How do political parties respond to gender quotas? Evidence from South Korea

Jay Euijung Lee* Martina Zanella[†]

August 21, 2020 – Latest version here

Preliminary and incomplete - please do not cite

Abstract

Although gender quotas in politics are one of the most popular affirmative action policies world-wide, they might prove ineffectual if they suffer from active resistance by incumbent males. South Korean municipal council elections provide us with a rare opportunity to observe in very rich ways how highly male-dominant political parties react to gender quotas. Specifically, gender quotas were implemented in only one of the two independent election arms, so we are able to observe what happened in the arm that is unaffected by quota. We analyze the effect of the quota on parties' selection of candidates, by exploiting the discontinuity in the intensity of the quota's effect at certain cutoffs of council size. We find that municipalities stipulated to elect more females initially counter the quota by putting forth fewer female candidates in the unconstrained arm, but over time this pattern gradually overturns. We show evidence that the changing reaction to the quota stems from parties learning about the competency of females after having experienced a female councilor, in particular the parties that had a male preference previously. This paper suggests that affirmative action policies can still be effective over time despite initial resistance by the incumbents, even in settings where the target group consists a very small minority among incumbents.

^{*}Department of Economics, London School of Economics; email: E.Lee13@lse.ac.uk.

[†]Department of Economics, London School of Economics; email: M.Zanella1@lse.ac.uk.

1 Introduction

Gender quotas in politics are used by half of the countries of the world, yet their effectiveness is still an object of debate. Although countries that have adopted quotas do have a higher share of females in national parliaments on average, quotas have not necessarily been accompanied by less conservative attitudes towards women.¹ In such environments, discrimination and hidden barriers against women might still persist, particularly so when the majority of the incumbents are male. Thus, while in some cases quotas may be successful in achieving the policy objective, in other cases they might be rendered ineffective, or even, counterproductive.

In this paper, we study the reaction of highly male-dominated political parties to the introduction of gender quotas in South Korean municipal council elections, over four election cycles. The South Korean setting provides a rare opportunity to study the reactions of affected politicians due to the fact that the gender quota is imposed on only one of the two separate election arms in which a councilor is elected. In South Korea's mixed electoral system, the first group of councilors is elected through a plurality vote in the municipality's constituent wards, and the second group is elected by party-list proportional representation. As the gender quota affected only the proportional representation arm ("PR arm"), we can study how parties strategically respond in the unconstrained ward-level plurality vote arm ("ward arm"). Therefore, the existence of the ward arm enables us to detect what is typically unobservable: the preference of political parties for female candidates, or lack thereof.

For our identification strategy, we use the cross-sectional variation in the number of seats reserved for proportional representation as a measure of the intensity of exposure to the gender quota. The number of PR seats increases as a step function of a municipality's council size, creating discontinuities in the intensity of the quota's bite at certain cutoffs of council size. Using a regression discontinuity framework, we study the effect of the quota on how political parties select candidates in the ward election arm.

In the treated municipalities affected more intensely by the quota, parties initially put forth fewer female candidates in the unconstrained ward arm. Hence, fewer female ward councilors were elected, but these municipalities also experience a greater number of female PR councilors as a direct consequence of the quota. Putting the PR and ward arms together, these municipalities experience on net a greater number of female councilors initially. We track the treated and control municipalities over the next three election cycles, and find that the treatment group gradually increase the number of female ward candidates. By the last election cycle, the treated municipalities have completely reversed their initial reaction and have a greater number of female ward candidates than the control municipalities.

What is driving the gradual change in the response to the treatment, where treatment municipal-

¹Across the world, the countries with gender quotas in national parliaments have an average female share of 26%, relative to 20% for the countries without (World Bank Statistic). In terms of the fraction of respondents agreeing to the statement "Men make better political leaders than women do", asked in the World Values Survey, the countries with quotas rate at 47.5% and those without rate at 47.1%. See Figure A1 in Appendix Section A for the statistics by country.

ities start off with fewer female ward candidates but end with more, than control municipalities? It must be that the treated and control municipalities developed on different paths after the treatment. Two mechanisms are consistent with the finding. The first has to do with dynamically changing attitudes towards women. The political parties might have gradually changed their attitudes towards female candidates from a position of initial aversion to greater favorability, as they learn about the competency of females through exposure to female councilors. The second mechanism, however, has to do with mechanical changes in the pool of female candidates available, with no change in parties' perception of women. Parties in treated municipalities might have simply experienced a shortage of qualified women initially, such that to fill the quota in the PR arm, they had to pull women out of the ward arm. Then over the next election cycles, the treated municipalities experience a faster growth in the female share among their pool of candidates with political experience, resulting in a gradual increase in female candidates.

Although it is difficult to fully disentangle the two mechanisms, our results suggest the former is more important. First of all, even if the latter mechanism was at play, the number of female councilors in the initially treated municipalities were still very small, and so they could not have accounted for all of the rise in the female candidates. Secondly, we see that preferences change also for female candidates who have zero councilor experience. Lastly, the shift in the selection towards female candidates occurs faster and stronger when the first elected female PR councilors are highly educated. Therefore, parties seem to gradually learn about the competency of female councilors, and particularly so upon exposure to more able women.

How, then, does the learning take place? To clarify how the treatment led to lasting effects on the strategies of individual parties, we conduct a supplementary analysis at the party level. We use marginal elections in the PR arm, to compare the strategies of parties that marginally won a female councilor in the previous election against the strategies of parties that marginally lost. We find that marginal winners put forth a higher female share among ward candidates in the following election cycle than marginal losers, when the marginal candidate is in the first position in the party list – and therefore must be a woman. However, this finding does not hold when the marginal candidate is in the second position, whether or not the candidate is male or female. Thus, what matters for a party's future selection of candidates is not the share of women among the party's councilors but rather whether the party experienced a female councilor or not. Moreover, we find that among marginally winning parties whose marginal candidate was in the first position, it is the parties that listed a man, rather than a woman, in the second position of the party list that increase the female share in the following election. Those parties are the ones with a greater preference for men, choosing to place a man where the gender is not restricted. Thus, it is the parties that had a prior preference towards men that update their beliefs on the competency of women, upon the experience of female councilors.

Gender quotas are often introduced before attitudes have changed sufficiently enough to accommodate the quotas. Hence, it is important to study the effect of the quotas in those contexts. With

females holding only 3% of seats before the quota, South Korean politics is definitely one such context, but it is not alone. There are still many countries that currently have a very low female representation in politics, including Haiti, Iran, Kuwait, Lebanon, Mali, Nigeria, Qatar, and Yemen.² Not only that, gender quotas are increasingly getting introduced in other settings such as company boards, where the incumbents are similarly, if not more, male-dominated (Ahern and Dittmar, 2012).

Contributions to related literature A large literature exists on the consequences of political gender quotas, studied in numerous contexts. This paper's main contribution lies on the fact that the South Korean setting enables us to study the strategic responses of parties in unusually rich ways. The parallel voting system with the quota only applying to the proportional representation arm implies that there is a whole other arm that is unconstrained. Furthermore, the unconstrained arm of the election system is the way through which around 85% of councilors are elected, and therefore constitutes the more consequential arm. Such a structure of gender quota greatly expands the degree of freedom in which parties can respond, relative to quotas that reserve seats for women (Chattopadhyay and Duflo, 2004; Clayton, 2015), alternate between male and female candidate lists (Besley et al, 2017), or mandate a minimum share of women in candidate lists (De Paola, Scoppa, and Lombardo, 2010; Esteve-Volart and Bagues, 2012; Baltrunaite et al, 2014).

Our second contribution is that we can study learning. Before the quotas, women held close to no seats in South Korean municipal councils. The introduction of quotas represented a radical shock to the status quo and, as a consequence, an opportunity for parties to learn about female councilors. Other types of quotas, such as those that mandate a minimum share of women in candidate lists, do not ensure that women end up elected. Therefore, these quotas are likely to be limited in increasing female representation to appreciable levels. For example, Bagues and Campa (2020) find that Spain's adoption of such a quota led to only a small increase in female councilors immediately afterwards and that no further gains were achieved in the medium run. Moreover, Dahlerup and Freidenvall (2013) review that among eight European countries with legislated quotas, France, Greece, Ireland, and Slovenia have no rules on the placement of females in winnable seats.

Roadmap The remainder of the paper is organized as follows. Section 2 provides a background on the institutional setting of South Korea's municipal council elections. We then describe the data in Section 3. Section 4 lays out our empirical strategy, and Section 5 discusses the results. In Section 6, we discuss the pieces of evidence that point towards learning as an explanation for the results in Section 5. Finally, Section 7 concludes.

²See Figure A2 in the Appendix for a visual demonstration of where in the world there is low female representation.

³Before describing the richness of the ways in which parties can respond to quotas, it must first be made clear that parties determine the set of candidates running for election. The case is obvious for the PR arm, because one cannot be elected without being a member of a party in that arm. However, also in the ward arm, it is the parties that nominate the candidates to run for election. It is possible that a candidate runs as an independent, but very rarely will he or she win.

2 Institutional setting

2.1 The role of municipal councils

There are 226 municipal councils in South Korea. Municipal councils represent the legislative branch that works with municipal governments, the executive branch, to oversee local matters. Councils have several legally defined responsibilities, which include reviewing and approving the spending of municipal governments, adopting and revising local bills, monitoring the municipal governments' administrative functions, and examining petitions submitted by residents. Municipal governments administer around a third of South Korea's total public expenditure (Ministry of the Interior and Safety, 2018).

2.2 Electoral rules and gender quotas

Municipal councils were established during the mid-1990s, and from then, elections have taken place every four years. Seven elections were held so far, with 2018 being the latest election year. Up to the third election in 2002, all councilors were directly elected through plurality vote in single-member constituent wards. It was extremely rare to find candidates affiliated with a political party.

However, major reforms were made to the electoral rules from the fourth election in 2006. They are summarized in Table 1. First, the parallel voting system was introduced, where at least 10% of the councilors needed to be elected through party-list proportional representation. Among a total of 7 to 35 seats in a council, the number of proportional seats increased as a step function of the total council size: 1 for councils with up to 10 seats, 2 for those with 11 to 20 seats, 3 for those with 21 to 30 seats, and so on.

Table 1: Amendments to legislation on municipal council elections

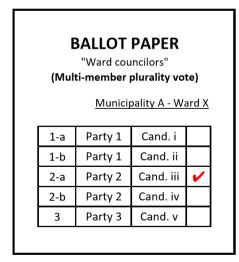
First applicable election year	Amendment
	[PR] Proportional representation introduced
2006	[W] Single-member plurality vote \rightarrow Multi-member plurality vote
2000	[PR] Odd-number candidates in party lists must be female (not enforced)
	[W] Subsidies to parties for nominating female candidates
2010	[PR] Odd-number candidates in party lists must be female (enforced)
2010	[W] At least one female candidate per general election district

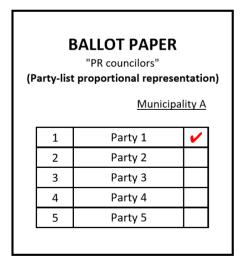
Notes: Adapted from Lim (2018). [PR] indicates rules relating to proportional representation councilors and [W] to ward councilors.

