

# CLASS JOURNAL

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PSC 336

SYRACUSE UNIVERSITY

**MONEY AND**

**POLITICS**

**POLITICIANS AND VOTERS, PART 4**

# COUNTRY PAPER

- Describe what sort of money your report is about and briefly elaborate how important it is in the country you are studying. Provide necessary background information about the country, and pay careful attention to describing the organization of the venue you are discussing (e.g. the bureaucracy, parliament, local politics)
  - At most 2 pages double-spaced
  - Due on Thursday (Blackboard)

# WHERE WE ARE

- Who is involved in money and politics, why, and how?
  - Bureaucrats
  - Special interests
  - Lobbyists
  - Politicians
  - Voters

# POLITICIANS

- Money in politics and personal enrichment
- Money in politics and campaign spending

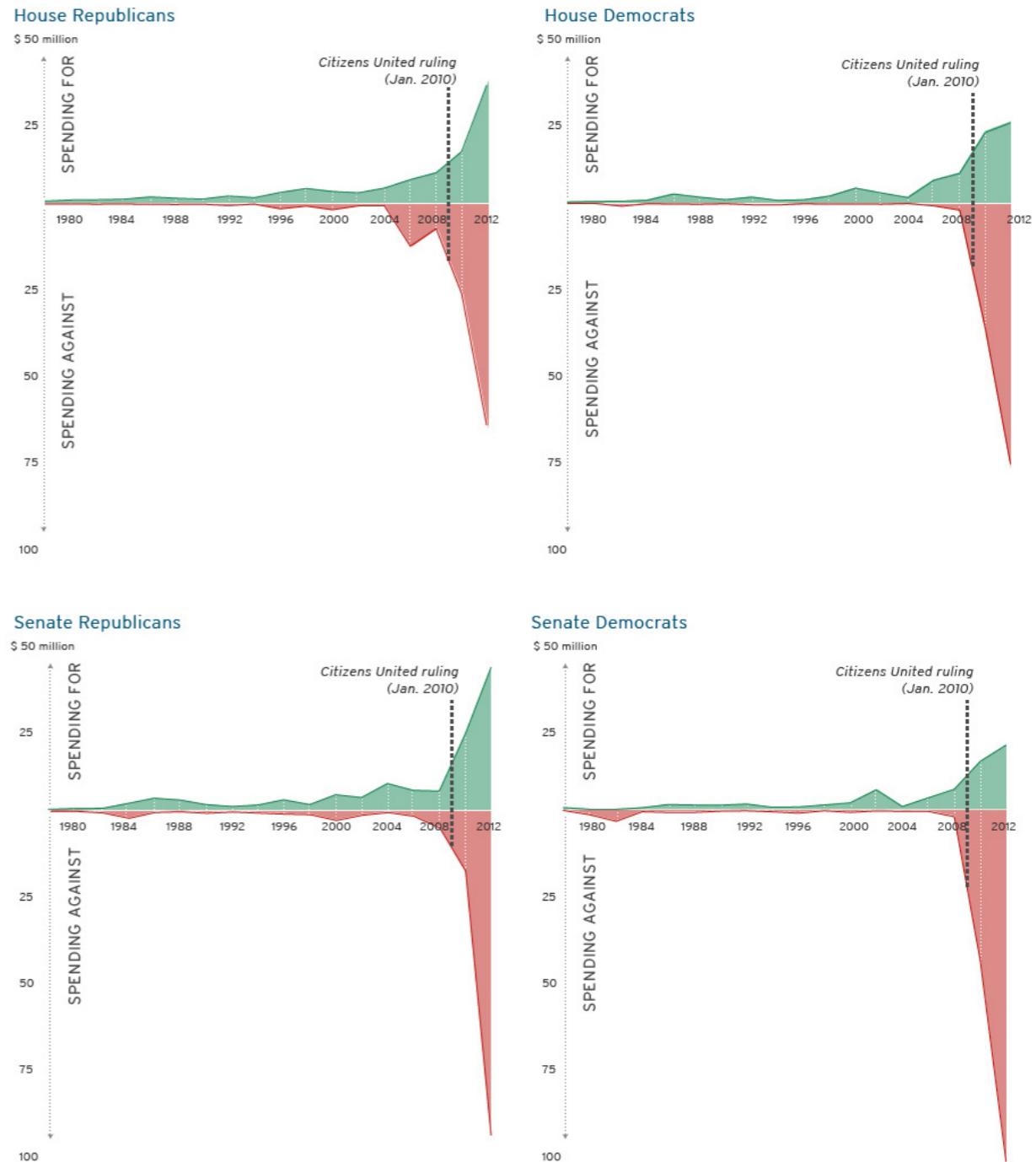
# BEFORE BREAK

- Effectiveness of TV ads, canvassing, phone calls, voter mail, social media ads etc.
- What does this add up to? How much better do candidates do when they can spend more money?

# MOVING CAMPAIGN FINANCE LIMITS

- **“Citizens United”**
  - 2010 Supreme Court ruling
  - Declares limitations on “independent” corporate (and union) election spending unconstitutional

Non-party independent expenditures in House and Senate elections, 1978-2012  
(all values in millions of U.S. dollars)



# CAMPAIGN FINANCE LIMITS

- Affected some states, but not others (who never had restrictions on independent campaign spending)
- Independent campaign spending increased more in states that had previous restrictions compared to states that did not
  - Increased more for Republicans than for Democrats
  - How did this affect vote shares of Democratic and Republican candidates?

