Vote-Selling and Vote-Buying: Does The House Always Win? Gambling Votes in the Lab

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10 minute talk

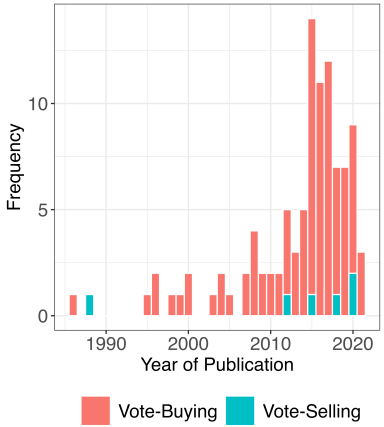
Why sequencing matters

- Two situations:
  - A buyer walks up to you: "I will give you 50 euros for that concert ticket."
  - You post the same ticket and say: "I will sell it for 80 euros; take it or leave it."
- Same good, buyer, seller, environment.
- But who moves first changes:
  - Bargaining power.
  - How surplus is split.
  - Which trades actually occur.
- In clientelism, we almost always assume **parties move first** (vote buying).
- This paper asks: what happens when **voters move first and sell**?

Clientelism research has a lopsided market view

- Classic quantitative view: clientelism as **party-initiated demand** for votes.
  - Who do parties buy from? Core vs swing?
  - How does electoral risk shape targeting?
- But ethnographers emphasize reciprocity:
  - Voters, neighborhood leaders, and brokers often initiate exchanges.
  - Many relationships are explicitly **client-initiated**.
- Quantitative work:
  - Heavily focused on vote buying.
  - Very few studies model vote selling; almost none treat buyers and sellers symmetrically.
- We argue that understanding clientelism requires putting **voters as strategic sellers** on equal footing with parties.

The imbalance in the literature



Annual frequency of Web of Science publications whose abstracts include the terms “vote buying” and “vote selling”

What we do

- Conceptual move:
  - Treat **vote buying** and **vote selling** as two institutional variants of the same clientelistic exchange.
  - The key institutional rule is **who initiates** the transaction.
- Theory:
  - Simple spatial model with one pivotal voter and two parties.
  - Variant 1: **party-initiated vote buying**.
  - Variant 2: **voter-initiated vote selling**.
- Experiment:
  - Laboratory games that mirror the model.
  - Same ideology, budgets, and electoral stakes; only sequencing differs.
- Today:
  - Intuition and minimal notation from the model.
  - Experimental design and main empirical results.
  - What we learn about **who benefits** when initiative shifts from parties to voters.

Two institutional variants of the same exchange

Game 1: Party-initiated vote buying (VB)

↓

Parties A, B choose offers s_A, s_B

↓

Voter observes (s_A, s_B) and votes

Game 2: Voter-initiated vote selling (VS)

↓

Voter chooses minimum prices (a_A, a_B)

↓

Parties accept or reject, then voter chooses

- **Same**: one pivotal voter, two parties, payoffs, budgets, electoral risk.

Players, preferences, and stakes

- Parties $i \in \{A, B\}$ and one pivotal voter j.
- One-dimensional policy space: $\gamma \in \{1, \ldots, 100\}$ with $\gamma_A < \gamma_B$.
- Voter ideal point x_j; ideological utility if party i wins:

$$u_j(\gamma_i) = D - |x_j - \gamma_i|, \quad D > 0.$$

- Preferred (core) party:

$$i^* = \arg \max_{i \in \{A,B\}} u_j(\gamma_i).$$

- Ideological advantage of the core party:

$$\Delta = u_j(\gamma_{i^*}) - u_j(\gamma_{-i^*}) > 0.$$

- Δ is the minimum compensating transfer needed to flip the vote.

