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THE LOGIC OF PARTY COLLUSION IN A DEMOCRACY
Evidence from Mali

By JESSICA GOTTLIEB*

> The elections were nothing more than parodies because those who were
> supposed to compete for votes met behind closed doors to bring to power
> the one who was best able to defend their mutual interests.
>
> —*Moussa Konaté* **

INTRODUCTION

A prerequisite of electoral accountability in a democracy is competition among parties or candidates. Without a viable outside option, voters cannot credibly threaten to sanction poorly performing politicians come election time. The most commonly considered threat to competition is when a single party has a monopoly on political power, but imperfect competition can occur even in the presence of multiple parties. This article examines one constraint on multiparty competition: when it is in the strategic interest of political parties to collude rather than compete with one another, effectively extinguishing all credible opposition. Support for this type of elite collusion can be found in studies of political parties in authoritarian regimes[1] where incumbent parties ensure their survival by sharing power and goods with

[1] Bueno de Mesquita et al. 2003; Haber 2006; Magaloni 2008; Roessler 2011.

other elites. In addition, the necessity of credible opposition is widely recognized in democratic theory.[2] Little has been written, however, on either the theoretical possibility or empirical instance of collusion among parties in democratic regimes.

I argue that collusion among democratically elected parties on a representative council is more probable when all competing parties win seats. When such results happen, parties on the council are better able to form a cartel and jointly engage in private activities that benefit council members at the expense of citizens. Conversely, when at least one party fails to win representation on the council, that party or parties serve as credible challengers to those on the council, thus increasing the likelihood that bad behavior will be exposed and reducing the scope for collusion among council members. I test the theory first using a regression discontinuity design (RDD) to establish that the existence of an outside party increases local public goods provision. I then test observable implications in both quantitative and qualitative data to illustrate that in the absence of an out-party or credible opposition, collusion is indeed a mechanism that drives rent seeking by council members.

Collusion or cartelization in a democratic setting is made possible by the fact that in politics, competition is periodic, not continuous as in an economic market. First recognized by Gordon Tullock, this institutional structure grants monopoly to the winner of an election for the length of the mandate.[3] In a parliament or council, this structure implies that among parties in power, coalitions can form that work against voter interest or, at least, in favor of their own self-interests. In such cases, parties outside the cartel and organized voters serve as the only check on incumbent misbehavior. However, where voters are disorganized, where parties do not distinguish themselves along policy dimensions, and where there is no out-party, council members can more easily enter into a self-binding commitment to jointly engage in self-serving behavior and not expose other collaborating parties.

I argue that such a scenario is *less* likely in the presence of an outside party, which can reduce collusion among council members with threats of exposure. This theory is put to the test in the West African country of Mali, a state acclaimed for its robust electoral institutions[4] yet at the same time home to extremely high levels of political corruption and nepotism. A decentralization policy in 1996 divided Mali into 703 locally governed units, generating interesting within-country variation.

[2] Schumpeter 1942; Dahl 1972.
[3] Tullock 1965.
[4] Except between the March 2012 military coup and the presidential election of August 2013.

Local councils democratically elected on the basis of proportional representation fall into two categories: councils in which all active political parties win seats and councils in which at least one party fails to win a seat. I compare public goods provision across these two categories to determine whether the existence of a credible opposition party results in less rent seeking or higher public goods provision, all else equal.

Due to the risk of omitted variable bias in comparing places where all parties win a seat on the council and those where at least one party loses, I use an RDD to identify the effect of outside parties on the provision of public goods. The discontinuity occurs at the vote threshold for winning a first seat on the local council. Comparing communes, or local administrative units, in which one party lost by just a small vote share to those in which one party gained a seat by a similarly small vote share minimizes unobservable differences in the two types of communes. The intuition is that some randomness governs whether a party receives a marginally higher or lower share of the votes in any election, minimizing selection bias within close range of either side of the discontinuity.

Collusion in a competitive setting is difficult to observe and measure because participants seeking to gain an unfair advantage will attempt to conceal their actions for fear of retribution. My unique research strategy combining local-level data on public goods provision with an identification strategy that takes advantage of the exogeneity of an electoral rule overcomes this constraint. The results of the regression discontinuity generate evidence in support of the theory: communes in which the party with the fewest votes lost a seat on the council by a very small margin provide significantly more public goods than communes in which the party with the fewest votes barely won a seat on the council.

Because the rigorously identified relationship between the existence of out-parties and the provision of public goods could be explained by myriad mechanisms, I marshal additional quantitative and qualitative evidence in support of the argument that collusion is driving this relationship. First, if collusion is indeed occurring, then it should be less likely to succeed in communes where voters are better informed and can themselves serve as a check on the incumbent parties. Rerunning the regression discontinuity analysis on subsamples of communes with and without access to local radio suggests that the discontinuity in public goods provision only occurs in the set of communes that are less well-informed. Second, I test whether having more parties on the council make a collusive bargain harder to achieve and find a positive relationship between number of parties and public goods provision.

Third, I show that negative campaigning at election time, a feature of competitive parties, is more likely when there is at least one out-party. And lastly, I show evidence of the persistence of collusion using electoral data from two consecutive local elections.

Qualitative evidence further illustrates the plausibility of collusion as a mechanism driving the relationship between the lack of out-parties and rent seeking. Comparing semistructured interviews with council members in three communes with out-parties and three communes with no out-parties suggests that the former are more competitive and the latter more prone to collusion. Specifically, I only find evidence of negative campaigning in the three communes with out-parties and I find increased evidence of buying off fellow council members and party switching in the communes with no out-parties.

Conclusions generated by observations at the local government level resonate with Malian politics at the national level. The second democratic president, Amadou Toumani Touré, won in 2002 and 2007 as an independent without a party.[5] Rather than reject partisan politics, he embraced the clientelist game played by existing parties. According to Virginie Baudaise and Grégory Chauzal, the president won with a strategy of "reciprocal assimilation of elites," similar to that used by previous autocratic regimes to neutralize the opposition.[6] In doing so, the president and his party alliances succeeded in appropriating all available political resources, leaving no credible opposition. National parties chose to be coopted by the president to maintain access to resources rather than remain in the opposition and lose the ability to support their patronage networks.[7]

This article contributes to a small but growing literature on collusion in democracies. While Roger Myerson recognizes the theoretical possibility of collusion in a two-party system, others provide empirical support.[8] Brian Crisp and Scott Desposato show that legislative candidates in Colombia avoid costly interincumbent competition for votes, colluding with one another to advance their own political careers.[9] Richard Katz and Peter Mair discuss the emergence of the "cartel party" in which colluding parties employ state resources to ensure their own

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[5] The largest party, Alliance pour la Démocratie au Mali (ADEMA), supported him in the second of these elections.

[6] Baudaise and Chauzal 2006.

[7] The lack of real political competition at the local and national levels and resulting voter apathy may well be one of many reasons behind the collapse of Mali's democracy following the coup d'état in March 2012.

[8] Myerson 1993.

[9] Crisp and Desposato 2004.

survival, citing examples of this uncompetitive party behavior in older democracies such as in Italy, Switzerland, and the Netherlands.[10] Dan Slater and Erica Simmons show that the very political uncertainty caused by regime transitions in new democracies encouraged party cartelization in Indonesia and Bolivia.[11]

I provide evidence of collusion in another democratic setting and present an argument to explain the strategic logic of participating parties. In doing so, I generate observable implications about the determinants of collusion that can be further tested in other emerging democracies. Theory and evidence from Mali suggest that collusion is more likely where: 1) the institutional setting is such that all available parties can simultaneously be represented, 2) policy-making is more concerned with the valence issue of reducing corruption or increasing public goods provision, and 3) voters are underinformed and undermobilized. The second two conditions are common in emerging democracies, which are more likely than developed democracies to have high levels of poverty and inequality and where parties are young and weakly institutionalized. The first condition also suggests that lessons from Mali are most appropriately generalized to those new democracies with proportional representation rather than first-past-the-post elections. As G. Bingham Powell argues, the former type of election is less adept at holding individuals accountable while the latter is worse at achieving collective party accountability.[12] This suggests that where parties are weak to begin with, electoral institutions that are better at holding individuals responsible will provide the most purchase on accountability.

Examining when and how party collusion occurs in a democracy advances the understanding of good governance and accountability. Recent waves of democratization across low- and middle-income countries brought renewed hope for improved welfare outcomes and prospects for economic development. Electoral democracy, however, has been a major disappointment on this score in a number of poor countries. Some of the existing explanations are poverty and inequality facilitate patronage politics[13] and reduce public sector wages,[14] weak state capacity diminishes the scope for good governance,[15] and low levels of information reduce voter control over politicians.[16] Uncompeti-

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[10] Katz and Mair 1995.
[11] Slater and Simmons 2013.
[12] Powell 2000.
[13] Pande 2007.
[14] Montinola and Jackman 2002.
[15] Fukuyama 2004.
[16] Pande 2011; Ferraz and Finan 2011; Gottlieb 2012.

tive or collusive party behavior contributes to this growing list. Insights from this article additionally help explain why information asymmetry, another key constraint, persists in equilibrium. If parties are colluding rather than competing, they will fail to disseminate information about politician performance as a campaign strategy.

