

# Political Clientelism and Capture: Theory and Evidence from West Bengal

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- Literature on government accountability in LDCs typically focuses on political distortions that result in anti-poor biases in policies, owing to phenomenon of **elite capture** , e.g., 2004 WDR, Bardhan and Mookherjee (2000, 2005, 2006a,b)
- Capture can result from inequality of political rights, awareness, voting turnout, participation in political activity and campaign contributions across class, caste or ethnic lines
- Empirical studies of targeting of local government services in Argentina (Galiani et al (2009)), Bangladesh (Galasso-Ravallion (2005)), Ecuador (Araujo et al (2008)), West Bengal (Bardhan and Mookherjee (2006))
- Models of history-dependence and persistence of inequality and poverty more generally also relies on some version of elite capture (e.g., Acemoglu-Robinson (2008), Benabou (2000), Borguignon and Verdier (2000))

# What This Overlooks

- Phenomenon of **political clientelism**, which is fundamentally different from elite capture
- Strategic private transfers made by political parties, candidates or elected officials to poor groups conditional on the latter voting from them ('vote-buying' in short)
- Provides an impression of successful pro-poor targeting of government programs
- But often take the form of programs delivering private short-term benefits on a discretionary basis (food, alcohol, consumer items, employment, credit, insurance, protection), instead of public goods, broad-based wealth or income redistribution or programs with long-term benefits such as health or education

# Outline of Paper

- Examples of Clientelism
- Theoretical Model
- Empirical Application: evidence from West Bengal, India

## Examples

Kitschelt and Wilkinson (2007) overview studies from Africa, India, Latin America and Japan documenting pervasiveness of 'patronage-based, party-voter linkage':

*"In many political systems citizen-politician linkages are based on direct material inducements targeted to individuals and small groups of citizens whom politicians know to be highly responsive to such side-payments and willing to surrender their vote for the right price. Democratic accountability in such a system does not result primarily from politicians' success in delivering collective goods..., nor does it rest on improving overall distributive outcomes along the lines favored by broad categories of citizens (e.g., income and asset redistribution through taxes and social benefit schemes). Instead, clientilistic accountability represents a transaction, the direct exchange of a citizen's vote in return for direct payments or continuing access to employment, goods and services." (op.cit, p.2)*

# Enforcement Problem

- Key problem of enforcement with a secret ballot: how do parties figure out whether a particular voter voted for them?
- 19th and early 20th century US precincts had various ways to tell how someone voted: complicated party-marked ballots forcing illiterate voters to ask party-workers for help; voting machines with a bell that rang in a distinctive tone iff a straight party ticket was voted;
- Party workers that become skilled from interviews whether particular voters support them or not; additionally ask them to show support publicly by wearing badges, displaying party colors and signs, attending rallies
- Public displays of allegiance render difficult for voters to promise to support rival candidates at the same time; other parties will not offer them rewards so makes it incentive compatible for voter to vote for the party he has publicly promised to support

## Additional Means of Enforcing *Quid Pro Quo*

- Monitoring groups of voters, by counting returns from specific voting booths, followed by collective rewards and punishments
- Long-term relationships with constituents:

*“In many systems characterized by relatively high levels of poverty — such as Thailand, India, Pakistan or Zambia — patrons directly purchase clients’ votes in exchange for money, liquor, clothes, food or other immediately consumable goods...much more frequent than single-shot transactions of this nature, however, are webs of exchange, obligation, and reciprocity sustained over a longer period, in which patrons provide private goods or club goods to their clients.” (Kitschelt and Wilkinson (2007, p. 19))*

- Wantchekon (2003): field experiment in Benin 2001 Presidential elections, randomly assigned two different policy platforms, one clientelistic private-transfer oriented, the other public-good oriented, to 20 villages randomly selected: clientelistic platform had significant positive effect on votes in all regions for all 4 candidates
- Stokes (2005): surveyed 1920 voters in three Argentina provinces: 12% of low income respondents reported receiving private goods from political parties in an election campaign two months ago; likelihood of receiving these rewards was negatively correlated with income, education and housing quality, and positively with having received ballots directly from party operatives rather than in anonymous voting booths



