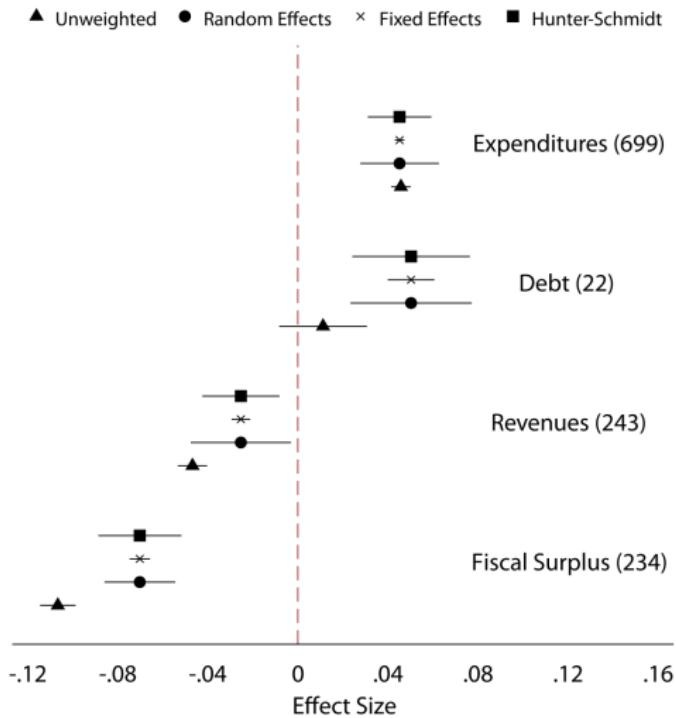


Can anti-corruption policies curb political budget cycles?

Evidence from public employment in Brazil

Guillermo Toral

Political budget cycles: What we know



Meta-analysis by Philips (2016) of 88 studies published between 2000 and 2015

Political budget cycles: **What we know**

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- **Empirical models** have examined a wide range of variables – most focus on economic policy tools (e.g., spending, debt, taxes)
- Both formal and empirical studies increasingly pay attention to how cycles are moderated by the **institutional and political context**

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- We have a limited understanding of the **temporal dynamics of cycles** – most studies rely on year-level panel datasets
- We don't have much **causal evidence of the impact of context on cycles** – studies typically interact election period dummies with endogenous covariates

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- This idea builds on early insights in the formal literature (Rogoff 1990) not studied empirically

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- **Peru:** stricter limits on **spending and deficit** during the first 7 months of an election year
- **Colombia:** no **procurement** with the private sector 4 months before the election
- **Bolivia:** no **government ads** in the media 30 days before the election
- **Uruguay:** no **hiring** of civil servants during the last 12 months of mandate
- **Brazil:** no discretionary **intergovernmental transfers** in a 6-month window around elections
- **Guatemala:** no **inauguration of public works** during the campaign

Political bureaucratic cycles: Why focus on employment

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- Focusing on the bureaucracy allows us **to examine individual employment decisions** (rather than aggregate spending patterns), **across levels and types of bureaucrats**
- Political bureaucratic cycles **may be more easily constrained:** jobs are relatively scarce, observable, and not fragmentable

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- Showing how **anti-cyclical policies may simply displace cycles** and, in some cases, exacerbate them
- **Causally identifying heterogeneity** in political budget cycles
- **Measuring cycles with high level of granularity**: monthly panels built on contract-level data, examining cycles by job type

The rest of the talk

1. Institutional context – Local governments in Brazil
2. Empirical design and results:
 - Cycles in public employment, across job type
 - Cycles are more pronounced where political incentives are stronger
 - Stronger anti-corruption law enforcement exacerbates the cycles
3. Implications
4. The broader book project



Context

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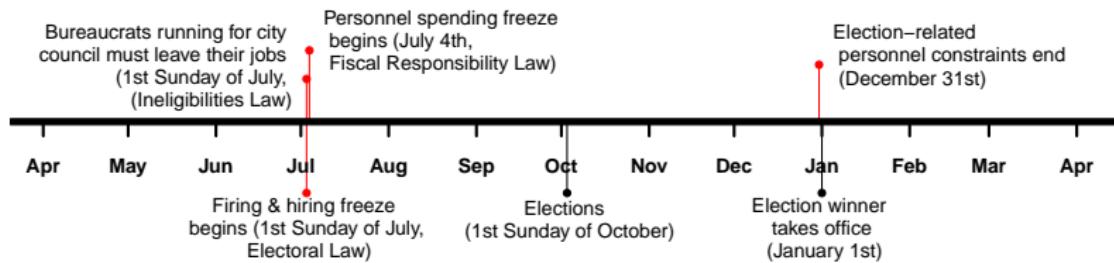
- **Fiscal Responsibility Law** (2000):

- Forbids increases in personnel expenses during the last 180 days of an incumbent's mandate

- **Ineligibilities Law** (1990):

- Employees running must take paid leave (if tenured) or abandon the job (if untenured) 3 months before the election

Legal constraints create a 6-month “freeze period”

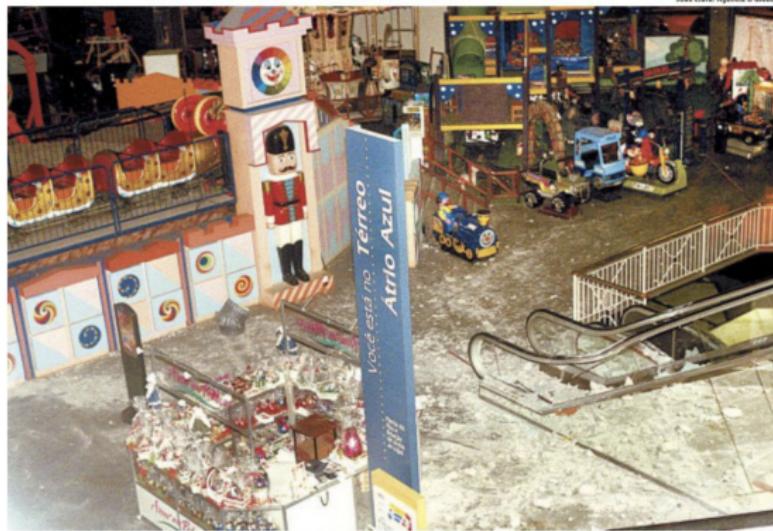


EDIÇÃO
SÃO PAULO/DIA
Concluída às 23h

FOLHA DE S.PAULO

São Paulo, sábado, 3 de abril de 2004

DIRETOR DE REDAÇÃO: OTÁVIO FRIAS FILHO ★ ★ ★ UM JORNAL A SERVIÇO DO BRASIL ★ ALAMEDA BARÃO DE LIMEIRA, 425 ★ ANO 84 ★ Nº 27.394 ★ R\$ 2,20



Área do térreo do shopping Eldorado, em São Paulo, onde parte do teto desabou e provocou ferimentos em nove pessoas

Número de representantes na Câmara terá de ser proporcional à população

TSE reduz vereadores de 43% dos municípios

O Tribunal Superior Eleitoral decidiu estender a todo o país o critério imposto pelo Supremo Tribunal Federal a dez municípios paulistas para calcular o número de vereadores.

Pelo novo critério, de repre-

A CNM calcula que serão extintas 8.892 das 60.311 vagas de vereador e que 2.415 cidades (43,4%) perderão vereadores.

A Constituição prevê que o número de vereadores será “proporcional à população” e determina o máximo e o mini-

Exogenous variation on legislature size: Policy reform

FOLHA DE S.PAULO

B R A S I L

sábado, 3 de abril de 2004 A 13

ELEIÇÕES 2004 Confederação de municípios calcula que 8.892 cadeiras serão eliminadas; quase metade dos municípios terá redução

TSE reduz número de vereadores em 15%

10 capitais vão perder, no total, 38 representantes

DA AGÊNCIA/FOLHA

Dez das 26 capitais (excluído o Distrito Federal) perderão quatro cadeiras de vereadores em suas Câmaras Municipais em razão da decisão tomada ontem pelos ministros do Tribunal Superior Eleitoral, segundo levantamento feito pela Agência Folha.

Em contrapartida, outras oito capitais abrirão 31 novas vagas. O Rio de Janeiro é a capital que ganhará mais vagas, pois passará de 42 para 50 vereadores na Câmara. São Paulo continuará com os seus 55 representantes municipais, assim como outras seis capitais.

São Luís (MA), Teresina (PI), Fortaleza (CE), Natal (RN), João Pessoa (PB), Maceió (AL) e Campo Grande (MS). Vitória (ES), com 302.633 habitantes, contabilizará a maior perda de vereadores, seis — passará de 21 para 15.

Os novos critérios também levarão Recife (PE) a perder cadeiras, cinco no total, assim como Porto Velho (RO) e São Paulo, que perderá uma. As cidades que ganharão vereadores, a partir de 2004, são: Belo Horizonte (MG), que ganhará outros quatro cada uma. Porto Alegre (RS) e Curitiba (PR) ganham três cada uma. Belém (PA) terá dois a mais — de 33 para 35 — e Goiânia (GO) ganhará um vereador.

As conclusões foram tiradas a partir do cruzamento de informações sobre o número de habitantes desses municípios, a atual quantidade de vereadores eleitos para cada um deles no ano 2000 e a tabela publicada ontem pelo TSE, que estipula a quantidade de vereadores a partir do princípio da proporcionalidade.

(EDUARDO DE OLIVEIRA)

nambucana, com quase 1,5 milhão de habitantes, é a única entre as que têm população superior a 1 milhão que terá diminuída a sua representação na Câmara Municipal.

Rio Branco (AC) e Boa Vista (RR) perderão quatro vereadores cada; Palmas (TO) terá três a menos; Macapá (AP), Aracaju (SE) e Cuiabá (MT) elegerão dois a menos.

Quem ganha

Depois do Rio de Janeiro, Salvador (BA), com 2,6 milhões de habitantes, é a capital que mais elegerá novos vereadores, que passarão de 35 para 41.

Manaus (AM) e Belo Horizonte (MG) ganharão outros quatro cada uma. Porto Alegre (RS) e Curitiba (PR) ganham três cada uma. Belém (PA) terá dois a mais — de 33 para 35 — e Goiânia (GO) ganhará um vereador.

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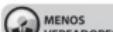
VEREADORES POR CIDADE

Tabela do TSE limita número de vereadores de acordo com população

População	Nº de Vereadores
até 47.619	9
47.620 até 95.238	10
de 95.239 até 142.857	11
de 142.858 até 190.476	12
de 190.477 até 238.093	13
de 238.094 até 285.714	14
de 285.715 até 333.333	15
de 333.334 até 380.952	16
de 380.953 até 428.571	17
de 428.572 até 476.190	18
de 476.191 até 523.809	19
de 523.810 até 571.428	20
de 571.429 até 619.047	21
de 600.001 até 1.121.953	33
de 1.121.953 até 1.243.903	34
de 1.243.904 até 1.365.854	35
de 1.365.855 até 1.487.805	36
de 1.487.806 até 1.609.756	37
de 1.609.757 até 1.731.707	38
de 1.731.708 até 1.853.65	39
de 1.853.659 até 1.975.609	40
de 1.975.610 até 4.999.999	41
de 5.000.000 até 5.119.047	42
de 5.119.048 até 5.238.094	43
de 5.238.095 até 5.357.141	44
de 5.357.142 até 5.476.188	45
de 5.476.189 até 5.595.235	46
de 5.595.236 até 5.714.282	47
de 5.714.283 até 5.833.329	48
de 5.833.330 até 5.952.376	49
de 5.952.377 até 6.071.423	50
de 6.071.424 até 6.190.470	51
de 6.190.471 até 6.309.517	52
de 6.309.518 até 6.428.564	53
de 6.428.565 até 6.547.611	54
Acima de 6.547.612	55



■ Pela nova regra do TSE, o número de vereadores por cidade deverá obedecer à tabela ao lado. A população municipal utilizada será a medida pelo IBGE em 2003. A resolução do TSE regulamenta o artigo 29 da Constituição, que relaciona as vagas nas Câmaras aos habitantes



■ Quase metade dos 5.565 municípios devem perder vereadores. A Câmara de São Caetano (SP), que hoje tem 21 nomes, deve ter apenas 11 em 2005 com a nova regra

* Estimativa do IBGE em 31/12/2003.
Fonte: TSE (Tribunal Superior Eleitoral) e IBGE (Instituto Brasileiro de Geografia e Estatística).

SILVANA DE FREITAS DA SUCURSAL DE BRASÍLIA

Por exemplo, todas as cidades com menos de 47.619 habitantes terão nove vereadores. Os municípios que têm de 47.620 a 95.238 moradores terão dez. De acordo com uma tabela progressiva adotada pelo TSE, esse número chegará a 21 representantes nas cidades com população entre 571.429 e 1 milhão.

Quando o número de habitantes passa de 1 milhão, o número de vereadores dá um salto para 33. A cidade de Campinas (SP) está entre as que foram afetadas por esse salto instituído pela nova regra. O número de vereadores do município, cuja população é de 1.006 milhão de habitantes, passará de 51 a 59, segundo divulgou a entidade (redução de 14,7%).

Os ministros do TSE decidiram, antenome à noite, estender a todo o país o cálculo de proporcionalidade recentemente imposto pelo STF (Supremo Tribunal Federal) a dez cidades de São Paulo. O primeiro caso julgado no STF foi o de Mira Estrela (SP).

O TSE não dispõe de levantamento sobre o impacto da sua decisão. O estudo realizado pela confederação indica que 2.415 cidades terão 8.936 vereadores a menos. Outras 12 cidades aumentarão o número de representantes na Câmara Municipal, no total de 44 novas cadeiras. Em 2000, houve 350 mil candidatos.

No Estado de São Paulo, a enti-

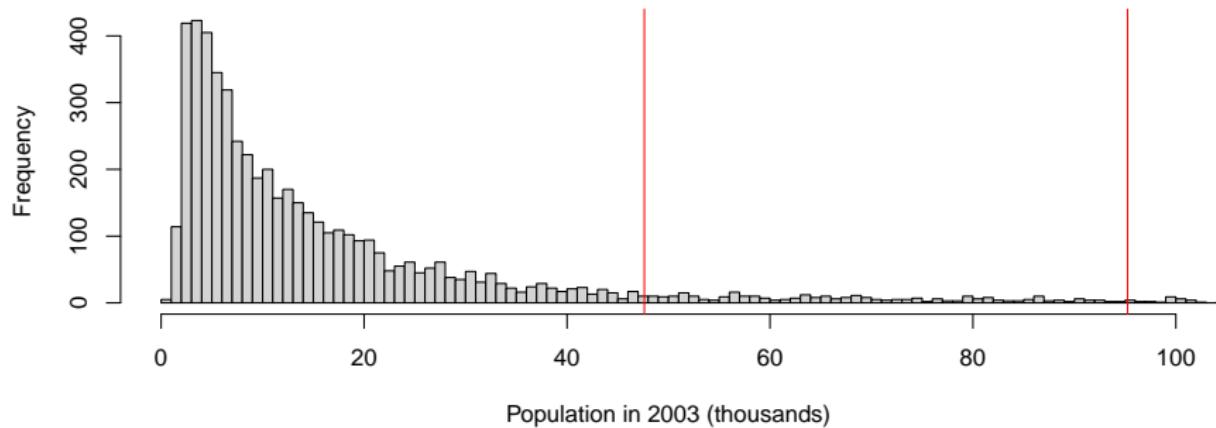
A decisão do TSE terá enorme repercussão política. Devido às pressões políticas e a brechas que surgiram por conta de leis municipais, várias cidades aumentaram o número de vereadores.

Julgado pelo STF, na semana passada, a cidade de Mira Estrela (SP), que tem apenas 2.700 habitantes, conta com 11 vereadores, 2 a mais que o mínimo. O Supremo decidiu que a cidade tem que reduzir o número para 9.

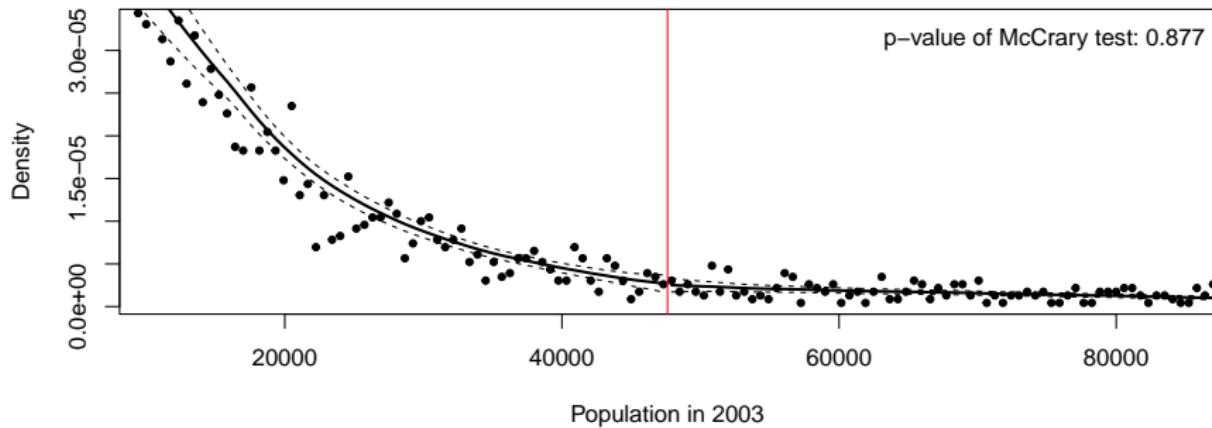
Ajustes

Os municípios terão de ajustar a sua legislação à decisão do TSE. Eles precisarão levar em conta a

Exogenous variation on legislature size: Policy reform



Exogenous variation on legislature size: Policy reform



Exogenous variation on legislature size: Policy effects



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Corruption and legislature size: Evidence from Brazil[☆]

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ABSTRACT

This paper studies whether and how legislatures affect political corruption. Using a regression discontinuity design in the context of Brazilian municipalities, we find a positive causal impact of council size on corruption levels, as detected by random federal audits. This indicates that an extra councilor represents an additional political actor potentially interested in diverting public resources, which we define as a rent extraction effect. However, we find further evidence that, in some contexts, larger councils enhance the representation of opposition parties and effectively increase monitoring over the executive, attenuating the rent extraction effect. Namely, in municipalities where opposition parties are typically underrepresented, the additional seat in the council is absorbed by the opposition and corruption outcomes do not worsen. In addition, only in such context, mayors are more commonly sentenced for misconduct in office by judi-

Legislature Size and Welfare: Evidence from Brazil*

Umberto Mignozzetti[†]

Gabriel Cepaluni[‡]

Danilo Freire[§]

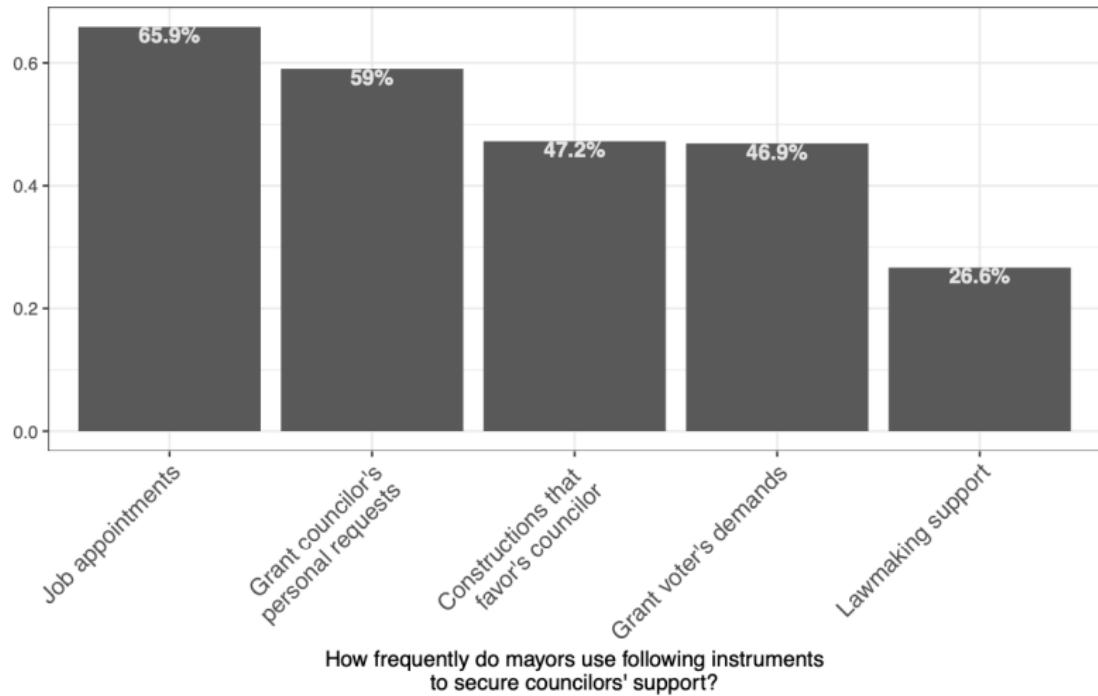
August 26, 2022

Abstract

How does legislature size impact public service provision? Despite the importance of institutional design for democratic governance, the effect of legislative features on citizen welfare remains little understood. In this paper, we use a formal model to show that increasing legislature size improves public goods delivery. We argue that changes in bargaining costs depend on whether

Exogenous variation on legislature size: Policy effects

Figure 2: Mayoral Instruments for Securing Councilors' Support



Exogenous variation on compliance with anti-corruption laws: Policy reform



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☰ Controladoria-Geral da União

O que você procura?



Home > Assuntos > Auditoria Interna Governamental > Programa de Fiscalização em Entes Federativos

Programa de Fiscalização em Entes Federativos

O Programa de Fiscalização em Entes Federativos faz parte do aprimoramento dos instrumentos e processos de trabalho da Controladoria-Geral da União (CGU). Desde agosto de 2015, um novo método de controle está sendo aplicado na avaliação dos recursos públicos federais repassados a estados, municípios e Distrito Federal.

A iniciativa incorporou o antigo Programa de Fiscalização por Sorteios Públicos, sendo que, agora, o programa possui três formas de seleção de entes: Censo, Matriz de Vulnerabilidade e Sorteios. Nesse contexto, já foram fiscalizados cerca de 2,7 mil municípios brasileiros desde 2003, englobando recursos públicos federais superiores ao montante de R\$ 40 bilhões.

Quando é utilizado o Censo, a fiscalização verifica a regularidade da aplicação dos recursos em todos os entes da amostragem. Já a Matriz agrupa inteligência da informação, por meio da análise de indicadores, para identificar vulnerabilidades (situações locais críticas) e selecionar de forma analítica os entes a serem fiscalizados em determinada região. A metodologia de Sorteios permanece aleatória, ao incorporar as ações do antigo Programa de Fiscalização por Sorteios Públicos.

Exogenous variation on compliance with anti-corruption laws: Policy reform

≡ MENU

G1

POLÍTICA

04/03/2013 13h31 - Atualizado em 04/03/2013 15h45

CGU sorteia 60 municípios para fiscalização de repasses federais

Objetivo é coibir desvios e aprimorar gestão de recursos públicos. Cidades com até 500 mil habitantes em 23 estados vão participar.

Do G1, em Brasília



Servidores da CGU sorteiam municípios para programa de fiscalização (Foto: Amanda Lima/G1)

A Controladoria Geral da União (CGU) sorteou na manhã desta segunda-feira (4) os 60 municípios que serão alvo de fiscalização do órgão no uso de recursos federais. Neste ano, Programa de Fiscalização de Municípios a partir de Sorteios Públicos completa 10 anos e terá como foco municípios com população de até 500 mil habitantes.

Para cada cidade sorteada, são enviados grupos de auditores para examinar as contas, os documentos que comprovam o uso da verba, como notas fiscais e notas de empenho. Os auditores também realizam

Exogenous variation on compliance with anti-corruption laws: Policy effects

Do Government Audits Reduce Corruption? Estimating the Impacts of Exposing Corrupt Politicians

Eric Avis, Claudio Ferraz, and Frederico Finan

 PDF

 PDF PLUS

 Abstract

 Full Text

 Supplemental Material



Abstract

This paper examines the extent to which government audits of public resources can reduce corruption by enhancing political and judiciary accountability. We do so in the context of Brazil's anticorruption program, which randomly audits municipalities for their use of federal funds. We find that being audited in the past reduces future corruption by 8 percent, while also increasing the likelihood of experiencing a subsequent legal action by 20 percent. We interpret these reduced-form findings through a political agency model, which we structurally estimate. Our results suggest that the reduction in corruption comes mostly from the audits increasing the perceived nonelectoral costs of engaging in corruption.

CONTRATO DE TRABALHO

OR

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TABELECIMENTO UF

MISSÃO DE CBO N°

Nº FLS./FICHA
AÇÃO ESPECIFICADA

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CONTRATO DE TRABALHO

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ENDEREÇO

MUNICÍPIO

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COM DISPENSA N°
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Empirics

Estimation and inference: Baseline models

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- Standard errors clustered at the municipality level

Estimation and inference: Heterogeneity models

$$\begin{aligned}Y_{iym} = & \alpha_i + \lambda_y + \theta_m + \sum_{p=-6}^5 \beta^p D_{iym}^p \\& + \left(\zeta + \phi_m + \sum_{p=-6}^5 \delta^p D_{iym}^p \right) K_{iy} \\& + \gamma Y_{iym-1} + \varepsilon_{iym}\end{aligned}$$

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- This design exploits only 2005-2008 data. Municipality fixed effects drop because they are collinear with the RDD's forcing variable.

Data

- Panel datasets built **using administrative, contract-level data on the universe of municipal employees**, reported by municipalities to the federal government

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Data

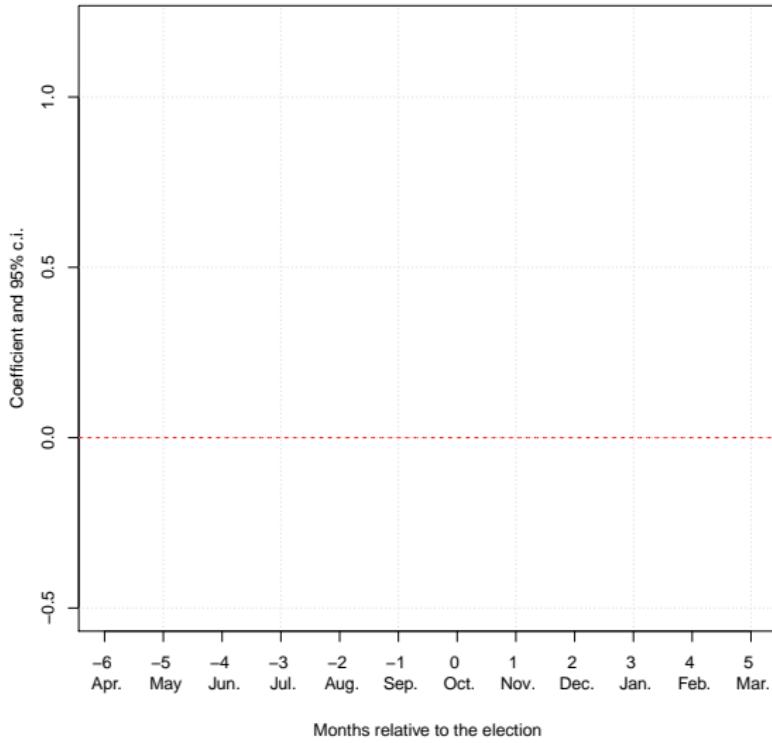
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- Balanced panels
- ~1 million municipality-month observation
4,161 municipalities
83,220 municipality-year fixed effects

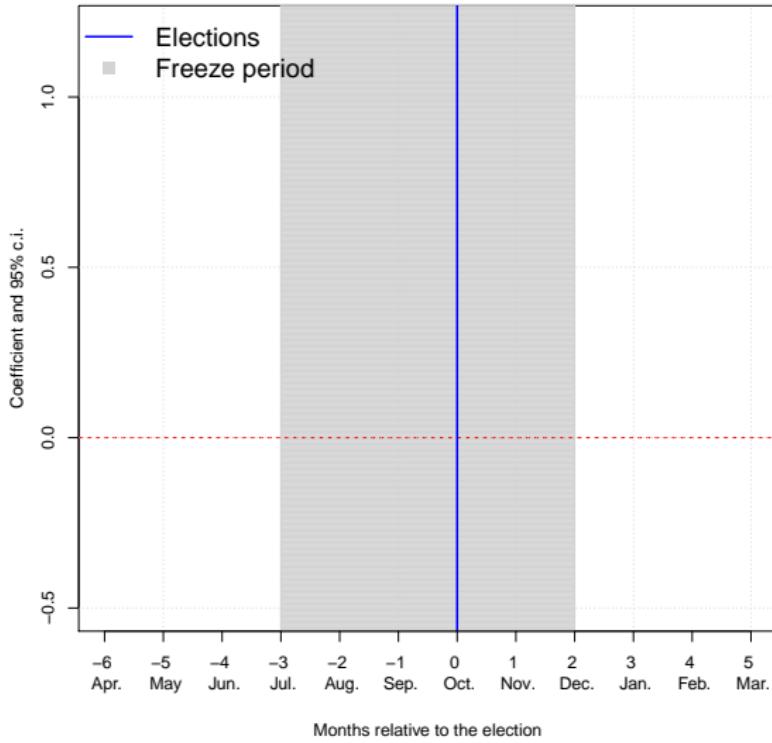
Cycles in hiring

All employees



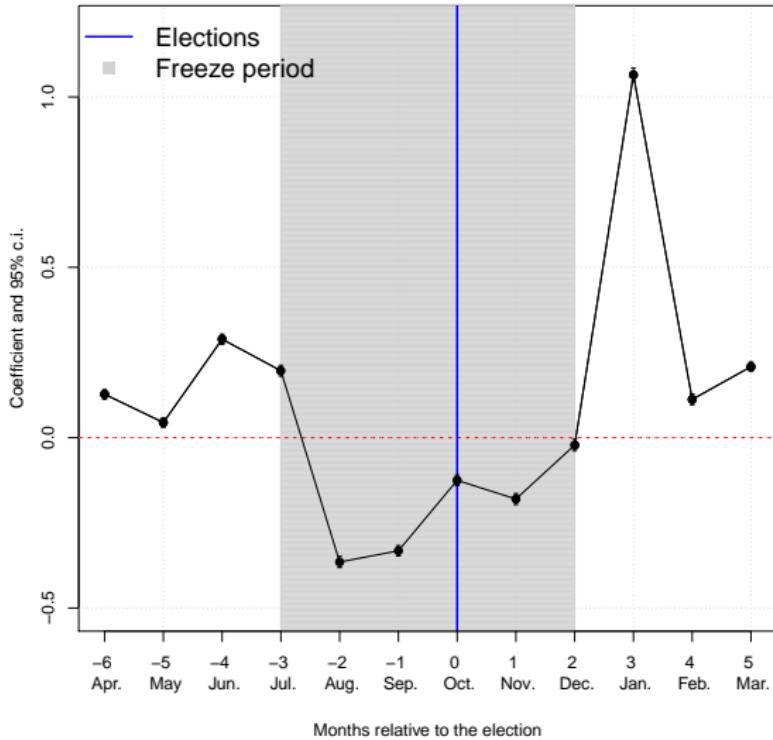
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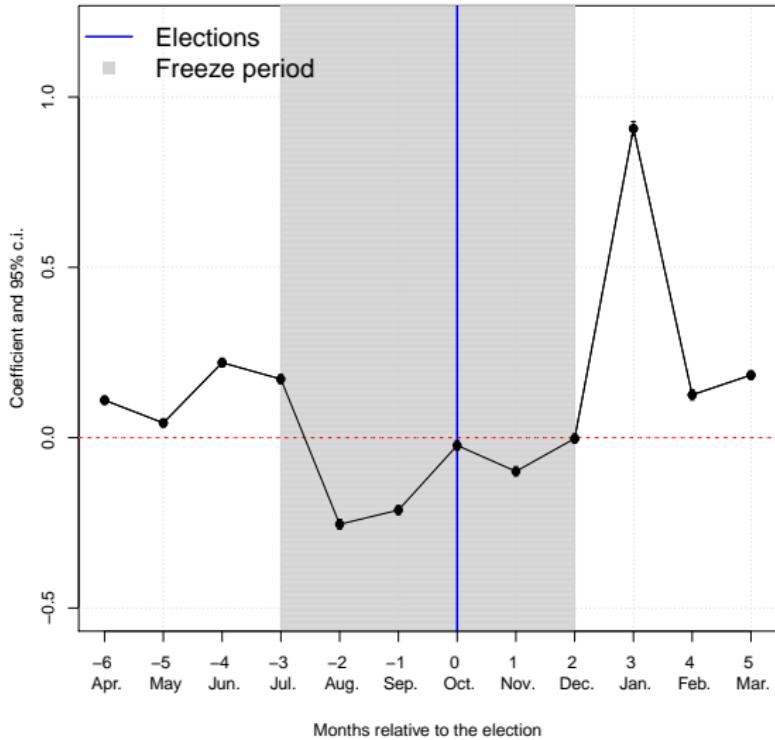


Results are **robust to alternative specifications** (different transformations of the DV, omitting the lagged DV, using two-way clustering of SE's, using unbalanced panels, omitting federal-election years)

Cycles can be observed **across skill levels**, and **across policy areas**

Cycles in hiring

Temporaries

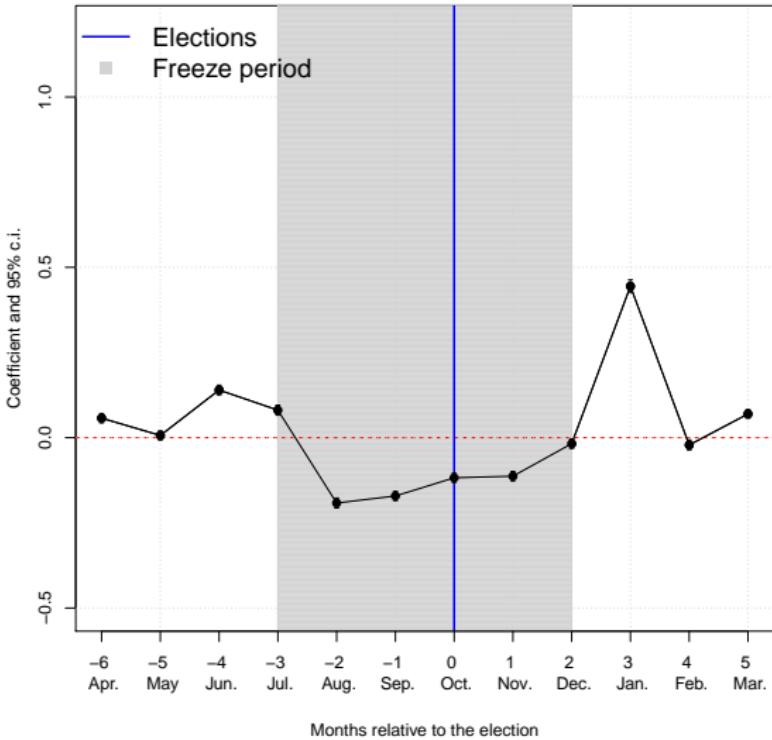


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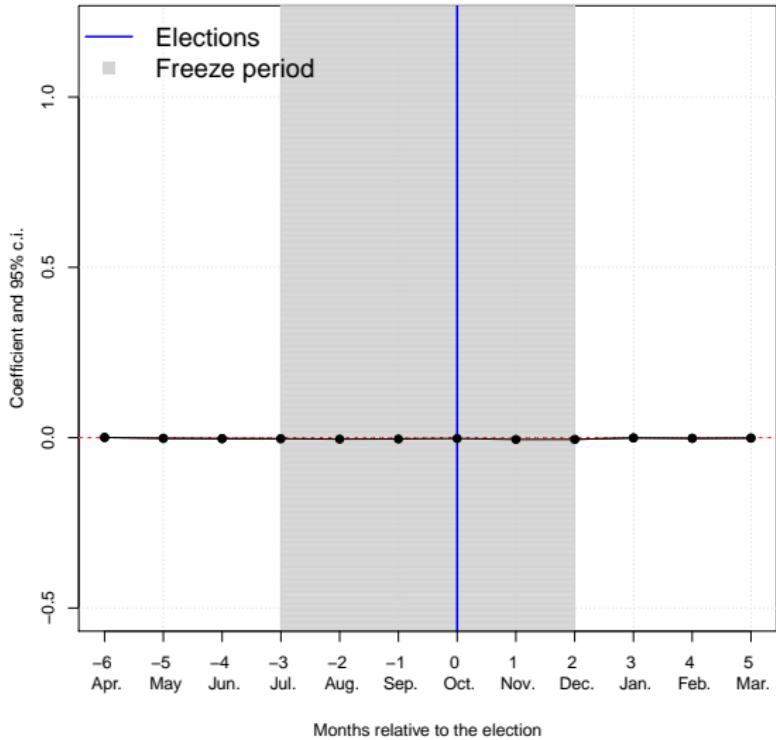


