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

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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.

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1. Introduction

In this paper, we provide new evidence on the role of women as policymakers. In particular, we focus on close elections between

male and female mayoral candidates in Brazilian municipalities to analyze whether the gender of the policymaker affects corruption.

In recent years, a great deal of attention in economics has focused on understanding the role of women as policymakers. Several empirical studies find evidence consistent with the hypothesis that the gender of the policymaker affects policy decisions and outcomes (see, among many others, Edlund and Pande, 2001; Chattopadhyay and Duflo, 2004; Schwindt-Bayer, 2006; Pino, 2011). Several experimental studies suggest that the choices women make once in power may be more socially oriented than those of men (Andreoni and Vesterlund, 2001; Eckel and Grossman, 2000; Gneezy et al., 2003; Song et al., 2004). Consistent with this experimental evidence, female representation in political leadership positions is associated with less corruption and bribe-taking, as measured using survey data (Swamy et al., 2001; Dollar et al., 2001; Beaman et al., 2009).

We contribute to this literature by providing novel evidence on the causal effect of the gender of the policymaker on corruption in the municipal administration using an Regression Discontinuity (RD) design. Instead of relying on survey measures of corruption, we use an objective measure of irregularities in government contracts and purchases based on random audits of local administrations. We find

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that female mayors are less likely to be involved in administrative irregularities. We also analyze gender differences along two other dimensions that may also be related to corrupt practices at the local level, which have not been explored before in the gender literature.¹ First, we analyze employment in the municipal administration, which can provide some insights about the use of patronage. We find that male mayors tend to hire more temporary public employees during the electoral year, which is a standard way to engage in patronage in Latin America (Kemahlioglu, 2013). Second, we analyze gender differences in terms of campaign contributions. Political donations may allow private interests to gain influence over elected officials (Strauss, 1999; Ansolabehere, 2007) and the empirical evidence from Brazil shows that firms that contribute to the campaigns of winning candidates experience significant increases in government contracts (Boas et al., 2014). We find that women receive fewer campaign contributions than men, potentially consistent with our corruption results.

In addition, we also analyze reelection outcomes. We find that female mayors are less likely to be reelected compared to their male counterparts. We interpret our findings as showing that, despite being more corrupt, male mayors are more likely to be reelected due to their involvement in patronage and their ability to attract more campaign donations. We provide evidence that is inconsistent with some of the alternative explanations.

The main goal of the paper is to provide novel rigorous evidence about how the gender of the policymaker affects corruption. We rely on an objective measure of irregularities in government contracts and purchases, which comes from administrative data from a federal anti-corruption program in Brazil. Starting in 2003, the federal government began to randomly audit municipalities to detect administrative irregularities in government contracts and purchases. To the best of our knowledge, ours is the first paper that links the gender of the policymaker to objective data on irregularities in government contracts and purchases, instead of relying on survey measures as the extant literature. We find that the probability of observing a corruption episode is between 29 and 35% lower in municipalities with female mayors than in those with male mayors.

To analyze patronage, we focus on temporary employment in the local public administration. According to research in political science, this is the standard tool through which mayors engage in political patronage to gain reelection (Ames, 1995; Engerman and Sokoloff, 2002; List and Sturm, 2006; Mainwaring, 2002; Weyland, 1996). Weingrod (1968) defines patronage as “the way in which party politicians distribute public jobs or special favors in exchange for electoral support.” Our measure of temporary employment includes all non-permanent employees working in the municipal administration, including commissioned positions (*cargos comissionados*), which are positions directly appointed by the mayor without clear predefined criteria or requirements. We find that male mayors hire more temporary employees to work in the municipal administration than female mayors (both in absolute terms and as a fraction of total employees). These temporary hires are concentrated in the electoral year, consistent with the idea that male mayors may increase temporary employment close to the elections to improve their electoral chances (Kemahlioglu, 2013). Permanent employees have to

pass a civil service entrance exam and cannot be easily dismissed by the mayor, as they have de jure job stability. Given these restrictions, it is harder for mayors to use permanent employment as a tool for patronage. Robinson and Verdier (2013) argue that political commitment problems explain why patronage takes the form of employment in the public sector. A key issue in this regard is that jobs must be reversible (e.g., the politician should be able to replace workers), so that they tie the continuation utility of a voter to the political success of a particular politician. Consistent with this, we find no gender differences in terms of permanent public employees in the municipal administration.