# CAMPAIGN FINANCE LIMITS

- Klumpp et al. (2016)
- Removal of limits on corporate campaign spending through *Citizens United* lead to a 5.7 percentage point increase in vote *shares* for Republicans
- This translates to a 12.6 percentage point increase in seat *shares* for Republicans

# OTHER COUNTRIES EXIST, RIGHT?

- US is not the only country in which campaign spending happens
- What is the situation like in other countries?

# GERMANY

- Private and corporate donations allowed
- Public funding
  - Parties get 0.70 Euro for each vote in past election (0.85 for first 4 million)
  - Parties eligible for public funding if at least 0.5% of votes
  - SPD 2021: ~11.9 million votes

# GERMANY



- Small-scale political events

# GERMANY



- **TV ads severely restricted**
  - Each TV channel has to give parties time for ads
  - On each channel, large parties get 8 spots of 90 seconds (total!)
  - Cannot buy additional time

# GERMANY

## In German Election, Campaign Posters Are More Important Than TV Ads



- Billboards and flyer distribution is limited
  - How many, for how long (billboards authorized by city/village)

# GERMANY

Local and state laws in Germany allow parties to put up campaign billboards and posters starting only a few weeks before the election. These state laws also limit the length and duration of radio and TV ads to one month before the election, shortening the length of the campaign.

- Short election campaign

# GERMANY

Die Linke's total campaign cost just 4 million euros (about \$5.4 million) -- for all of its candidates across the entire country. The German government and party-membership dues pay for the bulk of the country's political campaigns, while corporate and individual donations make up just one-third of the cost.

And for the entire election season, even the larger campaigns of main parties, like the SPD or Angela Merkel's Christian Democratic Union, cost somewhere between 20 and 30 million euros -- and again, that's the total for everyone from Chancellor Angela Merkel to the most junior parliamentarians, combined. Meanwhile, a single U.S. Senate seat now costs an average of \$10.5 million to win, and Obama's reelection campaign alone cost \$700 million -- excluding money from PACs, which don't exist in Germany.

- Cheap election campaigns

# THIS IS TO SAY...

- **Elections in other countries can look very different than those in the US**
- **Germany and US are actually not that different in type (ads, billboards, rallies etc.), just in volume**
- **In other countries, campaigns can look very different**

# HOW TO RUN A CAMPAIGN

- In many other countries: Clientelism

# HOW TO RUN A CAMPAIGN

- Clientelistic
  - Politicians offer benefits directly to voters
  - In exchange for (promise of) their vote
  - Quid pro quo
- Programmatic
  - Politicians make promises or propose policies that benefit (some) voters
  - Not voting for politician does *not* mean one does not get to enjoy the benefits

# KEY DISTINCTION

- Clientelist exchange: chief criterion for receiving the targeted benefit is political support (voting)
- Programmatic competition: chief criterion is membership in the targeted constituency

# HOW TO RUN A CAMPAIGN

- Clientelistic competition
  - Club goods
    - Personal, contingent goods targeted at *groups* of voters in exchange for (most of) their votes
  - Private goods
    - Personal, contingent goods targeted at *individual* voters in exchange for their vote

# CLIENTELISTIC CLUB GOOD

- Examples
  - Neighborhood/village is given infrastructure improvement in exchange for voting for a certain candidate/party
    - e.g. road, community toilet, community well
  - Neighborhood/village is given free/preferential government service in exchange for voting for the incumbent
    - e.g. free electricity

# CLIENTELISTIC PERSONAL GOOD

He also recounted the story of voters he met in a keenly contested constituency in the assembly elections. An independent candidate had begun by giving 500 rupees each to those who had come to “show” support – a euphemism for demanding money for their vote. Unfortunately, as the number of his “supporters” increased, the handout had to be scaled down until it was reduced to a paltry 20 rupees each. One of the latecomers was indignant even while pocketing his 20-rupee note, saying, “Does he think we are beggars, giving us only 20 rupees? We will teach him a lesson.”

**New York Times, July 5, 2013**

# CLIENTELISTIC PERSONAL GOOD

1. Cash in envelopes in morning newspapers pushed beneath the door of the voter.
2. Inside Morning Milk pouch, along with cash in an envelope to the voter.
3. Through Self Help Groups (SHG) for onward distribution among women voters.
4. Through pawnbrokers by reimbursing the short term loan taken by voters, by mortgaging jewellery.
5. Paying cash as incentive for not casting vote by the committed voters of other rival candidate, if such voter shows his finger without indelible ink after election.
6. Cash given in advance before notification of election to the local leaders for distribution among voters.
7. Cash given through community feasts under the plate or banana leaf.
8. Cash given in the name of MGREGA, DWACRA and other government projects.
9. Cash given to dummy candidates for using the permission obtained by them for the campaign vehicles or political agents.
10. Cash given to certain non-serious persons of a locality to contest to divide votes of rivals.

# CLIENTELISTIC PERSONAL GOOD

- Examples:
  - Voter is offered money in exchange for vote
  - Voter is offered alcohol, food basket, gift, etc. in exchange for vote
  - Voter is offered a job in exchange for vote
  - Voter has to promise vote in exchange for government-subsidized housing
  - Voter has to promise vote in exchange for help with e.g. getting documents, welfare benefits, etc.
  - Some goods are provided pre-election, others are provided post-election and just in case of win

# CLIENTELISM

- How common is clientelism, and where?
- How does clientelism work when voting is secret?
- Is clientelism harmful?
- What is needed to make clientelism work, and how much does it cost?

