FROM PEOPLE'S WAR TO PEOPLE'S RULE: REBEL GOVERNANCE AND THE FOUNDATIONS OF INCLUSIVE DEMOCRACY

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ABSTRACT

How does wartime rebel governance shape post-conflict institutions? We study this in Nepal, where the Maoist People's War (1996–2006) dismantled a 240-year caste-based monarchy and ended with Maoists entering democratic politics. During the conflict, Maoists established sub-national "People's Governments" that administered justice, collected taxes, and delivered local services. Using a spatial regression-discontinuity design, we show that exposure to People's Governments increased political knowledge and participation especially among historically marginalized indigenous groups (Janajatis). Exposure also reshaped party institutions and inter-party competition: candidate-selection committees in more exposed areas have 26 percent more Janajati members who, drawing on novel implicit-attitude data, exhibit less pro-upper caste bias. Non-Maoist parties' Janajati nomination rates nearly double in fully exposed areas, consistent with competition for newly mobilized voters. Nearly two decades on, local governments in exposed areas score 0.2–0.3 standard deviations higher on state capacity indices and receive 13% more in conditional federal grants. These findings show that when rebel groups enter competitive democratic politics, wartime governance institutions can — through citizen mobilization, party gatekeeping, and cross-party competition — enable a more inclusive and capable post-war state.

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1 Introduction

Since 1945, over two hundred revolutions have challenged existing regimes, and more than half have changed formal institutions (Beissinger, 2022). Their long-run consequences vary: some transitions collapse into renewed authoritarianism or state failure, while others give rise to durable, broadly inclusive democracies (Albertus and Menaldo, 2014; Matanock, 2017). This divergence may reflect, in part, how revolutions are organized and waged (Huang, 2016; Stewart, 2021; Bandiera et al., 2022) and the nature of the postwar political settlement. Drawing on novel data from Nepal, this paper provides evidence that wartime rebel governance — the institutions rebels build to administer territory during conflict — is a key determinant of such settlements, one that shapes whether postwar politics becomes more inclusive and whether states become more capable.

Nepal is one of the most ethnolinguistically diverse countries globally (Drazanova, 2019), presenting a challenging setting for the emergence of inclusive and effective democratic institutions. The Maoist People's War (1996–2006) transformed Nepal from a 240-year caste-based monarchy, in which one-third of the population—indigenous Janajati communities—were excluded from political authority, into a federal democratic republic. During the war, the Maoists, like many other rebel movements, established parallel institutions for justice, taxation, and service provision in the territories they controlled. They used People's Governments, which covered roughly half of Nepal, to mobilize marginalized groups, cultivate new leaders, and reconfigure local power structures. Nepal's 2006 post-war political settlement integrated Maoist rebels into the mainstream democratic process and substantially reflected their demands for decentralized, inclusive federal democracy. In competitive local elections in 2017 and 2022, Janajati mayoral representation rose to approximately their population share (Figure 1).

We examine multiple reinforcing channels through which rebel governance could reshape postwar political institutions. First, by bringing Janajati communities into administrative and civic life, People's Governments may have increased their subsequent political awareness and engagement. Second, by appointing Janajatis to wartime leadership roles, the Maoists created a cadre of politically experienced individuals who could enter party organizations as candidates and candidate-selection committee members - a channel most likely to operate when the rebel group enters the postwar system as a competitive party.[1] Both dynamics may also have pressured rival parties to nominate more Janajati candidates to compete for newly mobilized voters. Together, these mechanisms could shift postwar representation not

[1] 86% of Maoist mayors elected in 2017 served in people's governments during the war.

only within the Maoist party but across the party system — with downstream consequences for state capacity.

Data A nationally representative geocoded survey measures citizen political knowledge and participation at the time of Nepal's first federal elections in 2017. For party behavior, we draw on 11 central districts with full 2016 census data, compiling candidate-selection committee rosters and records of citizens who sought party nomination for the three main Nepali parties. To these we add, to our knowledge for the first time in the literature, a computer-based single-attribute Implicit Association Test (IAT) administered to party elites, capturing their implicit bias toward Janajati leadership.[2] Linking these party records to census demographic and socioeconomic data allows us to track representation from aspiration through nomination to election, and to re-election outcomes in 2022. Finally, we measure municipality-level state capacity using survey and administrative data spanning both electoral cycles.

Identification challenge The People's War began in Maoist base districts and expanded outward into neighboring districts with hilly terrain favorable to guerrilla operations; People's Governments were established once Maoists achieved substantial district control. This creates a selection concern, as districts exposed to People's Governments may differ systematically from unexposed ones. We address this with two complementary identification strategies. For all-Nepal analyses of citizen and state-capacity outcomes, we exploit spatial discontinuities at district borders separating exposed from unexposed areas, excluding core interior Maoist and monarchy strongholds. The key identifying assumption is that while Maoist expansion was strategic, pre-conflict district boundaries — which nearly always follow geographic barriers — determined People's Government jurisdiction, generating quasi-random variation in exposure at these borders; for state-capacity outcomes specifically, we compare municipal governments along the same borders and show these areas are comparable on prewar characteristics and postwar migration patterns.

For party outcomes, restricted to 11 central districts where wartime exposure varied between partial and complete People's Government control, we rely on within-district comparisons – across parties or ethnic groups – to hold the broader electoral environment fixed. This allows us to examine how variation in wartime exposure shaped party gatekeeping, political selection, and strategic adaptation within districts.

[2]IATs measure implicit bias by evaluating response speed when associating social groups with attributes (Greenwald et al., 2003). They have been used to study gender and leadership (Beaman et al., 2009), gender and technical ability (Carlana, 2019), and ethnicity and favoritism (Lowes et al., 2015), and have been shown to predict behavioral outcomes.

We have four primary findings.

Durable Janajati political mobilization. Using our spatial regression discontinuity design, we show that exposure to People's Governments causally increased political knowledge and participation *only* among Janajatis, substantially narrowing engagement gaps relative to upper-caste citizens. Relative to areas without People's Governments, Janajatis in exposed areas are 29 percentage points more likely to report knowledge of the constitution, 32 percentage points more likely to know about party activities, and 25 percentage points more likely to express trust in political parties.

Our next two findings concern the functioning of party institutions in 11 central districts at the time of the first federal elections.

Janajatis as selectors. Party selection committee members are more elite than both voters and mayors – and their political origins differ sharply by party. Maoist committee members overwhelmingly entered party politics during the People's War and had served in rebel governance or military activities; non-Maoist committee members typically entered before it. Moving from partial to complete People's Government districts is associated with a 26 percentage point increase in the probability that a committee member is Janajati. Within these committees, a further distinction emerges: Maoist Janajati members display lower implicit bias against Janajati leadership than their upper caste counterparts – a pattern absent in non-Maoist committees.

Political selection across parties. Janajatis are underrepresented among aspirants in all parties, but the gap is starkest in non-Maoist parties and narrows meaningfully in complete People's Government districts. At the nomination stage, Maoist parties select Janajati and upper caste candidates at similar rates regardless of People's Government exposure. Non-Maoist parties behave differently: they nominate more Janajati candidates in complete People's Government districts even after accounting for candidate characteristics, with Janajati nomination rates converging toward parity across parties only in these districts. Electoral outcomes mirror this pattern, and the divergence sharpens in the 2022 election.

State capacity. The institutional legacy of People's Governments extends beyond representation. Returning to the all-Nepal sample, we find that municipalities in exposed districts outperform unexposed counterparts across multiple dimensions – administrative procedures, infrastructure, service delivery, disaster management, judicial execution, and fiscal capacity – with gains of 0.2 standard deviations in the border sample and 0.3 in the national sample. Municipalities in exposed districts also receive 13% more in conditional grants from the

central government and display stronger fiscal discipline, suggesting that the legacy of rebel governance is one of institutional deepening, not merely political inclusion.

This paper contributes to the literature on how wartime rebel institutions shape postwar politics and governance (Weinstein, 2006; Arjona et al., 2015; Berman and Matanock, 2015; Stewart, 2018; Grasse et al., 2022; Kalyvas, 2006; Staniland, 2012; Ashley, 2023). Our findings speak to two important arguments in this literature. The political mobilization of Janajatis is consistent with Huang's (2016) "civilian mobilization" hypothesis, while the state capacity evidence supports Stewart's (2021) argument that wartime governance builds administrative capacity that persists into the postwar state.[3] We extend both arguments by showing that these legacies operate not only through citizen mobilization and administrative experience, but also through party gatekeeping and strategic behavior across parties.

Most closely related methodologically is Bandiera et al. (2022), who use spatial variation in guerrilla control during the Salvadoran civil war to show that rebel rule increased local social capital but fostered mistrust of outsiders and disengagement from the postwar state, producing worse long-run economic outcomes. Our Nepal evidence points in the opposite direction. The contrast likely reflects the post-war settlement. El Salvador's Chapultepec Peace Accords preserved traditional elite power, limiting reforms to security and electoral protocols while ring-fencing the economic model.[4] Nepal's Maoists, by contrast, compelled incumbent elites to accept a constitution embracing decentralized, inclusive federalism – enabling the Maoist party to directly shape candidate choices, and indirectly pressure rival parties' in competitive electoral environments.[5] These dynamics were reinforced by wartime Janajati mobilization and the absence of upper-caste backlash.[6][7] Together, these studies suggest that rebel governance's long-run consequences depend not only on wartime institutions but on whether postwar political settlements channel wartime legacies into state participation or entrench distance from it.

[3]Huang (2016) explicitly rejects the "rebel state-building hypothesis" in the Nepal case, arguing that because wartime governance structures were dissolved in 2007, they played no discernible role in shaping postwar democratization. Our results suggest a more nuanced carryover: even when formal wartime institutions are dismantled, their legacy may persist through the leaders who go on to build the new state.

[4]The 1992 Chapultepec Peace Accords are widely viewed as an elite pact that prioritized military depoliticization and democratic procedures while explicitly preserving the state's pre-war economic model, leaving underlying socioeconomic inequalities intact.

[5]Nepal's 2006 Comprehensive Peace Accord committed to a "progressive restructuring" of the state, dismantling the unitary monarchy and redistributing political authority to previously excluded groups.

[6]The political legacy is not uniformly pro-state: exposure causes distrust of federal police, for example.

[7]Existing work on Nepal's transition document patterns of violence, recovery, and electoral competition following People's War, but provides limited evidence on institutions linking the revolution to subsequent governance outcomes (Adhikari, 2014; Gilligan et al., 2014; Chacón and Paik, 2017; Sharma, 2019).

We also contribute to the literature on political selection (Dal Bó et al., 2017; Dal Bó and Finan, 2018; Casey et al., 2021; Gulzar et al., 2021; Gulzar, 2021; Carnes and Lupu, 2023; Shefter, 2021, 1993; Karpowitz et al., 2017; Thompson et al., 2019; Dynes et al., 2021; Jia et al., 2015; Heß et al., 2018) by documenting how party gate-keeping committees and patterns of political selection are shaped by rebel governance structures. Using granular new data on candidate selection committees – their composition, sociodemographic characteristics, and implicit biases – we show that exposure to People's Governments reshaped party gatekeeping institutions and candidate selection outcomes across *all parties*, not just the Maoists. Shifts in the identity and attitudes of committee gatekeepers arguably translate into realized political selection: rival parties field more inclusive candidate pools in areas of consolidated rebel governance, while Maoist inclusion remains high throughout.

Finally, this paper contributes to the literature on decentralization and state-building in ethnically diverse societies. A prominent literature documents that ethnic diversity can undermine public goods provision and economic performance (Alesina et al., 1999; Alesina and La Ferrara, 2005; Habyarimana et al., 2007; Burgess et al., 2015; Miguel and Gugerty, 2005), while a related strand argues that decentralized and federal institutions can help stabilize divided societies by accommodating ethnic divisions, broadening political competition, and opening pathways for historically excluded groups to enter politics (Horowitz, 1985; Myerson, 2006, 2014). We speak to both strands by tracing how wartime rebel governance — operating through a post-conflict federal settlement — generated an equilibrium shift toward more inclusive political selection and more capable local states. In doing so, we document a concrete pathway to state capacity driven by inclusive, bottom-up political transformation in one of the world's most ethnically complex societies.

2 Context: From People's War to Federalism

The 1854 civil code established Nepal as a Hindu state with a formal caste hierarchy.[8] Bahun (Brahmin), Chhetri, and Newar castes (BCNs; 45% of population) dominated, while Indigenous Janajatis (59 groups, 38%) and Dalits (13%) were systematically marginalized.[9] It was this entrenched exclusion – and its persistence through an incomplete democratic transition – that gave rise to the People's War.

[8]The 1963 National Code formally abolished caste hierarchy but yielded little change because it lacked penalties and enforcement mechanisms.

[9]Using 2016 census data from 11 districts, Appendix Figure A5 document severe caste inequality: BCNs average three more years of education and four times higher income than Janajatis and Dalits. Appendix Figure A6 documents similarly stark caste-based inequality in the bureaucracy: 85% of Chief Administrative Officers are BCN, less than 10% are Janajati, and less than 5% are Dalit.

2.1 The People's War: Origins, Revolutionary Aims and Military Strategy

The People's War had its roots in an incomplete democratic transition. The 1990 multi-party People's Movement for Democracy replaced absolute monarchy with a democratic constitutional monarchy, legalizing political parties and ethnic organizations, establishing local governments (Village Development Councils or VDCs), and retaining the district administration established in the 1950s (Onta, 2006; Gurung, 2009).[10] The 1990 Constitution was spearheaded by the Nepali Congress party and ultimately supported by the Communist Party of Nepal (Unified Marxist-Leninist, hereafter UML). The Communist Party of Nepal (Maoist Centre, hereafter Maoists) opposed the 1990 Constitution instead demanding secular federal democracy, autonomy for indigenous Janajatis, and redistribution of power to the historically excluded (Thapa, 2004; Parajulee, 2000; Hutt, 2004). When the Election Commission refused to recognize the Maoists' pro-democracy faction ahead of the 1995 elections (Pattanaik, 2002), the party delivered a 40-point ultimatum to the Prime Minister. Receiving no response, they launched the People's War in 1996.[11]

Maoist military strategy proceeded in three phases, the geography of which is central to our identification strategy. From 1996 to 2001, Maoists established 'base areas' in four districts (shown in Figure 2) where they had won seats in the 1991 elections (Acharya, 2009),[12] expelling local officials. Given these districts' demographics and the Maoists' ideological commitments (Prachanda, 2002), Janajatis dominated the guerrilla cadres (Marks, 2003). Guerrilla warfare targeted police outposts and government bodies in VDCs with low state presence (Lawoti and Pahari, 2010), causing the political elite to flee and creating a power vacuum. This initial phase was deliberately slow, prioritizing recruitment and political indoctrination over territorial expansion (Pattanaik, 2002).

The second phase, from 2001 to 2005, saw rapid expansion outward from these base districts. Crucially, following Maoist military doctrine, expansion proceeded district-by-district and contiguously, stopping where conditions became unsuitable for guerrilla mobilization — a feature that underpins our spatial identification strategy. Maoists held territory in 10 districts in 2000(out of 75), expanding to 22 by 2002 and 40 by 2005 (Bhattacharya, 2013).

[10] Political parties were banned, and power was centralized with the monarch between 1959 and 1990 (Thapa, 2017).

[11] The principal aims of the People's War, documented in the Maoist 40-point demand, were a constitution establishing a secular, federal, people's democracy, eliminating ethnic and gender-based discrimination, autonomy for Indigenous Janajatis, wealth redistribution, and greater regulation of foreign involvement (Hutt, 2004).

[12] Rolpa, Rukum, Gorkha, and Sindhuli.

By early 2003, roughly one-third of VDC offices across Nepal had been destroyed (Marks, 2003), prompting the state to declare the Maoists terrorists and deploy the Royal Nepal Army. The Army, responsible for over two-thirds of conflict-related deaths, purposely used irregular force deployment to avoid predictability (Gilligan et al., 2014). Political elites fled, but civilians generally remained due to limited Maoist civilian violence and unpredictable Army violence. Conflict-induced population displacement stayed under 1% (Gilligan et al., 2014).

The third phase was political rather than military. State repression and King Gyanendra's dissolution of the Parliament in 2005 alienated the established parties and boosted Maoist support. The Seven Party Alliance entered into an agreement with the Maoists, calling for peace and a Constituent Assembly to draft a new Constitution. Following a pro-Maoist people's march to Kathmandu, the King abdicated. The November 2006 Comprehensive Peace Accord ended the People's War – and, critically for our analysis, brought the Maoists into the formal post-war political process.

2.2 Maoist Rebel Governance: People's Governments

"It was essential to develop [People's Governments] that emphasize on developing a structure of local democratic state power from village area up to the level of [district] and plays an elementary role for the protection, development, and coordination of the local democratic state power." (Prachanda, 2002)

When police and elites fled Maoist-controlled territory, the Maoists initially lacked a plan for governance, leaving power in the hands of guerrilla forces (Marks, 2003). The Maoist leader Prachanda reflected the Maoists' commitment to a people's government by stating that military control of governance "is not a good thing. The guns should be led by the party; the guns should not lead the party" (Onesto, 2003, p. 97). In 1998, the Maoist Central Committee outlined a plan for village People's Governments — Maoist-led political institutions to oversee wartime governance (Ogura, 2008). By 2001, seven district People's Governments had been established (Tiwari, 2001), and Maoist leaders pledged to expand village and district People's Governments, elect their leaders, and increase representation of marginalized groups – Janajatis, Dalits, and women (United Revolutionary People's Council, 2001).

District People's Governments expanded contiguously outward from the four base districts (shown in Figure 2), with Maoists using existing administrative districts as their organizing

administrative unit – district boundaries almost exclusively follow geographic features such as rivers and mountain ridges. Expansion largely proceeded district-by-district as control was consolidated (Figure A2). Between 2001 and 2002, the Maoists expanded from 7 to 21 district People's Governments (Sharma, 2004). Elections were held within roughly a year of a district People's Government gaining stability, with elites barred from contesting (Sharma, 2004; Lawoti and Pahari, 2010). Representation of historically excluded groups was promoted through party mobilization, leadership cultivation, and direct appointment to leadership positions (Lawoti and Pahari, 2010); data from six district People's Governments confirm that ethnic representation reflected the local population (Appendix Figure A1).

People's Governments were formally tasked with service provision, internal policing and dispute resolution, tax collection, and fiscal oversight, and informally with citizen mobilization and cultural transformation (United Revolutionary People's Council, 2001). Services included education, health, agricultural extension, and infrastructure, with a mandate for equitable access (Sharma, 2004). As (Marks, 2003, p. 15) states "only in those core areas of longstanding insurgent presence did anything 'new' surface, though various people's governments and projects, in reality, were but efforts to make earlier forms more equitable and responsive." People's Governments also managed internal policing, with the goal of integrating youth into the Maoist cause before their deployment as frontline fighters. To raise fiscal resources, they took over large landholdings and established communal agriculture. Finally, People's Governments raised political awareness by engaging in cultural transformation, redesigning school curricula, organizing festivals, holding political rallies, and eradicating exclusionary cultural practices, such as a ban on inter-caste marriage (Subedi, 2013; Zharkevich, 2019; Ogura, 2008).

2.3 The Creation of the Nepali Federal Democratic Republic

Nine years after the Peace Accord, the 2015 Constitution made Nepal a federal democratic republic with elected national, provincial, and municipal administrations.[13] In direct alignment with Maoist demands, municipal governments became a locus of power and political inclusion. Led by mayors, they oversee schools, health facilities, social security, and infrastructure, with annual budgets ranging from $1.8-8 million in rural municipalities and up to $125 million in urban ones.[14] Maoists won 14% and 16% of mayoral seats in the 2017 and 2022 elections, respectively, in a majoritarian, first-past-the-post electoral system.

[13]Its seven provinces include districts (two were split) and newly created municipalities and wards.

[14]Municipalities also elect a deputy mayor; a party can nominate at most one man across mayor and deputy mayor, generating almost exclusively male mayors.

The transition brought a striking shift in who holds these offices. Figure 1 documents increasing and proportionate to population Janajati mayoral representation across both electoral cycles.[15] The figure compares the population caste distribution (translucent bars) with that of mayoral candidates (medium blue bars) and elected mayors (dark blue bars). In 2017, upper-caste BCNs remained overrepresented at the candidacy and election stages: 55% of candidates and 60% of elected mayors, against 37% of the population – while Janajatis and Dalits were correspondingly underrepresented. By 2022, Janajati representation among mayors had risen to (slightly above) its population share, largely at the expense of BCN representation. Dalit representation remained limited.

Importantly, these gains in representation did not come at an obvious cost of candidate quality.[16] Appendix Table A2 combines population data with two mayoral surveys to report the percentile rank of mayors' and their fathers' education relative to those within five-year age cohorts within the 2017 and 2022 population distributions.[17] Both BCN and Janajati mayors are very positively selected on education (Panel A). In 2017 and 2022, the average educational rank of Janajati mayors relative to the entire population was the 95th and 96th percentile, respectively, as compared to the 98th percentile for BCN mayors. Panel B further shows that BCN and Janajati mayors exhibit upward educational mobility relative to their fathers, though their fathers are also drawn from the right tail of the distribution. We now turn to examining how exposure to People's Governments — and the incorporation of Maoists into competitive democratic politics — shaped these patterns of Janajati representation, beginning with a description of our data.

3 Data

We assess the persistent impact of district People's Governments (hereafter PGs) on citizen political engagement and party dynamics during the 2017 local election, and trace impacts on electoral and state capacity outcomes across the 2017 and 2022 electoral cycles. Our analysis draws on an unusually rich combination of data sources: a nationally representative geocoded citizen survey, original data on party candidate selection committees including novel implicit bias measures, matched census-electoral records tracking political selection from aspiration through election, and administrative data on municipal capacity spanning

[15] Caste is identified via a name-to-caste prediction algorithm (see Appendix F for details)

[16] Bhusal et al. (2020) also report that the inclusion of Janajatis in 2017 occurred without a significant representation-ability trade-off for municipal politicians, ward chairs, and ward members. Furthermore, they demonstrate that this increased representation improved policy inclusion: Janajati mayors enabled quicker access to earthquake reconstruction transfers when rebuilding from the 2015 earthquake.

[17] Since father's age is not known, we impute an age that is 30 years older than their politician child.

nearly a decade. We organize our data description around two geographic samples (see Figure A2), and conclude by describing our PG exposure measure and caste classification.

3.1 Nepal-wide Data

Citizen Political Engagement The Nepal National Governance Survey (NNGS), a nationally representative geocoded post-election citizen survey conducted just after the 2017 elections, measures political knowledge, civic participation, partisan activity, and interactions with the state. Its geocoded design allows us to implement a spatial regression-discontinuity strategy comparing respondents on either side of People's Government district boundaries. Appendix C provides further details.

Elected Officials Nepal's Electoral Commission data provides names, party affiliation, and electoral outcomes for mayoral candidates in the 2017 and 2022 local elections. We supplement this with telephonic surveys conducted in March 2022 and 2024 to collect sociodemographic information on senior bureaucrats (chief administrative officers, or CAOs) and mayors from both electoral cycles, achieving response rates of 91% and 81% respectively.

Municipal Government Capacity and Fiscal Accountability We measure municipal state capacity through three complementary sources. Our surveys of elected officials and bureaucrats provide data on infrastructure-related procedures adopted by municipalities by the end of 2021 and 2024.[18] From the Ministry of Federal Affairs and General Administration (MoFAGA), we obtain Local Government Institutional Capacity Self-Assessment (LISA) annual scores from 2019 to 2023 for all 753 municipalities - a rich administrative dataset capturing institutional, administrative, fiscal, service delivery, and coordination capabilities across ten domains (see Appendix D for further details). Finally, the Ministry of Finance data from 2017 to 2024 provide annual federal grants to municipalities, and audit data from the Office of the Auditor General record unaccounted municipal funds as a proxy for potential corruption. Together, these sources allow us to track state capacity continuously across both electoral cycles.

3.2 Data for 11 Central Nepal districts

Population Census A partnership with Nepal's National Reconstruction Authority provided access to 2016 census microdata for eleven earthquake-affected districts in central

[18]Specifically, the proportion of the following committees and plans implemented: procurement committees, evaluation committees, thematic committees, maintenance committees, infrastructure plans, or an infrastructure database.

Nepal, covering 15% of Nepal's population. This microdata resource allows us to observe the full sociodemographic profile — education, income, assets, caste — of the population from which political aspirants, candidates, and representatives are drawn. Matching census records to party records of aspirants (described below) and Election Commission data on candidates and representatives using name and geographic identifiers yields a match rate of 53% for mayoral aspirants, 65% for mayoral candidates, and 64% for elected mayors, similar rates to existing work (Bamezai et al., 2023). Appendix E describes the matching procedure and provides balance checks (our analysis subsets to voting-eligible individuals in the census).

Party Data We focus on the three main parties, Maoists, Nepali Congress, and UML, which account for 98% of mayors in these districts (88% nationally). For each party, we collected lists of citizens who sought mayoral party tickets in the 2017 elections, and rosters of district selection committee members responsible for selecting mayoral candidates in these elections. These data allow us, to our knowledge for the first time in the literature on political selection in lower-income countries, to observe every stage of political selection — from citizen aspiration through party gatekeeping to electoral outcome — and to link each stage to individual sociodemographic characteristics from the census. We go further by directly surveying a sample of these gatekeepers in 2018.[19] The survey collected information on caste, party history, wartime experience, socioeconomic characteristics, and, crucially, via implicit association tests, each committee member's implicit bias towards Janajati leadership. This allows us to go beyond the composition of gatekeeping bodies to directly measure the attitudes that shape their decisions. In our analysis, we pool the two non-Maoist parties, which shared support for the 1990 Constitution and remained within the formal state until aligning with the Maoists at the war's end.

