Accountability, Political Capture, and Selection into Politics

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Outline

Motivation

- In most democratic systems, different mechanisms and institutions can be used to increase voter's control over politicians' actions, e.g. re-election incentives, free press, impeachment and recall mechanisms, etc.
  - The objective of these institutions is to improve government quality and public good provision by rewarding good performance and punishing inefficient or corrupt behaviors
  - These institutions affect politician's actions and their selection: by holding them accountable, they affect the expected value of office (e.g. less rent extraction opportunities, shorter expected tenure in office, etc.)

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  - These institutions affect politician's actions and their selection: by holding them accountable, they affect the expected value of office (e.g. less rent extraction opportunities, shorter expected tenure in office, etc.)
- The way accountability institutions are designed and the extent to which they can be captured or manipulated by political elites or interest groups can distort these objectives

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- There is a large consensus that the effectiveness of democratic governance rests on whether high quality citizens enter politics (Myerson 2011) $\rightarrow$ The selection of politicians who decide to run for office is as important as their behavior
  $\rightarrow$ their honesty, competence and motivation determine the quality of public policies implemented, either directly (Martinez-Bravo (2017), Besley, G. Montalvo & Reynal-Querol (2011), Besley, Pande & Rao (2005) or through its effects on political competition and more generally on the political equilibrium (Besley (2007), Acemoglu, Egorov & Sonin (2013), Besley, Persson & Strum (2010).

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- Empirically, we compare candidates running for office in period t, between municipalities where a mayor was ousted from office in a referendum in $t-1$, with those running where the mayor barely survived the referendum
  - The decision to run or not in a district is a function of the expected term length
  - Mayors can be recall because they are inefficient/corrupt or due to political grievances
  - Potential candidates update their priors about the mechanisms and consequences of the recall institution by having a mayor recalled
  - Our identification strategy uses a close election regression discontinuity design

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- Candidates are also younger, suggesting that they are new entrants to politics
- They are less likely to come from dissadvantaged groups (quechua or aymara) and this is particularly the case in municipalities where large shares of the population come from these groups (i.e. lose in representation)

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- However, elections partially offset the negative effect of recalls on the candidate pool, and elected mayors in treated areas are only slightly less educated than those who win the election in districts where a mayor barely survived the recall

Related Literature

- Politician's motivations and selection
  Diermeier, Keane, & Merlo (2005), Dal Bó et al. (2017)
  Citizen candidate models: Osborne & Silvinski (1996) and Besley & Coate (1997); Caselli & Morelli (2004)
  Importance of leaders for economic Performance: Besley, Garcia-Montalvo, & Reynal-Querol (2011), Martinez-Bravo (2017), Besley, Pande & Rao (2005)
  Empirical evidence: Ferraz & Finan (2016) and Gagliarducci & Nannicini (2013); Brollo et al. (2013); Beath et al. (2016) and Galazzo and Nannicini (2011); Dal Bó and Rossi (2011)
  $\rightarrow$ *We show empirically a specific mechanism affecting the selection of politicians*
- Effects of Accountability
  Theory: Barro (1973) and Ferejohn (1986); Besley (2007) and Persson & Tabellini (2000)
  Empirics: Besley & Case (1995) and Ferraz & Finan (2011); Alt, Bueno de Mesquita, & Rose (2011) and List & Sturm (2006); Ferraz & Finan (2008) and Besley & Burgess (2002); Bobonis, Fuertes, & Schwabe (2016) and Casey (2015); Fisman, Schulz, & Vig (2019); Alt et al (2014); Daniele et al. (2016); Avis, et al (2018)
  $\rightarrow$ *We look at the effects on the decision to run or not, analyzing an accountability institution which is used for political purposes, hence*

Outline

Background: Recall Referenda

- Since 1997, include all local and regional politicians

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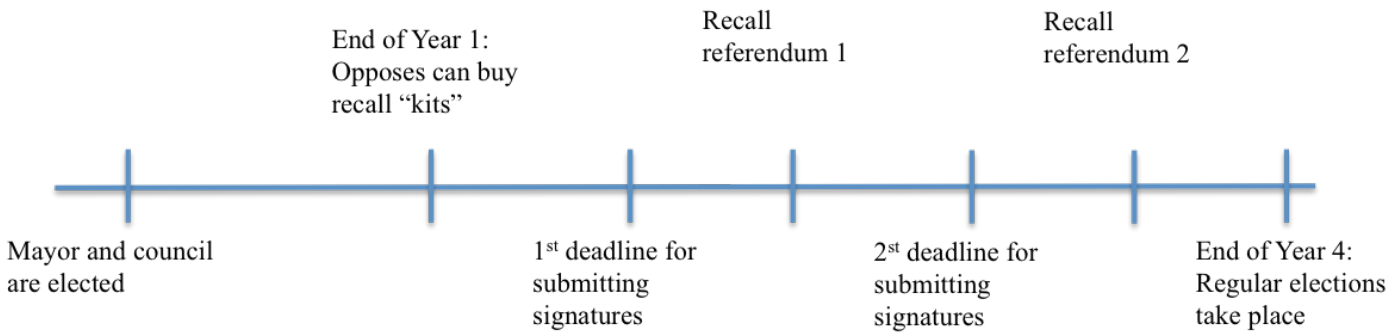
- Reason for recall arbitrary (corrupt, incapable, promises not kept, etc.)
- Outcome: mayor ousted
  - new elections if 1/3 of all councillors are recalled
  - otherwise: first councilor takes office
- 2 steps:
  - petition initative and signature collection
  - recall election

Procedure of Recall Referenda



Background: Recall Referenda

- Recall referenda are a mechanism to punish inefficient or corrupt incumbents
- BUT:
  - Opposers do not need proof of poor performance or corruption
  - Can be used by opposers for political purposes

"In 2012 the JNE showed that ***22% of the promoters of recalls were candidates who had lost in the directly preceding election****. It is expected that by including losing candidates from previous elections and their associates (people acting in their names) this figure would grow even more." (Welp 2015)*

"Half of all requests were made within 100 days of the mayor's first year in office (the first moment when organizers could file). Almost all filings (96%) occurred within the first year possible. (Holland and Incio 2019)"

Background: Recall Referenda

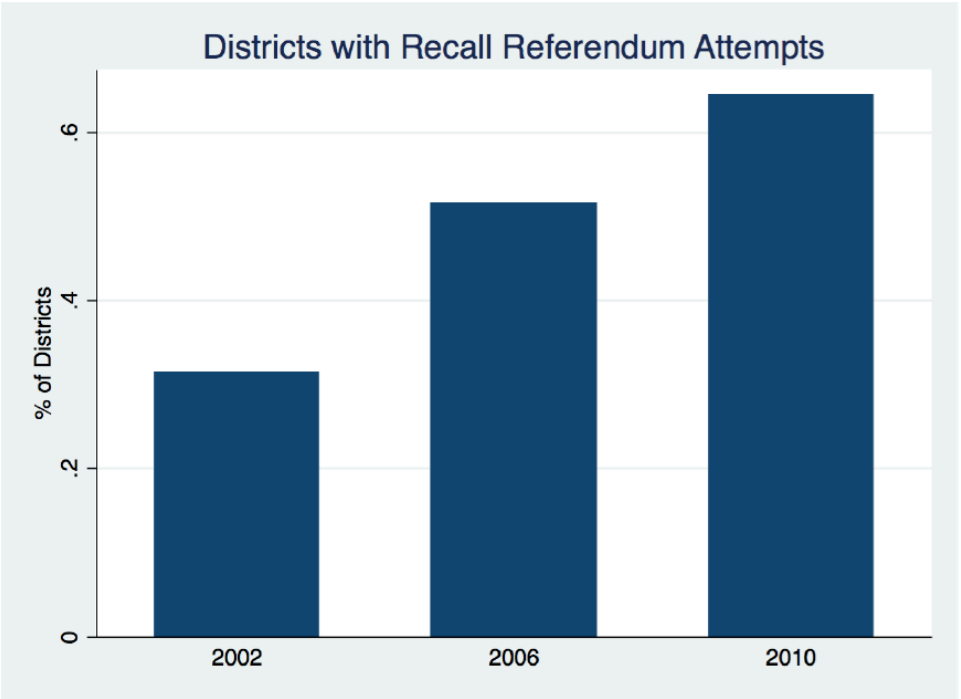
	Dependent Variable: Recall Referendum		
Political Variables			
Win Margin (%)	-0.0042***	-0.0043***	-0.0042***
	(0.0007)	(0.0007)	(0.0007)
Turnout (%)	0.0076**	0.0076**	0.0076**
	(0.0033)	(0.0033)	(0.0033)
Number of Candidates	-0.0081**	-0.0081**	-0.0082**
	(0.0033)	(0.0033)	(0.0033)
Incumbent's Characteristics			
University		0.0083	0.0105
		(0.0069)	(0.0072)
Technical		0.0078	0.0093
		(0.0076)	(0.0077)
Secondary		0.0076	0.0084
		(0.0066)	(0.0067)
Age			0.0002
			(0.0001)
Female			-0.0055
			(0.0038)
Public sector experience			-0.0028
			(0.0029)
Private sector experience			-0.0034
			(0.0027)
Num. years elected office			-0.0005
			(0.0015)
Num. years as mayor			0.0001
			(0.0005)
Num. years party experience			-0.0013
			(0.0018)
National party affiliation			0.0076***
			(0.0029)
Election FEs	Yes	Yes	Yes
District FEs	Yes	Yes	Yes
Observations	17517	17517	17517
Number Districts	1832	1832	1832
Number District×Election	3555	3555	3555

