3

A Theory of Broker-Mediated Distribution

We have seen that many important facts about nonprogrammatic distribution are not easily explained by accumulated theory. In this chapter, we build a theory of distribution that we subject to empirical inquiry in later chapters. Our theoretical model also provides the building blocks for our later analysis of the choice of party leaders between programmatic, nonprogrammatic, and clientelistic modes of distribution – and therefore helps us understand the political incentives that undergird the decline of clientelism in some settings.

The starting point of our theoretical work is the observation that clientelism entails substantial informational challenges for parties (Chapter 1). To distribute benefits in a highly targeted way, guided by political criteria, and to monitor the actions of voters, parties need fine-grained information about voters' preferences and behaviors. To gather this information, they require *brokers*. Brokers are local intermediaries who provide targeted benefits and solve problems for their followers; in exchange, they request followers' participation in political activities such as rallies – and often demand their votes. Thus brokers are engaged in sustained and frequent interactions with voters, observing their individual behavior and gaining knowledge of their inclinations and preferences. Brokers can be distinguished from party leaders, who are typically elected officials at higher levels of government or constitute the upper echelons of a nonelected party hierarchy. As such, unlike brokers, party leaders are not usually involved in sustained face-to-face interactions with a particular set of voters.[1]

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[1] Note that this definition does not preclude brokers from themselves seeking elected positions; for instance, elected members of municipal councils may maintain territorially based networks and engage in frequent face-to-face interactions with voters. Yet, elected leaders at higher levels of government will often fail to do so, relying instead on affiliations with local brokers to connect them to voters.

Brokers are essential to clientelistic distribution. Indeed, because clientelism involves a quid pro quo exchange – in which benefits are conditioned on votes, and in which at least imperfect monitoring of voters is required to sustain the clientelist bargain – brokers are a sine qua non: it is the brokers who are embedded in dense social networks and who provide the local knowledge that is required for conditioning distribution on voter preferences or behavior.[2] Thus electoral strategies that distribute benefits to particular categories of voters – such as the swing voters who are ideologically indifferent between competing parties – depend on the intermediation of brokers. To the extent that individual voter preferences and behavior of *particular* voters is observable to parties at all, it is only through their brokers. Brokers are therefore of potential electoral value to party leaders.

Yet, brokers have their own interests and objectives that sometimes diverge from the interests of party leaders – which suggests their electoral cost to parties. The innovative work of Camp forcefully conveys this point.[3] Brokers are locally networked and locally powerful individuals who may seek to extract advantages from their influence over the persons that they assist. Thus such leaders may seek to "sell" to leaders of different parties the support of blocks of voters over whom they exert influence. Building large networks of clients is therefore valuable to brokers; they can leverage this local influence to obtain resources from party leaders. Precisely because the composition of these networks – that is, who among a broker's followers is a swing voter and who is a loyal party supporter – is not observable to party leaders, leaders have difficulty inferring the impact of brokers on the electoral prospects of the party. Brokers can take advantage of this informational asymmetry to extract various kinds of rents. Moreover, the inability of party leaders to distinguish between swing voters and true ideological sympathizers of the party, combined with the value to brokers of building large networks, can create incentives for brokers to target relatively "cheap" loyal voters – for whom the ideological disutility of voting for the party or attending one of its rallies is low. In sum, brokers may exploit their informational advantage over party leaders to garner rents in the process of service and benefit delivery, and informational asymmetries may also lead to electorally inefficient targeting, in which too few swing voters are targeted from the perspective of party leaders.

In this chapter, we seek to capture in a simple way how relationships between leaders, brokers, and voters may shape the logic of clientelistic distribution.[4] We begin by developing a formal model in which brokers trade off the benefits of capturing rents against the detrimental impact of rent seeking on their party's probability of victory. The model also includes a pre-electoral game, in

[2] Stokes 2005.
[3] Camp 2012.
[4] Although our model is distinctive in its particulars, it shares with others the general feature of positing parties that are internally heterogeneous, including those by Geddes 1991, 1994, Alesina and Spear 1988, May 1973, and Hirschman 1970.

which brokers seek to build networks and sell them to parties in exchange for resources, analyzing the influence of this network-building activity on the types of voters who are targeted for benefits. We use the model to derive comparative-statics predictions about the extent of rent seeking and about the distributive strategies of brokers.

In this model, brokers value both local rents and the probability that their party/candidate wins office; our goal is to analyze what factors lead to greater rent seeking by brokers, as well as the types of voters whom brokers target for purposes of building networks and winning elections. The model produces several results. First, brokers will tend to target poorer voters. Second, when voters value targeted benefits over ideology, the electoral returns to clientelism increase. Third, economic development tends to drive down the electoral returns to clientelism. Fourth, the more brokers care more about winning elections, the sharper their incentives to target swing voters. Finally, the degree of "slack" in electoral outcomes – for instance, the impact that an individual broker has on electoral outcomes – shapes the extent of rent seeking by brokers. The greater a broker's impact, the greater is the opportunity cost of rent seeking by the broker. Many of these factors have implications for the electoral returns to clientelism for party leaders because they influence the incentives of brokers to target electorally valuable swing voters.

3.1 A MODEL OF RENT-SEEKING BROKERS

There are two parties, M and O, with M for machine and O for opposition. Initially, we assume that only party M has resources to distribute in a targeted fashion, and party M will hire a single broker who will distribute resources to voters. This simplification allows us to focus on the agency relationships between leaders, the broker, and voters. Here, one can think of party M as an incumbent machine party that has resources to distribute.

There are K potential brokers in the local district or area in which the parties compete. These may be neighborhood leaders/organizers or simply well-connected local individuals who seek to work in politics on behalf of the party. The potential brokers are indexed by η_k, a parameter we discuss later; without loss of generality, we order the index $k = 1, \ldots, K$ so that $\eta_K > \eta_{K-1} > \cdots > \eta_k > \cdots > \eta_2 > \eta_1$.

Finally, there is also a continuum of voters of mass one, and three groups of voters $j = p, m, r$, for "poor," "middle-class," and "rich." The groups have population proportions α^j, with $\sum_j \alpha^j = 1$; they are endowed with incomes y^p, y^m, and y^r, with $y^r > y^m > y^p$. Thus average income is given by $\sum_j \alpha^j y^j \equiv \bar{y}$.

The timing of the game is as follows:

1. Each broker organizes a network of followers, promising each follower i in group j a benefit of b^{ij} if the voter participates in her network.

