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Modular Parties: Party Systems with Detachable Clienteles

by

Lucas Martins Novaes

A dissertation submitted in partial satisfaction of the
requirements for the degree of

Doctor of Philosophy

in

Political Science

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of the

University of California, Berkeley

Committee in charge:

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Lucas Martins Novaes

Abstract

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This dissertation conceptualizes a new type of clientelistic party, which despite being widespread has not been properly theorized. I refer to it as modular. Since clientelism — the exchange of goods for votes — requires substantial organization, scholars often assume that only dominant parties or solid political machines can engage in clientelistic mobilization. I show that is not the case. Rather, modular parties are makeshift organizations whose integrity from one election to the next is uncertain, but whose politicians are nevertheless able to mobilize voters through patron-client relationships.

Modular parties do not own, but "hire" or outsource the networks of clients they use. Well before the advent of elections, community chiefs, community organization leaders, ethnic leaders, landowners, local officials, and other types of local notables already established considerable political capital through their private and relatively small clientele. Instead of ignoring or dismantling these networks, politicians running elections above the local level created modular parties to connect these networks. In this sense, modular parties are made up of two tiers: one on top, responsible for acquiring state resources and acting at the level of subnational or national politics; and one at the bottom composed of multiple modules, each with a local notable running local politics and acting as broker in favor of the upper stratum. Throughout time, these local leaders may take new roles, such as union leaders, bureaucrats, and local politicians, but they remain responsible for the construction and maintenance of patron-client networks. Today in Brazil, this local notable is usually a mayoral candidate diligently brokering votes for the party offering most state resources or direct payments.

Such outsourcing of the organization of patron-client linkages to local authorities may

facilitate the rapid mobilization of voters for politicians in modular parties, but it also prevents these politicians from building a reliable support base. Brokers in modular parties act as free-agents, and switch parties as they see appropriate. As long as there are other parties outsourcing clientelistic mobilization, brokers may switch whenever they receive a more lucrative proposal.

Using a research design that detects when parties receive resources they can use to hire brokers as-if randomly, I am able to show that variations in resources cause parties to expand or contract the number of modules working for them. Moreover, taking advantage of an unexpected institutional reform that made party switching potentially costly, and employing regression discontinuities to separate the brokers who were subject to this new ruling, I was able to evaluate how party switching drastically damages the electoral prospects of modular parties.

Substantively, the fluidity of modules sheds light on why clientelism can be resilient and widespread on many parts of the developing world, at the same time that strong clientelistic machines are relatively rare. It is durable because brokers offer their services to the highest bidding party, thus maximizing their ability to nurture their networks. However, by relying on these autonomous brokers parties will not create direct linkages of their own, frustrating any hope of making parties organizationally strong.

To my parents, Myriam and Roberto Novaes.

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Chapter 1

Introduction

Many parties in Africa, Asia, Eastern Europe, and Latin America are organizationally fragile. Parties in these regions have trouble maintaining electoral support from one election to the next, their members are often disloyal, their candidates almost always individualistic, and local party presence is inconsistent at best. This book describes these makeshift parties, which despite being common, have not been properly theorized. I call them *modular*, and argue that despite their ad hoc attributes and their lack of identification within the public, they are fully constituted political organizations.

The distinctive feature of modular parties is that they do not establish direct connections to voters. Rather than building a loyal following and cementing an exclusive relationship with citizens, modular parties rely on outside agents for voter mobilization. Well before the advent of elections, traditional chiefs, community organization leaders, ethnic leaders, landowners, local officials, and other types of local notables already established considerable political capital through private and relatively small social networks. Instead of ignoring or dismantling these non-partisan webs of voters, politicians running elections above the local level created modular parties to connect several of these networks. As electoral democracies consolidate, these local leaders may take up new roles, such as union leaders, bureaucrats, and local politicians, but they remain engaged in building the political connections necessary to mobilize voters for others. For their part, politicians in modular parties continue reliant on these autonomous political networks to win elections, and in the process they provide the conditions through which those autonomous networks may continue to exist.

Delegating mobilization allows parties to become operational and expand their support base on short notice, but outsourcing mobilization prevents parties from building solid organizations. Although the fundamental structure from which parties collect votes, local

networks of voters, involve complex social linkages and amount to considerable political capital, these political formations do not belong to one specific party and do not contribute for the consolidation of party–voter linkages. Local leaders are the rightful owners of these networks of voters, and they can put their autonomous networks of voters, or modules, in the service of different parties over time, thus operating as free–agents. This modularity makes parties bottom–heavy, allowing local notables to extract more resources for themselves and for the network of voters they control, reinforcing the political interface between these agents and citizens. However, since parties depend on the intermediation of these local leaders to reach out to voters, the threat of agents defecting to competitors means that parties only have a fragile and temporary linkage to voters, and neither voters nor parties have reason to establish a long–term relationship.

Voters are only loosely attached to parties because every party–voter connection is mediated by a free–agent. This type of linkages to voters contrasts immensely with how political parties commonly relate to voters in the developed world. Western European political parties usually represent frozen societal interests, party politicians can count on firm and almost perennial connections to interest groups and individual voters, and party leaders are able to enforce the discipline of other party members. Hence, the channels between modular parties and voters is inherently fluid.

However, even if party–voter linkages are constantly ruptured, party systems where modular parties operate are not in a permanent political crisis. The biggest risk local leaders face is that of being left empty–handed when their current party lose an election. If leaders have nothing to distribute to voters, voters would no longer trust their local leader as their connection to the state and policymakers. This is why the ability of local notables to switch parties, and take their module along with them is crucial for the modular party system. Local political arrangements may survive and flourish despite the volatility of politicians running elections above the local level endure. By building linkages to voters that can withstand party switching and electoral volatility, local leaders are increasing the probability of collecting resources from higher governmental spheres, even when incumbents at the top government are constantly changing. In the end, because local leaders are free to search for the best deal they can make in terms of resources, they are able to maintain their influence over a local following.

Thus, the concept of modular parties offers a new understanding for parties described by several scholars as "feckless" ([Mainwaring and Scully 1995](#); [Carothers 2002](#)). Party fluidity is not a defect, but an intrinsic organizational attribute of these parties within a particular political order. The model in this book explains why party systems with "weakly–institutionalized" parties can still be stable and self–sustaining. Although modular parties

lack direct and durable linkages to voters, voters are still attached to the political system within modules and through local leaders. Modules are complex political structures which are an integral part and deeply ingrained in the political system modules; they only are up-rooted from any specific party. The book advances the model of modular parties in detail, and presents evidence on how this type of party operates in Brazil, which despite being arguably the most fragmented political system in the world, has a consolidated political system.

1.1 The Organization of Modular Parties

Modular parties contrast with other types of parties by not directly mobilizing voters. Policy-oriented parties, or programmatic parties, mobilize voters by establishing direct connections to them around one or a few societal cleavages. Dominant clientelistic machines build exclusive vertical channels for patronage and use political brokers to deliver state resources to a loyal party following. However, politicians in modular parties also have to rely on several autonomous local intermediaries, but instead of operating through exclusive party-agent-voter pipelines, modular parties use agents' prearranged networks of voters to mobilize votes.

The Two Tiers of Modular Parties

Fundamentally, the modular party is structured in two tiers, arranged pyramidally. Party candidates running for office on constituencies above the local level, such as governorship or congress, comprise the top tier. The lower tier contains those local notables, whose role in the party is to intermediate transactions between upper-tier politicians and voters. Aside from mobilization, these agents are also responsible for controlling local politics, which may involve running for local elections. The two tiers are interdependent: agents managing modules need resources to politically activate their network of voters, and the upper tier requires modules to reach voters in different localities and in enough numbers to get elected.

Authority in modular parties concentrates at the bottom. Local notables are able to extract more resources from politicians in the upper tier when they prove their expertise in influencing voters and when they are able to switch parties with ease. When local leaders are able to swing many votes, they are also in a position to ask for more vote-getting services. However, most of their bargaining power comes from the ability to deliver votes to *any* party. If local leaders can attach their modules to other parties, not only these agents

can threaten to withhold electoral support for one party, but may make a party believe that if terms are not favorable to the agent, the party will see a whole set of voters support a competitor.

A Self-Sustaining Model

The relatively high bargaining power of the lower tier makes it difficult for the upper-tier implement changes in how modular parties operate. Since power in modular parties concentrates at the bottom of the organization, and interests in lower-tier are diverse and pulverized, any intra-party coordination that could lead to party transformation is unlikely.

Upper-tier politicians may enjoy numerous advantages in adapting a modular party such that a party brand becomes recognizable to all voters (Chhibber and Kollman 2009; Aldrich 1995). An informative label can easily transmit to voters policy intentions from all party politicians, and voters can use the information brands convene to help the voting decision. Building an informative party brand necessarily depends on politicians solving an internal collective action problem that consists on the threat of politicians that might take decisions that are individually sound, but detrimental to fellow party members (Aldrich 1995; Snyder Jr and Ting 2002). One can only solve collective action problems through the distribution of selective incentives. In the case of modular parties, solving the collective problem involves compensating local leaders for the losses they suffer from the party transformation.

However, the costs in adapting the party organization may be too great, since creating a party label will necessarily undercut the interests of local leaders. Party labels eliminate the need for political intermediation from brokers by providing one way through which parties communicate directly to voters. Unless upper tier politicians provide generous and credible compensation, local leaders may preemptively sabotage the endeavor of creating a collective identity for the party. Instead of seeing their political capital fading into obsolescence, brokers may mutiny and switch to a different party, consequently delivering electoral losses to their former party. This threat of revolt prevents party leaders from taking action.

Upper-tier politicians have some instruments to elicit cooperation of their brokers, but the instruments available are often insufficient to solve collective action problems. Much of the available inducements are only available while the party holds office and upper-tier politicians have state resources at their disposal. While in power, politicians at the top may ration resources or withhold party nominations for local offices. Also, party leaders can leverage on situations where there is more than one viable broker at the local level. If

one broker is uncooperative, politicians at the top can threaten to employ another agent, leaving the intransigent broker empty-handed. However, one of the main reasons why parties need to adapt is when party leaders perceive a change in the electorate ([Levitsky 2003a](#)), but realizing that there is a need to adapt while one is in power is unlikely. Even if party leaders correctly estimate that party transformation will lead to more victories in the future, the costs involved, and the strategies available may make party transformation unattainable or disadvantageous.

Party adaptation is only obvious when parties are out of power, or when the amount of state resources available to induce brokers to cooperate are in short order. When not in power, party leaders could use internal party resources, notably party nominations and career incentives to sustain the relationship with brokers. Brokers are career-oriented, and want to ascend in ranks of politics ([Camp and Szwareberg 2015](#)). However, the fluid within modular parties discredit any long-term commitments party leaders can offer to brokers. Lack of routinization in internal rules may have been a critical factor for the adaptation of labor-based parties ([Levitsky 2003a](#)), but in the case of modular parties the lack of predictable internal rules is damaging for party building and party adaptation.

1.2 The Organization of Clientelistic Modular Parties

Modular parties are not capable of making members take a coordinate action in one single direction, but modular parties are useful in letting agents seek electoral support by addressing diverse demands from voters simultaneously. Each autonomous political agent in a modular party will respond to the specific demands from voters within their area of operation, and autonomously from other agents. Brokers may mobilize voters through the provision of local public goods, or in other cases when brokers head local organizations, they may provide club goods.¹ If one tries to analyze the modular party examining what types of goods it provides to voters, this hypothetical analyst will realize that due to the lack of horizontal coordination among agents, the bundle of goods the party provides is varied, maybe even contradictory.

Autonomous agents within a modular party may even address the specific need of each individual voter. In other words, modular parties can be organized to let free-agents distribute private goods for each voter in their area of action. And, if this exchange is contingent on electoral support, these free-agents will also be patrons with private clienteles. Politicians running for elections above the local level may make use of these clienteles in order to win elections, while not having to build extensive clientelistic networks for themselves. Rather, these politicians may hire several free-agents, and using these agents to mobilize clients through the distribution of selective incentives in exchange of citizens' electoral support, politicians will be able to win large-scale elections without establishing any direct connections to voters.

When a politician running for elections above the local level "hire" several free-agents, a clientelistic modular party is established. The clientelistic modular party will also be organized in two tiers, each specializing in one of the two fundamental steps of clientelism: the top tier, composed by these politicians running for office at the national and subnational level, will be responsible for the acquisition of state resources, and the lower tier, where agents are located, will be in charge of the distribution of selective incentives. The upper-tier captures state resources and funnels them to modules at the lower tier, where local notables, acting as patrons for voters and as political brokers for parties, exchange the resources they receive from above for the votes they control.

The free-agents in modular parties control a bloc of votes, and they may switch parties if another politician in a different modular party offers them more for that group of

¹Recently, [Thachil \(2014, 2011\)](#) documented the division of labor between party cadres and local representatives on Indian elite parties, which outsource recruitment of poor voters to non-electoral organizational allies. In modular parties, however, there is no need for local agents to be in any way attached to one single party.

voters. This free–agency will inevitably result in fluid party–voter linkages. The size of the clientelistic modular party is a function of how many deputies and governors the party manages to elect and how many resources these politicians are able to secure, relative to other modular parties. Politicians running elections above the local level can acquire and lose voters quickly depending on the individual electoral results, and the electoral results of their party candidates. Upper–tier politicians can quickly attract additional agents, or brokers, as soon as these upper–tier politicians secure more state resources by winning an election. And when one modular party rises victorious after an state-wide or national election in which the incumbent has a large amount of discretion over the distribution of state resources, other parties will see the fraction of resources they control dwindle. The now resource–rich party will be able to strike more and better deals with local agents, and capture modules which were connected to other parties. The reverse is also true: when parties lose they will have less resources, and will have to let go some of their modules. If the amount of resources they lose from one election to the next is considerable, parties can dwindle, and even disintegrate.²

Patron–client Relationships Under Electoral Volatility at the Upper Tier

Clientelistic exchanges work based on trust, and the fact that top–tier politicians lose elections, and thus lose the ability to send resources to brokers, could harm the relationship between these local authorities and clients. Although most scholars agree that clientelism is a pernicious and unfair political practice, patrons are not exempt from obligations. If voters do not feel compelled to repay the goods they receive, or do not fear sanctions for not acting as directed, distributing resources will be in vain (Foster 1963; Stokes 2005; Magaloni 2006; Stokes et al. 2013). Patrons must provide a modicum of material security on a regular basis to clients if patrons wish to maintain a following (Lemarchand and Legg 1972; Mair 1961). In addition, patrons need to gather enough information about the wants and needs of their clientele, and maintain their ability to dispense goods over time (Wein-

²Although incumbency is an important factor for the maintenance and success of modular parties, the dynamics does not lead to party dominance. Executive offices are those with greater discretion of state resources, and if incumbents in the executive are elected through majoritarian elections, they will be subject to a retrospective assessment of their ability as rulers. Thus, even if incumbents these offices rely on brokers, in large part their fortunes also depends on voters’ assessment of their performance, making power turnover likely. And if incumbents may suffer defeats (and there is some evidence that members of the executive in developing countries suffer from an incumbency disadvantage), a different party may control more resources in the future. This point will be explained further in Chapter 2.

grod 1968; Finan and Schechter 2012; Zarazaga 2014b), and the constant volatility could hamper the ability of patrons to influence voters.

However, local leaders, the true patrons in modular parties, can preserve their political assets — clients — despite any turmoil on the upper tier. In reality, local leaders preserve their modules by attaching it to a different party. Since local leaders are the rightful patrons on the network they operate, they are free to strike deals with other parties. As long as there are exit options, local agents may connect the modules they control to a party commanding more resources, or to a party offering more for using the agents' modules. The ties between local leaders and clients do not depend on partisan preferences, and these linkages stand firm even after the local leader starts brokering votes to a new party, and voters might not even realize their patron has switched parties.

Dominant and Non-Dominant Clientelistic Parties

Despite modular parties being makeshift parties, and although clientelism requires a strong organization, they can assure that clientelistic exchanges are credible. The modular “business model”, however, is very different from dominant clientelistic parties. Since the exchange of goods for votes requires substantial organization, scholars often associate clientelism to strong and stable party machines. However, dominant clientelistic parties amount to just a handful of cases in the developing world, such as the *Partido Justialista* (PJ, or the Peronist Party) in Argentina, and the *Partido Revolucionario Institucional* (PRI) in Mexico.

The Case of Dominant Clientelistic Parties

The well documented cases of dominant parties illustrate one way in which parties have successfully nurtured patron-client networks over time, and employed these distributional channels in order to win elections. Cases such as the LDP in Japan, the PJ in Argentina, the PRI in Mexico demonstrate how clientelistic machines solve the credibility problem of patron-client relationships through “exclusive clientele networks” and “formidable partisan sub-cultures with durable loyalties”, which are conducive to effective and long-term patron–client exchanges.³

³Roberts (2014, 28-29). Kitschelt and Kselman (2013) also believe clientelistic machines require solid organizations, noting that “[p]oliticians [...] especially in democracies where the very existence of party organizations is in doubt from one electoral cycle to the next, will generally not have had the time to create [clientelistic] networks, and will not be able to credibly commit to the provision of continuing benefits over a series of exchanges.” See also Gunther and Diamond (2003, 176).

By creating exclusive ties to mass organizations, and institutionalizing preferential access to fiscal resources, dominant clientelistic parties established exclusive patron–client networks, and were able to consistently deliver goods to voters. Theory and empirics on clientelism have revolved around cases of dominant parties. The assumption of dominant machine is ubiquitous in formal models explaining how political parties carry out clientelism.⁴ However, dominant clientelistic parties with private networks of clients and exclusive political brokers are exceptions, and as I explain later in the book, without the right historical antecedents these powerful machines are not likely to come about in other places.

Modular Parties are Non-Dominant Clientelistic Parties

Patron-client relationships thrive everywhere in the developing world, but the focus on the few cases of dominant parties does not help us understand how other types of parties use clientelism to mobilize voters. Non-programmatic party systems, and non-programmatic parties are the majority in developing countries. Figure 1.1 shows that 80 percent of all major parties in developing countries make moderate to major efforts in targeting private goods to voters, a proportion that contrasts with developed countries' parties, of which only 25 percent target benefits.⁵ Most of these clientelistic parties fail to establish roots in the society, do not succeed in crossing regional borders, suffer from acute electoral volatility, and are constantly threatened by their members' unreliable loyalty. Some may have once enjoyed a dominant stature, but lost their privileged position, as it was the case of the Indian National Congress in India. But even after their relative downfall, they still mobilize voters through clientelism (Wilkinson 2015).

⁴Magaloni (2006) and Greene (2007) analyze the PRI in Mexico. Greene (2007, 49) assume in his model that the party challenging the dominant party “cannot offer patronage, nor can it make credible commitments to distribute patronage after the election.”. For Magaloni (2006, 69), the hegemonic party is the only who can dispense goods, and punish voters who vote for the opposition (see also Diaz-Cayeros, Magaloni and Weingast (2007)). Examining the PRI, Stokes and Nichter model the interactions of voters with a single machine (Stokes 2005, 319), (Nichter 2008, 24). Medina and Stokes (2007) use the monopoly of resources held by a patron as their main independent variable. Zarazaga (2014a) builds a model where one party detains informational advantage over voters, which translates into better clientelistic exchanges. In their book, Stokes et al. (2013) assume “only party M[achine] has resources to distribute in a targeted fashion”. For exceptions on the assumption of monopolistic, hegemonic clientelistic parties, see the innovative Camp (2012), and Nichter and Peress (2013).

⁵Documented cases where political clientelism does not coexist with dominant parties include: Brazil (Mainwaring 1999), Colombia (Holland and Palmer-Rubin 2015), Peru (Muñoz 2014), Indonesia, the Philippines, and Thailand (Hicken 2009), Malawi (Young 2014), Kenya (McCauley et al. 2011), Senegal (Koter 2013), Zambia (Baldwin 2013), and Bulgaria (Kitschelt 1999).

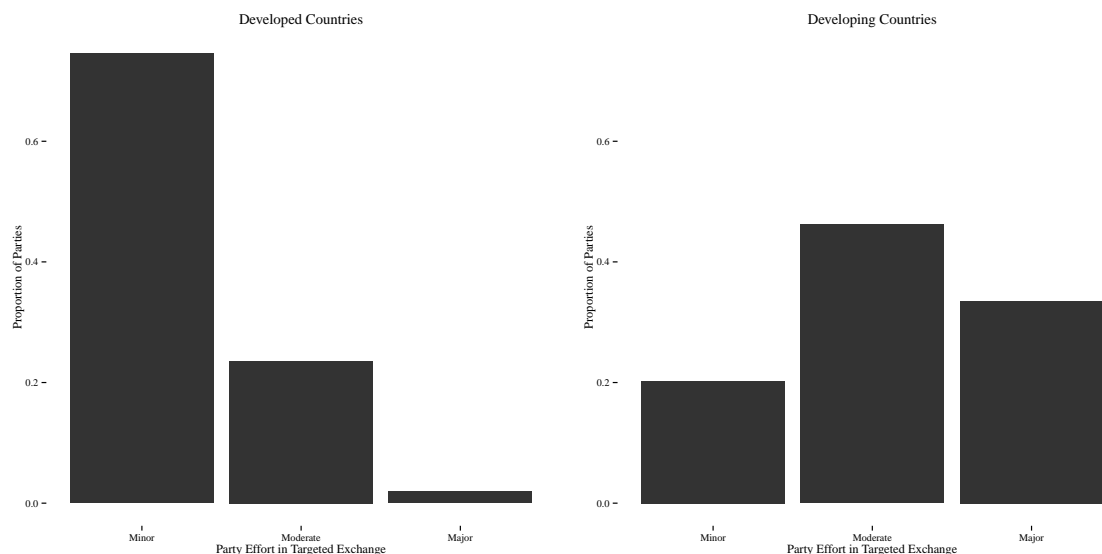


Figure 1.1. Proportion of parties according to clientelistic efforts. Data source: [Kitschelt \(2013\)](#). The variable I use is *b15nwe*, which is the sum of the averages of five different scores concerning the efforts a party make to target different types of private benefits to voters: (i) consumer goods, (ii) government employment, (iii) government contracts, (iv) preferential public benefits, and (v) regulatory proceedings. On each category, scores ranges from 1 (no effort) to 4 (major effort). The variable *b15nwe* ranges from 5 to 20. On the bar plot, if a party score is equal or below 10, I consider that the party has made a minor effort in targeting benefits. If the party score is greater than 10 and smaller or equal to 15, I consider it has made a moderate effort. Above 15, a major effort.

If these parties are machines, they often malfunction. At the individual level, these parties do not have a consistent structure for reaching out and assure voters they will be rewarded for their political support. The fact that these parties operate under the threat of losing control of resources, and that investments in building a loyal clientele may be abandoned before returning any political dividends, prevent these parties from building extensive patron–client relationships by themselves. But modularity allows local leaders to search for better deals in different parties, and perpetuate the hierarchical relationship they have with clients.

1.3 Weakly Institutionalized Parties in Institutionalized Party Systems

Modular parties are compatible with stable party systems, and party systems with modular parties are not inimical to the continuation of democratic regimes. The fragile appearance of these parties may give the wrong impression that they are not fully formed political organizations. However, modular parties are not en route to amalgamate into one single dominant clientelistic party, neither are modular parties a transitioning stage towards programmatic party competition where voters may identify with one party.

Party systems in developing and developed countries diverge sharply. In the latter group the considerable programmatic polarization among party alternatives allow voters to select candidates based on campaign platforms. In an effort to understand why post-Third Wave party systems differed from their Western European counterparts, [Mainwaring and Scully](#) introduce the concept of party system institutionalization. According to the authors, party system institutionalization “implies stability in inter-party competition, the existence of parties that have somewhat roots in the society, acceptance of parties and elections as legitimate that determines who governs and party organizations with reasonably stable party rules and structures.”⁶ The more party systems lack attributes in these four dimensions, the less institutionalized they will be. Following these author’s definition, one would conclude that any party system with modular parties is weakly-institutionalized. Modular parties do not have roots in the society, neither stable rules and structures. Moreover, because of the fluidity of these parties’ lower strata, inter-party competition is likely to be volatile.

Party System Institutionalization

Contrary to what [Mainwaring and Scully \(1995\)](#) argue, party system institutionalization requires neither institutionalized parties, nor the absence of electoral volatility. Two of the criteria [Mainwaring and Scully](#) use to classify the institutionalization of a party system pertain to party systems, and the other two (the second and the forth) relate to individual parties. One should not conflate the system with its elements.

Although modular parties may follow predictable patterns, that does not prevent them from being weakly–institutionalized. A party system is the “the enduring pattern of electoral competition between parties for public office”.⁷ Drawing from Huntington’s defini-

⁶[Mainwaring and Scully \(1995, 1\)](#)

⁷[Chhibber and Kollman \(2009, 4\)](#) [Mainwaring and Scully \(1995, 4\)](#) provide a similar definition of party systems as the “set of patterned interactions in the competition among parties.”

tion of institutionalization, party system institutionalization would therefore be the process by which electoral competition acquires value and stability.⁸ First, a party system acquires value when politicians and voters see its continuation as a goal in itself.⁹ When democracy becomes the only game in town, political actors will incur in costs to preserve the rules of the game, including the party system. Even if voters and politicians prefer a programmatic party system, that does not mean they would be ready to jettison the competition arrangement in which they are currently immersed. Second, acquiring stability refers to the process by which behavior become predictable and routinized (North 1990; Levitsky 1998). Continuity in the rules overseeing the electoral process (which does not mean that incremental changes do not take place), and the autonomy of the electoral laws from electoral results (i.e. losing parties accept defeat, and winning parties do not use incumbency to change the rules of the game) indicates that the party system is stable.

Democratic Stability and Modular Party Systems

Although the concepts of value and of stability (or routinization) are hard to operationalize and compare across cases, both relate to the continuity of the democratic regime and the acceptance of the rules regarding electoral competition. At the very minimum, democratic continuation is a necessary condition for party system institutionalization. Svobik (2008) examines the consolidation of democratic regimes, and notwithstanding the difficulty of assessing if one particular democracy is consolidated or unstable, Svobik argues that the age of a democracy is directly indicative of its strength. For example, the author shows that after 25 years of democracy, the hazard rate of authoritarian reversal amounts to less than 10 percent. If we use consolidation as a proxy for institutionalization, we conclude that as regimes get older they are also institutionalizing. And, if electoral volatility is a sign of poor institutionalization, we should expect that as regimes consolidate, party systems become less volatile.

However, there is no clear evidence that as Third-Wave democracies¹⁰ take hold and their party systems institutionalize, electoral volatility in these countries subsides. Of all the dimensions Mainwaring and Scully propose to study as party system institutionalization, electoral volatility is one scholars can consistently measure and contrast across cases.¹¹ Figure 1.2 shows the association between age of democracy and electoral volatil-

⁸Huntington (1966, 12)

⁹For a careful definition of value infusion, see Levitsky (1998). It is worth pointing that, according to Hicken and Kuhonta (2011, 2-3), even non-democratic party systems can institutionalize.

¹⁰(Huntington 1993)

¹¹Most studies calculate electoral volatility using the index devised in Pedersen (1979). Scholars have

ity, and the slope of the linear regression between the two variables is only slightly negative, and not statistically significant.¹² In addition, the average volatility of Third-Wave democratizers, around 30 points, is 2.1 times larger than older, pre-Third-Wave democracies. The plot does not allow any conclusion regarding the association of consolidation, institutionalization, and electoral volatility. There are possibly numerous reasons why we do not observe any association between the two variables, and certainly there is no way to assert any causality in the (lack of) relationship. But the data do show that countries manage to sustain democratic regimes with high electoral volatility. In fact, electoral volatility may be an attribute of these regimes.¹³

Clientelistic mobilization is widespread in post-1974 democracies, even for those countries where there is no dominant party.¹⁴ Clientelistic parties do not have the same kind of linkages voters have to parties in Western European countries. Partisanship identification under clientelism is low. Roberts (2014, 19) notes that in Latin America “the fragility of partisanship in the region remains a major puzzle”. Yet, democracies are gradually consolidating and their party systems institutionalizing. In the right plot of figure 1.2 we see that not only many democratic regimes from the Third-Wave have successfully stood the test of time; their party systems continue to rely on clientelism as years pass.¹⁵

At the same time party systems are institutionalizing, parties remain weakly institution-

found that countries in Africa (Mozaffar and Scarritt 2005; Ferree 2010), Asia (Hicken and Kuhonta 2011), Latin America (Roberts and Wibbels 1999), and even in Europe (Powell and Tucker 2014; Tavits 2005) present high rates of electoral volatility. As I will explain in Chapter 3, there are issues in calculating the Pedersen index at the national level for federal systems. If the pool of legislators and parties are set at the provincial level, the volatility at the national level may cancel out volatility that occur at the district level.

¹²For full results, see table 1.1 in the appendix. Controlling for income does not appear to affect the results. Tavits (2005) indicates that post-communist countries slowly reduce volatility over time, but these countries still detain a high rate of volatility.

¹³Serious economic duress may entail drastic re-arrangements in political institutions, and during these periods voters may opt to vote out established parties in favor of political outsiders. For example, when the Venezuelan long-standing (and institutionalized) parties saw their electoral support vanish to the benefit of an outsider in the late 1990s, the volatility was a signal that the party system was unraveling (Roberts 2014). And when a few years later, Hugo Chavez tilted electoral competition to his favor through constitutional reforms (López Maya 2011), it was an indication that a major actor in the political sphere, and his followers, did not value the status quo. But in other cases, electoral volatility is part of every electoral round, and volatility may increase even during times of economic stability (Roberts 2013).

¹⁴Third-Wave countries whose parties make a major effort and score more than 15 points in Kitschelt (2013) clientelism scale are: Argentina, Bolivia, Brazil, Bulgaria, Ecuador, El Salvador, Ghana, Guatemala, Honduras, Kenya, Macedonia, Mali, Mexico, Mongolia, Nicaragua, Panama, Senegal, Taiwan, Turkey, and Zambia.

¹⁵The lines show a negative slope suggesting a negative association between age and clientelism. However, the correlation is not statistically significant for Third-Wave democratizers. See table 1.1 in the appendix.

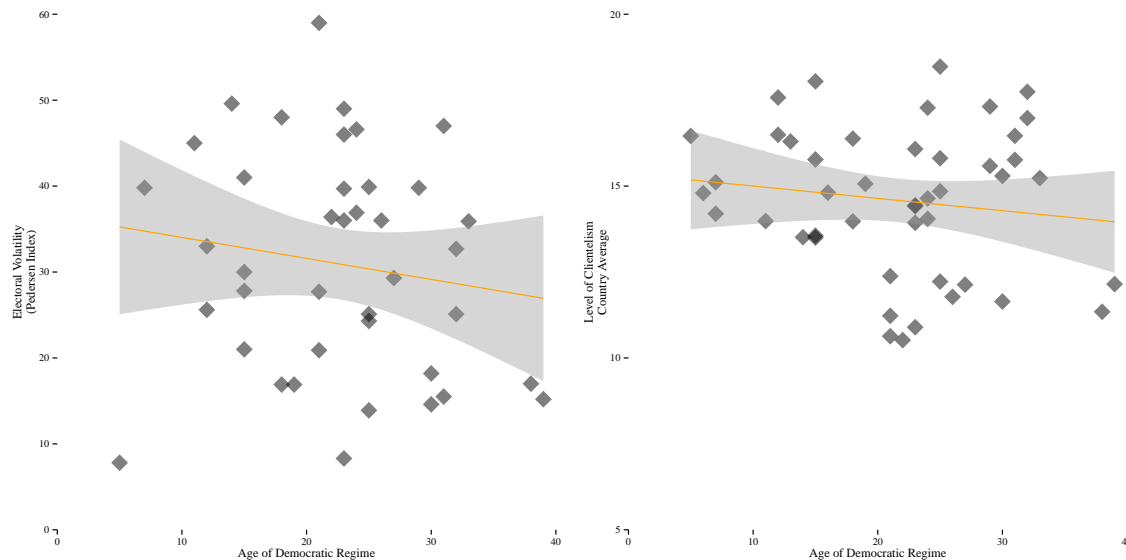


Figure 1.2. Electoral Volatility, Clientelism, and Democratic Longevity for Third-Wave Democracies. Pedersen index for legislative elections. Data sources for *Electoral Volatility*: [Mainwaring and Zoco \(2007\)](#); [Jones \(2012\)](#); [Weghorst and Bernhard \(2014\)](#); [Powell and Tucker \(2014\)](#); [Concha \(2014\)](#). Data source for *Level of Clientelism*: [Kitschelt \(2013\)](#) (variable *b15nwe*). According to [Huntington](#), the Third Wave starts when Portugal democratize in 1974 ([Huntington 1993](#)). I calculate age of democracy using [Boix, Miller and Rosato \(2012\)](#) dataset. The authors classify a regime as democratic if representatives are elected through open and contested elections, and if a majority of adult men have the right to vote. Countries that democratize after 1974 are considered Third-Wave democratizers. Blue lines are regression lines, and the shaded area confidence intervals.

alized. The low level of partisanship parties in developing countries parties enjoy among voters, and the recurrent changes of party names and campaign platforms reveal that the value infused in these parties (which, contrary to electoral volatility, is hard to quantify) is arguably low. In addition, politicians on third-wave democracies constantly switch parties, revealing that the continuation of party organizations is not an objective in itself for them ([Mainwaring and Torcal 2006](#); [Van de Walle 2003](#)). Moreover, party statutes and intra-party norms of behavior are often overridden, forgotten, and disrespected.¹⁶ The hypothesis that institutionalized parties and institutionalized party systems are often found together is probably true, but the relationship between party institutionalization and party system institutionalization is not deterministic.¹⁷ If one sees weakly-institutionalized parties, one should not assume that the party system is also weakly-institutionalized.

¹⁶Routinization is sometimes absent even in parties where members attach value to its continuation, such as the case of the Peronist Party in Argentina ([Levitsky 2003b](#))

¹⁷[Randall and Svåsand \(2002, 8\)](#) stress that one should not conflate party with party system institutional-

Party modularity causes parties to remain weakly-institutionalized, but at the same time it allows party systems to institutionalize. The modular party is weakly institutionalized because the longevity of intra-party relations is always threatened by the shadow of brokers leaving the party in search of better deals for their modules. Since most, if not all, party-voter linkages are mediated by brokers, when brokers switch parties the channels between upper tier politicians and voters is severed. When ties are ruptured, any chance of the party growing roots in the society is also destroyed. However, the pliability of modular parties permits brokers to maintain and expand their clientele, even during electorally volatile periods. The open market for brokerage encourages brokers to expand on their networks. For them, clientelism is a promising career strategy, and they may even fight against concerted actions or structural changes that may put their career to an end. For voters, having modular parties may even increase the probability of receiving goods from brokers with which they have a relationship.

Substantive Consequences Of Modular Parties

Like dominant clientelistic parties, clientelistic modular parties do not necessarily rupture, but may reinforce hierarchical structures of social control. Patron–client relationships are predicated by the unequal distribution of resources between patrons and clients, and since the majority of countries that transitioned from authoritarian regimes during the third-wave of democratization presented high levels of social inequality, these places had been fertile ground for hierarchical patron–client linkages. In addition, in a number of countries the central authority was not a hegemonic entity, and depended on traditional regional and local allies to broadcast authority (Herbst 2014; Hagopian 2007; Acemoglu, Reed and Robinson 2014), further encouraging bastions of clientelism.

Political elites in authoritarian regimes may not need to worry about the enfranchisement of the poor. Several theories of democratization agree that elites in highly unequal societies fear free elections, and that these elite groups will clinch strongly to authoritarian regimes (Rueschemeyer, Stephens and Stephens 1992; Acemoglu and Robinson 2005; Boix 2003). The reasoning is compelling: when the poor start voting, they will vote for leaders who propose redistribution of wealth and income. Since in unequal polities the poor outnumber the rich by large margins, universal suffrage will move the median-voter to reflect the destitute constituency, and politicians, in order to get elected, will need to

ization, noting “that clearly party system institutionalization is the outcome of a range of developments, only some of which have to do directly with the constituent parties themselves.” Wilkinson (2015) echoes Randall and Svåsand: “there are real problems in assuming that the strength or weakness in individual parties necessarily leads to the instability or weakness of the party system as a whole.”

appeal to the poor. In the end, enfranchisement will lead to income redistribution, and the rich will end up expropriated of some of their assets (Meltzer and Richard 1981).

There is, however, only scant evidence that social inequality drops after democratization, or even that inequality is good predictor of democratic transitions (Ansell and Samuels 2014). Maybe one of the reasons why these have received strong empirical support is because the assumption that the demands of voters will mechanically travel to governmental policies is far fetched. The hypothesis that elections lead to redistribution depends on candidates and politicians hearing the public and representing their interests while in office, but the ideal of democratic-elected politicians responsive to citizens' aspirations is seldom accomplished.

The model of modular parties show that local clientelistic networks can easily survive and even thrive with the establishment of total enfranchisement. The failure of several electoral regimes in eliminating the elitist character of governments cannot be completely understood without examining the organization and evolution of political institutions that channel demands to governments, and political parties are the most important of these institutions. The much-repeated adage that "democracy is unthinkable save in terms of the parties" (Schattschneider 1942, 1) is only valid when parties successfully aggregate societal interests and demands into a small number of policy choices (Almond 1958, 275). The model indicates that, sadly, democratic competition may lead politicians to create modular parties, instead of program-based parties. Modular parties will not serve to make a direct connection of voters to government, but they may reinvigorate local, clientelistic relationships.

1.4 Modular Parties in Brazil

There are five things that deputies [in Brazil] cannot mess with: little children, the elderly, Jesus Christ, women, and municipalities.

Federal Deputy José Serra (circa 1987), then a PMDB newcomer in Congress, was prompted by Congress veteran Ulysses Guimarães to share his first impressions in the legislative. Folha de São Paulo, “Painel”, June 30, 2015.

In June 2013, protesters spontaneously took the streets of several cities in Brazil in what ended up being a large-scale mobilization with few historical precedents. Demands were unfocused and disorganized, but the demonstrators, mostly from a rising middle-class, stated clearly that they felt underrepresented by political parties. During the elections on the year following the demonstrations there was not a single party, not even oppositional candidates, that met the protesters’ requests for actual representation of their demands in the political arena, let alone a party which consolidated the wide-ranging complaints into a coherent campaign platform. The elections, however, occurred without any major incident, and although being the most contested presidential elections to date, parties, interests groups, the media, or even voters never denied the legitimacy of the results, which by and large maintained the status quo.

Despite lacking programmatic parties, and being the most fragmented political system in the world, Brazil has solid democratic institutions, and its governments govern. Scholars worried that the post-authoritarian Constitution gave too much leverage for individual politicians, generating an imbalance of power between politicians and their parties, leading ultimately to “leadership problems” (Mainwaring 1998, 6), or provoking a “permanent crisis of governability” (Ames 2002, 3). Indeed, the number of effective parties is high and growing (see figure 1.3, and individual politicians often run parties as if they were the sole owners of the organization. However, more recent scholarship starting with Figueiredo and Limongi (2000) has shown that despite the plethora of parties, presidents and party leaders have mechanisms to induce cooperation among members of the governing coalition. As a result, leadership structures lend rationality to the congressional bargaining game, allowing presidents and House leaders to successfully introduce and pass legislation despite the high number of parties occupying seats in Congress.

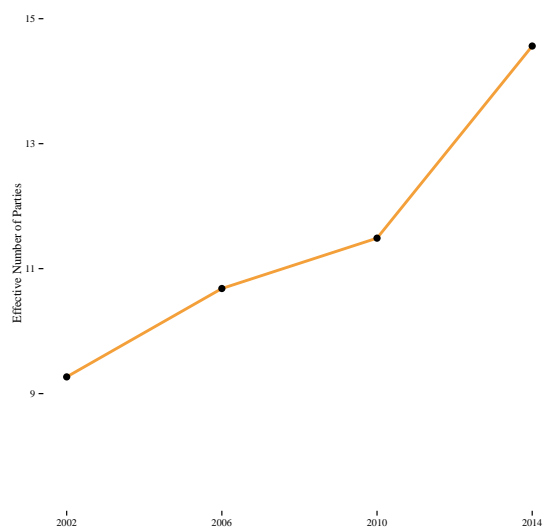


Figure 1.3. The Effective Number of Parties at the Brazilian Lower Chamber. ENP calculated according to the [Laakso and Taagepera \(1979\)](#) measure, $ENP = 1 / \sum_{i=1}^n p_i^2$, where p_i is the fraction of votes party i receives.

The Role of Patrimonialism in Brazilian National Politics

Patrimonialism is what disciplines Congress.¹⁸ Legislators need resources to motivate and hire brokers for them, and through their constitutionally mandated discretion in the distribution of state resources, party leaders and the president convince legislators to support policy measures and pass legislation.¹⁹

Patrimonialism has been a constant theme in Brazilian history ([Faoro 2001](#)), and neither the technocratic military dictatorship, who at first openly despised traditional politics ([Hagopian 2007](#), 1), nor democratic elections starting in 1985 changed this attribute of Brazilian politics ([Mainwaring 1999](#), 69). Legislators use their budget quota to buy local support ([Firpo, Ponczek and Sanfelice 2014](#)), and both the president and House leaders

¹⁸I use the concept of patrimonialism distinctly from clientelism. Patrimonialism refers to one type of contingent distribution of resources for political support which is aimed at political allies, instead of voters.

¹⁹Or, as [Figueiredo and Limongi](#) argue: “Participation in the government provides parties with access to resources that individual legislators need for their political survival: policy influence and patronage. Leaders bargain with the executive; they exchange political support (votes) for access to policy influence and patronage. The executive provides party leaders with the means to punish backbenchers. The backbenchers who do not follow the party line may have their share of patronage denied.” ([Figueiredo and Limongi 2000](#), 165).

can facilitate or block these disbursements that are essential for the survival of legislators. But presidents also have carrots, and they often reserve whole cabinets and policy areas to other parties,²⁰ in exchange of political support (Pereira, Power and Raile 2008). Controlling policy areas also affects how much parties receive from private campaign donors, since donors know allied elected officials may facilitate government contracts (Boas, Hidalgo and Richardson 2014). This bargaining game between presidents, leaders, and legislators gives method to the madness, deciding the share of the pie each party will have at their disposal to distribute among voters and win their votes.