Background: Recall Referenda in Peruvian Municipalities

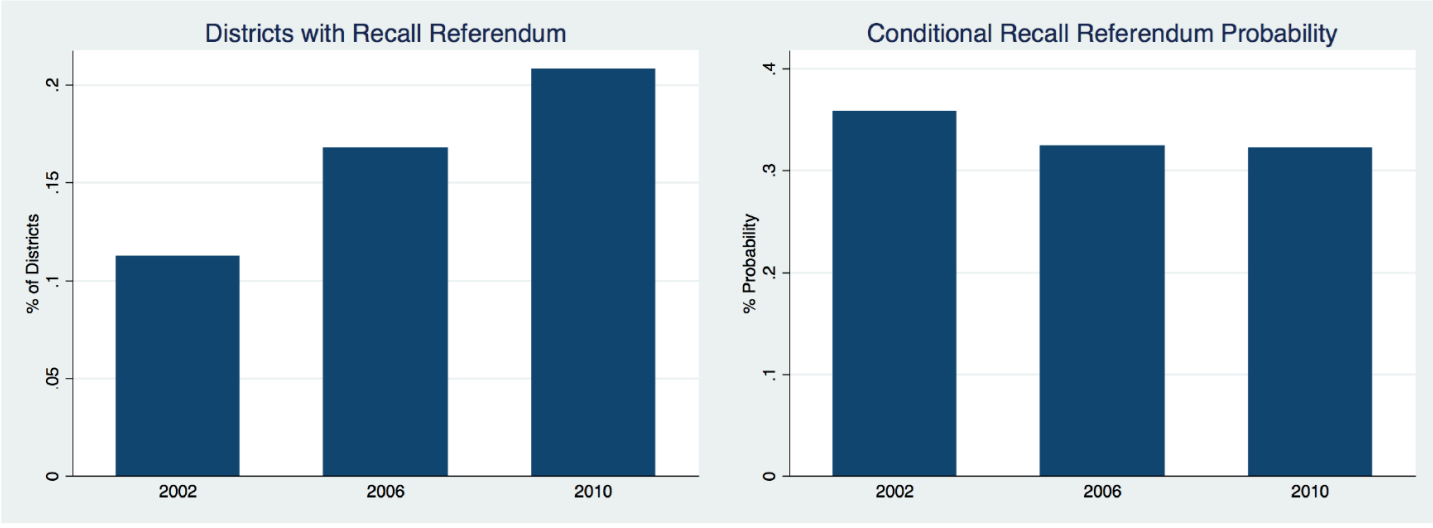
- If the opposer manages to collect enough valid signatures, a recall referendum is held
- The mayor (and/or councilors) are recalled if:
  - Participation is more than 50%, and
  - 50% or more of valid voters agree with the recall

$\rightarrow$ In total, 20,000 recall attempts of local politicians (kits purchased to recall mayors and/or councilmen)
$\rightarrow >$ 5,000 elected officials have faced a recall referendum

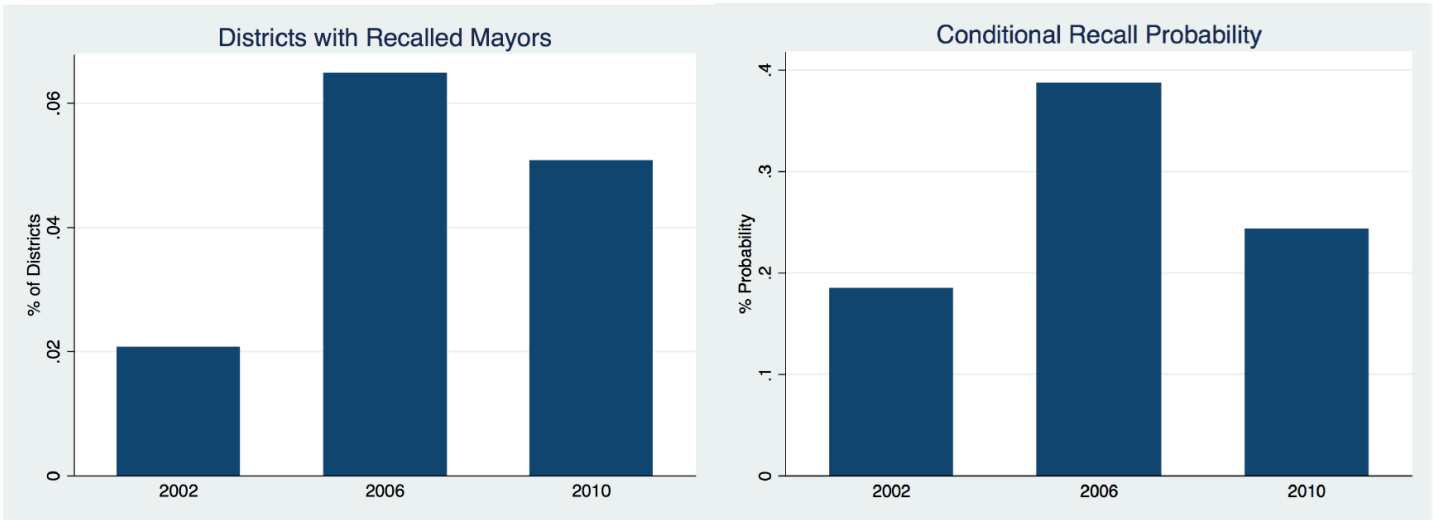
Recall Referenda in Peru



Recall Referenda in Peru



Recall Referenda in Peru



Background: Municipalities in Peru

- Municipalities (districts): lowest level of administration
  - In charge of local level public service provision (roads, security, permits and urban planning, etc.), but also of education and health service provision
- Mayors (and their councilors) are democratically elected to serve 4 year periods
  - First pass the post
  - Full time job for the mayor and part time for the councilors
  - Reelection is allowed (banned in 2015)
- Fragmented political landscape: weak political parties
  - In 2014: 7.26 candidates running for office, and only 36.9 percent of them represented a national political party

Recall Referenda and Reelection

		Probability Running for Reelection	Probability Winning Reelection
Incumbent Recalled	Probability	48.4%	4.8%
	N	250	250
Incumbent survived Referendum	Probability	72.8%	18.6%
	N	644	644
Incumbent faced Recall Petition	Probability	79.7%	20.0%
	N	1,806	1,806
Incumbent without Recall Process	Probability	68.0%	22%
	N	2,787	2,787

Descriptive Statistics: Recall Referenda in Peru

		Full Sample	RD Sample	Full Sample	RD Sample
		Winners' Characteristics		Candidates' Characteristics	
Primary or less	Mean	0.051	0.059	0.055	0.070
	N	6076	424	37854	2801
Secondary	Mean	0.290	0.317	0.291	0.342
	N	6076	479	37854	3394
Technical	Mean	0.183	0.204	0.186	0.191
	N	6076	597	37854	2962
University	Mean	0.476	0.417	0.468	0.388
	N	6076	593	37854	3698
Years of Education	Mean	14.181	13.833	14.068	13.511
	N	6076	706	37854	3390
Num. years elected office	Mean	2.501	1.937	1.548	1.329
	N	6521	572	41115	2502
Num. years as mayor	Mean	0.908	1.683	0.760	0.897
	N	6521	818	41115	3849
Num. years party experience	Mean	1.966	0.667	0.999	0.618
	N	6521	588	41115	2902
National party affiliation	Mean	0.410	0.375	0.433	0.394
	N	6578	435	42557	3047
Public sector experience	Mean	0.630	0.605	0.588	0.566
	N	5056	522	33818	2093
Private sector experience	Mean	0.417	0.404	0.445	0.427
	N	5056	670	33818	2703
Age	Mean	43.993	44.258	45.629	45.984
	N	6578	539	42557	3058
Female	Mean	0.030	0.050	0.064	0.075
	N	6578	661	42557	4865

Descriptive Statistics: Recall Referenda in Peru

		District Characteristics	
Number of Candidates	Mean	7.415	6.820
	N	7316	748
Win Margin (%)	Mean	8.983	8.784
	N	7250	476
Political Competition	Mean	0.868	0.885
	N	7255	623
Turnout (%)	Mean	84.565	86.040
	N	7315	527

Outline

Data Sources

- Candidate CVs (2002, 2006, 2010, 2014): Infogob.com.pe
  Demographic characteristics, ID num, educational achievement, past experience in public office, party affiliation, experience in the public or private sector, wealth (lots of missing values, not going to use this)
- Electoral Data (2002, 2006, 2010, 2014): ONPE
  Turnout, number of candidates, vote shares, party affiliations, electoral results, etc.