This article predicts worse governance outcomes as a result of elite collusion on elected councils when there is no credible opposition and where voters are underinformed and undermobilized. Because developing countries are particularly prone to weak voter mobilization and low levels of voter information, these results caution against certain institutional structures. For instance, local governments in Mali might do better if they were run by majority executives rather than representative councils, or at least if their executives were directly rather than indirectly elected. Presently, voters wanting to punish poorly performing local councils on which all parties are represented and colluding cannot effectively do so through the mechanism of elections. However, if a majority executive were solely responsible for commune administration, the incumbent government could more easily be held to account and sanctioned at election time.

The Logic of Party Collusion in a Competitive System

For Joseph Schumpeter, democracy is defined by the competitive struggle of parties for votes.[17] While many would argue this is not a sufficient condition for democracy, most agree that it is a necessary one. Competition among office-seekers is necessary to generate accountability in a democracy.

In standard electoral models,[18] accountability derives from the voter's ability to sanction politicians based on performance or to select them based on features correlated with ability or public-spirited preferences. Voters described as forward-looking select the most reputable candidate or party, and voters considered backward-looking sanction incumbents that do not meet their expectations. Both mechanisms of accountability require that parties compete for votes. In the case of selection, party competition drives candidates to distinguish themselves along dimensions that voters care about. In the case of sanctioning, competition drives incumbent parties to perform better than the opposition.

These models imply that a lack of party competition or a lack of real alternatives in an election undermines democratic accountability.

[17] Schumpeter 1942.
[18] Barro 1973; Ferejohn 1986; Fearon 1999; Besley 2006.

Party competition can be dampened if the rewards to holding political office are not sufficiently high,[19] if there are formal barriers to entering politics,[20] or by strategic decisions of actors in the system. I examine a case that falls into the last category of constraints on competition. A prominent example in the literature is Terry Moe's discussion of the strategic behavior of incumbents to create self-binding commitments that somewhat constrain their own behavior, but more importantly constrain the future behavior of political opponents.[21] In the case presented in this article, local council members from different parties create a self-binding commitment to collude rather than compete with one another in order to reap more spoils from office. While the analysis is specific to Mali's institutional design, it has implications that generalize to other settings.

The Malian Context

In 1996, shortly after democratization, Mali was divided into 703 new, locally governed communes. With the average population of the 667 rural communes 14,000 (61,000 for the thirty-six urban communes), this decentralization strategy was billed as bringing democratic governance closer to the people. These administrative units are salient because they have the right to tax;[22] the responsibility to provide local public goods such as clean water, sanitation, primary schooling, and primary health care;[23] and a small but not inconsequential budget. In Mali, a country with a United Nations' Human Development Index in the 94th percentile due to incredibly high infant mortality rates and poor primary education, provision of these basic public goods is in high demand by the population and is a key to future development.

Because most communes did not exist prior to the decentralization scheme in 1996, there was an immediate need to equip them with local infrastructure—primary schools, maternities, and wells, for example—deemed necessary for social welfare and development. Many of these resources had been only publicly available at the level of the 274 ar-

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[19] Tullock 1965, for instance, discusses the problem of the local Charlottesville councilmen who often run unopposed because the rewards of office are easily outweighed by the pains of running and losing.

[20] Wohlgemuth 2000 enumerates legal barriers to competition such as rules governing party formation or those assigning minimum vote shares for entry into representative assemblies.

[21] Moe 1990.

[22] Commune governments can decide to implement certain taxes to fund local initiatives. In addition, they are entitled to 60 to 100 percent of certain state taxes that make up a considerable portion of their budget and that they are partly responsible for collecting; L'Assemble Nationale du Mali 2000.

[23] L'Assemble Nationale du Mali 1995.

rondissements, the lowest administrative unit under the previous regime. Because of high poverty levels, tax revenue was largely insufficient to fund the necessary public goods infrastructure, particularly in rural areas.[24]

In response, a parastatal agency called the Agence Nationale d'Investissement des Collectivités Territoriales (ANICT) was established in 2001 to alleviate capacity problems in communes. In 2006, ANICT funded about 1,500 development projects amounting to the equivalent of about US$26 million. That year, ANICT funds made up more than half of the average commune government budget while locally generated funds accounted for only 15 percent. Because annual transfers of ANICT project funds are calculated by an apolitical formula,[25] commune governments have relatively comparable public goods budgets. I seek to explain residual variation in the actual provision of public goods across communes.

Free and fair elections of local council members in Mali should guarantee some measure of accountability for local government performance. Municipal elections are conducted every five years, off cycle of national elections. A multitude of parties compete in local elections—even more than in national elections because of independent local parties. Each election, parties submit closed candidate lists and seats are accorded to parties based on proportional representation. The number of seats on a commune council ranges from eleven to forty-five, based on population, and in every commune an average of six parties compete for those seats.

Local governments are run by these directly elected councils and an indirectly elected bureau composed of the mayor and three adjuncts. Day-to-day council operations are managed by the commune bureau. However, budget allocation and spending decisions are made at quarterly meetings with all members present. Policies at these meetings are generally decided by a majority vote.

This institutional setup yields important sources of variation that have implications for political competition and government accountability. First, in a third of the communes all parties that submit lists for the election win at least one seat on the council. In other words, all active parties in those communes have some representation on the local council. In the remaining two-thirds of the communes, at least one active party fails to gain a seat on the local council. In the sections below,

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[24] Coulibaly, Dickovick, and Thomson 2010.
[25] The ANICT's allocation rule is based on the commune's poverty level, population, and distance to major cities.

I discuss how the existence of an out-party affects the behavior of the parties represented on the council.

A second source of variation is whether the mayor is part of the plurality party. Among communes where one party has a strict majority of seats, the majority party also occupies the mayor's seat 91 percent of the time. However, this is not as often the case when a party holds a plurality rather than a majority of seats on the council. In fact, in more than half the cases where there is not a majority party on the council, the mayor's seat does not belong to the plurality party. This is evidence of coalition politics in which the plurality party allies with a smaller party to obtain a majority and uses the mayor's office as an enticement. The existence of a majority party on the council implies that coalition building is not necessary for the party in power to get what they want through majority rule.

STRATEGIC BEHAVIOR OF MALI'S LOCAL COUNCIL MEMBERS

Sometimes all parties competing in a local election win at least one seat on the council; in other words, all parties are represented. I argue that when this happens, parties on the council are better able to engage in corrupt activities or reap personal benefits from public office at the expense of citizens. With no viable out-party to expose or challenge such behavior, parties can more easily misbehave. I further argue that a mechanism sustaining this increase in rent-seeking behavior is collusion among parties on the council.

Microeconomic theory predicts imperfect competition and economic profits when there are barriers to entering the market and firms collude to limit production and guarantee high prices. Similarly, political collusion promises parties greater rents than they could extract under a competitive system. Voters prefer parties that do not rent seek just as they prefer lower prices. But if all parties collude to use public resources for personal gain, voters have no alternative options and the threat of electoral sanctions no longer binds. In the electoral context, collusion is sustained by parties refraining from competitive behavior at election time to guarantee access to future rents.

To understand how this could happen, consider Tullock's[26] characterization of party competition in a democracy. He recognizes that unlike ongoing competition in an economic market, political competition is periodic and grants monopoly rights for that period to the winner

[26] Tullock 1965.

of the election. This characterization generates two relevant insights. First, it is potential, not actual, competition that constrains political actors. I argue that in the case in which all parties are represented on a local council in Mali, there is less credible threat of potential competition because council members are mutually benefiting from access to public resources.

Second, during the period of monopoly rights or the term between elections, competition among those who hold power should not necessarily be expected. In a parliament or council, this implies that coalitions that work against voter interest, or at least in their own interest, can form among parties in power. In the words of Bruno Frey,[27] "Picturing politicians as forming a coalition against taxpayers and voters seems to be an apt illustration of representative democracy between elections." Where parties are indistinguishable from one another along policy dimensions, which is the case in Mali, cooperation among parties is even easier. In this case, where most voting takes place along the valence issue of how much of the budget is spent in the public interest, parties all prefer to maximize their share of the rents.

