

Online Appendix
**"The Marginal Disutility from Corruption in Social Programs: Evidence from
Program Administrators and Beneficiaries"**

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Appendix Tables

Appendix Table 1: Survey Response

| Variables | Program Administrators (1) | Program Beneficiaries (2) |
|---------------------------------|----------------------------------|---------------------------------|
| Had smartphone | - | 80,750 |
| Surveys sent | 36,578 | - |
| Completed and consented surveys | 28,388 | 19,746 |
| Verified surveys | 26,504 | 17,319 |

Note: This table reports our survey response by type of survey. The survey links were sent via WhatsApp to administrators. To reach beneficiaries, we requested administrators to enter the phone number and name of 5 randomly selected beneficiaries from their list of beneficiaries. The variable “Had smartphone” corresponds to the number of phone numbers entered by them (we gave the option to add "0800000" if the administrators did not have the beneficiary number and we are including these answers here). After entering the information of the selected beneficiaries, we asked administrators to confirm they were able to send the text message with the survey link to beneficiaries, however, we are unable to confirm the total number of survey links sent to beneficiaries in practice. For administrators, the variable “Surveys sent” in Column 2 corresponds to the total number in the roster. The variable "Completed and Consented Surveys" corresponds to the number of completed and consented survey responses we received, cleaned of duplicate responses. Finally, the variable “Verified Surveys” correspond to survey responses we were able to match to the corresponding roster. Throughout this analysis, we are only using the matched sample.

Appendix Table 2: Demographic Characteristics of Beneficiary Survey Respondents vs. All Beneficiaries

| Variable | Survey Respondents (1) | All Beneficiaries (2) |
|----------------------------------|---------------------------|--------------------------|
| Rural Location | 80.7% | 72.2% |
| Number of Children (Mean) | 2.1 | 1.8 |
| Monthly Electricity Spend (Mean) | 89.5 | 50.1 |

Note: This table tabulates demographic characteristics of beneficiary survey respondents and of all beneficiaries in SUSENAS March '21. Tabulations from SUSENAS Mar '21 are at household level and weighed to be representative of the national population. Monthly Electricity Spend is in thousands of rupiah. Responses from the beneficiary survey on monthly electricity spend are trimmed at the 99th percentile.

Appendix Table 3: Baseline Randomization Check for Facilitators

| Variable | Facilitators | | | | | | | |
|----------------------------------------|--------------------|---------------------------------|------------------------|------------------------|-------------------|-------------------|--------------------|------------------|
| | Base Case Mean (1) | Missing Funds Not Mentioned (2) | More Missing Funds (3) | More Unspent Funds (4) | Best (5) | Worst (6) | Less Happy (7) | F-Statistic (8) |
| Female | 0.501 | 0.013 (0.011) | 0.018 (0.011) | 0.002 (0.011) | 0.021* (0.011) | 0.013 (0.011) | 0.002 (0.011) | 1.115 [0.350] |
| Lives in Urban Area | 0.195 | 0.004 (0.007) | -0.007 (0.007) | -0.001 (0.007) | -0.007 (0.007) | -0.003 (0.007) | -0.012* (0.007) | 1.111 [0.353] |
| Increase in Unemployment | 0.889 | 0.001 (0.007) | 0.006 (0.007) | 0.010 (0.007) | 0.003 (0.007) | -0.002 (0.007) | 0.002 (0.007) | 0.623 [0.712] |
| Last PKH Assistance Amount | 570.227 | -1.066 (3.582) | 5.998* (3.610) | 3.724 (3.599) | -1.291 (3.574) | -1.873 (3.660) | -0.380 (3.630) | 1.445 [0.193] |
| Difficulty Accessing Health Facilities | 0.313 | 0.010 (0.011) | -0.009 (0.011) | -0.003 (0.011) | -0.010 (0.011) | -0.014 (0.011) | -0.009 (0.011) | 1.161 [0.324] |

Note: This table provides a baseline balance check for facilitators only. In Columns 2 - 7, we compute the difference in means for each of the treatment scenarios conditional on district fixed effects. Robust standard errors are in parentheses. In Column 8, we compute the F-statistic of the joint orthogonality test across all treatment scenarios, with the p-value in square brackets. "Last PKH Assistance Amount" is in thousands of rupiah.