Second, the remaining seats were reserved for plurality voting in multi-member constituent wards. Each constituency elected between 2 and 4 councilors, and therefore multiple candidates from the

same party could run in the same constituency.⁴ Figure 1 illustrates what the ballot papers look like for the two arms of the municipal council elections.

Figure 1: Ballot papers in municipal council elections



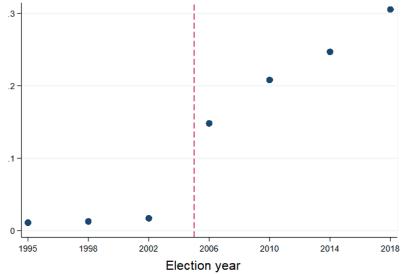


Notes: This figure illustrates the ballot papers that a voter residing in ward X of municipality A receives for the municipal council elections. The one on the left is used to vote for ward councilors and the one on the right is used to vote for PR councilors. The red ticks indicate how the voter might vote.

Third, a gender quota was put in place: all odd-number candidates in the proportional party list needed to be female. As the numbers of seats reserved for proportional representation are small, most elected councilors turned out to be the first candidates in the lists, and therefore female. As a consequence, the introduction of quotas sharply increased the proportion of female councilors. Municipal councils were severely male-dominated prior to the reform, with only 3% of councilors being female. Due to the introduction of quotas in 2005, female representation in municipal councils reached more than 30% in the last election in 2018. Figure 2 illustrates how the female ratio developed in municipal councils over time. The most striking feature is the sharp rise in the female ratio immediately after the reform.

⁴The maximum number of candidates a party could nominate for a ward equalled the preset number of seats for that ward.

Figure 2: The proportion of females in municipal councils, nationwide average



Notes: This figure illustrates the nationwide average of the gender ratio in municipal councils, for every election cycle since their emergence. The red dotted line indicates the year of the major reform that instituted the gender quota.

Last, subsidies were offered to parties based on the female ratio among the parties' candidates nationwide. However, it is unlikely that the subsidies affected much of the political parties strategies, particularly at the municipality level. The scale of the subsidies have been criticized for being too low to effectively expand female nomination (Jin, 2018; Kim et al, 2003; Lee, 2003). Indeed, they account for only around 5 to 6% of the total value of election subsidies (National Election Commission, 2018). Therefore, the presence of the subsidies are unlikely to have impacted political parties' selection of candidates.

Amendments to electoral rules continued between the 2006 and 2010 elections. It was stipulated that in either the municipal council elections or the higher-up provincial council elections, there must be at least one female candidate in each general election district. As there are around 250 general election districts, compared to 226 municipalities, a general election district approximately compares to a municipality.⁵ Legislative Impact Analysis Reports indicate that most parties chose to satisfy this rule in the municipal council elections, due to the larger number of candidates (Lee, 2019). Selecting which ward to place the female candidate would have been a strategic concern for the political parties.

2.3 Background behind the adoption of gender quotas

If some parties had led the move for the reform against opposition from other parties, then we should recognize that parties' strategic responses to the quota might be very heterogeneous in nature. Thus,

⁵General election districts are divided depending on population size and local representativeness. A large municipality may contain five general election districts, and up to five small municipalities may comprise a general election district.

here we discuss the background behind the adoption of the quota.

Before gender quotas were adopted in the municipal council elections, they were adopted first in the general election for the National Assembly in 2004. The adoption was influenced by increasing demands by women's organizations to raise female representation in politics, which at the time was dramatically behind the international average.⁶ As females constitute half the voters, it was in the interest of political parties to put gender quotas forward amongst their election pledges. Moreover, there are views that the adoption of the quota was also a political tactic (Jeon, 2013). Political parties wanted to increase the size of the National Assembly back to what it was before the size cut during the Asian Financial Crisis, and the fact that the majority of the added seats will go to females, with the quota, made for a good excuse to expand the Assembly.

Once the quota was adopted in the general election, it became the natural next step to introduce it in the regional elections. The gender quota in the municipal council election was passed in the National Assembly, led by both major parties. Some argue that there was political motivation behind it, too (Kim, 2005). One new element in the reform was the party nomination system – a ward candidate must be nominated by their party in order to run with the party affiliation – but it was disputed as a ploy to deepen party influence. Political parties used the quota to justify the party nomination system, since the gender quota was embedded in the proportional representation arm where party nomination was essential.

To sum, it is difficult to say that there was a major division among political parties in their support of the gender quota when it was passed.

3 Data

Two sources of data are used. First, data related to the execution of the elections are collected by web scraping the website of the National Election Commission. The website posts detailed data on all past elections, including population, candidate information, and vote outcomes. Second, to examine the consequence of the municipal councils' legislative activities, we use the data on municipal governments' expenditures from the Local Finance Disclosure System of the Ministry of the Interior and Safety.

3.1 Population

Because ward divisions are centrally determined based on population size, population data is published. The number of residents is available by ward, voting eligibility, gender, and citizenship status. Moreover, the data includes the number of households by ward. This data is used to perform balancing checks in order to validate the identification strategy, which relies on the assumption that municipalities locally around the PR seat thresholds are similar.

⁶See Cho and Kim (2010) for a summary of the major activities of women's organizations.

3.2 Candidates

Various background characteristics of all candidates are also made publicly available by the National Election Commission. These are election arm (ward or PR) classification, election district name, candidate number, party affiliation, name, gender, date of birth, age, occupation, education, and pertinent work experience. Whether a candidate is favored by his or her party is revealed by the election arm and candidate number. Typically, candidates that are deemed less competitive are placed on the PR election arm, and the candidate numbers directly translate to the position on the ballot, in which higher positions attract more votes.

Figure 3 illustrates how the female share among candidates have been increasing continually, even when not stipulated by the quota. In particular, plot [b] shows that more females are running in wards as the sole candidates of their parties, and plot [c] shows that more females are taking the highest ballot positions even when multiple same-party candidates are running. Plot [d], on the other hand, shows that more females are taking the even-number party list slots, which would not happen with a strong preference for men.⁷

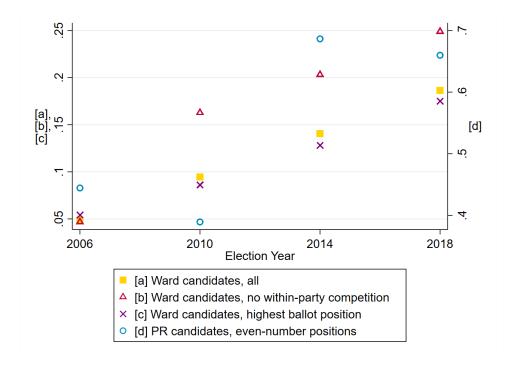


Figure 3: The share of females among non-quota candidates

Notes: This figure plots the share of females among [a] all ward candidates, [b] ward candidates with no within-party competition, [c] ward candidates that have within-party competition but is ranked the highest, and [d] PR candidates in even-number party list positions. The left-hand vertical axis corresponds to [a], [b], and [c], whereas the right-hand one corresponds to [d].

⁷In the latest general election of 2020, where the same gender quota on the PR arm applies, almost all PR candidates in positions 2, 4, and 6 are male.

3.3 Votes

The website of the National Election Commission also includes vote counts by ward. These vote counts enable us to see in which wards parties have their strongholds. Therefore, we can categorize wards into safe and contestable ones in the perspective of the political parties. Parties would then allocate their favored and less favored candidates to different wards accordingly.

Moreover, we can learn by which margin the winners won. In the regression discontinuity identification strategy, we rely on the assumption that close victories result in sharp changes in the composition of councilors by party, in an environment where parties enjoy similar degrees of popularity from the voters.

Electoral outcomes determine the gender ratio of the elected councilors. Table 2 provides descriptive statistics on the gender composition of councils by election cycle. The table also depicts how the reform in 2005 introduced the PR arm as well as the gender quota in that arm.

Table 2: Descriptive statistics on the gender composition of municipal councils

			Electi	on cycle	(year)		
	1	2	3	4	5	6	7
	(1995)	(1998)	(2002)	(2006)	(2010)	(2014)	(2018)
Total nur	nber of	councilo	rs				
Min.	7	7	7	7	7	7	7
Mean	19.9	15.0	15.0	12.6	12.6	12.8	12.8
Max.	50	40	41	36	34	43	44
Number	of PR co	ouncilor	S				
Min.	-	-	-	1	1	1	1
Mean	-	-	-	1.63	1.63	1.67	1.70
Max.	-	-	-	4	4	5	5
Gender r	atio						
Min.	0	0	0	0	0.06	0.08	0.10
Mean	0.01	0.01	0.02	0.15	0.21	0.25	0.29
Max.	0.43	0.22	0.28	0.46	0.57	0.86	0.64
Gender r	atio amo	ong PR	councile	ors			
Min.	-	-	-	0*	0*	0.50	0.50
Mean	-	-	-	0.87	0.96	0.97	0.98
Max.	-	-	-	1	1	1	1
Minimum	ı numbe	r of wor	nen req	uired			
Min.	-	-	-	0	1	1	1
Mean	-	-	-	1.12	1.12	1.13	1.13
Max.	-	-	-	2	2	3	3

Notes: *gender quotas were introduced in 2005. However, during the election of 2006, they remained merely a strong recommendation, so it was still legal to place a male in slot 1 of party lists. Most municipalities complied, but 14 of them had no female PR councilors. In election year 2010, the minimum of the gender ratio among PR councilors is 0 because in one council the elected woman was invalidated for being a member of multiple parties.

3.4 Municipal budget

Municipal budget data is used to perform balancing checks, to show that municipalities locally around the PR seat thresholds are similar in terms of economic scale and council performance. The budget of a municipal government reflects the economic prosperity of the municipality, as around a half is sourced from local tax and non-tax revenue. In addition, data is available on the share of the municipality's expenditures spent on running the municipal council (2002-2020). There have been numerous accusations in the past of councilors appropriating large sums of the local budget for their private use (Local Decentralization Bureau, 2019). For instance, they would go on international policy-research trips where the itinerary largely consists of sightseeing. Another example is of councilors ordering member pins made of pure gold. As such, a measure of the performance of a council is the frugality of its operation costs. Newspapers have traditionally included it in their assessments of councils (Jang, 2008).

