What Motivates Politicians? Evidence from a lab-in-the-field experiment in India

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Abstract

The efficacy of decentralised public programmes in developing countries depends critically on the motivation of local politicians to implement such programmes well. However, little is known about politician motivations in such settings: while theory posits intrinsic, extrinsic or social image related motivations as possible determinants of politician effort and behaviour, these are hard to disentangle when relying on observational data. Using data from field experiments conducted in rural India with local politicians and non-politician participants, we find that in modified dictator games, politicians do not differ from ordinary citizens with respect to their intrinsic motivation when actions can be concealed. However, when the visibility of actions increases, politicians keep more and distribute less generously than ordinary citizens. This suggests that politicians feel entitled to keep more of the spoils for themselves. We also find differences between politicians who won and politicians who lost elections, and by politician gender: in the high visibility treatment, women politicians appear to feel less entitled to keep the spoils than their male counterparts.

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"*The nature of the workings of government depends ultimately on the men who run it. The men we elect to office and the circumstances we create that affect their work determine the nature of popular government. Let there be emphasis on those we elect to office*."

---- V.O. Key (1956, p. 10)

I. Introduction

A well run state contributes crucially to economic development and citizen welfare. Quality institutions and dedicated political leaders are among the main ingredients of good governance. In democracies, politicians are heterogeneous in type and self-select into whether to run for office or not: personal attributes such as ability, competency, honesty and motivations affect their performance as elected representatives. So far, research has mainly focused on ability or competence in the self-selection into political careers (Besley and Coate (1997); Osborne and Slivinski (1996); Ferraz and Finan (2011)).[1] In this paper and informed by what others have proposed, we expand this line of inquiry by considering motivation a fundamental characteristic of public office holders (Besley and Ghatak 2005; Kosfeld and Rustagi 2015).

While theory can inform our inquiry, there is an acute shortage of evidence on whether the motivations of self-selected politicians differ from those of ordinary citizens. Disentangling such contrasts is important for policy since a more incisive understanding of politicians motivation can aid the design of policies and institutions that monitor and incentivize politicians more effectively.

We distinguish, theoretically, between whether politicians are intrinsically motivated or policy motivated (i.e., motivated by the benefits accruing to their constituents) or whether

[1] Whether more able or more honest individuals self-select into political careers depends on the institutional context – for example, Bó et al. (2017) find that in Sweden, politicians are on average significantly smarter and better leaders than the population they represent, even when one controls for social background. In contrast, Vaishnav (2017) finds that about one-third of India's national parliamentarians have at least one pending criminal case. Besley et al. (2011) report significant pecuniary gains among elected local politicians in Southern India.

they merely pretend to be policy motivated to improve their reputation. Further and challenging the *homo economicus* assumption, numerous empirical (mainly, experimental) studies show that many individuals are intrinsically motivated; a commitment to egalitarian values (Fehr and Schmidt 1999; Dawes et al. 2007), efficiency concerns (Charness and Rabin 2002; Engelmann and Strobel 2004) or spite and envy (Fehr, Hoff, and Kshetramade 2008; Herrmann, Thöni, and Gächter 2008) are three examples. Finally and as Benabou and Tirole point out, individuals also care about their social image or reputation and thus about how others perceive them[2]. The empirical (mainly experimental) (e.g., Dana et al 2007; Ariely et al 2009; Andreoni and Berheim 2009 (AB, 2009)) and theoretical literature (Smith 1759; Benabou and Tirole 2006; Akerlof 1980; Akerlof and Kranton 2013) show that ordinary citizens care about their reputation and behave differently when their actions and choices can be observed by others—with more pro-social or intrinsic behaviour in public than private settings. Such 'audience effects' are of particular interest when studying politicians who are constantly scrutinised by peers and voters. Such public scrutiny is a central tenet of democracy. However, empirical investigations into politician motivations—and whether they are driven by intrinsic or reputation motives—have so far been few.

One possible explanation for this paucity of research is that it is hard to convincingly isolate one type of politician motivation from another: at the same time and for reasons discussed above, observed politician behaviour is unlikely to accurately guide research efforts. While empirical studies can successfully document politicians' competence (e.g., education or legislative efforts) (Ferraz and Finan 2011; Dal Bo et al 2017) and to a lesser extent their honesty (e.g. clientelism among politicians in low income country settings is

[2] Reputational motivation thus refers to individual i's behaviour being influenced by how others perceive i. A person seeking social approval would choose actions considered 'noble' to influence others' opinion about his or her character (Akerlof, 1980). Such reputation-seeking behaviour, conditional on prosocial activity being reputation enhancing, would lead to higher contributions to a public good in public than in private (for instance, Andreoni and Petrie, 2004; Dana et al, 2006; Rege and Telle, 2004).

reported by Bardhan and Mookherjee (2017) for India and Vicente and Wantchekon (2009) for West Africa) ex-ante as well as ex-post, the empirical study of politician motivation raises more profound identification challenges. In response, economists step back to the lab to disentangle motivations within controlled settings and aided by incentive-compatible mechanisms. For the present line of inquiry, the external validity of standard lab experiments with student participants would be of limited or no value since selection into politics and academic studies are incomparable. Our paper is among the first to investigate politician motivation by bringing real world politicians to the lab.[3]

Another explanation for the paucity of research on politician motivation is that it is particularly challenging to recruit politicians for the lab because of their opportunity costs of time and reputational stakes (e.g., they may not wish to engage in behavioural games in front of their constituents). We tackle this by exploiting India's decentralised and democratic local governance structure, a three-tier *Panchayat* system that was substantively reformed and strengthened in 1992 (in some cases, e.g., West Bengal, since 1979).[4] We recruit bottom-tier politicians (i.e., village council elected representatives) who have lower opportunity costs of time and serve relatively small constituents (approximately, 3100 persons, on average, per council, as reported in Anukriti and Chakravarty 2017). These politicians are elected through a conventional democratic process:they first file their nomination papers (under a regional or national political party or independently) and run campaigns: voters cast their votes and majority rule determines the outcome They also wield considerable local power with major decision-making authority now vested with local, elected bodies. Village councils are responsible for implementing a variety of government-funded development programs and for

[3] Another study of the behaviour of real-world politicians in the lab is Enemark et al. (2016): using a combination of regression discontinuity and experimental design they examine whether holding office increases reciprocity among politicians. Using a sample of politicians from Zambia, they find that office holding politicians exhibit more reciprocity than those who ran for office but narrowly lost the election.
[4] Through the 1992 landmark 73rd Constitutional Amendment.

decisions about investments in local infrastructure such as sanitation, drinking water and roads (Chattopadhay and Duflo 2004).

We investigate politicians' motivations using a modified dictator game. The dictator game is an experimental workhorse and has been widely deployed to capture social preferences in lab settings in economics and other disciplines (see e.g., Bowles and Gintis 2002; List 2007; Whitt and Wilson 2007; Lambsdorff 2012)[5]. In contrast to the theoretical prediction that a dictator should give zero to his/her passive recipient, findings show that a typical dictator gives at least 20%-30% of his/her endowment (see Camerer 2003). This could be because subjects intrinsically care about the well-being of others (Fehr and Schmidt 1999) or because they do not want to be perceived as selfish in front of other participants or the experimenter (Hoffman et al 1996; Dana et al 2007). Andreoni and Bernheim (2009) investigate in more depth whether social preferences observed in the lab are due to pure intrinsic motives or social image motives. This disentangling is achieved by creating an environment that combines a high level of sociality with allowing subjects to make choices in a private setting. Andreoni and Bernheim find that with increased visibility of their action, the student-subjects in the lab behave more generously—and tend to follow a 50-50 norm. However, when given the opportunity to hide their actions, students behave more selfishly. This design fits well with our objective and we develop our design from this starting point. The purpose of our experimental design is to understand (i) whether politicians behave differently than other citizens, and (ii) whether this behaviour differs when the actions of politicians and citizens are more visible. We also explore whether any observable heterogeneity among politicians can explain their behaviour.

[5] External validity concerns in laboratory experiments capturing social preferences are intensely debated (e.g. Levitt and List 2007; Camerer 2011). A growing body of evidence suggests that behaviour from experimental games can predict real-world decisions (see Karlan 2005; Fowler 2006; Fehr and Gachter 2002; Kosfeld and Rustagi 2015).