Appendix Table 4: Baseline Randomization Check for Beneficiaries

| Variable | Beneficiaries | | | | | | | |
|----------------------------------------|--------------------|---------------------------------|------------------------|------------------------|--------------------|---------------------|---------------------|------------------|
| | Base Case Mean (1) | Missing Funds Not Mentioned (2) | More Missing Funds (3) | More Unspent Funds (4) | Best (5) | Worst (6) | Less Happy (7) | F-Statistic (8) |
| Age | 38.015 | -0.056 (0.194) | -0.115 (0.197) | -0.030 (0.199) | 0.094 (0.196) | -0.172 (0.191) | -0.021 (0.196) | 0.382 [0.891] |
| Female | 0.977 | -0.001 (0.004) | -0.005 (0.005) | 0.001 (0.004) | -0.001 (0.004) | 0.006 (0.004) | 0.001 (0.004) | 1.134 [0.339] |
| Lives in Urban Area | 0.202 | -0.009 (0.008) | -0.012 (0.008) | -0.012 (0.008) | -0.008 (0.008) | -0.006 (0.008) | -0.005 (0.008) | 0.591 [0.738] |
| Last PKH Assistance Amount | 840.076 | 16.519 (35.498) | 10.943 (36.828) | 16.454 (39.172) | 25.580 (38.772) | -14.405 (34.469) | 70.616* (42.025) | 0.800 [0.569] |
| Difficulty Accessing Health Facilities | 0.289 | 0.006 (0.014) | 0.011 (0.014) | -0.014 (0.013) | -0.015 (0.013) | -0.017 (0.013) | -0.011 (0.014) | 1.361 [0.226] |
| Difficulty Meeting Basic Needs | 0.413 | -0.020 (0.014) | -0.005 (0.014) | -0.015 (0.014) | -0.006 (0.014) | -0.014 (0.014) | 0.002 (0.014) | 0.720 [0.633] |
| Ate Less In Last Week | 0.537 | -0.005 (0.014) | -0.009 (0.014) | -0.000 (0.014) | -0.005 (0.014) | -0.018 (0.014) | 0.004 (0.014) | 0.517 [0.796] |
| Worked in Last Week | 0.484 | -0.004 (0.015) | 0.000 (0.015) | -0.006 (0.015) | 0.011 (0.015) | -0.002 (0.015) | 0.020 (0.015) | 0.782 [0.584] |
| Monthly Electricity Bill | 93.213 | -3.130 (4.588) | -8.842** (4.194) | -10.482** (4.195) | -3.011 (4.659) | -5.166 (4.374) | -5.958 (4.256) | 1.584 [0.147] |

Note: This table provides a baseline balance check for beneficiaries only. In Columns 2 - 7, we compute the difference in means for each of the treatment scenarios conditional on district fixed effects. Robust standard errors are in parentheses. In Column 8, we compute the F-statistic of the joint orthogonality test across all treatment scenarios, with the p-value in square brackets. "Last PKH Assistance Amount" and "Monthly Electricity Bill" are in thousands of rupiah.

