

A Disjunction Between the Strategies of Leaders and Brokers?

At the end of the last chapter, we noted that if our broker-mediated theory is accurate, people at distinct rungs in the party ladder will hold predictably different preferences over which types of voters should receive material rewards. Party leaders should favor distributing resources to responsive voters; other things (than voter partisanship) being equal, they prefer that party resources end up in the pockets of uncommitted voters. Brokers have greater incentives to target loyal partisans, though – as we have seen, both theoretically and empirically – they also expend some resources on swing voters. In this chapter we test this same hypothesis, but now at extremes of the party hierarchy. We use evidence of distribution of benefits among states, provinces, municipalities, and electoral districts. Such intergovernmental transfers should reflect the distributive preferences of elite partisan actors.

Evaluating the implications of the theory with real-world evidence is not a simple task. Many forces are at work in the distributive strategies of party leaders. Even in our theory, party leaders under some circumstances share with brokers an incentive to distribute to loyal supporters – for instance, when they are incumbents trying to buy back support after bad outcomes (large negative δ , in our model). Even if our model accurately captures the incentives brokers have to work against the interests of party leaders, the leaders are also likely to be subject to countervailing pressures. They may find themselves tacking back and forth between pleasing core supporters – to encourage high turnout or discourage potential competitors who might poach their constituents – and courting independents. We discuss later the array of institutional factors that influence party leaders' distributive preferences.

Yet another difficulty is that most studies of distributive politics tell us about what kinds of regions, provinces, or localities ruling parties favor when they divvy up the pie. However, few tell us which kinds of individuals end up benefiting. When governments allocate public goods – when we are in the

domain of pork-barrel politics – the problem is mitigated; it is safe to assume that leaders who send local public goods to marginal districts are hoping to win over swing voters.¹ But the problem is greater when the goods involved are targeted – when, in the terms of our conceptual scheme, we are in the realm of non-conditional individual benefits or of clientelism. Even in these settings, the probability that a randomly selected individual is a swing voter is greater in marginal districts than in ones that are “safe” for one party or another.² Nevertheless, the possibility exists that – in an example that Johnansson offers – “half of the population” in a district “is extreme conservative and the rest communists” and “none would even consider to switch” their vote, however generous the payoffs they receive.³ A few studies circumvent this difficulty by studying the impact of district-level public opinion on distributive strategies. Others, like our own, study distribution directly at the level of individuals. If individual-level data show that loyal voters, and non-abstainers, are the primary beneficiaries of brokers’ largess, yet in the same settings leaders direct resources to swing districts, the presumption is strong that leaders and brokers are working at cross-purposes. This is the research strategy we pursue later in this chapter.

5.1 THEORIES OF DISTRIBUTION BY PARTY LEADERS

Although some scholars present evidence regarding the distributive strategies of governments⁴ in a given setting as though it were dispositive about the general logic of such distributions, Rodden and Wilkinson argue persuasively that one should not expect a uniform logic across varying institutional settings.⁵ A crucial institutional variable is whether the body that decides which districts get what is a single unitary actor or a collection of actors with diverse interests. Presidential systems in which the executive controls distribution unilaterally are an instance of the first kind of setting, as are parliamentary systems at moments of single-party government. The single-unitary-actor assumption must be suspended in the following settings: presidential systems in which legislatures play a large role in determining distribution or in which parties are weak and the president needs to hold together legislative coalitions in favor of his policies, single-party parliamentary governments with highly factionalized ruling parties (e.g., the Liberal Democratic Party (LDP) in Japan), and minority and coalition governments.

¹ Although, as discussed later, they may also be attempting to increase turnout among loyalists in marginal districts.

² Deacon and Shapiro 1975, and Schady 2000.

³ Johansson 2003, p. 888.

⁴ We use phrases such as “government transfers” or “ruling-party transfers” as a short-hand; opposition party leaders also make decisions about how to expend their party’s scarce resources.

⁵ Rodden and Wilkinson 2004.

With multiple decision makers, the theoretical literature underscores parties' extracting benefits for their constituents in proportion to their number of cabinet positions or seats in the legislature (Gamson), or to their status as formateur party among coalition members (Baron and Ferejohn), or to their bargaining weights.⁶ Even small parties that are pivotal for a coalition, making the difference between a government standing or falling, can extract out-of-proportion resources for their constituents. Israeli politics often provides the intuition behind this proposition, though policy concessions in addition to material benefits are presumably what small parties extract.

When a single unitary actor – a president with control over budgets and strong parties, a prime minister whose party rules alone – is responsible for deciding intergovernmental transfers, the theory of such transfers overlaps with the theories of distributive politics we reviewed in Chapter 2. These governments are expected to deploy discretionary resources with electoral objectives in mind. The electoral logic is – in many theoretical treatments – that benefits go to “swing” districts, which are uniquely responsive to largess. They are uniquely responsive in that (in the now-familiar Dixit-and-Londregan refrain), opposition strongholds are written off, whereas “safe” districts are taken for granted.

Another key dimension of institutional variation is whether elections are in single or multiple districts. Examples of single-district elections are national legislative elections in which voters choose among alternative party lists in a single national district or direct presidential elections. In single-district elections, every individual vote is potentially pivotal and the theory generally predicts that resources go to regions or types of voters who are most responsive.

Multidistrict elections include legislative elections with more than one district and indirect presidential elections (e.g., through an electoral college). In multidistrict elections, the most obvious strategy is to expend resources preferentially on districts where a victory will produce the last assembly seat required to bring the party into government or the last electoral-college vote required to create a plurality in favor of the party's presidential candidate. In this connection, Cox alerts us to some ambiguity in the notion of a “swing” district.⁷ Are they places heavily populated by swing – ideologically indifferent – voters? Or are they districts that make the difference between a party's winning or losing an election? To avoid confusion, we use the term “swing district” to refer to a subnational jurisdiction in which many indifferent voters reside and “pivotal district” for one that can make or break a party's effort to win control of government, whatever the distribution of voter preferences within it. A “marginal district” is one in which the gap between winners and first losers is small.

Party leaders in multidistrict contests are expected to direct resources toward pivotal districts. Among pivotal districts, resources are predicted to go to

⁶ Gamson 1961, Baron and Ferejohn 1989, Ansolabehere et al. 2005.

⁷ Cox 2009.

marginal ones, where the party's vote share is expected to be very close to the margin between winning and losing.