# EXPERT SURVEY

## Democratic Accountability and Linkages Project

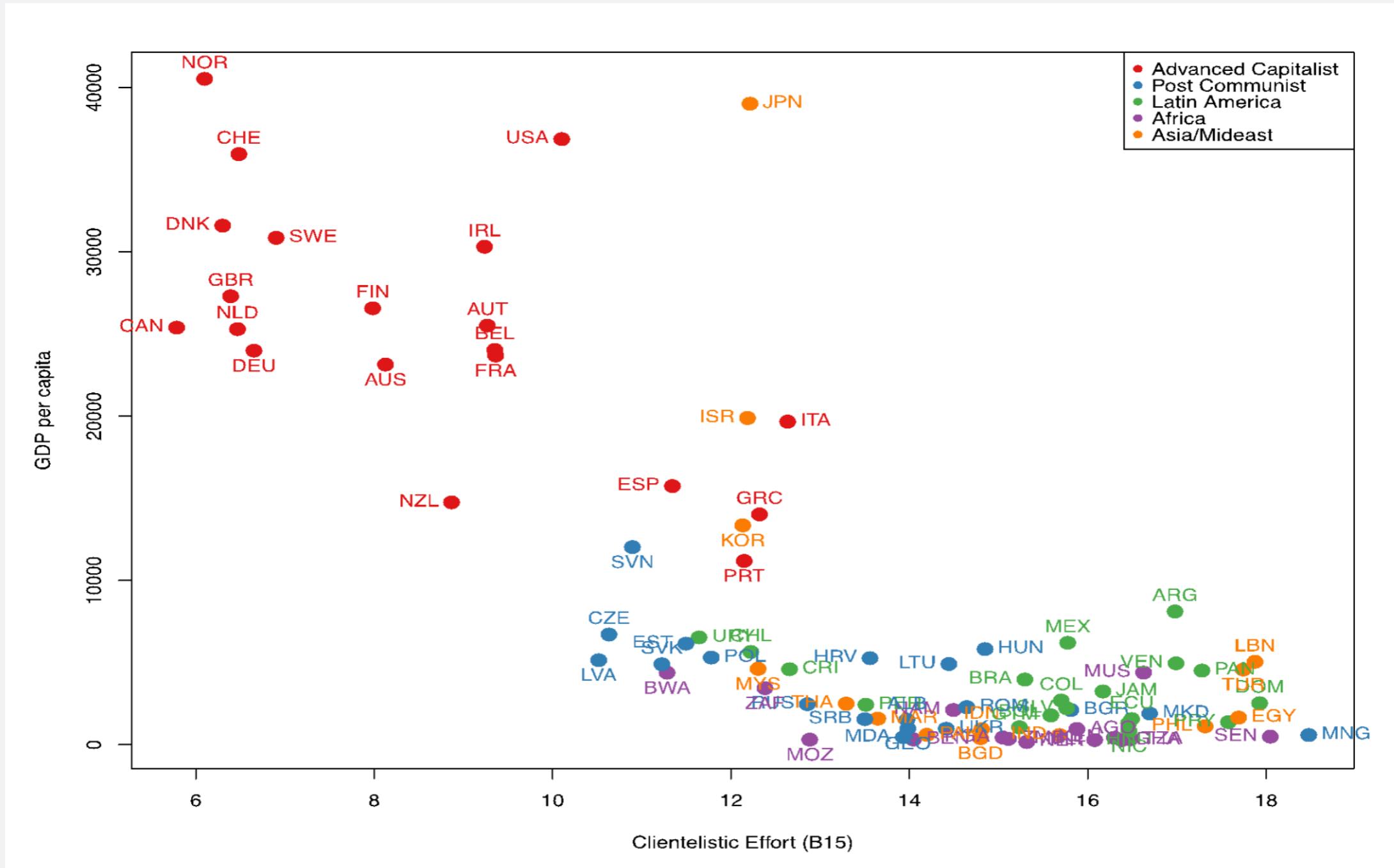
[sites.duke.edu/democracylinkage](http://sites.duke.edu/democracylinkage)

- Expert survey on perceptions of how clientelistic/programmatic parties are
  - 88 democracies
  - 1,374 expert respondents

# EXPERT SURVEY

- **5 questions**
  - e.g. “Consider whether candidates and parties give or promise to give citizens consumer goods (e.g., food or liquor, clothes, cookware, appliances, medicines, building materials etc.) as inducement to obtain their votes.”
    - [1] A negligible effort or none at all
    - [2] A minor effort
    - [3] A moderate effort
    - [4] A major effort

# EXPERT SURVEY



- Index: score of 1-4 for each question, add them up for 5 questions

# WHAT DOES THIS MEAN?

- What percentage of voters benefit from clientelistic goods?
- Country where “vote buying” is common:  
Lebanon
- Corstange (2012) studies how common this is using a survey

# HOW COMMON IS THIS?

- “People decided who to vote for based on a lot of different reasons. I’ll read you some of the reasons people have told us: please tell me if they influenced your decision to vote or your decision over who to vote for.”
  - You read newspaper coverage of the campaign regularly.
  - You read the candidates’ campaign platforms thoroughly.
  - Someone offered you or a relative personal services, a job, or something similar.
  - You and your friends discussed the election campaign and the candidates.
- 26% admitted “personal services” influenced vote

# HOW COMMON IS THIS?

- Other survey respondents:
- “People decided who to vote for based on a lot of different reasons. I’ll read you some of the reasons people have told us: I’m going to read you the whole list, and then I want you to tell me *how many* of the different things influenced your choice. *Don’t tell me which ones, just tell me how many.*”

# HOW COMMON IS THIS?

- **Half of them:**
  - You read newspaper coverage of the campaign regularly.
  - You read the candidates' campaign platforms thoroughly.
  - You and your friends discussed the election campaign and the candidates.
- **Other half of them:**
  - You read newspaper coverage of the campaign regularly.
  - You read the candidates' campaign platforms thoroughly.
  - Someone offered you or a relative personal services, a job, or something similar.
  - You and your friends discussed the election campaign and the candidates.

