

Whose Money, Whose Influence? Multi-level politics and campaign finance in India

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Abstract: Those who affect the outcomes of elections—via financial or means—often have greater access to elected officials. Yet, we frequently have little information about the dynamics of elections, let alone the relationship between campaigns and subsequent sway over officials. I draw on surveys of politicians to illuminate three key aspects of campaign dynamics in India: differences in campaign costs across levels of government; variations in funding sources across levels; and the role of various actors in providing other forms of campaign assistance. I find, first, that financial support from political parties is relevant only at high levels of elected office, whereas personal resources dominate at lower levels. Second, a substantial portion of all respondents highlights the role of illicit funds in campaigns. Finally, sources of non-financial assistance—e.g. for voter mobilization—differ across levels of government.

Key words: India, campaign finance, surveys, corruption, vote-buying, turnout-buying, multi-level politics

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Elections are pivotal moments in democracies, not only because they determine who wins elected office, but also because they can shape who acquires influence over those who take office. Recent work on campaign finance suggests that the character of election support can determine who most easily interacts with elected officials,ⁱ as well as the policy priorities of those in office.ⁱⁱ If this is the case, then evaluating the character of support for politicians during elections, including both financial and non-monetary contributions, is of prime importance for understanding the actions of elected officials. Yet, in many contexts, especially developing democracies such as India, we have little insight into the nature of campaign support in general, let alone campaign finance.

In this chapter, I provide new data and analyses to shed light on three key aspects of campaign dynamics in India: relative differences in the costs of campaigns across levels of Indian government; variations in the importance of different funding sources across levels; and the role of various actors, including politicians, in providing other forms of campaign assistance to candidates at different levels of government. In doing so, I also bring attention to the prevalence of illegal activities in Indian election campaigns, in the form of reliance on illicit funding sources, or “black money,” and the attempts of politicians to influence voting behavior through giving gifts to voters.

In order to examine these topics, I draw on unique surveys of politicians at all levels of government in three Indian states, Bihar, Jharkhand, and Uttar Pradesh. While not representative of the entire country, the experiences of politicians in these states—which I characterize in greater detail below—give us a new and unique view into the dynamics of election finance in highly competitive electoral environments. These surveys provide us with direct insights into the ways in which politicians view campaigns, both their own and their

peers'. In order to account for potential issues related to social desirability bias in responses, I use a combination of direct and indirect question techniques to elicit responses. I also combine the results of these surveys with additional public information on respondents, including data on their assets and open criminal cases drawn from election affidavits.

I find, first, that financial support from political parties is relevant only in national and state legislative elections, not at the three levels of elected councils within states, the district, block, and village councils.ⁱⁱⁱ At these lower levels, personal resources play a more dominant role, as do donations from family and friends. Nonetheless, and second, when asked what is the most common source of funding, a substantial portion of all respondents highlight the role of illicit funds in campaigns, with state and national legislators highlighting this more than any other form of funding. Third, in terms of non-financial campaign support (e.g. helping to mobilize voters on election day or handing out gifts), higher-level politicians are highly reliant on support from local politicians, party workers, and non-party fixers, while lower-level politicians are more dependent on local village and neighborhood associations. State legislators are also much more likely than other respondents to say that they help other candidates by handing out gifts. Fourth, when candidates comment on the “typical” campaign at their level of office, this is, on average, double what they report spending on their own campaign. Finally, gift giving, while illegal, is reported to be a substantial portion of the typical campaign, making up between one quarter and one hundred percent of spending.

In the remainder of this chapter, I begin by setting the stage for an analysis of campaign finance and support activities with a discussion of important related findings in other contexts. I then offer a brief overview of campaign laws in India, particularly with regard to finance and limits on the size and nature of spending. In the subsequent empirical

section, I consider two broad sets of questions related to 1) who gains influence over politicians via campaign donations and other forms of campaign support and 2) what is the character of spending by politicians. I conclude with thoughts on the implications of my findings for our understanding of politicians' motivations when in office and potential areas for further research.

Sources of Influence and the Role of Gift-Giving in Campaigns

To frame the analysis of campaign finance and related activities across India's five levels of elected office, I consider three sets of relevant findings in the existing literature. These analyses of campaign finance in other contexts, including both other developing countries and the United States, suggest potential paths forward for uncovering the dynamics of competing in elections in a setting such as India. Specifically, I discuss work on the relevance of party money, the direct contributions of time or money by various state and non-state actors more generally, and the relevance of vote-buying to campaign dynamics.

Distinguishing between party money and candidate money in financing campaigns is of key importance for understanding overall patterns of campaign finance. This distinction is relevant due to the influence that the former may have on other aspects of democracy, such as through providing "a counter-weight to the inequity between individual candidates' resources, most notably the discrepancies between the financial positions of incumbents and challengers."^{iv} Similarly, money from a central party organization may provide important resources to state parties, helping to balance resources across sub-national units while also supporting voter mobilization by state units.^v Finally, party money may also induce greater party discipline in policymaking.^{vi} The extent to which these same dynamics, investigated

primarily in the United States, exist in Indian politics is unknown, largely because we have little understanding of the degree to which candidates receive money from their parties and the characteristics of those who merit party support.

There is also increasing evidence that providing campaign contributions increases access to, and influence over, politicians when they are elected,^{vii} and that this applies to donations from both private donors and politicians who make contributions to their peers' campaigns.^{viii} This raises at least two questions for the Indian case: who are the actors contributing to individual campaigns, particularly given the historical limits on corporate financing that I discuss below, and how do politicians support each other? The answers will be suggestive of different paths of influence by which various individuals and groups within society may exert influence over politicians once they take office.