A credible collusive bargain is self-sustaining. Parties enter into a self-binding commitment to jointly engage in self-serving behavior and not expose other collaborating parties. For parties to continue to reap the benefits of collusion, they will withhold information about rent seeking or corrupt activities from voters in subsequent elections. Parties are thus bound by the threat of their own political demise not to succumb to the temptation of exposing competitors for electoral gain. The moment one party exposes the poor performance of another, they too will be implicated. Further, voters who are made aware of rent seeking in one period will be more likely to sanction it in future periods. This implies that where collusion is feasible, parties have incentives not to maximize vote share because colluding and sharing rents is preferable to competing and being held accountable.

Committing to collude is difficult and parties do not always succeed in doing so even when all parties are represented on the council. In particular, the more parties there are on the council, the less likely collusion is to occur. As argued by Mancur Olson,[28] larger groups face higher costs to collective action and gain less per capita. First, the likelihood of reaching a bargain or contract decreases as the number of negotiating parties increases. Each additional party makes reaching an agreement

[27] Frey 1994.
[28] Olson 1965.

marginally more difficult because more interests must be accommodated and more parties must be trusted. Second, benefits to each colluding party are decreasing in the number of parties on the council because the spoils must be shared more widely. As benefits decrease, the cost of the alternative—providing public goods—also decreases. With defection cheaper and an adequate bargain less likely, parties are more likely to decide that they are better off providing public goods than committing to a collusive bargain.

The presence of an out-party further inhibits collusion by posing the threat of exposing incumbent misconduct to uninformed voters. An outside party has better access to information than the average voter, more organizational capacity to mobilize and inform other voters about politician misconduct, an electoral incentive to expose incumbent misbehavior, and nothing to lose because they do not benefit from rent seeking by council parties. While outside parties may not have full information about council activities, they have political experience, networks, and skills that facilitate access to information. The national party apparatus may also contribute monetary and other resources to local efforts to expose misconduct among competitors as it is in the party's interest to gain seats in local elections.

For the strategic behavior of council members to be conditional on the existence of an outside party, the outside party must pose a greater threat to the council than unorganized voters. In a high-information setting, a motivated voter may easily be able to detect rent seeking or corruption within the council. Further, in a highly politically mobilized society, dissatisfied voters could organize to challenge the elected leadership or even form a new party. In Mali, however, political information and civic skills are lacking due to high levels of illiteracy, low levels of media penetration, and absence of civic education.[29] Such information and skill deficits limit the likelihood that voters will mobilize to challenge incumbents or form a new party. Local elites who have such capacity are likely to belong to an existing political party or form their own.[30] Indeed, Alexis Roy argues that civil society in Mali is indistinct from partisan politics.[31] Rural sources of power or prominence such as

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[29] Related work discussed in Gottlieb 2012 reports on a survey by the author that confirms low levels of information, particularly about local governments, in Mali.

[30] Four hundred one parties, or 10 percent of those running, in the 2004 municipal elections were local independent parties.

[31] This is particularly true in the 2004 elections with the emergence of the Mouvement Citoyen, a movement of association members and party defectors that together ran candidates in all districts in support of the president.

village associations or kinship networks have come to depend upon a system of clientelism linked to political power.

Another assumption of the argument is that outside parties must be harder to coopt than parties on the council. Promises of fairly sharing the spoils with outside parties are less credible given formal and informal institutional barriers. Parties on the council are required to attend meetings to discuss the budget and vote on local policy. While council meetings can legally be open to the public, a vote by three-quarters of the council members can decide otherwise according to Malian law.[32] The possibility of exclusion from these meetings and the resulting information asymmetry between insiders and outsiders makes the promise by council members to fairly share spoils with out-parties less credible. Frey discusses some of the informal barriers that separate political elites from outsiders and that enable parliamentarians to more easily form coalitions.[33] Members, for instance, spend time together in meetings and committees, breeding trust and familiarity that is absent for outsiders. Just as it is more difficult for outside parties to be coopted, it is also more difficult, though not impossible, for parties on the council to expose corruption. They are less likely to do so than an out-party because of the same institutional barriers erected by council membership.

So far, the discussion has focused on the strategic behavior of parties in a static game. In the iterated game of periodic elections, colluding parties have incentives to insure themselves against competition in future elections—both to shield themselves from negative press and to guarantee a steady stream of rents. In practice, colluding parties should refrain from engaging in negative campaign tactics because by exposing a fellow colluding party they put themselves at risk of the same. Parties may even agree to divide territories within their constituency so they are not competing to mobilize the same voters (see Crisp and Desposato for an example of this in Colombia[34]). This iterative logic also implies that collusion should persist over time. If communes with no out-parties are more likely to collude, then the absence of out-parties in one period should increase the likelihood of no out-parties in future periods.

[32] L'Assemble Natonale du Mali 1995.
[33] Frey 1994.
[34] Crisp and Desposato 2004.

HYPOTHESES

This discussion yields the hypotheses that I test in the data:

> —H1. Rent seeking is more likely in localities where all political parties are represented on the town council.
> —H1a. The stronger an outside party, the more successful it will be at reducing rent seeking or corruption on the council.

If H1 is true, then the following are observable implications that collusion is a mechanism driving the relationship between rent seeking and the absence of an outside party.

> —H2. Collusion among parties on the council is less likely where voters have better access to information.
> —H3. Collusion is inversely related to the number of parties on the council.
> —H4. Negative campaigning is less likely in localities where all parties are represented on the council.
> —H5. Communes with no out-parties in one period are more likely to have no out-parties in subsequent periods.

MEASUREMENT STRATEGY

Rent seeking and collusion are difficult to detect because their perpetrators intend for such actions go unobserved. In the following sections, I offer a creative strategy for identifying the presence of both rent seeking and collusion in Mali's political system. Mali's decentralization policy and its resulting independently governed localities permit within-country comparisons with respect to party dynamics and the likelihood of collusion.

Because of the difficulty of observing rent seeking across myriad localities, I use an RDD to test for an observable implication of my argument. I use local public goods provision as a measure of local government performance. If the presence of all parties on the town council indeed facilitates rent seeking, then town councils with all parties represented should perform worse than those with at least one outside party, all else being equal. Comparing outcomes among communes in close proximity to the threshold of just winning or losing a single council seat mitigates selection bias. If the electoral threshold produces a significant difference in public goods provision, it supports the argument that the likelihood of rent seeking is conditioned by the presence or absence of outside parties. If, however, there is no evidence of a discontinuity in public goods provision around the electoral threshold, then my hypothesis is disconfirmed.

Simply examining the mean difference in local public goods provision between commune councils with and without outside parties would risk making unfounded causal inference about the effect of losing parties. There is likely some unique unobserved characteristic of the communes in which all parties that run win seats, making these communes incomparable to communes in which there is at least one out-party. For example, communes in which all parties win seats may be more remote and less attractive to national parties, thus making elections inherently less contentious.

A regression discontinuity design mitigates bias. The discontinuity in the design occurs at the threshold that determines whether a party gains a seat in the commune council. The discontinuity, specified by an electoral rule, is an exogenous determinant of whether or not there is a credible opposition party. Exploiting the randomness that occurs within a narrow bandwidth on either side of the discontinuity permits better identification of the causal effect of an out-of-office party on public goods provision.

In Malian municipal elections, seats are allocated to parties first using the Hare quota and then a version of the highest averages to allocate remainders. I use the Hare quota, or the total votes cast divided by the number of available seats, as the threshold for the discontinuity.[35] Because the vote count and total seat number differ across communes, so too does the Hare quota. I normalize the evaluation of how close a party got to the threshold by dividing the difference between received votes and the Hare quota by total clean votes in the commune election. The mean of the Hare quota among the 667 rural communes is 188 with a standard deviation of 80.

My theory predicts that the existence of at least one outside party will change the dynamic under which public goods are distributed. While we could consider communes in which there exist more than one losing party, those communes in which there is only one losing party will look most similar to communes in which there are no losing parties. The analysis thus compares communes in which only one party got zero seats against those in which at least one party got a single seat and no parties got zero seats.

[35] As in Lijphart and Gibberd 1977, the threshold for gaining a seat is actually slightly smaller than the Hare quota because of remainders. Instead of using a more complicated formula to calculate the exact threshold, I use the Hare quota for two reasons. First, few local party officials interviewed in the capital were aware of how remainder seats were allocated, though they did know the Hare quota was used to allocate seats. Second, the Hare quota is a rule-of-thumb measure that parties would be able to calculate on their own; even if parties did know how remainders are allocated, extremely low levels of education make more complex calculus unlikely.

To simplify and improve the statistical power of the analysis, I distinguish outside parties only by their margin of loss and not by party identity. Treating the effect of an outside party as invariant to party label is credible for three reasons. First, an index of party system institutionalization ranks Mali last in all of Africa.[36] Weaknesses in party organization and discipline imply significant variation in party strength and capacity across communes. Second, parties have very little that distinguish them in terms of ideology or platform. And third, the president during the period of analysis was an independent who won with a coalition of most major parties, making it difficult to identify any true political opposition. The analysis thus rests on whether there is any out-group of elites that has incentives to undermine the coalition in power, irrespective of which group is left out.