# HOW COMMON IS THIS?

- Half of them: **Average: 1.29**
  - You read newspaper coverage of the campaign regularly.
  - You read the candidates' campaign platforms thoroughly.
  - You and your friends discussed the election campaign and the candidates.
- Other half of them: **Average: 1.84**
  - You read newspaper coverage of the campaign regularly.
  - You read the candidates' campaign platforms thoroughly.
  - Someone offered you or a relative personal services, a job, or something similar.
  - You and your friends discussed the election campaign and the candidates.
- 55% anonymously revealed “personal services” influenced vote

# CLIENTELISM

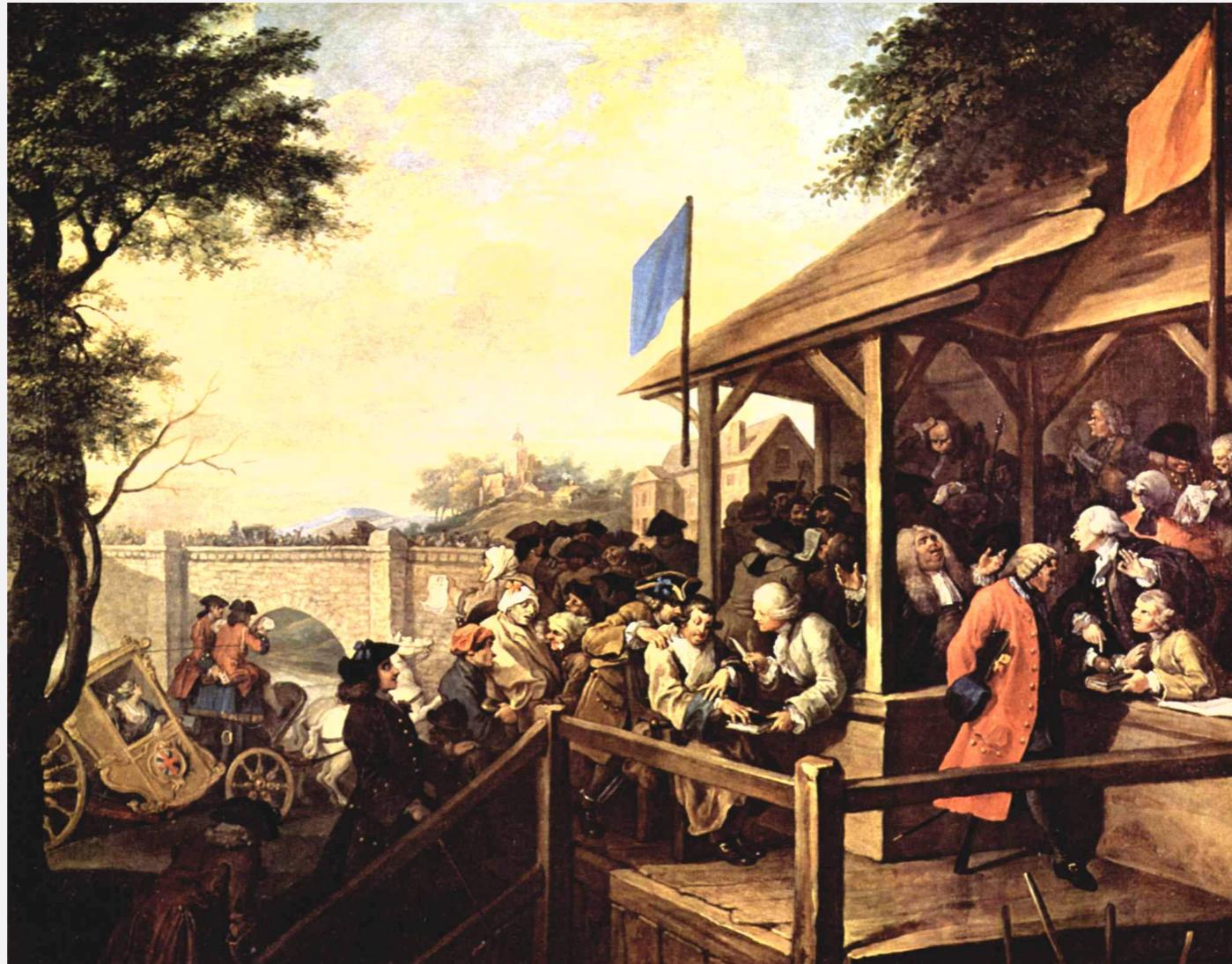
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# MONITORING

- Key characteristic of clientelism: Benefit *contingent on vote*
  - How can this be monitored?

