2. Participation and Governance

The period since the mid-1970s has witnessed a significant democratization of governance structures across the globe, a fact that is often described as the “third wave of democratization” (Huntington 1991). Using subjective political freedom indicators, electoral archives, and historical resources in 174 countries from 1960-2005, Pappianou and Siouronous (2008) identify the third wave of democratization as being associated with 63 incidents of permanent democratic transitions, 3 reverse transitions from relatively stable democracy to autocracy and 6 episodes of small improvements in representative norms (borderline democratizations). By the end of the analyzed period democracy was the most common de jure institution of governance.

Democratization of governance structures at the country level has been accompanied by growing decentralization of policy-making powers to local elected government (Bardhan and Mookherjee 2006). There has also been a significant interest, by governments and NGOs, in requiring direct community participation in public good provision and monitoring of service delivery.

Informed by these observations, this governance review paper focuses on citizen participation along three dimensions: as political actors in democracies, as leaders, and as members (residents) of local communities. Greater citizen participation across all three dimensions is widely considered a key form of citizen empowerment. Here, we examine the evidence on whether, and how, such empowerment influences policy outcomes and citizen satisfaction. Throughout, we highlight research priorities.

We divide our review into two sections. We start with the impacts of participation, where we consider participation in three arenas—voting, leadership and community membership. Next we examine the determinants of participation, where we consider the influences of three sets of factors: institutions, demographics, and information.

2.1. Impacts of Participation

The presumption of democratic governance is that citizen participation in decision-making processes can influence, and possibly improve, public good provision and redistribution. Beyond its direct impacts on citizen well-being, the form of resource redistribution may also influence economic growth.

Here, we focus on the impacts of citizen participation on three sets of outcomes: policy outcomes (public policies and service delivery), economic growth and citizen satisfaction. Under each outcome we discuss the likely impact of participation along three dimensions—voting, leadership and community membership.

2.1.1. Impact on Policy Outcomes
A. Voter Participation

A first set of papers evaluate the policy impact of voter participation by examining whether variations in the demographic composition of the electorate and, therefore, the mix of redistributive preferences among voters influences policy making in democracies. Here, much of the evidence comes from studies of suffrage extension in rich countries (Miller 2008 and Lott and Kenny 1999). Exploiting cross-state variation in the timing of female suffrage Miller (2008) showed that within a year of female suffrage local public health spending increased by 35 percent and child mortality fell by 8 to 15 percent.

One notable study in a developing country context was carried out by Martinez-Bravo (2013) in Indonesia. Her research examines the behavior of local officials in the first election of a new democracy. Since local officials were elected in some Indonesian villages and appointed in others, she uses this variation to capture the influence of elections and voter participation on electoral outcomes and the extent of clientelism. Her findings show that electoral results at the village level match those at the district level more often when officials are appointed. She argues that this occurs because appointed officials must signal their alignment with upper levels of government to keep their positions by influencing voters at the local level to support a specific party in district elections, often through clientelism or vote-buying. She suggests clear implications of bringing more democratic processes to such contexts, finding that elected local officials have less incentive to engage in these means of manipulating voters.

Since most low-income countries instituted universal suffrage at the time of adopting democratic governance, however, we lack more direct evidence from low-income countries. A potential source of indirect evidence comes from the greater delegation of policy powers to elected local governments in many low-income countries. If shifting policy powers from bureaucrats to elected local officials increases effective voter participation in the policy making process, then we can use periods of decentralization to obtain insights.

While very few studies compare policy outcomes pre- and post- decentralization, those that do typically report improved representation of voter preferences. Gadenne and Singhal (2013) provide a review of the decentralization literature. Faguet (2004) compared expenditure in public investment projects before and after the decentralization reform in Bolivia and found that decentralization increased public investment in 8 of the 10 analyzed sectors, especially in areas (e.g. education), where the needs (e.g. illiteracy) were higher. Similarly, Foster and Rozensweig (2002) evaluated the consequences of local democratization and fiscal decentralization in India and found that a shift toward democracy made villages 15 percent more likely to have a paved road, 80 percent more likely to have public irrigation facilities and 22 percent more likely to have a secondary school. Moreover, the nature of change in public good provision reflects underlying demographics. Decentralization in villages with more landless households increased investments in paved road, which favors labor, and reduced investment in public irrigation, which augments land rents.