- Robinson and Verdier (2003): model of clientelism which takes the form of (short-term) public sector employment, rather than income transfers or public goods, because this is a selective and reversible method of redistribution which ties continuation utility of voters to political success of patron
- Khemani (2008)
- Lizzeri and Persico (2004, 2005): extending the franchise in 19th century Britain rendered clientelism more difficult as purchase of small number of seats could no longer swing elections, resulting in less spending on private transfers and more on public health

# Our Theory: Overview

- Our main interest is on the consequences of clientelism for allocation of government programs, so we black-box the enforcement problem as in Stokes (2005), by assuming that party workers can discover with a certain exogenous probability how any particular voter voted
- Extend the Grossman-Helpman (1996) model of two party electoral competition and capture by special interest groups to incorporate clientelism
- To simplify the exposition we initially abstract from capture, to understand implications of clientelism *per se*
- Later introduce capture, and will finally explore relation between clientelism and capture

- Voter groups  $i = 1, \dots, G$ ; group  $i$  constitutes fraction  $\mu_i$  of the population, has homogeneous endowments and preferences
- Single public good, private goods  $k = 1, \dots, K$
- Indivisible private transfers: either 0 or  $\underline{t}_k$  for  $k$ th good delivered to any voter (e.g., house, ration card, water tap, employment)
- Group- $i$  voter's expected utility

$$W_i = \sum_k q_{ik} v_{ik} + V_i(g)$$

where  $q_{ik}$  is probability of  $i$  getting the  $k^{\text{th}}$  private benefit,  $v_{ik}$  the associated utility benefit, and  $g$  the public good provided

- Government Budget Constraint:  $g = A - \sum_i \sum_k \mu_i q_{ik} \underline{t}_k \geq 0$ .

# Electoral Competition and Voters Payoffs

- Two parties  $L, R$ ; each party selects for its policy platform an allocation  $\{q_{ik}^p\}_{i,k}$ , satisfying  $q_{ik}^p \in [0, 1]$  and  $\sum_i \sum_k \mu_i q_{ik}^p t_k \leq A$
- Voter payoffs are the sum of three components:

$$W_i = L_i + \theta_i N_i + (1 - \theta_i) I_i$$

where:

- $L_i$  Loyalties:

$$L_i \sim U\left[\underline{\epsilon}_i + h(C^L - C^R) - \frac{1}{\sigma_i}, \underline{\epsilon}_i + h(C^L - C^R) + \frac{1}{\sigma_i}\right]$$

where  $C^p$  : campaign spending by party  $p$ ,  $h$  : effectiveness of campaign spending in swaying voters,  $\sigma_i$  : 'swing propensity' of group  $i$

- *Non-Instrumental Payoffs:*

$$N_i = \sum_k q_{ik} v_{ik} + V_i(A - \sum_j \sum_k q_{jk} t_k)$$

- *Instrumental Payoff:* with probability  $z_i^p$ , party  $p$  finds out how the voter voted, and will deny it private transfers if it comes to power subsequently. Voting for party  $L$  then yields payoff

$$I_i = \gamma_L [V_i(g^L) + \sum_k q_{ik}^L v_{ik}] + (1 - \gamma_L) [V_i(g^R) + (1 - z_i^R) \sum_k q_{ik}^R v_{ik}]$$

if voter believes party  $L$  will win with probability  $\gamma_L$  (to be determined)

- A voter of type  $i$  will vote for party  $L$  if

$$\begin{aligned} & \epsilon_i + h[C^L - C^R] \\ & + \theta[V_i(g^L) + \sum_k q_{ik}^L v_{ik} - V_i(g^R) - \sum_k q_{ik}^R v_{ik}] \\ & + (1 - \theta)[\gamma_L z_i^L \sum_k q_{ik}^L v_{ik} - (1 - \gamma_L) z_i^R \sum_k q_{ik}^R v_{ik}] > 0 \end{aligned}$$