3.3 District People's Government and Caste Classification

Our exposure measure draws on Nepal's Ministry of Home Affairs, which in 2006 classified districts by Maoist and People's Government presence and risk for state police: sensitive class A (6 districts), B (9 districts), C (17 districts), and U (43 districts) – see Figure A2. Hatlebakk (2007) identifies this classification as the most reliable indicator for Maoist

[19]We surveyed a stratified random sample of 318 of these 441 district committee members in 2018. We sampled all committee members of the Nepali Congress and Maoist parties, but because UML party committees were substantially larger, we took a sample of UML committee members that were qualitatively comparable to members of the Nepali Congress and Maoist in terms of decision-making power. The survey achieved an 83% response rate, for a final sample of 264 respondents (see Appendix G for the sampling procedure and balance checks).

territorial control.

Following Hatlebakk (2007), we classify A and B districts as completely governed by People's Governments during the War (all localities under People's Governments), class C as partially governed by People's Governments (some localities), and class U as having no historic exposure to People's Governments.[20] For Nepal-wide analyses, we compare any-PG districts (A, B, or C) against unexposed districts (U). In analyses in the eleven earthquake-affected districts, we compare the six districts that had complete People's Government coverage – those classified as B – with the five districts with partial or no People's Government coverage – those classified as C or U.

We validate this classification using original VDC-level data on People's Governments obtained from Maoist party leaders for three districts. In both class B districts, all VDCs had People's Governments; in the class C district, 65% did.[21] Figure 2 shows that PG districts (dark grey) radiate outward from the original Maoist base districts (red), consistent with the Maoists' contiguous expansion strategy.

For caste classification, we use self-reported caste when available for all individuals in a dataset. Otherwise, we use a validated caste-to-name prediction algorithm, trained using census microdata (see Appendix F for details). We classify individuals into three caste groups: BCN (Brahmin, Chhetri, and Newar; upper castes), Janajati (indigenous groups), and Dalit (lower castes).

4 Did Exposure to Rebel Governance Impact Citizen and Party Behavior?

We combine PG exposure variation with citizen surveys, original party data, and novel implicit bias measures to trace how People's Governments reshaped political engagement and party institutions.

[20] The classification is documented in South Asia Terrorism Portal (2017) and available at `https://www.satp.org/satporgtp/countries/NEPAL/terroristoutfits/index.html`.

[21] These data are available in our replication package. Hatlebakk (2007) provides further anecdotal support, noting that "the C class even includes Lalitpur, which is part of the Kathmandu metropolitan area," suggesting that the official ranking may not reliably indicate Maoist control.

4.1 Citizen Engagement

People's Governments were established at the district level, with boundaries fixed in the 1950s. Crossing a district boundary thus changes in exposure to rebel institutions, while holding local geography and remoteness approximately constant - the basis for our spatial regression-discontinuity design. We merge geocoded NNGS survey data with our district-level "any PG" measure, comparing respondents on either side of any-PG and non-PG district borders.[22] We focus on border segments where respondents are present on both sides of the boundary, yielding 12 qualifying segments across 28 districts.[23] Our RD sample comprises 3,641 respondents within 35 kilometers of a qualifying district boundary (Figure 2).

We estimate weighted local regressions on either side of the border separately for BCN and Janajati respondents, using a common bandwidth for comparability (Anderson, 2018). Following Cattaneo et al. (2024), we estimate a first-order polynomial with a triangular kernel as:

$$\begin{aligned} \mathrm{Y}_{i,d}^{PG} &= \alpha_0^{PG} + \alpha_1^{PG} D_{i,d} + \alpha_2^{PG} \mathbf{X}_{i,d} + \varepsilon_{i,d}, \\ \mathrm{Y}_{i,d}^{G} &= \alpha_0^{G} + \alpha_1^{G} D_{i,d} + \alpha_2^{G} \mathbf{X}_{i,d} + \varepsilon_{i,d}, \end{aligned} \tag{1}$$

where $\mathrm{Y}_{i,d}$ is an outcome for individual i in district d, D_{id} is the Euclidean distance to the nearest point on the boundary border, and $\mathbf{X}_{i,d}$ includes respondent gender, age, and a high-conflict district indicator (defined as districts in the top quartile of war-related deaths).[24] We estimate models separately for respondents in any-PG (PG) and non-PG districts (G), and calculate the treatment effect as $\hat{\tau} = \hat{\alpha}_0^{PG} - \hat{\alpha}_0^{G}$. We report wild cluster bootstrapped p-values. Standard MSE-optimal bandwidth selectors can yield bandwidths that are too small when several nonlinear boundary estimates are pooled (Cattaneo et al., 2024, 2025). Our main specification uses a 35 km bandwidth (close to the largest two-dimensional MSE-optimal bandwidth), with robustness to 30 km and 25 km reported in Appendix Tables B4 and B5.

Findings Table 1 presents the results, and the pattern is striking: People's Governments produced large, significant gains in political knowledge and engagement exclusively among Janajatis, with no corresponding change — and often a slight negative effect — among

[22] As described in the data section, any-PG districts are defined as those with any degree of PG coverage. Of the 28 RD sample districts, 17 are control (non-PG), and 11 are treated (any PG).

[23] 11 out of 12 segments follow natural boundaries. Results are robust to excluding the one segment that does not follow a natural feature (see Table B6).

[24] See Appendix Table C1 for details on index construction.

upper-caste BCNs. We begin with political knowledge, including knowledge of the 2015 Constitution (column 1) and of party activities (column 2). In non-PG districts, Janajatis lagged BCNs by 20 percentage points in knowledge of the Constitution (50% vs. 70%) and by 14 percentage points in knowledge of party activities (42% vs. 56%). PG exposure increased Janajati constitutional awareness by 29 percentage points and party activity knowledge by 32 points, eliminating - and reversing- these knowledge gaps entirely (columns 1-2).

The effects extend to action: PG exposure raised Janajati political participation by 13 percentage points (closing a 10-point gap with BCNs), increased campaign involvement by 12 points, and raised trust in political parties by 25 points relative to a 31% baseline — a near-doubling (columns 3–5).[25] None of these effects is mirrored among BCNs. Effects on trust in local government are positive but imprecisely estimated, again with no corresponding change for BCNs (column 6).

Figure 3 presents the corresponding regression discontinuity plots. The visual evidence is compelling and closely mirrors the local polynomial estimates in Table 1: clear discontinuities at district borders for Janajati outcomes, with flat or negative gradients for BCNs.

Validity checks Our identification assumes no *selective exposure* to PGs at district borders. Appendix Tables B1 and B2 show no pre-war and wartime differences across PG and non-PG districts in the 1991 population size and female population share, the 2001 population size, Janajati population share, voting-age population share, and literacy rates, the 1992 local election vote shares and voter turnout, the 1997 local election vote shares and voter turnout,[26] 2001 forest cover, and war-related casualties throughout the entire conflict period. Appendix Table B3 further confirms no post-war discontinuities in ethnic composition, age, literacy, or international migration rates.[27]

Robustness Results are robust to using narrower bandwidths of 30 km and 25 km (Appendix Tables B4 and B5), when restricting to border segments that follow natural geographic features (Appendix Table B6), with border-segment fixed effects (Appendix Table B7), and when splitting the sample by eastern and western districts (Appendix Table B8 and Appendix Table B9),[28] and to excluding two districts with only BCN respondents (Appendix

[25]The participation index averages indicators of engagement in ethnic organizations, user groups, parent–teacher associations, and ward meetings. See Appendix Table C1 for details.

[26]Importantly, we observe no difference in vote shares for the SJM party, which was the political arm of the Maoist party prior to the People's War.

[27]A household has an international migrant if it has a member living abroad for over 6 months.

[28]Effects are more precise in the eastern sample due to larger sample sizes, the coefficient magnitudes are similar across subsamples.

Table B10).

4.2 Party Behavior

Political mobilization at the citizen level is only one part of the story. In Nepal's party-centered political system, who ultimately becomes a candidate depends on district-level committees that select mayoral candidates from a pool of aspirants – a process common to many low-income democracies. These gatekeepers are significantly insulated from direct voter pressure, making their composition and attitudes consequential for political inclusion. We ask two questions: did PG exposure change who sits on these committees? And did it change how committee members think about Janajati leadership? Since all districts in our party data sample experienced some wartime PG presence, this analysis compares districts with partial versus complete PG exposure.

A. Selection Committee Composition

Table 2 compares the sociodemographic and political characteristics of the voting-eligible population (column 1), district selection committee members (columns 2-3), and mayors elected in 2017 (columns 4-5). The first thing to note is how elite these committee members are. Household incomes and college completion rates among committee members far exceed population averages and are roughly double those of mayors - a pattern that holds across all parties, though Maoist members are somewhat less elite than their non-Maoist counterparts. Maoist and non-Maoist committee members diverge sharply in their political origins: Maoist committee members overwhelmingly entered party politics during the People's War, while non-Maoist committee members typically joined before it. The wartime experience left a concrete institutional imprint – 54% of Maoist committee members and 86% of Maoist elected mayors report wartime service in military or governance roles, and 37% of Maoist committee members and 57% of elected Maoist mayors held positions in People's Governments directly. Appendix Figure A1 confirms that Janajati leadership within People's Governments closely matched local population shares, providing the administrative experience and visibility within party networks that would translate into postwar roles.

The ethnic composition of committees reflects this history — but only partially. BCNs, who comprise 43% of the population, account for over 65% of committee members across all parties; Janajatis, Dalits, and women remain under-represented (Panel B of Table 2). Yet this skew is not uniform across districts. Figure 4 shows that moving from partial to complete PG exposure is associated with a 26 percentage point increase in Janajati committee

membership — decomposing to a 47 percentage point increase among Maoists and a 17 percentage point increase among non-Maoists ($p < 0.01$). Conditioned on district demographic composition and individual socioeconomic characteristics, these are substantively large shifts in the gatekeeping bodies that control who gets to run for office.

B. Implicit Leadership Bias

Committee composition matters, but so do the attitudes of the people who sit on them. A more Janajati committee may still harbor implicit preferences for upper-caste leadership — and these preferences, operating below conscious awareness, may shape candidate selection in ways that explicit attitudes do not capture. To measure this, we administer a computer-based Single-Attribute Implicit Association Test (SA-IAT) to committee members — to our knowledge the first application of implicit bias measurement to political gatekeepers in a developing country context (Greenwald et al., 2003; Karpinski and Steinman, 2006; Penke et al., 2006; Lowes et al., 2015; Carlana, 2019).

Our SA-IAT works by comparing response times across paired categorization tasks. Caste labels ("Brahmin" and "Janajati") are displayed on opposite sides of the screen, each mapped to a different response key.[29] The attribute "leader" is randomly assigned to share a response key with one caste group in the first round, then the other in a subsequent round. In each round, respondents classify stimuli – either surnames or leadership-related words – using the associated key. Bias is measured by comparing response times across the two rounds: faster responses when "leader" is paired with a given caste group indicate a stronger automatic association between that group and leadership.[30] The resulting D-score normalizes response-time difference, adjusted for errors: positive values indicate pro-BCN bias, negative values indicate pro-Janajati bias (see Appendix G for details). Appendix Figure A4 shows D-score distributions by party and caste: BCN committee members exhibit pro-Brahmin bias on average, particularly among Maoists, while Janajati members lean the other way.

We examine whether Janajati and BCN committee members differ in these automatic associations, and whether the gap varies with PG exposure. Our preferred specification estimates within-committee comparisons separately for Maoist and non-Maoist parties:

[29] We use "Tamang" (the largest Janajati caste) as the Janajati category label to match the single-caste structure of the Brahmin category.

[30] This single-attribute design is appropriate where no natural polar counterpart to "leadership" exists (Penke et al., 2006). An alternative is the single-target IAT, which pairs one target with two attributes (Lowes et al., 2015).

$$\begin{aligned} \text{IAT}_{i,p,d} =& \theta_0 + \theta_1 \mathbb{1}(\text{Janajati}_{i,p,d}) + \theta_2 \mathbb{1}(\text{Janajati}_{i,p,d}) \times \mathbb{1}(\text{Complete PG}_d) + \\ & \theta_3 \text{X}_{i,d} + \eta_{p,d} + \varepsilon_{i,p,d}, \end{aligned} \tag{2}$$

where $\text{IAT}_{i,p,d}$ is the standardized D-score for committee member i from party p in district d. $\mathbb{1}(\text{Janajati}_{i,p,d})$ is a Janajati indicator (we additionally control for other ethnicities, with BCN as the omitted category). $\mathbb{1}(\text{Complete PG}_d)$ equals one for complete PG districts. $X_{i,d}$ includes individual controls (gender, age, college education, and household income above 25,000 Rs.). $\eta_{p,d}$ denotes selection committee (i.e., party-by-district) fixed effects.[31] Accordingly, θ_1 is identified from within-committee comparisons, while θ_3 captures whether inter-caste differences vary across districts with complete versus partial PG exposure.

Table 3 reports the results, and two findings stand out. Within Maoist selection committees, Janajati members exhibit significantly and sizably lower D-scores than their BCN counterparts across all specifications (columns 1-3). The average BCN Maoist member scores 0.21, indicating an implicit association of leadership with Brahmins – while the regression-adjusted D-score for Maoist Janajati members is approximately zero in all specifications (columns 1-3), indicating no implicit preference for either group.[32] This is a meaningful difference: within the same committee, a member's caste predicts how automatically they associate political leadership with their own group. Among non-Maoist committees, by contrast, no such within-committee gap exists –both BCN and Janajati members score between 0.10-0.13 indicating mild pro-Brahmin bias (columns 5-7).[33]

A second finding concerns PG exposure. Among Maoist BCN members, D-scores are lower in complete PG districts than in partial PG districts (0.17 versus 0.28, column 4), though the difference is imprecise.[34] The interaction between Janajati membership and complete PG exposure is small and statistically insignificant. These patterns are consistent with contact theory – extended intergroup contact under conditions of equal status reducing implicit bias among dominant-group members (Beaman et al., 2009). No analogous pattern appears in non-Maoist committees (column 8).

Taken together, these results characterize a distinctive political environment in consolidated

[31] We include $\mathbb{1}(\text{Complete PG}_d)$ and its interaction with $X_{i,d}$ in specifications without committee fixed effects.

[32] Higher-bias Maoist committees are also less likely to nominate Janajati candidates, consistent with IAT scores predicting gatekeeping behavior. Results available on request.

[33] Appendix Table A4 considers explicit attitudes about Janajati leadership and finds no statistically significant association between ethnicity and explicit attitudes.

[34] This difference has a standard error of 0.1 (p-value = 0.26).

rebel governance areas. Janajatis are more politically engaged, more present in party gatekeeping institutions, and — within Maoist committees — evaluated by less biased gatekeepers. Whether these shifts in citizen mobilization and gatekeeper composition translated into inclusive candidate selection and electoral outcomes is the question we turn to next.

5 Rebel Governance and Political Selection

Local candidate selection in Nepal unfolds in three stages: citizens approach party committees to declare interest, district committees select candidates from this pool, and voters choose among candidates. Each transition is a potential site of exclusion — or inclusion. By observing all three stages in our 11 central districts, and linking party records to census microdata, we can trace exactly where Janajati representation is won or lost, and how this varies with PG exposure and party identity.

We compare individuals across caste groups within municipalities, controlling for observable characteristics and municipality fixed effects, so that identification comes from within-municipality differences among individuals facing the same electorate and party institutions. The specification, estimated separately for Maoist and non-Maoist parties, is:

$$\begin{aligned} \mathrm{Y}_{i,m,d} =& \beta_0 + \beta_1 \mathbb{1}(\text{Janajati})_{i,m,d} \\ &+ \beta_2(\text{Janajati}_{i,m,d} \times \text{Complete People's Government}_d) \\ &+ \beta_3 \mathrm{X}_{i,m,d} + \gamma_m + \varepsilon_{i,m,d} \end{aligned} \tag{3}$$

Y_{imd} is an indicator (scaled by 10,000) for whether individual i in municipality m and district d is, separately, an aspirant, candidate, or elected mayor. Janjati$_{imd}$ is an indicator for being Janajati (with BCN omitted as the reference category). Complete People's Government$_d$ equals one for districts in which all municipalities experienced PG rule during the war; districts with partial coverage are the omitted category. $X_{i,m,d}$ includes ethnicity indicators (Dalit and other caste groups), gender, education, household income (z-score), and pre-earthquake assets (z-score) - all also interacted with *Complete People's Government*. γ_m denotes municipality fixed effects, and $\varepsilon_{i,m,d}$ is an error term clustered at the municipality level. β_1 captures *within-municipality* ethnic differences in selection in partial-PG districts; β_2 captures how these differences vary with PG exposure.[35]

[35]Appendix E confirms that caste and PG status do not predict match status within party, allaying concerns that our results reflect differential matching rates across groups.

Table 4 reports the results; Figure 5 summarizes them via regression-adjusted Janajati-to-BCN success ratios, where a value of one denotes equal representation.[36] The picture that emerges is one of systematic exclusion in partially exposed districts — and a striking convergence toward parity in fully exposed ones.

Aspirations Even before parties make any decisions, Janajatis are underrepresented among those who step forward. In partial PG districts, Janajatis are under-represented among aspirants in both Maoist and non-Maoist parties (Columns 1–2). The Maoist Janajati-to-BCN ratio is 0.60, and just 0.41 among non-Maoists — meaning fewer than half as many Janajatis as BCNs seek non-Maoist nominations per capita.. Both gaps narrow meaningfully in complete-PG districts (0.75 and 0.68, respectively), with the largest gains among non-Maoist parties.

Party nominations The parties diverge sharply at the nomination stage (columns 3-4). The Maoists are consistently inclusive: they nominate Janajati and BCN aspirants at similar rates regardless of PG exposure, with a Janajati-to-BCN ratio of roughly 0.9 throughout. Non-Maoist parties tell a starkly different story. In partial-PG districts, they nominate Janajatis at barely half the rate of BCNs (ratio ≈ 0.5). In complete-PG districts, this gap nearly closes (ratio ≈ 0.95) – approaching the Maoist benchmark. The result is striking — in complete-PG districts, nomination ratios converge across parties and approach parity (see Figure 5).

Election Electoral outcomes in 2017 mirror and amplify the nomination patterns (columns 5-6). In partial-PG districts, BCNs are roughly twice as likely as Janajatis to win mayoral office across all parties. In complete-PG districts, this ratio reverses: Janajatis are twice as likely to win. The aggregate result is substantial: 35% of mayors in partial-PG districts were Janajati compared to 54% in complete-PG districts (see Appendix Table A6). These patterns persist and sharpen in the 2022 elections, suggesting that these results were not a transitional artifact of the first post-war election (columns 7-8).

Valence A final dimension worth noting is what selection selects for beyond ethnicity. Non-Maoist aspirants and candidates are positively selected on education, income, and assets (columns 2 and 4), while Maoist selection places less weight on these characteristics (only asset ownership is significant; columns 1 and 3). Maoist political selection was thus doubly distinctive: more ethnically inclusive and less skewed toward socioeconomic elites – a

[36]Success ratios are computed from Table 4 by adding the BCN mean per 10,000 to the Janajati coefficient and dividing by the BCN mean.

combination that reflects the movement's wartime commitments carried into democratic competition.[37]

Taken together, these findings reveal a broader shift in political equilibrium in districts with consolidated rebel governance. Non-Maoist parties adapt their nomination strategies in response to Janajati mobilization; the supply of Janajati aspirants grows; and the electoral playing field tilts towards parity. We now examine whether this more inclusive political equilibrium shaped the functioning and capacity of the local government these mayors lead.

6 Rebel Governance and Postwar State Capacity

Does inclusive political selection produce more capable governments? We now ask this question directly, returning to the all-Nepal sample to assess whether PG exposure left a lasting imprint on municipal administrative capacity nearly two decades after the People's War ended.

We estimate:

$$\mathrm{Y}_{m,d,t} = \beta_0 + \beta_1 \cdot \mathbb{1}(\text{Any PG})_d + \beta_2 \text{Pop. Jan. Share}_{m,d,2021} + \beta_3 \mathbf{X}_{m,d} + \theta_t + \nu_d, \qquad (4)$$

where $\mathrm{Y}_{m,d}$ is an outcome for municipality m in district d and year t, and $\mathbb{1}(\text{Any PG})_d$ equals one for municipalities in districts with any wartime PG presence (districts with no exposure to PGs are the omitted category). Controls include 2021 Janajati municipality population share (Pop. Jan. $\text{Share}_{m,d,2021}$), and 2021 log(total population) alongside wartime municipal controls for 2001 unemployment rate and average education (depicted by vector$\mathbf{X}_{m,d}$). θ_t are year fixed effects. Standard errors are clustered by district. Our core sample comprises municipalities along borders separating any-PG from non-PG districts; we also report results for the full national sample.

Findings Table 5 documents a broad and consistent legacy of rebel governance on local state capacity. Municipalities in PG districts outperform non-PG counterparts on nearly every dimension of local governance. Core management procedures – covering infrastructure procurement and planning – are 4 percentage points higher in any-PG than in non-PG

[37]Appendix Table A6 shows that these patterns hold up when we instead compare electoral outcomes across municipalities. On average, 35% of mayors in partial PG districts were Janajati while 54% of mayors in complete PG districts were Janajati (column 2). It also shows that the Maoist party won the 2017 mayoral seat in 13% of municipalities in partial PG districts but 20% of mayoral seats in complete PG districts (panel A, column 1). This gap is larger and statistically significant in the 2022 elections (see panel B, column 1).

districts, relative to a 66 percent baseline (column 1). Across LISA measures of physical infrastructure, service delivery, disaster management, and judicial execution, PG municipalities score 0.17 to 0.25 standard deviations higher (columns 2–5); intergovernmental coordination scores are also higher, though imprecisely estimated (Column 6). The fiscal picture reinforces this: PG municipalities received $203,130 more in conditional grants per year – a 13% premium over the $1.59 million baseline (column 7) – and display stronger fiscal discipline, with lower (albeit more noisily estimated) audit irregularities (column 7 and 9). Panel B shows that these results are larger and more precise in the national sample, where the gains reach 0.3 standard deviations across LISA dimensions.

The role of Maoist leadership These aggregate gains may partly reflect who governs in PG districts. To investigate, we use an event study design exploiting variation in whether a Maoist mayor was elected in 2022, examining impacts on LISA scores relative to a 2021 baseline.[38] Electing a Maoist mayor increased municipal LISA scores by 0.16-0.49 standard deviations relative to the 2021 baseline (Appendix Table A8), with parallel pre-trends supporting a causal interpretation (Appendix Figure A7).

Two further patterns are particularly telling. First, Appendix Table A8 shows that the magnitude of Maoist mayoral leadership closely matches the reduced-form PG exposure estimates in Table 5, suggesting that Maoist leadership is a plausible channel through which rebel governance translates into state capacity. Second, these gains are concentrated in PG districts (Appendix Tables A9 and A10), suggesting that Maoist leaders were most effective where their organization governed during wartime, pointing to the importance of institutional continuity between wartime and postwar governance.

Validity Our border design supports causal interpretation of the PG exposure estimates if municipalities on either side of historical district boundaries did not differ systematically in pre-war determinants of later capacity. We assess two threats to this empirical strategy.

The first is *selective exposure*: if Maoist expansion halted at borders that also separated districts with different pre-war administrative capacity, our estimates would capture pre-existing differences rather than the legacy of rebel governance. Panel B of Appendix Tables B1 and B2 shows no significant differences across PG and non-PG border municipalities in 1991 and 2001 population size and demographic composition (female, Janajati, and voting-age population shares), literacy rates, 1992 and 1997 election vote shares and turnout, forest

[38]LISA scores are available only from 2019 onward, allowing pre-trend tests for 2019–2021 prior to the 2022 election.

cover, or war-related casualties. The balance on literacy and voting age population share is particularly reassuring, since stronger pre-war district administration would most plausibly predict these outcomes.

The second threat is *selective migration*. If conflict displaced systematically different populations across the PG border, postwar capacity differences could reflect compositional rather than institutional change. Reassuringly, Appendix Table B3 shows that, in 2017, border municipalities were similar in population, ethnic composition, and international migration rates. We do find a small difference in conflict-induced migration, but the baseline level is low, limiting the scope for compositional bias.

Taken together, these checks provide substantial reassurance that the estimated gains in state capacity reflect the institutional legacy of wartime rebel governance rather than pre-war differences in administrative strength - a legacy that appears to operate, at least in part, through the Maoist leaders who engaged in these institutions and went on to govern in their wake.

Robustness: Table 5 results are robust to excluding original Maoist base districts (Appendix Table B11), to border-segment fixed effects (Appendix Table B12), and to subsetting to eastern or western districts (Appendix Table B13).[39]

7 Conclusion

Nepal's Maoist People's War ended in 2006 with a peace accord that dissolved the People's Governments and brought the Maoists into competitive democratic politics. Yet the institutions those governments built — and the leaders, networks, and civic capacities they created — left a measurable imprint that persists nearly two decades later: in who holds office, how parties select candidates across the political spectrum, and how capably local governments serve their citizens. That imprint extends well beyond the Maoist party itself, reshaping the behavior of rival parties, the composition of gatekeeping bodies they never controlled, and the administrative capacity of municipalities they may never have won.

This is the central finding of this paper: wartime rebel governance can durably reconfigure local political equilibria, not through the persistence of formal rebel institutions — Nepal's People's Governments were dissolved in 2007 — but through the leaders they cultivated,

[39]Estimates are noisier in the split sample due to reduced statistical power, but point estimates are consistent across subsamples.

the citizens they mobilized, and the competitive pressures they set in motion. The result, in Nepal's case, is a more inclusive and capable postwar state: more Janajati mayors, more inclusive nomination practices across all parties, and local governments that score 0.2–0.3 standard deviations higher on administrative capacity and attract 13% more in federal grants — without any evidence of weaker fiscal discipline.