Appendix Table 5: Alternative Specification

| Outcome: Program Score | Program Administrators (1) | Program Beneficiaries (2) | All (3) |
|-------------------------------------------|-------------------------------|------------------------------|----------------------|
| Missing Funds Not Mentioned | 0.194*** (0.050) | 0.222*** (0.085) | 0.194*** (0.050) |
| More Missing Funds | -0.047 (0.051) | -0.051 (0.087) | -0.047 (0.051) |
| More Unspent Funds | 0.049 (0.050) | 0.014 (0.087) | 0.049 (0.051) |
| Best | 0.182*** (0.051) | 0.200** (0.088) | 0.182*** (0.051) |
| Worst | -0.364*** (0.054) | -0.110 (0.090) | -0.364*** (0.055) |
| Less Happy | -0.260*** (0.052) | -0.157* (0.089) | -0.260*** (0.052) |
| Beneficiary | | | 1.625*** (0.525) |
| Missing Funds Not Mentioned × Beneficiary | | | 0.028 (0.098) |
| More Missing Funds × Beneficiary | | | -0.004 (0.101) |
| More Unspent Funds × Beneficiary | | | -0.034 (0.101) |
| Best × Beneficiary | | | 0.018 (0.101) |
| Worst × Beneficiary | | | 0.253** (0.105) |
| Less Happy × Beneficiary | | | 0.103 (0.103) |
| <i>P-value</i> | | | |
| More Missing Funds vs. More Unspent Funds | 0.058 | 0.454 | 0.758 |
| Missing Funds Not Mentioned vs. Best | 0.809 | 0.789 | 0.914 |
| Best vs. Worst | 0.000 | 0.001 | 0.024 |
| Observations | 26360 | 15066 | 41426 |
| Control Mean | 8.091 | 7.888 | 8.017 |

Note: This table reports the regression results of the treatment assigned (one of seven programs presented, see details in Table 1) on the respondent's rating of the program or program score. All coefficients are interpretable relative to Program 1 (Base Case), which is the omitted category. Column 1 reports results for program administrators, Column 2 for beneficiaries, and Column 3 presents the stacked results for both program administrators and beneficiaries. All regressions include district (*kabupaten*) fixed effects and an indicator for missing values in this variable. Robust standard errors in parenthesis.

* $p < 0.1$ ** $p < 0.05$ *** $p < 0.01$.

Appendix Table 6: Replication of Table 2, Omitting District Fixed Effects

| Outcome: Program Score | Program Administrators (1) | Program Beneficiaries (2) | All (3) |
|-----------------------------------------------------|----------------------------------|---------------------------------|----------------------|
| Unhappiness with Program | -0.011*** (0.002) | -0.009*** (0.003) | -0.011*** (0.002) |
| Amount Distributed | 0.011*** (0.002) | 0.007** (0.003) | 0.011*** (0.002) |
| Amount Missing | -0.005* (0.003) | -0.002 (0.004) | -0.005* (0.003) |
| Missing Funds Salient | -0.232*** (0.038) | -0.213*** (0.063) | -0.232*** (0.038) |
| Beneficiary | | | -0.186*** (0.067) |
| Unhappiness with Program \times Beneficiary | | | 0.001 (0.004) |
| Amount Distributed \times Beneficiary | | | -0.005 (0.004) |
| Amount Missing \times Beneficiary | | | 0.003 (0.005) |
| Missing Funds Salient \times Beneficiary | | | 0.018 (0.074) |
| <i>P-value</i> | | | |
| Unhappiness vs. (Amount Distributed \times -1) | 0.770 | 0.554 | 0.511 |
| Unhappiness vs. Amount Missing | 0.075 | 0.195 | 0.837 |
| (Amount Distributed \times -1) vs. Amount Missing | 0.099 | 0.519 | 0.778 |
| Observations | 26360 | 15191 | 41551 |
| Control Mean | 8.091 | 7.885 | 8.016 |

Note: This table reports the regression results of three variables indicative of the program’s success on the program’s score (see equation 1) omitting district fixed effects as a robustness check. Each variable is normalized as the percentage change relative to the base case scenario. “Missing Funds Salient” is a dummy that indicates that the percent of money that could not be accounted for was mentioned in the program scenario (i.e., a scenario other than the “Missing Funds Not Mentioned” scenario was presented). Column 1 reports results for program administrators, Column 2 for beneficiaries, and Columns 3 presents the stacked results for both program administrators and beneficiaries. All regressions include district (*kabupaten*) fixed effects and an indicator for missing values in this variable. Robust standard errors in parenthesis.