2. Leaders in party M observe the size of brokers' networks and decide which broker to hire and then distribute resources to that broker.[5]
3. Elections take place. If party M wins office, the broker distributes resources to voters in his network, extracts any unspent resources as rents, and reaps the continuation value of her party staying in power.

There are various interpretations of the first stage of the game. Brokers may indeed literally compete to be "hired" by their party as a broker by building networks, and we provide some evidence to this effect in later chapters. In other settings, the competition may not be over *inclusion* in the party's organization as a broker; instead, brokers may compete for the quantity of resources obtained by the party; in this case, the "hiring" decision is not dichotomous but continuous. Finally, as we emphasize later, there are extensions of this basic structure in which brokers obtain rents from parties to build their power locally, and this involves recruiting local clients.[6] We remain somewhat agnostic on a theoretical level about the right interpretation to attach to the structure of the game, though later we investigate empirically how brokers do in fact interact with party leaders. Our goal here is to understand how career concerns – the need for brokers to demonstrate competence to party leaders – may shape the distributive strategies of brokers. The model is flexible enough to investigate that question without committing to a specific modality of career advancement for brokers.

Notice too that we assume full commitment to distributive strategies, in that brokers distribute resources at node 3 as promised in node 1. Our justification for this assumption is that brokers and their clients are in fact involved in repeated interactions. Although it would be possible to study this interactive relationship between brokers and voters in an explicit dynamic model, for the sake of simplicity and to focus on the issues of central analytic concern, here we absorb the continuation game into the value R of continuing in office.[7]

Participation in a broker's network carries a material cost for voters, as it obliges the voter to participate in brokers' rallies and similar political activities. Voters only follow a broker if the benefits of doing so outweigh the costs. Let the indicator variable $I(O_{ij}^k) = 1$ if voter i in group j is organized by broker k and 0 otherwise; each voter may participate in the network of only one broker.[8]

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[5] Because we are focusing here on agency relationships between party leaders and brokers, we model competition between brokers in a single "district" or neighborhood; thus here parties hire just one broker. Elsewhere we consider the problem of allocating resources across multiple neighborhoods or brokers.

[6] See Camp 2012.

[7] See Stokes 2005, who studied a dynamic game between brokers and *voters*.

[8] This assumption is consistent with the behavior of brokers outlined by Auyero 2000 and others, and it also resonates with our fieldwork: brokers organize "their" voters, and exclusivity is maintained by the threat of cutting voters off from benefits should they seek assistance from other brokers.

Thus let voter i in group j be organized by broker k in that district – that is, $I(O_{ij}) = 1$ – if:

$$\kappa H(y^j + \eta_k b^{ij}) - c \geq \kappa H(y^j) + \sigma^{ij}. \tag{3.1}$$

The left-hand side of this expression captures the material payoff if voter i participates in the network of broker k, net of the material cost c, in terms of time and effort, of participating in the broker's network. Brokers distribute benefits of size b^{ij} to each voter i in group j who participates in their network.[9] Next, the parameter η_k captures the competence of broker k in boosting the utility of network participants by providing them with targeted benefits. The idea here is that brokers differ in their capacity to solve voters' problems; a broker to whom a party leader extends disparate resources (e.g., bags of food, monthly subsidy plans, or building materials) must decide to which neighbors such goods can be most usefully distributed. Thus insertion in social networks and detailed knowledge of the needs of their neighbors allows especially enterprising brokers to target resources most effectively.[10] Some brokers are especially knowledgeable about job-market opportunities for unemployed neighbors or about upcoming food-distribution events; others are less knowledgeable or energetic. Especially competent brokers can thus produce more valued resource output with lower resource input. This "productivity parameter," η_k, is observed by voters but not party leaders. Finally, voters have diminishing marginal utility of total income (so $H'(\cdot) > 0$, $H''(\cdot) < 0$), and κ is a parameter measuring the value that voters place on material benefits, relative to ideology.[11]

In turn, the right-hand side of expression (3.1) gives the material payoff if voters do not participate in the network of broker k – and thus $b^{ij} = 0$, so the material payoff is $\kappa H(y^j)$ – plus the "ideological" (dis)utility of participation in the network. Here, σ^{ij} measures the ideological preference in favor of one party or the other; as in many probabilistic voting models, it is considered a fixed individual-level parameter that captures voters' partisan attachments.[12] The idea here is that ideology may also matter to voters, and it can impose its own cost of participation in a broker's network: for a lifelong Peronist whose parents were also Peronists, participation in the network of a broker for the Peronist party is less costly in ideological terms than it would be for a lifelong

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[9] Here, b_i and c can both be understood as reduced-form expressions for the stream of costs and benefits associated with participation in the broker's network over time. Note that b_i is indexed by i because different voters can be paid different amounts to participate (in equilibrium, they will be made exactly indifferent between participation and nonparticipation). For simplicity, the material cost c is assumed constant, with individual differences in the cost of participation absorbed in the ideology term.

[10] Auyero 2001.

[11] Also, $H(0)$ is normalized to zero, and H satisfies the classical (Inada) conditions – that is, $\lim_{z \to \infty} H'(z) = 0$ and $\lim_{z \to 0} H'(z) = \infty$.

[12] See Dixit and Londregan 1996, Persson and Tabellini 2000.

Radical.[13] Note also that σ^{ij} captures the degree of attachment to the *party*; although in some settings partisan attachments may reflect underlying policy preferences (such as attitude toward government intervention or self-placement on a left-right scale), this need not be the case. Here, σ^{ij} has mean zero and is distributed uniformly on $[\frac{-1}{2\phi^j}, \frac{1}{2\phi^j}]$, so that negative values of σ^{ij} indicate an ideological preference for the machine party M.

A key point is that although parties know the aggregate distribution of σ^{ij} for each group, only brokers know the value for individual voters within each group. This knowledge reflects the "social embeddedness" of brokers, that is, the fact that they are immersed in dense local networks that give them privileged knowledge of the preferences and behaviors of their neighbors. Voters, in turn, observe the competence η_k of each broker k offering resources: brokers are neighbors who have acquired reputations for their abilities to solve voters' problems. Of course, the key theoretical point here is not that voters or brokers really observe preferences or competence exactly but rather that voters and brokers possess information about each other that allows them to infer capabilities and partisanship, information that is not readily accessible to distant party leaders. Information is transmitted via longstanding social relations in which brokers and voters are enmeshed. Party leaders are not privy to this knowledge; they must use brokers to gain information about individual-level voter preferences and behaviors.