This pattern of institutional deepening is consistent with how Maoist leaders articulated the goals of federalism. Maoist leadership argued that decentralization was a prerequisite for building a higher-capacity state. As Prachanda argued during the transition, federalism would replace a "paralyzed" unitary center by "bringing Singha Durbar [the seat of national power in Nepal] to every village," empowering local governments to serve as engines of development and governance (Communist Party of Nepal Maoist Centre, 2017). Our evidence suggests that this vision was partly realized through a combination of wartime institution-building and the postwar entry of Maoist leaders into democratic competition.

Revolutions impose enormous human and economic costs, and their institutional legacies range from decades of repression to lasting democratic consolidation. Nepal illustrates one specific pathway – and the conditions that made it possible. Rebel governance that deliberately mobilized excluded groups and cultivated new leaders, combined with a postwar settlement that brought rebels into competitive democratic politics on terms that reflected their demands, produced an equilibrium shift that two decades of subsequent elections have not reversed. These results are particularly striking given Nepal's profound social complexity. More broadly, they suggest that institutions forged during revolution can outlast the conflict itself, shaping whether democratic transitions lead to more inclusive, resilient, and effective states.

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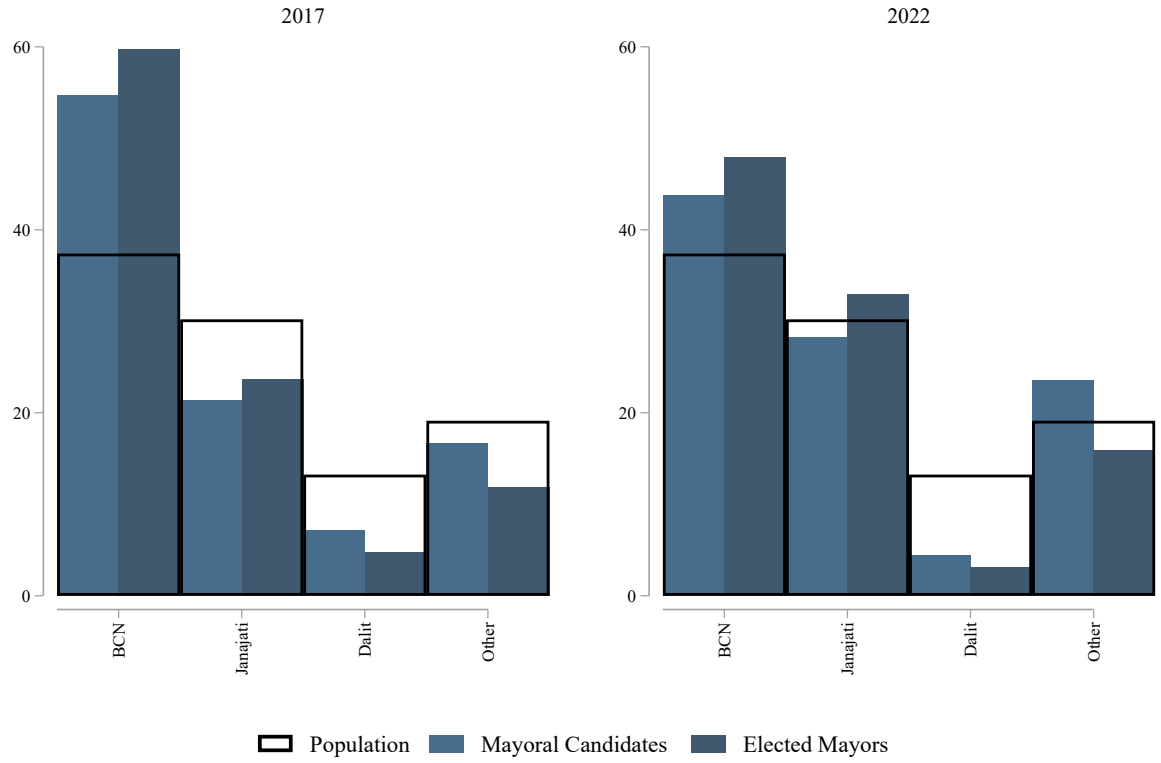
Figures

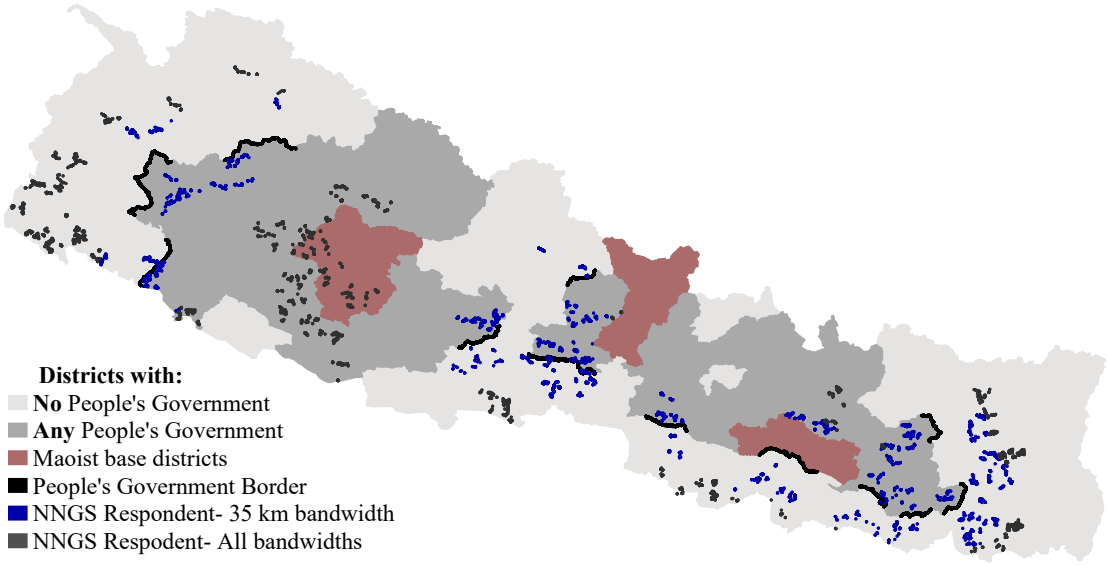
Figure 1: Caste Representation in Nepal's First Two Federal Democratic Elections



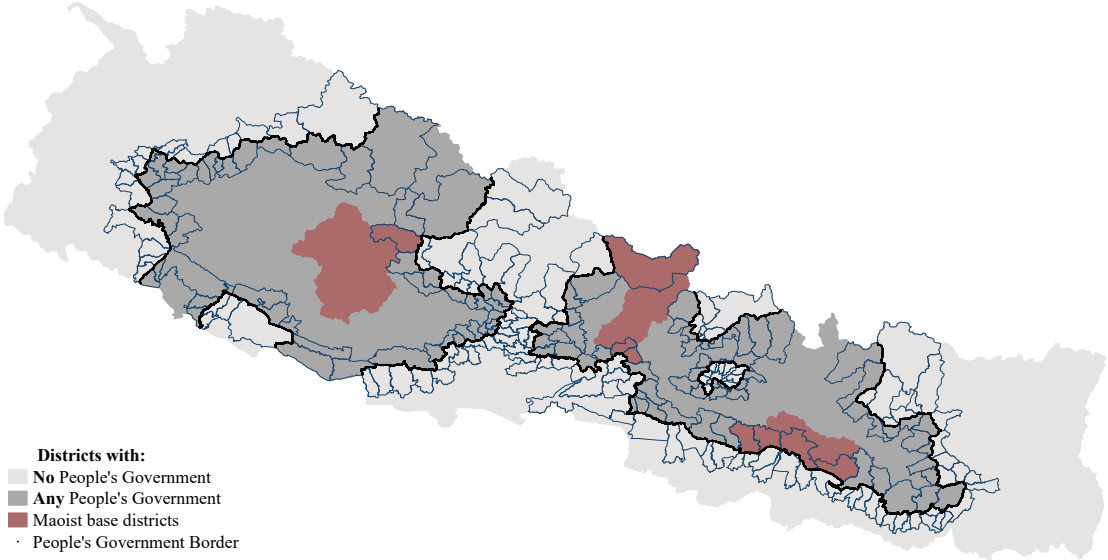
Notes: The figure reports the caste distribution of the population, of mayoral candidates, and of elected mayors in 2017 and 2022 across all of Nepal. Population data are from the 2011 census of Nepal; caste is defined by self-reports. Candidate and representative data are from election records; caste is defined by our prediction algorithm.

Figure 2: Maoist People's Governments and RD Samples

(a) NNGS survey respondents and People's Government Borders

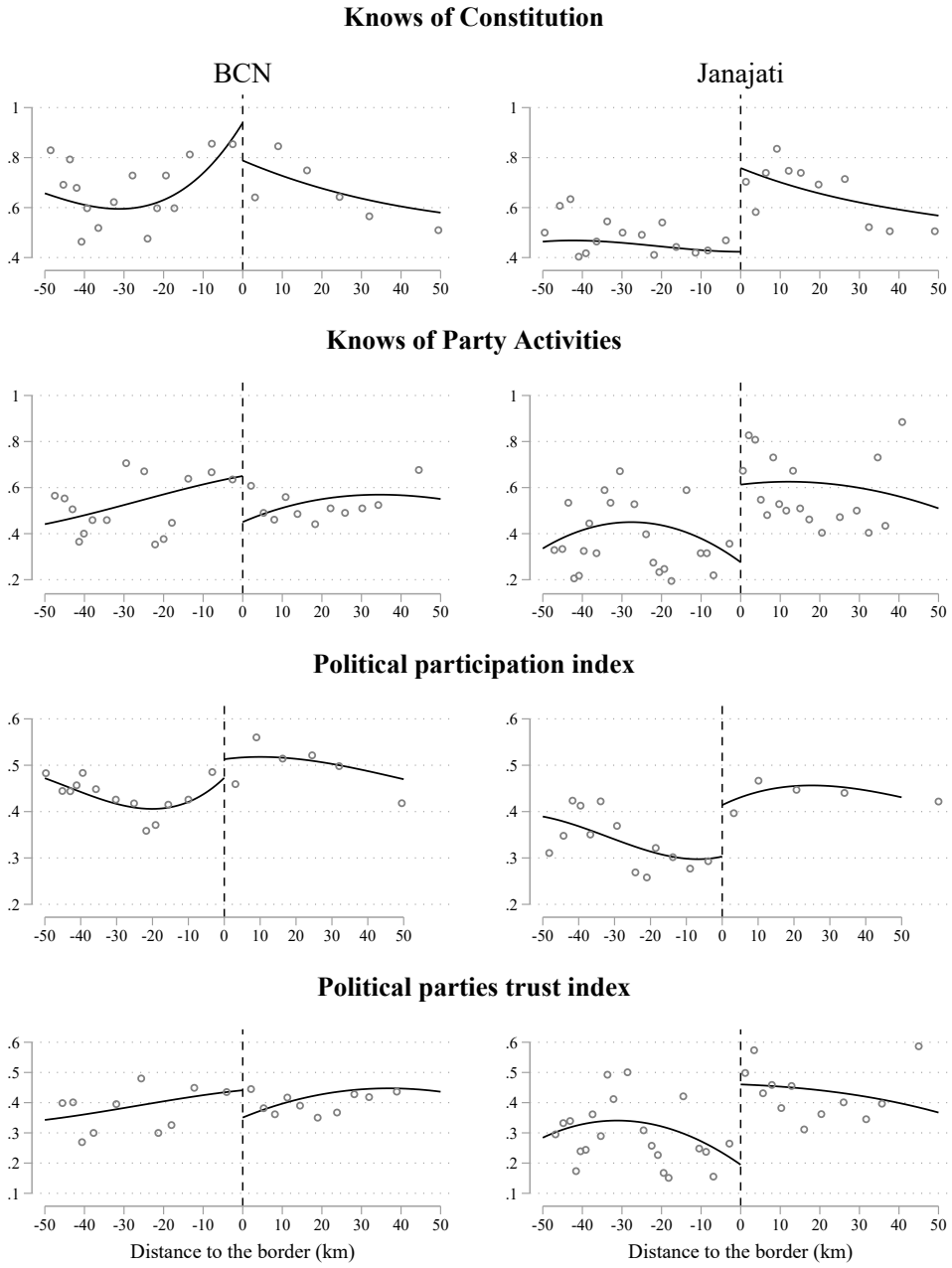


(b) Municipalities and People's Government Borders



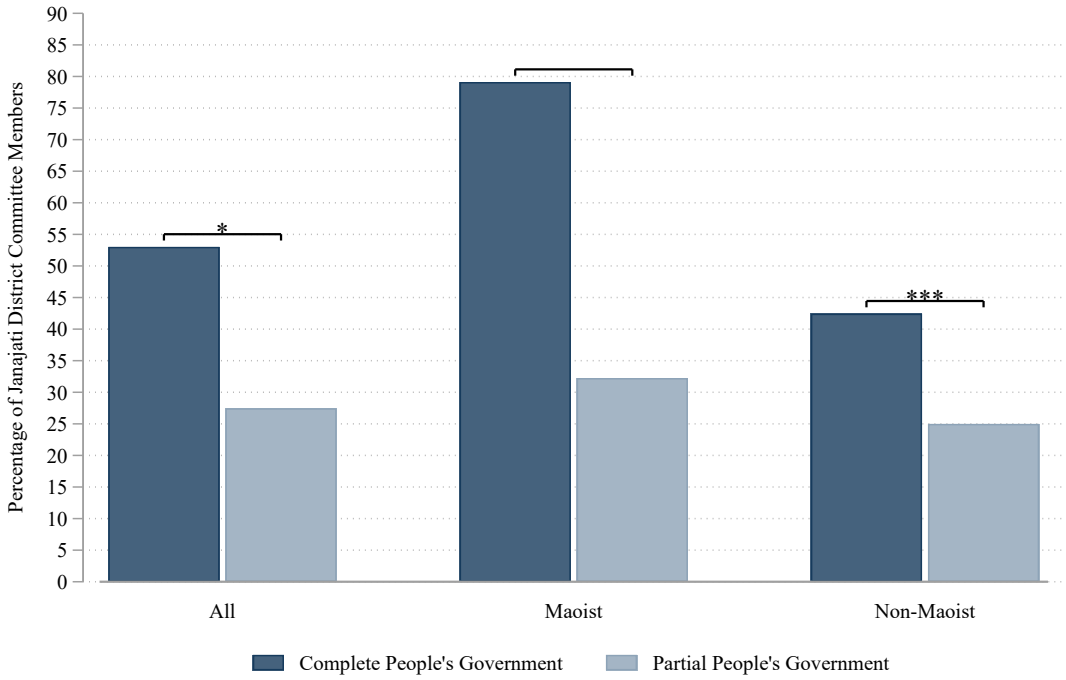
Notes: The figure shows the samples used in Table 1 (panel A) and Table 5 (panel B) with data on the district-level saturation of People's Governments denoted by fill color. We use the Nepali Home Ministry classification of districts and classify Class A, B, and C districts as districts with *Any People's Government* and Class U districts as districts with *No People's Government*. Data for respondents in panel A comes from the Nepal National Governance Survey conducted in 2017.

Figure 3: Regression Discontinuity Plots for Political Knowledge and Mobilization



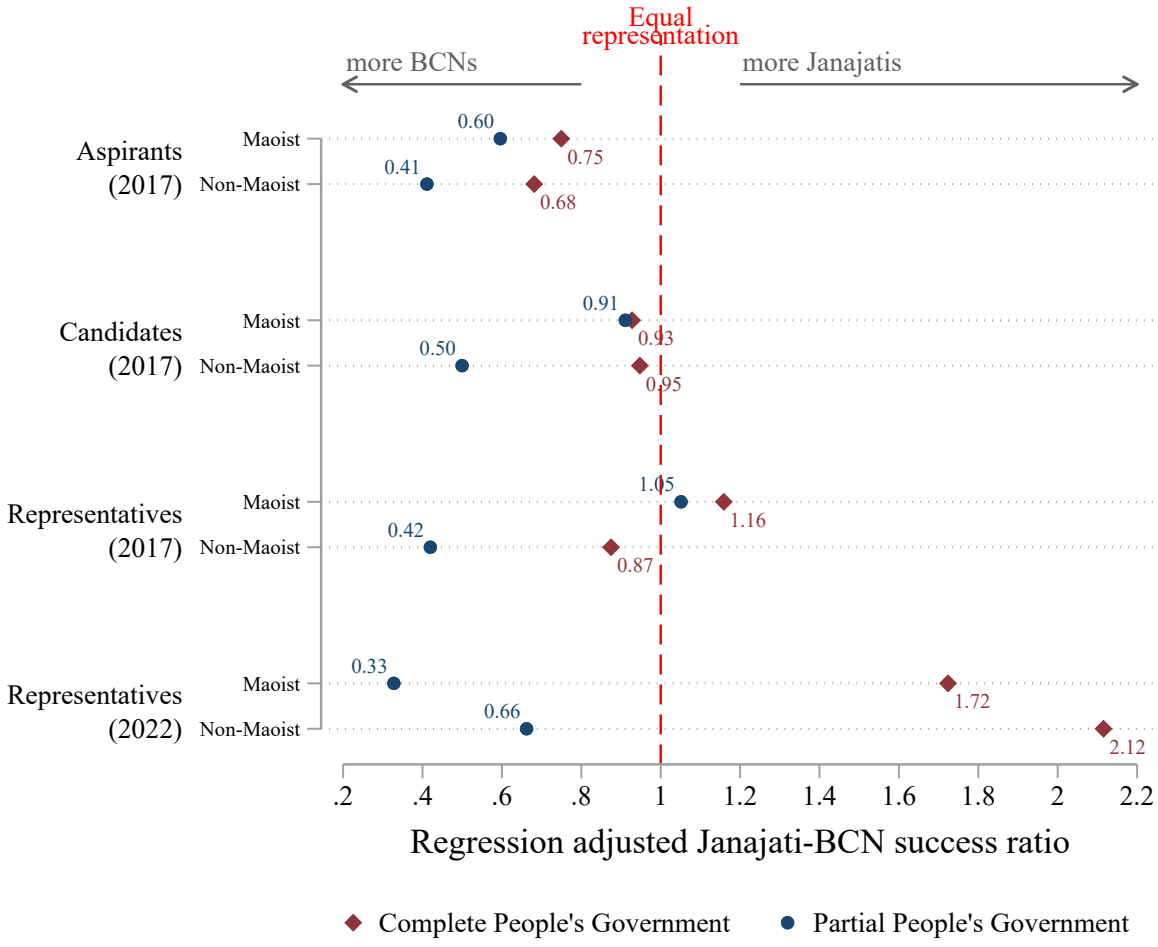
Notes: Figures show the regression discontinuity plots for outcomes in columns 1,2,3, and 5 of Table 1. Distance to the nearest People's Government border is on the x-axis, and values of corresponding measures of political knowledge, participation, and trust in political institutions are on the y-axis. Positive values of distance correspond to *Any People's Government* districts where some or all municipalities during the People's War were governed by Maoist People's Governments. The scatterplot shows the mean of the outcome for quantile-spaced distance bins selected using the Integrated Mean Squared Error optimal method. The function shows the third-degree polynomial fit on a scatterplot of the raw (non-binned) data estimated separately on either side of the People's Government border. Data are from the Nepal National Governance Survey (NNGS) conducted in 2017. Information on the construction of dependent variables is in Appendix C. Caste is measured through self-reports in the NNGS.

Figure 4: People's Government and regression-adjusted shares of Janajatis in District Selection Committees



Notes: $* < 0.1$, $** < 0.05$, $*** < 0.01$. The Figure plots the raw means of the share of Janajatis in district selection committees in districts with histories of partial People's Governments alongside the regression-adjusted means in districts with histories of complete People's Governments. The regression uses the sample of district committee members in the 11 central census districts (N = 90 for Maoists and 164 for non-Maoists) and, in addition to People's Government exposure, controls for district-level log(Janajati population), log(Total population), average education, average income, and average asset z-score in 2017 as well as individual-level indicators for having a bachelor's degree, earning $> 25,000$ NPR, and being female. Caste is measured through self-reports in our committee member survey. Stars correspond to wild-cluster bootstrap p-values from 9,999 wild-cluster bootstrap replications clustered at the district-level. Table A3 presents corresponding regression table with district-clustered standard errors.

Figure 5: Predicted Janajati-BCN Success Ratios from Table 4



Notes: The figure shows the estimated, regression-adjusted BCN-Janajati success ratios from Table 4. A value of one indicates equal BCN/Janajati representation. Values between 0 and 1 indicate relatively more BCN representation. Values over 1 indicate relatively more Janajati representation. Caste is defined from direct self-reports in the census for both politicians and the population.

Tables

Table 1: The Impact of Maoist People's Governments on Political Mobilization

	Knows of Constitution	Knows of party activities	Political participation index	Participated in campaigns	Political parties trust index	Local government trust index	Health & Education index	Approach police in emergencies
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Panel A: Janajati Respondents								
Any People's Government	0.29***	0.32***	0.13*	0.12***	0.25***	0.10	0.03	-0.19
	(0.08)	(0.08)	(0.06)	(0.04)	(0.07)	(0.08)	(0.03)	(0.10)
	{p: 0.00}	{p: 0.00}	{p: 0.08}	{p: 0.01}	{p: 0.00}	{p: 0.32}	{p: 0.44}	{p: 0.12}
$\hat{\mu}_{\text{No People's Government}}$	.5	.42	.34	.32	.31	.79	.96	.75
# Observations	1,913	1,913	1,913	1,913	1,913	1,913	1,913	1,913
# Districts	25	25	25	25	25	25	25	25
R-squared	.19	.17	.18	.092	.12	.041	.017	.062
Panel B: BCN Respondents								
Any People's Government	-0.04	-0.09	0.04	0.12	-0.03	0.00	0.03	-0.22**
	(0.07)	(0.10)	(0.05)	(0.05)	(0.07)	(0.03)	(0.03)	(0.08)
	{p: 0.61}	{p: 0.45}	{p: 0.49}	{p: 0.12}	{p: 0.70}	{p: 0.96}	{p: 0.35}	{p: 0.04}
$\hat{\mu}_{\text{BCN, No People's Government}}$	.7	.56	.42	.38	.4	.82	.97	.79
$H_0 : \hat{\mu}_{\text{BCN, PG}} = \hat{\mu}_{\text{Jan, PG}}$ (p-value)	.63	.58	.3	.037	.66	.69	.97	.96
$H_0 : \hat{\mu}_{\text{BCN, No PG}} = \hat{\mu}_{\text{Jan, No PG}}$ (p-value)	.038	0	.003	.06	0	.5	.73	.61
# Observations	1,728	1,728	1,728	1,728	1,728	1,728	1,728	1,728
# Districts	27	27	27	27	27	27	27	27
R-squared	.16	.088	.16	.08	.062	.021	.029	.077

Notes: $*<0.1$, $**<0.05$, $***<0.01$. The table presents the results of estimating specification 1 for the sample of survey respondents from the 2017 Nepal National Governance Survey (NNGS) who resided within 35 km of a border between *No People's Government* and *Any People's Government* districts. Panel A subsets to Janajati respondents and Panel B subsets to BCN respondents, with caste as reported in NNGS. Omitted controls include a linear trend in distance from the respondent's residence to the nearest People's Government district boundary, the interaction between distance and *Any People's Government*, an indicator of whether the district was in the top 25% of the distribution of conflict-related deaths, age, and gender. Standard errors clustered by district are in parentheses, and p-values from 9999 wild cluster bootstrap replications are in curly brackets. Stars correspond to wild-cluster bootstrap p-values.

Table 2: A Comparison of Party Selection Committee Members to Voters and Mayors

	Population	District committee members		Mayor	
	Mean	Maoist Mean	Non-Maoist Difference	Maoist Mean	Non-Maoist Difference
	(1)	(2)	(3)	(4)	(5)
Panel A: Census and committee member surveys					
Age	39.39	43.57	5.34***	47.39	2.42
			(1.01)		(2.00)
HH Income (Rs)	12563.73	34772.73	8560.61***	19565.22	4796.48
			(1748.46)		(3562.38)
College Educated	0.03	0.29	0.21***	0.26	-0.03
			(0.06)		(0.11)
Years in party		21.37	5.56***	25.14	3.38
			(1.01)		(2.10)
Joined Party before People's War		0.29	0.43***	0.67	0.12
			(0.06)		(0.12)
Joined Party during People's War		0.62	-0.40***	0.29	-0.12
			(0.06)		(0.11)
Joined Party after People's War		0.08	-0.04	0.05	0.00
			(0.03)		(0.06)
Served in People's Liberation Army		0.38		0.71	
Served in People's Government or courts		0.37		0.57	
Served in Any: People's Army/Government/Courts		0.54		0.86	
N	2562008	95	264	23	70
Panel B: Census, candidate and committee list					
Caste: BCN	0.43	0.66	0.03	0.44	0.10
			(0.05)		(0.10)
Caste: Janajati	0.48	0.31	-0.02	0.56	-0.10
			(0.05)		(0.10)
Caste: Dalits	0.08	0.03	-0.01	0.00	0.00
			(0.02)		(0.00)
Female	0.50	0.12	0.01	0.06	-0.03
			(0.04)		(0.04)
N	2562008	120	441	36	110

Notes:$* < 0.1$, $** < 0.05$, $*** < 0.01$. Standard errors from t-tests are in parentheses. Population data come from the 2017 population census of 11 central districts. District committee member data come from the survey of party committee members (panel A) and the complete administrative list of committee members (panel B) in 11 central districts. Data on elected mayors come from the matched electoral to population census data (panel A), our survey of mayors (panel A), and the complete administrative list of mayors from electoral data (panel B). HH Income is reported as five categories converted to one among NRs 5000, 15000, 25000, 35000, and 60000. Caste for the population is defined directly from the census data. In panel A, caste for district committee members and mayors is defined by self-reports from the committee member survey and the census, respectively. Caste for district committee members and mayors in Panel B is defined using our prediction algorithm

Table 3: Leadership Bias of District Selection Committee Members

	IAT Score							
	Maoist				Non-Maoist			
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Janajati Member	-0.21***	-0.22***	-0.16*	-0.14	-0.05	-0.06	-0.03	-0.09
	(0.07)	(0.08)	(0.09)	(0.22)	(0.06)	(0.06)	(0.06)	(0.11)
Janajati Member X Complete People's Government				-0.01				0.08
				(0.25)				(0.14)
Controls	No	Yes	Yes	Yes	No	Yes	Yes	Yes
Committee Fixed Effects	No	No	Yes	Yes	No	No	Yes	Yes
$\hat{\mu}_{\text{BCN Member}}$	.21	.21	.21		.13	.13	.13	
$\hat{\mu}_{\text{BCN, Partial People's Government}}$				.28				.13
$\hat{\mu}_{\text{BCN, Complete People's Government}}$				.17				.13
β_{Janajati} same across parties (p-value)					.094	.11	.31	.31
$\beta_{\text{Janajati}} + \beta_{\text{Janajati X Complete PG}}$				-.15				-.01
# Observations	86	86	86	86	143	143	143	143
R-squared	.081	.14	.17	.28	.0045	.06	.17	.21

Notes: $* < 0.1$, $** < 0.05$, $*** < 0.01$. The table presents the results of estimating specification 2 for the sample of BCN and Janajati district committee members in the 11 central districts who completed the IAT in our committee member survey. IAT scores are the D-scores from a single-attribute IAT categorizing Janajati and BCN names with words associated with leadership. Omitted controls include indicators for gender, for being college-educated, for any person residing in a household with income greater than 25,000 Nepali Rupees, and for missing income. Caste is measured directly through the committee member survey. Robust standard errors are reported in parentheses.