- Vote share of party  $L$ :

$$\begin{aligned} S_L \equiv & \frac{1}{2} + \sum_i \mu_i \sigma_i \{ \epsilon_i + h(C^L - C^R) \} \\ & + \sum_i \mu_i \sigma_i \{ \theta[V_i(g^L) + \sum_k q_{ik}^L v_{ik} - V_i(g^R) - \sum_k q_{ik}^R v_{ik}] \\ & + (1 - \theta)[\gamma_L z_i^L \sum_k q_{ik}^L v_{ik} - (1 - \gamma_L) z_i^R \sum_k q_{ik}^R v_{ik}] \} \end{aligned}$$

# Election Outcome

- As in Grossman-Helpman (1996), probability that  $L$  wins is  $\phi(S_L)$  mapping from  $[0, 1]$  to itself, strictly increasing, smooth function (reflects errors in voting and vote counting, besides macro swings in voter loyalties after parties have selected their platforms)
- However, owing to clientelism, vote shares depend on voters' anticipation of the likelihood of party  $L$  winning
- Equilibrium defined by voter expectations that are fulfilled:

$$\gamma_L = \phi(S_L(\gamma_L; \pi^L, \pi^R))$$

- Possibility of multiple 'sunspots' equilibria
- To rule this out, assume sufficient electoral uncertainty (upper bound  $\bar{\phi}'$  to slope of  $\phi$ ):

$$\bar{\phi}' < [2(1 - \theta) \sum_i \mu_i \sigma_i \max_k \sum_k v_{ik}]^{-1}$$

# Proposition 1: Case of No Capture

*Assume the capture parameter  $h$  equals zero. Then there is a unique equilibrium which is characterized as follows. The probability  $\gamma_L(\pi^L, \pi^R)$  of party  $L$  winning is a smooth function of policy choices  $\pi^L, \pi^R$  of the two parties. The policy choice  $\pi^P$  maximizes the quasi-utilitarian welfare function*

$$\sum_i \sum_k \mu_i \sigma_i [\theta + (1 - \theta) z_i^P \gamma_p] q_{ik} v_{ik} + \theta \sum_i \sum_k \mu_i \sigma_i V_i (A - \sum_i \sum_k \mu_i q_{ik} t_k)$$

*taking as given  $\gamma_p$ , the equilibrium probability of party  $p$  winning.*



# Implications for Various Special Cases

- **Case 1: No Clientelism or Capture ( $h = z_i^p = 0, \forall i$ ):** Both parties choose the same policy which maximizes the welfare function in which group  $i$  is assigned a welfare weight of  $\mu_i \sigma_i$  (*Downsian Convergence*); party  $L$  wins with probability  $\gamma_L^* = \phi(\frac{1}{2} + \sum_i \mu_i \sigma_i \epsilon_i)$  which w.l.o.g we assume is greater than  $\frac{1}{2}$
- **Case 2: Clientelism present, but no Capture ( $h = 0$ ):** Party  $p$  assigns welfare weight  $\mu_i \sigma_i [\theta_i + (1 - \theta_i) z_i^p]$  to private transfers to group  $i$  voters. If party  $L$  is better able to monitor voters ( $z_i^L > z_i^R$  for all  $i$ ), it will deliver less of the public good compared with party  $R$  and also when compared to Case 1, and win with a probability higher than  $\gamma_L^*$ .