Data: CV Example

DECLARACIÓN JURADA DE VIDA DEL CANDIDATO

I DATOS PERSONALES DEL CANDIDATO

Organización política	DECIDE	**No de registro**	
Cargo al que postula	ALCALDE DISTRITAL		
Lugar al que postula	AREQUIPA - CARAVELI - ACARI		
Forma de designación	ELECCIONES CON VOTO UNIVERSAL, LIBRE, VOLUNTARIO, IGUAL, DIRECTO Y SECRETO DE LOS AFILIADOS Y CIUDADANOS NO AFILIADOS		
DNI	30482933		
Apellido Paterno	YTO		
Apellido Materno	SUCAPUCA		
Nombres	DIONISIO		
Fecha de Nacimiento	26/03/1951	**Sexo**	MASCULINO
Portal del candidato		**Correo electrónico**	
Lugar de Nacimiento			
País	PERÚ		
Departamento	PUNO		
Provincia	SAN ROMAN		
Distrito	JULIACA		
Lugar de residencia / domicilio	AV. RICARDO PALMA 254, MZ-Z, LTE 7		
Departamento	AREQUIPA		
Provincia	CARAVELI		
Distrito	ACARI		
Tiempo de Residencia	42		

Data

II EXPERIENCIA LABORAL

Centro de trabajo	GRIFO EL PORVENIR	**Sector**	PRIVADO
Fecha desde	ENERO - 1975	**Fecha hasta**	OCTUBRE - 1995
Cargo	CHOFER TANQUE SISTERNA	**Detalles adicionales**	
Centro de trabajo	MUNICIPALIDAD DE ACARI	**Sector**	PÚBLICO
Fecha desde	ENERO - 1996	**Fecha hasta**	JULIO - 1998
Cargo	REGIDOR	**Detalles adicionales**	
Centro de trabajo	ANTAMINA TRANSLI	**Sector**	PRIVADO
Fecha desde	OCTUBRE - 1998	**Fecha hasta**	FEBRERO - 2001
Cargo	CHOFER VOLQUETE	**Detalles adicionales**	
Centro de trabajo	CAJAMARCA - TRANSLI	**Sector**	PRIVADO
Fecha desde	MARZO - 2001	**Fecha hasta**	OCTUBRE - 2002
Cargo	CHOFER VOLQUETE	**Detalles adicionales**	
Centro de trabajo	MUNICIPALIDAD DISTRITAL DE ACARI	**Sector**	PÚBLICO
Fecha desde	ENERO - 2003	**Fecha hasta**	DICIEMBRE - 2006
Cargo	ALCALDE	**Detalles adicionales**	

Data

III FORMACIÓN ACADÉMICA

EDUCACIÓN BÁSICA REGULAR

	Estado	Centro educativo
Primaria	CONCLUIDO	MUNICHICO 9427
Secundaria	CONCLUIDO	COLEGIO NACIONAL NICOLAS PIEROLA

EDUCACIÓN SUPERIOR

IV CARGOS POLÍTICOS

A. CARGOS PARTIDARIOS

(No ha ocupado ningún cargo político)

B. CARGOS DE ELECCIÓN POPULAR

(No ha ocupado cargos de elección popular)

V RELACIÓN DE SENTENCIAS CONDENATORIAS IMPUESTAS AL CANDIDATO POR DELITOS DOLOSOS Y QUE HUBIERAN QUEDADO FIRMES, SI LAS HUBIERE

(Sin antecedentes penales)

VI RELACIÓN DE SENTENCIAS QUE DECLARARON FUNDADAS O INFUNDADAS EN PARTE, LAS DEMANDAS INTERPUESTAS CONTRA LOS CANDIDATOS POR INCUMPLIMIENTO DE OBLIGACIONES FAMILIARES Y/O ALIMENTARIAS, CONTRACTUALES Y LABORALES, QUE HUBIERAN QUEDADO FIRMES

(No se cuenta con sentencia firme)

DECLARACIÓN JURADA DE NO TENER SENTENCIA CONDENATORIA VIGENTE

(No tiene condena vigente)

VII MENCIÓN DE LAS RENUNCIAS EFECTUADAS A OTROS PARTIDOS, MOVIMIENTOS DE ALCANCE REGIONAL O DEPARTAMENTA U ORGANIZACIONES POLITICAS DE ALCANCE PROVINCIAL Y DISTRITAL, DE SER EL CASO

Denominación del cargo	SECRETARIO PROVENCIONAL	**Organización política**	PPC
Fecha de ingreso	JULIO - 2003	**Fecha de salida**	FEBRERO - 2010

Data

VIII INFORMACIÓN ADICIONAL O COMPLEMENTARIA

A. OTRA EXPERIENCIA

b. Declaración jurada de ingresos y de bienes y rentas

B. DECLARACIÓN JURADA DE INGRESOS Y DE BIENES Y RENTAS

DECLARACIÓN DEL PATRIMONIO

	Sector público	Sector privado	Total S/.
REMUNERACIÓN BRUTA MENSUAL (Pago por planillas, sujetos a rentas de quinta categoría)	0	0	0
RENTA BRUTA MENSUAL POR EJERCICIO INDIVIDUAL (Ejercicio individual de profesión, oficio u otras áreas - renta de cuarta categoría)	0	0	0
OTROS INGRESOS MENSUALES (Predios arrendados, subarrendados o cedidos) (Bienes muebles arrendados, subarrendados o cedidos) (Intereses originados por colocación de capitales, regalías, rentas vitalicias, etc.) (Dietas o similares)	0	0	0
	TOTAL INGRESOS		0

BIENES INMUEBLES

Tipo de bien	CASA	**Dirección**	AV. RICARDO PALMA
No. Ficha Reg. Públicos		**Valor autovaluo S/.**	62000

BIENES MUEBLES

Tipo de bien	VEHICULO	**Descripción**	AV. RICARDO PALMA
Características	2 ESTACION VAGON	**Valor S/.**	25760

ACREENCIAS Y OBLIGACIONES A SU CARGO

Detalle de la acreencia	CAJA MUNICIPAL AREQUIPA - CAJA MUNICIPAL ICA	**Monto S/.**	32500

IX OBSERVACIONES INGRESADAS

Outcome Variables: Education and Experience

- Education: Primary, Secondary, Technical, University
  (i) ever attended to the university, (ii) attended only to a technical education center, (iii) attended to secondary school, (iv) attended to primary school
- Years of education:
  5yrs of primary+6yrs of secondary+ yrs technical + yrs university+ yrs postgraduate
- Experience:
  Number of years of experience in (i) elected public office (mayor, councilor or regional counselor), (ii) the position of mayor, (iii) service in party office, as well as (vi) member of a national political party, (v) has work experience in the public sector or (vi) private sector
- Demographics:
  Age and gender
- Ethnicity:
  Candidate's last names classified by whether they have a Quechua or Aymara root (based on established language dictionaries)

Empirical Strategy

- We exploit variation on whether a mayor was ousted in a recall referendum in $t-1$ to identify the reduced form effect of the salience of the accountability institution on the selection of candidates
- To identify the causal effects, we use a close election sharp regression discontinuity design, comparing districts$\times$elections where the mayor was barely voted out with those where she barely survived the recall
- Sample: district$\times$elections where a recall referendum took place

Empirical Strategy

Main Regression Equation:

$$Y_{ijt} = \alpha + \beta Recalled_{jt-1} + \gamma f(VoteShare_{jt-1}) + \varepsilon_{ijt}$$

where:
Y_{ijt} - outcome var for candidate i who runs for office in district j in period t
$Recalled_{jt-1}$ =1 if the mayor was recalled in district j in period $t-1$
$f(VoteShare_{jt-1})$ - flexible polynomial of the vote share in favor of the recall in district j to recall a mayor in period $t-1$
ε_{ijt} - error term clustered at the district$\times$election level

Empirical Strategy

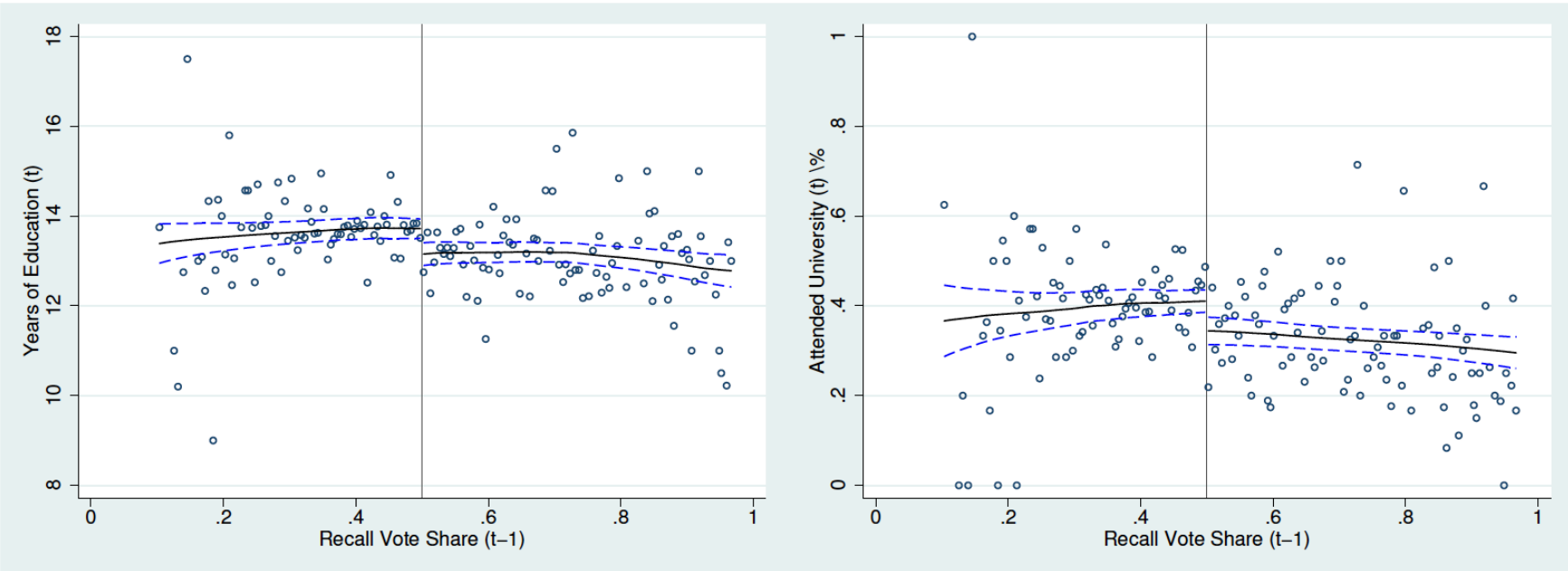
Main Regression Equation:

$$Y_{ijt} = \alpha + \beta Recalled_{jt-1} + \gamma f(VoteShare_{jt-1}) + \varepsilon_{ijt}$$

- Bandwidth: Optimal bandwidth Imbens&Kalyanaraman (2012), but results are robust other BW choices
- Functional form assumption: Local linear with triangular kernel weights (Imbens&Lee 2007)
- Identifying assumption: In the RD sample, having a mayor recalled is as good as randomly assigned
  - We have continuity in other covariates
  - The density is continuous at the threshold

Outline

Graphical Evidence: Candidate Selection



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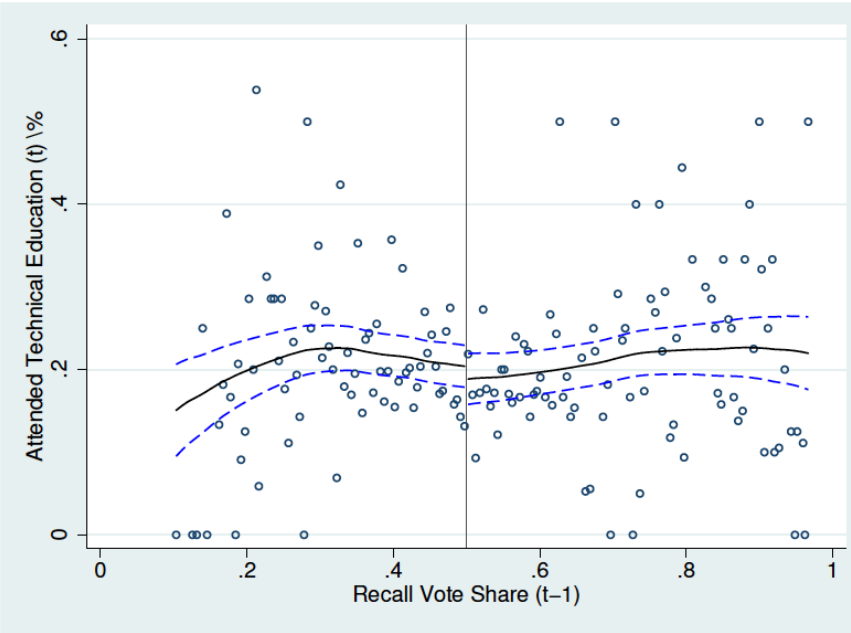
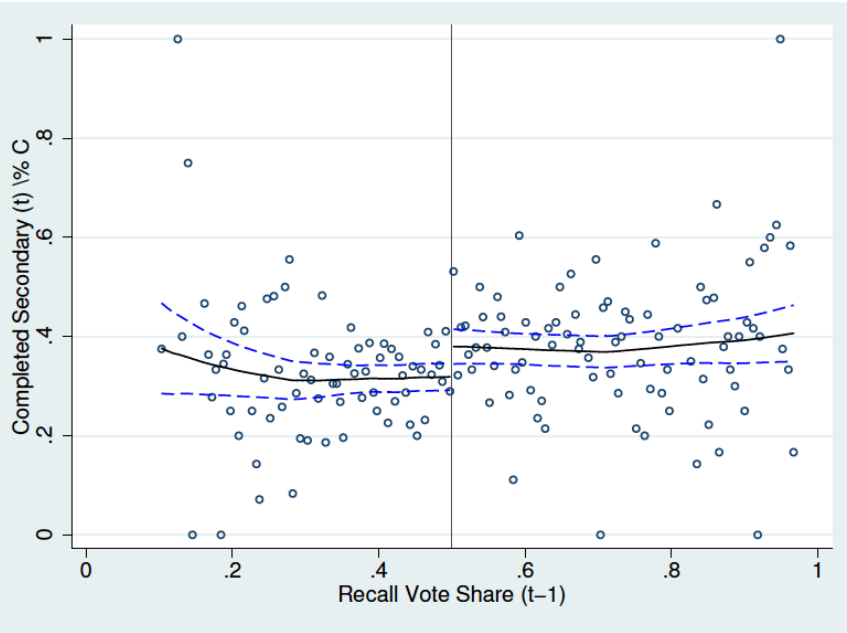




Main Results: Candidate Education

	Dependent Variable:			
	Years Edu	University	Technical	Secondary
	PANEL A: Local Linear Regression			
Recalled Incumbent in t-1	-0.5241*	-0.0849**	-0.0006	0.0795*
	(0.2964)	(0.0410)	(0.0356)	(0.0479)
Triangle Kernel	Yes	Yes	Yes	Yes
Observations	3390	3698	2962	3394
Mean Dep.	13.511	0.388	0.191	0.342

Main Results: Candidate Education

	PANEL B: Linear Polynomial Regression			
Recalled Incumbent in t-1	-0.5398**	-0.0744**	-0.0198	0.0788*
	(0.2655)	(0.0363)	(0.0296)	(0.0405)
Linear Polynomial	Yes	Yes	Yes	Yes
Observations	3390	3698	2962	3394
Mean Dep.	13.511	0.388	0.191	0.342

Main Results: Candidate Education

	PANEL C: Quadratic Polynomial Regression			
Recalled Incumbent in t-1	-0.5183*	-0.0652*	-0.0222	0.0882**
	(0.2679)	(0.0365)	(0.0300)	(0.0417)
Quadratic Polynomial	Yes	Yes	Yes	Yes
Observations	3390	3698	2962	3394
Number District×Election	611	679	538	612
Mean Dep.	13.511	0.388	0.191	0.342

Main Results: Candidate Education

- Higher leader's education has been shown to cause better public good provision (Martinez-Bravo 2017, Besley et al 2005, Besley et al. 2011)
- Still, a leader's quality is a multimentional concept
  - Our data allow us to look beyond the educational attainment, more precisely to candidate's experience before deciding to stand for office and their demographic characteristics

Main Results: Candidate Ethnicity and Representation

	Dependent Variable:				
	At least one native surname	Two native surnames	Representative (25 percent)	Representative (50 percent)	Representative (75 percent)
Recalled Incumbent in t-1	-0.0178	-0.0231	-0.0459	-0.0605	-0.1143**
	(0.0709)	(0.0283)	(0.0637)	(0.0693)	(0.0450)
Triangle Kernel	Yes	Yes	Yes	Yes	Yes
Observations	2028	2478	2478	1892	2466
Number Districts	300	359	359	282	357
Mean Dep.	0.331	0.062	0.151	0.132	0.078

Main Results: Candidate Experience

	PANEL A Dependent Variable:			
	Num. years elected office	Num. years as mayor	Num. years party experience	National Party Affiliation
Recalled Incumbent in t-1	-0.3035	-0.3711**	-0.2260	0.0212
	(0.3362)	(0.1859)	(0.2308)	(0.0492)
Triangle Kernel	Yes	Yes	Yes	Yes
Observations	2502	3849	2902	3047
Number District×Election	430	666	500	514
Mean Dep.	1.329	0.897	0.618	0.394

Main Results: Candidate Experience

	PANEL B			
	Dependent Variable:			
	Public Sector Experience	Private Sector Experience	Age	Female
Recalled Incumbent in t-1	-0.1133**	-0.0389	-1.5026	0.0134
	(0.0522)	(0.0551)	(0.9998)	(0.0178)
Triangle Kernel	Yes	Yes	Yes	Yes
Observations	2093	2703	3058	4865
Number District×Election	347	453	515	842
Mean Dep.	0.566	0.427	45.984	0.075

Main Results: Candidate Experience

- Treated candidates are less likely to have Quechua or Aymara backgrounds, and this is particularly the case in municipalities with an indigenous majority (decrease in representativeness)
- Treated candidates have less years of experience in the public sector, and in particular, as mayors
- They also significantly younger
- This suggests that they are likely to be new entrants to politics