In our village setting –field lab, we randomly group politicians with ordinary villagers from a distant location. This crucial design feature was introduced to minimise the risk that our subject-politicians and our subject-villagers know each other and thus to put to rest concerns that politicians may behave strategically to influence their re-election probability. Ten politicians and ten villagers participated in each session. Following a random matching protocol, a politician forms a group with a villager. Each group is given a fixed and known endowment of INR 1000 (approximately 16 USD). The dictator decides how to allocate the endowment between him/herself and his/her partner (therecipient) in the group. Their roles (i.e., dictator or recipient) are determined randomly—politicians and non-politicians can thus both be assigned the dictator role. Allowing non-politicians to be dictators facilitates comparisons of the behaviour of politicians and ordinary citizens (our control group). We introduce variation in the visibility of the dictator's action. With probability 1-p, the dictator will decide how to split the endowment between the dictator and recipient. With probability p, nature selects a fixed distribution where either the dictator or the recipientreceives the entire endowment. p is common knowledge, but only the dictator knows the true state of the world before making a decision. The recipient only knows the probability p and the allocation of the endowment but does not know whether nature or the dictator decided the distribution. They play for five rounds. In the end, one of the five rounds is selected randomly for payments, and the result is publicly announced.

Notice that if a dictator wishes to behave selfishly without ruining his/her social image in the low visibility treatment, he/she can give zero to the recipient. Those present (recipient, other subjects, and also experimenters) will not know whether the dictator or nature made this decision. It becomes much harder, however, to hide one's choice when p decreases. Our hypothesis is with an increase in p, the proportion of dictators behaving selfishly – by giving zero - will increase.

We find that politicians are not different from ordinary citizens when they can hide their actions. In the low visibility case, the proportion of subjects distributing zero is statistically indistinguishable for politicians and non-politicians, and there is no significant difference in giving if they choose to give a positive amount, between them.

As expected, we find that both politicians and non-politicians care about their reputation: they distribute more when visibility increases. However, the impact of social-image on behaviour is different for politicians and non-politicians. When visibility increases, the proportion of non-politicians who gives zero, drops sharply to close to zero. Among politicians, this proportion also declines, but remains positive. Moreover, conditional on giving a positive amount, ordinary citizens on average distribute more generously than politicians. This observed difference in the distributed amount seems to mostly be driven by the fraction of non-politicians who opt for a 50:50 split, which is much larger than among politicians. We find a statistically significant difference in the behaviour of politicians and ordinary citizens in the high visibility treatment and when compared to the low visibility treatment, even when we control for observable characteristics (such as education, age, gender, caste and income). Our results suggest that in the high visibility treatment, politicians keep a larger proportion of the endowment for themselves and are more inclined to deviate from the 50:50 norm. This is in line with the idea that politicians feel entitled to a share of the spoils in decisions that affect the welfare of the common man or woman.

To provide more intuition to these observed behavioural differences in the high visibility treatment, we look at two candidate explanations for this behavioural contrast. The first is whether elected politicians display a stronger "entitlement effect" than non-elected politicians – that is, they may feel entitled to keep a larger proportion of the endowment even in the presence of a social image loss as a reward for being in office. We find that the difference between elected and non-elected politicians is discernible only in the high

visibility treatment. In particular, non-elected politicians give more from their endowments (e.g., more equal splits) than elected politicians which is in line with our intuition that being in office induces an entitlement effect. Secondly, in line with a sizeable literature that finds discernible differences in the preferences and behaviour of female and male politicians, we find that female and male politicians behave differently in the high visibility treatment. They care more about their reputation—none of them distributes zero. And, they adhere to the 50-50 norm more frequently than male politicians.

The rest of the paper is organised as follows. In Section II, we briefly discuss the theoretical motivation of our design and develop and spell out the main hypotheses. Section III presents the research design, including the game and experimental procedures. Section IV presents the analysis and main findings. Section V concludes.

II. A Theoretical Framework

Our main objective is to test whether self-selected politicians have different motivations than ordinary citizens. Neoclassical theory of political economy assumes that politicians are rational and self-interested and not different from ordinary citizens. Political science literature and some recent works in political economy argue that individuals who choose to enter politics may have different motivations (Calvert 1985, Wittman 1983; Callander 2008, McKafee and Kartik 2007) than pure self-interested rent seeking view. We present here our theoretical argument that politicians may have different fairness ideals and social-image concerns than non-politicians.

Two players - a dictator (D) and a receiver (R) - split a prize normalized to have unit value. Let $x \in [0,1]$ denote the transfer R receives; D consumes $c = 1 - x$. With probability $1 - p$, D chooses the transfer, and with probability p, nature sets it equal to zero, $x = 0$; then the game ends. The probability p is common knowledge, but R cannot observe whether

nature intervened. For the standard dictator game, $p = 0$. Let $\mathcal{D}$ denote the set of dictators. Dictator $i \in \mathcal{D}$ cares about fairness, judged by the extent to which the outcome departs from the most fair alternative, x_i^F, according to his own judgment. We assume that $x_i^F \in \left\{0, z, \frac{1}{2}\right\}$ with $0 < z < \frac{1}{2}$; dictators with $x_i^F = 0$ do not care about fairness, or, equivalently, evaluate fair to keep the entire prize for themselves; dictators with $x_i^F = z$ believe that is fair to keep a larger fraction of the prize, and finally those with $x_i^F = \frac{1}{2}$ are fully inequity averse. The subjective fairness identifies *D*'s "moral type" (type from now) and, abusing notation, we refer to x_i^F as dictator *i*'s type. D also cares about his social image, as perceived by some audience A, which includes R (and possibly others, such as the experimenter).

Social image depends on the transfer $\hat{x}$ that the audience believes dictator *D* has given to *R*. Namely, the social image depends on the difference between a reference amount x^F, which is the amount that according to the social norm is considered fair, and the amount that audience believes that the dictator $i \in \mathcal{D}$ has offered to the receiver. Since Nature plays with probability p and always distribute a zero amount, if A observes an offer equal to $x > 0$, then $\hat{x} = x$, because A knows that the transfer has been decided by D; however, if A observes $x = 0$; then A believes that $\hat{x} = \bar{x}(p)$, where $\bar{x}(p)$ is the posterior beliefs about the amount offered by dictator $i \in \mathcal{D}$; conditional on having observed $x = 0$; given the probability distribution over dictators' type and the amount offered in equilibrium by each type in the game where Nature plays with probability p. Notice that what each D offers in equilibrium is a strategic decision that depends on the probability p, and since beliefs over the decision of each type are correct in equilibrium, therefore posterior beliefs depend on p. Specifically we write D's total payoff as

$$U_i(x, x_i^F, \beta_i) = 1 - x + t\ min\{(x - x_i^F), 0\} - \beta_i(max\{x^F - x, 0\})^2 + p\big(x^F - \bar{x}(p)\big)^2, if\ x > 0$$

$$U_i(x, x_i^F, \beta_i) = 1 - tx_i^F - \beta_i(max\{x^F - x, 0\})^2, if\ x = 0$$

where $t > 0$ is the weight that i assigns to the moral cost of departing from the subjective fair amount and $\beta_i \geq 0$ measures how much i cares about his social image. It follows that this simple utility representation allows for two degrees of heterogeneity. We allow dictators to evaluate differently what is fair according to their judgment, x_i^F, and how much they care about their social image, β_i. We make the standard assumption that the social norm prescribes fair division, that is $x^F = \frac{1}{2}$.

Our model is not aimed to predict individual behavior. Given the allowed heterogeneity, almost any observed offer $x \leq \frac{1}{2}$ can be rationalized according to this model. We are interested in understanding whether two specific groups of dictators, politicians and non- politicians differ in one or both these dimensions. We then design two experimental treatments aiming to analyse whether politicians as dictators play differently than non-politicians, and, if so, to disentangle whether they differ because due to different subjective fairness or because they care at a different extent about their social image. The above model suggests two possible "dimension" of heterogeneity. Notice that in the above utility representation, social image has only a negative content, because it is only a psychological cost, a social stigma, that D pays if he does not adhere to the social norm; we do not allow to provide a social reward which induces, for instance, a dictator who strongly concerns about his social image to offer more than the fair division (and this extension could clearly explain why subjects may offer more than $\frac{1}{2}$).