# EASY MONITORING

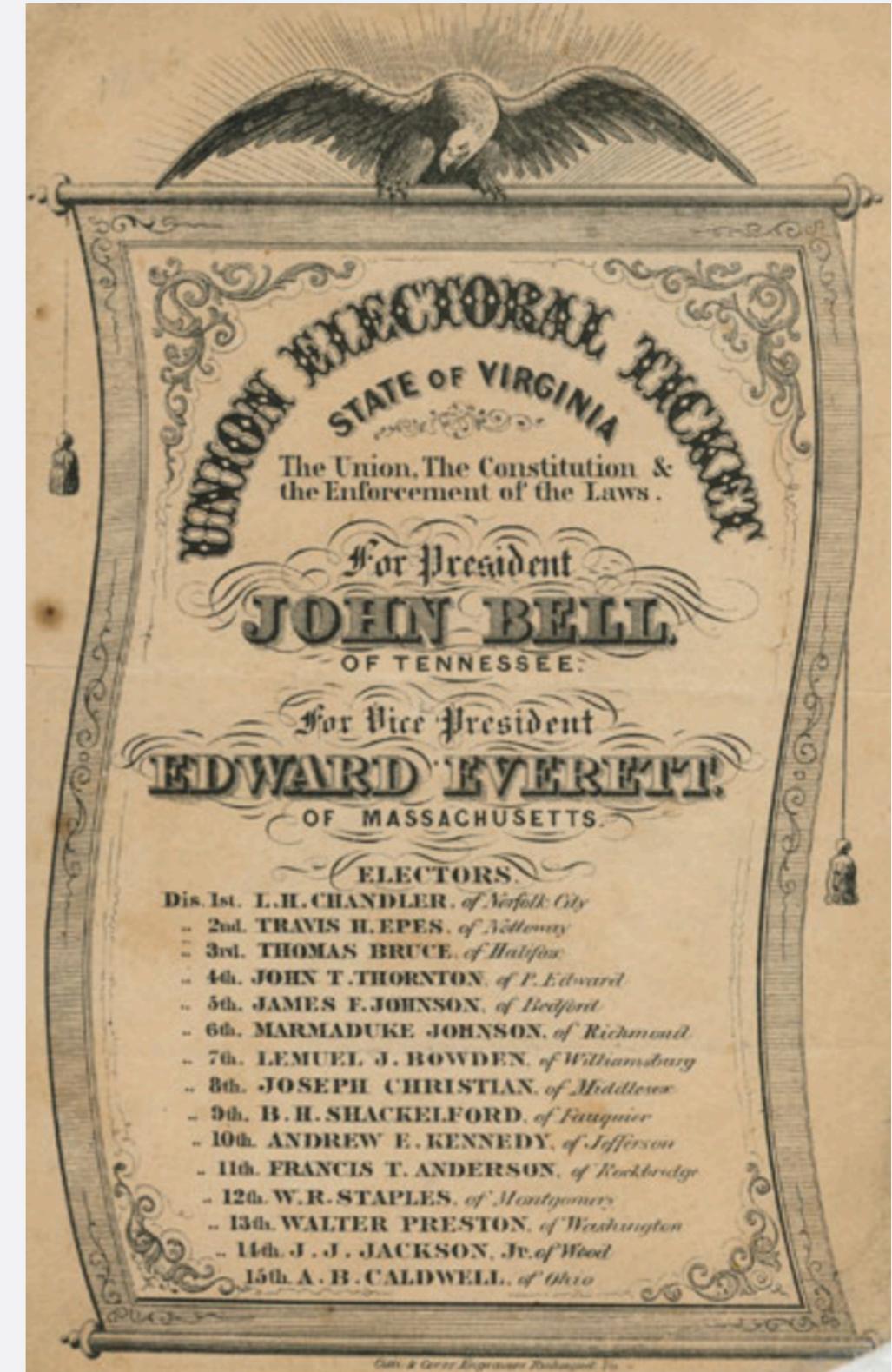
- Historically, voting was not secret
- Example: U.S.
  - Before ~1830: oral voting, voters create own ballot



- William Hogarth (1755): The Polling

# EASY MONITORING

- ~1830: party ballots
  - Printed and distributed by parties
  - Lists only candidates of that party
  - Different colors of paper, so easily identifiable



# AUSTRALIAN BALLOT

- ~1890: Introduction of “Australian ballot”
  - Government election authority prints uniform ballots
  - Possible to vote in secret

# MONITORING

- **How can voting be monitored when ballots are secret?**

# MONITORING

- **Door-to-door canvassing**
  - People do not like to lie, or are very bad at it
  - Campaign workers become very good at figuring out whether people support their party or not

# MONITORING

- **Public pledges**
  - People publicly promise to vote for a certain party
  - Swearing on religious text
  - Are asked to display their support (badges, signs)
  - If clientelistic good is only provided after election (e.g. government jobs), displaying public support for one party means other party unlikely to offer clientelistic benefits to them
  - Which means those people also have no incentive to vote for anyone else

# MONITORING

- Turnout buying
  - Vote buying: Find undecided or weakly committed voters, offer material incentive to buy their vote
  - Turnout buying: Find voters who are sympathetic to your party, but may or may not vote. Offer material incentive to get them to vote.
  - Much easier to monitor



# MONITORING

- So far: clientelism as a one-time interaction
- But: Very often, continuous interaction
  - Party workers or "brokers" in community year-round, not just before election
  - Help citizens with problems as they come up (e.g. documents, trouble with police, financial problems)
  - When time for election comes, demand vote in return
  - If interaction with broker frequent enough, monitoring becomes almost unnecessary

# MONITORING

- **Asymmetric power relationship between broker and voter**
  - Broker often a person of high social status and respect, e.g. village elder, landlord, religious leader, employer
  - Ordinary voters are likely to follow their orders
  - Evidence: Clientelism works best in traditional communities and small villages