Comparing communes in which one party lost by just a small vote share against those in which one party gained one seat by a similarly small vote share minimizes unobservable differences in the two types of communes. David Lee formally shows that treatment status "is as good as randomized" in a local neighborhood of the threshold.[37] The intuition is that some randomness governs whether a party received a marginally higher or lower share of the votes in any election, minimizing selection bias within close range of either side of the discontinuity. The treatment can be considered having one party that wins zero seats, with the predicted effect of increasing public goods provision.

Data

To test the relationship between outside parties and local government performance, I pair data from the 2004 municipal elections with nationwide data from 2006 on commune infrastructure and public services. I use local public goods provision as an observable measure of local government performance. To do this, I make two assumptions: that citizens prefer to increase the bundle of public goods provided relative to the status quo, and that politician preferences are not aligned

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[36] Riedl 2008.

[37] Lee 2008. Sekhon and Titiunik 2012 contest this finding for two main reasons, neither of which apply to my analysis. First, they critique the use of RDD for estimating the effect of being a freshman incumbent in period t on winning in period t + 1 because it requires dropping observations that threaten the randomization assumption. Second, they argue that pooling election data over time undermines the ability to identify a local average treatment effect because it masks heterogeneity across elections. They also mention the possibility of sorting around the discontinuity, citing evidence from US House of Representatives elections. However, it is reasonable to assume that local party formations contesting seats in Mali's local elections are far less likely to be able sort around the first-seat threshold than the incredibly sophisticated and well-financed Republican and Democratic parties.

with those of the public. While the first assumption may be challenged in the presence of citizens with higher income who prefer fewer publicly provided services, the analysis is restricted to rural areas where such individuals are rare. The second is generally assumed to be true in the literature and even more likely to be the case in Mali, where poor elected officials have a greater incentive to consume the public goods budget as private income.

The public goods data are taken from a survey financed by the United Nation's Observatoire du Développement Humain Durable (ODHD) and carried out in conjunction with the Malian Ministry of Social Development. Completed in 2006, the purpose of the survey was to develop a poverty index to compare social and economic development across local decentralized units or communes following the decentralization policy of 1996. With these data, I construct dependent variables measuring local public goods provision. Political variables are measured using the 2004 municipal elections data obtained from the Ministry of Territorial Administration.

I restrict observations to rural communes because the political and social dynamics in urban communes differ, not only in degree but in nature, from those in rural communes. Importantly for this analysis, voters are better informed and politics more contested in urban communes than rural ones, making collusion less likely. Because 95 percent of Mali's communes are rural and home to 80 percent of the population, little explanatory value is lost by restricting the observations in this way. Whether a commune is considered rural is based on an administrative decision made during the implementation of decentralization in 1996 and stated in the Malian law on the creation of communes.[38]

Local Public Goods

Five measures from the ODHD survey are used to estimate levels of public goods provision across communes: primary schools, student enrollment, primary care facilities, health staff, and water sources (see Table 1 for summary statistics). With the implementation of decentralization, local governments became responsible for providing primary schooling, primary health care, and local sanitation while higher levels of government continued to fund secondary schools and hospitals. Since decen-

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[38] It is unclear what exact criteria were used to distinguish rural from urban communes, but urban communes are on average more populous, wealthier, more highly educated, and have better infrastructure than rural communes. L'Assemble Natonale du Mali 1996.

TABLE 1
SUMMARY STATISTICS FOR MEASURES OF THE DEPENDENT VARIABLE

Variable	Mean	Standard Deviation	N
Primary Schools	9	8	666
Students Enrolled	1576	1762	664
Health Staff	6	6	666
Health Facilities	4	4	666
Water Sources	26	28	654

tralization came into effect, the construction of schools, health centers, and water pumps are three of the four largest expenditures by commune governments. The fourth type of significant investment is local government infrastructure, such as the mayor's offices, which is not included as a measure because such projects do not as clearly serve the public interest.

Education is measured by number of primary schools and student enrollment. The number of schools reported in each commune reflects both larger public schools and smaller community schools. Number of teachers would be an ideal measure to estimate how much education is actually being provided in schools, but this measure is not available. Number of enrolled students gives some idea of the rate of use of education facilities. Health care provision is measured by number of primary health care facilities including maternities, clinics, and dispensaries. Since facilities vary in size and level of use, the number of health professionals is a complementary measure of primary care provision. Health staff includes doctors, midwives, nurses, and health assistants. Access to clean water is measured by the number of clean water sources in the commune.

VOTER INFORMATION

To test whether collusion is less likely where voters are more informed, I use the presence of a local radio station as a proxy for access to information. The press is relatively free in Mali and political information is disseminated via television, radio, and newspapers. Radio is the most important channel of information dissemination in rural Mali, where televisions are rare and the majority illiterate. According to the 2006 Demographic and Health Survey in Mali, 70 percent of rural households say they have a radio. Seventy-five percent of men and 60 percent of women say they listen to radio at least once a week while only 26

percent of these women say they watch television and only 2 percent say they read newspapers at least once a week.

Having a local or commune radio station is a more appropriate measure than national radio coverage for the purposes of this study. While radio coverage implies access to information in general, the existence of a local radio station implies that listeners have access to information particular to their own commune. Information about local politics is more salient to voter behavior in municipal elections. National radio may help educate voters more broadly about the national decentralization effort, but it is less likely to change the expectations of voters or behavior of local candidates. A study by the United States Agency for International Development of a nonrepresentative sample of twenty-two local stations in Mali reports that most local radio stations air programs on local politics. Some even provide opportunities for local officials to discuss initiatives or offer a forum for listeners to voice community concerns. In a few cases, these radio programs resulted in improved financial contributions to public goods by citizens and improved management of public goods provision by local governments.

The variable measuring access to information is simply a binary indicator of whether there is a local radio station in the commune. Figure 1 shows the geographic distribution of local radio stations across Mali's communes in 2006, with one-third of rural communes reporting they have one. There is a precedent in the literature for using radio to study political behavior. David Strömberg shows that as early as the 1930s, radio as a medium of mass information has had important political effects: US counties with higher radio listenership received more funds from the New Deal relief program.[39] In a context quite similar to Mali's today, Philip Keefer and Stuti Khemani find that current literacy rates among school children in Benin are higher in villages exposed to more community radio.[40] And Claudio Ferraz and Frederico Finan find that in Brazil, the 2003 dissemination of audit reports of local governors increased voter sanctioning of poor performers with even greater effects in municipalities with local radio.[41]

CONTROLS

In some of the analyses below, I consider other determinants of local public goods provision that, if not accounted for, could generate bias.

[39] Strömberg 2004.
[40] Keefer and Khemani 2011.
[41] Ferraz and Finan 2008.

Local radio station

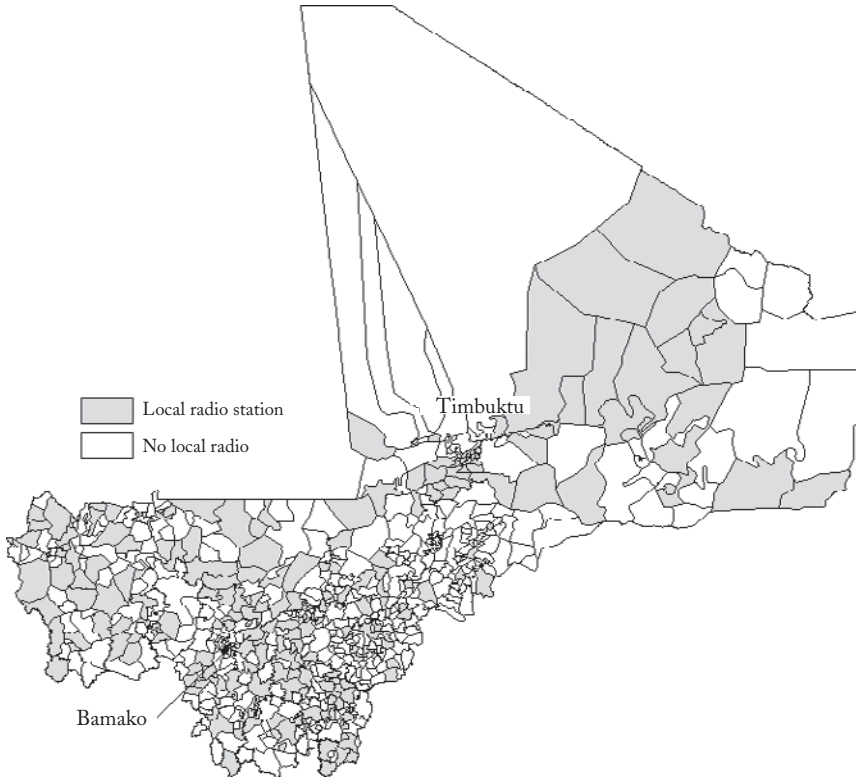No local radio

Timbuktu

Bamako

FIGURE 1
GEOGRAPHIC DISTRIBUTION OF LOCAL RADIO STATIONS ACROSS
MALI'S COMMUNES

Because the amount of money disbursed by ANICT is based on popula-
tion and remoteness, I control for both. Commune population ranges
from 2,000 to 63,000 with a mean of 13,000. The variable *population*
logs the data. *Remoteness* is an index summarizing the distance of a
commune to its district, regional, and national capitals; the larger the
index, the more remote the commune.