To make simple theoretical predictions we make a series of simplifying assumptions. We assume that $\beta_i \in \{\beta^L, \beta^H\}$ with $1 < \beta^L < \beta^H$ and therefore dictators can only care more or less about their social image, and, finally that the parameter t is large and namely is such that $t > \beta^H \frac{\left(z-\frac{1}{2}\right)^2}{z} \equiv \bar{t}$. This assumption amounts to say that the only reason why a dictator may offer an amount different than x_i^F is his social image.

Lemma 1 If $t > \beta^H \frac{\left(z-\frac{1}{2}\right)^2}{z} \equiv \bar{t}$, then, $x_i \geq x_i^F$ for all dictators and for all $p < 1$.

Proof. See in the Appendix.

Lemma 2 For all $i \in \mathcal{D}$, $x_i^H \geq x_i^L$.

Proof. See in the Appendix

Corollary 3 There exists a threshold $\bar{p} < 1$ such that if $p > \bar{p}$, then for all $i \in \mathcal{D}$, $x_i^* = x_i^F$. There exists a threshold $p > 0$ such that for all $p < \underline{p}$, if $x_i^F = \frac{1}{2}$, then $x^* = \frac{1}{2}$; and if $x_i^F < \frac{1}{2}$, then $x_i^H\left(\underline{p}\right) > x_i^L\left(\underline{p}\right)$.

We are interested in looking at the difference in the behavior of dictators who are politicians and those who are not politicians. In particular we like to know, in case some differences among their behaviors emerge, whether it depends on a different distribution of "moral types" among politicians and non-politicians, or on a different distribution on the importance that individuals in the two groups assign to bad reputation. We run two experimental treatments, one in which Nature plays with low probability, (treatment L_p), and the other one in which Nature plays with high probability, (treatment H_p); that should correspond to the two above cases illustrated in the Corollary, $p \leq \underline{p}$ and $p \geq \overline{p}$. Let P denote the group of politician dictators and NP the group of non-politicians.

Question 1: Do Politicians play differently than non-politicians in treatment H_p? Looking at the distribution of P and NP's offers, respectively in treatment H_p , we can infer how dictators' type are distributed among the two groups.

Question 2. Do Politicians play differently than non-politicians in treatment L_p? Specifically, if *P* and *NP* behave similarly in treatment H_p; but differences emerge in treatment L_p; then they depend on a different distribution in how much they care about their social image.

Following these two question, we establish our hypotheses of the experiment.

Hypothesis 1: With sufficiently high p (i.e., H_p and in the experiment H_p = 0.8), a typical politician will choose to distribute the given endowment in a selfish manner in that she keeps everything for herself.

Hypothesis 2: With sufficiently low p (i.e., L_p and in the experiment L_p = 0.1), a typical politician will choose to distribute the given endowment equally between her and the recipient.

In the H_p treatment dictators with $x_i^F = 0$ who do not care about *R*'s material payoff can hide themselves because Nature plays with high probability, and therefore the bad reputation when A observes zero offer is low. It follows that in this treatment each moral type offers his preferred amount. From treatment H_p, we can therefore infer the distribution of moral types among *P* and *NP*.

In treatment L_p the probability that Nature plays is low enough such that the posterior beliefs that D is a type $x_i^F = 0$ when A observes $x = 0$ is high and consequently the bad reputation is high too. Notice that also D with $x_i^F = z$ have more incentive to distribute more, because their decision is more frequently observed by A. It follows dictators have more incentive to be generous with their receiver and the amount they distribute is positively correlated with their concern for social image.

III. Experimental Design

Recruitment

We envisaged two main organisational challenges in recruitment: (i) recruiting real politicians as subjects; and (ii) creating a neutral lab environment. Bringing politicians to the lab is not a particularly easy task because politicians, in general, have higher opportunity costs of time. We also require comparing politicians' behaviour with a control group comprising of non-politicians or ordinary citizens. Our subject politicians may not feel comfortable to make choices freely in front of their constituents. Our lab environment was therefore construed to ensure free and independent decision making by each subject. For recruitment, we take advantage of India's decentralised and democratic local governance structure.

While decentralisation in developing countries may occasionally be dismissed as tokenism, decentralised political decision-making in India, in the form of a three-tier structure, was institutionalised and firmed up by the 1992 73rd Constitutional Amendment. While the de facto power devolved to village councils through this landmark legislation varies across India's states, major decision-making authority is now vested with local, elected bodies. The Panchayat system comprises three tiers: *Gram Panchayat* (village-level councils), *Panchayat Samiti* (block-level councils), and *Zila Parishad* (district-level councils). A *Gram Panchayat* consists of *Samsads* (wards). Citizens elect their representatives for each tier. In most states , citizens directly elect the village council head: in West Bengal, the village council head election is indirect. In most states, elections take place with regular, five-year intervals. The politicians who participate at the bottom tier of this system (*Samsad* or ward leader) represent around 500-800 voters (around 200-300 households) and are members of a village council or *Gram Panchayat* (GP)) that serves

around 3000-5000 voters, although the size varies widely[6]. In the second tier (i.e., block level) consists of 10-12 GPs and the final tier is the district council (i.e., *Zila Parishad*) which consists of 15-20 (on average) blocks. The village level elected representatives do not have a role in the higher tiers (e,g., block or district level) unless they are heads of village councils or play a greater role in the political party they belong to. Through the 73rd Amendment, village councils were e.g. given responsibility for implementation of a variety of government-funded development programs and decisions about investments in local infrastructure such as sanitation, drinking water and roads (Chattopadhay and Duflo 2004). Elected representatives may thus exercise considerable power in their constituencies.

Our definition of a politician is a person who has either recently fought or recently won an election for a village council (*Gram Panchayat*) seat as a ward member. The extrinsic monetary incentive to become a village level leader is not strong since the official salary for the elected politicians is low. The village head receives about USD 50 - USD 60 per month and other council members are paid even less. But, the potential private returns from political rents and corrupt practices may provide a strong incentive to run for office—an average candidate spends USD 400 - USD 800 during a village council election[7]. These leaders may, however, enjoy an authoritative leadership value and high social status (e.g., Fehr et al. 2013; Jack and Recalde 2015). These village level politicians are less likely to have high opportunity costs of time and unlikely to be concerned about their reputation in front of an unknown audience that they have not previously met and will not meet in the future. At the same time these politicians fully qualify the criteria for being 'politicians' as

[6] For example, based on 2011 census data, the average population per Gram Panchayat in Hooghly district is 15000 and the average population per village is 2000 (authors' own calculation based on the data available in: http://hooghlyprd.org/census2011/census2011.php).

[7] Source: http://www.ndtv.com/india-news/the-rs-81-500-crore-lie-565175. The average declared wealth of re-contesting candidates to Parliament and state legislative assemblies in 2004 was 134 percent higher than during the first election (Sastry (2014)), suggesting high rents. Fisman et al. (2014) also show that the annual asset growth of winners in state elections is 3-5 p.p. higher than that of runners-up. Although similar statistics are not available for village council candidates, the returns from Council membership are likely to be non-trivial.

they go through a conventional election process as: they file their nomination (under a regional or national political party or independently), campaign, voters cast their votes, and majority rule determines the outcome. They are also, as indicated above, responsible for implementation of important public programme and for the provision of local public goods.

We purposely did not recruit village council heads since these politicians typically have a greater role in their party's political structures, and will be known to more villagers within a district, including those from distant locations. The opportunity cost of time for these village council heads would also be considerably higher than that for council or ward members.

The other organisational challenge was to secure a (neutral) experimental environment where our subject-politicians should be stimulated by the experimental protocol while interacting with an audience that they have no prior familiarity with. Without compromising our random selection protocol, we recruited subject-politicians and ordinary citizens from sufficiently distant geographical locations to ensure that they did not know each other.[8] We conducted our study in two Indian states, West Bengal (WB) and Uttar Pradesh (UP). In West Bengal, Hugli district was selected as experimental site both because of its (short) distance from Kolkata (29 kms) and because the research team had prior experience working there. Out of Hugli's 18 administrative blocks, we randomly chose four. After inspecting possible venues and interacting with Block/GP level officials, four sites in Singur and Dhaniakhali blocks were selected. In Uttar Pradesh, we select Varanasi district, and four sites in Badagaon and Sevapuri blocks following a similar procedure.