Electoral risk and transfers

- Voter is pivotal with probability $\pi > 0$.
- Party i values winning at $W_i > 0$; its electoral stake is

$$R_i = \pi W_i.$$

- Think of R_i as the maximum the party is willing to pay for the pivotal vote.
- Transfers:
  - Vote buying: parties offer $s_i \geq 0$.
  - Vote selling: voter requests $a_i \geq 0$.
- Voter utility from voting for i and receiving transfer t_i:

$$U_j(i, t_i) = u_j(\gamma_i) + t_i.$$

Game 1: Party-initiated vote buying

- Parties observe $(x_j, \gamma_A, \gamma_B, R_A, R_B)$ and choose s_i simultaneously.
- Voter observes (s_A, s_B) and chooses a party.
- In a symmetric benchmark with $R_A = R_B = R$ and $R > \Delta$:

$$s_{i^*}^{VB} = \Delta, \qquad s_{-i^*}^{VB} = 0.$$

- So:
  - The ideologically preferred party buys the vote at the minimal compensating transfer.
  - The opponent usually does not buy.
  - Transfers concentrate on **core** supporters.

Game 2: Voter-initiated vote selling

- Voter proposes (a_A, a_B).
- Party i accepts only if $a_i \leq R_i$.
- Let W be the **electorally stronger party** with $R_W > R_{-W}$.
- When W is not the core party ($W \neq i^*$):
  - There is a range of prices where both parties accept, but the voter prefers W.
  - Voter can set a_W close to R_W, extracting more from the electorally strong opponent.
- Intuition: strong parties have higher stakes and higher willingness to pay; initiative lets voters try to exploit that.

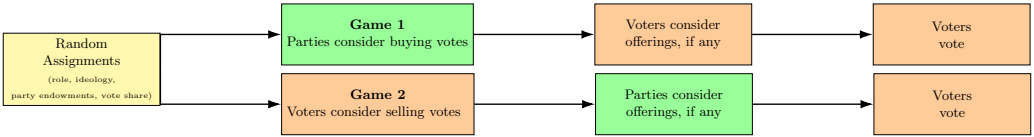
Hypotheses

- **H1 (Core Targeting Under Party Initiative):**
  - When parties initiate, transfers concentrate on ideologically proximate voters; parties mainly buy from their core.
- **H2 (Selling to the Opponent Winning Party):**
  - When voters initiate, they demand higher prices from electorally strong, often ideologically distant parties, using vote selling to hedge against electoral risk.
- **H3 (Higher Voter Payoffs Under Party Initiative):**
  - Because parties overspend under electoral risk when they initiate vote buying, while rejecting many high-priced proposals in vote selling, voters earn higher expected payoffs in VB than in VS.

Laboratory implementation

- **Subjects and implementation**
  - 102 adult participants in a Chilean laboratory, implemented in `oTree`.
  - Show-up fee plus performance-based earnings in experimental points.
- **Roles**
  - Each game: three real players (Party A, Party B, Voter).
  - Each subject plays three independent games; for every game we fully re-randomize roles, ideology, budgets, and fictional vote shares.
- **Information (common knowledge)**
  - Voter's ideological payoffs if A or B wins.
  - Party budgets.
  - Fictional vote shares that determine whether the real voter is pivotal.

Experimental flow

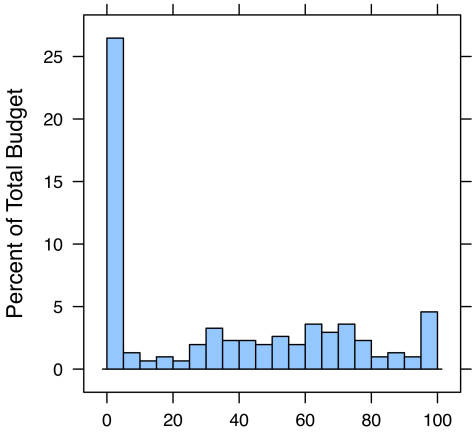


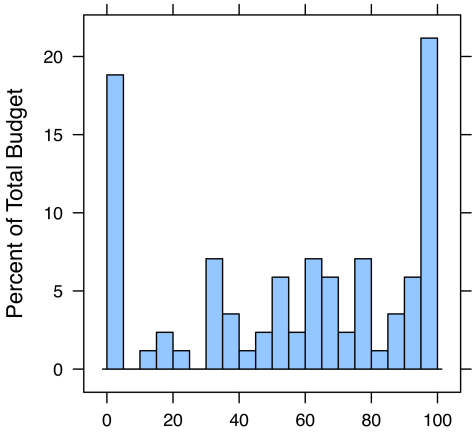
Two institutional variants in an otherwise identical strategic environment.

