Vote Buying and Clientelism

Dilip Mookherjee

Boston University

Lecture 18

Clientelism and Vote-Buying: Introduction

- Pervasiveness of vote-buying and clientelistic 'machine politics' in traditional societies
- Votes purchased:
  - either through upfront pre-election payments
  - or promises to deliver benefits (if elected) after the election to those that supported them
- Descriptive accounts, case-studies and political ethnographies:
  - from US, UK 19th-early 20th century, Italy in the mid-20th century (Kitchelt-Wilkinson (2007), Chubb (1982), Golden (2000))
  - contemporary practices in many middle income and LDCs (e.g., vote buying in Argentina (Stokes (2005)), ethnography of a Mumbai municipal ward election (Bjorkman (2013))

Definitions of Clientelistic Politics

- (Wikipedia) definition: "exchange systems where voters trade political support for various outputs of the public decision-making process"
- Hicken (ARP, 2011) argues that the key element is the contingent and reciprocal nature of the exchange: benefits delivered selectively by election winner only to those who it believes voted for them

Argentina Example (Stokes 2005)

- Voter survey in three Argentina provinces in 2001-02
- Questions concerning forms of vote-buying:
  - *Patronage:* "In the past year,have you turned to (the person the respondent previously identifiedas the most important local political figure) for help?
  - *Jobs:* "If the head of your household lost his or her job,would you turn to a party operative for help?"
  - *Influence:* "Did the fact of having received goods influence your vote?"
  - *Reward:* "Did you receive goods distributed by a party in the lastcampaign (held two months ago)?"

Argentina Example (Stokes 2005), contd.

- Among poorest group (those in lowest income, education and housing quality level), 13% reported receiving a reward and that it affected how they voted
- Among richest group, the corresponding proportion was 0.2%
- Contrast with elite capture: vote-buying tends to be concentrated among poorer groups
- Stokes (2005) argues that the main reason is that the ‘price’ of votes is lowest among the poor

Enforcement Mechanisms

- How can party operatives verify how a client voted?
  - no need with loyalty buying and reciprocity norms: (Paraguay evidence: Finan and Schechter (2012))
  - (marked) ballots handed out by party operatives: still legal in some countries such as Argentina, Uruguay and Panama (Stokes (2006))
  - group sanctions (Chandra (2004))
  - public signals of political support (eg participation in election rallies) (Sarkar (2014))
  - local brokers/patrons that 'deliver' votes of their clients to parties (Stokes (2005), Bjorkman (2013), Larreguy (2013), Marcolongo (2016))

Contrast with Other Related Institutions

- 'Programmatic politics': where delivery of benefits is non-discretionary/formula-bound and **not conditioned on political support** (e.g., social security, CCTs, education or health entitlement programs, regulations enforced by non-partisan bureaucracy)
- social 'patron-client' relationships (e.g., landlord-tenant, employer-employee, community leader-members), though political clientelism may be intertwined with social patronage networks
- we shall focus primarily on contrast of clientelistic politics with programmatic politics

A Model Comparing Clientelist Distortions with Pork Barrel Politics

- The following model explicitly compares distortions in ‘pork-barrel’ programmatic politics a la Dixit-Londregan (1996) with two-party competition models with clientelistic politics a la Bardhan-Mookherjee (2012), Sarkar (2014)
- Start with Dixit-Londregan model, then show effects of replacing program politics by clientelist politics
- Model formalizes intuitive verbal arguments frequently made in the comparative politics literature (e.g., Stokes (2006), Hicken (2011))

Dixit-Londregan (1996) 'Swing Politics' Model

- Voter group $i (= 1, \ldots, n)$, with given income y_i with $y_i < y_{i+1}$ and proportion $\alpha_i \in (0, 1)$
- utility $u(y_i + t_i) + v(g)$ where u, v are strictly increasing, concave and Inada, $g \geq 0$ is public good, $t_i \geq 0$ is entitlement of private good transfer to each voter in group i
- Two parties $k = L, R$ each interested in maximizing probability of winning, a monotonically increasing function of its vote share
- Party k commits to policy $g^k, t_i^k, i = 1, \ldots, n$ satisfying budget constraint $\sum_i \alpha_i (1 + \lambda_i) t_i^k + c g^k \leq R$ where revenue R is given, and λ_i is a given delivery leakage rate (same for both parties)

Dixit-Londregan ‘Swing Voter’ Model of Pork-Barrel Program Politics

- Voters of type i loyalty to party L ϵ_i distributed uniformly with mean (*bias*) b_i and density (*swing*) s_i, where every s_i is small enough to ensure interior vote shares
- Voter of type i with loyalty ϵ_i votes for L party iff

$$u(y_i + t_i^L) + v(g^L) + \epsilon_i > u(y_i + t_i^R) + v(g^R)$$

- Unique equilibrium in dominant strategies: both parties converge to the same policy which maximizes

$$\sum_i \alpha_i s_i [u(y_i + t_i) + v(g)]$$

subject to the budget constraint, and each party wins with probability $\frac{1}{2}$ (*contested elections*)

Dixit-Londregan Pork-Barrel Model: Key Prediction

Proposition

An increase in s_i *the swing propensity of group* i *voters results in an increase in* t_i *the transfer directed to group* i *voters. The effect on public good provision* g *is ambiguous; with Cobb-Douglas utility functions, the effects are purely redistributive:* g *is unaffected and transfers to all other groups decline.*

Replace Programmatic Politics by Clientelist Politics

- Key difference in Clientelism: elected officials have discretionary power to withhold delivery of private transfers to specific citizens
- Allows them to increase their vote share by threatening to withhold transfers to those that they believe did not vote for them
- Hence private transfers are delivered *conditionally* to citizens, only to those that officials believe supported them in the previous elections
- How can officials figure out who voted for them?
- The following mechanism can elicit this information in an incentive compatible manner

Clientelist Politics: A Mechanism for Eliciting Voter Support Information

- Modify pre-election game to one where each party holds a public rally, and each voter decides at most one rally to attend (at zero cost)
- Party k commits to policy $g^k, t_i^k, i = 1, \ldots, n$ conditional on being elected, where private transfers will be delivered **only** to voters that attend its rally
- Then it will be optimal for every voter to select one rally to attend, and subsequently vote for that party

Clientelist Politics: How Do Voters Decide Who to Support?