Finally, giving gifts to individual voters—in the form of cash payments or physical items such as food or clothing—is understood to be a key element of campaign dynamics in many developing countries. Whether these payments are made to influence the character of voting,^{ix} turnout,^x or something else,^{xi} the illicit use of cash and gifts is perceived to be both prevalent and potentially relevant to election outcomes. In the discussion below, I use the term “gift-giving,” to encompass all forms of vote buying, turnout buying, and other forms of inducement intended to influence political behavior. Examples of this activity in the Indian context include the handing out of cash to voters, often late at night on the evening before the election; distribution of alcohol, clothing, and other personal goods; and the hosting of large public meals.^{xii}

A demand for gift-giving is relevant to work on campaign finance, because it may influence pressures to draw on illicit, non-traceable funds to finance gifts. This also suggests a

potential connection to the emerging literature on criminal politicians in India.^{xiii} The illicit funds supporting gift giving may be more accessible to those with criminal connections. To what extent are these dynamics present in Indian elections, does the use of such tactics differ at different levels of elected office, and what role do various state and non-state actors play in the process? The answers to these questions may have important implications for the character of influence both during and after elections.

The Empirical Context - Campaign Finance in India

To provide the relevant context for an evaluation of campaign spending and related activities, I provide here a brief review of the official rules for campaign finance put forward by the Election Commission of India. I also discuss rules related to party participation in elections, as may be relevant to campaign finance activities. I then briefly discuss disclosure requirements related to household assets and pending criminal cases.

Perhaps most importantly, the Election Commission of India sets rules related to the amount of money individual politicians are allowed to spend on their campaigns. The specific figures differ by state, according to size, with limits for the 2016 national parliament election ranging from INR 5,400,000 to 7,000,000 (approximately US\$90,000 to 116,667) and the limits for state elections ranging from INR 2,000,000 to 2,800,000 (approximately US\$33,333 – 46,667).^{xiv} To place these limits in the context of *actual* spending on campaigns, estimates during the last national election placed total spending for a parliamentary seat at approximately ten times the official limit.^{xv}

One reason that overall spending can be so much higher than the individual limits is that these limits do not directly apply to spending by political parties, which face no limits on

campaign spending, or that by other actors on behalf of a candidate. This implies that candidates could feasibly benefit from substantial licit spending on the part of other actors. However, this could also create incentives for politicians to redirect their own resources in ways that mask the true origin of funds. Similarly, another recent analysis suggested that politicians spend money in their constituency prior to declaring their candidacy^{xvi} and outside the official period of the campaign, which is typically a rather short two-week window.

Parties also have more flexibility than candidates in the receipt of donations. While corporate donations have been variably regulated over the post-Independence period, the 2017 Finance Act eliminated caps on corporate giving. Parties also have only minimal limits on disclosure of donations, which can be given with no identifying information as long as the total amount is less than INR 20,000. This again implies that parties can collect funds from illicit sources (as long as the individual payments are relatively small) and then use this money to support candidates. As one analysis put it, once the money is collected, “the only hurdle to moving it into the pockets of the voters is the physical transfer of the banknotes.”^{xvii}

The role of parties is legally limited, however, at the lowest level of elected office. In most Indian states, political parties are not allowed to support directly candidates in elections for the village-level councils and candidates are not allowed to identify themselves with particular parties. This is intended to encourage apolitical elections at the local level. In practice, there is evidence that parties do play a role at this level,^{xviii} or at least that candidates are often affiliated with a particular party,^{xix} but this is outside the legal norms.

Another important regulation of campaigns has been the introduction of an affidavit requirement, which obliges candidates to submit information on their contact details, personal assets, and any pending criminal cases against them. While the requirement to provide this

information may not directly affect the character of campaign finance, we can use the declarations to investigate whether certain types of individuals display differing tendencies in their campaigns.

Multi-level Campaign Finance in India

The analysis of campaign finance discussed here draws on a set of politician surveys conducted in two rounds in three Indian states, Bihar, Jharkhand, and Uttar Pradesh. These states are in the Hindi-speaking belt of North India, one of the least developed regions of the country. The states are known for high levels of corruption^{xx} and criminal participation in politics,^{xxi} as well as highly competitive elections. As a result, the nature of campaigns in general, and campaign finance in particular, may differ in these states from that in other parts of the country. At the same time, because electoral rules are largely constant across the country, and because both high levels of electoral competition and highly expensive elections are reported across the country, basic characteristics of campaign finance described here may still be relevant for thinking about what may be occurring in other parts of the country.

The survey sample includes politicians at all levels of elected office: village, block, and district councils (in ascending size), and state and national legislative constituencies. In the first round of surveys, I randomly chose respondents through a nested selection process. First, districts were randomly selected in each state. Within districts, blocks were then randomly selected. The president of the council and one council member were chosen in each block and district. For legislators, the blocks and districts in the sample were mapped to state and national constituencies and all politicians whose constituencies fell in the overlapping areas were included in the sample. Village council respondents include the council president

and two council members, of whom one must be scheduled caste or scheduled tribe and another a woman.^{xxii} In a second round, I attempted to survey all of the state and national legislators who were not included in the original random sample, in order to approximate a census of politicians at these levels. These procedures resulted in a total sample of 2,577 politician respondents. Summaries of the sample and respondent demographic statistics are provided in Appendix A (Table A1). I take advantage of the multi-level character of the data to examine differences in each of the analyses described below across politicians at all levels of government.

