Strategic Entry and the Relationship between Number of Independent and Non-Independent Candidates: A Study of Parliamentary Elections in India

Bhattacharya, Kaushik

Indian Institute of Management Lucknow

2011

Strategic Entry and the Relationship between Number of Independent and Non-Independent Candidates: A Study of Parliamentary Elections in India

Abstract

The paper attempts to examine the nature and the extent of strategic entries of independent candidates in elections following FPTP rule. The paper observes that besides individual incentives of the candidates, a major factor behind the emergence of independents under FPTP systems could be the surreptitious strategic floating of such candidates by major political parties. Accordingly, the paper proposes to use the number of non-independent candidates in a constituency as a readily observable *ex ante* proxy for political fragmentation and hypothesizes a strong functional relationship between non-independent and independent candidates. Empirical results for all parliamentary elections in India since 1962 reveal that during the first four elections in our reference period (e.g., during 1962—1977), the relationship was weak, as many independent candidates during this period were regional feudal satraps who either participated in elections with Congress support or posed the only challenge to Congress in their locality. However, political fragmentation and bitter fight among political parties in India during the 1980s gave birth to a new class of independents whose entries into the elections were primarily strategic in nature, leading to a strong relationship between the above two variables during this period.

Running Title: Strategic Entry

Strategic Entry and the Relationship between Number of Independent and Non-Independent Candidates: A Study of Parliamentary Elections in India

1   Introduction

It is well known that the decision of a candidate to enter an election can affect the outcome of the election even if the candidate is not the winner. In case of first-past-the-post (FPTP) voting rule where even a single vote could make the difference between the winner and the losers, the motive for strategic entry could be just to influence the result. Recent advances in the literature have, however, established that the incentives for strategic entry may exist in case of every non-dictatorial voting procedure that satisfies unanimity (Dutta *et al*, 2001). As these results demonstrate the importance of strategic entry, a natural question to ask is: what are its determinants, and, how they evolve over space and time.

Despite theoretical advances, empirical evidence on strategic entry is comparatively rare. Theoretical results on strategic entry are generally with respect to a single constituency. In contrast, the real-life decision of strategic entry could be more complex. For example, major political parties in a country may willingly enter in certain constituencies knowing full well that they will not win, but proving that their entry is strategic could be difficult. Further, major political parties might be interested in the so called big picture across space and over time and in that big picture, a constituency could often be merely a cog in a wheel.

In this paper we argue that independent candidates provide an ideal study material for strategic entry. Without the institutional support of a political party, independent candidates not only have to bear the risk of losing, but often also have to bear the risk of forfeiture of deposit. In many instances, they actually do so. Therefore, a natural question to ask is: what are the incentives of independent candidates? In this paper, we attempt to explain the reasons behind the emergence of independent candidates and from that attempt to identify factors that could affect their strategic entry. In particular, we ask: what type of political environments over time and what type of constituencies over space induce strategic entry of individuals as independent candidates.

In an ideal world, independents would hold a centrist viewpoint in a relatively polarized political environment. They may also have a viewpoint on specific issues or policies. Therefore, one reason for their taking part in electoral politics could be grievance against existing politicians and/or policies. Independent candidates could also be a former member of a political party and stand in election as rebels. A third category of independents are those who may support a political party but believe that they should not formally commit to be its member. Fourth category could be free-riders who, by paying a limited cost, enjoy and utilize the free publicity that elections offer them. Finally, independent candidates could also be

cranks who run for idiosyncratic reasons (Canon, 1993).[1] It may be noted that other than the last two categories, the major motive of independent candidates could be to influence the outcome through participation. In the long-run, such candidates also have the incentive to engage in bargaining with the mainstream political parties and cut a deal with one of them.

The literature on political economy has discussed the problem of emergence of new political parties extensively and studied it with three different approaches. In the first approach, authors typically focus on institutional and systemic features, e.g., electoral laws and thresholds, requirements for registration or public party finance (Harmel and Robertson 1985; Hug 2000). The second approach is a sociological one where authors study the transformation of the so called 'cleavages' (Inglehart 1997). The third approach focuses on political opportunity, and typically studies the level of polarisation or convergence of political parties (Pennings and Keman, 2003). It may, however, be noted that results in this direction are often based on extensions of the simple median voter framework. For example, if the distribution reflecting voters' preference is highly heterogeneous, one reason of the emergence of smaller parties and independent candidates would be to fill up ideological vacuums created by major party competition (Rosenstone *et al*, 1996). However, as Osborne (1995) observes, when information is imperfect, theoretical results are unclear (Osborne, 1995). Incidentally, although emergence of small parties and independents are related phenomena, they may not be treated as one and the same. Unfortunately, neither standard voting theories nor the existing theories of coalition formation in democracies provide clear and unambiguous characterization of situations that would lead to strategic entry of independent candidates in elections.

In the context of the US, recently Lem and Dowling (2006) specified a Negative Binomial regression model that attempts to explain the emergence of smaller parties and independent candidates in gubernatorial elections. Their study identifies several factors (e.g., political competition, constituency size, population density, legal and institutional hurdles across States etc.) that explain the emergence of independent candidates. One of the most important factors identified by them is political competition. However, the various measures of political competition used by Lem and Dowling (2006) are all *ex post* measures. When one uses such measures, the implicit assumption is that individuals predict the actual outcome of an election accurately. In real life, electoral outcomes in many cases involve surprises. Ideally, one should, therefore, use *ex ante* measures of political competition.

More importantly, Lem and Dowling (2006) did not address the complex strategic interaction among mainstream political parties and independent candidates in sufficient detail. Such interactions might have important implications for all democracies, especially those with weak institutions and a heterogeneous population. For example, Bhattacharya (2010) argues that independent candidates could be dummies floated by political parties themselves to gain electoral advantage.[2] FPTP electoral systems are likely to be more vulnerable to this

---

[1] Theoretically, there could be a method in madness. In economies with weak institutional structure, a "crank" may run as independent (i) if the transaction cost of running as independent is low compared to "donations" expected from him by the existing political parties, or, (ii) to avoid the "hazards" of anticipated election duties.
[2] That mainstream political parties have incentives to float dummy independent candidates has been recognized for a long time (McKnight, 1999). Bhattacharya (2010) identifies two major incentives: (i) the dummies floated by political parties could be "clones" of its major rivals, the underlying idea being

type of electoral behavior because in such systems, difference of even a few votes may turn out to be crucial.

In this paper, we observe that the surreptitious floating of independent candidates could lead to a prisoners' dilemma type game involving all major political parties. Standard results in game theory indicate that they are more likely to start in a fragmented polity because in such a situation all political parties have incentives to float dummies. Clearly, in such situations, the number of independent candidates in constituencies is expected to have a strong positive association with number of non-independent candidates. Accordingly, one of our important observations is that the number of non-independent candidates itself could be a proxy for political competition and an important determinant of strategic entry of independents. Though the measure implicitly attaches equal importance to all such candidates, its strong point is its widespread (and in almost all cases unrivalled) *ex ante* availability. In fact, the functional relationship between non-independent and independent candidates across space and the evolution of the relationship over time could give us valuable clues about the nature and the extent of strategic entries in elections.