* $p < 0.1$ ** $p < 0.05$ *** $p < 0.01$.

Appendix Table 7: Replication of Table 2 with all Respondents, by Match Type

| | No Matching | | | Exact Matching | | |
|-----------------------------------------------------|-----------------------|----------------------|----------------------|-----------------------|----------------------|----------------------|
| | Administrators (1) | Beneficiaries (2) | All (3) | Administrators (4) | Beneficiaries (5) | All (6) |
| Outcome: Program Score | | | | | | |
| Unhappiness with Program | -0.011*** (0.002) | -0.007** (0.003) | -0.011*** (0.002) | -0.011*** (0.004) | -0.007* (0.004) | -0.011*** (0.004) |
| Amount Distributed | 0.011*** (0.002) | 0.006* (0.003) | 0.011*** (0.002) | 0.013*** (0.003) | 0.009** (0.004) | 0.013*** (0.003) |
| Amount Missing | -0.004 (0.003) | -0.003 (0.004) | -0.004 (0.003) | -0.004 (0.005) | -0.001 (0.005) | -0.004 (0.005) |
| Missing Funds Salient | -0.229*** (0.038) | -0.184*** (0.061) | -0.229*** (0.038) | -0.213*** (0.070) | -0.276*** (0.076) | -0.213*** (0.070) |
| Beneficiary | | | 1.634*** (0.489) | | | 0.707 (0.603) |
| Unhappiness with Program \times Beneficiary | | | 0.004 (0.004) | | | 0.004 (0.006) |
| Money Unspent \times Beneficiary | | | -0.006* (0.003) | | | -0.005 (0.005) |
| Amount Missing \times Beneficiary | | | 0.001 (0.005) | | | 0.003 (0.007) |
| Missing Funds Salient \times Beneficiary | | | 0.046 (0.072) | | | -0.063 (0.103) |
| <i>P-value</i> | | | | | | |
| Unhappiness vs. (Amount Distributed \times -1) | 0.866 | 0.678 | 0.659 | 0.654 | 0.804 | 0.909 |
| Unhappiness vs. Amount Missing | 0.026 | 0.374 | 0.677 | 0.239 | 0.365 | 0.903 |
| (Amount Distributed \times -1) vs. Amount Missing | 0.055 | 0.664 | 0.524 | 0.215 | 0.366 | 0.860 |
| Observations | 26863 | 17020 | 43883 | 7992 | 10547 | 18539 |
| Control Mean | 8.084 | 7.850 | 7.992 | 8.164 | 7.863 | 7.994 |

Note: This table reports the regression results of three variables indicative of the program's success on the program's score (see equation 1) by different match types as a robustness check. Each variable is normalized as the percentage change relative to the base case scenario. "Missing Funds Salient" is a dummy that indicates that the percent of money that could not be accounted for was mentioned in the program scenario (i.e., a scenario other than the "Missing Funds Not Mentioned" scenario was presented). We cross-referenced survey responses using name and phone number with rosters of facilitators and beneficiaries to screen out invalid respondents. Columns 1 to 3 show the results from all survey respondents, regardless of whether or not they matched with our rosters. Columns 4 to 6 show the same results from survey respondents that were an identical match with our roster on both name and phone number. All regressions include district (*kabupaten*) fixed effects and an indicator for missing values in this variable. Robust standard errors in parenthesis.

* $p < 0.1$ ** $p < 0.05$ *** $p < 0.01$.

