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The Sources of Non-discretionary Distributive Politics in Africa

A dissertation submitted in partial satisfaction

of the requirements for the degree

Doctor of Philosophy in Political Science

by

Joseph Asunka

2014

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ABSTRACT OF THE DISSERTATION

The Sources of Non-discretionary Distributive Politics in Africa

by

Joseph Asunka

Doctor of Philosophy in Political Science

University of California, Los Angeles, 2014

Professor Barbara Geddes, Co-chair

Professor Michael F. Thies, Co-chair

Since the early 2000s, more and more governments in the developing world have introduced programs to transfer cash and deliver complementary public services directly to citizens using purely economic and other technical criteria. A number of careful studies on some of these programs show that political criteria play no role in predicting who does and does not receive benefits. Some scholars suggest that the rising popularity of non-discretionary distribution of public resources by politicians in some developing countries is indicative of a potential decline of clientelism in those countries. That political support for non-discretionary forms of resource distribution is growing and clientelism may be declining in the developing world is welcome news. But these emerging patterns of public resource distribution by politicians raise important questions. In this dissertation, I develop a theory to explain why politicians would design policies and allocate valued benefits to voters in ways that reduce or eliminate their own discretion. I argue that non-discretionary distributive strategies enable incumbent politicians to build electoral support and thus enhancing their chances of reelection in two

ways: first, these strategies enable incumbents to extend benefits to voters outside their circle of loyal voters, potentially broadening their electoral support among those voters. Second, non-discretionary distributive strategies help to reduce the risk of offending and potentially alienating some of their loyal voters. This concern is particularly salient in Africa where access to state resources influences electoral behavior. I test this theory with audit and survey data collected in Ghana. I show that the patterns of resource allocation strategies by politicians and the electoral behavior of voters are best explained by the argument presented in this project.

Chapter 2 lays out the main argument and identifies a number of empirical implications. I contrast these implications with those of existing theories of clientelism and those on the effects of economic development on bureaucratic reforms. Chapter 2 concludes with preliminary evidence on the impact of public benefits on voting behavior in Ghana using the 2012 Afrobarometer survey. The results show that voters who benefit from a government healthcare program are more likely to vote for the party in government. This effect is driven largely by voters not affiliated to any party.

Chapter 3 tests one of the main implications of my argument: that when incumbents are concerned about their chances of reelection they would be more likely to favor non-discretionary forms of resource distribution in swing areas. I use data from a nationwide assessment of all local governments in Ghana on their compliance with budget allocation rules to test this prediction. The results show that local governments in districts with a swing history score significantly higher on their compliance with budget implementation rules than those without a swing history. Moreover, the magnitude of

swing reinforces this effect: compliance with budget implementation rules is significantly higher in those districts where the size of the swing is larger.

Chapter 4 analyzes survey data to show how the electoral behavior of voters varies with politicians' resource distribution strategies. I show that voters, particularly swing voters, are significantly more likely to vote for incumbent politicians if they believe that the allocation of public resources by these politicians is fair, that is, non-discretionary. The results also show that among loyal voters of incumbent politicians, support for those politicians who are perceived to favor non-discretionary distributive strategies is slightly higher than those perceived to pursue largely discretionary distributive strategies. Chapter 5 concludes with a discussion of the theoretical and policy implications of the findings.

The dissertation of Joseph Asunka is approved.

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ACKNOWLEDGMENTS

I would like to express my deepest appreciation and gratitude to my dissertation committee whose guidance has made this project possible. I am particularly grateful to my committee co-chairs, Professors Barbara Geddes and Michael Thies who have been incredible advisors and tremendous mentors for me. I am very fortunate to have had the opportunity to learn from them. Prof. Dan Posner has been a great mentor on this project as well. I learned a lot from Dan and got extremely useful guidance on the way forward with this project. Prof. Jeff Lewis provided invaluable input in the design stages of this projects and I learned most of what I know in quantitative methods from Jeff. Prof. Osman Galal helped a lot in thinking through the design of this project.

I learned a lot from many others in the UCLA Department of Political Science, notably Professors Miriam Golden, Edmond Keller and James DeNardo. Prof. Kathleen Bawn has also been a great mentor for me. Many thanks to Joseph Brown, the graduate students' advisor in the Department for his incredible guidance throughout my time in graduate school.

I am also grateful to my colleagues, Amanda Rizkallah, Sarah Brierley, Sebastian Garrido, and Marika Csapo who took time to read portions of this dissertation and offered some invaluable comments and suggestions during our dissertation group meetings. I also like to thank Esther Abayeta who offered me tremendous support and facilitated most of the fieldwork in Ghana.

This project received generous financial support from the UCLA International Institute and UCLA's Dissertation Year Fellowship. I am also thankful to the

Management of the Ghana Center for Democratic Development who supported me with a generous book allowance during my first year in the program.

Finally, many thanks to my parents who, without any education still made it possible for me to go school. I am particularly grateful to my wife Patience, who has been incredibly helpful and supportive throughout my time in graduate school. And thanks to our kids, Roselle and Joel who have had to endure my absence so often.

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CHAPTER 1

Introduction

Programmatic or non-discretionary distribution of public resources by politicians has grown quite remarkably in the developing world since the early 2000s. Many governments in Africa, Latin America, and Asia have introduced various programs to transfer cash and provide complementary public services directly to individuals using purely economic and other technical criteria. Some scholars suggest that the rising popularity of non-discretionary forms of resource distribution among politicians in some developing countries is indicative of a potential decline of clientelism in those countries (Stokes, et al., 2013). In fact a number of studies on cash transfer programs show that political criteria play no role in predicting who does and does not receive benefits (Fried, 2012; De La O, 2013).

The last 15 years also saw the introduction of Constituency Development Funds (CDFs) in many developing countries with increasing involvement of Members of Parliament (MPs) in grassroots development.[1] In many countries, annual CDF allocations run into hundreds of thousands of dollars per MP. For instance in Kenya, each MP is allocated approximately US$800,000 each year; MPs in Sudan get about US$300,000 each (Tshangana, 2012). In Ghana, annual allocations to MPs are approximately $130,000 (personal review of district records in Ghana). In the context of a developing country, these amounts are substantial.

[1] CDFs are monies drawn from national government revenues and allocated to MPs to enable them undertake development projects in their electoral districts.

Though CDFs are usually established by law and are thus governed by specific legal frameworks, the degree of control and the mechanisms of distribution vary across and within countries. For instance in Ghana, some MPs have established local, non-partisan committees to oversee the management and distribution of CDF benefits to their constituents. These committees are usually required to evaluate prospective beneficiaries using specific criteria – e.g. poverty, vulnerability, gender, disability etc. – and to make allocations based on the outcome of their evaluations. Meanwhile other MPs handle all aspects of the CDF allocations by themselves. In Kenya, MPs have revised the CDF law twice since 2003 (in 2007 and in 2013), each time reducing the degree of influence that MPs have over the allocation of CDF benefits. The second revision in 2013 almost completely curtailed the discretionary powers of MPs over the management and distribution of CDF resources.

These patterns of resource distribution by politicians seem inconsistent with what extant models of distributive politics would lead us to expect. Standard theories expect politicians to use their discretion over the distribution to maximize the votes they receive. Why would politicians undermine their own power and influence over the distribution of valued benefits to voters? Are non-discretionary forms of resource allocation effective in winning votes for incumbent politicians? Which voters are likely to reward incumbents who favor non-discretionary distributive strategies? This dissertation develops a theory to explain the conditions under which politicians would reduce or eliminate their own discretion and instead, set up or allow existing non-discretionary rules to shape the actual allocation of benefits to voters.

I argue that sometimes incumbent politicians favor non-discretionary distributive strategies because they are helpful in building electoral support in two ways: first non-discretionary distributive strategies enable politicians to extend benefits to voters outside their circle of loyal voters, potentially broadening their electoral support. If the distribution of resources is governed by impersonal or non-discretionary rules, then any voter or group of voters that satisfy the conditions, regardless of their partisan affiliation or voting behavior, can have access to benefits, which might influence their electoral choice. In Africa in particular where access to state resources plays an important role in the electoral behavior of voters (Posner, 2007), this strategy has the potential of winning votes for incumbents, especially among swing voters. Second, non-discretionary distributive strategies help to minimize the risk of alienating voters affiliated with the incumbent party or incumbent politician. When politicians are concerned about their chances of reelection, they might seek to broaden their electoral support coalition by extending benefits to voters outside their core. However, by doing so they risk offending and alienating some of their loyal voters (Diaz-Cayeros, Estévez, and Magaloni, 2012). The risk of alienating incumbent loyal voters in the distribution of resources is higher in settings like Africa where, as noted above, the electoral behavior of voters is partly a function of their access to state resources. I suggest that non-discretionary distributive strategies help incumbents to minimize this risk.

The argument I present in this project contrasts with existing theories of distributive politics and clientelism as well as theories of bureaucratic reforms and economic development. Standard theories of distributive politics emphasize strategic targeting of specific groups of voters – e.g. core or swing voters – and the clientelism literature

focuses on vote buying via distributive strategies for which politicians have broad control, through various political and social networks, over who does and does not receive benefits (Finan and Schechter, 2012; Stokes, 2005). We know by now that the expected electoral return to clientelism is highest among poor voters (Diaz-Cayeros, Estévez, and Magaloni, 2012); and that clientelism can be electorally counterproductive among rich voters (Weitz-Shapiro, 2012). However, it is not clear how, for instance, core or swing voters would respond to politicians' resource distribution strategies. Do core and swing voters respond differently to clientelism? And do they respond differently to programmatic or non-discretionary forms of resource distribution? On the other hand, theories of bureaucratic reforms and economic development focus on national-level policy and economic changes that impact politicians' discretion and/or the electoral usefulness of public resources (Finkel, 2008; Geddes, 1991; Stokes, et al., 2013). Because these theories are based on changes that impact the entire country, they may not be helpful for understanding within-country variations in the resource allocation strategies of politicians.

I test the main empirical predictions of my theory with audit and survey data collected in Ghana. As I will show, the patterns of public resource distribution by politicians and the electoral behavior of voters in Ghana are broadly consistent with the argument I make in this dissertation.

This project is primarily about distributive politics and electoral mobilization at the micro-level: specifically, how the connection between politicians and voters at the sub-national and micro levels shape the patterns of public resource distribution by politicians. It therefore contributes to the literature on distributive politics broadly (Diaz-Cayeros,

Estévez, and Magaloni, 2012; Stokes, 2005) and to the literature on the decline of political clientelism in the developing world (Stokes, et al., 2013; Weitz-Shapiro, 2012).

1.1 Motivation: Non-discretionary Distributive Politics and Social Welfare

The number and volume of targeted cash transfers by governments in the developing world have increased tremendously since the turn of the century. Within the donor and development communities, there is a strong belief that short-term public transfers are needed to protect and raise the consumption and asset-base of the poorest households because economic growth, though necessary, is insufficient for poverty alleviation. These programs use various targeting methods with the overall goal of correctly and efficiently identifying the poorest households. Individuals and households that meet the criteria are then enrolled to receive a steady stream of cash and other complementary public services directly from government.

A large and growing number of studies on the impact of targeted cash transfer programs in the developing world show that they are effective in reducing vulnerability and chronic poverty (Barrientos and DeJong, 2006; Devereux and Pelham, 2005; Farrington and Slater, 2006; Jones, Vargas, and Villar, 2008). Cash transfers have also been found to have wider positive economic impacts within beneficiary households and communities (Davies and Davey, 2008). For instance Kakwani, Soares, and Son (2005) find that targeted cash transfers to children ages 5-16 years in fifteen African countries significantly reduces child poverty. Cash transfers have also been found to improve child

nutrition, raise birth registration and school enrolment rates, and increase overall child survival rates (Barrientos and DeJong, 2006; Jones, Vargas, and Villar, 2008).

Consistent with the popular view within the donor and development communities, these results seem to suggest that non-discretionary or rule-based allocation of public resources, especially when targeted to the poor and other vulnerable groups, can be effective in reducing extreme poverty and vulnerability. Poverty reduction has risen to the top of the global social policy agenda since 2000. This project is thus motivated by normative expectations about the positive impact of non-discretionary allocation of public resources on poverty and vulnerability in the developing world. But evaluation of these normative expectations depends on answers to important empirical questions: Under what conditions will politicians reduce or eliminate their own discretion and instead set up and/or allow existing non-discretionary rules to shape the actual allocation of benefits to voters? Do voters respond favorably to non-discretionary allocation of resources by politicians? Which voters are likely to respond favorably to non-discretionary forms of resource allocation by politicians and why? This project seeks to shed light on these questions and thus contribute to a better understanding of the sources of non-discretionary distributive politics in parts of the developing world.

1.2 Overview of the Questions

This dissertation addresses a number of questions about recent changes in the resource distribution strategies of politicians in some developing democracies. The first is about the willingness of politicians to relinquish discretionary control and instead set up or

allow existing non-discretionary rules to govern the distribution of public resources to voters. A second related puzzle is the fact that in some cases, the rules governing the distribution of benefits are actually designed to channel benefits to the poorest voters, a group among whom extant theories suggest discretionary distribution, with credible threats to withdraw benefits, would be most effective for buying votes (Diaz-Cayeros, Estévez, and Magaloni, 2012; Wantchekon, 2003; Weitz-Shapiro, 2012). The third is related to the electoral behavior of voters affiliated with incumbent parties. In Ghana for instance, loyal voters of incumbent parties sometimes defect and vote for the opposition. What explains this behavior, and how might that impact the electoral mobilization strategies of politicians? I elaborate briefly on these puzzles in the following subsections.

1.2.1 Non-discretionary Allocation of Benefits

Extant theories of distributive politics suggest that clientelism is an attractive strategy for buying votes for at least two reasons: first, voters may prefer immediate, tangible benefits to promises of better policies and public goods in the future (Wantchekon, 2003). Second, because clientelism involves repeated interactions, it can facilitate monitoring voters to be sure they honor their side of the bargain or that benefits go to those most likely to vote for the incumbent (Stokes, 2005). The ability to monitor voters makes clientelism attractive to politicians. Since clientelism aligns the incentives of politicians to those of poor voters, many scholars argue that private, discretionary transfers should exhibit higher electoral returns to politicians than private, non-discretionary transfers and/or public goods (Diaz-Cayeros, Estévez, and Magaloni, 2012). The core-swing voter

theories also assume that politicians would use their discretion to channel benefits to one group or the other. But studies on cash transfer programs in the developing world, which are private and excludable, show that political criteria play no role in predicting who does and does not receive benefits (Fried, 2012; De La O, 2013). Benefits cannot be reversed for any political reason. Given what we expect under the standard theories of clientelism and distributive politics broadly, it is quite puzzling that politicians would favor distributive strategies that undermine political control. Why do politicians in some developing democracies choose to undermine their own power and influence over the allocation of electorally useful resources to voters?

