

Electoral Competition and Political Selection

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Research in political economy has recently rediscovered that individuals, and not only institutions, matter for economic outcomes: not all politicians are of the same quality. Competition in the political market may have another virtue than its traditional disciplining role: it may favor the selection of good politicians. In a recent paper, Marijn Vershelde and I study the (time-varying) relationship between political competition and the quality of French deputies.

Note: this column draws heavily on a paper written with Marijn Vershelde, which is available [here](#). The figures are taken from it.

How to design the political selection mechanism in order to favor the emergence of "good" politicians? The traditional public-choice literature emphasized the role of institutions in shaping the behavior of politicians, but have paid little attention, if any, to the *individual* decision maker. From this point of view, it is purely illusive to seek for "morally superior agents who will use their powers in some public interest" (Buchanan, 1989): all politicians are purely self-interested agents who have to be incentivized to act in accordance with voters' preferences.

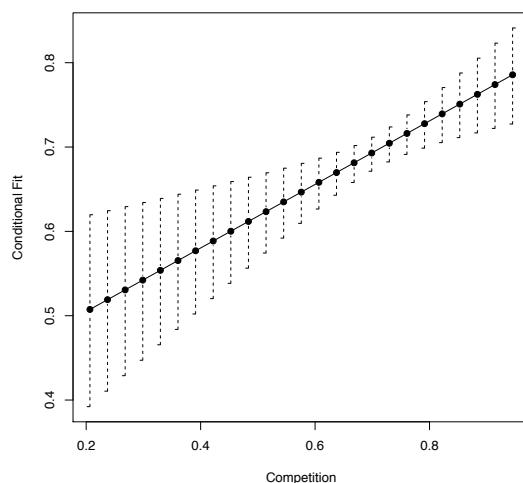
However, a recent stream of empirical papers provides evidence that individual politicians matter for economic outcomes (Besley et al., 2011; Jones and Olken, 2005). In other words, as suggested by common sense, they are not all cut from the same cloth. This emphasizes the need not only to shape institutions in order to discipline incumbent politicians, but also to select "good" decision makers.

Several determinants have been shown to affect political selection: the wage of politicians (Besley, 2004; Messner and Polborn, 2004), the transparency of politics (Mattozzi and Merlo, 2007), the institutional flexibility (Acemoglu et al., 2010), and reservation quotas (Besley et al., 2005; Besley et al., 2013). In addition to a well-known disciplining effect (for instance Stigler, 1972, and Becker, 1983), electoral competition is also likely to enhance this selection process as well (Galasso and Nannicini, 2011): competition pushes parties to select candidates of good quality in order to seduce neutral voters, who, contrary to partisans, are sensitive to the quality of the candidates. As recruiting experts are difficult, hence costly, parties will allocate them in the most contested districts only.

In a recent paper, Marijn Vershelde and I investigate the relationship between quality and competition in the case of the French National Assembly. Measuring the quality of politicians is not straightforward. A wide theoretical definition of quality is a combination of competence and motivation. Such a broad definition is challenging to

operationalize in empirical work. Some papers approximate quality by variables like level of schooling and experience of politicians (Baltrunaite et al., 2014; Besley et al., 2011; Kotakorpi and Poutvaara, 2011), while others use their absenteeism rate or vote attendance (Galasso and Nannicini, 2011; Gagliarducci and Nannicini, 2013). We innovate by proposing a measure of quality based on *productivity*, i.e., on what deputies actually do. We gathered from the *Assemblée Nationale* archive all the information that has been systematically collected over the years for each deputy and for each year from 1958 to 2012: (i) propositions of law, (ii) oral questions, (iii) reports, and (iv) debates in which the deputy has been involved in. From these four aspects of parliamentary work, we compute a composite indicator of productivity (bounded between 0 and 1, higher values indicating higher performance). To measure political competition, we use a measure based on a Herfindahl index of the vote shares at the first round (bounded between 0 and 1, larger values indicating stiffer competition).

Figure 1. Estimated Productivity Conditional on Competition

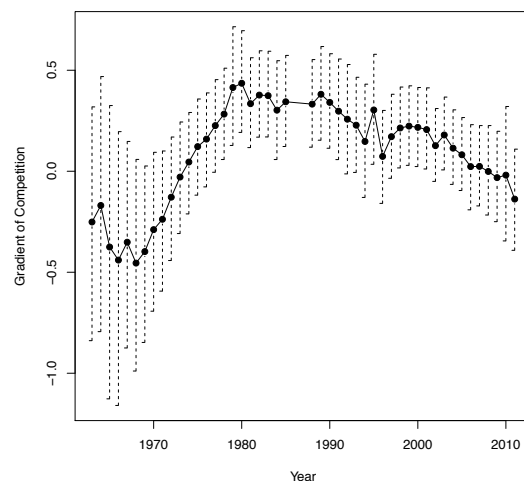


We document a strong effect of competition on deputies' productivity, in accordance with the theoretical framework. Figure 1 displays the estimated level of productivity as a function of the degree of competition, controlling for personal (age, schooling, etc.)

and political (party, committee, and the likes) variables. Everything else equal, a deputy elected in the *a priori* most contested district is estimated to reach a productivity close to 0.8, while if she is elected in a safe district her productivity is estimated to be at most 0.6. This means that the productivity of deputies can vary by up to 30% depending on the degree of contestability. This relation holds even after minimizing problems of potential reversed causality and controlling for reelection incentives, indicating that we actually observe a selection effect.

Considering the time span of our dataset, it is interesting to observe how the positive relationship between electoral competition and political selection evolved over time. The most noticeable evolution over the second part of the XXth century in France is certainly the ideological convergence after the 80's, marked with the reconciliation of the Socialist Party with the market and the rise of the *Pensée unique* ("one track thinking", Knapp and Wright, 2001). Such an evolution should have decreased ideological voting and produced more competence-based elections, hence increasing the effect of competition on quality.

Figure 2. Effect of Competition over Time



However, we uncover a clear inverse-U shaped evolution. Figure 2 plots the effect of competition conditional on the year: the effect of electoral competition sharply increased till the 1980's, but it has continuously decreased

since then. How to explain this pattern? A possible explanation is the increased voters volatility, i.e., a higher unpredictability in voters' behavior. If at first sight this phenomenon indicates an increase in the share of neutral voters, this is however not necessarily the case. Instead of moving from partisanship to neutrality, it is possible that supporters of a party *A* at election *t* turn into supporters of party *B* at election *t*+1. Partisans disappointed by the behavior of their party while in office might provide an unconditional support to the competing party at the next election. This is consistent with the fact that not any party succeeded to win two national elections in a row since the 80's.

Conclusion

Our analysis point out a clear positive relationship between electoral competition and the quality of the French deputies, measured by a composite indicator of productivity. Overall, deputies elected in contested districts tend to perform better than others. From a public policy perspective, this result suggests that reforms enhancing political competition (for instance by redistricting jurisdiction in a proper way or by ensuring a fair access to media to competing parties) should be supported. However, we observe that the impact of competition increased till the 80's, but continuously decreases since then. This opens the door for a vast research agenda, as it indicate that drivers of an efficient selection mechanism are not necessarily stable over time.

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