Diversity and Global Policy: Quality of Governance

Germain Gauthier

Bocconi University

Recap and Today's Roadmap

There exist large differences between groups in society along many essential dimensions. [Block 1]

e.g., political representation, earnings, wealth acquisition, mobility

What happens when we increase/reduce these gaps? [Block 2]

Today, we will focus on the introduction of women in politics and its effects on policy making.

Gender Preferences and Priorities

Women in politics are not only desirable for equity considerations regarding career advancement in politics.

If the preferences and choices of men and women in power differ, it is a political representation concern.

In practice, experimental and survey-based studies suggest a gender gap in social preferences and priorities.

→ **Questions our political institutions' efficiency and fairness of resource allocation**

Lab Evidence

Common observation across the social sciences: women are more socially-orientated, and men are more individually-orientated...

Is it also the case for economic decisions? (Eckel and Grossman, 1998)

Dictator game:

- Two players, one dictator
- The dictator is asked to determine the division of $10 between himself/herself and the other player.

140 dictator games were played.

Main result: women donate, on average, about twice as much as men.

ARE WOMEN LESS SELFISH THAN MEN?: EVIDENCE FROM DICTATOR EXPERIMENTS*

Catherine C. Eckel and Philip J. Grossman

Research in social sciences other than economics indicates substantial differences in behaviour between men and women. The general conclusion drawn from this work is that women will be more socially-orientated (selfless), and men more individually-orientated (selfish). This paper reports the results of a double-anonymous dictator experiment designed to permit the emergence of basic gender differences in economic behaviour. Our results are intended to provide a baseline for further research. We find that women, on average, donate twice as much as men to their anonymous partners when any factors that might confound cooperation are eliminated.

Observational Evidence

In Switzerland, citizens vote on a broad range of policies in referendums and initiatives.

This **direct democracy setting** is ideal to study gender gaps in policy preferences beyond surveys.

Funk and Gathmann (2015) document that:

- There are large gender gaps in the areas of health, environmental protection, defense spending, and welfare policy.
- Female policymakers have a substantial effect on the composition of public spending, but a small effect on the overall size of government.

This paper uses a unique data set on individual voting decisions to shed new light on gender gaps in policy making. Our analysis focuses on Switzerland, the world leader in direct democracy, where all citizens directly decide on a broad range of policies at the ballot box. Analysing all federal votes held between 1981 and 2003, we show that there are large gender gaps in the areas of health, environmental protection, defence spending and welfare policy. The gender gaps typically persist even conditional on socio-economic characteristics. We also find that female policy-makers have a substantial effect on the composition of public spending, but a small effect on the overall size of government.

JEL codes: J16, J18, H51, H52, H53

—Patricia Funk and Christina Gathmann

Table 2: Federal Propositions with the Largest Gender Gap

Title of Proposition	Vote Number	Year of Vote	Gender Gap (%)
Reduction of Tobacco Consumption	404	1993	17.7
Equal Representation of Women in Federal Government	461	2000	17.5
Change in Marital Law	336	1985	17.0
Against Racial Discrimination	414	1994	16.8
Against Subsidies for Corn Production	413	1994	15.6
Reduction of Alcohol Consumption	403	1993	15.5
For Protection of Rivers and Lakes	381	1992	15.3
For a Car Free Sunday per Quarter	498	2003	14.9
For Abandoning Nuclear Energy	365	1990	14.7
For Equal Rights of the Disabled	500	2003	14.6
Equal Rights of Men and Women	306	1981	14.5

Notes: The second column reports the official number of the vote and the third column the year the vote was held. The final column shows the gender gap, the percentage of women approving the proposition minus the percentage of men. Positive numbers imply that women were more supportive of the proposition than men.

Source: VOX Surveys, 1981-2003, Sample of Voters.

Table 5: Voting Behavior of Men and Women in Federal Propositions

	Environment Protection of the Environment	***Transport*** Against further Road Construction	***Military*** Less Military	***Agriculture*** Against Subsidies for Agriculture	***Education*** Free Education	***Health*** Subsidies Health Insurance	***Welfare*** Reduce Unemployment Benefits	***Welfare*** Decrease Retirement Age	***Welfare*** Support for the Disabled	***Welfare*** Longer Maternity Leave
Female Dummy	0.074	0.030	0.047	0.107	0.017	0.040	-0.043	0.053	0.134	0.049
	(0.015)***	(0.024)	(0.025)*	(0.038)***	(0.068)	(0.032)	(0.035)	(0.020)***	(0.047)***	(0.028)*
University Education	0.126	0.073	0.127	0.191		0.035	0.058	-0.006	0.028	0.216
	(0.024)***	(0.040)*	(0.040)***	(0.062)***		(0.053)	(0.046)	(0.032)	(0.069)	(0.053)***
Married	-0.017	-0.151	-0.022	-0.008	-0.034	-0.010	-0.065	-0.007	-0.045	-0.045
	(0.017)	(0.026)***	(0.027)	(0.043)	(0.066)	(0.034)	(0.037)*	(0.022)	(0.053)	(0.030)
Houseowner	-0.073	-0.040	-0.090	0.029	-0.148	-0.079	0.074	-0.076	-0.102	-0.034
	(0.016)***	(0.023)*	(0.025)***	(0.042)	(0.065)**	(0.033)**	(0.035)**	(0.021)***	(0.051)**	(0.029)
Employed	-0.030	-0.028	0.057	-0.061	-0.160	-0.019	0.029	0.023	-0.045	-0.016
	(0.018)*	(0.026)	(0.030)*	(0.042)	(0.076)**	(0.036)	(0.039)	(0.024)	(0.055)	(0.031)
Age	-0.004	-0.002	-0.005	0.001	-0.000	-0.000	0.004	-0.002	-0.001	-0.005
	(0.001)***	(0.001)**	(0.001)***	(0.001)	(0.002)	(0.001)	(0.001)***	(0.001)***	(0.002)	(0.001)***
Controls for Region	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES
Year and Canton FE	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES
Observations	4865	1969	2100	697	254	960	958	2513	508	1456
Log-Likelihood	-2991.83	-1157.50	-1187.68	-420.30	-139.84	-530.00	-511.60	-1498.67	-324.30	-854.89

Notes: The table reports estimates from a probit model with marginal coefficients being displayed. The dependent variable is the voting decision, which is equal to one if the respondent supported the proposition and zero otherwise for the propositions shown in the column header. The table reports the coefficient on the female dummy. All specifications include canton and year fixed effects. Controls for the region of residence, such as language and urban area as well as socio-demographics are included as well (all controls except age are binary variables). Robust standard errors are reported in parentheses. Coefficients with *** are significant at the 1 percent level, while those with ** (*) are significant at the 5 (10) percent level. The last row reports the value of the log-likelihood function.

Notes: Women are more likely to support environmental and welfare policies.

Table 8: Support for Higher Expenditures in Federal Propositions

	Size of Government			*Scope of Government*					
	More Government	Less Debt	More Environment	More Transport	More Defense	More Agriculture	More Education	More Health	More Welfare
Female Dummy	0.022	-0.029	0.093	0.018	-0.062	-0.071	0.122	0.063	0.063
	(0.007)***	(0.019)	(0.027)***	(0.016)	(0.023)***	(0.026)***	(0.057)**	(0.025)**	(0.016)***
University Education	0.136	-0.014	-0.048	0.193	-0.098	-0.103	0.151	0.116	-0.023
	(0.012)***	(0.033)	(0.044)	(0.020)***	(0.037)***	(0.043)**	(0.102)	(0.044)***	(0.024)
Married	-0.025	0.013	-0.037	-0.028	-0.001	-0.016	-0.032	-0.010	0.000
	(0.008)***	(0.021)	(0.030)	(0.017)	(0.024)	(0.029)	(0.062)	(0.026)	(0.017)
Houseowner	-0.029	0.032	-0.091	-0.017	0.071	0.008	-0.171	-0.066	-0.089
	(0.008)***	(0.020)	(0.029)***	(0.016)	(0.023)***	(0.028)	(0.060)***	(0.025)***	(0.016)***
Employed	-0.030	-0.057	-0.065	-0.052	0.016	0.028	0.119	-0.025	0.013
	(0.008)***	(0.021)***	(0.030)**	(0.018)***	(0.027)	(0.029)	(0.061)*	(0.027)	(0.019)
Age	-0.000	0.001	-0.005	0.002	0.007	0.000	0.002	-0.001	-0.003
	(0.000)	(0.001)	(0.001)***	(0.001)***	(0.001)***	(0.001)	(0.002)	(0.001)	(0.001)***
Controls for Region	YES	YES	YES	YES	YES	YES	YES	YES	YES
Year and Canton FE	YES	YES	YES	YES	YES	YES	YES	YES	YES
Observations	20591	2178	1533	4120	2162	1541	387	1735	4439
Log Likelihood	-13646.55	-1115.29	-922.69	-2433.62	-1285.77	-883.86	-246.11	-1016.35	-2810.43

Notes: The table reports the marginal effects from a probit model whether the respondent supported a proposition, which would have increased government spending in the respective policy area or opposed it. The classification of the financial consequences of the propositions is based on the official documents distributed by the Swiss government before the vote (see main text). The Appendix shows a list of the federal propositions underlying each column. The table resports the coefficient on the female dummy variable in each row. The controls are the same as in Table 5. Robust standard errors are reported in parentheses.

Notes: Women are in favor of a larger government, more environment, education, and welfare, but less defense and agriculture.

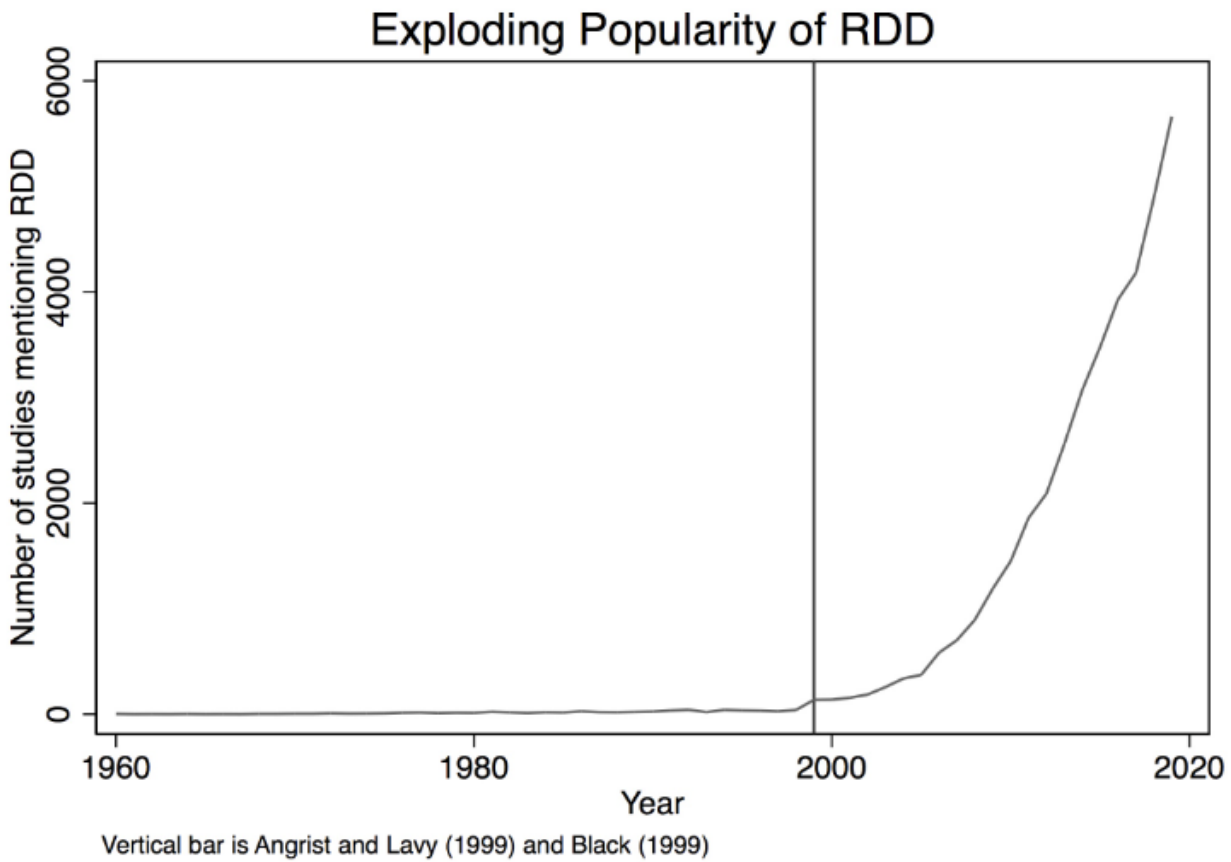
How does this gap in gender policy preferences translate into policies?

