

Does female leadership impact on governance and corruption?

Evidence from a public poverty alleviation program in Andhra Pradesh, India

Farzana Afridi (Indian Statistical Institute, Delhi)

Vegard Iversen (University of Manchester)

M.R. Sharan (J-PAL, South Asia)

IGC Growth Week, LSE (24th – 26th September, 2012)

Motivation

Poor governance, in general, and corruption in particular can be important causes behind the disappointing performance of public programs in developing countries.



Motivation

- Central to this concern is understanding the behavior or preferences of our political leaders
- Perception that women leaders are less tolerant of corruption
 - Socially-oriented
 - Risk-averse

Motivation

- Policy focus on affirmative action in India
 - $1/3^{\text{rd}}$ of village council headships (sarpanch positions) are randomly reserved for women.
 - Reservation of sarpanch positions for women increased from $1/3^{\text{rd}}$ to $1/2$ in 2009.
 - Women's Reservation Bill seeks to reserve $1/3^{\text{rd}}$ of state and national legislature positions for women.

Preview of results

- Households in female reserved village councils are more likely to have suffered from corruption and poor administration of public program.
- Higher incidence of pilferage of program funds by local bureaucracy in village councils reserved for women.
- Audits of program expenditures suggest improvement in governance and decline in corruption in female reserved village councils over time.
- Prior political experience and better administrative ability significantly improve program performance in reserved village councils.

Background - NREGA

Steps to obtain work on projects under the National Rural Employment Guarantee Act (NREGA, 2005):

- All households eligible ('right' based program) for 100 days of work
- Apply for 'registration' to the village council
- Village council issues a 'job card' to the household, free of cost
- Submit a written or oral application for employment to the council
- Disbursement of wages on a weekly basis and not beyond a fortnight

Background - Role of village council (GP) in NREGA

Nationwide

- Prepare shelf of projects to be implemented
- Planning and the subsequent execution of at least 50% of all projects

Andhra Pradesh

- Appointment of the Gram Rozgar Sevak or field assistant (FA), the direct interface between beneficiary and the program
 - Registering and issuing job cards to households
 - Intimation of work availability
 - Maintenance of labor records for timely and correct disbursement of wages
- Selecting suppliers for the material component of projects under the program.

Data

- **Primary survey** across 8 districts of Andhra Pradesh in April-July, 2011:
 - Sub-district development officers (MPDOs)
 - Sarpanchs elected in 2006 for a fixed term of 5 years
 - Beneficiary households
- **Audit reports** of NREGA projects for surveyed GPs from 2006 to 2010.

RESULTS

Corruption and poor governance of program in GPs reserved for woman sarpanchs.....

<i>Program process</i>	<i>Regression coefficient on GP reserved for female</i>		# of households
	(1)	(2)	
(1) Asked to make payment for job card	0.066**	0.076**	1484
(2) Wages received lower than wages due	0.026	0.030	1453
(3) Weeks for wage payment receipt	0.089*	0.095*	1484
(4) Wage payment through cash-in-hand	0.002	0.002	1484
(5) Participated in audit	0.097**	0.103***	1463
(6) Asked to verify labor records	0.083**	0.087**	1473
(7) Discrepancy in labor records, conditional on (7)	0.055*	0.053	775
Sub-district characteristics (fixed effects)	√	√	
Household characteristics	√	√	
Sarpanch characteristics	√	√	
Village characteristics	x	√	

Malfeasance by local bureaucracy higher in GPs reserved for woman sarpanchs.....

Regression coefficient on	<i>Irregularities filed by all</i>		<i>Irregularities filed by audit team</i>	
	(1)	(2)	(3)	(4)
MPDO held responsible for irregularity in NREGA projects				
GP reserved for female	0.019**	0.023**	0.106**	0.115**
Sarpanch has prior political experience				
X				
GP reserved for female		-0.031*		-0.066
# of labour related irregularities filed in GP	2579	2579	421	421

Note: controls include sarpanch and village characteristics, unobservable mandal characteristics, linear time trends, district specific linear time trends.

But experience accumulated over time improves program performance in GPs reserved for woman sarpanchs.....