I first examine what types of actors may gain access to—and potentially garner influence over—politicians, through their roles as providers of campaign funds or other forms of assistance during campaigns. Related to this, I then consider politicians’ responses about how they support other candidates, and thus gain their own supplementary influence within the political system. Finally, I evaluate the overall size of spending, comparing politicians’ reports on their own campaigns to that of the “typical” election at their level, and the relative contribution of gift giving to total costs. The questions used in the survey to generate the data analyzed here are provided in Appendix B, in English and Hindi, in the order discussed below.

Influence via Funding and Assistance

In the first set of analyses, I present the results of a set of questions asking politicians about their receipt of financial support from their party as well as their other sources of funds.

What are candidates’ sources of funds?

The responses shown in Table 1 are politicians' reports about whether or not they received campaign funds from a variety of sources. This includes their political party as well as their personal resources, donations from friends and family, and contributions from bureaucrats or representatives of the private sector. A key initial observation is that state and national legislators (Members of Parliament or MPs, and Members of the Legislative Assemblies, or MLAs) are substantially more likely to report receiving funds from their party than any respondents at lower levels of government. The same trend is observed, though in a somewhat less dramatic manner, for donations from friends and family. In general, village council presidents seem substantially more dependent on their own resources, relative to contributions from other types, than do politicians at higher levels of office. This is perhaps unsurprising, given laws against formal party support in village council elections. Yet, this is only one view into the sources of funds, and I provide an alternative perspective on the most common sources of funding after reviewing in more detail the character of party contributions.

[Table 1 about here]

Among those politicians who reported having received funds from their party, the average amount received by MPs was 1.6 million rupees, or approximately US\$27,000. State legislators reported receiving 500,000 rupees, on average, or approximately US\$9,000. None of the small number of district council presidents who reported receiving party funds answered the question about the amount received, while the two block council presidents receiving funds reported garnering an average of Rs 125,000 (US\$2,000). For the 21 village

council presidents who reported receiving party funds, the average amount was 13 thousand rupees (~US\$217).

Are the characteristics of candidates correlated with receipt of funds from parties and how much received? Perhaps surprisingly, a range of individual-level characteristics do not seem to be associated with either whether a politician reports receiving funds from the party or the amount reported received. Multivariate regressions including measures of both demographic characteristics and party-related characteristics suggest no clear predictors of party funding, other than being an MP or MLA (See Appendix A Table A4). Of particular interest, given recent work on the incentives for parties to run candidates with criminal records,^{xxiii} there is no association between number of open criminal cases and receipt of party funds among senior politicians. This is interesting, because we might expect parties to give less money to criminally-accused candidates, if one of their appealing characteristics is the ability to fund their own campaigns. Yet, we do not observe such a difference in these data. With regard to the *amount* of money received among those who did receive party funds, there is no difference between MPs and MLAs versus lower-level politicians, on average, though the small sample size in the latter group may be masking actual differences. Other Backward Class (OBC) respondents do report lower funds received than do forward castes, and this difference is statistically significant at standard levels.

Perhaps more illuminating are respondents' answers to a question about what they think is the *most common* source of funding for their peers. When asked to think about their peers' campaigns and forced to choose one option from a set of common funding sources, high-level politicians—state and national legislators—chose “funds gained through corrupt activities/black money” more than anything else, followed by individual donations, personal

income, and party funds, respectively. In contrast, district and block council presidents were most likely to report individual donations as the most important source of funds, followed either by black money or personal income. This highlights quite starkly the strong presence of illicit funds in campaigns across levels of elected office. Even more importantly, these data also underscore the diminishing influence of individual donations, in relative terms, at higher levels of government. While block and district politicians rely predominantly on individual donations, and thus may be expected to respond to the demands of individual voter supporters while in office, state and national politicians seem more likely to be beholden to whomever provides them access to corrupt rents.

[Figure 1 about here]

Who provides assistance to candidates?

In addition to campaign finance, other forms of assistance may play an important and related role in ensuring the success of a candidate and, thus, acquiring access to the levers of power. This assistance may involve activities such as organizing campaign events, going door-to-door to promote a candidate, or encouraging people to vote. As a part of any activities, those assisting a campaign may also play a role in distributing cash or other forms of inducements to encourage support for a particular candidate or party.

Survey respondents were asked who they look to when they need assistance with an election campaign in villages. Response categories were not mutually exclusive, so politicians could include multiple sources of assistance in their replies. The potential responses included a range of state and non-state actors, as shown in Figure 2.

[Figure 2 about here]

The mean responses highlighted in Figure 2 suggest a shift in the range and forms of support across different types of politicians. In general, MPs and MLAs report having access to a wider range of actors for assistance in their campaigns compared to politicians at lower levels, yet, there is important variation in the predominance of certain types of actors. While a large number report utilization of caste, village, and neighborhood associations as a part of their campaigns, these numbers are substantially lower than those noted for party actors and individual fixers. For local politicians (at the village and block council levels), though they report similar levels of support from local associations as do MPs and MLAs, their reliance on individual actors is substantially lower. The one exception is village council members, in that 20% of village council presidents report relying on them for assistance. Thus, in relative terms, lower level politicians are more reliant on local organizations than are state and national politicians, and they are also less likely in general to report having access to support from the full range of actor types. Additionally, local bureaucrats and non-governmental organizations are the least likely to receive requests to assist with campaigns, based on reports of politicians at all levels.