Two common methodological approaches for causal inference:

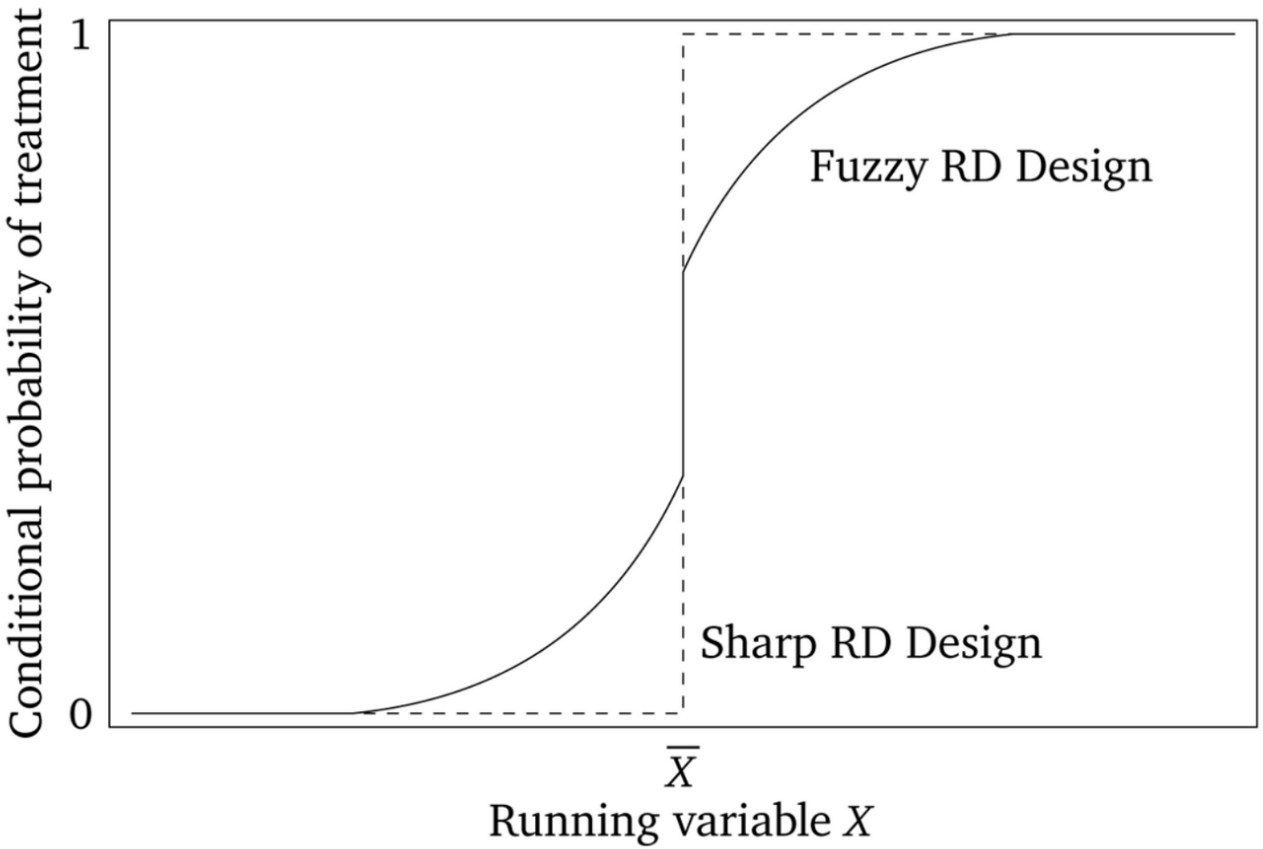
- Exploit the **introduction of quotas in politics** (*e.g., village councils in India in the 1990s*)
- Exploit **mixed gender close elections** in a regression discontinuity design framework (see here for a detailed discussion)

We have a series of lectures on quotas coming later, so we will focus on the RDD evidence for now.

Quick Brush-up on RDD



Notes: RDDs have become very popular among economists.



Notes: RDDs exploit discontinuous jumps in the probability of treatment assignment along some running variable.

We are interested in estimating:

$$Y_i = \alpha + \beta\, g(X_i) + \delta D_i + \varepsilon_i, \tag{1}$$

where:

- Y_i = the outcome variable
- X_i = the running variable
- g = a flexible function of X_i
- c = the cutoff
- D_i = treatment assignment

δ is the primary quantity of interest (i.e., the "estimand").

It represents the **Local Average Treatment Effect (LATE)** as $X_i \to c$.

Two types of RDDs:

- **Sharp RDD:** The treatment assignment is deterministic at the cutoff.
- **Fuzzy RDD:** The probability of treatment assignment jumps at the cutoff, but it is not a deterministic process.

In the case of the fuzzy RDD, we need to work a bit more.

Let's go ahead and define:

$$Z_i = \begin{cases} 0 & \text{if } X_i \leq c \\ 1 & \text{if } X_i \geq c. \end{cases}$$

We first instrument treatment assignment D_i with Z_i and then estimate Equation 1 in the second stage.

Limitations of RDDs

Core assumption: The only thing that causes the outcome to change abruptly at c is the treatment.

Limitations/threats to identification:

- We cannot guarantee that the control and treatment group are comparable.

  $\Rightarrow$ We need to do balance tests on observables!

- There is sometimes endogenous sorting at the cutoff.

  $\Rightarrow$ McCrary density test assesses bunching at c.

- The LATE is only identified as $X_i \to c$, so our estimates are really based on an extrapolation exercise.

  $\Rightarrow$ The choice of $g(X_i)$ can affect results.

Evidence from Developing Countries

We discuss two influential papers on India based on a fuzzy regression discontinuity design (Clots-Figueras, 2011; Bhalotra and Clots-Figueras, 2014).

Let i denote states, t elections, FC_{it} the fraction of seats won by a woman in a close election against a man, TC_{it} the fraction of seats in the state in which there were close elections between women and men, and X_{it} a vector of controls.

First stage (Clots-Figueras, 2011):

$$F_{it} = \alpha_i + \beta_t + \kappa FC_{it} + \mu TC_{it} + X_{it}\delta + \varepsilon_{it}$$

Second stage (Clots-Figueras, 2011):

$$Y_{it} = \alpha_i + \beta_t + \gamma F_{it} + \mu TC_{it} + X_{it}\delta + u_{it}$$

Bhalotra and Clots-Figueras (2014) also control for mother and cohort fixed effects and a third order polynomial for the margin of victory.

Women in politics
Evidence from the Indian States ☆

Irma Clots-Figueras *

Department of Economics, Universidad Carlos III de Madrid, Spain

ARTICLE INFO

Article history:
Received 11 September 2008
Received in revised form 30 August 2010
Accepted 22 November 2010
Available online 9 December 2010

JEL classification:
D70
H19
H41

ABSTRACT

This paper uses panel data from the 16 larger states in India during the period 1967–2000 to study the effects of female political representation in the State Legislatures on public goods, policy and expenditure. It finds that politicians' gender affects policy, but that their social position, i.e., their caste, should be taken into account as well. Female legislators in seats reserved for lower castes and disadvantaged tribes invest more in health and early education and favor "women-friendly" laws, such as amendments to the Hindu Succession Act, which was designed to give women the same inheritance rights as men. They also favor redistributive policies, such as land reforms. In contrast, female legislators from higher castes do not have any impact on "women-friendly" laws, oppose land reforms, invest in higher tiers of education and reduce social expenditure. The causal effect of female legislators is estimated using close elections between women and men.

Table 7
Laws. Dependent variables: land reforms and Hindu Succession Law.

	1	2	3	4	5	6	7	8
	Hindu Succession Law				Land reform laws			
	OLS	OLS	2SLS	2SLS	OLS	OLS	2SLS	2SLS
Fraction of seats won by a woman	0.8717		0.7825		−0.9383		−2.0330	
	(0.6535)		(1.2142)		(1.7623)		(2.3924)	
Fraction of seats won by an SC/ST woman		0.6633		12.9295**		−9.6025		23.6979**
		(1.3732)		(5.8790)		(6.1563)		(11.3356)
Fraction of seats won by a general woman		0.9043		−1.4433		0.1022		−6.3982**
		(0.7924)		(1.3574)		(1.7813)		(2.8492)

Notes: Clots-Figueras (2011) distinguishes between seats reserved for special castes / special tribes and general seats (a proxy for socio-economic status of the politician). Female legislators in seats reserved for lower castes and disadvantaged tribes favor "women-friendly" laws, such as amendments to the Hindu Succession Act, which was designed to give women the same inheritance rights as men. They also favor redistributive policies, such as land reforms. In contrast, female legislators from higher castes do not have any impact on "women-friendly" laws and oppose land reforms.

Table 9
Schools.

Panel A: Dependent variable: number of schools per 1000 individuals												
	1	2	3	4	5	6	7	8	9	10	11	12
	Primary schools				Middle schools				Secondary schools			
	OLS	OLS	2SLS	2SLS	OLS	OLS	2SLS	2SLS	OLS	OLS	2SLS	2SLS
Fraction of seats won by a woman	0.1550		0.7239*		0.1300*		0.2939**		0.0336		0.1816***	
	(0.1602)		(0.3988)		(0.0679)		(0.1243)		(0.0316)		(0.0673)	
Fraction of seats won by an SC/ST woman		0.5562		3.0448**		0.1273		0.1881		0.1979**		0.4347*
		(0.4814)		(1.5298)		(0.1633)		(0.3352)		(0.0849)		(0.2568)
Fraction of seats won by a general woman		0.1051		0.3684		0.1304*		0.3101**		0.0139		0.1387**
		(0.1654)		(0.3793)		(0.0755)		(0.1216)		(0.0327)		(0.0646)
Fraction of seats with close elections between women and men			−0.5373	−0.3746			−0.2008**	−0.2083**			−0.3097***	−0.2614**
			(0.3916)	(0.3229)			(0.0904)	(0.0906)			(0.1139)	(0.1148)
Observations	464	464	464	464	464	464	464	464	400	400	400	400
R-squared	0.990	0.990	0.989	0.988	0.991	0.991	0.991	0.991	0.978	0.978	0.972	0.972

Notes: Female legislators from lower castes and disadvantaged tribes invest a lot in schools. Female legislators from higher castes invest in higher tiers of education.