The degree of centralization of government is also a crucial institutional variable influencing distributive strategies. In highly centralized systems, regional and local administrators are appointed by central authorities and policy is determined by the national government. In such settings, questions of opposition-party control over resources transferred from the center, and problems of credit claiming, are absent. By contrast, the single-unitary actor assumption is inappropriate in federal systems. Here the partisan identity of subnational governments is crucial. Consider the following situation. Party A controls the national government. Region R will be pivotal in the next parliamentary elections: if A wins in R, it continues to control the national government; if it loses, Party B will replace it in power. The leaders of Party A know that the outcome in R is likely to be close, and there are many swing voters in R. R is swing, marginal, and pivotal; Party A should spend lavishly there.

Now assume that Party B controls the regional government of R. Party A may be dissuaded from expending resources there, for two reasons. The first has to do with credit claiming. If voters in R give credit to Party B (the regional government) for projects undertaken there, then distributive largess by Party A will yield additional votes for Party B. The second disincentive for spending has to do with control. If Party B anticipates that a central government-sponsored program will help Party A defeat it in the next election, it may use its regional control to slow down the implementation of the program or waste resources in such a way that the yield in votes for Party A is reduced. Given a choice between spending resources in two regions, both of which are simultaneously marginal and pivotal, Party A will prefer the region in which it controls the regional government over one in which regional government is under Party B's control.⁸

For clarity, we introduce some additional terminology, displayed in Table 5.1. Districts heavily populated by swing voters are (as noted) swing districts, those heavily populated by loyal supporters are "loyal districts," and those heavily populated by opposition voters are "opposition districts." We call districts governed by the ruling party at the center "aligned districts," those controlled by ideologically rival parties "rival districts," and those controlled by coalition partners or supporters of a president's legislative agenda "neutral districts."

Just as theorists developed models to explain loyal individual supporters' sometimes receiving discretionary rewards, so they have developed models to explain intergovernmental transfers sometimes going to loyal districts. One

⁸ For theoretical development of some of these ideas, see Arulampala et al. 2009 and Dixit and Londregan 1998. The nature of programs is also a crucial consideration, because central governments even in highly federalized settings may be able to design programs so that distributive decisions circumvent subnational authorities.

TABLE 5.1. *Terminology for Types of Subnational Districts by Partisanship of Voters and of District Governments*

| | Oppose | Indifferent | Loyal |
|--------------------------------|------------|-------------|---------|
| Voters | Opposition | Swing | Loyal |
| Subnational Governments | Rival | Neutral | Aligned |

reason why a district that already produces many votes for a party may still receive its largess is that it is pivotal. The risk that the district could go the wrong way, though small, is more catastrophic if losing the district means losing control over the government. Another reason why risk-averse politicians might extend largess to loyal districts is that powerful incumbents may wish to avoid even the remote possibility of losing their own seats and be willing to trade off maximizing their party's vote share, or its share of seats in the legislature, in favor of their own job security. Yet a third reason for party leaders to spend on loyal districts, underscored by Cox, is to discourage ideologically proximate competitor parties from entering the race.⁹ Hence the need for coordination, as well as for risk reduction, can induce party leaders to prefer spending on loyal districts.

Another factor that we expect to impinge on distributive allocations is the degree to which – in decentralized systems with multi-district elections – the jurisdictions of subnational governments and electoral districts overlap. At one extreme, consider a country in which the overlap is perfect – where (say) provinces are both electoral districts and sub-national governmental jurisdictions. An example is presidential elections in the United States, where electoral-college districts perfectly overlap with state government jurisdictions. In such settings, the partisanship of the regional or local leadership will make a difference in the strategies of central authorities. These considerations help explain the Federal Emergency Management Agency (FEMA) violation of programmatic distribution, mentioned in Chapter 2.¹⁰ The state of Florida overlapped perfectly with the electoral-college district of Florida; the “district” was expected in the 2004 presidential elections to be both marginal (it had been excruciatingly so in 2000) and pivotal (as it had certainly been, again, in 2000). That it was also an aligned state – the party of the governor matched that of the national executive – was perhaps less important in its attracting funds, though this is difficult to know without information about whether federal FEMA authorities needed to collaborate with state party authorities to carry out the discriminatory distribution. Certainly, distributive benefits to an aligned state would have avoided problems of credit claiming by a rival subnational authority.

⁹ Cox 2009.

¹⁰ Chen 2009.

At the other extreme, in settings in which election districts and regional or local governmental jurisdictions do not overlap at all, we expect party leaders at the center to take the partisanship of subnational governments much less into account. Policy makers who want to keep programs from being “politicized” have been known to purposely draw program boundaries that cross-cut jurisdictional and electoral boundaries; this was the case of some New Deal programs, though the effectiveness of these depoliticizing efforts was not complete.¹¹

In addition to loyal districts’ potentially being pivotal, what other explanations do theorists offer for discretionary benefits going to them? Cox discusses three.¹² One involves coordination, as mentioned earlier: the national party may shower benefits on loyal districts to drive up vote shares and discourage ideologically proximate competitors. Another involves polarization. Highly polarized distributions of voters may encourage the channeling of benefits to loyal districts: given a choice between loyal and opposition districts, a party may anticipate winning more votes by turning out loyalists who might otherwise abstain than by persuading opposition voters. Low and variable turnout, furthermore, encourages a strategy of mobilization of loyalists, and parties may channel benefits preferentially to loyal districts to encourage co-partisans to go to the polls. There are even instances of payments aimed at keeping opposition voters away from the polls. Abstention buying, or what Cox and Kousser call “deflationary fraud,” implies heightened spending in rival districts. Cox and Kousser found newspaper references to 44 cases of abstention buying in rural New York State in the 1880s and 1890s.¹³ In addition, Chen, who studied the impact of FEMA spending in Florida in 2004, demonstrated that receipt of FEMA funds increased turnout among loyalists but also suppressed turnout among opposition voters.¹⁴

Polarization and mobilization do not imply the kinds of agency problems between brokers and party leaders underscored by our theory; the need to increase turnout in a polarized electorate will create incentives for party leaders *and* disciplined brokers alike to target loyalists. Similarly, if leaders and brokers are single-mindedly focused on winning elections by dissuading ideologically proximate parties from entering the race, coordination will require spending on loyalists, with no agency problems implied. However, if the coordination is geared toward keeping powerful brokers from switching parties or

¹¹ We discuss this instance more fully in Chapter 8.