4 Empirical Strategy

4.1 Regression discontinuity design around the number of PR seats

To get at the causal effect of the gender quota, we make use of the fact that the gender quota affects municipalities at different intensities depending on the proportion of the PR seats in the council. The number of PR seats increases as a step function of municipal council size, which is pre-determined centrally by the National Election Commission based on population size and regional representativeness. The step function is depicted by the navy dots in Figure 4.

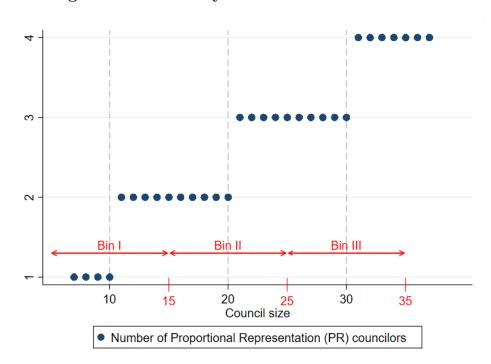


Figure 4: Councils by bins around each threshold

Notes: This figure depicts how the number of seats reserved for the proportional representation arm increases as a step function of the total number of councilors in a municipality. There are municipalities that do not correspond to the step function, because they are formed by the union of multiple municipalities after the election took place. The municipalities pre- and post-union are all excluded from the sample as outliers and are not shown in this figure. Moreover, the figure depicts how a council is categorized into a bin based on its most proximate threshold.

The regression discontinuity design compares the characteristics of ward and PR candidates in municipalities on each side of the step function's thresholds, while controlling for council size. In order to account for the fact that there is not just one but many thresholds, we categorize councils into bins based on the proximity to thresholds, as illustrated in Figure 4.

Therefore, this strategy estimates the effect of an additional PR councilor in general, rather than an additional female PR councilor. Nonetheless, while the gender quota does not necessitate that the second PR councilor be male, in practice almost all PR councilors end up being female. This fact is due to PR candidates even in even-number positions frequently being female, and also due to PR councilors frequently being the number-1 candidates of multiple parties. We also check in Section 4.3 that an additional PR councilor strongly implies an increase in the number of female PR councilors.

The regression discontinuity specification is given by:

$$Y_{cbt} = \sum_{s=4}^{7} \beta_s \times Treat_{cbt} + f(x_{cbt}) + \delta_b + \gamma_t + \epsilon_{cbt}$$
 (1)

 $^{^8}$ Table 2 shows that among PR councilors, 87% to 98% are female each election.

⁹Appendix Table A1 shows that it is relatively rare to find multiple PR seats getting allocated to the same party.

where Y_{cbt} denotes the outcome variable for municipal council c belonging to bin b in election cycle t. The running variable is $x_{cbt} \equiv (\text{council size})_{cbt} - \text{threshold}_b$, with threshold_b $\in \{10, 20, 30\}$. In addition, $Treat_{cbt} \equiv \mathbb{1}(x_{cbt} \geq 0)$, signifying an additional PR councilor. Therefore, β_s estimates the effect of having an additional PR councilor, pooling all the bins together, in election cycle s. Moreover, the baseline function form of f is linear, and we do not allow for the effect of x_{cbt} to differ to the left and right of the threshold. The reason for this choice is that making f quadratic or allowing for differential trends on either side of the threshold barely makes a difference.

Another specification, based on treatment status at election cycle 4, is:

$$Y_{cbt} = \sum_{s=4}^{7} \beta_s \times (Treat \ at \ cycle \ 4)_{cb} + f(x_{cb4}) + X_{cbt} + \delta_b + \gamma_t + \epsilon_{cbt}$$
(2)

where (Treat at cycle 4)_{cb} \equiv Treat_{cb4}, and X_{cbt} denote control variables such as council size or the number of ward seats.

The outcomes we consider are the number of ward and PR candidates by gender. A factor to note is that when the outcome variable relates to the ward elections, we change the running variable to $\tilde{x}_{cbt} \equiv (\text{number of ward councilors})_{cbt} - (\text{number of ward councilors at the threshold})_b$, for ease of interpretation.¹⁰

4.2 Contemporaneous treatment vs. treatment at cycle 4

Equations (1) and (2) estimate the effects of contemporaneous treatment and initial treatment, respectively. In practice, there is barely any difference which specification we use, because the treatment status changes after election cycle 4 for only 3.7% of the councils. We settle on equation (2) as our main specification, though. The first reason is that the initial treatment assignment is more exogenous. Upon the first treatment, the treated and control municipalities may evolve on different paths, which would make them no longer balanced at the subsequent election cycles. Secondly, measuring the effect of the initial treatment maintains the same composition of treated municipalities. If the effect of contemporaneous treatment, specified by equation (1), varies over time, then it is unclear whether it is due to the small number of councils that are changing their treatment status, or due to the same councils reacting differently to the treatment over time. With equation (2), we can safely conclude that it is the latter.

 $^{^{10}}$ If we keep the running variable based on council size, then the regression estimates the effect of Treat=1, i.e. having one more PR councilor, while controlling for council size. Then in the regression, the councils with Treat=1 effectively have one fewer ward councilor than those with Treat=0. Therefore, it becomes more difficult to interpret the sign of the coefficient on Treat when the outcome variable relates to ward elections, e.g. the number of female ward councilors or candidates. When the running variable is based on the number of ward councilors, however, we are free from this problem. Changing the running variable this way does not change much else. In fact, the coefficients $\hat{\psi}_0$ and $\hat{\psi}_1$ stay the same, as well as the R-squared value.

4.3 Did the quota bite?

Because we are interested in the consequence of the change in the gender composition of councilors brought about by the quota, it is important to verify that there is a change in the number of *female* PR councilors at the discontinuity thresholds.

Table 3 reports the results of regressing (2) with the number of female PR councilors as the outcome variable, separately for each bin. While having an additional PR councilor at cycle 4 significantly increases the number of female PR councilors over all the cycles at bins 1 and 2, there is no such effect at bin 3. Moreover, there are very few observations at bin 3. The regression results of Table 3 are echoed by Figure 5, which shows that the average number of female PR councilors sharply increase at the thresholds of bins 1 and 2, but not at bin 3. Therefore, in the reduced-form results that follow, we restrict the sample to bins 1 and 2.

We next focus on the treatment effect over time. In both columns (1) and (2) of Table 3, the effect of the treatment at cycle 4 remains similar over the election cycles. Because the vast majority (96.3%) of the initially treated municipalities continue to get treated each cycle, the constancy in the coefficients implies that first-stage effect of the treatment - increasing the number of female PR councilors - is constant, too. This constancy implies that the effects on other outcome variables, i.e. the reduced-form treatment effects, should also be constant over time unless the initial treatment leads treatment and control groups on different paths.

The standard errors are clustered by municipality for two reasons. First, the variation of the initial treatment variable is at the level of the municipality. Second, parties formulate strategies chiefly within a municipality, rather than moving around candidates across municipalities. In fact, there are many factors that tie down a candidate to a certain municipality to be nominated in. A candidate is legally required to have been a resident of the municipality they are running in for at least 60 days prior to the election. In addition, as municipal councilors deal with local grass-roots matters, a candidate familiar with the municipality will win more votes ceteris paribus. Hence, a candidate usually runs in the municipality they have a connection with, such as their birthplace, long-term residence, or place of education. Moreover, the final say of a party's nomination lies on the head of the municipal branch of the party, so a candidate typically serves the local activities of the party in the municipality they desire to run in for a long time before getting nominated. Finally, once a candidate is nominated in a municipality, they put on a campaign and become known to the residents. So if they were to run again, they would not start over at a new location. For all these factors, rarely do parties move around candidates across municipalities for strategic reasons.

As a way to buttress the validity of the regression discontinuity design, Appendix Section C.1 formally tests and confirms that as council size increases, there is a change in the number of female PR councilors only at the thresholds and at no other point.

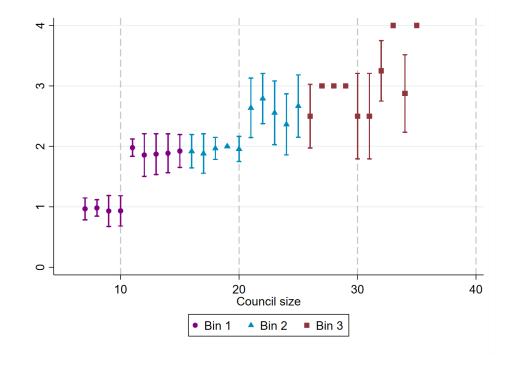
Table 3: The effect of an additional PR seat at election cycle 4 on the number of female PR councilors

	Number	of female	PR councilors
	Bin 1	Bin 2	Bin 3
	(1)	(2)	(3)
Treat at cycle 4× Cycle 4	0.84***	0.52***	-0.23
	(9.35)	(2.82)	(-0.42)
Treat at cycle 4 × Cycle 5	0.84***	0.32*	0.44
	(12.28)	(1.71)	(1.21)
Treat at cycle 4 × Cycle 6	0.77***	0.58***	0.04
	(10.18)	(3.33)	(0.10)
Treat at cycle 4 \times Cycle 7	0.77***	0.57***	0.16
	(9.61)	(3.68)	(0.40)
Running variable form	council	council	council
N	670	198	33

Notes: t statistics from standard errors clustered by municipality in parentheses

This table reports the results of regressing (2), separately for each bin, with the number of female PR councilors as the outcome variable.

Figure 5: The average number of female PR councilors by council size



Notes: The error bars indicate standard deviation of the number of female PR councilors by council size. Where the erroe bars are missing, there is only one municipality for that council size. Therefore, we can tell that there are only a small number of municipal councils belonging to bin 3.

^{*} p < 0.10, ** p < 0.05, *** p < 0.01

4.4 Validity of the regression discontinuity design

Balance tests

A critical part of the identification strategy is that there are no confounders associated with the treatment status at election cycle 4. We regress equation (2) for various pre-determined characteristics, to check that they are balanced to the left and right of the threshold. The sample consists of councils at election cycle 4, and the regression results are presented in Table 4.

Panel (A) confirms that the population characteristics are balanced. In particular, the voting age population by gender is no different, alleviating the concern that the preference for female councilors among voters may be different between the treated and control municipalities. In Panel B, columns (8) and (9) refer to the vote share received by each main party in the previous election's PR arm. Columns (10) and (11) show that the initial treatment group is balanced in terms of economic prosperity and council performance. Columns (12) and (13) demonstrate that the structure of the ward election arm is balanced, as there is no difference in the number or size of wards between the treatment and control municipalities.