What are the potential implications of these tendencies for the influence of party and non-party actors on politics at different levels of government? In line with the patterns of campaign finance, parties seem to play a more dominant role in facilitating the campaigns of state and national politicians than politicians at more local levels. That said, parties are not invisible at these lower levels and party workers clearly have some role to play in local

campaigns. This suggests that parties are at least in some cases establishing their presence in areas through direct participation in, if not funding of, local elections.

With regard to non-state actors, and especially local associations, while state and national politicians in most cases are more likely to report relying on these actors than lower-level politicians, the relative importance of associations to local politicians is striking. Because sub-state politicians are so much less likely to rely on parties or individuals for assistance, these associations, especially village and neighborhood associations, are the dominant sources of assistance for these actors. Whereas high-level politicians will have to balance the access and influence they offer to all of the individuals and groups who may have supported them, local politicians can more easily privilege these associations, and their interests, over less common sources of support.

Who provides assistance by giving gifts to voters?

An analysis of “assistance” in general tells us very little about the specific activities that different actors engage in to support a candidate. To gain leverage on this aspect of the question, I examine in greater detail a specific form of assistance closely tied to campaign finance—the distribution of gifts to voters prior to an election. Subsequent to being asked a question about the typical spending of candidates at their level on gift-giving (discussed in more detail below), respondents were asked who actually gives these gifts to voters.

Responses shown in Figure 3 highlight a similar pattern to that reported for assistance in general. Politicians at high-levels are the most likely to say that local party workers and politicians, as well as non-party fixers, play a primary role in gift giving. However, here we also see that district and block presidents report relying on these same actors more than they

would rely on local associations.^{xxiv} This suggests that a key role for party workers in local elections is to facilitate the distribution of gifts, while other types of associational actors are more likely to offer different, and perhaps more licit, forms of assistance.

[Figure 3 about here]

What role do politicians play in campaigns at other levels?

A final perspective on the role of different actors in facilitating campaigns comes from politicians' reports of what they do to help their fellow candidates. Respondents were asked first whether they support other politicians in their campaigns, including those at other levels of office. As shown in the top row of Table 2, a large majority of MPs and MLAs responded in the affirmative, as did approximately half of district and block officials. Only village council presidents were relatively unlikely to say that they provide assistance to others.

In terms of what politicians do to support other campaigns, both mobilizing turnout and promoting the specific candidate to voters were frequent responses across all types of politicians. Respondents were less willing to say that they participate in distributing gifts to voters on behalf of another candidate, with most groups reporting this activity at less than 10%. An important exception was state legislators, nearly 30% of whom acknowledged that they help to pass out gifts. This latter finding is important not simply because it highlights, again, the potential relevance of gift giving in campaigns, but also the role for MLAs in this process. While MLAs were not a specific response category for the previous questions about assistance and gift giving, and thus might not be thought to be a relevant part of that process, a sizeable number have self-identified as participating in this process in response to this separate question. This also suggests that MLAs may have a form of illicit influence over

those to whom they are giving assistance, due to their knowledge about the gift giving involved in specific campaigns.

[Table 2 about here]

The Nature of Spending

The analyses to this point highlight the role of various individual and group actors in providing funds and assistance to campaigns. But what is the total magnitude of these efforts? In this last set of analyses, I examine politicians' reports about the absolute size of campaign spending and the degree to which gift giving contributes to these totals.

How much do politicians spend, and what proportion does gift giving make of total spending?

When asked how much they themselves spent on their own most recent election, the total amounts respondents reported spending decrease dramatically as we move down the hierarchy of elections to the village council (Table 3, Row 1). It is this relative comparison that is of greater interest than the absolute numbers, given that politicians are reporting, on average, total spending numbers well below the official limits for their level of office. When, instead, respondents were asked to estimate the total cost of a typical election to their level of office in their state, the reports were significantly higher, but still lower than the official limits (Row 2). In this latter case, we continue to observe a decrease in the average reported cost of elections as we move from the national parliament to local village councils.

The comparison between what respondents report spending and their views of total spending in typical elections also reinforces the importance of additional sources of financial

support in campaigns above the level of village council. While the difference between these two measures of spending is negligible at the village council level, indicating that candidates themselves are responsible for most of the spending, the gap increases substantially as we move up the hierarchy of offices. Interestingly, this changes somewhat when we get to state and national legislators, with state legislators reporting similar total campaign costs as national legislators, but indicating that they cover a smaller portion of these costs themselves. This suggests that state legislators may be somewhat more beholden to their financial backers than national legislators.

[Table 3 about here]

Regression analyses, detailed in Appendix A, suggest that a small number of individual-level characteristics may predict election spending (Table A6, first two columns). Most obviously, winning MP and MLA candidates spent more on their elections than did winners at lower levels. With regard to caste groups, among MP and MLA respondents, OBC winning candidates and their scheduled caste peers spend less on campaigns in general than those from forward castes, even when holding position and total assets constant. Perhaps most interesting is that, in general, neither total assets nor open criminal cases is strongly associated with reported spending. The same is generally the case for reports of perceived total spending in a “typical” election at respondents’ level of government (Table A6, last two columns), with the exception that among MP and MLA respondents, scheduled caste representatives report higher perceived costs than do forward castes.

