Introduction
ooo

The problem
ooo

Theory
ooo

Experimental Design
oooo

Statistical Analyses
ooo

Discussion
oo

Appendix

Electoral Risk and Vote Buying, Introducing Prospect Theory to the Experimental Study of Clientelism

Hector Bahamonde [1]   Andrea Canales [2]

[1]University of Turku, Finland

[2]O'Higgins University, Chile

June 20, 2022

Vote buying: distribution of private rewards to individuals during elections in exchange for electoral support (Nichter, 2014).

Electoral Risk and Vote Buying, Introducing Prospect Theory to the Experimental Study of Clientelism

Vote–Buying Literature Builds on the Wrong Framework

- **Say you're a <u>clientelist</u> political party**

Vote–Buying Literature Builds on the Wrong Framework

- **Say you're a <u>clientelist</u> political party**:
  1. When do you buy votes? Winning/losing the election?

Introduction
●●○
Motivation

The problem
○○○

Theory
○○○

Experimental Design
○○○○

Statistical Analyses
○○○

Discussion
○○

Appendix

Vote-Buying Literature Builds on the Wrong Framework

- **Say you're a <u>clientelist</u> political party**:
  1. When do you buy votes? Winning/losing the election?
  2. Who do you target? Your own supporters or the ones who are more likely to flip?

Vote-Buying Literature Builds on the Wrong Framework

- **Say you're a <u>clientelist</u> political party**:
    1. When do you buy votes? Winning/losing the election?
    2. Who do you target? Your own supporters or the ones who are more likely to flip?
    3. Do prior electoral losses matter?

Vote-Buying Literature Builds on the Wrong Framework

- **Say you're a <u>clientelist</u> political party**:
    1. When do you buy votes? Winning/losing the election?
    2. Who do you target? Your own supporters or the ones who are more likely to flip?
    3. Do prior electoral losses matter?
- **If we follow what the literature says...the answers are mixed**:

Vote-Buying Literature Builds on the Wrong Framework

- **Say you're a <u>clientelist</u> political party**:
  1. When do you buy votes? Winning/losing the election?
  2. Who do you target? Your own supporters or the ones who are more likely to flip?
  3. Do prior electoral losses matter?
- **If we follow what the literature says...the answers are mixed**:
  - ✓ Usually, when losing the elections.

Vote-Buying Literature Builds on the Wrong Framework

- **Say you're a <u>clientelist</u> political party**:
    1. When do you buy votes? Winning/losing the election?
    2. Who do you target? Your own supporters or the ones who are more likely to flip?
    3. Do prior electoral losses matter?
- **If we follow what the literature says...the answers are mixed**:
    - ✓ Usually, when losing the elections.
    - ✓ Core *or* swing voters.

Vote-Buying Literature Builds on the Wrong Framework

- **Say you're a <u>clientelist</u> political party**:
  1. When do you buy votes? Winning/losing the election?
  2. Who do you target? Your own supporters or the ones who are more likely to flip?
  3. Do prior electoral losses matter?
- **If we follow what the literature says...the answers are mixed**:
  - ✓ Usually, when losing the elections.
  - ✓ Core *or* swing voters.
  - ✓ It shouldn't: **"sunk costs"** should *not* affect current decisions.

Vote-Buying Literature Builds on the Wrong Framework

- **Say you're a <u>clientelist</u> political party**:
  1. When do you buy votes? Winning/losing the election?
  2. Who do you target? Your own supporters or the ones who are more likely to flip?
  3. Do prior electoral losses matter?

- **If we follow what the literature says...the answers are mixed**:
  - ✓ Usually, when losing the elections.
  - ✓ Core *or* swing voters.
  - ✓ It shouldn't: **"sunk costs"** should *not* affect current decisions.

- **And yet...**:
  - ? Incumbents also buy votes when they're **winning** the election (Gonzalez-Ocantos, 2012).

Vote-Buying Literature Builds on the Wrong Framework

- **Say you're a <u>clientelist</u> political party**:
  1. When do you buy votes? Winning/losing the election?
  2. Who do you target? Your own supporters or the ones who are more likely to flip?
  3. Do prior electoral losses matter?

- **If we follow what the literature says...the answers are mixed**:
  - ✓ Usually, when losing the elections.
  - ✓ Core *or* swing voters.
  - ✓ It shouldn't: **"sunk costs"** should *not* affect current decisions.

- **And yet...**:
  - ? Incumbents also buy votes when they're **winning** the election (Gonzalez-Ocantos, 2012).
  - ? It's not clear why targeting core voters is not a **waste**.

Vote-Buying Literature Builds on the Wrong Framework

- **Say you're a <u>clientelist</u> political party**:
  1. When do you buy votes? Winning/losing the election?
  2. Who do you target? Your own supporters or the ones who are more likely to flip?
  3. Do prior electoral losses matter?

- **If we follow what the literature says...the answers are mixed**:
  - ✓ Usually, when losing the elections.
  - ✓ Core *or* swing voters.
  - ✓ It shouldn't: **"sunk costs"** should *not* affect current decisions.

