

Authors

Vivian Hoffmann
International Food Policy Research Institute (IFPRI)

Pamela Jakiela
Williams College

Michael Kremer
The University of Chicago

Ryan Sheely
Harvard University

**Targeting, Discretionary Funding, and the Provision of Local
Public Goods: Evidence from Kenya***

Vivian Hoffmann, Pamela Jakiela, Michael Kremer, and Ryan Sheely[†]

May 17, 2016

Abstract

We elicit sitting politicians' preferences over two attributes of local public goods, opportunities for targeting and control of discretionary funding, by conducting an incentive-compatible choice experiment with 179 elected county councilors in rural Kenya. In our experiment, local politicians choose between different public goods packages that vary across two dimensions: whether or not the politician is able to target the good to the location of his choice, and whether he controls the discretionary funding associated with the project. Local officials put a high premium on opportunities for geographic targeting, but not on the ability to control the associated discretionary funding; local officials are particularly uninterested in controlling the funding mechanism (and taking on the associated maintenance responsibilities) when they are able to choose the public good's location. Decisions about where to install the public good suggest a combination of motives: councilors choose locations that generate relatively high social welfare, but favor locations in their home areas. Quantitative estimates suggest that users in one's home area visit approximately twice as much as constituents who live farther from the councilor.

JEL Classification Numbers: O18, D78

Keywords: local public goods, elected officials, targeting, decentralization, experiment

*We received helpful comments on earlier drafts from Claire Adida, Anette Abaj, Sven Ahlert, Matt Boone, Bill Clark, Pedro Dal Rio, Juan Encinosa, Karen Ferris, Jessica Goldberg, Raymond Guterra, Nakent Ichim, Kimani Karara, Anne Kibuka, Ben Kipker, Ken Leonard, John Loundak, Lucy Martin, Quenton Mayne, Erin McDuck, Craig McIntosh, Ted Miguel, Rishmi Prasad, Dan Posner, Peter van der Weide, and seminar participants at Harvard, Oxford, Yale, UCLA, and APSA. Anshu Bhan, Diane Charkin, Eric Dodge, Justin Hall, Abel Oyiye, Oshola Oshiki, and Michal Vaishan provided excellent research assistance. We are grateful to James Long and Jeremy Harwitz for sharing their electoral returns data with us, and to Otho Christensen, Gerald Ippa, Eric Koskela, Richard Lopez, Carolyn Njuma, George Ndegwa, David Pasitau, Evans Stepa Makenia, and other staff at IFPRI Kenya and the SAFI Project for their support in implementing this project. The project was made possible by funding from JECA, IFC, and the Sustainability Science Program at Harvard Kennedy School. The research reported in this study was carried out under Harvard University IRB protocol F2005-100.

[†]Addresses: IFPRI, v.hoffmann@cgiar.org; Jakiela, University of Maryland, pjakiela@umd.edu; Kremer, Harvard University, mkremer@fas.harvard.edu; Sheely, Harvard University, ryan_sheely@hs.harvard.edu.

Targeting, Discretionary Funding, and the Provision of Local Public Goods: Evidence from Kenya

We elicit sitting politicians' preferences over two attributes of local public goods, opportunities for targeting and control of discretionary funding, by conducting an incentive-compatible choice experiment with 179 elected county councilors in rural Kenya. In our experiment, local politicians choose between different public goods packages that vary

across two dimensions: whether or not the politician is able to target the good to the location of his choice, and whether he controls the discretionary funding associated with the project. Local officials put a high premium on opportunities for geographic targeting, but not on the ability to control the associated discretionary funding; local officials are particularly uninterested in controlling the funding mechanism (and taking on the associated maintenance responsibilities) when they are able to choose the public good's location. Decisions about where to install the public good suggest a combination of motives: councilors choose locations that generate relatively high social welfare, but favor locations in their home areas. Quantitative estimates suggest that users in one's home area count approximately twice as much as constituents who live further from the councilor.

May 17, 2016