Most congressional candidates have no other option for winning seats but to distribute resources to voters.²¹ Although some majoritarian campaigns, especially presidential elections, pit polarizing platforms and inform voters about the differences among ballot alternatives, congressional candidates are unable to distinguish themselves from competitors through party labels or campaign platforms.²² Competing among more than 30 different parties under an open list proportional system, few legislative candidates get enough media exposure to show their proposals to the public, much less distinguish from the dozens other candidates from the same party. Those that manage to show up on TV can not transmit credibility to the promises they make. Legislators can not rely on party activists, since only a minority of voters identify themselves as partisans. Partisanship in Brazil has never surpassed the 50 percent of voters (Samuels and Zucco 2014, 3), and in 2015 the proportion reached an all-time low, when amidst a corruption scandal the *Partido dos Trabalhadores* (PT), pointed by scholars as the only example of programmatic party in the country, saw membership decline sharply.²³ With the exception of few media charismatic personalities that eventually run for office, politicians running for congress must rely on clientelism.

²⁰The term in Portuguese to describe the process of delivering a whole cabinet, including policy making and executive appointments to a single party is the *entrega do ministério com a porteira fechada*, which is an idiom relating to a real state sales event that includes the building and all of its objects inside.

²¹Exceptions include celebrity-politicians, and some candidates from the Workers' Party (PT), a party which still enjoys some programmatic appeal and counts with a substantial number of activists and connections to formal labor organizations.

²²One way parties could potentially shift away from clientelism towards program-based mobilization is through non-discretionary policies. Conditional cash transfer programs in Brazil, bundled together into the *Bolsa-Família* program, are innovative in this sense, as disbursements of benefits are ruled-based, and the program itself perceived as a distinct PT program. Zucco (2013, 10) shows that the program did provide electoral dividends to PT's presidential candidate. However, the author also shows that *Bolsa-Família* failed to create true party-voter linkages, as electoral benefits did not spill over to PT's congressional candidates.

²³Burgarelli, R. e Pedro Venceslau (2015, June 14). Partidos têm menor filiação em 20 anos. *O Estado de São Paulo*. Retrieved from politica.estadao.com.br/.

The Upper and Lower Party Tiers in Brazil

However, guaranteeing resources is only part of the necessary steps to win elections; parties also need patron–client linkages to transform resources into votes. In the case of Brazil, brokers operate at the municipal level, organizing a local following and also running for local elections. Usually, mayoral candidates spearhead the enterprise of forging patron–client relationships at the party lower tier. Mayoral candidates not only have personal relationships with voters, they foment a web of political allies, such as council candidates, local associations, and neighborhood leaders. These brokers in Brazilian municipalities have their own autonomous web of clients and supporters, which parties can only reach by paying these local notables a fee. When upper–tier politicians, such as gubernatorial and legislative candidates, recruit these local notables, they are attaching modules to the party. At this point, local notables are no longer local patrons only; they are party brokers also.

When local notables join the party system, the modular party chain is complete: starting at upper–tier politicians acquiring resources, and ending at the bottom tier, usually at the hands of mayoral candidates delivering goods to voters in exchange of these citizens' electoral support.

The Number of Modules and the Electoral Performance of Legislators

Since parties formally incorporate some brokers by nominating them to local offices, we can have a good measure on how far the reach of each party goes in Brazil. For most parties, the grasp is limited. Parties probably would want to hire a broker and attach a module on every one of the 5570 Brazilian municipalities, but no party has ever come close to doing so. State resources are scarce and the competition for these goods is intense, limiting the amount of mayoral candidates parties field. Overall, most parties have a scattered and ad hoc distribution of brokers. On its best year, the PMDB, which has historically fielded more mayoral candidates than any other, managed to place mayoral candidates only on 46 percent of all possible municipalities. Since municipal and subnational elections take place two years apart from each other, the electoral cycle runs in the following order. First, the party realizes how many resources they have, and go looking for brokers at the municipal level. Second, these brokers run for local offices. Third, these party agents start brokering votes for upper–tier politicians. Between the second and third steps is when the party is at risk: if they cannot count on broker's loyalty, the whole plan fails.

We have a better sense on how modular parties organize when we analyze their state units. Since each state in Brazil is a congressional district, parties organize electoral lists

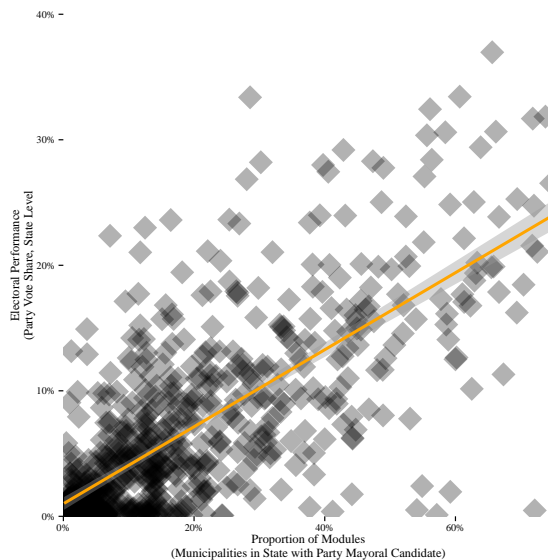


Figure 1.4. Modules and Party Electoral Performance. Includes mayoral and congressional elections from 2000 to 2010. Each unit is one party at the district (state) level. Electoral performance is the party vote share at congressional elections (nominal votes only). Proportion of modules is the number of mayoral candidates in the state two years prior the Congressional elections, divided by the number of municipalities on that same state. Plot includes state-party units with 3 or more mayoral candidates.

and strategies at one state almost autonomously from others. Part of the planning is the decision on how many brokers the party will hire, or how many mayoral candidates the party will field on each state. Figure 1.4 shows the proportion of modules parties have on each state at every electoral cycle starting in 2000. Each electoral cycle comprises mayoral and legislative elections, races that take place two years apart from each other. The x-axis depicts the proportion of all state municipalities in which a party fielded a mayoral candidates, or the *proportion of modules*. That proportion varies significantly; on average, parties field mayoral candidates in less than 14 percent of all possible municipalities. The y-axis depicts the vote share for every one of these party-state units. The association between the two variables is striking: one standard deviation increase in the proportion of modules is related to a 5 percentage point increase in vote share, roughly doubling the vote share parties usually receive.

Gubernatorial Elections and The Number of Brokers

The most dramatic way resources shift hands in Brazil at the state level is in the aftermath of gubernatorial state elections. Governors may not rely on clientelism as much as

their peers running for Congress to win their own elections, but governors are key for placing mayoral candidates who will eventually produce the votes for Congressional candidates. Governors have more access to resources than any other state politicians, and brokers running local modules need these resources. Governors use their discretion over state resources to influence brokers working for competitors to join the governor's party. In other instances, governors may be able to nominate prospective local politicians who pledge allegiance to their parties, in detriment of already established local bosses.²⁴ In the end, governors will greatly increase party penetration by way of expanding the number of mayoral candidates, who will broker votes for congressional candidates of the governor's party.

Hence, winning or losing a gubernatorial election results in much more than gaining access to the governor's seat. The result of the gubernatorial election directly affects party size, which in turn has an effect on how many legislators the party elects. Figure 4.5 contrasts cases where parties won the gubernatorial runoff election with cases where they lost the runoff election, in terms of party presence.²⁵ Each plot has a 45° line. Parties above the diagonal increased party presence after the gubernatorial election. As we can see, not only are there few cases above the line on the plot showing losing parties (right plot), but the distance to the line, a difference-in-differences measure, is large and negative for most parties below the line. Also, no losing party managed to field mayoral candidates in more than 50% of the possible municipalities. Finally, most losing cases above the line are from the PT, which held the national executive during the entire period pictured in the figure, and whose subnational performance was likely affected by national politics. Winning parties, on the other hand, manage to increase presence consistently.

Brokers, Party Switching, and the Performance of Congressional Candidates

When parties lose access to resources, brokers take action. Brokers' reputation among clients depend on their ability to distribute resources, and if brokers need to find new ways to sustain the clientele when their upper-tier partners fail to secure enough resources. Some

²⁴Although there are dozens of parties, each mayoral race in Brazil has less than three candidates, on average. Mayoral races follow first-past-the-post rule, and Duverger law — which predicts that voters will abandon less competitive candidates in favor of one of the two with greater chances of winning — is most times binding (Fujiwara 2011).

²⁵I chose to represent only parties that went to the runoff election since parties that came second without ever going to a second round hardly had any chance of winning the race in the first place, and make a poor comparison to winning parties that won on a first round (including these cases makes results more dramatic).

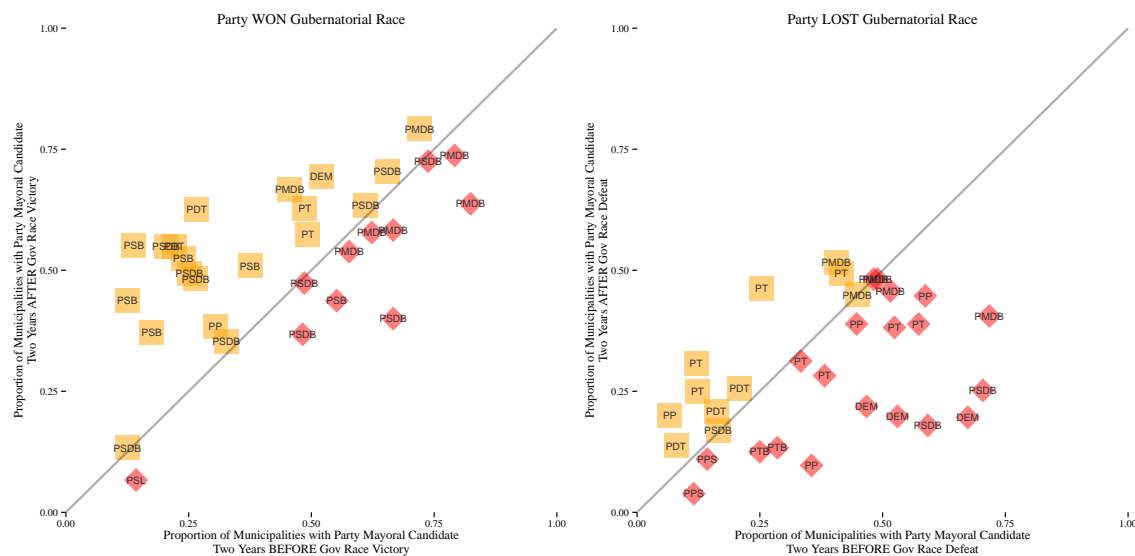


Figure 1.5. Party Presence and the Gubernatorial Race. Plot only includes parties that reached the gubernatorial runoff election during 2002–2010.

brokers are unable to find a new partner, and their modules dwindle. Others simply reattach modules to a different party.

Party switching at the local level has never been an anomaly in Brazil, as 37 percent of all mayoral candidates that remain active in politics change parties in a four year period. No party leader, much less voters, feel surprised when a politician change parties. Of all veteran candidates (i.e., running an election for the second time) running in the 2012 municipal elections, 55 percent were a member of another party in the past.

Without state resources, a party has no recourse for holding its team of brokers together. Brokers and parties have spot contracts with a firm deadline: the following election. At the end of the election, if no other party offers a more lucrative proposition, brokers will possibly work again for the same party. Otherwise, they will switch, and when they do, they will take their clientele with them. Figure 1.6 show a positive relationship between the loyalty of party brokers and performance of the upper tier, suggesting that when parties are unable to retain modules, their electoral performance suffer. Modular parties have few internal mechanisms to induce party loyalty, and when resources dry up, they usually have nothing to offer other than party nominations. Thus, when a competing party approaches the module with the same nomination proposal, and on top of that promise state resources, there will be no way to prevent defection.

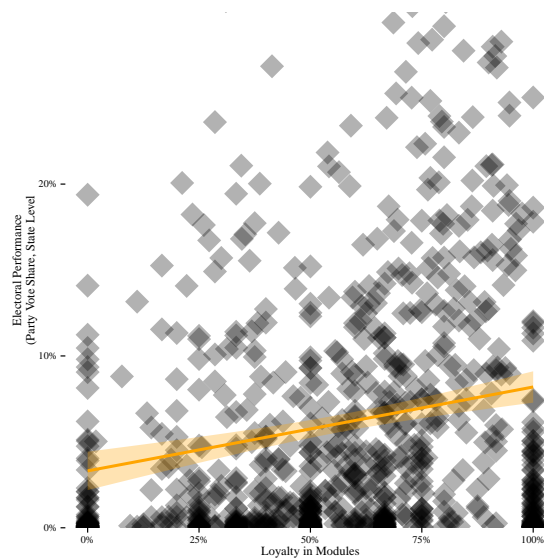


Figure 1.6. Loyalty in Modules and Party Electoral Performance. Includes mayoral and congressional elections from 2000 to 2010. Each unit is one party at the district (state) level. Electoral performance is the party vote share at congressional elections (nominal votes only). Loyalty in Modules is the proportion of party mayoral candidates that run elections two years prior the Congressional elections, remain active in politics, and did not switch parties. Plot includes state-party units with 3 or more mayoral candidates.

1.5 Brief Overview of Methods and Results

Modular parties play a predictable but fluid game of state resources, brokers, and party success. On a distance, the constant reshuffling of brokers and state resources, and the weakness of party structures, may make the system look chaotic. For voters on the ground, however, these changes might be imperceptible. As long as voters receive goods from one local leader, it does not matter from where these resources originated.

The book present a (non-formal) *model* of one type of party, and as in any model there are some simplifying assumptions, and some nuance is certainly lost. Overall, the model assumes politicians to be instrumental in their actions, and that is certainly not the case for all politicians. There are several members of modular parties that do care about policy and party programs, and not all modular parties are entirely devoted to clientelistic operations. Some are clearly on the left of the ideological spectrum, while others to the right. Some parties experience extreme levels of disloyalty, while others are able to make a relatively cohesive team over the years. These distinctions show that parties follow different historical trajectories, and these divergent paths eventually affect outcomes. Important as they are, these differences are not the objective of study of the present book.

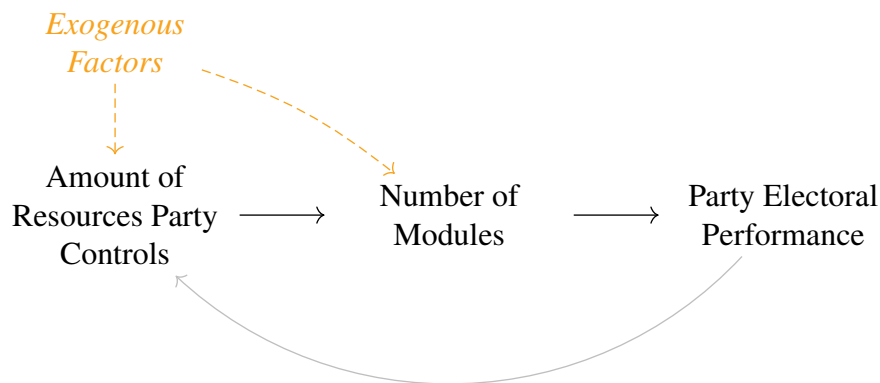


Figure 1.7. The Electoral Dynamics of Modular Parties

The Causal Model

Figure 5.1 summarizes the causal model of modular parties. The amount of resources a party controls affects the number of modules it will be able to attach. These modules will generate the votes for party candidates. This relationship, however, is not free of confounders. There are other factors affecting party performance and the amount of resources parties control, and any empirical test must take into account these omitted variables, and also to the possibility of reverse causation. This book makes use of several exogenous factors that influence variables in the model, allowing for the plausible and robust identification of the causal processes.

Big Questions and Natural Experiments

This book aims to uncover causal relationships using a rigorous research design involving natural experiments, comprehensive data collection, and field experience. In some settings, social scientists circumvent the fundamental problem of causal inference through experimental designs, but experimental designs at the party level, or at best at the party branch level are impractical.²⁶ Recently, several studies on clientelism have employed experiments to estimate causal parameters, either through survey or field experiments.²⁷

²⁶The fundamental problem of causal inference is the impossibility to estimate treatment effects at the unit level, because each unit is either treated or not, but never both. See [Holland \(1986\)](#).

²⁷These include [Wantchekon \(2003\)](#); [Stokes et al. \(2013\)](#); [Baldwin \(2013\)](#); [Gottlieb \(2014\)](#); [Schneider \(2014\)](#); [Vicente \(2014\)](#).

Experimental designs are suitable for a set of research questions dealing with individual behavior, and experiments on clientelistic behavior almost exclusively deal with the responses of individual voters and potential clients towards different messages and small cash prizes they receive from politicians and brokers. In other words, these studies deal mostly on the ways in which candidates, brokers, or patrons convince clients to vote for a politician. This wave of experiments is a welcome innovation in the field of electoral mobilization, but leaves many questions regarding the organization of clientelistic parties, where experimentation is impossible, unanswered.

Direct manipulation of units at the party level is not possible, but parties are subject to external shocks. These exogenous factors can lead to exogenous variation of party variables. When these shocks generating as-if random variability on explanatory variables, making correct causal inferences is possible.

This book makes use of natural experiments, case knowledge, and in-depth description to make substantive claims about the Brazilian party system. During 2012-2014 I conducted dozens of open-ended interviews and contacted several experts in Brazilian politics. Other than the fine-grained picture of Brazilian politics, the field immersion allowed me to deduct the impacts of close-election regression discontinuities — an already well-known natural experiment — on party organization, and, further, on future party electoral performance. Also, field experience facilitated the detection of a mostly unanticipated institutional change, which was crucial for the research design on Chapter 5. This multi-method approach allowed me to contextualize and better understand the actions taken by politicians, brokers, and voters, and make innovative claims about how actors active in Brazilian politics organize and sustain clientelism.

Regression Discontinuities

Close elections regression discontinuity appear twice in this book. First, I use a regression discontinuity design to show how fast politicians can inflate or deflate modular parties, as shown on figure 4.5. If parties incorporate local bosses into their organizations, the parties will forge local connections and have access to local notables to broker votes. However, the relationship between parties and local authorities only works as long as parties have access to state resources. When this flow is curtailed, such as when subnational candidates lose elections, the vertical bonds between parties and local authorities are severed. When power changes hands, a new incumbent will form alliances with local notables. I show that when gubernatorial candidates win close elections, their parties are able to field more mayoral candidates and subsequently gain more seats in Congress. The same pattern holds on a smaller scale when congressional candidates win their elections. The model helps to

explain why clientelistic party systems are stable when parties are not.

The second instance in which I use a regression discontinuity is when I analyze how disloyal brokers affect party organization, and the upper-tier performance at the local level. This test aims to uncover the causal process of suggested by figure 1.6. Political brokers may be unreliable agents. In party systems with modular parties, brokers' connections are valuable to multiple parties, and brokers may defect when presented with a superior proposal. When brokers switch, parties' local linkages erode. Limiting party switching, however, helps parties build more stable linkages to voters. Until recently brokers in Brazil frequently changed allegiances. However, an unexpected institutional reform discouraged brokers who had won local elections from switching. Using regression discontinuities designs, I show that compared to their losing counterparts, winning candidates became more dependable party intermediaries only after the ruling. Further, I identify that the exogenously set exit barriers improved prospects for parties unable to enforce loyalty on their own. My findings show that party switching is a cause and not merely a symptom of unstable parties in clientelistic systems.

The Plan of this Book

Modular parties are *weakly-institutionalized* organizations that sustain the laborious, time-intensive, and *institutionalized* practice of clientelism. In the following chapters I advance the model of modular parties in detail, and present evidence about the way this type of party operates. In Chapter 2 I describe the problems involved in clientelistic mobilization, why politicians build clientelistic parties, and why modular parties is usually the most viable option in nascent democracies. I also explain in detail the two-tier organization of modular parties. The top tier is composed of party candidates running for state and federal offices, such as governors and deputies, and they must acquire resources to distribute to clients. The bottom tier contains the party modules. A module is a network of clients controlled by a broker acting between the upper tier and voters. The two tiers are interdependent: brokers running modules need resources to activate and deliver their network of clients and make them vote as directed, and the upper-tier require modules to reach voters in different localities. Because party tiers are interdependent exchanging resources for votes, if one stratum fails to perform its role, the whole party arrangement breaks. The distinctive feature of the modular party from other clientelistic parties is that a broker can credibly threaten to switch parties.

Brazil is a great example on how a modular party system functions. The country has the most fragmented political system in the world, and yet it is a consolidated and orderly

democracy. Chapter 3 describes the Brazilian party system, and its parties and its actors, which provide the grounds for the empirical analysis of this book. The ability of the upper tier to attach modules varies according to the level of resources the the upper tier controls. Chapter 4 analyzes the capacity of incumbents in the upper tier to win the support of brokers. Incumbent governors in particular have the resources to attract a large number of mayoral candidates as brokers. These mayoral candidates, with their own local networks, are the agents who will guarantee votes for party congressional candidates. On a smaller scale, but in similar fashion, congressional candidates also build their own independent branches of agents, making their own alliances with local politicians.

Party switching is the defining feature of modular parties, and Chapter 5 analyses the way party switching has two opposing effects regarding institutionalization. The first effect is that the relationship between upper and lower tiers are not routinized but fluid. Second, mayoral candidates switch parties as a bid to maximize resources through which they are aided in creating sustainable attachments to voters, thereby routinizing the clientelistic exchange. In this sense, party switching, often regarded in the literature as a symptom of weakly-institutionalized parties, turns out to be a cause.

The fluidity between the two tiers depends on the credibility of the threat of switching. This is demonstrated by the analysis of a reform that reduced the gains of being disloyal. The scant internal incentives parties possess denies them the option to adapt, even if transformation from the organizational perspective is potentially advantageous. However, following an unexpected institutional reform enacted by the Judiciary, mayors in Brazil saw a dramatic increase in the costs of switching, and responded accordingly by becoming loyal partisans. The imposed loyalty had a direct effect on how upper tiers performed at the local level. Modules run by local politicians forced to remain loyal started to outperform those modules where new restrictions did not apply.

Chapter 6 discusses the substantive implications of modular parties. One of the poignant attributes of these parties is the pulverized power at local level, autonomous units. Transformation towards a program-based party is unlikely given that power in modular parties concentrates among free-agents with fragile ties to upper-tier politicians, and without any horizontal ties with other brokers. Additionally, considering that the fluidity prevents modular parties from establishing reliable and durable party-voter linkages, modular parties are poor channels for popular demands and political accountability. Since so many political actors are invested in clientelistic mobilization, and given the small prospects of party transformation, any hope that electoral democracies in the developing world are in route towards establishing effective representation of popular demands may be unfounded.

Appendix

Table 1.1. Electoral Volatility, Clientelism, Age of Democracy in Third Wave Democracies

	Level Clientelism		Electoral Volatility	
(Intercept)	15.39*	15.83*	36.50*	36.60*
	(0.89)	(0.76)	(6.16)	(6.45)
Age of Democracy	-0.03	0.02	-0.24	-0.23
	(0.04)	(0.04)	(0.26)	(0.28)
Income per Capita (in '000)		-0.14*		-0.02
		(0.03)		(0.24)
<i>N</i>	47	46	41	40
<i>R</i> ²	0.02	0.32	0.02	0.02
adj. <i>R</i> ²	-0.00	0.29	-0.00	-0.03
Resid. sd	2.13	1.80	12.72	13.05

Standard errors in parentheses

* indicates significance at $p < 0.05$

Chapter 2

Why Modular Parties?

Existing theories of party formation and party transformation do not properly explain the varied organizational setups of political parties. In a general sense, political parties are institutions politicians create to help them win elections (Aldrich 1995), but the challenges politicians encounter pursuing public offices have varied tremendously. All politicians want to win elections, but depending on the historical and socio-economic characteristics of the political system, and the course taken by political predecessors, politicians may opt for different strategies for gathering votes.

In the last quarter of the Twentieth century, the world experienced the most encompassing process of democratization ever witnessed. Democratization, however, was not homogeneous across all countries. Different historical antecedents, the severity of economic crises, and the choices politicians took during the transition put countries on sharply different paths (O'Donnell and Schmitter 2013; Collier 1999; Haggard and Kaufman 1995; Remmer 1990). In some cases, the transition from authoritarian regimes came to pass under great social unrest. In other instances, the process was much less turbulent, with authoritarian leaders openly negotiating from the top the terms and conditions of their departure. The duration of the transition was not uniform either. Whereas in some places it took years, in others the regime changed almost overnight.

With diverse antecedents and different decisions taken during the critical moments of establishing free and fair elections, it is not surprising that the process of party formation has also been uneven. In some countries, political parties were returning to legality (Wittenberg 2006; Pop-Eleches 1998), even when ties to external interest organizations, such as labor unions, had never been broken. In many other countries, parties were as novel as free elections. In some surprising cases, political parties existed during the authoritarian regime, which by no means assured their success under democracy.

One should not expect that with all these diverse political underpinnings and distinctive historical antecedents parties would follow the same trajectories of Western European and US counterparts. Even among Third-Wave democratizers, one should not anticipate that parties would follow similar paths. However, most analyses of party formation and party system consolidation use the cases of long-standing democracies as a benchmark for party formation success. The experience of political parties in older democracies may not completely be a false standard, as these are cases among recent democratizers where parties, to some extent, adequately structure the political debate and electoral campaign around a few and opposing programmatic camps and societal cleavages. Such is the case of Spain, and to some extent, Chile. Notwithstanding, scholars should not expect that new parties would eventually follow the path of program-based structuring (Kitschelt et al. 2010), otherwise any divergent outcome will inevitably be classified as a failed attempt in party building.

Programmatic parties are not the organizations politicians need in some political systems, and sometimes politicians just do not have the option of building these types of parties. Political leaders have to actively mobilize the society around social cleavages (Torcal and Mainwaring 2003), and this coordination effort could be an herculean task leaders may not be willing to undertake. Cross-cutting issues could run deep enough that even political mobilization through evident social cues, such as ethnicity, may be damped by other relevant social attributes and historical developments (Dunning and Harrison 2010). Sometimes, coordinating party members in such way that they agree to support the same policy platform may not be as effective (in terms of winning elections) as constructing a party where party members mobilize voters through ad hoc appeals. The policy goals of politicians from different regions in the same country might not be the same, and demands from voters may be unfocused and not necessarily mutually conflictive. Under these circumstances, politicians may find advantageous to form a political party able to accommodate distinct interests and diverse political platforms.

In addition, authoritarian governments have an extensive power apparatus, bureaucracies, and political arrangements that do not disappear by fiat. Authoritarian governments need to build support, and in the process of building alliances, the dictators necessarily ingrain powerful interests in the society. Such is the case of patron–client relationships. Politicians in the process of building parties cannot ignore the power dynamics born and nurtured by authoritarian leaders. And politicians may see forced, or willing to accommodate these interests within the nascent political regime.

Instead of undergoing the complex process of programmatic party structuring, many politicians have turned to political parties for help in carrying out clientelistic exchanges. Clientelistic parties are very different to program-based parties, but in no way less com-

plex. Clientelistic exchanges are much more than vote-buying that only take place during electoral periods (Nichter 2010). Clientelism is an exchange of goods built upon reputation and trust (Zarazaga 2014b) which may be very well in place during the transition to democracy.

Perhaps the greatest difference among programmatic and clientelistic parties is how they deal with voters demands. Instead of crystallizing several demands into a orderly and credible political platform, clientelistic parties are organizations built to allow the mobilization of voters around individual demands. It is a matter of debate if program-based parties are the best type of party voters can get, and if clientelism is an entirely pernicious political practice. However, given constraints politicians face, program-based parties party may not be the the best strategy politicians can use to win elections. Under some circumstances, the contingent exchange of private goods for votes may become the most suitable strategy to win votes.

Whatever is the reason why politicians build one type of party and not the other, politicians will have to resort to very disparate party organizations. While program-based parties are usually centralized, rigid, and bureaucratic, clientelistic parties have decentralized organizations with fluid structures and unpredictable internal rules.

Over time, electoral experience may only reinforce the differences between these types of parties, making the transformation of parties from one model to the other impossible. Given that authoritarian reversals after decades of democratic experience are rare (Svolik 2008), clientelistic party organizations may progressively distance from the programmatic party model to a point where adaptation to the Western-European ideal is no longer feasible.

This chapter introduces one type of clientelistic party that is likely common in many of these recent democratic regimes, and which has not been properly theorized. I refer to this type of clientelistic party as *modular*, a party whose organization is pliable and fluid. Modular parties are viable, and useful institutions for politicians in nascent democracies where patron-client relationships are abundant, interests varied and pulverized, and where organizing encompassing political parties is difficult.

Modular parties "work" because their politicians outsource the construction of patron-client linkages to autonomous agents. These agents, out of their own interest and independently from any particular party, build clientele. Knowing fully well that patron-client relationships are only a viable investment in the long run, these agents do not bind themselves one single politician or party, since, over time, these politicians might not be able to send enough resources for the maintenance of patron-client linkages. These agents only build build patron-client relationships if there are exit options for them, and if they are

free to strike deals with any modular party.

The inevitability of employing free-agents will cause party-voter relations to constantly collapse. Free elections cannot guarantee that these politicians will control the same amount of resources they control today in future elections. Since the clientele of these agents are not specific to any party, brokers can accept outside offers and switch to a different party, without incurring substantial costs. Since these brokers are the ones that connect voters to the party, the weakness of party-broker relations will inevitably result in intermittent and fragile party-voter relations as well. And since politicians in modular parties do not have means to enforce loyalty of brokers on their own, and do not have the conditions to build party-specific clienteles, modular parties will remain weakly-institutionalized.

The next section will detail the problems related to clientelistic mobilization. There are two main issues involved in the use of patron-client linkages in politics. First, politicians need to find ways to nurture these relationships over time. Second, politicians need to hire brokers, and induce them to procure votes effectively. The following section explains how modular party organization and its main actors solve these two problems. Next, I show how the dynamics of modular parties, and how the volatility at the top of parties do not necessarily disrupt patron-client linkages.

2.1 Patron–Client Linkages in Electoral Democracies

At the time of transition from authoritarian regimes, economic inequality was a common in most of the Third-Wave democratizers.¹ Unequal distribution of economic and political power are conducive to patron–client relationships, which are the backbone of clientelism.² Patron–client relationships are reciprocal and voluntary associations between individuals who have asymmetrical access to resources. The association is not a modern invention, neither exclusively political, i.e. used to mobilize clients to support politicians; in fact, patron-client linkages are perhaps the first bonds between persons from different families (Mair 1961). It is reciprocal because both patron and clients trade with and acquire from the other something they want: patrons need political support, and clients demand private goods, and none can receive what they want without engaging in a patron–client connection.

Despite some differences in the way clients and patrons transact and relate to each other, the historical and current examples of clientelistic relations have one theme in common: hierarchical relationships between patrons and clients. In these relationships, and obligations are not officially sanctioned by the state (Helmke and Levitsky 2004).³ Scholars have recorded the widespread presence of patron-client relations before the advent of fair elections in Africa (Mair 1961), Southeast Asia (Scott 1972), Mexico (Foster 1963; Kettering 1988), and Brazil (Faoro 2001; Leal 2012). Clientelism was also a relevant power structure before democratization in some of today’s developed countries, such as Italy (Graziano 1973; Tarrow 1967; Piattoni 2001) and France (Kettering 1988).

There is no reason to expect that patron-client relationships to disappear after the inauguration of free elections. Instead of abandoning or ignoring preexisting patron–client power structures, politicians may use them to mobilize voters, especially when other options for electoral mobilization are not be readily available.

¹Or, countries that democratized after 1974. See Huntington (1993).

²Scott defines patron-client relationship as “an exchange relationship . . . in which an individual of higher socioeconomic status (patron) uses his own influence and resources to provide protection or benefits, or both, for a person of lower status (client) who, for his part, reciprocates by offering general support and assistance, including personal services, to the patron (Scott 1972, 92).”

³Patrimonial relations shares some attributes with feudalism. Lemarchand and Legg (1972, 157) notes that “[t]he vassal owes personal service to his lord, but the lord owes protection to his vassal in time of war; the client-chief owes tribute to his ruler, but the ruler owes him political rights and privileges commensurate with his rank; the peasant and his family provide votes for a politician and in return must cater to their material needs”. However, Kettering (1988) assert that the two relationships are not the same, as the lord and vassal relationship is ruled by formal institutions, meanwhile royalty-notable patronage connections is an informal institution.

The immediate use of patron–client linkages in elections can bring stability for the newborn political regime. When transitions to democracy are rapid or takes place in the midst of economic crises, or when authoritarian reversals are imminent, politicians may lack any recourse to guarantee political support other than using pre–established patron–client relationships. Politicians may not have the time or resources to build exclusive party–voter linkages (which may be clientelistic or programmatic), or may be wary of breaking the fabric of local power structures and upset local patrons, who could turn against them.⁴ Hence, not only adapting and using patron–client relationships may be the cheapest and easiest route to win votes, maintaining these linkages functional may lend stability to an unstable regime.⁵

The Travails of Clientelistic Mobilization

Although the use of patron–client relationships may be useful for politicians in nascent electoral democracies, winning majorities through the contingent exchange of goods for votes is not a simple enterprise. There are two main reasons for that. First, politicians must observe that the promises of patrons and clients remain credible regardless of the electoral results (Kitschelt and Wilkinson 2007).⁶ Trading resources for votes will only work if politicians know that by handing out goods they will convince clients to vote as directed, and clients understand that they will only be rewarded if they vote for that politician.⁷ The trouble is that patrons and clients have incentives to break their commitments. Patrons may wish to keep resources for themselves, and clients may want to vote according to their wishes, regardless of what patrons tell them to do. Hence, patrons and clients are suspicious of each other, and the uncertainty elections bring to the transaction can damage the reputation and credibility of patrons, breaking long–standing patron–client relationships.

Second, employing clientelism to gather enough votes to win elections above the local level involves managing a team of political brokers (Stokes et al. 2013). Patron–client

⁴Remmer (1990) notes that economic turmoil was recurrent on many democratizing countries of Latin America, and that the responses of new leaders to these crises were tepid. However, in retrospect, many of these regimes passed these crises and later consolidated. The use of clientelistic networks to uphold popular support could have helped the consolidation of these regimes.

⁵Arriola (2009) demonstrate that widespread use of patronage from African rulers considerably decreased the odds of extra-constitutional removal from power, and Acemoglu, Reed and Robinson (2014) record that the British empowered local chiefs in Sierra Leone during colonization to maintain some source of political legitimacy.

⁶The distinction of politicians and patrons will become clear below.

⁷See, for example, Robinson and Verdier (2002, 1).

relationships depends on personal ties, and politicians can only attract a large number of potential supporters if agents reach out to voters on an individual basis and convince each citizen to become clients.⁸ Motivating brokers is a complex agency problem for candidates, as brokers and politicians might have misaligned objectives. Thus, not only politicians have to enlist a battalion of brokers, politicians need to give them the right incentives to produce votes. In addition, politicians also need to make sure that brokers are loyal to them and not to working for competitors.

Maintaining the Credibility of Patron–Client Relationships

The use of patron–client relationships in elections will only work if clients believe in patrons’ threats and promises. This is a considerable challenge for politicians mobilizing voters on large–scale elections, as all solutions for the credibility problem involves close contact between patrons and clients. Unless patrons and clients remain close to each other, no promise they make will be credible to the other. And without credibility, there will be no mutual cooperation. On the one hand, patrons may promise to distribute goods to clients, but after clients deliver their support, patrons can withhold these resources. On the other, clients, after receiving the material benefits from the patron, can simply do as they want instead of voting for the patron, or for whoever the patron is politically supporting. The trouble of keeping clientelism credible is worsened by the introduction of the secret ballot, which makes the opportunism of clients hard to detect.

There are two main accounts explaining how patrons and clients make political clientelism work: the monitoring rationalistic, and the anthropological explanation. According to the monitoring-rationalistic interpretation (Brusco, Nazareno and Stokes 2004; Stokes 2005; Gans-Morse, Mazzuca and Nichter 2014), voters support a patron because they believe or fear that the patron is privy to political proclivities and ballot choice even after the election, and will punish opportunists. Patrons can only monitor clients if they have an intrusive network of information within their communities. The anthropological account notes that clientelism is a reciprocal and hierarchical relationship, where patrons and clients are connected through “traditional ties of deference” (Scott 1969, 1146), which are maintained with material inducements (Foster 1963; Scott 1972), and bonds of affection (Lemarchand and Legg 1972).

The two accounts, however, have shortcomings. Zarazaga (2014b) criticizes the rationalistic account for failing to produce enough corroboratory evidence that demonstrates patrons can in fact monitor voter choices under secret ballot rules. Zarazaga also sees trou-

⁸On an account on how brokers carry on individual relationships, see Zarazaga (2014b).

ble with the assumption of the reciprocity explanation of clients being altruistic, myopic, or irrational, whereas patrons are rational and strategic. [Zarazaga](#) tells a more compelling story, arguing that voters tend to support the patron because voters know that by doing so they increase the odds of receiving goods in the future. Moreover, patrons nurture a long term relationship with voters because they know voters will only collaborate if they trust patrons will deliver goods over time.⁹

Patrons-slash-Brokers

Clientelism requires that an individual to be the patron, but there is no requirement that politicians should be patrons. Politicians can sustain patron–client linkages by having others serving as clients’ patrons, and have these some individuals brokering votes to them.

Clientelistic parties as institutions, and politicians running for elections above the local level are not normally it.¹⁰ Political scientists often treat politicians and parties as patrons, possibly because they analyze clientelism within dominant parties. For example, [Kopecký, Mair and Spirova \(2012, 5\)](#) say “The patrons, who are the parties or politicians, have clients, who are voters or potential supporters. . . . [U]nlike the patron, the broker does not directly own or control his own resources, but act as an intermediary between those who own and control the resources, principally the state and the bureaucracy, and those who require those resources, usually the rural and urban poor”.¹¹ In equating parties and politicians to patrons, scholars are erroneously assuming that political clientelism is only a redistribution of resources. The corollary of the assumption that politicians or political parties are patrons is that brokers will merely be an extension of politicians’ actions, choices, and desires, something that the recent scholarship on clientelism has decisively shown not to be the case.

Patrons act as brokers for a politician, while still being patrons to their clients. In one of the first attempts to conceptualize patron–client relationships, [Foster \(1963\)](#) compares the role of patrons to patron–saints in the Catholic dogma, whose attribution is the mediation of a believer’s plea (communicated to the patron-saint through prayer) to God. The broker in clientelism assumes a similar role, becoming the individual who intervenes between clients and politicians.

⁹As I explain in the next section, brokers can be patrons. [Zarazaga \(2014b\)](#) discuss the role of *punteros*, or Peronist brokers. However, he agrees that through the voter point-of-view *punteros* may be in fact patrons (personal correspondence with author).

¹⁰With the exception of the small clientele politicians running on national and subnational elections might have had before ascending to a top spot.

¹¹[Hopkin \(2006, 409\)](#) also treat the party as the patron.

Voters may only feel the need to reciprocate to the broker, not to the party and its politicians. On these cases, voters bond to the broker, and trust that brokers are the ones who will reward or penalize them. Hence, for these voters brokers are effectively patrons. In the eyes of voters, this broker controls the distribution of goods, and voters understand that they will only get favors if they “pray” to that patron–slash–broker — especially when voters are not sure whose god is above. For the politicians, the broker may be the middleman that “does not himself control the thing transferred”, but for voters it may be irrelevant their patron receives resources from politician A or B.¹²

Establishing that brokers are patrons is important for the understanding of how clientelistic parties operate for three reasons. First, it explains how political clientelism on a large scale can reach out to thousands of voters while maintaining the personal attribute of individual transactions, despite any electoral volatility at the subnational and national level. When brokers are patrons, party–voter linkages do not need to be set in stone, and politicians may employ brokers and receive votes without ever forming ties with clients. Second, when brokers are patrons, politicians are free to set impromptu deals with several different agents, quickly increasing the support base without ever worrying about building linkages to voters. Third, when brokers control patron–client linkages, they have autonomy to seek whichever politician is able to feed the network with resources. In the end, politicians and brokers may have a completely market–like relationship, politician and voters may not ever meet in person, and broker–voter relations can withstand the test of time.

Party–Broker Relationships

Party–broker relationships are the defining feature of the clientelistic party organization. Clientelistic mobilization requires several patron–client relationships, and given that these relationships are personal, a single individual cannot be the sole patron of thousands of clients. Politicians can only scale up clientelistic operations if they employ agents to expand clientelistic networks and supervise clients.

These agents are a *sine qua non* for clientelistic parties (Stokes et al. 2013, 76), but managing brokers is a complex operation. Brokers are not an extension of politicians’ agency, but agents with specific preferences. The votes brokers procure to politicians bring them no direct benefit; thus, a politician must have an incentive scheme that take into account brokers’ ambitions if politicians wish to make their agents put any effort in mobilizing voters.

¹²Scott (1972, 95). Scott however recognizes that brokers may also be patrons.

Recent studies show that politician-broker relationships are often contentious. Politicians face an issue similar to employers wishing to maximize effort from employees (Zarazaga 2013; Szwarcberg 2012; Camp 2012; Stokes, Dunning, Nazareno and Brusco 2013). Although having one additional elected congressional candidate, senator, governor, or even electing the president, bodes well to brokers, the free-riding impulse individual brokers have to let others do the vote-getting cannot go unchecked (Larreguy 2012). Not only brokers might free-ride on other members, they might hide the fact that they are “double-agents” promising to broker votes to multiple politicians, especially in elections where voters choose individual candidates instead of party lists.

Preventing opportunism from brokers is difficult because monitoring brokers is difficult (Larreguy 2012). Brokers can act opportunistically because they are much more knowledgeable about their clients and area of operation than actual candidates. Since politicians do not have a complete picture of what clients want, brokers can use the information asymmetry to extract rents from the politician. As a result, brokers may end up demanding more resources than necessary to draw clients to vote for the politician, and then pocketing some (Camp 2012). Or, instead of walking door to door in their communities, *barrios*, or *favelas* in order to expand the number of clients under their influence, brokers may instead shirk on their duties if they know voters in the region will vote for the upper-tier politician anyway.

The privileged standing of the machine within a party system allows it to solve both of the two major problems clientelistic politicians face, i.e. maintenance of patron-client relationships and party-broker relations, expertly. Brokers in political systems with a dominant party have no option but to work for the machine. The unparalleled control of the state and exclusive channels for the distribution of resources allows machines to establish a constant flow of resources to clients. If brokers are dissatisfied, they cannot threaten to leave the party. The lack of exit options makes brokers dependent on the machine to carry out exchanges and reducing their bargaining power. Moreover, brokers know that if they appropriate all the resources, they will lose the trust of the clients they want to influence. This necessity to maintain a reputation with voters, and because the machine is able to send state resources to their brokers regularly allow clientelistic party machines to successfully carry out clientelism.

The literature has mostly dealt with agency problems that arise within clientelistic machines, and scholars neglected other issues that may arise when politicians are not operating within a dominant organization.. Dominant parties are special in the sense that there is no other clientelistic party on the same league as them in the party system. Some of the theoretical underpinnings of these dominant party-machines travel to other types of

clientelistic parties, but dominant clientelistic parties are in many ways exceptional.