Appendix Table 8: Replication of Table 2 with Ordinal Regressions

| Outcome: Program Score | Program Administrators (1) | Program Beneficiaries (2) | All (3) |
|----------------------------------------------|----------------------------------|---------------------------------|----------------------|
| Unhappiness with Program | -0.006*** (0.001) | -0.003** (0.001) | -0.005*** (0.001) |
| Amount Distributed | 0.005*** (0.001) | 0.003** (0.001) | 0.005*** (0.001) |
| Amount Missing | -0.002* (0.001) | -0.001 (0.002) | -0.002* (0.001) |
| Missing Funds Salient | -0.108*** (0.019) | -0.081*** (0.026) | -0.097*** (0.018) |
| Beneficiary | | | 1.065* (0.572) |
| Unhappiness with Program × Beneficiary | | | 0.001 (0.002) |
| Amount Distributed × Beneficiary | | | -0.002 (0.002) |
| Amount Missing × Beneficiary | | | 0.000 (0.002) |
| Missing Funds Salient × Beneficiary | | | 0.008 (0.035) |
| <i>P-value</i> | | | |
| Unhappiness vs. (Amount Distributed × -1) | 0.592 | 0.720 | 0.860 |
| Unhappiness vs. Amount Missing | 0.017 | 0.359 | 0.799 |
| (Amount Distributed × -1) vs. Amount Missing | 0.121 | 0.622 | 0.747 |
| Observations | 26360 | 15066 | 41426 |
| Control Mean | 8.091 | 7.888 | 8.017 |

Note: This table reports the regression results of three variables indicative of the program’s success on the program’s score (see equation 1) using an ordinal probit estimation method as a robustness check. Each variable is normalized as the percentage change relative to the base case scenario. “Missing Funds Salient” is a dummy that indicates that the percent of money that could not be accounted for was mentioned in the program scenario (i.e., a scenario other than the “Missing Funds Not Mentioned” scenario was presented). Column 1 reports results for program administrators, Column 2 for beneficiaries, and Columns 3 presents the stacked results for both program administrators and beneficiaries. All regressions include district (*kabupaten*) fixed effects and an indicator for missing values in this variable. Robust standard errors in parenthesis.

* $p < 0.1$ ** $p < 0.05$ *** $p < 0.01$.

Appendix Table 9: Heterogeneity by Scandal

| Outcome: Program Score | After Arrest | |
|-----------------------------------------------------|-----------------------|----------------------|
| | Administrators (1) | Beneficiaries (2) |
| Unhappiness with Program | -0.011*** (0.002) | -0.009*** (0.004) |
| Amount Distributed | 0.011*** (0.002) | 0.007** (0.003) |
| Amount Missing | -0.005** (0.003) | -0.003 (0.004) |
| Missing Funds Salient | -0.218*** (0.039) | -0.217*** (0.066) |
| After Arrest | -0.089 (0.201) | -0.165 (0.260) |
| Unhappiness with Program \times After Arrest | -0.009 (0.013) | 0.021 (0.016) |
| Amount Distributed \times After Arrest | 0.006 (0.011) | -0.013 (0.014) |
| Amount Missing \times After Arrest | 0.016 (0.015) | -0.012 (0.020) |
| Amount Missing Salient \times After Arrest | -0.329 (0.219) | 0.118 (0.287) |
| <i>P-value</i> | | |
| Unhappiness vs. (Amount Distributed \times -1) | 0.858 | 0.702 |
| Unhappiness vs. Amount Missing | 0.187 | 0.196 |
| (Amount Distributed \times -1) vs. Amount Missing | 0.351 | 0.436 |
| Observations | 26360 | 15066 |
| Control Mean | 8.091 | 7.888 |

Note: This table reports heterogeneity of Table 2 regression results by exposure to a public corruption news story. The interaction variable "After Arrest" is an indicator for being surveyed after December 6, 2020, the date the news story broke of the arrest of the head of the ministry that administered the CCT. In the final rows, we report the following: P-values from a F-test involving the difference between the triple-interaction coefficients, and the Control Mean. All regressions include district (*kabupaten*) fixed effects and an indicator for missing values in this variable. Robust standard errors in parenthesis.

* $p < 0.1$ ** $p < 0.05$ *** $p < 0.01$.