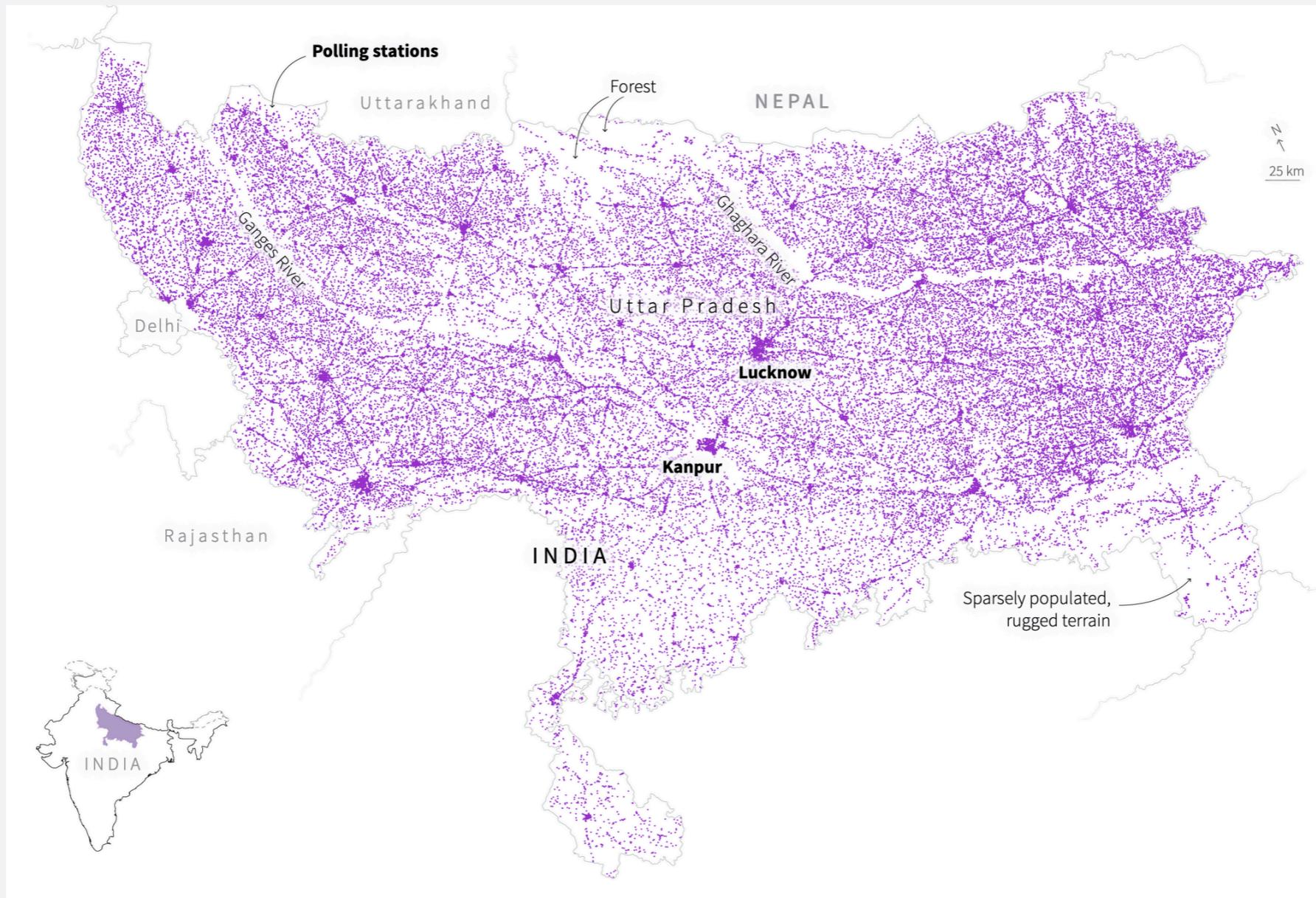
# VOTER DEMAND

- **Voters often ask for clientelistic services**
  - Before election, but also at other times
  - Help with government paperwork, help after job loss, medicine for sick family members etc.
  - Long-term relation between voters and politicians
  - Voters have an interest in keeping the politician who helps them in office, no monitoring needed

# MONITORING

- Easier than individual monitoring: Community monitoring
  - If a club good is provided (e.g. access to clean water), party cares about whether community as a whole voted overwhelmingly for that party

# MONITORING



- **160,000 polling stations in Uttar Pradesh, India**
- **About 1,250 voters per polling station**
- **Voter rolls are public**

# MONITORING

Sl. No. of Pollin g Statio n	Table No.	Number of valid votes cast in favour of																						Total No. of Valid Votes	No. of Rejected Votes (Test Votes)	Votes for 'NOTA' option	Total No. of tendered Votes	Total votes polled	EVM Total
		1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23					
1	1	412	41	334	117	0	1	0	0	0	0	0	0	0	0	0	4	0	2	0	0	0	0	0	911	6	917	917	
2	2	530	0	105	51	0	1	0	0	0	0	0	1	0	0	0	0	2	0	0	0	0	0	0	690	9	699	699	
3	3	548	2	141	50	2	0	1	0	0	0	0	0	0	0	0	0	1	0	0	0	0	0	0	745	8	753	753	
4	4	443	2	202	122	1	0	0	0	0	0	0	0	0	1	0	1	0	0	0	0	0	0	0	772	0	772	772	
5	5	508	4	223	72	2	0	0	0	1	0	0	0	0	0	1	0	0	1	0	0	1	0	0	814	0	814	814	
6	6	621	7	178	110	2	0	0	0	0	0	0	0	0	0	0	0	3	0	0	1	0	0	0	922	4	926	926	
7	7	304	0	72	56	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	432	1	433	433	
8	8	349	11	159	118	0	0	0	0	1	2	0	0	0	0	0	0	1	0	0	0	0	0	0	641	1	642	642	
9	9	163	2	288	370	7	0	3	1	1	1	0	0	1	0	1	0	0	2	1	1	1	0	1	844	3	847	847	
10	10	434	7	242	135	0	1	0	0	0	0	0	0	0	0	0	0	1	1	0	0	0	0	0	821	3	824	824	
11	11	295	0	277	155	2	0	1	0	0	0	0	1	0	0	0	2	2	2	0	2	0	1	0	740	3	743	743	
12	1	233	0	230	166	0	0	0	0	0	1	0	0	0	0	0	0	4	0	1	0	0	1	0	636	0	636	636	

- Results are published at polling station level
- Publication of disaggregated election results makes community monitoring easier

# CLIENTELISM

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# CLIENTELISM

- How common is clientelism, and where?
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# WHAT DOES IT REQUIRE?

