

Final Paper

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Abstract

Boas, Hidalgo, and Richardson (2013) show that campaign donations can buy policy outcomes in the case of Brazil with public - works firms contributing to ruling - party legislative candidates. I was able to replicate all the images within this paper. I have not yet been able to start my extension as I have been switching papers.

Introduction

This paper by Taylor C. Boas, F. Daniel Hidalgo, and Neal P. Richardson uses data from publicly released governmental datasets by the government to create a unique dataset for testing. This dataset was made up of results of the 2006 federal-deputy elections, demographic information on candidates, and a complete list of each candidate's registered campaign donations from the Superior Electoral Tribunal (Boas, Hidalgo & Richardson 2013). Additionally, years of founding, industrial classification code, and which state headquarters were located in were also collected for firms that had donated to these candidates from the Ministry of Finance (Boas, Hidalgo & Richardson 2013). Regression discontinuity was used to measure the effect of government contracts for politician's donor firms. This design is popular with election studies because the assumptions are normally clear and their implications can be empirically tested (Boas, Hidalgo & Richardson 2013). Analysis was done at the level of the candidate rather than the firms. Results showed that an electoral victory brought substantial government contracts with campaign donors, but only public-works firms in the Worker's Party (PT)(Boas, Hidalgo & Richardson 2013) . Treatment effects on public-works donors to PT candidates were large, positive and consistently significant, resulting in government contracts to public-works donors being 14 to 39 times larger than the donations made to the candidate (Boas, Hidalgo & Richardson 2013). Overall, this analysis confirms the larger research question as to whether or not campaign donations can buy policy outcomes (Boas, Hidalgo & Richardson 2013).

The next step to this project was replicating Boas, Hidalgo and Richardson's code. Their code and data are publically available on Harvard Dataverse. In order to replicate the results, I ran their original code with minor modifications in R. All code for replication is available on my Github repository.¹

Literature Review

This paper was written in response to prior studies that were deemed exclusionary in analyzing outcomes of donation money to candidates of public office due to methodological challenges and distinct U.S. political feature focus. In 1937, Carl Joachim Friedrich, Harvard University government professor, claimed that the spoils system was in decline and moving towards distinction within the U.S. political system (Friedrich 1937).

David M. Trubek, Diogo R. Coutinho, and Mario Gomes Shapiro agree that a similar trend was occurring within Brazil that until the 1930's government contracts were being made through a spoils system and argued that the 1988 Constitution implemented significant reform capping state salaries and employees to be selected through meritocratic processes (Trubek, Coutinho & Shapiro 2012).

However, Boas, Hidalgo, and Richardson's paper is one of the first to address the relationship between firm donations to public policy outcomes by ruling-party candidates within Brazil. With the support of

¹GitHub repository: <https://github.com/chelseamarlborough/gov1006-milestone4>

public Brazilian government records and similar findings by Paulo Roberto Arvate, Klenio Barbosa, and Eric Fuzitanit in 2013, their findings are further affirmed.²

Tables and Figures

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References

(Boas, Hidalgo, and Richardson 2014, @friedrich1937rise, @trubek2012towards, @arvate2013campaign)

Arvate, Paulo Roberto, Klenio Barbosa, and Eric Fuzitani. 2013. “Campaign Donation and Government Contracts in Brazilian States.”

Boas, Taylor C, F Daniel Hidalgo, and Neal P Richardson. 2014. “The Spoils of Victory: Campaign Donations and Government Contracts in Brazil.” *The Journal of Politics* 76 (2). Cambridge University Press New York, USA: 415–29.

Friedrich, Carl Joachim. 1937. “The Rise and Decline of the Spoils Tradition.” *The Annals of the American Academy of Political and Social Science* 189 (1). Sage Publications Sage CA: Thousand Oaks, CA: 10–16.

Trubek, David M, Diogo R Coutinho, and Mario Gomes Schapiro. 2012. “Towards a New Law and Development: New State Activism in Brazil and the Challenge for Legal Institutions.” *Univ. Of Wisconsin Legal Studies Research Paper*, no. 1207.

²Arvate, Paulo, et al. “Campaign Donation and Government Contracts in Brazilian States.” IDEAS Working Paper Series from RePEc, 2013, pp. IDEAS Working Paper Series from RePEc, 2013.