- **And yet...**:
  - ? Incumbents also buy votes when they're **winning** the election (Gonzalez-Ocantos, 2012).
  - ? It's not clear why targeting core voters is not a **waste**.
  - ? The role of past losses has been completely overlooked ("sunk cost ***fallacy***").

Introduction
●●○
Motivation

The problem
○○○

Theory
○○○

Experimental Design
○○○○

Statistical Analyses
○○○

Discussion
○○

Appendix

This Talk

- **Motivate the problem**: vote buying literature is mostly based on the Expected Utility Theory (EUT) (von Neumann and Morgenstern).

  As a consequence, there are too many important loose ends.

This Talk

- **Motivate the problem**: vote buying literature is mostly based on the Expected Utility Theory (EUT) (von Neumann and Morgenstern).

  As a consequence, there are too many important loose ends.

- **Propose** to re-think about how parties make decisions under risk (Prospect Theory).

This Talk

- **Motivate the problem**: vote buying literature is mostly based on the Expected Utility Theory (EUT) (von Neumann and Morgenstern).

  As a consequence, there are too many important loose ends.

- **Propose** to re-think about how parties make decisions under risk (Prospect Theory).

- **Empirics**: we designed an economic lab experiment of vote buying.

This Talk

- **Motivate the problem**: vote buying literature is mostly based on the Expected Utility Theory (EUT) (von Neumann and Morgenstern).

  As a consequence, there are too many important loose ends.
- **Propose** to re-think about how parties make decisions under risk (Prospect Theory).
- **Empirics**: we designed an economic lab experiment of vote buying.
- **Results**: Prospect Theory explains better parties' decision-making process in risky contexts.

Introduction
●●●
Argument

The problem
○○○

Theory
○○○

Experimental Design
○○○○

Statistical Analyses
○○○

Discussion
○○

Appendix

Argument

Vote-buying will be higher when parties...

- Risk-aversion in the domain of **gains**:
  - ✓ Are wining the election.
  - ✓ Deal with core voters.
- Risk-seeking in the domain of **losses**.
  - ✓ Have experienced losses in the past (sunk costs).

Argument

Vote-buying will be higher when parties...

- Risk–aversion in the domain of **gains**:
  - ✓ Are wining the election.
  - ✓ Deal with core voters.
- Risk–seeking in the domain of **losses**.
  - ✓ Have experienced losses in the past (sunk costs).

Introduction
●●●
Argument

The problem
○○○

Theory
○○○

Experimental Design
○○○○

Statistical Analyses
○○○

Discussion
○○

Appendix

Argument

Vote-buying will be higher when parties...

- Risk-aversion in the domain of **gains**:
  - ✓ Are wining the election.
  - ✓ Deal with core voters.
- Risk-seeking in the domain of **losses**.
  - ✓ Have experienced losses in the past (sunk costs).

Argument

Vote-buying will be higher when parties...

- Risk-aversion in the domain of **gains**:
  - ✓ Are wining the election.
  - ✓ Deal with core voters.
- Risk-seeking in the domain of **losses**.
  - ✓ Have experienced losses in the past (sunk costs).

Introduction
●●●
Argument

The problem
○○○

Theory
○○○

Experimental Design
○○○○

Statistical Analyses
○○○

Discussion
○○

Appendix

Argument

Vote-buying will be higher when parties...

- Risk-aversion in the domain of **gains**:
  - ✓ Are wining the election.
  - ✓ Deal with core voters.
- Risk-seeking in the domain of **losses**.
  - ✓ Have experienced losses in the past (sunk costs).

Argument

Vote–buying will be higher when parties...

- Risk–aversion in the domain of **gains**:
  - ✓ Are wining the election.
  - ✓ Deal with core voters.
- Risk–seeking in the domain of **losses**.
  - ✓ Have experienced losses in the past (sunk costs).

Introduction
○○○

The problem
●○○

Theory
○○○

Experimental Design
○○○○

Statistical Analyses
○○○

Discussion
○○

Appendix

The Problem

Clientelism and the Expected Utility Theory

- EUT has *dominated* political science as a way to explain decision making under risk.

Clientelism and the Expected Utility Theory

- EUT has *dominated* political science as a way to explain decision making under risk.
- **The problem**. This approach assumes:

Introduction
○○○
The problem
●○○
Theory
○○○
Experimental Design
○○○○
Statistical Analyses
○○○
Discussion
○○
Appendix

The Problem

Clientelism and the Expected Utility Theory

- EUT has *dominated* political science as a way to explain decision making under risk.
- **The problem**. This approach assumes:
  1. Losses and gains affect in a **comparable** way.
     Winning elections **feels just as good as** losing one hurts.

Introduction
○○○

The problem
●○○

Theory
○○○

Experimental Design
○○○○

Statistical Analyses
○○○

Discussion
○○

Appendix

The Problem

Clientelism and the Expected Utility Theory

- EUT has *dominated* political science as a way to explain decision making under risk.
- **The problem**. This approach assumes:
  1. Losses and gains affect in a **comparable** way.
     Winning elections **feels just as good as** losing one hurts.
  2. Parties focus on **absolute** levels of utilities.
     Overlooking "sunk costs."