Number of irregularities						
Regression coefficient	<i>Labor related</i>			<i>Materials related</i>		Field Asst. respbl.
	# of labor related complaints	impersonation or benami wages	Excess payments / bribes	Work does not exist	Excess payments / bribes	
	(1)	(2)	(3)	(4)	(5)	(6)
Reserved GP	2.171**	0.992	0.576*	0.238*	0.153	0.730
Reserved GP x 2007	-2.009*	-0.980	-0.637	-0.282*	-0.108	-1.095
Reserved GP x 2008	-2.046*	-1.016	-0.770**	-0.355**	-0.165	-1.028
Reserved GP x 2009	-1.209	-1.010	-0.232	-0.324*	-0.276*	-1.145
Reserved GP x 2010	-0.920	-0.404	-0.448	-0.147	-0.137	0.239

Note: controls include sarpanch and village characteristics, unobservable mandal characteristics, linear time trends, district specific linear time trends.

Prior political experience of sarpanchs in reserved GPs may matter.....

<i>Program process</i>	<i>Regression coefficient on</i>		
	<i>GP reserved for female</i>	<i>GP reserved for female X Sarpanch has prior political experience</i>	<i># of households</i>
(1) Asked to make payment for job card	0.094***	-0.158*	1454
(2) Amount conditional on payment for job card	-25.770**	67.220*	240
(3) Wages received lower than wages due	0.034	-0.036	1423
(4) Weeks for wage payment receipt	0.131**	-0.314**	1454
(5) Wage payment through cash-in-hand	0.008	-0.049	1454
(6) Participated in audit	0.094**	0.083	1434
(7) Asked to verify labor records	0.090**	-0.030	1443
(8) Discrepancy in labor records, conditional on (7)	0.066*	-0.158	758

Note: controls include household, sarpanch and village characteristics and unobservable mandal characteristics.

As also may better administrative ability of sarpanchs in reserved GPs.....

<i>Program process</i>	<i>Regression coefficient on GP reserved for female</i>	
	Sarpanch requires assistance with day-to-day work	Sarpanch does NOT require assistance with day-to-day work
(1) Asked to make payment for job card	0.229**	0.115**
(2) Amount conditional on payment for job card	-11.680	-16.230*
(3) Wages received lower than wages due	0.067	-0.016
(4) Weeks for wage payment receipt	0.231***	0.108
(5) Wage payment through cash-in-hand	-0.000	-0.066**
(6) Beneficiary household is below poverty line	-0.074*	0.011

Note: controls include household, sarpanch and village characteristics and unobservable mandal characteristics.

Competing explanations are rejected

- **Reporting biases?**
 - Private information in household survey
 - Similar findings for material component of expenditure
 - Irregularities registered by auditors point in same direction

Competing explanations are rejected

- **Reporting biases?**
 - Private information in household survey
 - Similar findings for material component of expenditure
 - Irregularities registered by auditors point in same direction
- **Gender stereotypes?**
 - Irregularities registered by auditors
 - Results vary by experience or ability of reserved sarpanchs

Competing explanations are rejected

- **Reporting biases?**
 - Private information in household survey
 - Similar findings for material component of expenditure
 - Irregularities registered by auditors point in same direction
- **Gender stereotypes?**
 - Irregularities registered by auditors
 - Results vary by experience or ability of reserved sarpanchs
- **Corruption likely to be higher if incumbents are less likely to be re-elected?**
 - Control for unobserved differences in probability of re-election of reserved and unreserved sarpanchs

Conclusions

- Female leaders may be more vulnerable to capture of power which could accentuate governance failure and corruption in public program implementation.

Conclusions

- Female leaders may be more vulnerable to capture of power which could accentuate governance failure and corruption in public program implementation.
- Political and administrative experience could be the key to improving the performance of female leaders.

Conclusions

- Female leaders may be more vulnerable to capture of power which could accentuate governance failure and corruption in public program implementation.
- Political and administrative experience could be the key to improving the performance of female leaders.
- Capacity building and institutional support are critical for the effectiveness of affirmative action policies and for bolstering women's political participation in developing countries.