In sum, voters compare the material and ideological benefits and costs of network participation and participate if the benefits outweigh the costs. If they are offered identical benefits by different brokers, voters maximize their expected utility by choosing the most competent broker, which (as we show later) implies that they correctly anticipate the equilibrium choice of the machine party; otherwise, they randomize their choice with equal probability between brokers offering them the same benefit.

What about voting behavior? We assume that non-network participants, as well as those who would prefer party M on ideological grounds ($\sigma^{ij} < 0$), vote sincerely. Thus these voters vote for the machine if

$$0 \geq \sigma^{ij} + \delta. \tag{3.2}$$

On the other hand, opposition voters may be induced to participate in the network of the party M's broker, and vote for party M, if and only if

$$\kappa H(y^j + \eta b^{ij}) - c \geq \kappa H(y^j) + \sigma^{ij} + \delta. \tag{3.3}$$

Here, δ is an aggregate popularity shock in favor of the opposition, party O, distributed uniformly on $[\frac{-1}{2\psi}, \frac{1}{2\psi}]$.[14] Thus a large positive realization of δ helps

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[13] Note therefore that equation (3.1) can be understood to include two "cost" terms: the material cost in terms of time and effort, c, which does not depend on the partisan orientation of the voter; and the ideological cost, σ^{ij}, which does.

[14] Note the difference between the densities of the aggregate popularity shock δ and the individual preference parameter σ^{ij}: ψ is not indexed by j, while ϕ^j is group-specific.

party O, whereas a large negative δ helps the machine, party M. The density ψ of the random variable δ is a measure of the "slack" in electoral outcomes. Comparing (3.1), (3.2), and (3.3), we note that although the network-participation function is fully known to brokers when they propose their allocations, vote choice is determined by the realization of the random variable δ.

The other parameters in (3.2) and (3.3) are the same as in (3.1); in particular, the parameter σ^{ij}, which measures the ideological disutility of participation in the network of a broker from party M, also measures the disutility of voting for that party. Note that c in (3.3) again measures the cost of network participation.[15] Building on a large literature on clientelism, our assumption here is that inducing a voter who prefers party O on ideological grounds ($\sigma^{ij} > 0$) to vote for party M requires network participation: only through insertion in a broker's network can voters be monitored by brokers. Thus the ongoing relationship between brokers and the voters in their networks makes the clientelist bargain enforceable, particularly in the presence of a secret ballot.[16]

In sum, voters who are organized by the party's broker receive a benefit from the broker and participate in the brokers' network; if (3.3) is satisfied, they also vote for the brokers' party.[17] For voters who are not organized by the party's broker, $b^{ij} = 0$ and $c = 0$, so equation (3.3) reduces to sincere voting as in (3.2) – that is, voters vote for the party that they are closest to on the σ dimension. Notice that just as in the voting participation decision (3.1), voters are made more responsive to transfers if η – the parameter measuring brokers' productivity – and κ – the extent to which voters value money over ideology – are high. We discuss the interpretation of these parameters further later.

A broker who is hired by party M to distribute resources to brokers receives two types of benefits. If the party wins, then she receives an exogenous post-election payoff R. In addition, the broker may extract pecuniary "rents" r by failing to pass on some measure of resources to voters; although some rents may be obtained before an election, we assume that the broker's ability to extract resources also depends on the party retaining office. If a broker k is hired by party M, her expected utility is therefore

$$EU^k = p_M(r + R). \tag{3.4}$$

Here, p_M is the probability that the broker's party wins office. Winning gives the broker access to the continuation value of holding office, R. However, r gives the (endogenous) rents chosen by the broker. For the moment, the value R of post-election resources is left exogenous, though in a dynamic game it

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[15] In Chapter 2, we used this notation to indicate the cost of turning out to vote, but here the concept is broader: distributing a benefit to induce voters who prefer party O on ideological grounds to vote for party M depends on organizing voters as part of a network.

[16] See Stokes 2005 for explicit derivation of the conditions under which equilibrium vote buying can be supported in repeated games, e.g., with grim-trigger strategies. Here we abstract from that problem and assume that voters can be induced to support party M if (3.3) holds.

[17] Later, we discuss issues of credibility and examine why it may be incentive compatible for voters to respect the rule in (3.3).

could reflect the per-period equilibrium value of r, given that the broker's party wins the election. If a broker is not hired by party M, her reservation utility is normalized to zero.

Finally, the budget constraint is given by $\Omega = \sum_{j \in \{P, M, R\}} \bar{b}^j + r$, where Ω gives the total resources distributed by party M to its broker, $\bar{b}^j \equiv \alpha^j \int_{I(O_i)=1} b^{ij} dz$ is the total resources the party's broker distributes to each income group among its organized supporters, and r gives rents extracted by this broker. Ω is left exogenous (for the moment) and is known by the brokers. Thus potential brokers maximize the probability that they will be chosen as party M's broker, times (3.4), subject to the budget constraint.

The solution concept is Nash subgame perfect equilibrium. Thus strategy profiles must form Nash equilibria in the game between brokers, who are competing to be hired by the party. Hiring decisions by party leaders and voting and network-participation decisions by voters must also be Nash, in that there is no profitable deviation from their equilibrium actions, given what other actors are doing.

3.1.1 Analysis

We solve for the equilibria of the game by backwards induction, beginning our analysis at the final node. The analysis of this final stage of the game parallels standard probabilistic voting models.[18]

First, we define the vote shares of each party and hence the probability of victory of party M. Note that a network participant who is induced by the benefit b^{ij} to be indifferent between voting for party M and O is a voter with ideology parameter σ^{ij} such that

$$\sigma^{ij} = \kappa[H(y^j + \eta_k b^{ij}) - H(y^j)] - c - \delta. \tag{3.5}$$

In any election, a true swing voter has ideology parameter σ^{ij} such that the equality in (3.5) holds with $b^{ij} = 0$ and $c = 0$. For such voters, we simply have $\sigma^{ij} = -\delta$. Thus, if the realization of the aggregate popularity shock does not favor either party ($\delta = 0$), a swing voter who does not participate in the broker's network is exactly indifferent between the parties on ideological grounds.[19]

However, such ideologically neutral voters will not in general be the only voters who are just indifferent between voting for the two parties in equilibrium. Indeed, given y^j, σ^{ij}, and a particular realization of δ, some b^{ij} may be chosen such that (3.5) holds exactly for network participants. It is thus helpful to distinguish "true" swing voters, who are indifferent between parties M and O absent network participation, from voters who are just indifferent between the parties, but only conditional on the benefits they receive.