Similar to the confusion of studying clientelistic parties through the point of view of program-based parties may bring, examining all clientelistic parties using dominant machines as benchmark may also lead scholars to wrongly conclude that non-dominant clientelistic parties are broken. Indeed, when analyzed through the prism of dominant parties, modular parties seem destined to fail. Modular parties have only intermittent access to resources, and instead of being monopolistic, modular parties usually come in numbers, leaving brokers with plenty of exit options. In addition, the ephemeral control of resources prevents modular parties from creating and sustaining clientelistic networks on their own. More than defects, these are attributes of modular parties. The recurrent adjectives to scholars use to describe these parties, such as "weakly-institutionalized" or "feckless", obscure the fact that they are more than ineffective attempts of hegemonic parties.

Despite their ad hoc qualities, modular parties do allow patron-client linkages to develop, and they do motivate political agents to broker votes. However, the solution they provide for mobilizing voters prevents them from creating strong party structures. Modular parties do not own, but "hire" or outsource the networks of clients from structures created by autonomous agents. These agents only build patron-client linkages because they are "free". The next section will describe why politicians can only rely on these agents if they allow them to be disloyal.

2.2 The Modular Party

Given the complexity of implementing political clientelism, makeshift parties with inconstant access to state resources and disloyal brokers may appear destined to fail. Clientelistic networks “are generally the result of long, hard organizing efforts” (Kitschelt and Kselman 2013, 6), only parties with a solid standing among the electorate would be able to bank investments that require a long time horizon to mature. The time horizon for makeshift parties is short. “Feckless” parties would not be able to sponsor patron–client linkages over time, and their politicians would have no incentives for building patron–client linkages.

Yet, there is no need for these parties to build exclusive patron–client linkages. Politicians in modular clientelistic parties may still mobilize voters through the contingent exchange of goods for votes outsourcing the responsibility of building these linkages to outside agents, or by “hiring” autonomous patron–client linkages that are already in place.

Although a single modular party would not be able to consistently send resources to these local agents, a modular party system would enable the survival of patron–client relationships by permitting these brokers to switch to whichever party holds state resources.

The Organization of Modular Parties

In the pursuit of winning elections, politicians arrange modular parties vertically in two tiers: national and subnational political elites compose the upper tier, and patrons–slash–brokers the lower tier. The two tiers have an interdependent, and as we will later analyze, conflictive relationship. Politicians in the upper tier assemble the modular party in order to run and win national and state-wide elections, and the future of the modular party depends on their success in these elections. It is only by winning that politicians in the upper tier may have access to state resources, which are the fuel of clientelistic exchanges. Without these resources, politicians will not have goods to distribute to voters, but, importantly, they will not have means to attract patrons to join the lower tier. Brokers are free agents with an autonomous clientele — or modules — which have been created and nurtured even before they join a party. Unless these patrons receive state resources, they will not be able to mobilize the module and broker votes for upper tier politicians.

Modular parties increase in size when upper–tier politicians gain access to state resources. More goods to distribute allow upper–tier politicians to hire more brokers. The reverse is also true: when upper–tier politicians lose a re–election bid, the modular party necessarily downsizes, as it will no longer be able to sustain as many modules as before.

At first, the makeshift quality of these parties pose an obvious threat to the credibility of patrons among clients. After all, the continuation of these parties, or at least the security that these parties will maintain a stable amount of resources disposable to distribute among brokers is put to the test on every election, and without a reliable sources of material goods, brokers (or patrons depending on the point-of-view) will not have ways to consistently deliver goods.

However, the pliability of modular parties is the attribute that allows brokers to preserve patron-client networks over time. If brokers were not allowed to switch parties with relative ease, they would not have the same incentives to broaden the network, at least not at the same level as they build when they are allowed to switch parties. Brokers build their clientele knowing upper-tier politicians are subject to electoral volatility, and know they could eventually need to be disloyal to the politician.

Since local notables can conveniently detach their modules from resource-poor parties and reattach to resource-rich parties, these local agents are able to maintain their reputation of good patrons among clients. This apparent opportunism on the part of brokers increases the chances clients will receive resources and give the conditions under which modular party systems remain stable political systems.

Party Switching in Modular Parties

The ability of brokers to switch parties is the most important feature of modular parties, and it deserves further scrutiny. The incentives of brokers to switch parties are different from upper-tier politicians changing parties. For some time, party switching has been object of scrutiny among political scientists, but the large majority of studies on party switching only deals with floor-crossing of MPs ([Mershon 2014](#); [Heller and Mershon 2005](#)), and there has not been any scholarly work devoted to study the effects of party switching on clientelistic parties. Specifically, there has not been a systematic study on how party switching affects clientelism.

Brokers do not switch parties to increase their chances of passing favorable legislation. Unless brokers are running for office (which may be a common occurrence at the local level), they do not switch parties to increase the chances of re-election. Brokers care about their clientele, and they switch parties mainly to preserve their prized political asset, and to profit as much as possible with their ability to mobilize voters to upper-tier politicians.

Party switching is common to a number of democracies where clientelism is part of politicians' toolboxes. These include Ecuador, India, Italy, Japan, Peru, Philippines, South Africa, and Ukraine ([Acosta 2004](#); [Chhibber 2013](#); [Desposato 2006b](#); [Desposato](#)

and Scheiner 2008; McLaughlin 2011; Thames 2007; Heller and Mershon 2008). Most of the literature assumes brokers are agents working for a single (dominant) party, and as a result brokers switching parties has not been properly analyzed.¹³

Recent scholarship documents several instances of brokers switching parties.¹⁴ However, these works do not explicitly discuss the implications of brokers' defections on the organization of their parties, and its effects on party building over time. One exception is Holland and Palmer-Rubin (2015, 13), who conceptualize the difference between brokers who mobilize voters for one party and brokers who in the course of their political careers, and other brokers who may work for different parties. They note that in Colombia some brokers head large and important interest organizations, and may be in a position to act as free-agents, using their privileged mobilization capacity as leverage to extract more resources from political parties.

Brokers can only switch parties if two conditions are met: (a) there is more than one party mobilizing voters through clientelism; (b) brokers own the clientele, or if the channels of goods disbursement are not party-specific. The first condition is certainly trivial, but it helps us define the scope conditions under which modular parties may arise. It also may help us understand what happens to party systems where dominant parties start losing their hegemony. The empirical analysis of such process is beyond the purpose of this chapter, but one should expect that as dominant parties start losing their historical advantages over smaller parties, it may experience a "de-institutionalization" of their organizations, with their connection to voters interrupted by brokers switching to a party rising in prominence.

The second condition contrasts the cases of dominant and modular party systems. Dominant parties have organic connections to mass organizations, notably to labor unions. If brokers operate within these mass organizations, switching parties could mean losing access to all their clients, because access to members of these mass organizations is granted for partisan brokers only. In other words, if a clientele is party-specific, when a broker defects the party can replace the agent with another and still gather votes from the same

¹³Stokes et al. (2013, 97) recognize brokers may leave one party leader to another, which may be a common occurrence in party systems with a dominant party, such as the Argentine or Mexican cases where brokers fluctuate between party factions. Pozzi and Nigra (2015, 8) documents a case where a mayor that "[o]nce elected . . . became a supporter of the Kirchners (radical K) and then flirted with the neoliberals of the Propuesta Republicana (Republican Proposal), later to join the Kirchners and finally to become a firm and principled supporter of the traditional and anti-Kirchner Peronist. . . . [T]hroughout this political hopscotch, he never lost the support of the local electorate." Thus, even political machines may be partly organized in modules, and live under the shadow of defection. However, to the best of my knowledge, there has never been an empirical test regarding broker party switching.

¹⁴See, for example, Muñoz (2014) for Peru, Aspinall (2014) for Indonesia, Koter (2013) for Senegal.

clients, and the disloyal broker will have to start a new clientele from scratch. If brokers do not operate within channels exclusive to one party only, they may act as free agents, and move an entire bloc of votes as they see fit.

When brokers switch, the damage they inflict to their former parties is strictly larger than unmotivated brokers cause not exerting enough effort, or when brokers hide valuable information from party higher-ups. Disloyal brokers not only may preclude former parties access to a group of former supporters, disloyal brokers also mobilize their network against their previous party.

Becoming a broker in a modular party system is not free of risk. If one individual aspires to become a local patron, and later a broker, this person will have to spend time, money, and effort to make voters into clients. And, in the end, this patron may not succeed. This patron will face local competition of already-established patrons, or may not encounter any upper-tier politician willing to employ her. In the end, this prospective patron may end up becoming a satellite of a more powerful patron, or end her political career with a loss. The next section analyses in depth the incentives brokers face to invest on clientelistic exchanges.

The Heavy Bottom of Modular Parties

Organizing a modular party entails in relinquishing power to patrons, and foregoing the creation of stable party–voter interfaces. To better understand this important implication, we can analyze the modular party using the theoretical framework of contract theory (Williamson 1975; Alchian and Demsetz 1972; Bolton and Dewatripont 2005; Grossman and Hart 1986). In this exercise, two actors engage in a principal–agent relationship, where the principal, the upper-tier politician, demands the production of votes from the agent, the broker. Votes can only be produced through investments in one political capital: clientelistic networks. To work, clientelistic networks require constant input of state resources.

Clientelistic networks are political capital goods because they produce votes in current and future elections, and as is the case with any capital, one will only invest if benefits surpass costs. Brokers acquire no direct benefits from votes produced by networks, thus principals need to pay brokers to operate networks. Their ability to pay also depends on access to state resources. At this point, principals know exactly how many votes brokers produce. The following subsection will relax this assumption.

The details of the deal between broker and politicians are open-ended, and may not contemplate all possible actions for every future event that might disturb the relationship and interests of upper-tier politicians and brokers. In other words, it is an incomplete

contract with one important clause describing the decision rights over the political asset — clientelistic networks. Also, let's assume that there are at least two upper-tier politicians willing to employ brokers. In addition, we will assume that resources are distributed to upper-tier politicians randomly through elections.¹⁵

In a modular party, upper-tier politicians outsource to brokers the production of votes, and politicians and brokers establish a tacit contract defining that brokers have residual claims over modules. This means that should upper-tier politicians and brokers part ways, brokers will bring the module away with them. With these definitions and assumptions in mind, we can analyze how each of the two actors will act, and what ultimately the party will be.

We first start by examining how brokers may act. In a modular party organization, brokers will be the only one investing on clientelistic networks. However, brokers only invest on clientelistic networks because they have residual claims over networks. Given that politicians are subject to the randomness of elections, they may lose access to resources. If brokers were not allowed to switch parties and take the networks with them, elections could cost them previous investments, an electoral defeat would mean that brokers' investment on network could break apart. But if brokers "own" the network, no matter how the electoral results turn out to be, brokers will be able to employ their political capital to another politician. This mobility makes the risk of wasting the investment low, and depend on the two conditions stated in the preceding subsection: if there are exit options, and brokers are patrons, investments on patron-client linkages will not be in vain, and brokers will get paid.

While brokers have incentives to build patron-client linkages, upper-tier politicians do not have many reasons to invest on that kind of political capital. Upper-tier politicians cannot be certain that investment on clientelistic networks will pay off. The reason is that there is no way to be certain that future "vote production" stemming from investment in patron-client linkages will go to them. As we saw before, brokers are fundamental for clientelistic operations, thus upper-tier politicians will have to somehow rely on brokers if they wish to invest on patron-client relationships. However, if the upper-tier politician invests on clientelism, it will have to factor in the risk of brokers switching parties. Even if politicians and brokers agree on a long-term relationship that would pay off the investment for politicians, there is no way politicians will be able to punish brokers in case the broker proves himself to be disloyal. There are no courts or any other third-party institution that can enforce their initial agreement, and brokers can appropriate all future votes that will result from the politician's investment even if brokers start working for different

¹⁵I present a substantive justification for this assumption at the end of this chapter.

politicians.¹⁶

That is not to say that the total investment in political capital that results from a modular organization is ideal. Some investments, such as the creation or incorporation to the party of encompassing associations, such as unions, women organizations, or other dense networks which can be used for clientelistic exchanges, might facilitate the clientelistic operation for politicians and brokers. Brokering inside these organization would cheapen the costs involved in knowing and creating ties to voters, increasing the total number of voters brokers mobilize. But the rights over these connections would not be set in stone, and creating these party–organization linkages could go to waste if brokers decide to switch parties. If the upper–tier politician cannot properly “own” the asset, risks might be too large to build this long-term political capital.

The non-enforceability of any *ex ante* agreement between politicians and brokers, largely because brokers cannot credibly demonstrate their loyalty to one politician, will make both brokers and politicians invest less than the unrealistic scenario of mutual cooperation. Instead, politicians and brokers will conduct business as spot contracts.¹⁷

Brokers as Local Candidates

How can brokers be properly rewarded if they cannot show under secret ballot rules that the votes the politician receives is a direct result of their work? And, even before that, how politicians know if a broker is actually capable of delivering votes at all? And, in the first place, why would brokers invest on clientelistic networks if they are no sure they will be properly compensated?

Brokers need to be rewarded for the votes they procure, but their efforts cannot be directly monitored by parties. Uncertainty regarding the ability of brokers to mobilize voters, and concerns that brokers are not putting enough effort will lead to inefficiency in the clientelistic enterprise. Either brokers will not get sufficiently paid, or brokers will not

¹⁶Becker made a similar point when analyzing job training (Becker 1962). Becker argues that when job training can improve the productivity of the workers not only in their current workplace, but in others firms in the same industry, the firm will only invest in training if it the cost is less than present value of the job training. If politicians expect that clientelistic networks are not party–specific, then politicians will not be able to secure future votes that come from the investment on that political capital.

¹⁷As in firms, the inability to prevent opportunistic behavior will make parties under-invest in relation-specific exchanges, and make politicians over-invest on individual political capital (Williamson 1979; Klein, Crawford and Alchian 1978; Grossman and Hart 1986). Since the investments risks are too large, party brand, professional organization, and other party goodies are not offered and are not employed. Because the brokers can negotiate with other parties as well, the price parties pay for team diligence will be increasing on the ability the broker has on transferring her capital to other parties and the number of votes she can swing.

make enough effort to procure votes. And, if parties pay a fixed amount of resources to brokers without knowing exactly how many votes brokers can actually get, brokers will have incentives to shirk on their work.

There is some compelling evidence that when brokers can signal their value, the efficiency of the clientelistic exchange increases. In Mexico, [Larreguy \(2012\)](#) shows that when the PRI can monitor with more precision the activity of brokers, brokers appear to do a better job procuring votes. In instances where monitoring is costly and difficult, PRI upper-tier politicians receive less votes. Aware of the difficulty politicians have in monitoring effort, brokers have devised some techniques to reveal their worth. [Szwarcberg \(2012\)](#) note that in Argentina, brokers show off their capacity by organizing rallies in support of their politicians. If brokers manage to attract large crowds to these events, they will be indirectly demonstrating their local power to upper-tier politicians.

Another way through which brokers can demonstrate their "brokerage value" is to run on local elections. When brokers run for office, upper-tier politicians will have a precise (and costly) estimate about how brokers fare at their home field, and how one particular broker compare to others. With this (credible) information, party-broker deals improve substantially. In individualistic political environments where voters rarely choose parties, electoral results can be a precise measure of one's political capacity. Also, on competitive elections, candidates battle each other under very similar conditions, making them counterfactuals of each other, and helping politicians to assess the value of each marginal vote. Finally, politicians will be able to compare a broker's performance at local elections, and their own performance at that same locality. Brokers' efforts in increasing the clientele may be recognized by their principals, and principals will have a fair assessment of the amount of votes they will get at one locality, allowing them to make brokers accountable to promises.

Brokers may also run on elections to increase their clientele for future brokerage. The benefit of running local elections, even if brokers face certain defeat, is that they can use the votes they get for themselves to signal their potential and the size of their modules to others. Incorporating to the party local notables by nominating them as local candidates also give brokers another incentive to invest on clientelistic networks. Campaigns are expensive enterprises and brokers value winning them, but candidates mitigate electoral losses by using campaigns to infiltrate new political markets or to consolidate power for future ventures. A losing campaign forge new patron-client connections, creating channels to distribute resources to citizens. Hence, when parties allow brokers to run campaigns, brokers might have also enjoy the benefits of a larger clientele in their own campaigns.

2.3 The Dynamics of Modular Parties

In the following chapters, this book will present evidence on how clientelistic modular parties operate. The process of party expansion (or compression) is uncomplicated, and the unidirectional diagram in Figure 2.1 depicts it. The first order priority of upper-tier politicians in modular parties is to acquire and control state resources. Without resources, upper-tier politicians are unable to supply the resources brokers need to mobilize voters, much less hire these agents. The most common way through which modular parties acquire resources is by gaining access to political offices. When upper-tier candidates win elections, *ceteris paribus* the amount of resources the party controls increases.

When additional resources start flowing, the party will be in a better position to hire new agents, thus effectively increasing the number of brokers working for its candidates on the top. In some instances, modular parties may formally incorporate brokers by nominating them for local offices. Finally, with a larger team of brokers, the party will reach out to a higher number of clients, and receive additional votes brokered by their newly-incorporated local allies.

The Modular Party System

The figure 2.2 depicts the dynamics of a modular party systems. Modular parties are only modular because there is more than just one political party that outsource mobilization to autonomous brokers. The example illustrates a modular party system with three parties. Each employs a number of brokers, and each of these brokers with two groups voters.

What happens after an election where one of the parties lose access to some of the state resources? At the top row we see that party *B* has initially more brokers than the others. More brokers means more votes for party *B*. Suppose, for example, that Party *B* loses access to resources when an incumbent governor fails to secure re-election. Depleted from resources, *B* will no longer be able to hold as many modules as before for two reasons: (i)

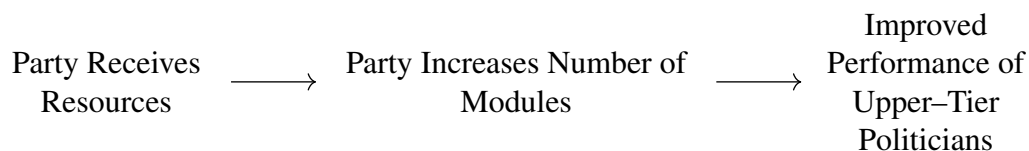


Figure 2.1. The Causal Mechanism

B will not have enough resources to sustain patron–client linkages; and (ii) other parties are relatively richer now, and will be able to offer a better deal for some brokers that were previously working for *B*. In the example, party *B* can no longer here two of the former four modules it controlled. However, and this is the distinctive character of modular party systems, brokers that are no longer hired by *B* do not stay inactive: they switch to other parties who may have more resources than *B* has now. Thus, voters under these brokers now disconnected from *B* are not left empty-handed, and the patron-client relationship is left unscathed.

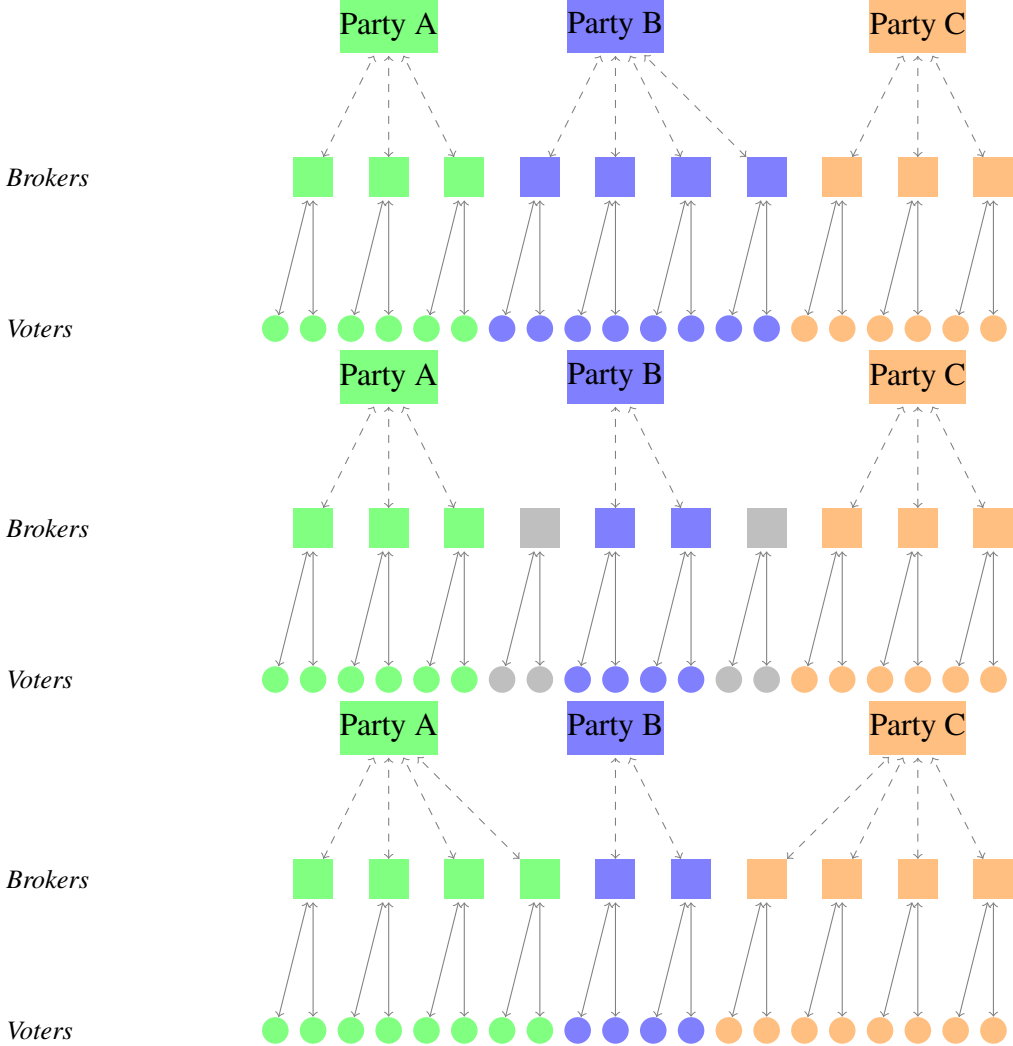


Figure 2.2. Party System with Modular Parties

Why Winning Modular Parties Do Not Become Dominant?

Elections shift the balance of power in the political system, leaving a winning party relatively richer in terms of state resources than a losing party. In a modular party system, more resources lead to more brokers and modules, which in turn leads to more votes. Over time, a winning party could use the edge it gains in successive elections to consolidate a position as dominant party. Continued electoral victories would make the size of one party in terms of modules grow to a point where it would capture the majority of votes, reducing the risk of losing access to resources in the future and eliminating the risk of brokers leaving the party.

This logic, however, is valid only if politicians responsible for acquiring and securing resources are also those who depend on brokerage to win elections. That is not the case in most political systems. There are basically two types of upper-tier politicians: those running for executive offices, and those running for legislative seats. In most democracies, the offices of presidents, governors, and mayors hold the bulk of discretionary power over state resources. These resources spillover to the entire organization, and sponsor several party modules. The election of legislators, on the other hand, will have limited impact on the rest of the party. Winning a seat may provide enough resources to help re-electing the incumbent, but it will hardly help the party in a larger extent.

Importantly, executive offices do not rely as much on brokers as legislative offices. There are two reasons why incumbents at executive offices cannot guarantee their re-election even with a large team of political brokers. First, executive offices are often term-limited, and at some point individual politicians will have to step out of office. Since party labels for non-programmatic parties are seldom informative to voters, voters will not immediately associate a successful incumbent to a party. A party candidate replacing an incumbent will hardly enjoy any coattails from an outgoing incumbent.¹⁸

Second, voters can use retrospection to decide if incumbents at executive offices should be reappointed (Fiorina 1978; Duch and Stevenson 2008). If officials' actions are visible to the public, voters will use these signals to decide their votes (Ferraz and Finan 2009). It is relatively easier for voters to reappoint or replace incumbents at the executive based on economic variables or corruption scandals because these politicians are the head of their executive offices. Several recent studies point that members of the executive in the developing world suffer from incumbency disadvantage, usually as a result of voters' ret-

¹⁸Querubin (2012) finds that Filipino politicians are able to subvert the rule by building family dynasties, where family dynasties are especially powerful. However, at least on the margin, term limits complicate permanence in power.

rospection¹⁹

Voters have much more difficulty giving credit or blaming politicians in legislative offices, as the actions of individual legislators are confounded by the collective effort of the legislature. For these politicians running for legislative offices, clientelism is what makes them win elections, but the ability to hire brokers lies with politicians running for executive offices. However, since officials commanding more resources have to vacate their offices regularly, it is unlikely that one modular party will rise to dominance.

¹⁹Works on the subject cite the following reason for incumbency disadvantage: economic mismanagement, pervasive corruption, weak party labels, or inflated voters' expectations ([Schiumerini 2014](#); [Klašnja and Titiunik 2014](#); [Linden 2004](#); [Uppal 2009](#); [Klašnja 2014](#); [Macdonald 2014](#)).

Chapter 3

The Brazilian Modular Party System

Since its democratization in 1985, fluidity has been a hallmark of the Brazilian political system. Political alliances and partisanship are always rapidly transforming, parties changing names regularly, new parties sprouting and old ones merging, politicians switching to different parties and denouncing their old ones. Electoral volatility is relatively tame in comparison to other developing countries, but it is by no means small (Jones 2012). The high turnover rate in Congress, which attained 40% in 2014, is highly indicative of the volatility upper-tier politicians face.

This apparently capricious political arena suggests confusion and disorganization, but in reality the political order has never been under serious threat. More than a defect, fluidity is a distinctive attribute of the Brazilian democracy, and all actors know, plan, and act knowing that their position may change fast. This fluidity, especially regarding party–voter relations is a direct effect of the Brazilian modular party system. This chapter provides an overview of how parties manage to sustain the pliable, and yet, stable party system.

The model of modular parties offers a fresh understanding of Brazilian politics. There are many factors influencing party fragmentation in Brazil, such as the permissive electoral rules and a federalist system that pulverizes power, but these institutional factors are outcomes of politicians' action, and should be treated as such. Even if we take institutions as explanatory variables, we would still be unable to explain the substantial regional variation on how political parties organize in Brazil. Electoral, federal, and budgetary factors certainly play a part on the fragmentation of the political system, but cannot account for the subnational disparities, or explain why politicians strive to maintain the same system in place. We can only understand why parties are fragmented in Brazil, and continue to be so, if we set to study how why politicians, given their motivations and constraints, chose

to organize parties as they are.

For the most part, and in special for candidates running on legislative elections, clientelistic mobilization is the benchmark political strategy. There is no clear politicized societal cleavage in the party system, and aside from presidential elections, where the PT and the Party of the Brazilian Social Democracy (PSDB) are the only parties who have consistently fielded competitive candidates, voters do not have the same menu of party options on the ballot from one election to the next. Ames, Baker and Renno (2009, 3) find that split tickets account for 70% of votes in Brazil, which denotes that voters do not decide to whom vote for based on party labels, but on individual candidates. Not surprisingly, voter partisanship, according to Samuels and Zucco (2014, 3) has never been higher than 50%. Candidates are individualistic, and party switching is widespread (Mainwaring 1999; Desposato 2006b).

Still, there are some notable exceptions, the major being the Worker's Party (PT). The PT has historically depended on the external mobilization from labor-based organizations (Roberts 2014), and the party has close ties with social groups and activists. The party label transmits to voters a signal of redistributive policy platforms (Samuels and Zucco 2014). But the PT is not the only party, not even the largest in Brazil, and may even be losing its extraordinariness.¹ If there is one distinctive attribute of Brazil's largest party, the Brazilian Democratic Movement Party (PMDB), it is that upper-tier *pemedebistas* are always seeking to maximize control over state resources (and the *pemedebistas* do that expertly).

It should also be noted that clientelism is not the only mobilization tactic politicians use in Brazil. Although Brazilian modular parties are clientelistic, some candidates also rely on media and personal charisma. Especially on majoritarian elections, clientelism is not what makes politicians win elections. In these types of election voters usually have to choose between two alternative instead of hundreds, candidates have a better chance to promote platforms and communicate with the public. Exchanging goods for votes under these circumstances can be helpful, but the costs of reaching out to hundreds of thousands of voters through patron-client relationship is prohibitive. Investing on branding, even if for one single election and for one single candidate can be advantageous. However, that does not mean that first-past-the-post elections are not affected by how parties organize to win legislative elections.

¹In the past year, the PT government has been targeted by public prosecutors due to massive corruption scandals, especially at the state-owned oil company, Petrobras. Weakened by successive scandals, the PT opted for an open campaign of patrimonial politics in Congress to prevent their main partner, the PMDB, and the House Speaker, Eduardo Cunha (himself battling corruption charges of his own), from starting a presidential impeachment process.

3.1 Fragmentation

When one computes the number relevant parties at national level policymaking, several make the list. At the moment, there are around fourteen effective parties in the Brazilian Lower Chamber. This impressive mark, the highest in the world, can only be understood in light of the regional organization of parties. Brazilian parties have state branches that are practically independent from each other, and that do not suffer or cause electoral spillovers to other state units. The independence among state-branches allow parties to be successful in some states, and unsuccessful in others. When we take into account that there are more than 30 parties in Brazil today, and that most of them elect one representative, in the end the configuration of Congress will reflect this diversity, which we can measure by looking at the effective number of parties at the national level.

State branches are not party modules, but the party units where upper-tier politicians organize modules. Scholars often point that clientelistic parties are decentralized organizations with pulverized authority (Panebianco 1988; Roberts 2014), and the regional units of Brazilian parties epitomizes this type of decentralization. The Brazilian Constitution allocates at least 8 seats at the Lower Chamber for each state, and at most 70, with numbers in between this interval varying according to state population size.

For this reason, it is appropriate to treat each party branch at the state level as one unit of analysis, since each of them has an individual electoral strategy.² There is no correspondence between electoral performance across states. Parties that gain a large proportion of seats in one state may fail to get seats in all others, and when one party branch breaks down, the others may not suffer. At the same time, when one branch is in trouble, it will generally not receive help from any other.

The number of effective parties at the state level, on average, is smaller the overall national mark. Nonetheless, even at the state level the number of effective parties is high (see figure 3.1).³

When analyzing parties individually, their regional character becomes evident. Over the course of successive elections, not a single party has a consistent electoral performance throughout the national territory. Instead, most parties are able to secure one or a few congressional seats across all states at a given electoral cycle. Figure 3.2 gives a dimension on

²Samuels (2000) argues that electoral studies focused on national level variables may miss important information, and the study of party systems under federalism, especially in Brazil, must instead pay attention to the politics of regional level actors and variables.

³To calculate the effective number of parties, I follow Chhibber and Kollman (2009, 39) and use the Laakso and Taagepera (1979) measure, $ENP = 1 / \sum_{i=1}^n p_i^2$, where p_i is the fraction of votes party i receives.

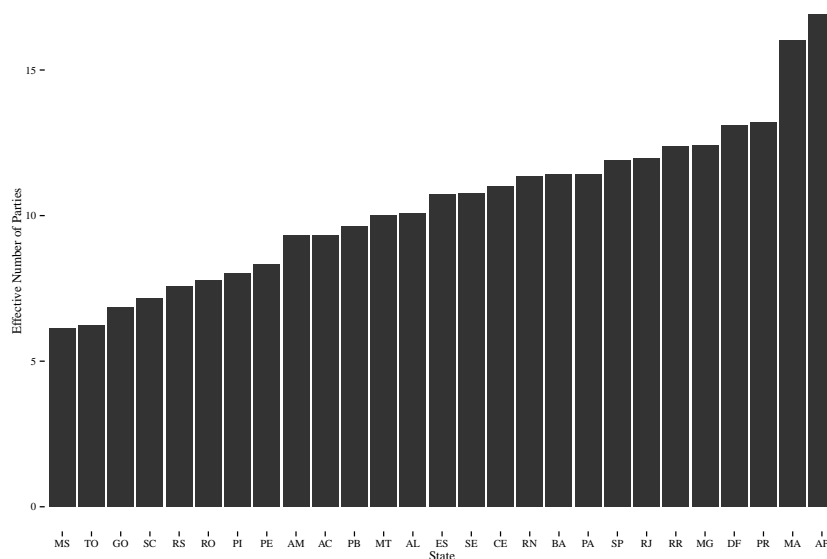


Figure 3.1. Effective number of parties by state, 2014.

how parties lack systematic national competitiveness. The box plots show the distribution of the share of elected candidates for each party, on each state, since 2002. In other words, there is an observation for each time a party fields a congressional candidate at one state, at a given time. The lines within the boxes show the median seats captured by the party (as a proportion of all state seats) for each party. For example, the PMDB has the highest median share, winning around 16% seats on each state since 2002. Only ten parties have a median greater than zero, meaning that for all others capturing one single seat is a surprising achievement. The high number of outliers, represented by dots in the figure, illustrates that for many parties winning a seat is nothing but luck.

Another feature of state competition is that the number of competitive parties is not only high, but fluctuates over time. In most states, the number of serious contenders vary from one election to the next. Figure 3.3 shows that with few exceptions the range of effective number of parties on almost all states is large, which means that competition is constantly changing.

The Usual Suspects: Institutions

What causes party fragmentation in Brazil? Many authors put part of the blame on the institutional framework. Firstly, federalism, gives states and municipalities considerable

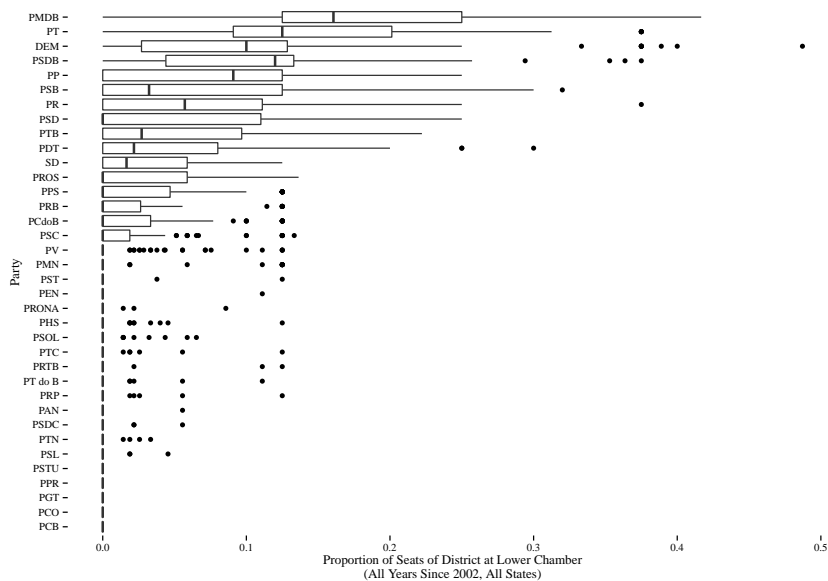


Figure 3.2. Box plots of elected officials by party and by state. The box plots present the distribution of how many candidates parties elected on each state, from all legislative elections since 2002.

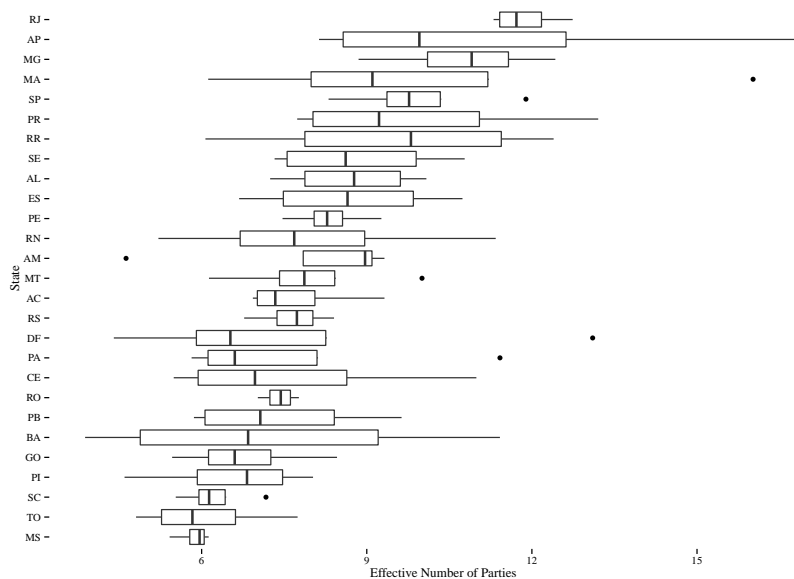


Figure 3.3. Effective number of parties by state, over time.

political and budgetary power. Secondly, electoral laws promotes political individualism. [Mainwaring \(1999, 5\)](#), in one of the most comprehensive study of the Brazilian political system, notes that decentralization weakens national party leaderships, and electoral rules "encourage politicians to develop a personal vote and avoid relying extensively on the party for election" ([Mainwaring 1999, 249](#)).

Federalism and Decentralization

Rules governing the centralization of budgetary decisions may be an essential factor for the creation of strong, national parties. According to [Chhibber and Kollman \(2009\)](#), politicians choose to aggregate regional parties in one national organization when party aggregation is beneficial for voters *and* politicians. One instance where politicians may decide that aggregation is beneficial is when policy decisions concentrate at the national level. The more politicians at the national level control state resources, the less local governments will influence nationwide policies. Under these circumstances, when voters are presented with the option of a politician from a regional party and another from a national party, voters will choose the politician from a national party, as this politician will have a higher chance of influencing national politics. Politicians, anticipating this choice, would either migrate to national parties, or aggregate their regional parties into a national organization.

Budgetary decentralization, however, is a poor predictor of party fragmentation. Using the effective number of parties as a measure of party fragmentation, we can see at figure 3.4 that there is no obvious does not present any relationship between budgetary centralization and party fragmentation. Brazil has the highest number of effective parties in the world, as shown in figure 3.4. Surprisingly, the trend is upwards: in 2002 the ENP was close to nine, now the number is around fourteen.

The fact that the number is high and continues to grow in Brazil is puzzling for two reasons. First, recent constitutional and policy changes have redirected budgetary power to the national level. The most significant change was how governors, who historically held considerable budgetary power ([Samuels 2000](#); [Abrucio 1998](#)), have lost budgetary leverage in the past decades. [Eaton and Dickovick \(2004, 98\)](#) note that during Cardoso's administration (1995-2002), state governments' latitude over spending diminished drastically. When province-owned banks privatized, states' ability to autonomously acquire debt ended. Now, only the central government can issue debt, and states could only have access to credit by bargaining with national entities.

Recent constitutional and policy changes that constitute a *de facto* recentralization of budgetary decisions. At the same time that health and educational reforms made state

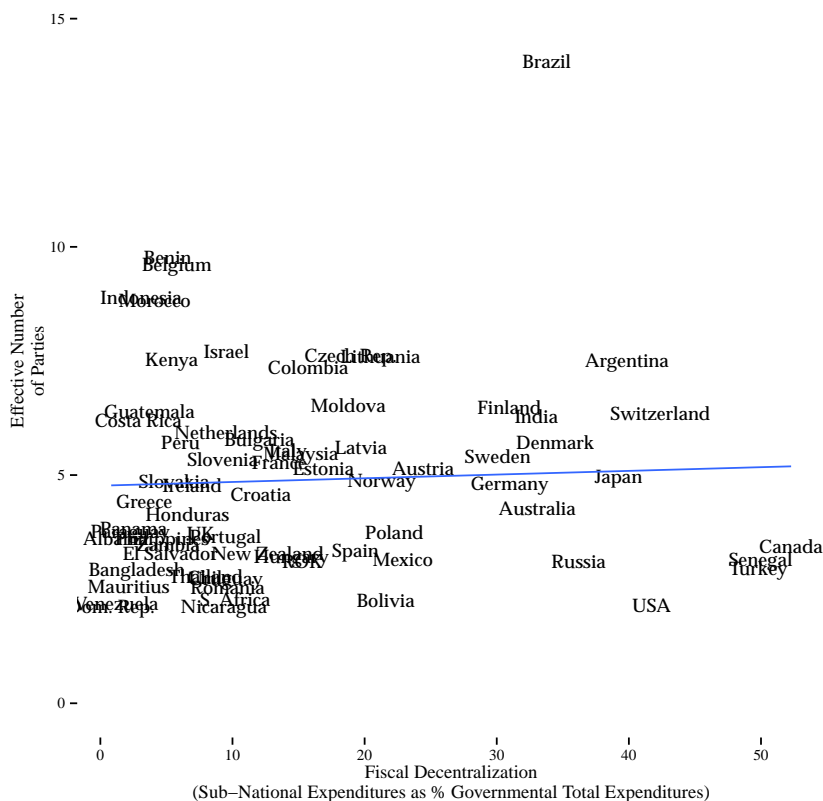


Figure 3.4. Effective number of parties and budgetary decentralization. ENP data include countries' last available observation. Sources: Michael Gallagher (http://www.tcd.ie/Political_Science/staff/michael_gallagher/ElSystems/Docts/ElectionIndices.pdf). Philippines: Hicken (2009). Brazil: own calculations.

and local governments responsible for running these policy areas, these changes also earmarked most expenditures towards these areas, reducing subnational leaders' discretionary power (Schiumerini 2014). Moreover, Lula da Silva's administration (2003-2010) expanded rule-based social programs, such as the conditional-cash transfer program *Bolsa-Familia* (Fenwick 2009). These programs proved an electoral success, and in principle would have made alignment to national policymaking electorally profitable. As it turns out, the electoral spillovers of the successful program did not go to candidates other than the president (Zucco 2013).

The second reason why the continuing fracture of the political system is puzzling because presidential races have experienced stable competition over time. Hicken and Stoll

(2011) show that presidential elections can influence legislative party system by pushing politicians to the orbit of competitive presidential candidates' parties, and providing incentives for national party coordination. Since the same the PT and the PSDB have been dueling against each other in Brazilian presidential elections since 1994, this ordered and predictable party competition could have led to a reordering of the party system. These two parties could lead a party system reorganization by providing two opposing camps on national politics, creating clear policy cleavages in which other parties could position themselves.

Parties in Brazil tend to align themselves with one of the two main contenders during presidential elections, but these electoral alliances hardly survive for the entire duration of the president's term. Presidential elections in Brazil do provide incentives for parties to assemble encompassing electoral coalitions, and presidential candidates usually form large coalitions with multiple parties, but these alliances do not survive the electoral period. Although there have been candidates from other parties who have captured expressive shares of the electorate, no candidate from other parties has made into the runoff election. Yet, the consistency in which PT and PSDB have fielded competitive presidential bids has not had any apparent effect on nationalizing the party system.

Electoral Laws

Electoral laws also contribute to party fragmentation. The open list proportional representation rules for the Lower Chamber and the large district magnitude of those elections push politicians towards individual campaigning, and away from party coordination (Carey and Shugart 1995). Instead of campaigning together with their colleges on the list, politicians often find themselves competing fiercely among list members, and politicians fail to engage on any type of campaign coordination.