Introduction
○○○
The Problem

The problem
●○○

Theory
○○○

Experimental Design
○○○○

Statistical Analyses
○○○

Discussion
○○

Appendix

Clientelism and the Expected Utility Theory

- EUT has *dominated* political science as a way to explain decision making under risk.
- **The problem**. This approach assumes:
  1. Losses and gains affect in a **comparable** way.

     Winning elections **feels just as good as** losing one hurts.
  2. Parties focus on **absolute** levels of utilities.

     Overlooking "sunk costs."
- These assumptions lead to several inconsistencies.

Introduction
○○○
The Problem

The problem
●○○

Theory
○○○

Experimental Design
○○○○

Statistical Analyses
○○○

Discussion
○○

Appendix

Clientelism and the Expected Utility Theory

- EUT has *dominated* political science as a way to explain decision making under risk.
- **The problem**. This approach assumes:
  1. Losses and gains affect in a **comparable** way.
     Winning elections **feels just as good as** losing one hurts.
  2. Parties focus on **absolute** levels of utilities.
     Overlooking "sunk costs."
- These assumptions lead to several inconsistencies.
  1. Clientelist Targeting.
  2. Political Contestation.

Introduction
○○○

The problem
●●○

Theory
○○○

Experimental Design
○○○○

Statistical Analyses
○○○

Discussion
○○

Appendix

The Problem: Clientelist Targeting

Not Clear Who Clientelist Parties Target

- Since constituencies are well known to clientelist parties, they allocate resources to **core voters**.

  Cox and Mccubbins (1986).

Introduction
○○○

The problem
●●○

Theory
○○○

Experimental Design
○○○○

Statistical Analyses
○○○

Discussion
○○

Appendix

The Problem: Clientelist Targeting

Not Clear Who Clientelist Parties Target

- Since constituencies are well known to clientelist parties, they allocate resources to **core voters**.

  Cox and Mccubbins (1986).

- Since allocating resources to individuals who are already voting for the party is a waste, parties should target **swing voters**.

  Dixit and Londregan (1996) and Stokes (2005).

Introduction
○○○

The problem
●●○

Theory
○○○

Experimental Design
○○○○

Statistical Analyses
○○○

Discussion
○○

Appendix

The Problem: Clientelist Targeting

Not Clear Who Clientelist Parties Target

- Since constituencies are well known to clientelist parties, they allocate resources to **core voters**.

  Cox and Mccubbins (1986).

- Since allocating resources to individuals who are already voting for the party is a waste, parties should target **swing voters**.

  Dixit and Londregan (1996) and Stokes (2005).

- All in all, the literature—unfortunately—does *not* provide a straight answer.

  Carlin and Moseley (2015).

Introduction
○○○

The problem
●●●

Theory
○○○

Experimental Design
○○○○

Statistical Analyses
○○○

Discussion
○○

Appendix

The Problem: Political Contestation

Not Clear The Role of Political Contestation on Vote Buying

- The more contested an election, the more risks of losing the election, the more vote buying.

  Scott (1972), Shefter (1977), Diaz-Cayeros (2008), Corstange (2018).

Not Clear The Role of Political Contestation on Vote Buying

- The more contested an election, the more risks of losing the election, the more vote buying.

  Scott (1972), Shefter (1977), Diaz-Cayeros (2008), Corstange (2018).

- However, some find very high levels of vote–buying in **uncontested** elections.

  Gonzalez-Ocantos, Jonge, et al. (2012).

Not Clear The Role of Political Contestation on Vote Buying

- The more contested an election, the more risks of losing the election, the more vote buying.

  Scott (1972), Shefter (1977), Diaz-Cayeros (2008), Corstange (2018).

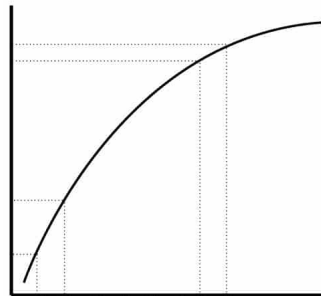- However, some find very high levels of vote-buying in **uncontested** elections.

  Gonzalez-Ocantos, Jonge, et al. (2012).

- Again, the literature does *not* provide a straight answer.

Wrong Understanding of Decision-Making Process under Risk

Change from EUT:

- Losses and gains affect in a **comparable** way.
- Parties focus only on **absolute** levels of utilities.