Ideology, budgets, and pivotality

- **Ideology**
  - Voter sees how many points she gets if A wins vs B wins.
  - This implements $u_j(\gamma_A)$, $u_j(\gamma_B)$, and the ideological gap Δ.
- **Party budgets**
  - Drawn at random and identical for both parties within a game.
  - Constrain feasible offers and requested prices.
- **Electoral risk**
  - Fictional electorate of 3 or 5 additional voters.
  - Vote shares for A and B imply safe vs close races.
  - The real subject voter can be pivotal or not.

Vote-buying offers vs vote-selling requests





What the distributions suggest

- **Vote buying (VB):**
  - Offers cluster at zero and at a small interior value around the compensating transfer Δ.
  - Consistent with the equilibrium where the core party buys and the opponent often offers nothing.
- **Vote selling (VS):**
  - Requested prices are widely dispersed.
  - Many voters request very small transfers from at least one party.
  - Others request amounts close to the party budget, especially when bargaining with electorally strong parties.
- This motivates focusing on **pricing behavior** in VS to study how voters respond to ideology and electoral strength.

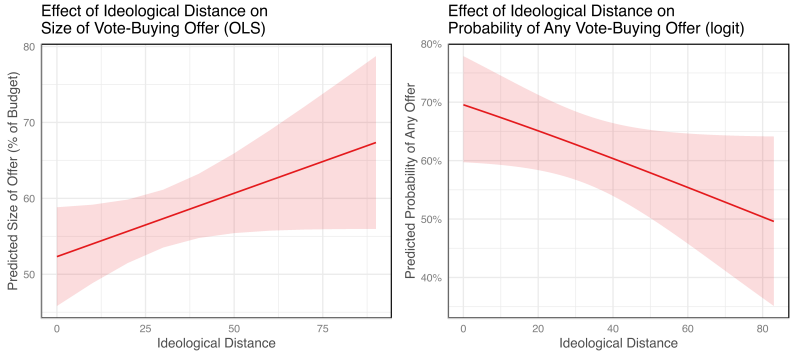
Modeling vote-buying offers

- Unit: party–voter dyad in the vote-buying game.
- We estimate:

$$\text{Offer}_{di} = \gamma_0 + \gamma_1 \text{Ideology}_{di} + \gamma_2 \text{VoteShare}_{di} + \gamma_3 \text{Pivotal}_{d} + u_{di},$$

  using a linear model for positive offers.
- Complementary logit model for the probability of making *any* offer.
- Standard errors clustered at the party level.

Results: parties target ideologically close voters



Predicted offer size (left) and probability of any offer (right) as a function of ideological distance. Shaded regions: 95% cluster-robust CIs.

Interpreting H1

- As ideological distance increases:
  - Parties offer **smaller** transfers.
  - They are also less likely to make any offer at all.
- When parties initiate the exchange, transfers concentrate on **ideologically proximate (core) voters**.
- This provides experimental support for **H1: Core Targeting Under Party Initiative**.

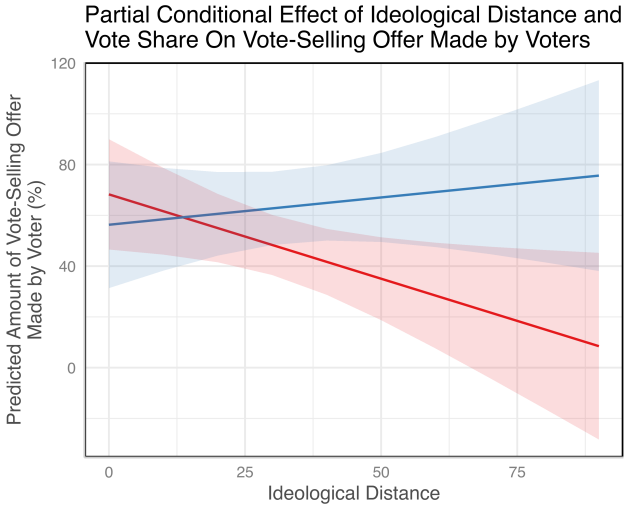
Modeling requested prices (VS)

- Unit: voter–party dyad in the vote-selling game.
- Dependent variable:

$$Y_{di} = \frac{a_{di}}{B_{di}} \times 100,$$

  requested price as a percentage of the party budget.
- Covariates:
  - Ideological distance Ideology_{di}.
  - Party vote share VoteShare_{di} (electoral strength).
  - Interaction $\text{Ideology}_{di} \times \text{VoteShare}_{di}$.
  - Indicator for whether the real voter is pivotal.
- Linear model with standard errors clustered by voter.