Common sense suggests that for potential applications of this theory, one should study voting patterns of developing and emerging market economies rather than developed countries with relatively stronger institutional structure and with two major political parties already in place. In this paper, we study the parliamentary elections in India. To convince readers, we now argue why India would be a good case study. In terms of scale of operation, logistics and active involvement of number of people, Indian parliamentary election is one of the biggest events in the world. Election of the lower house (*Lok Sabha*) of the parliament in India is carried out under FPTP rule. Since independence in 1947, *Lok Sabha* elections have been held in India fifteen times. However, even with more than sixty years of democratic experience, a clear bi-party system is yet to emerge in India at the central level.

Because of its lack of an effective bi-party system at the central level, India would be a good case to examine the role political fragmentation plays in the emergence of independent candidates. Being a large country with a lot of diversities, it is no surprise that different parts of India react differently to parliamentary elections. While many smaller units like States show signs of emergence of a bi-party system, politics at the central level in India is still guided by complex political coalitions involving both national and regional parties.

In the Indian context, there are several benchmark studies on party system and coalition making. In an early and seminal study, Kothari (1970) identified some of the specialties and complexities of the Indian political process. Studies like Weiner (1978) analyzed the socio-political implications of the benchmark 1977 *Lok Sabha* election in India. Subsequent studies like Mitra and Singh (1999) and Chhibber (1999) have examined the linkage between social cleavages and political parties and their gradual changes over time. These later studies attempt to explain the complex coalition politics in India in terms of multiple cleavages like caste, religion, language, region and social and economic classes. However, besides the relational dynamics of different political parties in India over space and time, a

---

to confuse voters intending to vote for its rivals, and, (ii) floating independents may also help parties to have additional electoral agents in different polling booths in a constituency. Besides these, floating pliant independents as dummies enables political parties to divert electoral expenditure through them.

major feature of Indian parliamentary elections is the large number of independent candidates. None of these studies offer a systematic explanation of this phenomenon.[3] This is surprising because common sense suggests that when coalition governance is the order of the day, that governance structure may itself lead to participation of too many independent candidates and, in turn, enhance the complexity of political management.

This paper attempts to provide a systematic examination of the relationship between non-independent and independent candidates in India across constituencies and over time. In the specific context of India, political importance of independent candidates has varied substantially over the years. Table A.1 in Appendix A provides the number of seats won by independent candidates as a group and their share of votes. Table A.1 reveals that in the *Lok Sabha* elections in 1962 and and 1967 in India, independent candidates won 20 and 35 seats respectively. However, since 1970s, number of seats won by independent candidates decreased substantially. Interestingly, the share of votes of independent candidates remained consistently high in all parliamentary elections. Independents as a group consistently obtained more than 4.0 per cent of total votes polled in all parliamentary elections, except in 1998 and 1999 when it fell to 2.4 and 2.7 per cents respectively.

To judge the real significance of the strategic entries of independent candidates, we compute two additional measures: (i) the number of constituencies in an election where a single independent candidate got more votes than the margin of victory in a constituency (INFLUENCE1), and, (ii) the number of constituencies where independent candidates as a group got more votes than the margin of victory (INFLUENCE2). The high magnitudes of both INFLUENCE1 and INFLUENCE2 in Table A.1 for different parliamentary elections clearly reveal that independent candidates, both individually and as a group, played an important role in the electoral dynamics in India. Interestingly, even during 1998 and 1999, the values for INFLUENCE1 was 60 and 64 and those for INFLUENCE2, 55 and 74 respectively, e.g., more than 10.0 per cent of the total number of seats in the *Lok Sabha*.

Given the importance of independent candidates in the Indian context, the paper studies the evolution of the functional relationship between non-independent and independent candidates in India across constituencies and over time. The plan of the paper is as follows: Section 2 presents the analytical framework. Section 3 discusses the data and carries out the empirical analysis. Finally, Section 4 summarizes the main findings, identifies some limitations of this study and suggests a few possible generalizations.

2   The Analytical Framework

Suppose there are *N* voters in a constituency (say, C), with K candidates. Each voter votes for each of the candidates with equal probability (e.g., 1/K) and this information is known to all voters and candidates. In FPTP electoral systems, the candidate with the highest vote will be elected. Let M_K be the expected victory margin. In such a case, an individual P who

---

[3] To put the lack of discussion on this area in perspective, we note that the very word "Independent" is not present in the "Index" part of the books of Kothari (1970), Mitra and Singh (1999) and Chhibber (1999). Weiner (1978) too has discussed this aspect scantily, observing that "In any event, the number of votes received by most independent candidates was very small, often only 1 or 2 per cent of the total vote" (p. 83).

expects to have at least M_K votes may participate as an independent candidate in the election. It may be noted that for P, the primary motive behind entry could be strategic in nature. Although P knows that he will not win, he can still influence who the winner is by simply participating in the election. P, therefore, has incentive to enter the fray, the objective being to bargain with the major parties and extract rent out of this process. Let $n(M_K)$ be the number of persons in the constituency who expect to have at least M_K votes. Clearly, as K increases, M_K decreases. Therefore, $n(M_K)$ is an increasing function of K.

Common sense, therefore, suggests that with more political fragmentation in an FPTP electoral system, more independent candidates are likely to emerge. While each major political party may represent a relatively large cleavage in the economy, smaller parties and independent candidates typically represents smaller cleavages. With more fragmentation in the polity, these smaller cleavages might take visible shapes during the time of the election in the forms of smaller parties and independent candidates.

To appreciate this aspect of strategic entry, we carried out a simulation exercise with 10,000 voters and K (K=2,3, …, 10) candidates where each vote goes to the candidates with equal probability for different values of K. For each value of K, elections were repeated 100 times and the average victory margin in these 100 elections was computed as an estimate of the expected victory margin with K *equal* candidates.
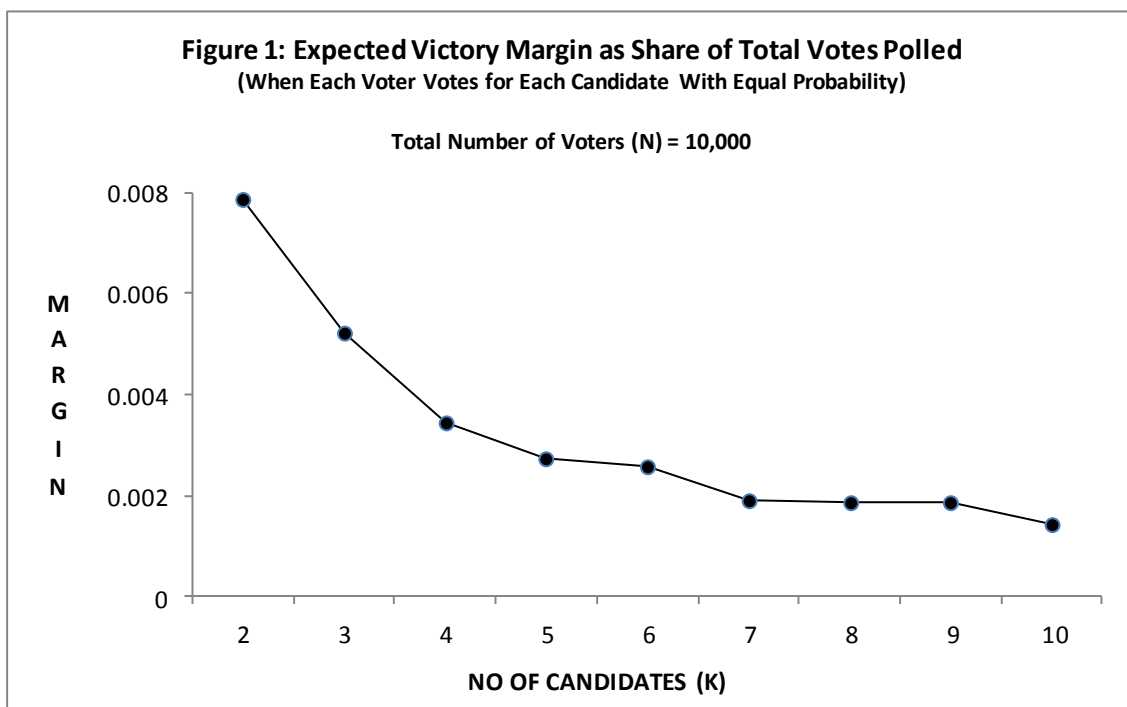