Table 12
Expenditure measures: broad classification.

Panel A: Dependent variable: expenditure category as a fraction of total expenditure (457 observations).

	1	2	3	4	5	6	7	8	9	10	11	12
	2SLS	2SLS	2SLS	2SLS	2SLS	2SLS	2SLS	2SLS	2SLS	2SLS	2SLS	2SLS
	Total expenditure (log pc)	Share of capital expenditure	Share of dev expenditure	Share of non-dev expenditure	Share of social expenditure	Share of economic expenditure	Total expenditure (log pc)	Share of capital expenditure	Share of dev expenditure	Share of non-dev expenditure	Share of social expenditure	Share of economic expenditure
Fraction of seats won by a woman	1.0225	0.0745	0.4045	0.4995*	−0.3869	0.9688***						
	(0.7165)	(0.4382)	(0.3832)	(0.3021)	(0.2473)	(0.3276)						
Fraction of seats won by an SC/ST woman							0.7795	−0.6608	1.6582**	1.8178**	0.1188	1.0515
							(1.6068)	(0.5872)	(0.7704)	(0.7913)	(0.4887)	(0.9874)
Fraction of seats won by a general woman							1.0824	0.2558	0.0952	0.1745	−0.5116**	0.9484***
							(0.8076)	(0.4950)	(0.4429)	(0.3228)	(0.2546)	(0.3008)
Fraction of seats that had close elections between women and men	−0.0308	0.2090	−0.1640	−0.7318**	0.1226	−0.4338**	−0.0430	0.1723	−0.1013	−0.6659*	0.1479	−0.4297**
	(0.4306)	(0.1952)	(0.2005)	(0.3217)	(0.1181)	(0.2093)	(0.4418)	(0.2014)	(0.1958)	(0.3411)	(0.1167)	(0.2074)
R-squared	0.944	0.560	0.653	0.646	0.705	0.692	0.944	0.553	0.620	0.652	0.704	0.691

Notes: Female legislators from higher castes reduce social expenditure.

Table 11
Health.

Panel A: Dependent variables: number of hospitals, dispensaries and beds in hospitals and dispensaries per 1000 individuals

	1	2	3	4	5	6	7	8	9	10	11	12
	Hospitals				Dispensaries				Beds in hospitals and dispen.			
	OLS	OLS	2SLS	2SLS	OLS	OLS	2SLS	2SLS	OLS	OLS	2SLS	2SLS
Fraction of seats won by a woman	−0.0093		−0.0210		0.0127		0.2192		0.4307		3.4473***	
	(0.0115)		(0.0577)		(0.0933)		(0.1444)		(0.3945)		(1.0103)	
Fraction of seats won by an SC/ST woman		−0.0174		0.0469		0.2526		0.8152*		0.0639		8.2100**
		(0.0356)		(0.1092)		(0.1970)		(0.4225)		(0.9733)		(3.2456)
Fraction of seats won by a general woman		−0.0082		−0.0323		−0.0222		0.1049		0.4816		2.4144**
		(0.0117)		(0.0613)		(0.0893)		(0.1534)		(0.4672)		(1.0953)
Fraction of seats with close elections between women and men			−0.0031	0.0018			−0.6341***	−0.5054**			−3.2118**	−2.2329
			(0.0403)	(0.0390)			(0.2231)	(0.2353)			(1.5928)	(1.6846)
Observations	478	478	478	478	364	364	364	364	339	339	339	339
R-squared	0.906	0.906	0.896	0.895	0.869	0.870	0.862	0.857	0.964	0.964	0.957	0.955

Notes: Female legislators invest in health, particularly if they are from lower social castes or disadvantaged tribes.

Zooming in on Health

In India, 10% of children die before the age of one and less than 4% of state legislators are women... Are the two related?

Health and the Political Agency of Women†

By SONIA BHALOTRA AND IRMA CLOTS-FIGUERAS*

We investigate whether women's political representation in state legislatures improves public provision of antenatal and childhood health services in the districts from which they are elected, arguing that the costs of poor services in this domain fall disproportionately upon women. Using large representative data samples from India and accounting for potential endogeneity of politician gender and the sample composition of births, we find that a 10 percentage point increase in women's representation results in a 2.1 percentage point reduction in neonatal mortality, and we elucidate mechanisms. Women's political representation may be an underutilized tool for addressing health in developing countries. (*JEL* D72, I12, I15, J16, O15, O17)

Illustration of the First Stage

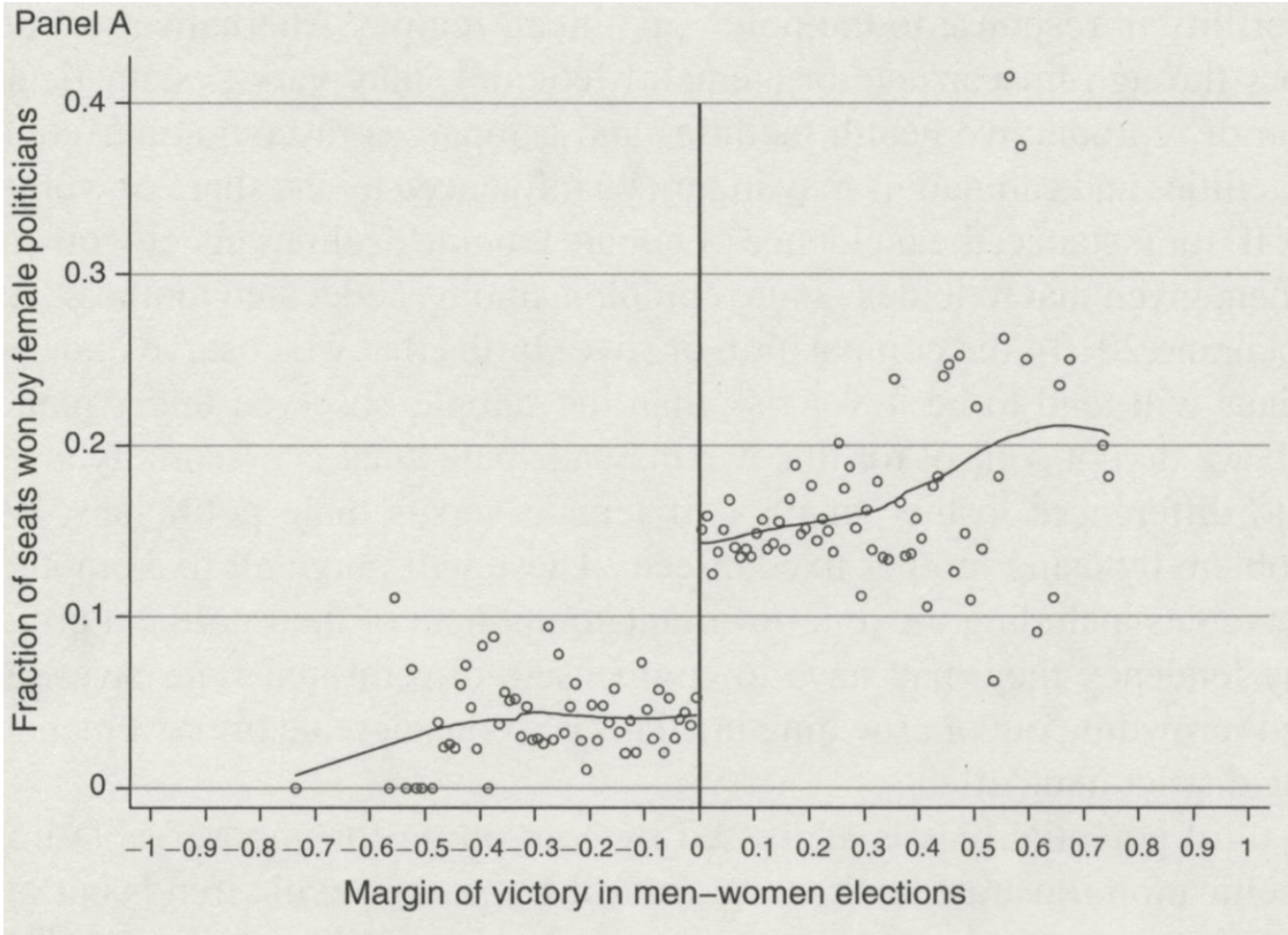


TABLE 2—BASELINE RESULTS

	OLS (1)	OLS (2)	OLS (3)	2SLS (4)	2SLS (5)	2SLS (6)
Panel A. Neonatal mortality						
Fraction of seats in district won by female politicians (*women*)	−0.0050 (0.016)	−0.0148 (0.018)	−0.0303 (0.023)	−0.1176 (0.074)	−0.1942** (0.079)	−0.2061*** (0.078)
District FE	x	x		x		
Cohort FE	x	x	x	x	x	x
Mother FE			x		x	x
Controls						x
Vote margins				3rd order polynomial	3rd order polynomial	3rd order polynomial
Observations	95,016	71,498	71,498	71,498	71,498	71,498
Number of mothers					18,754	18,754

Notes: Female legislators are associated with a large and statistically significant decrease in neonatal mortality (first 28 days after birth).

	OLS (1)	OLS (2)	OLS (3)	2SLS (4)	2SLS (5)	2SLS (6)
Panel B. Infant mortality						
Fraction of seats in district won by female politicians (*women*)	0.0081 (0.019)	0.0029 (0.022)	−0.0143 (0.024)	−0.0540 (0.098)	−0.1645 (0.107)	−0.1916* (0.104)
District FE	x	x		x		
Cohort FE	x	x	x	x	x	x
Mother FE			x		x	x
Controls						x
Vote margins				3rd order polynomial	3rd order polynomial	3rd order polynomial
Observations	91,169	68,665	68,665	68,665	68,665	68,665
Number of mothers					18,003	18,003

Notes: Female legislators are associated with a large and statistically significant decrease in infant mortality (first year after birth).

Women politicians are more likely to invest in the village level public health infrastructure while men appear more likely to invest in the financial (and telecommunications) infrastructure.

More female political representation leads to increased probabilities of:

- attending antenatal care
- taking iron supplements during pregnancy
- giving birth in a government facility (as opposed to home)
- initiating breastfeeding early on

Some of these outcomes do not depend on infrastructure $\Rightarrow$ suggests information campaigns are also taking place

Evidence from Developed Countries

In developed countries, most papers find **no effect** on the share of female politicians and policy decisions (Hessami and da Fonseca, 2020).

