The Effect of Local Elections on Embezzlement in Burkina Faso

Democratic elections are seen as a way of improving government accountability, but the means through which elections affect officials’ behavior is poorly understood, particularly in local elections where inter-party competition is rare. Researchers in Burkina Faso staged a community decision-making scenario with real financial stakes to understand how elections effect public embezzlement, social norms and trust in officials. Elections reduced embezzlement and made participants more willing to sanction poor decision-makers, but only when participants knew the amount of funds at stake. When the amount of funds was not transparent, elections actually led participants to trust decision-makers too much, suggesting that elections only improve accountability when citizens are well-informed about their leaders’ actions.

Policy Issue

Governments around the world are experimenting with decentralizing power to local governments. This often entails giving municipalities new funds and responsibilities in health, education, and other services that are crucial for constituents' wellbeing. Decentralization is meant to bring government closer to citizens and open avenues for their participation, but citizen engagement with local governance is low and municipal governments’ accountability towards constituents is often weak.

Democratic elections are thought to be an important way of improving government responsibility, but the primary means through which elections are thought to make politicians more accountable is through the desire to be reelected. This may not hold in cases where a single party is dominant, as in many municipalities in developing countries. However, elections may still affect accountability through selecting better leaders, changing social norms around corruption, and improving citizens’ trust in politicians.

Evaluation Context

Burkina Faso is a fledgling democracy, and has undergone several changes in local political institutions in recent years. Following a popular uprising in 2014, all elected local governments were dismissed and replaced by centrally appointed special delegations. A majority of citizens in the rural areas welcomed their dismissal, given that the previous municipal governments were elected during a period of single-party dominance and were widely perceived as corrupt and prone to embezzlement. In principle, however, most citizens continued to prefer elections over central appointments and other forms of
selecting local decision makers. In May 2016, local elections were held to replace the centrally appointed special delegations.

This study was carried out with voting-age citizens in rural Burkina Faso between June and July 2015, prior to the transitional municipal elections of 2016. Study participants were drawn from the 118 rural municipalities that are located within six of Burkina Faso’s 13 regions: Cascades, Centre-Est, Centre-Nord, Centre-Sud, Plateau Central, and Sahel (Figure 1). Within each municipality, ten villages were sampled at random. Per village, two voting-age adults were invited to take part in the study.

The study participants were representative of the voting-age population in the rural areas of Burkina Faso. Only 16 percent of study participants report ever attending school. Among those who attended school, the mean level of schooling was five and a half years. Eleven percent report to have ever held a position of responsibility in their community and 63 percent report to have voted in the 2012 municipal elections.

**Details of the Intervention**

To study the effects of democratic elections and civic transparency on public embezzlement, social norms, and trust in officials, IPA researchers conducted a mock community decision-making scenario with real financial stakes.

In the evaluation, groups of five citizens, each from different villages in a municipality, were confronted with a simple decision situation: An unknown amount of money was allocated to the group and a decision-maker within the group could potentially embezzle these group funds for personal gain. Researchers randomly varied whether the leader of the group was either elected by the members or selected by lottery. They also varied whether the participants had information on the amount of money entrusted to the leader.

In each of the 118 participating municipalities, participants were randomly assigned to one of four groups (472 groups in total):

1. Democratic elections and public knowledge of funds
2. Random leader selection and public knowledge of funds
3. Democratic elections and hidden amount of funds
4. Random leader selection and hidden amount of funds

The game scenario preceded as follows:

- **Baseline**: Prior to the scenario, study participants were asked a hypothetical question about their willingness to give up some of their own money for the benefit of the group.
- **Leader Selection**: After being given a short amount of time to discuss the scenario amongst themselves, the groups were informed of how their decision maker was to be selected: Either by elections or by random selection.
- **Information Distribution**: Groups were informed whether the decision maker would have private information about the size of the pot (the amount of money to be divided within the group) or if this would be public information among the group. If the information was public, group members would be able to see how much money the decision maker embezzled, if any.
• **Allocation of Funds:** The decision maker was asked (in private) to put 10,000 CFA (approx. $20US) into one of two stacks: One to keep as their own, and one to be equally divided among all members of the group, including themselves. By keeping money in the personal stack, group leaders had the opportunity to embezzle at the expense of others.

• **Rewarding / Sanctioning:** After learning how much money had been allocated to them by the decision maker, the other four group members were given the opportunity to reward or punish the decision maker at a cost to themselves. For this purpose, every group member received a budget of 1,000 CFA. They could either give this money to the decision maker or spend it to punish them, in which case triple the amount spent was taken away from the decision maker’s share of the pot.

Researchers collected four key measures from this activity. The first is participants’ baseline level of generosity, as measured by their willingness to contribute to the baseline activity. The second is trust in officials, as measured by group members’ expectation of how much the decision maker will embezzle. The third is corruption, as measured by the amount of money embezzled by the decision maker. Last is the willingness to sanction - the amount that other members of the group spent on rewarding or punishing the decision maker.

**Results and Policy Lessons**

Overall, elections reduced embezzlement in the mock decision-making scenario when coupled with public information on the size of the pot, but had no significant effect on embezzlement when the size of the pot was private. Elections also made group members more willing to sanction embezzlement and increased trust in the decision maker. However, without public information, elections actually led group members to be too trusting of the decision maker, underestimating the amount they would embezzle.

**Selection:** Decision-makers who were chosen through elections held more benevolent attitudes prior to the scenario than randomly selected decision makers. This suggests that elections lead to the selection of higher quality leaders, even when voters have a short amount of time (in this case, 10 minutes) to interact with candidates.

**Embezzlement:** When coupled with public information, elections reduced embezzlement, but under private information they had no significant effect. This suggests that elections only have an effect on accountability when decision makers know their embezzlement could be discovered.

**Sanctioning:** When information was public, elections made the group members more likely to punish embezzlers, and the size of that punishment was proportionate to the amount of embezzlement observed. When information was private, elections still made group members more likely to punish, but only if they had prior expectations that the decision maker would embezzle – and these expectations were not accurate on average.

**Trust:** When information was private, elections made group members’ expectations of embezzlement lower, but also led them to under-estimate actual embezzlement by about 20 percent. When information was public, elections had no effect on group members’ trust in decision makers.
In sum, these findings suggest that even when voters are presented with a limited amount of information, elections can lead to the election of better leaders. However, they also suggest that the accountability effects of elections (in terms of both embezzlement and social norms of punishment/reward) only hold when there is transparency regarding public funds, and that in the absence of this transparency, elections can actually lead to over-confidence in leaders.