

Why quotas for women in politics are a good idea according to economics

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Diversity of leadership is now a mainstream idea, and a tangible goal for many major businesses and governments in Australia. If we take this as a given, then the question becomes: what is the best way to achieve equal representation?

This question is still hotly debated. Some argue soft targets are enough to move the needle, others call for more forceful policy. In this debate, the question of quotas often arises. But is setting aside a certain number of preselected seats or leadership positions necessary? Do quotas risk ruining Australia's meritocracy?

After all, if the candidate was really that good, she would not need the assistance of a quota. Indeed, having a quota in place risks diminishing her genuine merit, as people may believe she was only awarded the position because of her gender.

But this argument hinges on the belief we already live in a meritocracy, which would mean quotas offer an advantage to women rather than simply levelling the playing field. The thing is, we do not live in a meritocracy, and while women remain underrepresented in our Parliament, we do not live in a representative democracy either.

Behavioural economics illuminates the ways implicit biases hinder our ability to make perfectly rational judgements, revealing why quotas *are* a necessary tool to break down barriers to entry for women.

Quotas work to correct barriers that arise from human error in decision-making

We make shortcuts, otherwise known as heuristics, when deciding things. Heuristics affect both sides of the equation; women making decisions about running for political candidacy, and those in

charge of appointments deciding on best contenders. Loss aversion, anchoring and resemblance bias are just a few of many mental hurdles to overcome.

Loss aversion describes our tendency to weigh loss more heavily than gain; the fear of losing \$100 is more powerful than the prospect of gaining \$150. For women seeking to enter politics or leadership, *loss aversion* manifests in fear of rejection. For party leaders in charge of preselection, loss aversion manifests in resistance to change, as change is riskier than maintaining the status quo.

The *anchoring* effect describes how decisions depend a great deal on their starting point, such as life experiences and broader social norms. For women, traditional gender roles can be a heavy anchor, as a perceived sacrifice must be made between fulfilling family obligation and engaging in a political career. This notion is anchored to existing expectations for women.

The *availability and resemblance* heuristic describes how ease of reference produces a feeling of likelihood; we rely on examples we think of offhand when making judgements. So, in cases where examples are scarce, i.e., fewer pre-existing female candidates, we fall back on what we know, someone who more closely resembles the conventional politician. Economist Eleanore Hickman says this effect helps explain why so many women opposed the suffrage movement, “for reasons related to its perceived incompatibility with the experience of women”. When facing a lack of examples women may feel discouraged, even convincing ourselves we did not want the position in the first place. Breaking the resemblance barrier requires role models and deciding to become that role model demands a certain bravery that not everyone possesses.

Our decision-making abilities are flawed, and quotas are a useful tool to correct the barriers to entry which arise from implicit bias.

Quotas mean better outcomes for attitudes towards women

We are aiming for a society in which quotas become obsolete, when the idea a person may be favoured by reason of their gender becomes unimaginable. So, we should be sure that quotas lead to improved societal attitudes towards women.

Economists Rohini Pande and Deanna Ford have studied the effects of quotas on attitudes, and discovered that quotas work. It is difficult to attribute opinion change entirely to the introduction of quotas, because quota adoption tends to happen while perspectives on women are already shifting. However, Pande and Ford draw on evidence from a natural experiment, making it possible to investigate how attitudes can change as a result of quota introduction.

In 1993, India introduced an amendment requiring one-third of local council seats be reserved for women. The villages required to appoint a female leader were selected at random at the time of each election, which gives us valuable insight into how attitudes changed at the introduction of quotas. In the short run, the quota created backlash against women. But in the long run, voters updated their perceptions about women based on how the new leaders performed, and overall attitudes towards female leadership improved.

The 2022 Federal Election will revive debate on the quota question, particularly because of the marked difference in quota policy from the two major parties. The public debate is best informed by evidence rather than rhetoric.