It is a concern that some public goods infrastructure existed prior to
the onset of democracy or was constructed through some mechanism
other than local government. To account for the former, I control for
whether or not a commune is a seat of an *arrondissement*, the smallest ad-
ministrative unit prior to decentralization. There are several communes
per arrondissement, so being an arrondissement seat greatly increases the
likelihood of public goods infrastructure built prior to decentralization.

Placebo Test

As a placebo test, I examine whether the treatment, having an outside party in the commune, is correlated with public goods that are not financed by the local government. The variable *roads* is a binary indicator of whether there are dirt roads in the commune.[42] About 56 percent of rural communes report having some dirt roads. Because less than one percent of ANICT financing is spent on road construction and maintenance, I would not expect commune-level politics to influence local road infrastructure to the same extent as health, water, and education. Other measures of local development depend upon the local or regional economy or the national government rather than commune-level financing. The variable *markets* is the number of localities in the commune with weekly outdoor markets, ranging from 0 to 9 with a mode of 1. Only 101 of 667 rural communes have no weekly market. *Electricity* is a categorical variable that takes the value of the number of different sources of electricity found in the commune including state-provided electricity, privately supplied generators, solar panels, and diesel motors. It ranges from 0 to 3, with about a third of communes having no sources of electricity. *Phones* is a variable ranging from 0 to 3 that indicates the number of cell phone networks providing coverage to the commune. About half of communes have no phone coverage.

Do Out-Parties Undermine Collusion?

A regression discontinuity design identifies the effect of an out-party on public goods provision by treating as random the observations that fall within a small bandwidth of the vote threshold for winning a first seat on the town council. Figure 2 plots the dependent variable of local public goods on the y-axis and the normalized difference between votes received and the Hare quota on the x-axis, with the discontinuity occurring at zero. All five measures of the dependent variable, local public goods, are analyzed separately. Each graph fits a line through the data using a local polynomial in each bin of bandwidth .005. A 95 percent confidence interval is constructed around each fitted line.

The observations to the left of the discontinuity are those communes in which one party ran and gained no seats. The x-axis indicates by how much the out-of-office party missed the mark, or the vote share

[42] Road density would be misleading as communes vary greatly in size and many vast communes are sparsely populated, so low road density could either be an indicator of few roads or population concentrated in only a few areas. In addition, so few rural communes have paved roads that there is not enough variation to exploit.
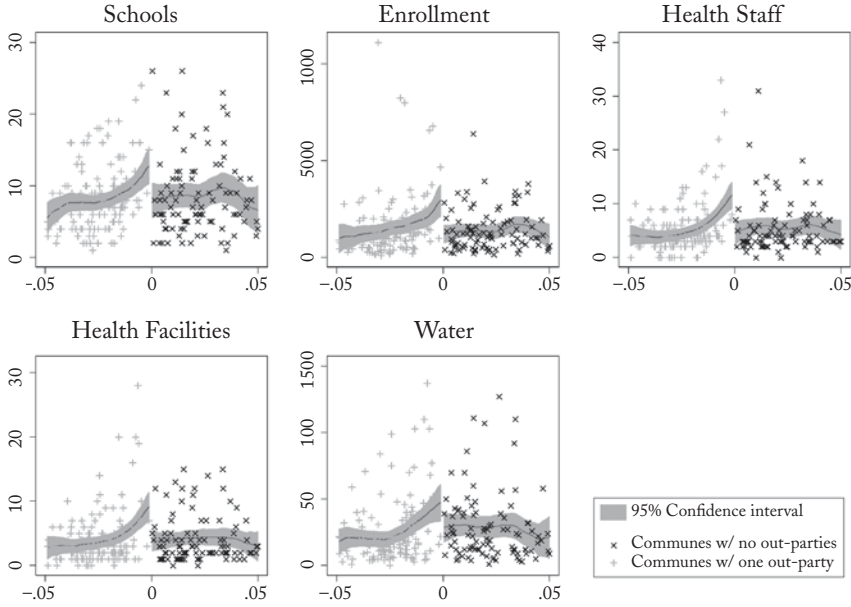
FIGURE 2

PUBLIC GOODS PROVISION IN COMMUNES WITH ONE
OUT-PARTY VERSUS NO OUT-PARTIES[a]

[a] Difference in votes received and Hare quota (normalized by total votes).

they would have needed to win a seat. The observations to the right of 0 are those communes in which at least one party gained a single seat and no parties gained zero seats.[43] If there were multiple parties that gained only one seat, I measure the independent variable using the party that received the least number of votes. In sum, those parties that won or lost by a higher margin will be further away from the discontinuity.[44] There are seventeen cases in the data in which a party that does not obtain the threshold number of votes receives a seat due to the remainder method of calculating seats. For visual simplicity, I exclude these seventeen observations from Figure 2. However, I include them in the analysis in Table 2 where they only strengthen the evidence of a discontinuous relationship.

[43] In all cases, more than one party ran and won seats in the election.

[44] There are three observations in the data in which the calculation of seats won did not abide by the formula, that is, a party that surpassed the threshold gained zero seats. These are excluded from the analysis because of a lack of information about why these communes broke the electoral rule, which prevents any prediction about which way it would bias the outcome.

TABLE 2
IMPACT OF DISCONTINUITY ON PUBLIC GOODS AND COVARIATES

Variable	Diff in Means |Margin|< 0.05	K–S test	Diff in Means |Margin|< 0.025	K–S test	Diff in Means |Margin|< 0.025	K–S test
	Excludes 17 cases that do not follow electoral rule				Includes 17 cases	
Schools	−0.06	0.71	1.78	0.01	2.00*	0.00
	(0.76)		(1.10)		(1.05)	
Enrollment	150.35	0.90	640.27**	0.01	670.85***	0.00
	(184.95)		(257.17)		(228.37)	
Health Staff	−0.27	0.99	1.33	0.20	1.54*	0.12
	(0.64)		(1.00)		(0.91)	
Health Facilities	0.01	1.00	1.17	0.72	1.43*	0.29
	(0.53)		(0.82)		(0.75)	
Water	−3.10	0.07	4.16	0.95	6.05	0.74
	(3.35)		(4.84)		(4.38)	
	Balance Test					
Population	−2.01	0.09	0.52	0.71	1.38	0.07
	(0.98)		(1.34)		(1.33)	
Remoteness	0.421	0.13	−0.035	0.56	0.25	0.97
	(0.296)		(0.421)		(0.39)	
Arrondissement	−0.07	0.93	−0.02	1.00	0.02	1.00
	(0.06)		(0.09)		(0.08)	
	Placebo Test					
Electricity	−0.21	0.25	−0.20	0.65	−0.15	0.89
	(0.10)		(0.13)		(0.12)	
Roads	−0.01	1.00	−0.03	1.00	−0.01	1.00
	(0.07)		(0.09)		(0.08)	
Phones	0.11	0.53	0.15	0.55	0.16	0.37
	(0.11)		(0.15)		(0.14)	
Markets	−0.02	1.00	0.05	1.00	0.21	0.98
	(0.24)		(0.34)		(0.31)	
N	233		128		145	

Diff in means equals communes with one out-party minus communes with zero out-parties; significance levels: * p<0.10, ** p<0.05, *** p<0.01; standard errors in parentheses

Figure 2 graphically demonstrates the difference in the dependent variable between communes falling on either side of the threshold. In each of the five cases, the vertical gap between the fitted lines on either side of the discontinuity lend support to the idea that there is an identified impact of outside parties on local public goods provision. The 95 percent confidence bands are only overlapping in the case of water.[45]

[45] The discontinuity for the dependent variables enrollment, health staff, and health facilities is robust to excluding outliers or cases in which enrollment exceeds 5,000, health staff exceeds twenty-five, or health facilities exceeds twenty.

Furthermore, at the left and right edges of the graphs, the levels of public goods provision converge. This is consistent with the hypothesized mechanism because outside parties will only succeed in undermining collusion among council members if they provide a credible threat. As such, weaker parties or parties that lose by a large margin will not credibly threaten council members and so we should not expect to see a difference in public goods provision in those communes.

