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Title: *Political Clientelism and Government Accountability in West Bengal: Theory and Evidence*

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Policy Motivation for Research: The importance of accountability mechanisms for governments is widely acknowledged to have important implications for economic development prospects in poor countries. Problems of corruption, poor leadership and policies, mistargeting and waste in government programs result in low scale and quality of state sponsored development programs. Recent years have witnessed the emergence of a large literature on this topic.

Less is known about the dynamics of accountability mechanisms --- how do they change in the process of economic development? One might expect rising education and aspirations, improved access to information, enhanced mobility, development of judicial institutions and the media to translate into higher standards that voters expect from their elected representatives. Reduced poverty and vulnerability of citizens may reduce their willingness to sell their votes; citizen preferences for public goods relative to private transfers may rise, resulting in a weakening of effectiveness of clientelistic machine politics. All of these may generate enhanced accountability. On the other hand, there are many other channels by which governance can decline along the development process: increased opportunities and scope for corruption with growth in government, greater elite capture owing to increased inequality. Whether enhanced accountability succeeds in dominating the tendency for governance to decline will have a strong impact on political turnover and subsequent growth.

This project examines the experience of West Bengal, using a new round of household surveys carried out in 2011 immediately following elections to the state legislature in which the Left Front lost a majority for the first time in over three decades. The aim is to understand why this happened: the result of enhanced accountability standards, or a decline in governance.

Policy Impact: We find that the reversal of political fortunes of the Left in West Bengal cannot be explained by a weakening of clientelistic mechanisms of delivery of private benefits. We also find no evidence that increased media exposure contributed to the downfall of the Left. Instead, a significant part of the anti-Left vote in 2011 reflected voter dissatisfaction with delivery of local health and education services and in corruption of local leaders. Dissatisfaction with local leaders and local problems were more significantly (negatively) correlated with the likelihood of voting Left, compared with dissatisfaction with non-local leaders. The failed land acquisition efforts of the state government between 2006-08 played at most a secondary role. Overall, therefore, we find little evidence that the political turnaround in West Bengal resulted from any enhancement in accountability mechanisms; governance failures were more important.

The results imply that weaknesses in governance can result in even well-established incumbents losing political power. Hence continued good governance is essential for long term political survival as well as high growth. Continued reliance on clientelistic mechanisms will neither ensure political survival nor broad-based development. Policy-makers need to pay particular attention to local health and education services and control of local corruption.

Audience: Anyone involved in designing or evaluating accountability of government institutions for delivery of public programs --- policy-makers, consultants, think-tanks, academic researchers.

Policy Implications:

- In order to induce politicians to deliver good governance, accountability mechanisms need to be strengthened --- including spread of education, information to voters concerning

performance of their political representatives, development of judicial institutions, media and civil society organizations

- Policy-makers need to devote attention to delivery of public services in health, education and infrastructure and to control of local corruption among implementing agencies in order to promote growth as well as political stability

Further Readings:

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Laffont, Jean-Jacques (2006) "Corruption and Development," In Abhijit Vinayak Banerjee, Roland Benabou, and Dilip Mookherjee (Eds.) *Understanding Poverty*, Oxford University Press, New York.

Mookherjee, Dilip (2012) "Accountability of Local and State Governments in India: An Overview of Recent Research," working paper, Boston University Department of Economics. Downloadable from www.people.bu.edu/dilipm/wkppap.

Nussbaum, Martha C. (2008) "Violence on the Left: Nandigram and the Communist of West Bengal," *Dissent*, Vol. 55, No. 2, pp.27-33.