These papers focus on the redistributive consequences of greater citizen participation, and attribute the change to differences in the set of citizen preferences being represented. Yet the connection between group characteristics and policy preferences is often inferential and we lack direct causal evidence on how the economic status of voters influences policy outcomes. Our evidence base on the links between the
distribution of citizen preferences and the quality of policy making is also weak. Existing evidence suggests that greater citizen participation in policy making processes can create winners and losers. For instance, Beaman et al. (2011) use data from village meetings in India to show that men and women differ in their preferences over public goods. Thus, the welfare implications of changing the extent of citizen participation are ambiguous.

We should expect the net welfare impact to be positive if the population is relatively homogenous, in terms of economic and ethnic characteristics. In such settings, the main influence of increasing citizen participation should be greater electoral accountability of the representatives. Some suggestive evidence on the net effect comes from Fisman and Gatti (2002). Using cross-country data they find that countries with greater decentralization have less corruption. The clearly endogenous nature of the data—less corrupt countries may be more likely to decentralize—implies that we cannot draw firm conclusions. However, it does raise the possibility that increased electoral accountability improves average governance practices.

More recent micro-evidence on how the congruence of local preferences strengthens the impact of citizen participation comes from Martinez-Bravo et al. (2011). They examine the impact of local elections on leaders’ accountability in rural China. The introduction of elections at the local level, even in the context of an authoritarian regime, decreased the enforcement of unpopular policies like the one-child policy and land expropriation, and increased the provision of appropriate public goods at the village level. Expanding on this research, Martinez-Bravo et al. (2012) find the introduction of local elections in Chinese villages also has redistributive impacts on public goods provision. Elections significantly increase total public goods expenditure at the village level by 27.2 percent in accordance with village-specific demand. For example, in villages with more farmland, expenditure on irrigation increased whereas in villages with more school-going children, expenditure on schooling increased. Elections also led to income redistribution, as the income of the poorest households before the elections increased by 28 percent, and income of the richest households before the elections decreased by 29 percent. The authors provide evidence suggesting the causal mechanism is not improved leader selection by the voters but rather increased leader incentives to align actions with voter preferences.

Would similar results be obtained in ethnically diverse environments, such as those in sub-Saharan Africa? There are theoretical reasons to believe they may not. Padró I Miquel (2007) developed a framework to analyze political accountability when societies are ethnically divided and institutionally weak. Corrupt leaders may be elected if their supporters fear even greater extraction from the opposition groups. Thus, the fear of an equally inefficient leader that favors another ethnic group is sufficient to reduce electoral accountability. Banerjee and Pande (2009) suggest a different channel: voters with strong ethnic preferences may choose to trade off politician corruption against the ethnic identity of the politician. However, the severity of such trade-offs and whether they can be reduced by designing institutions and providing information needs more research. Bandiera and Levy (2011) consider the possibility that ethnic diversity allows elites to form coalitions with minority groups to rule against the preferences of the majority poor. Indeed, taking advantage of Indonesia’s unique village governance structure in which some villages are elite controlled whereas others are ruled democratically, they find that the difference in public service outcomes between elite controlled and democratically ruled villages is decreasing in the level of ethnic diversity in the village. Their results suggest that ethnic diversity can
undermine democratic reforms and meaningful participation, resulting in outcomes similar to those found in elite controlled autocracies.

Apart from decentralization, politicians’ reelection incentives can also improve electoral accountability to voters’ preferences, as shown by Janvry et al. (2012) in their study of a conditional cash transfer program designed to reduce school dropout rates in Brazil. Exploiting variation in the implementation of the program across different municipalities, they find that the reduction in school dropout rates was 36 percent larger in municipalities with first term mayors in comparison to municipalities in which mayors could not be reelected. First term mayors on average adopted more transparent and effective implementation strategies. Indicative of the electoral rewards to good performance when voters are responsive and informed, they also find that the probability of reelection was 28 percent higher for mayors who were in the top quartile of program impacts.