Appendix Table 10: Heterogeneity by Gender

| Outcome: Program Score | Administrators (1) |
|-----------------------------------------------------|-----------------------|
| Unhappiness with Program | -0.010*** (0.003) |
| Amount Distributed | 0.014*** (0.003) |
| Amount Missing | 0.000 (0.004) |
| Missing Funds Salient | -0.208*** (0.057) |
| Female | -0.278*** (0.070) |
| Unhappiness with Program \times Female | -0.002 (0.004) |
| Amount Distributed \times Female | -0.005 (0.004) |
| Amount Missing \times Female | -0.009* (0.005) |
| Amount Missing Salient \times Female | -0.042 (0.077) |
| <i>P-value</i> | |
| Unhappiness vs. (Amount Distributed \times -1) | 0.199 |
| Unhappiness vs. Amount Missing | 0.303 |
| (Amount Distributed \times -1) vs. Amount Missing | 0.085 |
| Observations | 26360 |
| Control Mean | 8.091 |

Note: This table reports heterogeneity of Table 2 regression results by gender. Beneficiaries are not included as they are all female. All regressions include district (*kabupaten*) fixed effects and an indicator for missing values in this variable. Robust standard errors in parenthesis.

* $p < 0.1$ ** $p < 0.05$ *** $p < 0.01$.

Appendix Table 11: Heterogeneity by Leniency

| Outcome: Program Score | High Leniency | |
|-----------------------------------------------------|-----------------------|----------------------|
| | Administrators (1) | Beneficiaries (2) |
| Unhappiness with Program | -0.012*** (0.003) | -0.011* (0.006) |
| Amount Distributed | 0.010*** (0.003) | 0.005 (0.005) |
| Amount Missing | -0.002 (0.004) | -0.007 (0.008) |
| Missing Funds Salient | -0.256*** (0.064) | -0.238** (0.113) |
| High Leniency | 0.241*** (0.072) | 0.465*** (0.123) |
| Unhappiness with Program \times High Leniency | 0.001 (0.004) | 0.004 (0.007) |
| Amount Distributed \times High Leniency | 0.001 (0.004) | 0.001 (0.007) |
| Amount Missing \times High Leniency | -0.004 (0.005) | 0.008 (0.009) |
| Amount Missing Salient \times High Leniency | 0.044 (0.079) | 0.010 (0.137) |
| <i>P-value</i> | | |
| Unhappiness vs. (Amount Distributed \times -1) | 0.737 | 0.617 |
| Unhappiness vs. Amount Missing | 0.427 | 0.706 |
| (Amount Distributed \times -1) vs. Amount Missing | 0.680 | 0.520 |
| Observations | 26271 | 14051 |
| Control Mean | 8.089 | 7.892 |

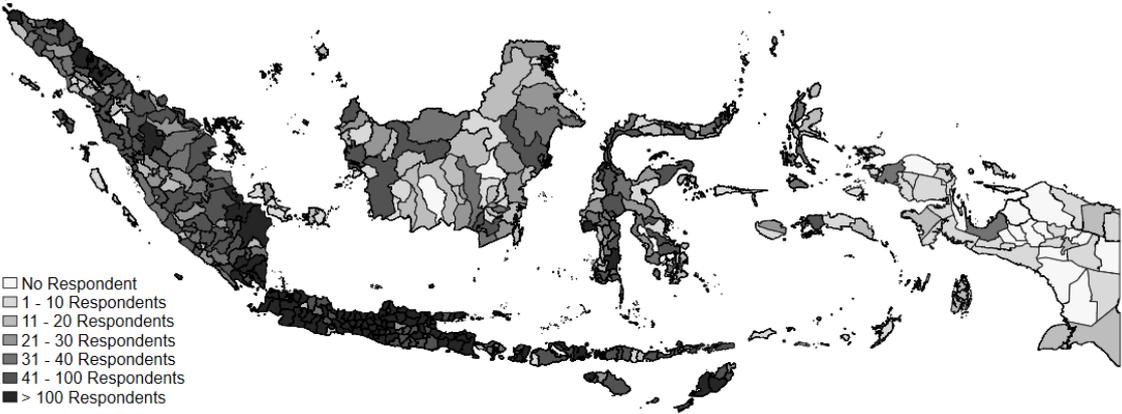
Note: This table reports heterogeneity of Table 2 regression results by leniency toward the enforcement of the PKH program. The interaction variable "High Leniency" is an indicator for a respondent answering above the median on a scale of 1 - 10, on a question regarding how lenient enforcement of the PKH program should be, with 1 being extremely rigid and 10 being extremely lenient. All regressions include district (*kabupaten*) fixed effects and an indicator for missing values in this variable. Robust standard errors in parenthesis.