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Cycles in placebo outcomes

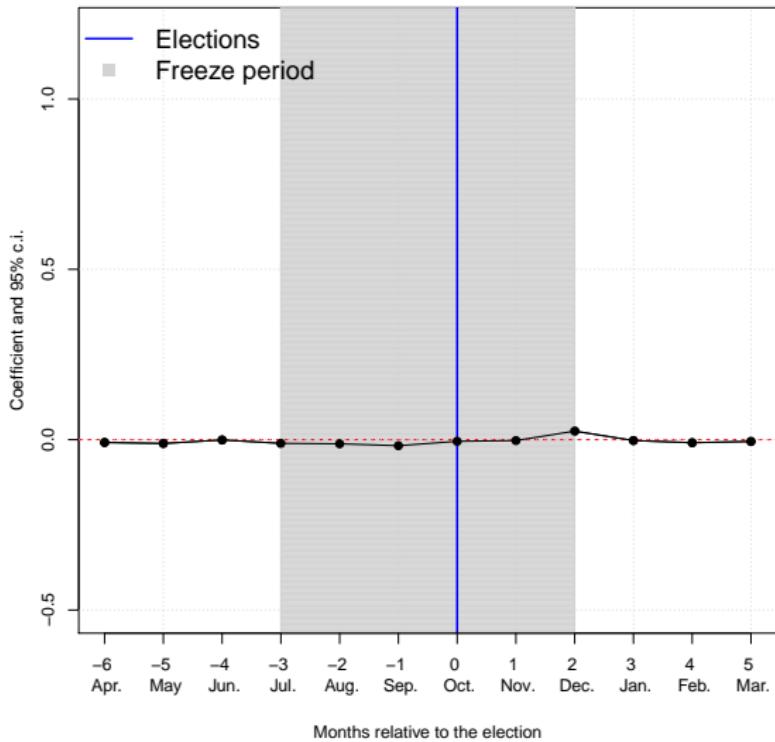
Employee deaths



(Employee deaths and retirements are reported in the same administrative dataset as hires)

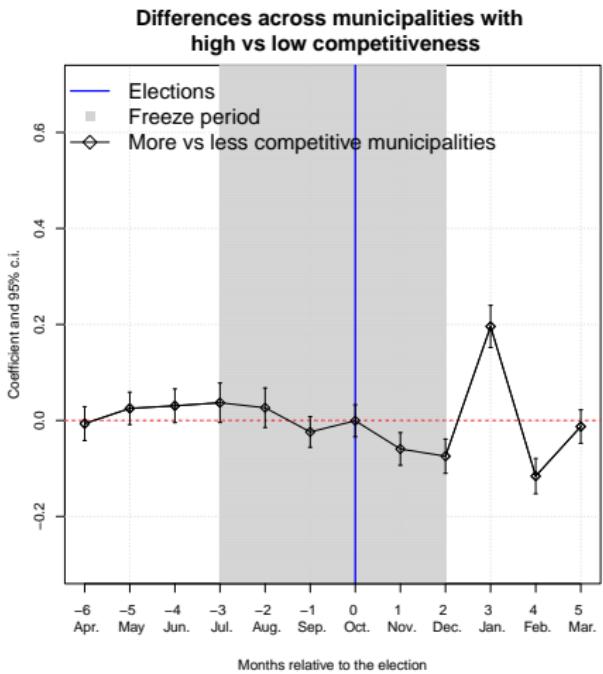
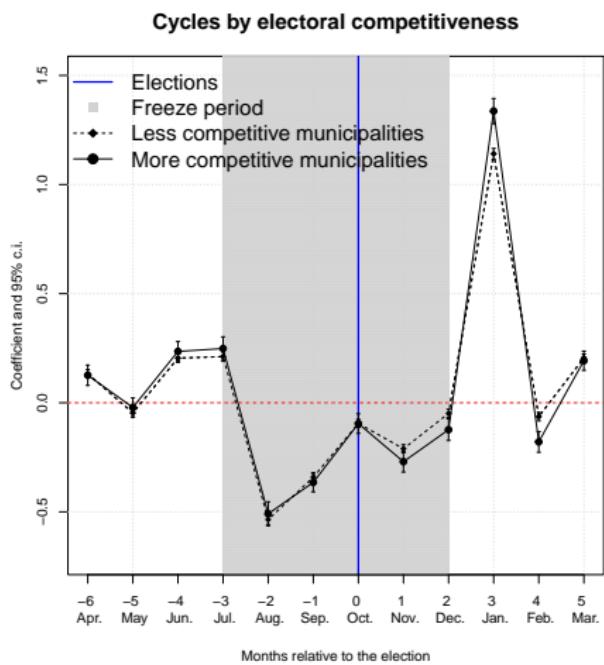
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Retirements

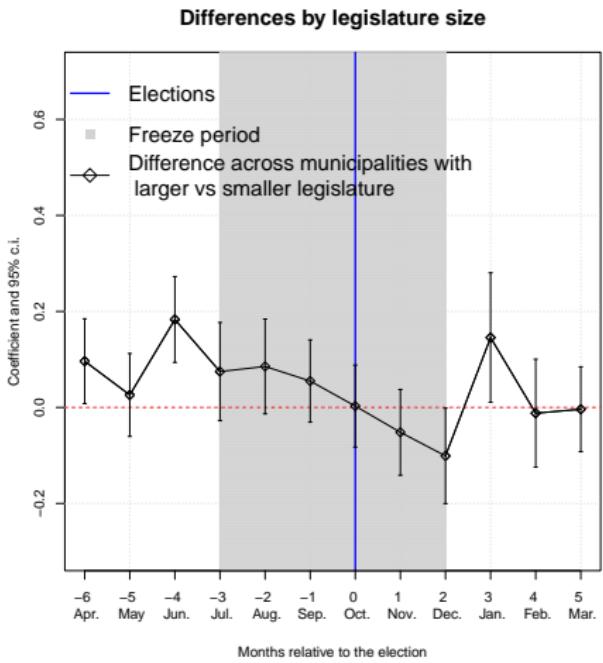
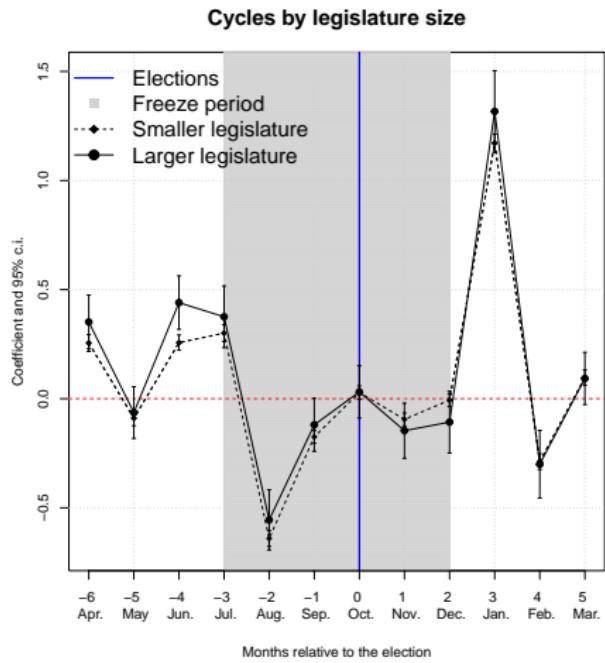


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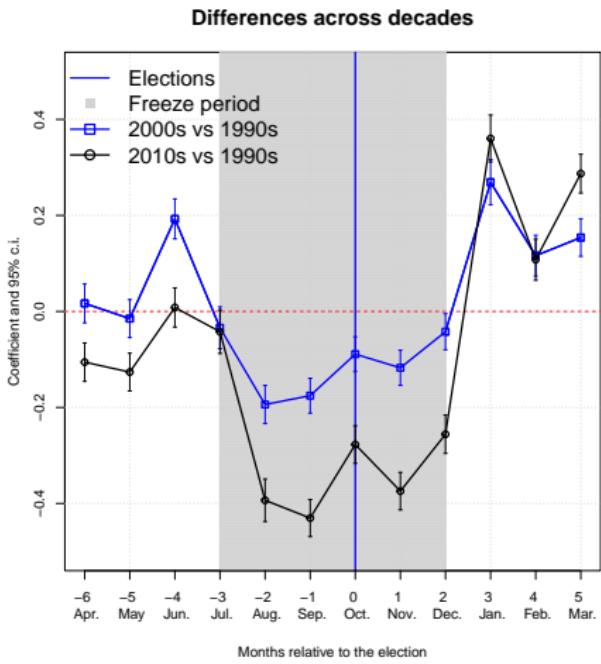
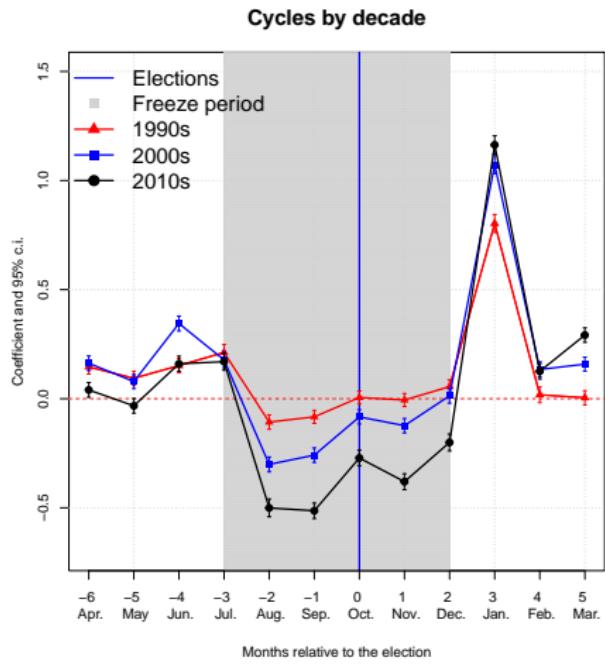
Cycles are more pronounced where political incentives are stronger: Observational evidence



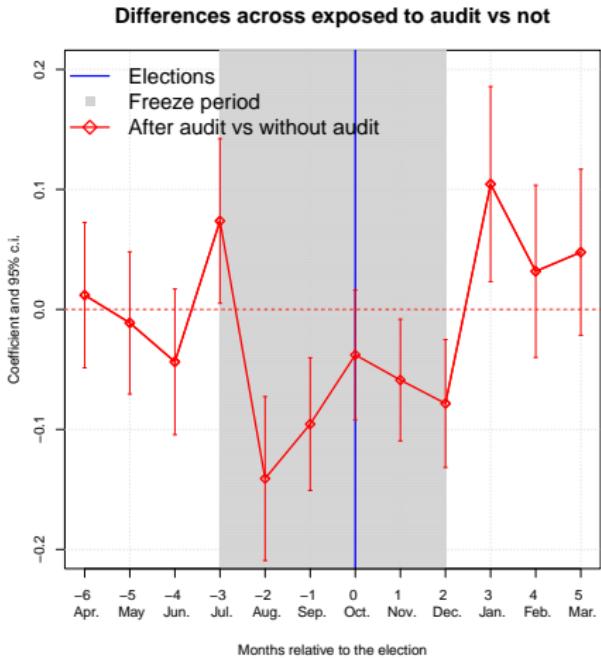
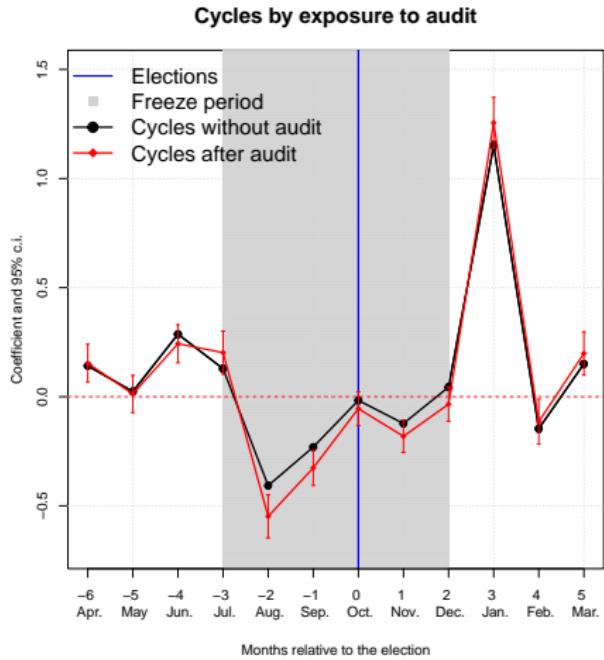
Cycles are more pronounced where political incentives are stronger: Quasi-experimental evidence



Cycles are more pronounced where anti-corruption law enforcement is stronger: Observational evidence



Cycles are more pronounced where anti-corruption law enforcement is stronger: Quasi-experimental evidence



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Patterns are consistent with:

- Cycles being shaped by the combination of electoral incentives and politicians' strategic responses to legal constraints
- Anti-cyclical policies displacing -and perhaps exacerbating- political budget cycles rather than eliminating them
- Politicians leveraging their discretion over both temporary and civil service hiring

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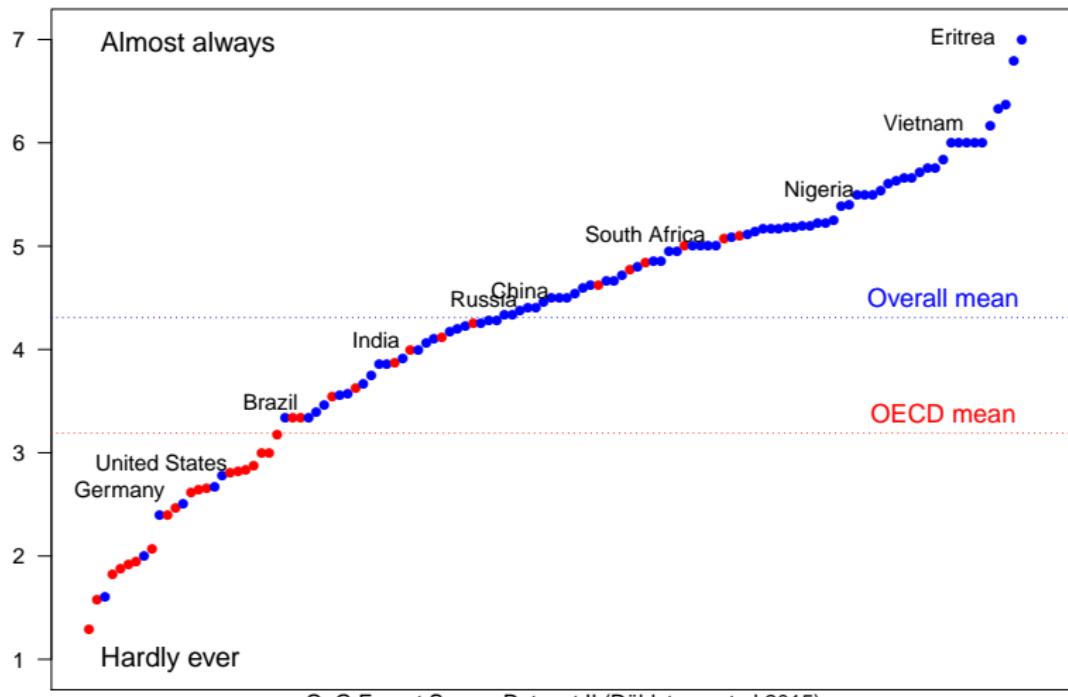
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A key channel of influence is discretion over timing and numbers.
- Detailed microdata and quasi-experimental strategies can be used to make progress on the study of political budget cycles

Book project: *The political logics of patronage*

When recruiting public sector employees, how often do the political connections of the applicants decide who gets the job?



Book project: Classic views on patronage that it challenges

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each with its own { rationale
employment patterns
effects on governance & service delivery
policy challenges

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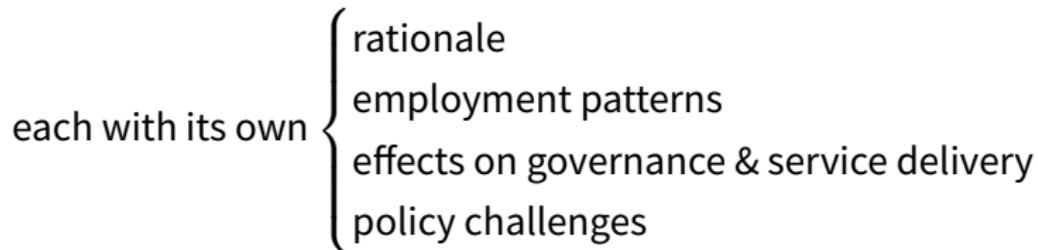
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- Mobilizing voters
- Rewarding supporters
- Securing legislator support
- Stacking the deck against opponents
- Managing bureaucrats

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Book project: The main takeaways

- Patronage is a powerful political tool, more versatile than it is usually recognized
- Patronage can, in certain conditions, increase bureaucratic effectiveness and accountability
- When politicians use patronage to extract rents, they mobilize a wider set of strategies than simply hiring supporters
- Policies commonly prescribed to contain patronage can have significant undesirable consequences

The broader research agenda: Relationships among state actors and the limits of anti-corruption institutions

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- The bright and the dark side of Weberian anti-corruption institutions:
The politics of prosecutorial pressure in Brazil

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- The bright and the dark side of Weberian anti-corruption institutions:
The politics of prosecutorial pressure in Brazil
- Selection and careers of elite civil servants in Spain: Revolving doors, dynasties, and politicization in top bureaucratic corps (with Pablo Fernández-Vázquez)

Additional materials

Institutional environment

- Public employment
- Temporary hiring
- Management practices

Qualitative fieldwork

- Location characteristics
- Interviewee break up
- Subject recruitment & interview strategies

Political bureaucratic cycles: Additional details

- Cycles in hiring by job category
- Cycles in resignations
- Cycles in dismissals
- Cycles in healthcare services

Book project: Additional details

- Conceptualizing patronage
- What makes patronage so powerful and versatile
- Brazil as a case
- Patronage beyond Brazil

Turnover: How lame duck governments disrupt the bureaucracy and service delivery before leaving office

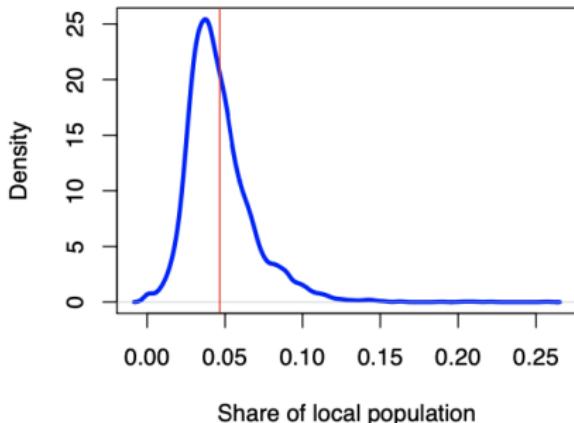
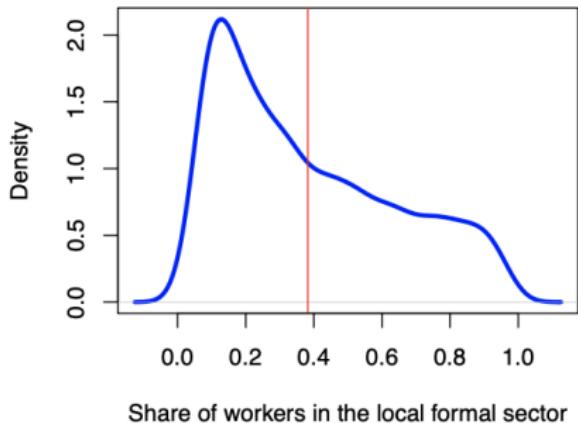
- Theory: Bureaucratic politics during transition periods
- Research design: Close-races regression discontinuity
- Empirical results: Public employment

- Empirical results: Healthcare services
- Implications

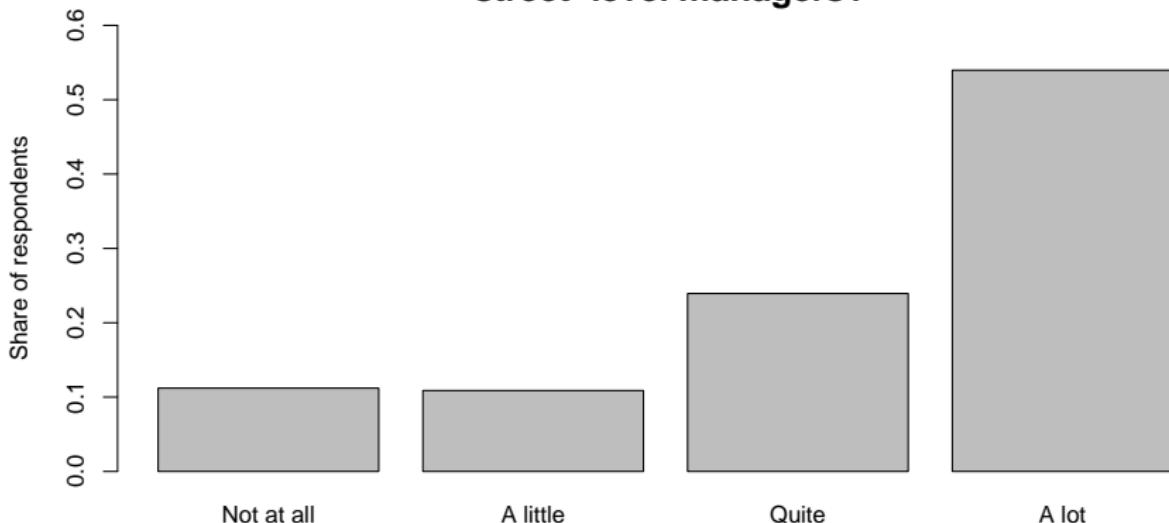
How patronage delivers: Political appointments, bureaucratic accountability, and service delivery in Brazil

- Theory: The benefits of patronage
- Difference-in-discontinuities
- Regression discontinuity
- Observational results from the survey of bureaucrats
- Conjoint experiment with bureaucrats
- Conjoint experiment with politicians
- Implications

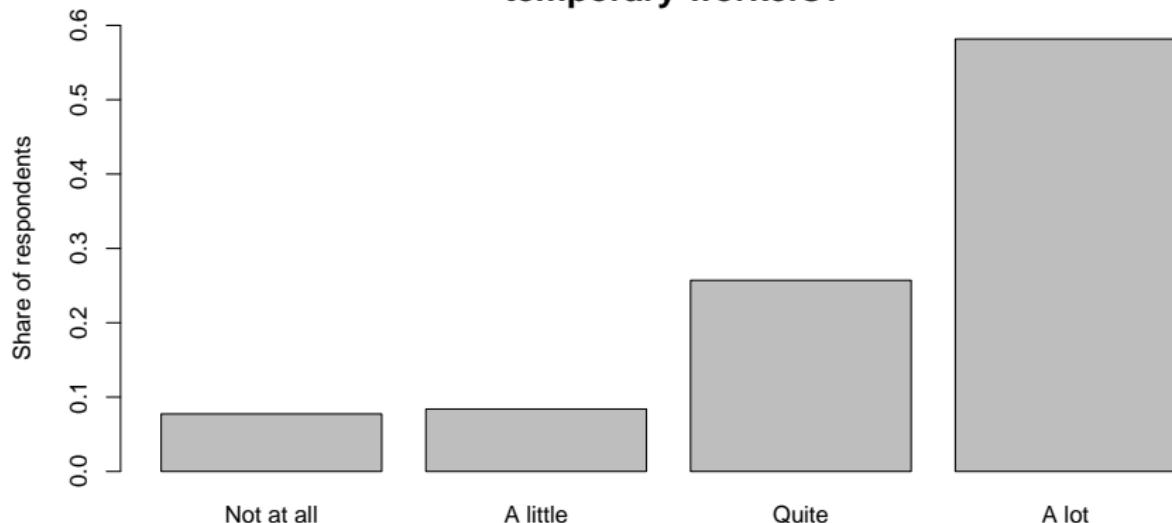
Public employment in Brazilian municipalities

[◀ back](#)[◀ appendix](#)

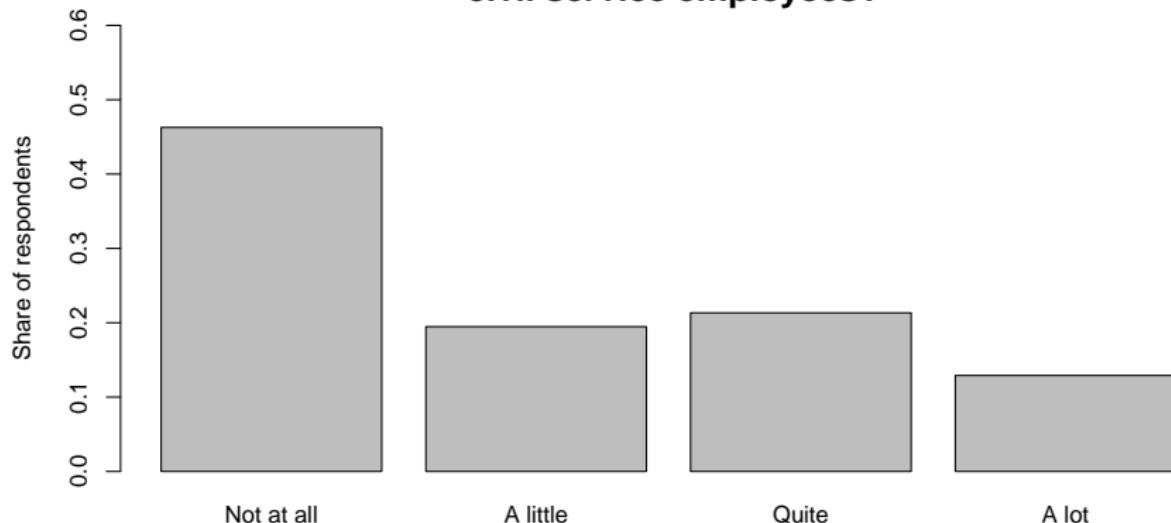
Do political connections influence the hiring of street-level managers?

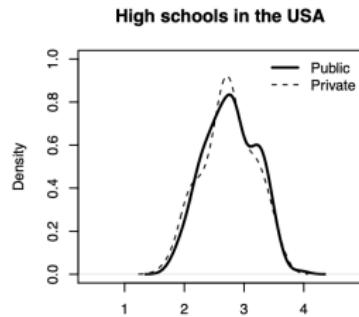
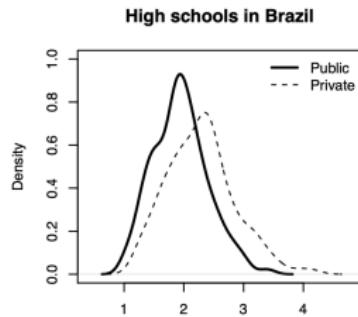


Do political connections influence the hiring of temporary workers?



Do political connections influence the hiring of civil service employees?





Data are from [Bloom et al. \(2014, 2015\)](#) and correspond to 289 hospitals and 513 high schools that were randomly selected in Brazil, as well as 270 high schools in the USA for comparison. Most public high schools in Brazil are managed by state governments. I only code as municipal or state hospitals those that have those words in their name.

Qualitative fieldwork

- 18 months of fieldwork in Brazil,
between 2016 and 2019

Qualitative fieldwork

- 18 months of fieldwork in Brazil, between 2016 and 2019
- **121 in-depth interviews**
 - Bureaucrats, politicians, and anti-corruption agents ▶ who
 - 45 municipalities in 7 states ▶ where
 - Interviews done at officials' workplace. Median interview length ~1 hour ▶ how



Interviews were conducted in the following states and municipalities:

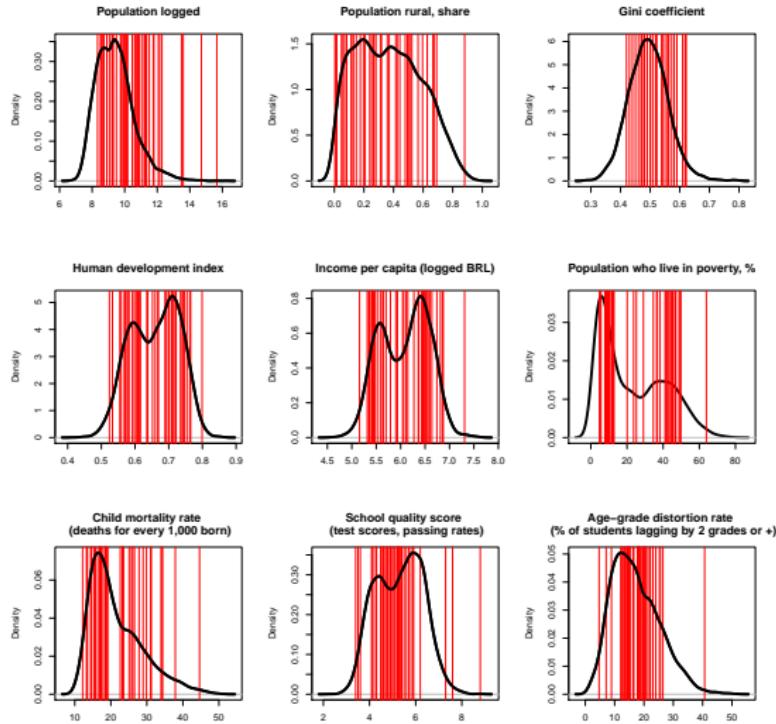
- **Ceará** (Northeast): Fortaleza, Canindé, Caridade, Madalena, Boa Viagem, Pedra Branca, Tamboril, Sobral, Massapê, Granja, Jijoca de Jericoacoara.
- **Rio Grande do Norte** (Northeast): Natal, Goianinha, Santa Cruz, Caicó, Cerro Corá, Bento Fernandes, Extremoz, Maxaranguape, Rio do Fogo, Sítio Novo.
- **Paraíba** (Northeast): João Pessoa, Sapé, Sobrado, Riachão do Poço, Cuité de Mamanguape, Capim.
- **Rio de Janeiro** (Southeast): Rio de Janeiro, Maricá, Saquarema, Engenheiro Paulo de Frontin, Itaboraí, Mendes, Paracambi, Piraí.
- **Minas Gerais** (Southeast): Unaí, Paracatú, Itapeva, Camanducaia.
- **São Paulo** state (Southeast): São Paulo.
- **Goiás** (Center-west): Valparaíso de Goiás, Luziânia, Cabeceiras, Formosa, Planaltina, Cristalina.



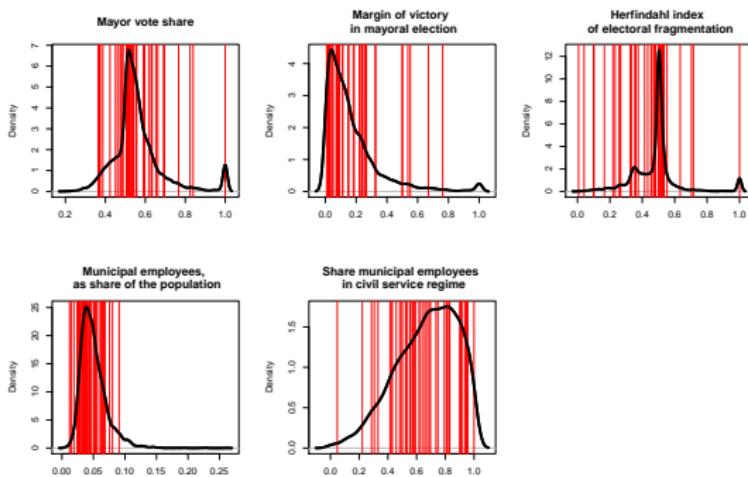
Fieldwork locations: Socioeconomic characteristics

◀ back

◀ appendix



Fieldwork locations: Political characteristics

[◀ back](#)[◀ appendix](#)

I interviewed:

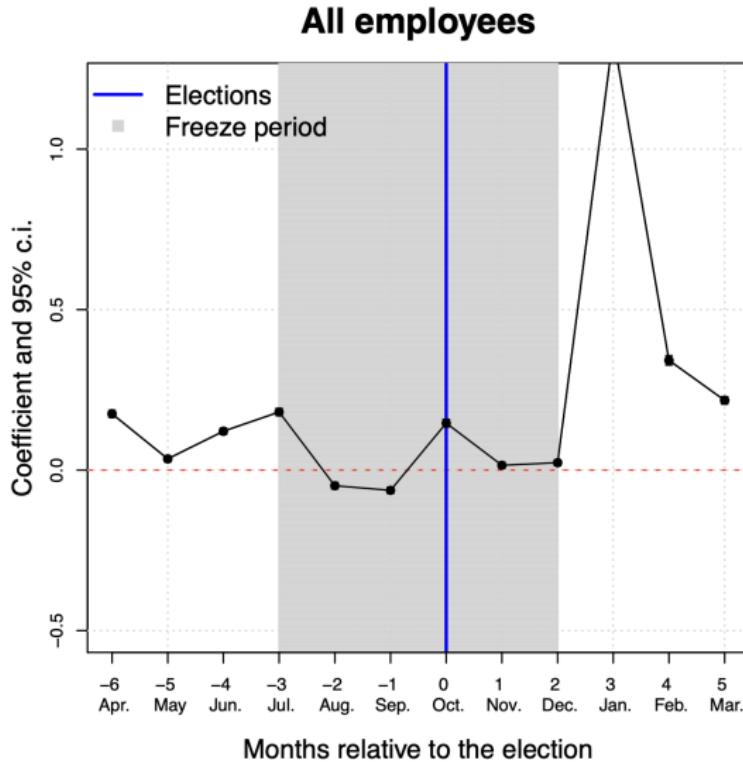
- 51 municipal politicians, of which:
 - 41 were secretaries
- 54 municipal bureaucrats, of which:
 - 46 were street-level managers
- 16 horizontal accountability actors, of which:
 - 8 were state prosecutors

Three quarters of interviews were with politicians and bureaucrats of the social sectors:

- 56 in education
- 26 in healthcare
- 9 in social assistance

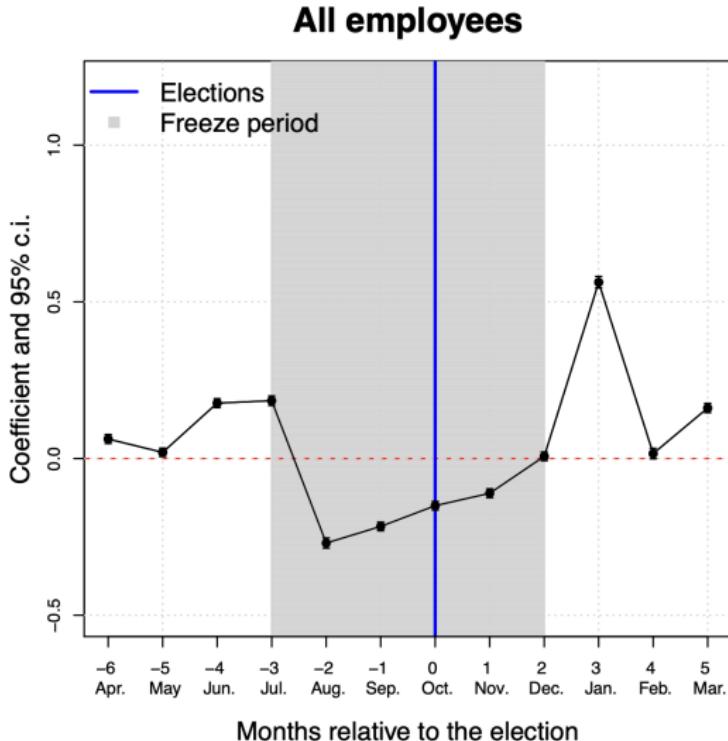
- Fieldwork focused on the center of municipalities
- I approached potential subjects at their offices, presented the project, and asked for an interview. No compensation was offered.
- Most subjects I managed to speak to agreed to participate
- Median interview length was 1 hour.
- No recording – only handwritten notes.
- Interviews were semi-structured:
 - Start with an open conversation about their work and the municipality
 - As conversation went on, I followed up with questions about the local dynamics of public employment, local political conflicts, variation in service delivery, etc.

