Vote Buying and Clientelism

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Lecture 18
Introduction

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:**
  - 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 identified as 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 last campaign (held two months ago)"
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
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

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)).

- 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 $g^k, t^k_i, i = 1, \ldots, n$ satisfying budget constraint $\sum_i \alpha_i (1 + \lambda_i) t^k_i + cg^k \leq R$ where revenue $R$ is given, and $\lambda_i$ 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 $\epsilon_i$ 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 $\epsilon_i$ 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.
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 $g^k, t^k_i, i = 1, \ldots, n$ 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.
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

$$p^L[u(y_i + t_i^L) + v(g^L)] + (1 - p^L)[u(y_i) + v(g^R)] + \epsilon_i >$$

$$p^L[u(y_i) + v(g^L)] + (1 - p^L)[u(y_i + t_i^R) + v(g^R)]$$

where $p^L$ is voter’s prior that $L$ will win the election
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 $\theta$ 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

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

subject to the budget constraint, where $p^k$ is the equilibrium probability of party $k$ winning. A fall in $\theta$ (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 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
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.
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?
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 village
- 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
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.
- 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.