* $p < 0.1$ ** $p < 0.05$ *** $p < 0.01$.

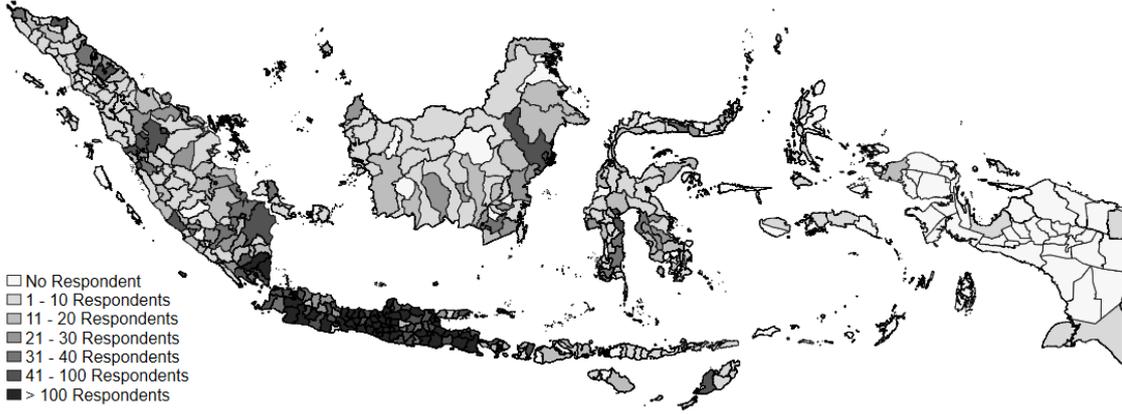
Appendix Figures

Appendix Figure 1: Distribution of Survey Responses by District

Panel A: Responses from Program Administrators



Panel B: Responses from Program Beneficiaries



Appendix Figure 2: Survey Experiment Base Case

1 Situasi

Bayangkan **pemerintah memulai program baru** tahun lalu yang bertujuan untuk **memberikan transfer tunai ke rumah tangga miskin**. Di akhir tahun, **pemerintah menilai kesuksesan program**.

2 Pemerintah menemukan bahwa...

Anggaran program digunakan sebagai berikut:

| | |
|-----------------------------------------------------------------------------------|------------------------------------------------------------------------------------------|
|  | <p>70 persen dana sampai ke penerima manfaat (contoh.: Rp.70 dari Rp.100)</p> |
|  | <p>15 persen dana tidak terpakai (contoh: Rp.15 dari Rp.100)</p> |
|  | <p>15 persen dana hilang (contoh: Rp.15 dari Rp.100)</p> |

...dan dari segi kepuasan penerima manfaat

| | |
|---------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>8 dari 10 </p> <p>orang puas dengan program ini</p> | <p>2 dari 10 orang </p> <p>tidak puas dengan program ini</p> |
|---------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------|

3 Bagaimana pendapat Anda?

Bagaimana Anda menilai kesuksesan program ini? (dari 1-program tidak berhasil ke 10-program berhasil)

Note: This figure displays the Bahasa Indonesian base case program scenario that was presented to respondents. All other randomly displayed scenarios were displayed with an identical format.