Noting that electoral rules reduce the incentives for cooperation within parties, Mainwaring himself acknowledges that electoral laws alone cannot explain why Brazilian party system is so fragmented. Mainwaring notes that historical regional interests and continued state interventionism on the organization of the party system have also led politicians to focus on their own interests instead of their party of the moment.

Many other authors note the limited explanatory power of electoral rules to explain contrasting realities within the Brazilian territory. For example, Desposato (2006a) finds that Brazilian politicians campaigning under OLPR do not behave differently than those competing under a first-past-the-post rule. Samuels (1999) minimizes the effect of rules on politicians' incentives for running individualistic campaigns by analyzing within-Brazil

differences. He finds that where state party organizations are weaker, Brazilian candidates tend to be more individualistic, and where organizations are strong, candidates pay more attention to collective strategies of their parties.

Moreover, electoral rules are always mutating, and they should be treated as a dependent variable as well. Recent changes in electoral laws show that Brazilian lawmakers, instead of pushing for less fragmenting rules, strive to keep and create institutions that decrease party leaders' leverage over individual candidates. Political reform is a seasonal buzzword in the Brazilian media and among politicians, and oftentimes politicians appear intent on changing the rules and strengthen their parties. However, most times changes *increase* fragmentation. For instance, the Congress recently passed one law eliminating re-election of executive offices, and almost concurrently approved a different law facilitating party switching.

Brazilian politicians start their careers fully aware of the game dynamics, and build their careers to maximize their gains. They know they cannot count on their parties to progress in their careers. Politicians know that more likely than not they will switch parties. They know they cannot survive without state resources to distribute. And most politicians do not know how to do politics in any other way.

If neither budgetary decentralization nor electoral laws are not enough to generate party nationalization, we must search for other explanations why politicians still choose to run and operate in regional, makeshift parties. The model of modular parties offers one reason.⁴

⁴However, it is not a theory to explain the *number* of parties. A larger number of parties help reduce exit costs for politicians and brokers, but the model does not provide a reason for why some system might have two modular parties and others thirty. However, the model requires that two or more modular parties exist, i.e. there are exit options for brokers.

3.2 The Parts and the Whole: The Modules and State–Level Party Units

[Brazilian politicians] deliberately limited party control over political life and over their own capacity to attend to regional clientele. Local politics remained a paramount concern for most politicians. The local orientation of politicians thwarted building powerful national parties.

Scott Mainwaring (1999, 75)

The model of modular parties proposes that when politicians outsource the task of mobilizing voters to autonomous agents, party–voter linkages will be inevitably fragile. This book will test this general proposition in the next chapters. Before that, it will be useful to characterize the clientelistic party system of Brazil, its actors, and their relationships.

The weakly–institutionalized character of modular parties hides the fact that politics at the local level is a thriving and institutionalized business. The local level of Brazilian politics harbors an immense amount of political capital, as local notables have been executing the role of patrons and treating citizens as clients ever since the First Republic. These local leaders specialize in receiving state resources from higher governmental spheres, and use these resources to mobilize clients to vote for their current political partner at the subnational or national level.

Throughout time, the formal title of these local notables have changed. Initially, local notables were mostly landowners whose economic stance started to crumble (Carvalho 1997), but over the years they have taken up to new roles. Today, these local authorities operate formally as local politicians, running for local elections, and offering their modules to whichever party bids higher for their use.

Local Notables in Brazilian Political History

Local notables have been the most important point of connection between citizens and the political system at least since the First Republic (1889 – 1930). At the start of the Twentieth century, the economic decline of the agricultural sector hit hard on local elites, making them to actively demand from state authorities protection and subsidies (Carvalho 1997). These state authorities, especially governors, offered help, but asked from landowners political support in return. This quid-pro-quo originated the practice later dubbed by Leal

(2012) as *coronelismo*. Governors granted these *coroneis* patronage, and in return *coroneis* provided the votes from the (still small) group of enfranchised peasants (Carvalho 1997).

The crucial role of local authorities on political mobilization continued after the end of the First Republic, during the *Estado Novo*, and the Third Republic, which lasted until 1964. The establishment of competitive elections and the introduction of secret ballots did little to change the reliance of subnational officials as local patrons. Despite the continued effort of the then president Vargas in curbing political competition, and maintaining a hierarchical structure of the authoritarian regime, local bosses continued to play a crucial role in generating votes for subnational politicians. Limongi, analyzing the electoral period, recognize the importance local notables played at the electoral arena. At this point of history, local notables realize they are in a privileged position for mobilizing voters, and begin capitalizing as free agents for deputies and governors:

The competition over votes controlled by local bosses undermines the [government's] hierarchical plan [of electoral control]. Coveted by different and wanting politicians in need of an ever increasing number of votes, the bargaining power of local political bosses, or *coroneis* as described by Leal (2012), increase. The local boss no longer sees that he has to automatically support the dominant regional politician.⁵

Even the military government eventually succumbed to the power of local notables. At first, the military dictatorship (1964–1985) tried to eliminate patrimonial politics, as they treated the political dealings and clientelism as abhorrent, and considered that these practices were in large part responsible for the inability of the national government to implement "progress" (Hagopian 2007). However, when the military leaders saw support for the regime dwindling, they actively coveted local notables as a way to retain some legitimacy of the authoritarian regime. As a result, according to Hagopian:

Local bosses [...] continued to nourish the traditional political system by mobilizing internal party and broader electoral support for their patrons in the state oligarchy. Given the high degree of personalism in traditional Brazilian voting patterns, moreover, the military dictatorship could neither appropriate the intricate and well-established personal political networks of tradi-

⁵Limongi (2015, 390), translation from Portuguese by the author.

tional politics nor could it circumvent the traditional politicians who organized them.⁶

When free and fair elections take place, local patrons are fully established as the central figures of Brazilian politics. Under a severe international credit crisis, and lacking tools to acquire votes, candidates at the national and subnational spheres had to resort to these local patrons to win elections and sustain the nascent democratic regime.

The Lower Tier: Local Candidates

Mayors are the most important brokers for deputies.

*President F. H. Cardoso (1995–2002), Interview by author,
Oct. 18, 2012.*

Local leaders continue to be the pivotal connection between voters and the political system. However, they are no longer the large landowners of *coroneis* of the past. Today, many of these local notables take roles as politicians, building a career on politics with the main purpose of selling the support of their clientele to the highest bidder. According to [Montero \(2012, 12\)](#), Brazilian parties are “decentralized and delegated to local officials.” These local leaders often run for office, starting off as council candidates, and in case of they show promise as brokers, parties nominate them for the mayoral election.

Brazilian mayoral candidates make natural brokers. These local politicians have extensive knowledge of their area and its constituents, and are potentially the single interface between upper-tier politicians and thousands of scattered voters. The vote-getting network also comprises municipal council members, who gravitate around mayoral candidates. There are, additionally, professional brokers, who might be aspiring politicians or simply persons who devote part of their time to helping politicians in exchange for jobs, gifts, or favors. Mayoral candidates, council members, and professional brokers together form a structure similar to the Japanese *kōenkai*, or “personal groups for a particular candidate” ([Krauss and Pekkanen 2011](#)). Although in Brazil these networks of voters are not formally institutionalized as in Japan, municipal organizations in Brazil also bypass party control and are under the authority of a local leadership.

Mayors are elected by majority rule in each of Brazil’s 5,570 municipalities. The relatively small median population of Brazilian municipalities (8,255 in 2012) gives mayoral

⁶[Hagopian \(2007, 179\)](#).

candidates an opportunity to organize an encompassing support organization in their local district. Other scholars have analyzed how mayoral candidates are able to deliver votes to *deputados*. [Hidalgo and Nichter \(2015\)](#), using a regression discontinuity design, show the efforts of mayors in establishing a private bloc of votes through electoral fraud. When elected, mayors have resources at their disposal to distribute selectively, but pork and resources from upper-tier politicians are crucial for their success as mayors ([Ames 1995](#); [Samuels 2002](#)) and as brokers.

The Upper Tier

Upper tiers in Brazilian parties accommodate politicians running elections above the local level: gubernatorial and congressional candidates. These two types of politicians are responsible for acquiring state resources and hiring modules. However, these politicians have different roles and distinct electoral approaches.

Deputados have one of Brazil's twenty-six states as their district. Each eligible voter has to cast one vote for a *deputado* or for one party every four years.⁷ *Deputados* are elected according to the proportion of votes their party or political coalition receives, and the number of *deputados* elected in each state varies from a minimum of eight to a maximum of seventy, adding up to a total of 513 *deputados* in each legislature. Each term lasts four years, and unlike mayors, who are limited to two consecutive terms, *deputados* can run for re-election indefinitely.⁸

To become a *deputado* (elected representative) in Brazil, a candidate cannot count on party labels or political advertisement.⁹ Six weeks before the elections, electoral law in Brazil requires every non-cable TV station to air political campaigns. Television may be crucial for majoritarian elections ([Weyland 2001](#), 16; [Boas 2010](#), 641), but given the few seconds each *deputado* receives, *deputados* typically use their limited time only to dictate their numbers to the audience ([Mainwaring 1999](#), 188; [Ames 2002](#), 43).

Deputados have to find other ways to mobilize voters, and with the exception of highly-visible candidates, most resort to clientelism. These candidates face the problems of scale discussed in the previous section, so they need to attract a considerable number of brokers

⁷Voting is mandatory for all citizens between the ages of eighteen and sixty-five.

⁸For an excellent overview of the Brazilian legislative election process, please refer to [Desposato \(2006a\)](#).

⁹One single party, the Worker's Party (PT), accounts for more than half of partisan voters. The PT is the only party that has true partisans, according to [Samuels \(2006\)](#), who also states that "partisanship for parties other than the PT continues to reflect the traditional bases of Brazilian politics," and that "partisanship does not drive the vote for most Brazilians." (19–20).

to mobilize voters. Brokers are usually local notables who spearheaded local networks and are willing to work for *deputados* if the *deputados* can send resources downstream, and can offer nominations for lower-tier elections, such as the mayoral elections.

In gubernatorial elections, on the other hand, the value of having a brokerage system is small. Since gubernatorial elections are majoritarian, there are usually only two competitive candidates for each election. Consequently, each gubernatorial candidate should expect a considerable share of votes on every municipality. Under these circumstances, employing brokers to mobilize votes might be useful, but the role of brokers on the final tally will be relatively small, and unlikely to be critical.

Instead, TV advertisements and other media campaigning will be the decisive factors during the gubernatorial campaign. Contrary to legislators, competitive gubernatorial candidates appear on screen long enough for voters to familiarize themselves with candidates' proposals and allegiances. Parties field gubernatorial candidates in party coalitions, and since air time is largely decided by the size of the coalition, each competitive candidate a few minutes of prime-time TV space every day until the elections. TV ads are professionally produced by highly-paid political marketers, and have a substantial reach among voters. Moreover, individual gubernatorial candidates are usually highly-visible politicians, and even if their parties do not have a credible signal about policy platforms, these candidates may have created a reputation among the public which permit them to promote varied policy banners, such as public infrastructure, social justice, governance, among others.

Although patron-client linkages are not crucial on gubernatorial elections, governors are central for the success of clientelistic operations of modular parties. Governors in Brazil have long been credited as the most important figures in the Brazilian federal system (Abrucio 1998), mostly because they can control large amounts of public resources. Although budgetary reforms cut most of the state resources governors had at their disposal (Samuels 2003), governors still have control of pork-barrel funds, hiring and firing, and other fiscal resources (Samuels 2000; Garman, Haggard and Willis 2001; Gingerich 2014). What is more, governors have party resources that enable them to control party nominations, lists, and the distribution of campaign money.

When a party candidate wins the gubernatorial election, a party has leverage to nominate local allies as local mayoral candidates, and have them broker votes to congressional candidates. Governors may also prevent other parties in the governor's government coalition from placing contestants in party strongholds, reducing competition. Also, governors are able to attract local politicians to join the governor's party (Desposato and Scheiner

2008).¹⁰

¹⁰Party presence can also be measured as presence in local coalitions, or as having municipal candidates in council (see [Zucco \(2010\)](#)). I choose to define party presence as fielding a mayoral candidate, instead of presence in the local coalition, since fielding mayoral candidates requires *de facto* local party organization.

3.3 Spreadsheets, Mayoral Candidates, and Deputies: Inter-tier relations

The relationship between brokers and upper-tier politicians is the defining feature of clientelistic parties, and in Brazil the negotiations between brokers and upper-tier politicians is an open bidding, market-like business.

Interviews in the field testify to this retail political market. In one of these, the interviewee, a state branch manager, produced a spreadsheet containing the names of brokers and mayoral candidates, the number of votes these supporters promised before the election, and the money they received for the votes. According to this same branch manager, it would be very difficult to find a successful *deputado* without a similar spreadsheet.¹¹

Upper-tier politicians know how much each broker is worth in terms of votes, and brokers do deliver the votes they promise. As one party secretary stated:

What happens is that when you stipulate the number of votes [the local politician will provide], you already have a baseline of what is possible or not in that community. It is also normal to work with more than one leader [*liderança*] in a given municipality, without one having knowledge of the other. But in most cases we work with only one leader, to avoid one shirking as the other puts forward effort. Thus, it is normal for experienced [local] politicians to hit the agreed mark in 80% of the cases, unless some unforeseen contingency changes the situation.¹²

Although officially reported transactions are largely unreliable, these deals disclose the dynamics of the relationship of mayoral candidates and congressional candidates. The electoral authority requires candidates and parties to disclose every donation and expenses on their campaign online. It also demands that politicians identify every donor and amount donated, and require politicians to disclose every expense they make during the campaign.¹³ From the campaign disclosures, it is possible to cross information of previous

¹¹The origin of the support-buying fund can be federal amendments or a *caixa dois* (unreported political donations – a type of slush fund), a common practice in political campaigns (Mainwaring 1999; Ames 2002; Hunter 2010; Pereira, Rennó and Samules 2008; Gingerich 2014). A party secretary declared *caixa dois* to be “widespread in all parties, and, I will not lie to you, it is how politics is conducted. If someone says otherwise, he is a hypocrite.” Reported contributions from parties to municipal campaigns are small and rare, according to São Paulo’s current mayor’s campaign manager Antonio Donato, leaving mayors responsible for funding their own campaigns (interview by author – September, 2012.)

¹²Interview by author, April, 2013.

¹³Law 11300/2006.

mayoral candidates and congressional candidates. Based on the most recent data, one finds that 5 percent of the 2008 mayoral candidates figure in the 2010 *deputados*' campaign finances.¹⁴

When describing the role these mayoral candidates had in their campaigns, *deputados* clearly declare mayoral candidates to be brokers.¹⁵ One example comes from the small municipality of Santa Rita do Itueto in the state of Minas Gerais. Firmino Ton won the 2008 mayoral election for the PMDB. Two years later, Ton received R\$2500 from congressional candidate Mauro Lopes, also from PMDB (around \$1250 at the time). Lopes claimed that Ton had worked for him as “campaign coordinator in Santa Rita do Itueto.” Fifty percent of Santa Rita’s voters voted for Mauro Lopes, who was eventually elected. Another example comes from the PT, which despite its programmatic appeal, does not appear to shy away from the same dealings that other parties take part in. A candidate named Cloves from Planalto municipality, Bahia came second in the 2008 mayoral race, receiving 3991 votes out of 12788. He received R\$510 from PT congressional candidate Guilherme Menezes (\$255) for “voluntary professional service for support and promotion in the electoral campaign from 9/2/2010 to 10/2/2010, using the minimum wage as reference”. Menezes captured 3337 votes in Planalto, and was also elected *deputado*.

Taken together, these campaign disclosures show that mayoral candidates are important elements of *deputados* campaigns, as Figure 3.5 shows. Comparing municipalities where mayoral candidates figure on *deputados*' campaign expenditures with those where no payment is detected, we can notice the strong relationship between party performance and party payments to mayoral candidates. On average, parties receive 16% of the votes for their congressional candidates in municipalities where they had a mayoral candidate two years earlier. However, the same average where there is a disclosed payment from a

¹⁴When mayoral candidates present their campaign information, they have to report their social security number. Of the 14,305 mayoral candidates in 2008, I was able to recover the SSNs of 85% of the candidates. From this subgroup of mayoral candidates, one can check whether they appear in a *deputado*'s campaign, if *deputados* correctly report the SSNs of their donors or recipients. Unfortunately, this exercise cannot be replicated for earlier years, since the 2004 campaign information, before the 2006 regulation, is even less reliable.

¹⁵A few examples from campaign finances of 2010 federal Congress candidates include: *gratificação por serviços prestados durante campanha eleitoral* (gratuity for services provided during electoral campaign), *prestação de serviço de realização de propaganda eleitoral* (provision of services in the course of political advertising), *contrato de prestação de serviços. Função: coordenador de campanha no município de Mutum - distritos da zona rural* (service contract. Role: campaign coordinator in the municipality of Mutum – rural area districts). Although descriptions of brokerage are abundant, many transactions are not assigned a clear description. Other transactions state that the mayoral candidate has rented cars to congressional candidates, or lent a house for local headquarters, among other descriptions.

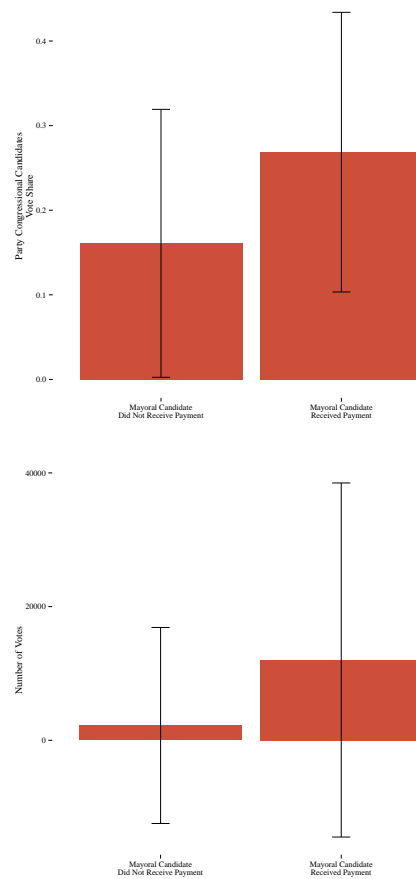


Figure 3.5. Relationship Between Sending Money to 2008 Mayoral Candidates and Votes for Deputies in 2010.

deputado to a mayoral candidate is 66% larger.¹⁶

Deputies as Party Gatekeepers

Money is, however, only part of the package *deputados* give brokers. Party nominations are valuable as well, and *deputados* can provide nominations to brokers that promise enough votes. Although there are many parties in Brazil, mayoral elections have on average fewer than three mayoral candidates. Parties often collude to limit the number of

¹⁶These associations are not causal, and likely to be confounded by municipality size (as the graph at the bottom of Figure 3.5 appears to indicate), and other omitted factors.

competitors.¹⁷ This makes party nominations costly, and local politicians are only allowed to run if they have a sponsor at the subnational level.¹⁸ *Deputados* can in most cases effectively decide who will be the mayoral candidate, and who will not run. Using political influence within their own organization, *deputados* often block nominations for candidates from other parties, reducing the electoral competition their prospective ally will face. In turn, the local politician who benefits from this action delivers votes to the *deputado* in the subsequent congressional election. If politicians can switch parties, *deputados* can switch allies, making party support for local bids uncertain. *Deputados* also use their leverage in the nomination process to censure disloyalty. If a mayoral candidate helps politicians from other parties without officially changing allegiance, *deputados* can lobby for the removal of that mayoral candidate, or simply prevent her from running a new campaign.

3.4 Party Presence at Local Elections

Presence at local politics is synonym to having brokers in place, and mayoral candidates are the most important brokers a party can have at the local level. Not all mayoral candidates are brokers, but overall parties rely on mayoral candidates to procure votes for congressional candidates.¹⁹

Parties' presence at the local level, in terms of mayoral candidacies, is scattered and intermittent. Given the large number of municipal districts (approximately 5500), it would be difficult for one party to field brokers on every municipality. However, there is not one party that fields candidates on more than 50% of all municipalities. In fact, on average each party had mayoral candidates on less than 9% of all municipalities.

Even the presence of large parties on local elections is relatively uncertain. The PT, despite being the most organized party (Hunter 2010), in 2012 placed candidates in only about 31% of all the country's municipalities. The PMDB has had the largest local presence, covering 38% of the country. Other than these two and the PSDB, no other party have brokers in more than 20% of the municipalities (see figure 3.6).

Not only is party presence pulverized, it is also inconstant. Figure 3.7 shows that of all winning parties in the 2008 mayoral elections, 42% decided not to field a candidate in the

¹⁷Although the number of candidates is not high, municipal elections are very competitive, and there are no clear signs of incumbents having an advantage over their competitors (Schiumerini 2014).

¹⁸With very few exceptions, there are no party primaries to choose mayoral candidates.

¹⁹Especially on large cities, a mayorship is more valuable than congressional appointments, and mayoral candidates can actually be congressional candidates trying to win a more prestigious office. Hence, a minority of mayoral candidates can in fact be upper-tier politicians.

next election. Of parties that came in second in these elections, 60% decided not to field a candidate in 2012.

Re-nomination is not guaranteed even for winning brokers. At least 36% of all incumbents eligible to run for re-election and half of runner-ups do not run in the subsequent mayoral race. Even more striking, only 48% of incumbents run a re-election campaign in the same party they ran under previously, and only 32% of runner-ups run in the next election under the same banner as they did in the previous one.

Some mayoral candidates opt to exit when winning chances are slim, but others do not participate in the next election because party leaders block their nomination. As it is straightforward for politicians to change parties, it is also simple for parties to jettison politicians. Brazilian law gives party leaders the power to close party branches by fiat (Guarnieri 2011).²⁰ A mayoral candidate does not necessarily have to formally switch to help non-co-partisans, but if caught – and glancing at election results might be all that is necessary for party leaders to spot disloyalty – the mayoral candidate will likely be expelled. And if the candidate is forced to move out after the nomination window closes, by law she will not be allowed to run.

Even large parties fail to maintain local presence. One measure of consistency is the ability of parties to field a candidate two elections in a row. In 2012, on average parties had a rate of “recidivism” of 25% only. The PMDB had the highest rate: 53% (see figure 3.9). However, over the years not even the PMDB seem able to maintain presence over time. Since 2000, the PMDB has fielded candidate on every election on 12% of all municipalities. At every new election, voters should expect a complete new set of party choices for them to choose.

The Role of Governors and Legislators in Placing Brokers at the Local Level

Fielding allied brokers is largely a function of having resources to fund and hire them, and governors are the regional figures most capable of influencing brokers to join a party. Not

²⁰There are two types of local party branches: directorates and provisional committees. Although opening or closing the former requires approval from a party collegiate, party influentials, including *deputados* may still take a party branch away from an undisciplined local politician. In 2011, the Republican Party (PR) promoted a large-scale restructuring, closing down 50 branches in the state of Sao Paulo. According to the party state secretary, “local leaders [had] absolutely no commitment to the party. (...) [Having a branch in these municipalities] presented no benefit to the party, in terms of votes or otherwise.” (Chapola, R. (2010, July 15). PR destitui últimos 58 diretórios infieis. Retrieved from <http://blogs.estadao.com.br/radar-politico>).

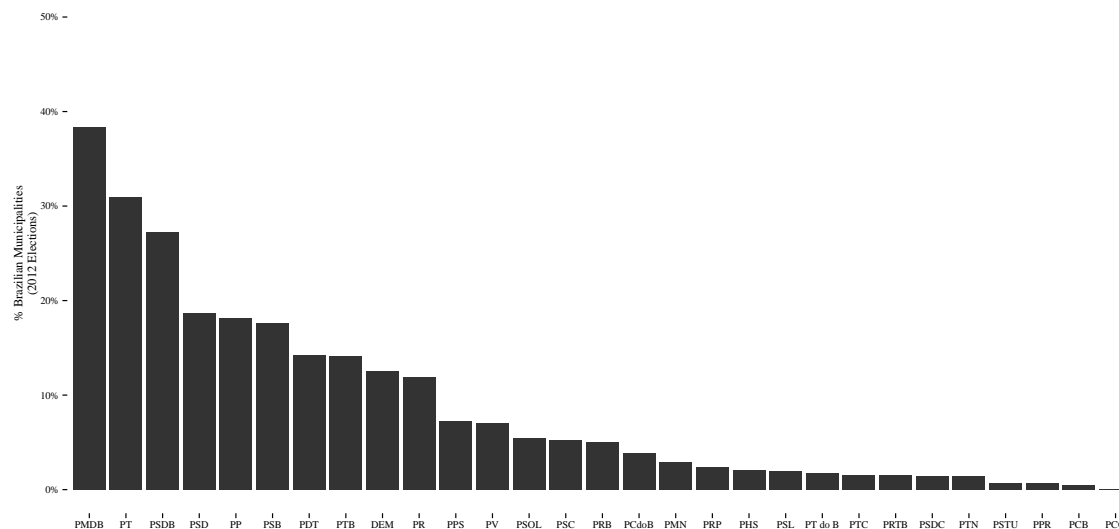


Figure 3.6. Party presence by party, 2012.

all parties are able to field competitive gubernatorial candidates, and during subnational elections (which include both gubernatorial and legislative elections) most have to revolve around the two serious contestants.

Winning the governor's seat tips the scale in favor of the winning party, and can bring havoc to a party whose candidate fails to win the re-appointment. If two years after the mayoral election the party manages to win the gubernatorial election, the odds of maintaining presence in municipalities where the party holds the executive increase from 58% to 70% (for parties that are unsuccessful or do not attempt to win the bid for governor, 55% renominate mayoral candidates where they are in office). When parties have a sitting governor and two years later field a mayoral candidate, on average parties receive 20.3% of all valid votes for federal Congress in that municipality, 70% more than the municipalities where the party does not field a mayoral candidate.²¹

The left-side plot in Figure 3.9 shows how party presence and state congress seats vary depending on the party's position in the gubernatorial race. The relationship shown in the figure is illustrative only, as parties in Brazil are dissimilar. Even different state branches of the same party have little in common. But the pattern is suggestive of the

²¹These averages do not imply a causal relationship. For the state congress, parties receive on average 14.4% of valid votes at the municipality level when fielding a mayoral candidate, an average 71% higher than in municipalities without party presence.

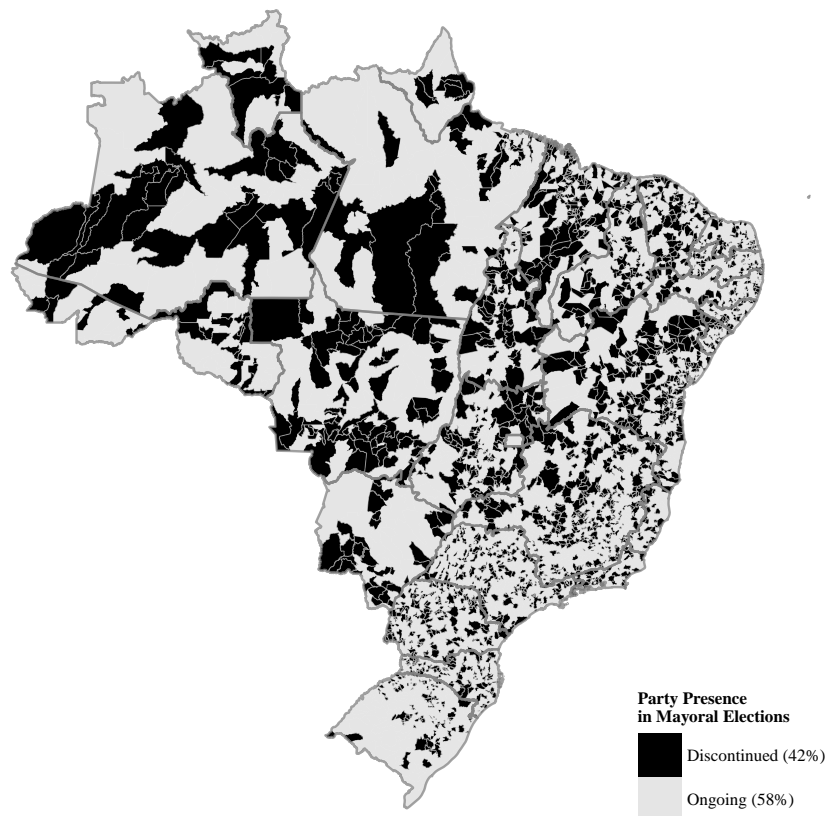


Figure 3.7. Discontinuous party presence in Brazilian municipal elections. Black indicates parties that despite winning the 2008 mayoral election did not field a mayoral candidate in the subsequent 2012 election.

argument: the better the position the party has at the subnational level, the greater party presence. And when parties have a wider network of local politicians, the performance of their congressional candidates will be better.

The case of the the Worker's Democratic Party (PDT) in the state of Rio de Janeiro is emblematic of how rapidly parties dwindle and how fast they are replaced. After years of competing for and gaining access to the state's governorship, and successively forming Rio's largest legislative front in the National Congress, in the early 2000s the PDT disintegrated at all levels. Of the 92 Rio de Janeiro municipalities, in 2000 the PDT fielded 74 mayoral candidates, electing half, more than any other party on both accounts. In 2002,

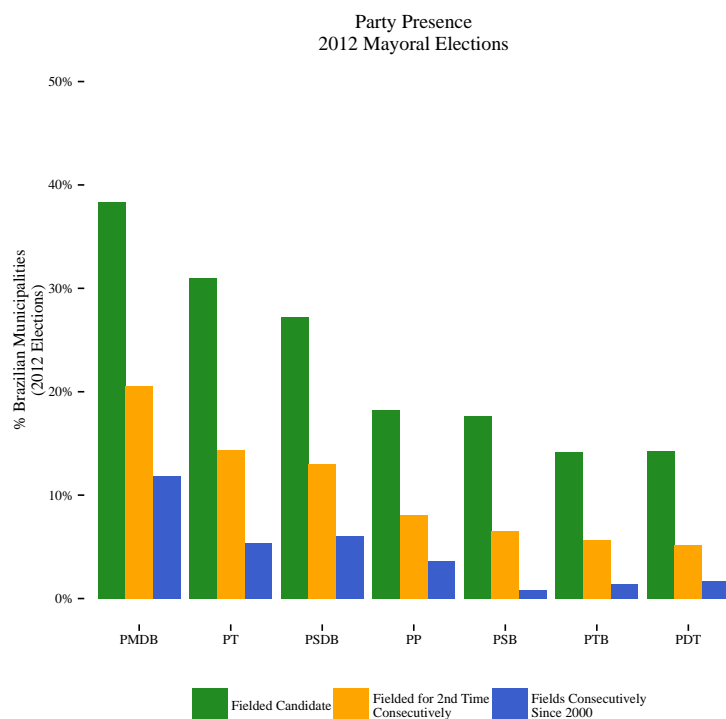


Figure 3.8. Consecutive Party Presence.

a tug-of-war between the sitting governor and the party's historical leader culminated in the departure of the governor from the party. In 2004, the PDT fielded only 28 mayoral candidates, electing four. The dismantling of the state network of mayoral candidates cost the PDT most of their legislative base. Of all the party's mayoral candidates in 2000, 80% switched parties, most of them to the PMDB, who in 2004 saw the number of mayoral candidates surge from 38 to 75. And from two deputies in 1998, in 2010 the PMDB elected ten deputies, more than any other party in Rio. Most of this reversal of fortunes followed the election of the wife of the former PDT governor in 2002, who switched to the PMDB seven months into her tenure.

Deputies and the Recruitment of Brokers

Although governors are important for overall party success on states, individual congressional candidates still have to fight to place brokers in strongholds, as these candidates compete against other party and coalition members within lists. Also, many parties do not

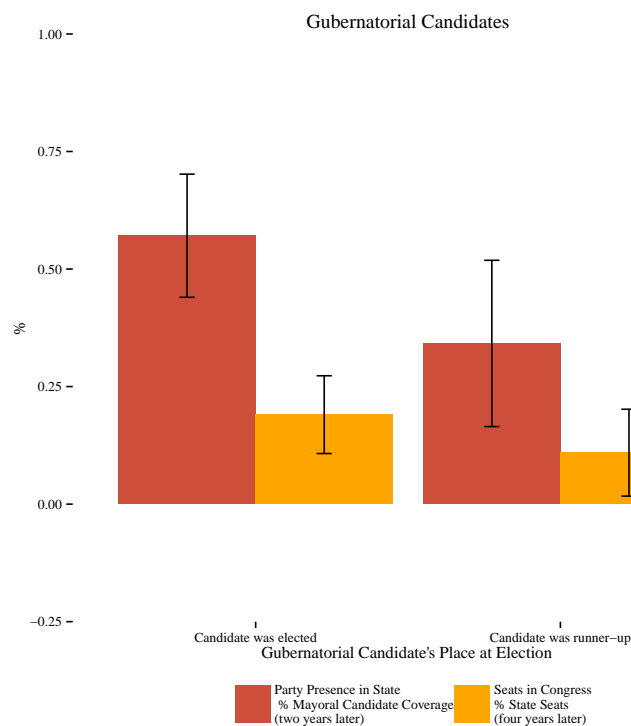


Figure 3.9. Party presence and electoral results.

have the centralizing figure of a gubernatorial candidate to organize party presence or an organization capable of fielding a gubernatorial candidate. In these cases, candidates end up acting almost autonomously of any collective party strategy. Still, the pattern is similar, and individual candidates need resources to contract brokers. Gaining a congressional seat is associated with a much larger probability of placing a party mayoral candidate in a stronghold – here measured as a municipality where the candidate had the best performance in the pastas measured by vote share.

Former deputy Almeida Lima (PMDB) blamed his inability to hire local brokers for the defeat of his re-election bid. Claiming incipient support in Sergipe’s municipalities, he lamented that “[local] support does not come for free,” and his refusal to use unaccounted campaign money to hire local politicians cost him the race. Not even pork barreling was enough to gain local support: “You send R\$1.2 million (\$500,000) for building a school, a local market, a sports court, a square, but the mayor did not support me, nor did the vice-mayor. Then, when they counted the ballots I received a mere eight votes, while other candidates who brought nothing to the municipality, but had mayoral support, received 700

votes.” Another defeated candidate, Domingos Dutra (*Solidariedade Party*) complained that after switching to a different party, all the support he received in the former vanished: “in municipalities, [...] intermediaries are what gives you votes. It is the councilor, the pastor, the priest, the union leader, the mayor, the former mayor. Parading alongside these brokers [*cabos eleitorais*], sound trucks and campaign pamphlets is worth a lot.”²²

3.5 Party Switching by Political Brokers

Brokers in modular parties switch parties often, and the loyalty of brokers in Brazil often lasts for one electoral cycle only. Consistent party presence at local elections is uncertain partly because brokers change parties too rapidly. Party switching is common among politicians, and even more common among local politicians. Of all politicians since 1998, around 60% has switched parties at least once in their political careers.

However, some parties have fare better in their efforts to maintain a consistent roll of brokers. The rates of switching varies considerably among parties, as the Figure 3.11 shows.²³ Of all large parties, the PT show a higher rate of party loyalty. This is expected, since during most of the analyzed period the PT held a largely popular presidency, but also the party is the only with substantial external support from popular sectors, such as labor unions. In other words, the PT is the only party with clear programmatic linkages in many different states. Even if the PT uses its organic linkages to popular groups as channels in which they distribute goods for loyal supporters, these connections are party-organization-voter linkages which party brokers will not be able to transport with them in case they decide to leave the PT.²⁴ With the exception of PSOL, a splinter group of the PT, all other parties face switching rates above 25%, and on average mayoral candidates switch 40% of the time.

The pattern is similar among lower level brokers, council candidates. However, the average of each party is considerably higher. Moreover, candidates that continue running

²²Klein, C. (2014, November 17). Troca de partido reduz competitividade. *Valor Econômico*. Retrieved from www.valor.com.br.

²³the plot only includes parties that fielded more than 100 candidates over the three electoral periods between 2000 and 2008.

²⁴Domingos Dutra, a former federal deputy who switched from the PT to SD after years running the PT in the state of Maranhão, remarked in an interview that despite inflamed speeches denouncing PT's alliance with his state's long-standing oligarchs, the Sarneys, he could not use PT's “capillaries”, which eventually cost him the election. He lamented that even after delivering great speeches, such strategy was fruitless, since no one was left at the municipality “feeding” voters. (Klein, C. (2014, November 17). Troca de partido reduz competitividade. *Valor Econômico*. Retrieved from www.valor.com.br)

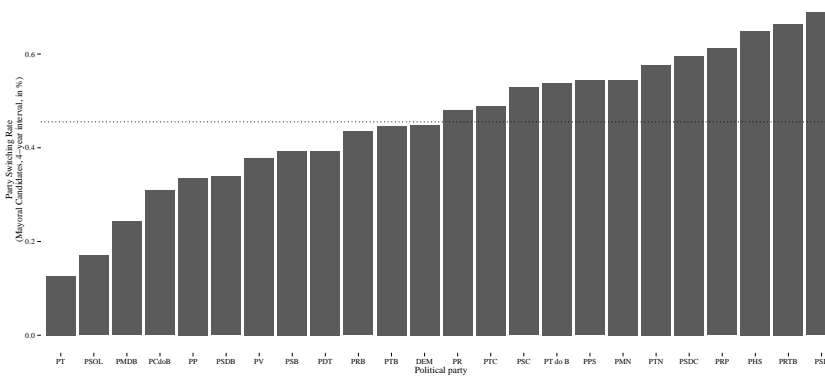


Figure 3.10. Party Switching Rate of Mayoral Candidates Selected Parties - 2000 to 2008

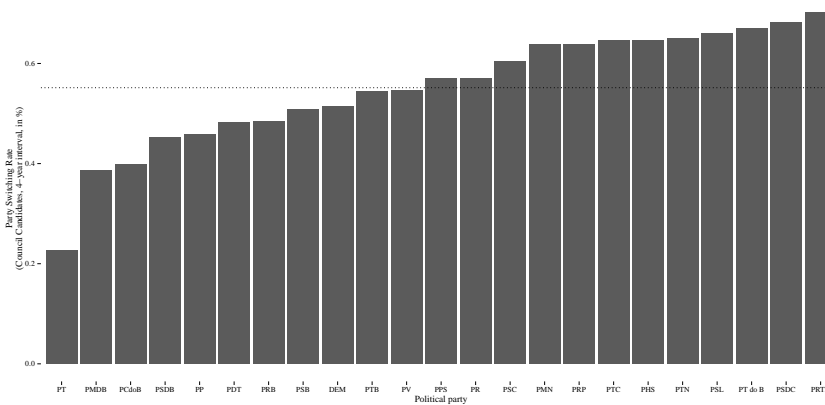


Figure 3.11. Party Switching Rate of Council Candidates Selected Parties - 2000 to 2008

for office are more likely to change parties than not, from one election to another. The data for both mayoral and council candidates leaves little doubt that party switching is an integral part of how brokers operate in Brazil.

3.A Appendix

Brokerage

Table 3.1. OLS: Relationship Between Sending Money to 2008 Mayoral Candidates and Votes for Deputies in 2010.

	<i>% Votes</i>		<i>Number of Votes</i>	
(Intercept)	0.163*	0.165*	2539.0*	2577.9*
	(0.002)	(0.002)	(151.4)	(150.2)
Received Payment	0.119*		4024.98*	
	(0.011)		(1031.6)	
Money Sent (in '000)		0.008*		653.7*
		(0.002)		(154.3)
<i>N</i>	10630	10630	10630	10630
<i>R</i> ²	0.012	0.002	0.001	0.002
adj. <i>R</i> ²	0.012	0.002	0.001	0.002
Resid. sd	0.159	0.160	15442.5	15440.6

Standard errors in parentheses

* indicates significance at $p < 0.05$

Table 3.2. OLS: Relationship Between Sending Money to 2008 Mayoral Candidates and Votes for Deputies in 2010.

	<i>% Votes</i>				<i>Number of Votes</i>			
(Intercept)	0.16*** (0.00)	0.16*** (0.00)	-0.00 (0.03)	-0.00 (0.03)	2539.00*** (151.42)	2577.86*** (150.19)	1723.79 (1915.00)	-1740.15 (1915.52)
Received Payment	0.12*** (0.01)		0.12*** (0.01)		4024.97*** (1031.64)		3334.40*** (531.21)	
Money Sent (in '000)		0.01*** (0.00)		0.01*** (0.00)		653.73*** (154.30)		458.86*** (79.10)
Incumbent Mayor			0.06*** (0.00)	0.06*** (0.00)			-540.99*** (154.08)	-557.03*** (154.00)
Votes Mayor. Cand. (%)			0.11*** (0.01)	0.11*** (0.01)			-5816.9*** (1274.9)	-5879.6*** (1274.5)
State, Party Dummies	<i>N</i>	<i>N</i>	<i>Y</i>	<i>Y</i>	<i>N</i>	<i>N</i>	<i>Y</i>	<i>Y</i>
R ²	0.01	0.00	0.23	0.22	0.00	0.00	0.74	0.74
Adj. R ²	0.01	0.00	0.23	0.22	0.00	0.00	0.74	0.74
Num. obs.	10630	10630	10630	10630	10630	10630	10630	10630

Standard errors in parentheses

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

Chapter 4

Upper Tier Incumbency as a Source of Brokerage Resources: Governors and Modular Parties in Brazil

Clientelistic parties win elections distributing resources, but having resources is not enough. As [Kitschelt and Kselman \(2013\)](#) put it, “Politicians [...] especially in democracies where the very existence of party organizations is in doubt from one electoral cycle to the next, will generally not have had the time to create [clientelistic] networks, and will not be able to credibly commit to the provision of continuing benefits over a series of exchanges.” Without networks of voters, or clienteles, there is no way for politicians know which are the voters they should target, much less what these voters demand. Clientelistic mobilization is an endeavor that cannot start operating overnight.

Yet, some parties appear to do just that. Many parties in many countries of Africa ([Mozaffar and Scarritt 2005](#); [Ferree 2010](#)), Asia ([Hicken and Kuhonta 2011](#)), Latin America ([Mainwaring and Scully 1995](#); [Roberts and Wibbels 1999](#); [Zucco 2010](#)), and even in Europe ([Powell and Tucker 2014](#)) face a high rate of electoral volatility, denoting their lack of strong relationship with voters, but still resort to targeted transfers as a way to mobilize voters.¹ How can these fragile parties make clientelism work?

In this chapter I explain how politicians mobilize voters through clientelistic exchanges using modular parties. The strategy is simple: if politicians have resources, they may hire free-agents, each with their own clientele — or modules — to broker votes. The more

¹According to the [Kitschelt \(2013\)](#) database, 80% of parties in developing countries make moderate to major effort targeting resources to voters

resources politicians have, the larger the modular party will be in terms of modules. And when a party candidate wins an important election, such as when a gubernatorial candidate wins an election, the party will have more resources to attach new modules. In turn, more modules will generate more votes for candidates running elections above the local level.