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[18] See Lindbeck and Weibull 1987, Dixit and Londregan 1996, Persson and Tabellini 2000.
[19] In expectation, of course, $\delta = 0$, justifying our earlier claim that a swing voter is one for whom $\sigma^{ij} = 0$.

The following definition is useful in describing the (expected) vote share of party M:

Definition 1 *The largest value of σ^{ij} such that the equality in (3.5) holds, given some benefit distribution schedule, is defined as σ^{j*}. Then, $b^{j*} > 0$ is the value of b^{ij} such that (3.5) holds with $\sigma^{ij} = \sigma^{j*}$, that is,*

$$\sigma^{j*} = \kappa[H(y^j + \eta_k b^{j*}) - H(y^j)] - c - \delta. \tag{3.6}$$

It is easy to show that given a broker maximizing (3.4) subject to a budget constraint, the following claim then follows:

(1) All voters i in group j for whom $\sigma^{j*} \geq \sigma^{ij}$ vote for party M.

Suppose not: then a broker could have taken resources from a voter with $\sigma^{ij} = \sigma^{J*}$ and distributed it to some opposed voter with ideological location closer to the machine's, whose vote would (in expectation) be cheaper to purchase. Notice that voters with $\sigma^{ij} = -\delta$ are swing voters, in the sense defined earlier. Thus among nonorganized voters, the set who vote for party M prefer it on ideological grounds, that is, $\sigma^{ij} \leq -\delta$. By (3.6), $\sigma^{j*} < -\delta$ as long as $\kappa[H(y^j + \eta_k b^{j*}) - H(y^j)] - c > 0$. Then some set of organized voters prefers party O on ideological grounds (given the realization of the popularity shock) but are given a benefit just large enough to make them indifferent between the parties.

A corollary to this claim is that for all voters who prefer party O on ideological grounds (i.e., for whom $\sigma^{ij} > 0$) yet are paid $b^{ij} > 0$ to vote for party M, b^{ij} is increasing in σ^{ij}, the individual ideological preference for party O. That is, the more the voter prefers party O, the larger is the reward he or she attracts from party M. Another corollary is that if a marginal dollar is given to or taken from group j, it will be given to or taken from the individual i in group j such that $\sigma^{ij} = \sigma^{j*}$.

This discussion allows us to define the vote share of party M in group j as

$$F_j(\sigma^{j*}) = \int_{\frac{-1}{2\phi^j}}^{\sigma^{j*}} \phi^j \, dz = \frac{1}{2} + \phi^j[\kappa(H(y^j + \eta_k b^{j*}) - H(y^j)) - c - \delta], \tag{3.7}$$

where F_j is the uniform cumulative distribution function of σ^{ij}.[20] The vote share of party M in the electorate as a whole is then

$$\pi^M = \sum_j \alpha^j \left[\frac{1}{2} + \phi^j[\kappa(H(y^j + \eta_k b^{j*}) - H(y^j)) - c - \delta] \right]$$

$$= \frac{1}{2} + \sum_j \alpha^j \phi^j[\kappa(H(y^j + \eta_k b^{j*}) - H(y^j)) - c - \delta]. \tag{3.8}$$

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[20] Recall that the density ϕ^j over which we are integrating in (3.7) is a constant; thus we can factor out ϕ^j, leaving $\phi^j[\sigma^{j*} - (-\frac{1}{2\phi^j})]$. Plugging in for σ^{j*} and rearranging gives the right-hand side of (3.7).

Note that π^M is a random variable, because δ is a random variable. The probability that party M wins the election is

$$p_M = Pr\left(\pi^M \geq \frac{1}{2}\right) \tag{3.9}$$

$$= Pr\left(\frac{1}{2} + \sum_j \alpha^j \phi^j [\kappa(H(y^j + \eta_k b^{j*}) - H(y^j)) - c - \delta] \geq \frac{1}{2}\right)$$

$$= Pr\left(\frac{\kappa \sum_j \alpha^j \phi^j [(H(y^j + \eta_k b^{j*}) - H(y^j))]}{\phi} - c \geq \delta\right),$$

where $\phi = \sum_j \alpha^j \phi^j$ is the average of ϕ^j across the three groups $j = p, m, r$. Thus, recalling that ψ is the density of the aggregate shock δ, we have

$$p_M = \int_{\frac{-1}{2\psi}}^{\frac{\kappa}{\phi}[\sum_j \alpha^j \phi^j (H(y^j + \eta_k b^{j*}) - H(y^j))] - c} \psi\, dz$$

$$= \frac{1}{2} + \psi\left[\frac{\kappa}{\phi}\sum_j \alpha^j \phi^j (H(y^j + \eta_k b^{j*}) - H(y^j)) - c\right]. \tag{3.10}$$

Below we analyze the optimal decisions of the broker who is hired by party M, who maximizes $p_M(r + R)$ subject to his or her budget constraint. First, however, we continue our analysis of the previous stages of the game.

Now, which broker will the party hire? Recall that parties do not observe η_k for any broker: this information about the broker's competence is private. Party leaders only observe the size of each broker's network, as proxied, for instance, by the number of citizens that brokers can mobilize for party rallies or get to vote in party primaries and other organization-building activities. Moreover, party leaders cannot observe the ideological composition of the network, because only brokers know which local voters support the party for ideological reasons and which do not. This leads to a second claim:

(2) In equilibrium, the most competent broker – that is, the broker with productivity parameter η_K – is hired by party M.

To see the argument for this claim, note first that the broker who compiles the biggest network is hired with probability 1 by the party – as we show later. Consider, then, the strategy of the first broker, the one with with productivity parameter η_1. Inspection of the participation constraint in (3.1) suggests that the voter who can be recruited most cheaply – that is, with minimal expenditure from the total budget Ω – is the voter with ideology parameter $\sigma^{ij} = \frac{-1}{2\phi^j}$, the loyal voter in group j most ideologically in favor of party M. Moreover, it must be the case that $j = p$. This is because poor voters have the highest

marginal utility of income, because $y^p < y^m < y^r$, and so poor voters are the most responsive to transfers. If Ω is such that more than one voter can be recruited, given the participation constraint in (3.1), then the "next" voter that the broker with η_1 will recruit has $\sigma^{ip} = \frac{-1}{2\phi^p} + \epsilon$, with $\epsilon > 0$ being arbitrarily small, and so on, until the budget Ω is exhausted. As we discuss later, brokers may reach values of σ^{ip} for which, given (3.1), it is optimal to switch to targeting the most ideologically loyal middle-class voter, that is, the voter with $\sigma^{im} = \frac{-1}{2\phi^m}$, or even loyal rich voters. However, it can never be rational for the broker to leave "gaps" along the distribution of $\sigma^i j$ for any group j, because each voter "counts" the same in terms of building up the network, and voters with smaller σ^{ij} are cheaper to buy.