Table 4: Mayoral Candidate Selection by Party and Presence of Rebel Governance Institutions

	2017						2022	
	Aspirants (× 10,000)		Candidates (× 10,000)		Representatives (× 10,000)		Representatives (× 10,000)	
	Maoist	Non-Maoist	Maoist	Non-Maoist	Maoist	Non-Maoist	Maoist	Non-Maoist
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Janajati	-0.31*	-3.04***	-0.03	-1.43***	0.00	-0.27**	-0.05	-0.15
	(0.18)	(0.57)	(0.12)	(0.34)	(0.05)	(0.11)	(0.07)	(0.14)
Janajati X Complete People's Government	0.18	2.10***	0.01	1.33***	0.01	0.23	0.12	0.35**
	(0.22)	(0.67)	(0.16)	(0.42)	(0.08)	(0.14)	(0.09)	(0.17)
College Educated	0.94	10.03***	0.84	5.27***	-0.04	0.37	-0.08*	0.60
	(0.78)	(3.43)	(0.64)	(1.77)	(0.04)	(0.53)	(0.05)	(0.52)
College Educated X Complete People's Government	0.36	-2.27	-0.45	-0.57	0.15	1.80**	0.70*	0.48
	(1.01)	(3.66)	(0.75)	(2.04)	(0.20)	(0.82)	(0.37)	(0.73)
Income Higher than 25,000 NPR	0.01	2.29***	-0.03	1.34***	0.04	0.34*	0.10	0.14
	(0.26)	(0.68)	(0.16)	(0.46)	(0.06)	(0.20)	(0.09)	(0.14)
Income Higher than 25,000 NPR X Complete People's Government	0.62*	-1.35*	0.54**	-0.74	0.13	0.03	0.10	-0.04
	(0.32)	(0.79)	(0.22)	(0.56)	(0.11)	(0.25)	(0.13)	(0.17)
Asset Index	0.19*	1.37***	0.17**	0.96***	0.00	0.20**	-0.01	0.28***
	(0.10)	(0.46)	(0.09)	(0.33)	(0.01)	(0.09)	(0.01)	(0.10)
Asset Index X Complete People's Government	-0.19	-0.25	-0.13	-0.18	0.01	-0.03	0.04	-0.12
	(0.13)	(0.51)	(0.10)	(0.38)	(0.03)	(0.13)	(0.05)	(0.13)
Municipality FE	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
$H_0 : \beta_{\text{Janajati}} + \beta_{\text{Janajati X Complete PG}} = 0$ (p-value)	.29	.008	.84	.71	.88	.66	.2	.03
$\hat{\mu}_{\text{BCN, Partial People's Government}}$	.77	5.2	.31	2.8	.048	.46	.072	.46
$\hat{\mu}_{\text{BCN, Complete People's Government}}$	.52	3	.27	1.7	.059	.31	.1	.18
Janjati: BCN success ratio (Partial PG)	.6	.41	.91	.5	1.1	.42	.33	.66
Janjati: BCN success ratio (Complete PG)	.75	.68	.93	.95	1.2	.87	1.7	2.1
# Observations	2551499	2551499	2551499	2551499	2551499	2551499	2551499	2551499
# Municipalities	110	110	110	110	110	110	110	110
R-squared	.00012	.00062	.000073	.00036	.000063	.00015	.000073	.00011

Notes: $* < 0.1$, $** < 0.05$, $*** < 0.01$. The table presents the results of estimating specification 3 on the sample of voting-age individuals in the 11 central districts. Data on aspirants are from administrative party records. Data on candidates and representatives are from the Election Commission. $\hat{mu}_{BCN}$ [$\hat{mu}_{Janajati}$] corresponds to the number of BCNs out of every 10,000 citizens who are mayoral aspirants, candidates, and elected representatives. High income is an indicator equal to one for any person residing in a household with income greater than 25,000 Nepali Rupees. Asset index is a z-score created by standardizing the first component from a Principal Component Analysis of 42 measures of household assets recorded in the census data. Omitted controls include municipality fixed effects, indicators for being Dalit and being from any other non-BCN caste (such that the excluded caste group is BCN), and their interaction with *Complete People's Government*. Caste is defined from direct self-reports in the census for both politicians and the population. Standard errors clustered at the municipality level are reported in parentheses.

Table 5: The Impact of Maoist People's Governments on Municipal Capacity and Fiscal Accountability

	LGS Survey	LISA Scores					Fiscal Transfers and Audit		
	Infrastructure Management Procedures	Physical Infrastructure	Service Delivery	Disaster Management	Judicial Execution	Coordination With Government	Conditional Grants	Total Expenditure	Unaccounted Percentage
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Panel A: Border municipalities									
Any People's Government	0.04*	0.23**	0.17*	0.25**	0.19*	0.11	203.13**	332.29	-0.22
	(0.02)	(0.10)	(0.09)	(0.10)	(0.11)	(0.13)	(80.57)	(245.65)	(0.27)
Year FE	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
$\hat{\mu}_{\text{No People's Government}}$	.66	0	0	0	0	0	1,592	5,171	3.2
# Observations	390	1,028	1,028	1,028	1,028	1,028	1,717	1,702	1,718
# Districts	55	55	55	55	55	55	55	55	55
# Years	2	5	5	5	5	5	8	8	8
R-squared	.075	.096	.045	.12	.073	.07	.61	.65	.11
Panel B: All municipalities									
Any People's Government	0.04***	0.33***	0.29***	0.36***	0.33***	0.36***	267.70***	561.86***	-0.98***
	(0.01)	(0.07)	(0.07)	(0.07)	(0.08)	(0.10)	(42.11)	(138.59)	(0.29)
Year FE	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
$\hat{\mu}_{\text{No People's Government}}$	.65	0	0	0	0	0	1,396	4,407	4.3
# Observations	1,383	3,438	3,438	3,438	3,438	3,438	5,870	5,800	5,840
# Districts	77	77	77	77	77	77	77	77	77
# Years	2	5	5	5	5	5	8	8	8
R-squared	.06	.12	.075	.11	.13	.096	.67	.7	.16

Notes: $* < 0.1$, $** < 0.05$, $*** < 0.01$. The table presents the results of estimating specification 4 on the sample of all municipalities along the border between *No People's Government* and *Any People's Government* districts (panel A) and all municipalities across Nepal (panel B). Data are from two rounds of elected official surveys (2021 and 2024), LISA scores (2019-2023), intergovernmental fiscal transfers dataset (2017-2024), and audit data (2017-2024). *Infrastructure Management Procedures* is the proportion of 6 total processes related to infrastructure procurement, planning, and database development that have been adopted by the municipality. All LISA scores are standardized z-scores (with respect to the control group mean) of LISA scores published by the Ministry of Federal Affairs and General Affairs on the respective categories. *Unaccounted Percentage* refers to the percentage of total municipal funds that could not be accounted for during the audit process. Omitted controls include year fixed effects, the municipality's average years of education in 2001, the 2001 unemployment rate, and log(2021 population).

Appendix for "From People's War to People's Rule: Rebel Governance and the Foundations of Inclusive Democracy"

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Government of Nepal

Michael Callen
London School of Economics

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Contents

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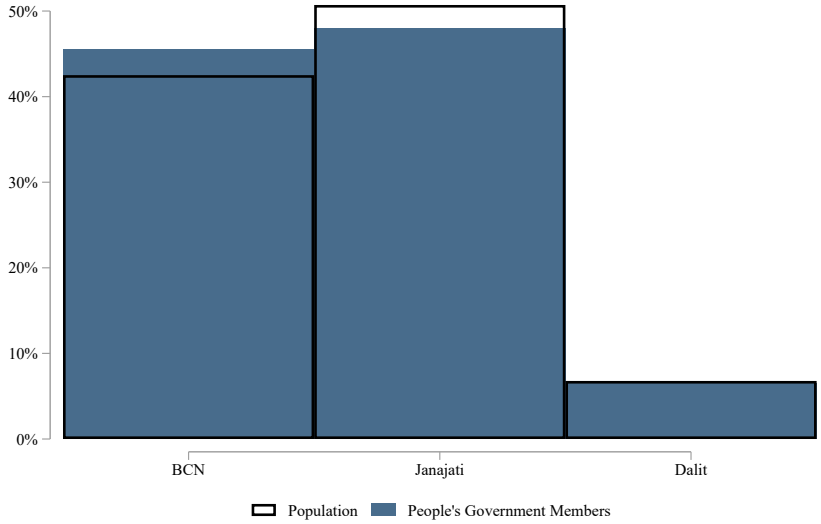
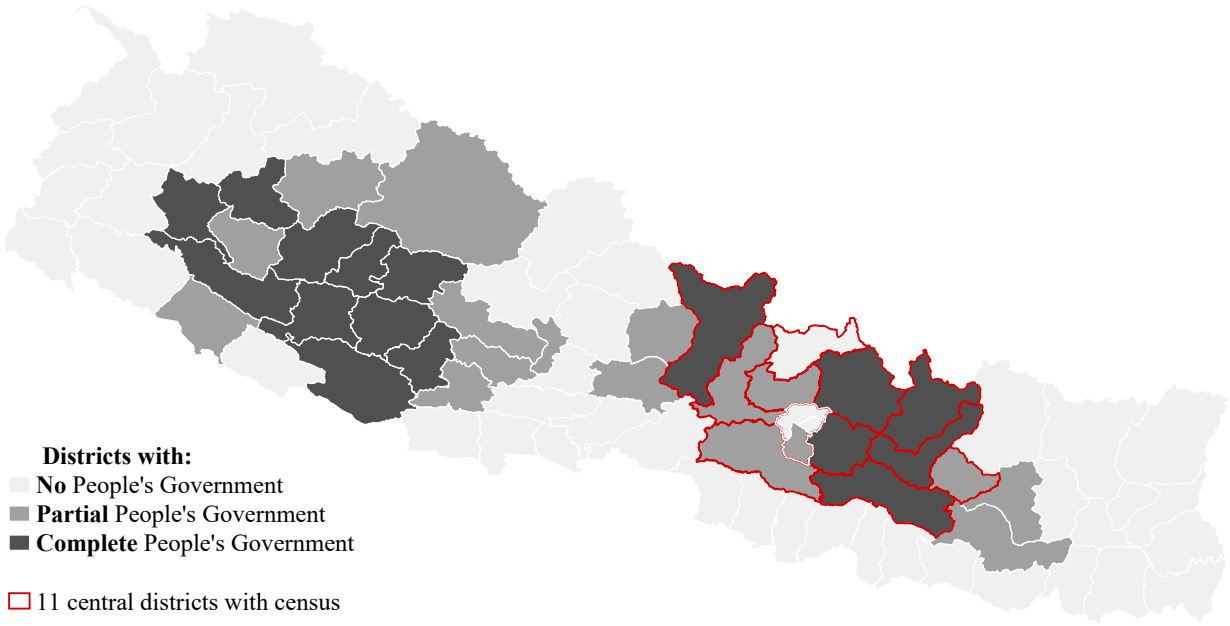
A Appendix Figures and Tables

Figure A1: Caste Representation in Maoist People's Governments



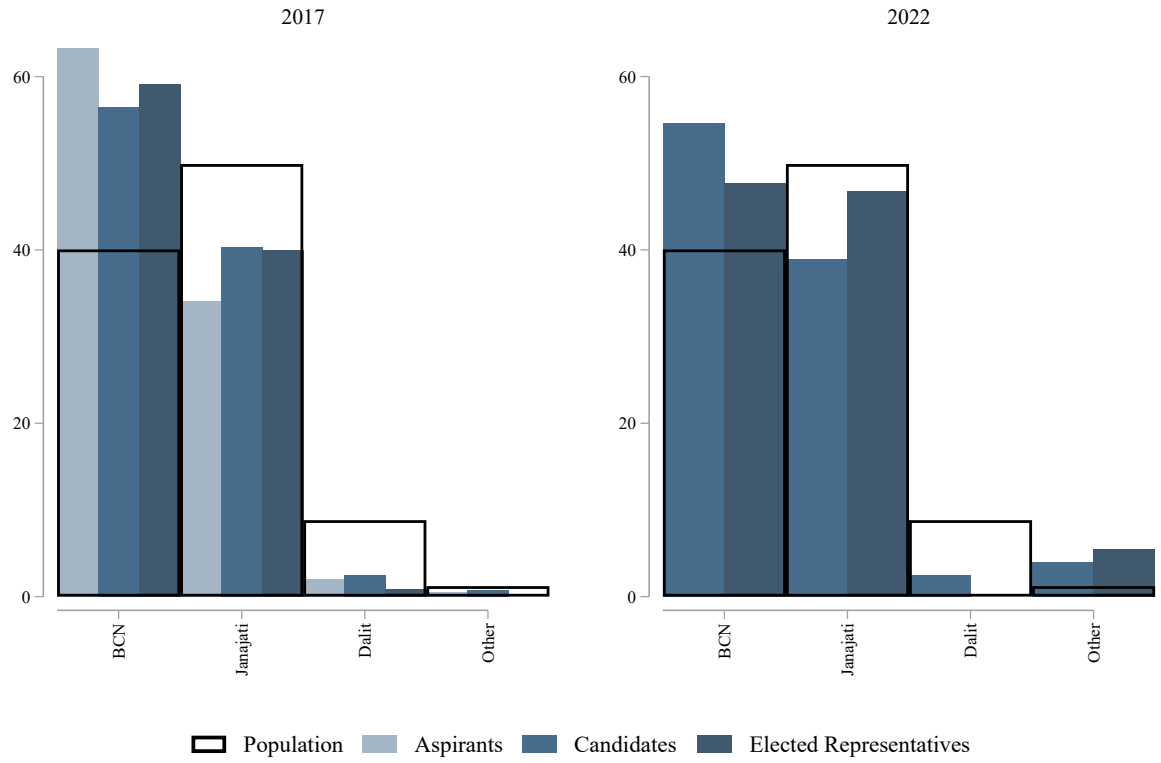
Notes: The figure shows the caste distribution for members of district-level People's Governments in six districts and VDC-level People's Governments in two districts (calculated from lists provided by the Maoist party) relative to the population. Population caste data are from the 2011 population census. The caste of people's government members is determined by our caste prediction algorithm.

Figure A2: Summary of Spatial Coverage of Main Datasets



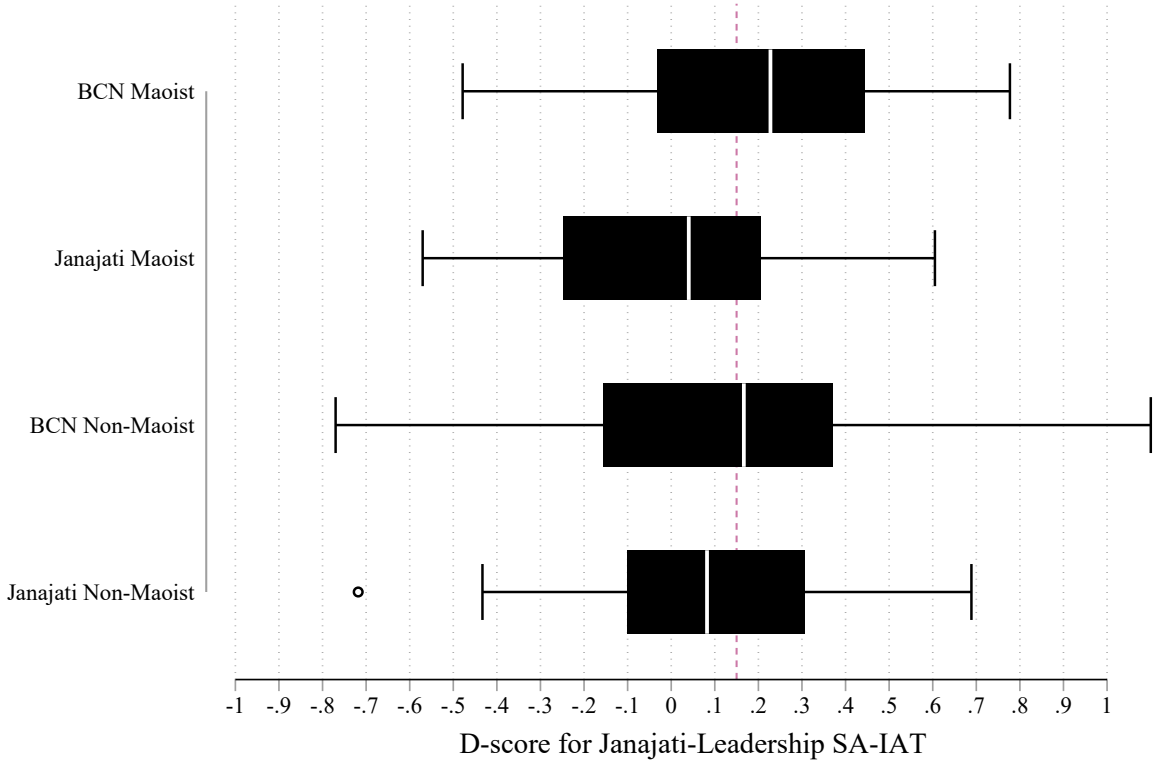
Notes: The figure summarizes the spatial coverage of the main datasets, including (1) district-level saturation of People's Governments denoted by fill color, (2) districts included in the earthquake census denoted with solid red lines.

Figure A3: Caste Representation in Nepal's First Two Federal Democratic Elections (Eleven central census districts)



Notes: The figure reports the caste distribution of the population alongside that of candidates and representatives for mayoral positions in 2017 and 2022. Population data are from the 2011 census of Nepal. Candidate and representative data are from the Election Commission. Data on aspirants are from administrative party records. Caste is defined by our caste prediction algorithm.

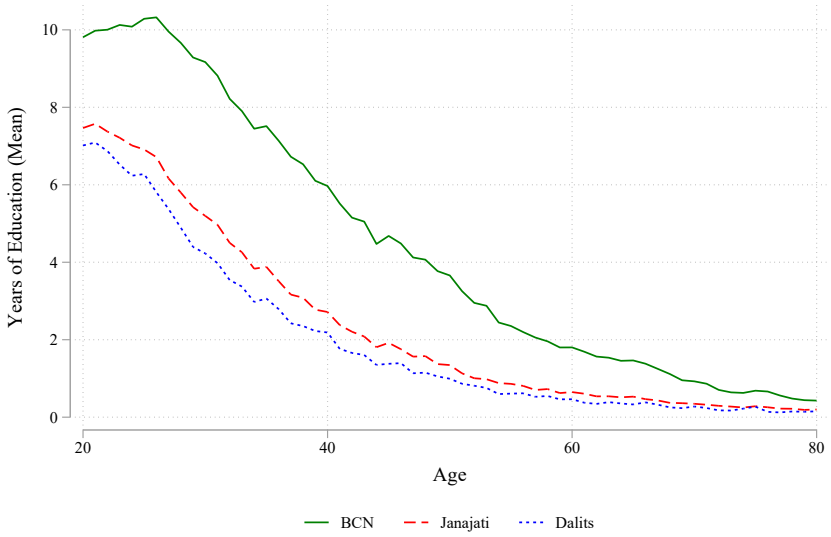
Figure A4: Distribution of IAT D-Scores by Party and Committee Member Caste



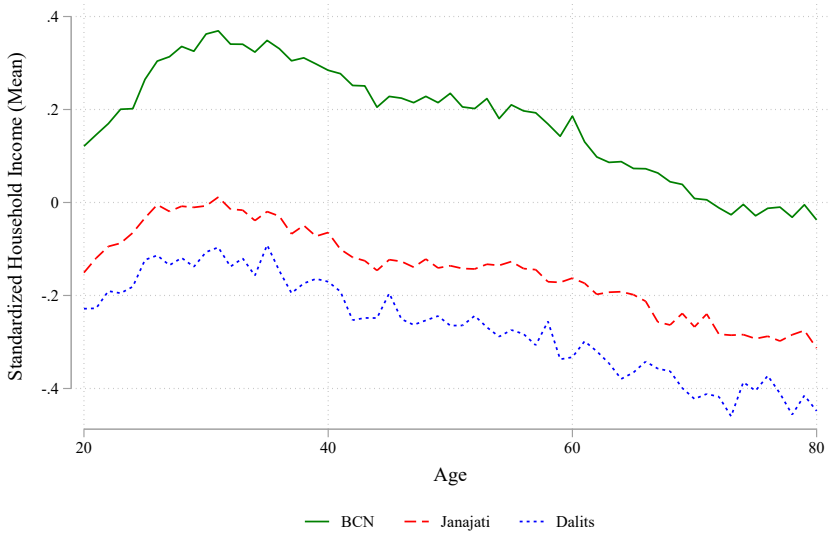
Notes: The figure shows the distribution of IAT scores for Maoist and Non-Maoist district committee members by caste. IAT scores are the D-scores from a single-attribute IAT categorizing Janajati and BCN names with words associated with leadership. Positive values indicate higher implicit leadership bias in favor of BCNs. The red line at 0.15 denotes the standard threshold for slight bias in the psychology literature.

