

Campaign Finance Quotas and Political Representation: Evidence from Brazil

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Abstract:

Can campaign finance be leveraged to improve the representation of women and minorities in public office? In this paper, we study the effectiveness of a novel measure to reduce gender and racial gaps in political empowerment: public campaign finance conditioned on candidates' gender and race, coupled with gender quotas on party lists. This policy was first introduced in 2018 in Brazilian general elections and extended to municipal elections in 2020. Using a triple difference-in-differences model controlling for year and party fixed effects, we find that the reform had negligible effects in 2018, and moderate positive effects on the relative performance of women in the 2022 congressional elections. However, it achieved seat gains for women in local councils in the 2020 municipal election. Overall, our results suggest that campaign finance quotas are more effective than list quotas alone, but also complimentary and might backfire without them. Moreover, the measure did not increase female representation in Congress, confirming that gender gaps in higher political office are more persistent. Our paper provides the first set of evidence on the impact of campaign finance quotas on the extent of representation in a democracy.