

ESSAYS ON RENT EXTRACTION AND JUDICIAL DECISION MAKING: EVIDENCE FROM KENYA

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Summary

This dissertation examines public officials' behavior through monitoring and political shocks. Our sample is drawn from Kenya's county officials and judicial officers of the High Court. The dissertation consists of two main chapters. In the first, we examine at what stage is audit-information from public oversight institutions successful in effecting political accountability. We use publicly released audit information on the newly established county governments in Kenya, outcomes of the Public Accounts Committee (PAC) that initiates the implementation of audit queries, a nationally representative survey, and electoral returns. We find that individuals interviewed immediately after the release of corruption news perceive their Governor's as corrupt, and disapprove of their performance. Also, respondents interviewed immediately after the release of corruption news disapprove of their local legislators' performance in their oversight role. We also show that unresolved audit queries through the PAC before an election reduces the incumbent's reelection and margin of victory for county executives as well local legislators probability of running in the next election in the County Assembly. Specific unresolved audit irregularities drive these effects. Our findings underscore the importance of objective rent-seeking information from supreme audit institutions and the PAC in maximizing audit impact and putting public officials into account.

In the second main chapter, we investigate to what extent ethnic politics and identity shape public officials' behavior. Using Kenya's high court criminal appeals data, we exploit Judges quasi-random assignment to cases and investigate an elite group of public officials who are conceivably immune to ethnic bias. We find robust evidence for ethnic disparities in Kenya's criminal justice system and an emboldenment effect on judicial officers whose ethnicity is disproportionately represented in the civil service through favoritism and negative bias on ethnic

groups with long-held animosity. Increased transparency through judicial reforms can dampen this bias. The increased transparency is more pronounced when we exclude expelled judges. The dissertation findings contribute to the growing economics literature on personnel economics of the developing state and have important public policy implications for improving the quality of government and the establishment of inclusive and accountable political institutions.