Figure A5: Education and Income Inequality by Caste Over Time

(a) Education

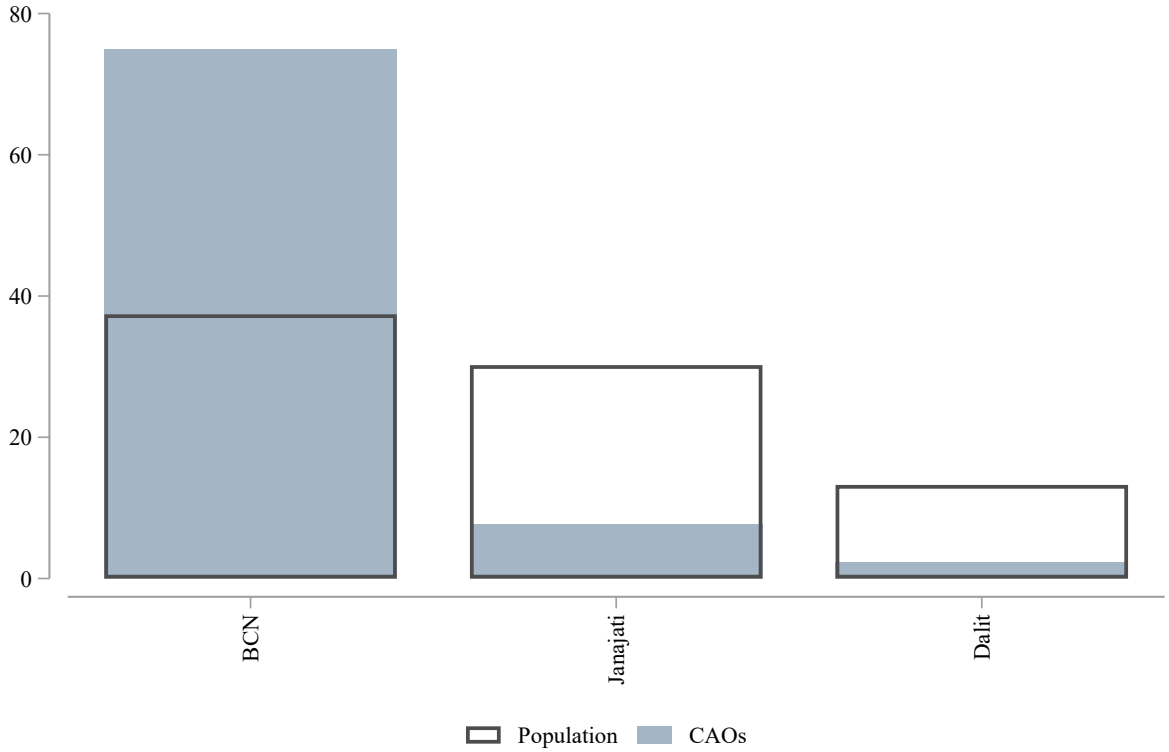


(b) Income



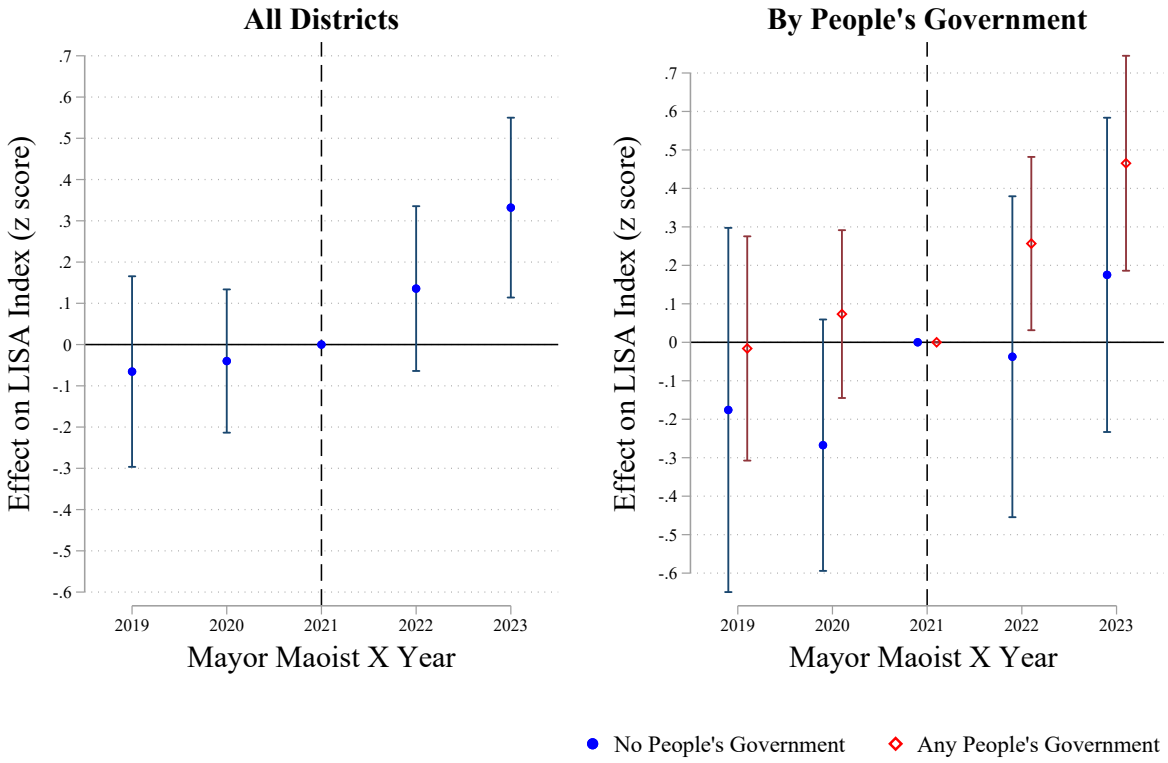
Notes: This figure reports the average education and income for each age cohort using data from the 11 central district census. Caste is defined by self-reports in the census data.

Figure A6: Caste Representation in the Bureaucracy



Notes: The figure reports the caste distribution of the population (black bars) and the members of the Chief Administrative Offices (elite bureaucrats) (blue bars). Population data are from the 2011 census of Nepal. Bureaucrat data are from an original phone survey conducted in 2017, which included 687 CAOs across Nepal. The caste of bureaucrats is defined by our caste prediction algorithm.

Figure A7: The effect of the election of a Maoist Mayor on municipal capacity



Notes: The figure shows event study plots for the effect of electing a Maoist mayor in 2022 on municipal capacity at the end of 2022 and 2023. The right panel shows the event study when splitting the sample by municipalities in No People's Government and People's Government districts. LISA index is the average of 5 individual LISA scores: physical infrastructure, service delivery, disaster management, judicial execution and co-ordination. All individual LISA scores are standardized z-scores (with respect to the 2019 non-Maoist mayor municipality group mean) of LISA scores published by the Ministry of Federal Affairs and General Affairs on the respective categories. Information on the construction of these variables is in Appendix D.

Table A1: Comparison of border districts by exposure to Maoist Rebel Governance

	1991 Population Density	2001 Population Density	2001 Janajati Share	2001 BCN Share	1997 SJM Vote Share	2001 Forest Cover	Elevation
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
Panel A: Border districts							
Any People's Government	-152.41**	-227.34**	0.14***	0.14**	0.05**	0.16***	0.27
	(72.62)	(105.65)	(0.04)	(0.06)	(0.02)	(0.04)	(0.35)
$\hat{\mu}_{\text{No People's Government}}$	296	393	.34	.33	.035	.34	1.4
# Observations	56	56	56	56	56	56	56
# Districts	56	56	56	56	56	56	56
R-squared	.071	.075	.17	.12	.1	.21	.01
Panel B: Border municipalities							
Any People's Government	-66.76	-80.49	0.08	-0.00	0.00	0.07*	0.21
	(91.05)	(68.05)	(0.06)	(0.08)	(0.00)	(0.04)	(0.29)
$\hat{\mu}_{\text{No People's Government}}$	225	248	.4	.38	.0042	.44	1.3
# Observations	213	214	217	217	215	222	222
# Districts	55	55	55	55	55	56	56
R-squared	.0043	.029	.041	.000065	.00044	.032	.0078

Notes: $* < 0.1$, $** < 0.05$, $*** < 0.01$. The table reports on the degree of selective exposure at the district level in terms of population density, population shares, vote shares, and geographic characteristics along the border between *No People's Government* and *Any People's Government* districts. Observations for columns 3 and 4 have been weighted by the total population of the district in 2001. Standard errors clustered at the district level are in parentheses.

Table A2: Average Education of Mayors and their Fathers

	2017		2022	
	BCN	Janajati	BCN	Janajati
	(1)	(2)	(3)	(4)
Panel A: Mayors				
Average Education Percentile Relative to *Entire Population*	98	95	98	96
Average Education Percentile Relative to *Own Group Population*	96	97	96	98
N	378	157	346	163
Panel B: Fathers of Mayors				
Average Education Percentile Relative to *Entire Population*	93	92	94	93
Average Education Percentile Relative to *Own Group Population*	88	96	90	96
N	378	157	239	156

Notes:The table shows the average education of Mayors and their fathers by caste relative to (1) the entire population of the relevant 5-year age group and (2) their own caste group within the relevant 5-year age group. Father's age is imputed by adding 30 to the age of the mayor. Data on the education of Mayors and their fathers in 2017 are from round 3 of our local political survey, which included 661 out of 753 Mayors, and are from round 5 for 2022 Mayors, which included 610 of 753 Mayors. Caste is measured using our prediction algorithm for 2017 (caste was not measured in the round 3 survey), directly from the survey for 2022 and for the population. Percentile ranks for education are computed by using age-specific nationwide distribution of population education years taken from the 2017 National Labor Force Survey III.

Table A3: People's Government and shares of Janajatis in District Selection Committees

	Janajati Member		
	All	Maoist	Non-Maoist
	(1)	(2)	(3)
Complete People's Government	0.26*	0.47	0.17***
	(0.02)	(0.10)	(0.04)
	{p: 0.05}	{p: 0.13}	{p: 0.00}
log(District Population)	-0.18	-0.58	0.11
	(0.09)	(0.51)	(0.09)
	{p: 0.43}	{p: 0.53}	{p: 0.34}
log(District Janajati Population)	0.18	0.60	-0.15
	(0.10)	(0.52)	(0.10)
	{p: 0.46}	{p: 0.53}	{p: 0.29}
$\beta_{\text{Complete PG}}$ same across parties (p-value)			.2
$\hat{\mu}_{\text{Partial People's Government}}$	.27	.32	.25
# Observations	250	89	161
# Districts	11	11	11
R-squared	.096	.3	.076

Notes: *Levels of significance*: $* < 0.1$, $** < 0.05$, $*** < 0.01$. Standard errors clustered at the district level are reported in parentheses. p-values from 9,999 wild-cluster bootstrap replications clustered at the district-level are in curly brackets. Stars correspond to wild-cluster bootstrap p-values. The table reports on the effect of being in a district where all municipalities were covered by People's Governments during the People's War on Janajati membership in district selection committees. The sample consists of Janajati and BCN district selection committee members surveyed in our committee member survey. Ommitted controls include district-level average education, average income, average asset z-score, an indicator for being college-educated, an indicator for gender, an indicator for any person residing in a household with income greater than 25,000 Nepali Rupees and an indicator for missing income. Caste is defined through self-reports in the committee member survey.

Table A4: Maoist People's Government and Leadership Bias of Party Selection Committee Members

	Explicit Bias							
	Maoist				Non-Maoist			
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Janajati Member	-0.13	-0.12	-0.06	0.20	-0.07	-0.12	-0.02	-0.12
	(0.11)	(0.12)	(0.14)	(0.31)	(0.09)	(0.09)	(0.10)	(0.15)
Janajati Member X Complete People's Government				-0.33				0.14
				(0.36)				(0.20)
Controls	No	Yes	Yes	Yes	No	Yes	Yes	Yes
Committee Fixed Effects	No	No	Yes	Yes	No	No	Yes	Yes
$\hat{\mu}_{\text{BCN Member}}$	.39	.39	.39		.42	.42	.42	
$\hat{\mu}_{\text{BCN, Partial People's Government}}$				.32				.51
$\hat{\mu}_{\text{BCN, Complete People's Government}}$				.43				.36
β_{Janjati} same across parties (p-value)					.67	.99	1	1
$\beta_{\text{Janajati}} + \beta_{\text{Janajati X Complete PG}}$				-.12				.01
# Observations	81	81	81	81	140	140	140	140
R-squared	.017	.032	.09	.23	.0042	.038	.21	.29

Notes: $* < 0.1$, $** < 0.05$, $*** < 0.01$. The table replicates the results of specification 2 using a measure of explicit bias as a dependent variable. Explicit bias is an indicator that equals 1 if the respondent said that Brahmins make better leaders than Janajatis. Omitted controls include indicators for gender, for being college-educated, for any person residing in a household with income greater than 25,000 Nepali Rupees and for missing income. Caste is measured directly through the committee member survey. Robust standard errors are reported in parentheses.

Table A5: Mayoral Candidate Selection by Party and Presence of Rebel Governance Institutions excluding valence controls

	2017						2022	
	Aspirants (× 10,000)		Candidates (× 10,000)		Representatives (× 10,000)		Representatives (× 10,000)	
	Maoist	Non-Maoist	Maoist	Non-Maoist	Maoist	Non-Maoist	Maoist	Non-Maoist
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Janajati	-0.46**	-4.52***	-0.16	-2.35***	-0.00	-0.42***	-0.02	-0.35***
	(0.18)	(0.75)	(0.12)	(0.40)	(0.05)	(0.11)	(0.06)	(0.12)
Janajati X Complete People's Government	0.23	2.85***	0.08	1.78***	-0.01	0.22	0.06	0.31**
	(0.22)	(0.83)	(0.16)	(0.47)	(0.08)	(0.14)	(0.08)	(0.13)
Municipality FE	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
$H_0 : \beta_{\text{Janajati}} + \beta_{\text{Janajati X Complete PG}} = 0$ (p-value)	.068	.000018	.39	.029	.89	.018	.53	.53
$\hat{\mu}_{\text{BCN, Partial People's Government}}$	.77	5.2	.31	2.8	.048	.46	.048	.36
$\hat{\mu}_{\text{BCN, Complete People's Government}}$	.52	3	.27	1.7	.059	.31	.089	.16
Janjati: BCN success ratio (Partial PG)	.4	.12	.48	.18	.99	.078	.63	.038
Janjati: BCN success ratio (Complete PG)	.56	.43	.69	.68	.86	.34	1.4	.77
# Observations	2554466	2554466	2554466	2554466	2554466	2554466	2554466	2554466
# Municipalities	110	110	110	110	110	110	110	110
R-squared	.000053	.00018	.00003	.000087	.000052	.000047	.000045	.000056

The table presents the results of estimating specification 3 without valence controls and their interactions on the sample of voting age individuals in the 11 central districts. Data on aspirants are from administrative party records. Data on candidates and representatives are from the Election Commission. $\hat{\mu}_{\text{BCN}}$ [$\hat{\mu}_{\text{Janajati}}$] corresponds to the number of BCNs out of every 10,000 citizens who are mayoral aspirants, candidates, and elected representatives. High income is an indicator equal to one for any person residing in a household with income greater than 25,000 Nepali Rupees. Asset index is a z-score created by standardizing the first component from a Principal Component Analysis of 42 measures of household assets recorded in the census data. Omitted controls include municipality fixed effects, indicators for being Dalit and being from any other non-BCN caste (such that the excluded caste group is BCN), and their interaction with *Complete People's Government*. Caste is defined from direct self-reports in the census for both politicians and the population. Standard errors clustered at the municipality level are reported in parentheses.

Table A6: People's Governments and Mayoral Characteristics (11 central census districts)

	Maoist Elected	Janajati Elected	Maoist Candidate is Janjati	Janajati Share of Non-Maoist Candidates	Maoist Janajati Elected	Non-Maoist Janajati Elected
	(1)	(2)	(3)	(4)	(5)	(6)
Panel A: 2017 Elections						
Complete People's Government	0.07	0.19*	0.14	0.12*	0.07	0.11
	(0.05)	(0.09)	(0.08)	(0.06)	(0.05)	(0.07)
	{p: 0.19}	{p: 0.08}	{p: 0.10}	{p: 0.06}	{p: 0.22}	{p: 0.15}
Municipality Janajati Population Share	0.20	1.25***	1.14***	1.14***	0.26	0.99***
	(0.14)	(0.13)	(0.19)	(0.12)	(0.18)	(0.22)
	{p: 0.19}	{p: 0.00}	{p: 0.00}	{p: 0.00}	{p: 0.20}	{p: 0.00}
$\hat{\mu}_{\text{Partial People's Government}}$	.13	.35	.38	.42	.063	.29
# Observations	110	110	110	110	110	110
# Districts	11	11	11	11	11	11
R-squared	.017	.26	.22	.47	.04	.18
Panel B: 2022 Elections						
Complete People's Government	0.25***	0.10	-0.00	0.04	0.16*	-0.06
	(0.09)	(0.09)	(0.10)	(0.04)	(0.08)	(0.08)
	{p: 0.01}	{p: 0.36}	{p: 0.97}	{p: 0.30}	{p: 0.08}	{p: 0.50}
Municipality Janajati Population Share	0.41*	1.11***	0.84***	1.06***	0.47*	0.63**
	(0.19)	(0.24)	(0.21)	(0.10)	(0.19)	(0.26)
	{p: 0.08}	{p: 0.00}	{p: 0.01}	{p: 0.00}	{p: 0.07}	{p: 0.03}
$\hat{\mu}_{\text{Partial People's Government}}$	.21	.46	.33	.44	.1	.35
# Observations	110	110	110	110	110	110
# Districts	11	11	11	11	11	11
R-squared	.08	.19	.14	.51	.088	.092

$* < 0.1$, $** < 0.05$, $*** < 0.01$. This table reports on the relationship between living in a district with Complete People's Government exposure during the People's War and representation of Janajatis and Maoists in the two post-revolutionary elections in 2017 and 2022 for the 11 central districts. Data on candidates and representatives are from the Election Commission. Standard errors clustered by district are in parentheses and p-values from 9999 wild cluster bootstrap replications are in curly brackets. Stars correspond to wild-cluster bootstrap p-values.

Table A7: Maoist People's Government and Mayoral Characteristics

	Maoist Elected	Janajati Elected	Maoist Candidate is Janjati	Janajati Share of Non-Maoist Candidates	Maoist Janajati Elected	Non-Maoist Janajati Elected
	(1)	(2)	(3)	(4)	(5)	(6)
Panel A:Border municipalities						
Any People's Government	0.11**	-0.05	-0.03	-0.06	0.04*	-0.09*
	(0.05)	(0.06)	(0.05)	(0.04)	(0.02)	(0.05)
Municipality Janajati Population Share	-0.02	0.82***	0.50***	0.70***	0.18***	0.64***
	(0.12)	(0.09)	(0.08)	(0.06)	(0.06)	(0.10)
$\hat{\mu}_{\text{No People's Government}}$	.11	.28	.21	.31	.026	.25
# Year FE	2	2	2	2	2	2
# Observations	444	444	444	444	444	444
# Districts	56	56	56	56	56	56
R-squared	.026	.22	.099	.35	.06	.15
Panel B: All municipalities						
Any People's Government	0.16***	-0.09***	-0.00	-0.07***	0.04**	-0.13***
	(0.03)	(0.03)	(0.03)	(0.02)	(0.02)	(0.03)
Municipality Janajati Population Share	0.02	0.69***	0.40***	0.64***	0.15***	0.54***
	(0.05)	(0.06)	(0.06)	(0.04)	(0.03)	(0.05)
$\hat{\mu}_{\text{No People's Government}}$	.087	.28	.17	.27	.024	.26
# Year FE	2	2	2	2	2	2
# Observations	1,506	1,506	1,506	1,506	1,506	1,506
# Districts	77	77	77	77	77	77
R-squared	.049	.16	.077	.35	.052	.12

Notes: $* < 0.1$, $** < 0.05$, $*** < 0.01$. This table reports on the relationship between living in a district with Any People's Government exposure during the People's War and representation of Janajatis and Maoists in the two post-revolutionary elections in 2017 and 2022. The sample for panel A mirrors the sample in Table 5 and includes candidates and elected representatives from municipalities touching the border between *No People's Government* and *Any People's Government* districts. The sample for Panel B includes candidates and elected representatives from all municipalities across Nepal. Data on candidates and representatives are from the Election Commission. Standard errors clustered by district are in parentheses and p-values from 9999 wild cluster bootstrap replications are in curly brackets. Stars correspond to wild-cluster bootstrap p-values.

Table A8: Effect of having a Maoist Mayor on municipal capacity - All districts

	LISA Scores				
	Physical Infrastructure	Service Delivery	Disaster Management	Judicial Execution	Coordination With Government
	(1)	(2)	(3)	(4)	(5)
Pre: 2019 × Maoist Mayor (2022)	0.06	-0.00	-0.04	-0.29*	-0.06
	(0.17)	(0.13)	(0.16)	(0.16)	(0.18)
Pre: 2020 × Maoist Mayor (2022)	0.02	0.09	-0.19	-0.12	0.00
	(0.14)	(0.11)	(0.14)	(0.10)	(0.15)
Post: 2022 × Maoist Mayor (2022)	0.16	0.32**	0.01	-0.08	0.27*
	(0.14)	(0.13)	(0.15)	(0.12)	(0.15)
Post: 2023 × Maoist Mayor (2022)	0.49***	0.34***	0.33**	0.16	0.33*
	(0.15)	(0.11)	(0.15)	(0.13)	(0.18)
Year FE	Yes	Yes	Yes	Yes	Yes
Municipality FE	Yes	Yes	Yes	Yes	Yes
$\hat{\mu}_{\text{Year = 2021, Non-Maoist Mayor}}$	.56	.87	.48	.27	.17
$\hat{\mu}_{\text{Year = 2021, Maoist Mayor}}$	.33	.72	.6	.31	.28
# Municipalities with 2022 Maoist Mayor	65	65	65	65	65
# Observations	2,998	2,998	2,998	2,998	2,998
# Clusters	646	646	646	646	646
# Years	5	5	5	5	5
# Municipalities	646	646	646	646	646
R-squared	.67	.67	.64	.67	.6

Notes: $* < 0.1$, $** < 0.05$, $*** < 0.01$. The table shows the event study coefficients for the effect of electing a Maoist mayor in 2022 on municipal capacity at the end of 2022 and 2023. All models include year and municipality fixed effects. LISA scores are standardized z-scores (with respect to the 2019 non-Maoist mayor municipality group mean) of LISA scores published by the Ministry of Federal Affairs and General Affairs on the respective categories. Information on the construction of these variables is in Appendix D. Standard Errors clustered at the municipality level are in parentheses.

Table A9: Effect of having a Maoist Mayor on municipal capacity - PG districts only

	LISA Scores				
	Physical Infrastructure	Service Delivery	Disaster Management	Judicial Execution	Coordination With Government
	(1)	(2)	(3)	(4)	(5)
Pre: 2019 × Maoist Mayor (2022)	0.05	0.06	0.16	-0.23	-0.11
	(0.20)	(0.16)	(0.22)	(0.23)	(0.22)
Pre: 2020 × Maoist Mayor (2022)	0.05	0.28*	0.01	-0.05	0.07
	(0.16)	(0.15)	(0.17)	(0.15)	(0.21)
Post: 2022 × Maoist Mayor (2022)	0.24	0.54***	0.21	0.02	0.27
	(0.16)	(0.16)	(0.18)	(0.15)	(0.19)
Post: 2023 × Maoist Mayor (2022)	0.51***	0.44***	0.75***	0.35**	0.28
	(0.18)	(0.15)	(0.20)	(0.17)	(0.26)
Year FE	Yes	Yes	Yes	Yes	Yes
Municipality FE	Yes	Yes	Yes	Yes	Yes
$\hat{\mu}_{\text{Year = 2021, Non-Maoist Mayor}}$	.57	.93	.6	.37	.2
$\hat{\mu}_{\text{Year = 2021, Maoist Mayor}}$	.23	.52	.34	.3	.22
# Municipalities with 2022 Maoist Mayor	42	42	42	42	42
# Observations	1,116	1,116	1,116	1,116	1,116
# Clusters	236	236	236	236	236
# Years	5	5	5	5	5
# Municipalities	236	236	236	236	236
R-squared	.67	.69	.63	.63	.6

Notes: $* < 0.1$, $** < 0.05$, $*** < 0.01$. The table shows the event study coefficients for the effect of electing a Maoist mayor in 2022 on municipal capacity at the end of 2022 and 2023. All models include year and municipality fixed effects. LISA scores are standardized z-scores (with respect to the 2019 non-Maoist mayor municipality group mean) of LISA scores published by the Ministry of Federal Affairs and General Affairs on the respective categories. Information on the construction of these variables is in Appendix D. Standard Errors clustered at the municipality level are in parentheses.

Table A10: Effect of having a Maoist Mayor on municipal capacity - No PG districts only

	LISA Scores				
	Physical Infrastructure	Service Delivery	Disaster Management	Judicial Execution	Coordination With Government
	(1)	(2)	(3)	(4)	(5)
Pre: 2019 × Maoist Mayor (2022)	0.01	-0.21	-0.33	-0.42	0.07
	(0.37)	(0.29)	(0.29)	(0.30)	(0.36)
Pre: 2020 × Maoist Mayor (2022)	-0.09	-0.18	-0.63**	-0.20	-0.24
	(0.31)	(0.21)	(0.24)	(0.17)	(0.24)
Post: 2022 × Maoist Mayor (2022)	-0.03	-0.02	-0.26	-0.15	0.28
	(0.27)	(0.23)	(0.29)	(0.26)	(0.29)
Post: 2023 × Maoist Mayor (2022)	0.42	0.20	-0.13	0.08	0.31
	(0.29)	(0.19)	(0.27)	(0.24)	(0.30)
Year FE	Yes	Yes	Yes	Yes	Yes
Municipality FE	Yes	Yes	Yes	Yes	Yes
$\hat{\mu}_{\text{Year = 2021, Non-Maoist Mayor}}$	.57	.86	.44	.24	.16
$\hat{\mu}_{\text{Year = 2021, Maoist Mayor}}$	.28	.92	.88	.1	.23
# Municipalities with 2022 Maoist Mayor	23	23	23	23	23
# Observations	1,882	1,882	1,882	1,882	1,882
# Clusters	410	410	410	410	410
# Years	5	5	5	5	5
# Municipalities	410	410	410	410	410
R-squared	.66	.66	.65	.67	.6

Notes: $* < 0.1$, $** < 0.05$, $*** < 0.01$. The table shows the event study coefficients for the effect of electing a Maoist mayor in 2022 on municipal capacity at the end of 2022 and 2023. All models include year and municipality fixed effects. LISA scores are standardized z-scores (with respect to the 2019 non-Maoist mayor municipality group mean) of LISA scores published by the Ministry of Federal Affairs and General Affairs on the respective categories. Information on the construction of these variables is in Appendix D. Standard Errors clustered at the municipality level are in parentheses.

B Regression Discontinuity Appendix

B.1 Validity checks

Selective Exposure We first examine selective exposure using pre-war data from the 1991 census and the 1992 local elections. Table B1 reports the results. Panel A uses the sample of village development committees (VDC; pre-federalism local administrative units) that geographically mirrors the sample in Table 1 and follows specification 1. Panel B uses the sample of municipalities in Table 5 and follows specification 4. At either the VDC-level or the municipality-level, we observe no difference in population density (column 1), female population share (column 2), 1992 vote shares across the three largest parties, including the legal predecessor of the Maoists (the SJM) (columns 3-5), or 1992 voter turnout (column 6).

We next examine selective exposure using wartime data from the 2001 census, conflict data for 1996-2006, and 1997 local elections. Table B2 reports the results following the same structure as in Table B1. Again, we observe no difference in either sample in population density (column 1), Janajati population share (column 2), voting age population share (column 3), literacy rates (column 4), forest cover (column 5), war victim rates (column 6), 1997 vote shares across the three largest parties, including the legal predecessor of the Maoists (the SJM) (columns 7-9), or 1997 voter turnout (column 10). The only exception is forest cover in the border municipality sample ($p < 0.1$).

Figures B1 and B2 show the RD plots of the continuity tests for selective exposure shown in panel A of Table B2.