# Capture-cum-Clientelism

- As in the Grossman-Helpman model, convenient to focus on the case where there is a single elite group  $e$  is the 'principal' and the two parties are agents
- $e$  makes campaign contributions  $C^p$  to party  $p$  provided this party selects the policy favored by the elite, and only the influence motive operates (each party's participation constraint binds), i.e., probability  $\gamma_L$  of party  $L$  winning is the same as in the absence of capture
- Objective of elite is to maximize

$$\gamma_L U_e(\pi^L) + (1 - \gamma_L) U_e(\pi^R) - C^L(\pi^L) - C^R(\pi^R)$$

s.t. (hats denote equilibrium values w/o capture):

$$\begin{aligned} C^p(\pi^p) = & \frac{1}{h} \sum_i \mu_i \sigma_i [\theta \{ \sum_k (\hat{q}_{ik}^p - q_{ik}^p) v_{ik} \\ & + V_i(\hat{g}^p) - V_i(g^p) \} \\ & + (1 - \theta) \hat{\gamma}_p z_i^p \sum_k (\hat{q}_{ik}^p - q_{ik}^p) v_{ik}] \end{aligned}$$

## Proposition 2: Capture-cum-Clientelism

*With a single elite group  $e$ , equilibrium policy choice induced for party  $p$  maximizes*

$$\begin{aligned} & \sum_i \mu_i \sigma_i [\theta \{ \sum_k q_{ik}^p v_{ik} + V_i(g^p) \}] \\ & + (1 - \theta) \hat{\gamma}_p z_i^p \sum_k q_{ik}^p v_{ik}] + h \hat{\gamma}_p [\sum_k q_{ek}^p v_{ek} + V_e(g^p)] \end{aligned}$$

*provided only the influence motive operates (i.e., the party's participation constraint binds).*

- A rise in capture (i.e.,  $h$ ) will reduce the public good, increase private transfers to the elite group, and worsen targeting of private transfers to non-elites, provided the elite group has negligible preferences for the public good ( $V_e'$  is approximately zero).
- A rise in clientelism ( $z_i^L$  for non-elites) will induce a rise in private transfers to non-elites, and decreases in the public good as well as private transfers to the elite.
- *With regard to targeting of private transfers, clientelism and capture have opposite effects; they have similar effects on public good provision (if elites do not value public goods)*
- Clientelism reduces political competition, provided the more popular party has a superior party organization at the local level (PRI in Mexico, Left Front in West Bengal)

- When capture is the only political distortion, it is appropriate to measure associated misallocation of public expenditure by failure to target program delivery to non-elites
- But this is not adequate when clientelism is also present
- High prevalence of clientelism likely to co-exist with numerous private programs targeted to non-elites, which would conceal: (a) mis-targeting within target groups; (b) over-allocation of private good programs with high clientelistic impact on votes (e.g., recurring short-term rather than one-time long-term benefits; (c) reductions (or absence of) public good programs; (d) reduced political competition and entrenchment of dominant parties/candidates

# Clientelism and Capture Markers

- Most LDC contexts have a vast patchwork of anti-poverty and developmental programs, which need to be distinguished rather than viewed in isolation or aggregated, as most empirical studies have been prone to do
- Clientelism marked by transfers of 'inferior' private benefit programs valued by poor voters whose votes are cheap, especially those which provide recurring short-term personalized benefits (e.g., food, employment in public works, loans, personal help with emergencies) rather than one-time long-term benefits (e.g., land reform, housing, permits)
- Capture marked by selective transfers to elites of 'superior' goods they value: e.g., subsidized agricultural inputs (credit, seeds, extension services, roads, irrigation)
- Both kinds of programs come at the expense of reduced provision of public goods (village roads, schools, health facilities)

# Evidence from West Bengal

- 2003-04 survey of 2402 households in 89 villages of West Bengal, stratified random sample of approx. 25 households per village (average population 400 hh's), administered extensive demographic, land and living standards questionnaire
- Questions concerning receipt of benefits from various government programs by the household since 1967, but we focus on benefits received during 1998-2004 to avoid problems of recall
- Also answered questions concerning political awareness (e.g., sources of information, political leaders, government programs), political participation (voter registration, turnout; attendance in village meetings; political campaigns; campaign contributions) and voting behavior (swing voter or not; influences on vote)