Figure 1 plots the expected victory margin (as a proportion of total votes) for different values of K. Figure 1 clearly reveals a fall in the expected victory margin as K starts to increase. Figure 1, therefore, highlights the individual incentives behind strategic entry. For example, it reveals that in case of a direct electoral battle between two candidates, where each of the

10,000 voters votes for both the candidates with equal probability, the expected victory margin is about 79 only. Therefore, a third candidate with only 80 confirmed supporters could, on an average, influence the result of the election decisively. Naturally, this third candidate cannot be the "king", but could be the "king maker".

It is observed that in a FPTP system, besides individuals, established political parties also have incentives to float independent candidates, especially in situations where the fight is close (Bhattacharya, 2010). To appreciate why, suppose there are two political parties (say, P_1 and P_2) fighting in an election in a constituency (say, C). Suppose, both P_1 and P_2 perceive that they have equal chance of winning the election, e.g., each party assumes that in a direct contest, each of the voters will vote for both the candidates with probability (1/2).

Both parties now realize that if they float one or more independent candidates cloning its rival, each voter will then vote for each such independent candidate with a small probability δ at the cost of its rival. Both parties, therefore, have incentive to compete with each other to float more independent candidates than the rival, subject to the resources available to them.

This entire process of floating clone independent candidates may be thought of as a Prisoners' Dilemma type game. The game is simultaneous because although in principle, each party can observe what the other one is doing for some time, crucial adjustments are likely to take place only at the last moment of filing nomination. Extending the logic of Prisoners' Dilemma, we can immediately see that any tacit understanding between the political parties is likely to be unstable. The incentive to "cheat" is strong, especially in political games of this type which is repeated infrequently and where the stake is high. Further, even if a tacit pact is there, if a free rider decides to take advantage of his/her similarity with one of the candidates, the fragile pact may break down due to misunderstanding. Interestingly, with three or more political parties having equal strength, the situation becomes more complex. To win, each political party will now have to field independent candidates against all its rivals. Like in the classical Prisoners' Dilemma with multiple players, detection of the cheater becomes more difficult because even if "clones" are identified, one may not know which political party has floated the clone.

We now discuss some practical implications of this insight. It may be noted that although in theory, each political party has incentives to field independent candidates against one another, in reality cloning may not take place at all. For example, if the parties have unequal strength in a constituency and both perceive that cloning is unlikely to change the outcome, then none of the parties have incentive to float clones. Political parties may also have unequal resources to take part in this game. In reality, the case of more than two political parties having equal real or perceived strength in a constituency is also rare. Therefore, our model cannot suggest an exact functional relationship between the number of non-independent and independent candidates other than that the last is an increasing function of the first.

In this context, there are two important observations. First, unlike Lem and Dowling (2006), constituency size does not play any role in our model. Rather, the important roles are played by the number of non-independent candidates in fray. An observable implication of the model is that *ceteris paribus*, number of independent candidates will be unaffected by constituency size, but will have an increasing relationship with the number of independent

candidates. Second, our analytical framework cannot distinguish the actual motive of strategic entry, e.g., whether the entrant is a free-rider with individual objective or whether the entrant is a stooge of a political party. Whatever be the objective of the entrant, theory however, dictates that it will be positively related to political fragmentation.

Formally, let X_i and Y_i be the number of non-independent and independent candidates in constituency i. Then, assuming a linear specification,

$$(1) \qquad Y_i = \alpha + \beta X_i + \varepsilon_i$$

where ε_i 's are *iid* disturbance terms, with $E(\varepsilon_i) = 0$ and $Var(\varepsilon_i) = \sigma^2$ and, α and β are parameters. It may, however, be noted that here both X_i and Y_i are integer valued variables. Therefore, ε_i s could be non-normal.

Now suppose we focus on the variation in average number of independent candidates for constituencies with specific number of non-independent candidates. Suppose there are n_j number of constituencies with j non-independent candidates in an election. Then, averaging:

$$(2) \qquad \overline{Y}_j = \alpha + \beta j + \eta_j \qquad \qquad j = 0, 1, 2, \dots$$

where $\eta_j = \dfrac{1}{n_j}\sum_{i=1}^{n_j}\varepsilon_i$. Clearly, $E(\eta_j) = 0$ and $\mathrm{VAR}(\eta_j) = \dfrac{1}{n_j}\sigma^2$.

Note that equation (2) may be estimated by weighted least squares (WLS). Further, if n_j 's are large, then the probability distribution of the error term can be approximated by normal distribution and the standard results on testing of hypotheses under OLS/GLS will apply.

In this context, on a more general note, IND may not just be affected by NONIND but by many other variables. For example, IND may depend upon the urbanization or the reservation status of a constituency. It may also depend upon whether a candidate fighting in a constituency could be interpreted as a VIP or a celebrity (Bhattacharya, 2010). Therefore, a more general linear specification could be

$$(3) \qquad Y_i = \alpha + \beta X_i + \gamma' \mathbf{Z_i} + \varepsilon_i$$

where $\mathbf{Z_i}$ is a vector of other variables and γ is the corresponding parameter vector. It may be noted that if these other factors are well distributed across constituencies and have very low correlation with NONIND, then the model effectively reduces to that in (2).

3   Data and Empirical Analysis

The data for this paper have been downloaded and compiled from the website of the Election Commission of India (ECI) [http://www.eci.gov.in]. The ECI website contains detailed results of all constituencies for all parliamentary elections in India. In this study, we

focus on parliamentary elections since the year 1962, excluding by-elections.[4] Since 1962, thirteen parliamentary elections were held in India in the years 1962, 1967, 1971, 1977, 1980, 1984, 1989, 1991, 1996, 1998, 1999, 2004 and 2009 respectively. It may be noted that at the time of these pan-India elections, sometimes elections in a few States in India were postponed due to charged atmosphere. Elections in these states were held subsequently (e.g., Punjab and Assam in 1985 and Punjab in 1992). We have consciously omitted the data on elections for these States because once the members to the parliament (MPs) are elected and the government is formed, the political milieu in a particular State where election is held subsequently changes sharply from the time of general election. In fact, these state-level parliamentary elections are conceptually similar to extended versions of by-elections.

For each constituency in each parliamentary election, the name, sex, political affiliation and the number of votes obtained by each candidate have been recorded.[5] In some cases, a constituency itself is declared a reserve constituency – sometimes for candidates belonging to scheduled castes (SC) and sometimes for those belonging to scheduled tribes (ST).