[8] While the intensity of such interactions for representatives elected to state legislative assemblies (MLAs) has been carefully documented (Jensenius 2017), little is known about the time use patterns of representatives elected to serve in GPs.

Ordinary citizens were recruited through random selection of households from a household list/census that was specially prepared for the GPs in the four sites (in each state). Apart from a household number, the list contained basic demographic information (name of household head, sex, education, occupation). To recruit politicians, we prepared a list of elected representatives or contesting candidates in a GP during the last two elections and drew randomly from this list. We match these elected representatives with villagers/politicians from GPs within a different block. We ensure that subject-villager/politician in one village should not have any prior knowledge about their matched-counterparts from another village. We also chose the timing of the experiment carefully to avoid any overlap with election-related or other political campaigning.

Prior to the sampling of participants, the field-team had approached local party leaders and local Gram Panchayats with official letters describing and explaining the broad purpose and the methodology of the research in plain language. It was explained that participants from the village - from all sections—e.g., elected members, teachers, farmers, women, and so on—would be randomly selected and invited to participate. It was also explained that: (i) participants will take part in a survey and game with people from sufficiently distant locations (and may need to travel to a distant venue); (ii) participation is voluntary; (iii) the study findings will be anonymised; (iv) no sensitive questions related to beliefs will be asked; (v) their travel costs and a fixed monetary honorarium (two times of the average daily agricultural wage) will be paid; and (vi) they can earn more money (almost eight times of average daily wage) in a game depending on their own and their partners play. Sufficient time was given to decide about whether to participate or not. Monetary incentives, refreshments and a free trip to the venue added to the attraction of participating.

Design

Ten politicians and ten villagers participated in each session. Participants arrived in mixed groups so that no particular group was singled out. The research assistants guided them to the venue. Participants from the venue-village (home-village) arrived earlier and stayed in a separate room. Participants from the distant village (visitor-village) arrived later and went to the venue directly. Then, following a random matching protocol, a politician from visitor-village (home-village) and an ordinary villager from home-village (visitor-village) formed a group. Each participant received the consent form. The experimenter read out the form and explained. Participants were reminded that they could leave whenever they wished without giving any reason: should they opt to leave they would receive their participation fee and refreshments. At the beginning of each session, group members were asked to stand up and greet each other. This was to increase the moral costs of selfish behaviour. The experimenters read out and explained the instructions of the game aloud and answered questions from participants. Then each participant solved a short quiz. Those who could not answer the quiz properly, were given an extra explanation from the experimenters. Then two practice-rounds of the game were played.

Each group received a fixed and known endowment—1000 INR (15.50 USD). The dictator decided how to allocate the endowment between him/herself and his/her group partner (recipient). Their roles (dictator or recipient) were determined randomly—both politicians and non-politicians could be assigned the role of dictator. We did not change their roles in each round—a randomly chosen dictator remained dictator for the entire session. As explained above, we introduced variation in the visibility of the dictator's action, i.e., p. In our experiment, we vary p at two levels: 0.8 (Treatment 1 with low visibility) and 0.1 (Treatment 2 with high visibility). That is, either 2 out of 10 dictators would decide the allocation (when $p = 0.8$) or 9 out of 10 dictators would determine the distribution (when $p = 0.1$). In any given session, the level of p is fixed and common knowledge.

We implemented this in the following manner. Each D (i.e., dictator) received a random (and confidential) private number between 1 and 10. At the start of each round, the experimenter announced that e.g. only Ds with private number 1 and 3 (when p=0.8) can make a decision. Those Ds would privately write their decisions on their decision sheets and put them in an envelope. All other Ds cannot choose the allocation. But they also write something —put a tick in the bottom part of the decision sheet where it has been written (and pictorially shown) that nature decides the allocation. We ask each D to fill in their decision sheets in an enclosed area so that no one can observe their choice. The Rs know the value of p, but do not know whether nature or D made the decision (this can only be true if D chooses the same division as nature). As described in the instruction, if a D chooses 1000 or 0, then nobody – except the dictator- will know who made a choice. But, any other distribution would reveal the identity of the D who made the decision. If a D wants to keep everything for him/herself but does not want to be revealed by the 'audience' in the lab, he/she can do this with low visibility. But, if he/she decides to give any positive amount, everybody in the room will get to know.

In each round, each dictator privately wrote their decisions on their decision sheets and put them in an envelope. After each round of play, we (the experimenters) collected their envelopes and put them in a bigger envelope and marked the round number on it. In the end, one out of five rounds in each session was selected randomly for payments. We gave the envelope of decision sheets for that round to an external person who neither knows the game nor the participants. The external observed the decisions made by different dictators in a separate room and put the payment in a separate envelope for each dictator. The external also decided whether D or R got INR 1000 when nature intervened by flipping a coin. Meanwhile, participants filled in a short survey covering education, occupation and other demographic and related questions. Then the experimenters receive the result and envelopes with cash

payments for each subject (each subject's individual id number, same as their seat numbers, written on each envelope) from the external. Experimenters publish the result (write each group member's earning which will also indicate whether the dictators make the choices with certainty or not) and pay each participant accordingly. Each participant receives their envelopes with monetary payments and leaves the room. Our research assistants ensure that local participants exit the place immediately and those who travelled from outside wait in a different room.

IV. Analysis

Data

Our sample contains 105 politicians and 69 ordinary citizens (henceforth, non-politicians). In Table 1, we present the summary statistics of the observable characteristics of politicians and non-politicians, by gender, educational level, age, caste, and occupations. We note that 22 per cent of non-politicians and 36 per cent of politicians are female (the t-statistic on the difference is significant at the 5 per cent level). Non-politicians have 7.8 years of education on average as compared to 9.1 years of education for politicians (the t-statistic on the difference is significant at the 10 per cent level). There is little difference in the age profile, caste background and occupational structure of politicians and non-politicians.[9] Thirty-six per cent of non-politicians and thirty-three per cent of politicians are from Uttar Pradesh respectively, with the remaining number from West Bengal.

In total, we have 265 observations, 84 for the low visibility treatment (T1) and 181 for the high visibility treatment (T2). Of the 84 T1 observations, 30 are decisions taken by non-politicians and the remaining 54 are decisions taken by politicians. Of the 181 T2

[9] Besley et al. (2011) find that for their sample of elected councillors in four Southern Indian states, they are more likely to be from politically and economically advantaged backgrounds. One possible reason why the social and economic background of our local politicians differs from theirs is that we do not include village council heads, while they do.

observations, 73 are decisions taken by non-politicians and the remaining 108 are decisions taken by politicians. As we wanted to focus more on the effect of greater visibility of actions on behaviour, we have more T2 observations. This will also help us check the robustness of our results.

Results

We report our main results here.

Result 1: There is no difference in the behaviour of politicians compared to non-politicians in the low visibility treatment (i.e., in H_p treatment). Politicians are no different from ordinary citizens regarding their intrinsic motivation when they can hide their actions.

We begin by presenting the kernel density plots of the amount given by dictators to recipients (henceforth, GIVE) for the low and high visibility treatments. When we disaggregate the data by whether the dictator is a politician or non-politician, we find no difference in the distribution of GIVE in the low visibility treatment between politicians and non-politicians (Figure 2). Table 3 presents the distribution of GIVE for the low visibility treatment for politicians and non-politicians separately. Looking at the distribution of GIVE separately by whether the dictator is a politician or non-politician, we observe that a larger proportion of politicians choose zero giving than non-politicians (28 per cent versus 17 per cent); however, this difference is not statistically significant – the z statistic for the test of difference in proportions is 1.14 with a p value of 0.25. A slightly higher proportion of non-politicians follow the 50:50 norm in giving than politicians (36.7 per cent versus 31.5 per cent).[10] The mean amount given by politicians is Rs 350 while the mean amount given by non-politicians is Rs 348 (Table 5), and the t-test on the means indicates that the difference is not statistically significant (Table A1).

[10] The difference is not statistically significant – a z statistic of 0.05 for the test of difference in proportions with a p-value of 0.63.