¹² Cox 2005, 2007.

¹³ See Cox and Kousser 1981. In a more recent, though less well-documented case, Ed Rollins, Christie Todd Whitman’s 1993 New Jersey gubernatorial campaign manager, told reporters that his campaign had paid black ministers not to preach get-out-the-vote messages to their congregations and had offered to match Democratic Party “walking around money.” Rollins later retracted the claims, and no evidence of payments were uncovered. See the discussion in Karlan 1994.

¹⁴ Chen 2010.

switching among factions in parties, then coordination-inspired spending on loyalist districts does arise from brokers' being imperfect agents of their party leaders.¹⁵ This situation is closer to the one that we find to be widespread among machines in contemporary developing democracies. Yet another factor that makes voters responsive in our model is valence shocks. If a negative shock leaves loyal supporters disinclined to cast a vote for the party, even if their underlying partisanship has not been affected, then leaders will, along with brokers, favor loyal supporters.

The broader point is that evidence about the distributive actions of leaders and brokers must be interpreted carefully if one is to use this information to adjudicate between unitary and broker-mediated models of distributive politics.

5.2 DO SWING DISTRICTS RECEIVE PARTY LARGESS?

Is there any evidence that political parties engage in swing-district strategies? If the answer were no, or if this were an infrequent strategy, this would constitute a priori evidence against the broker-mediated model. But the evidence points in the opposite direction. Research around the world uncovers frequent political discrimination in favor of marginal, and in many cases plausibly swing, districts, and, in some cases, against loyal districts. In fact, if the preponderance of evidence is that brokers favor loyal individuals, the preponderance of evidence is that party leaders favor marginal districts.

Not all of the cases discussed here are ones of machine politics. Many are cases of pork-barrel or nonconditional individual benefits – that is, nonprogrammatic policies but in the absence of parties that rely heavily on brokers. Such instances, however, are still germane to our theory; we expect to find political parties free of intermediaries pursuing a swing-district logic. This is the expectation when other the strategies mentioned earlier are not at play, such as turnout buying, coordination, or risk-aversion among incumbents.

Consider the following examples:

- In Spain, expenditures on roads, railways, and other infrastructure in the late 1980s and early 1990s were greater in regions with smaller margins of victory in the previous election. “The safer the incumbents feel, the less they try to buy votes with infrastructure.”¹⁶
- In Australia in the early 1990s, the allocation of pork in the form of sports stadiums was deployed “to influence electoral outcomes in those electoral

¹⁵ See Camp 2012 and Szwarcberg 2009.

¹⁶ Castells and Solé-Ollé 2005, p. 1200. They study infrastructure investment from 1987 and 1996, a period in which the leftist Socialist Workers Party of Spain, Partido Socialista Obrero Español (PSOE) was in power nationally. They also find that leftist regional governments received larger disbursements.

districts of primary strategic concern: marginal seats and seats held by cabinet ministers especially those with small electoral margins.”¹⁷

- In Canada between 1988 and 2001, regional development grants for small businesses, nongovernmental organizations, and local authorities went disproportionately to marginal ridings, as well as to ones in which the member of parliament was a cabinet minister – especially the cabinet minister in charge of regional development!¹⁸
- In Sweden, swing municipalities – ones with large numbers of voters who were indifferent between the parties – received more, and more generous, environmental grants in the run-up to national elections in 1998.¹⁹ They also received larger fiscal transfers from the central government in the 15-year period after 1981, controlling for the efficiency and equality criteria that formally influenced these transfers.²⁰
- In Portugal, over a 30-year period beginning in 1972, central authorities delivered grants to municipalities with a bias toward swing districts. The researchers concluded that there was “strong evidence in favor” of the hypothesis that “politicians target swing voters,” those residing in places where the margin of victory in previous elections was small. The authors find “no support” for the idea that “politicians favor their supporters,” meaning loyal districts.²¹
- In Albania in the 1990s, soon after the transition to democracy, the central government initiated a program of block grants for rural communes, which in turn was spent on families for income support. “[T]he extent to which a commune is pivotal has a positive effect on the size of the block grant received, while distance from being a swing commune has a negative effect on the size of grant received.”²²
- In Peru, the Fujimori government in the early 1990s spent disproportionate “social fund” (FONCODES) monies, for nutrition and family planning, credit, school renovation, water, and sanitation programs, in localities that had supported the president in his first election bid and in ones in which the margin of victory was close. It also spent disproportionately on districts

¹⁷ Denmark 2000, p. 909. The study – as mentioned in Chapter 2 – focuses on the early 1990s, a period in which the Labour Party was in power nationally, and also finds that constituencies represented by Labour members of parliament received larger allocations. Nonprogrammatic distributive politics is also studied by Worthington and Dollery 1998.

¹⁸ Milligan and Smart 2005. The period they study was 1988 to 2001. Crampton 2004 also finds evidence of nonprogrammatic distributive politics in Canada favoring swing ridings in the West, though not throughout the country.

¹⁹ Dahlberg and Johansson 2002.

²⁰ Johansson 2003.

²¹ Veiga and Pinho 2007, pp. 469–470.

²² Case 2001, p. 415.

where support for the government eroded sharply between the president's first election in 1990 and in a vote in 1993.²³

- In South Korea between 1988 and 1997, "regional distributive patterns of national subsidies were affected by electoral margins between the two leading candidates in a province... the governments tended to distribute national subsidies to electorally competitive 'swing' regions."²⁴
- In Ghana, political manipulation endured despite the use of formulas in the allocation of intergovernmental grants. Districts "with lower difference between the vote shares of the two parties in the previous presidential election receive higher DACF [District Assembly Common Fund] allocations and disbursements." There is no evidence "that DACF transfers are targeted to the incumbent's core supporters."²⁵ The political neutrality of formulas was circumvented by over-disbursing funds to marginal districts and by multiplying districts in marginal areas.

Certainly not all party leaders everywhere pursue marginal-district or swing-voter strategies. In several of the countries mentioned, governments spent disproportionate resources both on swing and on loyal districts. Nor were all instances of swing strategies ones that involved machine-style parties; many, instead, involve bureaucratic parties. Still, the pervasiveness of party leaders favoring marginal and swing districts, whether or not they sit atop an organization of brokers, speaks to the power of the swing-as-responsive-voter logic and reinforces the sense that brokers who favor loyal constituents are working against their leaders' interests.