- How does the voter select between the two parties?
- A fundamental difference in how voters decide, compared with programmatic politics: the decision instrumentally affects the voters access to private transfers
- Voter type i will attend party L's rally and then vote for L iff

$$\begin{aligned} p^L[u(y_i + t_i^L) + v(g^L)] \quad &+ \quad (1 - p^L)[u(y_i) + v(g^R)] + \epsilon_i > \\ p^L[u(y_i) + v(g^L)] \quad &+ \quad (1 - p^L)[u(y_i + t_i^R) + v(g^R)] \end{aligned}$$

where p^L is voter's prior that L will win the election

Clientelistic Politics: How Do Voters Decide?

- Observe that *voting decisions are independent of public goods provided by either party!*
- Bec votes are now cast on instrumental/personal motivation grounds (rather than moral, judgmental or chances of being pivotal): likely to increase election turnout
- Parties will then be motivated to not provide any public goods at all
- Modify model to include θ proportion of voters in each group in the **formal sector**, with secure property rights over direct transfer entitlement
- Formal sector citizens will then vote as in the Dixit-Londregan model; clientelist model reduces to programmatic model if $\theta = 1$

Clientelistic versus Programmatic Politics: Result 1

Proposition

In any equilibrium of the clientelist politics game, party k will select a policy which maximizes

$$\sum_i \alpha_i s_i[\{1 + p^k \frac{1-\theta}{\theta}\} u(y_i + t_i) + v(g)]$$

subject to the budget constraint, where p^k is the equilibrium probability of party k winning. A fall in θ (rise in size of informal sector) lowers the supply of the public good, and increases private transfers unambiguously.

Clientelistic Distortions

- Bias in favor of private benefits relative to public goods (irrespective of voter preferences)
- Within private benefits, bias in favor of *recurring* rather than *one-time* benefits
  - Recurring benefits: public works employment, loans, short-term help
  - One-time benefits: housing, toilets, infrastructure (road, water, electricity) access, identity cards
  - Recurring benefits facilitate *quid pro quo* on which vote-buying is based; create secure 'vote banks' by keeping voters dependent on patron for continued access
- These biases are larger, the greater the proportion of voters in the informal sector

Implications for Political Competition

- Implications of Clientelism:
  - (*Contagion/Strategic Voting*): informal sector voters' response to directed benefits depends on their assessment of party's 'credibility' (likelihood of winning)
  - (*Multiple Equilibria/Lopsided Competition/Incumbency Advantage:*) If size of informal sector is large enough, there will be an unstable symmetric equilibrium, and multiple asymmetric (stable) equilibria where one of the two parties wins with probability greater than $\frac{1}{2}$
  - But if size of informal sector is small enough, there is a unique equilibrium with convergent policies and equal vote shares which is locally stable

Evidence

- Most studies examine correlations between supply of targeted versus non-targeted goods, with measured proxies (indirect correlates) of clientelism
- Standard econometric concerns of measurement, endogeneity and omitted variables
- Additional problem with many of these papers: the observed correlations could also be consistent with programmatic politics

Evidence

- Cross-country evidence: Keefer (2008): targeted benefits (wage bill as percent of GDP) and institutional quality (rule of law, corruption, bureaucratic quality etc) versus age of democracy
- More disaggregated evidence:
  - Wantchekon (2003): Benin RCT study of effect of targeted (private benefits) versus non-targeted (public good) campaign promises to different electoral constituencies
  - Stokes (2005): Argentina cross-sectional variation of targeted (private) benefits with household and village characteristics
- These findings are consistent with program politics distortions
- Endogeneity concerns (except Wantchekon): direction of causation from targeted benefits to votes?

More Convincing Evidence

Recent studies which overcome these problems in varying degrees:

Khemani (2015):

- uses direct measure of vote-buying, reported by households
- in sample of 60 Philippine villages, 38% households reported awareness of vote-buying in their viillage
- negative cross-sectional correlation of non-targeted benefits (health services provision, child health measures) with household reports of vote-buying
- Similar results in cross-section of 43 African countries using Afro-barometer data

Stronger Evidence, contd.

Larreguy (2013):

- argues plausible exogenous determinant of vote-buying effectiveness in rural Mexican municipalities is geographical match (*FIT*) between electoral boundaries and rural communal lands (*ejidos*) managed by political incumbents
- Bec this enables parties to more precisely gauge effort of local brokers in delivering votes
- FIT interacted with PRI incumbency at state level is positively correlated with PRI votes at municipality level, and negatively correlated with per capita teachers and schools
- Leaves open question of what determined drawing of electoral boundaries; however, FIT by itself is uncorrelated with PRI votes at municipality level
- Deeper problem: 'brokers' could just be mobilizing votes for the incumbent, like any political campaigner seeking to persuade voters