Selective Migration We test for selective migration across People's Government borders by comparing post-war demographic characteristics. Table B3 presents these results using the individual-level NNGS data that correspond to the sample in Table 1 (panel A) and 2011 census data corresponding to the sample in Table 5 (panel B). Columns 1-4 confirm that demographic characteristics, including BCN share, Janajati share, age, and literacy rates, are balanced across the border in both samples. Since the NNGS did not have direct measures of internal migration, we use international migration as a close proxy and find that the effect of People's Government exposure, while imprecise, is statistically indistinguishable from zero (column 5, panel A). Panel B reports analogous tests on the border municipality sample and shows that people are less likely to be conflict-induced migrants in People's Government municipalities ($p < 0.1$), though the baseline is low (column 5).

Figure B3 shows the RD plots for tests of selective migration presented in panel A of Table

B3.

Table B1: Extensions of continuity tests for selective exposure using 1991/92 data

	1991 Census		1992 Elections			
	Population Density	Female Proportion	UML Vote Share	NC Vote Share	SJM Vote Share	Voter Turnout
	(1)	(2)	(3)	(4)	(5)	(6)
Panel A: NNGS Sample						
Any People's Government	-8.14	0.01	0.02	0.01	-0.02	-0.01
	(62.40)	(0.01)	(0.07)	(0.05)	(0.03)	(0.03)
	{p: 0.90}	{p: 0.56}	{p: 0.77}	{p: 0.78}	{p: 0.59}	{p: 0.76}
$\hat{\mu}_{\text{No People's Government}}$	377	.5	.28	.43	.042	.42
# Observations	1,083	1,083	1,083	1,083	1,083	1,083
# District Clusters	27	27	27	27	27	27
Panel B: Border Municipality Sample						
Any People's Government	-66.76	0.01	-0.01	-0.02	0.02	-0.02
	(91.05)	(0.01)	(0.03)	(0.03)	(0.02)	(0.01)
$\hat{\mu}_{\text{No People's Government}}$	225	.51	.31	.46	.04	.41
# Observations	213	212	212	212	212	206
# District	55	54	55	55	55	53

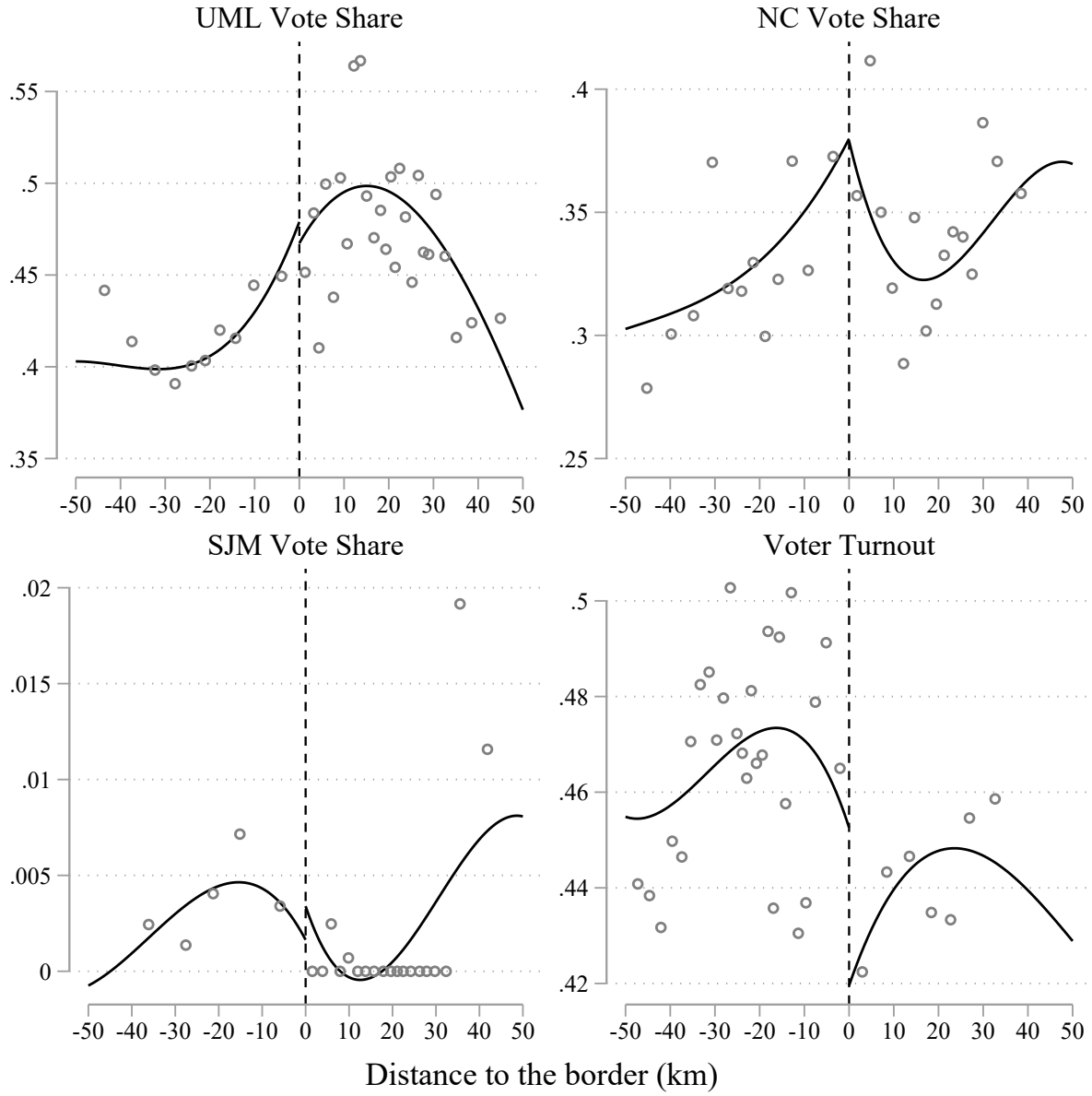
Notes: *Levels of significance*: $* < 0.1$, $** < 0.05$, $*** < 0.01$. This table reports on the relationship between living in a district with some level of Maoist People's Government control during the People's War and measures the population of and voter behavior in 1991/92. The data is available at the VDC-level (pre-war local governments). The sample in Panel A geographically mimics the sample in Table 1 by sub-setting to the 27 districts in Table 1 and using VDCs within those districts whose centroid lies within 35 km of a People's Government line of control. Panel B geographically mimics the sample in Table 5 and includes municipalities touching the border between districts with and without People's Governments. All models in Panel A control for distance between the VDC centroid and the nearest People's Government line of control, an interaction term of distance and *Any People's Government*, and an indicator of whether the district was in the top 25% of the distribution of total conflict-related deaths. Models in Panel A are run at the VDC level. Models in Panel B do not have additional controls and are run at the municipality level. Standard errors clustered at the district level are in parentheses. In Panel A, wild-cluster bootstrap p-values from 9999 replications clustered at the district level are in curly brackets, and stars correspond to these p-values.

Table B2: Tests for Selective Exposure to Maoist Rebel Governance

	2001 Census						1997 Elections			
	Population Density	Janajati Share	Voting Age Share	Literate Share	Forest Cover	Total Victims	UML Vote Share	NC Vote Share	SJM Vote Share	Voter Turnout
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
Panel A: NNGS Sample										
Any People's Government	-5.69	-0.01	-0.02	-0.06	0.08	0.26	0.02	-0.02	-0.00	-0.04
	(7.84)	(0.10)	(0.02)	(0.07)	(0.10)	(1.81)	(0.05)	(0.04)	(0.00)	(0.02)
	{p: 0.46}	{p: 0.92}	{p: 0.47}	{p: 0.48}	{p: 0.45}	{p: 0.90}	{p: 0.66}	{p: 0.58}	{p: 0.74}	{p: 0.19}
$\hat{\mu}_{\text{No People's Government}}$	42	.32	.55	.52	.24	2.4	.42	.34	.0039	.48
# Observations	1,200	772,143	772,143	657,182	1,231	1,231	1,024	1,024	1,024	1,024
# Districts	28	28	28	28	28	28	26	26	26	26
Panel B: Border Municipality Sample										
Any People's Government	-80.49	0.08	-0.03	-0.06	0.07*	1.01	-0.02	0.00	0.00	-0.00
	(68.05)	(0.06)	(0.02)	(0.05)	(0.04)	(4.01)	(0.03)	(0.02)	(0.00)	(0.01)
$\hat{\mu}_{\text{No People's Government}}$	248	.4	.55	.5	.44	16	.47	.33	.0042	.45
# Observations	214	217	217	217	222	222	215	215	215	206
# Districts	55	55	55	55	56	56	55	55	55	53
R-squared	.029	.041	.068	.032	.032	.00038	.0049	.00013	.00044	.00047

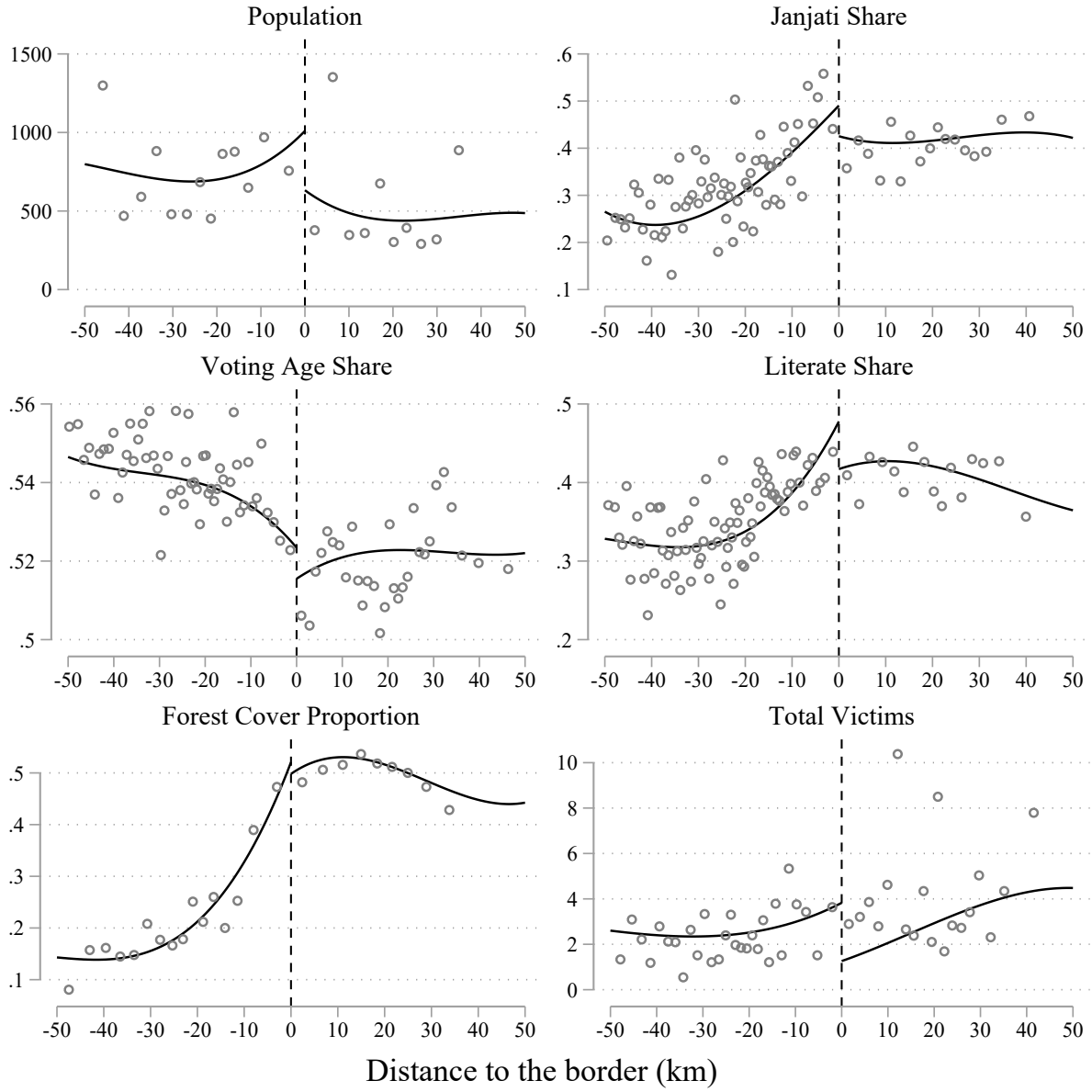
Notes: $* < 0.1$, $** < 0.05$, $*** < 0.01$. The table reports on the continuity in 2001 demographics, total civil war victims, forest cover in 2001, and 1997 voting behavior along the border between *No People's Government* and *Any People's Government* districts. The data is available at the VDC-level (pre-war local governments). The sample in Panel A geographically mirrors the sample in Table 1 by sub-setting to the 27 districts in Table 1 and using observations from VDCs within those districts whose centroid lies within 35 km of a border between Any People's Government and No People's Government districts. The sample for Panel B geographically mirrors the sample in Table 5 and includes municipalities touching the border between districts with and without People's Governments. All models in Panel A additionally control for distance between the VDC centroid and the nearest People's Government line of control, an interaction term of distance and *Any People's Government*, and an indicator of whether the district was in the top 25% of the distribution of total conflict-related deaths. Models in Panel A column 2-4 are run at the individual census observation level, while all other columns are at the VDC level. Models in Panel B do not have additional controls, are run at the municipality level, and are weighted using the total municipality population in columns 2-4. Population size for Panel A is inferred from microdata samples, which were sampled proportionally to the population at the Enumeration Area level. Standard errors clustered at the district level are in parentheses. In Panel A, wild-cluster bootstrap p-values from 9999 replications clustered at the district level are in curly brackets, and stars correspond to these p-values.

Figure B1: Regression Discontinuity Plots for Continuity in Selective Exposure



Notes: The figure shows the regression discontinuity plots for outcomes in panel A of Table B2. Distance to the nearest line of control from the VDC centroid is on the x-axis, and values of corresponding outcome variables are on the y-axis. The scatterplot shows the mean value of the outcome for quantile-spaced distance bins selected using the Integrated Mean Squared Error optimal method. The function shows the third-degree polynomial fit on a scatterplot of the raw (non-binned) data estimated separately on either side of the border.

Figure B2: Regression Discontinuity Plots for Continuity in Selective Exposure



Notes: Figure shows the regression discontinuity plots for outcomes in panel A of Table B2. Distance to the nearest line of control from the VDC centroid is on the x-axis, and values of corresponding outcome variables are on the y-axis. The scatterplot shows the mean value of the outcome for quantile-spaced distance bins selected using the Integrated Mean Squared Error optimal method. The function shows the third-degree polynomial fit on a scatterplot of the raw (non-binned) data estimated separately on either side of the border.

Table B3: Continuity tests for selective migration

Panel A: NNGS Sample

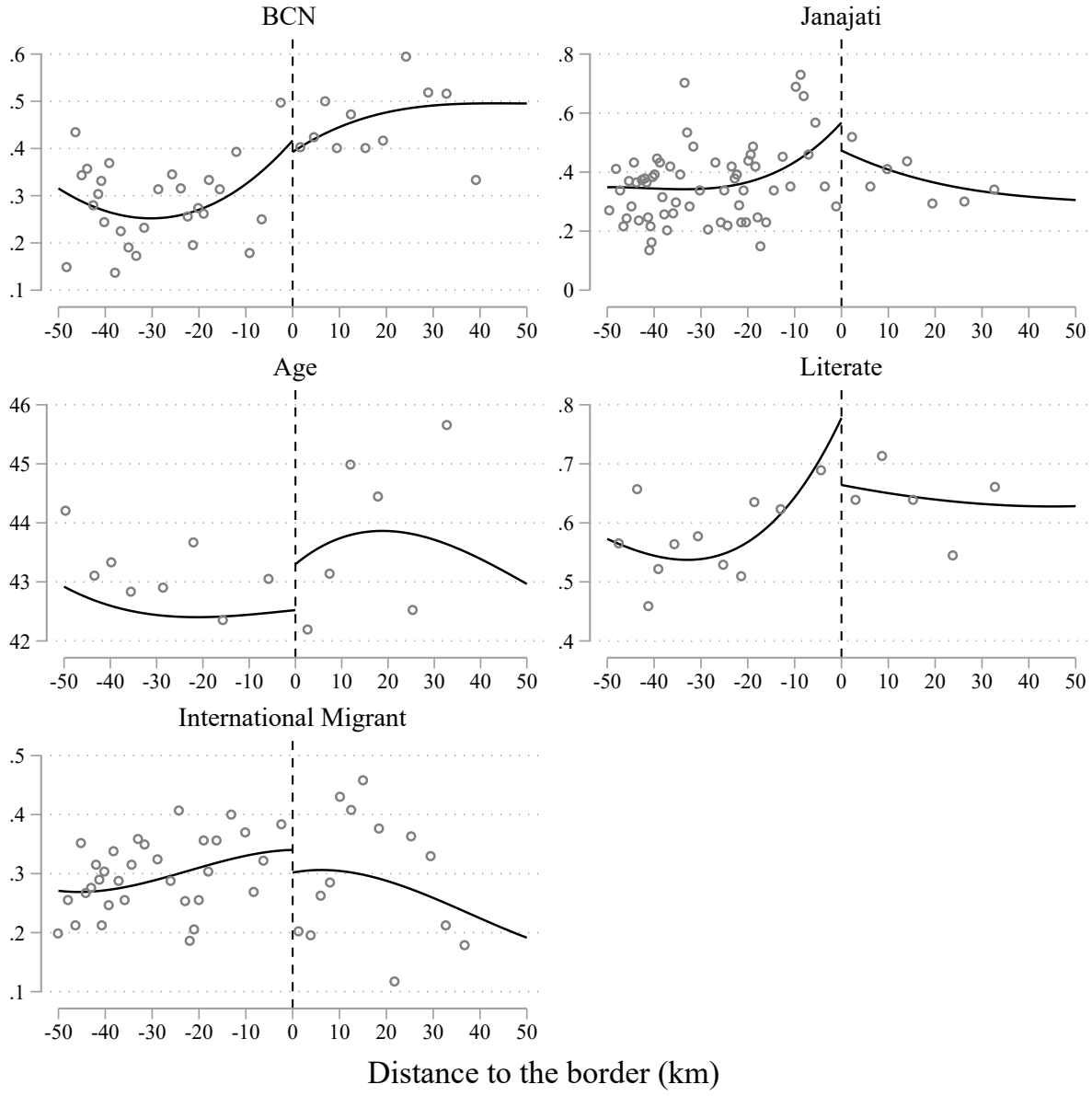
Dependant Variable:	BCN	Janjati	Age	Literate	International Migrant
	(1)	(2)	(3)	(4)	(5)
Any People's Government	-0.01	0.05	0.26	-0.01	-0.08
	(0.17)	(0.16)	(0.96)	(0.08)	(0.08)
$\hat{\mu}_{\text{No People's Government}}$	.27	.41	43	.6	.31
# Observations	4,895	4,895	4,895	4,895	4,895
# District Clusters	28	28	28	28	28

Panel B: Border municipalities sample

Dependant Variable:	Population	BCN Share	Janajati Share	International Migrant	Conflict-induced in-migrant
	(1)	(2)	(3)	(4)	(5)
Any People's Government	-199.71	0.02	0.06	0.01	-0.00*
	(1740.75)	(0.06)	(0.06)	(0.04)	(0.00)
$\hat{\mu}_{\text{No People's Government}}$	6,628	.36	.38	.29	.00087
# Observations	222	217	217	217	217
# District Clusters	56	55	55	55	55

Notes: *Levels of significance*: $* < 0.1$, $** < 0.05$, $*** < 0.01$. This table reports on the relationship between living in a district with some level of Maoist People's Government control during the People's War and measures of ethnic composition, age, literacy, and migration. Panel A follows specification 1 for the sample of survey respondents from the 2017 Nepal National Governance Survey (NNGS) who resided within 35 km of a border between *No People's Government* and *Any People's Government* districts. Omitted controls include a linear trend in distance from respondent's residence to nearest People's Government district boundary, the interaction between distance and *Any People's Government*, an indicator of whether the district was in the top 25% of the distribution of conflict-related deaths and gender. Panel B geographically mimics the sample in Table 5 and includes municipalities along the border between *No People's Government* and *Any People's Government* districts and uses data from the 2011 census. Standard errors clustered at the district level are in parentheses.

Figure B3: Regression Discontinuity Plots for Continuity in Selective Migration



Notes: The figure shows the regression discontinuity plots for outcomes in panel A of Table B3. Distance to the nearest line of control from the VDC centroid is on the x-axis, and values of corresponding outcome variables are on the y-axis. The scatterplot shows the mean value of the outcome for quantile-spaced distance bins selected using the Integrated Mean Squared Error optimal method. The function shows the third-degree polynomial fit on a scatterplot of the raw (non-binned) data estimated separately on either side of the border.

B.2 Robustness of Table 1

Table B4: Geographic regression discontinuity results for respondents within 30 km bandwidth

	Knows of Constitution	Knows of party activities	Political participation index	Participated in campaigns	Political parties trust index	Local government trust index	Health & Education index	Approach police in emergencies
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Panel A: Janajati Respondents								
Any People's Government	0.27***	0.30***	0.12	0.10**	0.25***	0.08	0.03	-0.16
	(0.08)	(0.08)	(0.06)	(0.04)	(0.06)	(0.08)	(0.03)	(0.10)
	{p: 0.00}	{p: 0.00}	{p: 0.14}	{p: 0.01}	{p: 0.00}	{p: 0.36}	{p: 0.36}	{p: 0.22}
$\hat{\mu}_{\text{No People's Government}}$	.49	.36	.31	.28	.28	.78	.97	.76
# Observations	1,584	1,584	1,584	1,584	1,584	1,584	1,584	1,584
# Districts	24	24	24	24	24	24	24	24
R-squared	.2	.18	.18	.096	.13	.045	.017	.064
Panel B: BCN Respondents								
Any People's Government	-0.06	-0.09	0.04	0.13	-0.03	0.00	0.03	-0.19*
	(0.07)	(0.11)	(0.05)	(0.06)	(0.07)	(0.02)	(0.03)	(0.07)
	{p: 0.44}	{p: 0.50}	{p: 0.53}	{p: 0.19}	{p: 0.70}	{p: 0.93}	{p: 0.36}	{p: 0.06}
$\hat{\mu}_{\text{BCN, No People's Government}}$	.7	.56	.41	.36	.4	.84	.97	.8
$H_0 : \hat{\mu}_{\text{BCN, PG}} = \hat{\mu}_{\text{Jan, PG}}$ (p-value)	.7	.54	.3	.036	.66	.79	.91	.96
$H_0 : \hat{\mu}_{\text{BCN, No PG}} = \hat{\mu}_{\text{Jan, No PG}}$ (p-value)	.07	.0001	.01	.13	.0001	.51	.91	.64
# Observations	1,487	1,487	1,487	1,487	1,487	1,487	1,487	1,487
# Districts	25	25	25	25	25	25	25	25
R-squared	.17	.088	.16	.082	.06	.018	.03	.078

Notes: *Levels of significance*: $* < 0.1$, $** < 0.05$, $*** < 0.01$. The table presents the results of estimating specification 1 for the sample of survey respondents from the 2017 Nepal National Governance Survey (NNGS) who resided within 30 km of a border between *No People's Government* and *Any People's Government* districts. Panel A subsets to Janajati respondents and Panel B subsets to BCN respondents, with caste as reported in NNGS. Omitted controls include a linear trend in distance from the respondent's residence to the nearest People's Government district boundary, the interaction between distance and *Any People's Government*, an indicator of whether the district was in the top 25% of the distribution of conflict-related deaths, age, and gender. Standard errors clustered by district are in parentheses, and p-values from 9999 wild cluster bootstrap replications are in curly brackets. Stars correspond to wild-cluster bootstrap p-values.

Table B5: Geographic regression discontinuity results for respondents within 25 km bandwidth

	Knows of Constitution	Knows of party activities	Political participation index	Participated in campaigns	Political parties trust index	Local government trust index	Health & Education index	Approach police in emergencies
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Panel A: Janajati Respondents								
Any People's Government	0.26***	0.28***	0.11	0.10**	0.24***	0.07	0.03	-0.15
	(0.08)	(0.08)	(0.06)	(0.05)	(0.06)	(0.07)	(0.03)	(0.09)
	{p: 0.00}	{p: 0.01}	{p: 0.18}	{p: 0.02}	{p: 0.00}	{p: 0.43}	{p: 0.30}	{p: 0.27}
$\hat{\mu}_{\text{No People's Government}}$	.49	.34	.31	.27	.26	.77	.96	.76
# Observations	1,436	1,436	1,436	1,436	1,436	1,436	1,436	1,436
# Districts	23	23	23	23	23	23	23	23
R-squared	.2	.19	.18	.1	.13	.046	.018	.065
Panel B: BCN Respondents								
Any People's Government	-0.07	-0.09	0.03	0.15	-0.03	0.01	0.03	-0.14
	(0.08)	(0.12)	(0.05)	(0.07)	(0.07)	(0.02)	(0.03)	(0.07)
	{p: 0.45}	{p: 0.53}	{p: 0.59}	{p: 0.22}	{p: 0.69}	{p: 0.69}	{p: 0.31}	{p: 0.14}
$\hat{\mu}_{\text{BCN, No People's Government}}$	.71	.52	.41	.35	.37	.83	.97	.83
$H_0 : \hat{\mu}_{\text{BCN, PG}} = \hat{\mu}_{\text{Jan, PG}}$ (p-value)	.65	.56	.34	.039	.72	.96	.91	.9
$H_0 : \hat{\mu}_{\text{BCN, No PG}} = \hat{\mu}_{\text{Jan, No PG}}$ (p-value)	.12	.0003	.0092	.24	.0003	.55	.78	.87
# Observations	1,268	1,268	1,268	1,268	1,268	1,268	1,268	1,268
# Districts	23	23	23	23	23	23	23	23
R-squared	.18	.085	.16	.083	.056	.013	.032	.079

Notes: $* < 0.1$, $** < 0.05$, $*** < 0.01$. The table presents the results of estimating specification 1 for the sample of survey respondents from the 2017 Nepal National Governance Survey (NNGS) who resided within 25 km of a border between *No People's Government* and *Any People's Government* districts. Panel A subsets to Janajati respondents and Panel B subsets to BCN respondents, with caste as reported in NNGS. Omitted controls include a linear trend in distance from the respondent's residence to the nearest People's Government district boundary, the interaction between distance and *Any People's Government*, an indicator of whether the district was in the top 25% of the distribution of conflict-related deaths, age, and gender. Standard errors clustered by district are in parentheses, and p-values from 9999 wild cluster bootstrap replications are in curly brackets. Stars correspond to wild-cluster bootstrap p-values.