Table 5.2 summarizes the results of a number of studies. It shows that, although the marginal district result was common, it was not universal.

Among the countries with the least consistent empirical findings is the United States. Its prominence in the academic literature, the persistence of nonprogrammatic politics (usually described, in a kind of short-hand, as "pork-barrel politics") despite its wealth, and the inconsistency of the findings, warrant an expanded discussion of this case.

The United States: Loyal District Results A series of careful studies by Ansolabehere, Levitt, and Snyder finds that partisan control of government makes a difference in the distribution of spending among states and among

²³ Schady 2000. The 1993 vote was in a referendum to approve a new constitution, but the "yes" position on the constitution was closely associated with the president. Fujimori had suspended the previous constitution during a 1992 coup d'état, and his party had basically drafted the new one single-handedly.

²⁴ Kwon 2005, p. 324. However, note that Horiuchi and Lee 2008 have divergent findings for Korea. Over a later time period, but a broader range of expenditures, they find incumbent presidents favoring districts that offered them strong support and weak support, while spending less in districts where their level of support was intermediate.

²⁵ Banful 2010, p. 2. She noted Miguel and Zaidi's 2003 finding that educational expenditures in Ghana in 1998 were higher in districts that voted overwhelmingly for the president's party, but did not explain the divergence in the findings.

TABLE 5.2. *Ecological Studies of Non-Programmatic Distributive Politics, Coded by Leaders' Distributive Strategy*

| Country | Author, Pub. Year | Time Period | Program | Strategy Discerned |
|---------------|------------------------------|------------------------|---|------------------------|
| United States | Wright 1974 | 1933–1940 | New Deal federal spending in states | Swing |
| United States | Levitt and Snyder 1995 | 1984–1990 | Federal spending in Congressional districts | Loyal |
| United States | Herron and Theodus 2004 | 1999–2000 | State assembly to districts (Illinois) | Swing |
| United States | Bikers and Stein 2000 | 1993–1994 | Federal spending in Congressional districts | Programmatic |
| United States | Ansolabehere and Snyder 2006 | 1957–1997 | State governments to counties | Loyal |
| United States | Chen 2008 | 2004 | Federal emergency aid in Florida | Loyal more, swing less |
| United States | Berry et al. 2010 | 1984–2007 | Federal spending in Congressional districts | Swing |
| Canada | Crampton 2004 | Mid-1990s | Job-creation fund | Swing |
| Canada | Miligan and Smart 2005 | 1988–2001 | Regional development grants | Swing, rival |
| Australia | Worthington and Dollery 1998 | 1981–1982, 1991–1992 | Commonwealth grants to states | Mixed |
| Australia | Denemark 2000 | Early 1990s | Sports stadiums | Swing aligned |
| Spain | Castells and Sol-Oll 2005 | Late 1980s–early 1990s | National infrastructure spending in regions | Swing |
| Portugal | Veiga and Pinho 2007 | 1979–2002 | Municipal grants | Swing, rival |
| Sweden | Dahlberg and Johansson 2002 | 1998 to municipalities | Environmental grants | Swing |
| Sweden | Johansson 2003 | 1981–1995 | Central government spending in municipalities | Swing |
| South Korea | Horiuchi and Lee 2008 | 1993–2002 | National spending in municipalities | Loyal and opposition |

(continued)

TABLE 5.2 (*continued*)

| Country | Author, Pub. Year | Time Period | Program | Strategy Discerned |
|-------------|--|----------------------|--|--|
| South Korea | Kwon 2005 | 1988–1997 | National/ministerial spending in regions | Swing |
| India | Rodden and Wilkinson 2004 | 1957–2003 | National spending in states | Swing; rival |
| India | Cole 2007 | 1992–1999 | Agricultural credits to states | Swing |
| India | Khemani 2007 | 1972–1995 | Fiscal transfers to states | Swing, aligned |
| India | Vaishnav and Sircar 2010 | 1977–2007 | School buildings in Tamil Nadu | Swing |
| Albania | Case 2000 | 1990s | Block grants for income support to rural communes | Swing, pivotal |
| Mexico | Molinar and Weldon 1994 | Early 1990s | PRONASOL funds center to states | Swing (win back defecting supporters) |
| Mexico | Bruhn 1996 | Early 1990s | PRONASOL funds to municipalities districts | Loyal |
| Mexico | Hiskey 1999 | Early 1990s | PRONASOL funds to municipalities | Loyal |
| Mexico | Magaloni 2006 Smart 2005 | 1990s | PRONASOL funds to municipalities | Swing (wing back defecting supporters) |
| Mexico | Magaloni, Diaz-Cayeros, and Estevez 2007 | 1990s, | PRONASOL funds to municipalities | Mixed |
| Brazil | Ames 2001 | Early posttransition | Central government to municipalities | Loyal |
| Brazil | Rodden and Arretche 2003 | 1991–2000 | Center's transfers to states | Loyal |
| Peru | Schady 2000 | 1991–1995 | Antipoverty, development funds from center to counties | Swing (win back defecting supporters) |
| Venezuela | Hawkins 2010 | 2005 | Targeted “Mission” benefits to municipalities | Swing |

| Country | Author, Pub. Year | Time Period | Program | Strategy Discerned |
|-----------|----------------------------------|----------------|--|-----------------------|
| Argentina | Calvo and Murillo 2004 | 1987–2000 | Fiscal transfers from center to provinces | Loyal |
| Argentina | Lodola, 2005 | 1995–1999 | Workfare transfers from center to municipalities | Loyal, and protesting |
| Argentina | Gordin, 2006 | 1983–2003 | Fiscal and housing transfers to provinces | Rival |
| Argentina | Nazareno Stokes, and Brusco 2006 | 1995–1999 | Workfare transfers to municipalities | Swing |
| Ghana | Banful 2010 | 1994–2005 | Formula-based intergovernmental transfers | Swing |

counties and that partisan distribution favors places that provide larger numbers of votes for the governing party. Hence these authors consistently uncover a loyal-district result. They also offer some evidence that the logic behind this strategy is mobilization or turnout buying.