# Household Characteristics

**TABLE 1. Sample Characteristics: Household Heads**

Agricultural Land Ownership	No. of households	Age	% Male	Maximum education in household	% SC	% ST	% Agriculture Occupation	% Immigrants
Landless	1214	45	88	6.6	35	2.4	26	40
0-1.5 acres	658	48	88	7.8	34	4.9	65	17
1.5-2.5 acres	95	56	92	10.8	15	7.4	82	19
2.5-5 acres	258	58	93	11.1	24	3.1	72	10
5-10 acres	148	60	89	12.5	22	4.1	66	12
10 acres and above	29	59	100	13.9	24	6.9	72	14
ALL	2402	49	89	8.0	32	3.4	47	28



<b>TABLE 2: PUBLIC BENEFITS RECEIVED DURING 1998-2004</b>			
	VILLAGE %	INTRAVILLAGE SHARES	
	HH's REPORTING	SC/ST	FEM
Any Benefit	26.92	41.56	8.58
Drinking Water	4.03	38.03	8.19
Housing and Toilet	1.95	50.31	12.38
Employment	3.63	63.26	7.60
BPL card	2.73	31.83	8.89
Roads	9.32	33.82	9.03
IRDP Loans	0.70	52.39	7.36
Minikits	0.94	47.57	7.79
<b>Notes:</b> Intravillage shares: proportion of benefits reported by designated group. SC/ST: scheduled caste or tribes; FEM: female-headed households percent of village households for SC/ST: 35; for FEM: 10			

<b>TABLE 3: LOGIT REGRESSION FOR LEFT FRONT VOTE IN GP (LOCAL GOVT) ELECTIONS</b>	
	<b>Vote for Left Front</b>
# one-time own-benefits*Left-share	.044 (.095)
# one-time acquaintance-benefits*Left share	-.038 (.073)
# recurring own-benefits*Left share	.403** (.165)
# recurring acquaint.-benefits*Left share	-.277* (.166)
GP help with occupation*Left share	.410** (.186)
GP help in emergencies*Left share	.284* (.159)
Income improvement since 1978*Left share	.020 (.014)
Improvement in house type since 1978*Left share	.128 (.202)
Increase in #rooms since 1978*Left share	.076 (.089)
Agri. income improvement since 1978*Left share	.093*** (.028)
Number of observations, villages	1637,89
<p><b>Notes:</b> Dependent variable is based on vote cast at end of survey. Left Share denotes GP Left share at the time of receiving benefits. Controls include village dummies, agri. and other land owned, education, dummies for SC, ST, occupation, gender of head and immigrant. ***, **, * denotes significant at 1%, 5%, 10%.</p>	

- Since 1998, one-third of GP (village govt) pradhan (mayor) positions have been reserved for women, chosen randomly from list of villages and rotated in successive GP elections (1998, 2003)
- Effects of these reservations on village allocation to different public good programs in Birbhum district studied in well-known work of Chattopadhyay and Duflo (2004), but they did not look at effects on intra-village targeting of different programs
- Reservations for SC and ST candidates in proportion to their demographic share, continuing long-standing policy
- Focus mainly on impact of the women reservations on intra-village shares of female-headed households and SC/ST households (from Bardhan, Mookherjee and Parra-Torrado (2010))

Election year	For Women		For SC/ST	
	# GPs	% GPs	# GPs	% GPs
1998	22	39	19	33
2003	16	28	23	40

	Intra-Village SC/ST Share	Intra-Village FEM Share
Reserved Dummy	-.109** (.043)	-.016 (.014)
constant	.449*** (.018)	.086*** (.009)
Number observations, villages	164,87	164,87
R-sq.	.019	.115
<p><b>Notes:</b> ***, **, * denotes significant at 1%, 5%, 10%            Robust standard errors clustered at village level, in parentheses            Village and GP timeblock dummies included            Dependent variable: intravillage share of specified group in distribution of benefits</p>		