Table 2 exhibits a further test of the significance of this difference. I run two sample t-tests comparing means of the dependent variables on either side of the discontinuity. I do this for two different bandwidths of data (0.05 and 0.1, representing 18 and 33 percent of total communes, respectively). In the last two columns of Table 2, I rerun the test of the 0.05 bandwidth of data in which I include the seventeen cases where the weakest party won fewer than the threshold number of votes but was allocated a seat due to the remainder method. As a balance test, I repeat the analysis for a series of covariates that are reasonable predictors of local public goods. These include indicators of commune size, connectedness, and likelihood of previous public goods infrastructure. Finally, I conduct a placebo test by examining the effect of the discontinuity on goods that are not typically financed by the commune government: electricity, roads, phones, and markets.

The analysis exhibits a pattern that supports the hypothesis. The difference in means of the public goods measures becomes more positive and significant as the bandwidth narrows, particularly for the test that includes the seventeen cases left out of Figure 2. This indicates that as we are more confident that the observations on either side of the discontinuity can be considered randomly selected, we see a greater effect of the treatment on the outcome of interest. The magnitude of the effects on the public goods outcomes range from one-fifth to one-third of a standard deviation. In contrast, we find that as the bandwidth narrows, both the size and significance of the difference in means remain about the same for the four placebo measures. The balance test also holds in that the covariates are, if anything, more similar closer to the discontinuity.

Another piece of evidence in support of the hypothesis is furnished by the Kolmogorov-Smirnov (K-S) test. The t-test shows that as we move from larger to smaller bandwidths, we are able to reject the null hypothesis that the means are the same for the dependent variable with greater confidence (and this is untrue for covariates and placebos). The K-S test allows us to determine whether the data in each sample are being drawn from the same or different distributions. For the dependent

variables measuring local public goods except water,[46] as the bandwidth narrows, we are increasingly able to reject the hypothesis that the data are from the same distribution. The opposite is true for the placebos and covariates; as the bandwidth narrows, it is increasingly difficult to reject the null hypothesis that the data are from the same distribution.

Table 2 adds confidence to the identification of a treatment effect at the proposed discontinuity since differences in the outcome variables cannot be attributed to the impact of most covariates that are balanced on either side of the threshold. In addition, the placebo test succeeds in that no treatment effect of the discontinuity is identified on the outcomes that we would not expect to be affected by commune-level politics. However, the evidence remains suggestive since not all of the dependent variables exhibit effects that are significant at conventional levels, particularly in the case in which the seventeen communes are excluded.

The results tying the absence of an outside party to decreased public goods provision are consistent with the claim that commune councils with all parties represented are more likely to collude. Colluding parties are less constrained by the threat of electoral sanctions from voters and other parties, and consequently provide fewer public goods than their competitive counterparts. The next section offers further evidence that collusion is a mechanism underlying this relationship.

TESTING OBSERVABLE IMPLICATIONS

I argue that all candidate parties winning seats on the local council is a determinant of rent seeking and that inhibiting collusion is a mechanism by which outside parties affect local government performance. In the section above, I rigorously identified the positive effect of out-parties on local public goods provision. In this section, I test observable implications that increase confidence that collusion is one mechanism driving this relationship. First, I show collusion is less feasible in the presence of well-informed voters. Second, I show collusion is less likely when more parties are represented on the council. Third, I show that negative campaigning at election time is more likely when there is at least one out-party. And last, I show evidence of the persistence of collusion using electoral data from two consecutive local elections.[47]

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[46] A potential explanation for why the analysis for water is less supportive of the theory is that water is more easily provided by nongovernmental (NGO) sources. Constructing a well or water pump has lower upfront and overhead costs than a primary school or health clinic. Nongovernmental sources such as community associations or local NGOs are thus better able to provide access to water than health or education.

[47] The empirical tests of these arguments are not rigorously identified, and the second test uses a very small sample size. The results are intended to be illustrative and provide directions for future research.

Commitments to a collusive bargain are less credible where rent seeking or corruption would be more easily discovered and punished by voters and thus becomes more difficult for parties to threaten defectors with exposure. I test this conjecture by subsetting the data into localities with and without radio and rerunning the regression discontinuity design. I find the effect of outside parties is driven by localities with no local radio (see Figure 3). The gap in public goods provision disappears in places with a local radio. This test can only be considered as speculative because the heterogeneous variable, *voter information,* is not randomly distributed in the population and so any conditional effects cannot be rigorously identified. In addition, the sample sizes are quite small.

Because of the difficulty of taking collective action in large groups, incidence of collusion should be inversely related to the number of parties on the council. Again, I assume higher levels of collusion imply worse government performance, and measure government performance with the same data on public goods provision. The expectation is that communes with fewer parties on the council are more likely to collude and thus provide fewer local public goods. I test this by regressing each of the public goods measures on the *number of parties* on the council (mean=4.1, sd=1.6). Because the distribution of the dependent variable is positively skewed for each measure of local public goods, I log the data to create a more normal distribution.

Table 3 presents the regression results with and without control variables that could reasonably be associated with both the number of parties and the level of public goods provision. Without controls, the coefficient on number of parties is always significant and positive. The coefficient gets smaller with the addition of controls, but remains positive in all cases except where access to water is the dependent variable. As predicted, the amount of public goods provided increases as the number of parties on the council goes up. These results generate further evidence for the existence of collusion among parties on some commune councils in Mali.

To assess whether and where negative campaigning is occurring, I use interviews from council members in thirty-four rural communes who were elected in the 2009 municipal elections. Council members in twelve of the thirty-four communes said they engaged in negative campaigning during the election in order to mobilize more voters for their party. Negative campaign messages consist of denouncing the poor performance of previous incumbent parties, the failure of other parties to fulfill campaign promises, and the unresponsiveness of governing parties to the needs of the people. In the absence of collusion,
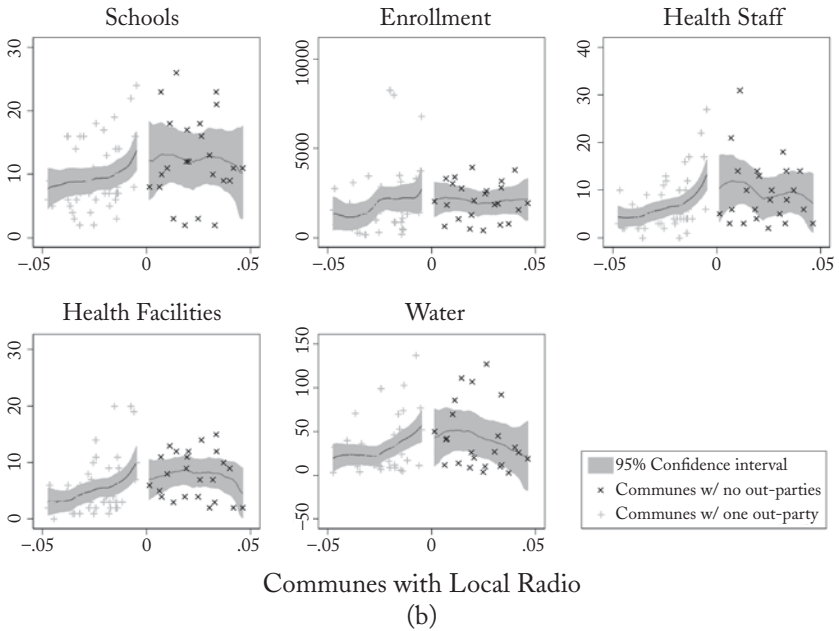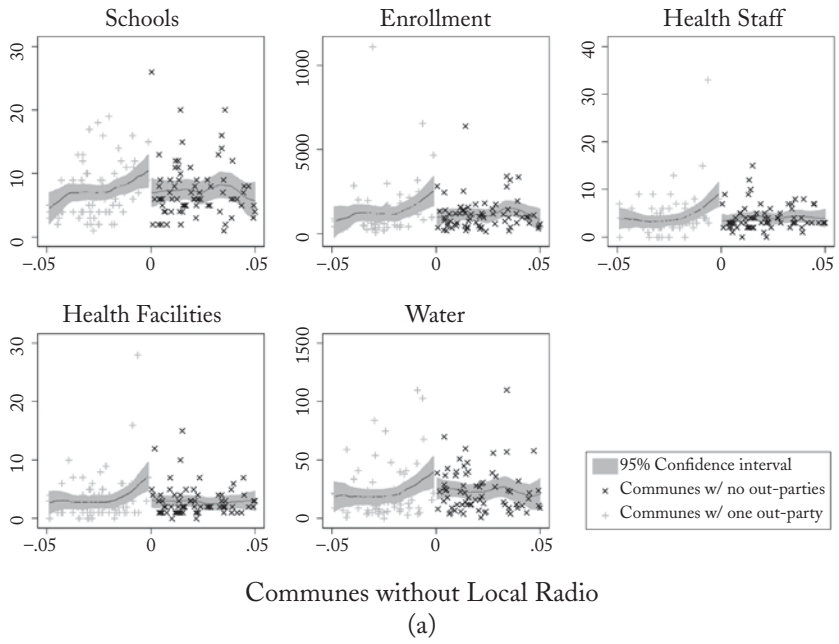
FIGURE 3

REGRESSION DISCONTINUITY DESIGN CONDITIONAL ON PRESENCE
OF LOCAL RADIO[a]

[a]In both (a) and (b), difference in votes received and Hare quota (normalized by total votes).

we should expect negative campaign messages to be most prevalent in the worst performing communes where there is the most incumbent misbehavior to admonish. However, if parties are colluding then the relationship would be the inverse. An absence of negative campaigning should be a sign, not of good performance, but of collusion. We should thus expect negative campaigning to be less likely in worse performing communes.