Now consider the broker with η_2, who is incrementally more efficient or capable than the broker with productivity parameter η_1. This broker can "match" the offer in terms of resources to each of the voters that the broker with η_1 seeks to organize and still have resources left over; because $\eta_2 > \eta_1$, this broker provides resources to voters more efficiently. Indeed, because σ^{ij} is distributed continuously, the second broker can offer sufficient resources to organize the voter with σ^{ij} just ϵ greater than the last voter organized by the broker with η_1. Thus he or she can build a bigger network than the first broker. Just as for the first broker, it can never be rational for the second broker to leave "gaps" along the distribution of $\sigma^i j$ within each group j, because each voter "counts" the same in terms of building up the network. Moreover, note that the first broker has no profitable deviation here, because he or she has already organized all of the cheapest voters, and each voter counts the same in terms of network size.

This logic carries through all the way to the most efficient broker, the one with η_K. In equilibrium, this broker must have a network that is at least as large as that of the broker with η_{K-1}; because there is a continuum of values of σ^{ij}, the probability that these networks will be exactly the same size has measure zero. Because party leaders can infer this is the most productive/competent broker, and productivity is valuable in terms of producing votes for the party, the party hires the broker with the biggest network. Thus, in equilibrium, party leaders hire the broker with η_K, that is, the most efficient/competent broker.[21]

Note that in principle, brokers could pay voters more than enough to satisfy their participation constraint; that is, (3.1) might hold with strict inequality. However, such promises cannot be made by the selected broker in equilibrium,

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[21] We might appeal here to the "revelation principle" (Myerson 1982), which says that the equilibrium outcome of this process can be characterized as if it arose from a direct truthful mechanism, in which brokers honestly reveal their type to party leaders. The empirical reality seems to involve a more complex game between leaders and brokers, involving substantial monitoring of the quality and quantity of mobilization by brokers.

because at least one broker has an incentive to defect. Consider an extreme case in which all brokers promise all resources to the most ideologically loyal poor voter. Clearly, a broker could profitably deviate by offering these resources instead to an ideologically proximate voter with $\sigma^{ij} = \sigma^{ij} + \epsilon$.

How will brokers organize their networks in the first stage of the game? Brokers compete with each other to be hired by the party, because the reservation utility of not being hired is zero, whereas the expected value of being hired – even if rents are zero – is at least $p_A R$. Thus, with any positive probability that the party wins office, being employed by the party would leave each broker better off. Competition between brokers induces the following result:

(3) The network of the broker hired by party M will consist of the most ideologically loyal voters. These voters may all be poor, though some could be ideologically loyal middle-class or even rich voters.

The cheapest voter to organize is the poor voter with $\sigma^{ij} = \frac{-1}{2\phi^p}$. This voter is the most ideologically sympathetic to party M among poor voters, and poor voters – given diminishing marginal utility of income – are most responsive to transfers. Consider spending one peso on the most ideologically loyal voter among the poor, the middle-class, or the rich: inspection of (3.1) suggests that the participation constraint will be secured at the lowest cost among poor voters. Poor voters with $\sigma^{ij} = \frac{-1}{2\phi^p} + \epsilon$ will similarly be cheap to organize. As discussed previously, however, depending on the shape of H, the extent of inequality, and the size of the budget Ω, it may at some point make sense for brokers to switch to organizing the most ideologically loyal middle-class voter – that is, the voter with $\sigma^{ij} = \frac{-1}{2\phi^m}$ – rather than to organize a poor voter with high σ^{ij}. In principal, the same logic could induce brokers to target ideologically loyal rich voters, for example, those with $\sigma^{ij} = \frac{-1}{2\phi^r}$. Finally, we have:

(4) The broker with the largest network – in equilibrium, the broker with productivity parameter η_K – will have resources left over to extract as rents or for targeting of additional voters. The size of the residual resources will depend on the difference $\eta_K - \eta_{K-1}$.

This claim follows from the observation that there is a continuum of values of σ^{ij}, and from $\eta_K > \eta_{K-1}$. The broker with η_K will always have a larger network, if he or she promises to spend all of Ω organizing support from ideologically loyal voters. This broker can cut his or her spending on organizing such voters to the point where he or she has a network that is ϵ bigger than the network of the broker with η_{K-1}. The resources saved are therefore proportional to $\eta_K - \eta_{K-1}$. These additional resources retained by the broker hired by party M may thus be extracted as rents, or they may be targeted toward additional voters, as per the analysis that follows. In the discussion of comparative statics that follows, we subscript η with K, because the broker with $\eta_k = \eta_K$ is hired in equilibrium.

3.1.2 Comparative Statics

What factors shape how brokers spend resources? For example, when do they tend to prioritize building their networks by targeting cheap loyal voters, boosting the probability of victory by buying swing voters, or reaping private rewards by extracting rents? The analysis in the previous section allows us to develop comparative-statics results that shed light on these questions.

Conditional on being hired by party M, the broker maximizes $p_M(r + R)$ subject to his or her budget constraint. This logic induces a tradeoff for the broker: extracting rents r raises the pecuniary benefit to the broker but also lowers the probability of election. Indeed, differentiating equation (3.4) with respect to r, we have

$$\frac{\partial EU^b}{\partial r} = \frac{\partial p_M}{\partial r}(r + R) + p_M. \tag{3.11}$$

Intuitively, extracting rents instead of spending resources on voters will decrease the probability of election; by differentiating equation (3.10) with respect to r, we have

$$\frac{\partial p_M}{\partial r} = \frac{-\psi \eta_K \kappa}{\phi} \left[\sum_j \alpha^j \phi^j H'(y^j + \eta_K b^{j*}) \right] < 0. \tag{3.12}$$

So, from equation (3.12) and using the fact that $\frac{\partial EU^b}{\partial r} = 0$ at an interior optimum,

$$\frac{-\psi \eta_K \kappa}{\phi} \left[\sum_j \alpha^j \phi^j H'(y^j + \eta_k b^{j*}) \right] (r^* + R) + p_M = 0. \tag{3.13}$$

