freedom is based on a measure by Freedom House.

Surprising variation in free press across the globe RUSSIA CANADA MONGOLIA UNITED STATES CHINA BRAZIL CLIM AUSTRALIA GOOD SITUATION NEW ZEAL SATISFACTORY SITUATION NOTICEABLE PROBLEMS DIFFICULT SITUATION VERY SERIOUS SITUATION

Citizens want information to decide how to vote



Many risks and open questions

- Citizens may avoid/distrust information, choosing media deliberately to confirm their priors
- Incumbent political leaders can take actions to undo any positive effects of information on voter behavior
- Media can be captured by interest groups
- Little evidence on long-term or general equilibrium effects on governance outcomes (taking into account how political leaders, interest groups and public officials respond to transparency)

Transparency targeted at nourishing political engagement is a necessary complement to other policies

- May not be sufficient, but need to keep at it: the only way out, when political engagement is unhealthy, is through
- Iterative strategies to learn from both success and failure, and adapt accordingly
- Role of "higher order" transparency: education
- Role of deliberation in "first mile" jurisdictions to allow local leaders to build common ground (think of Plato's Agora)

Policy Implications for Institution Design

- Local elections, supported by transparency, can be attractive to policy makers across the political spectrum, to address "last mile" delivery problems
 - > Define the public goods they are supposed to deliver
 - Support local media dedicated to covering public good performance of these local governments
- Design non-political citizen engagement initiatives by taking political behavior into account
- Need more work on institutional design, in a world where power is becoming more diffused
 - To constructively channel and aggregate individual actions for public goods

Who will take-up these recommendations?

• Fundamental dilemma motivating this report: those with the power to take-up recommendations don't have incentives to do so

• Particular role for agents who have technical capacity to generate meaningful information about public good performance of governments, and who are credibly independent and non-partisan