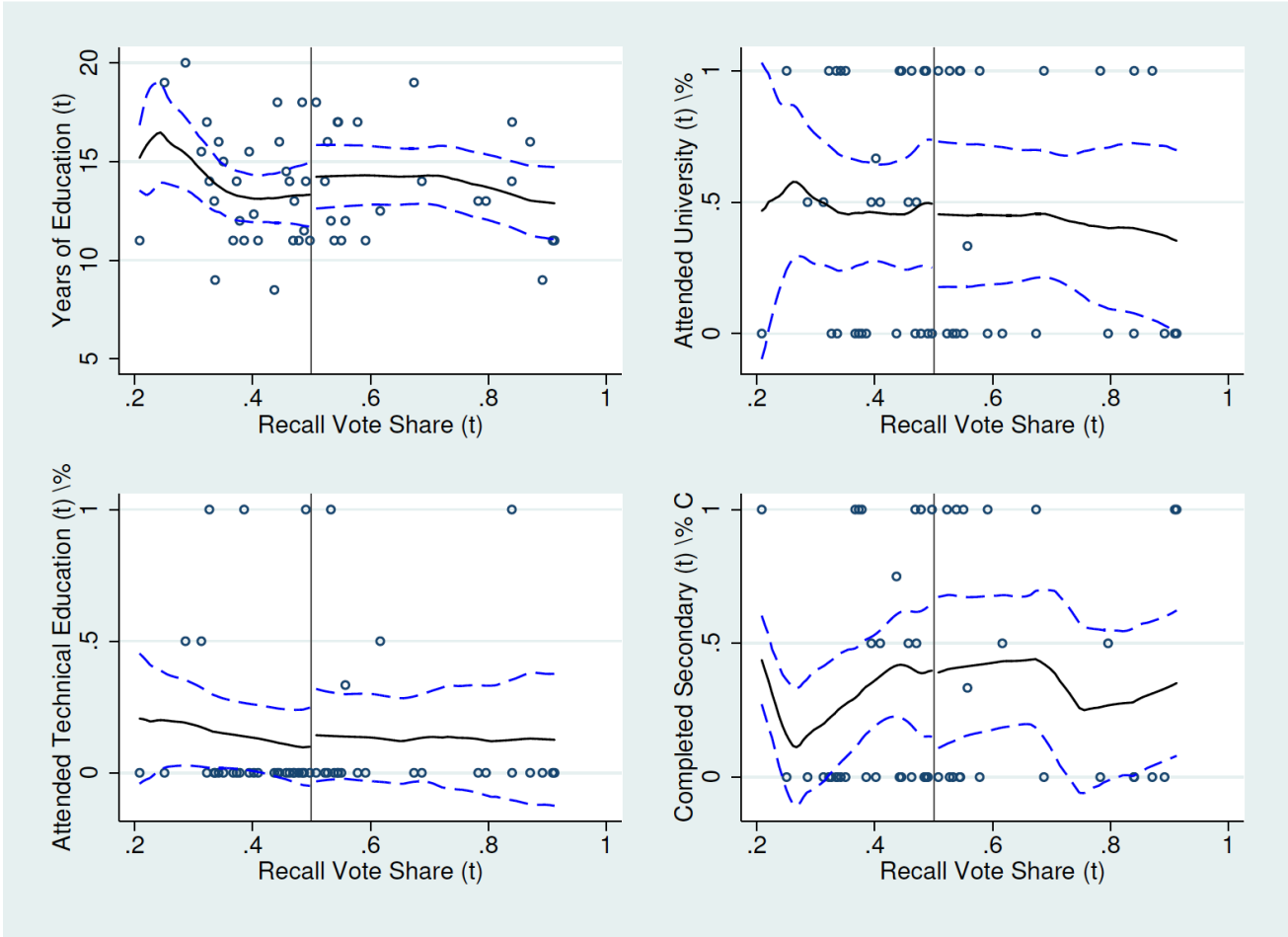
Placebo: Recalls in t-2

	Dependent Variable:			
	Years Edu	University	Technical	Secondary
	Placebo: Recalled Incumbent in t-2			
Recalled Incumbent in t-1	-0.5363**	-0.0715*	-0.0213	0.0766*
	(0.2675)	(0.0365)	(0.0297)	(0.0404)
Recalled Incumbent in t-2	0.0692	0.0546*	-0.0370	-0.0433
	(0.2661)	(0.0324)	(0.0253)	(0.0346)
Linear Polynomial	Yes	Yes	Yes	Yes
Observations	3390	3698	2962	3394
Number District×Election	611	679	538	612
Mean Dep.	13.511	0.388	0.191	0.342

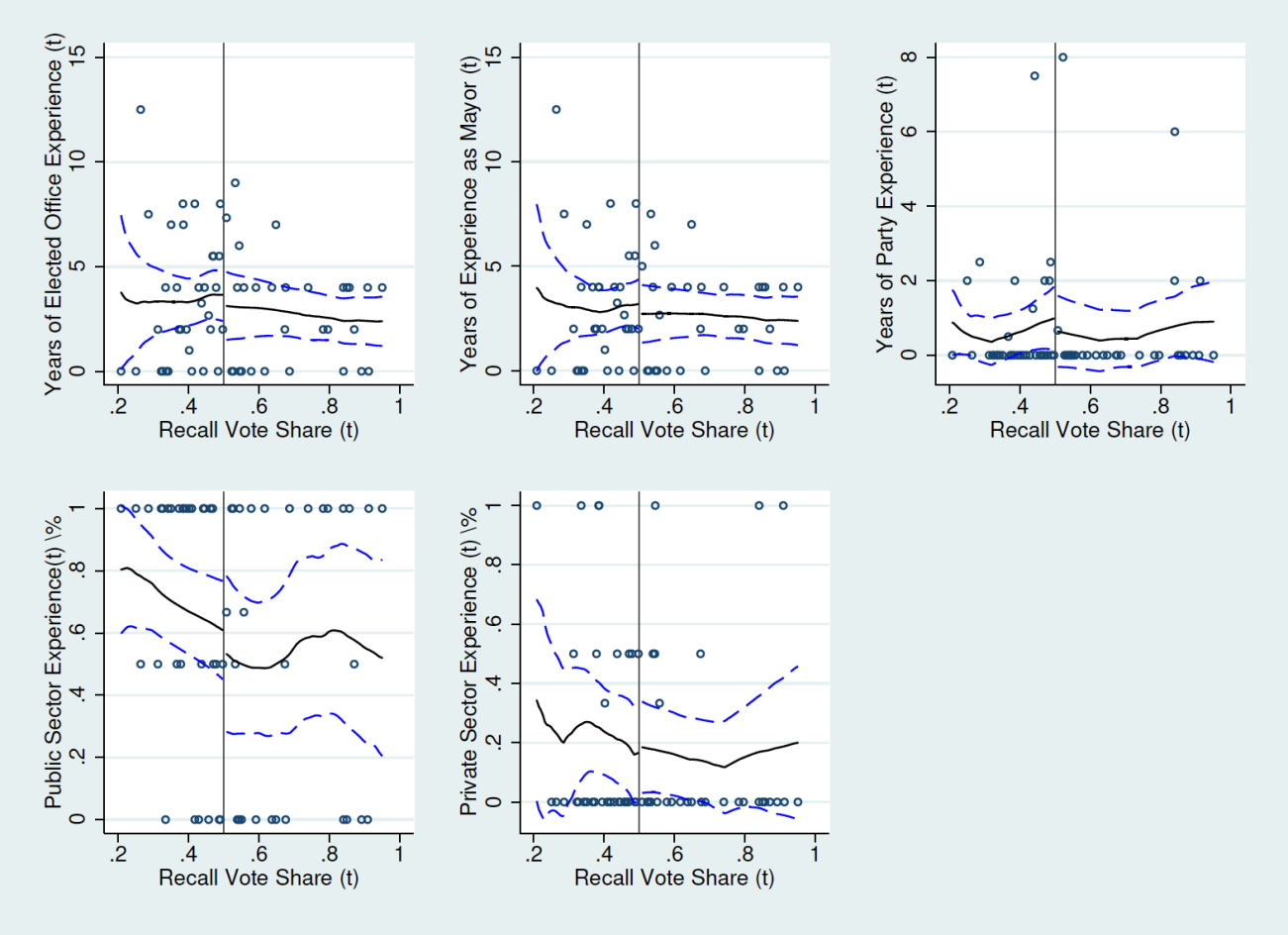
Continuity tests

- Incumbent education in t-1
- Incumbent experience in t-1
- Political variables in t-1
- Runner up's characteristics in t-1