Levitt and Snyder studied federal spending in Congressional districts during a period of uninterrupted Democratic control of Congress, from 1984 to 1990. They found that spending was a positive function of the number of Democratic votes in a district, though they found no electoral effect on targeted transfers to individuals.²⁶ Ansolabehere and Snyder, in turn, studied the flow of resources from state governments to counties. They summarize their findings thus: “(i) Counties that traditionally give the highest vote share to the governing party receive larger shares of state transfers to local governments. (ii) When control of state government changes, the distribution of funds shifts in the direction of the new governing party . . . Finally, we find that increased spending in a county increases voter turnout in subsequent elections.”²⁷

The United States: Marginal District Results However, several studies of the United States uncover marginal- or swing-district distributive strategies. To explain why New Deal spending was heavier in Western states than in the

²⁶ Levitt and Snyder 1995. Yet, as mentioned in Chapter 2, the “bias” they uncovered appears fairly programmatic: partisan influence reflects distinctive programs and ideologies. Bicker and Stein’s research supports this interpretation: they found that changes in partisan control of Congress cause changes in the type of federal spending, with Democrats spending more on transfers and entitlements and Republicans on conditional liability programs. See Bickers and Stein 2000.

²⁷ Ansolabehere and Snyder 2006, p. 547.

more unemployment-ravaged South, Wright studied the impact of the “political productivity” of spending on the amounts disbursed. Political productivity included the past variability in outcomes of presidential votes in the state, the predicted closeness of the vote in the 1936 presidential election, and each state’s weight in the electoral college. Predicted closeness – marginality – indeed played an important role, driving up spending on Works Progress Administration (WPA) and other depression-era programs.²⁸

Whereas the FDR administration appears to have been concerned with future presidential contests, presidents who care about their legislative agenda can be expected to deploy resources to try to increase their party’s share of seats in Congress. Hence, Berry et al. reasoned, “presidents ought to direct a disproportionate share of federal outlays to electorally vulnerable members of their own party, and a disproportionate share of cuts to electorally vulnerable members of the opposition party.”²⁹ They indeed found that representatives of the president’s party attracted more federal spending across the period 1984–2007, especially those from his party who were in marginal districts and hence vulnerable. “[R]epresentatives who were elected in close races receive about 7–9% more federal spending,” which was nearly double the advantage of coming from the president’s party alone.³⁰ Yet they also found that marginal representatives from rival parties receive more benefits, suggesting that not just nonconditional benefits to individuals but effort by representatives who are in trouble inflates spending in congressional districts.

An especially brazen instance of nonprogrammatic distributive politics favoring swing districts is the one mentioned earlier from the state of Illinois.³¹ In the run-up to state assembly elections in 2000, the legislature distributed 1.5 billion dollars from a “Member Initiative Spending” program. The spending went to an array of projects, including road improvement, emergency vehicles, and playgrounds. Decisions about the allocation of funds was in the hands of four individuals: the Democratic and Republican leaders of the lower and upper chambers. Herron and Theodus described the application procedure thus: if a legislator decided that his district had a particular need, he would go to his respective party leader and request funds. There were no formal rules for what constituted need, no limits on how much a given district could receive, and no requirement that the four caucus leaders act collectively or deliberate.

Herron and Theodus were unable to detect any need-related criteria for distributing funds: low district income, low housing values, and high population growth rates played no role. Political factors drove the program. Districts that had been won by large margins, or in which the legislator ran unopposed,

²⁸ Wright 1974.

²⁹ Berry et al. 2010, p. 789.

³⁰ Berry et al., p. 792.

³¹ This is the case mentioned in Chapter 2, studied by Herron and Theodus 2004.

received significantly fewer dollars. So did districts with ideologically extreme representatives, suggesting that the bias toward marginal districts was also a bias toward swing districts. The exceptions were the districts of the four caucus leaders, which, though safe, benefited handsomely from the program. Against the interpretation that vulnerable members were simply more energetic in seeking out funds, the authors cited an interview with an official from the House Speakers Research Staff, who explained the funding priorities thus: “the highest amount of member initiative funding, from \$1.5 to \$2.5 million annually, went to politically vulnerable members of the House Democratic caucus. The next largest amount, \$1.2 million, went to majority leaders and appropriation chairs, followed by appropriation committee members with \$650,000, and simple members with \$375,000.”³²

The picture in the United States is thus mixed, with some careful studies showing that swing or marginal districts are favored, others revealing loyal-voter or safe-district bias. To the extent that party leaders in the United States target loyal districts, this strategy is at least in part aimed at driving up turnout. Levitt and Snyder showed a substantial positive boost of federal spending on incumbents’ vote shares – an additional \$100 per capita translates into a 2 percent increase in the popular vote for incumbent members of congress – but the authors do not parse this increase between turnout buying and vote buying.³³ FEMA spending drove up support for George W. Bush in Florida in 2004. Chen found poor Florida voters, and Republicans, especially responsive. “[S]ome of the new Bush voters induced by FEMA aid were Democratic converts who would otherwise have voted for John Kerry. In poor precincts, an increase in FEMA aid actually causes a statistically significant decrease in the absolute number of votes for John Kerry.”³⁴

In sum, a swing-voter strategy comes through most clearly in the United States in multidistrict elections, when members of Congress or state assemblies have an interest in driving up the vote share of marginal members and hence controlling more seats, or when presidents are concerned about their own prospects in the electoral college or their party’s control over congress. A loyal-voter or aligned-district strategy comes through most clearly in single-district elections, such as those of governors. The explanation for why the U.S. Congress seems often to favor loyal districts may have to do with turnout, but also perhaps with programmatic priorities; recall Bickers and Stein’s conclusion that distinct spending priorities by the parties reflected their ideological commitments to transfers (the Democrats) and contingent liability (the Republicans).³⁵

³² Herron and Theodus 2004, p. 305.

³³ Levitt and Snyder 1997, p. 33.

³⁴ Chen 2008, p. 14.

³⁵ Bickers and Stein 2000.

5.3 LEADERS AND BROKERS IN FOUR DEVELOPING DEMOCRACIES

The previous discussion indicates that when party leaders control nonprogrammatic distribution, the beneficiaries are often – though not always – marginal districts. Yet the inferential step from a marginal-district strategy to a swing-voter strategy can be problematic. Unless we know from public opinion polls that many swing voters inhabit the districts that benefit from largess (as in Dahlberg and Johansson’s studies of Sweden), or that the favored districts are represented by ideologically centrist legislators (as in Herron and Theodus’s study of Illinois), or that monies going to marginal districts shift vote choices in favor of the benefactor party (as in Chen’s study of Florida), ecological evidence is less than decisive. In this section we take a different tack: we study aggregate distributive patterns in places where we also have individual evidence that brokers favor loyal (and non-abstaining) voters. We therefore take a closer look at four developing democracies, all of which are home to political machines engaged in clientelism: Mexico, India, Venezuela, and Argentina. In Venezuela, not only do we have evidence regarding individual and aggregate distributions, we also have evidence at both levels regarding the same programs. In Mexico, India, and Argentina, the program fit is less tight. Still, from rich primary information and secondary sources, a clear picture emerges of strategic disjunctions between leaders and brokers in these four important clientelistic democracies.