We also analyze campaign contributions, as political donations are considered to be one of the main ways through which private interests gain influence over elected officials. The main objective of campaign finance regulations is in fact to prevent political corruption (Ansolabehere, 2007; Strauss, 1999).² Several papers suggest that in Brazil, political campaign financing is a crucial mechanism through which firms establish political connections. Corporations can make cash donations to candidates or party campaign funds, with a maximum of 2% of their previous year's gross revenues, although off-the-books contributions are also quite common.³ Empirical studies have found a significant relation between corporate campaign donations and firm profitability, access to financing, and the probability of receiving government procurement contracts (Bandeira-de Mello and Marcon, 2005; Claessens et al., 2008; Boas et al., 2014). We find that female mayors that run for reelection receive fewer campaign contributions than male mayors running for reelection.⁴ This may be consistent with our corruption results, to the extent that male mayors may be more likely to manipulate government procurement processes to favor firms that donated to their campaigns.

When analyzing electoral outcomes, we find that female mayors who are eligible to re-run have about 20 percentage points lower probability of being reelected compared to their male counterparts.⁵ We also find that there is no gender difference in the probability of re-running. Overall, we interpret our findings as showing that, despite being more corrupt, male mayors are more likely to be reelected due to their involvement in patronage and their ability to attract more campaign donations.

Providing conclusive evidence on the link between patronage, campaign donations, and reelection strategies is tricky, because the gender of the policymaker may affect many policies, some of which are potentially unobservable.⁶ To provide more evidence in line with this interpretation, we consider and rule out alternative explanations. One potential alternative explanation for our reelection finding is that, despite being more corrupt, male mayors may be doing better than female mayors in some policies or may provide more public goods, and this explains their higher reelection probability. However, the great majority of evidence from other countries supports the view that female politicians do a better job than male politicians in

¹ The term corruption is typically used to refer to a broad range of activities, beyond bribe-taking. Several definitions of corruption exist in the literature. According to a widely-cited definition by Nye (1967) corruption can be defined as “behaviour which deviates from the formal duties of a public role because of private-regarding (personal, close family, private clique) pecuniary or status gains; or violates rules against the exercise of certain types of private-regarding influence.” World Bank (1997) defines corruption as the abuse of public office for private gain. Public office can be abused for private gain not only by taking bribes, but also through patronage and nepotism, the theft of state assets, the diversion of state revenues, and by using public resources to advance the causes of private (special interest) groups.

² In *McConnell v. FEC* (2003) the U.S. Supreme Court considered the undue access to office holders by campaign donors to be a form of corruption.

³ In 2015, the Brazilian Supreme Court banned corporate campaign contributions, amid a corruption scandal (*The Wall Street Journal*, 2015).

⁴ We can only observe campaign donations for those mayors that choose to run for reelection. As mentioned below, we find no gender difference in the probability of re-running.

⁵ One concern when studying reelection is that the decision to re-run may be endogenous. To overcome this concern, we define our reelection measure considering all non-term limited mayors, who are therefore eligible for reelection, irrespective of whether they actually re-run or not.

⁶ In unreported tests, we analyzed the relation between patronage (proxied, alternatively, by the number and the fraction of temporary employees working in the public administration in the election year) and the probability of reelection, and found a positive and statistically significant correlation. We also found that incumbent mayors that receive more campaign contributions (as a fraction of total campaign contributions in a given mayoral race) have a higher probability of reelection.

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