1.2.2 Poverty and Clientelism

Extant scholarship also suggests that politicians are likely to use clientelism among the poor for at least two reasons: first, the poor are more responsive to material incentives, and they are likely to prefer immediate, tangible benefits to public goods or promises of good public policies. Second, the votes of the poor are relatively cheaper to buy, which makes it attractive to politicians. Thus the electoral return to clientelism is likely to be greatest among poor voters (Diaz-Cayeros, Estévez, and Magaloni, 2012; Dixit and Londregan, 1996; Magaloni, 2008). However, cash transfer programs, which channel private, excludable, and largely irreversible (at least not for any political reason) benefits to the poor and vulnerable, are increasingly popular among governments in developing countries. Why might politicians relinquish discretionary control over the allocation of valued benefits to the poor?

1.2.3 Electoral Behavior of Incumbent Loyal Voters

Finally, models of distributive politics, notably those that lean towards the swing voter logic, suggest that incumbent parties can potentially exclude their core voters in the distribution of benefits because core voters cannot credibly threaten to defect from the party (Stokes, 2005). But this argument may not hold in contexts where the loyalty of voters is conditional on their access to state resources. In some African countries including Ghana, ardent supporters of incumbent politicians sometimes defect and vote for the opposition.[2] This type of behavior is puzzling because these voters know that voting the opposition into power might not serve their interests in any way. Why do loyal voters of incumbent politicians sometimes behave this way? And how might this type of behavior influence the electoral mobilization strategies of politicians?

My goal in this project is to improve our understanding of the ways in which voters respond to, and thus shape the electoral mobilization strategies of politicians. I argue that the electoral behavior of voters, notably their responsiveness to the resource distribution strategies of politicians, influences the choices that politicians make regarding the distribution of public resources. Though discretionary control over the allocation of benefits to voters may be helpful for buying votes, I suggest that sometimes and in some places, especially in Africa, political discretion can be an electoral liability, particularly among voters affiliated with the incumbent party. If incumbents are uncertain about their

[2] A former Member of Parliament, after losing the December 2012 elections in Ghana told a local radio station that: "*It was an internally inflicted wound. There were some members of my party who vowed... and ganged up with the opposition to work against me*" (JOY FM, December 17, 2012).

chances of reelection, they might seek to broaden their electoral support by extending benefits to voters outside their core. But if they do so with their own discretion, they might offend and potentially alienate some of their loyal voters (Diaz-Cayeros, Estévez, and Magaloni, 2012). I suggest that these conditions underlie the willingness of politicians to relinquish discretionary control and instead favor non-discretionary forms of resource distribution.

1.3 Argument in Brief

The core and swing voter debate usually assume (implicitly) that politicians would use their discretion to channel benefits to one group of voters or the other. It is not clear how these voters actually respond to politicians' resource allocation strategies and whether the anticipated response shapes the types of distributive strategies politicians would favor. If poor voters are likely to respond favorably to clientelism, how might swing voters respond to this or some other distributive strategy?

If politicians are concerned about their chances of reelection, they might seek additional support by extending benefits to persuade swing or weakly opposed voters. However, as argued by Diaz-Cayeros, Estévez, and Magaloni (2012), by doing so they risk alienating some of their loyal voters in future elections. In clientelist systems, this risk is potentially higher because the loyalty of voters to a party or candidate is partly a function of their access to benefits. When allocating resources to voters, incumbents facing competitive elections would anticipate this potential electoral backlash and they must carefully balance the risk of alienating some of their loyal voters with the potential

gain of votes from swing voters. I argue that non-discretionary forms of resource allocation help politicians to minimize this risk while simultaneously extending benefits to voters outside their core and potentially broadening their electoral support. Loyal or core voters of the incumbent party or politician who fail to access benefits might be less offended and less likely to detach from the incumbent if they know or at least believe that the allocations were governed by non-discretionary rules compared to the case whereby they think the party or politician used their discretion to dispense favors to others. Moreover, non-discretionary allocation of benefits guarantees benefits to voters outside the core of incumbent politicians, potentially enhancing their electoral support among those voters.

1.4 Case Selection

In this project, I focus on Ghana for three reasons. First, Ghana's system of decentralized local government makes it ideal for testing my theory. District Assemblies (hereafter districts) are the sub-national administrative units where local government operates. This is the level of government at which the national budget is allocated. The 1992 Constitution designates districts as the highest political, legislating, budgeting, and planning authority at the local level and the Local Government Act of 1993 reinforces this constitutional provision. But the administrative setup of the districts affords the president and the ruling national party broad control over the affairs of local governments. The president appoints the political heads of the districts and also appoints 30 percent of the non-partisan district assembly members, the local deliberative body.

Because the national budget is allocated at this level of government, most of the actual allocations of public resources are done here. Local governments are therefore highly critical to the electoral mobilization efforts of the president and the ruling national party.

Second, since Ghana's return to democracy and multiparty elections in 1992, political competition has grown very rapidly and two parties now dominate politics in the country. Presidential elections are extremely competitive and the two major parties often capture more than 95 percent of the popular vote. Because presidential elections are increasingly competitive and the president has broad control over the affairs of local government, the latter usually has an incentive to allocate public resources in ways that will help the reelection chances of the president and the governing national party. Thus resource allocation strategies of local governments tend to vary across districts, which makes it suitable for testing the prediction of my argument regarding the choice of resource distribution strategies by politicians across electoral districts.

Third and finally, the return to democracy and multiparty elections in the 1990s also saw an increased involvement of Members of Parliament in grassroots development through the Members of Parliament Common Fund program, or Constituency Development Funds (CDFs) as they are known elsewhere in Africa and beyond. The MP's Common Fund in Ghana was introduced without any legal backing and as such there is wide variation in the degree of control and mechanisms for allocating these resources to voters by different MPs. This also makes Ghana a suitable setting for testing my argument's predictions regarding the responsiveness of voters to politicians' resource distribution strategies.

1.5 Plan of the Dissertation

The rest of the dissertation proceeds as follows. I present my theoretical argument in Chapter 2. I review the literature, lay out my main argument, and identify a number of empirical implications. I conclude the chapter with preliminary evidence from an analysis of the responsiveness of voters to government distributive programs in Ghana using the 2012 Afrobarometer survey. The results show that voters, notably swing voters who benefit from a government healthcare program have a higher probability of voting for the party in government.

In chapter 3, I test one of the main implications of my argument: that when incumbents are concerned about their chances of reelection they are more likely to favor non-discretionary forms of resource distribution in swing areas. In addition to minimizing the risk of alienating some of their loyal voters, the incentive for incumbents to give up discretion is reinforced in those districts where there is a large number of persuadable (swing) voters. I test this prediction with data from a nation-wide assessment of all local governments in Ghana on their compliance with existing, non-discretionary budget allocation rules.[3] Consistent with the argument, the results show that local governments in districts with a swing history – districts that swing between the two main parties in the presidential elections – are significantly more likely to comply with formal rules governing the allocation of budget resources. Moreover, the magnitude of swing reinforces this effect: compliance with budget implementation rules is significantly higher in those districts where the size of swing are larger, indicating the presence of a large number of unaffiliated or weakly affiliated voters.

[3] Local government is the level of government in Ghana at which the national budget is allocated.

Chapter 4 addresses the implications of the argument regarding the electoral behavior of voters. I argue that non-discretionary allocation of benefits by politicians should increase the chances of swing voters supporting incumbents. I analyze survey data collected from nearly 1000 respondents selected randomly from across 22 electoral districts in the Brong Ahafo region of Ghana. The results are consistent with the prediction of the argument presented here: voters who report no party affiliation are more likely to vote for the Members of Parliament who are favor non-discretionary forms of resource distribution. Moreover, MPs who pursue non-discretionary distributive strategies obtain slightly higher electoral support, though not significantly different, from among their loyal voters than those who do not.

Chapter 5 concludes with a discussion of the theoretical and policy implications of the findings, and highlights directions for future research.

CHAPTER 2

A Theory of Non-discretionary Distributive Politics

"It was an internally inflicted wound. There were some members of my party who vowed... and ganged up with the opposition to work against me" (JOY FM, December 17, 2012).[4]

> – A former Member of Parliament in Ghana lamenting his electoral loss in a radio interview after the December, 2012 elections in Ghana.

In this chapter, I develop my theory of non-discretionary distributive politics, which I introduced briefly in Chapter 1. I argue that non-discretionary distributive strategies are effective in building electoral support for incumbent politicians and thus enhancing their chances of reelection in two ways: first, they guarantee benefits to voters outside the circle of incumbent loyal voters and potentially broadening their electoral support; second, they do so while minimizing the risk of offending and alienating some of their loyal voters, especially when the criteria governing the allocations are based on some valence issues such as poverty reduction.

This chapter is structured as follows. First, I present a brief discussion of the patterns of electoral behavior in Africa and the role that state resources play in shaping that behavior. Second, I review the literature on the politics of public resource distribution by politicians and highlight my argument's relationship to this literature. Third, I present my theory of non-discretionary distributive politics, highlighting its suitability in explaining patterns of electoral behavior and resource distribution by politicians in Africa. I layout the empirical implications of my argument in the fourth section and conclude with initial

[4] This statement reflects the risk that incumbents face regarding previously loyal voters in Ghanaian politics. "Loyal" voters can credibly threaten to defect, contrary to what is claimed in some theories and politicians are careful not to offend them in the distribution of benefits.

empirical evidence on the impact of state resources on the electoral behavior of voters in Ghana using data from the 2012 Afrobarometer survey.

2.1 State Resources and Electoral Behavior in Africa

The core-voter and swing-voter debate is rooted in the ideological predispositions of parties and voters. In the image of politics in developed democracies, parties have fixed positions on various socio-economic and political issues and voters exhibit their preferences for different parties on ideological grounds. In Africa however, political parties are rarely ideological and so ideology plays a very limited role in politics and elections (van de Walle, 2003). Socially constructed identities, particularly ethnicity, play a prominent role in politics and elections in particular. Even then, ethnicity or any other social construct that serves as a link between voters and politicians and on which voters may base their electoral decisions are not necessarily primordial. These constructs only provide important cues for voters to decide which party or politician is most likely to channel state resources to them when voted into power (Barkan, 1979; Chandra, 2007; Ferree, 2004; Kanyinga, 1994; Posner, 2007). Even though Ghana and many other African countries have experienced rapid economic growth in the last decade, access to state resources remains highly relevant in people's lives, and electoral competition is often viewed as competition for these resources.

In this context, parties and politicians risk becoming nonviable contenders in future elections if they take their loyal supporters for granted in the distribution of benefits. If the loyalty of voters to a party or candidate is contingent on their access to material

benefits (Kramon, 2013), then the assumptions that appear reasonable under the traditional conception of core and swing voters in terms ideological predispositions become less justifiable. For instance voters can credibly threaten and actually defect from the party or politician they have always voted for if he fails to do the things that earlier votes were based on.[5]

This kind of electoral behavior has direct implications for the resource distribution strategies of politicians. Incumbents who face competitive elections might seek to extend benefits to voters outside their core, at the expense of the core since all budgets have limits, in order to broaden their electoral support. However, by doing so they might offend and alienate some of their loyal voters (Diaz-Cayeros, Estévez, and Magaloni, 2012).

2.2 Literature: Discretionary Distributive Politics

The distribution of material benefits to citizens by politicians in exchange for votes is common throughout the world. Among students of distributive politics, and of politics in developing countries in particular, the conventional wisdom is that the "heavy hand" of politicians plays a key role in influencing who does and does not receive benefits. Extant distributive politics scholarship, motivated largely by the notion of the "electoral connection", has sought to explain the political logic that underlies the distribution of

[5] There are many reports of voters affiliated with the party in government defecting to the opposition in every election in Ghana. In the December 2012 elections, a local radio station reported the defection of about 100 loyal voters of ruling NDC to the opposition NPP. The leader of the group is quoted as saying that: "*The NDC has nothing to offer us and there is no way we will rescind our decision, we saw what the NPP did in government and we believe they will do more when they return to power, hence our decision to defect to the party*". http://elections.peacefmonline.com/pages/politics/201203/98525.php

resources by politicians. There is broad consensus among scholars that politicians allocate resources to citizens in ways that will enhance their chances of reelection. Dixit and Londregan's (1996) concept of "tactical redistribution" embodies the literature on discretionary distributive politics. But politicians may not always have it their own way. Other scholars suggest that sometimes economic development as well as policy reforms at the national-level, notably bureaucratic reforms, can undermine politicians' discretion and/or the electoral usefulness of public resources (Geddes, 1991; O'Leary, 1962; Stokes, et al., 2013; Weitz-Shapiro, 2012). In this section, I review the main arguments in the literature on distributive politics and the related literature on policy reforms and economic development and present my theory's relationship to these arguments.

2.2.1 Core Versus Swing Voters

The debate on how politicians actually allocate benefits to citizens for electoral purposes remains inconclusive. This debate often pits those who lean toward the core voter logic of (Cox and McCubbins, 1986) against advocates of the swing voter model of (Lindbeck and Weibull, 1987). Cox and McCubbins (1986) argue that vote-maximizing parties will allocate benefits primarily to their core voters. They argue that core voters are most responsive to targeted transfers and less risky for electoral investments compared to swing and opposition voters. Core voters are already predisposed to vote for their party and so channeling benefits to them should maximize the likelihood that they would vote for the party. This model therefore predicts that risk-averse politicians seeking to maximize electoral support will prioritize their core voters in the distribution of benefits.

Scholars who lean toward the swing voter model (Dixit and Londregan, 1996; Lindbeck and Weibull, 1987) suggest that investment in core voters is a waste of resources; transfers to core voters – ruling or opposition party loyalists – they argue, cannot be expected to affect voting choices much since these voters are predisposed to vote for their parties anyway. If voters are predisposed to vote for their parties, they do not need material inducements to vote their favorite parties. These models predict that politicians will target swing voters whose electoral decisions might to be affected by the transfers.

Stokes (2005) argues that the two standard models do not take into account the inherent commitment problems of the exchange between parties and voters: parties could renege in their promise to deliver private benefits once they win power; and if ballot secrecy is guaranteed, then voters could vote for their most preferred party regardless of the reward received. To deal with the commitment problem, she considers a multi-period model of distributive politics. Stokes models the voter-party exchange as a repeated prisoner's dilemma game where parties can monitor the behavior of voters and both sides foresee their interaction extending into the future. In this model, voters are presumed to be swayed by particularistic transfers and the issue position of parties. The model predicts that parties would target swing voters with benefits. The main assumption here is that voters who are predisposed in favor of a particular party cannot credibly threaten to defect from their favorite party if they are excluded from benefits. Thus the party should not waste resources on voters who would support it anyway.

Diaz-Cayeros, Estévez, and Magaloni (2012) build on Stokes' model but relax the assumption that voters' predispositions for one party or another are fixed. They treat partisan loyalties as conditional on past political experiences and the history of the

party's resource distribution strategies. They argue that if parties repeatedly neglect and mistreat their core voters while channeling benefits to swing voters to build broader coalitions, they risk losing the loyalty of their core voters. A party that behaves this way, they argue, will not be viable in future elections. In their model, parties have reason to target core voters otherwise those voters will become swing voters in the next period and available for mobilization by other parties. This model predicts a strong core-voter bias: parties will invest in their core supporters because they need to build a stable, long-term support coalition for future elections. Moreover, core voters are cheaper to buy off compared to the potentially opportunistic swing voters because they are already predisposed to vote for their favorite party. Since particularistic transfers (private, discretionary transfers) are effective for locking voters into a long-term political relationship – because these transfers are excludable and reversible – the theory also predicts that parties will target core voters with private transfers and whenever they need additional support to win an election, they will target swing voters with public goods.