- If you want to run a clientelistic campaign, what do you need?

# WHAT DOES IT REQUIRE?

- Clientelistic campaign infrastructure
  - Need to have benefits that can be targeted
    - Sometimes they are state resources, but often they are not
  - Need to have vote broker network
    - Identify communities/voters to target in clientelistic exchange
    - Monitor that they actually deliver on promises

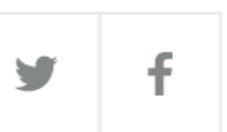
# PAYING FOR CLIENTELISTIC BENEFITS

- “After watching several (...) general elections, I had come to think they were (...) designed for the public to fleece aspiring politicians as payback for the previous years when the transaction had gone in the opposite direction.” (French, 2011)

## India set to challenge U.S. for election-spending record

Sruthi Gottipati, Rajesh Kumar Singh

5 MIN READ



NEW DELHI (Reuters) - Indian politicians are expected to spend around \$5 billion on campaigning for elections next month - a sum second only to the most expensive U.S. presidential campaign of all time - in a splurge that could give India's floundering economy a temporary boost.

# PAYING FOR CLIENTELISTIC BENEFITS

- “Brazil newspapers report in complete seriousness that elections serve as a strong boost to local economies, principally in the country’s poorer regions.” (Samuels, 2001)
- “People drive from one candidate to another, shopping around. (...) Election time is a time to make money. Everybody around here knows that.”

# PAYING FOR BROKERS

- Brazil, Minas Gerais, 2007
- Federal police reveals large illicit campaign finance scheme in 1998
- Purchase local power brokers on behalf of incumbent governor
- Tables with bank account transactions that lists recipients and amount they got
- Gingerich (2014)

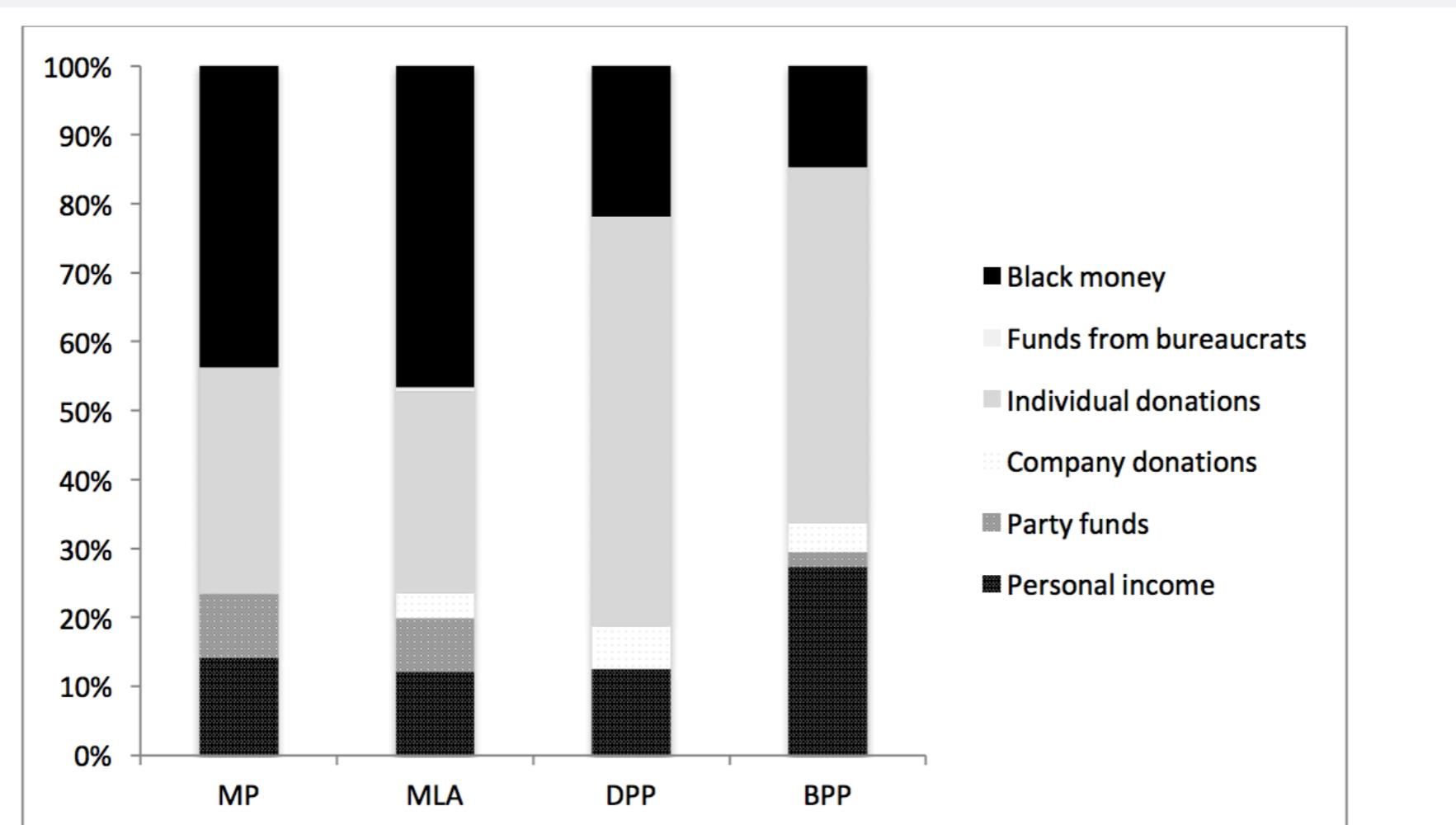
# WHO WAS BOUGHT?