Table B6: Geographic regression discontinuity results with only observations near borders representing natural geographic barriers

	Knows of Constitution	Knows of party activities	Political participation index	Participated in campaigns	Political parties trust index	Local government trust index	Health & Education index	Approach police in emergencies
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Panel A: Janajati Respondents								
Any People's Government	0.29***	0.32***	0.15*	0.12***	0.25***	0.11	0.03	-0.19
	(0.09)	(0.09)	(0.07)	(0.04)	(0.07)	(0.08)	(0.03)	(0.10)
$\hat{\mu}_{\text{No People's Government}}$	.51	.43	.38	.33	.32	.8	.96	.75
# Observations	1,805	1,805	1,805	1,805	1,805	1,805	1,805	1,805
# District Clusters	24	24	24	24	24	24	24	24
R-squared	.18	.17	.18	.088	.12	.041	.019	.057
Panel B: BCN Respondents								
Any People's Government	-0.05	-0.10	0.05	0.10	-0.03	0.01	0.03	-0.22**
	(0.08)	(0.10)	(0.06)	(0.05)	(0.07)	(0.03)	(0.03)	(0.08)
$\hat{\mu}_{\text{BCN, No People's Government}}$	.7	.56	.47	.38	.4	.83	.97	.79
$H_0 : \hat{\mu}_{\text{BCN, PG}} - \hat{\mu}_{\text{Jan, PG}} = 0$ (p-value)	.27	.22	.1	.013	.26	.18	.088	.33
# Observations	1,685	1,685	1,685	1,685	1,685	1,685	1,685	1,685
# District Clusters	25	25	25	25	25	25	25	25
R-squared	.15	.09	.16	.076	.063	.02	.029	.074

Notes: *Levels of significance*: $* < 0.1$, $** < 0.05$, $*** < 0.01$.The table presents the results of estimating specification 1 for the sample of survey respondents from the 2017 Nepal National Governance Survey (NNGS) who resided within 35 km of a border between *No People's Government* and *Any People's Government* districts. We further drop respondents near one border that did not follow a natural geographic barrier. Panel A subsets to Janajati respondents and Panel B subsets to BCN respondents, with caste as reported in NNGS. Omitted controls include a linear trend in distance from the respondent's residence to the nearest People's Government district boundary, the interaction between distance and *Any People's Government*, an indicator of whether the district was in the top 25% of the distribution of conflict-related deaths, age, and gender. Standard errors clustered by district are in parentheses, and p-values from 9999 wild cluster bootstrap replications are in curly brackets. Stars correspond to wild-cluster bootstrap p-values.

Table B7: Regression Discontinuity results on political mobilization with border segment fixed effects

	Knows of Constitution	Knows of party activities	Political participation index	Participated in campaigns	Political parties trust index	Local government trust index	Health & Education index	Approach police in emergencies
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Panel A: Janajati Respondents								
Any People's Government	0.28***	0.33***	0.16*	0.14**	0.27***	0.11**	0.03	-0.17
	(0.06)	(0.07)	(0.05)	(0.05)	(0.06)	(0.05)	(0.03)	(0.08)
$\hat{\mu}_{\text{No People's Government}}$	.5	.42	.37	.32	.31	.79	.96	.75
# Observations	1,913	1,913	1,913	1,913	1,913	1,913	1,913	1,913
# District Clusters	25	25	25	25	25	25	25	25
R-squared	.22	.23	.23	.1	.15	.1	.051	.1
Panel B: BCN Respondents								
Any People's Government	0.07	0.07	0.07	0.25**	0.07	0.02	0.06	-0.25*
	(0.07)	(0.12)	(0.07)	(0.08)	(0.07)	(0.03)	(0.03)	(0.08)
$\hat{\mu}_{\text{BCN, No People's Government}}$	.7	.56	.47	.38	.4	.82	.97	.79
$H_0 : \hat{\mu}_{\text{BCN, PG}} - \hat{\mu}_{\text{Jan, PG}} = 0$ (p-value)	.05	.062	.37	.01	.9	.7	.1	.064
# Observations	1,728	1,728	1,728	1,728	1,728	1,728	1,728	1,728
# District Clusters	27	27	27	27	27	27	27	27
R-squared	.26	.17	.22	.097	.11	.049	.058	.13

Notes: *Levels of significance*: $* < 0.1$, $** < 0.05$, $*** < 0.01$. The table presents the results of estimating specification 1 with border segment fixed effects for the sample of survey respondents from the 2017 Nepal National Governance Survey (NNGS) who resided within 35 km of a border between *No People's Government* and *Any People's Government* districts. Panel A subsets to Janajati respondents and Panel B subsets to BCN respondents, with caste as reported in NNGS. Omitted controls include a linear trend in distance from the respondent's residence to the nearest People's Government district boundary, the interaction between distance and *Any People's Government*, an indicator of whether the district was in the top 25% of the distribution of conflict-related deaths, age, and gender. Standard errors clustered by district are in parentheses, and p-values from 9999 wild cluster bootstrap replications are in curly brackets. Stars correspond to wild-cluster bootstrap p-values.

Table B8: The Impact of Maoist People's Governments on Political Mobilization (Eastern borders only)

	Knows of Constitution	Knows of party activities	Political participation index	Participated in campaigns	Political parties trust index	Local government trust index	Health & Education index	Approach police in emergencies
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Panel A: Janajati Respondents								
Any People's Government	0.35***	0.31**	0.20***	0.17***	0.24**	0.10	0.00	-0.24
	(0.10)	(0.11)	(0.05)	(0.05)	(0.08)	(0.11)	(0.03)	(0.12)
	{p: 0.01}	{p: 0.02}	{p: 0.00}	{p: 0.00}	{p: 0.01}	{p: 0.45}	{p: 0.99}	{p: 0.18}
$\hat{\mu}_{\text{No People's Government}}$	.5	.4	.32	.31	.31	.79	.97	.75
# Observations	1,585	1,585	1,585	1,585	1,585	1,585	1,585	1,585
# Districts	20	20	20	20	20	20	20	20
R-squared	.22	.11	.22	.08	.093	.045	.018	.066
Panel B: BCN Respondents								
Any People's Government	0.05	-0.13	0.02	0.14	-0.08	-0.04*	0.01	-0.08
	(0.06)	(0.08)	(0.04)	(0.07)	(0.07)	(0.03)	(0.02)	(0.06)
	{p: 0.56}	{p: 0.21}	{p: 0.67}	{p: 0.18}	{p: 0.46}	{p: 0.06}	{p: 0.71}	{p: 0.19}
$\hat{\mu}_{\text{BCN, No People's Government}}$	.75	.6	.4	.39	.42	.81	.98	.78
$H_0 : \hat{\mu}_{\text{BCN, PG}} = \hat{\mu}_{\text{Jan, PG}}$ (p-value)	.63	.58	.3	.037	.66	.69	.97	.96
$H_0 : \hat{\mu}_{\text{BCN, No PG}} = \hat{\mu}_{\text{Jan, No PG}}$ (p-value)	.038	0	.003	.06	0	.5	.73	.61
# Observations	914	914	914	914	914	914	914	914
# Districts	19	19	19	19	19	19	19	19
R-squared	.11	.073	.11	.04	.048	.015	.011	.062

Notes: $*<0.1$, $**<0.05$, $***<0.01$. The table presents the results of estimating specification 1 for the sample of survey respondents from the 2017 Nepal National Governance Survey (NNGS) who resided within 35 km of a border between *No People's Government* and *Any People's Government* districts. We additionally include only municipalities near borders that lie in the Eastern bloc of People's Government expansion. Panel A subsets to Janajati respondents and Panel B subsets to BCN respondents, with caste as reported in NNGS. Omitted controls include a linear trend in distance from the respondent's residence to the nearest People's Government district boundary, the interaction between distance and *Any People's Government*, an indicator of whether the district was in the top 25% of the distribution of conflict-related deaths, age, and gender. Standard errors clustered by district are in parentheses, and p-values from 9999 wild cluster bootstrap replications are in curly brackets. Stars correspond to wild-cluster bootstrap p-values.

Table B9: The Impact of Maoist People's Governments on Political Mobilization (Western borders only)

	Knows of Constitution	Knows of party activities	Political participation index	Participated in campaigns	Political parties trust index	Local government trust index	Health & Education index	Approach police in emergencies
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Panel A: Janajati Respondents								
Any People's Government	0.12	0.38	-0.01	-0.00	0.36	0.13**	0.08	-0.06
	(0.07)	(0.06)	(0.04)	(0.07)	(0.07)	(0.01)	(0.02)	(0.05)
	{p: 0.53}	{p: 0.12}	{p: 0.88}	{p: 0.94}	{p: 0.16}	{p: 0.03}	{p: 0.22}	{p: 0.12}
$\hat{\mu}_{\text{No People's Government}}$	.49	.54	.47	.37	.37	.81	.9	.74
# Observations	328	328	328	328	328	328	328	328
# Districts	6	6	6	6	6	6	6	6
R-squared	.15	.26	.15	.15	.2	.037	.11	.093
Panel B: BCN Respondents								
Any People's Government	-0.18	0.14	-0.04	0.17	0.18	0.09	0.14	-0.27
	(0.18)	(0.30)	(0.15)	(0.14)	(0.15)	(0.04)	(0.03)	(0.16)
	{p: 0.69}	{p: 0.75}	{p: 0.70}	{p: 0.39}	{p: 0.41}	{p: 0.16}	{p: 0.27}	{p: 0.20}
$\hat{\mu}_{\text{BCN, No People's Government}}$	.57	.46	.46	.35	.35	.85	.96	.8
$H_0 : \hat{\mu}_{\text{BCN, PG}} = \hat{\mu}_{\text{Jan, PG}}$ (p-value)	.63	.58	.3	.037	.66	.69	.97	.96
$H_0 : \hat{\mu}_{\text{BCN, No PG}} = \hat{\mu}_{\text{Jan, No PG}}$ (p-value)	.038	0	.003	.06	0	.5	.73	.61
# Observations	814	814	814	814	814	814	814	814
# Districts	9	9	9	9	9	9	9	9
R-squared	.23	.11	.21	.13	.097	.024	.1	.13

Notes: $*$ < 0.1, $**$ < 0.05, $***$ < 0.01. The table presents the results of estimating specification 1 for the sample of survey respondents from the 2017 Nepal National Governance Survey (NNGS) who resided within 35 km of a border between *No People's Government* and *Any People's Government* districts. We additionally include only municipalities near borders that lie in the Western bloc of People's Government expansion. Panel A subsets to Janajati respondents and Panel B subsets to BCN respondents, with caste as reported in NNGS. Omitted controls include a linear trend in distance from the respondent's residence to the nearest People's Government district boundary, the interaction between distance and *Any People's Government*, an indicator of whether the district was in the top 25% of the distribution of conflict-related deaths, age, and gender. Standard errors clustered by district are in parentheses, and p-values from 9999 wild cluster bootstrap replications are in curly brackets. Stars correspond to wild-cluster bootstrap p-values.

Table B10: Geographic regression discontinuity results dropping districts with no Janajatis and high BCN population

	Knows of Constitution	Knows of party activities	Political participation index	Participated in campaigns	Political parties trust index	Local government trust index	Health & Education index	Approach police in emergencies
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Panel A: Janajati Respondents								
Any People's Government	0.29***	0.32***	0.13*	0.12***	0.25***	0.10	0.03	-0.19
	(0.08)	(0.08)	(0.06)	(0.04)	(0.07)	(0.08)	(0.03)	(0.10)
	{p: 0.00}	{p: 0.00}	{p: 0.08}	{p: 0.01}	{p: 0.00}	{p: 0.32}	{p: 0.44}	{p: 0.12}
$\hat{\mu}_{\text{No People's Government}}$	.5	.42	.34	.32	.31	.79	.96	.75
# Observations	1,913	1,913	1,913	1,913	1,913	1,913	1,913	1,913
# Districts	25	25	25	25	25	25	25	25
R-squared	.19	.17	.18	.092	.12	.041	.017	.062
Panel B: BCN Respondents								
Any People's Government	0.06	-0.03	0.06	0.14*	0.02	0.00	0.04	-0.15*
	(0.06)	(0.10)	(0.05)	(0.05)	(0.07)	(0.02)	(0.03)	(0.08)
	{p: 0.43}	{p: 0.77}	{p: 0.29}	{p: 0.08}	{p: 0.83}	{p: 0.94}	{p: 0.30}	{p: 0.07}
$\hat{\mu}_{\text{BCN, No People's Government}}$	.7	.56	.42	.38	.4	.82	.97	.79
$H_0 : \hat{\mu}_{\text{BCN, PG}} = \hat{\mu}_{\text{Jan, PG}}$ (p-value)	.82	.54	.33	.1	.61	.83	.65	.57
$H_0 : \hat{\mu}_{\text{BCN, No PG}} = \hat{\mu}_{\text{Jan, No PG}}$ (p-value)	.11	0	.0052	.21	.0001	.48	1	.43
# Observations	1,338	1,338	1,338	1,338	1,338	1,338	1,338	1,338
# Districts	25	25	25	25	25	25	25	25
R-squared	.15	.079	.14	.051	.048	.01	.025	.085

Notes: *Levels of significance*: $* < 0.1$, $** < 0.05$, $*** < 0.01$. The table presents the results of estimating specification 1 for the sample of survey respondents from the 2017 Nepal National Governance Survey (NNGS) who resided within 35 km of a border between *No People's Government* and *Any People's Government* districts. We additionally drop two districts that had high BCN population density and zero Janajati population within our specified bandwidth. Panel A subsets to Janajati respondents and Panel B subsets to BCN respondents, with caste as reported in NNGS. Omitted controls include a linear trend in distance from the respondent's residence to the nearest People's Government district boundary, the interaction between distance and *Any People's Government*, an indicator of whether the district was in the top 25% of the distribution of conflict-related deaths, age, and gender. Standard errors clustered by district are in parentheses and p-values from 9999 wild cluster bootstrap replications are in curly brackets. Stars correspond to wild-cluster bootstrap p-values.

B.3 Robustness of Table 5

Table B11: Regression Discontinuity results on municipal capacity and fiscal accountability dropping Maoist base districts

	LGS Survey	LISA Scores					Fiscal Transfers and Audit		
	Infrastructure Management Procedures	Physical Infrastructure	Service Delivery	Disaster Management	Judicial Execution	Coordination With Government	Conditional Grants	Total Expenditure	Unaccounted Percentage
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Panel A: Border municipalities									
Any People's Government	0.04	0.21*	0.16*	0.23**	0.20*	0.06	198.28**	398.26	-0.12
	(0.02)	(0.11)	(0.10)	(0.10)	(0.11)	(0.13)	(82.97)	(294.14)	(0.26)
Year FE	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
$\hat{\mu}_{\text{No People's Government}}$	.66	0	0	0	0	0	1,592	5,171	3.2
# Observations	379	993	993	993	993	993	1,662	1,648	1,662
# Districts	53	53	53	53	53	53	53	53	53
# Years	2	5	5	5	5	5	8	8	8
R-squared	.076	.093	.044	.11	.074	.073	.6	.63	.11
Panel B: All municipalities									
Any People's Government	0.04***	0.33***	0.29***	0.35***	0.33***	0.34***	262.57***	550.56***	-0.91***
	(0.01)	(0.07)	(0.08)	(0.07)	(0.09)	(0.11)	(42.61)	(145.64)	(0.29)
Year FE	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
$\hat{\mu}_{\text{No People's Government}}$	.65	0	0	0	0	0	1,397	4,415	4.3
# Observations	1,309	3,247	3,247	3,247	3,247	3,247	5,562	5,492	5,529
# Districts	72	72	72	72	72	72	72	72	72
# Years	2	5	5	5	5	5	8	8	8
R-squared	.06	.12	.077	.11	.14	.096	.67	.7	.16

Notes: $* < 0.1$, $** < 0.05$, $*** < 0.01$. The table presents the results of estimating specification 4 on the sample of municipalities along the border between *No People's Government* and *Any People's Government* districts (panel A) and all municipalities across Nepal (panel B). We additionally exclude municipalities from the 4 Maoist base districts from which the People's War started. Data are from two rounds of elected official surveys (2021 and 2024), LISA scores (2019-2023), intergovernmental fiscal transfers dataset (2017-2024), and audit data (2017-2024). *Infrastructure Management Procedures* is the proportion of 6 total processes related to infrastructure procurement, planning, and database development that have been adopted by the municipality. All LISA scores are standardized z-scores (with respect to the control group mean) of LISA scores published by the Ministry of Federal Affairs and General Affairs on the respective categories. *Unaccounted Percentage* refers to the percentage of total municipal funds that could not be accounted for during the audit process. Omitted controls include year fixed effects, the municipality's average years of education in 2001, the 2001 unemployment rate, and log(2021 population).

Table B12: Regression Discontinuity results on municipal capacity and fiscal accountability with border segment fixed effects

	LGS Survey	LISA Scores					Fiscal Transfers and Audit		
	Infrastructure Management Procedures	Physical Infrastructure	Service Delivery	Disaster Management	Judicial Execution	Coordination With Government	Conditional Grants	Total Expenditure	Unaccounted Percentage
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Any People's Government	0.04	0.22*	0.15	0.18	0.18	0.04	267.64***	407.17*	-0.26
	(0.02)	(0.08)	(0.08)	(0.09)	(0.11)	(0.10)	(66.58)	(191.57)	(0.23)
$\hat{\mu}_{\text{No People's Government}}$	.66	0	0	0	0	0	1,592	5,171	3.2
# Observations	390	1,028	1,028	1,028	1,028	1,028	1,717	1,702	1,718
# District Clusters	55	55	55	55	55	55	55	55	55
# Years	2	5	5	5	5	5	8	8	8
R-squared	.18	.22	.17	.22	.2	.18	.74	.74	.2

Notes: $*<0.1$, $**<0.05$, $***<0.01$. The table presents the results of estimating specification 4 on the sample of municipalities along the border between *No People's Government* and *Any People's Government* districts (panel A) and all municipalities across Nepal (panel B). We additionally exclude municipalities from the 4 Maoist base districts from which the People's War started. Data are from two rounds of elected official surveys (2021 and 2024), LISA scores (2019-2023), intergovernmental fiscal transfers dataset (2017-2024), and audit data (2017-2024). *Infrastructure Management Procedures* is the proportion of 6 total processes related to infrastructure procurement, planning, and database development that have been adopted by the municipality. All LISA scores are standardized z-scores (with respect to the control group mean) of LISA scores published by the Ministry of Federal Affairs and General Affairs on the respective categories. *Unaccounted Percentage* refers to the percentage of total municipal funds that could not be accounted for during the audit process. Omitted controls include year fixed effects, border fixed effects, the municipality's average years of education in 2001, the 2001 unemployment rate, and log(2021 population).

Table B13: Regression Discontinuity results on municipal capacity and fiscal accountability (Eastern borders only)

	LGS Survey	LISA Scores					Fiscal Transfers and Audit		
	Infrastructure Management Procedures	Physical Infrastructure	Service Delivery	Disaster Management	Judicial Execution	Coordination With Government	Conditional Grants	Total Expenditure	Unaccounted Percentage
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Panel A: Border municipalities									
Any People's Government	0.08**	0.21	0.05	0.13	0.28*	0.04	217.61	413.75	-0.55*
	(0.04)	(0.14)	(0.12)	(0.11)	(0.15)	(0.17)	(129.60)	(438.82)	(0.32)
Year FE	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
$\hat{\mu}_{\text{No People's Government}}$	.64	0	0	0	0	0	1,659	5,799	3.5
# Observations	230	621	621	621	621	621	1,045	1,036	1,045
# Districts	35	35	35	35	35	35	35	35	35
# Years	2	5	5	5	5	5	8	8	8
R-squared	.064	.1	.037	.14	.074	.073	.58	.64	.13
Panel B: All municipalities									
Any People's Government	0.04**	0.38***	0.19*	0.39***	0.43***	0.35***	319.79***	937.44***	-1.29***
	(0.02)	(0.10)	(0.10)	(0.08)	(0.11)	(0.12)	(47.51)	(176.65)	(0.27)
Year FE	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
$\hat{\mu}_{\text{No People's Government}}$	.64	0	0	0	0	0	1,387	4,479	4.9
# Observations	828	2,052	2,052	2,052	2,052	2,052	3,536	3,492	3,511
# Districts	44	44	44	44	44	44	44	44	44
# Years	2	5	5	5	5	5	8	8	8
R-squared	.046	.14	.08	.14	.2	.11	.68	.72	.23

Notes: $* < 0.1$, $** < 0.05$, $*** < 0.01$. The table presents the results of estimating specification 4 on the sample of all municipalities along the border between *No People's Government* and *Any People's Government* districts (panel A) and all municipalities across Nepal (panel B). We additionally include only municipalities near borders that lie in the Eastern bloc of People's Government expansion. Data are from two rounds of elected official surveys (2021 and 2024), LISA scores (2019-2023), intergovernmental fiscal transfers dataset (2017-2024), and audit data (2017-2024). *Infrastructure Management Procedures* is the proportion of 6 total processes related to infrastructure procurement, planning, and database development that have been adopted by the municipality. All LISA scores are standardized z-scores (with respect to the control group mean) of LISA scores published by the Ministry of Federal Affairs and General Affairs on the respective categories. *Unaccounted Percentage* refers to the percentage of total municipal funds that could not be accounted for during the audit process. Omitted controls include year fixed effects, the municipality's average years of education in 2001, the 2001 unemployment rate, and log(2021 population).

Table B14: Regression Discontinuity results on municipal capacity and fiscal accountability (Western borders only)

	LGS Survey	LISA Scores					Fiscal Transfers and Audit		
	Infrastructure Management Procedures	Physical Infrastructure	Service Delivery	Disaster Management	Judicial Execution	Coordination With Government	Conditional Grants	Total Expenditure	Unaccounted Percentage
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Panel A: Border municipalities									
Any People's Government	0.00	0.20	0.25	0.38*	-0.03	0.13	20.84	-111.52	0.49
	(0.03)	(0.16)	(0.15)	(0.18)	(0.13)	(0.18)	(86.30)	(194.06)	(0.34)
Year FE	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
$\hat{\mu}_{\text{No People's Government}}$	.68	0	0	0	0	0	1,565	4,465	2.7
# Observations	160	407	407	407	407	407	673	668	673
# Districts	23	23	23	23	23	23	23	23	23
# Years	2	5	5	5	5	5	8	8	8
R-squared	.13	.13	.15	.11	.13	.16	.74	.77	.16
Panel B: All municipalities									
Any People's Government	0.03*	0.16*	0.30***	0.20**	0.04	0.22	102.77	50.67	0.22
	(0.02)	(0.09)	(0.09)	(0.10)	(0.13)	(0.13)	(63.83)	(159.98)	(0.29)
Year FE	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
$\hat{\mu}_{\text{No People's Government}}$	.66	0	0	0	0	0	1,432	4,261	3.1
# Observations	555	1,386	1,386	1,386	1,386	1,386	2,335	2,308	2,329
# Districts	37	37	37	37	37	37	37	37	37
# Years	2	5	5	5	5	5	8	8	8
R-squared	.11	.12	.11	.096	.093	.15	.71	.71	.12

Notes: $* < 0.1$, $** < 0.05$, $*** < 0.01$. The table presents the results of estimating specification 4 on the sample of all municipalities along the border between *No People's Government* and *Any People's Government* districts (panel A) and all municipalities across Nepal (panel B). We additionally include only municipalities near borders that lie in the Western bloc of People's Government expansion. Data are from two rounds of elected official surveys (2021 and 2024), LISA scores (2019-2023), intergovernmental fiscal transfers dataset (2017-2024), and audit data (2017-2024). *Infrastructure Management Procedures* is the proportion of 6 total processes related to infrastructure procurement, planning, and database development that have been adopted by the municipality. All LISA scores are standardized z-scores (with respect to the control group mean) of LISA scores published by the Ministry of Federal Affairs and General Affairs on the respective categories. *Unaccounted Percentage* refers to the percentage of total municipal funds that could not be accounted for during the audit process. Omitted controls include year fixed effects, the municipality's average years of education in 2001, the 2001 unemployment rate, and log(2021 population).

C Nepal National Governance Survey (NNGS)

C.1 Scope of the survey

The Nepal National Governance Survey (NNGS) was the first survey in Nepal to measure people's perceptions of governance post-democratization. The Nepal Administrative Staff College (NASC) led this survey and completed it during the 2017/2018 elections.

C.2 Sampling procedure

The NNGS 2017/18 adopted a four-stage sampling design to select respondents, sampling on (1) districts, (2) municipalities, (3) polling centers, and (4) individuals. 77 districts were classified into 27 strata. Within each stratum, approximately half of the districts were randomly sampled for participation in the survey, resulting in the final selection of 43 districts. Within each district, four municipalities were randomly selected (two urban and two rural). Four polling centers were then randomly selected from the sampled municipalities to make up 646 poll centers. Last, 20 respondents were randomly sampled from each polling center to complete the survey. In total, the NNGS sample comprises 12,872 individuals across 164 municipalities that map to 43 districts.