Cycles in hires by job category: Managerial jobs



Results are **robust to alternative specifications** (different transformations of the DV, omitting the lagged DV, using two-way FE, using unbalanced panels, omitting federal-election years)

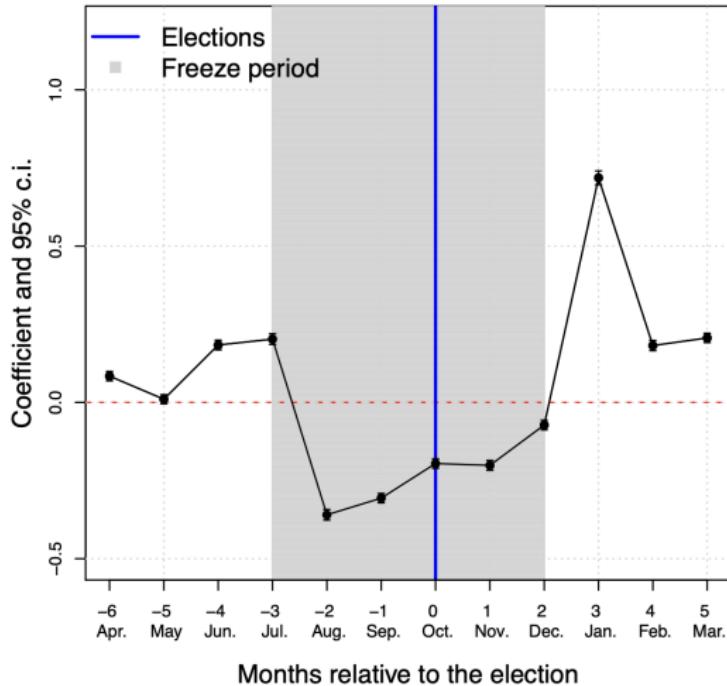
Cycles in hires by job category: Professional jobs



Results are **robust to alternative specifications** (different transformations of the DV, omitting the lagged DV, using two-way FE, using unbalanced panels, omitting federal-election years)

Cycles in hires by job category: Low-skill jobs

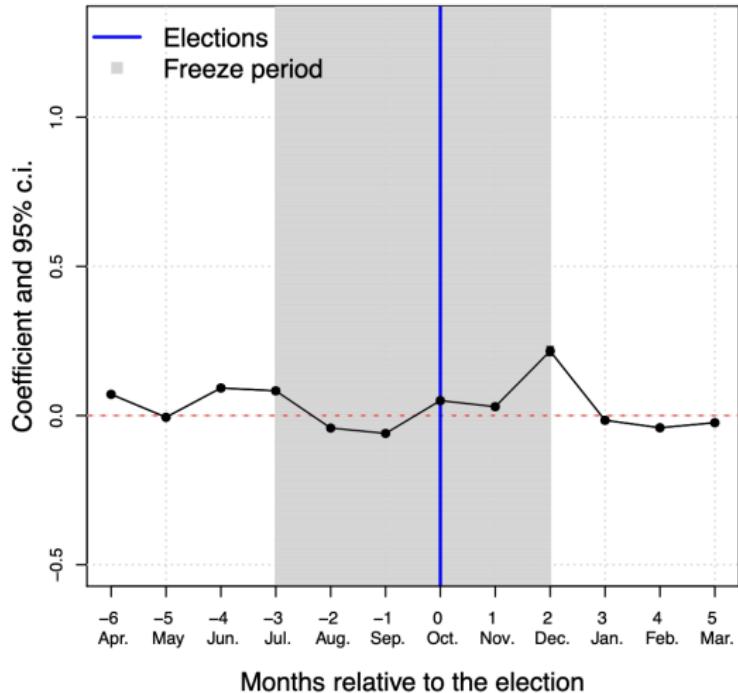
All employees



Results are **robust to alternative specifications** (different transformations of the DV, omitting the lagged DV, using two-way FE, using unbalanced panels, omitting federal-election years)

Cycles in resignations

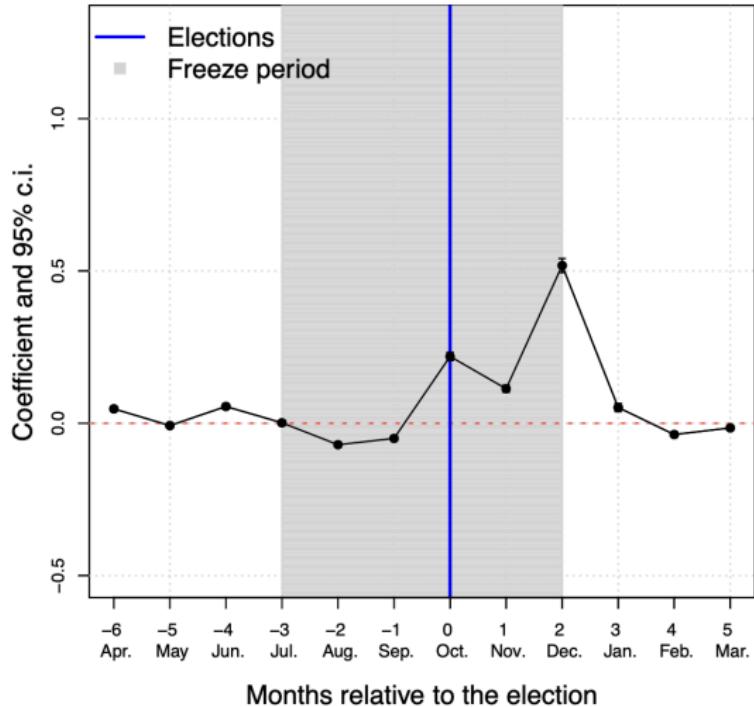
All employees



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Cycles in dismissals

All employees



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Administrative data on healthcare services

- Municipality-month counts of different services provided by municipal healthcare systems
- Data supplied by municipal secretariats of healthcare to the federal government
- Ministry of Health's Basic Healthcare Information System (SIAB, *Sistema de Informação da Atenção Básica*)
- Coverage 2004 - 2011 (11 years, 3 elections)
- Household visits, prenatal care check-ups, medical consultations with infants and children:

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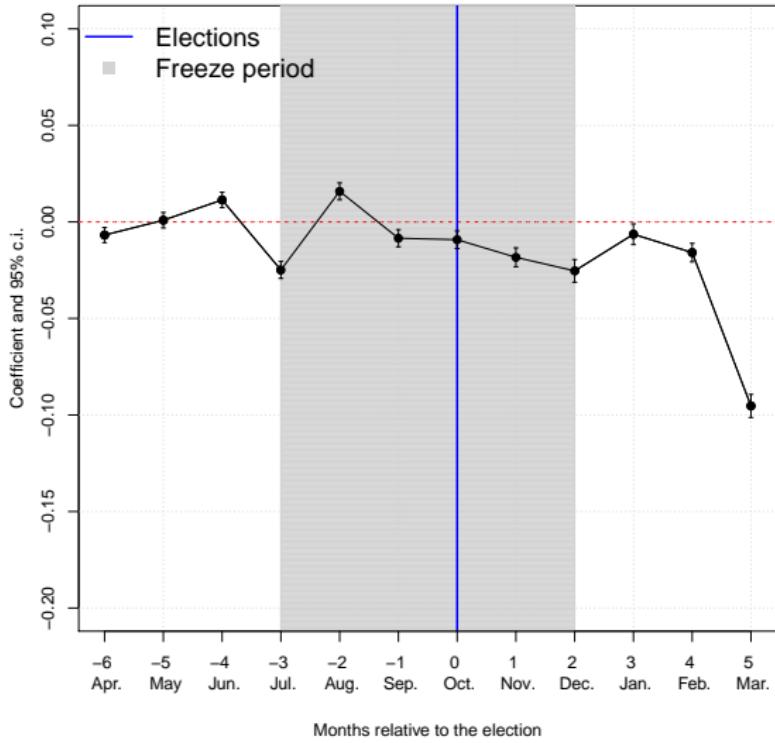
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Cycles in household visits by healthcare professionals

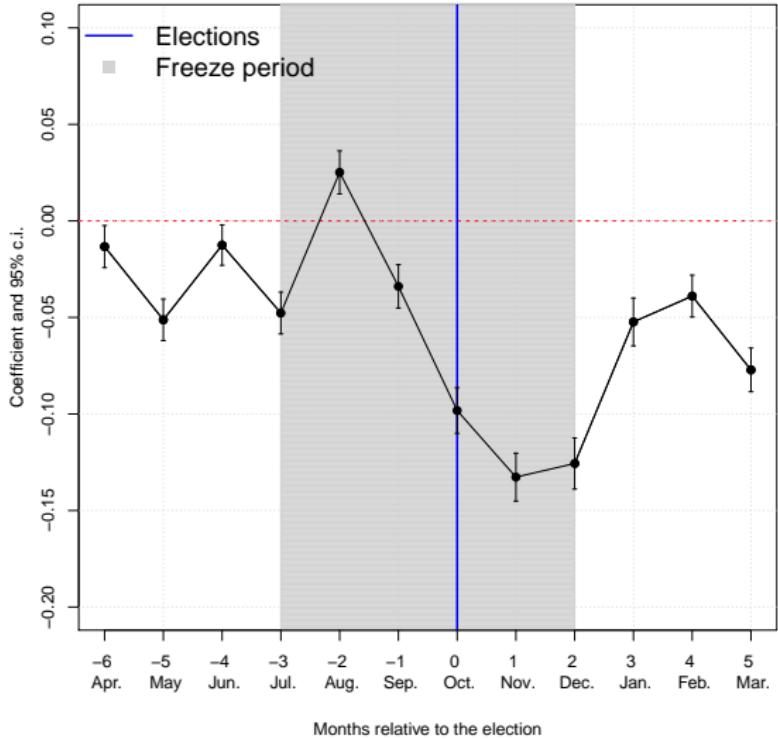
Visits by community health agents



Results are **robust to alternative specifications** (different transformations of the DV, omitting the lagged DV, using two-way FE, using unbalanced panels, omitting federal-election years)

Cycles in household visits by healthcare professionals

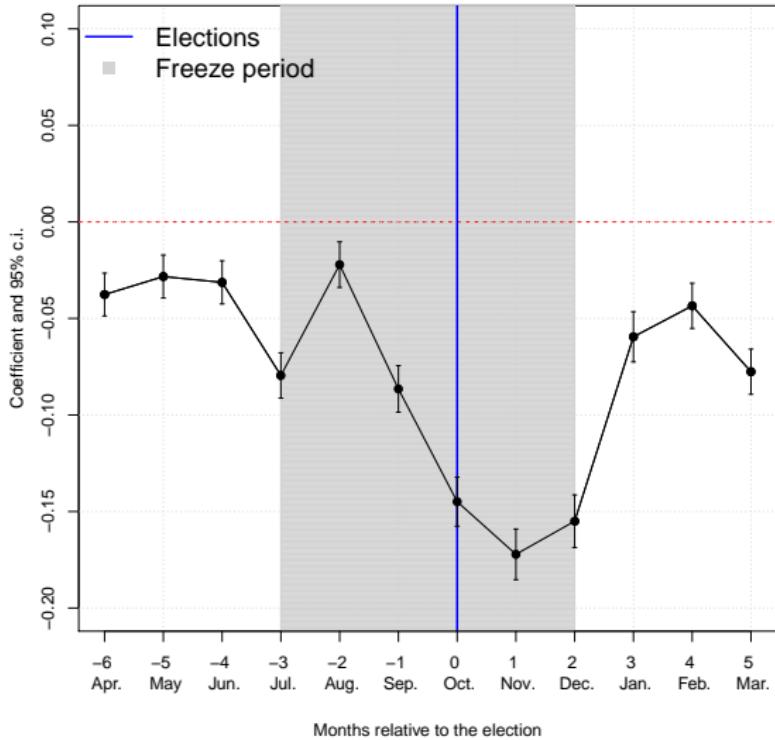
Visits by nurses



Results are **robust to alternative specifications** (different transformations of the DV, omitting the lagged DV, using two-way FE, using unbalanced panels, omitting federal-election years)

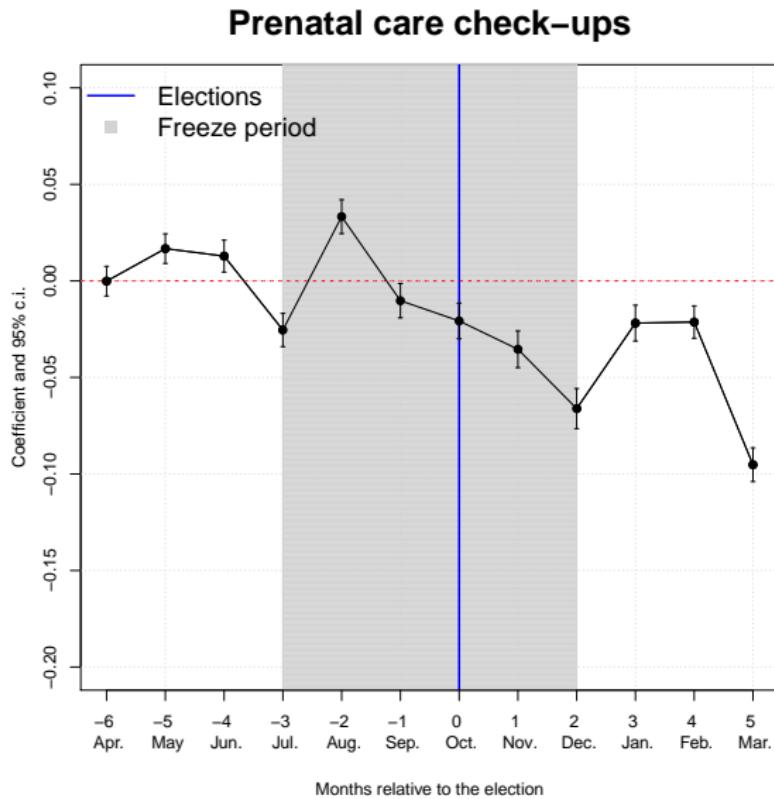
Cycles in household visits by healthcare professionals

Visits by doctors



Results are **robust to alternative specifications** (different transformations of the DV, omitting the lagged DV, using two-way FE, using unbalanced panels, omitting federal-election years)

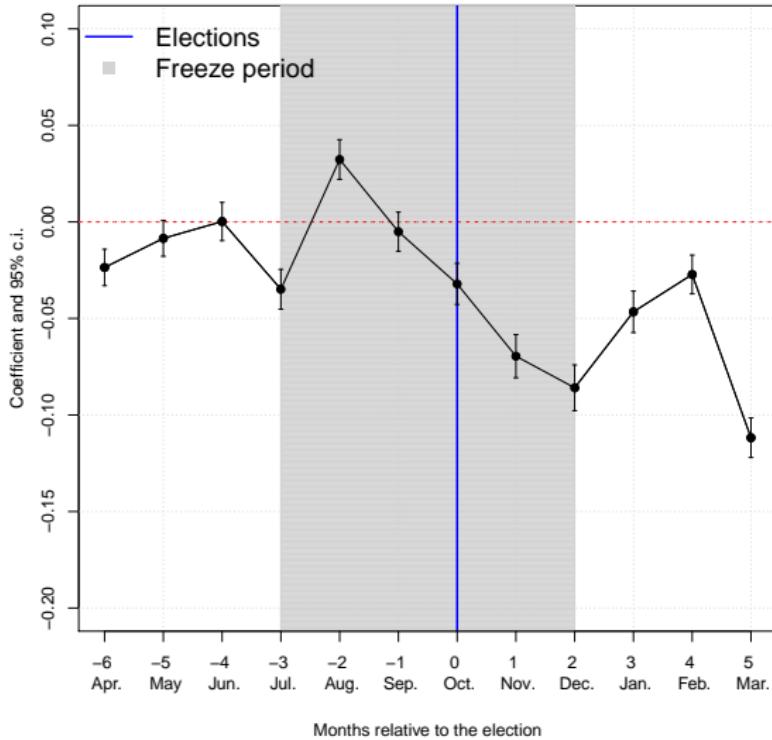
Cycles in prenatal care check-ups



Results are **robust to alternative specifications** (different transformations of the DV, omitting the lagged DV, using two-way FE, using unbalanced panels, omitting federal-election years)

Cycles in medical consultations

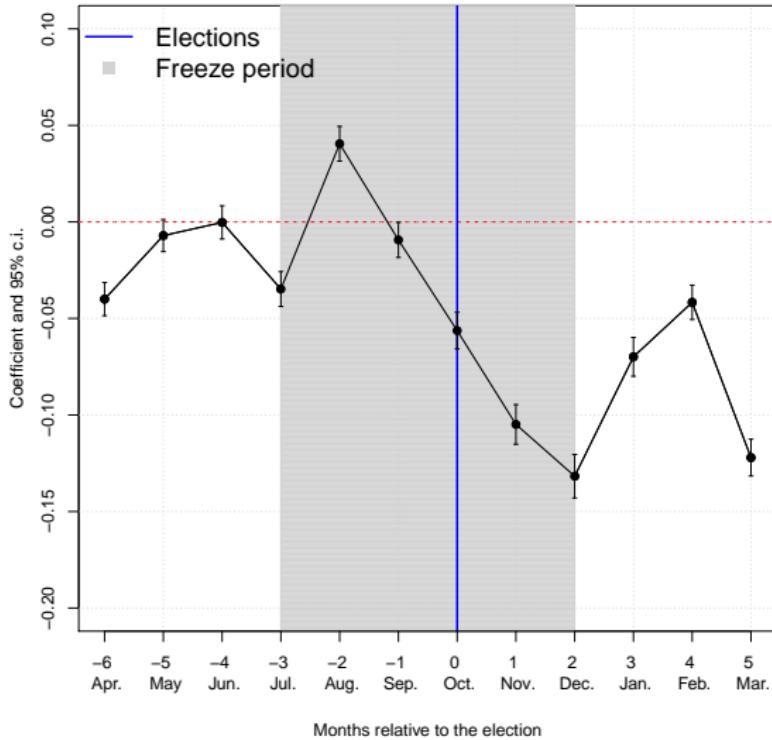
Medical consultations, patients 0–1



Results are **robust to alternative specifications** (different transformations of the DV, omitting the lagged DV, using two-way FE, using unbalanced panels, omitting federal-election years)

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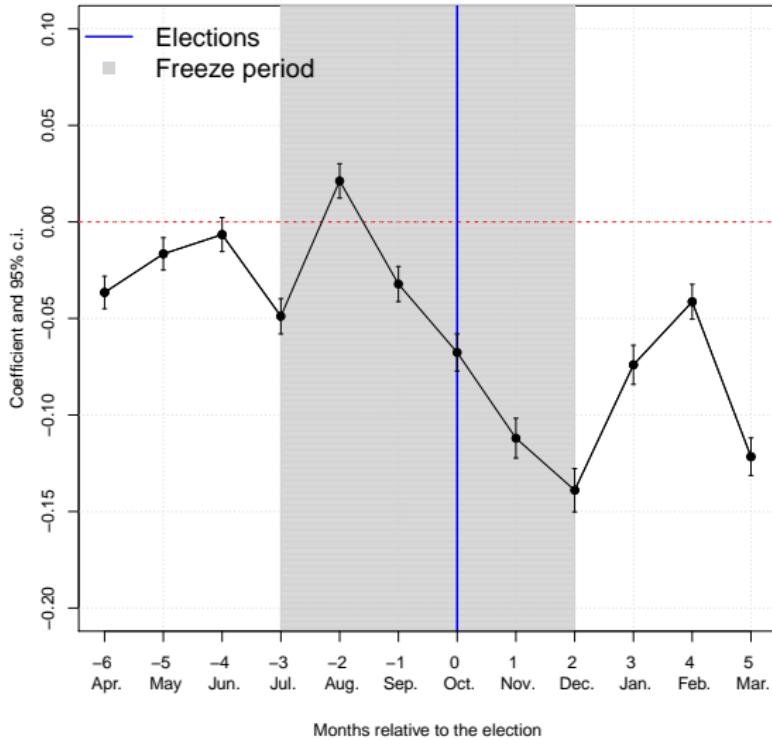
Medical consultations, patients 1–5



Results are **robust to alternative specifications** (different transformations of the DV, omitting the lagged DV, using two-way FE, using unbalanced panels, omitting federal-election years)

Cycles in medical consultations

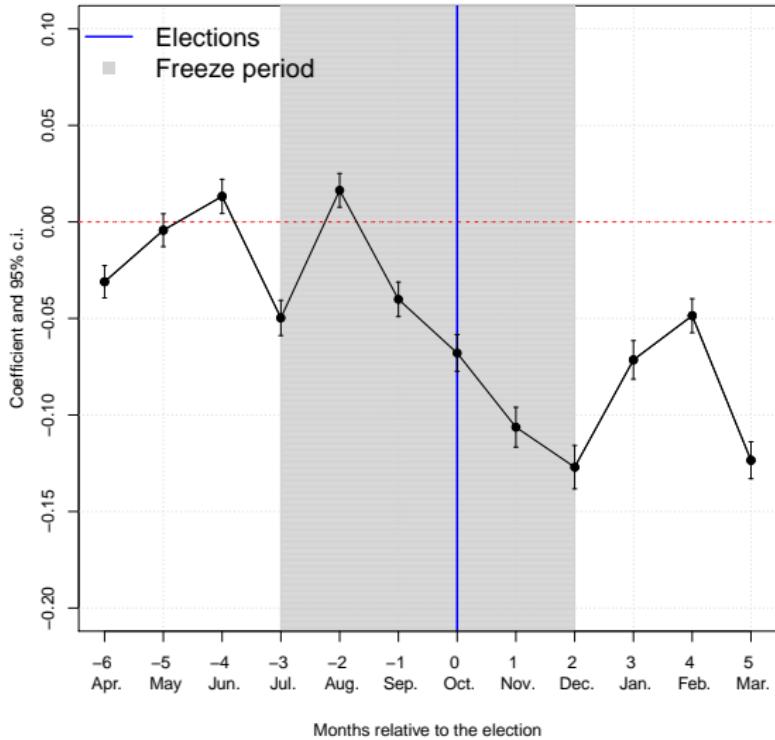
Medical consultations, patients 5–9



Results are **robust to alternative specifications** (different transformations of the DV, omitting the lagged DV, using two-way FE, using unbalanced panels, omitting federal-election years)

Cycles in medical consultations

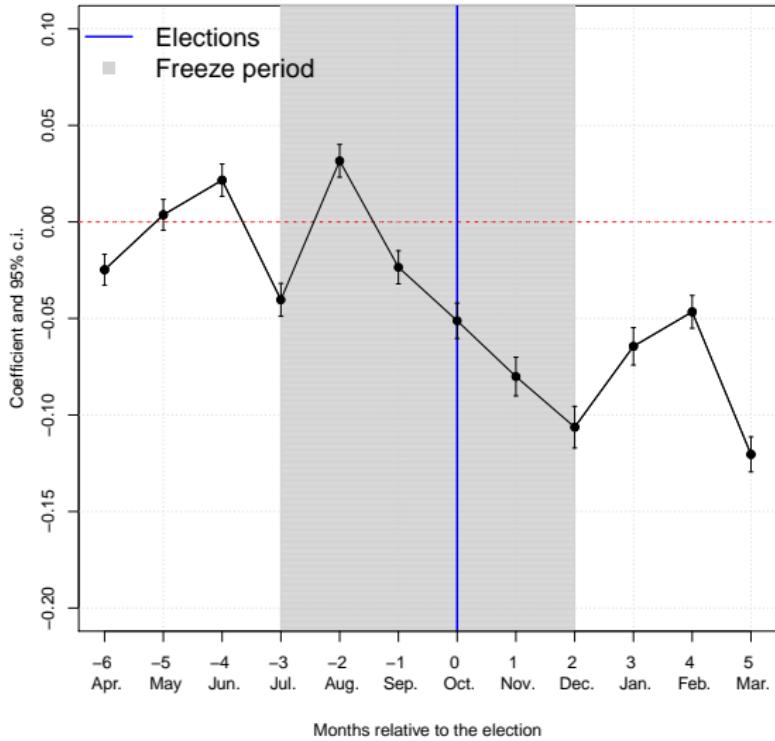
Medical consultations, patients 10–14



Results are **robust to alternative specifications** (different transformations of the DV, omitting the lagged DV, using two-way FE, using unbalanced panels, omitting federal-election years)

Cycles in medical consultations

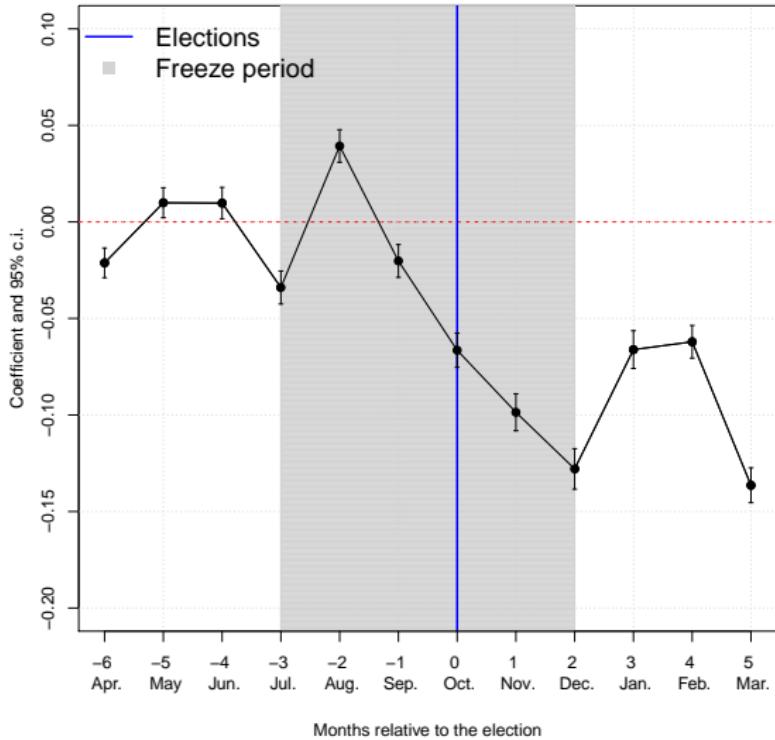
Medical consultations, patients 15–19



Results are **robust to alternative specifications** (different transformations of the DV, omitting the lagged DV, using two-way FE, using unbalanced panels, omitting federal-election years)

Cycles in medical consultations

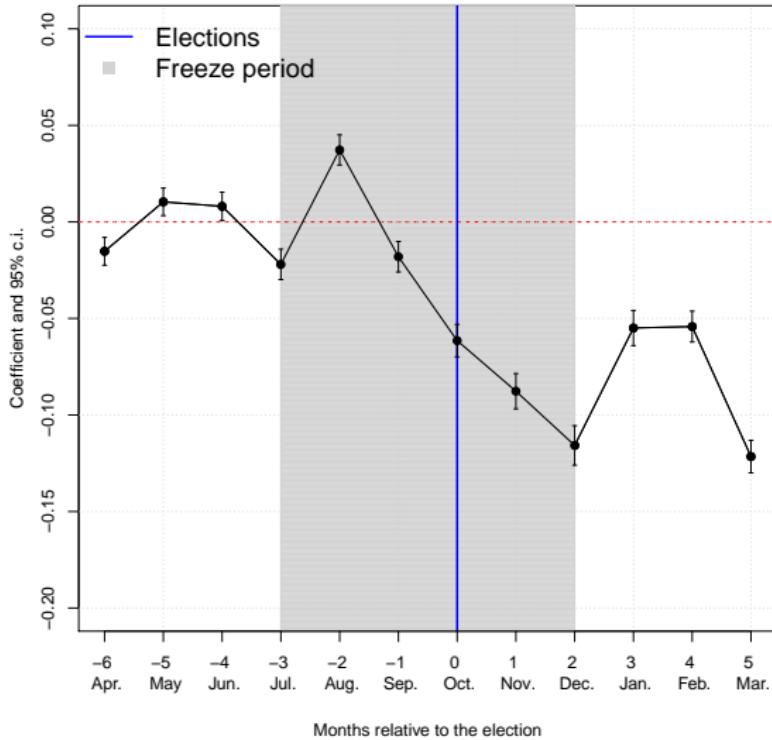
Medical consultations, patients 20–39



Results are **robust to alternative specifications** (different transformations of the DV, omitting the lagged DV, using two-way FE, using unbalanced panels, omitting federal-election years)

Cycles in medical consultations

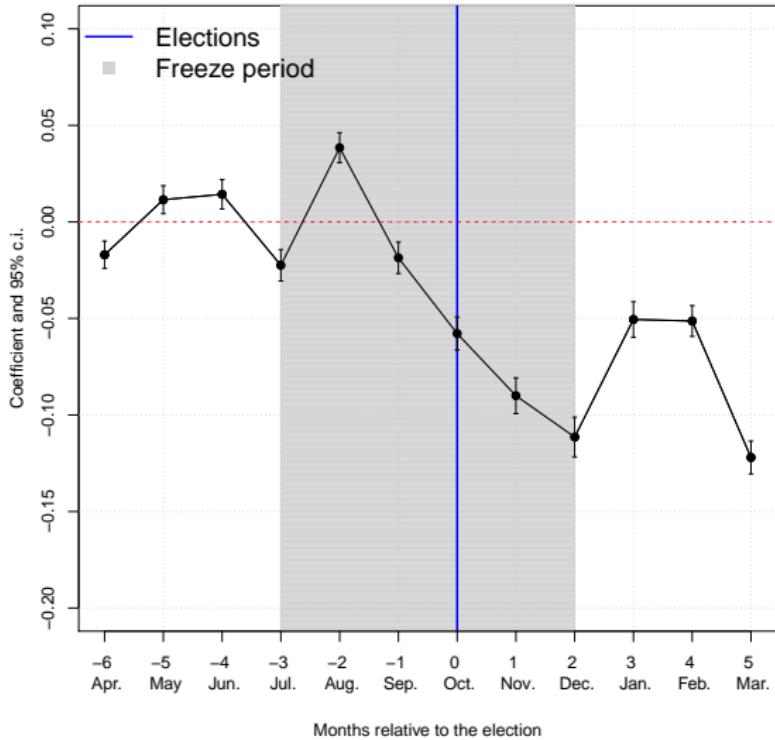
Medical consultations, patients 40–49



Results are **robust to alternative specifications** (different transformations of the DV, omitting the lagged DV, using two-way FE, using unbalanced panels, omitting federal-election years)

Cycles in medical consultations

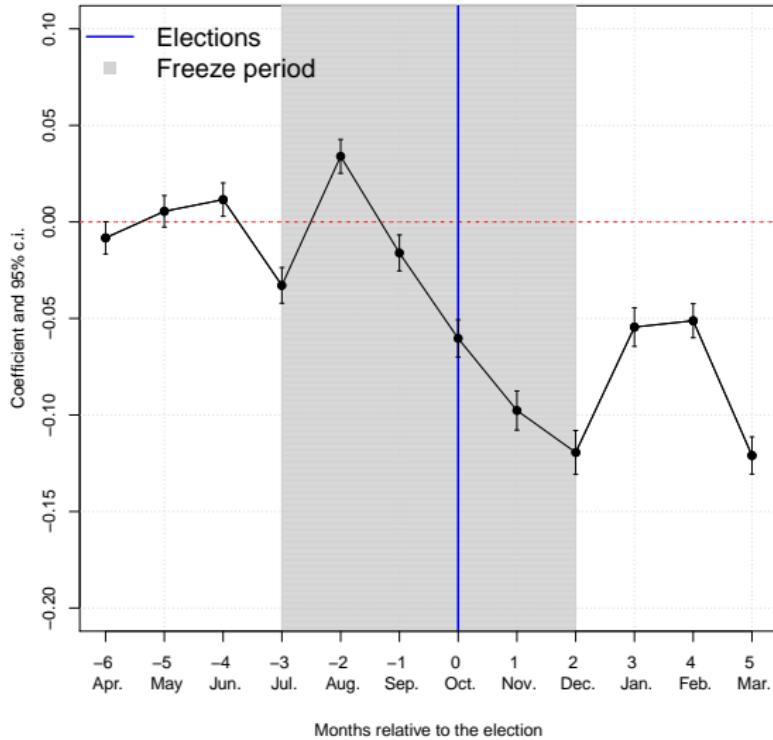
Medical consultations, patients 50–59



Results are **robust to alternative specifications** (different transformations of the DV, omitting the lagged DV, using two-way FE, using unbalanced panels, omitting federal-election years)

Cycles in medical consultations

Medical consultations, patients 60+



Results are **robust to alternative specifications** (different transformations of the DV, omitting the lagged DV, using two-way FE, using unbalanced panels, omitting federal-election years)

Overview of the political logics of patronage

Patronage logic	Political goals	Timing	Job skill level	Employee characteristics	Politician characteristics
Managing bureaucrats					
Mobilizing voters					
Rewarding supporters					
Stacking the deck					
Coalition management					

Overview of the political logics of patronage

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Managing bureaucrats	Decreasing agency problems, delivering services	During the mandate	High-skill	Political supporters with high education, experience	Service delivery concerns; programmatic profile

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Coalition management	Ensuring legislative support	During the mandate	Low or high-skill	Linked to legislators	Relative weakness in the legislature. Stability concerns

Overview of the anti-patronage policies

Anti-patronage policy	Promises	Implementation pitfalls	Other pitfalls
Civil service systems			
Elections for key bureaucratic positions			
Legal constraints on hiring around elections			

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Legal constraints on hiring around elections	Reducing politicians' discretion when clientelistic temptations are higher	Compliance failures	Displacements of patronage in time. Signaling through other, costlier means. Rigidities in hiring may be costly for service delivery.

Overview of the empirics

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Empirical study	Patronage logic illustrated	Anti-patronage policy studied	Service delivery impacts measured
Political bureaucratic cycles	Mobilizing voters; Rewarding supporters	Legal and fiscal constraints on hiring	Healthcare
Turnover	Stacking the deck	Civil service; Electoral accountability	Healthcare
Coalitional patronage	Coalition management	Checks and balances	Social assistance
Accountability in the machine	Managing bureaucrats	Elections for key bureaucratic positions	Education
Patronage as technology	Managing bureaucrats	Civil service	Education

How should we think about patronage?

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Three **major notions of patronage** in the social sciences:

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- Social relationship of exchange between unequal parties

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The discretionary hiring and firing of bureaucrats based, at least partly, on political criteria

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- The **scale** of patronage (how many appointments do they control?)
- The **normative value** of patronage (is it good?)

This definition also:

- Focuses on specific **employment decisions** (vs the macro approach)

What is the value of this definition of patronage?

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- Therefore, Brazil is a unique case to explore the range of patronage strategies, and to test the effectiveness of anti-patronage policies

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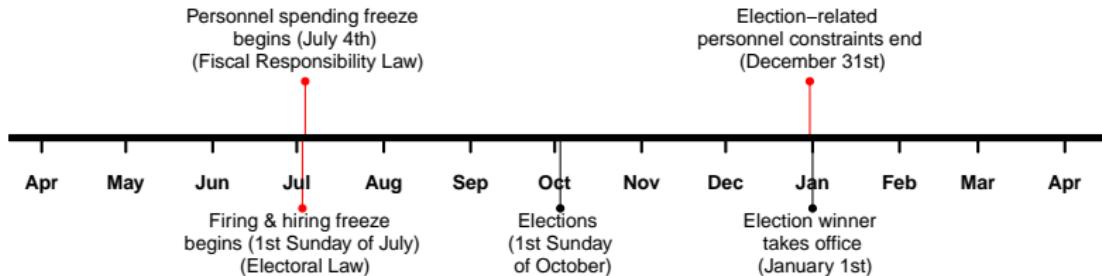
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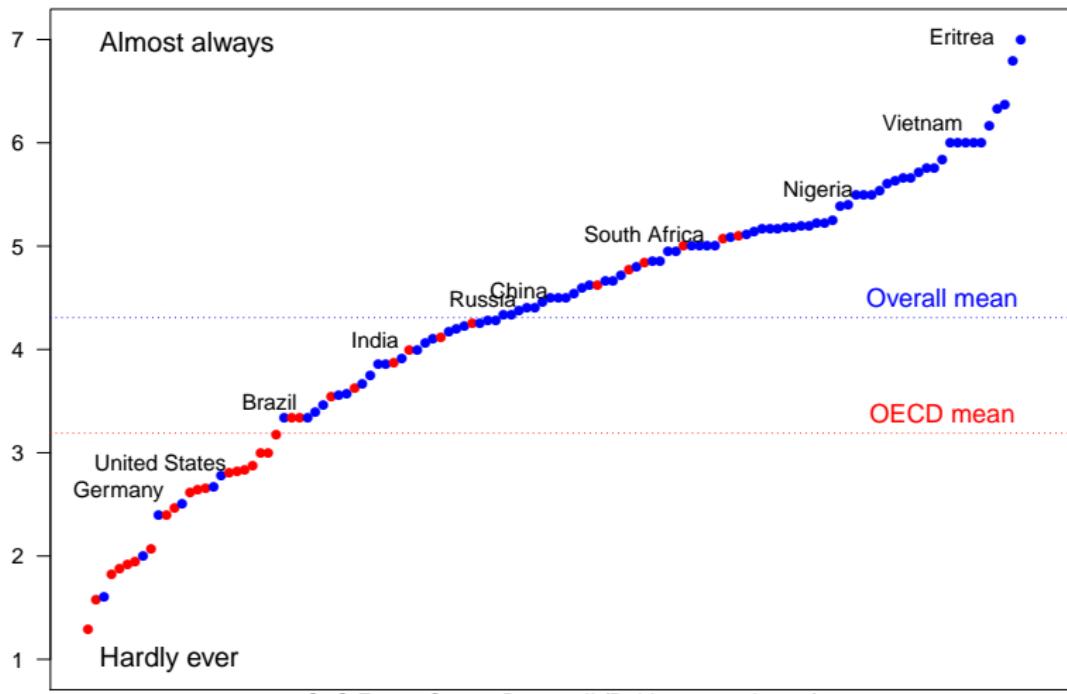
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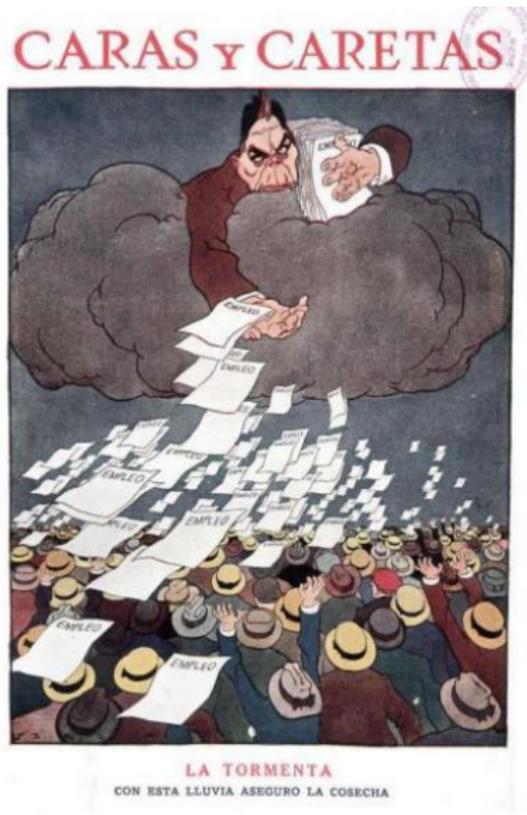
When recruiting public sector employees, how often do the political connections of the applicants decide who gets the job?



Patronage beyond Brazil

◀ appendix





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THE SWORD OF DAMOCLES—MODERN VERSION.

One of the main planks in the Reform Party's platform is Civil Service Reform. Standardization in the public service will be for merit only, so that only efficient service will receive advancement.