Thus

$$r^* = \frac{p_M \phi}{\psi \eta_K \kappa \sum_j \alpha^j \phi^j H'(y^j + \eta_K b^{j*})} - R. \tag{3.14}$$

Equation (3.14) already gives us some simple comparative statics predictions regarding the optimal level of rent extraction by the broker, r^*:

1. First, r^* is decreasing in the density of the random variable δ – that is, ψ – and therefore increasing in its variance – that is, $\frac{1}{12\psi^2}$. The interpretation here is that as the variability of electoral outcomes declines, brokers have less scope for extracting rents without sharply driving down the probability of victory. With noisy electoral outcomes, each broker's impact on the probability of winning the election is low, heightening incentives for rent seeking.[22]

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[22] Readers might note that with large political machines, each broker's impact on the overall probability of victory should be low indeed. Yet by examining electoral returns at low levels

2. Next, r^* is decreasing in κ, the extent to which voters value benefits over ideology. Thus if voters are not responsive to transfers, brokers will tend to extract rents rather than target voters.

3. Third, equilibrium rents are decreasing in the "effectiveness" of the broker. We interpret this η parameter to indicate, inter alia, the broker's capacity to deliver valued benefits to voters and his or her ability to monitor voters' political behavior. The greater is η, the more effectively can the broker turn resources into votes for the party and thus the weaker are the incentives to extract rents, rather than target voters.[23]

4. Fourth, r^* is decreasing in the exogenous returns to winning office, R: as brokers care more about winning elections, they target voters with benefits to a greater extent and extract smaller rents. Greater inter-temporal continuity in the party system or career incentives for brokers may matter here.

5. Next, equilibrium rents are increasing in the average group-specific marginal utility of income. Other things equal, as average income rises, the marginal benefit of a clientelistic transfer falls, making brokers more prone to extract rents. In contrast, when voters are on average poorer, brokers have stronger incentives to target voters. In this way, economic development – the growth of incomes of poor, middle-class, and rich voters – makes clientelism less politically efficient, reducing the yield in votes for a given level of benefits distributed.[24]

6. Finally, r^* is increasing in the probability of victory, so that if elections are more competitive, brokers have stronger incentives on the margin to invest in targeting voters.[25] If clientelism reduces the competitiveness of elections – say, by amplifying the advantage of incumbent office holders who have access to public resources – this result also suggests that it can be self-undermining. As we discuss in Chapter 7, this may shed light on the decline of once-near-monopolistic machines such as the PRI in Mexico or the Christian Democrats in southern Italy.

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of aggregation and designing other mechanisms to link broker performance to electoral results, parties can give brokers reason to value their individual impact on the probability of winning. We thus assume that brokers value the probability of victory, along with other things. See Camp 2010 for further discussion.

[23] Note that the probability of victory p_M, which is in the numerator of (3.14), is a positive function of parameters such as η_K and κ. However, the negative relationship between $r*$ and η can be verified by substituting equation (3.10) into (3.12) and applying the quotient rule to solve for $\frac{\partial r*}{\partial \eta}$.

[24] This prediction is distinct from one explored later, which is specifically about the number (mass) of poor voters rather than about average income.

[25] Because here we model an incumbent party with resources to distribute, the ex-ante probability of victory absent resource distribution is at least one-half (see Equation 3.10). So, a decrease in the probability of victory implies that elections are becoming more competitive.

What does this model imply about the targeting of different groups of voters? We already saw that in the first stage of the game, when brokers are organizing networks and competing to be hired by the party, they have incentives to target poor voters, who are cheap to organize. How, then, does the broker with productivity parameter η_K, who is hired in equilibrium, allocate resources for vote-buying across different groups? The broker's tradeoff between targeting the rich, the middle class, or the poor – conditional on the total fraction of resources spent on benefits (rather than rents) – is induced only by the effect of targeting on the probability of victory. In equilibrium, the marginal effects on the probability of victory must be equalized across groups; otherwise, the broker could boost the probability of victory by shifting resources from one group to another. Thus

$$\frac{\partial p_A}{\partial b^{p*}} = \frac{\partial p_A}{\partial b^{m*}} = \frac{\partial p_A}{\partial b^{r*}}, \tag{3.15}$$

which implies

$$\alpha^p \phi^p H'(y^p + \eta_k b^{p*}) = \alpha^m \phi^m H'(y^m + \eta_K b^{m*}) = \alpha^r \phi^r H'(y^r + \eta_K b^{r*}). \tag{3.16}$$

This expression leads to several interpretations, at least two of which suggest that the poor should be most heavily targeted for clientelistic benefits.

- All else equal, groups with higher marginal utilities of private income y^j should receive more benefits. That is, holding constant group size α^j and the density of the ideology distribution ϕ^p, we have $H'(y^p + \eta b^{p*}) = H'(y^m + \eta b^{m*}) = H'(y^r + \eta_K b^{r*})$; because $y^p < y^m < y^r$, the poor must receive more benefits than the middle-class, who receive more than the rich, so as to equalize the marginal utilities. This prediction is in line with a wide range of evidence suggesting that the greater marginal utility of income among poorer voters is a central reason why the poor are targeted for clientelist transfers (e.g., Brusco et al.).[26]
- Group size α^j matters: bigger groups will be targeted for benefits more intensively than small groups. If the poor are the most numerous, then group size thus provides another reason they will be targeted with benefits.
- Finally, more ideologically "mobile" groups – those in which there is substantial mass clustered at the critical value σ^{j*} – will be targeted for benefits: for example, if ϕ^p goes up in equation (3.16), then the marginal utility $H'(y^p + \eta b^{p*})$ must go down, and thus b^{p*} must go up. This comparative statics result has ambiguous implications for the targeting of particular

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[26] Brusco, Dunning, Nazareno, and Stokes 2007. We return to this topic in Chapter 6.

groups, as it depends on the density of the group-specific ideological distributions. If poor voters are less "ideological," in that they are more responsive to transfers at the margin, then this is an additional reason for targeting them rather than middle-class or rich voters.

Several extensions to the model might illuminate additional issues. For example, we have assumed earlier that brokers can readily choose the amount b^{ij} that each voter i in group j is paid. This assumption generates the result that although loyal voters are the cheapest to buy – and the first marginal dollar spent on network building is targeted toward loyal voters – more overall spending may go to voters who are less ideologically sympathetic: a larger benefit must be offered to weakly opposed voters to make them indifferent between the parties.