Non-parametric test statistics confirm the finding that there is no discernible difference between the decisions to give between politicians and non-politicians in the low visibility treatment – the Wilcoxon Rank Sum test statistic is 0.24 with a p-value of 0.81 and the Kolmorov-Smirnov test statistic for equality of distributions of GIVE between politicians and non-politicians is 0.11 (p-value: 0.97) (Table A1). This implies that politicians are not fundamentally different from politicians in their intrinsic motivation – they are equally likely to give zeros when they can hide their actions, and the average amount given does not differ significantly between these two groups when there is a higher likelihood that nature has determined the outcome.

> *Result 2: When visibility of actions increases (i.e., in L_p treatment), ordinary citizens distribute more than politicians, and are more likely to follow a 50:50 sharing norm. Politicians are less responsive to social image loss than ordinary citizens.*

We now move on to the high visibility treatment (Figure 2 and Tables 4 and 5). The kernel density plots show that a spike at 50:50 split for non-politicians (Figure 2). But politicians' giving is not much different from the low-visibility case. It implies that non-politicians care more about their reputation whereas politicians display a stronger entitlement effect. When we compare the distribution of GIVE between politicians and non-politicians in the high visibility treatment, we find a decline in zero giving compared to the low visibility treatment. This is primarily due to the lower likelihood of non-politicians to give less zeros – only 1.4 per cent of non-politicians give zero in the high visibility treatment as compared to 8.3 per cent of politicians (Table 5).[11] We also find that the increase in giving that occurs between the low visibility and high visibility treatments is due to the higher amounts given by the non-politicians in the high visibility treatment, who give an average of 489 rupees as compared to 381.5 rupees given by politicians: the difference between the two amounts is statistically

[11] The z statistic for difference in proportions in zero giving is 2.01 and significant at the 5 per cent level.

significant at the 1 per cent level (Table 6 and Table A1).[12] We also find that non-politicians are more likely to follow the 50:50 norm in the presence of an audience as compared to politicians – 43.8 per cent of non-politicians choose an even split while only 28.7 per cent of politicians do . The z statistic for difference in proportions in 50 per cent giving is 2.10 and significant at the 5 per cent level. Non-parametric test statistics confirm the finding that the behaviour of politicians are significantly different from that of non-politicians in the high visibility treatment – the Wilcoxon Rank Sum test statistic is 2.62 with a p-value of 0.008 and the Kolmorov-Smirnov test statistic for equality of distributions of GIVE between politicians and non-politicians is 0.26 (p-value: 0.007) (Table A1).

> *Result 3: Observable differences in the characteristics of politicians and ordinary citizens do not explain the differences in the propensity of politicians to give less than ordinary citizen in the high visibility treatment as compared to the low visibility treatment.*

So far, our findings indicate that while both politicians and non-politicians care about their reputation and distribute more when visibility increases, politicians respond to social image concerns less than non-politicians, and are less likely to move to a 50:50 norm than non-politicians. We now investigate whether this difference in behaviour across treatments and across these two groups is due to observable differences in characteristics between politicians and non-politicians.

We next run regressions of the following specification:

$$Y_i = a_1 + a_2*T_i + a_3*\text{Politician}_i + a_4*T_i*\text{Politician}_i + a_4 Z_i + u_i \quad (1)$$

Where Y is the outcome variable of interest; T is the dummy for the high visibility treatment, Politician is a dummy variable which takes the value of 1 for politicians, 0 otherwise, Z is a

[12] The t-statistic is 3.06 (p-value: 0.002).

vector of controls, and u is the error term. We estimate the equation by Ordinary Least Squares.

We look at three outcomes of interest – first, the total amount given, second, a dummy variable that captures zero giving (which takes the value of 1 when GIVE=0, zero otherwise), and third, a dummy variable which captures 50:50 giving (which takes the value of 1 when GIVE=500, zero otherwise). Our primary coefficient of interest is a_4 which captures the interaction of the dictator being a politician, and the treatment being the high visibility one. If politicians behave differently than non-politicians in the high visibility treatment, and give less (as we have observed earlier), the coefficient a_4 will be negative and statistically significant.

Z is the set of the dictator's observable characteristics that may explain their decision to give. We include the dictator's gender, age, educational level, and dummies for occupation, caste and the state from where politicians and non-politicians are recruited.

We first report the results for the amount given in Col. (1) of Table 7, without the controls. We then add the controls in Col. (2). We follow the same sequence for zero giving in Cols. (3) and (4), and 50 per cent giving in Cols. (5) and (6). We find that politicians give less than non-politicians in the high visibility treatment – the coefficient on the interaction term between the politician dummy and the high visibility dummy is negative and statistically significant at 1 per cent level, both with and without controls. Therefore, our earlier finding that politicians respond less to social image concerns than non-politicians hold true, even when we take the observable characteristics of politicians into account. As expected, the coefficient on the high visibility treatment is positive and significant, suggesting that both politicians and non-politicians give more with higher visibility. The coefficient on the politician dummy is not statistically significant when all controls are included, suggesting

that across both treatments, there is no difference in the behaviour of politicians and non-politicians – it is only in the high visibility treatment that one finds that politicians give less than non-politicians.

With respect to zero giving and 50 per cent giving, the coefficient on the interaction term, while statistically significant in the estimate without controls. is not statistically significant when all controls are included (Cols. (4) and (6)), suggesting that there is no clear difference between politicians and non-politicians in zero and 50 per cent giving, once one controls for politicians' observable characteristics.

We also report our results for the combined sample of politicians and non-politicians to compare with Andreoni and Bernheim (2009) results.

> *Result 4: Similar to Andreoni and Bernheim (2009), we find that, in the combined sample, subjects respond to audience effect—they distribute the endowment more equally with high visibility. We do not find, however, that 50:50 share is 'the' norm, both for politicians and non-politicians. Our results show clear evidence of departure from a 50:50 norm.*

Table 2 presents the distribution of GIVE for the low visibility treatment for the combined sample. In the combined sample for the low visibility treatment, we observe a bimodal distribution, with two distinct peaks at GIVE=0 and GIVE=500 (the percentage of observations at these two peaks are 24 and 33 respectively). These findings are in accord with the experimental literature – a significant proportion of the dictators choose to follow the 50:50 norm, while at the same time, a large number take advantage of the fact that the low visibility of the treatment obscures the dictator's role in determining the outcome (where nature can decide the zero giving outcome in X per cent of the case) (GIVE REFS).

When comparing the overall distribution of GIVE in the low and high visibility treatments (Tables 2 and 4), we can make the following observations: i) there is a sharp decline in the proportion of dictators who give zeros from 23.8 per cent in the low visibility

treatment to 5.5 per cent in the high visibility treatment;[13] ii) there is a significant increase in the mean amount given from 348.8 rupees in the low visibility treatment to 424.9 rupees in the high visibility treatment, with the difference being statistically significant at the 1 per cent level (t-statistic of 2.29) (Tables 4 and A1); iii) there is no statistically significant difference in the whole sample in 50 per cent giving between the two treatments, with 33.3 per cent of the dictators giving 50 per cent in the low visibility treatment and 34.8 per cent of the dictators giving 50 per cent in the high visibility treatment.[14] The first two observations imply that dictators, on average, respond to reputational concerns both by giving less zeros, and by allocating a higher amount to the recipient when there is a higher likelihood that nature's intervention does not favour her, and the recipient is aware of this. However, the third observation shows that in the presence of an audience effect, dictators, on average, do not move to a norm of 50:50 giving.

Discussion of Plausible Explanations

Why do we see this clear difference in the response of politicians and non-politicians to higher visibility? One possible reason could be that in the high visibility treatment, politicians have a different "reference point" in their view of what a fair allocation may be than the 50:50 norm that is the reference point for ordinary citizens. Local politicians may consider that they are entitled to more of the amount to be shared than non-politicians. If this were to be the case, we would expect that such a sense of entitlement would be stronger among politicians who have been elected to a public office than politicians who have stood for election but have never been elected. Our sample of politicians comprises of those who are currently elected or have been in the past, and politicians who have failed to win an election.

[13] This difference is statistically significant at the 1 per cent, with a test statistic in difference in proportions of 4.37.

[14] The z statistic for difference in proportions in 50 per cent giving is -0.01 (p-value: 0.81). We found no difference in our results if we included individuals who gave more than 500.