The sample of communes where council members were interviewed is too small to make any robust conclusions. I provide regression results from this sample simply to illustrate a potential phenomenon that requires replication with a larger sample. Table 4 regresses an indicator variable for negative campaigning on each of the local public goods outcomes. The independent variable takes a value of 1 if at least one council member interviewed admitted to using negative campaigning in the 2009 election; it is 0 otherwise. All controls from Table 3 are included in the regression but I present coefficients only for the independent variable of interest. There is a positive relationship between negative campaigning and local public goods that is significant only in the case of health staff. This evidence is consistent with the collusion argument; however, due to the small and unrepresentative sample, further research is necessary.

The iterative logic of collusion implies that collusion should persist over consecutive election periods. If communes without out-parties are indeed colluding at higher rates, then they should also be more likely to have no out-parties in subsequent elections. I test for this by combining data from the 2009 municipal elections with the 2004 election data. Communes with no out-parties in 2004 are significantly more likely to have no out parties in 2009 compared to communes with at least one out-party. While 29 percent of communes with no out-parties in the early period maintain their lack of opposition in the later period, about half as many (16 percent) communes with one out-party in 2004 move to a council with no out-parties in 2009. This logic also has implications for the electoral prospects of the individual party: parties in communes with no out-party should be more likely to win in subsequent elections. I test whether the existence of out-parties in a commune in 2004 has an impact on the probability of an individual party winning a seat in 2009. The existence of an out-party in a commune in 2004 significantly decreases the likelihood that an incumbent party will win a seat in the commune's next election.

TABLE 3
PARTIES ON COUNCIL AND LOCAL PUBLIC GOODS PROVISION

	Schools	Enrollment	Health Staff	Health Facilities	Water
			Without Controls		
Number of Parties	2.01***	412.24***	1.52***	0.93***	3.88***
	(0.178)	(49.040)	(0.141)	(0.097)	(0.663)
Intercept	1.09	−21.83	0.02	0.70*	10.51***
	(0.774)	(212.975)	(0.613)	(0.422)	(2.877)
R^2	0.16	0.10	0.15	0.12	0.05
			With Controls		
Number of Parties	0.90***	249.58***	0.72***	0.34***	0.74
	(0.169)	(50.840)	(0.135)	(0.095)	(0.680)
Population (logged)	4.21***	1,086.27***	3.21***	1.83***	11.05***
	(0.485)	(145.660)	(0.386)	(0.272)	(1.960)
Phones	0.72	582.20***	1.70***	0.86***	4.94**
	(0.525)	(157.779)	(0.419)	(0.294)	(2.110)
Electricity	−0.05	48.01	0.07	−0.11	−0.64
	(0.346)	(103.816)	(0.275)	(0.194)	(1.384)
Roads	1.74***	460.84***	1.22***	0.85***	4.85**
	(0.509)	(152.901)	(0.406)	(0.285)	(2.051)
Markets	0.57***	87.08**	0.16	0.44***	0.20
	(0.145)	(43.599)	(0.116)	(0.081)	(0.583)
Arrondissement	2.39***	−333.83*	1.33***	0.79**	11.72***
	(0.579)	(173.895)	(0.461)	(0.325)	(2.352)
Remoteness	−0.08	128.60***	0.04	−0.12*	−0.39
	(0.113)	(33.878)	(0.090)	(0.063)	(0.454)
NGOs	0.31***	28.66	0.44***	0.18***	1.03**
	(0.102)	(30.541)	(0.081)	(0.057)	(0.409)
Intercept	−37.68***	−10836.52***	−30.61***	−16.01***	−90.28***
	(4.266)	(1281.688)	(3.400)	(2.392)	(17.259)
R^2	0.42	0.26	0.41	0.36	0.24
N	659	659	659	659	647

Significance levels: * $p<0.10$, ** $p<0.05$, *** $p<0.01$; standard errors in parentheses

A TALE OF SIX CITIES: THEORY-CONFIRMING CASE STUDIES

To better assess the plausibility of the collusion mechanism, I gather qualitative evidence from six commune councils in rural Mali. The cases selected are in close geographic proximity but differ on a key independent variable, permitting structured focused comparisons.[48] Half of the sample had at least one out-party in the two most recent elections and the other half had no out-parties in both elections.[49] In each commune

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[48] George 1979.
[49] In one of the latter three, one commune had one outside party in 2009. However, this party was represented by an individual who split off from another party in power.

TABLE 4
NEGATIVE CAMPAIGNING AND LOCAL PUBLIC GOODS PROVISION [a]

	Schools	Enrollment	Health Staff	Health Facilities	Water
Negative	1.35	1,040.92	7.13***	2.62	10.99
Campaigning	(1.379)	(991.703)	(2.277)	(2.059)	(17.783)
Intercept	−43.95***	−23342.97**	−67.74***	−15.39	−223.09
	(12.889)	(9271.841)	(21.290)	(19.246)	(166.257)
R²	0.68	0.38	0.77	0.58	0.19
N	34	34	34	34	34

Significance levels: * p<0.10, ** p<0.05, *** p<0.01; standard errors in parentheses
[a]Models control for population, phones, electricity, roads, markets, arrondissement, remoteness, and NGOs.

and for each election, semistructured interviews were held with at least one council member from each party holding seats and a member of the largest out-party. Transcribed texts from the twenty-four interviews (approximately sixty pages) were reviewed to discern patterns in responses about competition and cooperation from the council members and out-of-office politicians.

The major finding in these data is that council members from the three communes with out-parties were more likely to compete with one another than the council members from the three communes with no out-parties.[50] As evidence, parties in the latter three communes were more likely to report that they have criticized the performance of the incumbent parties (parties in the majority or majority coalition) during prior election campaigns.

An ex-mayor who lost his post in the 2009 election claimed, "[D]uring that campaign, it was said that I bought all my goods with public funds and embezzled [US$14,000] from the commune."[51] This occurred even after a pact was made in which the two major parties had agreed not to use negative campaigning. A council member from a different party in the same commune reported that cooperation between parties took place, but only among those in the majority coalition.[52] In another of the three communes with out-parties, a member of the fallen majority party reported that in 2009 the current majority party

[50] In fact, the research assistant conducting the interviews who was unaware of the research design ranked the three communes with out-parties as most competitive.
[51] Abdoul Razak Sangaré, interview 13, Commune 4, January 5, 2014. Translated from French.
[52] Abdoul Razak Sangaré, interview 14, Commune 4, January 5, 2014.

criticized his party for having no consideration for the population.[53] And a member of the majority coalition similarly reported, "[T]here is cooperation among the coalition parties, but with the opposition, there is no cooperation."[54]

By contrast, in the three communes with no out-parties, there is no evidence of negative campaigning. In the first commune, all three council members explicitly said they did not use negative campaigning in previous elections.[55] This is particularly surprising coming from the parties that were in the opposition coalition in 2004 and the majority coalition in 2009.[56] In the second commune, the second largest party in 2004, with one seat less than the majority party, was well-placed to overtake that party, which, according to several interviewees, had performed very poorly.[57] However, a member of this second-largest party reported no use of negative campaigning, stating "[W]e have no interest in doing that, somehow we are all related."[58] In the third commune, the five council members, all from different parties, said they did not engage in negative campaigning in the last election.[59] Their reasons included "politics is temporary and we all know each other,"[60] "today we may be opposed but tomorrow we may be allies,"[61] "we are a family above all because we come nearly from the same village,"[62] and "our society is linked by marriage and proximity."[63]

The absence of negative campaigning could be a sign of good government performance. However, this is unlikely given the dissatisfaction with government performance expressed by many of the council members in communes with no out-parties. In two of these communes, all but the members of the mayor's party said they were dissatisfied with current government performance.[64] When asked whether he would tell voters about this in the next election, one of the council members said, "[N]o, in Mali there is no real opposition and everyone protects their own interests . . . [the mayor] could even be inclined in my favor."[65]

[53] Abdoul Razak Sangaré, interview 19, Commune 5, January 6, 2014.
[54] Abdoul Razak Sangaré, interview 21, Commune 5, January 6, 2014.
[55] Commune 1.
[56] Abdoul Razak Sangaré, interviews 1 and 3, Commune 1, December 26, 2013.
[57] Commune 2.
[58] Abdoul Razak Sangaré, interview 5, Commune 2, December 27, 2013. Translated from French.
[59] Commune 3.
[60] Abdoul Razak Sangaré, interview 8, Commune 3, December 28, 2013.
[61] Abdoul Razak Sangaré, interview 9, Commune 3, December 28, 2013.
[62] Abdoul Razak Sangaré, interview 10, Commune 3, December 28, 2013.
[63] Abdoul Razak Sangaré, interview 11, Commune 3, December 28, 2013.
[64] Commune 1 and 2.
[65] Abdoul Razak Sangaré, interview 3.