Introduction
○○○

The problem
○○○

Theory
●○○

Experimental Design
○○○○

Statistical Analyses
○○○

Discussion
○○

Appendix

Changing the starting point

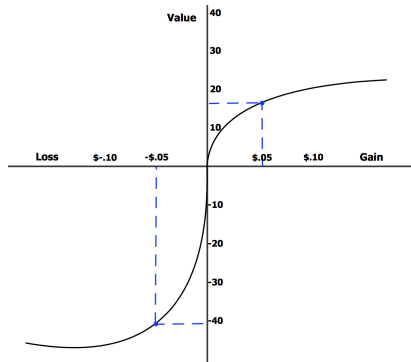# Wrong Understanding of Decision-Making Process under Risk

Change from EUT:

- Losses and gains affect in a **comparable** way.
- Parties focus only on **absolute** levels of utilities.

To Prospect Theory:

Kahneman and Tversky (1979)

1. **Reference dependence**.
2. **Value function**.

Introduction
○○○

The problem
○○○

Theory
●●○

Experimental Design
○○○○

Statistical Analyses
○○○

Discussion
○○

Appendix

Theory

Prospect Theory

1. **Reference dependence**. Elements that influence decisions:

Introduction
○○○

The problem
○○○

Theory
●●○

Experimental Design
○○○○

Statistical Analyses
○○○

Discussion
○○

Appendix

Theory

Prospect Theory

1. **Reference dependence**. Elements that influence decisions:
   - ✓ context in which the decision–making processes take place.

Introduction
ooo

The problem
ooo

Theory
●●o

Experimental Design
oooo

Statistical Analyses
ooo

Discussion
oo

Appendix
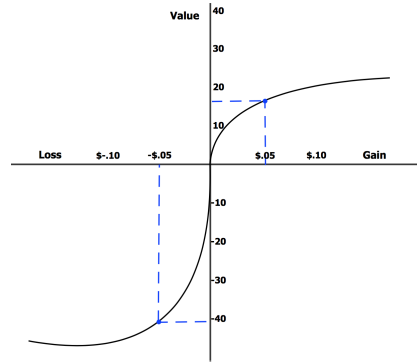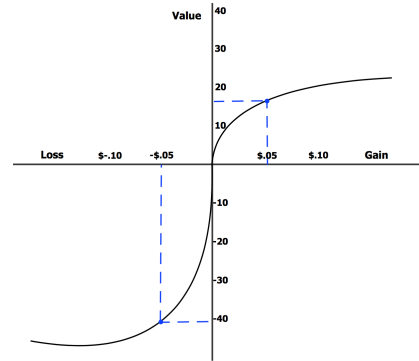
Theory

Prospect Theory

1. **Reference dependence**. Elements that influence decisions:
   - ✓ context in which the decision-making processes take place.
   - ✓ changes of wealth, rather than final asset positions.

Introduction
○○○

The problem
○○○

Theory
●●○

Experimental Design
○○○○

Statistical Analyses
○○○

Discussion
○○

Appendix

Theory

Prospect Theory

2. **Value function**. The asymmetrical curvature of the value function influences decisions.

Introduction
○○○

The problem
○○○

Theory
●●○

Experimental Design
○○○○

Statistical Analyses
○○○

Discussion
○○

Appendix

Theory

Prospect Theory

2. **Value function**. The asymmetrical curvature of the value function influences decisions.

   ✓ Individuals are risk-averse in the domain of gains.

Introduction
○○○

The problem
○○○

Theory
●●○

Experimental Design
○○○○

Statistical Analyses
○○○

Discussion
○○

Appendix

Theory

Prospect Theory

2. **Value function.** The asymmetrical curvature
   of the value function influences decisions.

   - ✓ Individuals are risk-averse in the
     domain of gains.
   - ✓ Individuals are risk-acceptant in
     the domain of losses.

Introduction
○○○

The problem
○○○

Theory
●●○

Experimental Design
○○○○

Statistical Analyses
○○○

Discussion
○○

Appendix

Theory

Prospect Theory

2. **Value function**. The asymmetrical curvature of the value function influences decisions.

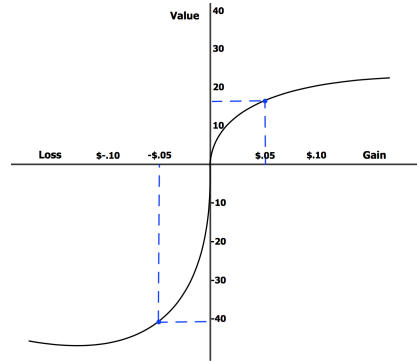   - ✓ Individuals are risk-averse in the domain of gains.
   - ✓ Individuals are risk-acceptant in the domain of losses.
   - ✓ In simple, "**loses loom larger than gains.**"
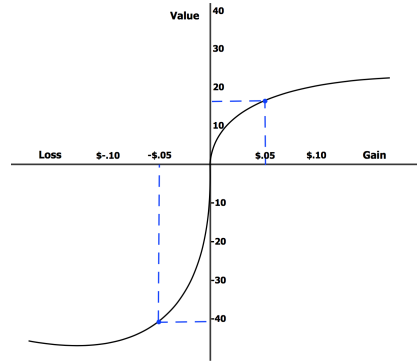
Introduction
○○○

The problem
○○○

Theory
●●●

Experimental Design
○○○○

Statistical Analyses
○○○

Discussion
○○

Appendix

Theoretical Expectations

Prospect Theory: Implications for Vote Buying

1. Parties will feel huge aversion to lose what they "**own**."
   - ✓ **Are probable winners**.
   - ✓ **When dealing with own supporters**.