The results of empirical studies conducted thus far are mixed. There are studies that support the core voter logic (Balla, et al., 2002; Bickers and Stein, 2000; Diaz-Cayeros, Magaloni, and Weingast, 2000; Hiskey, 2003; Levitt and Snyder, 1995; Snyder and Ansolabehere, 2006). Most of these studies examine the allocation of benefits across electoral districts and they find, generally, that benefits are disproportionately channeled to the strongholds of the ruling party or parties. Other empirical studies find support for the thesis that benefits are disproportionately channeled to swing voters (Dahlberg and Johansson, 2002; Denemark, 2000; Schady, 2000; Stokes, 2005; Ward and John, 1999;

Wright, 1974). Some of these studies also consider the allocation of benefits across electoral districts. They provide evidence that parties channel benefits to swing districts.

2.2.2 Clientelism and Vote Buying

The literature on clientelism focuses on the direct exchange of material benefits for electoral support. Many of these studies examine who politicians might target with clientelism (Diaz-Cayeros, Estévez, and Magaloni 2012; Dixit and Londregan 1996; Gans-Morse, Mazzuca, and Nichter 2009; Magaloni 2008; Nichter 2008; Stokes and Dunning 2008; Stokes 2005; Wantchekon 2003), and why politicians and voters commit to clientelist agreements (Auyero, 2001; Stokes, 2005; Valeria Brusco, 2004). These studies generally show that politicians will target poor voters with clientelism because the poor are more responsive to material inducements. Moreover, because clientelism involves repeated interactions, it facilitates voter monitoring, which can be attractive to politicians. Clientelism is thus an effective electoral mobilization tool in developing democracies largely because it aligns the incentives of politicians with those of voters, notably poor voters.

2.3 Literature: Non-discretionary Distributive Politics

The core and swing voter literature and the clientelism literature assume discretionary distribution of public resources. Politicians use their discretion to channel benefits to certain voters in order to maximize their electoral support; they also decide on the type of benefits to provide – e.g. private, excludable transfers, or public goods, or both. However,

sometimes policy reforms and/or economic development can undermine politicians' discretion and/or the electoral usefulness of public resources. The following sections highlight some of the main arguments for the transition from discretionary to programmatic or non-discretionary distributive politics.

2.3.1 Bureaucratic Reforms and Economic Development

While the distributive politics scholarship has largely focused on how politicians exploit public resources for political purposes, the literature on bureaucratic reforms and economic development highlights the fact that politicians may not always have it their own way. Successful bureaucratic reforms can eliminate politicians' discretion and/or the electoral usefulness of public resources. Politicians sometimes acquiesce in reforms that undermine their own power and influence for various reasons: for instance if two approximately equal parties face fewer costs for acceding to public pressure for reform because both parties give up the same resources (Geddes, 1991); or if for some reason the party in government believes that it will not win power in the next election, they may pass reforms to level the electoral playing field for future elections (Finkel, 2008).

On the other hand, as economies grow and people become richer, the electoral usefulness of public resources is likely to decline and so would clientelism. This is a natural extension of the finding that the votes of the poor are more swayed by clientelist benefits. Stokes, et al. (2013) argue that clientelism died in Britain and the United States largely because of economic growth and industrialization. Rich voters are likely to demand different resource allocation strategies and may punish politicians at the polls if

they continue to engage in clientelism and other politically motivated distributive strategies (e.g Weitz-Shapiro, 2012). Cox (1987), however argues that the transition from discretionary distribution to welfare-enhancing public goods in Britain occurred when the extension of suffrage increased the number of individuals to whom individual benefits had to be distributed to, beyond what was feasible.

The effects of economic growth suggest that sometimes the voting public drives the transition from discretionary to non-discretionary distributive politics. Although discretionary control over the distribution of benefits is often more attractive to politicians, if they anticipate a negative electoral response from voters to some distributive strategy (e.g. clientelism), they would be more likely to give it up. My argument builds on this idea but focuses on the responsiveness of core and swing voters to politicians' resource distribution strategies. In political settings where partisan loyalties and voting behavior are partly conditional on access to state resources, politicians risk alienating some of their core voters if they exclude them from the distribution of benefits. In particular, the strategies that politicians use to allocate benefits can offend and alienate some of their core voters. I suggest that in this context, if politicians are concerned about their chances of reelection, they will be more likely to favor non-discretionary distributive strategies. I lay out my argument more fully in the next section.

2.4 The Argument

Although core and swing voters feature very prominently in the distributive politics scholarship, it is not clear how the two groups of voters actually respond to politicians'

resource distribution strategies. This question is perhaps more relevant in settings like Africa where access to state resources impacts partisan loyalties and voting behavior. In this context, incumbents facing competitive elections can potentially increase their electoral support if they successfully extend benefits to unaffiliated or swing voters. However, because budgets are always limited, they risk offending and alienating some of their loyal voters if they neglect them in the distribution of benefits.

In this environment, incumbent politicians are careful not to offend and potentially alienate some of their loyal voters in the distribution of benefits. If incumbents are concerned about their chances of reelection, I argue that they will be more likely to favor non-discretionary distributive strategies. Non-discretionary distributive strategies enable politicians to minimize the risk of alienating their loyal voters while simultaneously extending benefits to voters outside their core and potentially broadening their electoral support.

How? First, if politicians tie their own hands and set up or let existing non-discretionary rules shape the actual allocation of benefits to voters, they create a convenient opportunity to shift blame for the broader allocation of resources and in this way circumvent their loyal voters in a relatively less offensive manner. This helps to reduce the risk of alienating unhappy or dissatisfied loyal supporters. In particular, if these non-discretionary rules are based on some valence issues like poverty reduction, then the risk of electoral backlash from loyal voters would be low. For instance a loyal voter of the incumbent party or incumbent politician who fails to access benefits may be less offended and less likely to abandon her party or candidate if she knows or at least believes that the allocations were governed by impersonal rules compared to the case

whereby she thinks the party or candidate used their own discretion to dispense favors to others rather than to her.

Second, non-discretionary distributive strategies enable incumbents to extend benefits to voters outside their circle of loyal voters, potentially boosting their appearance of trustworthiness and electoral support among those voters. With non-discretionary or rule-based allocations, any voter or group of voters that satisfies the conditions, regardless of their political affiliation or voting intentions, can have access to benefits. Because access to state resources plays an important role in the electoral behavior of voters, non-discretionary or rule-based distributive strategies are likely to increase incumbents' electoral support among voters outside their core, especially among swing voters.

2.5 Empirical Implications: Voters

The argument above generates two empirical implications with respect to core and swing voters. Because non-discretionary distributive strategies enable politicians to circumvent their loyal voters in a relatively less offensive manner, I expect these strategies to *reduce the likelihood that loyal voters of the incumbent party or candidate will defect* (Hypothesis 1). Moreover, non-discretionary distributive strategies will guarantee benefits to voters outside the circle of incumbent loyal voters, which might influence their voting decisions, especially those of swing voters. Thus non-discretionary distributive strategies should *increase the likelihood that swing voters will vote for the incumbent party or candidate* (Hypothesis 2).

2.6 Empirical Implications: Politicians

The argument also yields some empirical implications with respect to the behavior politicians. In settings like Africa where partisan loyalties are weak, if incumbents are uncertain about their chances of reelection, they would be more likely to acquiesce in non-discretionary forms of resource distribution. They would do so because of the risk of alienating some of their loyal voters. Although the electoral behavior of loyal voters are more stable on average than that of swing voters, they will defect if incumbents simply use their own discretion to channel benefits to voters outside the core in order to broaden their electoral support. Hence *the likelihood that incumbent politicians will favor non-discretionary distributive strategies will increase with increasing electoral competitiveness (*Hypothesis 3a*)*. But the incentive to pursue non-discretionary distributive strategies is stronger in places where swing voters are the source of political competition. In other words if a district has a history of swinging between parties or candidates – i.e. there are persuadable voters out there – incumbents will have a greater incentive to pursue non-discretionary distributive strategies. Hence *the effect of electoral competitiveness on the likelihood of politicians favoring non-discretionary distributive strategies will be stronger in swing districts* (Hypothesis 3b).

In contrast, theories about core and swing voters imply the opposite. The core-swing voter literature suggests that politicians would target one or the other of these groups with benefits, both of which imply the politician's discretion over who receives benefits (Cox and McCubbins, 1986; Lindbeck and Weibull, 1987). If either the core or swing voter argument is true, we should expect politicians to resist giving up discretion over

distribution, especially where they face tough electoral contests. In this case *politicians should be more likely to give up discretion in uncompetitive districts* (Hypothesis 4).

These predictions also contrast with the predictions of theories of public service reforms and economic development regarding political discretion and the distribution of public resources. First, theories of public service reforms have focused on national-level reforms that should apply across the whole country. If successful, such reforms should impact the discretion of politicians and/or the electoral usefulness of public resources everywhere. These models are therefore less helpful for understanding within-country variation in politicians' resource distribution strategies. Moreover, civil/public service reforms have not been very successful in most countries in Africa, including Ghana (Crook, 2010).

Many scholars argue that as economies grow, clientelism and other forms of discretionary distribution of public resources by politicians will disappear. For instance Stokes, et al. (2013) suggest that economic development and industrialization killed clientelism in Britain and the United States. Weitz-Shapiro (2012) also suggests that politicians are likely to give up clientelism in rich areas if electoral competition grows. These theories imply that *politicians in wealthy districts will be most likely to give up discretion over distribution* (Hypothesis 5).

2.7 Empirical Implications: Ghana

Recent presidential elections in Ghana have been extremely competitive but generally free and peaceful. Two parties: the National Democratic Congress (NDC), which is currently in power, and the New Patriotic Party (NPP), which held power between 2001 and 2007, dominate politics in Ghana. The president is directly elected in a majoritarian run-off system in a single national constituency and all votes for president count equally across the entire country. The president and the 275-member parliament are each elected concurrently to four-year terms. Members of Parliament (MPs) are elected by first-past-the-post plurality electoral rules from single member districts. The president can only serve for two terms but there is no term limit on MPs.

With respect to the administrative setup, Ghana is currently sub-divided into 216 local government administrative units known as Metropolitan, Municipal, and District Assemblies, hereafter districts. This is the level of government at which the national budget is allocated. The president appoints all the political heads of local government and 30 percent of the non-partisan local assembly members.[6] The district political heads are called Metropolitan, Municipal, and District Chief Executives, hereafter DCEs. The president and his appointees in the districts have broad, centralized control over public spending.[7] Since the national budget is allocated at this level of government, DCEs have an incentive to mobilize electoral support for the president in the allocation of budget resources within their districts. Because presidential elections are extremely competitive,

[6] Each assembly has a deliberative body, with 70 percent of members elected on a non-partisan basis from smaller geographic units known as Electoral Areas. The president appoints the rest.
[7] MPs are ex-officio members of the local government assemblies. They have no voting rights and no control over spending by the local government.

my argument leads me to expect that *the president-controlled local government bureaucracy will be more likely to favor non-discretionary distributive strategies in swing districts where presidential elections are competitive – i.e. districts that have a history of swinging between the two parties in the presidential elections* (Hypothesis 6a).[8] *This effect will be stronger in districts with large swing margins, indicating an unusually large number of uncommitted voters* (Hypothesis 6b).

I will test the predictions of my argument regarding politicians' choice of resource allocation strategies in Chapter 4 using data about local governments' compliance with non-discretionary budget implementation rules in Ghana. In Chapter 5, I test the predictions regarding voter responsiveness to politicians' resource distribution strategies. Before turning to the more rigorous empirical tests of these predictions, I provide preliminary evidence from an analysis of the 2012 Afrobarometer survey, which demonstrates the effectiveness of state resources as vote-getting tools in Ghana. The results show that voters, notably swing voters who benefit from a non-discretionary public healthcare program are more likely to vote for the party in government.

2.8 Preliminary Evidence: State Resources and Voting Behavior in Ghana

Preliminary evidence on the responsiveness of voters to benefits received from government underscores the importance of public benefits in elections. The results show that voters who benefit from a government healthcare program are more likely to vote for the party in government. This effect is stronger among swing voters. In interviews I

[8] The NDC and NPP parties usually capture over 90 percent of the popular vote in all electoral districts.

conducted among employees of the Ghana National Youth Employment Program, a government program to reduce unemployment among the youth in the country, I got a strong sense that sometimes even opposition voters can be swayed to vote for the incumbent. One of the youth leaders of the current opposition New Patriotic Party in the Central Gonja constituency in the Northern Region of Ghana said to me in an interview:

> "The NDC party, and especially the MP is playing smart politics here with the youth employment program. They employ only people who have the required qualifications for the jobs. In other districts they don't. It is usually about party supporters. I do not know if they are looking for good workers or it is a strategy to win our support. Everyone in this community knows that I am with the NPP. But when I applied for this teaching job, I got it. There were other NDC youth who attended the interviews with me but did not get any job. Nobody asked or said anything about my party. We have to work really hard, but I won't be surprised if some of our members vote for the current [NDC] MP in the elections".[9]

This quote from the NPP youth leader highlights the important role that public benefits plays in the electoral behavior of voters and the dilemma that incumbent politicians sometimes face in the distribution of benefits. In the particular case of the Central Gonja constituency, it appears political criteria played little role in the recruitment under the youth employment program and the employee expected the incumbent to benefit electorally from it. At least the NDC MP for this constituency has managed to stay in power since 1993, often winning by about 2 percentage points against the opposition NPP challengers. In the 2012 elections, the incumbent NDC MP received 47.4 percent of the popular vote to beat his NPP challenger who got 45.5 percent.

[9] Personal interview with NPP youth leader in Buipe, 2011.

I use data from the 2012 Afrobarometer, a nationally representative survey in Ghana, to examine the effect of public benefits on voting behavior. The survey included a question about respondents' access to targeted healthcare benefits delivered by government. The National Health Insurance Scheme (NHIS) in Ghana guarantees free healthcare services to people who meet some specific criteria: the criteria include age (persons over 70 years and children under 18 years), poverty (persons classified as indigents or impoverished); and pregnancy. I measure access to public benefits with a question that asked: "Do you or anyone in this household receive any of the following: Free visits or medicines from a public or government-run health clinic or hospital?" I use the responses to this question to construct a dummy variable that takes a value of 1 if respondent answered *"yes"* and 0 otherwise.

I then examine how respondents' electoral behavior varies with their access to benefits under the government free healthcare program. I measure electoral behavior using a question that asked respondents' "If a presidential election were held tomorrow, which party's candidate would you vote for?" I recoded the responses as a dummy variable that takes a value of 1 if respondents say they would vote for the governing NDC party and 0 otherwise. I have made the claim that access to state resources plays a role in voters' electoral behavior. If this claim is correct, then beneficiaries of the free public healthcare program, particularly those with no party affiliation (swing voters) should be more likely to vote for the party in government. Healthcare is a valuable public benefit and if it comes at no cost, it can have real implications for the electoral choices of beneficiaries.