It is the analyses reported in the next four rows of Table 3 that are the most striking and possibly indicative of the true character of elections in these three states. Across district presidents, MLAs, and MPs, and in line with the findings highlighted in Figure 1, respondents perceive that more than half of their peers benefit from spending illicit funds. Block presidents and village council presidents also report only slightly lower numbers. Perhaps related to this, more than half of all respondents, and upwards of 80% among the highest-level politicians, perceive that their peers feel pressure to give gifts at the time of elections. This pressure results in perceived spending on gifts alone at the constituency level of between US\$2,700 in village council elections to more than US\$23,000 in state and national elections. These absolute figures do not necessarily suggest that a very small number of voters are the recipients of this largesse. In the final row of the table, we see that politicians estimate that more than a quarter, and in some cases upwards of one-third, of voters receive gifts in a given election at their level of office. Considering that elections are held for each of these levels, and even taking into account overestimates on the part of these respondents, that amounts to a substantial portion of voters who may be receiving gifts in advance of elections.

Conclusion

This chapter set out to provide new descriptive insights into the character of campaign finance in India, by examining politicians' own perspectives on the nature of their campaigns and those of their peers. This type of fine-grained data on elections is rare in studies of Indian politics and sheds new light on the sources of funding and support, as well as potential patterns of influence post-campaign.

Building on recent findings in the literature on campaign finance more generally, I have suggested, first, that the character of funding sources and the nature of assistance provided in campaigns may have important implications for which actors are able to influence politicians once they have won office. While I do not provide evidence for that claim here, I offer suggestive evidence about which actors are likely to have influence at different levels of government. In general, political parties in these states are likely to have direct influence only over elected officials at the state and national levels. At lower levels, party financial contributions are quite limited, suggesting, at least, that any power parties wield at these levels stems from alternative forms of influence. This suggests both that there are likely to be major financial discrepancies across incumbents and challengers at these levels of office and that parties will have only limited ability to shape the behavior of those who win office.

Instead, other individual actors or associations may be the dominant sources of influence at lower levels. Regarding individual actors, I highlight that party workers and individual non-party fixers are likely to be influential with politicians at higher levels of government, in particular MPs and MLAs, but also district and block presidents, to a lesser extent. Local associations, and especially village and neighborhood associations, in contrast, while also relevant to high-level politicians, should have relatively more influence at lower levels of government. As a result, if particular groups or powerful individuals within a community dominate these local organizations, those same actors are likely to have the greatest influence over local elected officials.

Second, I highlight the importance of illicit funds and activities in the context of elections at all levels of government. While again most common at the highest levels, all types of respondents highlight the preponderance of illicit funds as a part of overall campaign

funding. This implies that actors who are the sources of these funds, or activities that may create new sources of potential funds, may be emphasized during a typical politician's time in office, perhaps to the detriment of the broader public. Surprisingly, however, this does not seem related to the criminal background of politicians, at least in terms of open criminal cases.

Finally, I instead find suggestive evidence of a demand for black money campaign funds to support election gift giving. The substantial absolute numbers that politicians report as estimates for the value of gift giving, which we might still reasonably interpret to be underreports, suggest significant pressure to cultivate non-traceable sources of funds that can then be spent in ways that are also not tracked by election officials. Given the high levels of pressure that politicians relate, it is difficult to imagine that this aspect of campaigns is likely to change in the near future. If this is the case, then we should expect continued stress by politicians on the cultivation of illicit rent sources, even where this may impinge on their other responsibilities as elected officials.

These insights are drawn from unique surveys of politicians and highlight the limited forms of data we possess on the nature of campaign finance. Many further and related questions could be explored with efforts to build similar forms of data and complementary firsthand reports of spending on the ground during campaigns. It is only with these kinds of detailed and yet comprehensive data collection that we will begin to parse apart the complicated character of campaign finance in India.

Tables and Figures

Table 1. Sources of Campaign Finance					
Position of Politician	National Parliament (MP)	Legislative Assembly (MLA)	District Council President	Block Council President	Village Council President
Political party	69%	64%	6%	2%	2%
Personal resources	88%	88%	97%	96%	89%
Friends & family	78%	76%	64%	47%	28%
Private sector/companies	16%	7%	0%	2%	1%
Bureaucrats	4%	2%	0%	0%	0%

Responses to the questions: Did your party provide campaign funds to you when you ran for your current position? Where did you obtain funds for your election campaign, other than a political party?

Source: Author's survey.

Table 2. Supporting Other Politicians

Position of Politician	National Parliament (MP)	Legislative Assembly (MLA)	District Council President	Block Council President	Village Council President
Do you support other candidates' campaigns?	97%	88%	50%	55%	23%
If yes, how?					
Mobilize turnout	96%	97%	94%	97%	86%
Promote candidate	94%	95%	84%	98%	85%
Distribute gifts	7%	28%	5%	5%	10%

Responses to the questions: Do you provide support during election time to other politicians from your party, for instance, candidates for the Block or Zilla Panchayats, MLAs, or MPs? What sort of support do you provide during election times to these other politicians from your party?