Introduction
○○○

The problem
○○○

Theory
●●●

Experimental Design
○○○○

Statistical Analyses
○○○

Discussion
○○

Appendix

Theoretical Expectations
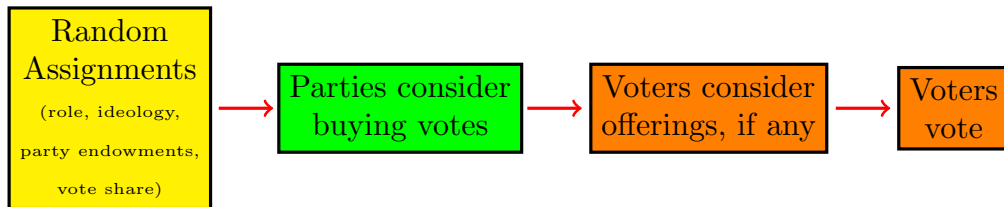
Prospect Theory: Implications for Vote Buying

1. Parties will feel huge aversion to lose what they "**own**."
   - ✓ **Are probable winners**.
   - ✓ **When dealing with own supporters**.
2. Past loses alter the reference point.
   - ✓ **Sunk costs are high**.

Introduction
○○○

The problem
○○○

Theory
○○○

Experimental Design
●○○○

Statistical Analyses
○○○

Discussion
○○

Appendix

Setup

- Designed an experiment in O-tree (Z-tree). Fischbacher (2007).
- All participants were required to successfully complete two **practice rounds**.
- Every game was played between **three people**: two parties and one voter.
- All transactions were performed exchanging **experimental "points."** 1 point = $0.42.
- 102 subjects were recruited.
- Each subject played the game three times (N = 306).
- We follow a between-subjects experimental design.

Introduction
○○○

The problem
○○○

Theory
○○○

Experimental Design
●●○○

Statistical Analyses
○○○

Discussion
○○

Appendix

Treatments

1. Role: *party A*, *party B* or *voter*.
2. **Voters**: "ideological position" (points depending on whether party A or B wins the election). Points reflect "spatial" distance between the voter and both parties (continuum 1–100).
3. **Parties**: endowments (points to buy votes, if any).

   But both parties receive the same endowment in the same game.

4. **Parties**: vote shares (number of votes each party *will* receive, excluding the "voter" participant.

- Every randomization was common knowledge.

Introduction
○○○

The problem
○○○

Theory
○○○

Experimental Design
●●●○

Statistical Analyses
○○○

Discussion
○○

Appendix

Experimental Flow

Introduction
○○○

The problem
○○○

Theory
○○○

Experimental Design
●●●●

Statistical Analyses
○○○

Discussion
○○

Appendix

Payoffs

- **Parties**: payoffs depend on whether they are elected. If they spend points buying votes, that amount is discounted.

- **Voters**: payoffs depend on whether their party is elected, and on whether they sell their vote.

Payoffs by Role (actual currency)

Introduction
○○○

The problem
○○○

Theory
○○○

Experimental Design
○○○○

Statistical Analyses
●○○

Discussion
○○

Appendix
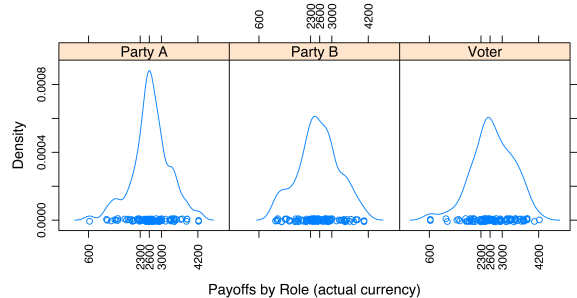
Dependent Variable and Hypotheses

- Parties want to avoid **loses**, not maximize wins. *"Hold on to what they own."*

  1. **Wining** the election.
  2. From **core** supporters.
  3. When **sunk costs** are high.
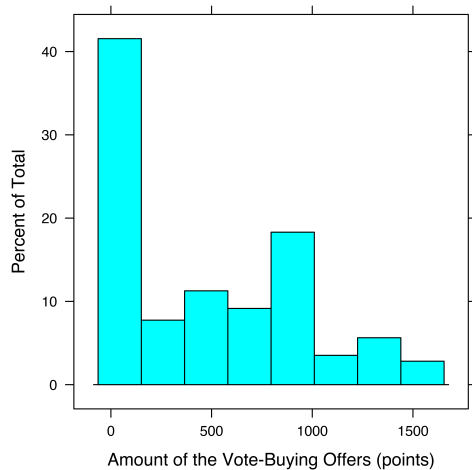
Introduction
○○○