A conceptual difficulty encountered here is to define independent candidates empirically. This is because many bizarre candidates stand in Indian elections under the garb of a political party.[6] For example, during the year 2004, the Election Commission publications list 173 parties categorized as "Registered (Unrecognised) Parties", sometimes with strange names like *Bharatiya Muhabbat Party (All India)* or *Vijeta Party*. Together, these 173 parties fielded a total of 898 candidates in the parliamentary election of 2004.[7] Barring a few exceptions, majority of them did not join any coalition involving National or State parties. Further, many of them floated candidates in a single constituency only. Overwhelming majority of these candidates behaved like independent candidates. However, as economic or political theories do not provide clear answer to their status, in this paper we define independent candidates as per official Election Commission categorization.

Table 1 compares the statistical features of independent (IND), non-independent (NONIND) and total number of candidates (TOTCAN) per constituency separately for all parliamentary elections in India during the reference period. From Table 1, one can observe the evolution of the relationship between independent and non-independent candidates in parliamentary elections. Table 1 helps us to we identify four major phases in the relationship. The first phase is the period 1962–1977. In this phase, mean of IND was generally lower than that for NONIND. These two variables became approximately equal for the first time in 1977.

---

[4] Although data on parliamentary elections for the year 1951 and 1957 are available in the public domain, these two elections did not follow first-past-the-post electoral rule for all constituencies.

[5] Since 2004, data on age and caste for each parliamentary candidate are also available.

[6] The situation is not unique in case of India. Bizarre candidates stood under such labels as BELLS (Ban Every Licensing Law Society) or SBILP (Southport Back in Lancashire Party) in the 1983 parliamentary election in the United Kingdom and could actually manage to get 75 and 374 votes respectively (Moores, 1987).

[7] Individually, only 8 among these 173 parties managed to get more than 0.10% of the total votes polled in the 2004 election.

Table 1: Descriptive Statistics

Statistic		YEAR												
		1962	1967	1971	1977	1980	1984	1989	1991	1996	1998	1999	2004	2009
Mean	IND	0.97	1.67	2.19	2.26	5.34	7.38	7.02	10.58	19.59	3.546	3.60	4.39	7.05
	NONIND	3.04	2.89	3.19	2.24	3.41	2.96	4.63	6.05	6.11	5.25	5.01	5.62	7.81
	TOTCAN	4.01	4.56	5.38	4.50	8.75	10.33	11.64	16.64	25.69	8.80	8.61	10.01	14.86
Variance	IND	1.50	3.11	4.51	4.45	23.57	37.15	65.31	93.99	905.98	11.26	11.64	14.21	27.40
	NONIND	1.39	1.21	1.70	0.38	0.98	1.17	2.82	4.90	8.28	4.373	4.04	5.05	8.04
	TOTCAN	2.56	4.44	6.81	5.07	27.16	41.47	75.90	123.08	959.67	18.94	20.32	24.15	45.10
Skewness	IND	1.71	1.56	1.53	1.22	1.90	1.76	5.97	2.53	11.84	2.07	1.86	1.89	1.36
	NONIND	0.60	0.54	1.05	1.37	0.48	0.95	0.68	1.90	2.45	1.381	1.22	1.04	0.77
	TOTCAN	1.09	1.24	1.31	1.19	1.82	1.56	4.94	2.70	10.92	1.40	1.42	1.30	1.06
Kurtosis	IND	3.32	2.98	3.05	1.87	5.03	4.24	68.80	10.24	171.34	8.236	5.51	6.74	2.53
	NONIND	0.17	0.10	2.32	3.01	0.68	0.42	1.00	9.77	11.33	3.065	1.88	1.56	0.85
	TOTCAN	1.70	2.05	2.02	1.63	4.51	3.42	50.20	12.61	152.53	3.025	2.70	3.04	1.70
Minimum	IND	0	0	0	0	0	0	0	0	0	0	0	0	0
	NONIND	1	0	0	1	1	1	1	2	1	2	2	1	2
	TOTCAN	1	1	1	1	1	2	1	2	2	2	2	2	3
Maximum	IND	6	10	12	12	35	40	118	81	473	29	24	30	32
	NONIND	7	7	9	5	7	7	12	24	28	16	14	16	21
	TOTCAN	11	14	16	14	39	42	122	105	480	34	32	35	43

It is well recognized that the 1977 parliamentary election was a benchmark election in India and studied extensively by political scientists like Weiner (1978). The election itself took place against the backdrop of emergency imposed by the Congress government under the leadership of Indira Gandhi. For the first time in India since its independence, an effective coalition against Congress was formed in this election under the moral guidance of Jayaprakash Narayan. As a result, the mean of NONIND in 1977 was only 2.24, the lowest among all parliamentary elections in India during the reference period. It may be noted that a value of NONIND equal to 2.0 implies a direct fight between two major political parties. The relatively more direct fight in 1977 resulted in electoral defeat of the Congress for the first time in India since independence.

The second phase consisting of 1980–1984 is the period of a single party dominance against a fragmented opposition in India. A consequence of the fragmented opposition was more non-independent candidates in constituencies (compared to 1977) leading to more independent candidates per constituency as well.

The third phase consists of 1989–1996. This period is largely recognised as a period of political uncertainty in India. A single party dominance at the central level being over, efforts were concentrated in coalition formation. All major political parties in India, whether in power or in the opposition, participated in this process actively. As a result, this was the time in India when regional political satraps started to play more and more dominant roles in coalition formation. Although attempts were made by all national level parties to bring them

9

under one political umbrella, such attempts did not lead to political stability due to the heterogeneities in the incentives of the players involved.[8] Due to the political fragmentation and uncertainty at the central level, a relatively sharper increase in the number of independent candidates is observed during this period.

In the fourth and the final phase of 1998–2009, political uncertainty and the process of coalition formation continued. However, effective institutional intervention through the election commission sharply reduced the number of candidates in elections, especially the independent ones. During early years of Indian democracy, the high number of independent candidates in an election used to cost the public exchequer in India severely.[9] Other costs like security costs were also high. If for example, an independent candidate died (or, was murdered), election in that constituency would be postponed. In a politically volatile or charged atmosphere, such a situation – though infrequent – happened in India.[10] Because of these institutional weaknesses, during the 1996 parliamentary election in India, a total of 10,635 independent candidates appeared in a total of 543 parliamentary seats. Electoral reforms and the use of electronic voting machines led to a decrease in independent candidates subsequently. Despite these policies, however, one observes an increasing trend in the mean of IND since 1998, the rate of increase being relatively sharper than that of NONIND.

Interestingly, Table 1 reveals that although the mean level of IND varied substantially across political phases, variation in IND was consistently higher than that of NONIND. Further, except the election in 1977, skewness and kurtosis were also higher for IND than for NONIND. Clearly, the political mobilization against Congress rule and the consequent coalition formation by the opposition in 1977 was a dampening factor for strategic entries of independent candidates.

Together, these facts imply that strategic entry of independent candidates depend on the level of political fragmentation at the time of an election. Interestingly, the correlation between means of IND and NONIND over time (e.g., across elections) is 0.54. Further, in case of a particular parliamentary election independent candidates typically target specific constituencies.

Table 1 also throws hints about the important role played by electoral institutions in India. During early years of Indian democracy, the high number of independent candidates in an

---

[8] For example, the so called Third Front was an effort in this direction.