I estimate a simple OLS regression model and control for a number of respondents' demographic and socio-economic characteristics: level of education, gender (female), employment status, party affiliation, and perceived survey sponsor.[10] Level of education takes values from 1 – no education, through 6 – post graduate training; employment status is a dummy variable indicating whether respondent is employed (=1) or not (=0); party affiliation are four dummy variables indicating whether respondent is affiliated to the ruling NDC; the main opposition NPP party; one of the smaller opposition parties; or has no party affiliation (is a swing voter). Finally, perceived survey sponsor is a dummy variable that takes a value of 1 if respondent thought the survey was sponsored by the government and 0 otherwise.

Table 2.1 presents the results of the OLS regression analysis. The first column shows the bivariate association between access to free health benefits and respondents' voting intentions. The results show that beneficiaries are generally more likely to vote for the ruling party. Without accounting for any covariates, beneficiaries of the targeted government healthcare program have a 6 percent higher probability of supporting the ruling NDC party candidate. In columns 2 and 3, I introduce respondents' party affiliation as well as interactions between party affiliation and access to health benefits. In both models, swing voters are clearly more likely to respond favorably to targeted healthcare benefits. Swing voters who benefit from the healthcare program have a 10 percent higher probability of voting for the incumbent party than swing voters who did not. Moreover, loyal voters who received the healthcare benefits also have 5 percent higher probability of voting for the incumbent compared to those loyalists who did not.

[10] The results are robust to the use of logistic regression analysis. I report the OLS results for ease of interpretation.

Because recent presidential elections have been won by less than 1 percentage point margin, these effects could overturn an election.[11] The results are consistent with those of Diaz-Cayeros, Estévez, and Magaloni (2012) who find that beneficiaries of a government entitlement program in Mexico – *Progresa* – had a 17 percent higher probability of supporting the candidate of the ruling party.

These preliminary results are consistent with the claim that public benefits impact the electoral behavior of voters, notably swing voters as well as incumbent loyalists. Thus incumbents risk some level of electoral backlash if they exclude their loyal voters in the distribution of valued benefits. I suggest that this dilemma underlies the willingness of politicians to favor non-discretionary distributive strategies.

[11] The Afrobarometer sample is 2400. In this sample, 968 reported no party affiliation and about 600 reported affiliation with the ruling NDC party. 10 percent translates to about 98 voters in this sample. Assuming a voter population of 14 million, this rate translates to about 560,000 votes. The NDC party won the 2012 elections with only 310,286 votes.

Table 2.1: **Access to non-discretionary health benefits and voting behavior in Ghana**

Dependent variable is response to the question: "If a presidential election were held tomorrow, which party's candidate would you vote for?" It is a dichotomous variable with 1=vote for incumbent NDC party and 0 otherwise.

VARIABLES	(1)	(2)	(3)
Health benefits	0.065***	-0.003	-0.005
	(0.020)	(0.027)	(0.028)
Ruling party voter		0.810***	0.764***
		(0.026)	(0.027)
Small opposition voter		0.188***	0.157***
		(0.061)	(0.061)
Swing (no party affiliation)		0.212***	0.181***
		(0.022)	(0.023)
Health benefits*Ruling party voter		0.055	0.050
		(0.040)	(0.040)
Health benefits*Small opposition voter		-0.059	-0.055
		(0.095)	(0.094)
Health benefits*Swing (no party affiliation)		0.101***	0.108***
		(0.037)	(0.037)
Level of education			-0.009
			(0.008)
Female			0.003
			(0.015)
Trust president			0.091***
			(0.016)
Employment status			-0.016
			(0.015)
Perceived survey sponsor			0.005
			(0.016)
Constant	0.315***	0.029*	0.029
	(0.012)	(0.017)	(0.031)
Observations	2,400	2,317	2,287
R-squared	0.004	0.450	0.462

Standard errors in parentheses
*** p<0.01, ** p<0.05, * p<0.1

2.7 Conclusion

Chapter 2 outlined my theory of non-discretionary distributive politics in Africa and the empirical predictions of the theory. It also highlights how these predictions contrasts with those of existing theories of distributive politics, including clientelism, and theories of bureaucratic reforms and economic development. I provide preliminary evidence on the effects of state resources on the electoral behavior of voters in Ghana. The analyses show that swing and incumbent loyal voters are more responsive to targeted public benefits. This result highlights the importance of public benefits in the electoral behavior of voters in Ghana, especially voters who lack partisan loyalty. It also highlights the potential dilemma that incumbents face in the distribution of valued benefits: how to persuade swing voters without undermining the loyalty of their current supporters.

The remainder of the dissertation presents more rigorous tests of the main empirical predictions outlined in Chapter 2. First, I use data from a nationwide assessment of local governments in Ghana on their compliance with budget implementation rules to test the prediction that the president-controlled local government bureaucracy will be more likely to comply with existing, non-discretionary budget allocation rules in swing districts – those districts that swing between the two main parties in the presidential elections. I also show that large average swing margins, which indicate the presence of a large number of unaffiliated voters, reinforce the likelihood that local governments will comply with formal budget rules.

Second, I use data from a survey conducted in 22 electoral districts in the Brong Ahafo region of Ghana to show that variation in the resource allocation strategies of

Members of Parliament is strongly associated with the voting behavior of a random sample of nearly 1000 voters from the 22 districts. The results show that, voters, particularly swing voters, are more likely to vote the incumbent MP when they believe that allocations of the MPs' Common Fund are non-discretionary. Non-discretionary or rule-based distributive strategies also increase the probability that loyal voters of incumbent MPs will vote for them.

CHAPTER 3

Discreet Charm of Budget Rules: A Test of the Non-discretionary Distributive Politics Argument

In Chapter 2, I presented the main argument about why politicians sometimes voluntarily adopt non-discretionary distributive arrangements, and I outlined a number of empirical implications. In the specific case of Ghana where presidential elections are highly competitive and all votes for the president count equally across the country, if the argument is true, then I would expect local governments in districts that swing between the two main parties to be more compliant with the formal, non-discretionary rules governing budget implementation. Non-discretionary rules are most likely to be implemented in swing districts because those districts contain the largest number of unaffiliated voters and thus the largest number of those who might change their vote choice if they received some benefit from government. Non-discretionary rules, as I argued above, allow politicians to include some of these unaffiliated voters in the distribution of benefits without alienating core voters. I use data from a nationwide assessment of local governments in Ghana on their compliance with the exiting, non-discretionary budget implementation rules to test this prediction.

This chapter proceeds as follows. First I present some background information including a description of the local government assessment process, the administrative setup and political competition in Ghana. Second, I describe the data and measurements. In the third section, I describe the empirical strategy and present the analytic results. The fourth section concludes.

3.1 Background

3.1.1 The Functional Organizational Assessment Tool (FOAT)

In 2008, the Government of Ghana, with financial and technical support from four major development partners – the French Development Agency, the Canadian International Development Agency, the Danish International Development Agency, and the German Development Bank – established a performance-based grant aimed at improving local government performance in terms of efficiency, accountability, and delivery of basic community services. Under the program, districts are assessed on agreed indicators on a yearly basis using the Functional Organizational Assessment Tool (FOAT). Districts that perform well in the assessment are rewarded with financial resources from the Government, which consist of the District Development Facility (DDF), available to all districts, and the Urban Development Grant (UDG), available to the larger Metropolitan and Municipal Assemblies. The main objectives of the FOAT are to provide incentive for performance for complying with existing legal and regulatory frameworks; identify performance capacity gaps of the districts; and establish a link between performance assessments and capacity building support.

3.1.2 The Assessment Process

The relevant guiding principles of the FOAT assessment are as follows: Local governments are strictly assessed against their legal obligations and issues that fall within their direct span of control. All indicators are therefore anchored in existing legal, regulatory, and policy frameworks. The indicators acknowledge the specific legal, political, administrative, and fiscal environment in which local governments operate and they capture both the administrators and the elected representatives in the local government structure.

The indicators for the assessment are divided into minimum conditions (MCs) and performance measures (PMs). The MCs are those conditions that each district must fulfill in order to qualify to access the basic grant component of the district development facility. To meet the MCs and qualify for the basic grant, districts must fulfill all of the following: have a functioning district planning coordinating unit; prepare an annual action plan, a procurement plan, and an annual statement of accounts. Districts must also have no adverse audit comments indicating dishonesty, must have held a minimum number of general assembly meetings, and must have submitted progress reports on implementation of the annual action plan.

The PMs, the focus of this chapter, are the dimensions used to assess local governments' compliance with the existing legal and regulatory frameworks in executing their development mandates. The scores on these indicators are used to determine each district's allocation of the performance grant. The PMs involve detailed indicators to measure compliance in the following areas: management and organization; transparency,

openness and accountability; planning system; human resource management; relationship with sub-district structures; financial management and auditing; fiscal capacity; procurement; and environmental sanitation management. In this chapter, I focus on two performance measures that are directly related to the allocation of government budget resources in the districts.

3.1.3 Administrative Setup

Ghana is a unitary state divided into ten administrative regions. Each region is headed by a regional minister, who is appointed by the President. The principal units of local government are the districts, of which there are presently 216. Each district has a deliberative body known as the District Assembly. Assembly members are elected on a non-partisan basis from smaller political units called electoral areas. 70 percent of assembly members are popularly elected and rest (30 percent) are appointed by the President. The Assemblies have an executive committee, which is headed by a Chief Executive Officer – the equivalent of city mayors elsewhere. The District Chief Executives – DCEs as they are popularly known in Ghana – are appointed by the President and they have significant authority over the affairs of the districts. The local government setup means that the president has broad, centralized control over all districts in the country: the DCEs and the appointed Assembly Members serve at the pleasure of the president. This institutional arrangement allows district-level officials to manipulate local spending to help the president win reelections, but as I show below, some of them limit their own discretion over spending.

3.1.4 Electoral Competition and Electoral Mobilization Across Districts

Presidential elections in Ghana highly are competitive by any standard. Recent presidential elections have been won by less than 1 percentage-point margin. The current governing NDC party and the main opposition NPP Party dominate politics in the country. The president is directly elected in a majoritarian run-off system in a single national constituency and all votes for president count equally across the country. The president and his appointees, notably the local government Chief Executives, have broad, centralized control over public spending. Since the national budget is allocated at the level of local government and DCEs owe their positions to the president, they have a strong incentive to allocate resources in ways that would help the reelection chances of the president and the ruling national party. Across the 138 districts that were assessed by the FOAT in the first round in 2008 – the data used for the analysis in this chapter – there is substantial variation in the extent to which local governments follow the formal, non-discretionary budget allocation rules.

Budget allocation at the local government level is a major tool of electoral mobilization for governing national parties in Ghana. There are districts that, for largely historical reasons, have consistently voted overwhelmingly for one or the other of the two main parties in the country. These party-dominant districts are concentrated in the Ashanti region (the NPP stronghold) and the Volta region (the NDC stronghold). But an increasing number of districts now swing between the two parties and these swing districts are usually pivotal to the outcome of the presidential elections. On average,

about 30 percent of districts usually swing between the two parties from one election to the next.

The president-controlled local government bureaucracy plays a key role in mobilizing electoral support for the ruling national party in their respective districts. In districts that swing between the two main parties, extending benefits to voters outside the core of the ruling party is likely to broaden electoral support for the president and the party in government. But because the electoral behavior of loyal voters is also affected by receiving benefits, incumbents will seek to appeal to swing voters while minimizing the risk of alienating loyal voters. I suggest that sticking with the formal budget allocation rules enables them to achieve this goal, which is to extend benefits to voters outside the core while minimizing the risk alienating some loyal voters.

3.2 Data and Measurement

3.2.1 Data

What explains the variation in local governments' compliance with formal budget allocation rules in Ghana? The data generated by the FOAT process provides independent and comparable audit data on local governments' activities in the budget implementation phase, which helps us to attempt an answer to this question. Though the process is an official one, owned by the government of Ghana, the four international funders are engaged in the entire process, particularly in the selection of independent auditors and design of the indicators. Moreover, the performance indicators are very specific and objectively verifiable. Hence the assessment results are comparable across districts. In

this chapter, I focus on the first year of the assessment, which was conducted in 2008 and based on the 2006 fiscal year activities. By 2008 when the performance assessment program started, the 2006 fiscal year activities had already taken place. Thus the monetary incentive to follow the existing budget allocation rules, which came with the new initiative, did not affect the activities of the 2006 fiscal year. Ghana had a total of 138 districts at the time of the first assessment and all were assessed and hence are included in this analysis.

After the first assessment when it became clear that they stand to benefit from additional funding through the four development partners, all districts now try hard to stick by the rules or at least to appear to do so. For instance in the first round of the assessment, which was based on the 2006 fiscal year activities, 36 percent of the districts met the minimum conditions. The next assessment on the 2008 fiscal year activities saw 72 percent of districts meeting these minimum conditions; and for the 2012 fiscal year, 92 percent of districts met the minimum conditions. Thus after the first assessment, the results of subsequent assessments are less reliable as measures of local governments' compliance with budget rules. Even then, the patterns, though not significant because of little variation across districts, remain consistent with the prediction of my argument. Swing districts still score a little higher on the relevant measures of rule-based budget allocation than districts with no swing history.

3.2.2 Dependent Variables

Compliance with budget implementation rules: I use two performance measures from the FOAT process to operationalize the dependent variable. The two measures are directly related to the allocation of public resources by local governments. The measures are captured broadly under **procurement** and **planning system.** Procurement and planning are two major activities in the budget implementation phase: contracts, jobs, and allocation of development projects and other resources fall under these two categories. The procurement performance measure gauges local governments' compliance with the formal rules governing contracting and contract execution and includes indicators such as procedures for inviting tenders, contract mobilization, tender review process, timeliness of projects execution, and contract retention. The planning performance measure reflects local governments' compliance with the rules of development planning and budget allocation. Some of the relevant indicators include the proportion of development projects targeting the poor and vulnerable, the involvement of key stakeholders in plan implementation and monitoring, the share of projects in the annual action plan that have been implemented, and the availability of a district socio-economic databank.

The procurement performance measure has a total of 8 indicators. Seven of the indicators are dichotomous measures, taking a value of 1 if the district meets the indicator and 0 otherwise; and the eighth indicator – the one on contract management – takes values between 0 and 2. Thus the maximum score on the procurement performance measure is 9. The planning system performance measure has seven indicators, six of them taking values between 0 and 2 and the seventh – on the involvement of key

stakeholders – takes values ranging from 0 to 4. Thus the maximum score for the planning performance measure is 16. For the 138 districts that were assessed in the first round, the minimum and maximum scores on the procurement performance measure were 2 and 9 respectively, with a standard deviation of 1.5; and those for the planning system measure were 2 and 15 respectively, with a standard deviation of 2.5.