For example, Ferreira and Gyourko (2014) uses a sharp RDD and finds no effect of the gender of the mayor in US cities on various outcomes:

- the size of local government
- the composition of municipal spending and employment
- crime rates

Does gender matter for political leadership? The case of U.S. mayors ☆

Fernando Ferreira *, Joseph Gyourko

The Wharton School, University of Pennsylvania, United States
NBER, United States

ARTICLE INFO

Article history:
Received 15 February 2012
Received in revised form 31 December 2013
Accepted 14 January 2014
Available online 25 January 2014

Keywords:
Local politics
Local policy
Leadership
Gender effects

ABSTRACT

What are the consequences of electing a female leader for policy and political outcomes? We answer this question in the context of U.S. cities, where women's participation in mayoral elections increased from negligible numbers in 1970 to about one-third of the elections in the 2000's. A novel data set of U.S. mayoral elections from 1950 to 2005 was used, and a regression discontinuity design was employed to deal with the endogeneity of female candidacy to city characteristics. In contrast to most research on the influence of female leadership, we find no effect of gender of the mayor on policy outcomes related to the size of local government, the composition of municipal spending and employment, or crime rates. These results hold both in the short and the long run. While female mayors do not implement different policies, they do appear to have higher unobserved political skills, as they have at least a 5 percentage point higher incumbent effect than a comparable male. But we find no evidence of political spillovers: exogenously electing a female mayor does not change the long run political success of other female mayoral candidates in the same city or of female candidates in local congressional elections.

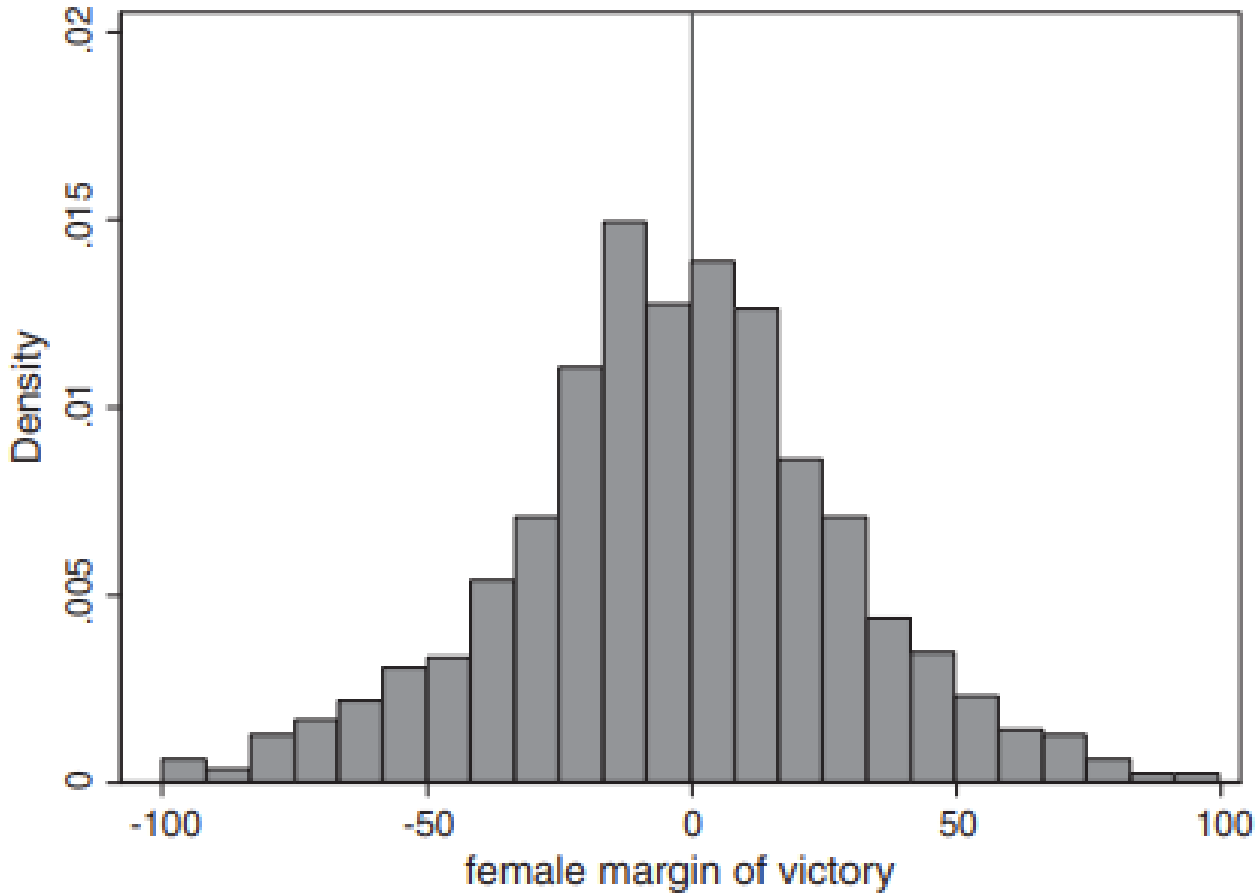


Fig. 5. Density of elections with female participation.

Notes: There is no indication of discontinuity, or endogenous sorting, around the margin of victory threshold.