Table 4: Balance tests on pre-determined characteristics

Panel A: Population characteristics									
Popul	ation	,	Voting age popul	Households					
Total	Foreign	Total	Male	Female	Total	Foreign			
(1)	(2)	(3)	(4)	(5)	(6)	(7)			
-23.97	0.01	-17.22	-7.84	-9.38	-5.59	0.01			
(-0.78)	(0.78)	(-0.76)	(-0.70)	(-0.82)	(-0.50)	(0.83)			
31.49***	-0.00	23.22***	11.29***	11.94***	10.66***	-0.00			
(5.50)	(-0.84)	(5.47)	(5.38)	(5.55)	(5.15)	(-0.86)			
council	council	council	council	council	council	council			
219	219	219	219	219	219	219			
	Total (1) -23.97 (-0.78) 31.49*** (5.50) council	(1) (2) -23.97 0.01 (-0.78) (0.78) 31.49*** -0.00 (5.50) (-0.84) council council	Population Total Total Foreign Total (1) (2) (3) -23.97 0.01 -17.22 (-0.78) (0.78) (-0.76) 31.49*** -0.00 23.22*** (5.50) (-0.84) (5.47) council council council	Population Voting age population Total Foreign Total Male (1) (2) (3) (4) -23.97 0.01 -17.22 -7.84 (-0.78) (0.78) (-0.76) (-0.70) 31.49*** -0.00 23.22*** 11.29*** (5.50) (-0.84) (5.47) (5.38) council council council council	$ \begin{array}{c ccccccccccccccccccccccccccccccccccc$	$\begin{array}{c ccccccccccccccccccccccccccccccccccc$			

Panel B: Political leaning, economic, and ward division characteristics

	Past vote sha	are by party		Budget	Ward cha	racteristics
	Conservative	Progressive	Total	Council expenses	Num of wards	Seats per ward
	(8)	(9)	(10)	(11)	(12)	(13)
Treat at cycle 4	-0.02	-0.00	54.16	0.02	-0.23	0.17
	(-0.26)	(-0.12)	(0.63)	(0.36)	(-1.30)	(1.48)
Running variable	-0.00	0.00	19.04	0.06***	0.45***	-0.06**
	(-0.08)	(0.08)	(1.30)	(7.84)	(11.71)	(-2.53)
Running variable form	council	council	council	council	ward	ward
N	219	219	219	219	219	219

Notes: t statistics from standard errors clustered by municipality in parentheses; * p < 0.10, ** p < 0.05, *** p < 0.01The regression specification follows equation (2), and the sample consists of bins 1 and 2 at election cycle 4.

Bunching

Is there a possibility that there is gerrymandering? For example, a council may manipulate its constituent areas to manipulate the council's size and therefore, treatment status. If there is manipulation, one evidence of it would be bunching at the threshold. Figure 6 displays the histogram of the frequency of municipalities by council size. Visually, it is hard to say there is bunching around the thresholds of 11 and 12. In addition, it is difficult to formally test for bunching around the threshold, e.g. the McCray (2008) density test, due to the coarseness in the council size variable. However, there are specific electoral rules against gerrymandering.

The division of election constituencies is determined by the Municipal Council Election Committee. The committee is set up in each district, and it consists of up to 11 members appointed by the district mayor among the individuals nominated by the media, legal community, academic community, civic groups, the district council, and District Election Committee. Municipal councilor or party member cannot be in the committee. The committee determines the council size based on population, administrative districts, topography, transportation, and other conditions. The committee cannot split the smallest administrative district and make it a part of another ward. In sum, there are rules preventing the membership of interested individuals in the committee and also rules circumscribing how the election constituencies are drawn up.

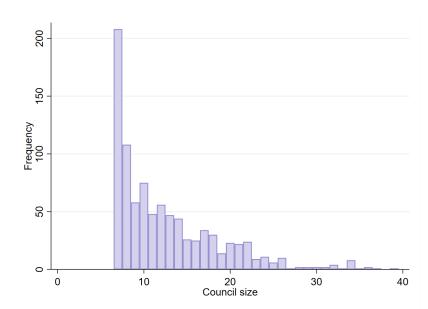


Figure 6: Histogram of council size

Notes: The sample includes all municipal councils of election cycles 4, 5, 6, and 7.

¹¹No bunching is rejected for randomly selected cutoffs of council size.

5 Main Results

5.1 The numbers of candidates and councilors by gender

The results of regressing equation (2) are reported in Table 5. The most interesting result is captured by columns (1) and (2). In response to the treatment at cycle 4, parties initially put up more male ward candidates but gradually decrease the number of male ward candidates. Eventually, at election cycle 7, the parties in the treated municipal councils put up fewer male candidates than those in untreated councils. As for female ward candidates, the opposite pattern holds: the coefficient sign changes from negative (albeit statistically insignificant) to positive. Thus, the way parties select candidates in reaction to the gender quota is changing over time.

Focusing next on the columns for the councilors, we can see that similarly, the number of female ward councilors in the treated municipalities is lower in the beginning but is higher at the end. ¹² Moreover, the higher number of female PR councilors in the treated municipalities at election cycle 4 more than compensates for the lower number of female ward councilors. Consequently, column (10) shows that there are statistically insignificantly more female councilors as a whole at election cycle 4 in the treated municipalities. Then, the coefficients for the later cycles grow in magnitude and become statistically significant.

Table 5: The effect of being past the threshold at election cycle 4 on the number of candidates and councilors

		All political parties										
		Cand	idates		Councilors							
	Wa	ard	Р	R	Wa	Ward		PR	All			
	Male Female	Male	Female	Male	Female	Male	Female	Male	Female			
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)		
Treat at cycle $4 \times \text{Cycle } 4$	3.70***	-0.24	0.94***	0.96***	0.36*	-0.36*	0.09	0.76***	-0.29	0.29		
	(3.19)	(-0.69)	(4.27)	(4.39)	(1.65)	(-1.65)	(1.16)	(9.01)	(-1.03)	(1.03)		
Treat at cycle 4 \times Cycle 5	0.56	0.49	0.63***	1.20***	-0.28	0.28	0.10	0.71***	-0.88***	0.88***		
	(0.61)	(1.37)	(3.77)	(5.36)	(-1.24)	(1.24)	(1.52)	(9.23)	(-3.17)	(3.17)		
Treat at cycle 4 \times Cycle 6	-1.39*	0.91**	0.25*	1.02***	-0.47*	0.47*	0.08	0.70***	-1.06***	1.06***		
	(-1.66)	(2.18)	(1.70)	(4.66)	(-1.76)	(1.76)	(1.31)	(8.89)	(-3.45)	(3.45)		
Treat at cycle $4 \times$ Cycle 7	-2.23**	1.10**	0.21	1.27***	-0.73**	0.73**	0.04	0.69***	-1.33***	1.33***		
	(-2.23)	(2.49)	(1.35)	(5.83)	(-2.50)	(2.50)	(0.61)	(9.04)	(-3.99)	(3.99)		
Running variable form	ward	ward	council	council	ward	ward	council	council	council	council		
N	868	868	868	868	868	868	868	868	868	868		

Notes: t statistics from standard errors clustered by municipality in parentheses; * p < 0.10, ** p < 0.05, *** p < 0.01The regression specification is given by equation (2). The sample includes only bins 1 and 2.

¹²Due to the addition of the running variable in the regression, mechanically the coefficients of columns (5) and (6), as well as those of columns (9) and (10), are of opposite signs. Also mechanically, the coefficients of columns (7) and (8) add up to 1.

What is driving the changing reaction to the gender quota? The parties in municipalities that got the initial treatment are changing their behaviors, becoming more female-friendly in their endorsement of candidates over time. A possible explanation is that that although parties countered the gender quota initially, the quota was not completely undone, as signified by the positive coefficient for cycle 4 in column (10). Then, the consequent experience of female councilors induced parties to become more favorable towards female councilors. Section 6 explores deeper into this learning story.

5.2 Focusing on candidates likely to get elected

Because the analysis is at the municipality level, it is not straightforward to pin down where the effects are coming from. Many parties operate in a municipality, and each party puts forth a large number of ward candidates per ward. The changes in the composition of the electoral body may not mean much if the change in the candidate selection pattern is driven by parties or candidates in positions that have no hope in getting elected. To explain the source of the changing candidate selection with greater clarity, we point to Table 6.

Table 6 shows that even when we restrict our attention to candidates for whom election is probable, we see the same patterns of (a) the initial preference for males, and (b) the shift in the preference for females. In this table, the sample is restricted to main parties only: the Conservative party and Progressive party.¹³ Columns (1) and (2) reproduce Columns (1) and (2) of Table 5 but for the main parties only. Columns (5) and (6) are even more selective; these are the candidates of the main parties, running as the candidates in the high-up positions on the ballot for the party in a ward (position 1 if the ward elects 1-2 councilors, and positions 1 and 2 if the ward elects 3-4 councilors). These candidates have a great chance of getting elected.

Because political parties can choose how many candidates to champion, it is difficult to interpret the results in columns (1) and (2) together.¹⁴ Column (4) reports how the number of female ward candidates compares between treatment and control municipalities, when the total number of ward candidates is no different.¹⁵ Hence, column (4) looks at how the *substitution* between the two genders occurs, when the total number of candidates is pre-set. Again, there are fewer females in cycle 4, and gradually more females afterwards. The pattern is mirrored when we restrict the candidates to those in useful positions.

 $^{^{13}}$ As it can be seen in Appendix Table A2, the majority of candidates and elected councilors is affiliated with these two main parties -54% and 83% on average, respectively - and their importance increases over time.

¹⁴The maximum number of ward candidates for a party is the total number of ward seats in the council, but there is no minimum.

¹⁵One may argue that the total number of ward candidates is a "bad control" in the regression, because it is an outcome of the treatment (Angrist and Pischke, 2009). However, as the total number of ward candidates equals the sum of the number of male and female ward candidates, the controlled regression in column (4) can be simply interpreted as a "summarization" of columns (1) and (2) together; if we were to regress the number of male ward candidates while controlling for the total number of candidates, the regression coefficients would equal exactly the negative of the coefficients in column (4).

Table 6: The effect of being past the threshold at election cycle 4 on the number of ward candidates who are likely to get elected

		Main political parties only									
		All po	sitions		Useful positions						
	Male	Female	All	Female	Male	Male Female		Female			
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)			
Treat at cycle $4 \times \text{Cycle } 4$	1.56*	-0.25	1.31	-0.43*	1.51***	-0.36*	1.15**	-0.54***			
	(1.92)	(-1.09)	(1.52)	(-1.95)	(2.85)	(-1.91)	(2.11)	(-2.92)			
Treat at cycle 4 \times Cycle 5	0.59	0.52**	1.10	0.37*	0.38	0.43**	0.81	0.31*			
	(0.79)	(2.09)	(1.31)	(1.73)	(0.75)	(2.32)	(1.49)	(1.81)			
Treat at cycle 4 \times Cycle 6	0.90	0.83***	1.72**	0.60**	0.50	0.60**	1.09**	0.43*			
	(1.22)	(2.82)	(2.11)	(2.25)	(1.01)	(2.44)	(2.00)	(1.94)			
Treat at cycle 4 \times Cycle 7	0.06	1.29***	1.35*	1.11***	0.37	0.73***	1.10**	0.56**			
	(0.08)	(4.00)	(1.74)	(3.66)	(0.74)	(2.90)	(2.11)	(2.37)			
Total ward candidates				0.13***				0.15***			
				(8.37)				(7.88)			
N	867	867	867	867	867	867	867	867			

Notes: t statistics from standard errors clustered by municipality in parentheses; * p < 0.10, ** p < 0.05, *** p < 0.01 The regression specification is given by equation (2). The sample includes only bins 1 and 2 and is restricted to the two main parties. The number of observations is 867 instead of 868 since in one municipality main parties only have proportional candidates. Useful positions refer to candidates in the high-up positions on the ballot for the party in a ward (position 1 if the ward elects 1-2 councilors, and positions 1 and 2 if the ward elects 3-4 councilors).