[9] For example, during the assembly election in Tamil Nadu, India, in 1996, Modaurichi assembly constituency had 1033 candidates. During Parliamentary elections in the same year, Nalgonda constituency in Andhra Pradesh and Belgaum constituency in Karnataka had 480 and 456 candidates respectively. In each of these cases, overwhelming majority were independent candidates. Election Commission of India was forced to print ballot booklets instead of ballot papers.

[10] In the parliament polls of 1985, Palakondarayudu, the candidate of Telugu Desam at Raychoti in Cuddapah district, Andhra Pradesh, was unsure of the support of the two main local factions. So, allegedly he got the election postponed by killing Guvvala Subbarayudu, an independent candidate. He thus gained time to rope in the two factions, and succeeded in winning the election held later. In 1989, polls were held simultaneously for assembly and parliament in Andhra Pradesh. Palakondarayudu was this time a candidate for the assembly. Apprehensive that he may repeat his victorious performance, Nagi Reddy, his main opposition, set up a pliant man of their own faction, Avula Subba Reddy by name, as an independent candidate. To get the election postponed, Nagi Reddy allegedly have him killed the day before the election (Balagopal, 2004).

election used to cost the public exchequer in India severely.[11] Other costs like security costs were also high. If for example, an independent candidate died (or, was murdered), election in that constituency would be postponed. In a politically volatile or charged atmosphere, such a situation – though infrequent – happened in India.[12] Because of these institutional weaknesses, during the 1996 parliamentary election in India, a total of 10,635 independent candidates appeared in a total of 543 parliamentary seats. Electoral reforms and the use of electronic voting machines led to a decrease in independent candidates subsequently. Still, Lok Sabha elections in 1998, 1999, 2004 and 2009 had 1,915, 1,945, 2,385 and 3829 independent candidates respectively. These numbers are high, especially if one considers one of the earliest democracies like the United Kingdom as benchmark;[13] and importantly, since 1998 they reflect an increasing trend.

Figure 2: Number of Independent Candidates per Non-Independent Candidates

---
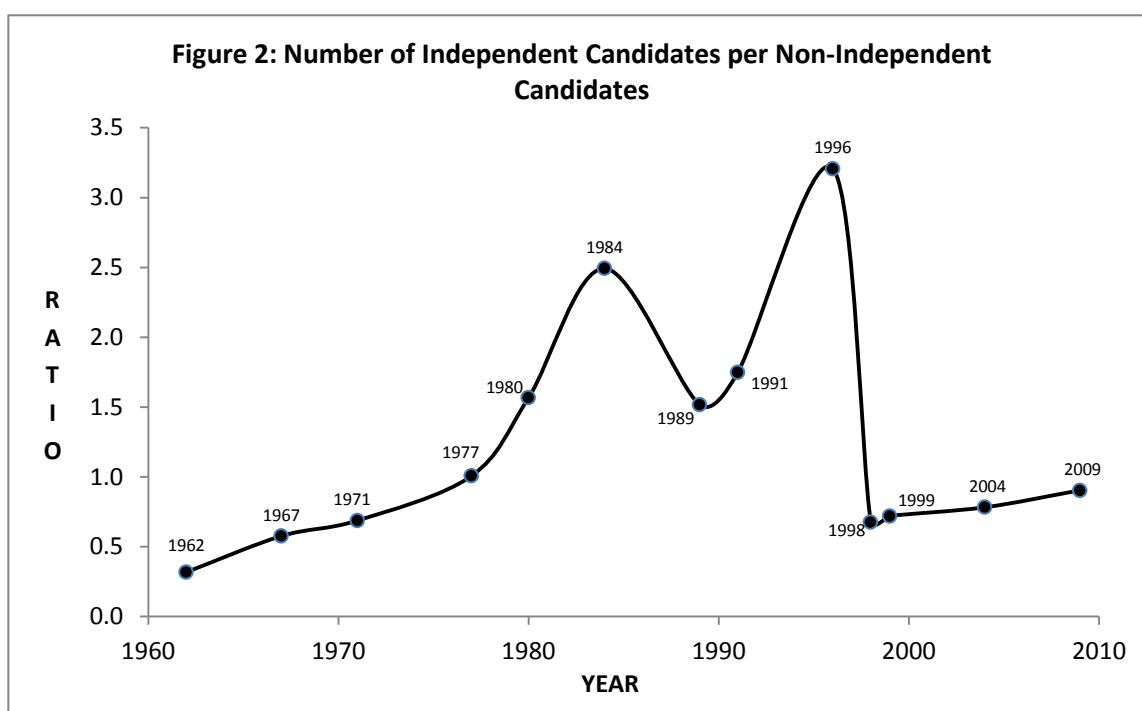
[11] For example, during the assembly election in Tamil Nadu, India, in 1996, Modaurichi assembly constituency had 1033 candidates. During Parliamentary elections in the same year, Nalgonda constituency in Andhra Pradesh and Belgaum constituency in Karnataka had 480 and 456 candidates respectively. In each of these cases, overwhelming majority were independent candidates. Election Commission of India was forced to print ballot booklets instead of ballot papers.

[12] In the parliament polls of 1985, Palakondarayudu, the candidate of Telugu Desam at Raychoti in Cuddapah district, Andhra Pradesh, was unsure of the support of the two main local factions. So, allegedly he got the election postponed by killing Guvvala Subbarayudu, an independent candidate. He thus gained time to rope in the two factions, and succeeded in winning the election held later. In 1989, polls were held simultaneously for assembly and parliament in Andhra Pradesh. Palakondarayudu was this time a candidate for the assembly. Apprehensive that he may repeat his victorious performance, Nagi Reddy, his main opposition, set up a pliant man of their own faction, Avula Subba Reddy by name, as an independent candidate. To get the election postponed, Nagi Reddy allegedly have him killed the day before the election (Balagopal, 2004).

[13] The number of independent candidates in the 2005 parliamentary election in the United Kingdom was only 162 for a total of 646 seats.

Figure 2 presents the movement of the ratio of independent and non-independent candidates. Figure 2 depicts a roller-coaster movement of the ratio. The ratio increased steadily till 1984. It had a sharp fall in the year 1989. After that it rose once again till 1996, had another sharp fall in 1998 and showed a slightly increasing trend since then. Clearly, the sharp fall in 1998 could be attributed to the institutional intervention of ECI. An explanation for the fall in 1989 is more challenging. It may be noted that 1989 was the start of the period of active coalition politics in India. In a politically fragmented atmosphere, both the ruling parties and the parties in opposition were fighting bitterly for political space. As a result, compared to 1984, NONIND rose sharply from 2.96 to 4.63 in 1989 whereas IND fell from 7.38 to 7.02. In many ways, 1989 and 1991 were the learning period for political parties about their relative strengths.