**Open Research Questions:**

- Does decentralization of policy making change (i) the nature of citizen participation (ii) policy making and (iii) electoral accountability?
- How do voters trade off preferences for competent or honest politicians with redistributive preferences? How can institutional design and information about available policies alter these trades-offs?
- Does greater voter participation lead to more emphasis on populist policies?

**B. Leader Choice**

Voters are likely to care about at least two dimensions of a politician’s quality: honesty or competence, and policy preferences. The reason for caring about the first is obvious. The second is less obvious. In a median voter model of politics, elected leaders implement the policies favored by a majority of voters, hence legislator identity should be irrelevant to policy outcomes. A large empirical literature, however, contradicts this assumption and documents a clear link between a politician’s policy preferences and implemented policies.

Here, an important source of evidence is the use of electoral quotas in order to provide representation for historically disadvantaged groups in representative democracies. In the case of ethnic minorities, Pande (2003) exploits rule-induced variation in quota incidence to show that greater presence of ethnic minorities in Indian state legislature increases targeted transfers to these groups. At the village level, Besley et al. (2005) report similar evidence. While Pande focused on policy impacts of the increased minority representation, Chiri and Prakash (2011) study the poverty impacts of the electoral quotas using similar data and estimation technique. They find that increasing the share of seats for one minority group significantly reduces rural and aggregate poverty in the state, but increasing the share of seats for another minority group does not impact poverty, making it difficult to generalize poverty impacts of increased minority representation. In the case of women, Chattopadhyay and Duflo (2004) exploit random assignment of gender quotas for council head position in India to show the reservation policy increased the provision of goods aligned with female preferences, such as drinking water and roads. In Beaman et al. (2011) the authors show that female leadership increases participation by female villagers in village
meetings which (consistent with arguments in the previous section) suggests that leadership effects on policy may also reflect greater participation by certain groups. Iyer et al. (2012) estimate the impact of female representation on crime by taking advantage of state-level variation in the timing of implementation of quotas which set aside one-third of all local government council positions in India for women. They find that reservation caused documented crimes against women to increase by 46 percent, with an increase of 23 percent in reported rapes and 13 percent of reported kidnapping. Their findings reflect an increase in the reporting of crimes against women rather than an increase in the incidence of such crimes, and they further find heightened police responsiveness, with a 30 percent increase in arrests for crimes against women. Thus, there is clear evidence that the choice of leaders will directly impact policy choices and outcomes.

Another set of papers looks at how gender of a politician impacts policy outcomes in the absence of gender quotas by using the fraction of elections won by a female in a close election against a male as an instrument for the fraction of seats won by a female politician in a given jurisdiction. Using this technique, Clots-Figueras (2011) finds that female state legislators in India spend more than their male counterparts on schools, female teachers, primary education, and hospital beds. However, the socioeconomic background of the female legislator matters in spending decisions. Women that hold seats reserved for historically disadvantaged groups invest more in health and lower levels of education and favor laws made to benefit women or redistribute wealth. Women not from these reserved categories do not favor such laws, invest in higher education, and actually reduce social expenditure, providing further evidence that identity of a politician matters in policy outcomes.

Using a similar identification strategy to estimate how politician gender influences education outcomes at the district level in India, Clots-Figueras (2012) finds that a 10 percentage point increase in female representation increases the probability that an individual in that district attains a primary education by 7.3 percentage points. However, these results are not found for rural areas or the sample as a whole, suggesting that female legislators favor urban over rural areas for investments in education. In another district level analysis, Bhalotra and Clots-Figueras (2013) evaluate how health outcomes are influenced by female legislators in India. They find that a one standard deviation increase in women’s political representation in the birth year or two years prior to birth decreases neonatal mortality by 1.5 percentage points. A 10 percent increase in women’s political representation also increases the probability that a village has required public health facilities and that women receive antenatal care, institutional delivery, and child vaccinations.

At the macro level, Jones and Olken (2005) provide further evidence that leaders influence policy outcomes, mainly though monetary policy. In their study, an exogenous change on leadership, measured by the death of a leader while in office, is associated with changes in the level of inflation. There is, however, less convincing evidence on the effect of leaders on fiscal and trade policy.

