

*Central governments often favor their elected district allies in distributive politics. But what happens when there are more than two relevant levels of government – e.g., a central government, the state or provincial government, and a municipality or county? Using an original dataset with information about a major South American land-titling program and a unique two-level regression-discontinuity design in close regional and municipal elections, I show that the central government gave priority to municipalities in which the mayor was an ally of the central administration but the governor was an opponent. The objective was to minimize party splits, undermine the electoral standing of governors, and gain the goodwill of squatters. I show that the program yielded an increased vote share for the president's party in both allied- and, more importantly, opposition-held provinces. Taking only the president-governor or president-mayor relationship into account in this setting would lead to biased inferences and misleading conclusions about the central government's strategy*