C.3 Measuring political behavior and knowledge

We construct eight measures of political behavior and knowledge from the NNGS survey. Four measures are composite indices. Each of these indices was created as the mean of the set of indicator measures outlined below. Table C1 provides summary statistics for these measures. The eight measures we consider are:

1. Knowledge of the 2015 Constitution: "In 2015, Nepal got a new Constitution. Have you heard about this Constitution?"
2. Knowledge of party activities:"Do you have knowledge about the activities of the political parties of Nepal?"
3. Political participation index:
    - "I am now going to read out some public activities that take place in your locality. How often do you participate in these activities?": (participation = frequently, occasionally or rarely).
        - Cultural/religious meetings
        - Ward/village meetings

  - Local planning/budgeting
  - User group meetings
  - Volunteer/social service
  - Parent-teacher meetings
  - Social media campaigns

4. Participated in campaigns: "'I am now going to read out some public activities that take place in your locality. How often do you participate in campaigns/mass meetings?" (participation = frequently, occasionally or rarely)
5. Political parties trust index: Responses to the questions
   - "Do you think any political party of Nepal represents your feelings?"
   - "To what extent do you trust that the political parties of Nepal will be able to undertake the following?" (trust = trust completely or trust to some extent)
     - Improve public services
     - Implement federal structure
     - Promote inclusive culture
     - Follow the law
     - Deliver development
     - Control corruption
   - "Now I'm going to name a number of organizations or groups. How honest do you think they are in their work?": (honest =very honest or honest to some extent)
     - Political parties
   - "I will read out two statements about political parties of Nepal. To what extent do you agree with them?": (agreement = completely agree or agree to some extent.)
     - Political parties inform the citizens about their decisions and activities, and make public disclosure of their financial transactions.
     - Political parties are accountable to the public in all of their decisions
6. Local government trust index
   - "How honest do you think local governments are in their work?" (honest = very honest or honest to some extent)
   - "To what extent are you confident that local governments will do the following?" (confident = fully confident or confident to some extent)
     - ensure participation of people in the planning and development process.
     - improve implementation of development plans.

  - address the development needs of your locality.
  - provide an opportunity for you to express your opinion.
  - safeguard citizen rights.
  - improve public services.
  - promote social inclusion.
  - control corruption.
- "What improvements in behavior of local representatives have you noticed in the past five years" (improved)
- "To what extent do you think the elected local representatives will improve government services?" (improved = improve significantly or slightly)

7. Health and education index: "Have you heard, or have you or someone in your family received any of the following- free basic and secondary education, free medicine and health facilities" (received or heard someone received)
8. Approach police in emergencies: "If you were in an emergency or disaster situation or faced a threat to your life or property, who would you approach for immediate help?" (police selected as first or second preference)

Table C1: Components Political Behavior and Trust Indices

	N	Mean	SD
Knows about new constitution	9643	0.55	0.50
Knows about party activities	9550	0.43	0.49
	.	.	.
Political Participation Index	9636	0.39	0.29
Participated in cultural/religious meetings	9623	0.43	0.50
Participated in ward/village meetings	9618	0.56	0.50
Participated in local planning/budgeting	9564	0.29	0.46
Participated in user group meetings	9579	0.44	0.50
Participated in volunteer/social service	9603	0.53	0.50
Participated in parent-teacher meetings	9621	0.53	0.50
Participated in social media campaigns	9003	0.25	0.43
	.	.	.
Has participated in campaigns/mass meetings	9633	0.35	0.48
	.	.	.
Political Parties Trust Index	9614	0.33	0.37
Thinks parties represent their feelings	9511	0.25	0.43
Trust parties to improve public services	9482	0.35	0.48
Trust parties to implement federal structure	9286	0.36	0.48
Trust parties to promote inclusive culture	9433	0.37	0.48
Trust parties to follow the law	9452	0.32	0.47
Trust parties to deliver development	9521	0.37	0.48
Trust parties to control corruption	9411	0.21	0.41
Thinks parties are honest in their work	8982	0.51	0.50
Thinks parties inform citizens about activities	8319	0.20	0.40
Thinks parties are accountable to the public	8433	0.21	0.41
	.	.	.
Local Government Trust Index	9580	0.83	0.27
Thinks LGs are honest in their work	9038	0.81	0.39
Confident that LGs will ensure public participation	9313	0.85	0.35
Confident that LGs will improve development implementation	9303	0.88	0.33
Confident that LGs will address local development needs	9334	0.87	0.33
Confident that LGs will provide space to express opinions	9304	0.81	0.39
Confident that LGs will safeguard citizen rights	9227	0.86	0.35
Confident that LGs will improve public services	9239	0.88	0.33
Confident that LGs will promote social inclusion	9030	0.87	0.34
Confident that LGs will control corruption	9023	0.64	0.48
Thinks local reps will improve good governance	9223	0.90	0.29
Thinks local reps have improved behavior towards citizens	9161	0.80	0.40
	.	.	.
Health and Education Index	9638	0.98	0.12
Heard of or received free health facilities	9628	0.98	0.14
Heard of or received free basic or secondary education	9600	0.97	0.16
	.	.	.
Will approach police in an emergency	9622	0.76	0.42

Notes: The table shows the average of each individual component of each of the four indices used in Table 1.

D Local Government Institutional Capacity Self-Assessment

D.1 Description of Data

The Local Government Institutional Capacity Self-Assessment (LISA) is an annual assessment framework implemented by Nepal's Ministry of Federal Affairs and General Administration (MoFAGA) since 2019. LISA covers all 753 municipalities and evaluates local government capacity across ten core areas: government affairs, organization and administration, budget and planning management, fiscal management, service delivery, judicial execution, physical infrastructure, social inclusion, environment conservation and disaster management, and coordination. Each core area is further divided into 3 subgroups (overall status, procedural status and quantitative status), and each subgroup contains 3-4 measures.

Municipality officials assign ordinal ratings to each measure using either a three-point or four-point scale, depending on the indicator. To ensure comparability across measures, each rating is normalized by dividing the score awarded by the maximum possible score for that measure, yielding a value between 0 and 1. Each measure carries equal weight (1 point). Core area scores are calculated by summing the normalized scores of all measures within that area. Consequently, a core area containing n measures is scored on a continuous scale from 0 to n (typically ranging from 7 to 10, depending on the area). For example, if a municipal official assigns a score of 3 out of 4 to one Government Affairs measure, that measure contributes 0.75 points to the core area score; a score of 2 out of 4 on another measure contributes 0.50 points. The Government Affairs score is the sum of these normalized contributions across all its measures.

To mitigate concerns around self-reporting, for each individual measure, MoFAGA mandates the submission of supporting documentation and conducts manual verification on a subsample each year.

D.2 LISA Core Areas and individual measures

In our analysis, we use six of these core area scores: physical infrastructure, service delivery, disaster management, judicial execution, and co-ordination. To ensure comparability across areas, we standardize each area score with respect to the control group (*No People's Government*) mean and use z-scores in our analyses. The individual measures making up the 6 core areas that we use are listed below.

Physical Infrastructure

1. Road infrastructure construction according to road transport master plan
2. Risk-sensitive land use planning
3. PPP policy formulation and program operation for infrastructure development
4. Child-friendly and disability-friendly infrastructure policy and implementation
5. Use and sustainable management of built infrastructure
6. Environmental studies: brief, initial, and full environmental impact assessment
7. Compliance with national building code and local building standards
8. Road expansion compared to previous year
9. Road upgrading compared to previous year
10. Drinking water service expansion
11. Annual plan implementation status
12. Waste management
13. Industrial infrastructure

Service Delivery

1. Discussion in executive on services to be delivered and implementation of service improvement decisions
2. Establishment of ward offices in their own buildings in all wards with full services
3. Service recipients fully satisfied
4. Use of token system, online registration, or computerized billing
5. Service delivery standards prepared and implemented
6. All payments made through banking system
7. Alternative service delivery systems at ward level
8. Grievance record and response
9. Social security allowance payment through bank accounts
10. Number of births registered within 35 days
11. Public hearings
12. Use of mobile/field services
13. Access of all children to education
14. Access of citizens to health services
15. Agriculture and livestock services
16. Promotion and marketing of local products

Environment Conservation and Disaster Management

1. Formulation and implementation of plans, strategies, and action plans for disaster management
2. Formulation and effective implementation of environmental pollution control programs
3. Formulation of environment-friendly policies and programs with infrastructure
4. Identification and mapping of disaster-risk zones
5. Budget allocation for environmental enhancement
6. Participation of community groups, citizens, private sector, and NGOs in environmental conservation
7. Budget allocation and expenditure in local disaster management fund
8. Formation and operation of community institutions for environment conservation
9. Availability of emergency services such as ambulance and fire control

Judicial Execution

1. Formulation and implementation of operational procedures for judicial committee
2. Arrangement of mediators
3. Consensus-based decisions in judicial committee
4. Reporting system of judicial committee
5. Number of cases resolved during evaluation period
6. Appeals filed against judicial committee decisions
7. Formation of mediation centers

Coordination with Government

1. Policy and operational coordination with federal and provincial governments when formulating local policies and programs
2. Inter-local government cooperation (natural resource use, infrastructure development, environmental protection, waste management, emergency services, revenue collection, etc.)
3. Formation and operation of committees for matters concerning two or more local governments
4. Information and structure development for intergovernmental coordination and facilitation

5. Formulation and operation of joint programs between local governments
6. Coordination with District Coordination Committee

D.3 Validation of LISA scores

We independently validated the accuracy of LISA scores by evaluating their correlation with other measures of state capacity from our primary survey of elected officials, fiscal transfers data, and audit data. Table D1 shows these results.

All LISA area scores except the social inclusion score are strongly and positively correlated with adoption of management procedures and the number of total staff captured by our primary survey (columns 1-2) . They are also strongly and positively correlated with all types of federal grants (columns 3-6). Municipalities with higher LISA scores tend to spend more, and collect more tax revenue (columns 7-9). Finally, unaccounted share of budget is negatively correlated, indicating that municipalities with higher LISA scores are more fiscally disciplined (column 10). Overall Table D1 confirms that LISA scores are a reliable measure for municipal capacity.

Table D1: LISA Scores Correlates

	LGS Survey		Fiscal Transfers				Audit Data			
	Management Procedures Adopted	Total Staff	Equalization Grant	Conditional Grant	Complementary Grant	Special Grant	Capital Expenditure	Currrent Expenditure	Total Tax Revenue	Unaccounted Amount (%)
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
Overall Score	0.15***	0.14***	0.13***	0.29***	0.24***	0.22***	0.19***	0.21***	0.06***	-0.29***
Government Affairs	0.11**	0.05	0.07***	0.19***	0.19***	0.18***	0.11***	0.13***	0.03	-0.26***
Organization and Administration	0.13***	0.05	0.01	0.14***	0.19***	0.17***	0.08***	0.09***	0.01	-0.21***
Budget and Management	0.12**	0.11**	0.07***	0.18***	0.21***	0.17***	0.12***	0.13***	0.03	-0.21***
Fiscal Management	0.10**	0.10*	0.03	0.17***	0.18***	0.17***	0.10***	0.12***	0.03	-0.31***
Service Delivery	0.12**	0.12**	0.08***	0.23***	0.23***	0.21***	0.12***	0.16***	0.03	-0.26***
Judicial and Executive	0.09*	0.07	0.13***	0.23***	0.14***	0.13***	0.16***	0.16***	0.05**	-0.29***
Physical Infrastructure	0.17***	0.16***	0.19***	0.31***	0.23***	0.21***	0.23***	0.24***	0.08***	-0.21***
Social Inclusion	0.05	0.08*	0.10***	0.23***	0.19***	0.19***	0.14***	0.16***	0.04*	-0.21***
Environment and Disaster Management	0.12**	0.17***	0.20***	0.30***	0.20***	0.17***	0.22***	0.24***	0.09***	-0.21***
Coordination	0.11**	0.10*	0.13***	0.24***	0.15***	0.12***	0.18***	0.18***	0.09***	-0.23***
# Municipality-years	716	599	3,477	3,477	3,477	3,477	3,416	3,416	3,416	3,416
# Years	1	1	5	5	5	5	5	5	5	5

Notes: *Levels of significance*: $* < 0.05$, $** < 0.01$, $*** < 0.001$. Table shows the correlation matrix between raw LISA scores and related measures of state capacity from other administrative datasets. Sample includes all municipalities with non-missing data. Data are from two rounds of elected official surveys (2021 and 2024), LISA scores, intergovernmental fiscal transfers dataset, and audit data.

E Matching procedure across datasets

This section explains the matching processes deployed to merge electoral and census data.

E.1 Matching the 2017 Electoral Data to the 2015 PDNA Census Data

We match the 2017 electoral data to the 2015 PDNA census data for the 11 census districts to retrieve various demographic covariates that are not present in the election data and to evaluate patterns of political selection. This matching proceeded in three steps.

Step 1: Preparing the data

- **Preparing the Electoral Data**
  - *Merging 2017 electoral and aspirant data:* The electoral data received from the election commission included the names, ages, gender, party, votes received, and location identifiers (district and municipality for municipal candidates and ward for ward candidates) for all candidates and elected representatives. We appended our data on aspirants (those considered by selection committees but who didn't get party tickets) provided by the three main parties, which included information on the same attributes (names, gender, party, and location identifiers). We then manually compared candidate and aspirant information and dropped aspirants that ultimately received the tickets, to ensure that each individual appears only once in the data with accurate information about their candidacy status.
  - *Matching to voter lists:* To obtain additional candidate-level information to assist in fuzzy matching with the census data, we merged voter lists with the electoral data. We retrieved the voter ID for all candidates from the Election Commission. Using this ID, we merged candidates to publicly available voter lists that include information on location (district, municipality, and ward) and each individual's mother's and father's names. This merge allowed us to obtain ward location information for municipal candidates. For consistency, we use ward information as per the voter list in matching for all candidates.
- **Preparing the Census Data**
  - *Converting to 2017 geographic identifiers:* The geographical information in the

census data was available at the 2015 administrative level (the Village Development Council, or VDC, ward). We obtained a crosswalk for all 2015 district-VDC-wards and their corresponding 2017 district-municipality-wards. The crosswalk was manually digitized from the gazette published by the government after the administrative boundary change. We subsequently used the crosswalk to map the administrative structure on the census data to the 2015 administrative structure.

- *Identifying parents:* Using the relationship variable in the census, we identified the parents of all individuals.

- *Trimming the data for merging:* As the age range in the candidate list was 21 to 95, we dropped individuals below 15 years and above 100 years from the census data.

Step 2: Fuzzy matching between the electoral and census data

- **Matching within wards:** For candidates with available ward information, we fuzzy matched using `reclink2` in Stata on name, district, municipality, ward, and gender. We set the minimum match score to 0.7, and the mean match score was 0.99 (SD 0.0188). Duplicate matches were adjudicated using the manual matching process described below.

- **Matching within municipalities:** For candidates without available ward information, we fuzzy matched using `reclink2` in Stata on name, district, municipality, and gender.

Step 3: Manual matching and validation

- *Classification of matches:* The fuzzy matching process yielded some multiple matches. We manually evaluated all matches to classify them into 'unique perfect matches,' 'multiple matches,' and 'incorrect matches' based on the visible closeness of parents' ages and names across the two datasets. Note that we did not use age or parents' names in the fuzzy matching described above, but rather, we saved these to correct the algorithmic matching process manually. In the manual matching process, we applied the following rules to identify different kinds of matches:

  - We classify a 'unique match' if only one name matched from each data set, and the age difference between the observations in the two datasets was within 7 years,

and/or the parent name matched [1].

– A 'multiple match' was determined if two or more names matched and the age difference was in the 0-3 years range, or if it was missing.

- Overall, out of 1350 mayoral aspirants, candidates and representatives from 2017, we were able to identify 723 unique matches in the census data. This is a match rate of **53%**.

Matched sample balance

Table E1 evaluates whether caste composition and history of rebel governance predict matching by candidate type and party. Caste and history of rebel governance do not significantly correlate with match status. The sample is also balanced in the probability of matching Janajati names from Partial PGs compared to BCNs, with the exception of Non-Maoist candidates. Importantly, Janajatis aren't differentially likely to be matched in Complete PG districts compared to Partial PG districts. This means that our results in Table 4 are unlikely to be driven by attrition due to our matching algorithm.

Table E1: All matched politicians versus unmatched

	Dependent Variable: I(Matched)							
	2017						2022	
	Aspirants		Candidates		Representatives		Representatives	
	Maoist	Non-Maoist	Maoist	Non-Maoist	Maoist	Non-Maoist	Maoist	Non-Maoist
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Complete People's Government	-0.02	-0.01	-0.05	-0.02	0.08	0.01	0.30	0.13
	(0.08)	(0.04)	(0.14)	(0.05)	(0.40)	(0.13)	(0.28)	(0.13)
Janajati	-0.08	-0.06	0.12	-0.10*	-0.00	-0.02	0.20	0.01
	(0.08)	(0.05)	(0.15)	(0.06)	(0.44)	(0.16)	(0.33)	(0.15)
Janajati X Complete People's Government	0.07	-0.02	-0.10	0.01	-0.04	-0.20	-0.11	-0.03
	(0.11)	(0.07)	(0.20)	(0.08)	(0.54)	(0.22)	(0.39)	(0.19)
$\hat{\mu}_{\text{Partial PG, BCN}}$	.41	.61	.63	.7	.67	.67	.4	.75
# Observations	314	1,036	100	591	17	93	36	73
R-squared	.0062	.011	.028	.013	.005	.041	.1	.051

Notes: *Levels of significance*: $* < 0.05$, $** < 0.01$, $*** < 0.001$. The sample includes all 2017 mayoral aspirants, candidates and representatives from 11 central census districts (columns 1-6) and all 2022 mayoral representatives (columns 7-8). Data on aspirants are from administrative party records. Data on candidates and representatives are from the Election Commission. Robust standard errors are in parentheses.

[1]The census and election data were collected up to three years apart.

F Caste Prediction Model

To capture caste information for individuals without directly reported caste, we trained a prediction model using the 2017 PDNA census data to estimate caste using surname.

Let $n_{s,c}$ be the number of individuals with the surname s who belong to caste c. For each surname, we define the set of possible castes as $C(s) = \{c|n_{s,c} > 0\} \cup \{dummy\}$, where we include the *dummy* set of castes to stand for castes that exist in the national census grouping but that are not observed in the PDNA data. Then, for each $c \in C(s)$ we define

$$\hat{P}(caste|surname) = \frac{(n_{s,c} + 1)}{\sum_{c \in C(last)}(n_{s,c} + 1)} \tag{5}$$

The top predicted caste for a given last name is the caste with the largest number of individuals who share that name.[2] The estimated probability is therefore $\hat{P}(c|s)$. We retain three predicted castes for each individual. In cases of equal number of $n_(s, c)$ for different castes, we ordered them randomly to keep the cutoff at three castes.

Within the 2017 PDNA census, the classification accuracy using the maximum $\hat{P}(c|l)$ is 89%. The accuracy of one of the top 3 caste predictions being correct is 98%.[3] In order for this prediction model to perform similarly in other data sets, it requires the assumption that the individuals have the same distribution of castes conditional on surname.

[2]This form for $\hat{P}(c|s)$ reflects Laplace Smoothing. For example, if 10 individuals who share a last name in the PDNA all come from the same caste, it is not with certainty (probability 1) that an 11th individual (to be predicted) would belong to the same caste.

[3]We investigated using location as well as last name to improve classification. In this exercise, we give an upper bound on classification accuracy using last name and district. To give an upper bound on the added effect of this information, we perform an overfit estimate of the prediction accuracy with the 2015 census. For each last name and district, we take the modal caste for individuals of that last name in that district as the predicted caste. That is, instead of using $n_{l,c}$, we use the counts in each district $n_{last,district,caste}$ and perform the modal classification for each pair (last, district). We then test our prediction accuracy for all individuals in the census using their name and district. We use the entire census as both the training set and test set. Since any model using only last name and district as features must be some function f(last,district), and since we are selecting the best such function for our test data using overfitting, the accuracy of this overfit model produces a strict upper bound on the accuracy of prediction using last name and district. The accuracy attained is 91%. This is compared to 89% for modal classification based on last name without using location - a two percentage point increase. Recall that there was 98% accuracy for the top 3 predictions together based on last name alone, so this is a more important margin to pursue.

G PLS Sampling

Our party selection committee survey was conducted in 2018 and intended to collect data from a representative sample of the district selection committees of the three largest parties (Maoist, Nepali Congress, and United Marxist Leninist) in the 11 central census districts.

G.1 Sampling

Our sample frame included all members of district selection committee members by the three main parties. In total, this included 441 district committee members.

Our sampling proceeded as follows:

- We sampled all committee members for the Maoist and Nepali Congress parties.
- We sampled all committee members with positions of authority for the United Marxist Leninist (UML) party. Since the UML had substantially larger district committees than the other two parties, this yielded roughly the same sample size across parties, and our qualitative insights from conversations with party leaders suggest that these are comparable samples in terms of influence on committees.
- In total, we sampled 318 out of 441 district committee members.

G.2 Response Rates

We successfully surveyed 264 out of 318 (83%) district committee members.

G.3 Attrition

Table G1 evaluates whether caste or party correlate with sample inclusion (column 1), survey attrition (column 2), or item non-response for our IAT and explicit bias measures (columns 3 and 4) for district committee members. Maoist committee members were more likely than non-Maoist committee members to be sampled (col 1), but were no more likely to be surveyed conditional on being sampled (col 2). We do not observe differences in the caste composition of those sampled (relative to those not sampled) or those who became respondents (relative to non-respondents). Further, we do not observe differences in sample inclusion or survey attrition by caste across parties. Overall, this suggests that caste and party are unlikely to result in response bias due to attrition in our analysis.

Table G1: Sampling and non-responses correlates

	Sample Frame	Sample	Surveyed	
	Sampled	Surveyed	Has IAT	Has Explicit Bias Question
	(1)	(2)	(3)	(4)
Maoist	0.36***	-0.06	0.08*	0.03
	(0.05)	(0.06)	(0.04)	(0.05)
Janajati Member	0.04	0.01	0.03	-0.08
	(0.05)	(0.06)	(0.04)	(0.05)
Janjati Member × Maoist	0.00	-0.10	-0.02	0.08
	(0.10)	(0.10)	(0.08)	(0.09)
E(Y| BCN & Non-Maoist)	.64	.86	.88	.89
# Observations	441	318	264	264

Notes: *Levels of significance*: $* < 0.1$, $** < 0.05$, $*** < 0.01$. Table show the differences in caste and party affiliation between the sample frame of the Party Leadership Survey versus sampled members (column 1), sampled versus surveyed members (column 2) and all surveyed members versus members that responded to IAT/Explicit Bias Question (column 3-4). The sample frame includes all 441 district committee members from the three major parties in the 11 earthquake census districts . All models include district fixed effects and indicators for being Dalit and being from other non-BCN castes (such that the excluded caste group is BCN) as well as their interaction with an indicator for being from the Maoist Party. Caste is defined through our prediction algorithm.

G.4 Single-Attribute Implicit Association Test

We include a single-attribute implicit association test (SA-IAT) in the survey. Our SA-IAT fixes caste labels ("Brahmin" and "Janajati") on opposing sides of the terminal screen and assigns them distinct response keys.[4] For each task, a single stimulus – either a caste surname or a leadership-related word (e.g., "confident") – appears at the center of the screen, requiring rapid classification with the relevant key. Each respondent completes a sequence of tasks in rapid succession. The SA-IAT score compares respondents' speed and accuracy in categorizing leadership-related words across two otherwise identical tasks. In one task, leadership-related words share a response key with Brahmin surnames; in the other, they share a response key with Janajati surnames. Faster and more accurate responses when leadership is paired with Brahmin surnames, relative to when it is paired with Janajati surnames, indicate a stronger association of Brahmins with leadership aptitude.

Respondents were asked to complete a total of five rounds as follows:

Randomization of Brahmin/Janajati to right or left

- Round 1: Brahmin/Janajati, 10 tasks

Randomization of Leadership to right or left

- Round 2: Brahmin/Janajati; Leader, 20 tasks
- Round 3: Brahmin/Janajati; Leader, 20 tasks (identical to round 2)
- Round 4: Janajati/Brahmin; Leader, 20 tasks (reverse to round 2)
- Round 5: Janajati/Brahmin; Leader, 20 tasks (identical to round 4).

We follow the method described in Greenwald et al. (2003) to calculate standardized D-scores from the time taken to categorize stimulus in each round of the IAT:

1. Use data from round 2,3,4, and 5.
2. Eliminate trials with latencies above 10,000 ms
3. Delete subjects for whom more than 10% of trials have latency less than 300 msec
4. Compute the "inclusive" standard deviation for all trials in Stages 2 and 4 and likewise

[4]Since Janajati is a supraordinate identity categorizing dozens of indigenous groups, we use "Tamang" – the largest Janajati group – as the Janajati category label to match the single-caste structure of the Brahmin category.

for all trials in Stages 3 and 5.

5. Compute the mean latency (μ) for responses for each of Stages 2, 3, 4, and 5.
6. Compute the two mean differences: ($\mu_{\text{stage 4}} - \mu_{\text{stage 2}}$) and ($\mu_{\text{stage 5}} - \mu_{\text{stage 3}}$).
7. Divide each difference by its associated inclusive SD from Step 4/
8. Take the mean of the two quotients in step 7

G.5 Explicit Bias Question

Our measure of explicit bias used in Appendix Table A4 is an indicator that equals one if the respondent answered Brahmin to the question "Do Brahmins make better leaders than Tamangs?". As mentioned above, Tamang proxies for Janajati caste. To lower the possibility of answers being due to Survey Desirability Bias, we asked this through a self-administered questionnaire in paper. Politicians recorded their responses and put the questionnaire into an envelope. This ensured that enumerators were not able to observe the responses of the politician they were questioning.