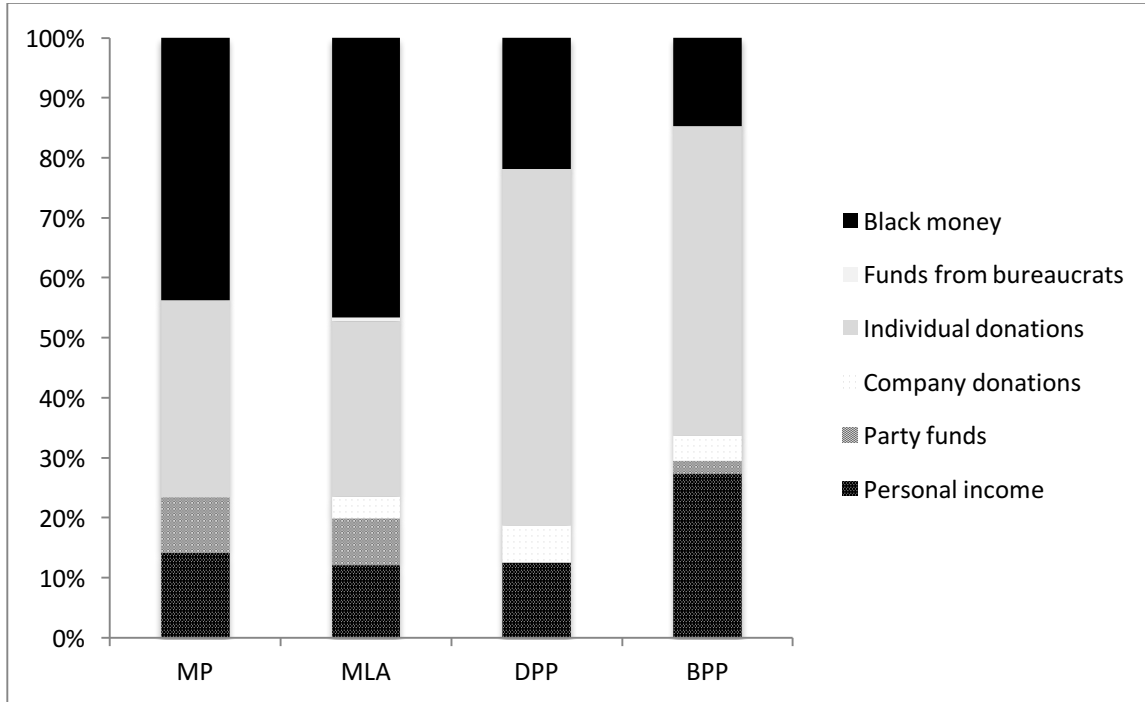
Source: Author's survey.

Table 3. Campaign Spending					
Position of Politician	National Parliament (MP)	Legislative Assembly (MLA)	District Council President	Block Council President	Village Council President
Respondent's own reported campaign spending	2,043	1,037	317	99	28
Estimated <i>total</i> spending in "typical" election	4,512	4,211	737	338	26
Percent of peers who benefit from spending of illicit funds	64%	57%	64%	41%	32%
Peers feel pressure to give gifts	92%	83%	86%	71%	51%
Estimated amount spent by peers on gifts for voters	1,395	1,709	687	512	164
Estimated % of voters who receive gifts	34%	26%	40%	31%	25%

Responses to the questions: What was the total amount of Rupees that you spent on your most recent election campaign for your current position? How much money do you think is spent on a typical election for office at your level in this state including funds spent by the candidate's party and friends? (Amount in Rupees). What portion of your peers do you think benefits from the spending of illicit income during election campaigns, either by themselves or others? (Amount in percent). Do you think that your peers feel pressure to provide gifts to voters prior to an election? How much do you think the average candidate for office at your level spends only on money and gifts for citizens in a typical election? (Amount in Rupees). What portion of eligible voters would you guess receives money or another gift from a politician or political party before elections at your level of office? (Amount in percent). Absolute amounts shown are in '000 Indian Rupees (INR).

Source: Author's survey.

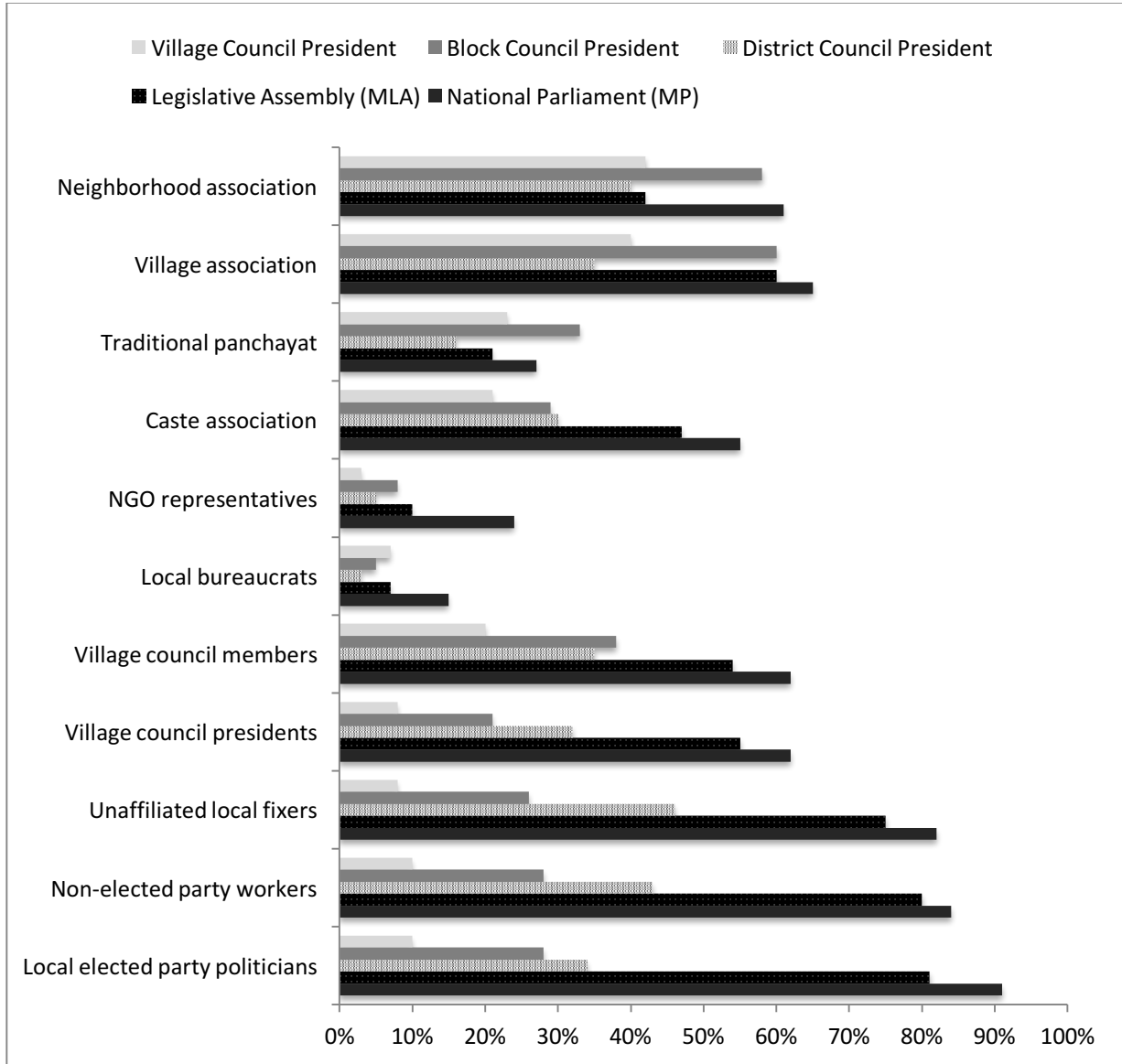
Figure 1 – Perceived Most Common Source of Funding for Peer Politicians