Table 7 uses a different way of gauging the election probability of candidates. It shows how parties select candidates for different types of wards. We categorize wards based on whether the party had a stronghold in the previous election, in which case we call the ward "safe." These are wards where we can assume the party candidates have a very high probability of being elected. Since whether a ward is safe is dependent on the party at hand, the regressions in Table 7 are at the ward×party level. We can see in column (5) and (7) that parties had a strong preference for placing male candidates in safe wards in cycle 4, especially in useful seats. The preference for men, however, disappears from the cycle 5 onward. Furthermore, we can see in columns (6) and (8) that, from cycle 5, parties in treatment municipalities started placing more women among candidates in unsafe wards. This is what is driving the overall increase the number of female candidates we observe at the municipality level. Therefore, although the number of female ward candidates increases faster over time in treatment than in control municipalities, the gains for women still remain bounded to the less-preferred wards with lower likelihood of election.

¹⁶A party is considered to have a stronghold in a ward if the party wins the greatest vote share in the PR arm in the ward, and it got over 10 percentage points more vote share than the next popular party.

Table 7: The effect of being past the threshold at election cycle 4 on the number of ward candidates in safe and unsafe wards

	Ma	in politic	cal parti	es only,	$(\text{ward} \times \text{p})$	arty)-lev	vel regressions		
				Useful positions					
	Male	Female	All	Female	Female Safe	Female Unsafe	Female Safe	Female Unsafe	
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	
Treat at cycle $4 \times \text{Cycle } 4$	0.06	0.00	0.06	-0.00	-0.01	0.00	-0.05**	-0.01	
	(0.68)	(0.11)	(0.74)	(-0.13)	(-0.40)	(0.09)	(-2.02)	(-0.21)	
Treat at cycle 4 \times Cycle 5	-0.05	0.07**	0.01	0.06**	0.04	0.10***	0.01	0.10***	
	(-0.62)	(2.34)	(0.18)	(2.26)	(1.12)	(2.60)	(0.33)	(3.15)	
Treat at cycle 4 \times Cycle 6	-0.03	0.06*	0.03	0.06*	-0.04	0.10***	-0.01	0.06**	
	(-0.33)	(1.95)	(0.39)	(1.76)	(-0.74)	(2.64)	(-0.18)	(2.05)	
Treat at cycle 4 \times Cycle 7	-0.08	0.07**	-0.01	0.07**	0.04	0.09**	-0.01	0.05	
	(-0.96)	(2.18)	(-0.15)	(2.16)	(0.70)	(2.55)	(-0.21)	(1.55)	
Total ward candidates				0.11***	0.10***	0.13***	0.09***	0.10***	
				(10.17)	(7.05)	(9.10)	(4.55)	(4.22)	
N	6035	6035	6035	6035	2337	3698	2337	3698	

Notes: t statistics from standard errors clustered by municipality in parentheses; * p < 0.10, ** p < 0.05, *** p < 0.01. The regression specification is given by equation (2). The sample includes only bins 1 and 2 and is restricted to the two main parties. The level of observation is party ward. A ward is considered as safe for a party if the party wins the greatest vote share in the PR arm in the ward, and it got over 10 percentage points more vote share than the next popular party. Unsafe wards are all the others.

5.3 Placebo test

In the last sections, we found that parties reacted to the introduction of quotas in the PR arm by reducing the number of women among ward candidates immediately after the reform. The substitution away from women was stronger in ballot positions and wards where party candidates had higher chances at getting elected. However, from cycle 5, parties in municipalities above the threshold started placing more women among ward candidates.

Before going into the potential mechanisms that can explain the effects we observe, we report the result of a placebo test where we check that the thresholds are meaningful only after and not before the reform to the election system. This test provides supportive evidence that we are estimating the effect of the introduction of the quotas, and the results are not driven by treated municipalities being different from control municipalities ex-ante.

We test whether the number of male and female ward candidates changed at the threshold before and after the reform. We want to make sure that the probability of getting an additional PR seat upon the reform is not correlated with other factors that affect the number of male and female candidates, prior to the reform. Table 8 shows that up to election cycle 3, the effect of being past the threshold is not statistically significantly distinguishable from zero. It is at election cycle 4 that the treatment induces an effect, as expected.

Table 8: The effect of being past the threshold on the number of male ward candidates

	Nur	nber of w	ard candid	ates
	Male	Female	Male	Female
	(1)	(2)	(3)	(4)
Treat \times Cycle 1	0.92	0.01	0.03	0.04
	(1.32)	(0.26)	(1.33)	(0.31)
Treat \times Cycle 2	0.40	-0.05	-0.61	0.03
	(1.12)	(0.24)	(1.01)	(0.30)
Treat \times Cycle 3	1.06	0.06	0.01	0.15
	(1.02)	(0.27)	(0.90)	(0.32)
Treat \times Cycle 4	3.22***	0.72**	2.93**	0.59**
	(1.21)	(0.28)	(1.15)	(0.27)
Treat \times Cycle 5			-0.71	1.29***
			(0.83)	(0.31)
Treat \times Cycle 6			-2.29***	1.58***
			(0.79)	(0.42)
Treat \times Cycle 7			-2.79***	1.58***
			(0.98)	(0.44)
Running variable form	ward	ward	ward	ward
N	899	899	1577	1577

Notes: t-statistics from standard errors clustered by municipality in parentheses; * p < 0.10, ** p < 0.05, *** p < 0.01. The running variable and treatment status are defined contemporaneously. While municipality size and divisions remained almost unchanged from cycle 4 onward, they changed dramatically during the first three election cycles. Thus, it would be inaccurate to define treatment for the first three cycles using cycle 4 municipality characteristics. The regression specification is given by equation (1).

6 Learning about women's competence

There are two broad mechanisms that can explain the initial substitution towards men and the following gradual increase in women among the candidates of parties in treatment municipalities. In the first mechanism, parties dynamically change their attitudes towards women. The initial observed substitution towards men could be due to parties preferring men as candidates and politicians, while the gradual rise in the number of women could be explained by parties' attitudes towards female candidates changing as they learn about women's competence through the exposure to female councilors. However, the dynamic treatment effects can also occur with absolutely no change in parties' perception of women. In the second mechanism, the effects are driven by mechanical changes in the pool of female candidates available. There might have been a shortage of women among the pool of potential candidates when quotas were introduced. If very few women were willing or were

qualified enough to become councilors upon the introduction of the quotas, parties that were obliged to have more women among PR candidates would have had fewer women left to place among ward candidates. The overall increase in women in the following cycles then could be explained by the pool of experienced women increasing more in treated municipalities with respect to control ones thanks to the quotas.

We argue in the following sections that the first mechanism on learning appears to be more important.

6.1 Alternative mechanism: no learning, but mere change in the size of the pool of qualified women

Even if there is absolutely no learning by parties, the patterns that we see in the number of female candidates and councilors could be consistent with the initial shortage and gradual growth of qualified or experienced women. We provide evidence that this mechanism cannot be the whole story.

First of all, for the treatment effect of fewer female ward candidates in cycle 4 to be explained by a shortage of women, we should find that parties in treatment municipalities have greater trouble finding female candidates. We test this hypothesis. A party is defined as unconstrained if the number of female candidates in its party list is greater to the number of women it needs to list as candidates due to quotas.¹⁷ Table 9 shows that parties b below the threshold are not more unconstrained in the number of women they can list as candidates, particularly in cycle 4.

 $^{^{17}}$ For example, the number of women a party needs to include in the party list is 1 if the number of PR seats for the municipality is 1 or 2, and 2 if the number of PR seats is 3 or 4.

Table 9: Probability of being unconstrained in the number of female candidates

		Pr	(unconstrained)
	(1)	(2)	(3)
Treat at cycle $4 \times \text{Cycle } 4$	-0.02	0.09	0.09
	(-0.46)	(1.19)	(1.27)
Treat at cycle 5 \times Cycle 4	-0.02	-0.09	-0.12*
	(-0.49)	(-1.19)	(-1.65)
Treat at cycle 6 \times Cycle 4	-0.04	-0.02	-0.04
	(-0.89)	(-0.33)	(-0.69)
Treat at cycle 7 × Cycle 4	-0.00	-0.08	-0.10
	(-0.05)	(-1.18)	(-1.38)
Running variable from	council	council	council
Sample	all parties	main parties	main parties participating in ward arm
N	3795	1557	1520

Notes: t statistics from standard errors clustered by municipality in parentheses; * p < 0.10, ** p < 0.05, *** p < 0.01 The regression specification is given by equation (2). The sample includes only bins 1 and 2. A party is defined as unconstrained if the number of female candidates in the party's list is greater than the number of women the party is obliged to place in its list due to quotas. In column (1), all parties are included; column (2) includes only the two main parties; in column (3) the sample is restricted to only the main parties in municipalities where the parties have at least one ward candidate.

Secondly, if the only reason for the treatment effect of rising number of female ward candidates over cycles 5 through 7 was the greater availability of experienced female candidates, then there should be no shift in the gender preference among candidates who have zero councilor experience. However, Table 10 shows that the initial withdrawal of female candidates and the gradual reversal is present even for ward candidates who have never been elected before. Hence, the greater availability of experienced women in treated municipalities after the introduction of the quotas cannot be the only reason driving the changing reaction. In addition, even if every municipality had women in its parliament in cycle 4 thanks to the introduction of the quota, the number of female councilors was still very small and so it cannot account for all the rise in the female candidates over time.

Table 10: The effect of being past the threshold at election cycle 4 on the number of rookie ward candidates

	Rookie w	ard candidates
	Male	Female
	(9)	(10)
Treat at cycle $4 \times \text{Cycle } 4$	0.82	-0.27*
	(1.33)	(-1.66)
Treat at cycle 4 \times Cycle 5	-0.63	0.01
	(-1.05)	(0.05)
Treat at cycle 4 \times Cycle 6	-0.29	0.15
	(-0.57)	(0.84)
Treat at cycle 4 \times Cycle 7	-0.45	0.38*
	(-0.86)	(1.82)
N	868	868

Notes: t statistics from standard errors clustered by municipality in parentheses; * p < 0.10, ** p < 0.05, *** p < 0.01 The regression specification is given by equation (2). The sample includes only bins 1 and 2.