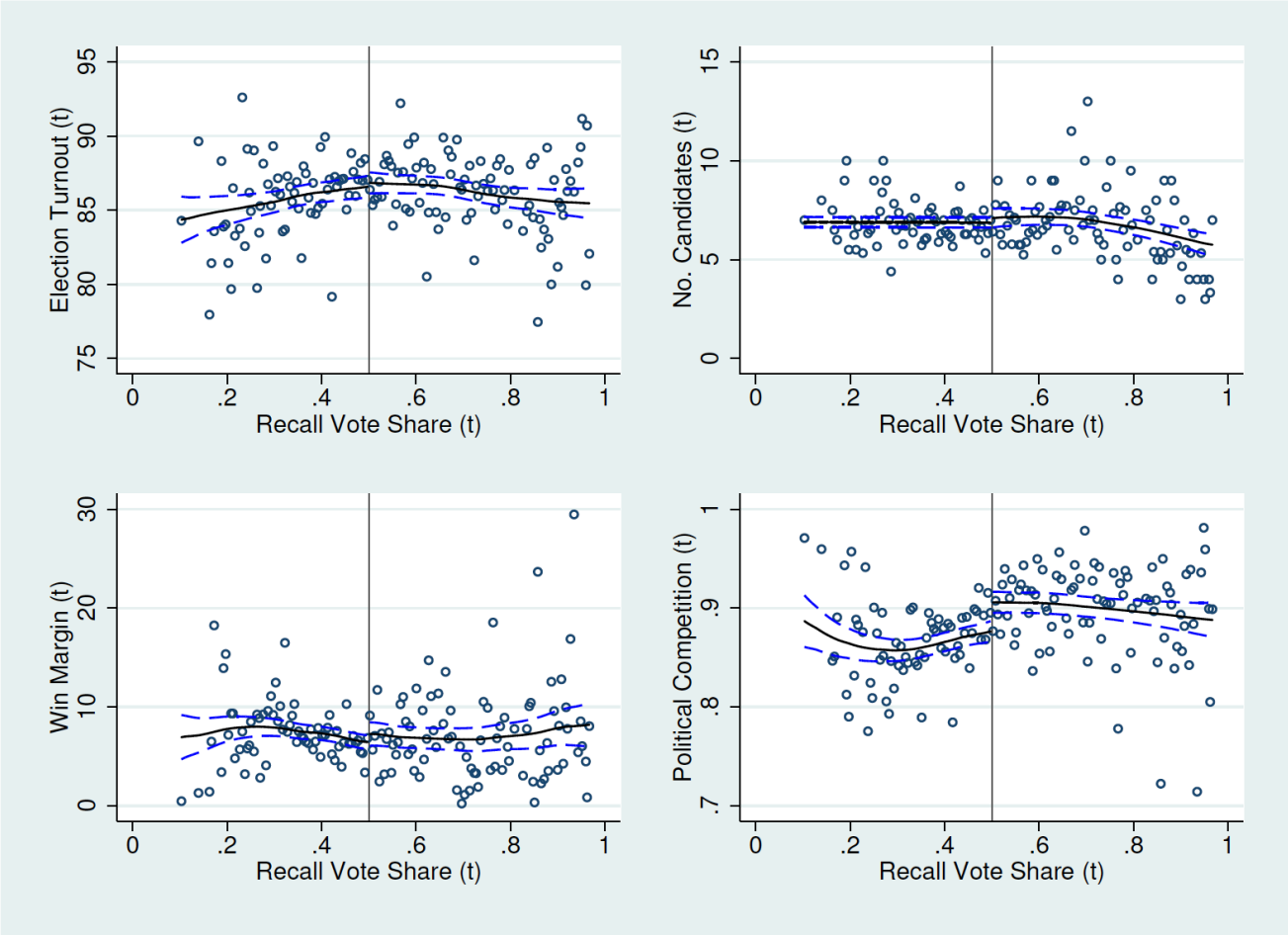
Continuity Test: Incumbent's Education



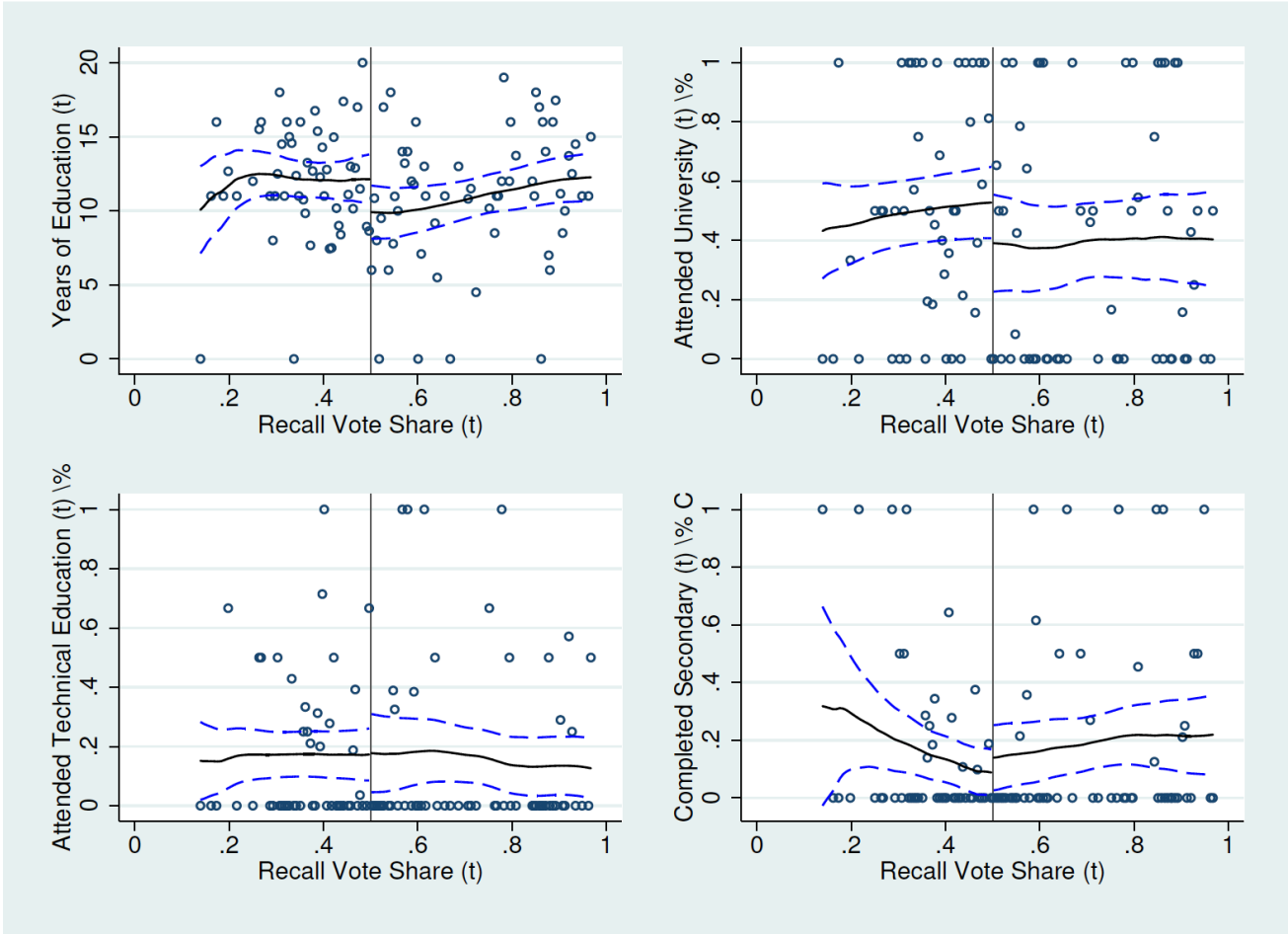
Continuity Test: Incumbent's Experience



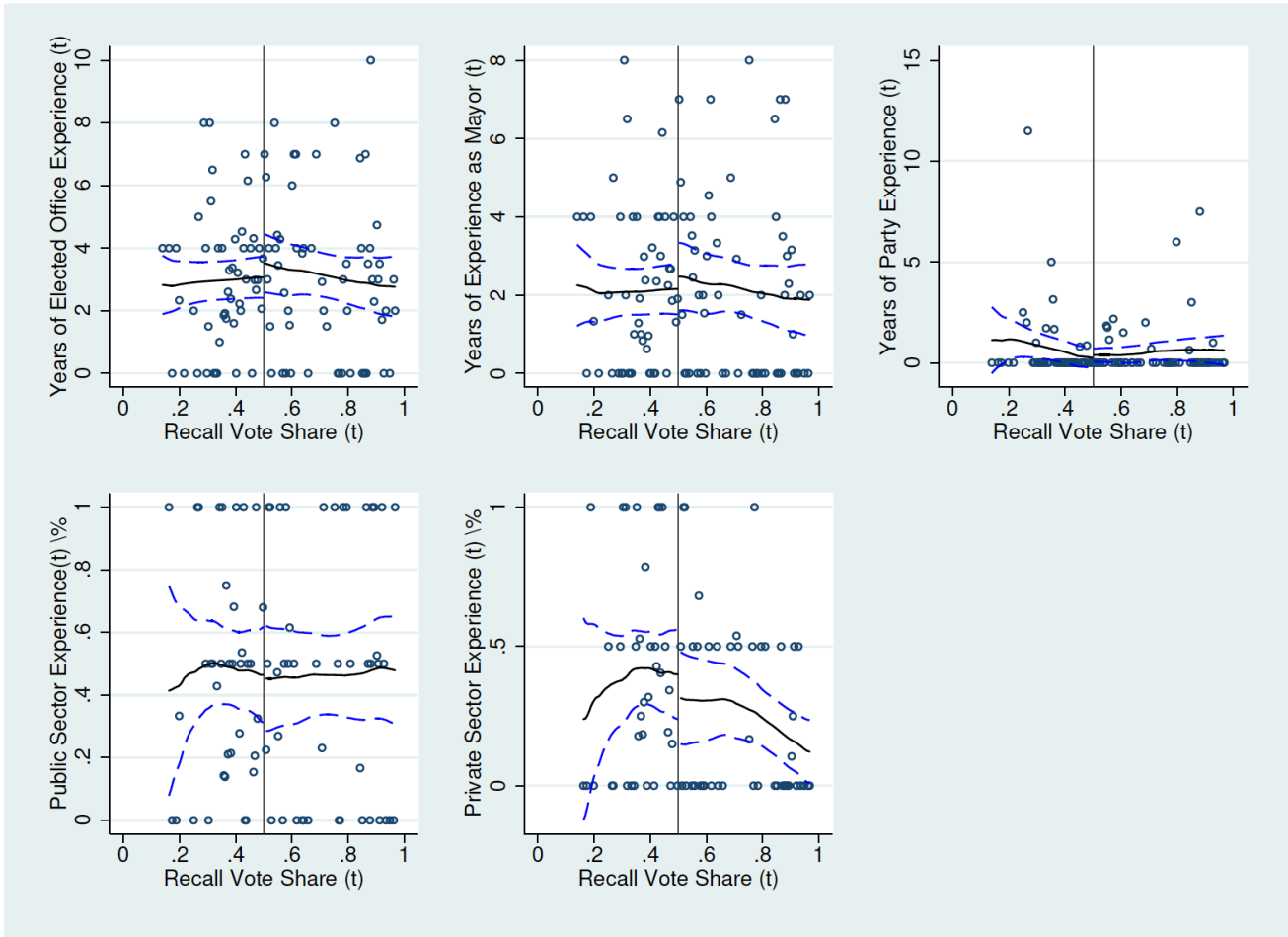
Continuity Test: Political Variables



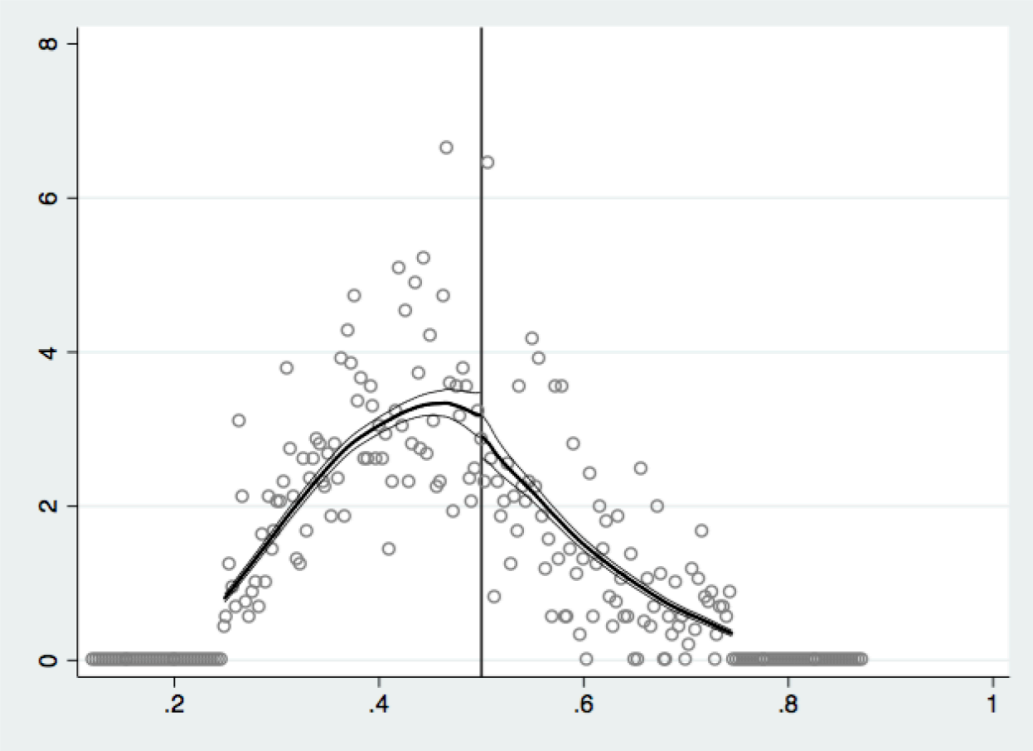
Continuity Test: Runner-ups Education



Continuity Test: Runner-ups Education



Gaming of the running variable? McCrary test



Outline

How should Accountability Affect Selection?

Reduction of expected rents

- Deter low types / corrupt politicians from running for office

Political capture

- Political elites can use the institution for political purposes → Potetial candidates update about the reasons for a recall
  → High quality / opportunity costs types could decide not to run for office
  → Politicians committed to a certain agenda (more representative?) would be deterred to run

Mechanisms: Learning - The impact of a recalled neighbor

	Dependent Variable:			
	Years Edu	University	Technical	Secondary
	PANEL A: Local Linear Regression			
Recalled Neighbour Incumbent in t-1	-0.9264***	-0.1327***	-0.0015	0.1301***
	(0.2541)	(0.0400)	(0.0180)	(0.0333)
Triangle Kernel	Yes	Yes	Yes	Yes
Observations	6225	5902	10003	5591
Mean Dep.	14.289	0.498	0.185	0.270
	PANEL B: Linear Polynomial Regression			
Recalled Neighbour Incumbent in t-1	-0.8695***	-0.1257***	-0.0076	0.1152***
	(0.2306)	(0.0361)	(0.0156)	(0.0296)
Linear Polynomial	Yes	Yes	Yes	Yes
Observations	6225	5902	10003	5591
Mean Dep.	14.289	0.498	0.185	0.270
	PANEL C: Quadratic Polynomial Regression			
Recalled Neighbour Incumbent in t-1	-0.7925***	-0.1094***	-0.0071	0.1033***
	(0.2362)	(0.0364)	(0.0159)	(0.0300)
Quadratic Polynomial	Yes	Yes	Yes	Yes
Observations	6225	5902	10003	5591
Number District×Election	1018	958	1704	895
Mean Dep.	14.289	0.498	0.185	0.270

Mechanisms: Learning - The impact of a recalled neighbor (II)

	Dependent Variable:			
	Years Edu	University	Technical	Secondary