Figure 8A. Size of government variables by female margin of victory

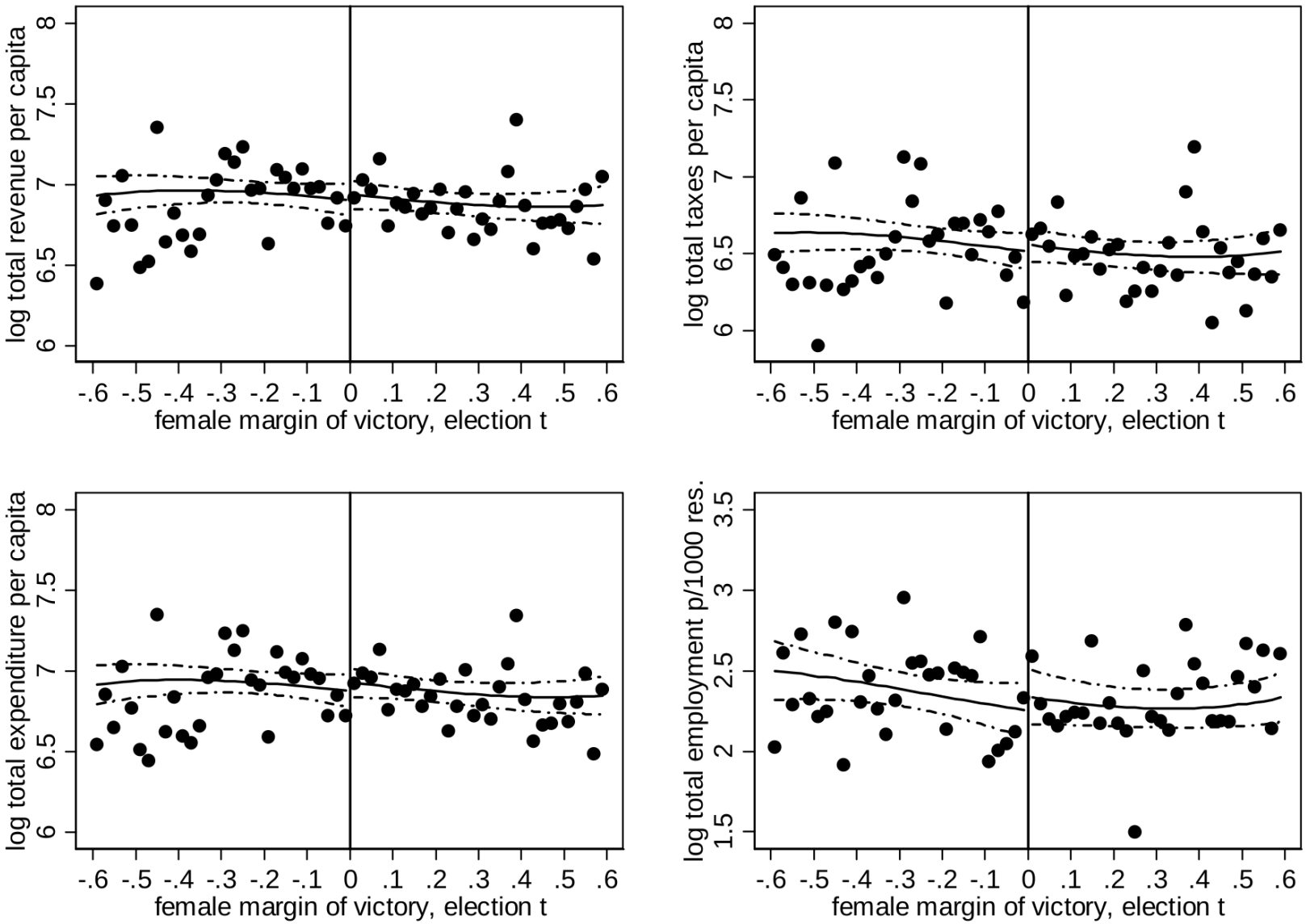


Figure 8B. Composition of expenditures by female margin of victory

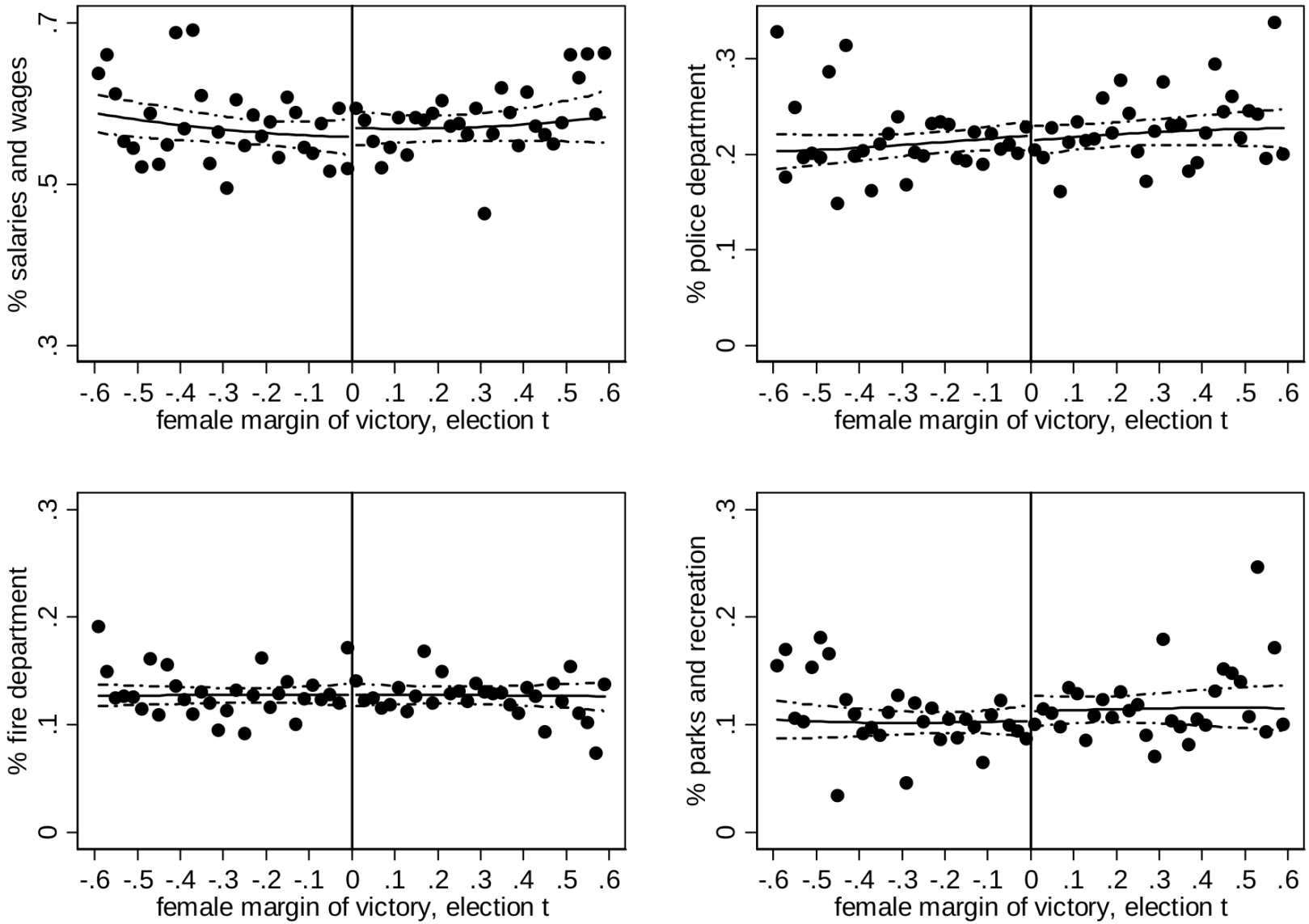


Figure 8C. Selected employment categories by female margin of victory

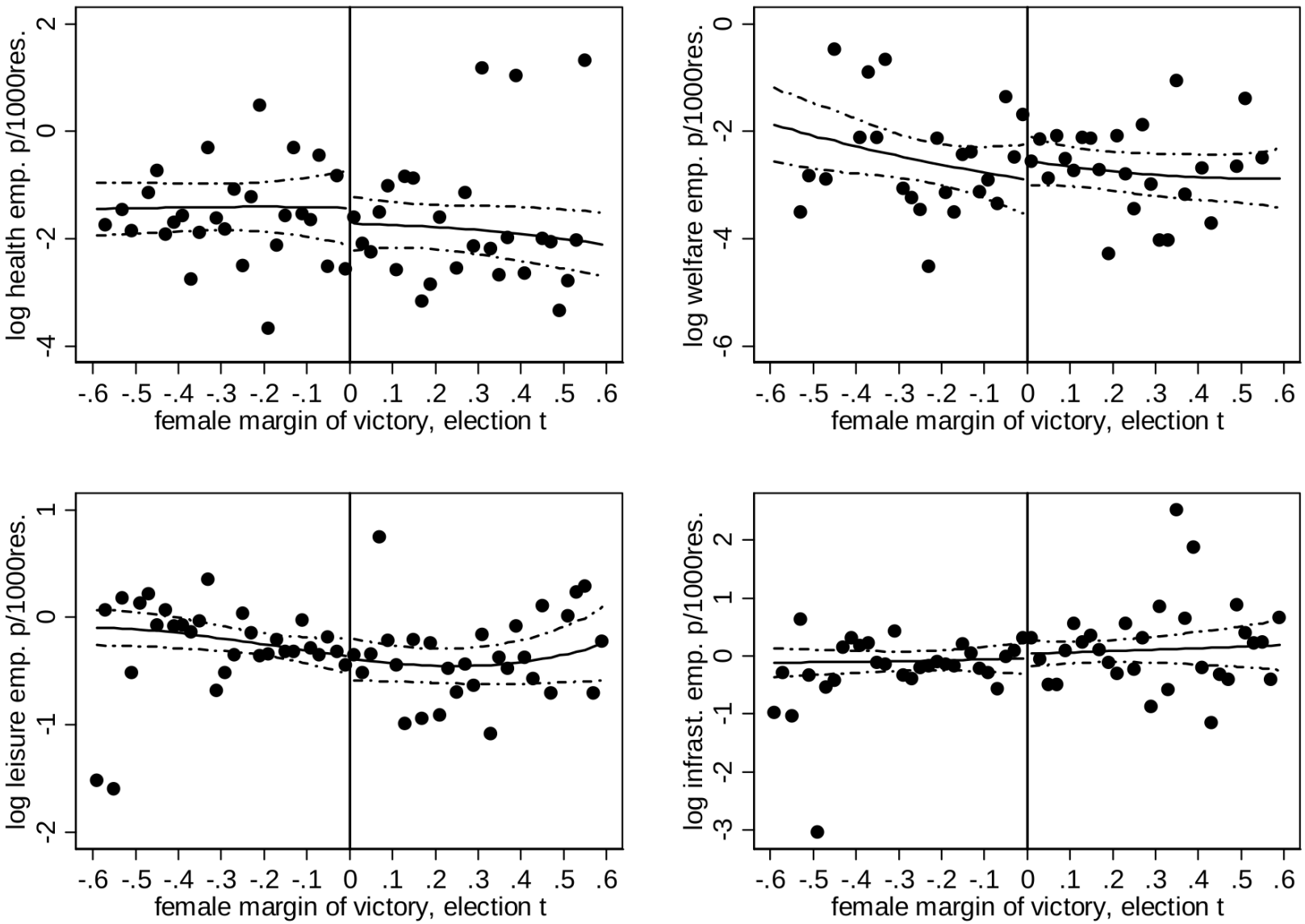
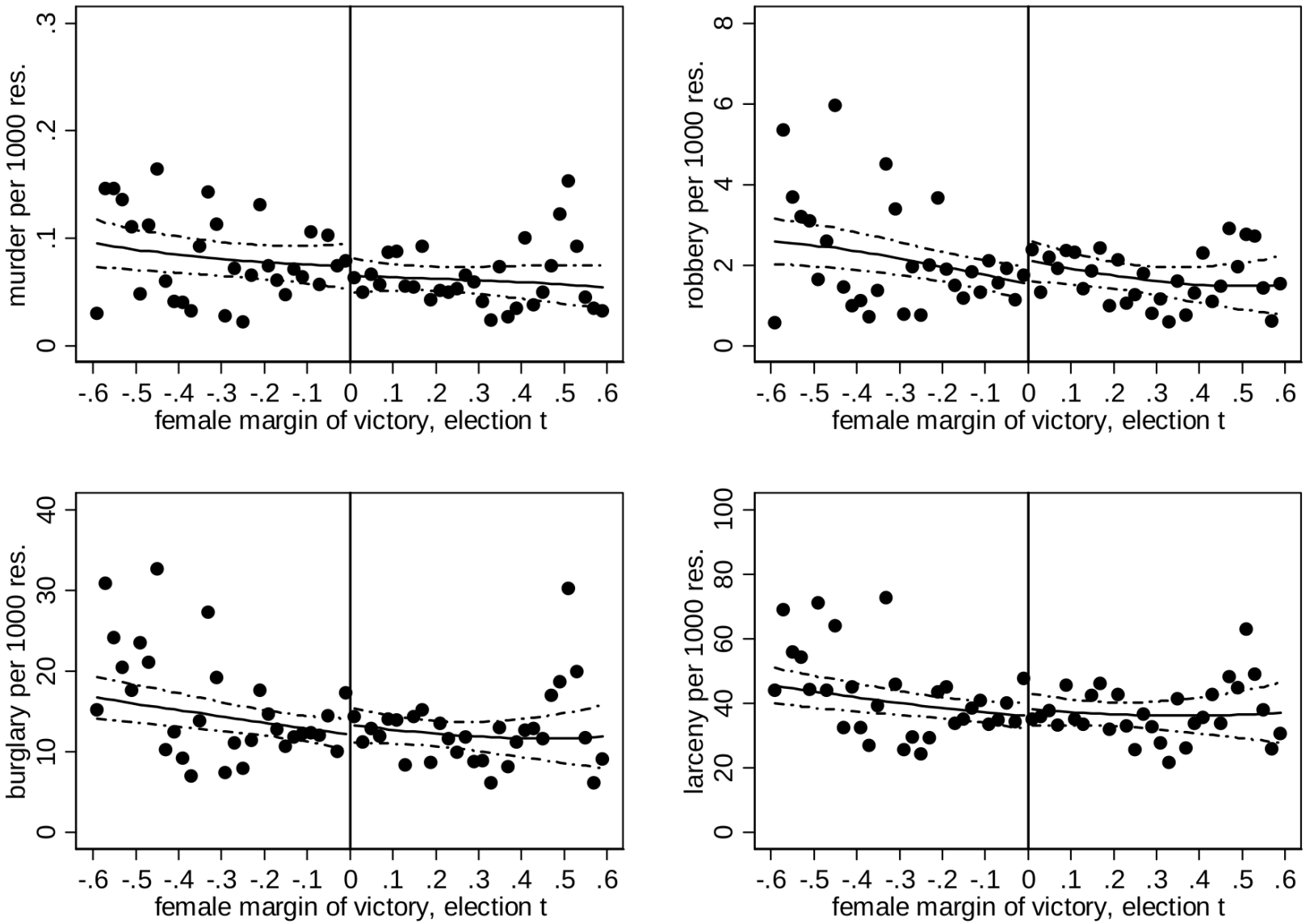


Figure 8D. Crime rates by female margin of victory



Italy is no exception to the rule (Casarico et al., 2022).

Women and local public finance ☆

Alessandra Casarico [a,b,c], Salvatore Lattanzio [d,e], Paola Profeta [a,b,c,*]

[a] *Bocconi University, Italy*
[b] *CESifo, Germany*
[c] *Dondena, Italy*
[d] *Bank of Italy, Italy*
[e] *University of Cambridge, United Kingdom of Great Britain and Northern Ireland*