One hypothesis would be that elected politicians are less likely to respond to higher visibility than non-elected politicians since their expectations about what constitutes a fair allocation would be different from those who stood, but lost (where their reference point for a fair allocation would be less than 50:50).[15] We thus examine differences in the allocation of the initial endowment between elected and non-elected politicians in the low and high visibility treatments. In the low visibility treatment, we find no differences in the distribution of giving between elected and non-elected politicians – the t-statistic in the difference in the average amount given between elected and non-elected politicians is not statistically significant (Table 8).[16] However, for the high visibility treatment, as hypothesised, elected politicians give significantly less than non-elected politicians (a mean of 293.1 for elected politicians versus 457.8 for non-elected politicians; the t statistic is significant at the 1 per cent level). This is mainly due to a larger proportion of non-elected politicians who give 50 per cent or more as compared to elected politicians.[17] Therefore, while we have found that politicians are less responsive to social image concerns than non-politicians, we also find significant heterogeneity in politicians' behaviour: politicians who won elections are more prone to feel entitled than politicians who lost.

A large literature suggests that female politicians behave differently from male politicians. While much research on gender and politics has used data from India - either because of the randomization of women's leadership in village councils (e.g. Chattopadhyay and Duflo 2004; Beaman, Duflo, Pande and Topalova (2009); Afridi, Iversen, and Sharan 2017), or by the access to data on closely contested elections which facilitate analysis of the

[15] Notice that it is not possible to determine whether (a) behavioural inclinations – at the outset and prior to the election – were different and may have affected the election outcome: voter preferences in rural India may favour 'strongmen' who get things done over ''cleaner' candidates who may be considered less effective (Vaishnav 2017) or (b) winning the election and time in office – are responsible for the differences in observed experimental behaviour.

[16] There is also no statistically significant difference in zero and 50 per cent giving between elected and non-elected politicians.

[17] The z statistic for the difference in proportions in 50 per cent giving between elected and non-elected politicians is significant at the 1 per cent level.

impact of women representatives in state-level legislative assemblies (e.g. Clots-Figueras 2012; Bhalotra, Clots-Figueras, and Iyer 2017), there is little research on the impacts of or behaviour of elected women ward level representatives. While much of this literature reports strongly favourable effects of women's presence, Gangaradhan et al's (2016) experiment found women (not politicians) given experimental leadership roles to be more deceptive than men. In the low visibility treatment, we do not observe any significant difference in the distribution of the amount given between female and male politicians (the t-statistic on the difference in the average amount is 0.23, with a p-value of 0.82, see Table 9). However, the percentage of male politicians giving zero is 32.3 %, while the corresponding percentage for women is 21.7 %. That this difference is not statistically significant, is likely to reflect the smaller sample size in the low visibility treatment. With greater visibility, there are two main findings: first, we observe a significant decline in the proportion of female politicians who give zero: this proportion drops from 21.7 per cent in the low visibility to 0 in the high visibility treatment (the fall in zero giving among male politicians is also pronounced: from 32.3 per cent in the low visibility to 12.5 per cent in the high visibility treatment).[18] The z statistic of the difference in proportions in zero giving between female and male politicians is 2.21 (p-value: 0.03) and therefore, now, and with a larger sample size, significant at the 5 % level. While there is no statistically discernible difference in the mean amount given by female and male politicians in the high visibility treatment, the proportion of women politicians giving more than 500 rises sharply from 8.7 % to 27.7 %. For male politicians, there is no such change: the percentage remains identical and at about 16 %. This suggests that women politicians respond to greater visibility and are more strongly motivated by reputational concerns than their male counterparts.[19] Crucially, a subset of male politicians

[18] The z statistic of the difference in proportions in zero giving between female and male politicians is 2.21 (p-value: 0.03).

[19] When we split the politicians sample by elected and non-elected politicians, we find that the gender differences in amount given hold true even within these two sub-samples. This suggests that the difference we

appear to feel entitled to keep the entire amount for themselves, also in the high visibility treatment: this points to the possibility that women representatives – with respect to crucial behavioural inclinations – may improve the quality of politicians in rural India.

To summarise, we find clear evidence of heterogeneity of behaviour among different types of politicians in the high visibility treatment, though not in the low visibility treatment. This suggests that there is no difference in the intrinsic motivation of elected versus non-elected politicians, but they respond differently to social image concerns – non-elected politicians and female politicians are more responsive to social image concerns than elected and male politicians.

V. Conclusions

The efficacy of decentralised public programmes in developing countries depends critically on the motivation of local politician to implement these programmes well. However, we know relatively little on what motivates local politicians in low income country settings: intrinsic motivation, extrinsic motivation or social image concerns? Using field experiments conducted in rural India with local politicians and non-politicians, we find that politicians are no different from ordinary citizens when they can hide their actions. However, when the visibility of their actions increases, ordinary citizens distribute more than politicians. Our results show clear evidence of departure from 50:50 norm. We do not find 50:50 share is 'the' norm, both for politicians and non-politicians. For politicians, it has stronger effect—they feel entitled to keep more. This suggests that those who have higher intrinsic valuation from monetary gain enter politics.

Our results also show that elected politicians tend to keep more than non-elected politicians. Our elected politicians keep more than 50% of their endowment even if with

observe among the motivations of male and female politicians is not to do with whether they are elected or not elected.

higher visibility. This suggests that they feel entitled to keep more and the existing social norm approves such behaviour. This result is in line with a recent finding by Enemark et al. 2016 that office holding politicians exhibit more reciprocity than those who ran for office but narrowly lost the election. However, we have not conducted any norm elicitation exercise, for simplicity, to understand better whether politicians have different reference point than non-politicians and it is socially accepted or not. Future research will explore this further by conducting incentivised norm elicitation (e.g., see Krupka and Weber 2016).

Although we replicate AB (2009) design in the field, but we have the following simplifications: (i) we have less treatments than their design (we have p vary at two levels compared to four levels in AB; and (ii) we implement one treatment in one session (In AB, all treatments implemented in each session). We believe that using two extreme values of p and implementing them one at a time give stronger effect in our design as subjects would have no opportunity to wait for the desired level of p to express their true behaviour. It is also important to note that the number of observations in treatment two is greater than treatment one. As we wanted to focus more on the effect of greater visibility of actions on behaviour, we have more observations. This also helps us check the robustness of our results (our results hold even if we choose any random round's observations in treatment two). We provided a neutral experimental environment where our subject-politicians should be stimulated by the experimental protocol while interacting with an audience that they had no prior familiarity with. We were careful in recruitment and design by following random selection, voluntary participation, random matching with unknown partners, etc.

It is argued that public scrutiny is a useful discipline device to discipline politicians as voters can punish them via re-election. Our results provide indirect evidence—public scrutiny through reputation is relevant in disciplining politicians. Reputation concern also help

increase receivers welfare as receivers in our experiment receive more with increasing visibility.

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Figure 1. All, Low and High Visibility Treatments