3.2.3 Independent Variables

The main independent variables are district swing status and average size of the margin of victory. Swing status is a dichotomous variable that takes a value of 1 if the district has swung at least once between the two main parties in the three presidential elections that took place prior to the first local government assessment in 2008. These were the elections of 1996, 2000, and 2004. Average margin of victory is an average of the size of the margins of victory – the absolute value of the difference in vote share between the NDC and the NPP – in each district in the three presidential elections included in this analysis. I have argued that given the competitive nature of Ghana's presidential elections, the president-controlled local government bureaucracies in swing districts should be more likely to favor non-discretionary budget implementation strategies. Also, this effect should be stronger in those swing districts where the size of the margin of victory is large. A large number of persuadable voters creates a strong incentive for the party in government to pursue distributive strategies that enable them to extend benefits to voters outside the core of the ruling party.

3.2.4 Control Variables

I control for a number of relevant socio-economic and demographic characteristics of the districts. The first is a measure of district wealth. A major rival hypothesis for the decline of discretionary distribution of public resources by politicians is industrialization and economic growth. Wealthier, more well-informed voters might force politicians to opt for non-discretionary forms of resource allocation (Weitz-Shapiro, 2012). There are no useful district-level measures of wealth so I operationalize this concept using the share of the district population that has at least a high school education. Here, I am assuming that the proportion of highly educated people in a district will be correlated with the overall wealth of the district. Second, I control for ethnic diversity. Ethnicity is a crucial factor in many African elections (Posner, 2007). In Ghana, ethnic appeals tend to be prevalent and seem to work well for mobilizing voters in the largely ethnically homogeneous stronghold districts of the two major parties (Gyimah-Boadi and Prempeh, 2012). But this would not be true in ethnically diverse districts because no group in these districts would attract enough votes to win on its own. Thus the resource allocation strategies of politicians might vary with the ethnic composition of the districts. Ghana's 2000 population and housing census includes a breakdown of the ethnic composition of the population of each district. Based on the shares of the district population that fall into each of the eight broad ethnic groupings, I compute an index of ethno-linguistic fractionalization, which is a decreasing transformation of the Herfindahl concentration

index.[12] This index measures the probability that two randomly selected individuals from a district belong to different ethnic groups. I also control for population density (logged), which serves as a proxy for urbanization, and voter turnout in each district in the 2004 presidential elections. Rates of participation in national elections could influence the resource allocation strategies of politicians (Fleck 1999; Horiuchi and Saito 2009).

3.3 Empirical Model

To evaluate the argument presented above, I specify and estimate a linear probability model that take the form below, using ordinary least squares with the standard errors clustered by region to account for the fact that budget implementation in the districts in each of the ten regions may not be independent. All districts within a region are under one regional minister, who is appointed by the president and ranks above the District Chief Executives.

$$Compliance_i = b_0 + b_1 Swing_i + b_2 Avg.margin_i + b_3 Swing_i * Avg.margin_i + b_4 Turnout.04_i$$
$$b_5 Education_i + b_6 Ethnic.frac_i + b_7 Pop.density_i + \varepsilon_i$$

The dependent variable, *Compliance*, represents the performance score of each district on the two compliance measures – procurement and planning – used in this analysis. I include an interaction between the swing dummy and average margin of victory to test the prediction that large swing margins should increase the likelihood that local governments would stick with the formal budget rules.

[12] If a district is composed of $K \geq 2$ ethnic groups and p_k denotes the share of group k in the population. Then the ELF is computed as follows: ELF = $1 - \sum_{k=1}^{K} p_k^2$

3.4 Rule-based Budget Implementation in Ghana

The argument presented in Chapter 2 suggests that local governments in swing districts in Ghana will be more likely to stick with the formal budget implementation rules; and that this effect will be stronger in the districts with larger margins of swing. The following figures present the bivariate associations in the raw data. I graph the mean performance score for the two dependent variables: procurement and planning – against the two main independent variables – district swing status and average margin of victory – with 95 percent confidence intervals. Figure 3.1 and Figure 3.2 present the mean performance score for the two performance measures in swing and non-swing districts. In each case, we see that the mean compliance score in swing districts (swing status = 1) is higher than the mean score in districts with no swing history. It is also higher than the overall mean score, which is about 6 for procurement and 7 for planning. A test of the differences in mean performance between swing and non-swing districts is statistically significant for both measures (results not shown).

Figure .1: **Mean performance score in procurement by swing status**

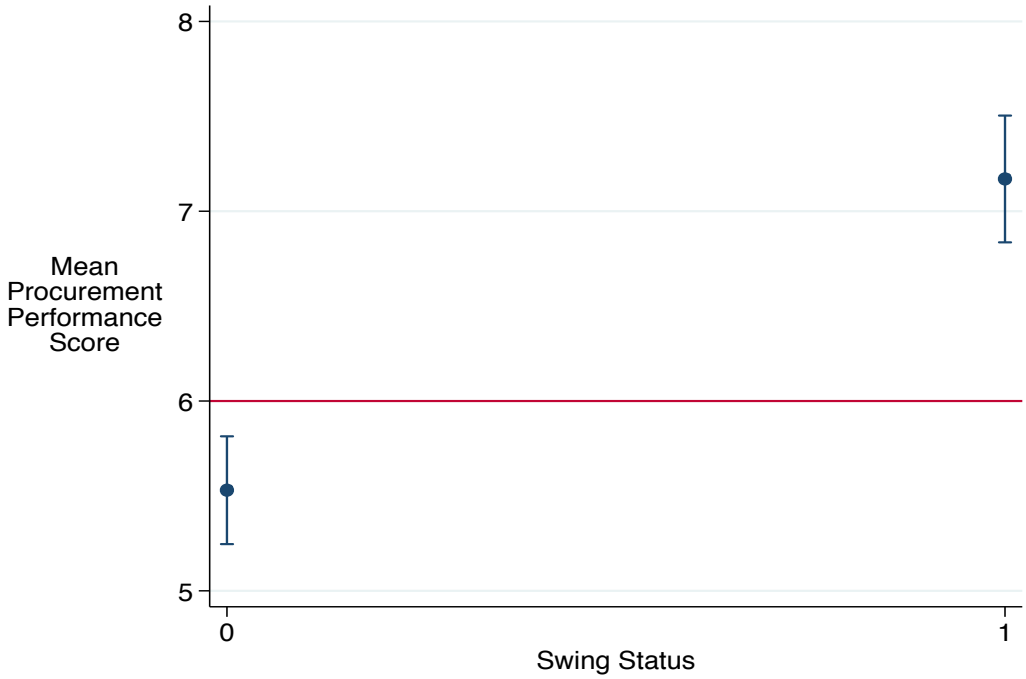
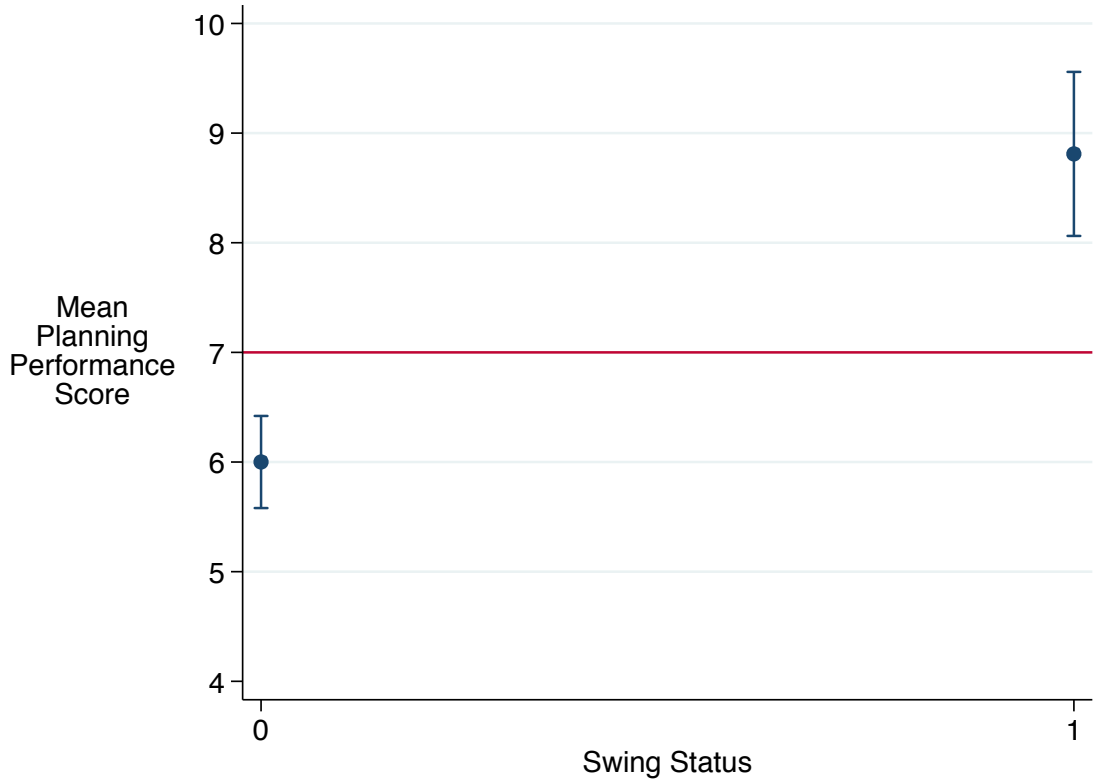


Figure 3.2: **Mean performance score in planning by swing status**



The effect of margin of victory also varies with the swing status of districts. For those districts with a swing history, margin of victory has a strong positive association with the measures of compliance with formal budget rules. Figure 3.3 and Figure 3.4 show the scatterplots of local governments' compliance with procurement and planning rules against average size of the margin of victory in swing districts only.

Figure 3.3 **Average Margin of Victory and Local Governments' Compliance with Procurement Rules in Swing Districts**

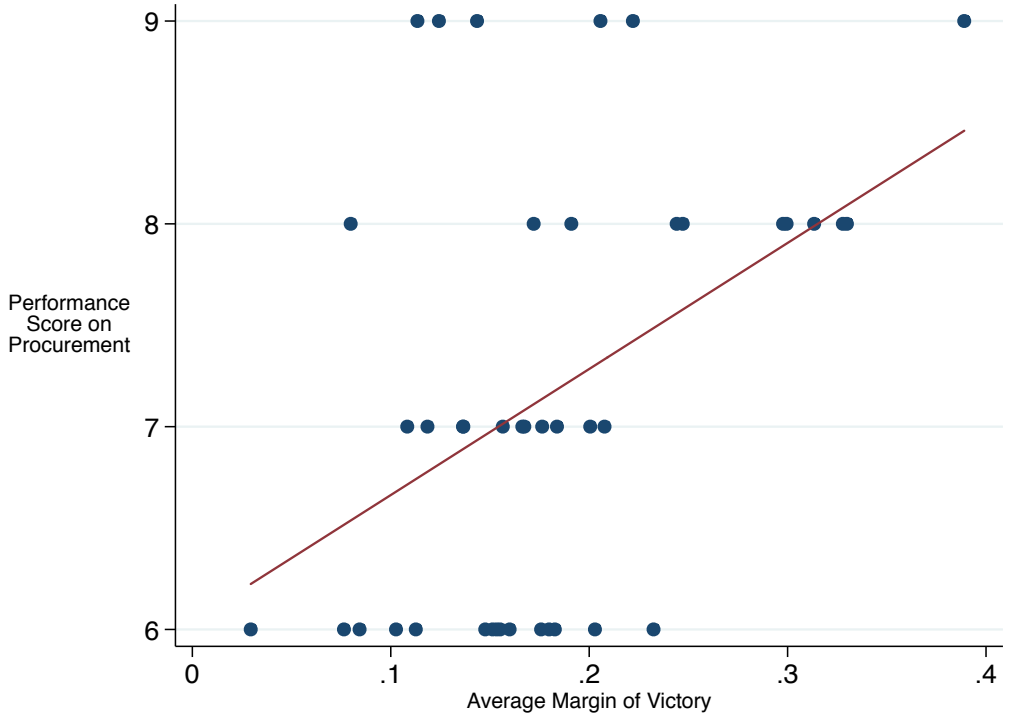
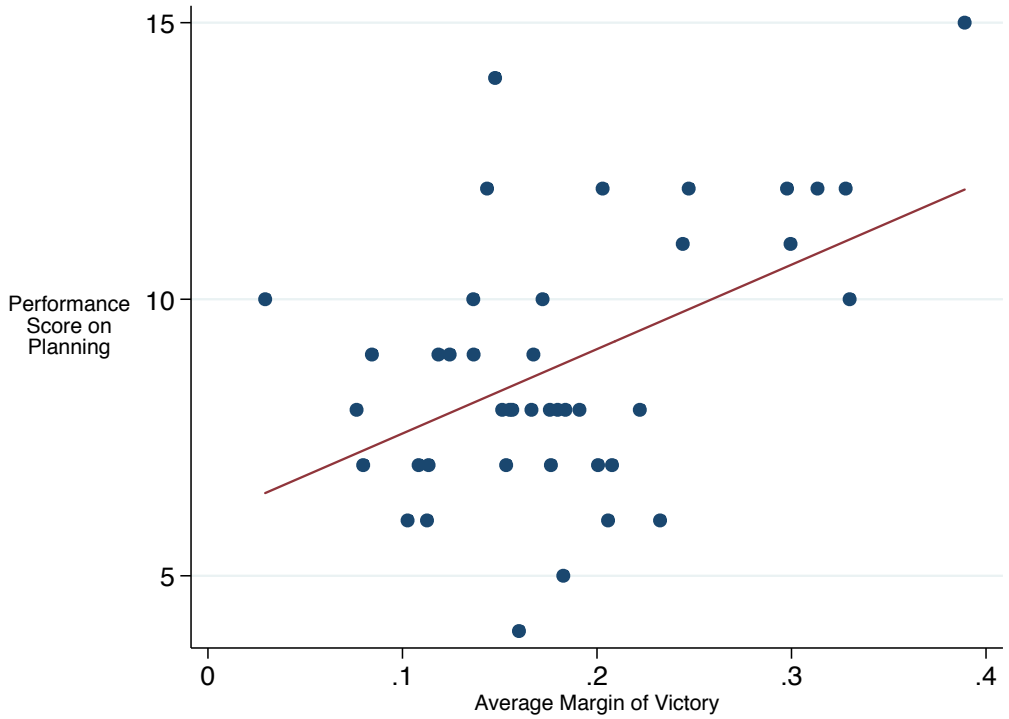


Figure 3.4 **Average Margin of Victory and Local Governments' Compliance with Planning System Rules in Swing Districts**



Meanwhile in party-dominant districts or districts that have had no swing history, we see a weak positive association between margin of victory and rule-based budget allocation (Figure 3.5 and Figure 3.6).

The patterns in the raw data are generally in keeping with what I would expect if the argument presented in this project is true. The president-controlled local government bureaucracy should be more likely to stick to the existing formal budget rules in swing districts. Doing so enables them to extend benefits to, and appeal to voters outside the core of the party in government. This effect should be stronger in districts with historically large margins of swing between two main parties.