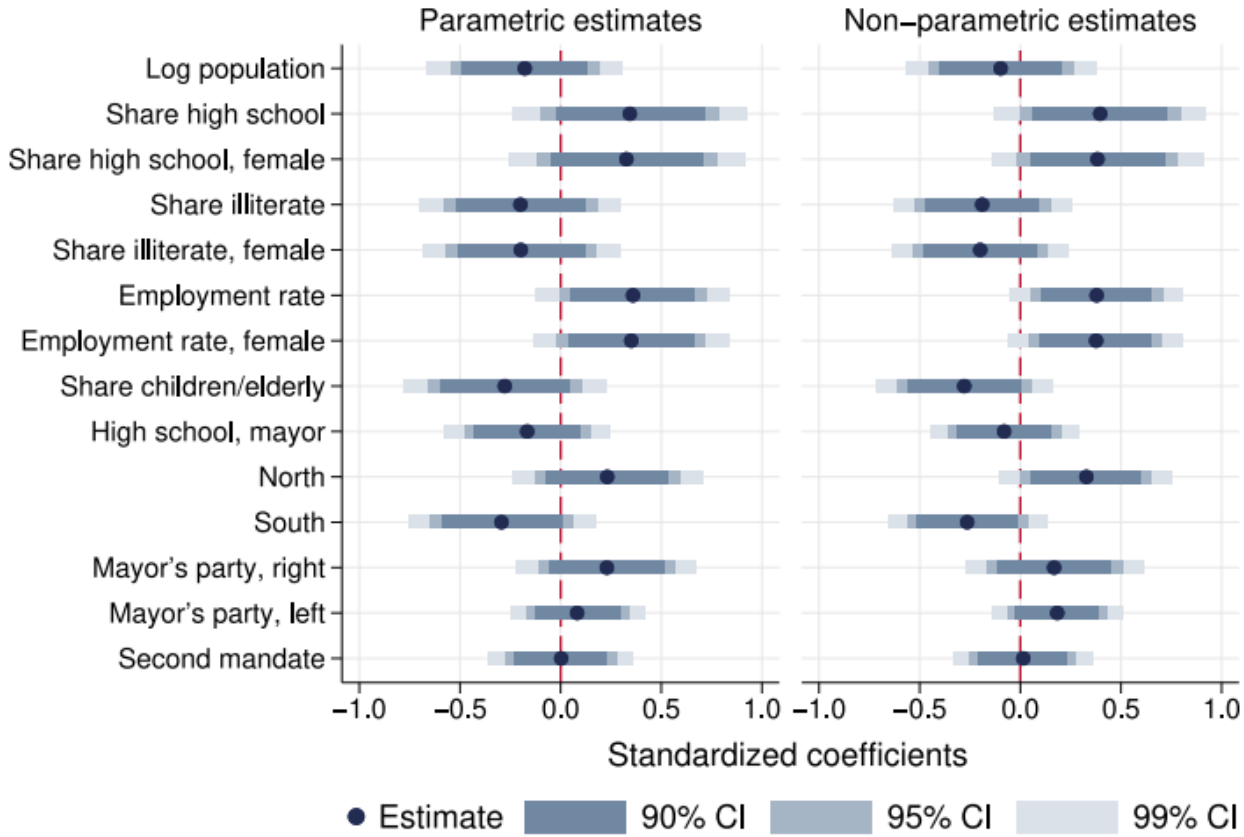
ARTICLE INFO

JEL classification:
E62, J16, H71, H72

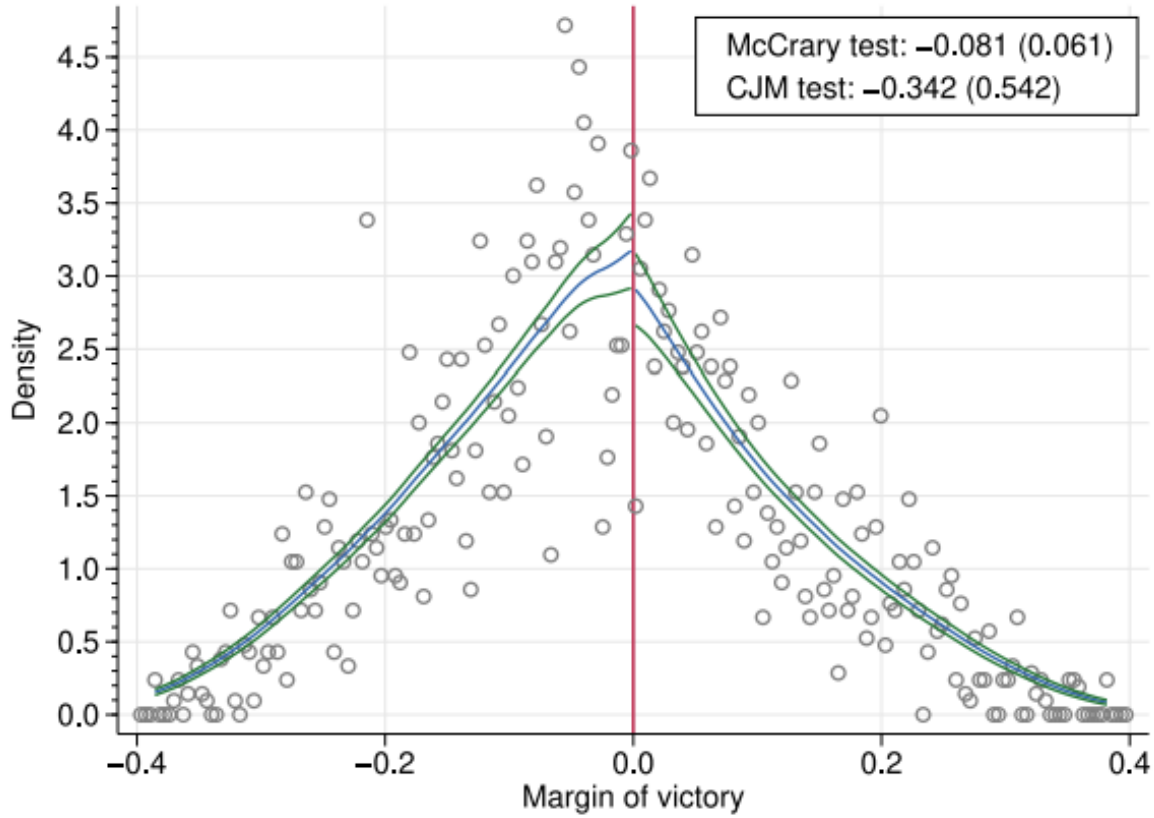
Keywords:
Gender
Municipal government
Local public finance
Regression discontinuity

ABSTRACT

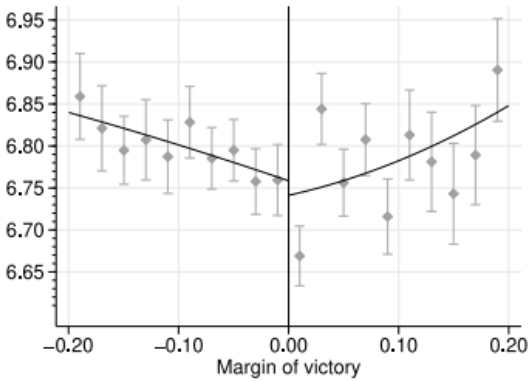
Does the gender of the mayor affect the size and composition of public expenditures and revenues? Using a sharp regression discontinuity design in close mixed gender races for the election of mayors in Italian municipalities in the period 2000–2015, we find no significant differences in policies implemented by male and female mayors. We explore whether the result masks heterogeneity by gender composition of the local government and by electoral rules according to which a mayor is elected. We find some evidence that female mayors devote a larger share of spending to the environment when there are more women in the municipal council, whereas they reduce the amount of resources going to social spending under the run-off relative to the single round system.



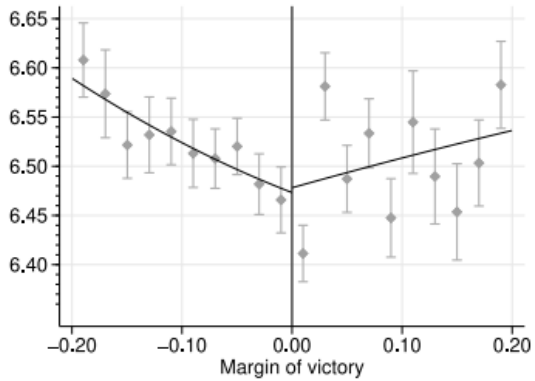
Notes: Balance checks seem OK, comforting the plausible randomness of mixed gender close election results.



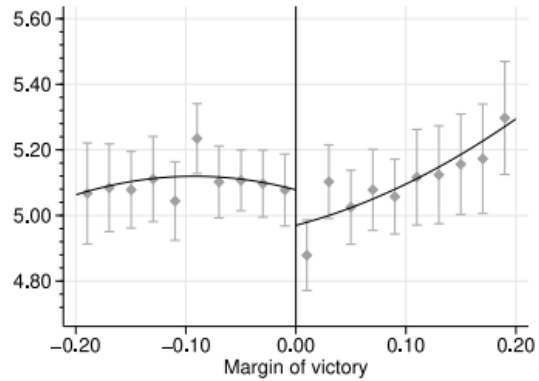
Notes: There is no empirical evidence of bunching at the threshold, once again reinforcing our trust in the research design.