	PANEL A: Local Linear Regression			
Recalled Neighbour Incumbent in t-1	-1.0810***	-0.1625***	-0.0109	0.1726***
	(0.2743)	(0.0423)	(0.0202)	(0.0346)
Triangle Kernel	Yes	Yes	Yes	Yes
Observations	6147	6364	8388	5618
Mean Dep.	14.395	0.514	0.184	0.257
	PANEL B: Linear Polynomial Regression			
Recalled Neighbour Incumbent in t-1	-0.8391***	-0.1329***	-0.0210	0.1620***
	(0.2405)	(0.0353)	(0.0173)	(0.0306)
Linear Polynomial	Yes	Yes	Yes	Yes
Observations	6147	6364	8388	5618
Mean Dep.	14.395	0.514	0.184	0.257
	PANEL C: Quadratic Polynomial Regression			
Recalled Neighbour Incumbent in t-1	-0.9536***	-0.1394***	-0.0295*	0.1708***
	(0.2627)	(0.0390)	(0.0176)	(0.0337)
Quadratic Polynomial	Yes	Yes	Yes	Yes
Observations	6147	6364	8388	5618
Number District×Election	1042	1090	1449	929
Mean Dep.	14.395	0.514	0.184	0.257

Mechanisms: Politically motivated recalls

	Dependent Variable:			
	Years of Education	University	Technical	Secondary
	PANEL A: Political Opponents preceding Election			
Recalled Incumbent in t-1	-0.3259	-0.0492	-0.0151	0.0552
	(0.2777)	(0.0373)	(0.0310)	(0.0429)
Recalled in t-1 * Political Opponent in t-1	-0.4780	-0.0643	-0.0241	0.0620
	(0.3221)	(0.0457)	(0.0347)	(0.0464)
Political Opponent in t-1	-0.2467	-0.0315	0.0171	0.0120
	(0.2271)	(0.0306)	(0.0255)	(0.0282)
Linear Polynomial	Yes	Yes	Yes	Yes
Observations	3390	3698	2962	3394
Number District×Election	611	679	538	612
Mean Dep.	13.511	0.388	0.191	0.342

Mechanisms: Performance prior to recalls

	PANEL B: Performance prior Recall			
Recalled Incumbent in t-1	-0.7696*	-0.1263**	-0.0054	0.1029*
	(0.3979)	(0.0591)	(0.0418)	(0.0618)
Recalled in t-1 * % Expense Budget Executed	0.0676	0.0188	-0.0177	-0.0011
	(0.1484)	(0.0272)	(0.0163)	(0.0277)
% Expense Budget Executed	0.0932	0.0116	0.0034	-0.0145
	(0.0925)	(0.0195)	(0.0131)	(0.0151)
Linear Polynomial	Yes	Yes	Yes	Yes
Observations	2565	2791	2237	2565
Number District×Election	384	422	336	384
Mean Dep.	13.439	0.381	0.180	0.355