The problem
○○○

Theory
○○○

Experimental Design
○○○○

Statistical Analyses
●●○

Discussion
○○

Appendix

Statistical Model: OLS

$$\text{Offer}_i = \beta_0 +$$
$$\beta_1 \text{Vote Share}_i +$$
$$\beta_2 \Delta \text{Points Accumulated}_i +$$
$$\beta_3 \text{Spatial Distance}_i +$$
$$\beta_4 \text{Party Budget}_i +$$
$$\beta_5 \text{Pivotal Voter}_i +$$
$$\alpha_n + \epsilon_i$$

Introduction
○○○

The problem
○○○

Theory
○○○

Experimental Design
○○○○

Statistical Analyses
●●○

Discussion
○○

Appendix

Statistical Model: OLS

$$
\begin{aligned}
\text{Offer}_i = \beta_0 + \\
\beta_1 \text{Vote Share}_i + \\
\beta_2 \Delta \text{Points Accumulated}_i + \\
\beta_3 \text{Spatial Distance}_i + \\
\beta_4 \text{Party Budget}_i + \\
\beta_5 \text{Pivotal Voter}_i + \\
\alpha_n + \epsilon_i
\end{aligned}
$$

- Dependent variable described.

Introduction
○○○

The problem
○○○

Theory
○○○

Experimental Design
○○○○

Statistical Analyses
●●○

Discussion
○○

Appendix

Statistical Model: OLS

$$\text{Offer}_i = \beta_0 +$$
$$\beta_1 \text{\color{red}Vote Share}_i +$$
$$\beta_2 \Delta \text{Points Accumulated}_i +$$
$$\beta_3 \text{Spatial Distance}_i +$$
$$\beta_4 \text{Party Budget}_i +$$
$$\beta_5 \text{Pivotal Voter}_i +$$
$$\alpha_n + \epsilon_i$$

- Number of certain votes each party.

Introduction
○○○

The problem
○○○

Theory
○○○

Experimental Design
○○○○

Statistical Analyses
●●○

Discussion
○○

Appendix

Statistical Model: OLS

$$\text{Offer}_i = \beta_0 +$$
$$\beta_1 \text{Vote Share}_i +$$
$$\beta_2 \Delta \text{Points Accumulated}_i +$$
$$\beta_3 \text{Spatial Distance}_i +$$
$$\beta_4 \text{Party Budget}_i +$$
$$\beta_5 \text{Pivotal Voter}_i +$$
$$\alpha_n + \epsilon_i$$

- Change in points respect to $t-1$ (prior round).

Introduction
○○○

The problem
○○○

Theory
○○○

Experimental Design
○○○○

Statistical Analyses
●●○

Discussion
○○

Appendix

Statistical Model: OLS

$$\text{Offer}_i = \beta_0 +$$
$$\beta_1 \text{Vote Share}_i +$$
$$\beta_2 \Delta \text{Points Accumulated}_i +$$
$$\beta_3 \text{Spatial Distance}_i +$$
$$\beta_4 \text{Party Budget}_i +$$
$$\beta_5 \text{Pivotal Voter}_i +$$
$$\alpha_n + \epsilon_i$$

- Distance between the party and the voter (points).

Introduction
○○○

The problem
○○○

Theory
○○○

Experimental Design
○○○○

Statistical Analyses
●●○

Discussion
○○

Appendix

Statistical Model: OLS

$$\text{Offer}_i = \beta_0 +$$
$$\beta_1 \text{Vote Share}_i +$$
$$\beta_2 \Delta \text{Points Accumulated}_i +$$
$$\beta_3 \text{Spatial Distance}_i +$$
$$\beta_4 \text{Party Budget}_i +$$
$$\beta_5 \text{Pivotal Voter}_i +$$
$$\alpha_n + \epsilon_i$$

- Party's budget (points).

Introduction
○○○

The problem
○○○

Theory
○○○

Experimental Design
○○○○

Statistical Analyses
●●○

Discussion
○○

Appendix

Statistical Model: OLS

$$\begin{aligned}
\text{Offer}_i = \beta_0 +& \\
& \beta_1 \text{Vote Share}_i + \\
& \beta_2 \Delta \text{Points Accumulated}_i + \\
& \beta_3 \text{Spatial Distance}_i + \\
& \beta_4 \text{Party Budget}_i + \\
& \beta_5 \text{Pivotal Voter}_i + \\
& \alpha_n + \epsilon_i
\end{aligned}$$

- Voter is pivotal.