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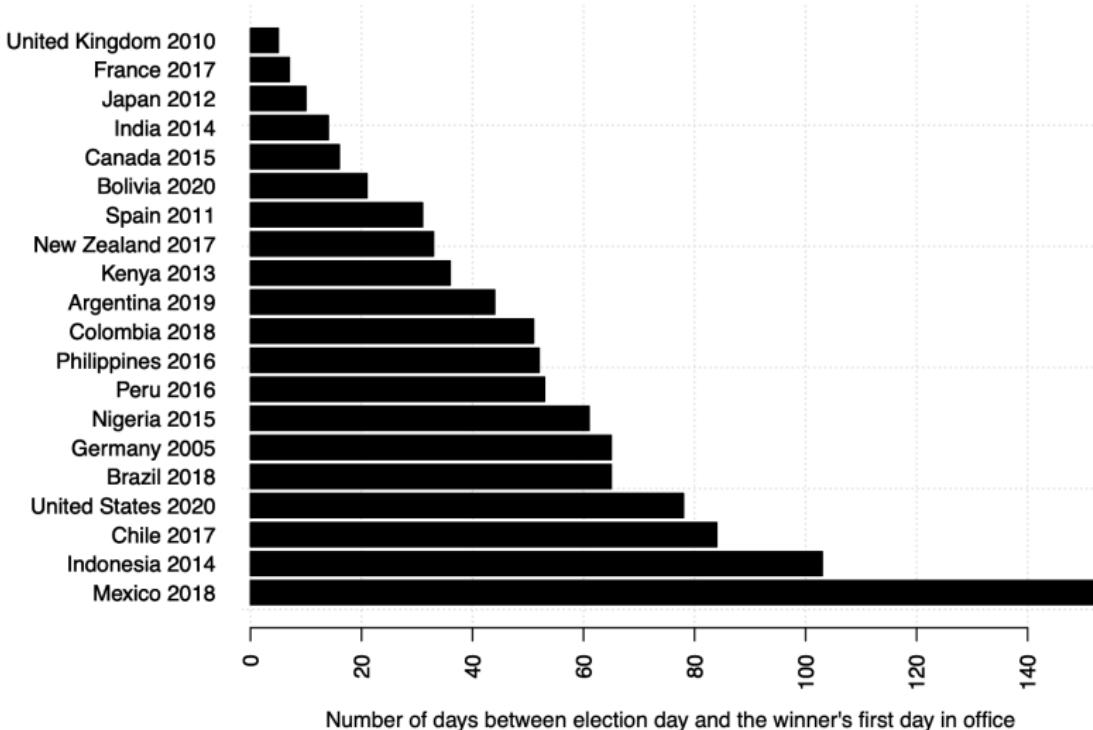
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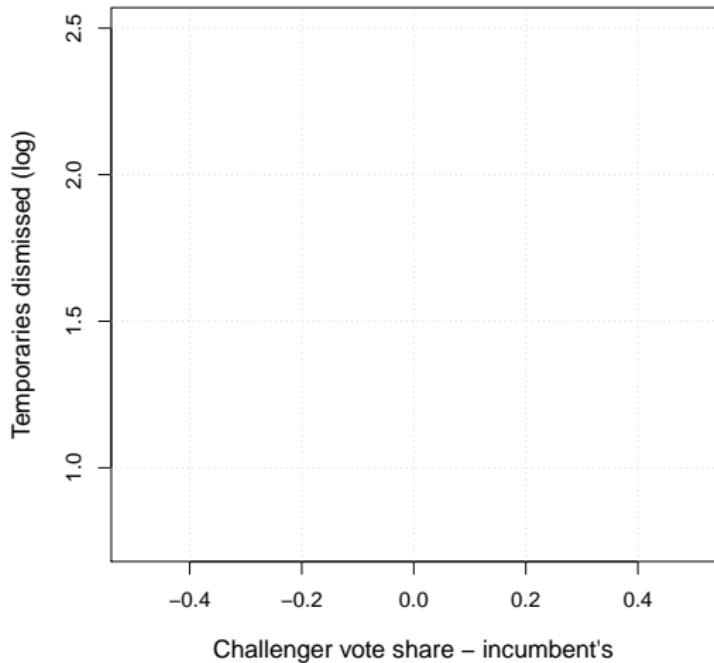
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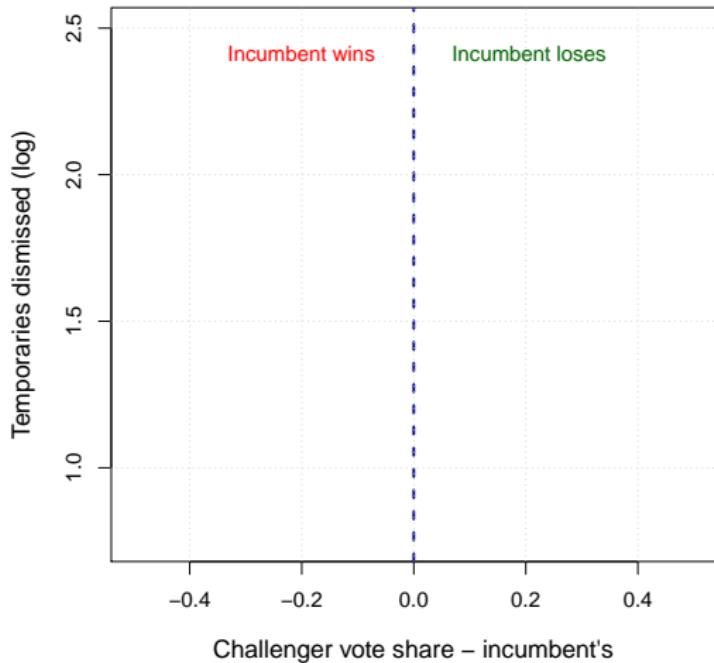
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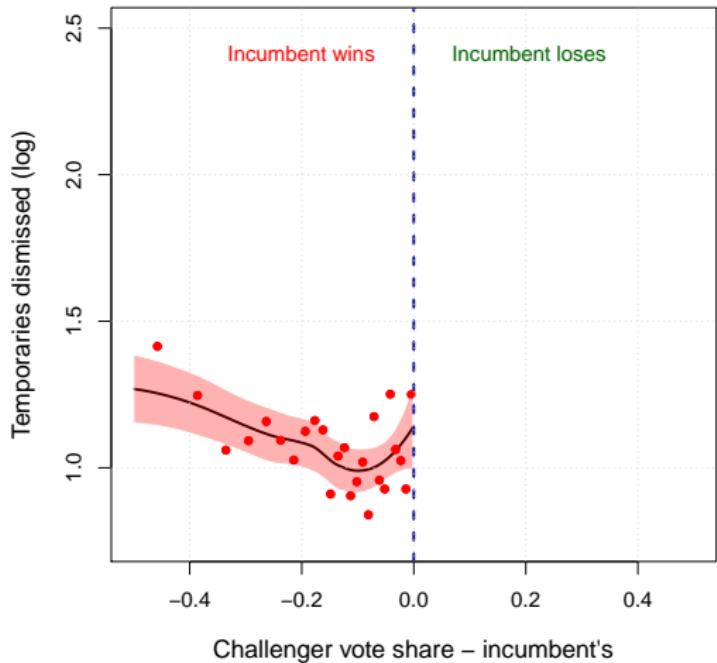
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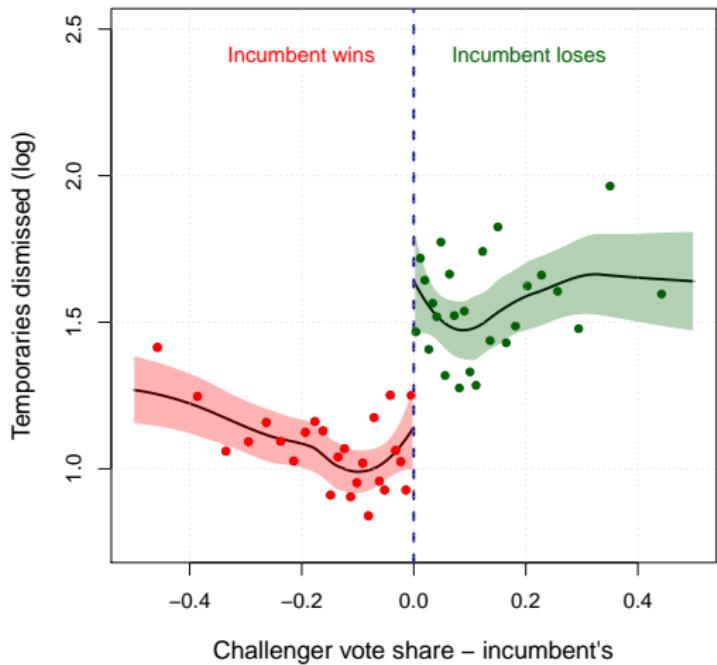
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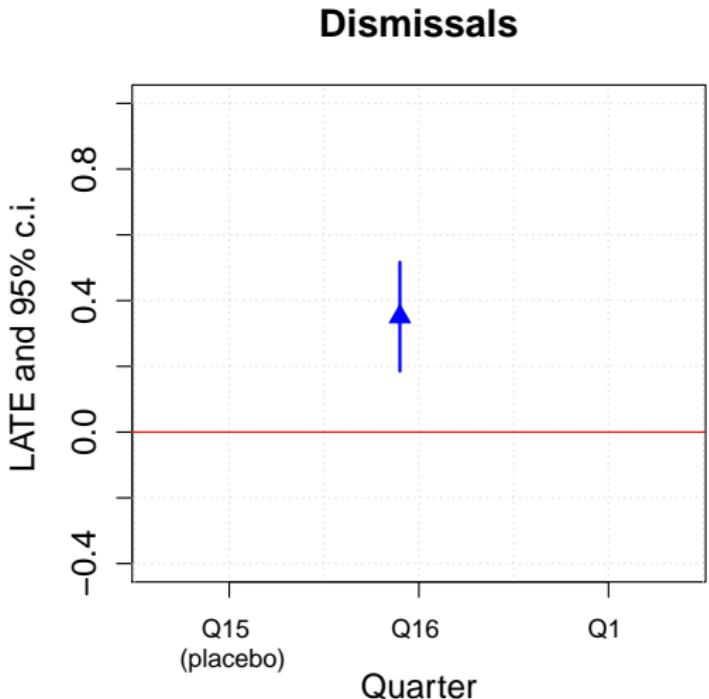


Result 1: Lame-duck governments fire temporaries

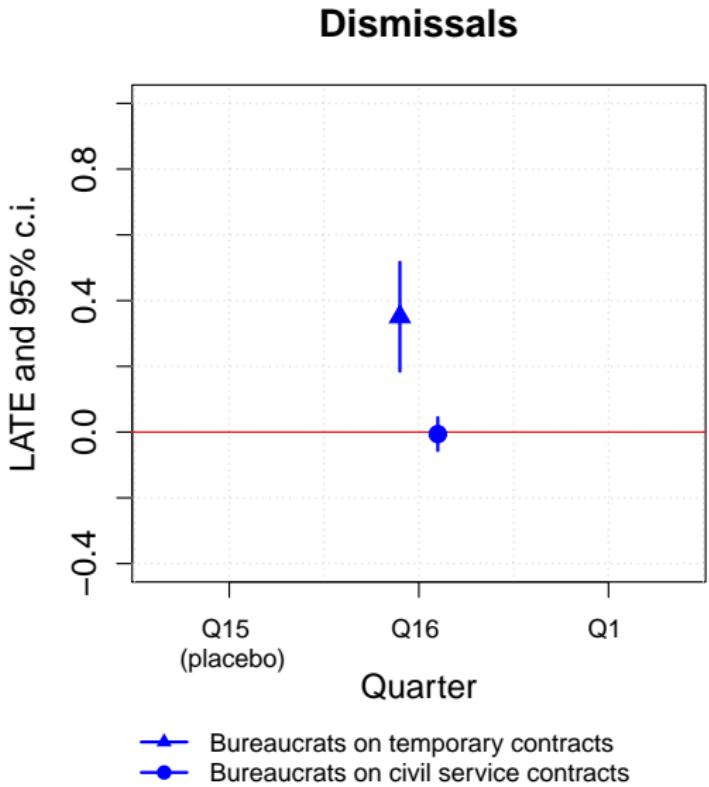
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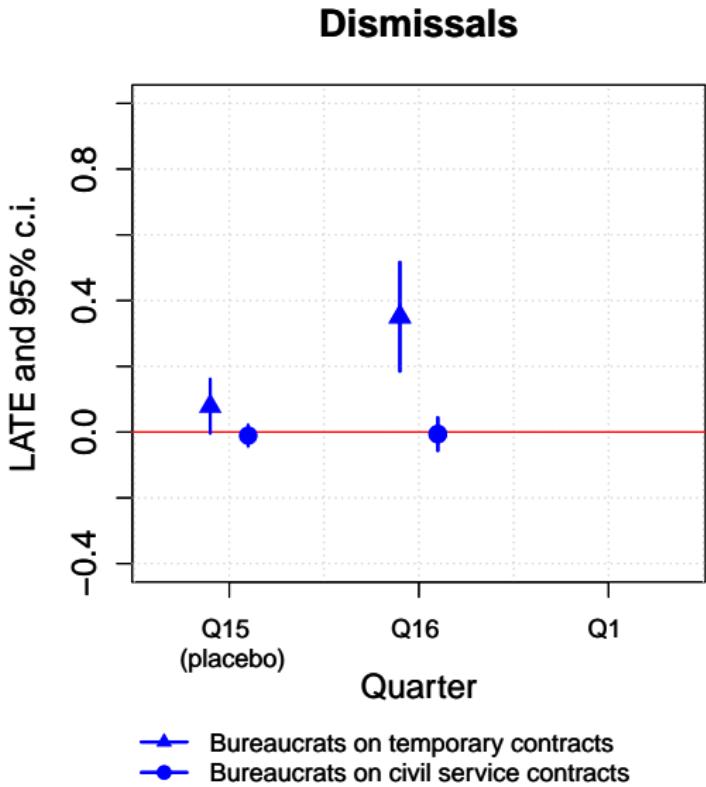
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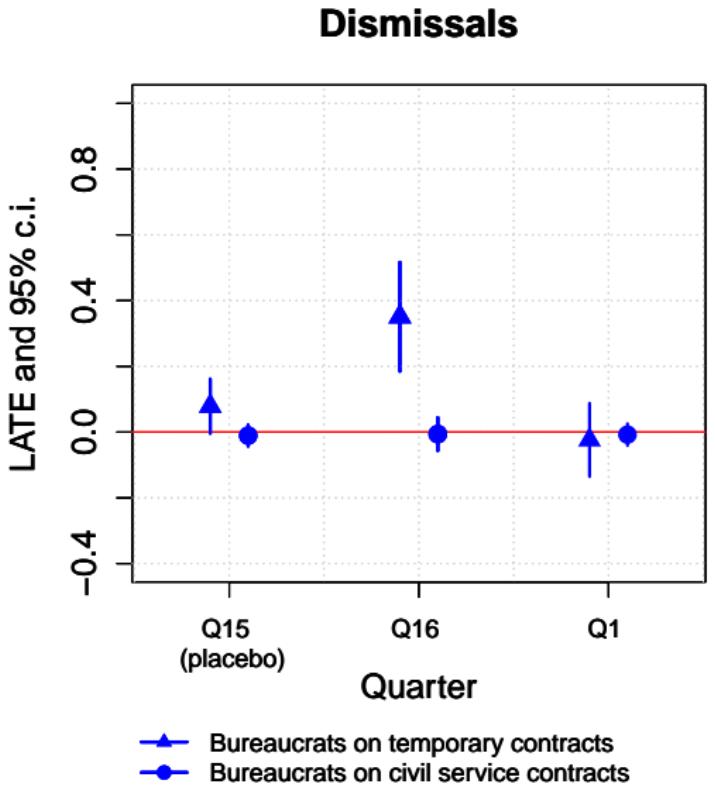
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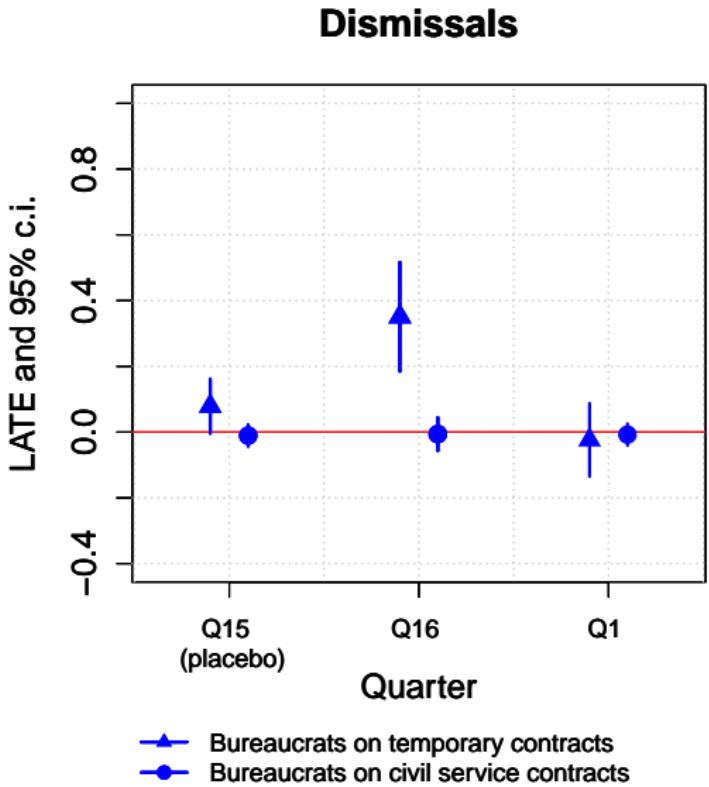
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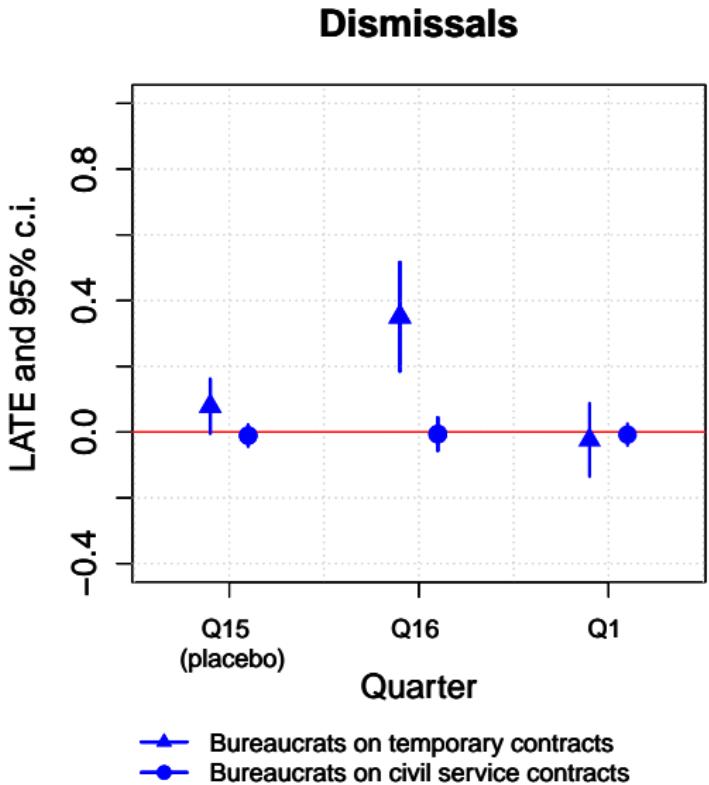
Why? To adjust the accounts, for fear of being prosecuted

"When a mayor loses the election, they try to save money and they try not to hand out the accounts in a bad state. Some of them do not really care and engage in scorched earth policy to make things difficult [for the opponent]. When the mayor wins [the re-election], there are no dismissals."

(Prosecutor in RN)

► RD plots ► Alt. bandwidths ► Table

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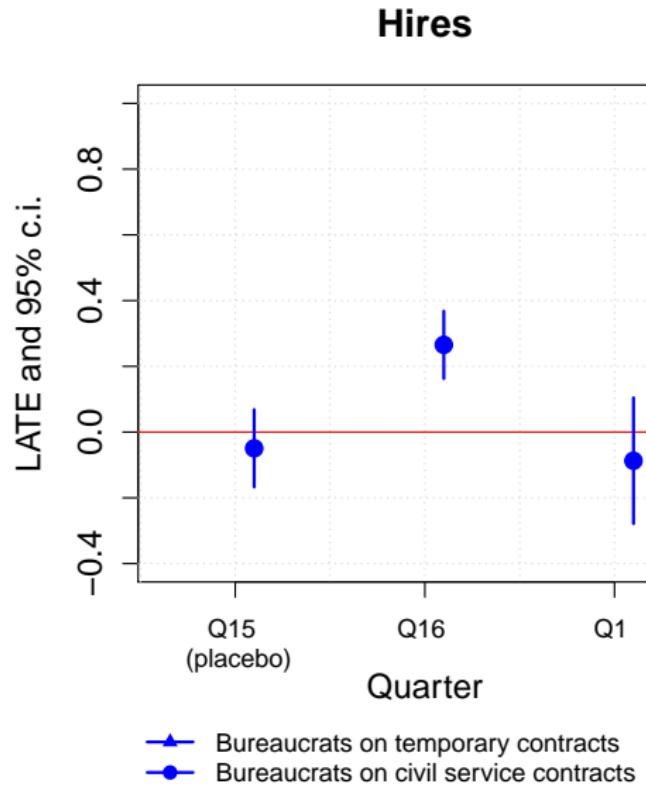
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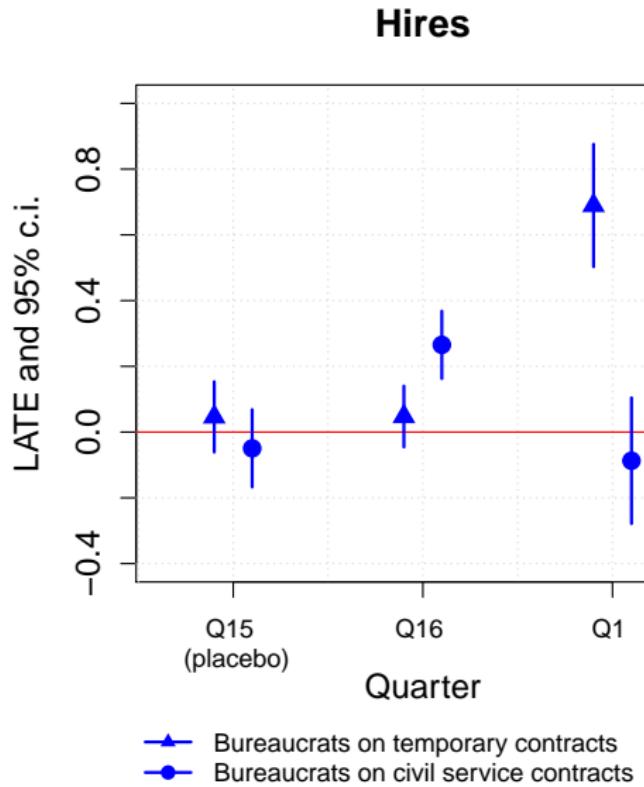
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- RD plots
- Alt. bandwidths
- Table
- Effects by pay level
- Effects by audit

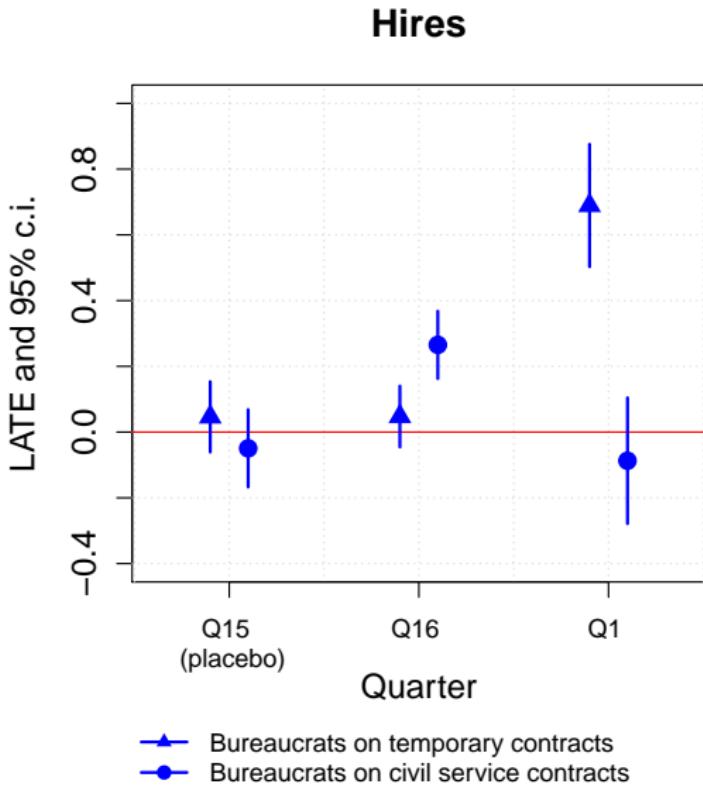
Result 2: Lame-duck governments hire civil servants



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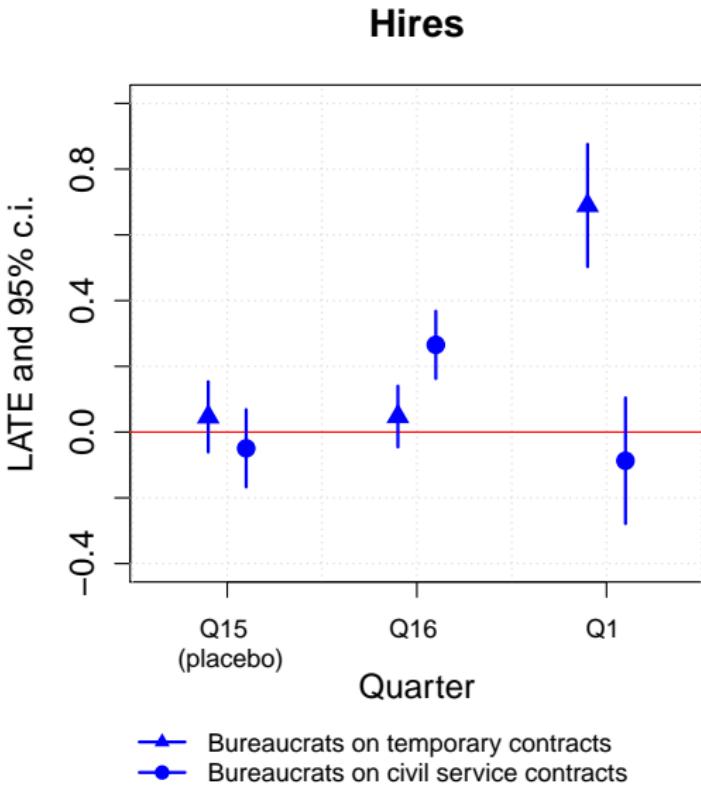


Why? To tie the hands of their opponents

*"The previous mayor hired many people [who had previously passed the civil service exam], especially after they lost the election, **to make things harder for the new administration**"*

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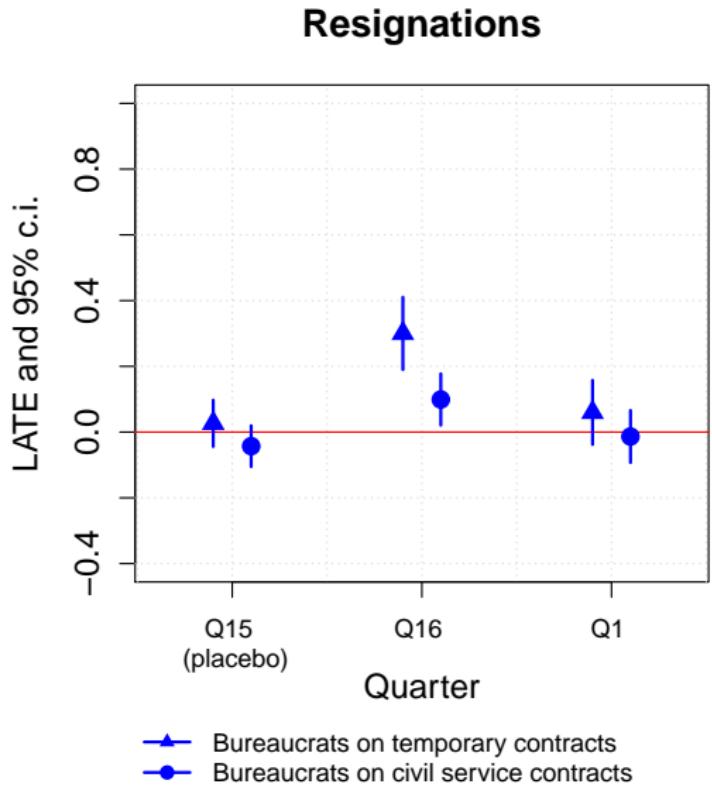
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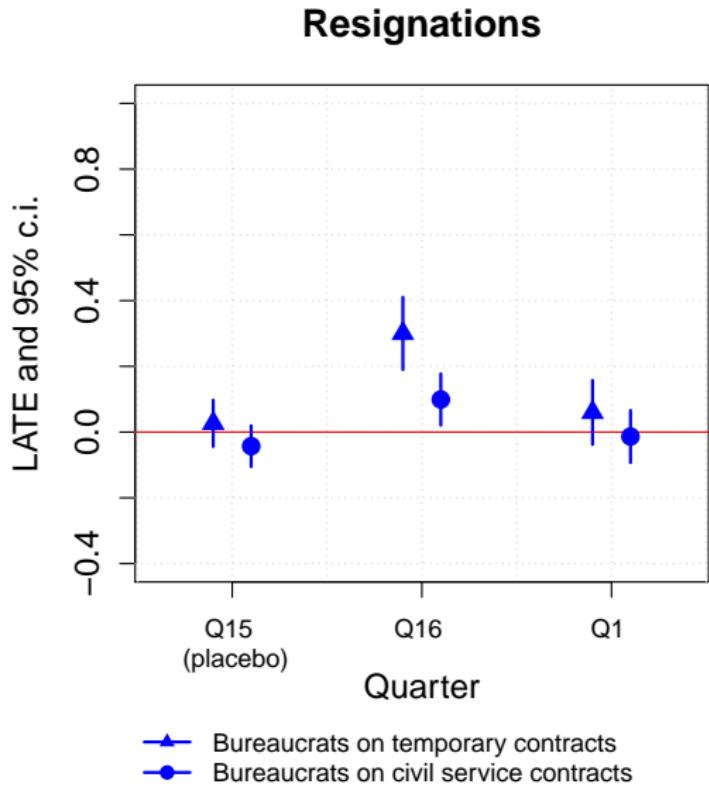
How? Making use of their discretion on *when* to hire through the civil service

- ▶ RD plots
- ▶ Alt. bandwidths
- ▶ Table
- ▶ Effects under programmatic parties
- ▶ Civil service hires' political behavior

Result 3: Bureaucrats resign after the incumbent's defeat



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Why? Some evidence of strategic exit

► Effects by pay level

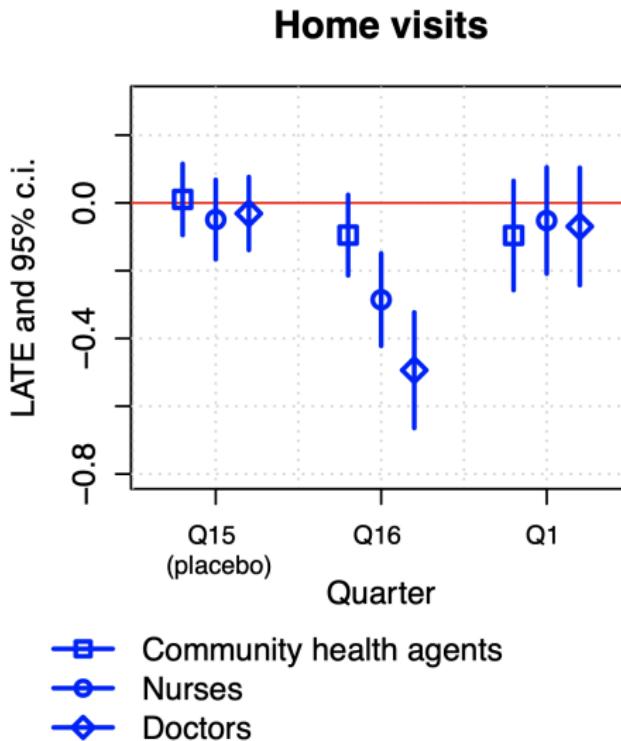
Bureaucrats may also dislike working during the transition period, due to leadership, organizational, and policy changes

► RD plots

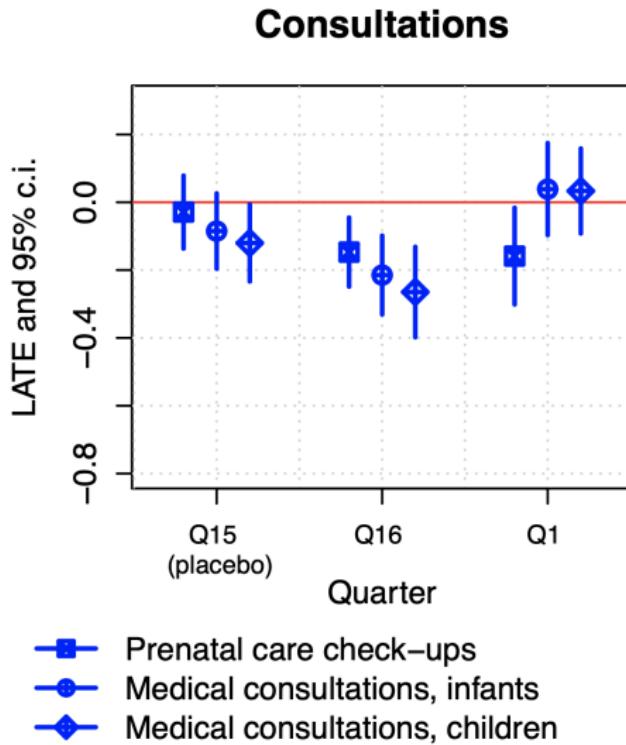
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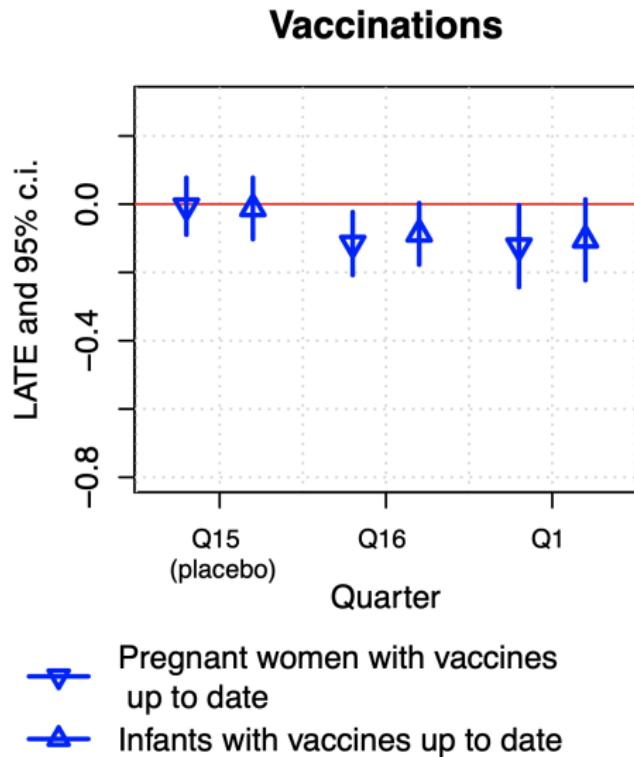
Result 4: Healthcare declines after the incumbent's defeat



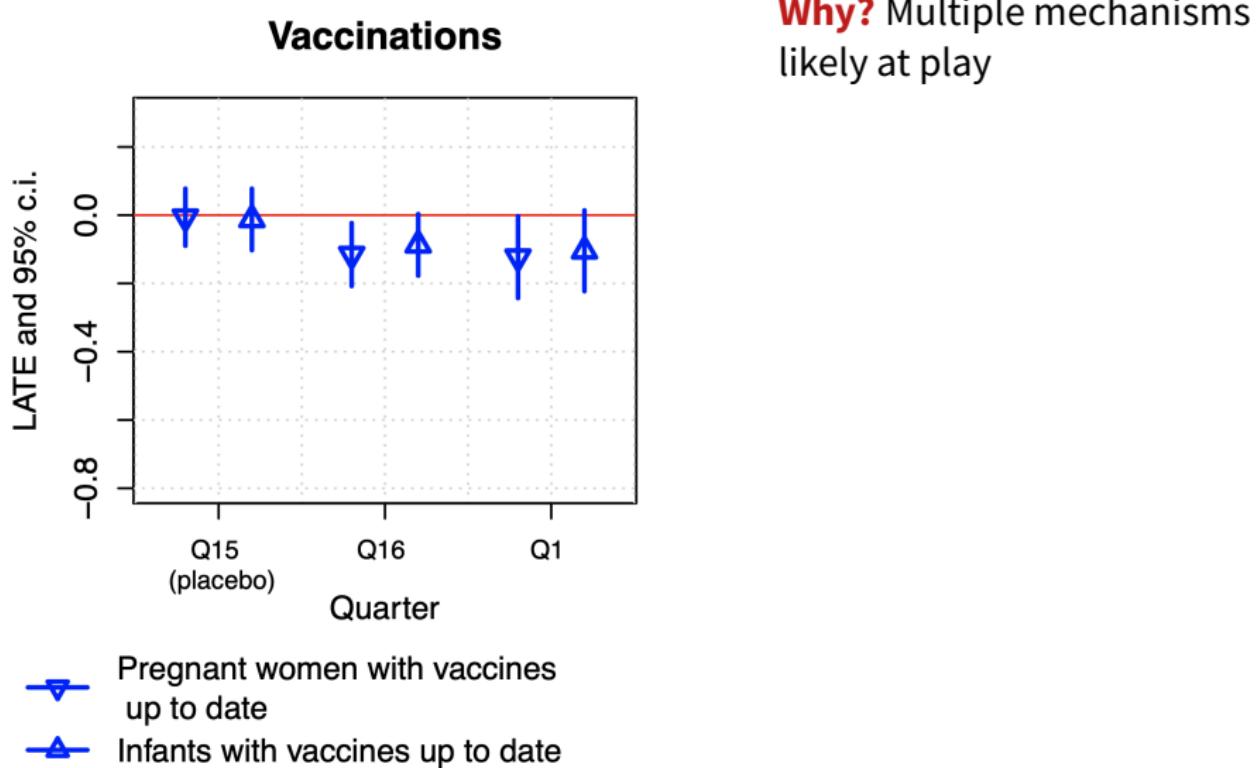
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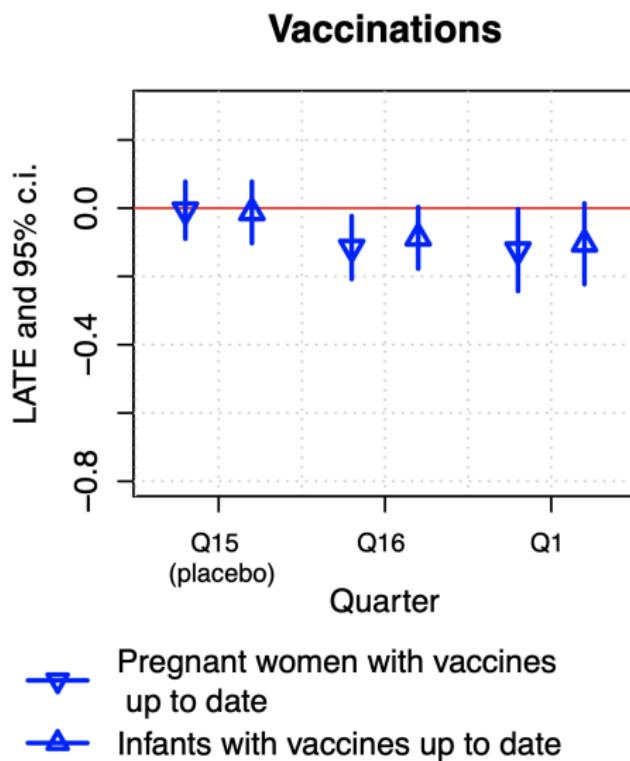
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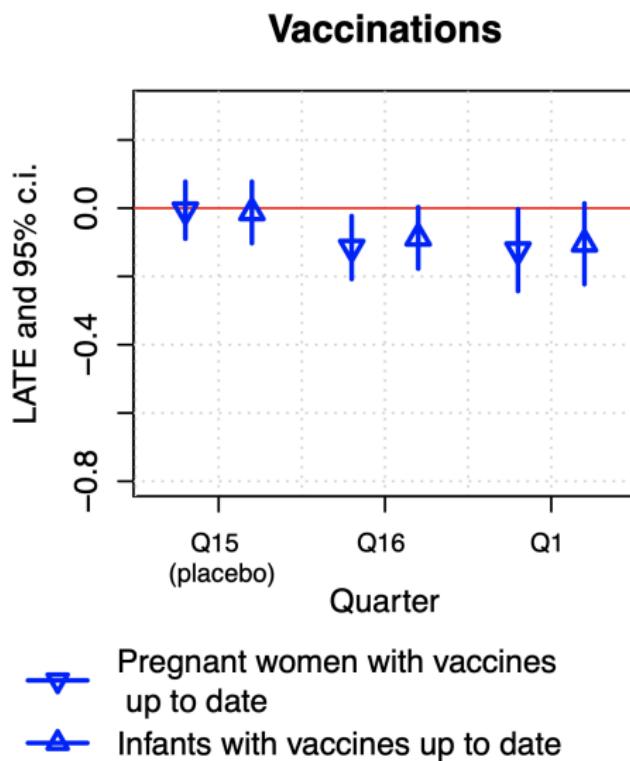


Why? Multiple mechanisms likely at play

"A change in government stops everything, because of the transition. [...] Workers stop working. Those who are in temporary contracts are dismissed, and contracts for example for transportation are canceled. The outgoing mayor does not want to have any more expenses. [...] Tenured professionals stay but with no conditions to do their job."