Responses to the question: Considering your peers in the same political office as you, what would you say is the most common source of funding for their campaigns? Question was not posed to village council presidents. MP = Member of Parliament, MLA = Member of the Legislative Assembly, DPP = District Panchayat President; BPP = Block Panchayat President.

Source: Author's survey.

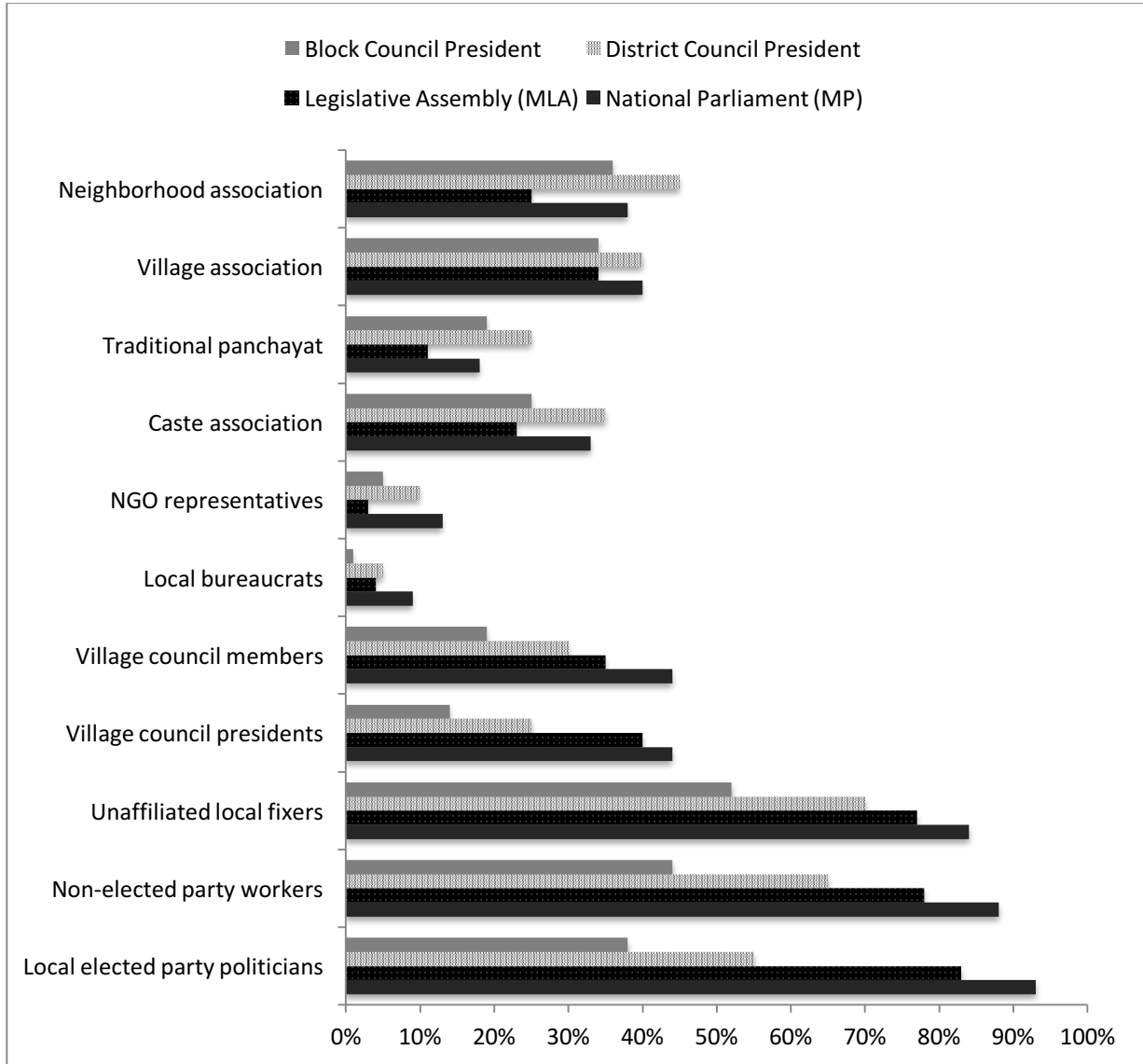
Figure 2 – Sources of Campaign Assistance