Whether leader preferences also influence the efficiency of policy making (e.g. by reducing corruption) is less clear. One reason is that it is difficult to know ex ante what individual traits predict performance. One characteristic that the literature has examined is education level of politicians. In a cross-country study, Besley and Reynal-Querol (2011) find democratic elections deliver leaders who are 25 percent more likely to be highly educated. In terms of impact, Besley et al. (2011) show more educated leaders generate more growth. The transition from a college-educated to an uneducated leader reduces
growth by 1.7 percentage points per year over a 5-year post-transition period. There is also some evidence that voters care about leader education. Banerjee et al. (2010) conducted a field experiment in which voters were given information about politician characteristics. They found that this information caused voters to favor relatively more educated candidates (on this also see section 4.2.2). However, more evidence on the channels of influence is needed.

Finally, evaluating the efficiency trade-offs (if any) in selecting leaders depends on the supply of politicians. Specifically, do voters find that politicians who share their redistributive preferences are less qualified? If so, does this reflect strategic placement of candidates by parties? Tracing the pathways from these questions to final policy outcomes is an area where more research would be welcome.

Open Research Questions:

- Which qualifications or leader characteristics influence the efficiency of policy making?
- Do more competent or honest politicians care more or less about redistributive preferences?
- How do selection procedures influence leader choice and, therefore, policy? What are the implications for disclosure laws?
- What types of policies are most affected by leader qualifications?

C. Community Participation

Government programs have long incorporated mechanisms for local oversight, but there is little evidence on the effectiveness of these programs. Community participation is attractive because it offers solutions to many problems commonly associated with centrally administered services and projects. Local communities may have better information on what goods and services are needed than outsiders, and are in a better position to recognize and quickly respond to inefficiency or corruption in implementation. Citizens who actually stand to benefit from services have better incentives to make sure they are implemented correctly, so locals may do a better job of monitoring and taking action when services are poor or corruption occurs. And if services are run or projects implemented by local workers and officials, then their peers may have a better chance of ensuring honesty through social sanctions.

Along these lines, Alatas et al. (2012) study whether community involvement in the targeting of beneficiaries for Indonesia’s national cash transfer program can improve targeting accuracy and community satisfaction. In a randomly selected subset of 640 villages, community members held a meeting to rank order the households in the village from poorest to richest, and this list alone was used to determine eligibility for the transfer. In another set of villages, the government used proxy means testing to identify eligible beneficiaries by collecting data on household assets and other demographics. Using the central government’s consumption based poverty measure as the metric of comparison, the authors find that the community method of targeting performed worse than the proxy means test in accurately identifying households as below poverty line, but the difference in accuracy between the two methods was not large enough to have a significant impact on poverty. However, the community method performed much better in terms of community satisfaction and perceived program legitimacy. Furthermore, evidence suggests that the community’s selection of beneficiaries was based on their conception of poverty that goes beyond the consumption per capita definition and takes into account their greater knowledge of the earning potential and vulnerability of various households. Notably, an
individual’s self-assessed poverty status was better reflected in community driven targeting outcomes than in proxy means test outcomes.

There is also a recent body of experimental evidence that has begun examining the impacts of community oversight on education and health outcomes. Banerjee et al. (2010) found that 92 percent of villagers in rural Uttar Pradesh in India were not even aware of the existing Village Education Committee (VEC), which supposedly monitored teachers and administrators. Working with the community on monitoring tools that revealed just how little children were learning at school and informing the community of their rights to push for change, however, prompted no increase activity by the community, no increased teacher effort and no improvement in education outcomes.

On the other hand, Pradhan et al. (2013) conducted a randomized impact evaluation in Indonesia and found that certain approaches to strengthen school committees can actually improve learning outcomes. Conditional on receiving a grant, facilitating linkage between the school committee and the village council to increase the status of the school committee increases Indonesian scores by .17 standard deviations and girls’ math scores by .11 standard deviations. The combined intervention of this linkage plus having committee members democratically elected to allow representation of previously excluded groups has the largest impact, leading Indonesian test scores to increase by .22 standard deviations. Thus, community participation can be influential in public good outcomes, but in the case of school committees, the effectiveness is greatly enhanced by reaching out to stakeholders outside of the committee through elections and linkage.