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"Tenured bureaucrats close their arms, because no one is holding them to account."

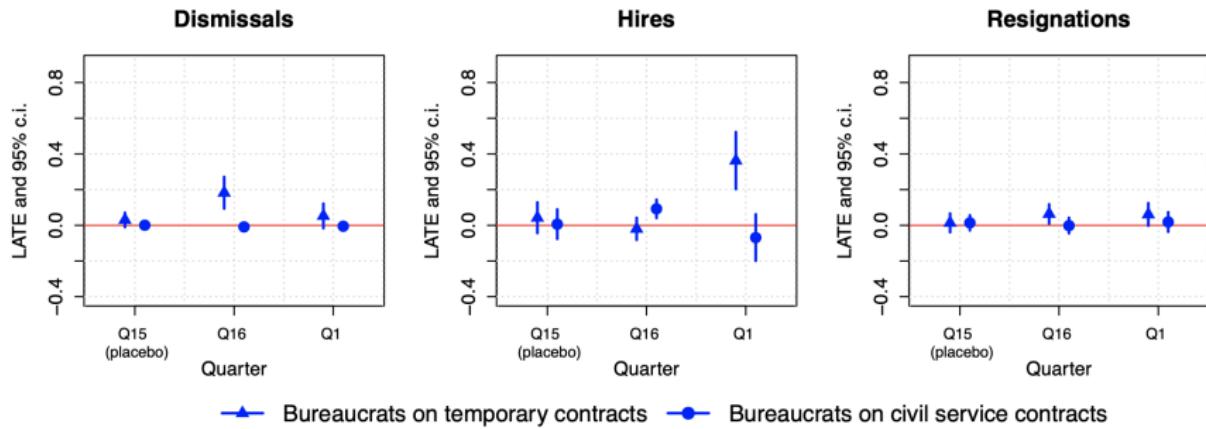
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- ▶ RD plots
- ▶ Alt. bandwidths
- ▶ Table
- ▶ Placebo outcomes

What drives declines in service delivery?

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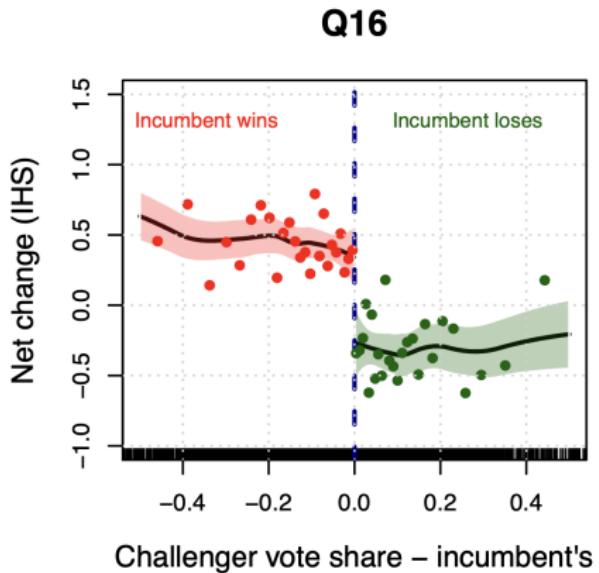
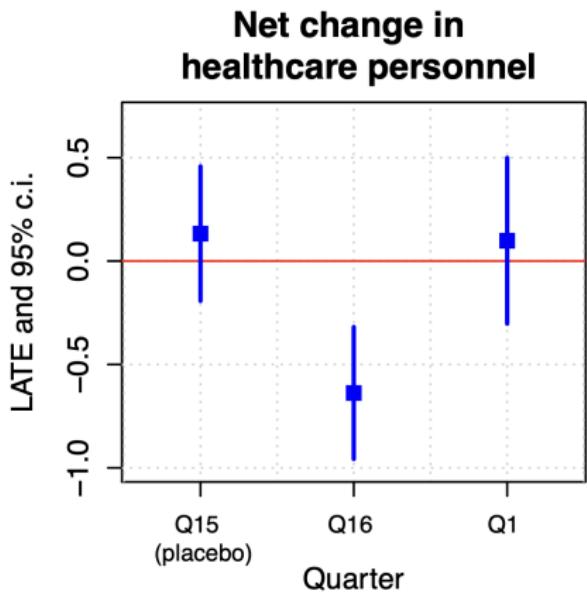
Turnover of specialized healthcare bureaucrats



▶ RD plots

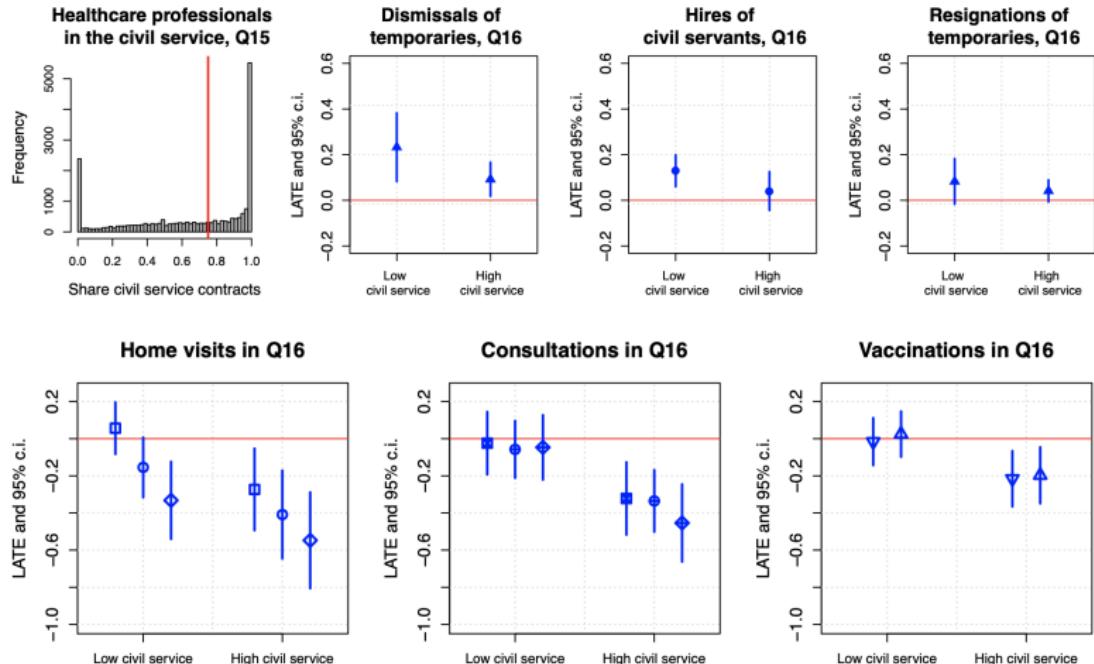
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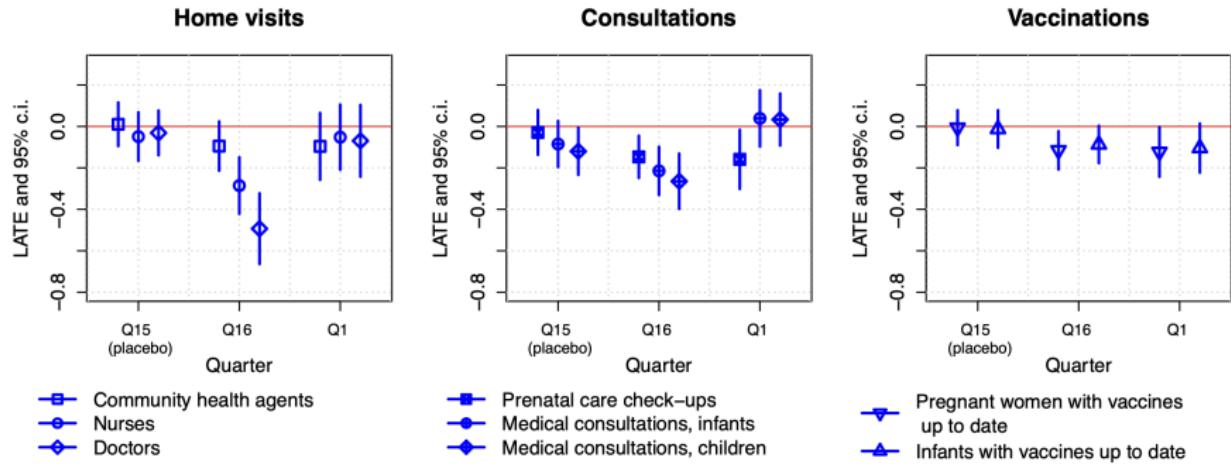
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But bureaucratic turnover is not the only mechanism at play



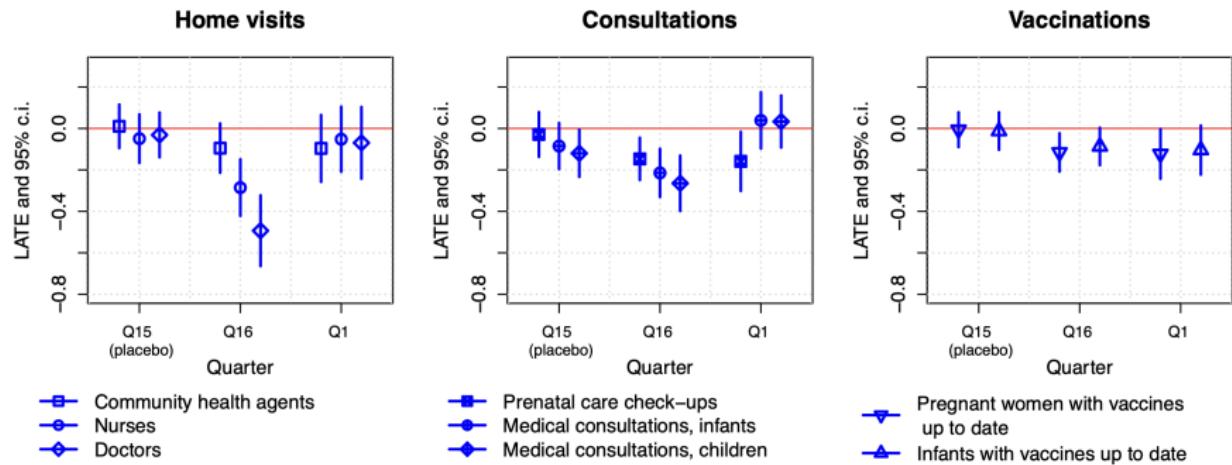
What drives declines in service delivery?

Disruptions to transportation



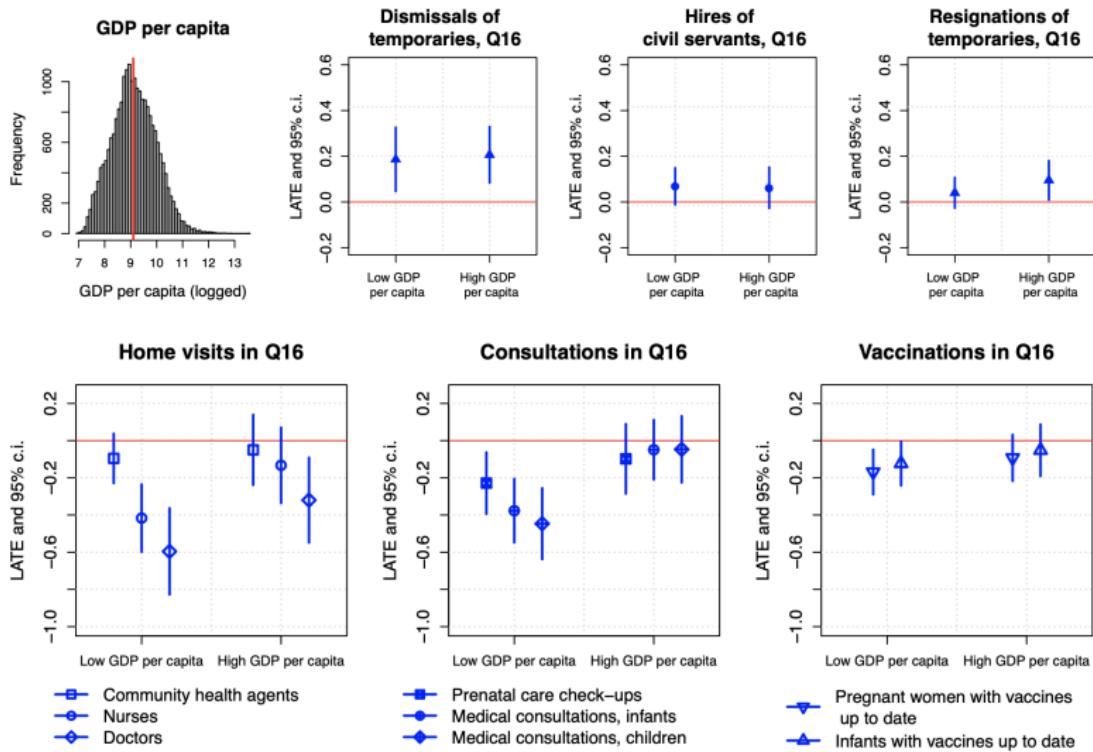
What drives declines in service delivery?

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Declines in service delivery appear to be driven by a combination of bureaucratic turnover, disruptions to other inputs, and a weakening of within-government accountability

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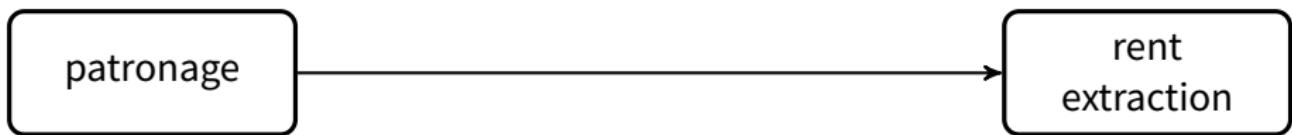
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- The fact that an electoral defeat of the incumbent causes declines in the delivery of highly visible and salient healthcare services suggests **political turnover can jeopardize citizen welfare in the short term.**

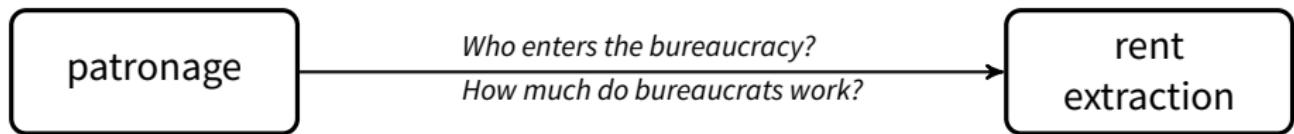
The benefits of patronage: What does patronage do?

patronage

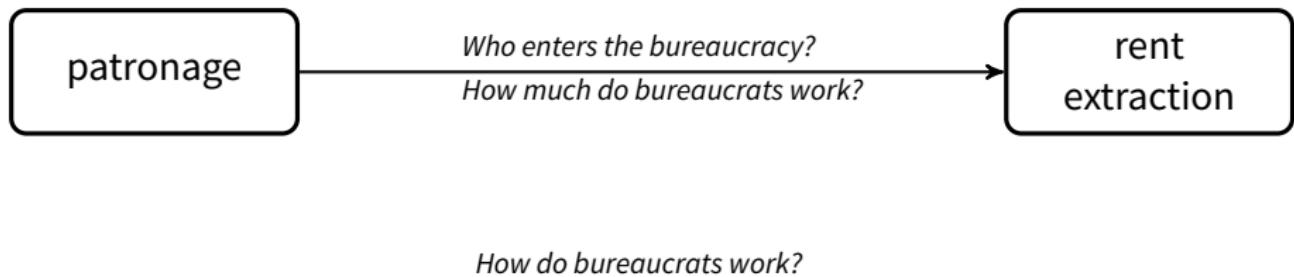
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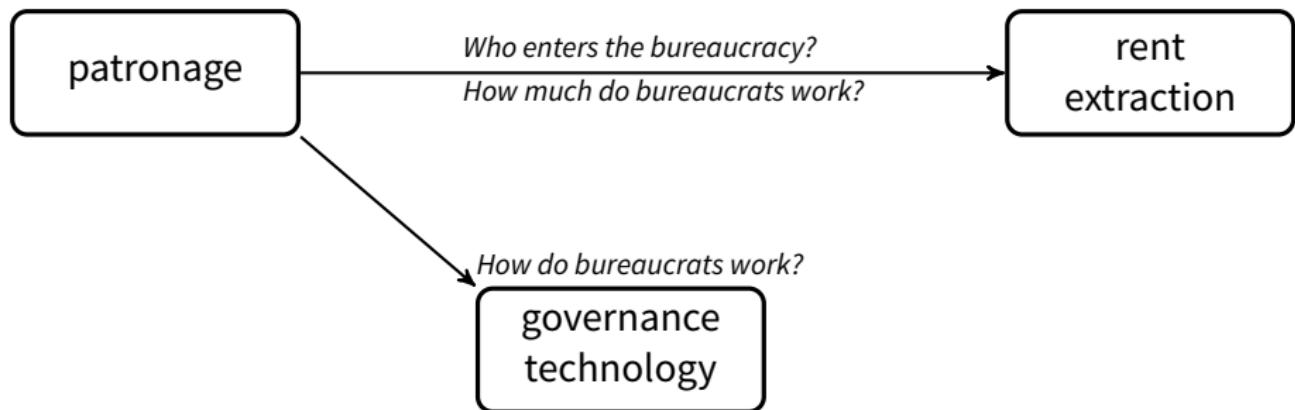
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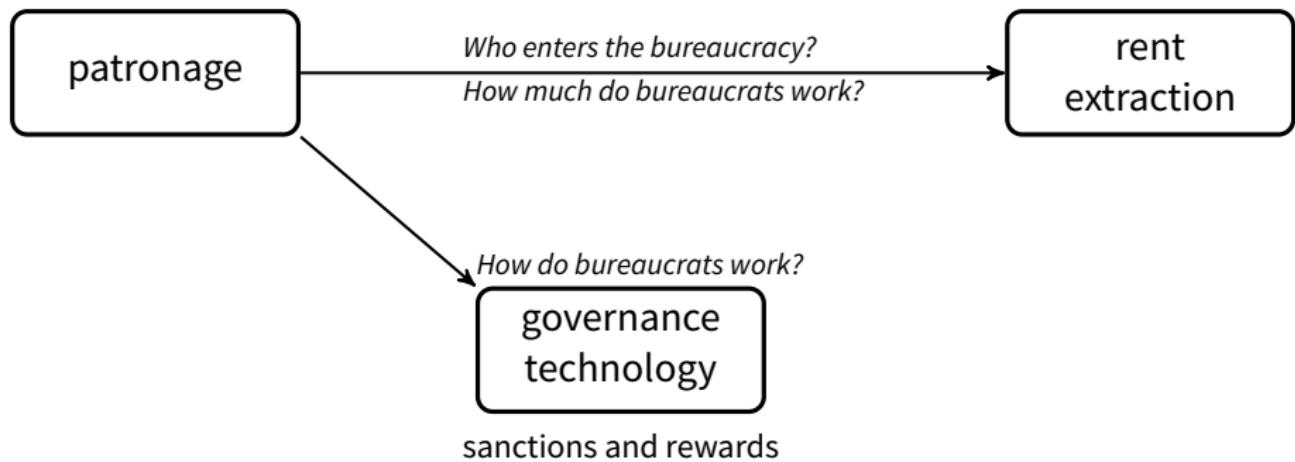
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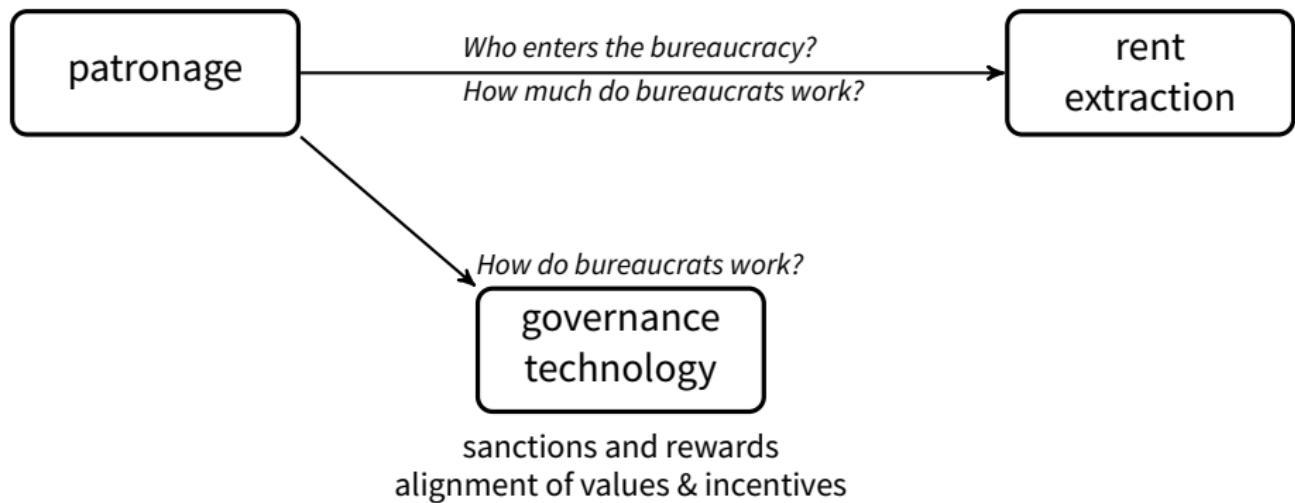
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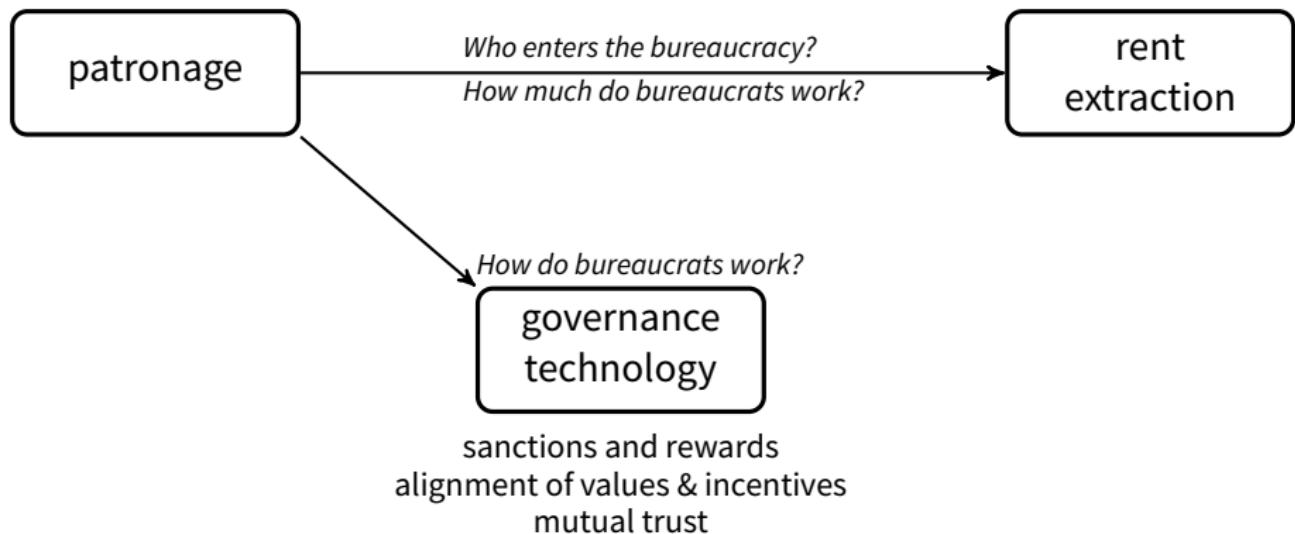
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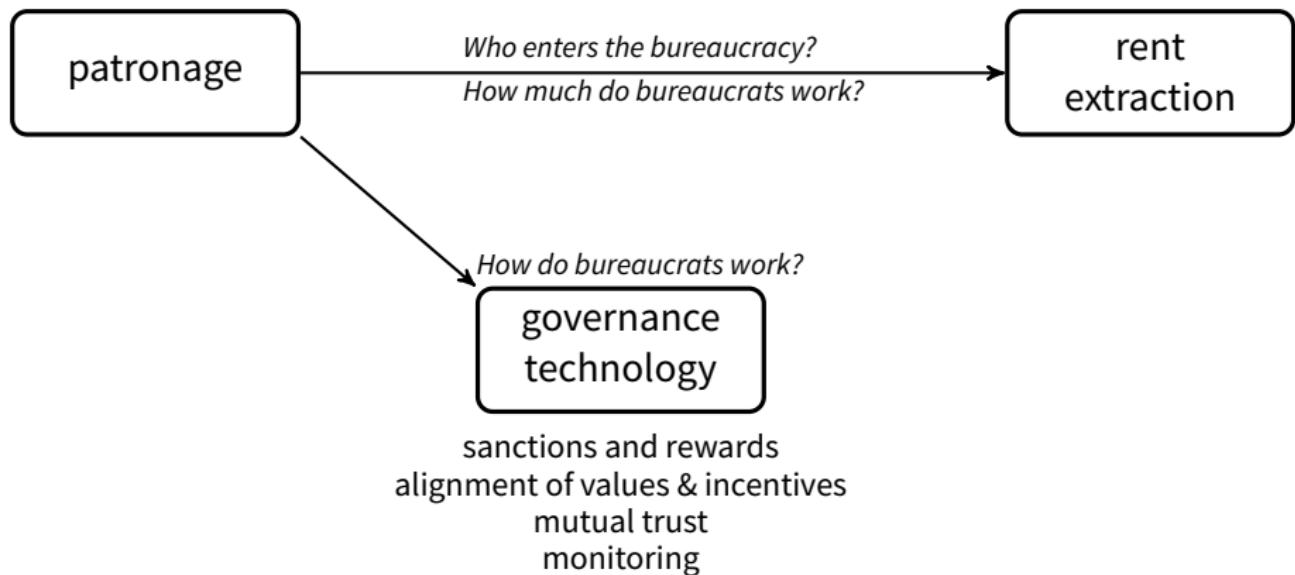
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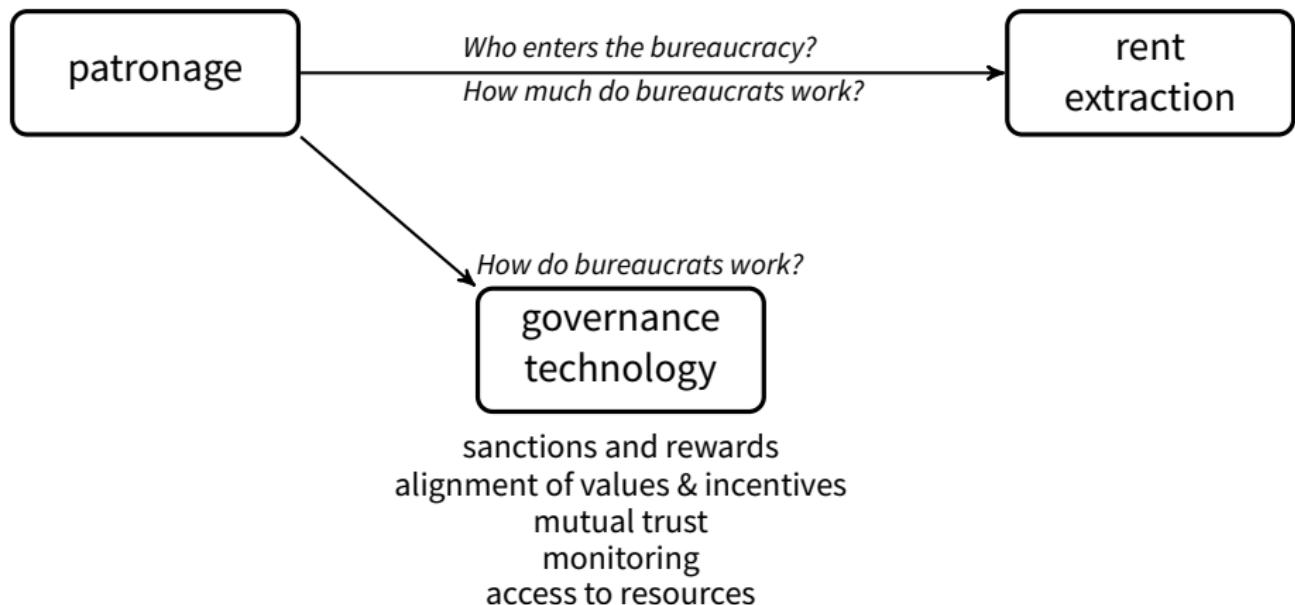
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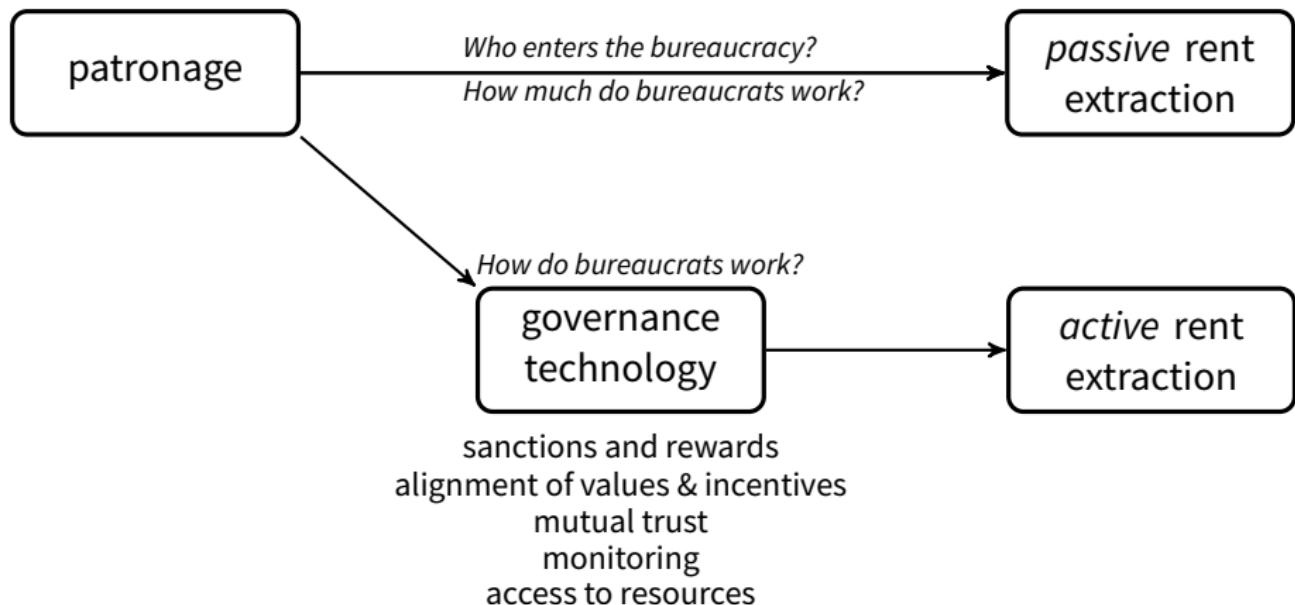
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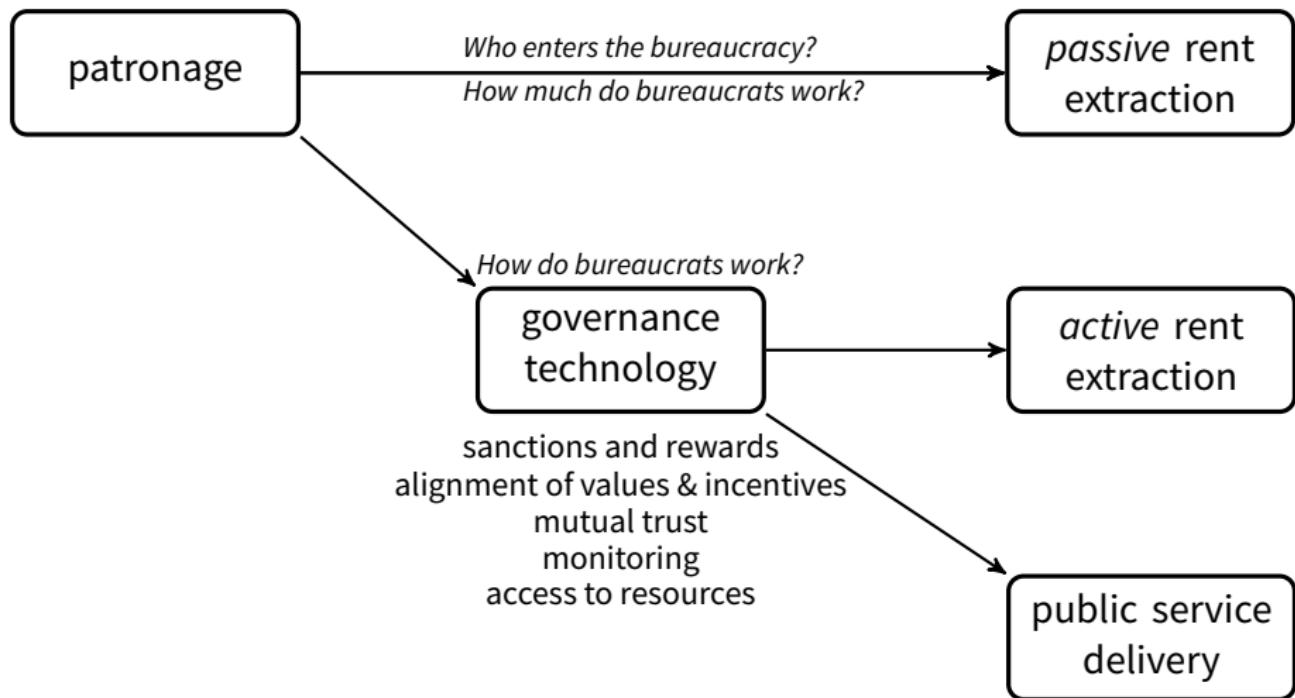
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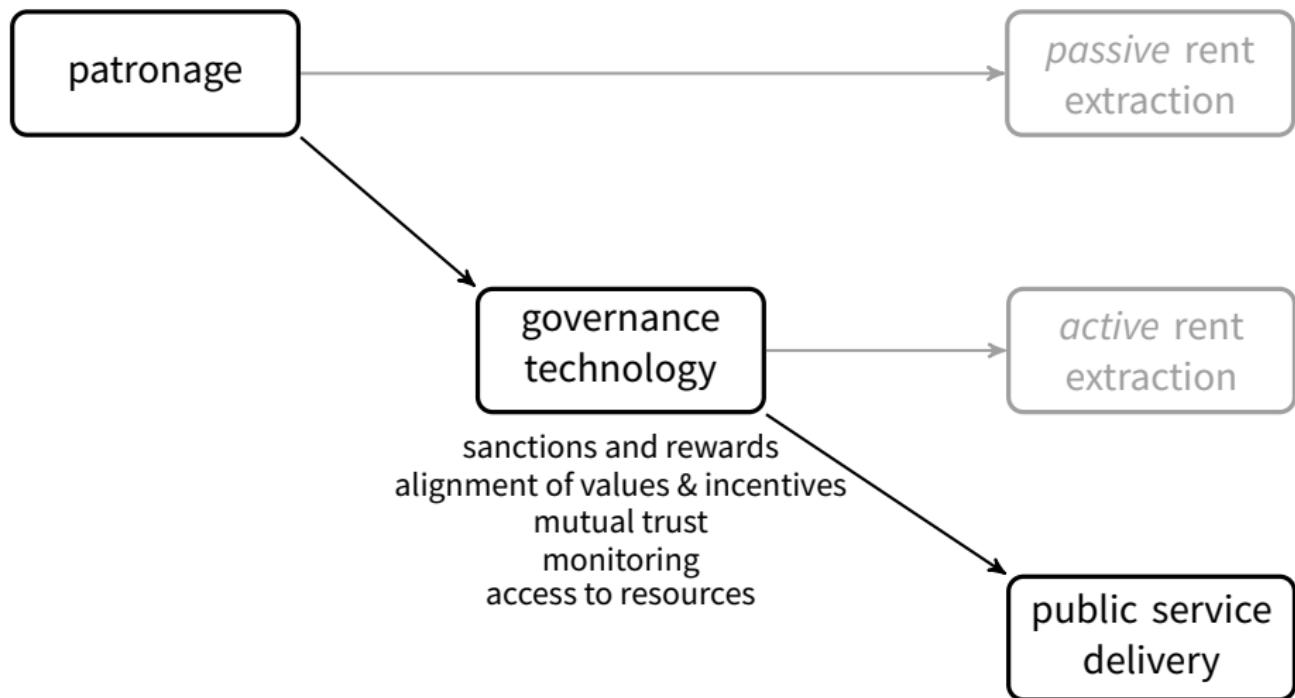
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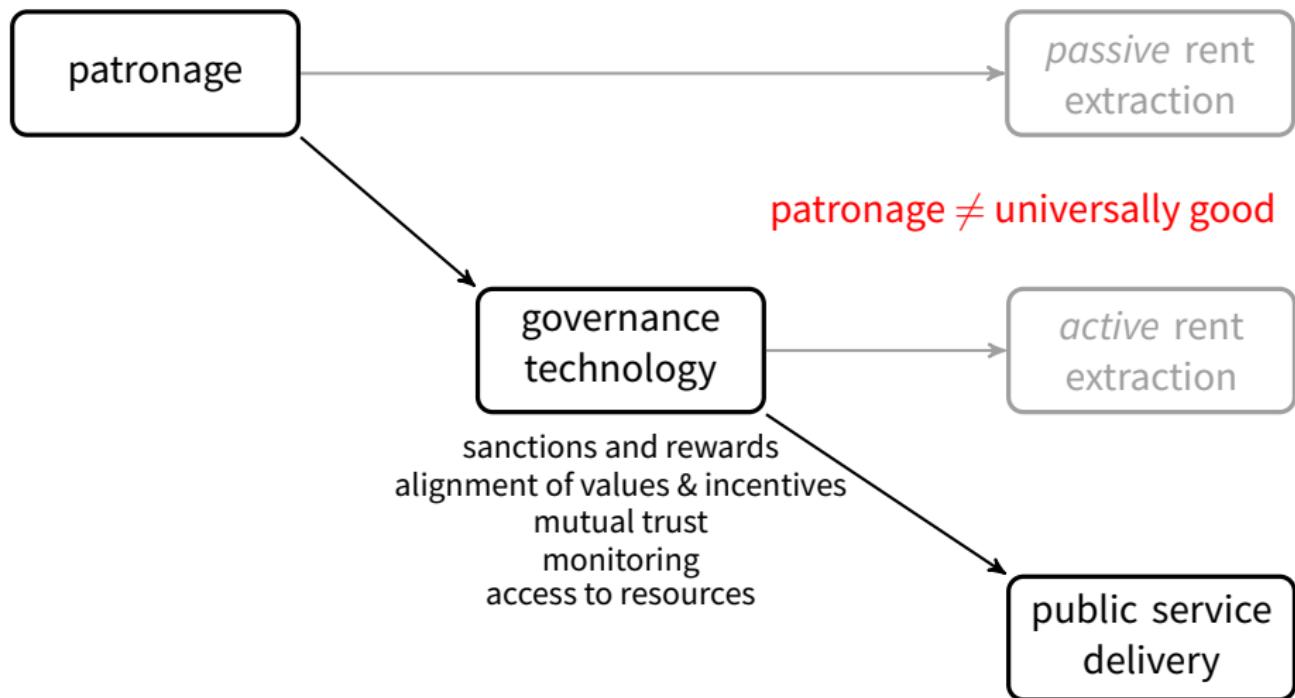
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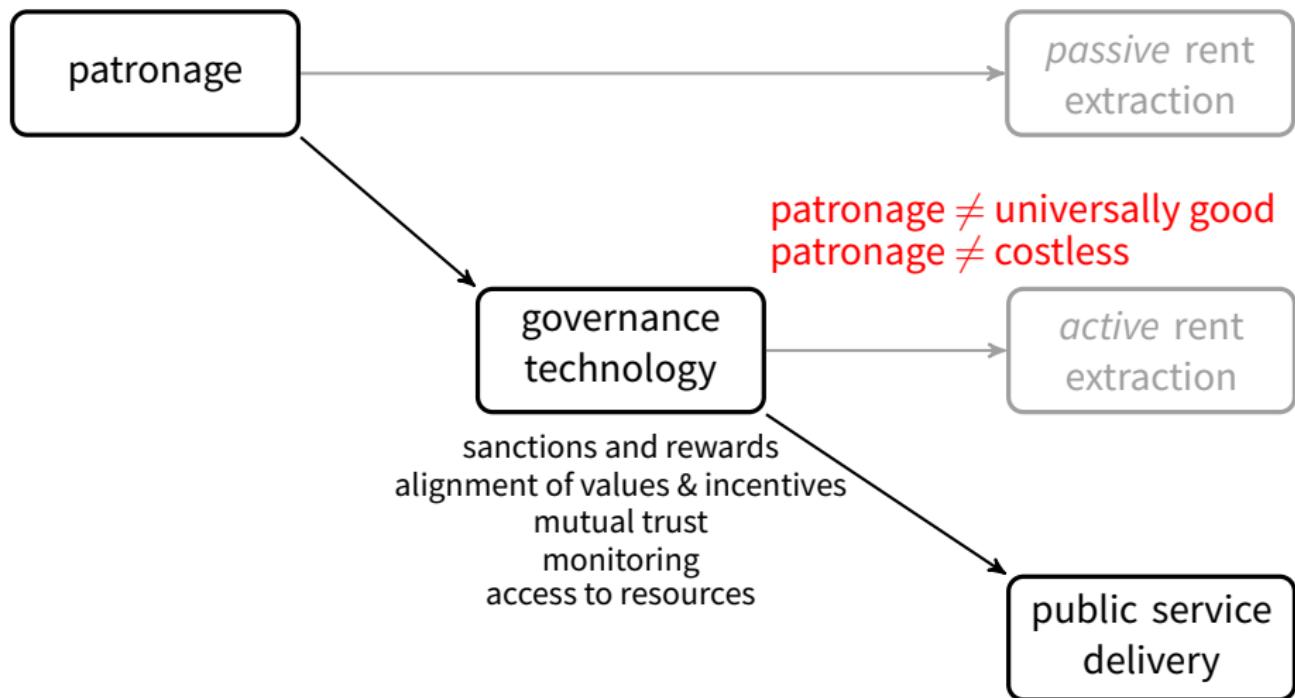
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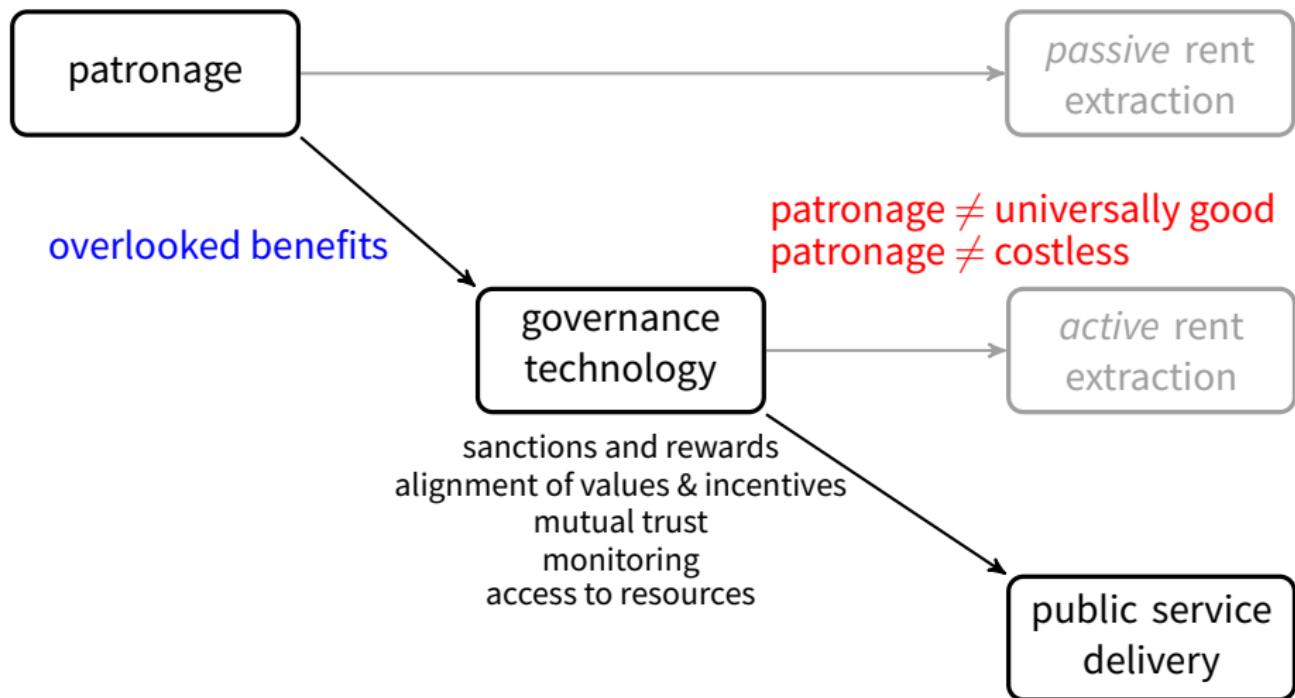
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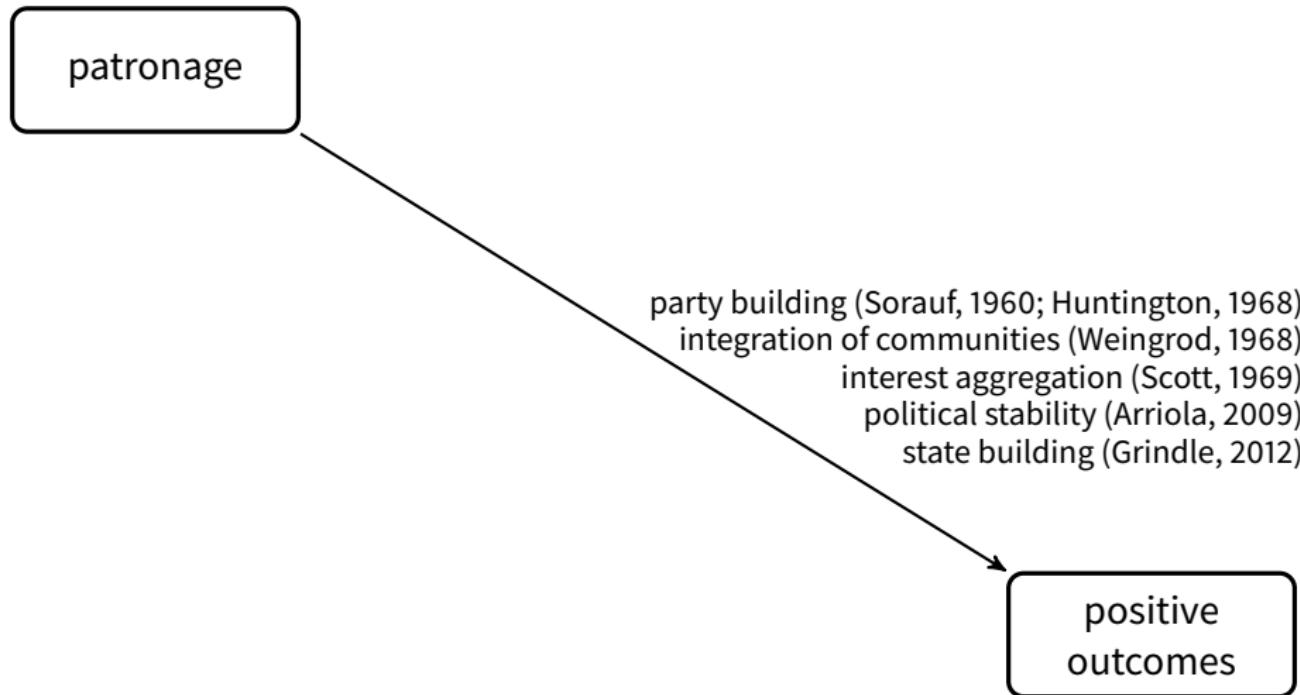
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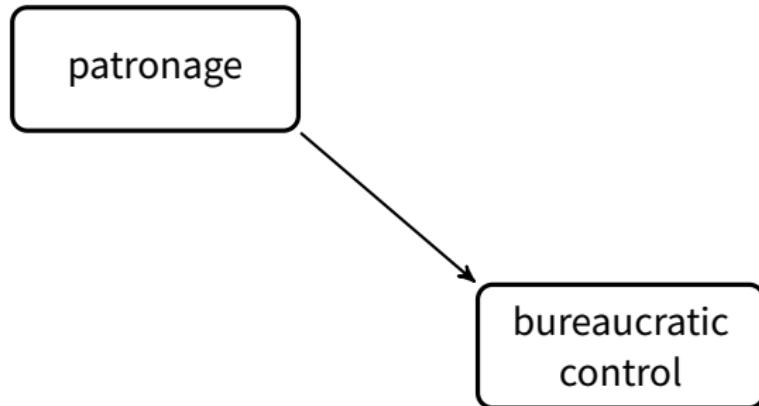
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Previous research along these lines