Figure 3.5 **Average Margin of Victory and Local Governments' Compliance with Procurement Rules in Non-swing Districts**

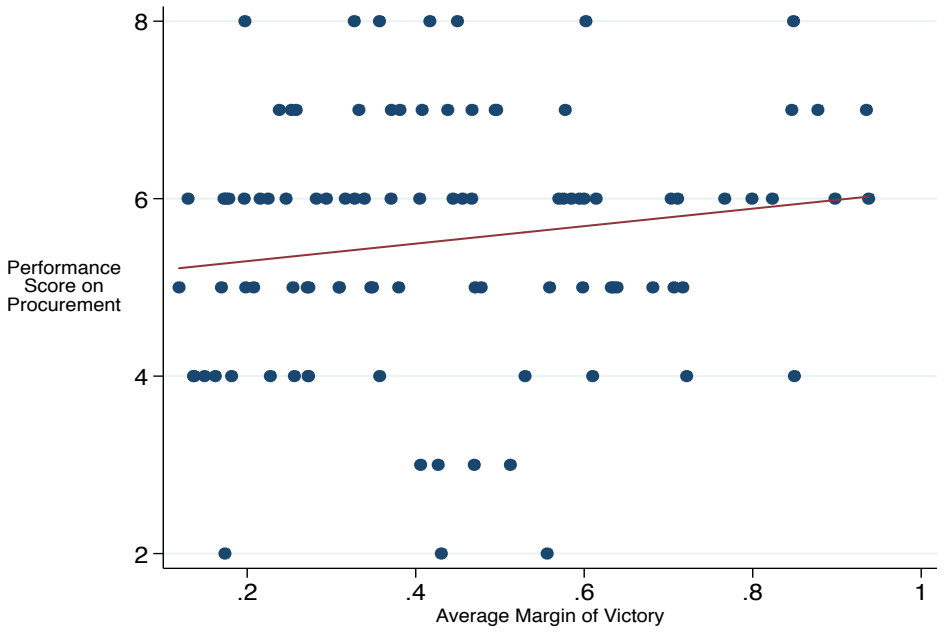
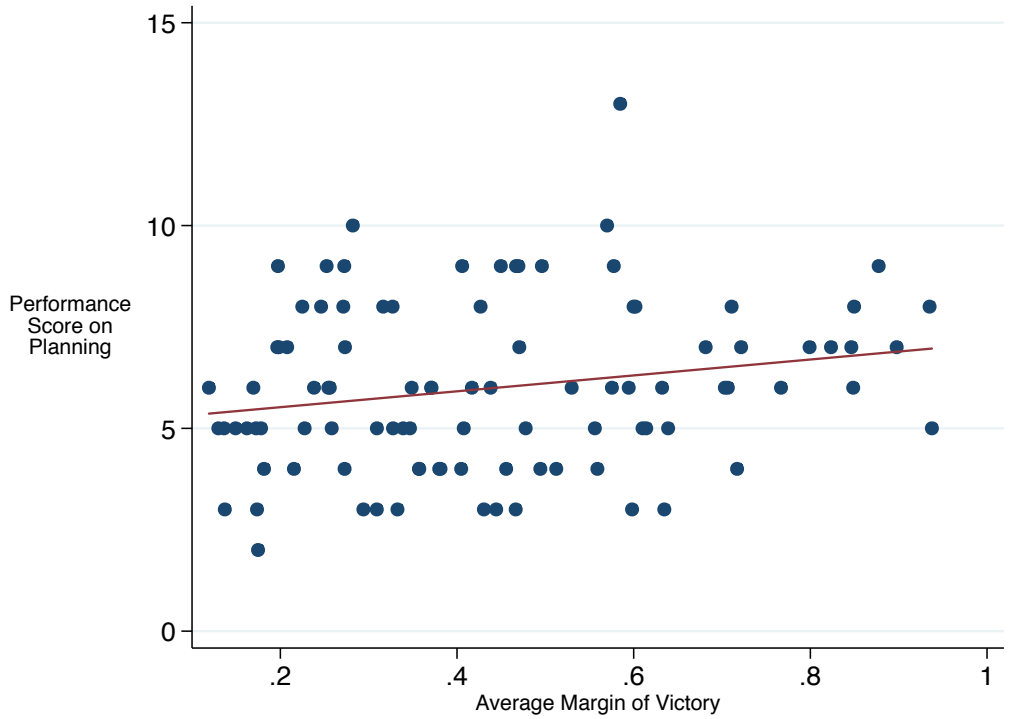


Figure 3.6 **Average Margin of Victory and Local Governments' Compliance with Procurement Rules in Non-swing Districts**



In the next section, I present the results of the multiple regression analysis on the effect of district swing status and swing margin on local governments' compliance with budget implementation rules.

3.5 Analytic Results

3.5.1 Swing Districts and Rule-based Budget Allocation

The argument presented in this dissertation predicts a positive association between district swing status and local governments' compliance with formal budget rules; it also predicts a positive association between average size of the margin of victory and local governments' compliance with budget rules in swing districts. Table 3.1 presents the OLS regression results. The dependent variable in columns 1 to 3 is district performance score in procurement and the dependent variable in columns 4 to 6 is district performance score in planning. Column 1 and Column 4 report estimates of the effect of district swing status on local governments' procurement and planning performance respectively without any covariates. The results show that local governments' performance score for procurement is, on average, 1.64 points higher (on the scale of 0 to 9) in districts with a swing history than those without. Swing districts also score, on average, 2.82 points higher (on a scale of 0 to 16) on the planning performance measure than non-swing districts. The procurement and planning system measures consist of eight and seven indicators respectively. Thus these effects show that on average, local governments in swing districts comply with at least two more indicators of the measures of rule-based budget allocation than those in non-swing districts.

The results of the bivariate associations are consistent with the prediction of the theory presented in this dissertation. Local governments tend to favor non-discretion forms of budget implementation in those districts that swing between the two parties.

Columns 2 and 5 introduce the average size of margin of victory and an interaction between swing status and average margin of victory. The effect of the interaction is significant and quite large given the scale of the performance measures. When we control for the relevant demographic and socio-economic factors in columns 3 and 6, the effect of the interaction of swing status and margin of victory on local governments' compliance with budget rules remains significant. But the direct effect of swing status loses significance in the full models. Based on the full model in column 3, if average margin of victory were to increase over its entire range of 0.909 points (i.e. from 0.029 to 0.938), local governments' compliance with formal procurement rules will increase on average, by a little over 6 units on the scale of 0 to 9 units.[13] With respect to the model in column 6, this amount of change in average margin of victory is associated with an average increase of 15 units in local governments' compliance with planning system rules (on the scale of 0 to 16 units). Within swing districts however, the maximum possible change in average margin of victory is 0.361 units (range in swing districts is 0.029 to 0.39). Based on the results of the models in columns 3 and 6, this translates to an average of about 3 and 6 units increase in local governments' compliance with procurement and planning rules respectively. These effects are very large.

In districts with no swing history, if average margin of victory increases over its entire range, local governments' compliance with procurement and planning system rules

[13] The effect of a unit change in average margin of victory on local governments' compliance with budget rules in swing districts is the sum of coefficients on Avg.margin (1996-2004) and the interaction of Swing and Avg.margin.

increases, on average by 1 unit (on the scale of 0 to 9) and 3 units (on the scale of 0 to 16) respectively. But this effect is not statistically significant in the case of compliance with procurement rules.

The other relevant factor in this analysis is ethnic fractionalization. The effect of ethnic fractionalization is statistically significant in the two full models (columns 3 and 6). Local governments in ethnically heterogeneous districts are significantly more likely to comply with budget implementation rules. But this effect is not large. Ethnic fractionalization ranges from 0.024 to 0.820. The results suggest that on average, local governments in the most ethnically diverse districts perform a little better (scoring a little over 1 point higher on the scale of 0 to 9) on the procurement performance measure than those in the least fractionalized districts. The corresponding difference in planning system performance is about 2 units (on the scale of 0 to16).

Meanwhile the effect of the proxy of district wealth, which is the share of the district population with at least a high school education, is negative, small, and not statistically significant.

Table 3.1: **Impact of Swing History and Swing Margin on Local Governments' Compliance with Budget Rules.**

The dependent variable in columns 1 to 3 is procurement performance (compliance) score. Procurement performance score ranges between 2 and 9. The dependent variable in columns 4 to 6 is planning (compliance) performance score, which ranges between 2 and 15.

	(1)	(2)	(3)	(4)	(5)	(6)
Swing	1.635***	0.943*	0.873	2.820***	0.917	1.038
	(0.271)	(0.489)	(0.488)	(0.522)	(0.780)	(0.833)
Avg. margin (1996-2004)		0.986	1.391		1.960**	2.960**
		(0.762)	(0.767)		(0.852)	(1.049)
Swing*Avg. margin		5.229***	5.797***		13.302**	13.893**
		(1.518)	(1.755)		(4.967)	(4.694)
Avg. turnout (2004)			-0.481			-0.592
			(1.672)			(3.267)
Percent at least high school			-1.974			-3.829
			(1.784)			(3.372)
Ethnic fractionalization			1.428**			2.856***
			(0.546)			(0.758)
Pop density (logged)			0.273*			0.141
			(0.141)			(0.239)
Constant	5.531***	5.099***	3.714**	5.990***	5.129***	3.790
	(0.161)	(0.369)	(1.258)	(0.290)	(0.510)	(2.879)
Observations	138	138	138	138	138	138
R-squared	0.252	0.296	0.351	0.265	0.348	0.403

Robust standard errors in parentheses
*** p<0.01, ** p<0.05, * p<0.1

To provide further substantive interpretation of the effect of the interaction between swing status and average margin of victory, I graph the linear predicted scores of local governments' compliance with the formal procurement and planning system rules over the range of values of margin of victory, disaggregated by swing status. Figure 3.7 and Figure 3.8 show the different effects that margin of victory has on local governments' compliance scores in swing districts versus strongholds. In both figures, the predicted performance score is significantly higher in swing districts, as reflected in the differences in the slopes, than in strongholds. In fact the effect of margin of victory on compliance with formal budget rules is quite small in districts with no swing history. The differences in the intercepts between swing and dominant districts also suggest that average compliance with formal budget rules is slightly higher in swing districts.

Figure 3.7: **Predicted Procurement Performance by Average Margin of Victory**

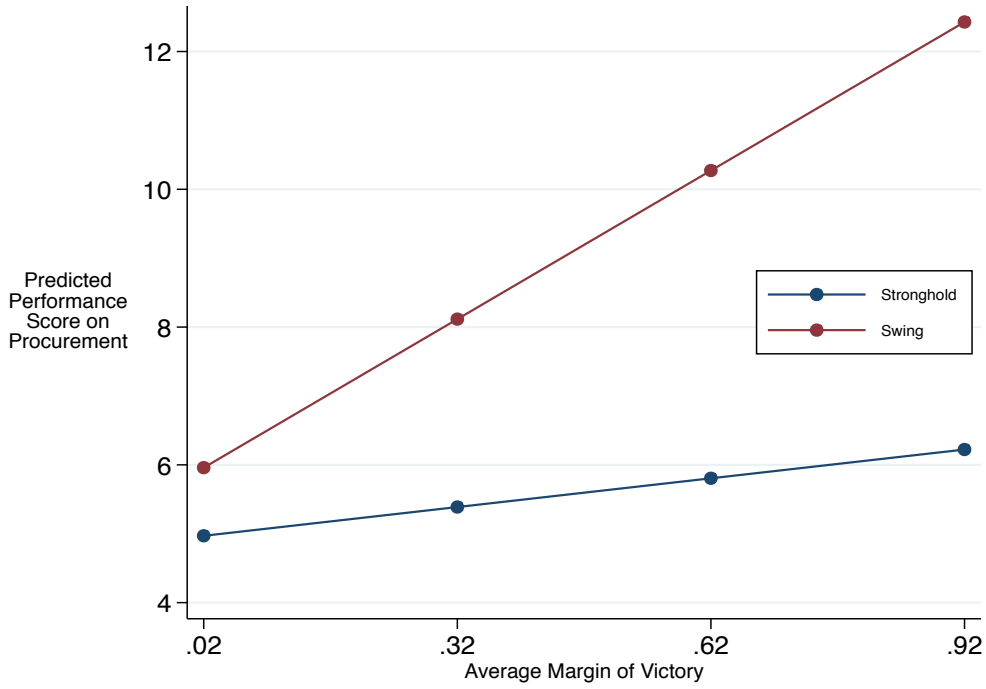
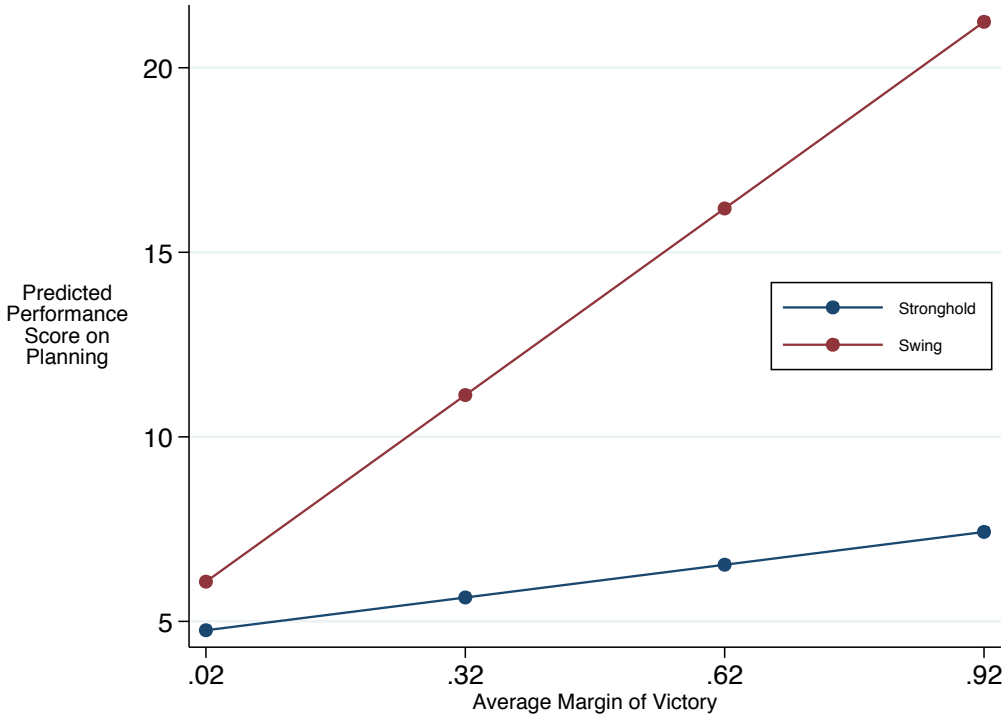


Figure 3.8: **Predicted Planning System Performance by Average Margin of Victory**



Overall, these results support the main predictions of my theory of non-discretionary distributive politics in Africa. Local governments in swing districts are more likely to give up discretion and allow the existing non-discretionary rules to shape budget implementation and hence the allocation of public resources in their districts. In new democracies where access to state resources continues to shape partisan loyalties and the electoral choices of voters, the risk of alienating some loyal voters in the distribution of benefits influences the strategies that politicians use to distribute benefits to voters. I have argued that politicians sometimes favor non-discretionary forms of resource allocation because it enables them to extend benefits to voters outside their circle of loyal voters and broaden their electoral support while simultaneously minimizing the risk of offending and alienating some of their loyal voters.