Figure 3:

Scatter Diagram of Average Number of Independent Candidates across Non-Independent Candidates for Different Parliamentary Elections
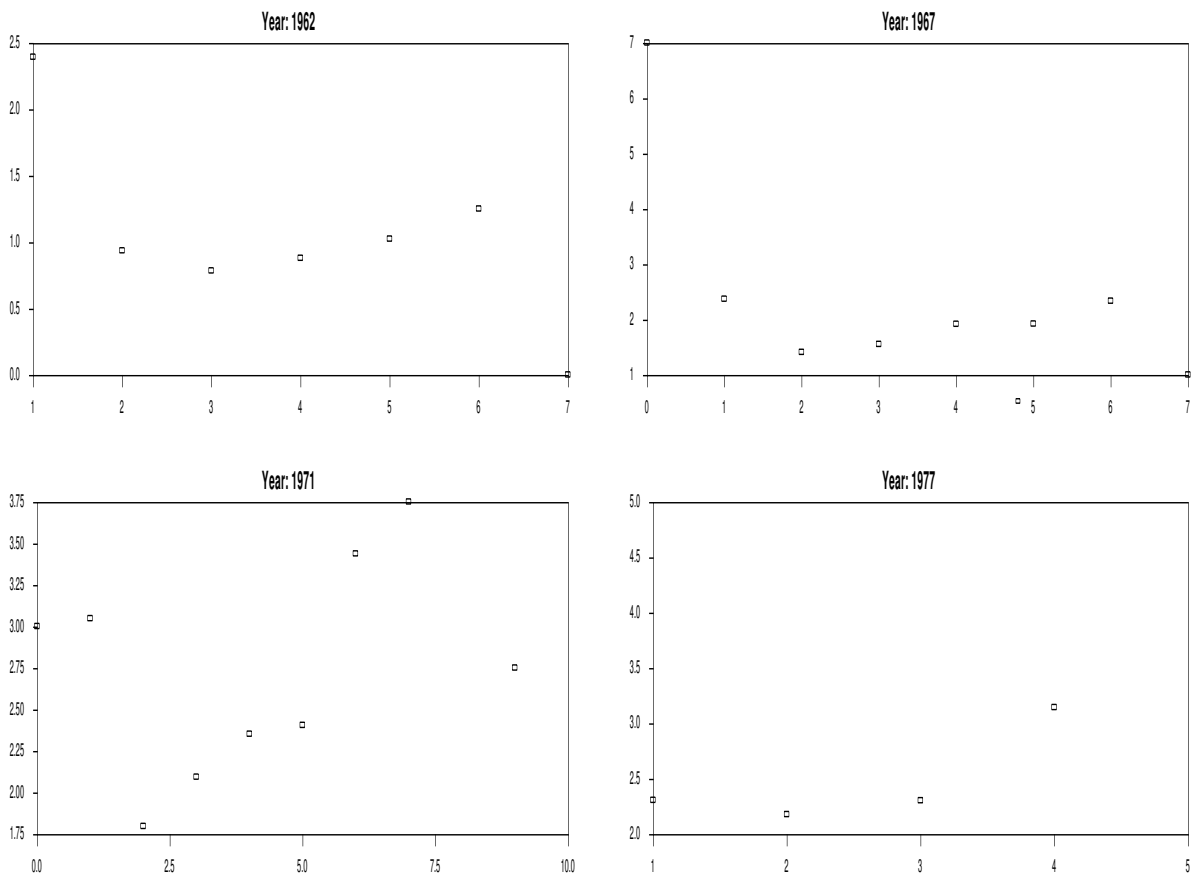
Figure 3 (Continued):

Scatter Diagram of Average Number of Independent Candidates across Non-Independent Candidates for Different parliamentary Elections
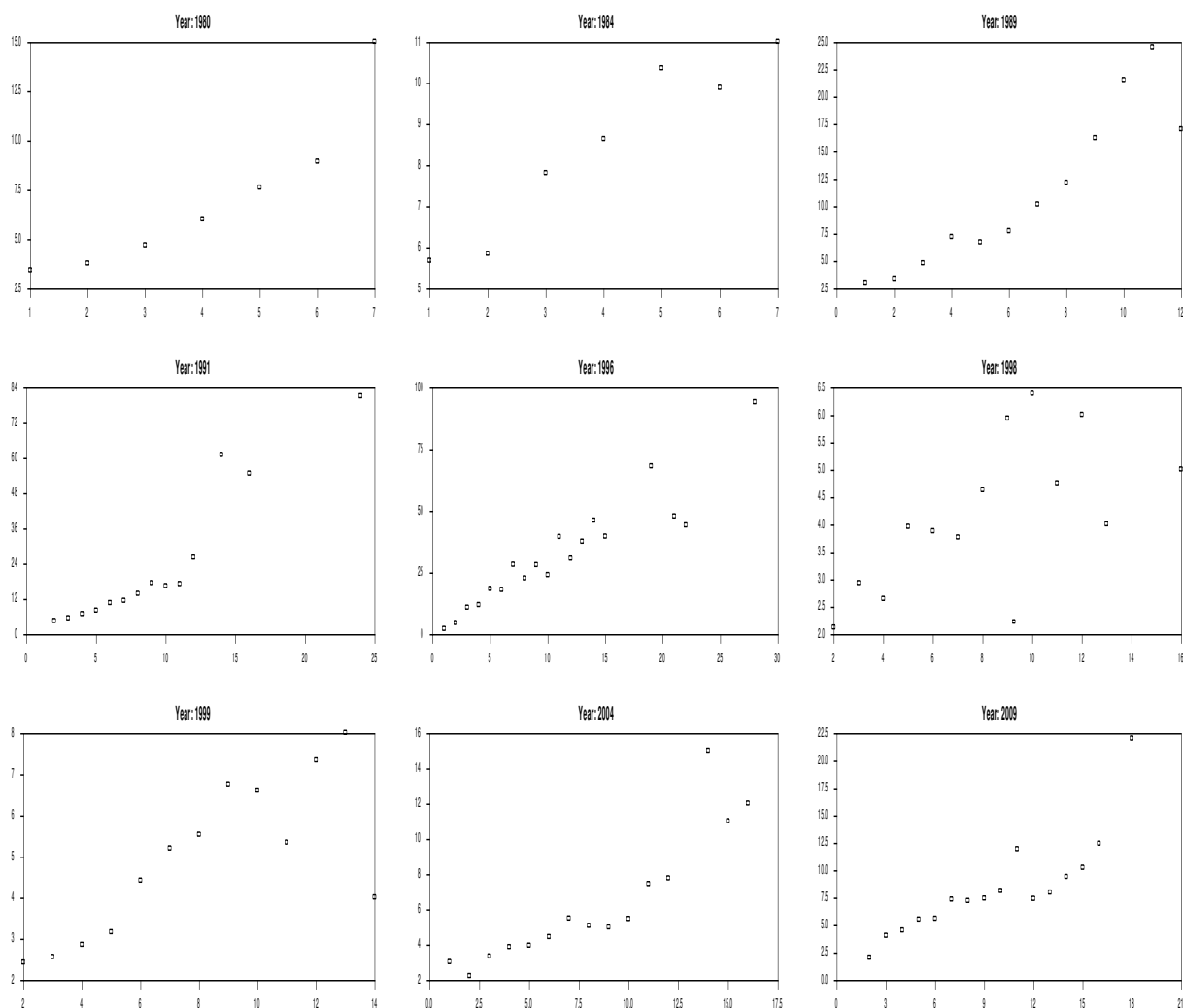

Figure 3 plots the average number of independent candidates for constituencies with specific number of non-independent candidates separately for all the elections. It may be noted that in Figure 3, the points had unequal weights. However, despite this, Figure 3 depicts the evolution of the relationship between the two variables clearly. Initially, between 1962 and 1977, the relationship had been weak. However, since the 1980s, the relationship appears to be strong. Further, the graphs, especially those since the 1980s, indicate that the linear specification of the relationship between independent and non-independent candidates in Section 2 would be a good starting point for model specification.