- Contrary to citizen-candidate hypothesis (Chattopadhyay-Duflo), there is no significant positive impact on share of female-headed households; effect is negative and insignificant
- Puzzling negative significant effect on SC/ST share; inconsistent with either Downsian or citizen candidate theory (continue to get negative effect for seats reserved jointly for women SC/ST candidates)
- Could this be explained by elite capture theory, i.e., inexperienced women pradhans are subject to greater capture by elites?
- Table 6 examines heterogeneity of impact across villages with varying land inequality

**TABLE 6: HETEROGENEITY OF FEMALE RESERVATION EFFECT  
W.R.T. VILLAGE LAND INEQUALITY**

	Intra-village SC/ST share
Reservation dummy	-1.739*** (.445)
Reservation*% Land Medium and Big	.603*** (.181)
Reservation*SC/ST Landlack Rate	1.768*** (.413)
% Land Medium and Big	-.096 (.404)
SC/ST Landlack Rate	-3.624*** (.928)
Constant	3.961*** (1.880)
Number of observations,villages	157,82

**Notes:** SC/ST Landlack rate denotes fraction SC/STs either landless or marginal landowners. Controls include village and GP timeblock dummies, besides % households landless, % households SC/ST and their interactions with reserved dummy.

\*\*\*, \*\*, \* denotes significant at 1%, 5%, 10%.

Robust standard errors in parentheses, clustered at GP level.

## GP Pradhan Reservations for Women, contd.

- Now consider implications of clientelism: politically inexperienced female pradhan is less able to operate party machine; difficulties in maintaining relations with established clients such as particular SC groups
- Ruud (1999) case story of Bardhaman villages where Left Front developed clientelistic relation with a particular SC group, the *bagdis*, favoring them in distribution of land titles and IRDP loans (24% of these benefits, while comprising 8% of village population), while other SCs (*muchis*) and STs (*santals*) received 5-7%, roughly equal to their respective population shares
- Females are on average politically inexperienced (elected to 7% GP seats prior to reservations)

- Hence weakening of party machine implies less delivery of transfers to favored clients
- Implications for targeting depend on the goods and group in question
- Negative effect on targeting to SCs would be concentrated on inferior goods valued by (poor) SC clients
- At the same time, there would be a negative effect on delivery of superior goods to elite groups that they value, which would leave more for non-elite groups such as SCs
- So predict a positive effect of targeting of superior goods to SCs, which would be attenuated in villages with high elite capture (land inequality); opposite to predictions of citizen-candidate-cum-capture theory



	All Benefits	Drinking Water	Housing Toilet	Employment	BPL Card	Roads	IRDP Credit	Kits
Reservation Dummy	-.157* (.093)	-.351 (.228)	.136 (.295)	-.029 (.208)	-.375 (.246)	-.172 (.185)	3.430*** (.968)	.527*** (.169)
Reservation*% Land Medium Big	.298** (.139)	.368 (.403)	-.632 (1.484)	.306 (.295)	.888** (.349)	-.172 (.247)	.931** (.407)	-.041 (.880)
Reservation*% HH Landless	-.062 (.203)	.506* (.287)	-.185 (.585)	-.175 (.383)	.136 (.311)	.197 (.302)	-6.119*** (1.188)	-.979*** (.340)
Number of observations,villages	164,87	118,75	75,51	95,66	105,67	132,78	53,43	68,52
R-sq.	.03	.20	.08	.04	.19	.10	.83	.44
<b>Notes:</b> Controls include village and GP timeblock dummies,% Land medium and big, % households landless. ***, **, * denotes significant at 1%, 5%, 10%.Robust standard errors in parentheses, clustered at GP level.								