3.6 Conclusion

This chapter examines the implications of my theory of non-discretionary distributive politics for understanding local governments' compliance with formal budget rules in Ghana. As noted earlier, Ghana's presidential elections are highly competitive and as such districts that swing between the two main parties usually play a pivotal role in those elections. Because the national budget is allocated at the level of local government and the president has broad control over the affairs of local governments through his appointed district Chief Executives, I argue that local governments in swing districts should be more likely to comply with the existing, non-discretionary budget rules. Compliance with budget rules helps politicians to channel benefits to voters outside the ruling party's core while simultaneously minimizing the risk of offending and alienating some of their loyal voters. The incentive to extend benefits to voters outside the ruling party core would be strong in places where there actually are swing voters. Because access to state resources remains relevant in the electoral decisions of voters, if local politicians simply channel budget resources to swing voters, they risk offending and alienating some of their loyal voters.

Using data about local governments' compliance with formal budget rules in Ghana, I show that local governments in swing districts are more likely to stick to the formal budget rules regarding procurement and planning. This effect is reinforced by the size of swing. Compliance with budget rules is much higher in districts with large swing margins. Bigger swings suggest the presence of a potentially large number of unaffiliated voters, which makes it more appealing for incumbents to seek to extend benefits and broaden their electoral support. This association is robust after accounting for a range of

potential confounding covariates, including a proxy for district wealth, ethnic fractionalization, population density, and turnout in presidential elections. In addition to district swing status and margin of swing, ethnic diversity is also strongly associated with local governments' compliance with budget rules. But this effect is not substantively significant.

The findings in this chapter are inconsistent with the arguments and results of Diaz-Cayeros, Estévez, and Magaloni (2012) and Weitz-Shapiro (2012) who suggest that voters' socio-economic characteristics influence the resource allocation strategies of politicians. For instance that politicians are likely to use clientelism among poor voters; or opt out of clientelism in wealthy neighborhoods. I find no evidence that higher income leads to greater compliance with non-discretionary budget rules. This finding is probably a reflection of the nature of political competition and accountability relations in Ghana and Africa at large. Sometimes opposition parties will choose to be less critical and less demanding of government accountability. In this way when they do come into power, their opponents will also remain less critical of them. In this chapter, I show that the partisan characteristics of voters do affect compliance. Politicians are more likely to favor non-discretionary distributive strategies in places where there are more swing voters.

Finally, the results of this chapter raise important questions: do voters respond favorably to non-discretionary distributive strategies? In other words if the distribution of benefits by politicians is governed by impersonal rules, how might that impact the electoral behavior of voters? Which voters might reward politicians who favor non-discretionary distributive strategies? Do non-discretionary distributive strategies minimize the risk of defection among loyal voters of the incumbent party or candidate?

Answering these questions is central to evaluating the argument advanced in this dissertation. I turn to these questions in the next chapter.

CHAPTER 4

Non-discretionary Distributive Strategies and Voting Behavior in Ghana

The previous chapter concluded with a number of empirical questions regarding the impact of non-discretionary distributive politics and voting behavior. This chapter seeks to address these questions: do voters respond favorably to non-discretionary distribution of benefits by politicians? Which voters might reward politicians who favor non-discretionary distributive strategies? And, do non-discretionary distributive strategies reduce the risk of defection among loyal voters of the incumbent party or candidate? Extant scholarship shows that indeed voters do reward politicians for benefits they receive from them (Díaz-Cayeros and Magaloni, 2009; De La O, 2013; Magaloni, 2008; Manacorda, Miguel, and Vigorito, 2011; Zucco and Power 2011). The preliminary evidence presented in Chapter 2 and personal interviews I conducted among employees of the Ghana National Youth Employment Program also suggests that beneficiaries of valuable public benefits tend to reward the incumbent party or candidate.

We also know that the strategies that politicians choose to distribute benefits to voters are influenced by the expected voter responsiveness, and hence the expected electoral return to benefits. For instance many scholars argue that poor voters are more likely to respond favorably to clientelism (Magaloni, Diaz-Cayeros, and Este vez, 2007; Wantchekon, 2003; Weitz-Shapiro, 2012). They would thus expect politicians to choose clientelism (by definition discretionary) over other strategies when distributing benefits to the poor. But under what conditions would politicians favor non-discretionary distribution of benefits? In the context where the loyalty of voters to a party or candidate

is conditional on their access to benefits (Kramon 2013; Posner, 2007), I argue that non-discretionary distributive strategies are effective in building electoral support for incumbent politicians. Non-discretionary distributive strategies help politicians facing competitive elections to extend benefits to, and broaden their electoral support among voters outside their core, notably among swing voters, while simultaneously reducing the risk of alienating some of their loyal voters in the process.

In this chapter, I use survey data collected in Ghana to test these predictions. I show that non-discretionary distribution of benefits increases the likelihood that swing voters would vote for the incumbent party or candidate. Moreover, incumbent candidates who favor non-discretionary distributive strategies receive slightly higher rates of electoral support from their loyal voters than those who do not.

4.1 The Survey

The data used in chapter are survey data collected in 22 electoral districts in the Brong Ahafo region of Ghana. The Brong Ahafo region is one of the most electorally competitive regions in the country. There are a total of 29 electoral constituencies and hence 29 parliamentary seats in this region. In the December 2012 elections, the ruling NDC party won 16 of the 29 seats and the main opposition NPP party took the remaining 13 seats. The data used in this chapter were collected from 22 of the 29 electoral districts.[14] Of the 22 parliamentary seats in these districts, the ruling NDC party holds ten seats and the main opposition NPP party holds the remaining 12. The survey focused on

[14] I was unable to reach 7 constituencies due to logistical constraints.

the distribution of public resources by politicians in the districts with particular emphasis on the Members of Parliament Common Fund (or Constituency Development Fund as they are known elsewhere).

The survey was implemented at two levels in each district to document how different MPs handle the distribution of their Common Fund resources and whether the variation in MPs' resource distribution strategies influences the electoral behavior of voters in the districts. We conducted detailed interviews with the local government administrators who oversee the disbursement of the MPs' Common Fund and also interviewed nearly 1000 voters selected randomly from the 22 electoral districts.

At the district level, the survey asked the local government administrators to describe the process and criteria used to distribute the MPs' Common Fund resources to communities and individuals. I then developed simple coding rules for the narratives provided by the administrators. I assign a value of 1 (largely discretionary) for descriptions that suggests that allocations of the Common Fund are at the discretion of the MP. These are the cases where the administrators reported that all allocation decisions rest with the MP and that he often uses political criteria. An example of a constituency that was scored 1 is Asutifi North where the administrator wrote "*The selection of beneficiary towns and people is based on request made to the MP and that of the MP's own personal judgment*". For individual recipients, the administrator wrote: *"It is based on his* [the MP's] *own discretion*".

For districts where the administrator reported a combination of rule-based allocations and political criteria, I coded those as 2 (partly non-discretionary). An example is Techiman North districts where the administrator wrote: "*Gender considerations, special*

needs, disability and political support base". Finally, I coded as 3 (largely non-discretionary) those cases where the description suggests a limited role for the MP. Dormaa Central constituency is one such example. Here the administrator wrote: "*The selection of projects for implementation is based on the Assembly's Medium Term Development Plan*.[15] *The MP has a committee in place that receives, vets, and recommends deserving beneficiaries of his share of the Common Fund*". To check the robustness of the coding rules, I engaged two research assistants to code the responses independently. The results correlated very highly – over 90 percent in each case – with my results.[16]

The individual-level survey involved face-to-face interviews with a random sample of nearly 1000 adults selected from the 22 electoral districts. The sampling proceeded as follows: the primary sampling unit was the polling station and the target sample size was 1200. We followed the successful protocols used by the Afrobarometer in Ghana and interviewed four respondents in each primary sampling unit. This worked out to 300 polling stations across the region. To draw the primary sampling units, we first computed the share of polling stations in each electoral district in the region. We then allocated the 300 polling stations such that the share of polling stations in each district in our sample is the same as the districts' share of polling station in the region. Finally, we used a random number generator to select the required number of polling stations from each district to make up the 300 primary sampling units.

[15] This is a legal requirement for allocating the MPs Common Fund. MPs are required to use their Common Fund for development projects that the local government has prioritized.
[16] The correlation with my coding was 92 percent with the first research assistant and 94 percent with the second research assistant.

At each polling station, research assistants then used the random walk pattern to select four households, one at a time and then randomly select and interview one adult from each household. They were required to interview two females and two males around each polling station since the gender ratio in the region is about 1:1. In the regression analysis below, I cluster the standard errors at the polling station level.

Respondents were asked questions about their personal and community access to resources in general and the MPs' Common Fund in particular. They were also asked about asset ownership, contacts with key political figures in their districts, party affiliation, past voting record, and future voting intentions. I also collected data on respondents' basic demographic characteristics – gender, age, and level of education.

4.2 Measurement

4.2.1 Dependent Variable: Future Voting Intentions

The dependent variable is a dummy variable indicating how respondents would vote in the parliamentary elections if elections were held tomorrow. The survey asked respondents: *if elections were held tomorrow, which party's parliamentary candidate would you vote for*? The question references "party" because voters tend to identify the candidates for parliament by their parties. Voters are more likely to know that the current MP is from the NDC or NPP party than they are to know his/her name. Moreover, loyal voters of the candidates for parliament are usually those of the candidate's party and not the candidate herself. Reference to "party" is therefore more informative and afforded respondents more options. I included all the parties that contested in the 2012

parliamentary elections. I then created a dummy variable that takes a value of 1 if respondents said they would vote for the incumbent MP and 0 otherwise.

4.2.2 Explanatory Variables

The explanatory variables of theoretical interest are the MPs' resource allocation strategies and respondents' partisan affiliation. I have argued that when incumbent politicians use non-discretionary strategies to distribute benefits to voters, this should increase their electoral support among swing voters because it increases their chances of receiving benefits. Moreover, non-discretionary distributive strategies should reduce the risk of alienating loyal voters of the incumbent MP. In Ghana, most MPs spend their Common Fund resources on highly visible projects such as schools and clinics as well as direct private benefits including payments of health insurance premiums for constituents and sponsoring students to attend higher institutions of learning. While some MPs have established structures and procedures for allocating these resources and are generally less involved in the identification of beneficiaries and allocation of benefits, others have maximum control over all aspects of the Common Fund allocations.

I operationalize the main explanatory variable in two ways using two questions that asked respondents about the distribution of the MPs' Common Fund. The first question asked respondents whether they think the MP favors his party supporters in the distribution of his Common Fund. I then created a dummy variable that takes a value of 1 if respondents answered "yes", and 0 otherwise. The second questions asked about respondents' personal experience with, and/or beliefs about the distribution of the MPs'

Common Fund. Respondents were asked which of the following two they statements they agree with: 1. *"The MP has full control of his share of the Common Fund and he decides who gets the benefits"* or 2. *"There is a Common Fund committee in place and there are need-based requirements that individuals and communities must satisfy in order to access the MP Common Fund."*[17]

For party affiliation, respondents were asked: *do you feel close to any party? If so, which party is that*? I then classified respondents based on their response to these questions as follows: those affiliated with the party of the incumbent MP as "*loyal voters*"; those affiliated with the largest opposition party in the districts as "*opposition voters*"; those affiliated with any of the four minor parties as "*small party voters*"; and those with no party affiliation as "*swing voters*". Only 4 percent of respondents refused to answer this question.

4.2.3 Control Variables

Extant scholarship suggests that the demographic and socio-economic characteristics of voters influence how they respond to politicians' resource distribution strategies. For instance past research has found that men and poor voters are more likely to respond favorably to clientelism (Magaloni, 2008; Wantchekon, 2003), while rich voters are more likely respond negatively to clientelism (Weitz-Shapiro, 2012). I therefore control for the following individual level characteristics: gender – female set as reference category; age;

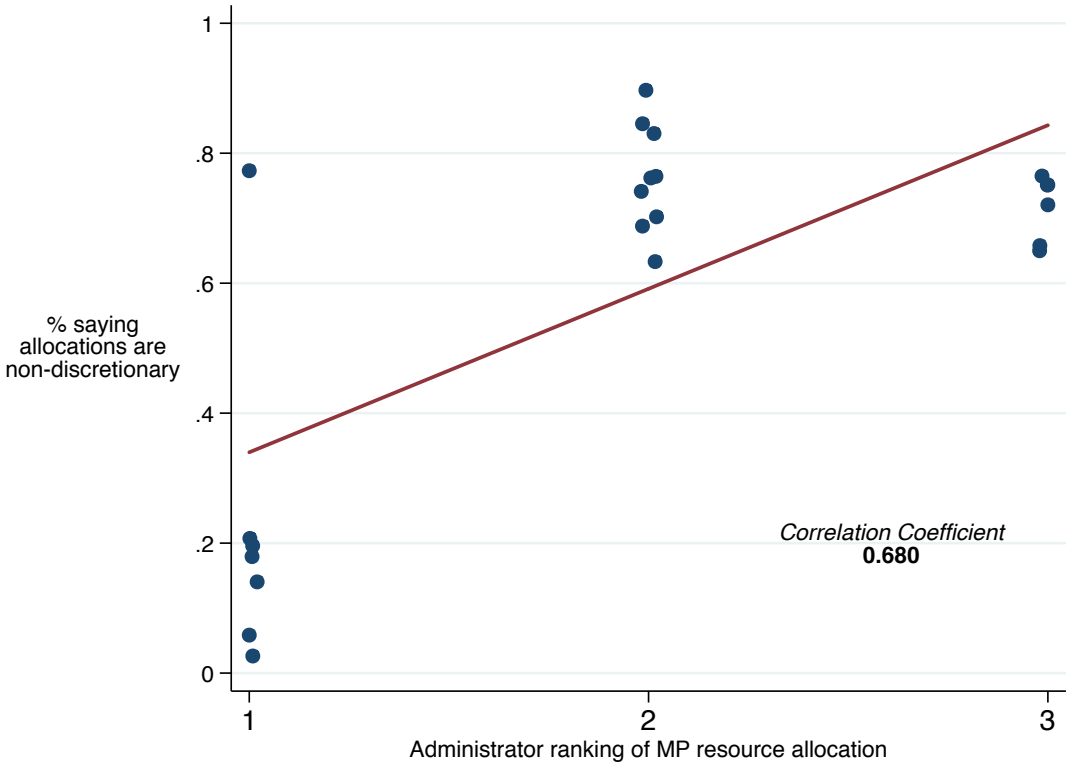
[17] These two categories were developed based on my earlier interviews with some MPs and visits to 13 districts prior to the actual survey. I talked to MPs about the strategies they use to distribute their Common Fund resources and also interviewed the administrative heads of local government in the 13 districts about the MPs' Common Fund allocations. In nearly all cases, either the MP takes full responsibility for allocating benefits or there is a committee in place and prospective beneficiaries must meet some indicators of need to access benefit.

education, which ranges from 0, representing no formal education, to 6 representing post-graduate education; employment status, a dummy variable indicating whether respondent is employed or not. Other control variables are whether respondent has contacted the MP in the last twelve months; whether respondent knows the MP by name; and respondents' access to electricity, which takes values from 1, representing very low, through 5, very high. Power supply is one of the major development projects that MPs undertake in their districts and it is one of the most visible to voters.