Also in contrast to the results of Banerjee et al. (2010), Bjorkman and Svensson (2010) found that informing Ugandan citizens of the dismal state of local health service delivery and holding meetings between citizens and health workers to agree on “action plans” significantly reduced provider absenteeism, increased utilization, and improved health. One possible reason for the striking difference between the results from these two similar projects is that in Uganda, specific action plans were agreed upon, while in India the community was encouraged to develop their own approach to addressing the problem. Indeed, when the program in India gave a subset of communities training in how to hold remedial tutoring sessions for local children, many volunteered and reading scores in the communities rose. Not only were concerned individuals in the community given something specific they could do to make a difference, the solution (remedial reading camps) did not rely on cooperation from the government teachers.

In Kenya, community oversight went even further—communities were given money to hire additional teachers on short term contracts (Duflo et al. 2012,a). In some ways these local teachers looked similar to the para-teachers for which VECs in India are nominally responsible. But in the Kenya program, power over the contract and money for the teachers clearly rested with the school committees and the NGO behind the program. These additional teachers performed much better than regular teachers—showing up more and achieving higher test scores. Training of the school committees improved results further.

Similarly, Gertler et al. (2012) study the impact of Mexico’s AGE program, a government program which finances parent associations and allows parents to participate in the management of primary school grants. By exploiting the variation in the geographic expansion of this program over time, the authors find that it leads to a reduction in grade failure by 7.4 percent and grade repetition by 5.5 percent for children in grades 1-3. The authors attribute these results to greater parental involvement in school matters and
their increased ability to communicate with and monitor teachers. At the same time, the program had no effect in extremely poor communities where parents may lack the ability or stature to have influence. These findings suggest that while the program proved beneficial for some students, it could have also increased educational inequality between the poor and the extremely poor.

Although some of these results show community monitoring can have a positive impact, it is still possible that alternative mechanisms are more effective on monitoring and in turn improving outcomes. Olken (2007)—also discussed in more detail in Section 3.2.3 below—compared additional community participation with the alternative of strengthened centralized oversight and monitoring. To address the possibility of elite capture and corruption in local road projects in Indonesia some communities were told that their project would be externally audited while in others community monitoring was enhanced. The threat of central audit was more effective in reducing corruption—although it was also more expensive—than community monitoring. Again, however, the details matter: when community monitoring was organized through schools it was more effective than when organized through village leaders.

Another possibility for the differing success of community monitoring programs, and one which is linked to our earlier discussions on the impacts of voter participation, is that differences in demographic make-up influence the relative success of community monitoring. In a follow-up paper, Bjorkman and Svensson (2010) find that the treatment effects of community monitoring were significantly larger in communities that were more homogenous in terms of ethnicity and income. However, we have limited evidence on how big the effects of preference diversity are on the possibilities of community monitoring.

Similarly, Khwaja (2009) argues that inequality, social fragmentation, and lack of leadership in the community have adverse consequences for the performance of community managed projects. However, he provides examples of successful community-maintained infrastructure projects in Pakistan, which suggests that in low social capital communities, outcomes can be improved by designing projects with fewer appropriation risks, lower complexity, and more equitable distribution of project return and by investing in simpler and existing projects.

Other studies examine community-based programs which seek to directly strengthen economic development and political representation. Gugerty and Kremer (2008) study whether outside funding strengthens community organizations or simply affects the composition of these groups. They exploit a random phase-in introduction of a program that provided funding to women’s community associations in rural Kenya and found that outside funding had only little impact on agricultural outcomes. Instead, funding changed the membership and leadership in the communities, weakening the role of the disadvantaged in favor of younger and more educated women. Beath et al. (2013,a) conducted a randomized field experiment in 500 Afghan villages to determine whether development programs that mandate women’s participation can improve the status of women in historically repressive and discriminatory societies. They find that such programs increased women’s participation in village governance, community affairs, and income-generating activities and increased support for female input in village level decision making. At the same time, treatment did not change women’s role in intra-household decision making or their general societal role. Still, these studies provide further evidence that institutional design can influence how community-based programs work and their impact on economic and social outcomes.