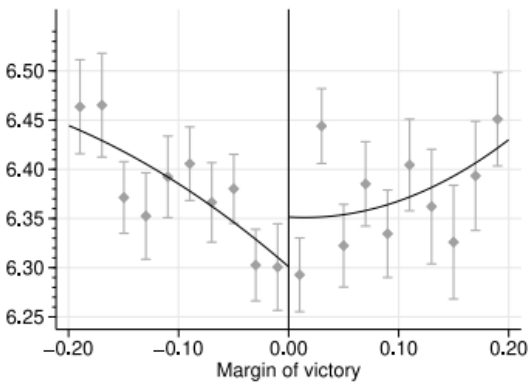
(A) Total expenditures



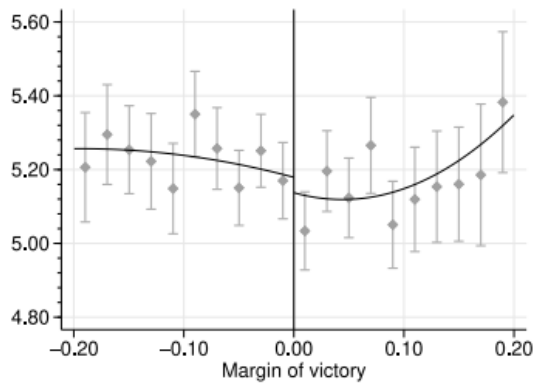
(B) Current expenditures



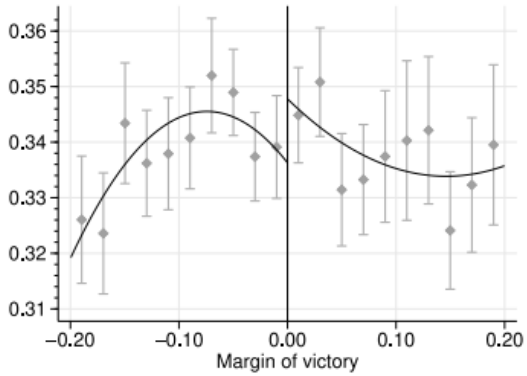
(C) Capital expenditures



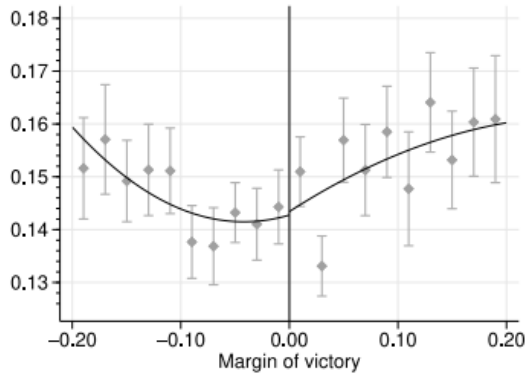
(D) Revenues from taxes and fees



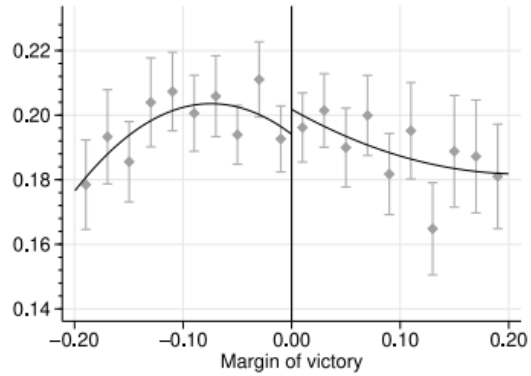
(E) Other revenues



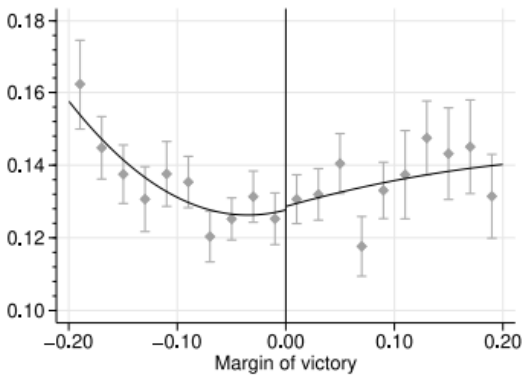
(A) Admin., Justice & Police



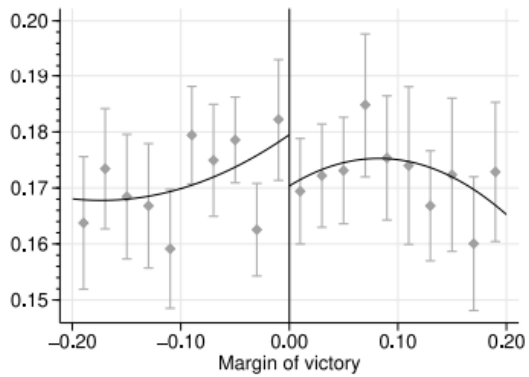
(B) Culture & Education



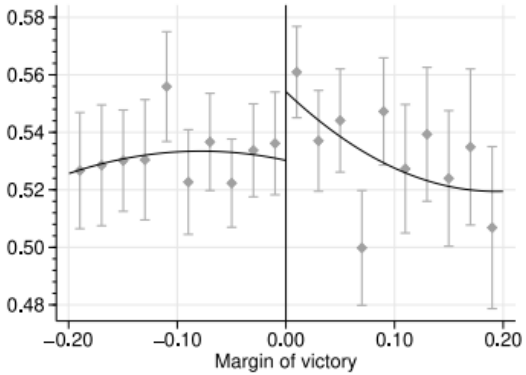
(C) Environment



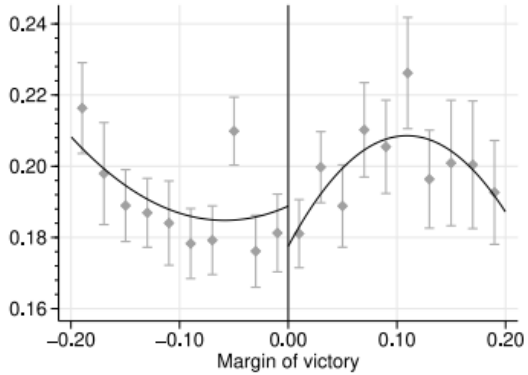
(D) Social services



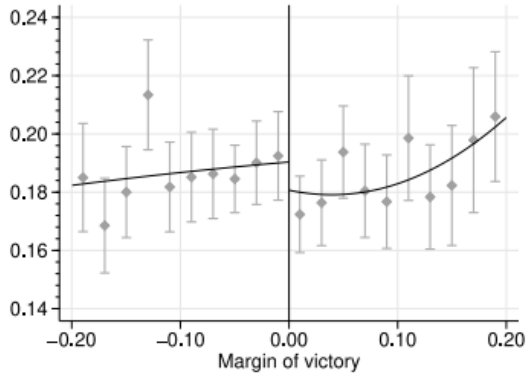
(E) Other expenditures



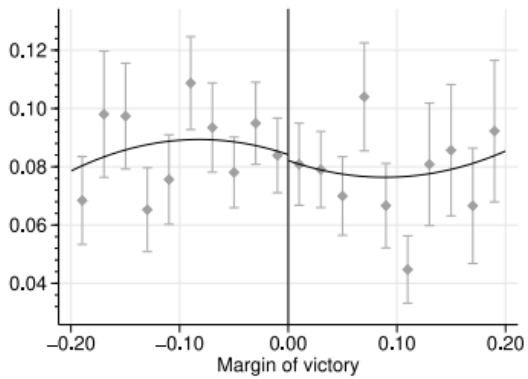
(A) Taxes



(B) Fees



(C) Alienations



(D) Loans

Is this because the outcome variables are too crude?

The effect of female politicians may be underestimated or overlooked if one focuses only on the size or composition of public spending.

$\Rightarrow$ Baskaran and Hessami (2023) finds empirical support for this hypothesis.

ABSTRACT

Women in Political Bodies as Policymakers*

We investigate how female representation impacts policymaking using the example of child care and new hand-collected data on local council elections in Bavaria. RDD estimations (mixed-gender races for last party-specific council seats) show that an additional female councilor accelerates the expansion of public child care by 40%. We also document an important nonlinearity: an additional woman accelerates the expansion of child care only in councils with few women. Council meeting minutes reveal that women can be effective in councils despite being a non-pivotal minority because they change "the conversation".

JEL Classification: D72, D78, H70, J13, J16

Keywords: gender composition, political selection, local councils, child care

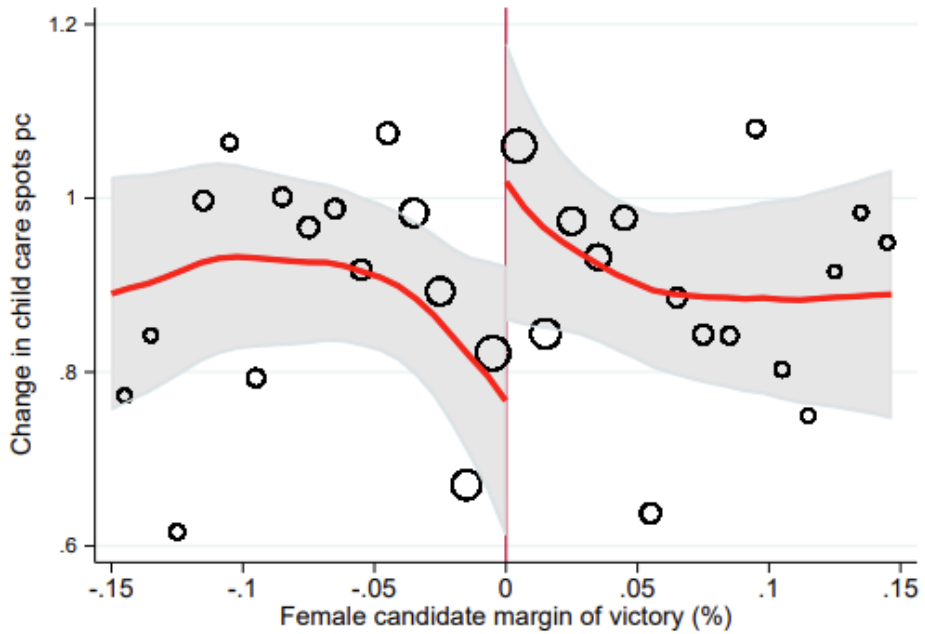
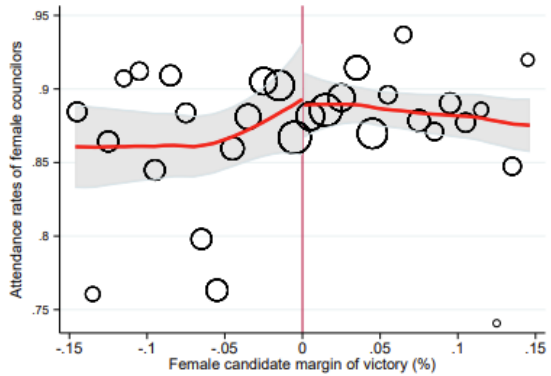
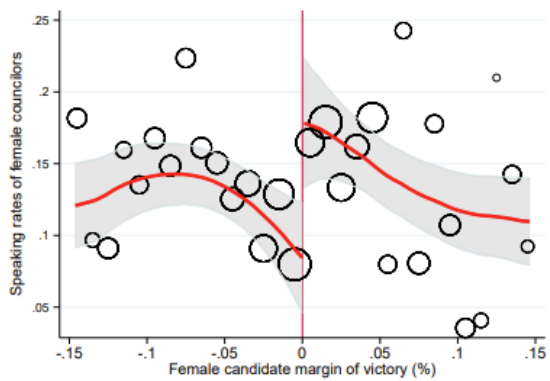


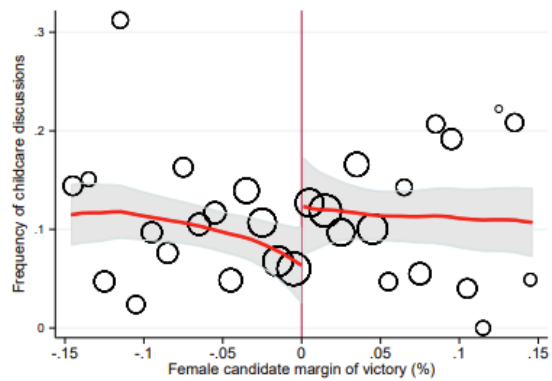
Figure 4: RDD PLOT: FEMALE VICTORIES IN MIXED-GENDER RACES AND CHANGE IN CHILD CARE SPOTS PER 1000 INHABITANTS



(a) Attendance rate



(b) Speaking rate



(c) Child care

Figure 5: MECHANISMS: FEMALE VICTORIES IN MIXED-GENDER RACES AND BEHAVIOR IN COUNCIL MEETINGS

Corruption and Gender

The gender composition of political bodies may also affect the **quality of institutions**.

In particular, gender differences in policy choices and policy outcomes may stem from a **gender gap in rent-extracting behavior**.

Various papers find empirical support for this hypothesis.

e.g., Brollo and Troiano (2016) finds that municipalities ruled by female mayors tend to have lower corruption levels (as objectively measured by random audits).