The existence of free-agents with private clienteles allows politicians to quickly assemble an organization to help them win elections, but outsourcing mobilization to free-agents also makes party structures fidgety. The vertical relationship between upper-tier politicians and brokers at the lower tier exists as long as the top sends state resources downstream to local agents. When the top tier fails to send resources to brokers and modules, the party will have to scale down its operations.

However, the disintegration of party-broker linkages in one party will not lead to system-wide crisis if there are other modular parties in the political arena. Since brokers are free to deal with any party, they may a better deal in a new party, possibly a party controlling more resources. The fact that brokers can transport their modules to different parties guarantees that patron-client linkages survive electoral volatility on top.

To test if more resources result in a larger modular party, and consequently generates more votes to upper-tier politicians, I analyze the Brazilian case, where elections are free and fair, but parties fragile and clientelism rampant. Brazilian parties temporarily incorporate local leaders to the party by nominating them for local offices, especially for the mayoral office. Using a regression discontinuity design, I show that local party presence, measured as the proportion of state municipalities with a party mayoral candidate, varies dramatically after gubernatorial elections. A party that wins the governor's seat is able to place some 50% more mayoral candidates than the runner-up party. To further corroborate the model, using mediation analysis, I uncover a relationship showing that this variation in party presence is associated with an improved performance in future congressional elections. A similar pattern holds for individual congressional candidates, whose ability to place allies in their strongholds is conditioned on their own electoral success.

Modular parties rapidly adapts to short-term electoral changes. And by outsourcing the construction of patron-client linkages to local leaders, the modular party arrangement allow the maintenance of clientelism despite of electoral volatility. The pliability of modular parties permits brokers to maintain and expand their clientele by switching to whichever party has the most in terms of resources. For these local leaders, clientelism is a promising career strategy, and they may even fight against concerted actions or structural changes that may put their career to an end. For voters, having modular parties may even increase the probability of receiving goods from brokers with which they have a relationship. However, since most, if not all, party-voter linkages are mediated by local leaders, when these

temporary party brokers switch parties the channels between upper tier politicians and voters is severed. When ties are ruptured, any chance of the party growing roots in the society is also destroyed.

4.1 Research Design

Party access to resources, stemming from the electoral success or failure of party candidates, allows parties to target more voters. However, parties cannot mobilize voters without patron–client linkages. If parties do not have patron–client networks of their own, they can outsource from free–agents who have them available. Therefore, when parties have resources, they can incorporate *local modules* owned by local patrons, and use these patrons to broker votes.

Figure 5.1 illustrates the empirical test of the modular party model on this chapter. The main purpose is to test how an (exogenous) increase in state resources affects party size in terms of modules, and how much these new modules contribute to the electoral performance of the party in future subnational and national elections.

More modules means more votes. In the causal chain, modules are the mechanism or the mediator through which parties, and their politicians, gather votes. Borrowing from Pearl (2012), Figure 4.2 isolates the full causal model I test in this chapter. The effect of the number of modules (Z) on party performance (Y) is the product of parameters $\beta\gamma$. The direct effect resources (X) have on Y is represented by parameter α . The average treatment effect of X on Y is the sum of these two effects, or $\tau = \alpha + \beta\gamma$.

Although scholars have attempted to estimate parameters with linear structural equations models (LSEM) (Baron and Kenny 1986; MacKinnon 2008), such estimations usu-

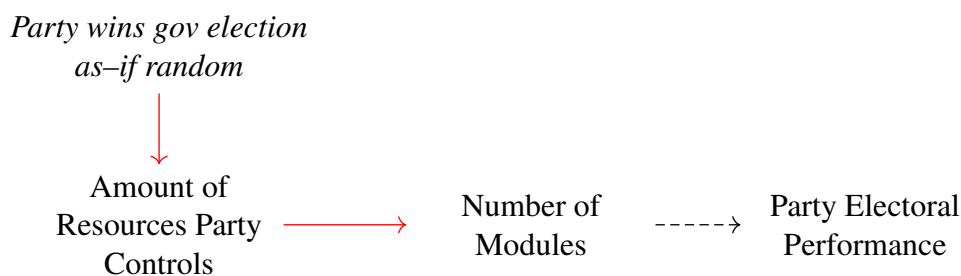


Figure 4.1. The Electoral Dynamics of Modular Parties

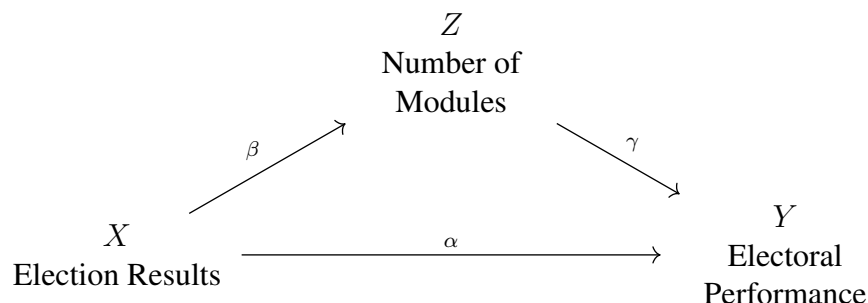


Figure 4.2. Full Causal Pathway

ally involve strong and unfalsifiable assumptions.² Even in experimental settings where treatment X and mediation Z may be manipulated, the average causal mediated effect (ACME) cannot be estimated without relying on other strong and untestable assumptions, which include more than standard exogeneity (Bullock, Green and Ha 2010; Pearl 2012; Imai et al. 2011).³ In this section I present my empirical strategy, which involves estimating the causal effect of X on Z and describing the association of Z on Y with a non-parametric mediation analysis.

Empirical Strategy

As presented in the previous chapter, governors in Brazil have been able to command more resources than any other political figure, bar the president. For regional party branches, no other election count as much as the gubernatorial election. When parties are able to elect governors, they almost immediately surge as the top party in the state. The reason

²The framework for LSEM consists of three equations (MacKinnon 2008):

$$\begin{aligned}
 Y &= i_1 + \tau X + \epsilon_1, \\
 Z &= i_2 + \beta X + \epsilon_2, \\
 Y &= i_3 + \alpha X + \gamma Z + \epsilon_3
 \end{aligned}$$

³Imai et al. (2011) and Imai, Keele and Yamamoto (2010) discuss at length why manipulating both X and Z is not sufficient to calculate ACME. Basically, treatment assignment cannot affect mediation assignment, a non-testable and easily violated assumption. When the assumption (which the authors refer to as the second part of the Sequential Ignorability Assumption – the first part is exogeneity) is violated, correctly estimating the effects of $X \rightarrow Z$ and $Z \rightarrow Y$ is not the same as calculating $X \rightarrow Z \rightarrow Y$. See also Bullock, Green and Ha (2010).

for this almost instant domination of the state's political arena is because controlling state resources allows governors to attract new allies, punish disloyal political partners, and increase the bargaining power of party politicians in dealing with brokers vis-à-vis other parties.

The election of a governor has a direct effect on the ability of parties to attach modules. The fact that mayoral candidates are party brokers, and their networks the modules, allows us to examine how modules are attached and detached from parties in a clear and straightforward manner. I treat each time a party fields a mayoral candidate as if the party has made a deal with one broker, hence increasing the number of modules the party has.

Next, I build a measure of the presence of party brokers in one state. I calculate the proportion of municipalities each party has on each state by summing all the municipalities in which the party fielded a mayoral candidate, and divide by the number of state municipalities.

Figure 5.2 shows the timing of elections in Brazil (and also the period of analysis). Party presence is always measured in municipal elections that take place two years after gubernatorial elections. The dependent variable, future electoral performance in terms of seats in the state congress, is always measured in relation to the election that took place four years before.

Figure 4.4 depicts the operationalization. Governor incumbency is decided *as-if* random in a close race, explained below. In turn, a larger amount of resources will enable the party to enlist a larger number of mayoral candidates, Z . I calculate presence for all parties with a gubernatorial candidate by summing all mayoral candidates, and dividing that sum by the total number of municipalities in the state. Local presence is a proxy for presence of local brokers. These local brokers will generate more votes for congressional candidates, increasing the amount of seats the party captures in the subsequent state elections four years after treatment assignment.

Regression Discontinuity: The Effect of Winning a Race on Party Presence

Parameters β and τ can be accurately estimated in observational studies only if X varies *as if random*. To isolate the causal effect of resources on party presence and the average treatment effect on party performance, I use a regression discontinuity design to obtain the estimates $\hat{\beta}$ and $\hat{\tau}$. RDDs have been used extensively in social sciences in the past decade (Thistlethwaite and Campbell 1960; Lee 2008), and as long as treatment and control groups present balance on pre-treatment covariates; i.e., treatment assignment is

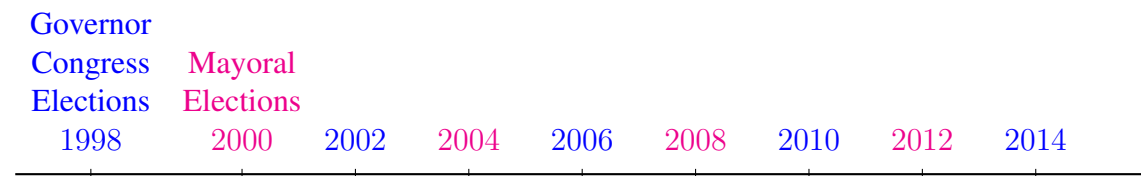


Figure 4.3. Timing of Brazilian elections and collection of data

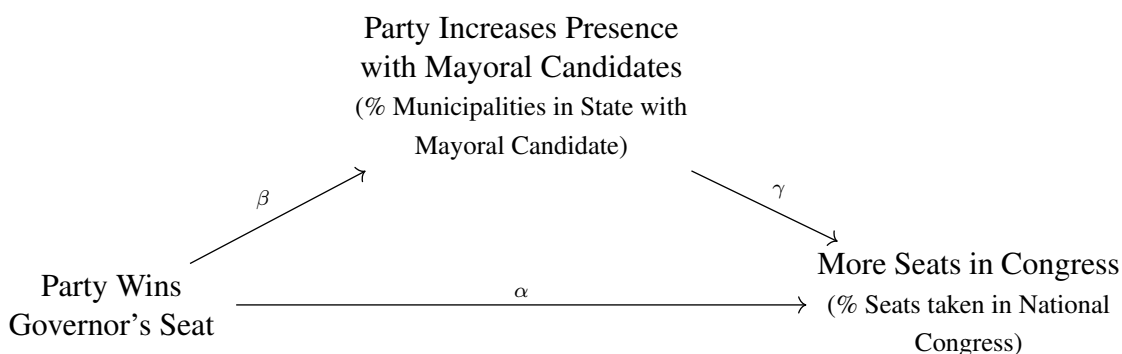


Figure 4.4. Operationalization: Gubernatorial candidates

uncorrelated to subjects' characteristics, RDDs are natural experiments (Dunning 2012). Close elections provide an element of randomness in the generation of winning and losing candidates, as if they had been allocated to their treatment status through a coin flip. In such cases, treatment and control, or bare winners and bare losers, should differ in no covariates, only on treatment assignment.

Although regression discontinuities have been extensively used in the Brazilian context by several scholars,⁴ to the best of my knowledge they have not yet been employed to measure gubernatorial races, since the number of close races is still relatively small. In total, only 18 of all races since 1998 have had candidates that won or lost by a margin smaller than 5% of all valid votes. The small study group size burdens the design, since it reduces statistical power, increasing the chance of accepting the null hypothesis – not only for treatment effects, but also for covariate balance. I show the balance of governor covariates in the appendix, and also conduct a number of robustness checks. I also present local average treatment effects for different study group sizes, reducing concerns over the

⁴For example, ?Schiumerini (2014); Fujiwara (2011)

choice of bands.

Legislative Elections

To further illustrate how winning upper-tier elections is crucial for enlisting brokers, I implement the regression discontinuity design for legislative elections. I calculate the effect of winning legislative races in strongholds. The classification of a stronghold is straightforward. First, for every candidate, I rank his or her past performance in all municipalities according to the vote share the candidate received. That is, of all the municipalities from which the candidate received votes in the most recent election prior to the election assigning treatment status, in which one did the candidate have the greatest vote share? Thus, I define the top-ranked municipality in the past as the candidate's stronghold. The procedure avoids post-treatment bias, as all candidates who participated in a previous election "receive" a stronghold. Substantively, it is reasonable that the candidate will pay attention to the municipality where she received most votes, and play a part in its local politics.

Legislative elections in Brazil follow proportional electoral rules, requiring a regression discontinuity setup that is different from majoritarian elections. Following [Boas, Hidalgo and Richardson \(2014\)](#); [Arvate, Barbosa and Fuzitani \(2014\)](#); [Firpo, Ponczek and Sanfelice \(2014\)](#), I calculate bare winners and bare losers within state lists. That is, the margin of victory is the distance (in total valid votes in the state) between a winning candidate and the first candidate in the same list that did not win a seat. Likewise, margin of defeat is the distance between a losing candidate and the last candidate in the list that won a seat in Congress.⁵ The forcing variable is the vote margin (measured in vote share of valid votes) in the state.⁶

Mediation Analysis: How Is Party Presence Associated with Party Performance?

The second part of the empirical approach attempts to show how increased party presence on mayoral elections is associated with more seats for party candidates in Congress. In addition, I attempt to separate this association from the ATE. Unfortunately for the design, there is no source of random variation on proportion of municipalities with party pres-

⁵Note that this procedure eliminates all parties in coalitions that did not get even one seat. Accordingly, the study group includes parties that received at least one seat.

⁶[Boas, Hidalgo and Richardson \(2014\)](#) use an "inflated" vote margin as the forcing variable to better capture the value of a single vote in a federal system with malapportionment and heterogeneous state populations. In the appendix I present the results using *inflated margin* as a robustness check.

ence, and even if there was, we would still not be estimating the ACME. Although it is not possible to claim causality, since the error of party presence is likely to be correlated with party performance at congressional elections, I attempt to show a robust association between party presence and congressional performance comparing similar groups. I also restrict the study group to include bare winners and bare losers only, thus allowing estimations to be recovered from the regression discontinuity design, and also ensuring that units under analysis are similar to each other – at least in their pre-treatment covariates. Mediation analysis, and sensitivity analysis, are conducted using the `mediation` software developed by Imai et al. (2010).

4.2 Results

Governors are crucial to the state's party organization. The plots in Figure 4.5 contrast cases where parties won the gubernatorial runoff election with cases where they lost the runoff election.⁷ Each plot has a 45° line. Parties above the diagonal increased party presence after the gubernatorial election. As we can see, not only are there few cases above the line on the plot showing losing parties (right plot), but the distance to the line, a difference-in-differences measure, is large and negative for most parties below the line. Also, no losing party managed to field mayoral candidates in more than 50% of the possible municipalities. Finally, most losing cases above the line are from the PT, which held the national executive during the entire period pictured in the figure, and whose subnational performance was likely to be affected by national politics.

The pattern of increased party presence in municipalities does not translate into increased congressional presence. Figure 4.6 presents the difference in differences of winning an election for the same group of parties, and there is no apparent association between winning the race for governor and how parties elect deputies to the state congress. In the next subsection I employ regression discontinuity designs to uncover whether winning the governor's race causes an effect on party presence and on congressional performance; that is, whether either $\hat{\beta}$ or $\hat{\tau}$ are statistically different than zero.

⁷I chose to represent only parties that went to the runoff election since parties that came second without ever going to a second round hardly had any chance of winning the race in the first place, and make a poor comparison to winning parties that won on a first round (including these cases makes results more dramatic).

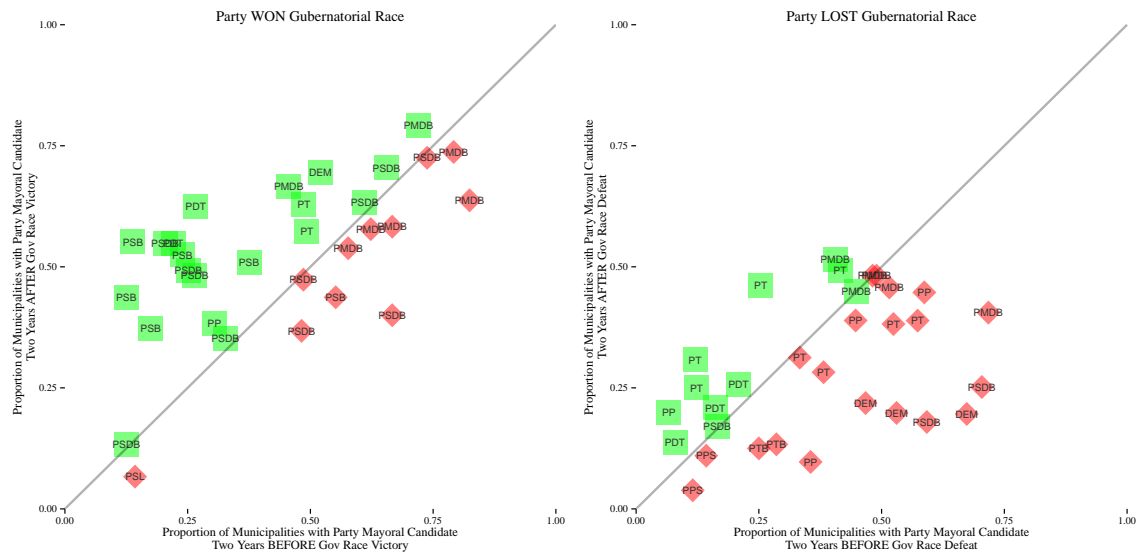


Figure 4.5. Party Presence and the Gubernatorial Race.

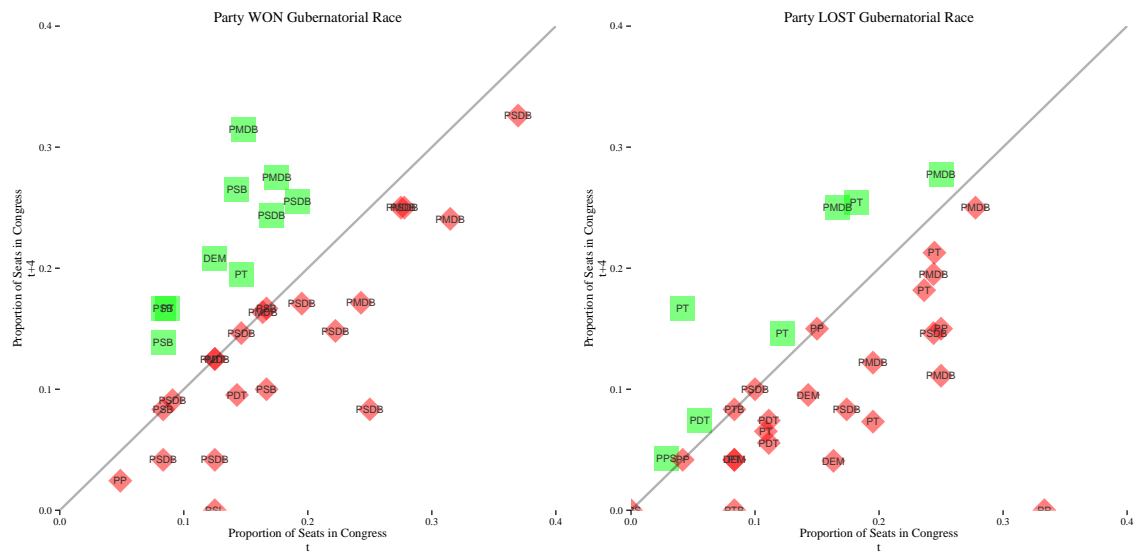


Figure 4.6. Party Presence and the Gubernatorial Race. Plot only includes parties that reached the gubernatorial runoff election during 2002–2010.

The Effect on Party Presence and on Congressional Seats

The estimates of the (local) effect of governors winning the race on party presence two years later are shown in Figure 4.7.⁸ The plot on the left depicts the visual representation of the discontinuity, and the right plot shows the point estimate and confidence interval of the effect. Results show a significant and substantial effect. Parties who win the gubernatorial race subsequently place between 15 and 20 percent more mayoral candidates than losing parties. This means that winning parties place 45% to 60% more mayoral candidates than losing parties, which on average place mayoral candidates in 33% of all possible municipalities.

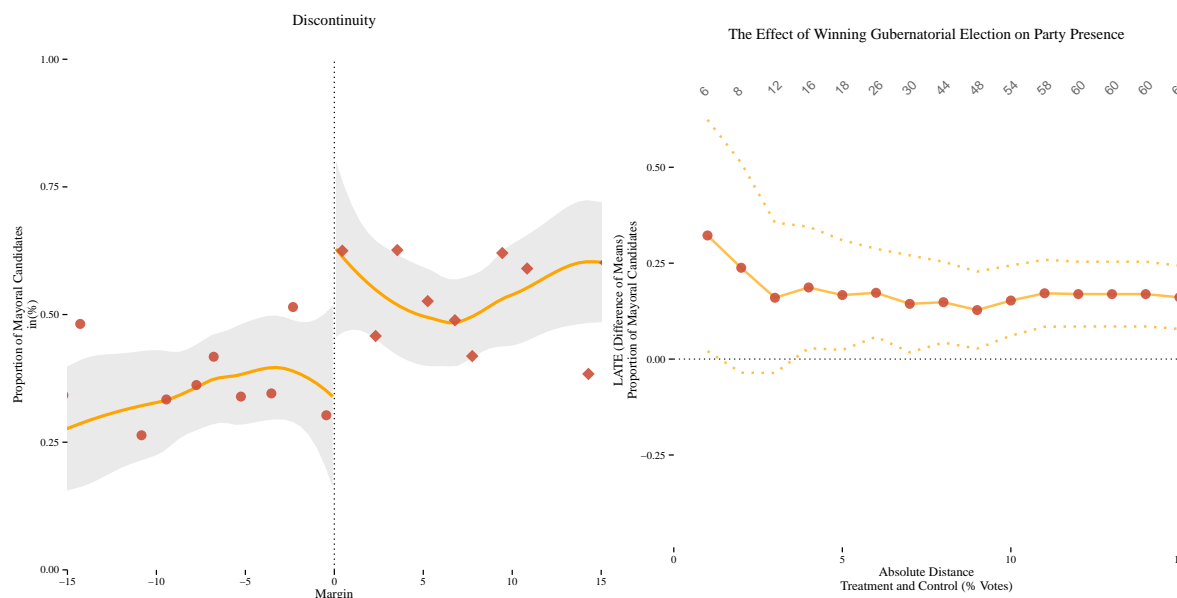


Figure 4.7. The Effect of Winning Gubernatorial Election on Party Presence. The figure on the left shows the graphical representation of the discontinuity, with each dot representing candidates. The solid line shows the LOWESS estimation, and the shaded area identifies 95% confidence intervals. The figure on the right shows the LATE and confidence intervals at different distances between winning and losing candidates. Distance refers to the absolute distance between winning gubernatorial candidate (treated unit) and losing candidate (control unit). LATE are estimated incrementally starting at the 1% distance up to the 15% distance in 1% increments. Estimations includes only races decided in the second round.

Party presence on strongholds also increases when individual candidates win. Figure 4.8 shows a 10–15 percent causal effect on the probability of fielding a party candidate in a stronghold, which corresponds to 35–53% of the mean presence in strongholds.

⁸The graphical presentation of regression discontinuities follows the recommended guidelines suggested by [Bueno and Tuñón \(2015\)](#).

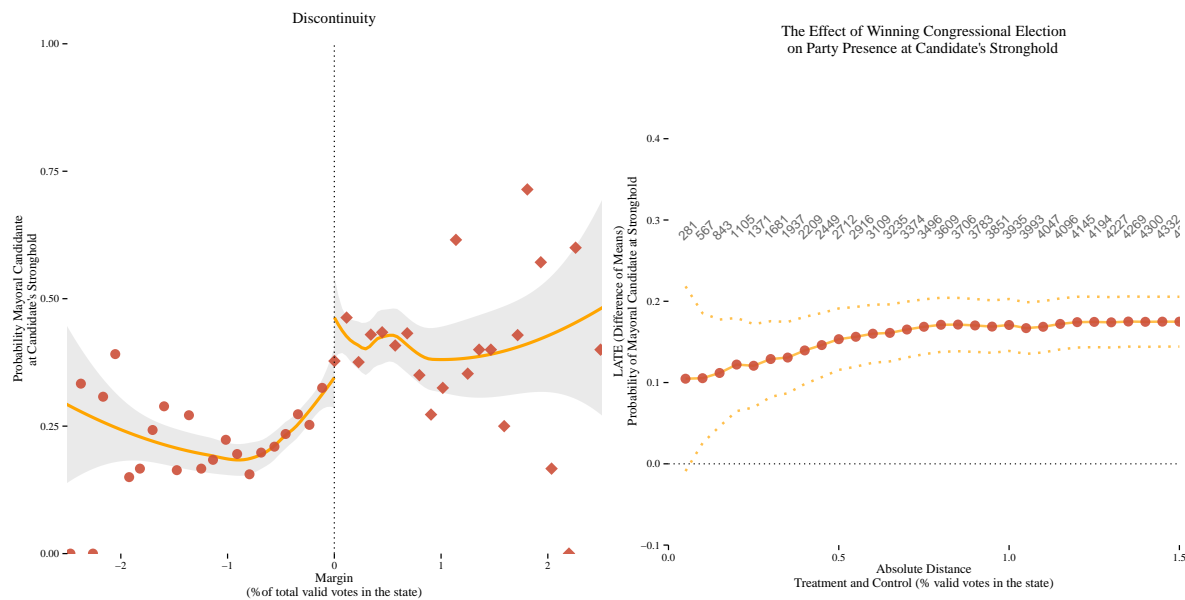


Figure 4.8. The Effect of Winning a Congressional Seat on Party Presence at Stronghold. The figure on the left shows the graphical representation of the discontinuity, with each dot representing average vote share in the congressional election for each 0.1 percentile. The solid line shows the LOWESS estimation, and the shaded area identifies 95% confidence intervals. The graph on the right shows the LATE and (robust) confidence intervals at different distances between winning and losing candidates. Distance refers to the absolute distance between the candidates that won vs. the candidate who was the first not elected in the same list, or the the distance between a candidate that lost vs. the candidate who was the last elected in the list. LATE are estimated incrementally starting at the 0.05% vote share distance up to the 1.5% vote share distance in 0.05% vote share increments.

Mediation Analysis

The mediation analysis for governors shows that electing a governor has no direct association with future seats in congress, or if there is any association, it is negative. The mediated association, however, is large. As the regression discontinuity has shown, winning the race increases party presence by 20 percentage points. The value of $\hat{\gamma}$ is 0.52, which means that there is a strong correlation between party presence and seats in congress. The product of these two estimates means that on average electing a governor is associated with 10 percent more seats. On average, a party whose gubernatorial candidate went for the runoff election places deputies in 17% of state congress seats; thus the increase in party presence caused by placing a governor is associated with 59% more seats. The sensitivity analysis (in the appendix) show that the result is not likely to disappear even if an unknown confounder is influencing both party presence and seats in congress at the same time.

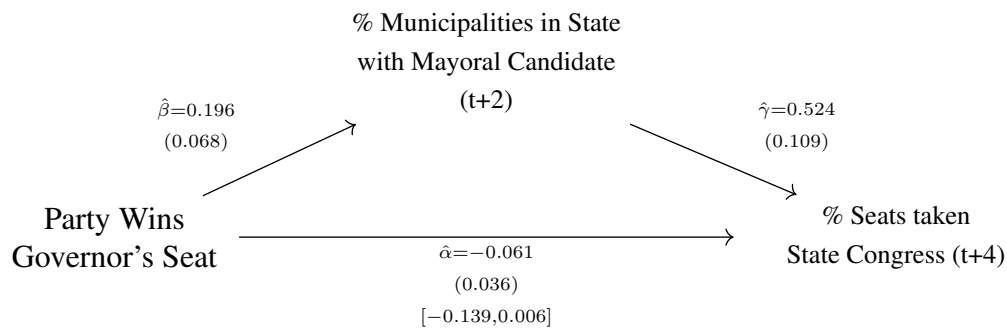


Figure 4.9. Results: Gubernatorial candidates: Includes only gubernatorial candidates that went to runoff election, and whose absolute distance to losing (winning) candidate was less than 5 percentage points. Study group size is 18. Values in parentheses are standard errors, and intervals in brackets are the 95% CI. The average mediated correlation of $\hat{\gamma}\hat{\beta}$ is 0.103, which lies in the bootstrapped 95% confidence interval [0.033, 0.202]. $\hat{\tau} = 0.041$, [-0.043, 0.117]

4.3 Conclusion

This chapter has examined how modular parties organize clientelism in face of electoral volatility. Instead of building their own linkages, parties have adopted a modular organization to quickly adapt to their changing electoral fortunes. Parties leave the task of mobilizing supporters and monitoring clients to local notables. Local authorities, on the other hand, depend on the resources parties can funnel to them.

The size of a party and its electoral success therefore depend on the amount of resources the party controls, because these resources will dictate how many local notables they will be able to hire. And the more local notables a party hires, the more modules it will have attached to it. Hence, the more voters it will be able to mobilize. However, the reverse is also true. Analyzing Brazilian parties, I show that short-term electoral failure of the upper tiers of a party could lead to its disintegration. Subnational authorities, like governors, are important because they are able to increase the number of local candidates the party fields. In the case of the PDT in Rio de Janeiro, as in many other places besides Brazil, when the top echelon of the pyramid no longer had access to resources, the party below broke down. Nevertheless, the clientelistic political system survived.

4.A Appendix

Summary statistics

Variable	Mean	Variance	Median	Min	Max
Proportion of Municipalities with Mayoral Candidates	0.44	0.19	0.48	0.04	0.81
Proportion of Seats in Congress	0.14	0.09	0.14	0.00	0.33
College Education	0.93	0.26	1.00	0.00	1.00
Single	0.01	0.11	0.00	0.00	1.00
PMDB	0.21	0.41	0.00	0.00	1.00
PSDB	0.25	0.43	0.00	0.00	1.00
PT	0.14	0.35	0.00	0.00	1.00
Age	54.51	9.74	55.00	35.00	77.00
Female	0.13	0.34	0.00	0.00	1.00
Businessperson	0.01	0.11	0.00	0.00	1.00
Public Employee	0.02	0.15	0.00	0.00	1.00
Retiree	0.02	0.15	0.00	0.00	1.00
Teacher	0.05	0.21	0.00	0.00	1.00
Politician	0.13	0.34	0.00	0.00	1.00

Table 4.1. Summary Statistics

Balance tests

Balance tests show the point estimate of the difference between treatment and control, and the associated standard error. There is no significant difference between treatment and control groups. The fact that the study group size is small, the two groups can be identical in some of the covariates, yielding zero variance, and zero point estimate.

Variable	Full	M<.05	M<.03	M<.01
Proportion of Modules	0.061 (0.053)	0.163 (0.103)	0.239 (0.144)	0.452 (0.137)
Seats in Congress	0.05 (0.021)	0.041 (0.047)	0.06 (0.068)	0.138 (0.077)
Candidate went to college	0.049 (0.057)	0 (0)	0 (0)	0 (0)
Candidate is single	-0.024 (0.024)	0 (0)	0 (0)	0 (0)
PMDB	-0.052 (0.091)	-0.2 (0.222)	-0.143 (0.295)	0.5 (0.333)
PT	-0.097 (0.077)	-0.1 (0.176)	0 (0.218)	-0.25 (0.289)
PSDB	0.206 (0.093)	0.5 (0.176)	0.571 (0.218)	0.5 (0.333)
Age	-1.777 (2.144)	1.5 (4.721)	-2.571 (5.866)	3.25 (6.797)
Female	-0.074 (0.074)	-0.1 (0.176)	0 (0)	0 (0)
Teacher	-0.001 (0.047)	0 (0.149)	-0.143 (0.154)	-0.25 (0.289)
Businessperson	0.023 (0.024)	0 (0)	0 (0)	0 (0)
Public Employee	-0.001 (0.034)	0 (0)	0 (0)	0 (0)
Retiree	-0.001 (0.034)	0.1 (0.105)	0.143 (0.154)	0 (0)
Councilor	-0.121 (0.074)	-0.1 (0.105)	0 (0)	0 (0)
n	85	21	15	9

Table 4.2. Balance Statistics

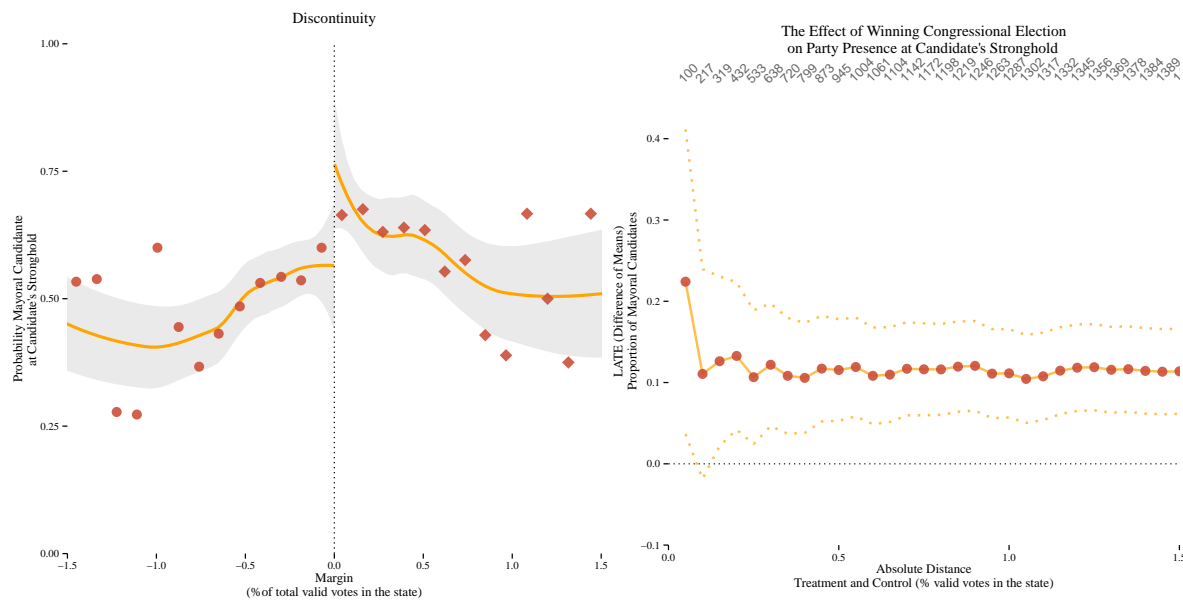


Figure 4.10. The Effect of Winning a Congressional Seat on Maintaining Party Presence in Stronghold. The figure on the left shows a graphical representation of the discontinuity, with each dot representing average vote share in the congressional election for each 0.1 percentile. The solid line shows a LOWESS estimation, and the shaded area the 95% confidence intervals. The figure on the right shows the LATE and (robust) confidence intervals at different distances between winning and losing candidates. Distance refers to the absolute distance between winning gubernatorial candidate (treated unit) and losing candidate (control unit). LATE are estimated incrementally starting at the 0.005% vote share distance up to the 1.5% vote share distance in 0.005% vote share increments.

Figure 4.10 measures the effect of a state congress candidate winning and keeping a mayoral candidate; i.e., if the candidate’s party had a candidate in the stronghold, what is the probability of fielding a mayoral candidate again two years after the legislative election? Results are similar to party presence: winning the seat increases the probability of fielding a mayoral candidate again in 10 percentage points.

Figures 4.11 show the estimates using inflated margin, as proposed in [Boas, Hidalgo and Richardson \(2014\)](#).

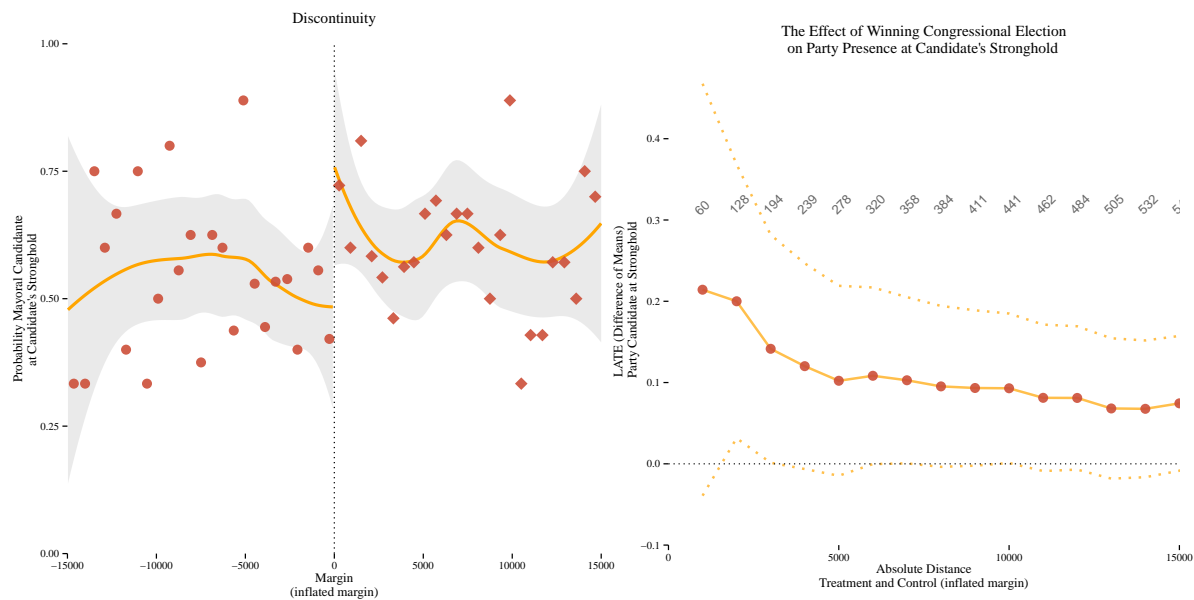


Figure 4.11. The Effect of Winning a Congressional Seat on Maintaining Party Presence in the Stronghold. The figure on the left shows the graphical representation of the discontinuity, with each dot representing average vote share in the congressional election for each 0.1 percentile. The solid line shows a LOWESS estimation, and the shaded area the 95% confidence intervals. The figure on the right shows the LATE and (robust) confidence intervals at different distances between winning and losing candidates. Distance refers to the absolute distance between winning gubernatorial candidate (treated unit) and losing candidate (control unit). LATE is estimated incrementally starting at the 0.005% vote share distance up to the 1.5% vote share distance in 0.005% vote share increments.

Sensitivity Analysis

Although the mediation analysis uses a non-parametric model, linear structural equation model illustrate well the equations of the model. For the purpose of the tests of this chapter, the corresponding LSEM would be:

$$\begin{aligned} \text{Seats in Congress} &= i_1 + \tau \text{Gov} + \epsilon_1, \\ \text{Modules} &= i_2 + \beta \text{Gov} + \epsilon_2, \\ \text{Seats in Congress} &= i_3 + \alpha \text{Gov} + \gamma \text{Modules} + \epsilon_3 \end{aligned}$$

Following Imai et al. (2011), I conduct a sensitivity analysis of the mediated effect of party presence on votes. The sequential ignorability assumption requires that there are no confounders influencing the *Modules* (or brokers) and *Seats in [State] Congress*. There

can be more than one unobserved effect that affect both variables. For example, losing parties may change priorities and move resources away from the state where they lost elections and concentrate at another, which would reduce both party presence and seats in congress at the same time. However, there is no way to know exactly what the confounder in this case is, neither if it affects both variables in the same or different direction.

To assess the severity of potential bias, I calculate how strong the correlation between error terms of the mediated and outcome models has to be to invalidate the result, i.e. the correlation of ϵ_2 and ϵ_3 . If these error terms are severely correlated, the bias can be enough to change the direction of the estimated parameter.

The results of the sensitivity analysis is shown in Figure 4.12. On the left plot we see that if the unobservable affects the two models in different directions, that is, ρ is negative, the mediated effect will in fact be larger. The shaded area depicts the 95% confidence intervals, and the dotted line is the previously estimated mediated association, 0.103. For almost any value ρ can take, the mediated association is positive. Only at $\rho = 0.78$ the mediated association changes direction.

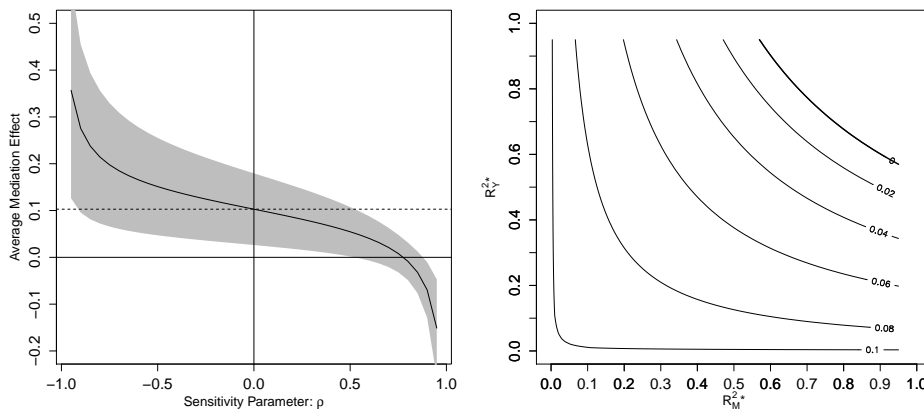


Figure 4.12. Sensitivity analysis - The Mediated Association

The plot on the right is one way in which we can evaluate whether we should be concerned that the value estimated has the true sign. The contour lines are the possible average mediated associations, and the axes the proportion of the variance of mediated model and outcome model explained by unobserved factors. As we can see, the contour line where the mediated association is zero is high on the plot, meaning that the mediated association will only be zero or negative above that point, or when the confounder explain as much as 75% of the variation on both models. The sensitivity analysis indicates that the

increasing the number of brokers *causes* an increase in seats, although the exact value of the true ACME is hard to quantify.

Mediation Analysis Tables

	Estimate	Lower 95% CI	Upper 95% CI
ACME	0.1029	0.0383	0.1783
ADE	-0.0615	-0.1339	0.0182
Total Effect	0.0414	-0.0308	0.1299

Notes: Estimates calculated using mediation software, with nonparametric bootstrapped confidence intervals (Imai et al. 2010; Imai, Keele and Yamamoto 2010). Governor election result is the treatment, party presence in stronghold is mediator, party vote share ($t + 4$) is the dependent variable. Study group includes only candidates whose absolute distance is smaller than 5% vote share. Group size is 18 units.