Introduction
○○○

The problem
○○○

Theory
○○○

Experimental Design
○○○○

Statistical Analyses
●●○

Discussion
○○

Appendix

Statistical Model: OLS

$$
\begin{aligned}
\text{Offer}_i = \beta_0 & + \\
\beta_1 & \text{Vote Share}_i + \\
\beta_2 & \Delta\text{Points Accumulated}_i + \\
\beta_3 & \text{Spatial Distance}_i + \\
\beta_4 & \text{Party Budget}_i + \\
\beta_5 & \text{Pivotal Voter}_i + \\
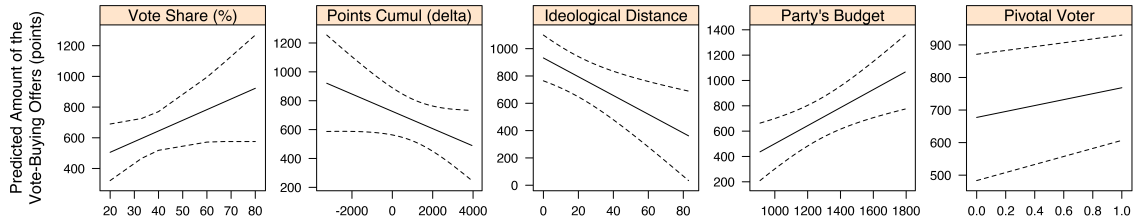\alpha_n & + \epsilon_i
\end{aligned}
$$

- Participant fixed effects.

Introduction ○○○ The problem ○○○ Theory ○○○ Experimental Design ○○○○ **Statistical Analyses** ●●● Discussion ○○ Appendix

Results

Overall, results conform with Prospect Theory.

Introduction
○○○

The problem
○○○

Theory
○○○

Experimental Design
○○○○

Statistical Analyses
●●●

Discussion
○○

Appendix

Results

- Due to **loss aversion**, parties buy more votes when they're likely winners (not losers).

Introduction
○○○

The problem
○○○

Theory
○○○

Experimental Design
○○○○

Statistical Analyses
●●●

Discussion
○○

Appendix

Results
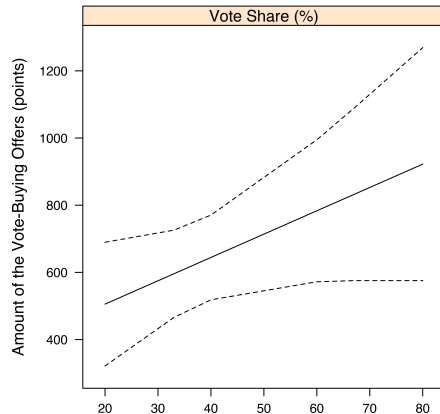
- Unlike EUT, parties do consider
  sunk costs, buying more votes to
  compensate for past losses.
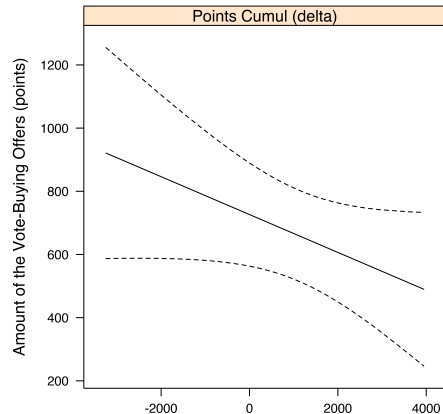
- Parties buy votes—at higher, not lower prices—from core voters.

Introduction
○○○

The problem
○○○

Theory
○○○

Experimental Design
○○○○

Statistical Analyses
●●●

Discussion
○○

Appendix

Results
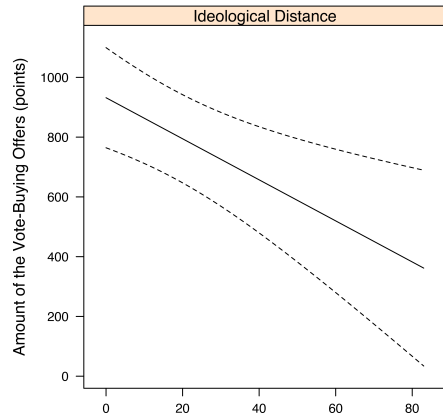
- Parties with larger budgets spend more on vote buying.

Introduction
○○○

The problem
○○○

Theory
○○○

Experimental Design
○○○○

Statistical Analyses
●●●

Discussion
○○

Appendix

Results
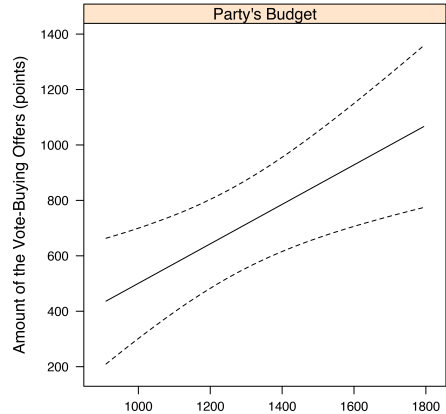
- **Pivotal voters** don't cost more (against most of spatial theories of voting).