6.2 Is there learning about women's competence?

Then, are parties really learning about women's competence? If parties are learning about the competency of females, then the learning can be expected to take place at a faster rate if parties are exposed to more competent females. We next examine how the treatment effects are different by the education level of the first female councilors of cycle 4. Panels A and B of Table 11 reproduce Table 5 for councils in which the female PR councilors of cycle 4 have below-median and above-median education levels, respectively. It is clear to see that the shift towards female candidates is more apparent and stronger when the first women are more educated, pointing towards parties learning about the competency of females over time.

Table 11: The effect of being past the threshold at election cycle 4 by education level of the first PR female councilors

		Panel A: Below-median education level								
		Cand	lidates		Councilors					
	Ward		Р	PR		Ward		PR		All
	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
Treat at cycle 4 \times Cycle 4	2.46	-0.55	1.33***	0.67**	0.53	-0.53	0.21*	0.61***	0.06	-0.06
	(1.28)	(-0.94)	(4.36)	(2.06)	(1.33)	(-1.33)	(1.66)	(4.39)	(0.12)	(-0.12)
Treat at cycle 4 \times Cycle 5	0.33	0.47	0.94***	1.22***	0.07	-0.07	0.11	0.67***	-0.46	0.46
	(0.22)	(0.75)	(3.49)	(3.34)	(0.16)	(-0.16)	(0.96)	(4.84)	(-0.84)	(0.84)
Treat at cycle 4 × Cycle 6	-1.04	0.63	0.54**	0.44	-0.17	0.17	0.18	0.56***	-0.59	0.59
	(-0.75)	(0.83)	(2.35)	(1.47)	(-0.36)	(0.36)	(1.51)	(3.77)	(-1.03)	(1.03)
Treat at cycle 4 \times Cycle 7	-1.90	1.26	0.58*	1.08***	-0.57	0.57	0.09	0.61***	-1.05	1.05
	(-0.99)	(1.58)	(1.96)	(3.32)	(-0.94)	(0.94)	(0.80)	(4.33)	(-1.50)	(1.50)
N	387	387	387	387	387	387	387	387	387	387

Panel B: Above-median education level

Treat at cycle 4 \times Cycle 4	4.03***	0.16	0.75**	1.12***	0.11	-0.11	0.01	0.88***	-0.71**	0.71**
	(2.67)	(0.35)	(2.55)	(3.80)	(0.41)	(-0.41)	(0.06)	(8.06)	(-2.08)	(2.08)
Treat at cycle 4 \times Cycle 5	0.49	0.72	0.56***	1.17***	-0.64**	0.64**	0.13*	0.71***	-1.30***	1.30***
	(0.39)	(1.56)	(2.72)	(4.09)	(-2.26)	(2.26)	(1.69)	(7.83)	(-3.87)	(3.87)
Treat at cycle 4 \times Cycle 6	-1.75	1.27**	0.22	1.38***	-0.77**	0.77**	0.06	0.77***	-1.49***	1.49***
	(-1.48)	(2.40)	(1.17)	(4.55)	(-2.24)	(2.24)	(0.78)	(8.66)	(-3.87)	(3.87)
Treat at cycle 4 \times Cycle 7	-2.44*	1.07*	0.14	1.28***	-0.88***	0.88***	0.04	0.71***	-1.57***	1.57***
	(-1.93)	(1.97)	(0.79)	(4.38)	(-2.66)	(2.66)	(0.55)	(7.68)	(-4.20)	(4.20)
N	481	481	481	481	481	481	481	481	481	481

Notes: t statistics from standard errors clustered by municipality in parentheses; * p < 0.10, ** p < 0.05, *** p < 0.01The regression specification is given by equation (2). The sample includes only bins 1 and 2.

6.3 Which parties are learning and how?

The fact that the treatment status at cycle 4 has lasting effects through to cycle 7 shows that the treatment and control municipalities evolve on different paths from cycle 4, through some dynamic linkages across election cycles. A dynamic linkage of particular interest is whether a party learns about the competency of women as a result of the previous election outcome, and then changes its strategy in the current election.

We compare the strategies of parties that marginally won a PR councilor to those that marginally lost a PR councilor in the previous election. This comparison gives us the causal effect of having previously won a PR seat. In close electoral races in which the outcome of the election is uncertain, the winner is typically determined by factors that are beyond the control of parties and candidates,

so which party wins the seat can be considered as random (Lee, 2008).

We take marginal parties to be the *two* parties that either marginally won or lost the *last* PR seat for the municipality. In order to differentiate marginal winners from losers, we measure how far off the vote share received by a party was, from the share it needed to win that seat. For party p in municipal council c at election cycle t, this value is given by $v_{cpt} \equiv (\text{vote share})_{cpt} - \bar{v}_{cpt}$, where \bar{v} denotes the verdict-determining vote share. As the simplest example of \bar{v} , when two parties are competing for one PR seat, $\bar{v} = 0.5$ for both parties. The precise way we compute \bar{v} for all possible contest scenarios is detailed in Appendix Section D.1.

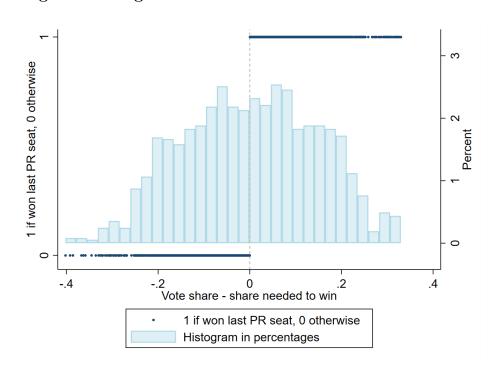


Figure 7: Marginal winners and losers of the last PR seat

Notes: This figure shows the distribution of the vote shares received by the two marginal parties competing for the last PR seat in a municipality. The vote share is computed to be the share of votes received among qualifying parties, i.e. parties that received more than 5% of the raw votes in the PR election arm.

Figure 7 shows the distribution of the vote shares received by the two marginal parties competing for the last PR seat in a municipality. The histogram shows that there are plenty of parties that received a vote share close to the share needed to win that seat. We employ a regression discontinuity design of the following form:

$$Y_{cpt} = \beta \times Winner_{cp,t-1} + f(v_{cp,t-1}) + X_{cpt} + \delta_n + \gamma_t + \epsilon_{cpt}$$
(3)

where $Winner_{cp,t-1} \equiv \mathbb{1}(v_{cp,t-1} \geq 0)$. We denote by $n \in \{1,2\}$, whether the marginal candidate that won – or nearly won – the last PR seat corresponds to the first or second PR candidate in a party's

list.¹⁸ $f(v_{cp,t-1})$ is linear and allows for different slopes to the left and right of the cutoff $v_{cp,t-1} = 0$. X_{cpt} represents the control variables, including the number of ward seats and the total council size for the *contemporaneous* election, i.e. election cycle t. A further factor to note is that the sample includes only the two major parties in South Korea, in order to track the parties over time. Due to frequent changes to party names, as well as frequent dissolutions and merges of small parties, parties other than the two major ones are difficult to follow over time. Therefore, X_{cpt} also includes a dummy that indicates which of the two major parties party p is.

When we consider marginal victories in the PR arm, we need to differentiate between the cases when the marginal candidate is in the first or second position in the party list. ¹⁹ If the marginal candidate is first on the list, then the candidate is necessarily a female, as enforced by the quota. However, if the marginal candidate is second on the list, the candidate might be male or female. Thus, when we consider close elections around a number-1 PR candidate, we are comparing parties that marginally won a woman in the previous election cycle with parties that didn't win any candidate. On the other hand, for close elections around a number-2 PR candidate, we are comparing parties that marginally won a second PR councilor to parties that only won one PR councilor.

We also distinguish between two different types of parties: those that placed men as the number-2 candidate in the party list and those that did not, in the previous election. As parties can place a candidate of any gender in even positions in their lists, the parties that place women in even positions are expected to have more gender-equal attitudes ex-ante.

Table 12 reports the result of regressing equation (3), when the marginal candidate is in position 1 or position 2 of the party list, and when the party lists a male or female second. We find positive coefficients on Winner in columns (1)-(4) of Panel A. Marginal winners put forth a higher female share among ward candidates in the following election cycle than marginal losers, when the marginal candidate is in the first position and when the party has a male as the number-2 PR candidate. Therefore, parties that had a prior preference towards men that update their beliefs on the competency of women, upon experiencing a female councilor. In addition, the positive coefficients imply that a party's strategy is affected by having a female councilor get elected from within the party. For example, we cannot say from the results that the Conservative party do not learn from experiencing a Progressive female councilor, but we can say that the degree of learning is greater for the Progressive party.

In contrast, the null effect in columns (5)-(8) of Panel B – marginally winning a female number-2 candidate – implies that once a party wins a female councilor, an additional female councilor does not further impact the party's strategy in the following election. Moreover, the null effect in columns (5)-(8) of Panel A – marginally winning a female number-1 candidate for parties with a more gender-equal prior – implies that winning the first woman does not affect a party's future gender preference

¹⁸There are only five parties that won or nearly won a third PR councilor, so we exclude these parties. There is no party that won four PR councilors.

¹⁹We do not consider the cases of the marginal candidate being third or lower on the list. It is extremely rare that a single party wins that many PR candidates, as can be seen in Appendix Table A1.

if the party had a more gender-equal attitude already.

Table 12: The effect of marginally winning a PR councilor in the previous election

Panel A: Position of marginal candidate: 1 Female share among party's ward candidates Gender of second position: male Gender of second position: female (6)(2)(3)(4)(5)(7)(8)(1)0.07*0.21*** Winner0.08*0.10*0.00 0.03 -0.02-0.04(1.73)(1.73)(1.81)(0.04)(0.33)(-0.20)(-0.23)(3.09)Bandwidth $(|v_{cpt}|)$ 0.20 0.15 0.10 0.05 0.20 0.15 0.10 0.05 N297 231 157 84 104 70 49 24

Panel B: Position of marginal candidate: 2

	Female share among party's ward candidates										
	Gender	of seco	nd positi	on: male	Gender of second position: female						
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)			
Winner	0.01	0.03	0.04	-0.05	-0.01	-0.01	-0.04	-0.05			
	(0.26)	(0.68)	(0.92)	(-1.17)	(-0.31)	(-0.21)	(-0.84)	(-0.72)			
Bandwidth (v_{cpt})	0.20	0.15	0.10	0.05	0.20	0.15	0.10	0.05			
N	113	84	69	33	98	75	62	33			

Notes: t statistics from standard errors clustered by municipality×party in parentheses; * p < 0.10, *** p < 0.05, **** p < 0.01. The regression specification is given by equation (3). The Mean Square Error-optimal bandwidth is selected (Calonico, Cattaneo and Titiunik, 2014). The standard errors remain very similar when they are clustered at the municipality level.