Contrast that sentiment with a statement from an opposition party member in a contentious commune: "I am not satisfied . . . and every day I report the mayor's poor performance to the population of this commune."[66]

Further evidence of the lack of competition is found in reports of interparty cooperation and collusion in the three communes with no out-parties. In one commune, the mayor allowed himself to be represented by council members of all parties when he had meetings outside the commune.[67] In another, council members were organized in small work committees with diverse party membership that reported back to the council at assembly meetings.[68] In two of the three communes,[69] the votes of one party's council members were bought by members of another party in the indirect election for mayor—something that never happened in the three communes with out-parties. Finally, two-thirds of the twelve council members interviewed in these communes changed party affiliation at least once compared to only one-third of the twelve council members interviewed in the more contentious communes. The ease of party switching may be an indication of the low level of competition between parties.

Reported behavior of out-parties further supports my argument. In two of the three communes, out-parties in 2004 gained seats on the council in 2009. One of these out-party politicians reported, "We spoke of the poor governance of the mayor in order to attract voters" in 2009.[70] A member of the deposed majority party confirmed that the out-party indeed criticized his party's performance and was aided by other parties in the opposition.[71] Similarly, several out-parties in another commune formed an alliance in the 2009 elections to depose the majority party in power.[72] In the words of one out-party member, "[M]y strategy was first and foremost, to criticize the party in power, to demonstrate their failure."[73] Interestingly, while members of the out-parties claimed to have criticized the mayor during the election campaign, the opposition party holding a seat on the council claims to have refrained from negative campaigning.[74]

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[66] Abdoul Razak Sangaré, interview 24, Commune 6, January 7, 2014.
[67] Commune 1.
[68] Commune 3.
[69] Communes 2 and 3.
[70] Abdoul Razak Sangaré, interview 22, Commune 6, January 7, 2014.
[71] Abdoul Razak Sangaré, interview 23, Commune 6, January 7, 2014.
[72] Commune 5.
[73] Abdoul Razak Sangaré, interview 21.
[74] Abdoul Razak Sangaré, interviews 20, 21, and 18, Commune 5, January 6, 2014.

ALTERNATIVE EXPLANATIONS

The regression discontinuity design helps rule out the possibility that the differences in outcomes on either side of the discontinuity were caused by unobserved characteristics of the communes. However, the identified impact of an outside party on public goods outcomes might be attributable to a different mechanism than the one I describe, the ability to impede collusion among parties on the council. I discuss and attempt to rule out three potential alternative mechanisms.

First, the existence of an outside party could instead be a proxy for increased commune wealth. A wealthier commune might attract more parties to compete there and raise the likelihood of there being an out-party. Rather than the out-party affecting public goods outcomes, it may simply be that wealthier communes are also more likely to provide better public services. I try to rule out this explanation by showing that commune wealth is not significantly different between communes with and without an outside party. Table 2 shows that a variety of indicators for wealth—population size, access to electricity, road networks, cell phone coverage, and access to markets—are not significantly different on either side of the discontinuity. In addition, these differences do not become more significant as the bandwidth narrows, and we cannot rule out that the distribution of the variable is the same.

Second, the existence of an outside party could be related to the remoteness of a commune. National parties might be less able to campaign effectively and guarantee council seats in remote communes. Remote communes may also be less able to provide local public goods. Table 2 helps rule out the possibility that remoteness is driving the differences in outcomes observed at the discontinuity. There is no significant difference in means around either bandwidth for several indicators of remoteness—an index that measures how far a commune is from local, regional, and national capitals, and access to roads—and an indicator of whether or not the commune is a former arrondissement.

Third, more competitive local communes may drive both the existence of out-parties and the provision of public services. If this were the case, then increased party competition rather than decreased collusion may be the mechanism driving the relationship between out-parties and public goods provision. To test this, I use an indicator of competition commonly used in the literature, *effective number of parties*.[75] I construct this measure for each commune by taking the inverse of the sum

[75] Laakso and Taagepera 1979.

of squares of each party's seat share on the council. Indeed, this measure of competitiveness is positively and significantly correlated with all but one indicator of local public goods. However, the effective number of parties is not correlated with the number of out-parties in each commune or a binary indicator of the existence of out-parties.

CONCLUSION

This paper presents and tests an argument about imperfect party competition in a multiparty democracy. Even when there are no formal barriers to party formation and when there is sufficient value to attaining public office, I argue that political parties sometimes have strategic interests to collude with one another rather than compete. When all parties are colluding, it effectively extinguishes any credible political opposition and weakens democratic accountability. I test this theory by exploiting variation in party dynamics across Mali's 703 local communes. Assuming that party collusion is more likely in communes where all parties are represented on the council than in those where there is a credible opposition party that did not win a seat, I compare government performance across both types of communes.

The data analysis relies on a unique data set of local public goods infrastructure as a measure of government performance and a regression discontinuity that rigorously identifies the impact of outside parties. It does so by comparing communes in which an out-party lost a council seat by just a small vote share to its counterfactual—communes in which the party with the fewest votes barely won a seat on the council. The findings are consistent with the theory. Communes in which all political parties are represented on the council provide fewer public goods than those in which there is credible opposition or an out-party. I interpret this as evidence of collusion among the former communes that drives down spending in the public interest.

Tests of observable implications derived from the theory add confidence that collusion is the mechanism underlying the relationship identified by the regression discontinuity design. A credible commitment to collude depends on the ability of parties to threaten punishment for deviant behavior. These threats are less credible when voters have sufficient information about the local council to detect poor performance. Variation in public goods outcomes at the discontinuity in the regression should only be apparent if collusion is indeed occurring. Subsetting the data into samples with and without local radio, I confirm that evidence of collusion disappears when there is a local radio

station. In support of the idea that a collusive bargain is harder to strike when there are more negotiating parties to accommodate, I additionally find the provision of local public goods is positively correlated with the number of parties on the council, controlling for intervening variables.

The cross-sectional nature of these data prevents comparable tests of the persistence of collusion over time. However, I use two sources of additional data to probe the plausibility of the behavior implied by the iterated game. Among a small sample of communes, I compare negative campaigning and local public goods provision. There is suggestive evidence of a positive relationship, consistent with the prediction that collusion reduces electoral competition in general and negative campaigning in particular. Using data from the 2004 and 2009 municipal elections, I find that communes with no out-parties in the 2004 election are more likely to have no out-parties in 2009 and the existence of an out-party in 2004 decreases the incumbency advantage in 2009. Future research is needed to provide more robust evidence of when and how a collusive bargain is sustained over time—whether through anodyne campaign tactics, division of territory for electoral mobilization, or even increased capacity to commit electoral fraud.

Qualitative data collected among a small sample of communes that vary along the dimension of the presence of out-parties further illustrate the plausibility of the collusion mechanism. Council members in communes with no out-parties are more likely to buy each other off and switch party affiliation. Council members in communes with out-parties are more likely to say they criticized past performance—and the out-parties themselves reported engaging in this behavior.

Theory and evidence from Mali suggest that collusion is more likely where: (1) the institutional setting allows for the possibility that all parties are granted political representation, (2) policy-making is more concerned with the valence issue of cleanly spending public monies than with a bipolar policy spectrum, and (3) voters are underinformed and undermobilized. The second two conditions are common in emerging democracies, which are more likely than developed democracies to have high levels of poverty and inequality, and where parties are new and less consolidated. Because voters are largely unorganized, parties are the most promising mechanism for holding incumbents accountable. One conclusion that can be drawn for developing democracies then, is institutional settings that decrease the likelihood of a credible opposition (or increase the likelihood of collusion) should be avoided. For instance, local governments may be better run by directly elected mayors than by multiparty councils.

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