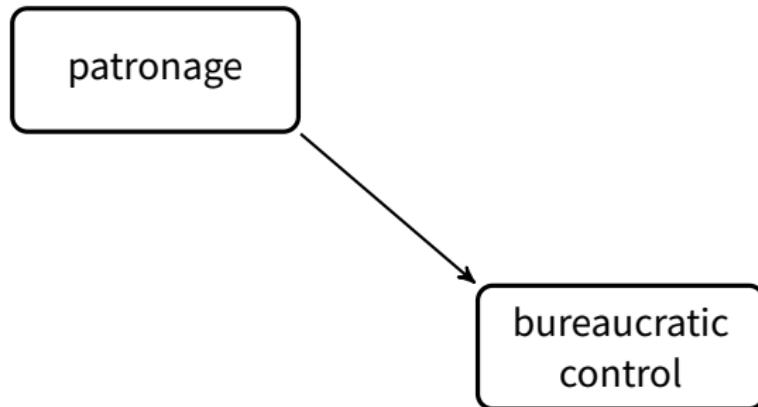


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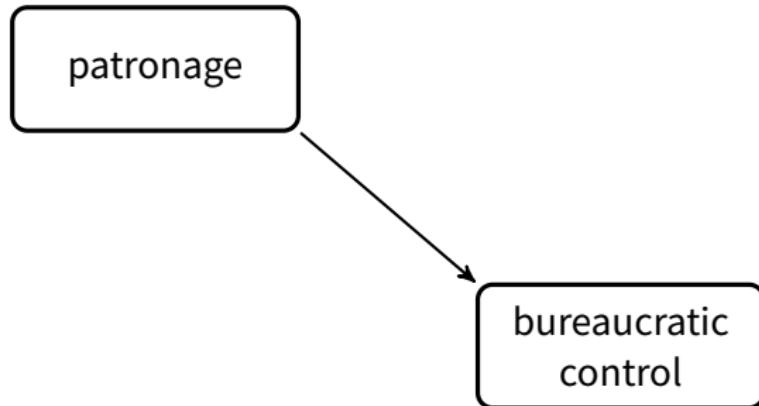


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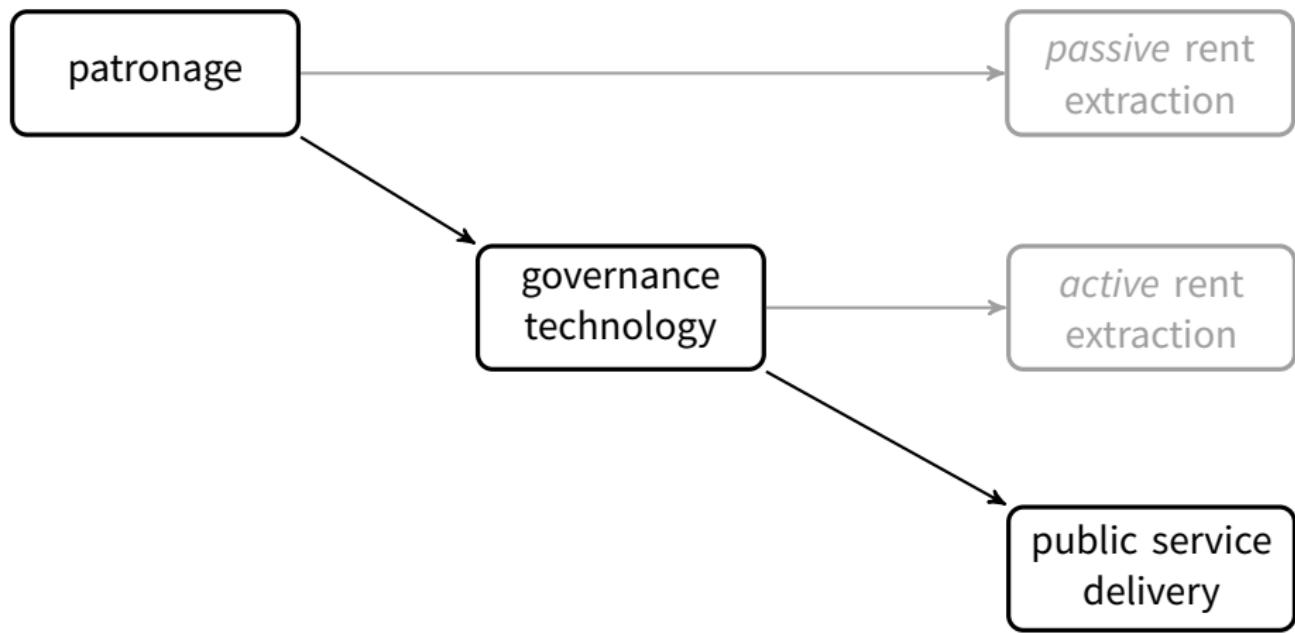
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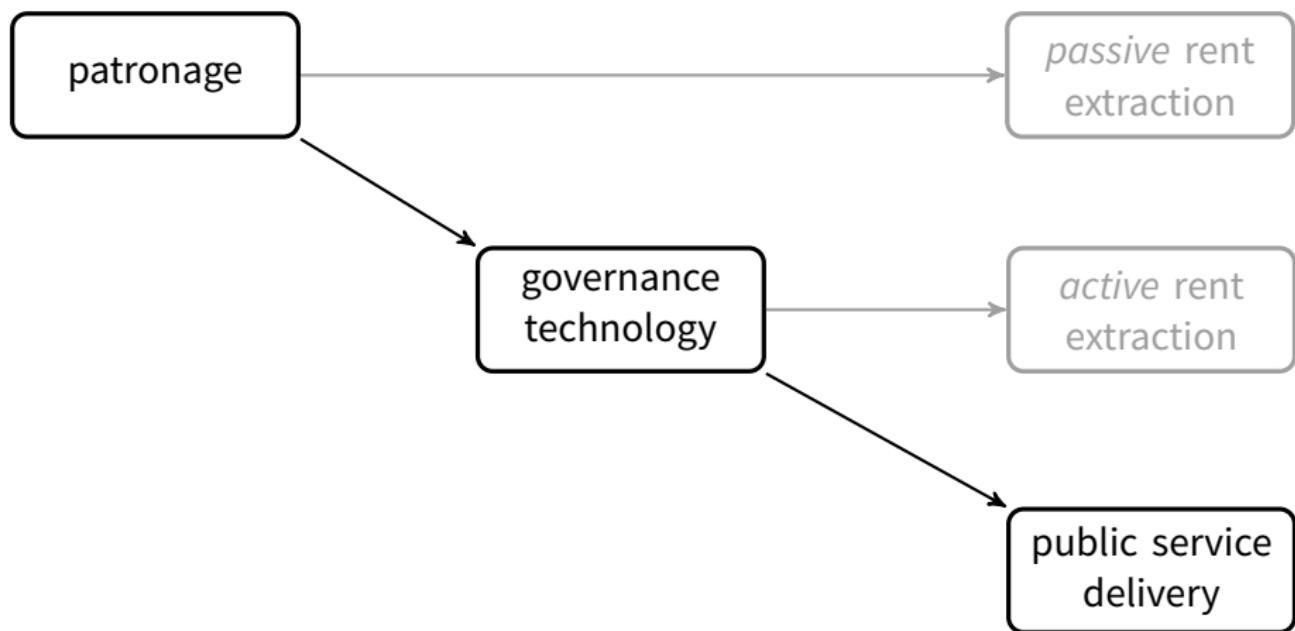
addressing selection and agency problems (Xu, 2018; Colonnelli et al. 2019)

Contributions



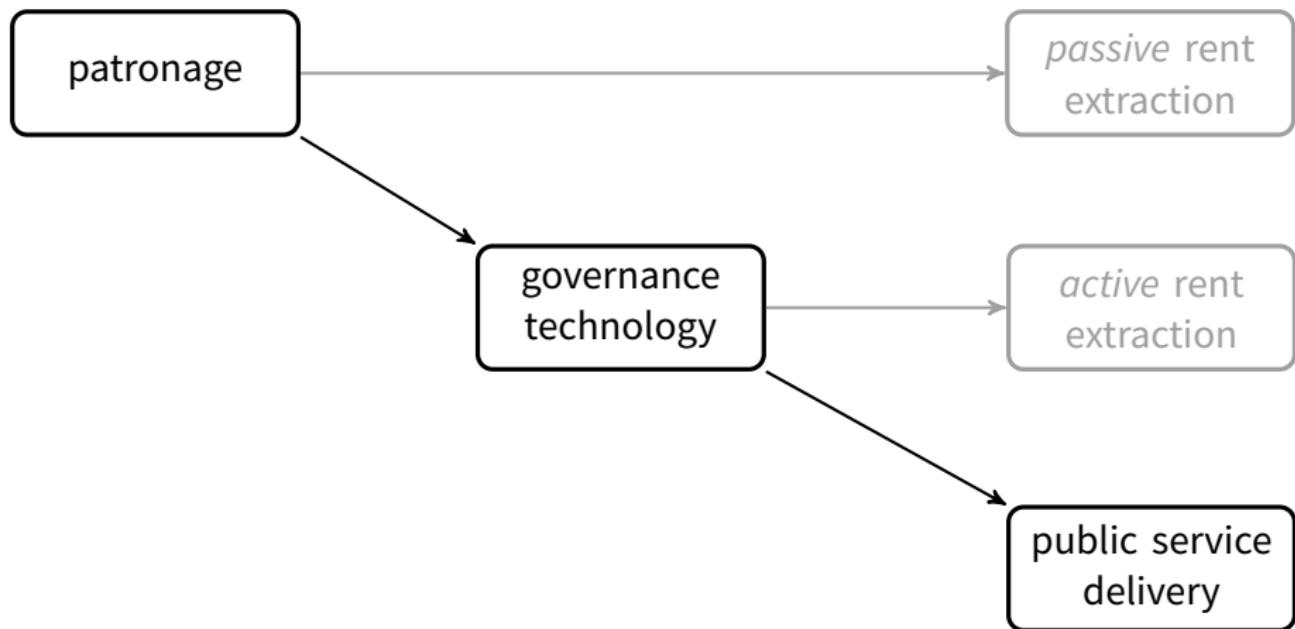
Contributions

- A theory linking patronage to public service delivery



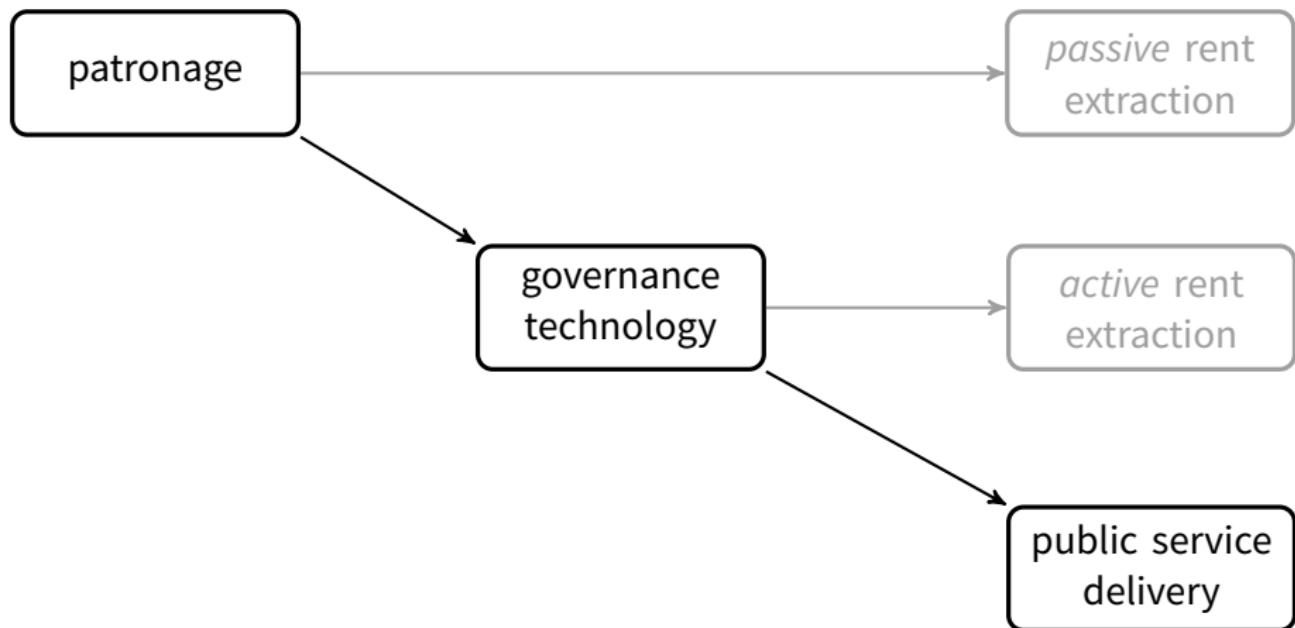
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- Testable mechanisms and scope conditions
- Causally identified evidence



Preview of the empirics

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- **121 in-depth interviews**
 - Bureaucrats, politicians, and anti-corruption agents ▶ who
 - 45 municipalities in 7 states ▶ where
 - Interviews done at officials' workplace. Median interview length ~1 hour ▶ how



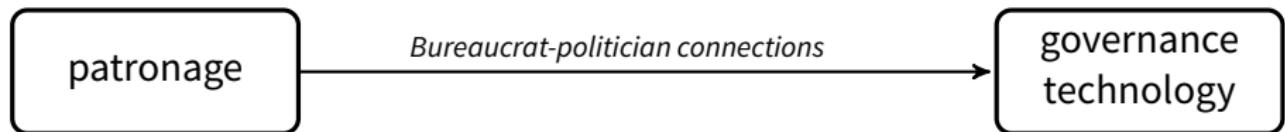
Plan of the talk

1. Theory – Patronage as governance technology
2. Institutional context – Local governments in Brazil
3. Empirics
 - Surveys of bureaucrats and politicians
 - Quasi-experimental studies
4. Implications for theory and policy
5. The broader book project

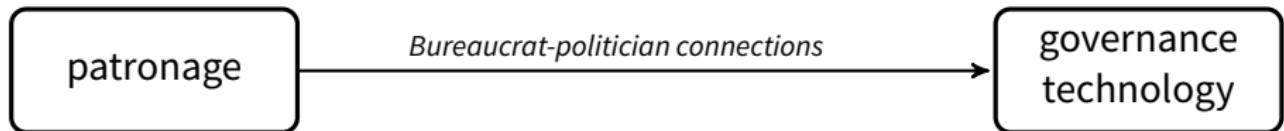
Theory



Patronage as governance technology



Patronage as governance technology



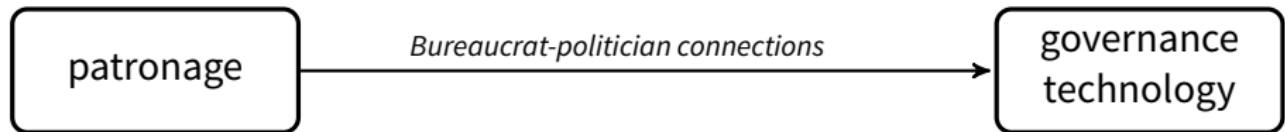
Patronage facilitates a number of resources that are useful for governance:

- **Alignment** of priorities & incentives

“When the director is appointed they want to measure up to the invitation that was made to them. But the person who became director because they passed a test thinks they have that position because of a test and that they owe nothing to anybody.”

(School director, Goiás, March 2017)

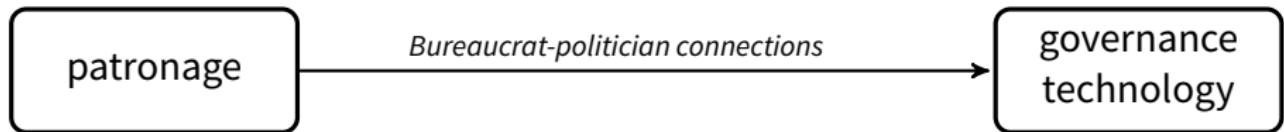
Patronage as governance technology



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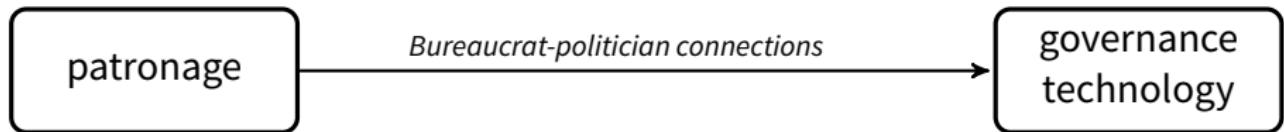
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*“[When we appoint directors] **it has to be someone we trust**, that’s why political appointments matter. [...] To meet deadlines, to implement programs within the law, to treat families well, and to be a bridge between the government and the families.”*

(Secretary of education, Paraíba, August 2018)

- **Alignment** of priorities & incentives
- Ability to apply **sanctions and rewards**
- Mutual **trust**

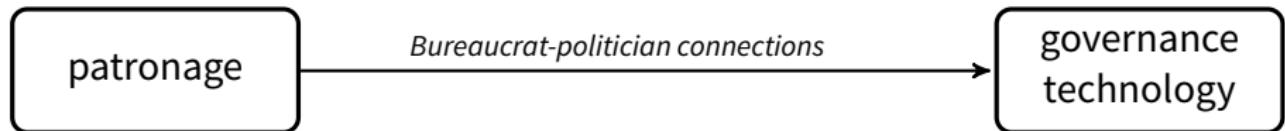
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- **Monitoring** technology

Patronage as governance technology



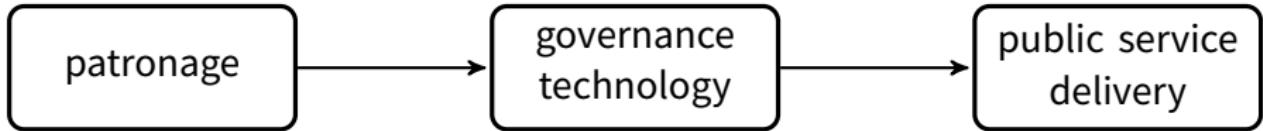
Patronage facilitates a number of resources that are useful for governance:

*"Things are really hard with connections already, I do not know what I would do without them. [...] For example, we do not have running water in the center, and **it is thanks to political connections that I manage to get a water truck to come and fill our tank.**"*

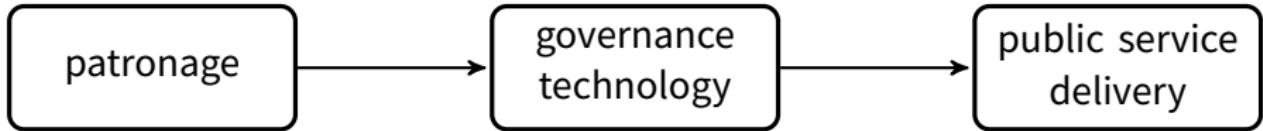
(Social assistance center coordinator, Rio Grande do Norte, December 2018)

- **Alignment** of priorities & incentives
- Ability to apply **sanctions and rewards**
- Mutual **trust**
- **Monitoring** technology
- Access to material and immaterial **resources**

When does patronage help public service delivery?

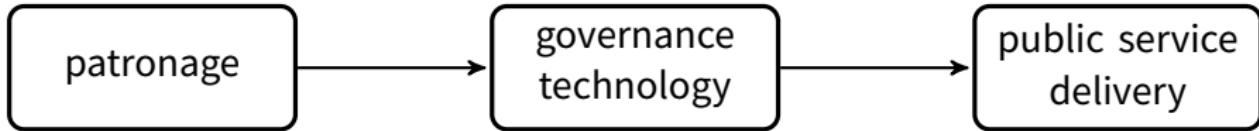


When does patronage help public service delivery?



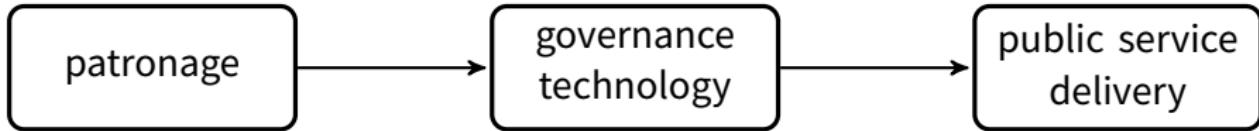
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When does patronage help public service delivery?



- **Developing contexts**, where substitutes to this governance technology are less available
 - Scarce financial resources
 - Low human capital
 - Local governments

When does patronage help public service delivery?



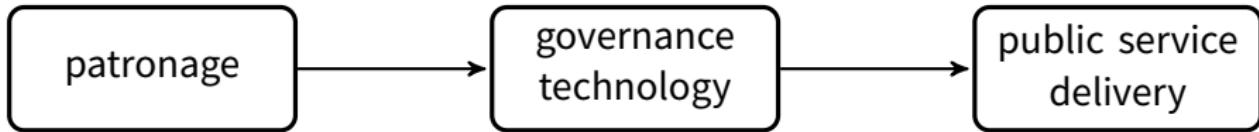
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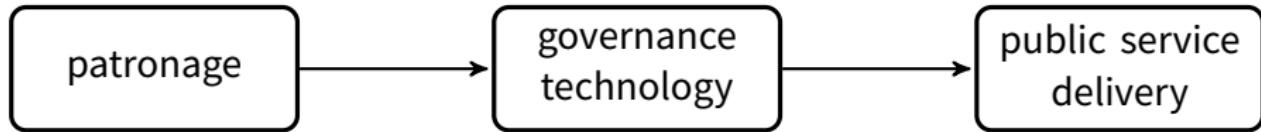
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- Settings where **politicians care about public service delivery**, at least partly
 - Norms or beliefs
 - Electoral accountability
 - Oversight institutions



Context

Municipalities in Brazil

Municipalities in Brazil

Local economies

- Most municipalities are poor, small, and remote. In average:
 - ~ 12,000 inhabitants
 - ~ USD 112 household monthly per capita income
 - ~ 37% of the workforce in the formal labor market are employed by the local government [plots](#)

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Local politics

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- Mayors appoint secretaries.
- Local politicians are overseen by federal and state governments, and by strong anti-corruption agencies.