Open Research Questions:
Governance Review Paper
Section I: Impact of Participation

- How does the institutional structure of community monitoring influence its impact on policy? What are the channels of influence?
- Are some programs and policies more amenable to being monitored by the community vs. others?

2.1.2. Impact on Growth

A. Voting

The macro evidence on whether democracy, or generally better institutions, cause growth is mixed. We also lack evidence on the direct effects of voter turnout on growth. The literature is largely reduced form, and has focused on examining how broad measures of democratic institutions influence growth. It is fair to say that the existing evidence base is largely inconclusive. Glaeser et al. (2004), for instance, argue that most indicators used to measure the impact of institutions on income or growth and the respective econometrics techniques are flawed. In many cases, they suggest poor countries can implement good policies regardless of their institutional arrangement.

A large macro institutions literature (largely associated with Daron Acemoglu and Jim Robinson) argues against this conclusion. This literature has made use of historical variation in the nature of colonization to demonstrate that the historical choice of institutions casts a long shadow over current policies and limits the role of citizen participation and voting. For instance, Acemoglu et al. (2001) and Acemoglu and Johnson (2005) show that the colonialism-related differences between countries that cause variation in expropriation risk (e.g. Nigeria versus Chile for high and low expropriation, respectively) can explain sevenfold difference on income. Under this view the introduction of de jure institutions of democracy per se is unlikely to influence growth. In contrast, Papaioannou and Siourounis (2008) exploit democratic transitions to examine the economic impact of countries that move from autocracy to more consolidated representative institutions. Their estimates suggest that on average democratizations are associated with a 1 percent increase in annual per capita growth. However, they are unable to provide evidence on the channels of influence. More generally, Pande and Udry (2005) argue that the very limited sources of variation in colonial experience at the macro level constrain our ability to use cross-country regressions to identify channels of influence.

An older macro and even more reduced form literature, has sought to directly quantify the relationship between inequality and growth (Persson and Tabellini 1996). One possible channel through which democratization in unequal societies can reduce growth is by excessive redistribution (if the median income is far below the mean). This, in turn, reduces the work incentives faced by the more educated and richer voters (Forbes 2010). However, countering this is the possibility that redistribution helps reduce the adverse impact of credit market imperfections on growth outcomes. Overall, the macro literature that has sought to estimate the reduced form relationship between inequality and growth has yielded very mixed results (Banerjee and Duflo 2003).

Open Research Question:

- Does greater democratization of decision-making processes influence growth? What are the channels of influence?
B. Leader Choice:

Changes in national leadership are sometimes mentioned as a factor that can explain sharp variations on economic growth across countries. Jones and Olken (2005) study whether changes in national leadership which are associated with leader deaths (and are, therefore, more exogenous) influence growth. They use variation in national leaders due to natural or accidental cause as an exogenous change on leadership to estimate the effect of leader quality on growth rates. Their results show that a one standard deviation increase in leader quality increases growth rates by 2.1 percentage points per year in autocratic regimes but produce no effect on democratic regimes.

At some level this is puzzling, since micro-evidence shows that a change in the group identity of leaders alters redistributive outcomes. One possibility is that the average transition at the time of leader death leaves the group characteristics and policy preferences of leaders unaffected. However, this is clearly an area where we would like to see more research.

Certainly the evidence suggests that voters believe that leader choice within democracies matters for efficiency. In section 2.2.3 we discuss results from field experiments in Brazil and India where voters were provided information about leader corruption and performance, respectively. In both cases, we observe significant improvement in voter ability to select leaders.

Open Research Question:

- How do leaders influence growth outcomes?

C. Community Participation

We did not find any research on the implications of community participation (as monitors or otherwise) for growth outcomes. We encourage research on this question.

2.1.3. Impact on Citizen Satisfaction

A. Voters

Much of the policy emphasis on democratic forms of governance reflects the belief that democratic policy making is the fairest form of governance, and one that leaves citizens the most satisfied. Certainly recent experimental evidence that examines citizens’ preference for direct democracy in Indonesia and Afghanistan suggests that this is the case.