The estimated regression equations for each parliamentary election are presented in Table 2. Table 2 shows the evolution of the relationship over the years. During the 1960s, the relationship between the two variables was weak and virtually non-existent. During the 1970s, the strength of the relationship increased. However, even during the 1970s, the coefficients for non-independent candidates in the regressions were not statistically significant. This is because many independent candidates during this period were local feudal who either posed the only challenge to Congress or participated in elections with Congress support. During the benchmark election of 1977, the first formidable coalition against congress was formed. However, the coalition was not stable. The consequent political fragmentation that started during the 1980s gave birth to a new class of independents whose entries into the elections were strategic in nature leading to a very strong relationship between non-independent and independent candidates. We observe that since the 1980s, R^2 in all regression relationships were consistently above 0.70 with strongly significant slope coefficients.

Table 2: Regression Results for Different Parliamentary Elections

								YEAR					
	1962	1967	1971	1977	1980	1984	1989	1991	1996	1998	1999	2004	2009
Intercept (α)	1.32 (3.13)#	1.52 (3.09)#	1.62 (5.02)#	1.55 (3.59)#	0.82 (1.35)	3.40 (6.97)#	0.63 (0.62)	-4.36 (-1.86)@	2.84 (1.48)	1.56 (3.85)#	0.72 (2.12)@	1.68 (3.91)#	2.36 (2.82)$
Slope (β)	-0.12 (−0.90)	0.05 (0.32)	0.18 (1.92)@	0.32 (1.71)	1.33 (7.78)#	1.35 (8.69)#	1.38 (6.66)#	2.47 (6.81)#	2.74 (9.65)#	0.38 (5.25)#	0.58 (9.12)#	0.48 (6.82)#	0.60 (5.94)#
R^2	0.14	0.02	0.35	0.49	0.92	0.94	0.82	0.79	0.84	0.72	0.88	0.78	0.70

Notes:
   (1)   The bracketed numbers are t-statistics.
   (2)   Here, #, $ and @ indicate significance at 1, 5 and 10 per cent respectively.

The Indian experience also proves the important role policy intervention can play in the emergence of independent candidates. The fact that the number of independents dropped sharply since 1998 can only be explained in terms of the interventions by the Election Commission of India that increased the transaction costs of participation. Interestingly, despite the decrease in the number of independent candidates per constituency, the nature of the strategic entry has persisted, the relationship appears between non-independent and independent candidates still appear to be strong.

Interestingly, the intercept terms in the regression show good degree of stability during 1962—1977. Since the 1980s, however, the intercept coefficients fluctuate a lot. The variability is also observed in statistical significance of the observed coefficients. The intercept terms are significant not in 1980, 1989 and 1996. Further, during 1991, 1999 and 2009, the significances were a bit weak.

To capture the variation of independent candidates per constituency (IND) over time, we run a few regressions. The purpose behind these regressions is to compare the explanatory power of *ex ante* measures of political competition to more traditional *ex post* measures. As *ex ante* measure, we choose the number of non-independent candidates per constituency

14

(NONIND). Ex-post measures, in contrast are: (i) average Herfindahl-Hirschman Index (HHI_AV) based on vote shares, (ii) average margin as percentage of average number of votes in a constituency (MARGIN). Table 3 presents the regression results.

Table 3: Regression Results across Different Parliamentary Elections

	Dependent Variable: IND					
	Equation 1	Equation 2	Equation 3	Equation 4	Equation 5	Equation 6
Intercept	-1.4892 (–0.41)	0.4028 (0.19)	25.5201 (1.93)@	11.1086 (1.25)	9.3928 (2.36)$	6.4559 (2.66)$
NONIND	1.6315 (2.16)$	0.9822 (2.17)$	–––	–––	–––	–––
HHI_AV	–––	–––	-49.6505 (–1.50)	-16.0676 (–0.73)	–––	–––
MARGIN	–––	–––	–––	–––	–0.2319 (–0.96)	–0.1139 (–0.14)
D96	–––	13.1865 (4.86)#	–––	14.0720 (3.27)#	–––	14.4950 (3.10)#
R^2	0.23	0.75	0.09	0.65	0.00	0.65

Notes:
    (1)   The bracketed numbers are t-statistics.
    (2)   Here, #, $ and @ indicate significance at 1, 5 and 10 per cent respectively.

Results reveal that NONIND explains the variation in IND better than traditional *ex post* measures based on vote shares or margin. This is perhaps not surprising because a measure based on vote shares or margin reflects the political strengths *after* the election. NONIND, in contrast, is one variable known *before* the election and could be a motivating factor for strategic entry. Interestingly, a lot of variation in IND over time is due to the high number of non-independent candidates in the year 1996. While a simple regression of IND on NONIND yields a R^2 of about 0.23, inclusion of a dummy for the 1996 election increases it to about 0.75. In contrast, although HHI_AV or MARGIN appears in the equations with the correct signs, they are not statistically significant in any of the equations with or without dummy. Further, R^2's of the equations involving these variables are also lower compared to those involving NONIND.

4   Conclusion

The paper attempted to examine the nature and the extent of strategic entries of independent candidates in elections following FPTP rule. It was observed that under FPTP rule, strategic entries of independents might increase with political fragmentation, due to the individual incentives of the candidates or due to the incentives of major political parties. In the later case, the so called independents could be floated and funded discreetly by political

parties to clone their rivals. We observed that in a relatively weak institutional environment, if all major political parties engage in this Prisoners' Dilemma type game, the number of independent candidates may increase drastically. This later insight also strengthens the argument that political fragmentation would lead to the emergence of more independent candidates. The paper proposed to use the number of non-independent candidates in a constituency as a readily observable *ex ante* proxy for political fragmentation and studied the functional relationship between non-independent and independent candidates in elections following FPTP rule.

Our empirical results involving all parliamentary elections in India since 1962 revealed the evolution of the relationship between average number of non-independent and independent candidates across constituencies and over time. During the first four elections in our reference period (e.g., during 1962—1977), the functional relationship between non-independent and independent candidates was weak. Many independent candidates during this period were regional feudal satraps who either participated in elections with Congress support or posed the only challenge to Congress in their locality. During the benchmark election of 1977, the first formidable coalition against congress was formed. However, the coalition that subsequently came to power was not stable. Subsequent political fragmentation and bitter fight among political parties that started during the 1980s to gain space gave birth to a new class of independents whose entries into the elections were primarily strategic in nature.

We now discuss a few limitations of this study. First, it may be noted that in this paper we have not attempted to explain variations of independent candidates at the constituency level. While aggregation for specific number of non-independent candidates in constituencies provides a useful summarized picture of variation in independent candidates, the cost is the loss in terms of details. A possible future study could, therefore, be to study the constituency-wise variation in independents over different elections, extending the results obtained by Bhattacharya (2010) for the Indian parliamentary election of 2004.

Second, we have maintained the formal distinction of small parties and independent candidates in India. As candidates of many small parties in India behave like independents, one may treat them as independents. However, incentives of small parties, especially if they float candidates in more than one constituency, may be more general and not necessarily focused on a particular constituency. Working with them, therefore, brings many complex issues like coalition formation in a democracy. Still, it is important to examine whether including them as independents would change some of the main results reported in this paper. Third, a good fit of our model does not identify the root cause of the strategic entry, e.g., whether it is at the individual level or whether the entry itself is facilitated by political parties. Our theories and results reported in this study are based on incentives rather than real-life motives.