Table 4.3. Mediation analysis: Gubernatorial candidates

	Estimate	Lower 95% CI	Upper 95% CI
ACME	0.0989	0.08542	0.11135
ADE	0.0149	-0.00384	0.02986
Total Effect	0.1137	0.09179	0.13712

Notes: Estimates calculated using mediation software, with nonparametric bootstrapped confidence intervals (Imai et al. 2010; Imai, Keele and Yamamoto 2010). Governor election result is the treatment, party presence in stronghold is mediator, party vote share ($t + 4$) is the dependent variable. Group size is 1410 units.

Table 4.4. Mediation analysis: Gubernatorial candidates - *Full Sample*

Chapter 5

Free–Agency in the Lower Tier: Party Switching and the Performance of the Party the National Level

Why are politicians in clientelistic modular parties unable to build durable linkages to voters? More than eighty percent of all parties in the developing world make moderate to major efforts to provide private goods targeted to voters, but only a few of these have the “formidable partisan sub-cultures with durable loyalties” that characterize clientelistic machine parties (Roberts 2014, 28–29).¹ Instead, many clientelistic parties in African, Eastern European, Latin American, and Asian countries have to endure disloyalty on the home front, as politicians in these parties often switch allegiances (Mainwaring and Scully 1995; Desposato 2006b), and at the electoral arena, since voters’ support is unreliable over time (Weghorst and Bernhard 2014; Tavits 2005; Roberts 2013; Hicken and Kuhonta 2011).

In this chapter I argue not only that organizational fluidity and electoral success of parties are intertwined, but that the former causes the latter. Specifically, I examine how party switching from political brokers, the fundamental pieces in the clientelism machinery, damages the electoral prospects of their parties. All clientelistic parties depend on professional brokers to ensure that the exchange of goods is in fact contingent on electoral support (Stokes et al. 2013), and as long as brokers remain loyal, parties will be able to capture voters. However, brokers can be unreliable partisans, and in modular parties they are nothing but disloyal.

¹Proportion of clientelistic parties calculated using the Kitschelt (2013) dataset.

As presented on chapter 2, brokers may seamlessly switch parties when two conditions are met. First, brokers must be the rightful owners of a network of clients, otherwise they will not be able to bring a bloc of votes to a different party. Second, there must be other parties willing to temporarily incorporate the networks brokers own, and to hire them to broker votes. In sum, brokers must be patrons themselves, and have exit options.² Scholars have focused the analysis of party-broker relationships within dominant machines. This type of clientelistic parties have substantial agency problems with brokers (Camp 2012), but broker party switching is a lesser concern for these organizations. In countries such as Argentina and Mexico there is no other party in the same league as the Peronist Party or the PRI in terms of access to state resources (Calvo and Murillo 2004; Magaloni 2006). Moreover, the exclusive ties these dominant parties have with popular sectors that can be traced back to the time and circumstances of their creation (Collier and Collier 2002). If brokers defect from dominant clientelistic parties, they risk losing privileged access to resources and disconnect themselves from the proprietary distributional channels these parties detain. However, dominant machines are exceptional parties, and the historical contingencies leading to their superior stance over peer parties are likely unreproducible. For most parties in most party systems, there are two or more political groups whose relative ability to control state resources and pay brokers changes from one election to the next. Lacking streamlined access to mass organizations, and unable to sustain exclusive patronage networks, modular clientelistic parties are vulnerable to broker disloyalty.

Party switching by elected politicians may be an attribute of many party systems where clientelism is an important mobilization tactic, but identifying how party switching from brokers affects electoral performance is empirically difficult. Brokers are frequently hired by parties only informally. Without properly detecting where these agents are located and which party they are working for, one can not analyze how their affiliation choices influence voters. In addition, party switching is endogenous to party building. If high rates of party switching prevent parties from building strong structures, deficient organization may also stimulate party disloyalty.³

In this chapter, I circumvent both empirical shortcomings. I take the case of Brazil to solve the issue of incomplete information on brokers, since parties in that country use local politicians – most notably mayoral candidates – as brokers for their congressional candidates. Since party affiliation for mayoral candidates is documented, I can measure

²These are the cases of community organizers, ethnic leaders, local bureaucrats, and provincial politicians. For a typology of different types of brokers, see Holland and Palmer-Rubin (2015).

³Although there is no systematic analysis on brokers switching parties, studies on party switching suggest the inverse causal path proposed in this chapter, namely that politicians switch parties to increase their chances of being elected (Desposato 2006b; Mershon 2014).

the career paths of these brokers and the performance of their parties where these agents operate. To avoid the problem of endogeneity, I take advantage of a mostly unanticipated institutional reform that made party switching potentially costly for office-holding brokers in Brazil. In 2007 the Supreme Court ruled that politicians caught switching parties while serving office would lose their jobs, an action that effectively improved the odds of party-broker ties surviving more than one electoral cycle.

This institutional change allows me to implement a difference-in-differences approach, and assess how restricting brokers' mobility affect the electoral performance of their modular parties. Using close mayoral races that as-if randomly define which brokers are subject to exit barriers, I check how the rate of party switching of winning brokers changed after the court ruling compared to their losing counterparts. Subsequently, I evaluate whether changing brokers' proclivity to switch parties affects the electoral performance of congressional candidates, whose success depend on brokerage.

Until the institutional change, politicians faced no institutional hurdles to terminating one party membership and initiating another. Of all individuals running for office more than once,⁴ 59 percent have changed parties. On average, one third of all mayoral candidates switch parties in a four-year interval.⁵ Given the dozens of non-programmatic parties, electoral support is very fragmented. The median vote share for any party is 2.7 percent of the votes. However, this proportion triples where parties place a mayoral candidate as a broker — and where the mayoral candidate remains loyal to the party.⁶

Results show that the court decision effectively deterred winning candidates from party switching. Before the court decision 30% of all winning candidates changed parties, but after the court decision that number fell to 18%. The rate for losing candidates was unaltered. This forced loyalty generated a positive and substantial effect on how national and subnational candidates fared electorally at the local level. While before the change in the law, having a winning or a losing candidate made little difference for future party performance, since the change parties receive an increment of 5 percentage points, or 60% more votes than cases when the party's mayoral candidate loses.

This chapter makes two main contributions. First, it introduces cases of non-dominant clientelistic parties to the growing literature on party-broker relations, and party organization in general. Specifically, the chapter shows how local politicians are essential for

⁴Since 1998, there were 1.1 million different candidates running for elections in Brazil, and 29% ran a campaign more than once.

⁵Figure only includes candidates that run at least two elections during this interval.

⁶In Brazil, mayoral elections take place two years before congressional elections; parties organize mayoral candidacies two years before congressional elections.

brokering votes, but also how unimpeded entry and exit of brokers is a threat to clientelistic party building. Second, the chapter shows how institutional reforms can improve the prospects of clientelistic parties. As I later argue, clientelistic parties rarely have the mechanisms to hold their team together. However, exogenous measures that limit party switching can make brokers more reliable in delivering votes, and facilitate party building at the local level.

5.1 Research Design

This chapter tests the effects of broker loyalty on party performance. Building upon the last chapter that had shown that an exogenous change in the amount of resources allows the party incorporate more modules, we see in this chapter what happens when brokers controlling these modules are disloyal, and what succeeds when brokers are forced to be loyal.

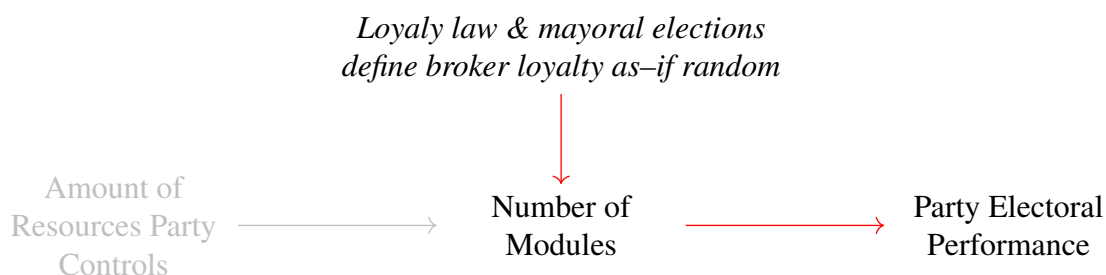


Figure 5.1. The Electoral Dynamics of Modular Parties

The research design relies on an unanticipated law that indicated to brokers they would face stiff penalties if they switched parties. But the law had an asymmetric effect on brokers: exit costs increased for only incumbent brokers only. This law provides an almost-exogenous change in party switching costs,.

Limiting Fluidity and Improving Party Building

Non-dominant clientelistic parties have few mechanisms to curb disloyalty on the part of their brokers. However, exogenous institutional changes may help party organization and party building. One example would be the enactment of rules making party switching

costly, such as removing incumbents from office if they choose to change parties. If incumbents value serving in office and removal from power is probable, switching may not be a viable career choice.⁷

The Loyalty Law

Until 2007, party switching went unchecked by the electoral authority. In that year, the Democratas (formerly known as the Liberal Front Party – PFL) were suffering an exodus of their legislators, and asked the Electoral Authority to rule on who owns the elected office, the party or the candidate.⁸ The court ruled that legislative offices belong to parties, and few months later the Supreme Court published a resolution legislating on the matter.⁹ The decision did not change the rules for non-elected politicians, and left it that politicians could switch parties and retain office in some cases.¹⁰

Although the decision made it clear that *deputados* would lose their jobs if they switched parties, it was unclear what would happen to politicians winning elections by majority voting.¹¹ The electoral authority recommended that the new law should be applicable to all offices. The Supreme Court would have to decide on the matter, but a final decision did not come until seven months later, when the court ruled against extension of the decision to other offices. In the end, mayors elected in 2008 had to proceed at their own risk if they decided to switch parties. Some did take the risk, and either by a direct complaint by their former party, or by the initiative of the Public Prosecutor (Ministério Público), they had to face regional electoral courts. There is no consolidated data on these cases, but interviews proved that the fear of losing their jobs was real, and several media reports and judicial decisions show that disloyal mayors were forced to vacate their seats.

⁷Janda (2009) lists countries whose laws establish provisions against party switching by elected officials. Another cost laws may impose is to forbid any politician from becoming a candidate for a specified time after switching parties, which could cause a switching politician to miss the opportunity to participate in an election.

⁸The party was left out of the governing coalition when the left-leaning Worker's Party (PT) won the presidency, a position that made a number of Democratas cadres uneasy.

⁹Resolução TSE n. 22.610/2007

¹⁰The law states that in cases of party merger, party revamping, “substantial” changes in party platform, or “serious” personal persecution, the switching politician may retain his mandate. The party has thirty days to submit the request. After that, the public attorney's office has an additional thirty days to petition that the politician be removed from office.

¹¹Presidents, governors, senators, and mayors.

5.2 Empirical Method and Data

I take advantage of the 2007 court ruling which imposed asymmetric exit barriers to measure how party disloyalty affects the brokerage duties of politicians. The ruling stipulated that if a politician in office decides to change parties, she may pay the price of being removed from office. Therefore, if switching undermines party brokerage, limiting switching should produce better coordination between party and brokers – but only in cases when the broker is serving out her term.

The design involves a two-step approach to inference. First, I use regression discontinuity designs to establish whether winning the mayoral race influences party disloyalty, and also party performance in the larger district into which the mayoral candidate is inserted; i.e., whether having a mayor win influences the election performance of a party's congressional candidates. I check how winning the mayoral race has a causal effect on these outcomes in two different periods: before and after the court ruling. Second, I measure how causal effects change across the two periods. In the following subsections I discuss each part of the two-step approach, the data I use, and the validity of the design.

Close Elections

Victorious and defeated candidates are strikingly dissimilar groups, and any naive comparison between them would lead to biased estimates. We should expect winning candidates to be better prepared to be brokers, as winning elections is a strong indication of political competence. However, regression discontinuity (RD) designs, under certain conditions, allow us to make valid inferences about the effect of winning elections.

RD designs have been extensively covered ([Thistlethwaite and Campbell 1960](#); [Hahn, Todd and Van der Klaauw 2001](#); [Lee 2008](#)), and scholars have already effectively used RDs to analyze close Brazilian elections, producing robust comparisons between winning and losing candidates ([Titunik 2009](#); [Brollo and Nannicini 2012](#); [Boas and Hidalgo 2011](#); [Schiumerini 2014](#); [Bueno 2014](#)). Crucially, RDs depend on the assumption that treated units receive the treatment by chance, and not by any omitted characteristic that differentiates them from control units. One marginal vote could have gone to either candidate, making electoral victory an as-if random event. Small margins such as one vote are rare, but sometimes the difference between winning and losing represents a small enough fraction of the total votes that the final result would be almost as if it was decided by a coin toss.

I define the local average treatment effect (LATE) τ as

$$\tau_{p,b} = Y_{p,b}^W - Y_{p,b}^L, \quad (5.1)$$

where $Y_{p,b}^W$ is the average outcome for the treated group that won the close election, and $Y_{p,b}^L$ the average outcome of the control group; p is the period from which I draw observations (that is, $p \in P = \{\text{Before Court Ruling, After Court Ruling}\}$), and b is the band of observations, described below. To estimate each average outcome, I calculate

$$Y_{p,b}^W = \frac{1}{N} \sum_{n=1}^B W_i = \bar{W}, \quad \text{and} \quad Y_{p,b}^L = \frac{1}{M} \sum_{m=1}^B L_i = \bar{L},$$

where N is the total number of units exposed to treatment and contained in b , and M is the total number of control units contained in b . In other words, W_i is a winning candidate, and L_i is a losing candidate. The *absolute* value of the difference of votes (in percentage of all valid votes) between winning candidates and losing candidates defines the margin in which I allocate units to different bands. A winning candidate is one whose margin is positive, and a losing candidate has a negative margin. Thus each race produces two units, symmetrical in their distance to the cutoff that decides who will become mayor – or treatment. The value of the absolute margin defines which aggregation the unit will join, and consequently the study group size $N + M$.

The choice of group size requires discretion. The natural experiment component of RD designs is valid when treatment assignment is random, and in our electoral setting, such random assignment is increasingly plausible as we approach the marginal vote that determines winning and losing candidates. Aggregations in the design, or bands, are a set of discretionary and increasingly restrictive groupings. They range from the most permissive, the 100% margin band, which includes all units, to the most exclusive, 0.5%, which includes only units whose margin of victory (defeat) is 0.5% of all valid votes. Besides these two, I calculate LATEs for three other bands, 2.5%, 5%, and 10%. In each band, I collect all observations for treatment and control for the symmetric neighborhood. For example, the 0.5% band contains defeated units whose total vote share was 0.5% less than that of the winning candidates.

Simple t-tests of group differences (with sample variances corrected for heteroskedasticity) are clear and unbiased estimators of treatment effects.¹² If the RD assumptions are satisfied and there are no statistically detectable pre-treatment disparities between winners and losers, difference-of-means is enough to estimate treatment effect. The procedure

¹²For a detailed discussion, see [Dunning \(2012, 157–159\)](#).

eliminates the necessity of introducing further assumptions to our estimations. Thus the estimator for Equation (5.1) is

$$\hat{\tau}_b = \overline{W}_b - \overline{L}_b, \quad (5.2)$$

where b represents the band from which I collect observations in a particular test; that is, $b \in \{0.5\%, 2.5\%, 5\%, 10\%, 100\%\}$. Treatment and control groups from more restrictive bands are in principle the most similar to each other, but as the restriction criterion increases, the reduced number of observations might compromise the precision of the estimator. Fortunately, the fact that we have two observations in each of the two electoral cycles produces close to twenty thousand units, and some five hundred units in the vicinity of the 0.5% band. Comparing different measures can also help confirm the consistency of the estimations and reduce doubt about the discretionary choice of bands.

Although I use the results of difference of means, tables in the Appendix also present other estimation procedures, namely local linear models and optimal bandwidth models, as proposed by [Calonico, Cattaneo and Titiunik \(2014\)](#).

The 2007 Court Decision and the Difference-in-Differences Design

Rules are usually endogenous to the game ([Boix 1999](#)), and the court decision is no different, since the petition to curb disloyalty in Brazil was filed by a party concerned about the outflow of partisans.¹³ The court decision cannot be said to be a natural experiment. We cannot claim that treatment assignment is independent of the outcomes, since candidates self-select into being *potentially* subject to the rule by the act of choosing to be candidates. However, the court ruling can still be characterized as an *interrupted time-series quasi-experiment* ([Campbell, Stanley and Gage 1963](#); [Campbell and Ross 1968](#); [Shadish, Cook and Campbell 2002](#)). The quasi-experimental aspect of the research design surfaces when I bring the court ruling to interact together with the natural experiment character of regression discontinuities. In other words, although the pool of candidates after the ruling is non-random, which complicates the comparison between the before and after court decision pools, the after-court decision group of candidates that are constrained by the law is determined to be as-if random by close elections.

The electoral court decision does not characterize the situation as a natural experiment, but campaign efforts and career decisions taken by mayors during the 2008 election were potentially independent of the court decision and of the exit costs imposed by the ruling. One factor that should alleviate concerns is that it was unclear to mayoral candidates in

¹³Thiago Boverio, Democratas lawyer in charge of the petition, personal interview with author – November, 2012

2007, in the event that they won the election and switched parties, whether they would lose their jobs. The process of institutional change was decided by an independent judiciary (Kapiszewski 2012, 5), rather than actual *deputados* or mayoral candidates. Even an initial recommendation that the law should be applied to all incumbents was only made days past the date in which politicians were allowed to switch parties and run for the 2008 mayoral elections.¹⁴ but that recommendation came some days after the window politicians had to switch parties and be eligible for running in the 2008 mayoral elections.¹⁵ The small window, the non-predictable result from an independent government branch, and the uncertainty about enforcement on majoritarian incumbents reduce the possibility that the law changed how mayors planned their campaign strategies in the 2008 elections, or that mayors interfered with the process.

If the RD design provides us a measurement of the treatment effect of incumbency within periods, the difference-in-differences estimator shown in Equation (5.3) calculates how the treatment effects vary before and after the court decision;

$$\widehat{DiD}_b = (\hat{\tau}_{b,2} - \hat{\tau}_{b,1}), \quad (5.3)$$

where 1, 2 denote the time periods before and after the court decision respectively. The logic of combining regression discontinuity with a difference-in-differences design is to first gauge whether incumbency causally explains party switching and party performance, and whether the causal effect is present in both periods, in only one, or in neither. The difference-in-differences estimator, on the other hand, captures the variation in the incumbency effect between the two periods. Joining the analysis of presence of causal effects with the magnitude of the variation provides us a clear and a more precise understanding of the relationship between parties and local politicians.

Data

The basic units of analysis are the parties of the first and second place candidates in all municipal elections in the time period under study. For each of the two periods, I pool the observations. The decision to pool observations makes it crucial to check for party balance between treatment and control groups. I include party dummies as part of the balance tests, as explained below. I also present exploratory evidence about intra-party effects.

Municipal elections (mayors and councilors) take place mid-term between the state and federal elections. The data consist of three mayoral election cycles, namely the 2000,

¹⁴See Article 13 of Resolução TSE n. 22.610/2007

¹⁵Giraldi, R. (2007, October 19). TSE diverge sobre a data de aplicação de fidelidade partidária para majoritários. Retrieved from folha.uol.com.br.

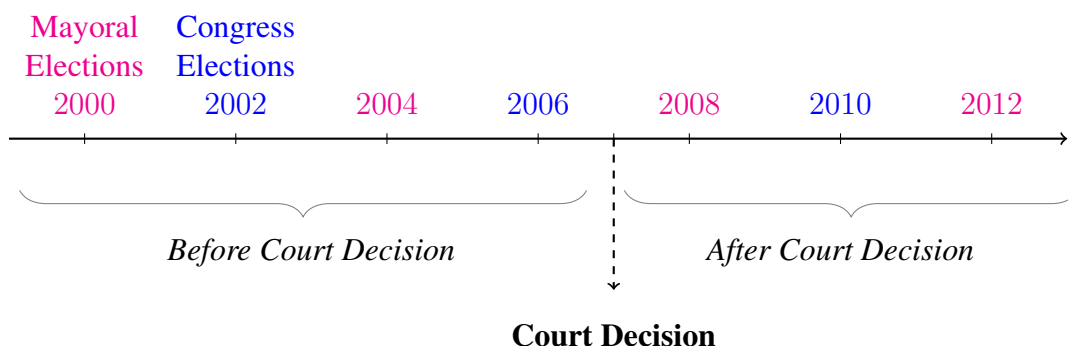


Figure 5.2. *Timing of Brazilian elections and court decision, and collection of data*

2004, and 2008 elections. The first two elections took place before the Supreme Court ruling.

For each election I contrast party performance in the state elections that took place two years after the municipal election (the 2002 and 2006 elections happen before the court decision, and 2010 after it). To analyze the career outcomes of candidates, I look at the subsequent mayoral election. It is fortuitous for the research design that municipal and congressional elections take place in different years. If campaigns are temporally disjoint, mayors' vote-brokering efforts are separated from the effort of campaigning in their own races. Figure 5.2 illustrates the operationalization of the variables, where t is counted in years.

To measure party performance, I calculate the vote share of all congressional candidates of a party, at the municipal level. If the party's mayoral candidate is a candidate (not necessarily for mayor) in a different party in the subsequent municipal election, the party suffered a switch. A politician can only run as the candidate for a party if she has been a member of the organization for at least one year prior to the election. Thus, formally the switch occurs in $t + 3$, but unfortunately I cannot capture the exact moment when the politician decides to change parties.¹⁶

Valid regression discontinuity designs require the covariates to be statistically balanced between the treatment and control groups. Specifically, as we reduce the size of the bands

¹⁶Parties must divulge an updated list of members, but this requirement (TSE Provision 2/2010) has only been in force since 2010, and the self-reported data has inconsistencies in regard to the timing of switches and completeness of the party list. The MUNIC data base from the Brazilian Statistics Institute (IBGE) reports mayors' current affiliation, and affiliation at the time they were elected. Unfortunately, the data base only reports party switching for elected mayoral candidates, and the data is not reported consistently.

from which we draw the units, we should observe the treated and control groups becoming more similar. Thus critical RD assumption of valid counterfactuals can be tested by comparing the means of the treatment and control groups' covariates.¹⁷ Since in this chapter I run RDs for two different periods, I check the balance for two time spans. Tables 5.2 and 5.3 in the Appendix present the balance for each period. Proper balance can be observed for both time periods. For the 0.5% band there is no statistically significant imbalance at the 5% level for any covariate.¹⁸ There is some imbalance in a few variables for larger bands of observations, but the crucial RD assumption that imbalances reduce as one shortens the distance from the cutoff is confirmed by the tests.

5.3 Results: How Did the New Law Affect Uncertainty About Party-Broker Connections?

The court decision affected the career paths of the 2008 mayoral candidates and the way in which parties are structured at the local level. First, brokers who won the mayoral election reduced their rate of party switching dramatically in comparison to those candidates unaffected by the ruling. Second, these brokers were more likely to receive a renomination. Third, the forced loyalty of winning brokers spilled over to other party members below them.

Party Switching Rates

Figure 5.3 shows that defeated candidates switched parties more than winning candidates only after the court ruling. The plots in the top row of Figure 5.3 show the visual representation of the discontinuities, where points represent the average rate for every 1/4 percentile. Lines in this plot are LOWESS (locally weighted scatterplot smoothing) regressions, and the bands represent the 90% confidence interval of these regressions.

The bar chart in the middle row shows the difference of means between treated and control groups for each period, according to the distance from the win/lose cutoff. As

¹⁷One should note that by design, demographic and other municipality-related covariates are identical between treatment and control, since there is always one winning candidate and one losing candidate for each municipality at each electoral period.

¹⁸Ideally, we would want to compare estimates before and after the court decision directly. Unfortunately, due to the design itself there is no reason to expect the two groups to be similar since the political environments before and after 2008 are likely to be different. The difference-in-differences design is built to address the issue of comparing effects across periods.

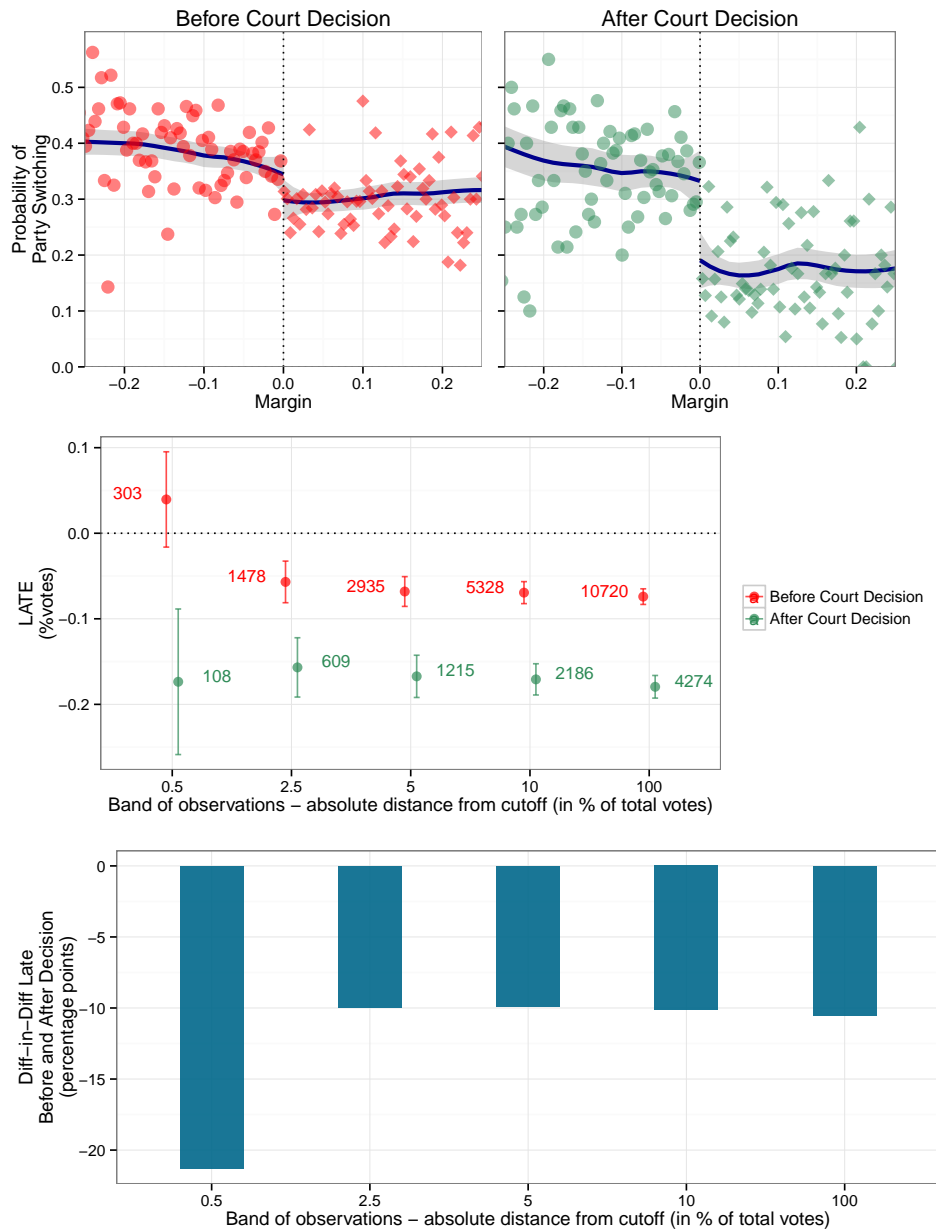


Figure 5.3. The effect of winning mayoral elections on the decision to switch parties in the future. Top row of figures shows graphical representation of the discontinuity, with dots representing the average rate at which mayoral candidates change parties in each 1/4 percentile. Bar plot in middle row presents the local average treatment effect compared between treatment (winning parties at the mayoral election) and control (runner-up parties), with respective (robust) error bars and study group sizes. Bar plot in bottom row presents the difference-in-differences estimations between periods in percentage points of total votes. All differences are statistically significant at $p < 0.001$.

we can observe, not only is the probability of switching much lower for winning candidates after the ruling, but the estimates for winners are significant for all bands. If before the ruling the probability of switching was at best 7 percentage points lower for winning candidates, after the decision this probability reduces to around half that of the defeated candidates (or 17 percentage points lower).¹⁹

The blue bars depict the actual difference-in-differences. The large number of observations reduces the variance enough to make even very small differences statistically significant (except where noted, all differences are significant at $p < 0.01$; see also Table 5.4).²⁰ The difference between periods is at least 10 percentage points, which means that the law more than doubles the rate at which winning candidates remain loyal in comparison to losing candidates.

Nominations, Re-Nominations, and Party Switching

Uncertainty surrounding party nominations also decreased. Figure 5.4 takes a close look at the re-nomination process before and after the court decision, decomposing nomination into two possible outcomes; running again under the same party, and running again under a different party.²¹ The probability of re-nomination is the likelihood of a mayoral candidate running again with the same party and for the same position.²² Surprisingly, before the court ruling, winning an election had almost no impact on future nominations. Winning candidates were not more likely to receive a party re-nomination, nor more likely to receive a nomination from other parties. In contrast, after the court decision, incumbency turned into an important factor for politicians' future ventures.

Overall nominations (top row of Figure 5.4), which is the sum of re-nominations from the original party and nominations from a new one, increase markedly for winning candidates in comparison to runner-ups. The difference of local average treatment effects

¹⁹The estimates include only politicians who remained electorally active in the subsequent municipal electoral cycle. It is reasonable to think, however, that attrition is more severe among losing candidates. As a robustness check, I run the same estimates, now including politicians absent from the next electoral cycle and classifying them as not having changed parties. In these models, the level of the dependent variable is lower, but the LATEs are largely unchanged (see Appendix Figure 5.10). I also chose to remove term-limited mayors from the sample. If mayors cannot compete for office in the subsequent election, it is less likely they will change parties. Including them in the treatment group would mechanically return a treatment effect of no substantive significance.

²⁰Paired t-test with unequal variances.

²¹Accompanying tables with LATE estimations and differences are presented in the Appendix.

²²Local politicians may be demoted to councilor or vice-mayoral candidates. If they choose to run again in the subsequent election, 99.94% of winning mayoral candidates run again as mayoral candidates. Among runner-ups, 85% run again as mayoral candidates.

between the two periods in the 2.5 neighborhood is 7.3 percentage points. What explains the gap in the nomination rate between winning and losing candidates after the court decision is twofold. First, winning candidates are much more likely to receive a re-nomination from their parties after the ruling. The difference between LATEs before and after the court decision is 11.2 percentage points. Second, winning candidates are much less likely to seek a nomination spot with other parties. The difference between periods is -3.8 percentage points.

The Network Below: Councilors

For *deputados*, mayoral candidates are the access point to brokerage networks. One assumption I raise is that mayoral candidates in Brazil are not the only agents brokering votes, but retain a whole team of agents composed of paid, professional brokers, activists, and individuals who aspire to be politicians. Mayoral candidates are the “big men” (Scott 1972), and *deputados* can only reach out to other agents through the mayoral candidate.

Council candidates are an important piece of the local clientelistic machinery, representing the second line of attack in the effort to mobilize voters, after the mayoral candidate. Running for the municipal council is commonly the first step in a politician’s career in Brazil. Each Brazilian municipality has a municipal council, whose number of councilors ranges from 9 to 55 (Ferraz and Finan 2009). Council candidates run for office at the same time as mayors, but councilors are not term-limited. Brazil federalism leaves much of the budgetary decision-making to the local level, and *vereadores* are formally responsible for submitting proposals for the municipal budget. The municipal budget is, however, constrained by constitutional earmarks, and most of the discretion is left to mayors alone, not councilors (Schiumerini 2014). Since mayoral candidates are ranked higher in party hierarchies, and mayoral candidates have better access to campaign donors, party resources, and, in the case of incumbent mayors, access to state resources, being part of a mayoral candidate’s network is a necessary condition for survival for an ambitious *vereador*.²³

If mayoral candidates have control of their party’s councilors, councilors should follow a mayoral candidate’s lead and switch when the mayoral candidate switches, or stay put when the mayoral candidate remains loyal to his party. Considering the 2007 institutional reform, the rate at which winning councilors switched parties declined for the same reason

²³Most council candidates have short and unsuccessful political careers. Of all 2000 council candidates, only 45 percent ran for office in a subsequent election. Of those who remain active, 52 percent switch parties, which is more than their mayoral counterparts and indicates that party switching is an integral part of the career of clientelism agents. However, as Figure 5.9 in the Appendix shows, councilors’ career decisions were also affected by the loyalty law.

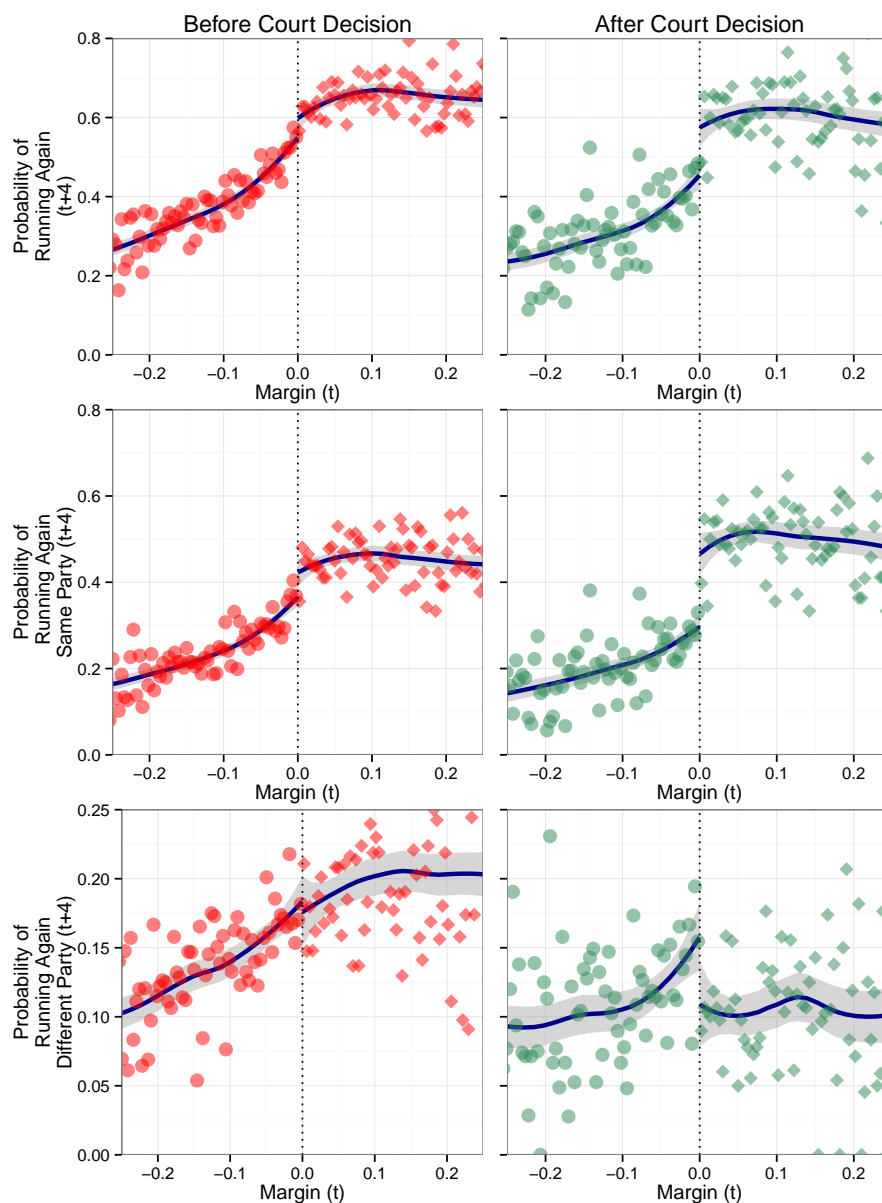


Figure 5.4. The effect of winning mayoral elections on future nominations. Top row of figures shows graphical representation of the probability of the candidate receiving a nomination in the subsequent election. The figures in the middle show the probability of a candidate being re-nominated by her original party, and the figures on the bottom row show the probability of the candidate switching to another party and being nominated.

that the rate for winning mayoral candidates decreased. However, the rate at which *losing* council candidates switched parties should not be directly affected by the court decision. If councilors are part of the mayoral candidate's team, losing council candidates within the party of winning mayoral candidates should show a lower rate of party switching after the law, since the rate at which winning mayoral candidates switch decreases.

The empirical test follows the same logic as the previous tests for mayoral candidates. The variable of interest is the rate of party switching by *competitive* losing council candidates. I define competitive council candidates as those who lost the election by less than five votes. Since the rate of attrition is high for *vereadores*, including them all would depress the rate considerably. Also, I choose competitive losing *vereadores*, as these cases had real chances of winning, which means that statistically they are not different than winning candidates that won by a slim margin. The hypothesis is that the rate of party switching by losing *vereadores* decreases after the law was instituted, but only for those parties whose mayoral candidate wins. In other words, the test compares the LATE before and after the law.

As we can see from Figure 5.5, the LATEs of the two periods are very different on close margins. While the point estimate of the LATE before the law was positive (but not statistically significant), the rate drops dramatically after the law (but they still do not achieve statistical significance). The distance between the two lines indicates the difference-in-differences effect of the law, or more precisely, shows that losing council candidates are likely to remain loyal to the mayors of their parties, now that these mayors are themselves less likely to switch. For all tests conducted within an absolute margin of 2.9% or less, the difference between periods is significant.

Reduced Party Fluidity and Future Party Performance

Party performance in terms of vote share for congressional candidates at municipalities with winning and losing candidates are almost identical before the court decision. However, after the ruling, the party that comes ahead in the municipality fares much better than the runner-up, as Figure 5.6 shows.²⁴ Winning the mayoral race causes the *deputado's* share of votes to rise by 5 percentage points compared to the losing party (in the 0.5% band), which corresponds to a 30% increase in average 2008 party performance at the municipal level. The difference-in-differences estimate is substantial; winning the election is now not only responsible for a significant increase in votes, but is more than double the

²⁴Estimations in Table 5.5 in the Appendix.

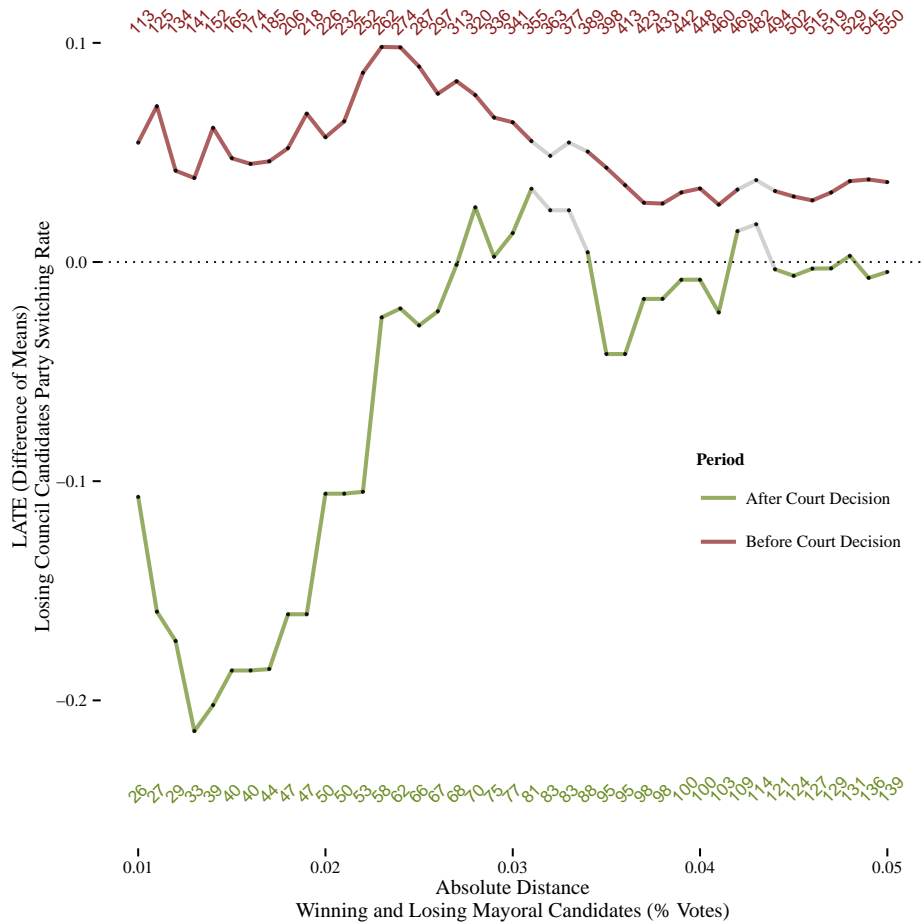


Figure 5.5. The effect of winning mayoral elections on party switching of competitive losing council candidates. Absolute distance is the distance between losing and winning mayoral candidates. Each point denotes the difference of means, the outcome of interest for mayoral candidates below a given absolute margin. Competitive losing council candidates are those who lost by less than five valid votes. Line sections in gray denote that the difference between the two lines (the DiD) is not statistically significant (i.e. t-statistic is below 2.0). Numbers on top and bottom indicate the study group size for each estimation in each period. At no point did the LATEs for either period achieve statistical significance.