Pivotal Voter

Amount of the Vote-Buying Offers (points)

Introduction
○○○

The problem
○○○

Theory
○○○

Experimental Design
○○○○

Statistical Analyses
○○○

Discussion
●○

Appendix

Wrapping Up
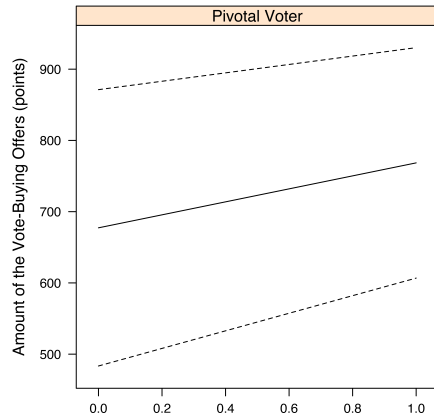
Main Takeaway

- Parties don't see vote buying in the typical "**insurance**" sense:
  1. Parties buy votes when they're **winning** the election,
  2. and from **core voters**.

✓ Decision-makers are more concerned with **preventing** a decline than **increasing** gains.

Introduction
ooo

The problem
ooo

Theory
ooo

Experimental Design
oooo

Statistical Analyses
ooo

Discussion
●o

Appendix

Wrapping Up

- This paper identified **three main gaps** in the literature:
    1. clientelist targeting.
    2. electoral contestation.
    3. sunk costs.

Introduction
○○○

The problem
○○○

Theory
○○○

Experimental Design
○○○○

Statistical Analyses
○○○

Discussion
●○

Appendix

Wrapping Up

- This paper identified **three main gaps** in the literature:
  1. clientelist targeting.
  2. electoral contestation.
  3. sunk costs.
- We think these gaps can be explained changing the focus from **EUT** to **prospect theory**.

Introduction
○○○
Wrapping Up

The problem
○○○

Theory
○○○

Experimental Design
○○○○

Statistical Analyses
○○○

Discussion
●○

Appendix

- This paper identified **three main gaps** in the literature:
  1. clientelist targeting.
  2. electoral contestation.
  3. sunk costs.
- We think these gaps can be explained changing the focus from **EUT** to **prospect theory**.
- To test this theory we designed an economic experiment of vote buying.

Introduction
○○○
Wrapping Up

The problem
○○○

Theory
○○○

Experimental Design
○○○○

Statistical Analyses
○○○

Discussion
●○

Appendix

- This paper identified **three main gaps** in the literature:
  1. clientelist targeting.
  2. electoral contestation.
  3. sunk costs.
- We think these gaps can be explained changing the focus from **EUT** to **prospect theory**.
- To test this theory we designed an economic experiment of vote buying.
- PT explains better the gaps in the literature.

Introduction
○○○

The problem
○○○

Theory
○○○

Experimental Design
○○○○

Statistical Analyses
○○○

Discussion
●●

Appendix

End

Thank you

- Paper (draft) available at www.HectorBahamonde.com.
- All feedback is welcomed!

Role	Variable	N	Min.	Max.	Median	Interquartile Range	Mean	Std. Dev.	Std. Error	Conf. Int.
Party A	Feel close to a political party	66	0	1	0	1	0	0	0	0
Party B	Feel close to a political party	66	0	1	0	0	0	0	0	0
Voter	Feel close to a political party	68	0	1	0	0	0	0	0	0
Party A	Left – Right	66	1	10	3	4	4	2	0	1
Party B	Left – Right	66	1	10	4	3	4	2	0	1
Voter	Left – Right	68	1	10	3	3	4	2	0	1
Party A	Male	66	0	1	0	1	0	0	0	0
Party B	Male	66	0	1	0	1	0	0	0	0
Voter	Male	68	0	1	0	1	0	0	0	0
Party A	Party identification	66	2	9	9	0	8	2	0	0
Party B	Party identification	66	1	9	9	0	9	1	0	0
Voter	Party identification	68	1	9	9	0	8	2	0	0
Party A	Payoff	73	633	4224	2630	674	2621	670	78	156
Party B	Payoff	72	1148	4062	2592	710	2607	665	78	156
Voter	Payoff	75	633	4224	2674	836	2664	697	80	160
Party A	Salary is enough	66	1	4	2	0	2	1	0	0
Party B	Salary is enough	66	1	4	2	1	2	1	0	0
Voter	Salary is enough	68	1	3	2	0	2	1	0	0
Party A	Vote in the next election	66	0	1	1	0	1	0	0	0
Party B	Vote in the next election	66	0	1	1	0	1	0	0	0
Voter	Vote in the next election	68	0	1	1	0	1	0	0	0
Party A	Voted in the last election	66	0	1	1	0	1	0	0	0
Party B	Voted in the last election	66	0	1	1	0	1	0	0	0
Voter	Voted in the last election	68	0	1	1	0	1	0	0	0

Table: Summary Statistics.

	OLS
	Amount of the Vote-Buying Offers
Intercept	−380.54
	(568.66)
Vote Share (%)	6.95
	(5.55)
Points Accumulated (delta)	−0.06
	(0.05)
Ideological Distance	−6.87*
	(3.26)
Party Budget	0.71*
	(0.34)
Pivotal Voter	91.16
	(124.46)
R^2	0.66
Num. obs.	142

***$p < 0.001$; **$p < 0.01$; *$p < 0.05$.
Robust standard errors in parentheses.
Fixed effects parameteres omitted in table.