In this context, it would be interesting to study the post-election behaviour of independent candidates, especially those who were able to influence the political outcome through participation. Ideally, one should monitor the evolution of their professional achievements, finances and politics to study what kind of rents they could extract from major political parties. It may be noted that such a study on any country following FPTP electoral rule would help us to understand the nature of the long-run pay-off of independent candidates. In

particular, in the Indian context, it is important to study whether and if so, to what extent political mobilization during the 1970s in India enticed the earlier independent candidates to join mainstream political parties.

Finally, on a general note, the problem addressed in this paper and the policy implications are relevant for all democracies with an FPTP electoral system in place. The process of globalization and emergence of multicultural societies in many old and established democracies in recent years may lead to multiple cleavages in their polity. In such situations, competition among the mainstream parties may create a political vacuum leading to the emergence of smaller parties (e.g., Liberal Democrats in case of the UK) or independent candidates (e.g., Ross Perot in case of the US). If institutional structures in democracies allow this trend to continue, our results suggest that such situations could lead to the emergence of more independent candidates, enhancing the complexity of political management. In extreme case, some of these independent candidates could be floated discreetly by the mainstream political parties to gain electoral advantage. Because of the nature of the incentives of political parties, FPTP electoral systems are especially susceptible to such phenomena. Such electoral systems, therefore, need to put appropriate institutional constraints in place by increasing the transaction costs of smaller parties and independent candidates.

The Indian experience studied in this paper, however, proves the important role policy intervention can play in the emergence of independent candidates. The fact that the number of independent candidates in India dropped sharply since 1998 can only be explained in terms of the effective interventions by the Election Commission of India that increased the transaction costs of the independent candidates. However, since 1998 the number of independent candidates per constituency in India once again shows an increasing trend. Therefore, the need to study regulations and best country practices that could control or limit unsavoury political behaviour of independent candidates is very much in vogue.

Reference

Abramson PR, JH Aldrich, P Paolino and DW Rohde, 1995: 'Third-Party and Independent Candidates in American Politics: Wallace, Anderson, and Perot', *Political Science Quarterly*, **110(3)**, 349 -- 367.

Alvarez RM, J Nagler and S Bowler, 2000: 'Economics, and the Dynamics of Multiparty Elections: The British 1987 General Election', *American Political Science Review*, **94(1)**, 131 – 149.

Balagopal K, 2004: 'Andhra Pradesh: Beyond Media Images', *Economic and Political Weekly*, June 12.

Bhattacharya K, 2010: 'Emergence of Independent Candidates: A Negative Binomial Regression Model of an Indian Parliamentary Election', Heidelberg Papers in South Asian and Comparative Politics, No. 57, August.

Canon DT, 1993: 'Sacrificial Lambs or Strategic Politicians? Political Amateurs in U.S. House Elections', *American Journal of Political Science,* **37(4)**, 1119-41.

Chibber PK, 1999: *Democracy without Associations: Transformation of the Party System and Social Cleavages in India,* Vistaar Publications, New Delhi.

Downs A, 1957: *An Economic Theory of Democracy*, Harper and Row, New York.

Dutta B, MO Jackson and M Le Breton, 2001: 'Strategic Candidacy and Voting Procedures', *Econometrica*, **69**, 1013—1037.

Gerber ER and JB Lewis, 2004: 'Beyond the Median: Voter Preferences, District Heterogeneity, and Political Representation', *Journal of Political Economy*, **112(6)**, 1364-1383.

Harmel R and JD Robertson, 1985: 'Formation and Success of New Parties', *InternationalPolitical Science Review,* **6**, 501-23.

Hausman J et al, 1984: 'Econometric Models of Count Data with an Application to the Patents and R & D Relationship', *Econometrica*, **52**, 909–938.

Heckelman JC and AJ Yates, 2008: 'Senate Elections with Independent Candidates', *Journal of Theoretical Politics*, **20(1)**, 31–46.

Holbrook TM and E Van Dunk, 1993: 'Electoral Competition in the American States', *American Political Science Review*, **87 (4)**, 955-62.

Hug S, 2000: 'Studying the Electoral Success of New Political Parties: A Methodological Note', *Party Politics*, **6**, 187-97.

Inglehart R, 1997: *Modernization and Postmodernization. Cultural, Economic and Political Change in 43 Societies*, Princeton University Press, Princeton.

Kothari R, 1970: *Politics in India,* Orient Longman.

Lem SB and CM Dowling, 2006: 'Picking Their Spots: Minor Party Candidates in Gubernatorial Elections', *Political Research Quarterly,* **59(3),** 471-480.

McKnight D, 1999: 'Constitutional Issues in Regulating Independent Candidates', Mimeo, House Research, Minnesota State Relay Service (www.house.leg.state.mn.us/hrd/hrd.htm).

Mitra SK and VB Singh, 1999: *Democracy and Social Change in India: A Cross-Sectional Analysis of the National Electorate,* Sage Publications, New Delhi.

Moores B, 1987: 'Some Consequences of a Three-Party Split in a UK General Election', *Journal of the Operational Research Society*, **38(7)**, 569 -- 576.

Osborne MJ, 1995: 'Spatial Models of Political Competition under Plurality Rule: A Survey of Some Explanations of the Number of Candidates and the Positions They Take', *Canadian Journal of Economics*, **28(2)**, 261-301.

Pennings P and H Keman, 2003: 'The Dutch Parliamentary Elections of 2002 and 2003: The Rise and Decline of the Fortuyn Movement', *Acta Politica*, **38**, 51-68.

Rosenstone SJ, RL Behr, and EH Lazarus, 1996: *Third Parties in America,* Princeton University Press, Princeton.

Stratmann T, 2005: 'Ballot Access Restrictions and Candidate Entry in Elections', *European Journal of Political Economy,* **21 (1)**, 59-71.

Weiner M, 1978: *India at the Polls: The Parliamentary Elections of 1977,* American Enterprise Institute for Public Policy Research, Washington DC.A

Appendix A: Influence of Independent Candidates

Table A.1: Influence of Independent Candidates in Parliamentary Elections in India

Year	INDPER	INFLUENCE1	INFLUENCE2	CONSTITUENCIES	HHI	MARGIN (%)
1962	11.05	140	143	495	0.380	14.6738
1967	13.78	243	212	520	0.367	13.7202
1971	8.38	95	96	518	0.439	23.8536
1977	5.50	55	62	542	0.496	29.3288
1980	6.43	95	113	529	0.392	16.8033
1984	7.92	87	98	514	0.435	20.1743
1989	5.25	81	98	529	0.416	16.1519
1991	4.16	49	60	521	0.374	12.9744
1996	6.28	149	162	543	0.348	11.9748
1998	2.37	60	55	540	0.385	9.4920
1999	2.74	64	74	540	0.398	9.8632
2004	4.25	107	118	543	0.383	12.3933
2009	5.18	166	169	543	0.347	9.2204

Notes:
(i) INDPER reflects the percentage of votes of independent candidates as a group.
(ii) INFLUENCE1 reflects the number of constituencies in an election where a single independent candidate got more votes than the margin of victory in that constituency.
(iii) INFLUENCE2 reflects the number of constituencies where independent candidates as a group got more votes than the margin of victory.
(iv) CONSTITUENCIES is the total number of constituencies where election was held.
(v) Herfindahl-Hirschman Index based on vote shares in a constituency is the sum of squares of vote share in a constituency. HHI for an election in Table A.1 is the average HHI for all such constituencies in that election.
(vi) MARGIN is the average margin as a percentage of average number of votes polled in a constituency.