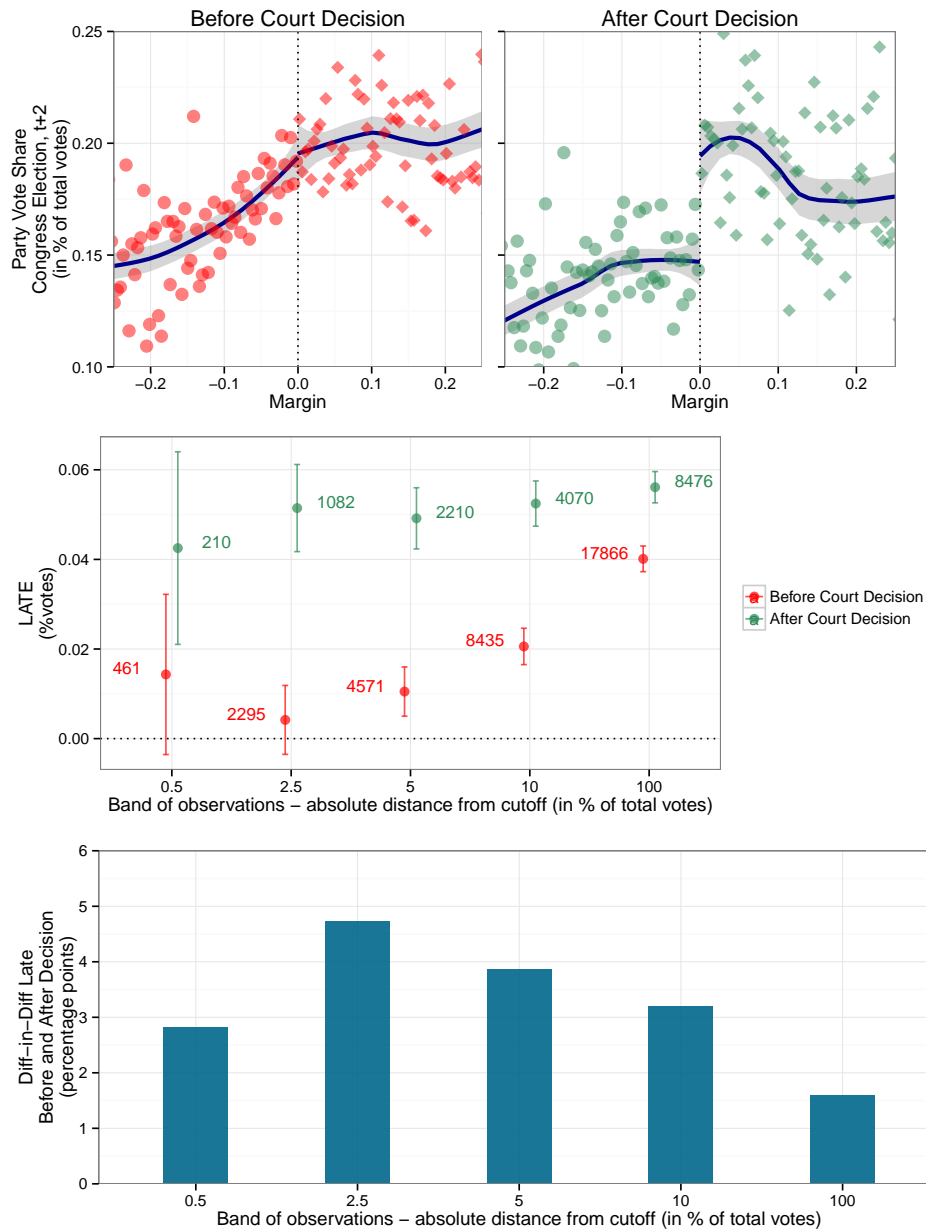


Figure 5.6. Effect of winning mayoral elections on parties' congressional electoral performance. Top row of figures shows graphical representation of the discontinuity, with each dot representing the average vote share in the congressional election for each 1/4 percentile. Bar plot in middle row shows the local average treatment effect between treatment (winning parties in the mayoral election) and control (runner-up parties), with respective (robust) error bars and study group sizes. Bar plot in bottom row presents the difference-in-differences estimations between periods in percentage points of total votes. All differences are statistically significant at $p\text{-value} < 0.001$.

previous LATE point estimate in the 0.5% band.²⁵

As further evidence that career decisions of local politicians are crucial to understanding the surge in local party support, I devise a placebo test using term-limited mayors only, who have no incentives to formally switch parties. The test (in the Appendix) shows that the law did not affect party support in municipalities governed by term-limited mayors. In other words, the effect is only present when the law is potentially binding.

The Effect on Individual Parties

So far, the analysis pooled all parties together. In this section, I evaluate the difference-in-differences design for individual parties. Although clientelism is widespread, and interviews with party leaders and politicians indicate that all parties engage in explicit deals with mayoral candidates, some parties have historically been better at preventing party switching, and some have relied on programmatic linkages to win elections. Figure 5.7 shows that the average party switching rate varies considerably among the different parties, and larger ones, such as PMDB and PSDB, have rates below average. Notably, the PT, considered by scholars the most programmatic party in Brazil (Samuels 2006), has the lowest switching rate, and according to polls the highest number of activists (Samuels and Zucco 2014).

The effect of the law seems to have touched most parties. Figure 5.8 shows individual effects for individual parties with enough observations to run tests with power, one grouping with all other parties, named *Others*, and the pooled result for comparison.²⁶ The plot on the left of the figure shows that all parties increased their loyalty rate after the court decision, and the plot on the right, showing the effect for congressional performance, mirrors the plot on the left: electoral performance in municipalities with winning candidates is noticeably better. One party, the PT, stands out. Its LATE for party switching changed marginally between periods, and the LATE in votes for its deputies increased significantly. It is difficult to assess the individual trajectories of parties, but the PT might have been experiencing coattail effects with its presidential candidate and its mayors enjoying extended access to state resources, as Brollo et al. (2013) show.

²⁵To keep estimations consistent, I keep the study group restricted only to non-term-limited mayors for all estimations. Including term-limited mayors (not shown) does not substantively change the results.

²⁶Grouping the data by party reduces the study group size to a point at which the tests appear underpowered, especially for small RD windows. For this reason, I chose to be lenient with the window, arbitrarily choosing a 5 percent bandwidth. Although this reduces the robustness of the test, it allows a broader characterization of individual dynamics. I run tests for parties that have fielded more than 5,000 candidates during the entire period.

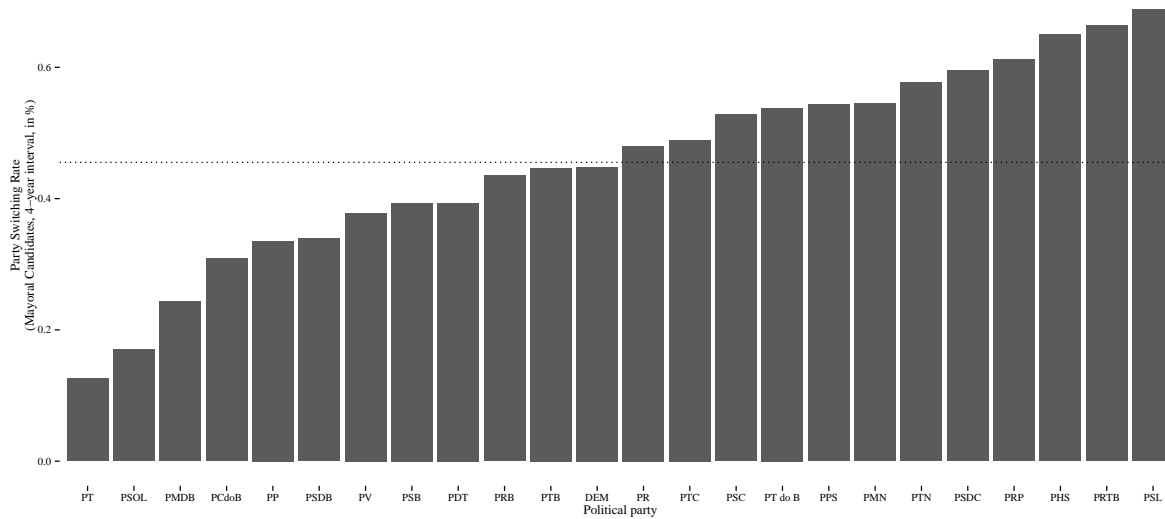


Figure 5.7. Average Mayoral Party Switching Rate 2000–2008, by Party. Dotted line is the average overall party switching rate for parties, not weighted by party size.

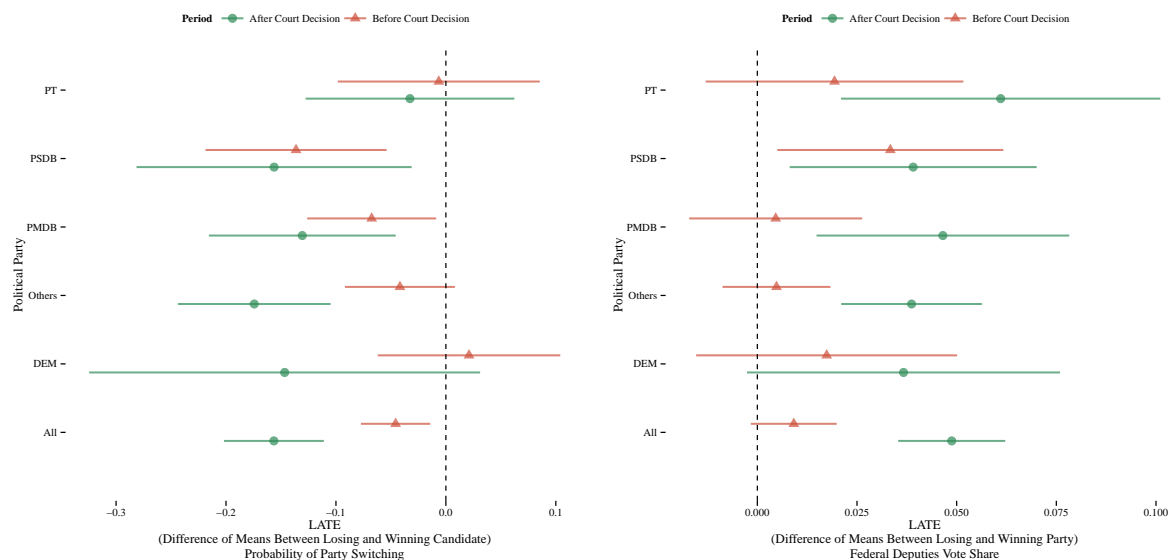


Figure 5.8. The effect of winning mayoral elections on the decision to switch parties in the future and congressional performance, by Party. LATEs calculated at the 5 percent margin.

Alternative Hypotheses

Despite qualitative evidence of mayoral candidates working as brokers for *deputados*, we need to check the explanations that could be generated by alternative hypotheses. One reasonable competing explanation is that after 2008 voters became more responsive to party labels, and party performance improved because parties began to benefit from mayoral victories. [Avelino, Biderman and Barone \(2012\)](#), analyzing the 2008 elections (after the court decision), first identified the discontinuity of congressional party support among winning and losing mayoral candidates' parties, and came to the conclusion that Brazilian parties experience a reverse coattail effect. Having a mayor from a given party could signal the party's commitment to local affairs to voters, or, if the loyal mayor is competent, it may suggest to voters that the party will also do a good job in Congress.

If it is true that *deputados* receive more votes due to a party coattail, or reputation effect, we should expect the party to receive more votes for other offices as well – including the subsequent mayoral race. One possible way to test the hypothesis of party coattails is to run the same tests I use for *deputados* on gubernatorial elections, which take place on the same day as congressional elections, but whose campaign dynamics are intrinsically different.

Gubernatorial elections also require footwork by mayoral candidates, but the market for brokerage is much more limited and less effective for this kind of electoral race. First, I found no anecdotal evidence of governors asking for support from mayoral candidates outside their coalition or from the adversary's party. Second, the number of competitive gubernatorial candidates rarely exceeds three, in contrast to the dozens of potential congressional candidates that might want to hire the mayor-broker. On average, from 1994 to 2010 2.84 gubernatorial candidates received more than 5% of the votes in each race. Third, monitoring brokerage in gubernatorial elections is difficult, since the number of votes received by competitive candidates is much larger than those received by individual *deputados*. Fourth, television ads and political platforms are more informative than those of *deputados*, making it easier for voters to compare different (and fewer) candidates, which makes direct linkages a comparatively expensive enterprise ([Mainwaring 1999](#), 188). Governors still need to motivate mayors in their state, but mostly to make them exert an effort, not to prevent them from switching parties.

Lastly, even if a mayor switches parties, it is possible she will switch to a party within the same governor's coalition. Figure 5.12 (in the Appendix) shows the estimates before and after the court ruling, and in neither is there a statistically discernible LATE. Difference-in-differences estimations are substantively small.

The effect seen for federal congressional candidates does not appear for gubernatorial candidates, but it does for state legislators (also available in the Appendix). State deputies also build brokerage networks in their campaign efforts. As with federal deputies, state deputies also appear to have their numbers increase where the incumbent is a co-partisan only after the court decision, although the impact of the change appears to be more modest.

There is other evidence that parties do not enjoy direct advantages of local incumbency, lending support to the hypothesis that local success is a factor of individual effort by local party politicians. As recent studies by [Klašnja and Titiunik \(2014\)](#) and [Schiumerini \(2014\)](#) show, it is hard to make a case for incumbency bias in Brazil if one does not include other determinants from which voters might re-elect candidates, such as fiscal capacity. A much harder problem is to detect potential party incumbency bias ([Schiumerini 2014](#)), and if there is any bias, it might actually be a disadvantage. It would not be reasonable to suggest an advantage exclusively for *deputados*, and not for the actual mayors or for the governor.

Another alternative explanation could be that the winning mayor receives more resources from the party because the president is from the same team, or because the mayor and governor share the same party. If the presidential party (the PSDB in 2000, and PT in all other elections) is targeting allied municipalities, and in turn voters are returning the favor by voting party candidates in, then it is unclear why voters would help individual congressional candidates but not the gubernatorial candidate. More importantly, the PT held the presidency from 2003 until after the court ruling. Recent work shows how the PT in the federal government is strategic about whom they support and punish at the local level ([Brollo and Nannicini 2012](#); [Nunes 2013](#)). However, these party tactics were present both before and after the court ruling, and cannot not explain the differences across periods in party switching rates or party congressional votes at the local level.

Although [Brollo and Nannicini \(2012\)](#) show evidence that the national executive favors aligned municipalities when distributing federal funds, strategic transfers do not seem to explain why a party's congressional voting share improves when the party has an incumbent mayor. Resources can affect brokerage, and elected mayoral candidates are the only ones allowed to receive public funds to use at their discretion. Parties can motivate better when the party can funnel state resources as payment for brokerage services. However, [Brollo and Nannicini \(2012, 753\)](#) show that politically motivated transfers are concentrated in the last two years of the mayoral term, thus after the congressional election (the authors do not separate their analysis by electoral cycle). The promise of resources could be motivating mayors to broker votes, but the employment of such resources cannot be contributing directly to congressional performance.

Finally, many developing countries devised conditioned cash transfers in recent years,

and some distributional schemes are rule-based, reducing the possibility for incumbents to distribute cash benefits contingent on voter support.²⁷ However, analyzing the Brazilian case [Zucco \(2013, 11\)](#) notes that the electoral rewards of CCTs are restricted to a short time frame, and have not significantly changed voters' partisan preferences: the electoral effects have not extended to legislative elections, which are the arena where modular parties are most active. Moreover, during the whole period under analysis in this chapter Brazil had one single incumbent president's party, and the country experienced no political disruption. Finally, changes in party switching rates were more dramatic in regions where vote buying is thought to be widespread, namely northern and northeastern Brazil, but the effects of the law extend to all regions, indicating that more than clientelism being a product of social and economic factors, it is a the result of how parties organize in the country.²⁸

5.4 Conclusion

This chapter shows how party switching from brokers undermines the structure of modular. In many party systems, there is no one dominant clientelistic party, but many parties on an equal footing in terms of control of state resources. In these systems without dominant machines, parties also compete for brokers, who are willing to broker votes for the highest bidder. These agents are indispensable to these parties not only because they mobilize voters, but also because they are responsible for building build patron–client linkages. However, since brokers, and not the party, own the clientele, whenever brokers receive a more profitable offer and decide to switch parties, they are able to take all their clients with them away from their former employer, without substantial exit costs.

²⁷*Bolsa-Familia* in Brazil has been extensively scrutinized by scholars, and although [De Janvry, Finan and Sadoulet \(2012\)](#) show evidence that CCTs are better managed in Brazilian municipalities where mayors may run for re-election, most authors agree that the program succeeded in preventing political manipulation and vote-buying by local officials ([Fenwick 2009](#)). The program has also made strides in reducing extreme poverty, and [Zucco \(2013\)](#) convincingly shows that voters have rewarded not only *petistas*, but all incumbents in executive offices for the cash-outs.

²⁸See Figure 5.14 and 5.15 in the Appendix for details.

5.A Appendix

List of supporting information:

- Summary Statistics
- Balance Tests
- Tables for the estimations included in the main text
 - Party switching
 - Congressional performance
- Estimations mentioned in the main text
 - Nominations, re-nominations, and party switching
 - Party switching non-conditional on running again
 - State Congress performance
 - Gubernatorial performance
 - Placebo test
- Non-parametric estimations using local polynomials

Summary Statistics

All election data are available from the Brazilian Electoral Authority (Tribunal Superior Eleitoral) website.²⁹ Elections in Brazil have used electronic voting since 2002, which is also the year I start collecting congressional vote data. Fraudulent votes for *deputados* were common before the implementation of electronic voting (Hidalgo 2010), but nowadays elections are regarded as fair. With the exception of senators, the terms of all elected offices in Brazil are four years.

Variables are measured at the municipal level. In total, the study group comprises data from 33,453 municipal campaigns. *Congressional Vote Share* and *State Legislative Vote Share* measure the total vote share of all the mayoral candidate’s party candidates two years after the municipal election. *Gubernatorial Vote Share* is the proportion of votes received by the gubernatorial candidate whom the mayoral candidate’s party is supporting. *Party Switch* identifies candidates who switch allegiances between municipal elections, and *Candidate Demoted* identifies candidates who run for vice-mayor or municipal council in the subsequent election. *Party Incumbent* indicates whether the mayoral candidate’s party is the incumbent’s party. *College Education* reports level of post-secondary education. *Single* reports whether the candidate is single at the time of the election. *Party in Gubernatorial Coalition* reports whether the mayoral candidate’s party is in the winning gubernatorial candidate’s coalition – including the actual candidate’s party. DEM, PMDB, PSDB, and PT are the largest political parties. *Age* is the candidate’s age at the time of the election. *Female* reports the gender of the candidate. Businessperson, Public Employee, Retiree, Teacher, and Councilor are examples of self-reported occupations.³⁰

Variable	Mean	Variance	Median	Min	Max
Congressional Vote Share (t+2)	0.18	0.18	0.12	0.00	0.97
Gubernatorial Coalition Vote Share (t+2)	0.43	0.24	0.45	0.00	0.99
State Legislative Vote Share (t+2)	0.16	0.18	0.10	0.00	0.97
Party Switch (t+4)	0.16	0.36	0.00	0.00	1.00
Candidate Demoted (t+4)	0.08	0.27	0.00	0.00	1.00
Party Incumbent	0.53	0.50	1.00	0.00	1.00
College Education	0.48	0.50	0.00	0.00	1.00
Single	0.10	0.31	0.00	0.00	1.00
Party is Incumbent Governor	0.28	0.45	0.00	0.00	1.00
DEM	0.14	0.34	0.00	0.00	1.00
PMDB	0.21	0.41	0.00	0.00	1.00
PSDB	0.15	0.35	0.00	0.00	1.00
PT	0.08	0.26	0.00	0.00	1.00

²⁹ www.tse.br

³⁰ All data was collected from the Brazilian Electoral Authority, TSE: www.tse.br.

Age	48.22	9.87	48.00	21.00	90.00
Female	0.09	0.28	0.00	0.00	1.00
Businessperson	0.12	0.32	0.00	0.00	1.00
Public Employee	0.07	0.25	0.00	0.00	1.00
Retiree	0.02	0.14	0.00	0.00	1.00
Teacher	0.04	0.19	0.00	0.00	1.00
Councilor	0.02	0.14	0.00	0.00	1.00

Table 5.1. Summary Statistics

Balance Tests for the RD Design

Covariate	100%	b<.05	b<.025	b<.005
Party Incumbent	0.017 (0.011)	-0.01 (0.021)	0.016 (0.03)	-0.009 (0.068)
Past Municipal Vote Share	0.042 (0.004)	0.008 (0.008)	0.005 (0.011)	-0.016 (0.022)
Past Federal Congress Vote Share	0.032 (0.003)	-0.01 (0.006)	-0.022 (0.009)	-0.03 (0.019)
Past State Congress Vote Share	0.033 (0.004)	-0.001 (0.008)	0.004 (0.012)	-0.026 (0.025)
Past Gubernatorial Vote Share	0.037 (0.006)	0.012 (0.011)	0.009 (0.016)	-0.011 (0.037)
Candidate attended college	0.005 (0.007)	-0.005 (0.014)	-0.019 (0.019)	0.023 (0.043)
Candidate is single	-0.006 (0.004)	-0.015 (0.008)	-0.019 (0.011)	-0.034 (0.022)
PMDB	-0.001 (0.006)	-0.013 (0.011)	-0.038 (0.016)	-0.049 (0.035)
PT	-0.02 (0.003)	-0.004 (0.007)	0 (0.01)	0.056 (0.022)
PSDB	0.029 (0.005)	0.008 (0.01)	0.011 (0.014)	0.004 (0.032)
DEM	0.007 (0.005)	-0.001 (0.01)	-0.007 (0.014)	0.026 (0.032)
Age	-0.944 (0.135)	0.427 (0.274)	0.804 (0.385)	0.094 (0.834)
Female	-0.023 (0.004)	-0.009 (0.007)	-0.013 (0.01)	-0.004 (0.022)
Teacher	-0.004 (0.003)	0.001 (0.006)	-0.001 (0.009)	0.011 (0.019)
Businessperson	0.007 (0.004)	-0.001 (0.009)	0.003 (0.012)	0.034 (0.025)
Public Employee	0.004 (0.004)	-0.004 (0.007)	-0.007 (0.01)	-0.023 (0.024)
Retiree	-0.006 (0.002)	-0.007 (0.004)	-0.009 (0.005)	-0.008 (0.013)
Councilor	-0.004 (0.002)	0.002 (0.003)	0.004 (0.004)	0.008 (0.011)
n	21882	5626	3007	864

Table 5.2. Balance Statistics - Before Court Decision Difference in means between winning and losing candidates. Standard error in parentheses.

Covariate	100%	b<.05	b<.025	b<.005
Party Incumbent	0.147 (0.01)	0.055 (0.021)	0.091 (0.03)	0.002 (0.07)
Past Municipal Vote Share	0.062 (0.004)	0.02 (0.008)	0.02 (0.012)	-0.018 (0.029)
Past Federal Congress Vote Share	0.038 (0.004)	0.013 (0.007)	0.016 (0.01)	0.014 (0.025)
Past State Congress Vote Share	0.034 (0.004)	0.008 (0.009)	0 (0.012)	-0.011 (0.03)
Past Gubernatorial Vote Share	0.028 (0.005)	0.013 (0.01)	0.008 (0.014)	-0.002 (0.031)
Candidate attended college	0.01 (0.01)	-0.002 (0.02)	-0.001 (0.028)	-0.055 (0.065)
Candidate is single	-0.004 (0.006)	-0.003 (0.013)	-0.023 (0.019)	-0.024 (0.039)
PMDB	0.017 (0.008)	0.012 (0.016)	0.018 (0.023)	0.002 (0.055)
PT	0.007 (0.006)	0.027 (0.011)	0.026 (0.017)	0.009 (0.037)
PSDB	0.018 (0.007)	0.006 (0.013)	0.028 (0.019)	0.018 (0.046)
DEM	-0.004 (0.006)	-0.002 (0.011)	-0.004 (0.017)	-0.05 (0.041)
Age	-1.258 (0.194)	-0.967 (0.397)	-0.391 (0.576)	0.687 (1.277)
Female	-0.037 (0.006)	-0.023 (0.012)	-0.012 (0.018)	0.026 (0.042)
Teacher	-0.005 (0.003)	0.006 (0.006)	0.005 (0.008)	-0.017 (0.012)
Businessperson	-0.001 (0.006)	-0.016 (0.013)	-0.004 (0.019)	-0.016 (0.042)
Public Employee	-0.006 (0.005)	0.002 (0.01)	-0.004 (0.014)	0.034 (0.036)
Retiree	-0.019 (0.003)	-0.012 (0.007)	-0.006 (0.01)	0.026 (0.025)
Councilor	-0.02 (0.003)	-0.015 (0.007)	-0.017 (0.01)	0.009 (0.028)
n	10683	2840	1525	507

Table 5.3. Balance Statistics - After Court Decision Difference in means for winning and losing candidates. Standard error in parentheses.

Tables for Estimations Included in the Main Text

<i>Band</i>	<i>Difference of Means</i>			<i>Local Linear</i>		
	LATE Before	LATE After	DiD	LATE Before	LATE After	DiD
0.5	0.04 (0.056)	-0.174 (0.085)	-0.213 t=-13.01	0.049 (0.119)	-0.067 (0.2)	-0.116 t=-3
2.5	-0.052 (0.024)	-0.151 (0.035)	-0.099 t=-35.18	-0.002 (0.049)	-0.107 (0.071)	-0.105 t=-18.11
5	-0.064 (0.017)	-0.161 (0.025)	-0.097 t=-68.27	-0.027 (0.034)	-0.141 (0.05)	-0.113 t=-39.51
10	-0.065 (0.013)	-0.166 (0.018)	-0.101 t=-129.32	-0.056 (0.025)	-0.171 (0.036)	-0.116 t=-75.41
100	-0.07 (0.009)	-0.174 (0.013)	-0.104 t=-257.39	-0.074 (0.013)	-0.193 (0.018)	-0.119 t=-211.12

Notes: The first column gives the estimation bands. *Difference of Means* are the differences between treatment and control group means. *Local Linear* are the estimates of the local average treatment effect based on a linear regression with an interaction term between the margin of votes and treatment status. *DiD* are the difference-in-differences before and after court decision LATEs (with corresponding t statistic below). Robust standard errors in parentheses.

Table 5.4. LATE Party Switching

<i>Band</i>	<i>Difference of Means</i>			<i>Local Linear</i>		
	LATE Before	LATE After	DiD	LATE Before	LATE After	DiD
0.5	0.011 (0.016)	0.034 (0.02)	0.023 t=8.76	0.038 (0.036)	0.052 (0.047)	0.013 t=2.17
2.5	0.01 (0.007)	0.046 (0.009)	0.036 t=72.69	0.012 (0.015)	0.032 (0.017)	0.019 t=19.56
5	0.016 (0.005)	0.046 (0.006)	0.03 t=122.02	0.011 (0.01)	0.045 (0.013)	0.034 t=69.16
10	0.027 (0.004)	0.049 (0.005)	0.022 t=167.09	0.007 (0.007)	0.047 (0.009)	0.04 t=155.74
100	0.049 (0.003)	0.06 (0.003)	0.011 t=182	0.023 (0.004)	0.039 (0.004)	0.016 t=182.54

Notes: The first column gives the estimation bands. *Difference of Means* are the differences between treatment and control group means. *Local Linear* are the estimates of the local average treatment effect based on a linear regression with an interaction term between the margin of votes and treatment status. *DiD* are the difference-in-differences before and after court decision LATEs (with corresponding t statistic below). Robust standard errors in parentheses.

Table 5.5. LATE Congressional Votes

Nominations, Re-Nominations, and Party Switching

The effect of the court decision on council candidates

Unlike mayors, council candidates were unambiguously affected by the court decision. If before the law winning council candidates switched parties 5% less than their losing counterparts, after the law the treatment effect of winning triples to minus 20%.³¹

³¹Margin of victory for councilors in a proportional system is not as straightforward as in majoritarian elections. Here, I define margins within-coalition, that is, the number of votes a losing candidate would have to get to win the seat of the least voted winner of their list; and for winning candidates, margin refers to the number of votes a winning candidate would have to lose to allow the most voted candidate who did not win a seat to be elected. I arbitrarily chose an absolute margin of five votes so that the number of observations for the parties would be sufficient. Whenever there is a tie, the electoral law rules that the eldest candidate is to win the seat. To prevent covariate imbalance, since mechanically winning candidates in ties are older, and age may be correlated to other relevant political variables, I eliminate margins of zero votes.

<i>Band</i>	<i>Difference of Means</i>			<i>Local Linear</i>		
	LATE Before	LATE After	DiD	LATE Before	LATE After	DiD
0.5	0.017 (0.046)	0.043 (0.07)	0.026 t=2.69	0.008 (0.097)	0.057 (0.158)	0.049 t=2.24
2.5	0.09 (0.02)	0.164 (0.03)	0.074 t=40.34	0.016 (0.041)	0.038 (0.061)	0.022 t=6.04
5	0.133 (0.014)	0.204 (0.021)	0.07 t=78.25	0.042 (0.029)	0.118 (0.044)	0.077 t=41.45
10	0.183 (0.011)	0.233 (0.015)	0.049 t=100.55	0.075 (0.021)	0.147 (0.031)	0.072 t=75.07
100	0.278 (0.007)	0.292 (0.011)	0.013 t=55.58	0.188 (0.01)	0.252 (0.015)	0.064 t=197.07

Notes: The first column gives the estimation bands. *Difference of Means* are the differences between treatment and control group means. *Local Linear* are the estimates of the local average treatment effect based on a linear regression with an interaction term between the margin of votes and treatment status. *DiD* are the difference-in-differences before and after court decision LATEs (with corresponding t statistic below). Robust standard errors in parentheses.

Table 5.6. LATE Probability of Overall Nomination in Next Election

Party switching non-conditional on the politician running again

These estimations take all mayoral candidates into account, including those who do not run again in subsequent elections. Apart from a decline in the levels of the curves, the LATE estimates are consistent with the estimations used in the main text.

<i>Band</i>	<i>Difference of Means</i>			<i>Local Linear</i>		
	LATE Before	LATE After	DiD	LATE Before	LATE After	DiD
0.5	-0.018 (0.045)	0.114 (0.067)	0.133 t=14.44	-0.002 (0.094)	0.075 (0.146)	0.076 t=3.79
2.5	0.093 (0.02)	0.206 (0.029)	0.113 t=63.29	0.006 (0.04)	0.099 (0.059)	0.093 t=25.98
5	0.12 (0.014)	0.233 (0.02)	0.112 t=128.67	0.047 (0.029)	0.175 (0.042)	0.128 t=71.13
10	0.156 (0.01)	0.254 (0.015)	0.099 t=208.04	0.078 (0.02)	0.201 (0.03)	0.123 t=131.92
100	0.216 (0.007)	0.294 (0.01)	0.078 t=340.64	0.162 (0.01)	0.282 (0.014)	0.12 t=382.72

Notes: The first column gives the estimation bands. *Difference of Means* are the differences between treatment and control group means. *Local Linear* are the estimates of the local average treatment effect based on a linear regression with an interaction term between the margin of votes and treatment status. *DiD* are the difference-in-differences before and after court decision LATEs (with corresponding t statistic below). Robust standard errors in parentheses.

Table 5.7. LATE Probability of Re-Nomination by Current Party in Next Election

State Congress performance

As I argue in the chapter, state congressional candidates also use campaign tactics similar to those of federal congressional candidates. Thus, we expect that the court decision should also affect their voting performance. As we see in Table 5.11, vote share of state deputies increased in municipalities where the party won the mayoral election.

<i>Band</i>	<i>Difference of Means</i>			<i>Local Linear</i>		
	LATE Before	LATE After	DiD	LATE Before	LATE After	DiD
0.5	0.035 (0.037)	-0.071 (0.046)	-0.107 t=-16.65	0.009 (0.071)	-0.018 (0.119)	-0.028 t=-1.69
2.5	-0.003 (0.016)	-0.042 (0.02)	-0.039 t=-31.99	0.01 (0.032)	-0.06 (0.041)	-0.07 t=-28.32
5	0.013 (0.011)	-0.029 (0.014)	-0.042 t=-70.85	-0.006 (0.022)	-0.056 (0.029)	-0.051 t=-41.58
10	0.028 (0.008)	-0.022 (0.01)	-0.049 t=-157.2	-0.003 (0.016)	-0.054 (0.02)	-0.051 t=-80.1
100	0.062 (0.006)	-0.002 (0.007)	-0.064 t=-429.26	0.026 (0.008)	-0.03 (0.01)	-0.055 t=-262.88

Notes: The first column gives the estimation bands. *Difference of Means* are the differences between treatment and control group means. *Local Linear* are the estimates of the local average treatment effect based on a linear regression with an interaction term between the margin of votes and treatment status. *DiD* are the difference-in-differences before and after court decision LATEs (with corresponding t statistic below). Robust standard errors in parentheses.

Table 5.8. LATE Probability of Nomination by a Different Party in Next Election

Gubernatorial performance

Not all parties field a candidate for governor. To more directly represent party internal coordination, I reduce the group to include only those municipalities whose party fielded a candidate for governor.³²

³²I have to apply post-treatment conditioning by separating those municipalities in time t that field a gubernatorial candidate in $t + 2$. This particular subgroup is likely to be different from the group of municipalities whose party has not fielded a candidate for governor. We would be concerned if the decision to field a gubernatorial candidate were linked to the individual fortune of each municipality. It is possible that winning the race in an important municipality, such as the state capital, makes it more likely that the party would field a candidate. But it is unlikely that the decision to field a gubernatorial candidate is caused by the close election of other individual candidates. The effect of a biased estimate of one individual unit is likely to be lost among many other races irrelevant to the decision to field the candidate for governor. Repeating the same test changing the dependent variable slightly to the coalition's gubernatorial candidate vote share (instead of including only the party of the candidate) returns very similar results (available upon request).

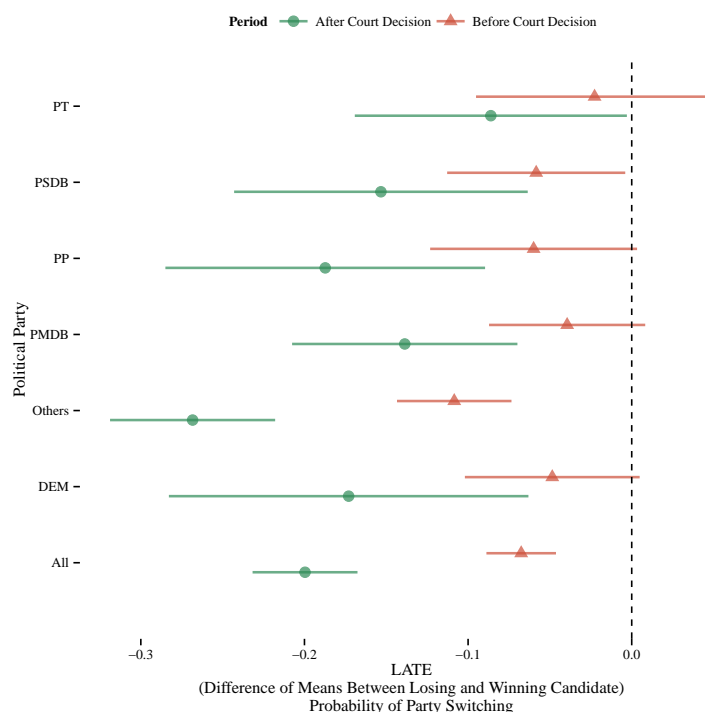


Figure 5.9. The effect of winning council elections on party switching. Includes only council candidates who won or lost by a margin equal to or greater than 1 and smaller than 5, and candidates who continued to be active in politics. Bands denote 95% CI.

A Placebo Test: Term-Limited Mayors

The Brazilian electoral system allows executive office holders one attempt at re-election. If successful in their re-election bid, mayors are not allowed to run for mayor in the following cycle (although they are allowed to try again after a waiting period). The fact that re-nomination is not an issue for term-limited mayors means that formal party switching is not critical for them, and only very few term-limited mayors opt to switch parties for their last years in office – mostly to run for Congress in some other party. There is no reason a mayor would risk formally switching parties during her last years of office, since doing so would only bring retribution. Even if a mayor decides to help another party, she will be disloyal but she will not bother to formally switch sides.

If switching is not a path that term-limited mayors often take, the court ruling should have limited to no impact on their career choices, and also a very limited effect on the

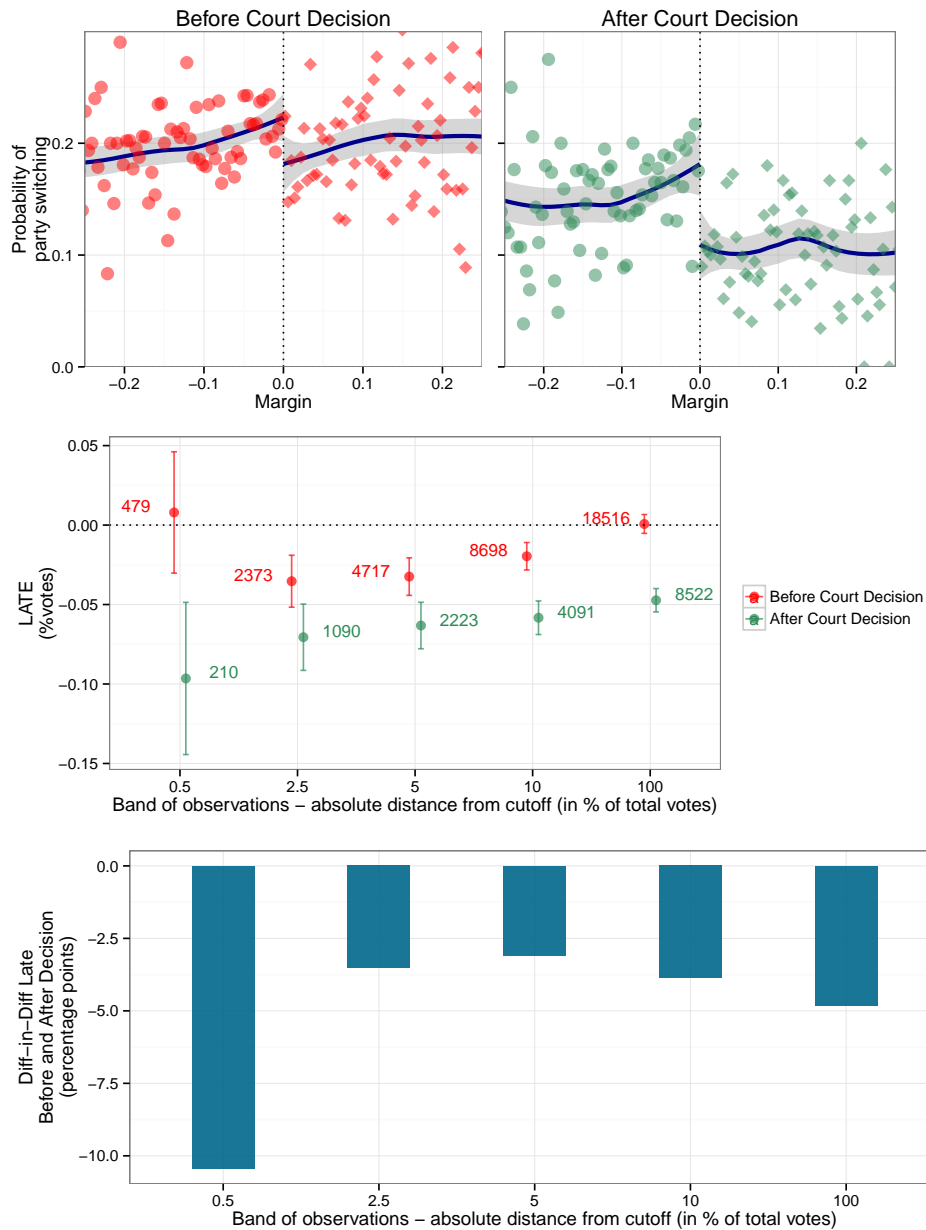


Figure 5.10. The effect of winning mayoral elections on the decision to switch parties – all mayors. Top row of figures shows graphical representation of the discontinuity, with dots representing the average rate at which mayoral candidates change parties in each 1/4 percentile. Bar plot in middle row presents the local average treatment effect between treatment (winning parties in the mayoral election) and control (runner-up parties), with respective (robust) error bars and study group sizes. Bar plot in bottom row presents the difference-in-differences estimations between periods in percentage points of total votes. All differences are statistically significant at p-value < 0.001.

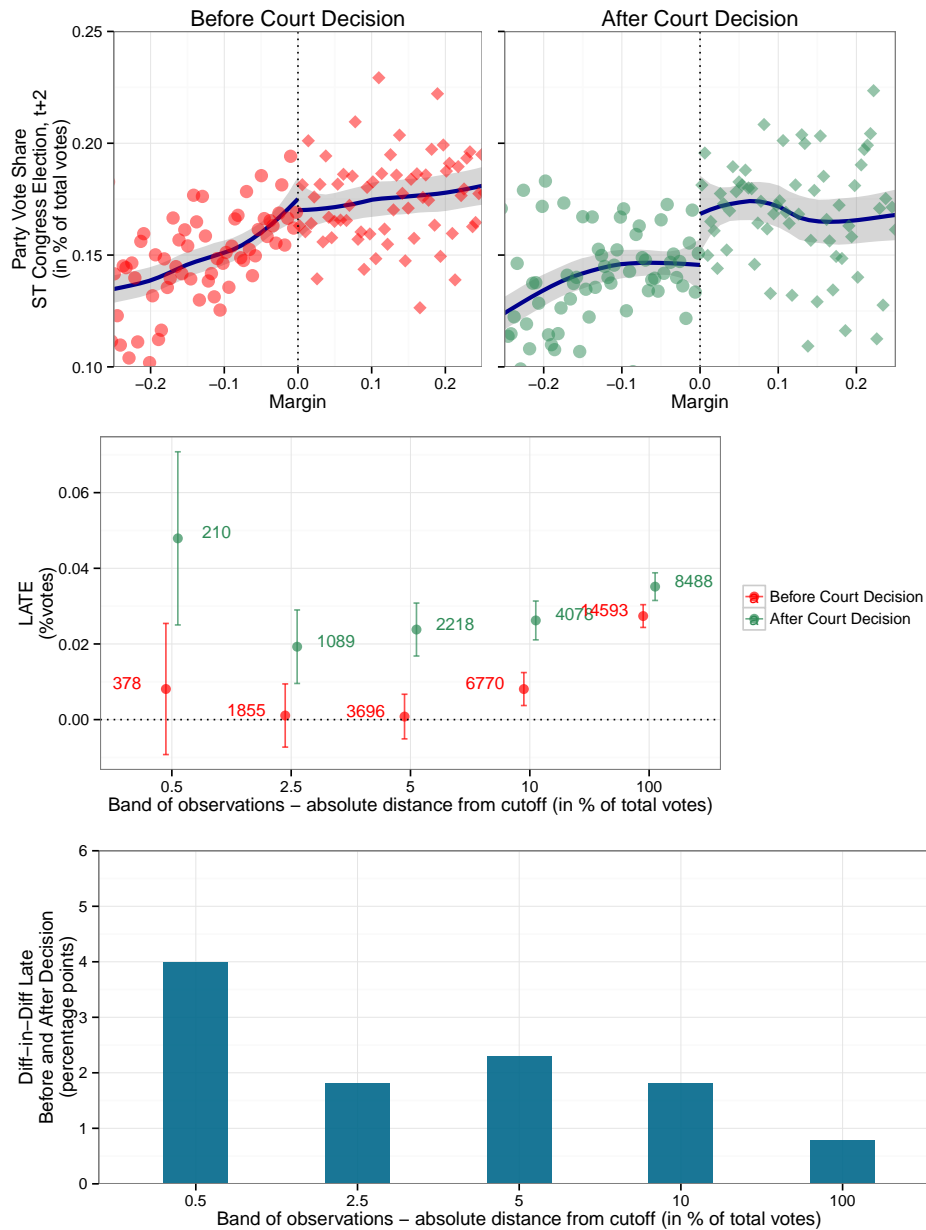


Figure 5.11. The effect of winning mayoral elections on parties' State Congress election performance. Top row of figures shows graphical representation of the discontinuity, with dots representing average vote share in the state congressional election for each 1/4 percentile. Bar plot in middle row presents the local average treatment effect between treatment (winning parties at the mayoral election) and control (runner-up parties), with respective (robust) error bars and study group sizes. Bar plot in bottom row presents the difference-in-differences estimations between periods in percentage points of total votes. All differences are statistically significant at p-value < 0.001.