Mechanisms: Opportunity Cost

	Dependent Variable: Predicted Wage (opportunity cost)	
Recalled Incumbent in t-1	-139.0638***	-137.8319**
	(52.2649)	(58.7260)
Linear Polynomial	Yes	No
Local Linear Regression	No	Yes
Observations	3608	3608
Number District×Election	661	661
Mean Dep.	1234.929	1234.929

Robustness & Mechanisms

- Specific characteristics of the previous mayors:
  - Mayors with specific characteristics (eg. stronger potential contender)
  - But: Incumbent characteristics are balanced, and results are robust to the inclusion of these characteristics

Mechanisms: Incumbent characteristics

	Dependent Variable:			
	Years Edu	University	Technical	Secondary
	PANEL A: Controlling for Incumbents Characteristics			
Recalled Incumbent in t-1	-0.4308	-0.0646*	-0.0058	0.0595
	(0.2649)	(0.0382)	(0.0346)	(0.0452)
Triangle Kernel	Yes	Yes	Yes	Yes
Incumbent's Characteristics	Yes	Yes	Yes	Yes
Observations	3377	3685	2949	3381
Number District×Election	610	678	537	611
Mean Dep.	13.497	0.386	0.192	0.343

Mechanisms

- Specific characteristics of the previous mayors
- Specific political situation in the district in $t-1$
  - A particularly competitive election in $t-1$ could lead to a recall election, and political competition can deter or encourage certain candidates
  - Again, these characteristics are balanced, and including them in the regressions do not change the main results

Mechanisms: Political Situation

	PANEL B: Controlling for Political Situation in t-1			
Recalled Incumbent in t-1	-0.4443*	-0.0735*	-0.0055	0.0728
	(0.2563)	(0.0376)	(0.0352)	(0.0451)
Triangle Kernel	Yes	Yes	Yes	Yes
Political Controls	Yes	Yes	Yes	Yes
Observations	3372	3677	2944	3376
Number District×Election	608	675	535	609
Mean Dep.	13.512	0.388	0.190	0.341

Mechanisms

- Specific characteristics of the previous mayors
- Specific political situation in the district in $t-1$
- Re-Running Incumbents
  - Incumbents are high quality, recalling one mechanically decreases the quality of the pool in the next period
  - Incumbent characteristics are balanced, and eliminating them from all regressions do not affect the results

Mechanisms: Re-Running incumbents

	Dependent Variable:			
	Years Edu	University	Technical	Secondary
	PANEL A: Dropping re-running Incumbents			
Recalled Incumbent in t-1	-0.4733	-0.0763*	-0.0130	0.0818*
	(0.2906)	(0.0400)	(0.0349)	(0.0476)
Triangle Kernel	Yes	Yes	Yes	Yes
Re-running Incumbents	No	No	No	No
Observations	3063	3460	2939	3060
Number District×Election	609	711	584	608
Mean Dep.	13.488	0.384	0.195	0.348

Mechanisms

- Specific characteristics of the previous mayors
- Specific political situation in the district in $t-1$
- Re-Running Incumbents
- Specific characteristics of the previous runner-up
  - Certain runner-ups could be more more able to campaign against the mayor, and this campaigning could deter or encourage certain candidates
  - Again, these characteristics are balanced, and including them in the regressions do not change the main results

Mechanisms: Political Opponents

	PANEL B: Controlling for Characteristics of Runners-up			
Recalled Incumbent in t-1	-0.4472	-0.0826**	-0.0127	0.0867*
	(0.2837)	(0.0409)	(0.0344)	(0.0509)
Triangle Kernel	Yes	Yes	Yes	Yes
Runners Up Characteristics	Yes	Yes	Yes	Yes
Observations	2382	2573	2086	2382
Number District×Election	351	384	309	351
Mean Dep.	13.453	0.381	0.183	0.346

Mechanisms

- Specific characteristics of the previous mayors
- Specific political situation in the district in $t-1$
- Re-Running Incumbents
- Specific characteristics of the previous runner-up

Candidate Entry or Exit?

- Are high quality candidates dropping from the race, or we have entry of low quality candidates?

Candidate Entry or Exit?

	Dependent Variable:		
	Turnout	Candidates	Win Margin
Recalled Incumbent in t-1	-0.7000	0.0947	-1.4477
	(1.0067)	(0.3907)	(1.2230)
Triangle Kernel	Yes	Yes	Yes
Observations	527	748	476
Number Districts	425	563	390
Mean Dep.	86.040	6.820	8.784

Do Recall Referenda lead to Lower quality Mayors?

	PANEL A			
	Dependent Variable:			
	Years of Education	University	Technical	Secondary
Recalled Incumbent in t-1	-0.1557	-0.0301	-0.0728	0.1422
	(0.4469)	(0.0861)	(0.0712)	(0.0981)
Triangle Kernel	Yes	Yes	Yes	Yes
Observations	706	593	597	479
Number Districts	547	478	480	398
Mean Dep.	13.833	0.417	0.204	0.317

Do Recall Referenda lead to Lower quality Mayors?

	PANEL B Dependent Variable:			
	Num. years elected office	Num. years as mayor	Num. years party experience	National Party Affiliation
Recalled Incumbent in t-1	-0.2253 (0.6352)	-0.4170 (0.4208)	-0.2209 (0.3455)	0.0225 (0.1034)
Triangle Kernel	Yes	Yes	Yes	Yes
Observations	572	818	588	435
Number Districts	455	607	466	362
Mean Dep.	1.937	1.683	0.667	0.375
	PANEL C Dependent Variable:			
	Public Sector Experience.	Private Sector Experience	Age	Female
Recalled Incumbent in t-1	-0.0403 (0.0772)	-0.0985 (0.0663)	-1.0264 (1.4998)	0.0560* (0.0318)
Triangle Kernel	Yes	Yes	Yes	Yes
Observations	522	670	539	661
Number Districts	430	526	432	516
Mean Dep.	0.605	0.404	44.258	0.050

Elected Mayors

- Despite the negative selection of candidates, voters are able to sort through the weeds, and elections mitigate the negative effect on the pool of candidates
- Elected mayors have slightly less educational levels, but the results are not significant due to limited statistical power
- In the oven: effects on policies?

Outline

Conclusion

- Accountability has been shown to be a useful devise to discipline politicians in office
- However, we know little about the potential effect of institutions that bolster accountability on the selection of politicians
  - Especially important in contexts with low state capacity, where these institutions can be captured
- We show that the increase in the perceived probability of being recalled deters more educated and experienced politicians of running for office
  - The negative selection is due to the political use of an accountability institution, which distorts its initial intentions
- However, elections still do their job and select the best politicians among the ones available

Muchas gracias!

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Descriptive Statistics: Correlates of Performance

	Dependent Variable:								
	Ln (Nightlights)			Ln (Revenues)			Ln(Expenditures)		
	0-3%	0-4%	Full Sample	0-3%	0-4%	Full Sample	0-3%	0-4%	Full Sample
Secondary	0.191	0.505***	0.0558	0.252*	0.228**	0.100**	-0.0405	-0.00456	0.0254
	(0.217)	(0.168)	(0.0779)	(0.135)	(0.110)	(0.0490)	(0.0853)	(0.0669)	(0.0319)
Technical	0.173	0.419**	-0.0931	0.187	0.251**	0.0871*	0.0205	0.0529	0.0386
	(0.225)	(0.180)	(0.0832)	(0.146)	(0.118)	(0.0515)	(0.0923)	(0.0718)	(0.0335)
University	0.116	0.491***	-0.0126	0.306**	0.301***	0.0897*	0.00591	0.0290	0.0655**
	(0.220)	(0.173)	(0.0782)	(0.141)	(0.113)	(0.0491)	(0.0891)	(0.0690)	(0.0320)
Num. years elected office	-0.0135	0.00352	0.00835	0.0343*	0.0279*	0.00738	0.00184	0.0161*	0.00336
	(0.0189)	(0.0190)	(0.00964)	(0.0189)	(0.0157)	(0.00650)	(0.0121)	(0.00964)	(0.00424)
Num. years as mayor	-0.000118	-0.00116	0.00617	0.00706	0.00768	0.00272	-0.000270	-0.00302	0.00483*
	(0.00771)	(0.00814)	(0.00517)	(0.00939)	(0.00789)	(0.00391)	(0.00602)	(0.00484)	(0.00255)
Num. years party experience	0.0259	0.00474	-0.00571	-0.0543**	-0.0411**	-0.00394	-0.0114	-0.0215*	-0.00595
	(0.0223)	(0.0222)	(0.0111)	(0.0215)	(0.0182)	(0.00743)	(0.0138)	(0.0111)	(0.00484)
Constant	-0.550***	-0.910***	-0.381***	13.73***	13.71***	13.87***	17.03***	17.00***	16.68***
	(0.208)	(0.162)	(0.0747)	(0.134)	(0.109)	(0.0481)	(0.0849)	(0.0664)	(0.0313)
Observations	921	1,173	3,376	1,555	1,997	6,030	1,559	2,002	6,036
R-squared	0.411	0.355	0.257	0.395	0.368	0.347	0.748	0.761	0.682
Number of Ubigeo	737	879	1,530	1,089	1,270	1,834	1,092	1,273	1,831

Standard errors in parentheses

*** p<0.01, ** p<0.05, * p<0.1

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