In reality, a uniform pricing scheme may be more common. Although some kind of benefits may be offered in greater or lesser quantity – for example, two bags of rice instead of one, and more or less attention and effort to delivering services or helping voters access the bureaucracy – other behavioral or technological features of the environment might imply that targeted voters must be offered the same size of benefits. For instance, perhaps all targeted voters are invited to the same neighborhood party. In terms of our model, this implies that b is the same size for all targeted voters (or perhaps b^j is the same size for all members of a particular group).

The implications of such a restriction are interesting. With uniform pricing, σ^* – the highest value of σ^{ij} such that the voter with this ideological preferences is indifferent between voting for parties A and B, given the benefit distribution schedule – will be smaller than in the case of perfect "price discrimination." After all, if all voters who receive a benefit are paid the same amount, then, the benefits going to "inframarginal" voters – those with $\sigma^{ij} < \sigma^*$ – must be greater than in the case where brokers tailor the benefit to the ideological preference parameter of each individual voter. Thus, given a budget constraint, the amount of funds will not be sufficient to buy a weakly opposed voter who might have been won over under perfect price discrimination. This result also implies that clientelism may be less valuable to party leaders when technological or environmental factors restrict the nature of transfers, because they are not as readily able to buy swing and opposed voters.

This discussion points to another larger issue we take up in subsequent chapters: what kinds of greater information and redesign of benchmarks of broker performance might help party leaders to target voters more effectively? To take an extreme case, if brokers' impact on the probability of election were deterministic rather than probabilistic, and were perfectly observed by leaders, the scope for rent seeking by brokers would vanish. Without a seepage of resources through rent seeking, clientelism would be more valuable for party leaders. In subsequent chapters, when we evaluate the factors that seem to encourage and discourage clientelism in distinct national contexts, we look

more closely at the mechanisms through which party leaders can monitor brokers' impact on the probability of victory, and at how the technologies available to leaders may shape the political attractiveness of machine politics.

3.2 THE OBJECTIVES OF PARTY LEADERS

Our model is built on the assumption that brokers trade off the probability of electoral victory against other objectives, such as extracting rents or building local power bases. The goal of the model is to examine how various factors shape brokers' optimal tradeoff between these objectives. We provide empirical support for both the assumptions and predictions of the model in subsequent chapters.

If this way of thinking about machine politics is useful, it has substantial implications for leaders' actions as well. Consider the comparative statics results presented in the previous section. Party leaders who are aware of these dynamics may structure machines to sharpen brokers' incentives to target and persuade swing voters. For instance, our results indicate that the greater the impact of individual brokers on the probability of victory, the smaller the equilibrium rents extracted by leaders. To the extent that leaders can take actions that make (disaggregated) electoral returns more responsive to the individual actions of brokers, the scope for rent extraction by brokers becomes more limited.[27]

Indeed, the empirical evidence we examine in subsequent chapters suggests that party leaders do design mechanisms to limit rent seeking and boost their monitoring of the impact of each broker on the party's probability of victory. In Argentina and Venezuela, our research team found that leaders have put in place extensive and sophisticated techniques for monitoring broker performance. In one county (*municipio*) in the Conurbano of Buenos Aires (traditionally a Peronist stronghold where clientelism has flourished), Florencio Varela, an online database that tracks various activities of brokers (*referentes*), is shared by local councilors (*concejales*).[28] In Venezuela, too, the work of local activists is closely coordinated by party authorities of both the incumbent and opposition parties, who create elaborate structures to monitor brokers.[29]

Such structures are typical of parties in which local brokers are engaged in frequent face-to-face contacts with the electorate and use targeted resources to mobilize voters, and they help leaders make electoral results more responsive

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[27] We have not yet considered another reason brokers may have to target swing voters: it may be easier for brokers to defect to other parties or candidates if their networks are populated by swing voters, and this exit option may allow them to procure more resources from party leaders (see Camp 2012). However, because we assume that party leaders do not observe the ideological composition of brokers' networks, the credibility of the exit option may not in fact be enhanced by organizing more swing voters.

[28] Field notes, Edwin Camp, April 2010.

[29] Dunning and Stokes 2008.

to the action of brokers, thus reducing incentives to extract rents. These hierarchical, multilayered structures increase the ability of leaders to monitor brokers and thus can make clientelism more efficient from the point of view of party leaders. By the same token, as leaders become less able to monitor brokers, the political efficiency of clientelism falls.

Still, our model implies that such efforts by party leaders have their limits: even though we analyze the factors that cause rent seeking by brokers to increase or decrease, the nature of clientelist parties implies some agency loss no matter what the party structure. Thus our model leads to the expectation that party leaders will seek other ways to maximize vote share and the probability of victory. One implication is that the strategies of party leaders for distributing resources across electoral districts – a setting in which they are relatively unconstrained by the need to accommodate brokers – should differ from the observed distribution *within* districts, because within districts brokers are doing the distributing. In Chapter 5, we test this idea with data from Argentina, Venezuela, India, and Mexico and find that resources tend to flow disproportionately to "swing" (electorally competitive) districts even as they flow to many loyal individuals within districts.

Finally, notwithstanding the ability of party leaders to sometimes bolster the efficiency of clientelism, the model also implies that party leaders will under some circumstances have incentives to turn to other forms of electoral persuasion: when rent seeking is too great, or brokers target resources too inefficiently, party leaders may try to subvert the machine altogether. Thus the model helps lay a foundation for analyzing transitions away from clientelism. We return to this question in Chapter 7.

3.3 THE IMPLICATIONS OF AGENCY LOSS

The ability of parties to offer clients targeted benefits and to monitor their compliance with the clientelistic bargain (e.g., their vote choice) requires the existence of brokers – that is, local intermediaries who "organize" voters into networks of followers. As Auyero, Stokes, and other authors have made clear, brokers and voters are involved in a repeated game, in which brokers may sometimes deliver benefits, in the form of targeted subsidies, access to social plans, or other forms of political "problem solving" to voters – and voters reciprocate by not only trading their vote but also, from time to time, participating in rallies, turning out for primary elections, and so on.[30] Clientelism – the individualized quid pro quo in which benefits are conditioned on political support – is characterized by the sustained relationships between brokers and the clients they organize.