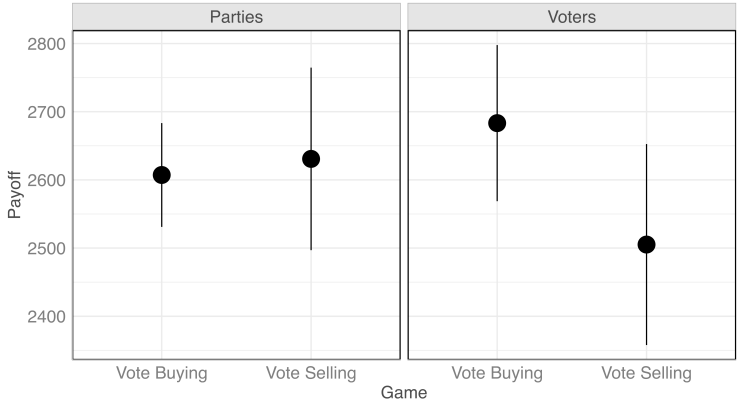
Requested prices by ideology and electoral strength



Interpreting H2

- With **electorally weak** parties:
  - Requested prices **decrease** with ideological distance.
  - When the weak party is ideologically close, voters ask for relatively high transfers to insure against its likely loss.
  - When it is distant, requested prices approach zero.
- With **electorally strong** parties:
  - Requested prices **increase** with ideological distance.
  - When the strong party is distant, voters often escalate demands toward the party's full budget.
  - Voters exploit stronger parties' higher electoral stakes R_i.
- This pricing pattern is consistent with **H2**: when voters initiate, they use vote selling to hedge against electoral risk by demanding more from electorally strong, often ideologically distant parties.

Payoffs by role and institutional variant



Mean payoffs for voters and parties under party-initiated vote buying (VB) and voter-initiated vote selling (VS). Error bars: non-parametric 90% CIs.

Does initiative change who wins the game?

- **Parties:**
  - Party payoffs are similar or slightly higher in VS than in VB.
  - Shifting initiative to voters does not reduce party utilities in our setting.
- **Voters:**
  - Voters earn **higher average payoffs** when parties move first (VB) than when voters move first (VS).
  - One-sided test of the difference in means is statistically significant (p-value from the t-test in the paper).
- Interpretation:
  - In VB, parties often overspend relative to the minimal compensating transfer Δ, especially under electoral risk.
  - In VS, very high requested prices are often rejected, leaving some voters with only ideological payoffs.
  - Overall, initiative shapes how surplus is split: voters do better when parties initiate, while parties do at least as well when voters initiate.

Main takeaways

- Treating vote buying and vote selling as **institutional variants of the same market** clarifies:
  - Who is targeted (core vs strong opponent).
  - How much is paid.
  - How surplus is allocated between parties and voters.
- When **parties initiate** (VB):
  - Transfers concentrate on core voters.
  - Parties tend to overspend under electoral risk.
  - Voters capture a larger share of surplus.
- When **voters initiate** (VS):
  - Voters demand higher prices from electorally strong, ideologically distant parties.
  - Many of these high demands are rejected, lowering average voter payoffs.
  - Parties' payoffs are stable or higher relative to VB.

Implications and next steps

- Conceptually:
  - Clientelism is a **market** with both demand (parties) and supply (voters).
  - Initiative is a core institutional rule that helps explain core–swing targeting and surplus allocation.
- Methodologically:
  - Experiments that vary who initiates the exchange can uncover mechanisms that are hard to see in observational data.
- Limitations:
  - One-shot lab games, no brokers, no repeated interactions or sanctions.
  - Bilateral monopoly: two parties and one voter; no networks or groups of sellers.
- Future work:
  - Multi-voter and multi-party environments, with brokers and networks.
  - Lab-in-the-field and survey experiments varying initiative.
  - Linking this institutional perspective to ethnographic evidence on how often exchanges are party- vs voter-initiated.

Thank you

- Paper and abstract: www.HectorBahamonde.com
- Feedback very welcome.