5.3.1 Distribution to Swing States and Municipalities in Mexico

We saw in Chapter 2 that largess distributed by operatives of Mexico’s then-ruling party, the PRI, went preferentially to voters who had previously declared themselves to be supporters of the party and who expected to turn out to vote in the upcoming 2000 elections. Consistent with the patterns we uncovered in Argentina, Venezuela, and India, brokers from Mexico’s PRI favored loyal supporters when doling out campaign gifts.

Not so when rewards were in the hands of party leaders. In this case, rather than favoring bastions of loyal supporters, Mexican national authorities and PRI leaders deployed public resources in constituencies where voters were switching their allegiance away from the party.

In the final decades of PRI rule, when its hegemony was challenged and it began to lose provincial and local elections, distributive politics intensified. President Carlos Salinas (1988–1994), who defeated a leftist contender only with the help of an eleventh-hour manipulation of the vote count, created a huge program, the National Solidarity Program, or PRONASOL, “an innovative social spending program designed to win back popular support for the government in a context of neoliberal policies.”³⁶ PRONASOL was an umbrella

³⁶ Bruhn 1996, p. 152.

program that accounted for nearly 8 percent of all social spending in Mexico in the early 1990s. It provided support for everything from community development schemes to credit for small manufacturing firms to scholarships for poor children. PRONASOL funds were also used for major infrastructure projects, such as road-, hospital-, and school-building programs. President Salinas was ideologically and politically at odds with much of the PRI party organization, and PRONASOL was designed to bypass party control. Decisions about where to allocate funds were centralized in the office of the president, and an independent bureaucracy channeled funds to local organizations.

PRONASOL was the Mexican public spending program most heavily and systematically studied by social scientists. Their studies are basically unanimous in the view that the government used PRONASOL to pursue electoral, as well as developmental, goals. Most of these studies also agree that the driving electoral strategy behind PRONASOL was not to reward loyal supporters but to win back constituencies that had, or were in danger of, defecting to the left.³⁷ Regarding the allocation of funds among Mexico's 31 states, Molinar and Weldon concluded that they went preferentially to states in which the opposition PRD had made significant gains, rather than in secure PRI strongholds.³⁸ Likewise, Bruhn found that states that voted heavily in 1988 for Salinas's leftist challenger, Cuauhtémoc Cárdenas, received disproportionate PRONASOL funding and benefited from a reorientation of funding, even when poverty levels, economic growth rates, and other socioeconomic factors are taken into account.³⁹ Focusing on distribution at a lower level of aggregation, across municipalities, Magaloni reported some findings consistent with those of Molinar and Weldon: "PRONASOL was, to a large extent, designed to convince voters in vulnerable municipalities not to invest their partisan loyalties in the PRD."⁴⁰ Magaloni, Diaz-Cayeros, and Estévez found similar trends.⁴¹ Public and club goods tended to go to swing districts, though inflated levels of individualized benefits went to loyal districts.

5.3.2 Distributive Disjunction in India

In Chapter 2 we offered evidence that loyal voters and non-abstainers received targeted benefits in India. Citizens in the state of Karnataka who shared the party identity of a candidate were 10 to 13 percentage points more likely to receive a gift from that candidate's party than were non-co-partisans. In addition, Indian citizens who identified with the party of their village council president were 13 percentage points more likely than non-co-partisans to report having turned out to vote in exchange for a campaign gift. Indian brokers, like

³⁷ A partially discordant view is that of Hiskey 1999.

³⁸ Molinar and Weldon 1994.

³⁹ Bruhn 1996.

⁴⁰ Magaloni 2006, p. 136.

⁴¹ Magaloni, Diaz-Cayeros, and Estévez 2007.

their counterparts in Argentina and Mexico, favor their loyal supporters, and among them supporters who are at little risk of abstaining.

But when party leaders in New Delhi or state capitals control the allocation of expenditures, they are less prone to shower largess on loyalists. Arulampala et al. showed that discretionary spending by the central Indian government between 1974 and 1997 went to marginal electoral districts in aligned states.⁴² Both the partisanship of state governments and marginality mattered. Among aligned states, the national ruling party favored ones with many marginal constituencies, and among states with many marginal constituencies, the national party favored aligned ones. Arulampala and co-authors' explanation for the favoring of marginal constituencies is that party officials hoped to sway swing voters; their explanation for the favoring of aligned states is that officials at the center wanted their party to claim credit for the benefits delivered.

Cole, who studied the Indian government's distribution of agricultural credits, found that credit to banks jumps in election years and – in those years – “more loans are made in districts in which the ruling state party had a narrow margin of victory (or a narrow loss), than in less competitive districts.”⁴³ Khemani, who studied fiscal transfers, and Vaishnav and Sircar, who studied the distribution of school building funds across constituencies in Tamil Nadu, both uncovered marginal/aligned-state strategies.⁴⁴ Khemani wrote that politically motivated “transfers . . . are greater to those co-partisan [aligned] states where the party controls a smaller proportion of districts or seats allotted to the state in the national legislature.” Hence “affiliated states that are ‘swing’ receive more transfers.”⁴⁵ In Tamil Nadu over a three-decade period, party leaders might prefer to reward loyal constituencies but “when more than half of the ruling coalition's victories come in closely-fought (‘swing’) constituencies the ruling party alters its post-election targeting strategy to reward pivotal areas . . . In swing constituencies where the margin of victory is slim, politicians must make desperate promises to sweeten the pot.”⁴⁶

Rodden and Wilkinson, in turn, found that during a period of Congress Party hegemony (1972–1989), discretionary resources went to both safe Congress states and to marginal states; they found that swing (marginal) states always attract disproportionate resources, regardless of the state's partisan alignment.⁴⁷

Our theoretically predicted pattern of a disjunction between the distributive strategies of party leaders and brokers finds support, then, in India.

⁴² Arulampala et al. 2009.

⁴³ Cole 2009, p. 220.

⁴⁴ Khemani 2007, Vaishnav and Sircar 2010.