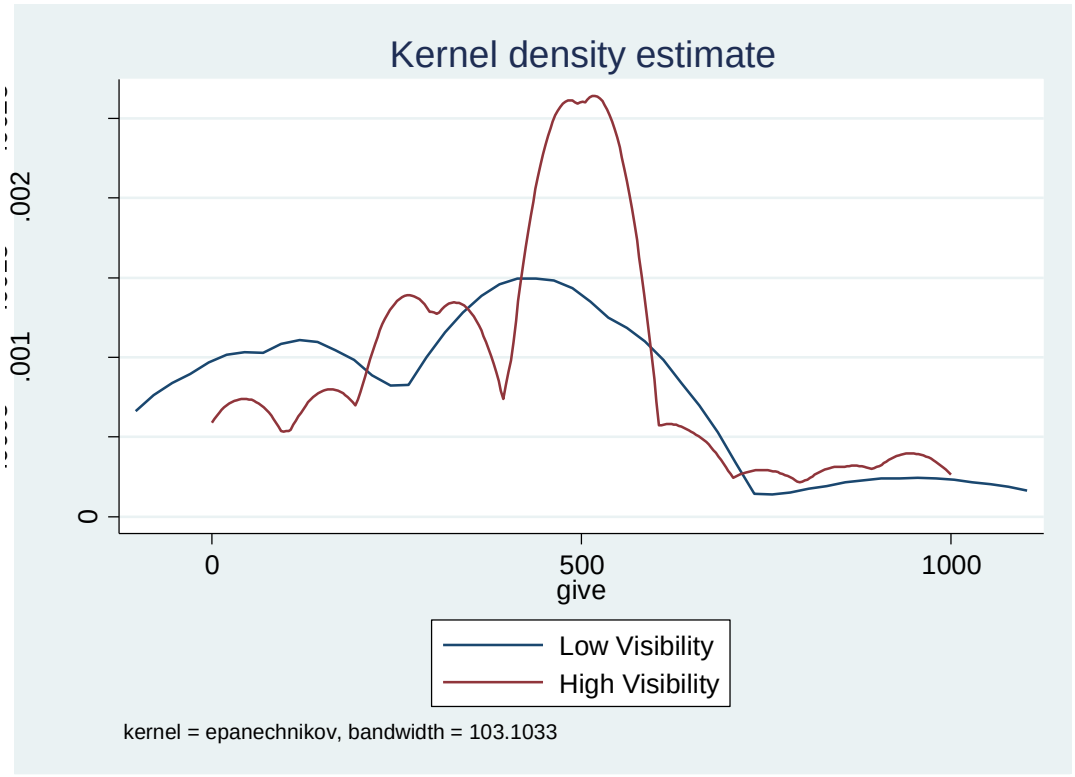

Figure 2, Politicians and Non-Politicians, Low and High Visibility Treatments

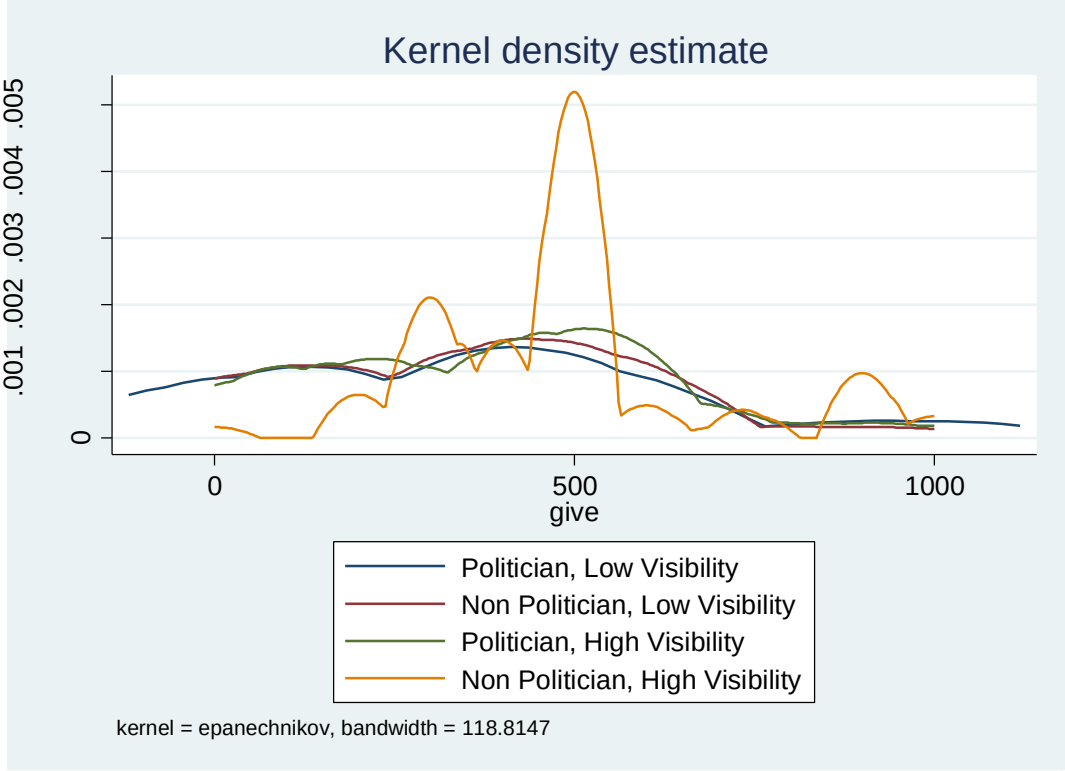

Table 1. Summary Statistics, Non-Politicians and Politicians Characteristics

	Non-Politicians - Means	Politicians - Means	T-statistic on Difference in Means
Female	0.22 (0.42)	0.36 (0.48)	-2.04**
Years of Education	7.81 (4.65)	9.11 (5.05)	-1.72*
Age	42.69 (13.56)	43.27 (11.73)	-0.25
Forward Caste (per cent)	0.46 (0.50)	0.47 (0.50)	0.22
Other Caste (per cent)	0.54 (0.50)	0.53 (0.50)	--
Agric Labourer (per cent)	0.62 (0.49)	0.65 (0.48)	-0.84
Farmer (per cent)	0.22 (0.42)	0.17 (0.38)	0.42
Other (per cent)	0.16 (0.37)	0.17 (0.38)	--
Number - West Bengal	0.64 (0.48)	0.67 (0.47)	0.15
Number -Uttar Pradesh	0.36 (0.48)	0.33 (0.47)	0.15
Total Number	69	105	

Note: Standard deviations in brackets; ** and * indicate level of significance at 5 and 10 per cent respectively.

Table 2. Low Visibility Treatment, All

Amount Given	All	Percent	Cumulative
Equal to 0	20	23.8	23.8
Greater than 0 and less than or equal to 100	5	6.0	29.8
Greater than 100 and less than or equal to 200	5	6.0	35.7
Greater than 200 and less than or equal to 300	12	14.3	50.0
Greater than 300 and less than or equal to 400	4	4.8	54.8
Greater than 400 and less than 500	0	0.0	54.8
Equal to 500	28	33.3	88.1
Greater than 500 and less than or equal to 600	2	2.4	90.5
Greater than 600 and less than or equal to 700	1	1.2	91.7
Greater than 700 and less than or equal to 800	1	1.2	92.8
Greater than 800 and less than or equal to 900	1	1.2	94.0
Greater than 900 and less than or equal to 1000	5	6.0	100.0
Number of observations	84		

Table 3. Low Visibility Treatment, Non-Politicians and Politicians

Amount Given	Non-Politicians			Politicians		
	Number	%	Cum.	Number	%	Cum.
Equal to 0	5	16.7	16.7	15	27.8	27.8
Greater than 0 and less than or equal to 100	4	13.3	30.0	1	1.9	29.7
Greater than 100 and less than or equal to 200	2	6.7	36.7	3	5.6	35.2
Greater than 200 and less than or equal to 300	3	10.0	46.7	9	16.7	51.9
Greater than 300 and less than or equal to 400	2	6.7	53.4	2	3.7	55.6
Greater than 400 and less than 500	0	0.0	53.4	0	0.0	55.6
Equal to 500	11	36.7	90.0	17	31.5	87.1
Greater than 500 and less than or equal to 600	1	3.3	93.4	1	1.9	88.9
Greater than 600 and less than or equal to 700	0	0.0	93.4	1	1.9	90.8
Greater than 700 and less than or equal to 800	1	3.3	96.7	0	0.0	90.8
Greater than 800 and less than or equal to 900	0	0.0	96.7	1	1.9	92.6
Greater than 900 and less than or equal to 1000	1	3.3	100.0	4	7.4	100.0
Number of observations	30			54		

Table 4. High Visibility Treatment, All

Amount Given	All	%	Cumulative
Equal to 0	10	5.5	5.5
Greater than 0 and less than or equal to 100	14	7.7	13.2
Greater than 100 and less than or equal to 200	15	8.3	21.5
Greater than 200 and less than or equal to 300	30	16.6	38.1
Greater than 300 and less than or equal to 400	13	7.2	45.3
Greater than 400 and less than 500	0	0.0	45.3
Equal to 500	63	34.8	80.1
Greater than 500 and less than or equal to 600	14	7.7	87.8
Greater than 600 and less than or equal to 700	4	2.2	90.0
Greater than 700 and less than or equal to 800	5	2.8	92.8
Greater than 800 and less than or equal to 900	7	3.9	96.7
Greater than 900 and less than or equal to 1000	6	3.3	100.0
Number of observations	181		