- Payments to brokers between R\$1,500 (US \$ 1,300) to R\$50,000 (US \$ 43,000)
- Median payment: R\$15,000 (US \$ 13,000)

# HOW IS IT PAID FOR?

- **Cost for broker's services**
- **Cost for actual handouts**

# HOW IS IT PAID FOR?



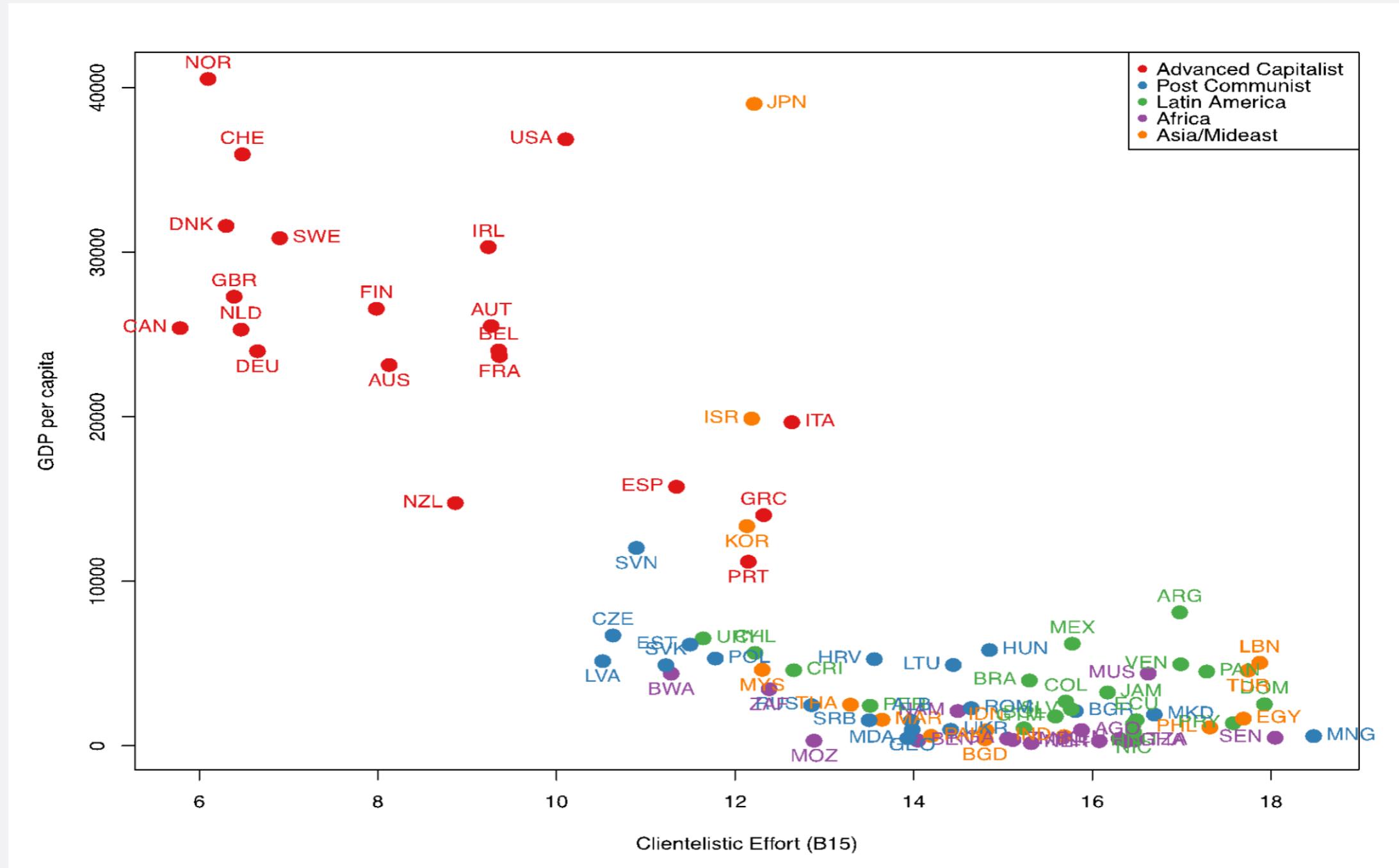
Responses to the question: Considering your peers in the same political office as you, what would you say is the most common source of funding for their campaigns? Question was not posed to village council presidents. MP = Member of Parliament, MLA = Member of the Legislative Assembly, DPP = District Panchayat President; BPP = Block Panchayat President.

**Survey among politicians in India  
Bussell (2017)**

# WHEN IS THERE CLIENTELISM?

- When does it make sense for candidates/parties go with clientelistic appeals?

# WHEN IS THERE CLIENTELISM?



# WHEN IS THERE CLIENTELISM?

- **What effect does economic development have, and why?**

# RECAP

- **Electoral competition: programmatic vs. clientelistic**
  - **Programmatic:** Money in politics -> ads, rallies, GOTV, etc.
  - **Clientelistic:** Money in politics -> given directly to individual voters