⁴⁵ Khemani 2007, p. 466.

⁴⁶ Vaishnav and Sircar 2010, p. 20.

⁴⁷ Rodden and Wilkinson 2004.

5.3.3 Distribution to Swing Municipalities in Venezuela

The literature on geographic distribution of targeted spending in Venezuela is sparse. However, Hawkins offered evidence quite in line with that of the Mexican and Indian patterns.⁴⁸ He considered distributions of targeted educational slots in two Missions (the social programs called *Ribas* and *Sucre*) in 2005, as a function of local development levels, poverty rates, and levels of support for Chávez in the 2000 election. He concluded that “Mission benefits are generally targeted to marginal districts.”⁴⁹ In light of his analysis, he expects “the distribution of scholarships and students to be at a maximum in marginal municipalities.”⁵⁰ By contrast, as we reported earlier, Hawkins found that individual recipients of these program were more pro-Chávez than were others living in the same neighborhoods and communities at the same point in time. Hence the central government sent targeted programs to swing municipalities, which local operatives then sent to loyal supporters. One might suppose that these loyal beneficiaries were in danger of abstaining and that the pattern observed is simply a case of turnout buying. However, recall our finding in Chapter 2, that people whom the Chávez government defined as “non-abstainers” were favored in this distribution.

5.3.4 Distribution to Swing Municipalities and Provinces in Argentina

We have seen that distributive politics at the micro level in Argentina, from party brokers to individuals, is dominated by a strategy of targeting loyal voters – loyalists who are also non-abstainers – though indifferent or swing voters were not completely left out of the distributive game. We turn now to evidence regarding aggregate distributions. A substantial literature examines distributive politics in Argentina, illuminating the nature of intergovernmental transfers from the center to the provinces and from the center or provincial governments to municipalities.⁵¹ A common finding is that politics does indeed intervene in decisions about where to spend public resources. And all of the studies reviewed evaluate the impact of electoral politics in single-district elections, in which parties try to maximize their votes overall, without concern for the district in which they are cast. What’s more, compulsory voting laws mean that turnout is high and stable. Hence, to the extent that higher levels of spending go to places in which elections had been close, the party controlling the distribution is likely to be aiming at swing or undecided voters. These are swing-district, rather than pivotal- or marginal-district, results.

Concerning the exact nature of the political manipulation, Calvo and Murillo found a bias in the allocation of federal resources (and higher levels of

⁴⁸ Hawkins 2010.

⁴⁹ Hawkins 2010, p. 217.

⁵⁰ Hawkins 2010, p. 200.

⁵¹ Remmer 2007 studied levels of patronage spending on personnel by provincial governments.

spending in general) in provinces with higher Peronist vote shares, though this finding holds across Peronist and non-Peronist presidential administrations. The authors saw this bias as an artifact of electoral institutions and heavy representation of Peronist supporters in over-represented provinces.⁵² In turn, Gibson and Calvo, and Gordin, studied the distribution of National Treasury Contributions (*Aportes del Tesoro Nacional*, or ATN) funds from the central government to the provinces.⁵³ Provincial governments transfer ATN funds to municipalities, where they can be invested in local public goods such as roads and bridges, or simply to cover gaps in municipal budgets. Studying a single year (1994) during the Peronist Menem administration, Gibson and Calvo showed bivariate correlations between ATN transfers and “peripheral” provinces, ones that also tend to be more heavily Peronist.

Gordin studied a longer time span and included a broader set of econometric controls. He found relatively little impact of economic and developmental factors in the central authorities’ decisions about how to allocate funds across the provinces. However, he did uncover electoral factors that shape distributive choices. Rival provinces – those ruled by opposition governors – attracted significantly more ATN funding than did aligned ones – those controlled by the party that ruled at the center. The same is true of distributions of FON-AVI funds, a federal housing program. In explaining these results, Gordin underlined Argentina’s substantial de facto centralism, constitutional arrangements notwithstanding; this centralism means that central governments have to worry little about provincial administrations’ exerting control, or claiming credit, for nationally sponsored programs. Hence they may be more willing than are Indian governments, for example, to use federal largess to try to win over swing or mildly opposed voters.

Our own fine-grained analysis of intra-provincial distributions of ATN funds yields results in line with Gordin’s. Rather than rewarding local governments in places that had offered strong electoral support, a provincial administration appears to have used ATN funds to win over swing districts and even poach in rival constituencies. That the period we study, the early 2000s, was one during which the Peronists’ major opponents found themselves in disarray may have emboldened the provincial Peronist administration to attempt to win over swing and even opposition constituencies. The strategy stands in contrast to Argentine brokers’ heavy targeting of loyalists among individual supporters.

We scrutinize the intra-provincial politics of distribution in one province, Córdoba, in the early 2000s. Data availability weighed in our choice of this province to study, but so did the very large number of municipalities in the province – more than 400. We focus on the impact of election returns in the prior (1998) gubernatorial election, specifically the impact of local levels of support for the governing party on the amount of ATN funds channeled to

⁵² Calvo and Murillo 2004.

⁵³ Gibson and Calvo 2001; Gordin 2006.

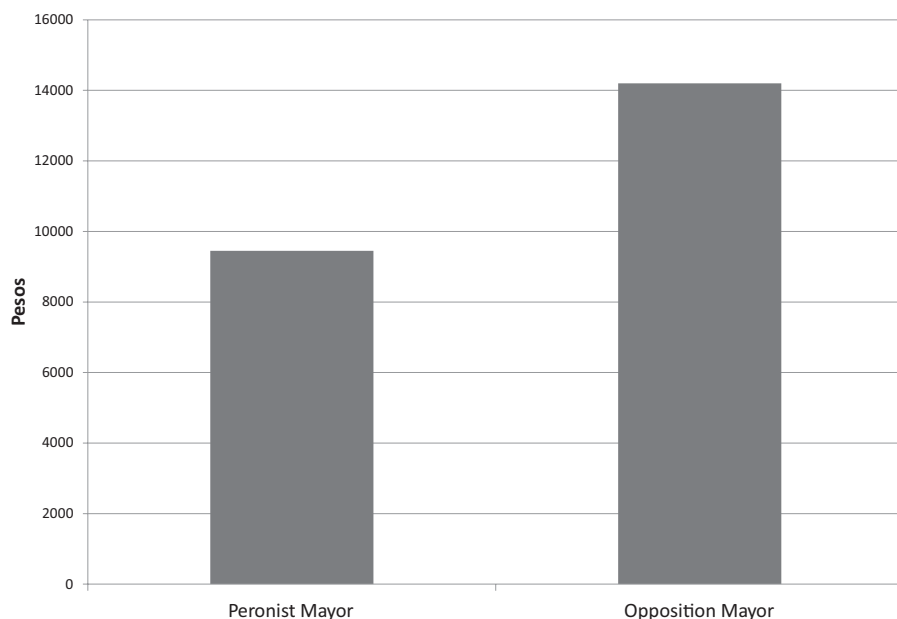


FIGURE 5.1. Average ATN Funding, Córdoba Municipalities, 2000–2002. *Source:* Authors' Compilation, N = 417.