Table 5. High Visibility Treatment, Non-Politicians and Politicians

Amount Given	Non-Politicians			Politicians		
	Number	%	Cum.	Number	%	Cum.
Equal to 0	1	1.4	1.4	9	8.3	8.3
Greater than 0 and less than or equal to 100	4	5.5	6.9	14	13.0	21.3
Greater than 100 and less than or equal to 200	0	0.0	6.9	11	10.2	31.4
Greater than 200 and less than or equal to 300	13	17.8	24.7	17	15.7	47.2
Greater than 300 and less than or equal to 400	9	12.3	37.0	4	3.7	50.9
Greater than 400 and less than 500	0	0.0	37.0	0	0.0	50.9
Equal to 500	32	43.8	80.9	31	28.7	79.6
Greater than 500 and less than or equal to 600	3	4.1	85.0	11	10.2	89.8
Greater than 600 and less than or equal to 700	1	1.4	86.3	3	2.8	92.6
Greater than 700 and less than or equal to 800	2	2.7	89.1	3	2.8	95.3
Greater than 800 and less than or equal to 900	6	8.2	97.3	1	0.9	96.3
Greater than 900 and less than or equal to 1000	2	2.7	100.0	4	3.7	100.0
Number of observations	73			108		

Table 6. Summary Statistics of Amount Given, by Treatment and Politician/Non-Politician

Treatment	Mean	Standard Deviation
All, Low Visibility	348.8	277.9
Politician, Low Visibility	350.0	293.2
Non-Politician, Low Visibility	347.7	252.9
All, High Visibility	424.9	237.3
Politician, High Visibility	381.5	251.5
Non-Politician, High Visibility	489.0	199.5

Table 7. Regression Results

	(1)	(2)	(3)	(4)	(5)	(6)
Treatment, High Visibility (T2)	489.00*** (15.26)	217.20*** (4.80)	0.01 (0.38)	-0.12** (2.15)	0.44*** (7.65)	0.12 (1.37)
Politician	350.01*** (9.39)	14.40 (0.28)	0.28*** (6.60)	0.14* (2.18)	0.31*** (4.73)	-0.04 (0.37)
Politician*Treatment, High Visibility	-457.51*** (8.20)	-168.78*** (2.70)	-0.21*** (3.30)	-0.04 (0.62)	-0.47*** (4.68)	-0.16 (1.32)
Controls?	No	Yes	No	Yes	No	Yes
R-square	0.67	0.76	0.16	0.22	0.31	0.41
No of Observations	265	265	265	265	265	265

Notes: Controls: Caste and Occupation Dummies, Years of Education, Age, Gender, State Dummy; t-statistic s in brackets. ***,** and * indicate level of significance at 1, 5 and 10 per cent respectively; Cols (1) and (2), Dependent variable: amount given, Cols (3) and (4), Dependent variable: Dummy if give=0, 0 otherwise; Cols (5) and (6): Dependent variable: Dummy if 50:50 share is 1, 0 otherwise. The estimator is OLS.

Table 8. Amount Given by Politicians, Elected versus Non-Elected

	Treatment, Low Visibility (per cent)			Treatment, High Visibility (per cent)		
	Elected	Non-Elected	T-Test on Differences (t statistic)	Elected	Non-Elected	T-Test on Differences (t statistic)
Equal to 0	25.7	31.6	--	8	8.6	--
Greater than 0 and less than 500	28.7	26.4	--	60	27.4	--
Equal to 500	28.6	36.8	--	16	39.7	--
Greater than 500 and less than or equal to 1000	17	5.2	--	16	24.3	--
Mean	385.7	284.2	1.22 (0.23)	293.1	457.8	3.58*** (0.001)
Number	35	50		19	58	

Note: For T-tests, p-value in parentheses; ** * indicate level of significance at 1 per cent.

Table 9. Amount Given by Politicians, By Gender

Amount Given	Treatment, Low Visibility (per cent)			Treatment, High Visibility (per cent)		
	Female	Male	T-Test on Differences (t statistic)	Female	Male	T-Test on Differences (t statistic)
Equal to 0	21.7	32.3	--	0	12.5	--
Greater than 0 and less than 500	34.9	22.6	--	41.7	43.2	--
Equal to 500	34.8	29	--	30.6	27.8	--
Greater than 500 and less than or equal to 1000	8.6	16.1	--	27.7	16.5	--
Mean	360.9	341.9	0.23 (0.82)	406.9	368.8	0.74 (0.46)
Number	23	31		36	72	-

Note: For T-tests, p-value in parentheses.

APPENDIX:

Lemma 1

Proof. First suppose by contradiction that $\hat{x}(p|x=0) = x^F$ for some p; which means that if audience observes $x = 0$ beliefs that Nature has played and actually D has offered $x = \frac{1}{2} = x^F$; these are the most favourable beliefs that the audience may have when observing $x = 0$. Consider any D with $x_i^F > 0$; by offering $x = x_i^F$ he gets $1 - x_i^F - (1-p)\beta_i(x_i^F - x^F)^2$; while by offering $x = 0$ he gets $1 - tx_i^F$. The former utility level is larger than the latter if $1 - x_i^F - (1-p)\beta_i(x_i^F - x^F)^2 > 1 - tx_i^F$ or $t > 1 + \frac{(1-p)\beta_i\left(x_i^F - x^F\right)^2}{x_i^F}$. Since $1 + \beta^H \frac{\left(z-\frac{1}{2}\right)^2}{z} \geq 1 + \frac{(1-p)\beta_i\left(x_i^F - x^F\right)^2}{x_i^F}$ for both $x_i^F \in \left\{z, \frac{1}{2}\right\}$ then $t > \bar{t}$ is a sufficient condition.

Suppose now that D with $x_i^F > 0$ offers x such that $x_i^F > x > 0$. Then it gets $1 - x + t(x - x_i^F) - (1-p)\beta_i(x_i^F - x^F)^2$. Notice that it is easy to check that offering x_i^F is better than offering $0 < x < x_i^F$ if $1 - x_i^F - (1-p)\beta_i(x_i^F - x^F)^2 > 1 - x + t(x - x_i^F) - (1-p)\beta_i(x_i^F - x^F)^2$ or $t > 1 - \frac{(1-p)\beta_i\left(\left(x-x^F\right)^2 - \left(x_i^F - x^F\right)^2\right)}{x_i^F}$; this condition is satisfied if $t > \bar{t}$.

Let $x_i^k(p)$ with $k \in \{L, H\}$ be the amount offered by dictator i when $\beta_i = \beta^k$ in the game in which Nature plays with probability p.

Lemma 2.

Proof. It is straightforward to note that in equilibrium $x_i \leq x^F$. Lemma 1 has proved that $x_i \geq x_i^F$ for all $p < 1$. Therefore without loss of generality we can write dictator i's maximization problem as

$\max_{\{x\}} U_i \quad (x_i^F, \beta_i) = 1 - x + t\, min\{(x - x_i^F), 0\} - \beta^k{}_i (min\{x - x^F, 0\})^2 +$

$p(\bar{x}(p) - x^F)^2, s.t. x_i^F \leq x \leq x^F.$

Simple computation shows that $x^* = min\left(max\left(\frac{1}{2} - \frac{1}{2\beta_i^k(1-p)}, x_i^F\right), \frac{1}{2}\right)$.

The above two lemmata provide a theoretical foundation for our two treatments.

Table A1. T-Tests and Non-Parametric Tests, Amount Given

Comparisions	Test Statistic	P Value
T-test, All-Low Visibility vs All-High Visibility	-2.29***	0.01
T-test, Non-Politician-Low Visibility vs Politician, Low Visibility	-0.05	0.96
T-test, Non-Politician-High Visibility vs Politician, High Visibility	3.06***	0.002
Kolgomorov-Smirnov Test for Equality of Distribution, Low Visibility Treatment, Non-politician vs politician	0.11	0.97
Kolgomorov-Smirnov Test for Equality of Distribution, High Visibility Treatment, Non-politician vs politician	0.26***	0.007
Wilcoxon Rank-Sum (Mann-Whitney) Test, Low Visibility Treatment, Non-politician vs politician	0.24	0.81
Wilcoxon Rank-Sum (Mann-Whitney) Test, High Visibility Treatment, Non-politician vs politician	2.62***	0.008

Note: *** indicate level of significance at 1 per cent.