7 Conclusion

This paper highlights that with time, affirmative action policies can still be effective despite an initial backlash, as long as the policies are not completely undone. Moreover, such is the case even in settings where the target group consists a very small minority among the incumbents. Through exposure to the minority group, the policies provide incumbents an opportunity to learn about the competency of the minority group. Once the learning takes off, the policy itself might be unneeded.

Although gender quotas in parliaments have been adopted broadly worldwide, there are still many countries that have none in place, such as Egypt, India, Liberia, Mauritius, Sao Tome and Principe, Sierra Leone, and Sri Lanka. Unsurprisingly, these countries also suffer from low levels of female representation in national parliaments. The South Korean setting of this paper is unique in that it studies the effect of a gender quota in the legislative body from a starting point of practically zero women. Therefore, this paper is informative about the effect of gender quotas where they are most needed.

What remains to be crystallized is exactly which aspect of women's competence parties are learning about. As of yet, we do not know whether it is their election campaign skills, their loyalty to the party, their keenness as legislators, or their ability to meet the demands of the electorate, that the parties update their beliefs on. Further evidence is needed in this direction.

This paper is a part of a bigger agenda that attempts to study how a gender quota might trigger a gradual process of learning in favor of women. To tackle the precise mechanisms through which the learning takes place, we plan to study in future work the specific interactions among councilors recorded in the transcripts of council meetings.

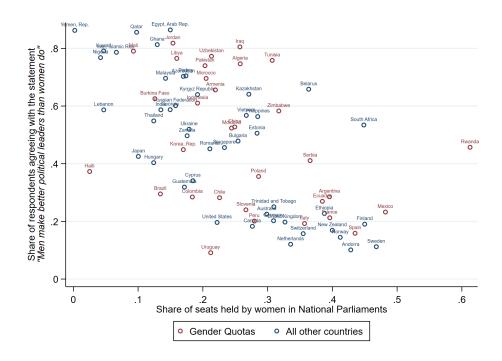
References

- Ahern, K. R. and A. K. Dittmar (2012). The Changing of the Boards: The Impact on Firm Valuation of Mandated Female Board Representation *. The Quarterly Journal of Economics 127(1), 137–197.
- Angrist, J. and J.-S. Pischke (2009). Mostly Harmless Econometrics: An Empiricist's Companion (1 ed.). Princeton University Press.
- Bagues, M. and P. Campa (2017). Can gender quotas in candidate lists empower women? evidence from a regression discontinuity design. IZA Discussion Papers 10888, Institute of Labor Economics (IZA).
- Baltrunaite, A., P. Bello, A. Casarico, and P. Profeta (2014). Gender quotas and the quality of politicians. *Journal of Public Economics* 118(C), 62–74.
- Besley, T., O. Folke, T. Persson, and J. Rickne (2017). Gender quotas and the crisis of the mediocre man: Theory and evidence from sweden. *American Economic Review* 107(8), 2204–42.
- Calonico, S., M. D. Cattaneo, and R. Titiunik (2014). Robust nonparametric confidence intervals for regression-discontinuity designs. *Econometrica* 82(6), 2295–2326.
- Chattopadhyay, R. and E. Duflo (2004). Women as policy makers: Evidence from a randomized policy experiment in india. *Econometrica* 72(5), 1409–1443.
- Cho, H.-O. and E. H. Kim (2010). A Study of Historical Context and Institutionalization Process of Gender Quota System and Women's Political Empowerment Movement in Korea 2000-2010. Journal of Korean Social Trend and Perspective (79), 110–139.
- Clayton, A. (2015). Women's political engagement under quota-mandated female representation: Evidence from a randomized policy experiment. *Comparative Political Studies* 48(3), 333–369.
- Dahlerup, D. and L. Freidenvall (2013). Electoral gender quota systems and their implementation in europe. Technical report, The European Parliament, the Committee on Women's Rights and Gender Equality.
- De Paola, M., V. Scoppa, and R. Lombardo (2010). Can gender quotas break down negative stereotypes? evidence from changes in electoral rules. *Journal of Public Economics* 94(5), 344 353.
- Esteve-Volart, B. and M. Bagues (2012). Are women pawns in the political game? evidence from elections to the spanish senate. *Journal of Public Economics* 96(3), 387–399.
- Jang, G. S. (2008). Busan Provincial Council gets "Poor Report Card". "No-cut" News.

- Jeon, J. Y. (2013). Political Dynamics of Adopting Gender Quota in Korea. *Journal of Korean Politics* 22(1), 29–52.
- Jin, J. W. (2018). Female nomination subsidy monopolized by two major parties. Women News.
- Kim, S. H. (2005). Local Council Elections "Reformed" or "Deformed"? Pressian News.
- Kim, W. H., M. J. Kim, H. C. Lee, and H. K. Kim (2003). Research on measures to expand female candidate nomination by political parties. Korea Women's Development Institute.
- Lee, D. S. (2008). Randomized experiments from non-random selection in u.s. house elections. *Journal* of *Econometrics* 142(2), 675 697. The regression discontinuity design: Theory and applications.
- Lee, J. J. (2019). The Legislative Impact Analysis of Gender Quota in Local Council District Elections. Number 44. National Assembly Research Service.
- Lee, M. S. (2003). Measures to expand female political representation in preparation for the 17th general election. Panel discussion in the Meeting of Female Members of the National Assembly and Municipal Councils To Increase the Participation of Women in Politics.
- Lim, H. K. (2018). Women's political representation and the current state of Gyeonggido: Focused on local elections in 2018. (102). Gyeonggido Family and Women Research Institute [Issue Analysis].
- Local Decentralization Bureau Election and Local Council Division (2019). Ministry of the Interior and Safety to Block "Self-Assessment" of Overseas Training for Local Councils and to Redeem Unjust Spending. Ministry of the Interior and Safety.
- McCrary, J. (2008). Manipulation of the running variable in the regression discontinuity design: A density test. *Journal of Econometrics* 142(2), 698–714.
- Ministry of the Interior and Safety (2012). Municipal council operation guide. Publication Registration Number: 11-1311000-000437-01.
- Ministry of the Interior and Safety (2018). Municipal councilor's activities guide. Publication Registration Number: 11-1741000-000101-15.
- National Election Commission (2018). Election subsidy payments by year (2001-2018). National Election Commission Data Resource Archive.

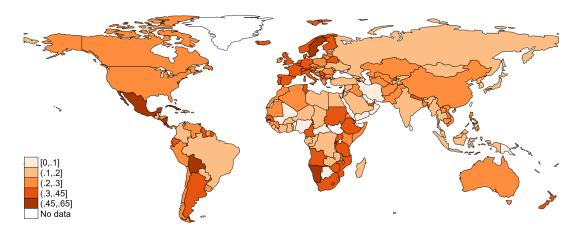
Appendix A Figures

Figure A1: Female share in national parliaments and attitudes towards women



Notes: Sources: Attitudes towards women: World Values Survey waves 5 (2005-2009) and 6 (2010-2014); Share of seats held by women in national parliaments: World Bank Gender Statistics, average of years 2018, 2019, 2020; Gender quotas in national parliaments: International IDEA Institute for Democratic and Electoral Assistance Gender Quotas Database, 2020

Figure A2: Proportion of seats held by women in national parliaments (%)



Notes: Source: World Bank Gender Statistics, average of years 2018, 2019, 2020

Appendix B Tables

Table A1: The allocation of Proportional Representation seats across parties

	Councils by the number of PR seats									
	1 F	PR seat	2 P	R seats	3 PR seats					
	N.	Percent.	N.	Percent.	N.	Percent.				
Election Cycle 4										
1 Party	117	100%	15	17.86%	0	0				
2 Parties	0	0	69	82.14%	15	83.33%				
3 Parties	0	0	0	0	3	16.67%				
Election Cycle 5										
1 Party	117	100%	5	6.02%	0	0				
2 Parties	0	0	78	93.98%	13	72.22%				
3 Parties	0	0	0	0	7	27.78%				
Election Cycle 6										
1 Party	110	100%	18	20.22%	0	0				
2 Parties	0	0	71	79.78%	17	100%				
3 Parties	0	0	0	0	0	0%				
Election Cycle 7										
1 Party	105	100%	9	9.89%	1	4.35%				
2 Parties	0	0	82	90.11%	18	94.74%				
3 Parties	0	0	0	0	1	5.26%				
Total	449		347		72					

Notes: The sample is restricted to bins 1 and 2, i.e. to municipal councils with up to 25 councilors.

Table A2: Candidates and councilors' party affiliation

			Cand	idates		Councilors					
		Dire	ect	Propor	rtional	Dire	ect	Proportional			
	N	Mean	Std	Mean	Std	Mean	Std	Mean	Std		
Election Cycle 1											
Independent	226	1	0			1	0				
Election Cycle 2											
Independent	228	1	0			1	0				
Election Cycle 3											
Independent	228	1	0			1	0				
Election Cycle 4											
Independent	230	0.41	0.15	0	0	0.11	0.14	0	0		
Progressive party	230	0.16	0.08	0.29	0.17	0.20	0.18	0.18	0.25		
Conservative party	230	0.25	0.13	0.47	0.30	0.54	0.31	0.64	0.38		
Election Cycle 5											
Independent	228	0.32	017	0	0	0.14	0.16	0	0		
Progressive party	228	0.21	0.16	0.31	0.29	0.33	0.27	0.41	0.39		
Conservative party	228	0.33	0.18	0.49	0.31	0.43	0.25	0.44	0.40		
Election Cycle 6											
Independent	227	0.34	0.16	0	0	0.13	0.15	0	0		
Progressive party	227	0.24	0.16	0.38	0.27	0.37	0.25	0.40	0.37		
Conservative party	227	0.36	0.18	0.55	0.30	0.49	0.26	0.59	0.38		
Election Cycle 7											
Independent	226	0.20	0.16	0	0	0.09	0.14	0	0		
Progressive party	226	0.32	0.12	0.43	0.20	0.54	0.21	0.66	0.33		
Conservative party	226	0.29	0.16	0.38	0.25	0.35	0.20	0.33	0.33		

Appendix C Identification

C.1 Confirming that the number of female PR councilors changes only at the thresholds

In order to buttress the regression discontinuity design, we test whether there is a change in the number of female PR councilors as council size increases, at points *other* than the thresholds. We regress, for each value of $x \in \{-4, -3, ..., 3, 4\}$ i.e. distance from the threshold,

(number of female PR councilors)_{cbt} =
$$\beta \times TreatOne_{cbt} + \delta_b + \gamma_t + \epsilon_{cbt}$$
 (4)

where
$$TreatOne_{cbt} = \begin{cases} 1, & \text{if (council size)}_{cbt} = x \\ 0, & \text{if (council size)}_{cbt} = x - 1 \end{cases}$$

Equation (4), therefore, estimates the change in the number of female PR councilors when the council size increases by 1, for all points around the threshold. Table A3 reports the results. It confirms that there is a positive effect only at the threshold.