a given municipality. Figure 5.1 compares the average ATN funding paid out to municipal administrations controlled by the Peronists (the governor's party, 200 mayors) and by opposition mayors (226), in most cases from the Radical Party. It shows that average ATN spending in opposition municipalities was fifty percent larger than in Peronist ones.

To further study the impact of opposition control and of vote shares in the prior election on the distribution of ATN funds, we regressed ATN funding on prior electoral outcomes in each municipality in the 1998 gubernatorial election (see Table 5.3). We examined political effects on two dependent variables: the average funding across three years (2000, 2001, and 2002, *Average ATN*) and the level of ATN funding among municipalities that received any funds (*Some ATN*). Our key independent variables were the absolute difference in vote shares between the winning party and the first loser (*Margin*); in almost all cases, this was the margin of Peronist over Radical votes shares, or vice versa. We also study the impact of partisan identities of mayors. (The Peronists were in control of both the national and provincial governments at this time.) The indicator *Rival* takes the value of 1 when a non-Peronist party was in control of the municipality, zero when the mayor was a Peronist. We include controls for population size and for the proportion of households falling below an official poverty line. The effect of poverty rates was never statistically different from zero; therefore, we omit it in the reported estimations.

TABLE 5.3. *ATN Funds to Municipalities*

| | (1) Average ATN | (2) Some ATN |
|-----------------------|---------------------|---------------------|
| Margin | -208.5 (-1.94) | -331.0* (-2.36) |
| Rival | 7760.1*** (2.89) | 2652.0 (0.71) |
| Population | 1.541*** (11.66) | 1.603*** (10.31) |
| Constant | 5141.3 (1.94) | 13094.0** (3.41) |
| <i>N</i> | 408 | 298 |
| <i>R</i> ² | 0.278 | 0.295 |

Municipalities in Córdoba, Argentina, 2000–2002.

OLS regressions, *t* statistics in parentheses.

* $p < 0.05$, ** $p < 0.01$, *** $p < 0.001$.

The Peronist leadership in Buenos Aires and in the capital of Córdoba did not appear mainly interested in rewarding high levels of support for the Peronist party in earlier elections. Rival municipalities had higher average levels of ATN spending than did Peronist ones, though they were not more likely to receive some, rather than no, ATN funds. In both models, the trend is toward smaller differences in vote shares between the 1998 Peronist gubernatorial candidate and his rivals being associated with larger average levels of spending over the following years.

The tendency of the central Peronist authorities to pour resources into rival and marginal municipalities suggests a swing-voter strategy, not a loyal-voter one. This stands in sharp contrast to the patterns we observe in Argentina when distribution is under the control of brokers and the recipients are individuals.

Partisan bias toward swing municipalities is also in evidence in a workfare program, *Plan Trabajar* (Program Work), though here the scholarship is not uniform in its findings. *Trabajar* was initiated by the second Menem administration in the mid-1990s and was carried over into the Radical-*Alianza* administration of Fernando de la Rúa in 1999–2001. It was ostensibly a program to benefit unemployed workers, paying them a small wage in return for their labor in infrastructure projects. The projects were proposed by local governments and by nongovernmental organizations. At its height, *Trabajar* targeted 300,000 individuals. Focusing on the second national Peronist administration of Carlos Menem, Lodola found that the provincial vote share of the Peronist party had a positive impact on the provinces' shares of *Trabajar* funds.⁵⁴

⁵⁴ Lodola 2005.

By contrast, Weitz-Shapiro demonstrated a swing-district logic to *Trabajar* distributions under the de la Rúa administration. The smaller the difference in vote shares between the winner and first loser at the provincial level, the greater the positive deviation of *Trabajar* spending over its ideal level.⁵⁵ She also found that *Trabajar* funds went disproportionately to provinces that had many protests, in the form of road blockages.

More in line with Weitz-Shapiro than with Lodola's results, Nazareno and co-authors uncovered political bias in *Plan Trabajar* in favor of municipalities in which the prior elections had been close. Although they uncovered no clear political manipulation in a non-election year, in the election year of 1999 they found *Trabajar* funds going disproportionately to Peronist municipalities that had been won by a small margin. Hence, in this instance, both partisan alignment and swing status drove up the allocation of targeted workfare benefits. Summarizing their findings regarding mayoral budgets, in turn, Nazareno and his co-authors wrote that "neither of the two traditional parties [Peronists or Radicals] rewarded loyal voters; they did not intensify patronage spending in places in which they had received broad support of the population." Peronist mayors in particular pursued a strategy of "channeling patronage toward marginal [swing] voters."⁵⁶

5.4 CONCLUSION

Leaders of political parties who deploy public resources for electoral ends will consider a number of questions. Will spending programs help our party, or will control over them, and credit for them, be hijacked by the opposition? Do we need to drive up vote shares across the board, or is what matters most winning over voters in certain marginal or pivotal constituencies? Should we spend extra funds in districts that are traditionally friendly toward the party, in the hope of high participation, or should we deploy scarce resources in places where there are more fence-sitters? Evidence of non-programmatic use of public resources reviewed in this chapter suggests a range of answers to these questions. But we are struck with the frequency with which high-level party strategists seemed to lean toward using public monies to try to influence swing voters. This was not always the choice they made; nor can we always infer from their spending in marginal *districts* that their ultimate target was swing *voters*. Given the prevalence of a loyal-voter strategy among the brokers who worked for these leaders, however, the degree of disjunction between leaders' and brokers' strategies is striking. This key prediction of the broker-mediated model is, then, largely sustained.

⁵⁵ She detected no partisan manipulation under Menem administration. Weitz-Shapiro 2006.

⁵⁶ Nazareno et al. 2006, p. 69.