Social service delivery in Brazilian municipalities

- **Three sectors of social policy:**

- Education
- Healthcare
- Social assistance

Social service delivery in Brazilian municipalities

- **Three sectors of social policy:**

- Education → Schools
- Healthcare → Clinics
- Social assistance → Centers

Social service delivery in Brazilian municipalities

- **Three sectors of social policy:**

- | | | |
|---------------------|-----------|----------------|
| • Education | → Schools | → Directors |
| • Healthcare | → Clinics | → Managers |
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Social service delivery in Brazilian municipalities

- **Three sectors of social policy:**
 - Education → Schools → Directors
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▶ diagrams



Empirics

The mechanisms of patronage: Survey evidence

- State of Rio Grande do Norte 



The mechanisms of patronage:

Survey evidence

- State of Rio Grande do Norte [▶ data](#)
- **Survey of bureaucrats**
 - Face-to-face
 - Target population: all street-level managers in education, healthcare, and social assistance, in urban areas of 150 municipalities



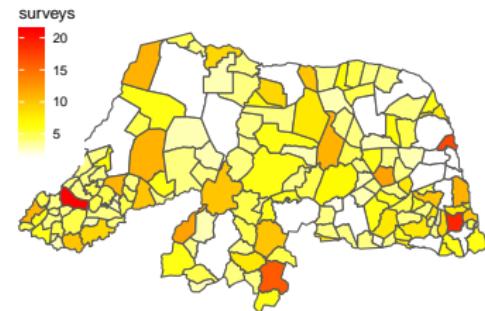
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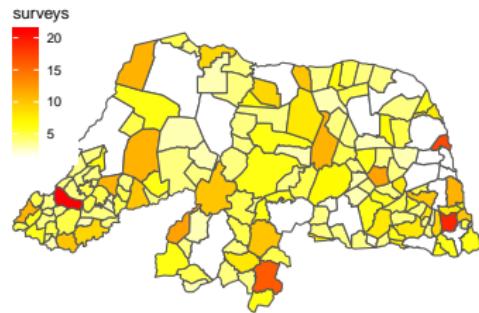
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- Target population: all mayors and secretaries of 5 key areas of all 167 municipalities in the state



The mechanisms of patronage:

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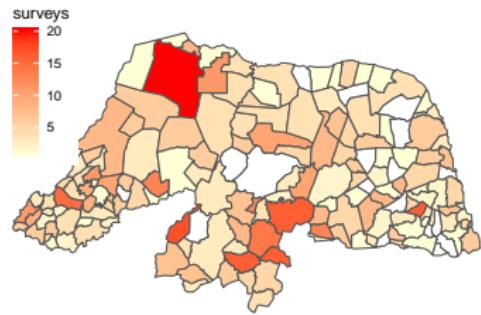
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- Target population: all street-level managers in education, healthcare, and social assistance, in urban areas of 150 municipalities
- 926 respondents (90%)

- **Survey of politicians**

- Online
- Target population: all mayors and secretaries of 5 key areas of all 167 municipalities in the state
- 455 respondents (45%)

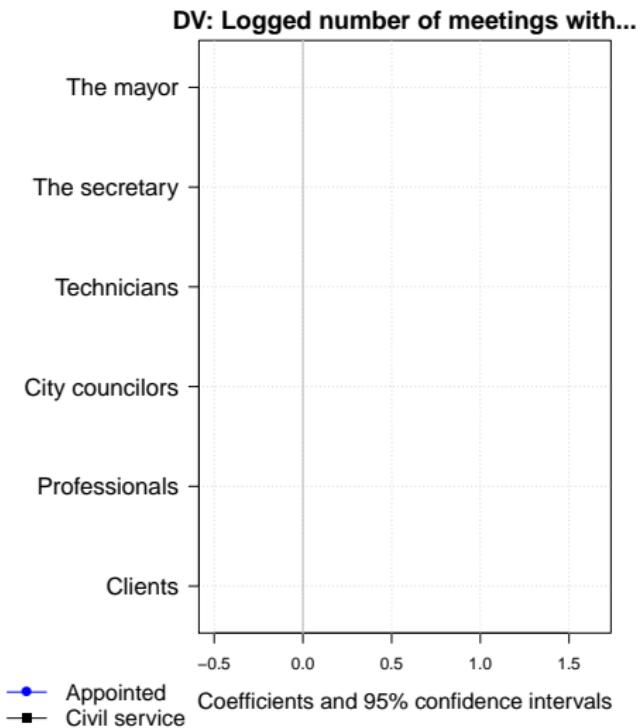


Observable implications and empirical tests

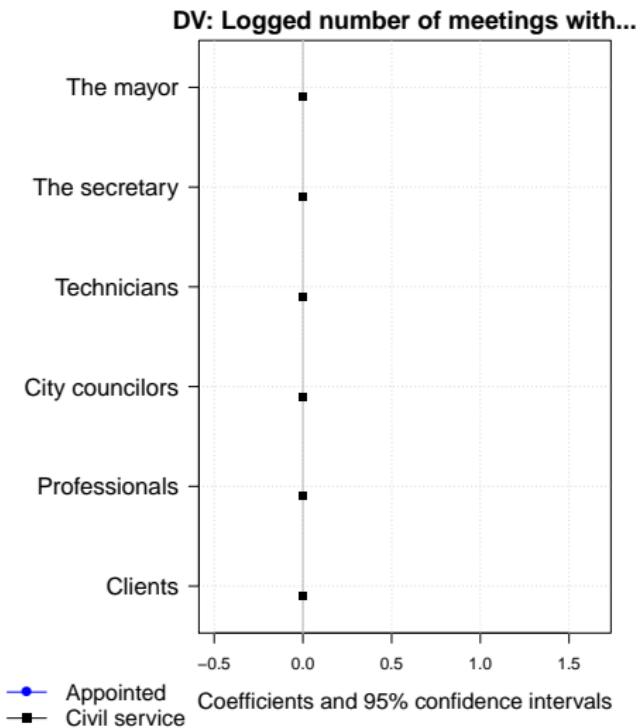
Politically appointed/connected bureaucrats...

- **Have more access to, trust in, and alignment with politicians**
 - Survey of bureaucrats
 - Observational regressions
- Are perceived as more responsive and, in some dimensions, more effective
 - Surveys of bureaucrats and politicians
 - Conjoint experiments
- Become less effective in service delivery upon losing their connections
 - Administrative data on schools
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Political appointees report more frequent meetings with the mayor and the secretary

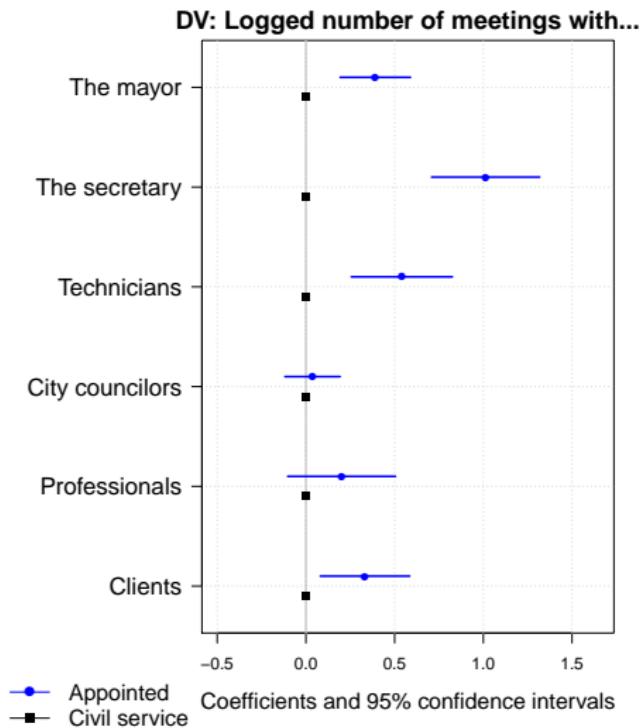


Political appointees report more frequent meetings with the mayor and the secretary



Political appointees report more frequent meetings with the mayor and the secretary

- Compared to civil service managers, political appointees report more meetings with the mayor, the secretary, and technical staff at the secretariat.

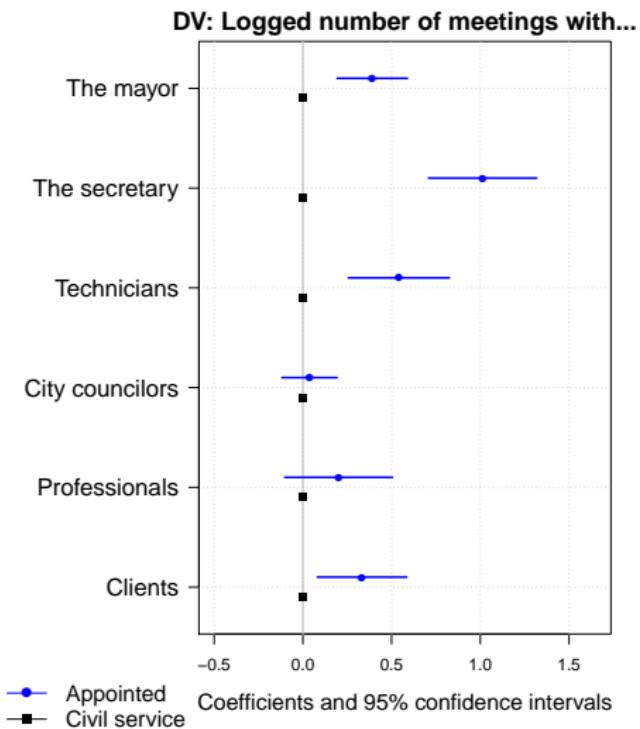


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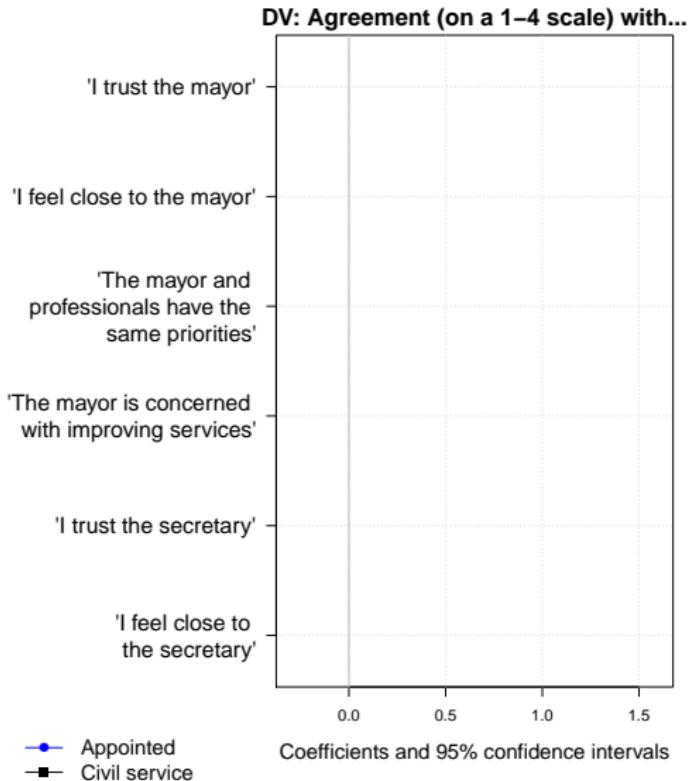
- Compared to civil service managers, political appointees report more meetings with the mayor, the secretary, and technical staff at the secretariat.
- Differences are large and significant ($p < 0.01$)

► estimating equation

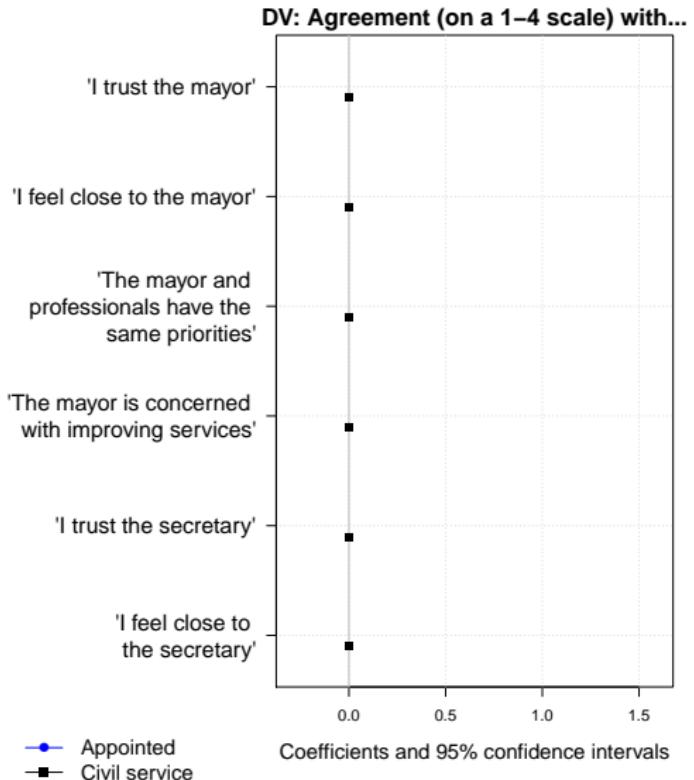
► table



Political appointees report higher levels of trust in, proximity to, and alignment with politicians

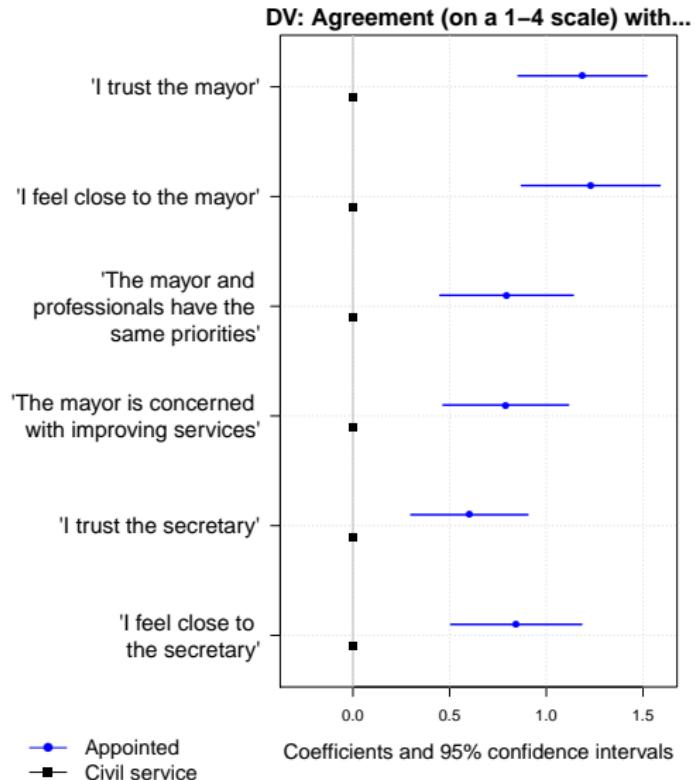


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- Compared to civil service managers, political appointees report higher levels of trust in and proximity to the mayor and to the secretary; and stronger beliefs of the mayor and professionals being aligned

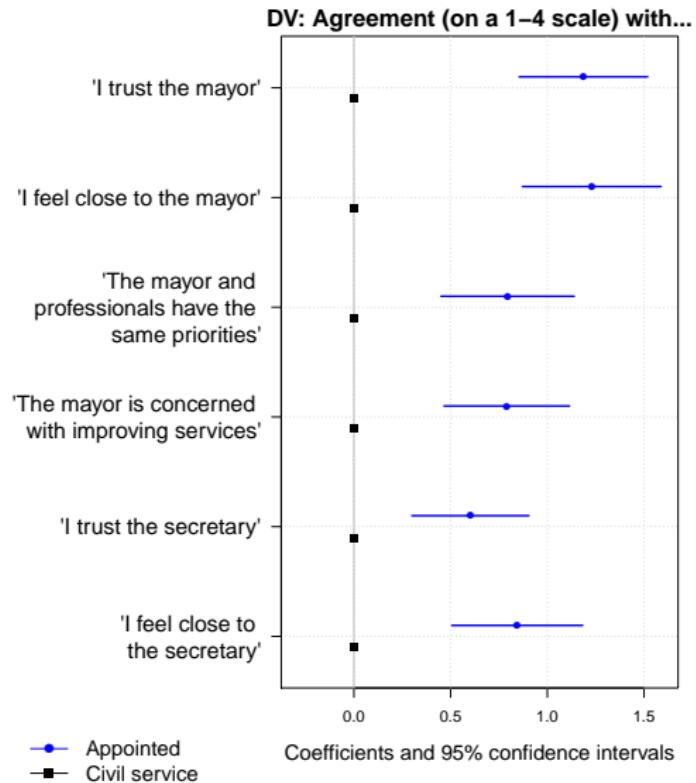


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► estimating equation

► table



Observable implications and empirical tests

Politically appointed/connected bureaucrats...

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Bureaucrats see political appointments and connections as enhancing communication and responsiveness

Bureaucrats see political appointments and connections as enhancing communication and responsiveness

	Manager A	Manager B
Selection	Political appointment	Civil service
Political connections	Has connections to the local government	No connections to the local government
Education	Bachelors degree	Masters degree
Experience as manager	3 years	10 years
Performance of the unit	Unit targets were met	Unit targets were not met
Relationship to professionals	Good	Bad

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- ... have more chances of obtaining funds for a reform of the unit?”

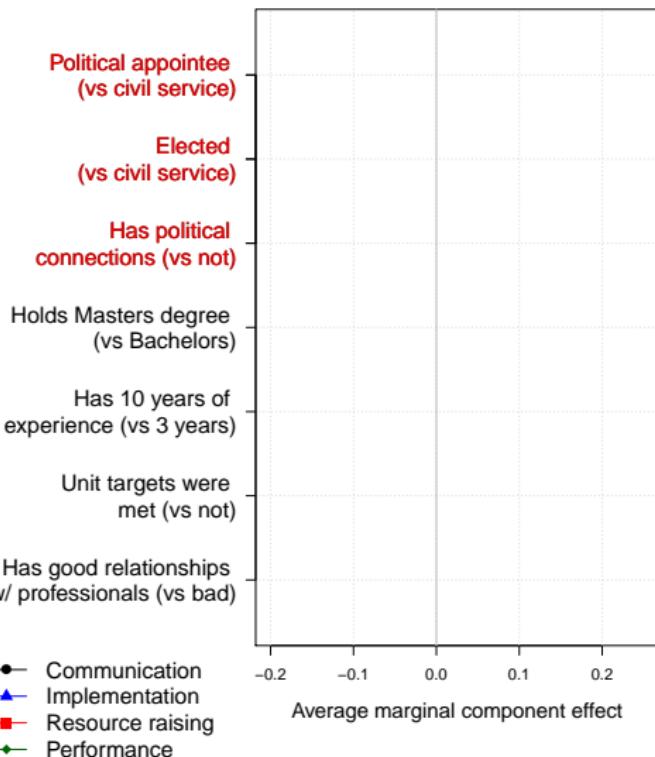
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- ... achieve better performance indicators?”

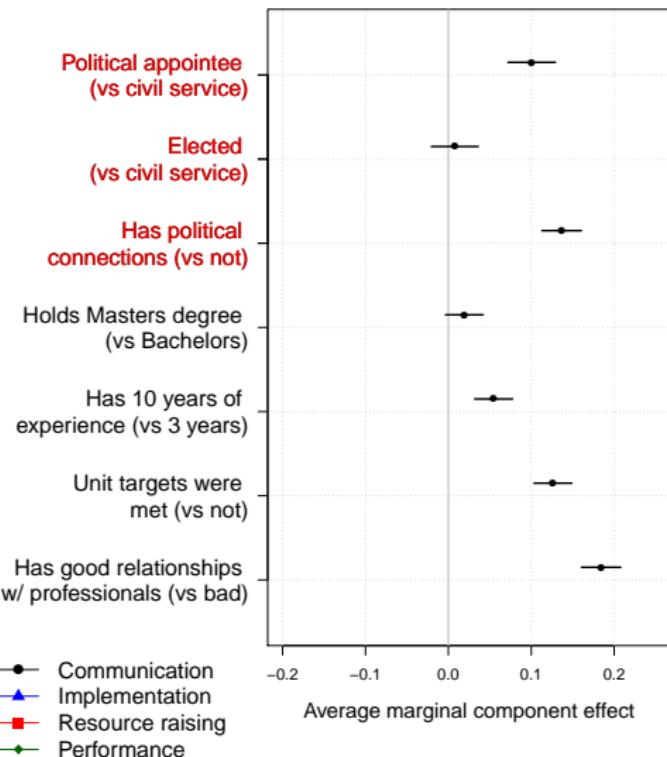
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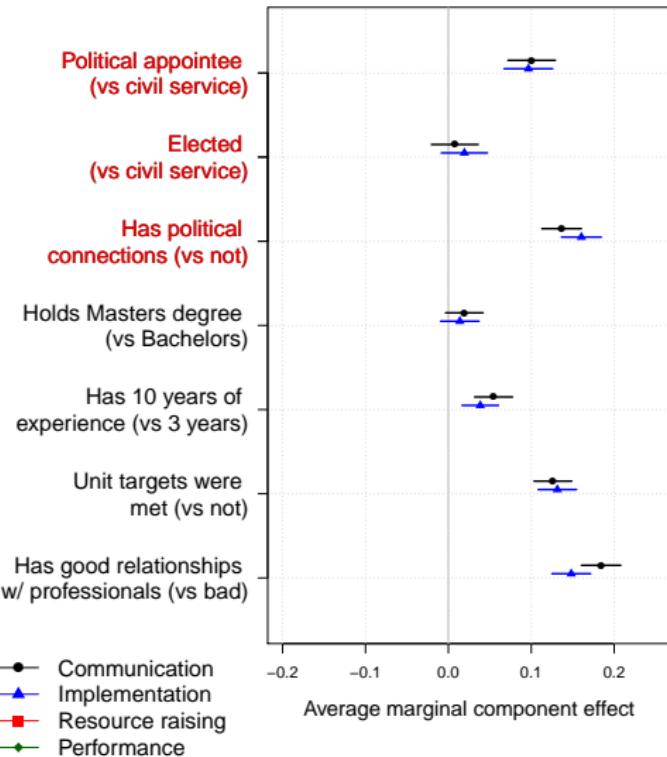
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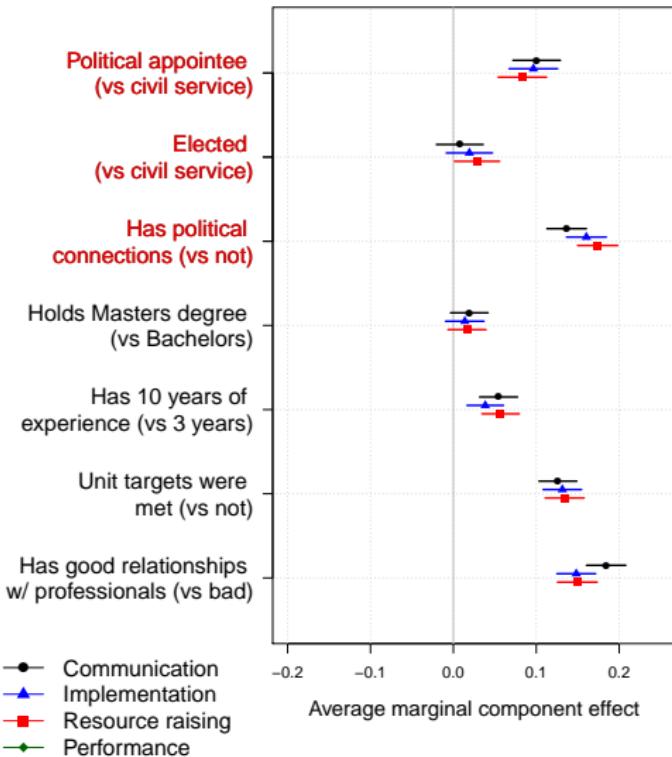
- Communicate better with politicians
- Implement changes requested by them



Bureaucrats see political appointments and connections as enhancing communication and responsiveness

Bureaucrats with political appointments and connections are seen as more likely to:

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- Implement changes requested by them
- Raise resources from them

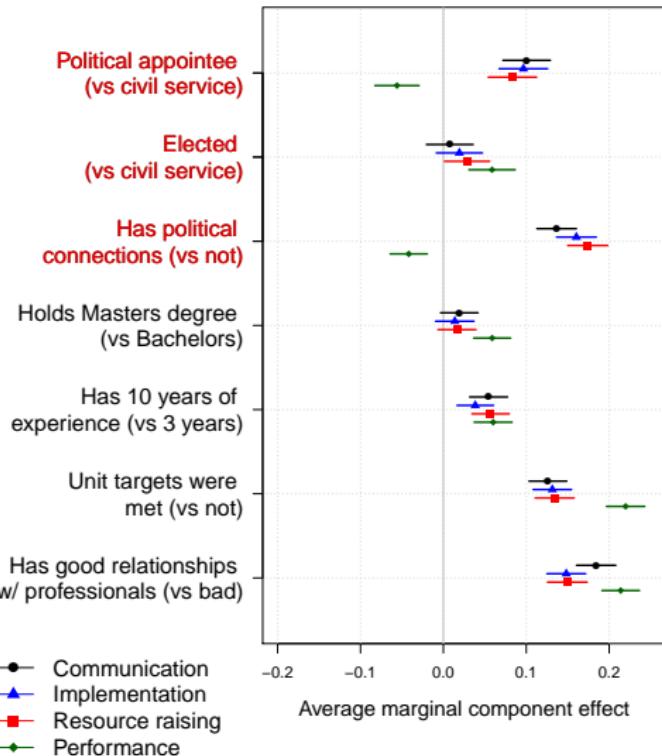


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Bureaucrats with political appointments and connections are seen as more likely to:

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But they are seen as less likely to improve the performance of the unit

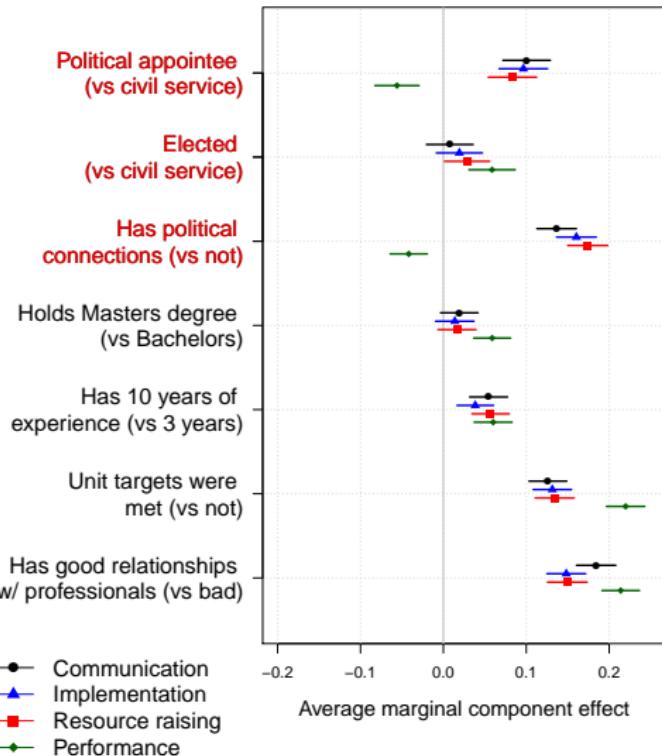


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► estimating equation

► results for unappointed bureaucrats

Politicians see political appointments and connections as enhancing communication and responsiveness

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	Bureaucrat A	Bureaucrat B
Type of contract	Temporary	Civil service
Political connections	Has connections to the local government	No connections to the local government
Education	Undergraduate degree	Graduate degree
Experience as bureaucrat	3 years	10 years
Union membership	Participates in a union	Does not participate in a union
Gender	Male	Female

▶ temporary hiring

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▶ temporary hiring

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▶ temporary hiring

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- ... work extra hours if necessary?”

▶ temporary hiring

Politicians see political appointments and connections as enhancing communication and responsiveness

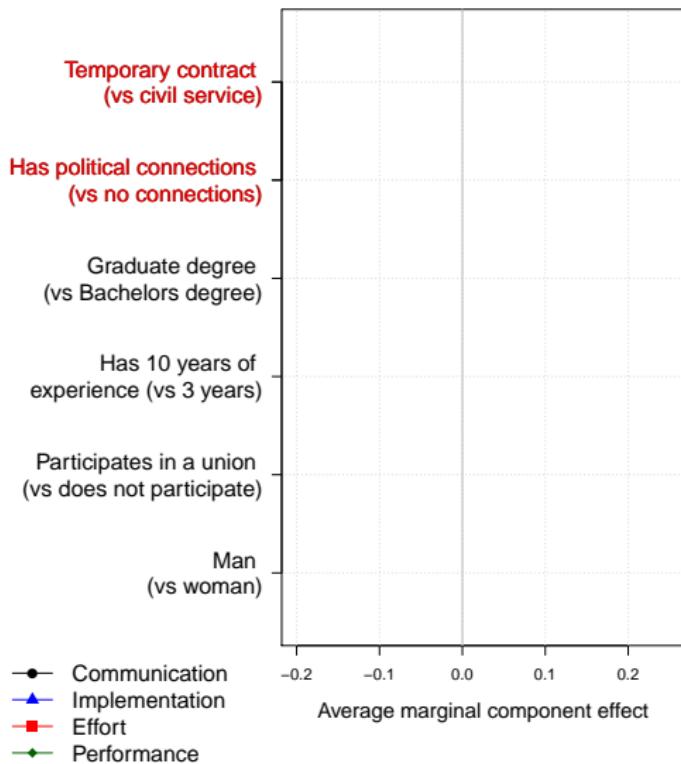
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“Which one of these bureaucrats do you think would...

- ... have a better communication with the local government?”
- ... have more chances of implementing changes requested by the local government?”
- ... work extra hours if necessary?”
- ... perform better in their area?”

▶ temporary hiring

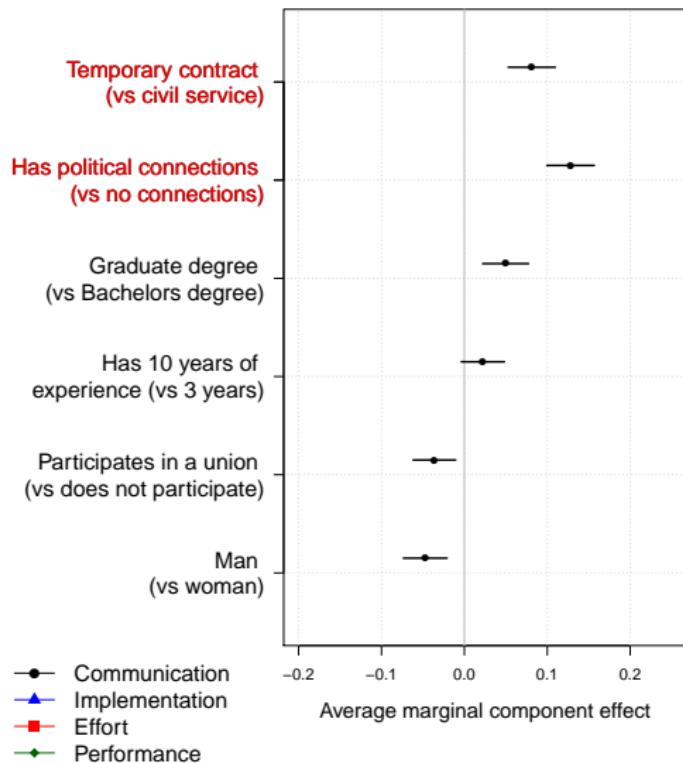
Politicians see political appointments and connections as enhancing communication and responsiveness



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Bureaucrats with political appointments and connections are seen as more likely to...

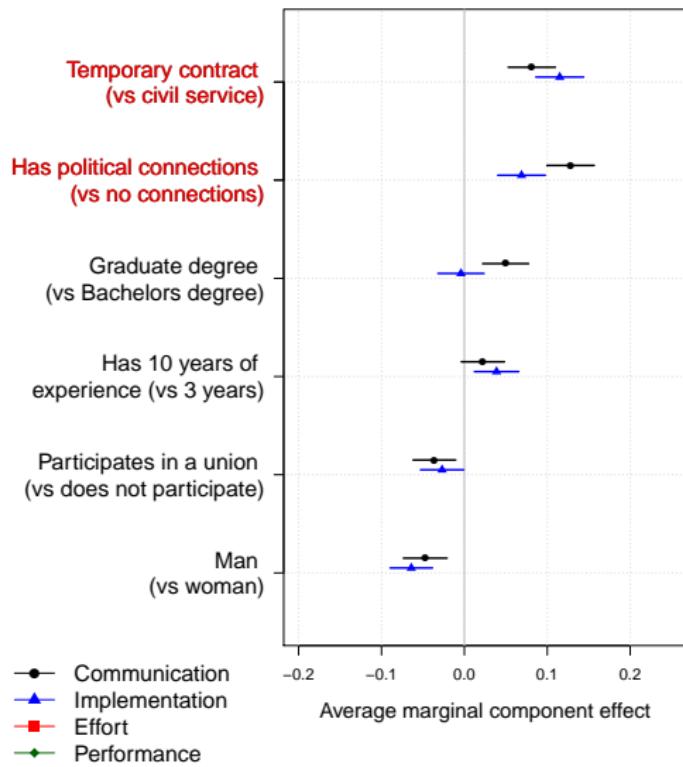
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Politicians see political appointments and connections as enhancing communication and responsiveness

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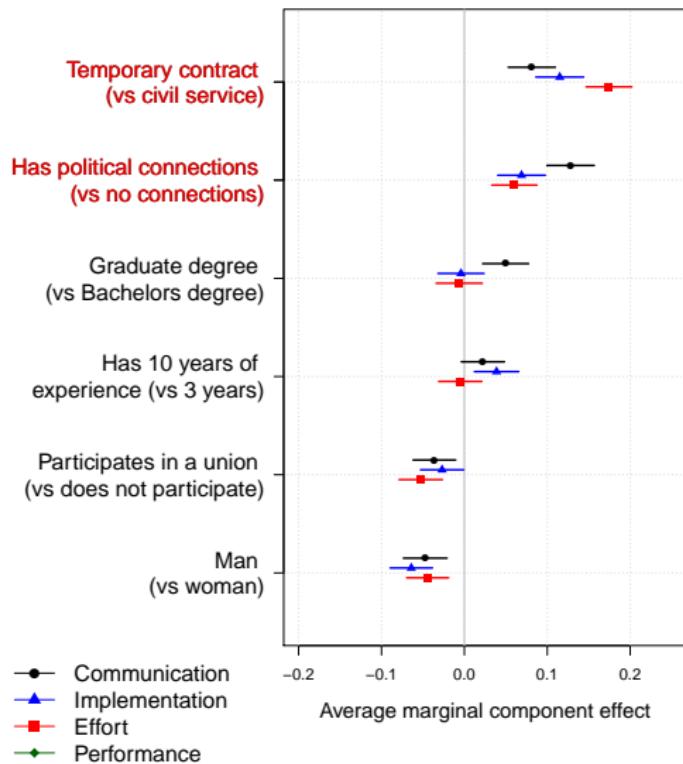
- Communicate better with politicians
- Implement changes requested by them



Politicians see political appointments and connections as enhancing communication and responsiveness

Bureaucrats with political appointments and connections are seen as more likely to...

- Communicate better with politicians
- Implement changes requested by them
- Exert more effort



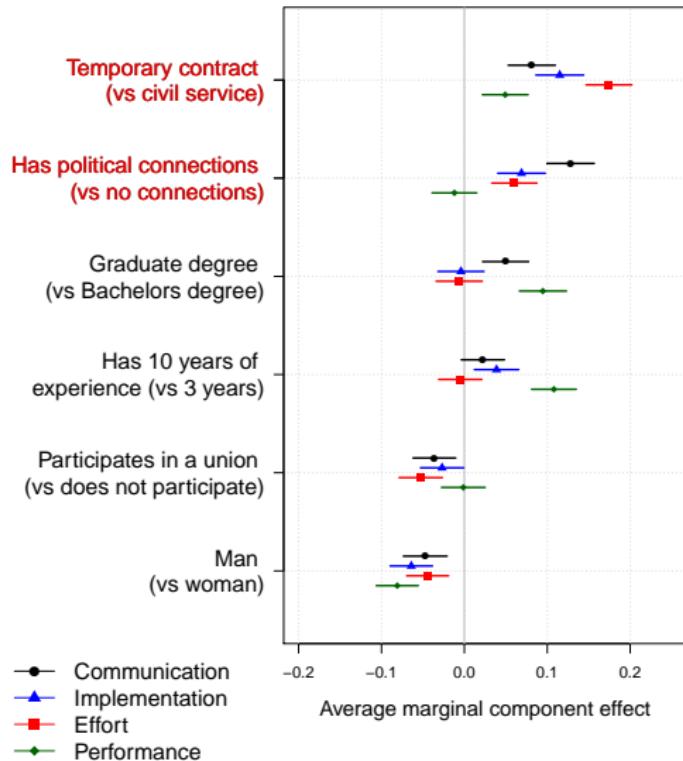
Politicians see political appointments and connections as enhancing communication and responsiveness

Bureaucrats with political appointments and connections are seen as more likely to...

- Communicate better with politicians
- Implement changes requested by them
- Exert more effort
- Perform better (those with temporary contracts)

► estimating equation

► table



Observable implications and empirical tests

Politically appointed/connected bureaucrats...