What happens when a woman wins an election? Evidence from close races in Brazil☆

Fernanda Brollo[a], Ugo Troiano[b]

[a]University of Warwick, Department of Economics, Coventry, CV4 7AL, United Kingdom
[b]University of Michigan and NBER, Lorch Hall 219, 611 Tappan Street, Ann Arbor, MI 48109, United States

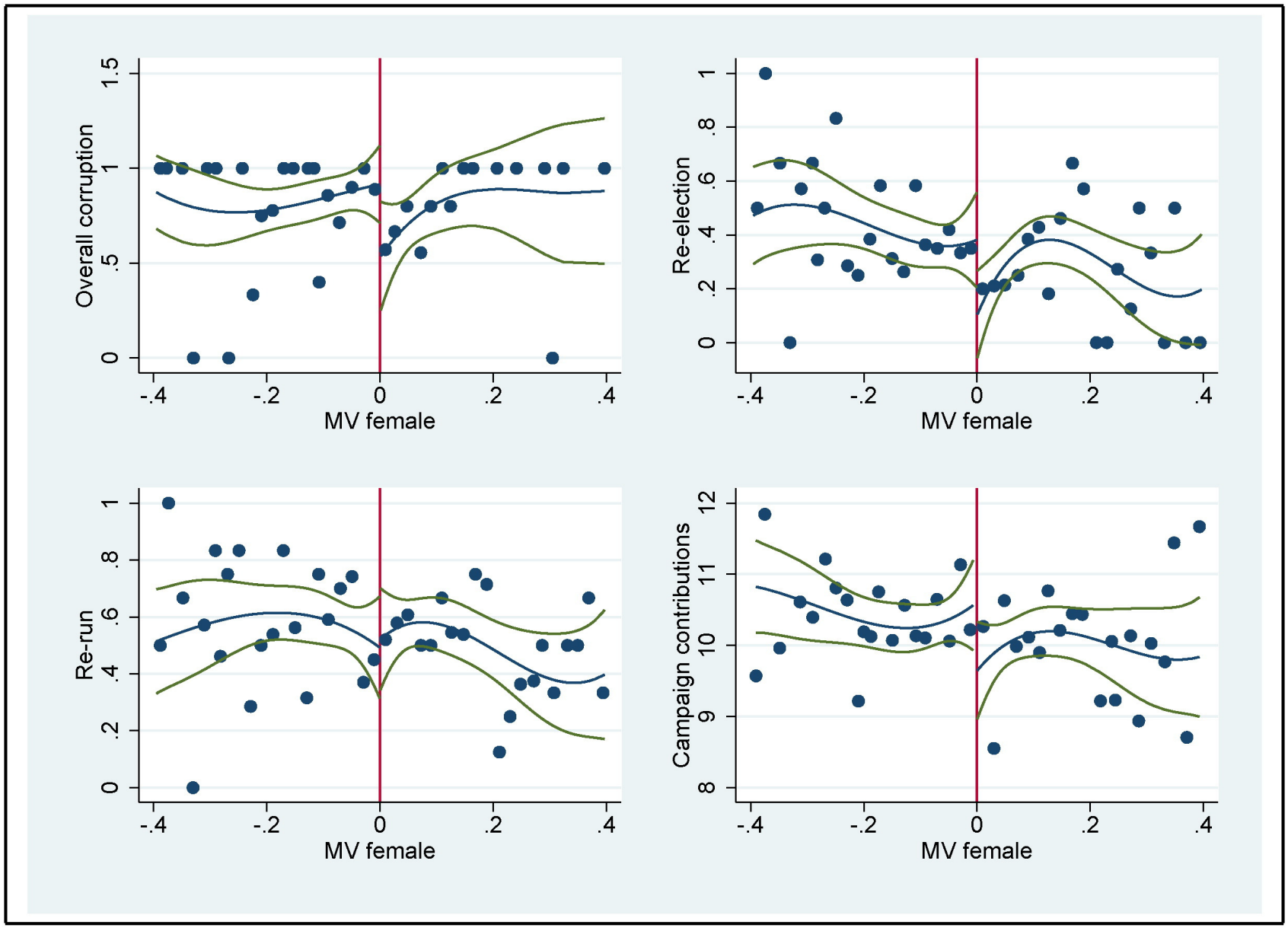
ARTICLE INFO

Article history:
Received 24 December 2014
Received in revised form 1 April 2016
Accepted 22 April 2016
Available online 26 April 2016

JEL classification:
J16

ABSTRACT

We analyze close elections between male and female mayoral candidates in Brazilian municipalities to provide novel evidence on the role of women as policymakers. Using an objective measure of corruption based on random government audits, we find that female mayors are less likely to engage in corruption compared to male mayors. We also find that female mayors hire fewer temporary public employees than male mayors during the electoral year and tend to attract less campaign contributions when running for reelection. Moreover, our results show that female mayors have a lower reelection probability than male mayors. We interpret our findings as suggesting that male incumbents are more likely to engage in strategic behavior and this improves their electoral performance. Other explanations receive less support from the data.


Overall corruption
0
.5
1
1.5
-.4
-.2
0
.2
.4
MV female
Re-election
0
.2
.4
.6
.8
1
-.4
-.2
0
.2
.4
MV female
Re-run
0
.2
.4
.6
.8
1
-.4
-.2
0
.2
.4
MV female
Campaign contributions
8
9
10
11
12
-.4
-.2
0
.2
.4
MV female

Do these policy choices and lower corruption levels translate into higher levels of economic development?

India strikes again!

Baskaran et al. (2021) focus on mixed gender close elections in Indian constituencies (sounds familiar?).

The paper finds that:

- Constituencies ruled by female leaders experience higher economic activity (as measured by satellite nighttime light imagery).
- The positive economic effect does not “spill over” to other male-led constituencies, consistent with an increase in net economic growth.

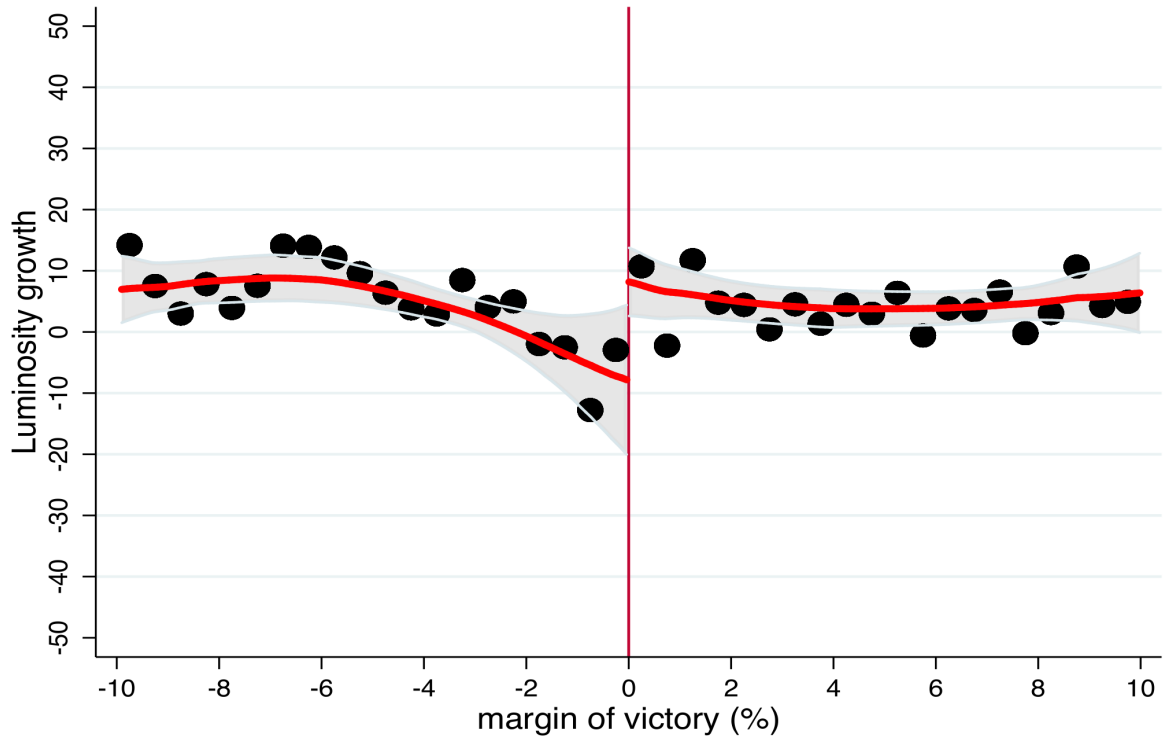
Women Legislators and Economic Performance

Thushyanthan Baskaran[†] Sonia Bhalotra[§] Brian Min[††] Yogesh Uppal[*‡]
[†]University of Siegen, [§]University of Essex,
[††]University of Michigan, Ann Arbor, [‡]Youngstown State University

Abstract

There has been a phenomenal global increase in the proportion of women in politics in the last two decades, but there is no evidence of how this influences economic performance. We investigate this using data on competitive elections to India's state assemblies, leveraging close elections to isolate causal effects. We find significantly higher growth in economic activity in constituencies that elect women and no evidence of negative spillovers to neighbouring male-led constituencies, consistent with net growth. Probing mechanisms, we find evidence consistent with women legislators being more efficacious, less corrupt and less vulnerable to political opportunism.

Figure 2: Legislator Gender and Luminosity Growth



The dependent variable is the growth of light averaged over an election term against female margin of victory in mixed gender races. The victory margin is the difference between the vote shares of the female and male candidate in mixed gender races. These are races in which a man and a woman are the top two vote-winners. By construction, the margin of victory is positive when women win and negative when men win. Each dot represents a local average in bins of 0.5 percent margin of victory. The solid lines are the smooth curves estimated using a local linear regression of each variable on margin of victory separately on either side of the cutoff of zero, using a triangular kernel and a 5 percent bandwidth. The figures also depict a 95 percent confidence interval for each variable around the solid curve.

"It is essential to provide positive female role models, who make women realise [sic] that getting involved into politics must not be left to men in suits."

Sandra Gidley, Member of Parliament, Liberal Democrat

United Kingdom, 2004

Female representation may also impact the future of women in politics.

Exposure to female representation can have a powerful impact on:

- how voters perceive women
  - Female politicians have the opportunity to debunk entrenched biases and prove their worth.
- how women see themselves (Wolbrecht and Campbell, 2007)
  - Inspired by current-day role models, new generations of women may strive for the political arena.

Concluding Remarks

Diversity of political representation is essential in so far as different groups have **different policy preferences and priorities** in society.

In the case of women in politics, their entry has largely **affected downstream policies, the quality of institutions, and the perception of voters** (and women themselves).

Empirical evidence is often more conclusive in developing countries than developed countries, which suggests **the benefits of diversity are larger in contexts where one group is very disadvantaged**.

Baskaran, T., Bhalotra, S., and Uppal, Y. (2021). Women legislators and economic performance.

Baskaran, T. and Hessami, Z. (2023). Women in political bodies as policymakers. *Review of Economics and Statistics (forthcoming)*.

Bhalotra, S. and Clots-Figueras, I. (2014). Health and the political agency of women. *American Economic Journal: Economic Policy*, 6(2):164–197.

Brollo, F. and Troiano, U. (2016). What happens when a woman wins an election? evidence from close races in brazil. *Journal of Development Economics*, 122:28–45.

Casarico, A., Lattanzio, S., and Profeta, P. (2022). Women and local public finance. *European Journal of Political Economy*, 72:102096.

Clots-Figueras, I. (2011). Women in politics: Evidence from the indian states. *Journal of public Economics*, 95(7-8):664–690.

Eckel, C. C. and Grossman, P. J. (1998). Are women less selfish than men?: Evidence from dictator experiments. *The economic journal*, 108(448):726–735.

Ferreira, F. and Gyourko, J. (2014). Does gender matter for political leadership? the case of us mayors. *Journal of Public Economics*, 112:24–39.

Funk, P. and Gathmann, C. (2015). Gender gaps in policy making: Evidence from direct democracy in switzerland. *Economic Policy*, 30(81):141–181.

Hessami, Z. and da Fonseca, M. L. (2020). Female political representation and substantive effects on policies: A literature review. *European Journal of Political Economy*, 63:101896.

Wolbrecht, C. and Campbell, D. E. (2007). Leading by example: Female members of parliament as political role models. *American Journal of Political Science*, 51(4):921–939.

Tips for the Exam

Understand the mixed-gender close elections RDD approach for causal inference.

Understand how to interpret the results, the assumptions being made, the robustness checks that can be conducted, and the inherent limitations of the approach.

Understand the main dimensions impacted by the entry of women into politics.