How does intermediation through brokers shape the logic of clientelist distribution? Our model suggests that brokers have an incentive to maximize the

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[30] Auyero 2001, Stokes 2005.

size of their networks, because party leaders recognize that effective brokers can organize larger networks and thus "employ" brokers who have many followers. Of course, party leaders recognize that such networks may contain many voters who would vote for the party absent targeted benefits. However, brokers who can build large networks are valuable because they can also help persuade swing voters. Competent brokers know their neighbors, and they are able to solve their neighbors' problems effectively because they know who needs what. They can therefore convert a given amount of resources into greater benefits for their clients. This kind of "network competence" is important for organizing both ideologically sympathetic and ideologically neutral or even opposed voters – so, in our model, competence helps build networks and also helps convert swing voters and thereby win elections.

However, the inability of leaders to directly observe competence – combined with their lack of knowledge of the ideological/partisan inclinations of particular *individual* voters – leads to one source of agency loss. Leaders look to metrics such as the size of a broker's network to evaluate brokers' mobilizational capacity. That is precisely why it is so important for brokers to take attendance at rallies: this is a readily observed proxy for the broker's effectiveness.[31] This is not to say that other indicators are not also important. Yet mobilization for events other than general elections is also an important proxy for party leaders. How does this lead to agency loss? As our model makes clear, a broker who maximizes the size of his or her network, and who is subject to a budget constraint, would do best to organize loyal voters – those with an ideological preference in favor of party M. This also implies that brokers who care about obtaining greater resources from the party may not primarily do so by boosting their contribution to the party's probability of victory.[32] We do not mean to imply that the size of the network or the number of voters that brokers can mobilize for other political events, including primary elections, is the only source of information that party leaders have about brokers' competence. However, we emphasize that the difficulty of observing broker effort,

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[31] Szwarcberg 2009, Auyero 2001.

[32] It might be that brokers can threaten to defect from the party, mobilizing "their" voters on behalf of other candidates or parties; we present evidence to the effect that this is an important reality in Argentina. Then, parties might pay brokers to prevent defection, and they might be particularly prone to do so in swing districts, where the defection of a broker would be especially costly from the perspective the party's overall vote or seat share. Yet, why are threats to defect credible – particularly if brokers are mobilizing loyal/core voters, who presumably would pay a much bigger ideological cost if they were mobilized for the opposition party? Such considerations might in principle give brokers an incentive to organize swing or undecided voters, as this would increase the credibility of their threat to exit. However, of course, the information asymmetry we have highlighted implies precisely that party leaders cannot really tell whether brokers are mobilizing swing or core voters. Any convincing explanation for patterns of broker-mediated targeting must presumably illuminate both how brokers' strategies are individually rational for them *and* why party leaders are invested in broker-mediated clientelistic distribution in the first place.

combined with agency problems created by the diverging incentives of party leaders and brokers, make the use of proxies such as the size of each broker's network important.

Another source of agency loss stems from the desire of brokers to extract rents. The reason that brokers are able to extract rents in equilibrium, even though party leaders and brokers anticipate that they will do so, is that electoral outcomes are "noisy." Thus brokers trade off rent extraction against the value of future employment if their party wins the election. Rent seeking can be understood in pecuniary terms – as appropriation by brokers of a portion of the resources that parties transfer to brokers and enjoyment of a private return on these rents. However, although we have not explicitly modeled the problem this way, it may also be that rent extraction provides another explanation for why brokers target loyal voters. After all, rents may help brokers to build local power bases in ways that do not help the party's electoral prospects. In other words, brokers may extract rents to build a network of loyal followers.

Still, brokers *do* also internalize their impact on their party's probability of victory, at least to some extent. After all, access to patronage opportunities and other state resources and benefits are at least in part a function of whether the party supported by a broker wins the election. Moreover, unlike individual voters, brokers can plausibly have a nontrivial impact on the outcome of elections, giving them an incentive to work for the party's victory.

This is precisely why clientelism can be valuable to party leaders. Brokers do have some incentives to target electorally responsive swing voters. And, crucially, party leaders cannot readily know which voters are swing voters, so they must rely on the knowledge of local brokers. In short, clientelism provides parties with one way to target benefits to individual swing voters, albeit in an often inefficient way that can involve substantial agency loss.

Yet it is clearly very challenging for leaders to make causal inferences about the impact of a particular broker on aggregate electoral performance in a given election. They may gain a rough sense, for instance, by scrutinizing the change in vote share in a broker's locality and comparing it to the change in vote share in similar localities.[33] However, it appears to be infeasible for leaders to reward brokers only on the basis of brokers' contributions to electoral outcomes.[34]

Here, then, we have a simple initial explanation for the tendency of brokers to organize loyal voters, an explanation that is consistent with the evidence

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[33] Later, we provide examples of how parties attempt to do this, in Venezuela, Argentina, and elsewhere.

[34] Smith and Bueno de Mesquita 2011 developed a model in which parties cultivate electoral support by making the distribution of prizes or rewards to groups of voters contingent on the group's electoral support, e.g., as measured by returns at the level of the precinct or polling station. Note that use of this "prize pivotalness" mechanism, if feasible, would allow parties to circumvent brokers altogether. The extent to which clientelist parties can effectively deploy this mechanism is an empirical question; our evidence suggests that in clientelist parties, broker-mediated targeted distribution to individuals is very common.

presented in Chapter 2 about patterns of clientelist distribution at the individual level. Notice that this explanation does not depend on mobilization of turnout in elections, as in Nichter or Dunning and Stokes: brokers who are maximizing the size of their networks have incentives to target loyal voters, even in systems with compulsory voting (e.g., Argentina) or high levels of voluntary turnout.[35] In addition, and consistent with the evidence in Chapter 2, the prediction of our model is that brokers will build ideologically heterogeneous networks. In other words, the "core" consists of loyal and swing (or weakly opposed) voters.

We turn in the next chapter to testing these assumptions and empirical predictions, using our detailed surveys of a probability sample of brokers in Argentina, including several survey experiments, as well as our surveys of voters, qualitative fieldwork with brokers, and secondary data from Argentina, Venezuela, Mexico, and India. Our evidence suggests that brokers are engaged in frequent day-to-day interactions with voters in their networks and think they know their clients' preferences and behaviors well; they seek to build local power bases, often by rewarding "their" voters. Our survey experiments also reveal that brokers are disproportionately likely to reward loyal voters who would turn out to vote even absent a material inducement (that is, Certain Voters, in the terms of Chapter 2), even as they also target swing voters and thus build ideologically heterogenous networks, and they build large organizations by paying brokers to participate in rallies and other political events. Finally, our surveys and other evidence also reveal that brokers engage in substantial rent seeking, diverting resources for their personal benefit.

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[35] Nichter 2008; Dunning and Stokes 2008.