Abstracts

Paper I: State History and Economic Development: Evidence from Six Millennia (with Ola Olsson and Louis Putterman)

We revisit the relationship between state experience and economic development. We complete the coding of an extant indicator of state presence from 3500 BCE forward for all countries in the world. We outline a theoretical framework, set in a Malthusian growth model, where accumulated state experience increases fiscal capacity but might have a negative effect on productivity when centralized power becomes excessive. The predictions of the model are tested in an empirical analysis where we introduce our extended state history variable. Our key finding is that, both as early as 1500 and today, the level of economic development is a concave not a linear function of accumulated state history.

Keywords: state history, comparative development
JEL classification: O11, O43, O50, N00

Paper II: The Impact of an Unexpected Wage Cut on Corruption: Evidence From a "Xeroxed" Exam
(with Mikael Lindahl and Andreea Mitrut)

We investigate how corruption responds to an income loss. We exploit an unexpected 25% wage cut incurred in 2010 by all Romanian public sector employees, including the public education staff. We investigate a corruptible high-stake exam taking place shortly after the wage announcement. To measure corruption we compare changes in exam outcomes from 2007 to 2010 between public and private schools, as the latter were not affected by the policy. We find that the wage loss induced better exam outcomes in public than in private schools and we attribute this difference to increased corruption by public educators.

Keywords: austerity measures, bribes, public school principals, high-stakes exams
JEL classification: H4, I2, J3

Paper III: Fighting Corruption in Education: What Works and Who Benefits?
(with Mikael Lindahl and Andreea Mitrut)

We investigate the efficiency and distributional consequences of a corruption fighting initiative in Romania targeting the endemic fraud in a high-stakes high school exit exam, which introduced CCTV monitoring of the exam and credible punishment threats. We find that punishment coupled with monitoring was effective in reducing corruption. Estimating the heterogeneous impact for students of different ability, poverty status, and gender, we show that fighting corruption led to efficiency gains (ability predicts exam outcomes better) but also to a worrisome score gap increase between poor and non-poor students. Consequently, the poor students have reduced chances to enter an elite university.

Keywords: corruption, high-stakes exam, bribes, monitoring and punishment
JEL classification: I21, I24, K42

Paper IV: The Benefits of Local Party Alignment in National Elections

I provide robust evidence that local officials deliver votes for their parties in national elections. I use a sharp regression discontinuity design with closely-contested Romanian local elections in June 2012. I find up to 5.4 percentage points increased turnout in government-aligned localities at the July 2012 referendum launched by the governing coalition to dismiss the president. Turnout was crucial in the referendum, as a minimum participation of 50% of all voters was required. Instead, I find no direct electoral alignment advantage in terms of turnout or vote shares in subsequent parliamentary elections. The referendum alignment effect is driven by rural areas, with less educated and more manipulable voters. This along with the contrasting results at legislative elections, and extra heterogeneity tests suggest that local politicians mobilize voters successfully when: i) the voter commitment problem is overcome (unlike the vote, turnout is observable); ii) vote buying is common; iii) there is weak local competition and monitoring of incumbents. I also show suggestive evidence that after the referendum, local revenues increase in aligned localities and higher referendum turnout also drives higher legislative elections turnout and vote shares for the government coalition.

Keywords: party alignment, elections, vote-buying, intergovernmental transfers
JEL classification: D72, H77, P26

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