Responses to the question: When you need assistance with your election campaign in villages, to whom do you look for help? Response categories were not mutually exclusive.

Source: Author's survey.

Figure 3 – Assistance with Gift Giving to Voters



Responses to the question: When other candidates give gifts to voters, who actually distributes the gifts to citizens prior to an election? Question not posed to village council politicians.

Source: Author's survey.

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- ⁱ Kalla, Joshua L. and David E. Broockman. 2015. "Campaign Contributions Facilitate Access to Congressional Officials: A Randomized Field Experiment," *American Journal of Political Science*, 60(3): 545-558
- ⁱⁱ Ansolabehere, Stephen and James M. Snyder Jr. 2012. "Soft Money, Hard Money, Strong Parties," *Columbia Law Review*, 100(3): 598-619; Powell, Eleanor Neff. 2015. "Legislative Consequences of Fundraising Influence," working paper available at: http://www.eleanorneffpowell.com/uploads/8/3/9/3/8393347/powell__2015_-_legislative_consequences_of_fundraising_influence.pdf
- ⁱⁱⁱ As I discuss in greater detail below, it is illegal for candidates for office at the village level to campaign on party tickets. However, parties are allowed to be involved in campaigns at the block and district levels.
- ^{iv} Ansolabehere and Snyder 2012: 607
- ^v Ansolabehere and Snyder 2012
- ^{vi} Ibid.
- ^{vii} Kalla and Broockman 2015; Powell 2015
- ^{viii} Heberlig, Eric S. and Bruce A. Larson. 2005. "Redistributing Funds by U.S. House Members: The Spiraling Costs of the Permanent Campaign," *Legislative Studies Quarterly*, 30(4): 597-624; Powell 2015
- ^{ix} Stokes, Susan C. 2005. "Perverse Accountability: A Formal model of Machine Politics with evidence from Argentina," *American Political Science Review*, 99(3): 315-325
- ^x Nichter, Simeon. 2008. "Vote Buying or Turnout Buying? Machine Politics and the Secret Ballot," *American Political Science Review*, 102(1), 19-31
- ^{xi} Hidalgo, F. Daniel and Simeon Nichter. 2015. "Voter Buying: Shaping the electorate Through Clientelism," *American Journal of Political Science*, 60(2): 436-455
- ^{xii} Piliavsky, Anastasia. 2014. "Introduction," in A. Piliavsky, Ed., *Patronage as Politics in South Asia*. Cambridge, UK: Cambridge University Press: 1-38
- ^{xiii} Vaishnav, Milan, 2017. *When Crime Pays: Money and Muscle in Indian Politics*. New Haven: Yale University Press.
- ^{xiv} Throughout the chapter I use the exchange rate of Rs. 60 = US\$1.
- ^{xv} Gottipatti, Sruthi and Rajesh Kumar Singh. 2014. "India Set to Challenge U.S. for Election Spending Record," Reuters, March 9. Accessed March 10, 2016: <http://www.reuters.com/article/us-india-election-spending-idUSBREA280AR20140309>
- ^{xvi} Rai, Saritha. 2014. "Candidates Exploit Loopholes to Skirt Spending Limits," *The New York Times*, Accessed August 2, 2016 http://india.blogs.nytimes.com/2014/04/16/candidates-exploit-loopholes-to-skirt-spending-limits/?_r=0
- ^{xvii} *Economist, The*. 2014. "Campaign Finance in India: Black Money Power," May 4, Accessed May 11, 2016: <http://www.economist.com/blogs/banyan/2014/05/campaign-finance-india>
- ^{xviii} Rajendran, S. and Nagesh Prabhu. 2010. "Politics Creeps into Gram Panchayat Elections," *The Hindu*, April 24. Accessed August 1, 2016 <http://www.thehindu.com/todays-paper/politics-creeps-into-gram-panchayat-elections/article755277.ece>
- ^{xix} Dunning, Thad and Janhavi Nilekani. 2013. "Ethnic Quotas and Political Mobilization: Caste, Parties, and Distribution in Indian Village Councils," *American Political Science Review* 107(1), 35-56

^{xx} Bussell, Jennifer. 2012. *Corruption and Reform in India: Public Services in the Digital Age*. Cambridge University Press: New York and New Delhi

^{xxi} Vaishnav 2017

^{xxii} Village councils within selected blocks were chosen via a regression discontinuity design based on the reservation of council president seats for scheduled castes. This design was employed in a separate study using only the citizen and local council surveys and is not germane to this analysis.

^{xxiii} Vaishnav 2017

^{xxiv} The question differentiated between a number of different kinds of locally-based associations, including neighborhood, village, and caste associations and traditional panchayats. We also asked about Non-Governmental Organizations, which referred instead to non-state organizations based outside the village area, but perhaps with some local operations.