**TABLE 8: HETEROGENEITY OF WOMEN RESERVATION EFFECT ON SC/ST SHARE W.R.T. PRIOR EXPERIENCE**

	Intra-Village SC/ST Share of:			
	All Benefits	Drinking Water	Kits 1998-2004	Kits 1978-2004
Reserved Dummy	-.100 (.105)	.596 (.394)	.403* (.229)	.089 (.229)
Reserved*New GP Member	-.072 (.088)	-1.091*** (.383)	.000 (.000)	.537*** (.197)
New GP Member	-.077 (.049)	-.001 (.105)	.293 (.355)	-.315** (.127)
Number observations, villages	160,87	116,75	67,51	111,61
R-sq	.25	.34	.45	.58
<p><b>Notes:</b> New GP Member dummy: Pradhan is GP member for first time.                      Last two columns run on 1998-2004 and 1978-2004 village panels respectively.                      Controls include village and GP timeblock dummies,% Land medium and big, % households landless and interactions of these with reserved dummy.                      ***, **, * denotes significant at 1%, 5%, 10%. Robust s.e.'s in parentheses, clustered at GP level.</p>				

- SC reserved pradhans are more likely to be informed about SC households, have greater political experience and be less susceptible to elite capture, compared to women reserved pradhans
- Positive effect on targeting to SCs, esp. in inferior goods valued by (poor) SC clients
- Decline in elite capture would also improve targeting to other vulnerable groups, such as female-headed households
- Expect **positive** effect on intravillage share of SC and female-headed households, in contrast to the effect of the female reservations

**TABLE 9: IMPACT OF SC RESERVATIONS**

	Village Per HH # Benefits	SC/ST Share	FEM Share
SC Pradhan Reservation	.053 (.045)	.092** (.042)	.033* (.017)
% HHs SC/ST	-.315*** (.104)	-.068 (.669)	.435 (.521)
Constant	.445*** (.046)	.405 (.263)	-.102 (.205)
Number of observations, Villages	178,89	164,87	164,87
R-sq.	.24	.07	.06
<p><b>Notes:</b> Controls include village and time dummies.  ***, **, * denotes significant at 1%, 5%, 10%.  Robust standard errors in parentheses, clustered at GP level.</p>			

TABLE 10: IMPACT OF SC RESERVATIONS ON SPECIFIC BENEFITS				
	All programs	Kits and IRDP	Inferior Goods	Roads
All HHs	.052* (.029)	.004 (.003)	.016 (.014)	.015 (.018)
Number of observations, Villages w-R-sq.	533,89 .48	533,89 .14	533,89 .37	533,89 .15
SC/ST HHs	.124*** (.045)	.008 (.006)	.058* (.034)	.039** (.018)
Number of observations, Villages w-R-sq.	479,80 .41	479,80 .09	479,80 .27	479,80 .33
FEM HHs	.116** (.046)	.01 (.009)	.075* (.039)	.034 (.024)
Number of observations, Villages w-R-sq.	408,68 .32	408,68 .06	408,68 .15	408,68 .33
<p><b>Notes:</b> Dependent variable is per household number of benefits of specified type for specified group. Inferior Goods include drinking water, employment, housing toilets and BPL cards. Controls include village and GP timeblock dummies, % SC/ST, landless; % Land Medium and Big. ***, **, * denotes significant at 1%, 5%, 10%. Robust s.e.'s in parentheses, clustered at GP level.</p>				

# Summary

- We examined implications of political clientelism for allocation of public expenditure programs in LDCs, compared it with effects of elite capture
- Many anecdotes and case studies of such clientelism; systematic empirical evidence from Argentina, Benin and W Bengal
- Model helps explain why clientelism tends to be more pervasive in poor, traditional, immobile societies, and why it tends to disappear with economic and social development
- Welfare costs: undersupply of public goods, mis-targeting within non-elite groups, may contribute to reducing political competition; benefits: improved targeting to non-elites relative to elites
- Difficult to empirically measure
- Nevertheless, it helps explain some puzzling effects of reservations of political seats for women and low caste candidates in West Bengal that cannot be explained by standard models