Table A3: The effect of an increase in council size on the number of female PR councilors

					x value				
	-4	-3	-2	-1	0	1	2	3	4
Coefficient $(\hat{\beta})$	-0.03	0.03	-0.03	-0.01	0.92***	-0.01	-0.03	-0.03	0.09
Standard error	(-0.36)	(1.32)	(-0.99)	(-0.20)	(15.00)	(-0.14)	(-0.36)	(-0.35)	(1.04)
N	267	380	210	170	168	150	136	111	87

Notes: t statistics from standard errors clustered by municipality in parentheses; * p < 0.10, ** p < 0.05, *** p < 0.01 This table reports the results of regression equation (4). The sample includes only bins 1 and 2.

C.2 Robustness to bandwidth choice

Table A4: The effect of being past the threshold on the number of candidates and councilors, for various bandwidths

	Candidates					Councilors						
	W	ard	Р	PR	Ward		PR		All			
	Male (1)	Female (2)	Male (3)	Female (4)	Male (5)	Female (6)	Male (7)	Female (8)	Male (9)	Female (10)		
Panel A: distance [†] ≤ 4												
Treat	0.37	0.31	0.58***	1.23***	-0.15	0.15	0.09**	0.91***	-0.06	1.06***		
	(0.46)	(0.94)	(4.64)	(8.29)	(-0.74)	(0.74)	(1.97)	(19.58)	(-0.26)	(4.78)		
N	868	868	868	868	868	868	868	868	868	868		
Panel B: distance ≤ 3												
Treat	0.14	0.33	0.51***	1.24***	-0.13	0.13	0.08	0.92***	-0.04	1.04***		
	(0.16)	(0.99)	(3.77)	(7.95)	(-0.59)	(0.59)	(1.57)	(17.77)	(-0.19)	(4.48)		
N	811	811	811	811	811	811	811	811	811	811		
Panel C: distance ≤ 2												
Treat	0.89	0.37	0.54***	1.29***	-0.13	0.13	0.08	0.92***	-0.06	1.06***		
	(0.99)	(1.07)	(3.59)	(7.50)	(-0.59)	(0.59)	(1.33)	(16.07)	(-0.23)	(4.16)		
N	514	514	514	514	514	514	514	514	514	514		
Panel D: distance ≤ 1												
Treat	0.34	0.44	0.61***	1.25***	-0.24	0.24	0.09	0.91***	-0.15	1.15***		
	(0.34)	(1.17)	(3.55)	(6.66)	(-0.94)	(0.94)	(1.36)	(14.03)	(-0.53)	(4.02)		
N	320	320	320	320	320	320	320	320	320	320		
Panel E: distance = 0												
Treat	0.38	0.42	0.58***	1.23***	-0.24	0.24	0.08	0.92***	-0.16	1.16***		
	(0.37)	(1.10)	(3.26)	(6.53)	(-0.91)	(0.91)	(1.25)	(15.00)	(-0.55)	(3.99)		
N	168	168	168	168	168	168	168	168	168	168		

Notes: t statistics from standard errors clustered by municipality in parentheses; * p < 0.10, ** p < 0.05, *** p < 0.01This table reports the results of regression equation (1). The sample includes only bins 1 and 2.

[†] Distance refers to the distance to the threshold. To illustrate, the council sizes for which distance equals 0 are 10, 11, 20, and 21, while the council sizes for which distance equals 1 are 9, 12, 19, and 22.

Appendix D Computational details

D.1 Computing the running variable in the regression discontinuity design of section 6.3

The purpose of the regression discontinuity design of section 6.3 is to compare the strategies of parties that marginally won a PR councilor to those that marginally lost a PR councilor in the previous election. Thus, we are interested in the causal effect of having won a female PR councilor. We take marginal parties to be the two parties that either marginally won or lost the last PR seat. In order to differentiate marginal winners from losers, we measure how far off the vote share received by a party was, from the share it needed to win that seat. The running variable for party p in municipal council c at election cycle t equals $v_{cpt} = voteshare_{cp,t-1} - \bar{v}_{cp,t-1}$, where \bar{v} denotes the verdict-determining vote share.

To compute \bar{v} , we first need to describe the rules by which PR seats get allocated:

Rules for allocating PR seats

- 1. Among parties running for prop rep in a locality, only the parties getting >=5% of votes qualify.
- 2. Of the qualifying parties, first compute $X = \text{(number of prop MP seats in the locality)} \times \text{(vote share of each qualifying party)}.$
- 3. Allocate to each qualifying party the number of seats equal to the integer part of X.
- 4. Allocate the remaining seats by the ranking of the decimal part of X.
- E.g. Municipal council A has 3 PR seats. There are 3 parties (1, 2, and 3) running for proportional representation. The vote shares of the parties are: party 1: 60%, 2: 38%, and 3: 2%. Party 3 got less than 5%, so it does not qualify. Among the qualifying parties, the vote shares are then party 1: $60/(60+38)\approx 61.22\%$, and 2: $38/(60+38)\approx 38.77\%$. The values of X's are party 1: $3\times 0.6122\approx 1.83$, and 2: $3\times 0.3877\approx 1.16$. Parties 1 and 2 both have 1 in the integer part of X, so they first get one PR councilor each. The last PR seat goes to party 1, because 0.83>0.16.

Below, we compute \bar{v} for all possible contest scenarios.²⁰ While doing so, we distinguish whether the marginal candidate that won – or nearly won – the last PR seat corresponds to the first, second, or third PR candidate in a party's list. For notational convenience, we call s the position in the

 $^{^{20}}$ An example is when there are three PR seats in a municipality, and the rank-1 and rank-2 parties contest over the last seat. Let v_n denote the vote share (among qualifying parties) received by the rank-n party. Rank 1 wins if $3v_1 - 2 > 3v_2 \iff v_1 > v_2 + \frac{2}{3}$. Therefore, \bar{v} for the rank-1 party equals $v_2 + \frac{2}{3}$. On the other hand, \bar{v} for the rank-2 party equals $v_1 - \frac{2}{3}$.

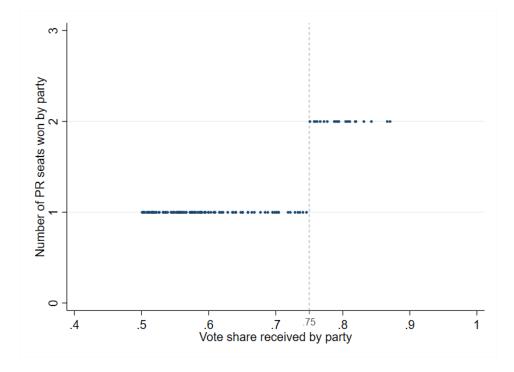
party list of the marginal candidate of a party, and V the sum of the vote shares (among qualifying parties) received by the two marginal parties.

- 1 When there is one PR seat in the municipality
 - i) The two most popular parties contest over the only PR seat. Marginal parties: ranks 1 and 2 $\,$
 - Rank 1: $\bar{v} = \frac{V}{2}$, s = 1
 - Rank 2: $\bar{v} = \frac{V}{2}, s = 1$
- 2 When there are two PR seats in the municipality
 - i) The contest is over whether the rank-2 party wins the second PR seat. Marginal parties: ranks 1 and 2
 - Rank 1: $\bar{v} = \frac{2V+1}{4}$, s = 2
 - Rank 2: $\bar{v} = \frac{2V-1}{4}$, s = 1
- 3 When there are three PR seats in the municipality
 - i) The contest is over whether the third PR seat goes to the rank-1 party or the rank-2 party. Marginal parties: ranks 1 and 2
 - Rank 1: $\bar{v} = \frac{3V+2}{6}$, s = 3
 - Rank 2: $\bar{v} = \frac{3V-2}{6}$, s = 1
 - ii) Where the rank-2 party wins a seat for sure, the contest is over whether the third PR seat goes to the rank-1 party or the rank-3 party. Marginal parties: ranks 1 and 3
 - Rank 1: $\bar{v} = \frac{3V+1}{6}$, s = 2
 - Rank 3: $\bar{v} = \frac{3V-1}{6}$, s = 1
- 4 When there are four PR seats in the municipality
 - i) The contest is over whether the fourth PR seat goes to the rank-1 party or the rank-2 party. Marginal parties: ranks 1 and 2
 - Rank 1: $\bar{v} = \frac{4V+3}{8}$, s = 4
 - Rank 2: $\bar{v} = \frac{4V-3}{8}$, s = 1
 - ii) Where the rank-1 party wins two seats for sure and the rank-2 party wins a seat for sure, the contest is over whether the fourth PR seat goes to the rank-1 party or the rank-2 party. Marginal parties: ranks 1 and 2
 - Rank 1: $\bar{v} = \frac{4V+1}{8}$, s = 3
 - Rank 3: $\bar{v} = \frac{4V-1}{8}$, s = 2

- iii) Where the rank-1 party wins two seats for sure and the rank-2 party wins a seat for sure, the contest is over whether the fourth PR seat goes to the rank-2 party or the rank-3 party. Marginal parties: ranks 2 and 3
 - Rank 2: $\bar{v} = \frac{4V+1}{8}$, s = 2
 - Rank 3: $\bar{v} = \frac{4V-1}{8}$, s = 1
- iv) Where the rank-2 and rank-3 parties win a seat each for sure, the contest is over whether the fourth PR seat goes to the rank-1 party or the rank-4 party. Marginal parties: ranks 1 and 4
 - Rank 1: $\bar{v} = \frac{4V+1}{8}$, s = 2
 - Rank 4: $\bar{v} = \frac{4V-1}{8}$, s = 1

As an example, take the case of the rank-1 party in a municipality with two PR seats and two qualifying parties. The party's $\bar{v}=0.75$, according to the computation given above. Indeed, Figure A3 shows that among such rank-1 parties, those receiving a vote share greater than 0.75 win two PR councilors whereas those receiving a vote share below 0.75 win one PR councilor.

Figure A3: Marginal winners and losers of the last PR seat, among rank-1 parties in municipalities with two PR seats and two qualifying parties



Notes: This figure shows that in municipalities with two PR seats and two qualifying parties, the rank-1 parties must receive a vote share greater or equal to 0.75 in order to win both PR seats. The reason the vote share received is always greater than 0.5 is because these parties are the rank-1 parties. Note that the vote share is the share of votes among qualifying parties only.