In Olken (2010) Indonesian villages were randomly assigned to choose development projects either by representative-based meetings or by direct plebiscites. Plebiscites substantially increased citizen
satisfaction and perceived legitimacy of policy outcomes. The use of plebiscites, however, had very limited to no impact on project choice.

Given this, it is striking that the plebiscites increased by 21 percentage points the likelihood that citizens would state that the project choice was either very much or somewhat in accordance with their wishes; by 18 percentage points citizens’ belief that they would benefit either very much or somewhat from the project; and by 10 percentage points citizens’ belief that they would use the project personally. There is no evidence that this reflects higher transfers to voters in any other form; taken together the evidence strongly suggests that the increased ability to participate explains most of the reported satisfaction.

Beath et al. (2013,b) find that direct democracy in Afghanistan not only improves citizen satisfaction but also changes allocation outcomes. They conducted a study across 250 villages in which half were randomly assigned to select local development projects through a secret ballot referendum and the other half were assigned to select these projects through meetings convened by local village councils. In villages that used the secret ballot, there was less elite capture over resource allocation decisions, and the level of satisfaction was significantly higher among men and women than in villages that used the village meetings to select development projects.

Open Research Questions:

- Is citizen satisfaction with democratic process independent of actual policy choices?
- How does information about policy outcomes influence citizen satisfaction with the process?

B. Leaders

A large body of survey evidence suggests that voters prefer competent leaders. In India, Beaman et al. (2009) exploit random assignment of gender quotas for leadership positions on a village council to first show that women leaders perform at least as well as male leaders. They then use the random variation in mandated exposure to female leaders across village councils to examine whether exposure to female politicians influences voters’ future behavior. Electoral data show that, compared to councils with no previous reservation policy, women in councils no longer reserved were twice as likely to stand for and win positions if the positions had been reserved for women in the previous two elections.

To determine whether the electoral gains were related to voters updating their beliefs about the effectiveness of female leaders, the paper presents two types of evidence—vignette and speech evidence—in which the gender of the leader described (or heard) was randomly varied and evidence from implicit association tests (which investigated village stereotypes regarding the association of women with domestic jobs and men with leadership jobs) was examined. The evaluation gap in vignettes disappears in currently or previously reserved villages. Similarly, IAT-based measures of gender-occupation stereotypes show that exposure to female leaders through reservation increased the likelihood that male villagers associated women with leadership activities (as opposed to domestic activities).
Corroborative evidence comes from Bhavnani (2009), who examined similar questions in an urban setting: municipal councilor elections in Mumbai. He found that the probability of a woman winning office conditional on the constituency being reserved for women in the previous election is approximately 5 times the probability of a woman winning office if the constituency had not been reserved for women. He finds suggestive evidence that an important channel was party officials learning that women can make effective leaders and win elections. However, returning to the West Bengal setting, the authors also found that explicit attitudes towards female leaders remain unchanged and significantly more negative than those towards male leaders.

On one level, these results are reassuring as they suggest that voters are willing to update their beliefs about the likely performance of politicians drawn from different groups. However, they also suggest that typical perception-based survey measures of satisfaction may not be correlated with either the performance of the group being evaluated and, indeed, voters own willingness to select leaders from that group. In effect, Duflo and Topalova (2004) compare objective measures of the quantity and quality of public goods with information on how villagers evaluate the performance of male and female leaders in India. They show residents of villages headed by women were on average less satisfied in spite that the quantity and quality of public goods provided were as high as in non-reserved villages. Duflo and Topalova suggest two likely explanations for this finding. First, new leaders are often judged less favorably than established leaders (women leaders are generally poorer, less experienced, less educated and less literate). Second, villagers generally expect women to be less effective and these priors adjust slowly. In both cases, the results suggest women start with a disadvantage when running for political positions.

One important take away from this literature is the importance of measuring actual policy outcomes in order to interpret the policy implications of attitude based measures of performance.

**Open Research Questions:**

- Are attitudes towards leaders influenced by performance information?
- What are the links between leader performance and satisfaction outcomes?

C. Community Participation

We failed to find any literature on how community participation in non-electoral processes (such as monitoring service delivery) influences satisfaction. We encourage research on this topic.