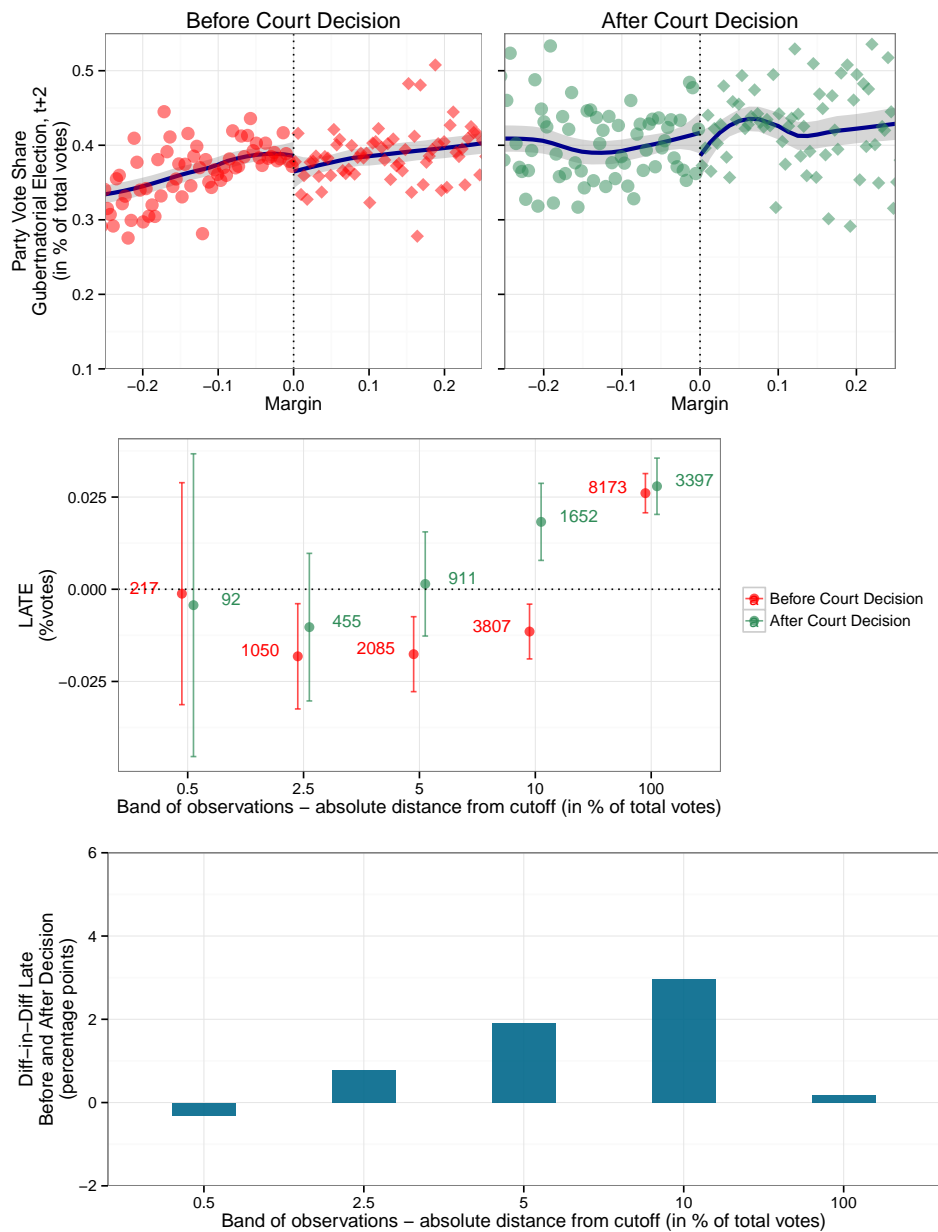


Figure 5.12. The effect of winning mayoral elections on parties' gubernatorial electoral performance. Top row of figures shows graphical representation of the discontinuity, with dots representing the average vote share at the gubernatorial election for each 1/4 percentile. Bar plot in middle row presents the local average treatment effect between treatment (winning parties at the mayoral election) and control (runner-up parties), with respective (robust) error bars and study group sizes. Bar plot in bottom row presents the difference-in-differences estimations between periods in percentage points of total votes. Difference at 0.5% has p-value < 0.023, 2.5% has p-value < 0.42. All other differences have p-value < 0.001.

<i>Band</i>	<i>Difference of Means</i>			<i>Local Linear</i>		
	LATE Before	LATE After	DiD	LATE Before	LATE After	DiD
0.5	0.012 (0.017)	0.035 (0.021)	0.022 t=8.12	-0.029 (0.034)	-0.001 (0.051)	0.028 t=4.27
2.5	0.009 (0.008)	0.023 (0.009)	0.014 t=28.36	0.005 (0.015)	0.035 (0.018)	0.031 t=29.55
5	0.01 (0.006)	0.025 (0.006)	0.015 t=60.87	0.011 (0.011)	0.027 (0.013)	0.016 t=31.05
10	0.017 (0.004)	0.027 (0.005)	0.009 t=69.25	0.007 (0.008)	0.025 (0.009)	0.018 t=68.54
100	0.039 (0.003)	0.041 (0.003)	0.002 t=31.93	0.015 (0.004)	0.018 (0.004)	0.003 t=39.31

Notes: The first column gives the estimation bands. *Difference of Means* are the differences between treatment and control group means. *Local Linear* are the estimates of the local average treatment effect based on a linear regression with an interaction term between the margin of votes and treatment status. *DiD* are the difference-in-differences before and after court decision LATEs (with corresponding t statistic below). Robust standard errors in parentheses.

Table 5.9. LATE State Congress Votes

treatment effect difference between winning and losing candidates before and after the ruling. This aspect of the Brazilian electoral system allows me to use term-limited mayors as a placebo test of the design. If the assumption of barriers to exit reduces the chances of elected mayors switching to other parties, but no such mechanism applies to term-limited mayors, then we should expect no changes in the LATE between the periods before and after the court decision.

Figure 5.13 and Table 5.11 show these estimates. Although parties appear to fare better in municipalities where the experienced term-limited mayor is a partisan, how this relationship changed between the before and after-ruling periods can be ignored in terms of the size of the effect, which is never higher than 0.7 percentage points for the difference of means estimations.

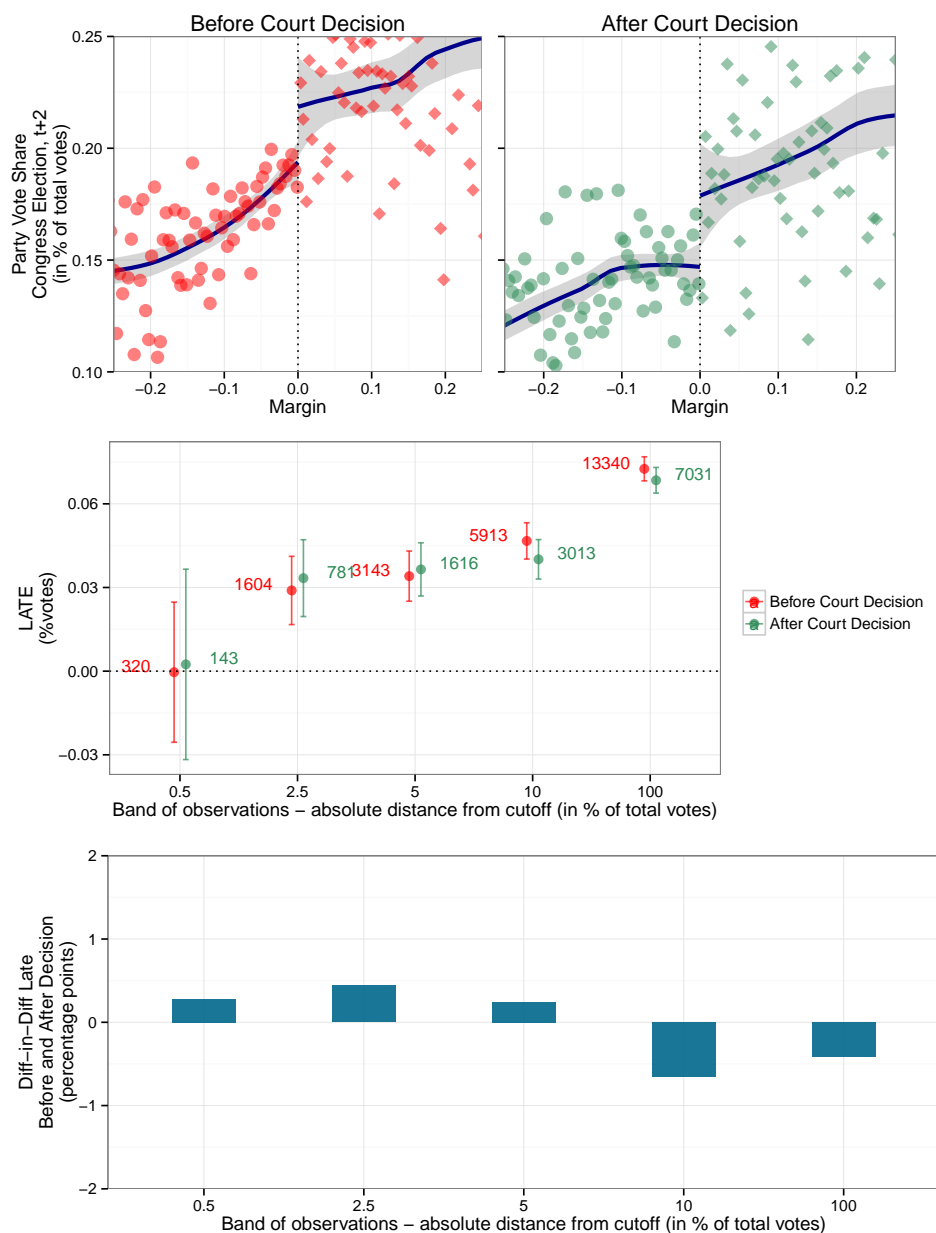


Figure 5.13. The effect of winning mayoral elections on parties' congressional electoral performance when the winning candidate is term limited. Top row of figures shows graphical representation of the discontinuity, with each dot representing the average vote share at the congressional election for each 1/4 percentile. Bar plot in middle row presents the local average treatment effect between treatment (winning parties at the mayoral election) and control (runner-up parties), with respective (robust) error bars and study group sizes. Bar plot in bottom row presents the difference-in-differences estimations between periods as a proportion of the standard error of the LATE in the before-court decision period. Difference at 0.5% has p-value < 0.79, 2.5% has p-value < 0.14, 5% has p-value < 0.45. The last two differences have p-value < 0.001.

<i>Band</i>	<i>Difference of Means</i>			<i>Local Linear</i>		
	LATE		DiD	LATE		DiD
Before	After	Before		After		
0.5	0.004 (0.029)	0.006 (0.04)	0.002 t=0.25	-0.012 (0.066)	-0.052 (0.088)	-0.04 t=-2.27
2.5	-0.01 (0.013)	0 (0.018)	0.01 t=6.3	-0.012 (0.026)	-0.026 (0.035)	-0.014 t=-4.6
5	-0.011 (0.009)	0.008 (0.013)	0.019 t=23.66	-0.011 (0.019)	-0.006 (0.026)	0.005 t=3.23
10	-0.002 (0.007)	0.017 (0.009)	0.019 t=42.93	-0.021 (0.013)	0.001 (0.018)	0.022 t=26.42
100	0.035 (0.005)	0.033 (0.007)	-0.002 t=-10.68	-0.01 (0.007)	0.001 (0.009)	0.011 t=38.5

Notes: The first column gives the estimation bands. *Difference of Means* are the differences between treatment and control group means. *Local Linear* are the estimates of the local average treatment effect based on a linear regression with an interaction term between the margin of votes and treatment status. *DiD* are the difference-in-differences before and after court decision LATEs (with corresponding t statistic below). Robust standard errors in parentheses.

Table 5.10. LATE Gubernatorial Votes

<i>Band</i>	<i>Difference of Means</i>			<i>Local Linear</i>		
	LATE Before	LATE After	DiD	LATE Before	LATE After	DiD
0.5	0 (0.025)	0.002 (0.034)	0.003 t=0.49	-0.048 (0.056)	0.037 (0.075)	0.085 t=6.75
2.5	0.029 (0.012)	0.033 (0.014)	0.004 t=3.83	0.014 (0.025)	0.006 (0.028)	-0.008 t=-4.17
5	0.034 (0.009)	0.036 (0.01)	0.002 t=4.33	0.019 (0.017)	0.025 (0.019)	0.005 t=5.34
10	0.047 (0.007)	0.04 (0.007)	-0.007 t=-26.36	0.022 (0.013)	0.026 (0.014)	0.005 t=9.89
100	0.072 (0.004)	0.068 (0.005)	-0.004 t=-39.13	0.046 (0.006)	0.038 (0.007)	-0.009 t=-55.33

Notes: The first column gives the estimation bands. *Difference of Means* are the differences between treatment and control group means. *Local Linear* are the estimates of the local average treatment effect based on a linear regression with an interaction term between the margin of votes and treatment status. *DiD* are the difference-in-differences before and after court decision LATEs (with corresponding t statistic below). Robust standard errors in parentheses.

Table 5.11. LATE Placebo

The Effect of the Law on Different Regions

Clientelism is often associated with backwardness, oligarchical politics, and poverty. Thus, poor regions where voters on average have lower levels of education, and whose family incomes often fall below the poverty line should be fertile ground for clientelism. This theoretical argument of why clientelism is more effective in poor regions hinges on the idea that the marginal utility of a gift is higher for poor voters; thus targeting the poor generates a larger return on the same clientelistic investment.

This demand-side explanation of clientelism is incomplete because it does not explain how parties could mobilize voters in ways other than the contingent exchange of goods for votes. Since programmatic linkages are non-mediated party–voter connections, any explanation of why rising economic standards should cause a decline in clientelism should also explain how parties are able to eliminate the middle man, and why brokers do not fight against party adaptation that reduces brokerage gains. For example, some parties face electoral costs in sustaining clientelism as an electoral tactic (Weitz-Shapiro 2012), but one needs to understand how parties may respond to such costs. A modular party organization does not guarantee that party leaders will have leverage to adapt the party to other modes of mobilization, such as programmatic linkages to voters even if such voters become richer, and willing to break away from their patron–client relationships. If voters lack alternatives, they might still be willing to (weakly) support whoever is offering material gifts.

Therefore, although it is likely that clientelism is more effective in poorer regions, there is no reason to believe parties can mobilize voters around party platforms in richer places. Raw data does show that the poorest regions show higher mayoral candidates' party switching rates. The northern and northeastern regions of the country had much higher party switching rates before the court decision than other regions, and also greater drops after the court decision. The south and southeast, the two richest regions, have the lowest rates, and show smaller drops.

However, the LATE results present a less clear picture of the relationship between poverty and party modularity. Two regions stand out: the north and southeast, which have very different poverty patterns. These tests indicate that clientelism is stronger in, but not restricted to poor regions. Income and clientelism are likely intertwined, but more research on the demand and supply side of clientelism is needed to understand how these two factors interact with each other.

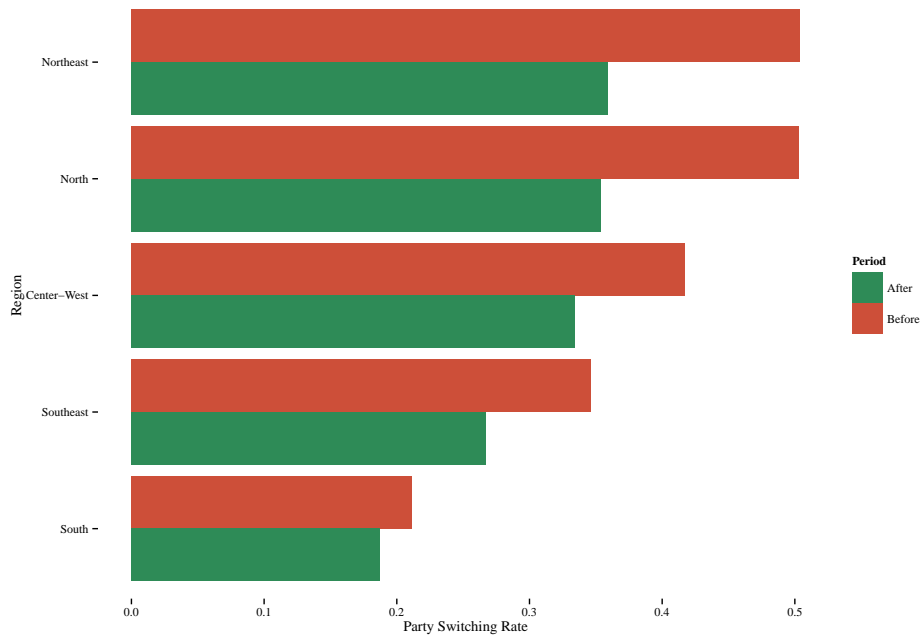


Figure 5.14. Party Switching Rates, Before and After the Court Decision, by Region

Robustness Check: Non-Parametric Estimations Using Local Polynomials

The selection of regression discontinuity bandwidths and the choice of the order of polynomials used in some of the estimations may lead to incorrect estimations of confidence intervals (Calonico, Cattaneo and Titiunik 2014, 1). Calonico, Cattaneo and Titiunik (2014) devise a theoretically grounded strategy to estimate confidence intervals. I include those estimations as a robustness check.³³ The estimations, which include polynomials and large bandwidths, are substantively indistinguishable from the difference-of-means approach used throughout the chapter.

³³I performed estimations using `rdrobust` R package.

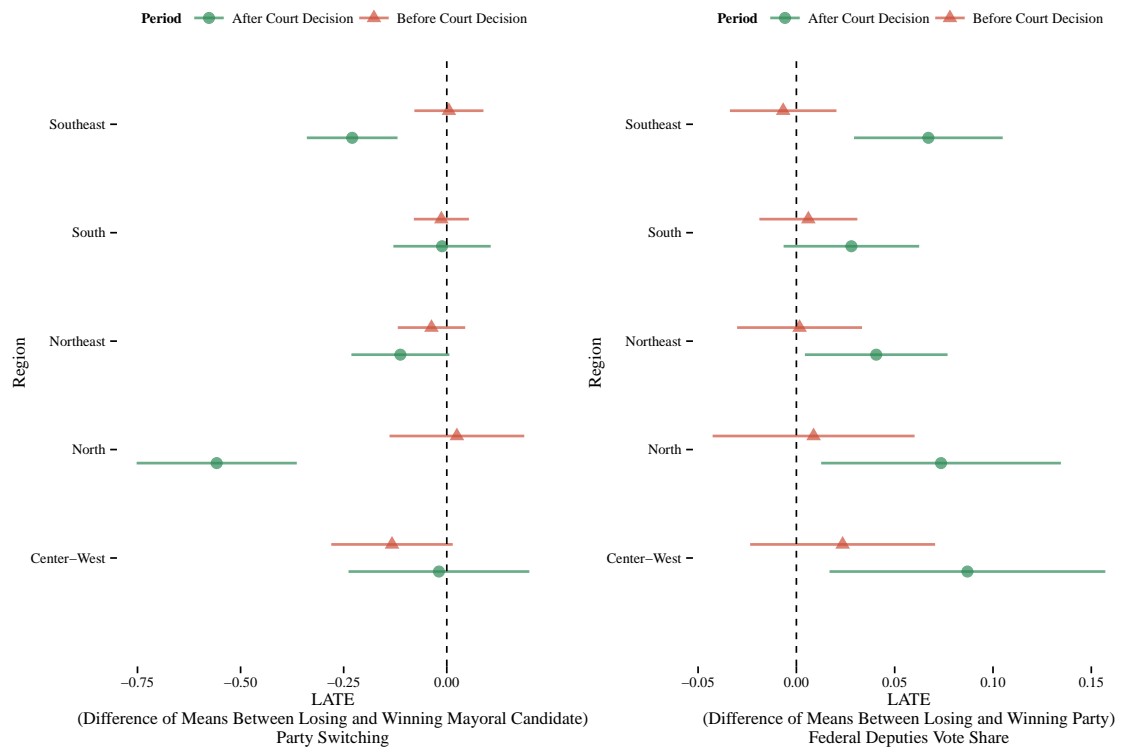


Figure 5.15. Relationship Between Party Switching Rates and Congressional Performance, Before and After the Court Decision, by Region

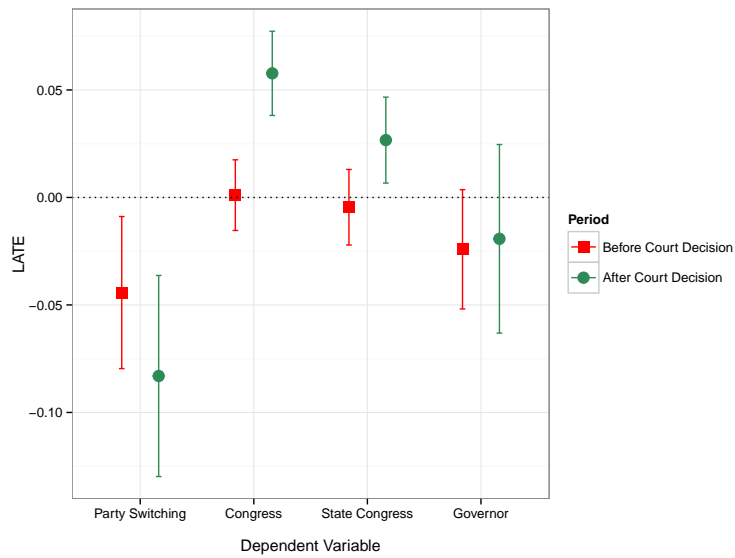


Figure 5.16. Non-parametric estimations using local polynomials: Late point estimates and bars indicate non-parametric confidence intervals estimated using `rdrobust` R package

<i>Dependent Variable</i>	Before	After
Congress	0.001 (0.008) bw = 0.269	0.058 (0.01) bw = 0.326
Governor	-0.024 (0.014) bw = 0.324	-0.019 (0.022) bw = 0.251
Party Switching	-0.044 (0.018) bw = 0.274	-0.083 (0.024) bw = 0.245
State Congress	-0.005 (0.009) bw = 0.252	0.027 (0.01) bw = 0.316

Notes: The table shows LATE estimations for four different dependent variables. LATE was calculated using the `rdrobust` package for R, which uses the recommended implementation devised in [Calonico, Cattaneo and Titiunik \(2014\)](#). Robust standard errors in parentheses. *bw* denotes the optimal bandwidth, in terms of vote percentage. All estimations use a second degree polynomial.

Table 5.12. Non-parametric estimations using local polynomials

Chapter 6

Conclusion: Quo Vadis?

Are modular parties likely to transform themselves? Party transformation may be defined as a change in the mobilization strategy the party adopts to attract voters, or a change in the internal organization and attributions of party members, or both. A transformation in a modular party organization will change how upper-tier politicians and brokers deal with each other, or, specifically, a reduction in the fluidity of party-broker linkages. As discussed on Chapter 2, party-broker relationships are the defining characteristic of a clientelistic party, and clientelistic parties with stable party-voter connections are dominant clientelistic parties. A transformation in mobilization strategy for modular parties means that politicians will no longer engage in contingent exchanges of goods for votes. Instead, politicians will distribute goods without requiring that voters reciprocate with votes (although, obviously, politicians would still want to receive votes for their policy actions). In other words, a transformation in mobilization strategy of a modular party would result in the distribution of local public goods, if the party was to remain modular and continue to rely on local agents. A more dramatic transformation could involve the party bypassing agents completely while mobilizing voters through public goods or program, forging direct party-voter linkages, and transforming itself both in organization and strategy.

There is no reason to expect modular parties to transform if voters still demand clientelism, or if brokers remain powerful *vis-à-vis* upper-tier politicians. On the one hand, voters may continue to demand and engage in clientelistic relationships, limiting the incentives for politicians to start offering non-contingent goods. On the other hand, the bottom-heavy organization of modular parties gives too much leverage for brokers, and too little authority for upper-tier politicians. Since transforming a party organization requires changing party-broker linkages, there is not much upper-tier politicians can offer to brokers to prevent them from leaving the party when these brokers receive competing

offers. Upper-tier politicians have even less instruments to bypass local agents and to coordinate party members in a single party platform. Hence, upper-tier politicians have few incentives to create direct party-voter programmatic linkages.

This conclusion will first discuss why voters may still demand clientelism. After that, it will analyze the organization of dominant parties, their origins, and why one should not expect modular parties to become dominant. Finally, this chapter will examine how programmatic parties coordinate around policy platforms, and how the organization of modular parties are detrimental for this type of coordination.

6.1 The Demand For Clientelism

As long as social inequality, ineffective representation, and poor governance persist, clientelism will be on demand. [Lemarchand and Legg \(1972\)](#) cite three general reasons why clients voluntarily engage with patrons. One reason is material insecurity. Clients attach themselves to a patron to placate their material hardship and physical insecurity. A second reason, situational, is when immigrants or individuals seek acceptance in a group, and turn to a patron-sponsor for help, and protection. Third, the authors name a functional reason, which is not directly related to survival needs, but to social advancement. Patrons sometimes gate keep jobs and professional connections, and may facilitate the economic and political ascension of their clients.

Clientelism may be in some circumstances a flotation device for citizens out of the social safety net. The three reasons why individuals demand clientelism are not bond in time, and we can find conditions today which would still bring people to seek the help of patrons. Perhaps the group who might demand goods from patrons, and who would gladly relinquish their vote for such help is the urban poor. These individuals in the informal sector of the economy do not have institutionalized channels for interest representation. By being informal workers, these citizens and their families often fall outside the reach of official social welfare programs, such as pensions, health insurance, educational resources, and public jobs.

For the informal sector, clientelism is perhaps the first and most important source of material stability.¹ In modernizing economies, rural populations migrate towards urban centers and often find themselves displaced to peripheral areas, forced to work low-paying jobs, and living in shacks. These individuals have numerous reasons to welcome a patron,

¹The works of [Auyero \(2000\)](#); [Garay \(2007\)](#) show how clientelism is present on the lives of the urban poor in Latin America.

since patrons may be their only alternative they have to receive help and guarantee some modicum of material security. In addition, the patron may not only be responsible for material resources, patrons can also be responsible for career opportunity for these citizens, or the facilitators who could help children enter the school system.

The atomized organization of the informal sector increase the demand for clientelism from informal workers, and decrease the ability of political parties to mobilize the group. The informal sector is heterogeneous, and there is not a one-size-fits-all policy which could appeal to the whole sector. Because of these attributes, the sector remains atomized, which calls for a decentralized approach rather than sector or class-based mobilization.

Clientelism can be the best tactic parties have to mobilize the informal sector. Even if parties would prefer to mobilize the sector through programmatic linkages, it would have to fit different demands together, and yet it would not have an institutionalized channel through which the party could communicate to the informal sector as a whole, much less an organization to curb collective action problems that may arise among informal voters. As the number of informal workers increased during the neoliberal era (Weyland 1996; Roberts 1995), so did the number of voters inclined to accept the clientelistic exchanges, making clientelistic mobilization became even more attractive for politicians.

Some authors place clientelism within rural societies, as the landlord-peasant relationship is the quintessential patron-client relationship (Weingrod 1968; Scott 1972). The expansion of the informal poor, however, allow clientelism to take hold as a political strategy in urban environments even after migrations from rural areas subsides. Political parties may hire brokers and reach to the informal poor for electoral support through clientelism, and the urban poor can cushion material adversity with the help of “problem solving networks”² brokers put in place.

But what can be a solution for times of hardship may institutionalize as a durable political mobilization tactic. The existence of clientelistic modular parties hampers the representation of interests, especially from non-elite groups. Some organized groups can act as modules, and offer political support from a whole bloc of votes in exchange for club goods.³ Other groups may not have the opportunity to organize, and run the risk of political marginalization. Perhaps the largest of such groups is the informal urban workers. The number of these non-organized laborers usually increase on and after economic crises,

²(Auyero 2000)

³The groups can be, for example, community groups, local unions, ethnic groups. See Holland and Palmer-Rubin (2015) for other examples of these types of organizations, and how they might be in position to demand from political parties and governments.

generating from these individuals a demand for clientelistic exchanges.⁴

6.2 Clientelistic Machines: The Case of Dominant Parties

Clientelistic machines offer one way in which politicians successfully manage brokers and cultivate credible patron-client relationships in a large scale, and one modular party in a modular party system could potentially try to transform itself into a dominant machine. Dominant clientelistic parties throughout their histories have gained privileged access to the state, and have important allies in social sectors. Access to the state allow these parties acquire, and later distribute state resources to voters without drastic interruptions. Their unparalleled access to state resources put these parties in advantage vis-a-vis competitors. Unlike the dominant machine, smaller, niche parties cannot guarantee voters that they will keep the line of patronage supplies open. However, dominant parties arise under special conditions and during critical junctures, which cannot be reproduced at will by political leaders. Hence, there is no reason to expect a modular party, under the influence of competitive elections and economic volatility to become a dominant machine.

Access to Resources and Exclusive Linkages

Organic ties to sectors of the society is a factor that allow these parties to become dominant. Institutionalized party-society solidify exclusive channels for the distribution of resources and mobilization of popular support. These ties are not exclusive clientelistic, but also represent direct and legitimate channels of interest representation. Machine governments have to make policy concessions to these movements, and reserve seats at the negotiation table for social leaders, and these measures are are not necessarily clientelistic. On another hand, at the same time the machine nurtures these ties, it also discourages competitors from trying to capture these channels.

The unparalleled access to state resources and popular sectors machines enjoy makes working for alternative parties less attractive. Potential brokers would be wary to work for parties whose access to state resources is not as consistent as the machine's, since they risk losing their reputation of reliable patrons vis-à-vis voters when their party is not in

⁴Informal workers can act collectively under special conditions. [Garay \(2007\)](#) describes how policies targeting informal workers strengthened bonds between urban workers, allowing the group to initiate large-scale protests and extract benefits from the government.

power. Ambitious brokers would rather work for the dominant machine. In addition, brokers can operate within the exclusive linkages dominant parties have built overtime, which are shut for outsiders. As will see later, the information asymmetry between party and brokers allow the latter to extract rents from the former, but brokers can not easily threaten to exit the party, as the party knows brokers will incur great costs foregoing the resources pipelines and access to popular sectors. Finally, fiscal dominance dominant confers parties the option of punishing localities and brokers who support candidates from the opposition (Diaz-Cayeros, Magaloni and Weingast 2007). Over time, the privileged position of dominant parties help them cement exclusive ties to brokers, effectively monopolizing clientelistic networks in the party system – and reinforcing their dominance over time.

However, the factors allowing some parties to become dominant machines are non-reproducible. Elements that condition the hegemony of these parties have to be traced back to the formation of party systems, sometimes even before these parties decide to mobilize voters through clientelism, or before the transition to democracy. Two examples of such parties can illustrate this path. The Institutional Revolutionary Party (PRI) in Mexico and the Peronist Party (PJ) were at first engineered to ameliorate unrest stemming from social sectors, especially labor, in the first half of the Twentieth century (Collier and Collier 2002). Labor was growing in political importance, but still had no voice institutionalized channels to influence policy making. In some countries, like Argentina, labor had already devised strong organizations, and through strikes and protests labor proved to be a powerful political actor. The solution political elites devised to quail the unrest in popular sectors was to mobilize labor demands through political parties. At the same time incorporation created mass labor parties, it also generated mammoth political institutions with unrivaled ability to mobilize electoral majorities, and infiltrate the state apparatus.

PRI and PJ, however, faced an adapt-or-perish dilemma during the economic crisis of the 1980s. The ISI model, which protected industries and workers from external competition, was no longer sustainable, and governments were forced to open their economies. For labor-based parties, the end of ISI meant a widespread crisis in their electoral base. Unionization and industry jobs were declining, and the sector could no longer guarantee electoral majorities (Gibson 1997; Levitsky 2003a). If these parties had to maintain electoral competitiveness, they had to change their electoral strategy and appeal to a larger base, at the same time they had to maintain the support from labor demands.

This is when the historical connections to popular sectors and union sector proved key to turn these mass labor parties into dominant clientelistic machines. Particularly in the case of the PJ, leaders were able to adapt the existing union organization into “problem

solving networks” (Auyero 2000), in which appointed brokers (*punteros*) would mediate the distribution of state resources towards voters (Levitsky 2003b, 17). Not only the PJ has a loyal electoral labor base, it also has durable linkages to popular sectors.

Today both PJ and PRI are examples of dominant clientelistic machines with solid organizations, but both are outlier cases. Aside from other few exceptions, current parties in Latin America rarely have strong organizations with exclusive constituencies. Other labor-based parties in the region perished in the neoliberal era (Roberts 2014),⁵ and traditional “catch-all” parties have never laid foundations conducive to long-term investments in any type of party–voter linkage, and to remain electorally competitive these parties depend on a continuous influx of state resources. Examples of dominant parties with organic ties in popular sectors are scarce in sub-Saharan Africa. Van de Walle (2007, 53) notes that “[e]ven allegedly strong political parties [in Africa] were in fact often loose coalitions of regional elites”. Ethnicity may play an important role in how parties operate clientelism in the African region, as sharing ethnicity with politicians may be an efficient cue for voters to distinguish which candidate is more likely to dispense resources (Chandra 2007), but there are many democracies in Africa whose parties are not mobilized along ethnic lines (Koter 2013), and ethnic identification is not sufficient to guarantee political support (Dunning and Harrison 2010). Even if in some cases ethnicity, privileged access to the state, labor mobilization, or connections to the indigenous population (as is the case of the MAS in Bolivia (Madrid 2008)) explains patron–client linkages, there are many other parties that do not fit any of these models. Not only in these regions but also in Asia and Eastern Europe do parties lack the necessary organization to implement and maintain linkages over time.

6.3 Clientelistic to Programmatic Party: An Impossible Route?

Politicians create parties to overcome problems they face winning elections Aldrich (1995), but what do they do when these issues change? For any type of party, adaptation is not a seamless process because party members have no reason to act in unison. Over years of political experience, party members from different party tiers invest on their careers and specialize in certain tasks and activities, and the choice of different paths will eventually create and exacerbate internal asymmetries in preferences and payoffs. These differences will become apparent when political conditions change, making party adaptation benefi-

⁵The PT in Brazil was created during the neoliberal adjustment of the 1980s.

cial for one group but not for others. One of the requirements of party adaptation is selling "the strategy to (or impose it upon) the rest of the party" (Levitsky 2003a, 9), but many members might not be willing to accept paying the price.

Even if electoral conditions change sufficiently and make party adaptation beneficial (i.e. net welfare improving and rational from the "party as a whole" point of view), resistance from sectors within modular parties can be large enough to prevent significant adjustment. Politicians in the upper tier could potentially benefit from a party whose labels clearly transmit their policy intentions to voters. Establishing a direct linkage to voters would cheapen political campaigns, reduce the dependence on access to state resources for party success, and possibly even turn some citizens into party activists. However, this adaptation would inevitably harm the interests of lower tier politicians, as it would make the use of political intermediation unnecessary, eliminating any brokerage gains local notables incur.

The necessities and impediments of modular party change are different from the ones labor-based parties encountered during their own processes of adaptation. During the eighties and nineties, the reduction of the formal labor work force and the crisis of the ISI model made adaptation a survival imperative for labor-based parties. These parties had to change their programmatic appeals towards a more market-friendly platform, and at the same time they needed to maintain their electoral base (Gibson 1997). The PJ and PRI successfully adapted by expanding clientelistic practices, assuaging eventual losers with selective benefits. The challenges and changes in electoral conditions were somehow uniform to all labor-based parties in Latin America, but not all managed to successfully adapt. Notably, the Acción Democrática (AD) in Venezuela, and the Alianza Popular Revolucionaria Americana (APRA) in Peru failed miserably (Levitsky 2003a; Roberts 2014), eventually leading to a party system collapse (Roberts 2014; Seawright 2012).

According to Levitsky (2003a), a fluid party organization is the a determinant for adaptation success. The lack of bureaucratization of norms and rules facilitated the rise of new leaders in the PJ and gave them flexibility to to change the electoral appeal of the party.⁶ In contrast, the low leadership turnover in the AD, and the bureaucratic relationship with labor unions prevented party leaders from adapting.

Modular parties have the exact attributes that would make a labor-based party adaptation easy, but for a change from clientelism to program-based mobilization these qualities come out as defects. Leadership changes rapidly, and rules governing how campaigns are set, how politicians climb their career ladders, and internal dealings between party tiers are

⁶The PRI is not the empirical focus of Levitsky, but he considers that PRI's internal rules were "never highly routinized", and that allowed a "moderately successful adaptation" (Levitsky 2003a, 241).

either informal or non-existent. However, what parties need is a set of enforceable rules which would allow party leaders to coordinate a single party platform, rewarding and punishing unruly party members. The lack of predictable rules makes promises of career advancement, continued party support, resolute leadership, and consistent party message make adaptation unlikely, as party leaders will have nothing to offer to compensate brokers from losing their career investments of cultivating a clientele.

Programmatic Parties

According to [Aldrich \(1995\)](#), politicians devise organizations to deal with collective action problems that arise in programmatic party competition. One of such problems is to coordinate politicians around a single policy platform, and transmit to voters a clear signal of such policy goals.⁷ When voters read informative party labels, voters have a clearer picture of what party A or B will do in government, and may decide their votes without investigating a candidate's platform. In addition, when politicians become members of party A, they will have an instant reputation for championing the causes A promote ([Aldrich 1995](#), 45-57), facilitating political campaigning.

However, depending on the incentives they receive, politicians might seize an opportunity to back out from the party platform, and maximize individual gains by promoting different policies. At first and at the individual level, this type of defection may be beneficial for the disloyal politician, but if party politicians continually defect from party ideals, the lack of coordination will impose costs on all party members. Repeated opportunism will destroy the party reputation among voters, who will no longer trust the party label as a policy commitment. If party labels lose their meaning to voters, politicians will have trouble to convincing voters what are their true policy intentions. Any promise they make will be cheap talk.⁸

Hence, preventing opportunism pays off for all party politicians, and party organizations may help them reduce the proclivity to free ride. When political brands are informative, party politicians will value party membership, and avoid behavior that could lead to expulsion. Independent politicians will have to spend much more resources campaigning

⁷[Kitschelt](#) formulates the problem of credibility as parties signaling voters “fundamental principles for generating policy stances that would apply to new and ex ante unforeseeable political issue conflicts” ([Kitschelt 2000](#), 851).

⁸According to [Kitschelt \(2000, 850\)](#), programmatic parties must coordinate members around a single “collective preference that overrides all the diverse idiosyncratic personal preference function held by each individual politician”. On the necessity of organizational design to prevent internal opportunism, see [Cox and McCubbins 2007, 80](#); [Kitschelt et al. 2010, 24](#); [Snyder and Ting 2002, 90](#); [Caillaud and Tirole 2002, 1454](#).

than candidates from parties whose label is easily recognizable by voters. In addition, party organizations accumulate political capital, and may allow obedient politicians to use these assets. For example, parties help politicians finding local allies, and local donors. Parties also have ways to help incumbents to pass legislation (Cox and McCubbins 2007). In sum, party organizations have selective incentives to induce cooperation from party members, and may apply sanctions if one member decides to move away from party directives, by restricting access to the organization, party networks, and also by not re-nominating politicians.

When politicians need to mobilize voters through clientelistic exchanges, a party label is perfunctory. Clientelistic parties do not have, or need not have any type of incentive scheme to generate a coherent discourse among members. Consequently, individual politicians will fear no reprimand breaking campaign promises, or announcing policy plans that go against party manifestos. Over time, individual deviations may accumulate, and the party label may become progressively noisier, but that does not matter. The same goes with political alliances. Politicians may benefit from making ad hoc alliances that are profitable in the short run, but partnering with politicians far in the ideological spectrum will dilute the party brand, in the mind of voters and activists (Lupu 2013). Despite the benefits of transforming a party acronym into a truthful signal to voters, politicians in clientelistic parties do not invest in organizations capable to police individual members.

What About Brazil?

Brazil never had a labor-based party in the mold of the Argentinean *Partido Justicialista* or the Mexican PRI (Collier and Collier 2002) who would eventually turn into a dominant clientelistic machine (Gibson 1997). On the contrary, parties in Brazil are complex meshes of fragile individual political alliances, a pattern that precedes democratization (Hagopian 2007; Limongi 2015) and has proved resilient in the face of socioeconomic advances. Although some party polarization is present in gubernatorial and presidential races, congressional campaigns have never been marked by partisanship. Without any party identity, each congressional candidate builds threads running towards different municipalities, some of which they have never visited before, but where mayors and mayoral candidates have private networks of voters. However, these networks are ready to be put into action to elect *deputados* not because of shared party allegiance, but through direct payments – usually a package that includes both party nominations and actual money. Political ties between mayoral candidates and deputies are often ephemeral, running their courses in a single election, a fact confirmed by the high party-switching rate of Brazilian politicians. And although recent analyses have shown greater partisan alignment in

Congress (Figueiredo and Limongi 2000; Hagopian, Gervasoni and Moraes 2009; Lyne 2008), there is no direct evidence that this coordination in the legislative chamber spills over into lower tiers of the organization. As Figueiredo and Limongi (2000, 167) note, neither ideology or roots in the society are a necessary condition for party discipline in Congress.

Although modular parties are able to sustain a stable political system, they do not promote a number of normative functions scholars and voters expect from parties. Particularly, modular parties do not promote candidate accountability. The incentives of politicians are not to pay attention to the demands of local constituents, but to the preferences of the broker. If the preferences of brokers and voters align, all the better, but there is not reason to expect that. More than a calculus of core vs. swing voters, legislators might be interested in sending resources to the local authority who can help them the most. In such cases, voter preferences only indirectly explain how legislators act.

Moreover, if brokers constantly change allegiances, they will be frequently mobilizing voters towards different parties. Assuming that voters recognize for which legislator they voted, they may know that that same politician will not be the one they will vote for in the next election. Under these circumstances, one should not expect voters to pay careful attention to the actions of their incumbents. Worse, voters recognizing who they are voting for under clientelism may be a far-fetched assumption. Under dominant clientelistic parties, voters at least know that their patrons are brokers to one party only, and the connection between voters and parties are durable. For modular parties, party–voter linkages are intermittent and unreliable, insulating incumbents from any popular demand.

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