- Have more access to, trust in, and alignment with politicians
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Political connections facilitate public service delivery: Difference-in-discontinuities evidence

Hypothesis: Bureaucrats who lose their connections to politicians become less effective

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Empirical challenge: Identify exogenous variation in bureaucrats' connections to politicians

Political connections facilitate public service delivery: Difference-in-discontinuities evidence

Hypothesis: Bureaucrats who lose their connections to politicians become less effective

Empirical challenge: Identify exogenous variation in bureaucrats' connections to politicians

Solution: Differential impact of political turnover:

Political connections facilitate public service delivery: Difference-in-discontinuities evidence

Hypothesis: Bureaucrats who lose their connections to politicians become less effective

Empirical challenge: Identify exogenous variation in bureaucrats' connections to politicians

Solution: Differential impact of political turnover:

- For **unappointed bureaucrats**, an electoral defeat of the mayor carries the general effects that political turnover has on bureaucracies

Political connections facilitate public service delivery: Difference-in-discontinuities evidence

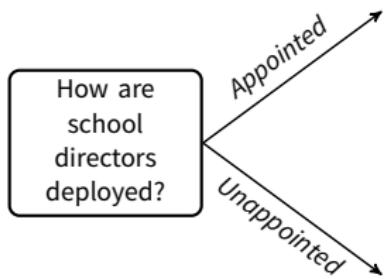
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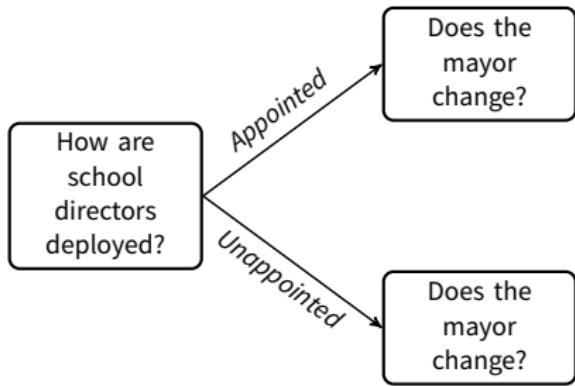
Solution: Differential impact of political turnover:

- For **unappointed bureaucrats**, an electoral defeat of the mayor carries the general effects that political turnover has on bureaucracies
- For **appointed bureaucrats**, an electoral defeat of the mayor carries those general turnover effects **and** the loss of political connections

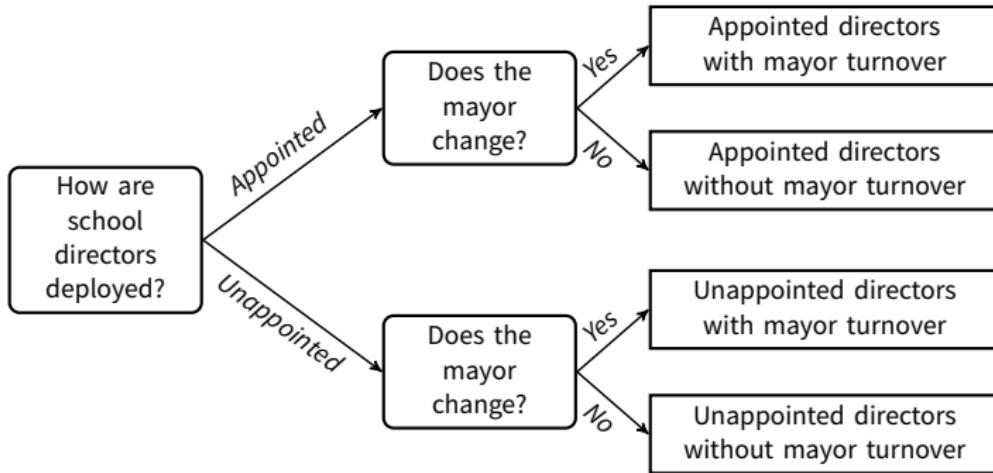
Political connections facilitate public service delivery: Difference-in-discontinuities evidence



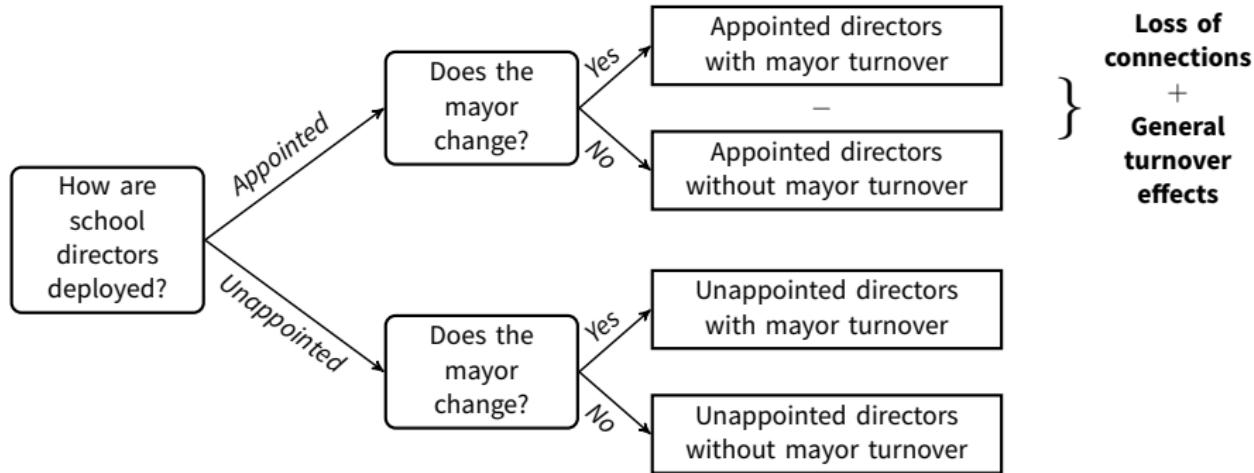
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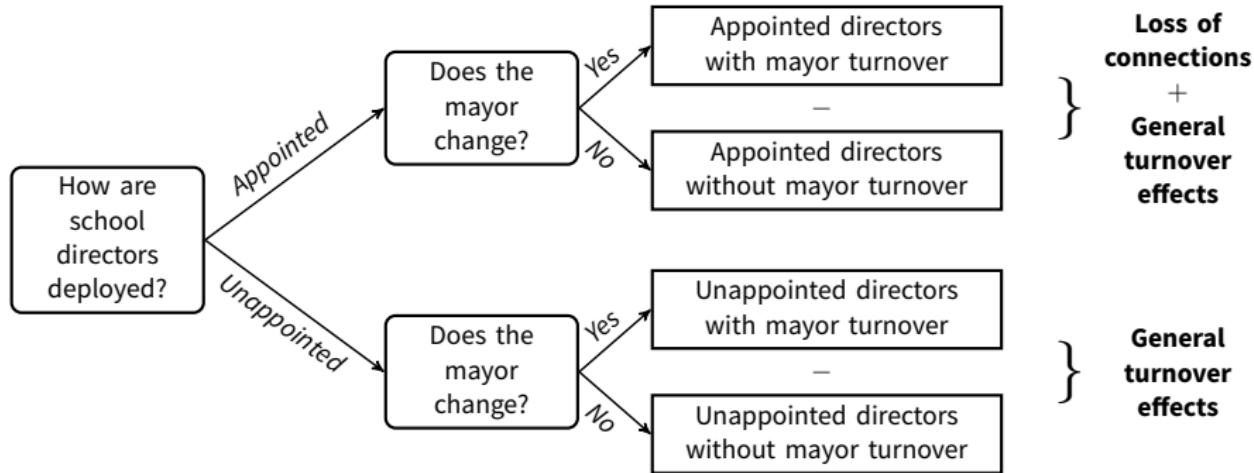
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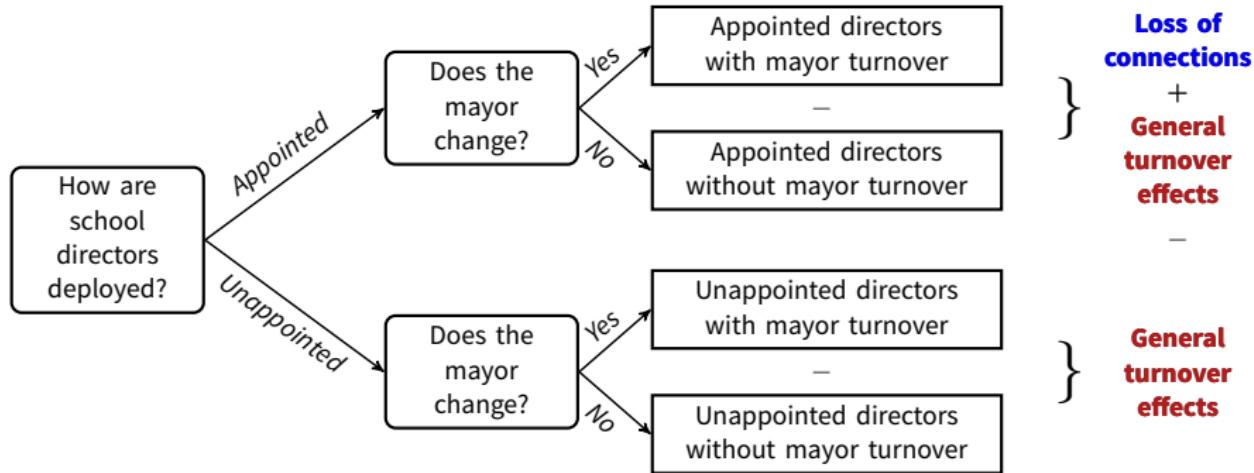
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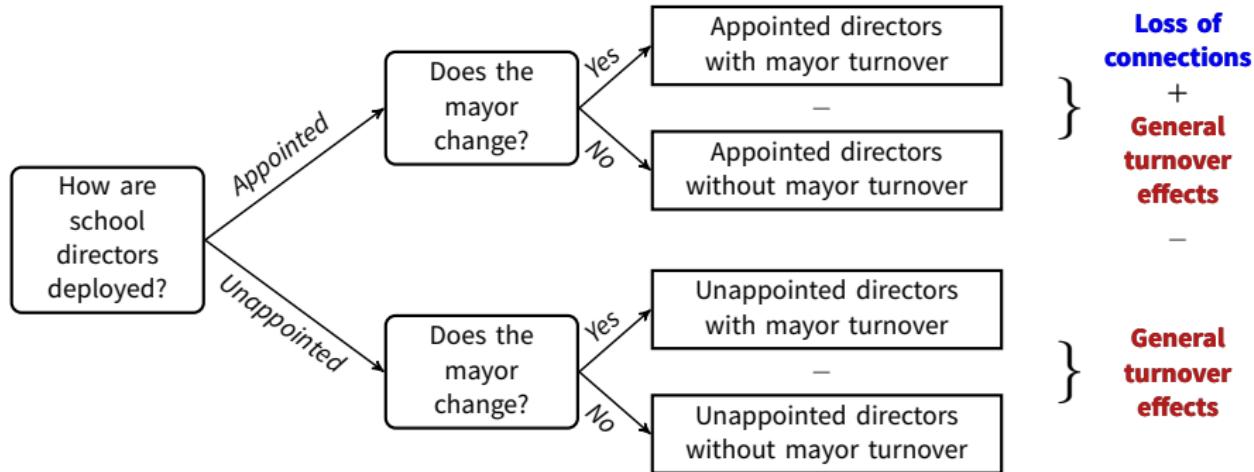


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▶ identification

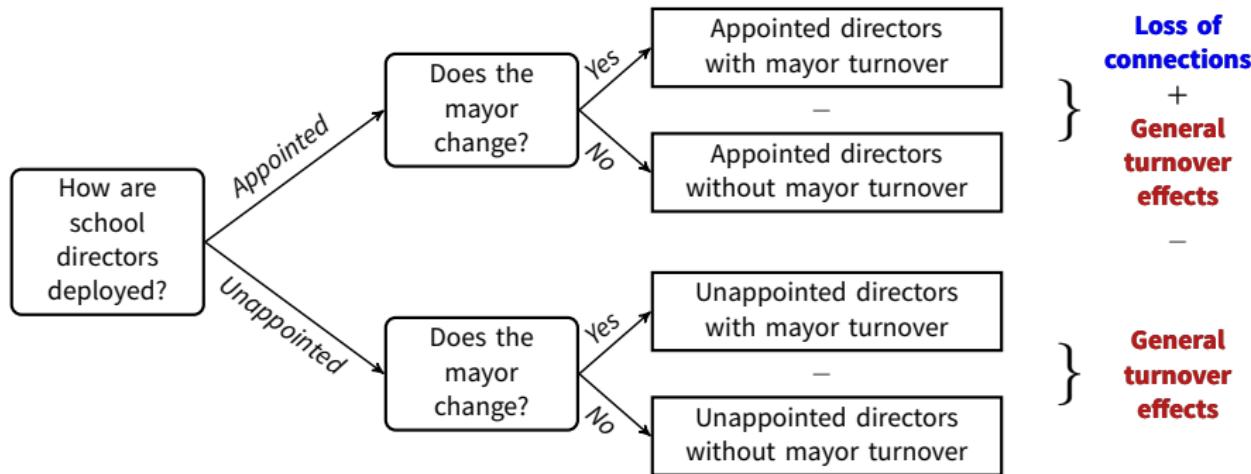
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Outcome variable: **school quality**, as measured by a federal index with data on student performance, after - before the election

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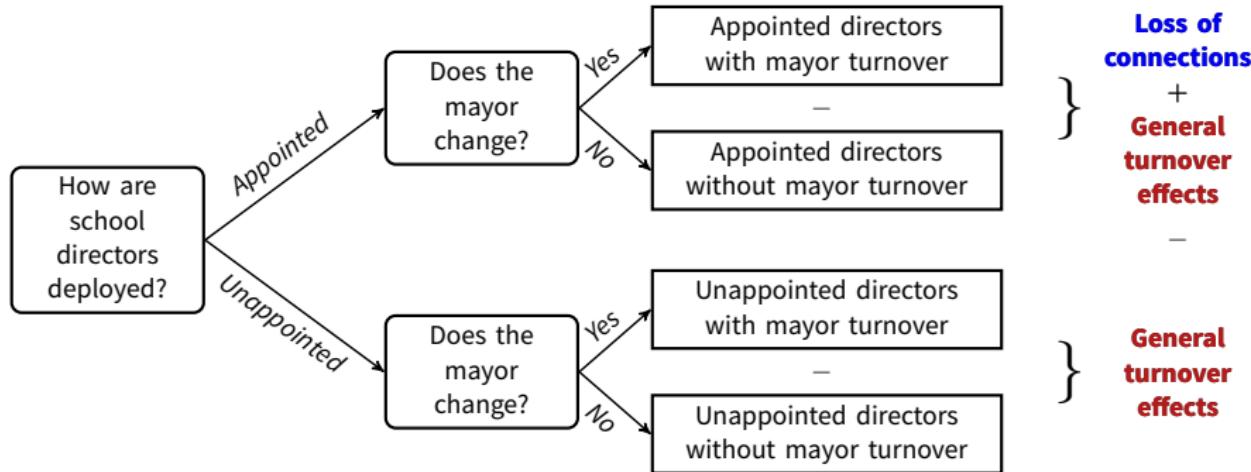


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▶ parallel trends

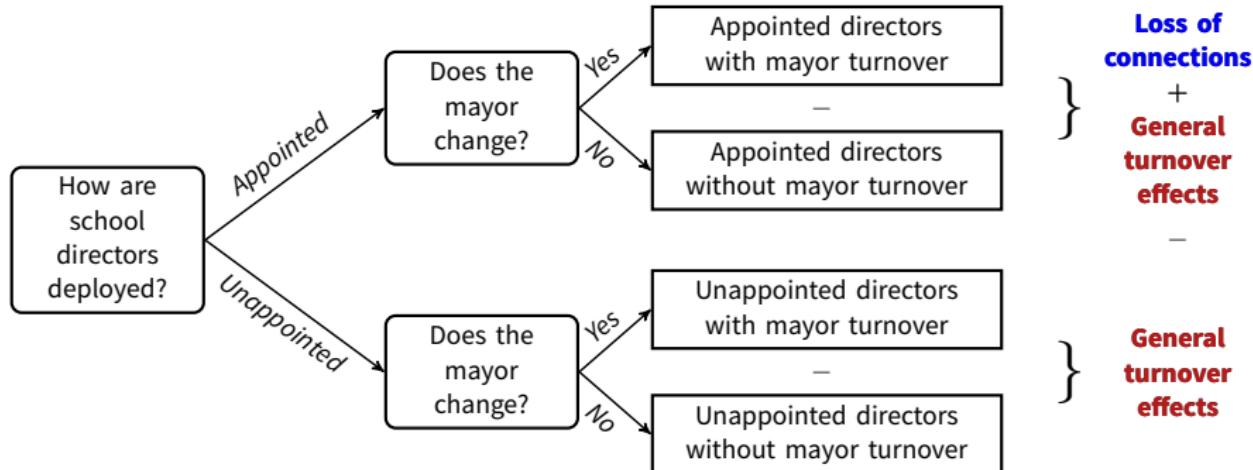
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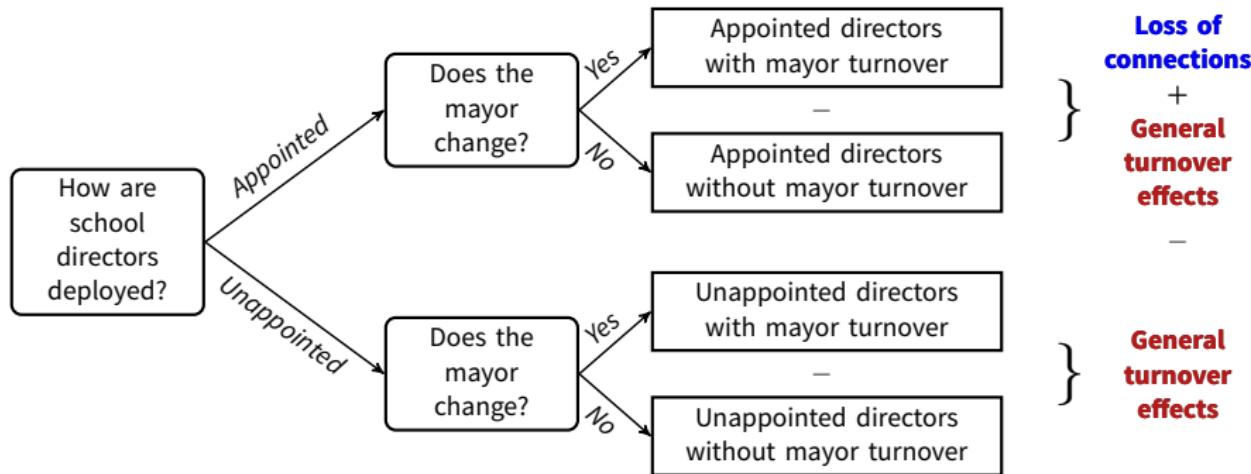
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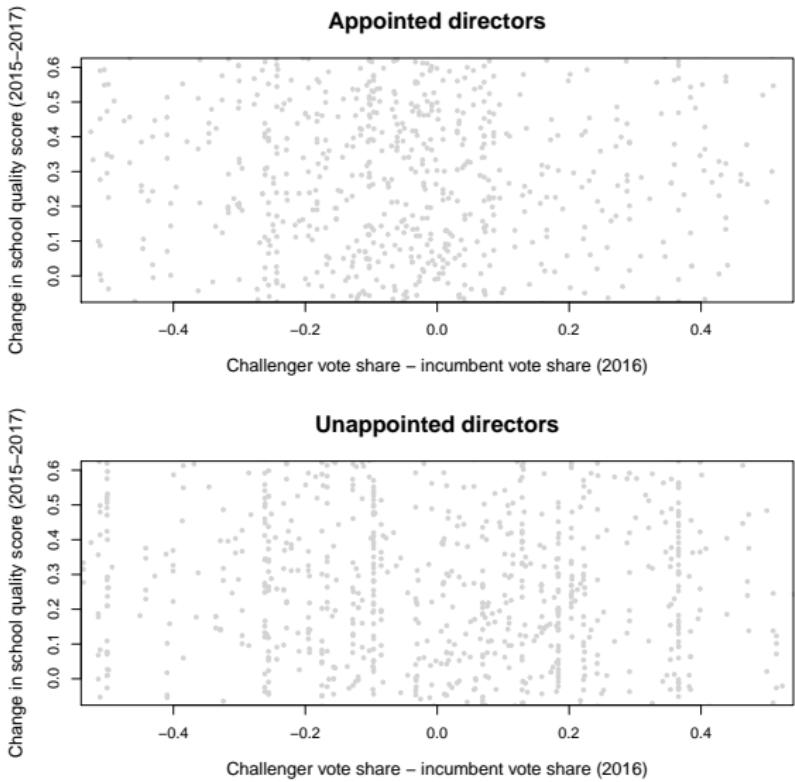
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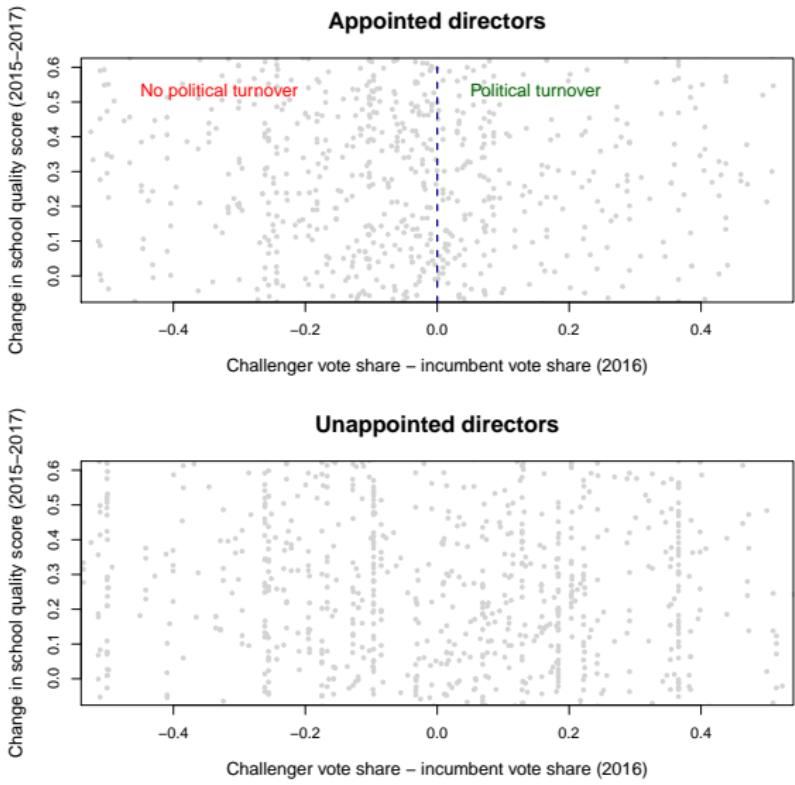
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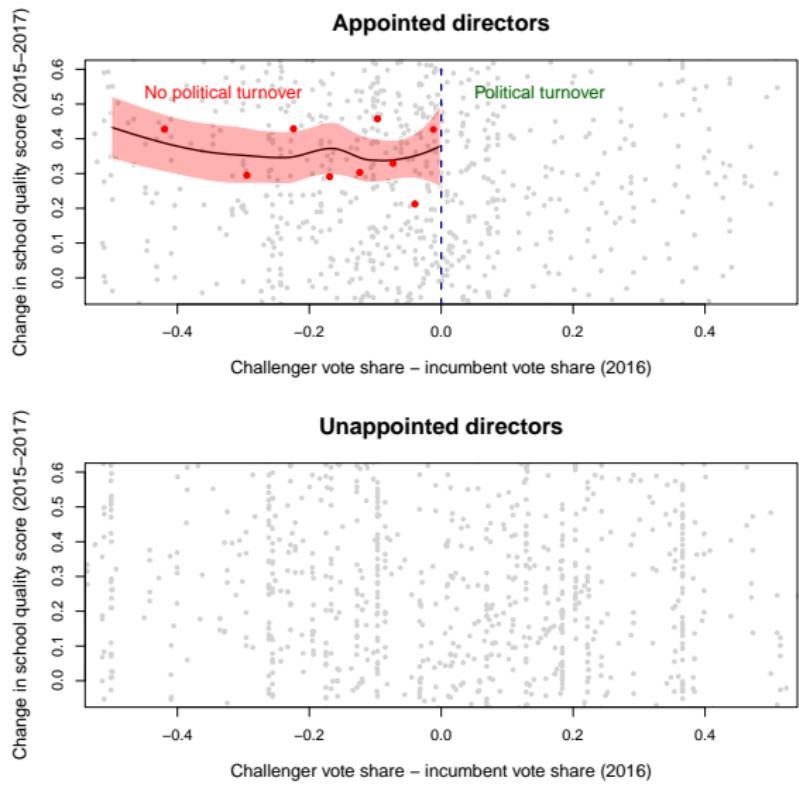
Schools whose directors lose their political connections experience a drop in performance



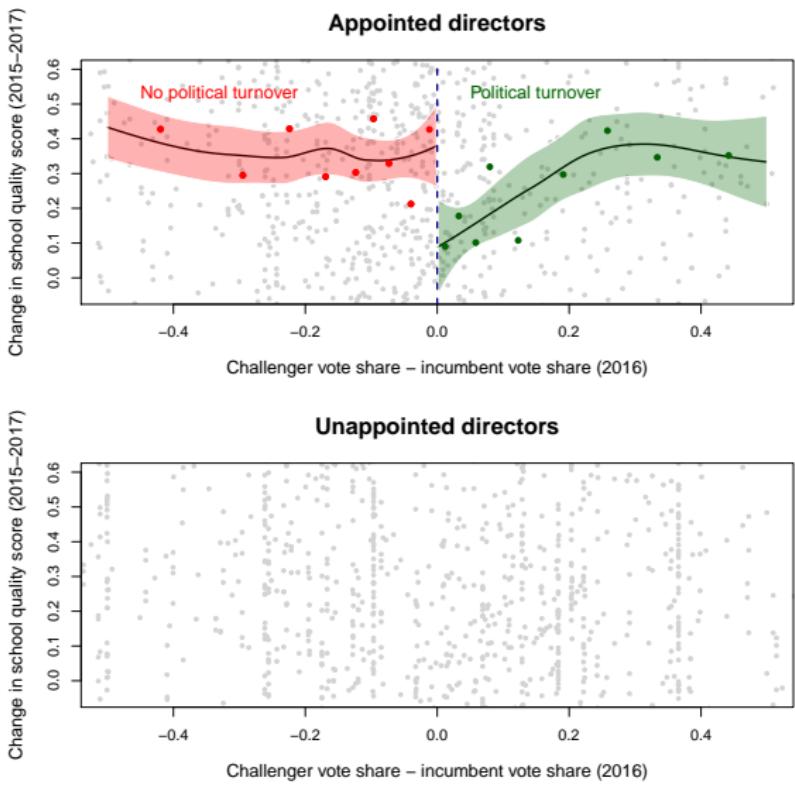
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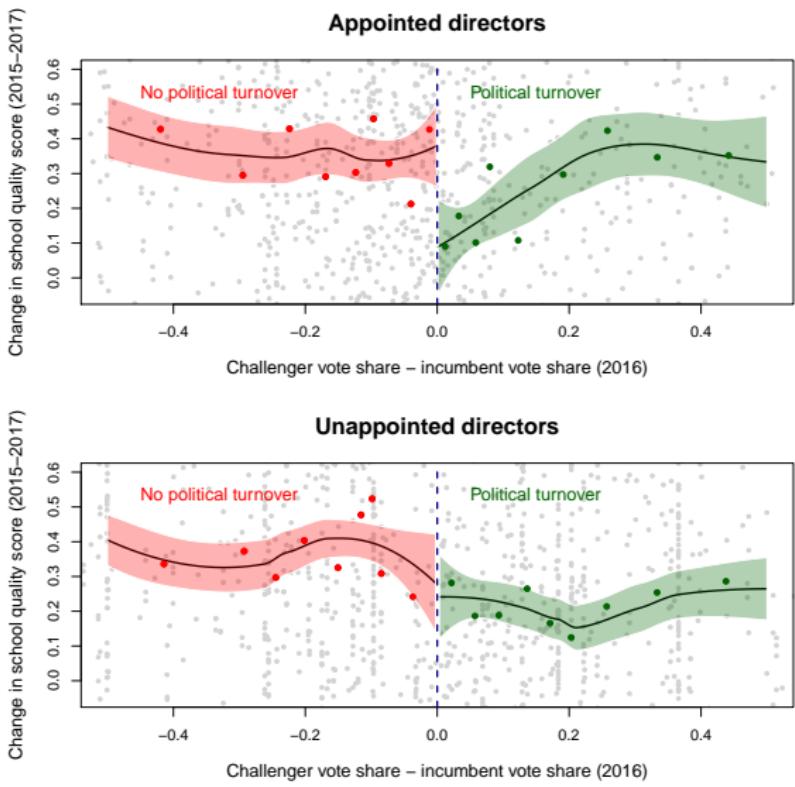
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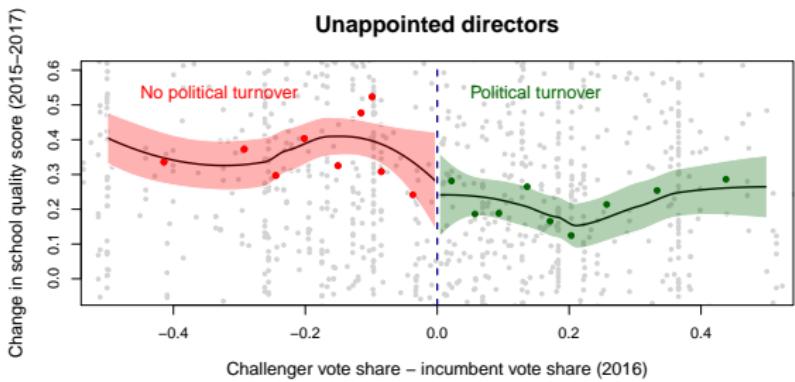
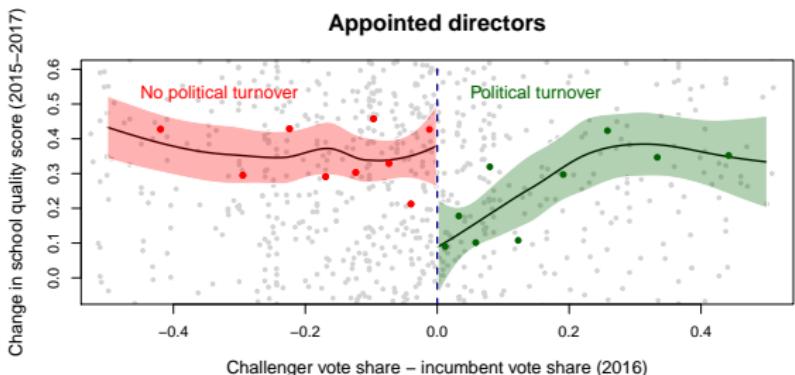


Schools whose directors lose their political connections experience a drop in performance

The loss of political connections causes a drop in school quality

(~ 0.25 standard deviations, $p < 0.05$)

- ▶ table
- ▶ robustness checks
- ▶ mechanisms



Observable implications and empirical tests

Politically appointed/connected bureaucrats...

- Have more access to, trust in, and alignment with politicians
 - Survey of bureaucrats
 - Observational regressions
- Are perceived as more responsive and, in some dimensions, more effective
 - Surveys of bureaucrats and politicians
 - Conjoint experiments
- Become less effective in service delivery upon losing their connections
 - Administrative data on schools
 - Quasi-experiment:
difference-in-discontinuities
- **Are held accountable for their performance in public service delivery**
 - **Administrative data on schools**
 - **Quasi-experiment:
regression discontinuity**

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Outcome variable: **director turnover** within a year of the publication of results

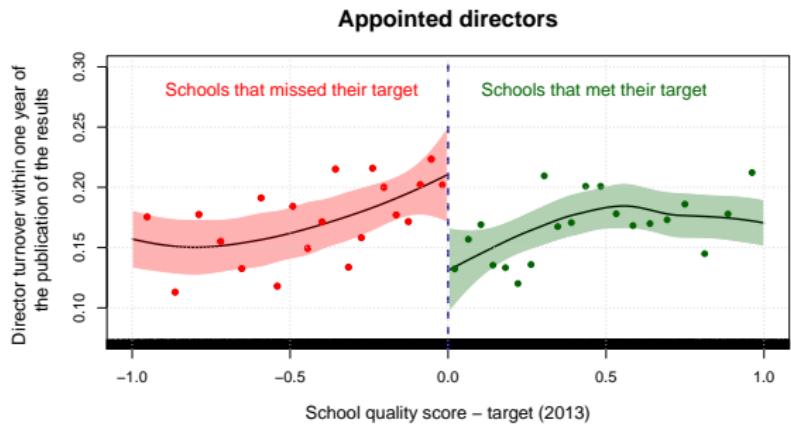
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▶ table

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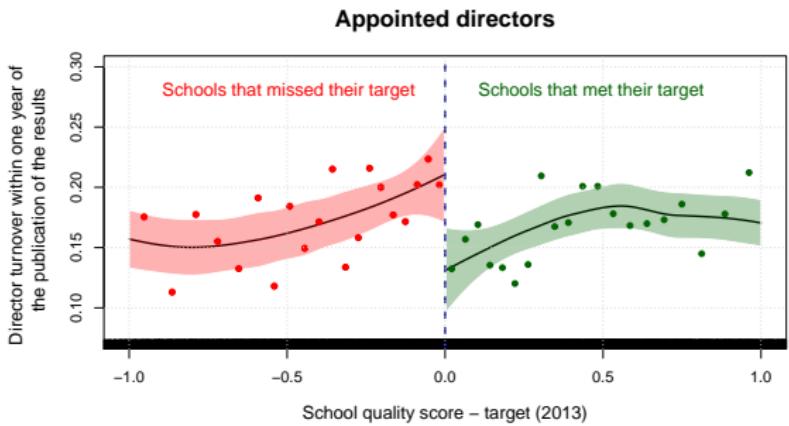
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- Among unappointed directors, meeting the school quality target has no effect on turnover

▶ plot



Summary of results

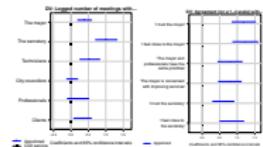
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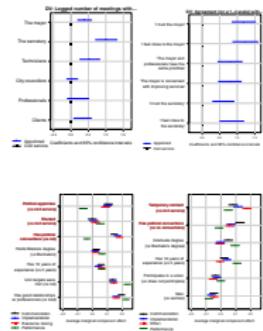
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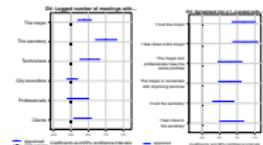


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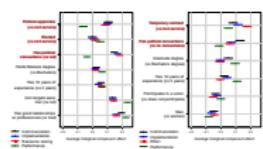
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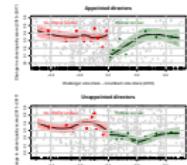
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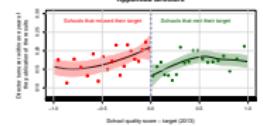
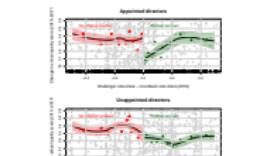
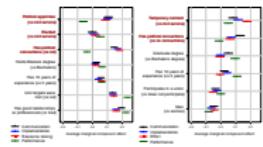
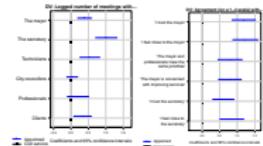
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→ Observational regressions

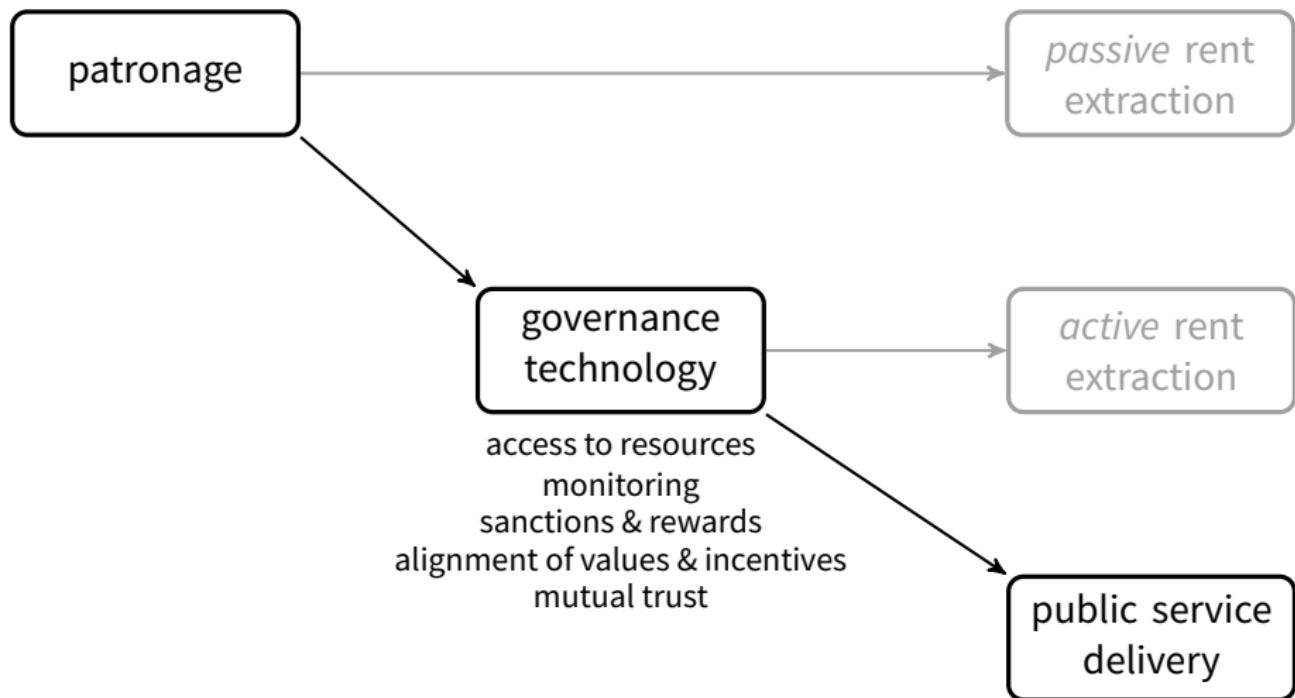
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Theory overview



Implications



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- Drawing attention to how bureaucratic arrangements **deviating from the Weberian ideal** can aid development
- Going **beyond the view of politics as a source of corruption** → politics as a source of solutions for development challenges
- Mechanisms help explain **why patronage is so central to political machines** and rent extraction
- Learning about the **micro-dynamics of patronage** better equips us to understand its political uses and to limit its abuses