4.3 Non-discretionary Distributive Strategies and Voter Responsiveness

I have argued in Chapter 2 that non-discretionary distributive strategies enable incumbent politicians to extend benefits to, and enhance their electoral support among swing voters. In this chapter I investigate whether swing voters reward incumbents whom voters perceive as favoring non-discretionary distributive strategies, and how these strategies impact the electoral behavior of incumbent loyal voters. Before turning the regression analysis, I first examine how respondents' beliefs about MPs' Common Fund allocation strategies compare with what the local government administrators reported. To do this I pool all the responses at the district level and compare the proportion of respondents in each district who report that the MP Common Fund allocations are non-discretionary to the rankings generated from the reports obtained from the local government administrators. Figure 4.1 shows a scatterplot of the two variables.

Figure 4.1: **Respondents' and Local Government Administrators' Ranking of MP Common Fund Allocation Strategies**



There is a pretty high association between the ranking based on the reports obtained from the officials involved in the disbursement of the MP Common Fund and the reported experiences of ordinary voters. However, it is clear that though voters are able to clearly distinguish largely discretionary allocations, they are less able to do so with respect to partly non-discretionary and largely non-discretionary allocations. The first distinction is the most relevant for the analysis this chapter since voters were asked whether they think the allocations were discretionary or non-discretionary. For voters, what I coded separately as partly non-discretionary and largely non-discretionary are both non-

discretionary. This moderately high correlation gives us some confidence that the views expressed by ordinary voters regarding the MPs' resource allocation strategies are not just their imaginations. As noted earlier, MPs' tend to fund highly visible projects and the patterns of allocations are often common knowledge.

4.4 Results

To test the predictions about voter responsiveness to politicians' resource distribution strategies, I estimate a simple logistic regression model with respondents' future voting intentions as the dependent variable. My argument suggests that non-discretionary distributive strategies are effective in winning votes for incumbent politicians among swing voters; and that these strategies reduce the risk of defection among incumbent loyal voters. I therefore include in this model, interactions between respondents' party affiliation and the main independent variable, which is respondents' beliefs about the strategies that MPs' use in allocating Common Fund benefits to their constituents. Table 4.1 presents the results of three different specifications of the model. In all models, I cluster the standard errors at the polling station level. The first specification in column 1 does not include the interaction terms; and the specification in column 3 includes district fixed effects.

The results show that in general, non-discretionary distributive strategies are effective in winning votes for politicians. Across all 3 models, after accounting for a number of relevant covariates as well as districts fixed effects, this result holds up. Non-discretionary distributive strategies increase the likelihood that voters would support the incumbent MP. In other word respondents who believe that their MP favors non-

discretionary distributive strategies are more likely to vote for him/her. When we introduce respondents' party affiliation, we also find, as expected, that compared to the main opposition voters, incumbent loyal voters and weakly opposed voters – swing voters and also voters affiliated with the smaller opposition parties – are more likely to vote for the incumbent MP.

When we introduce the interaction between respondents' evaluations of MPs' resource distribution strategies and their party affiliation, the direct effect of being a swing voter disappears; and instead, the coefficient on the interaction with swing voter is positive and statistically significant. In other words the likelihood (log odds) of voting for the incumbent MP is significantly higher among swing voters who believe that the MP favors non-discretionary forms of resource allocation. This result is robust to the inclusion of district fixed effects. The results show that in general, non-discretionary distributive strategies are effective in winning votes for incumbents, notably among swing voters and loyal voters of the incumbent candidate. In the next section, I present the marginal probabilities of voting for the incumbents. The predicted probabilities are more helpful for making judgments about substantive effects.

Table 4.1: **The Impact of MPs' Resource Distribution Strategies on Voting Behavior.**

The dependent variable is a dummy variable indicating whether respondents' would vote for incumbent MP (=1) or not (=0).

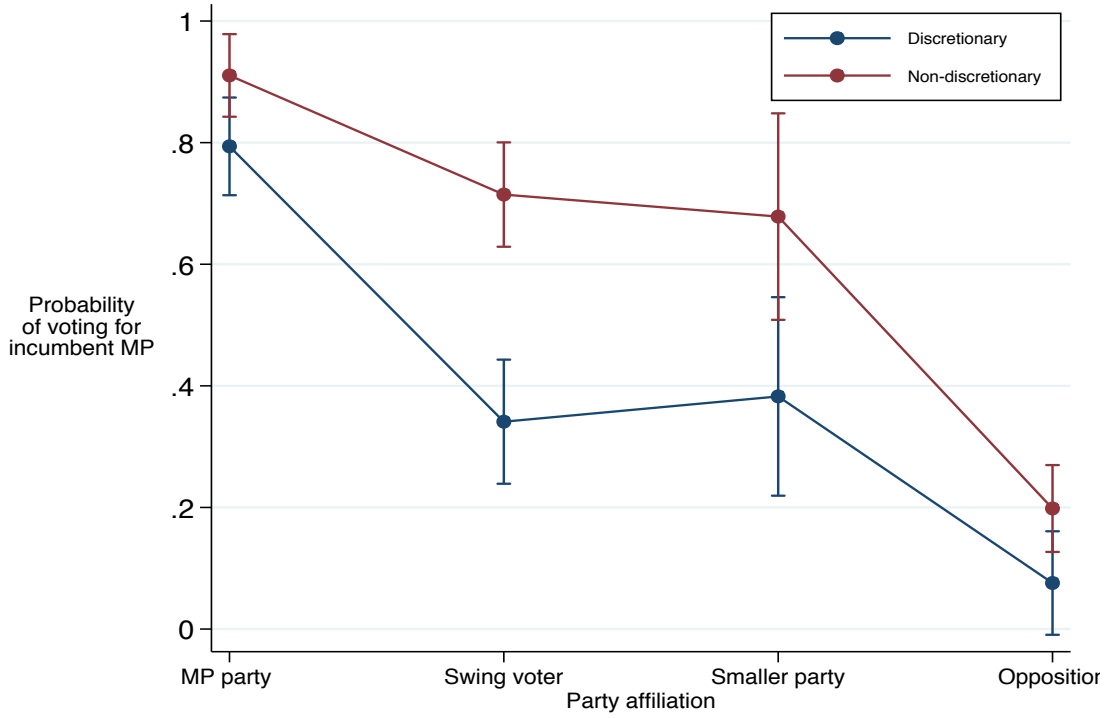
	(1)	(2)	(3)
Non-discretion	2.506***	1.099***	0.963**
	(0.302)	(0.349)	(0.393)
Incumbent MP loyal voter	4.803***	3.536***	3.958***
	(0.348)	(0.387)	(0.406)
No party affiliation (Swing voter)	2.116***	0.382	1.485***
	(0.304)	(0.447)	(0.481)
Minor party voter	2.284***	1.256**	1.617**
	(0.499)	(0.631)	(0.745)
Non-discretion*Incumbent loyal voter		1.848***	1.835***
		(0.662)	(0.702)
Non-discretion*Swing voter		2.310***	1.906***
		(0.545)	(0.646)
Non-discretion*Minor party voter		1.068	0.759
		(0.866)	(0.978)
Education	-0.003	0.022	0.045
	(0.078)	(0.078)	(0.087)
Age	-0.016	-0.010	-0.005
	(0.105)	(0.110)	(0.110)
Male	0.062	0.027	0.079
	(0.198)	(0.205)	(0.227)
Contact MP	-0.238	-0.279	0.033
	(0.224)	(0.231)	(0.242)
Know MP by name	-0.166	-0.235	-0.527**
	(0.216)	(0.226)	(0.261)
Fulltime employee	0.187	0.173	0.047
	(0.211)	(0.221)	(0.230)
Access to electricity	0.240**	0.232**	0.250**
	(0.097)	(0.098)	(0.101)
Constant	-4.025***	-2.774***	-2.459***
	(0.459)	(0.432)	(0.565)
District fixed effects	NO	NO	YES
Observations	961	961	961

Robust standard errors in parentheses
*** p<0.01, ** p<0.05, * p<0.1

4.5 Predicted Probabilities

To provide substantive interpretation of these results, I compute the marginal probability of voting for the incumbent MP given respondents' beliefs about the MPs' Common Fund allocation (whether they believe the MP favors non-discretionary distributive strategies or not) and their party affiliation. The results are presented in Figure 4.2.

Figure 4.2: **Probability of Voting for Incumbent MP by Respondents' Party Affiliation**



The results show that in general, the probability of voting for the incumbent Member of Parliament is higher among voters who think the MP favors non-discretionary distributive strategies. But this effect is strongest among swing voters. Swing voters who believe the MP favors non-discretionary distributive strategies have, on average, nearly

37 percent higher probability of voting for the incumbent MP than those who think otherwise.[18]

Among the loyal voters of the incumbent MP, those who think allocations of the Common Fund are non-discretionary have, on average, nearly 10 percent higher probability of voting for the incumbent MP than those who think otherwise. The effect is however not significantly different between the two groups of loyal voters. This result is consistent with the prediction that non-discretionary distributive strategies should minimize the risk of alienating incumbent loyal voters.

The effect of non-discretionary distributive strategies is also quite large among voters affiliated with the minor parties. Supporters of smaller parties who think the incumbent MP favors non-discretionary distributive strategies have close to 25 percent higher probability of voting for the incumbent MP than those who hold the alternate view. However, the effect is not statistically distinguishable between the two groups of minor party voters. For the main opposition party supporters, MPs' resource allocation strategies have little impact on their probability of voting for the incumbent MP.

4.6 Conclusion

This chapter tests one of the main theoretical predictions of my theory of non-discretionary distributive politics in Africa. I have argued that in order to understand why politicians would reduce or eliminate their discretion and set up or allow existing

[18] Here, I did not account for whether respondents' benefited directly from the MP Common Fund so this might be overestimating the difference in their likelihood to vote for the incumbent. But I had a question about whether the MP has helped respondents' community. There is no association between this variable and respondents' evaluations of the MPs resource distribution strategies.

nondiscretionary rules to govern the allocation of benefits to voters, it is necessary to understand how voters actually respond to their electoral mobilization strategies. I suggest that non-discretionary distributive strategies are effective in winning votes for incumbent politicians, especially among swing voters and their loyal voters. The empirical results are consistent with the predictions of this argument. Incumbent MPs who favor non-discretionary distributive strategies are more likely to maximize their electoral support among swing voters and also among their own loyal voters.

I have demonstrated in the two empirical chapters of this dissertation that politicians' choice of resource distribution strategies is influenced by the partisan characteristics of voters. This is particularly so in Africa where access to state resources influences electoral behavior and the loyalty of voters to parties is partly a function of their access to benefits. In places where swing voters are the source of political competition, politicians are significantly more likely to favor non-discretionary distributive strategies. On the other hand, voters, notably swing voters, are also more likely to reward incumbents who favor non-discretionary distributive strategies. In the concluding chapter of this project, I present and discuss some of the broader theoretical and normative implications of these results.

CHAPTER 5

Conclusion

Direct, non-discretionary public transfers to citizens are increasing popular in the developing world. These transfers have largely been viewed within the donor and development communities as one of the most effective strategies for reducing poverty. Many impact evaluation studies show that direct cash transfers are effective in reducing poverty among vulnerable groups (Barrientos and DeJong, 2006; Devereux and Pelham, 2005). They have also been found to have wider positive economic impacts within beneficiary households and communities (Davies and Davey, 2008). Some scholars have argued that direct cash transfers to citizens could mitigate the corrosive effects of natural resource wealth on governance in new democracies (Moss, 2011).

There is evidence of growing political support for non-discretionary public transfers to citizens. In India for instance, Stokes et al. (2013) note that political support for unmediated distribution of public resources has been strongly supported by national leaders. This project has been motivated largely by normative expectations about the impact of non-discretionary distribution of public resources on poverty and vulnerability. But these normative expectations raise important questions for which extant models of distributive politics do not provide adequate answers. What explains the emergence of these new patterns of public resource distribution in the developing world? Why are politicians willing to relinquish discretionary control over the distribution of valued benefits to voters? Do non-discretionary distributive strategies help the reelection

chances of incumbents? This project sheds light on these questions and thus enhances our understanding of the sources of non-discretionary distributive politics.

5.1 Non-discretionary Distributive Politics in Ghana

In political settings where access to state resources influences partisan loyalties and the electoral behavior of voters, the strategies that politicians use to allocate public resources to voters can impact their electoral support. While conducting fieldwork in Ghana for this project, it was obvious from my interaction with voters that public benefits play a significant role in shaping voting behavior. Moreover, even though the electoral behavior of loyal voters is on average more stable than that of swing or weakly opposed voters, they can sometimes be swayed by public benefits. Politicians therefore risk alienating some of their loyal voters if they exclude some of them in the distribution of benefits. Contrary to what standard models of distributive politics would suggest, I observed that in politically competitive districts, incumbent politicians were more likely to give up discretion over the distribution of resources than those in uncompetitive districts.

I understood that they did so for two reasons: to circumvent their loyal voters in a relatively less offensive manner and also appeal to swing or weakly opposed voters with benefits. The results presented in the empirical chapters tests the implications of the argument I advance in this project. In Chapter 3, I test the implications of my argument with audit data collected in Ghana. The results show that the president-controlled local government bureaucracies in swing districts are more likely to comply with the existing non-discretionary budget allocation rules. Compliance with budget allocations rules is

much stronger in those districts where the size of the margins of swing is large. In Chapter 4, I test the implications of the theory on the electoral behavior of voters. I show that swing voters are more likely to vote for incumbent Members of Parliament who are perceived to favor non-discretionary forms of resource allocation. When voters, swing voters in particular, believe that allocations of the MP Common Fund are less discretionary, they are more likely to vote him. Moreover, the likelihood that an incumbent MPs' loyal voter would vote for him is much higher for those MPs who are believed to favor non-discretionary distributive strategies. Thus non-discretionary distribution of resources tend to maximize electoral support for incumbent politicians among swing voters and also among their loyal voters.

Before turning to the implications of these results, it is worth demonstrating briefly that the argument I make in this project is a more general issue of distributive politics. In the following section, I present anecdotes from settings outside Ghana that are consistent with the predictions of my argument.

5.2 Anecdotes and Observations from Outside of Ghana

In this section, I present some anecdotes and observations from two other countries - Kenya and Brazil – that suggest the plausibility of the argument in settings outside of Ghana. For Kenya, I present some anecdotes and observation on the Constituency Development Funds (CDFs); and for Brazil, I draw on existing empirical evidence on the effects of *Bolsa Familia*, one of the largest non-discretionary cash transfer programs in

the world. In both cases, the patterns are consistent with the predictions of the argument presented in this project.

5.3 Seeking Non-discretionary Distributive Strategies: CDFs in Kenya

The CDF program in Kenya is the largest and most well established in Africa. Observations on the approach of Kenyan MPs to the management and allocation of these resources to their constituents seem consistent with the argument I advance in this dissertation. MPs who face strong political competition in their districts seem more willing to embrace institutions and structures that limit their discretionary power and influence over the management and distribution of CDF benefits to their constituents.

The CDF program was introduced in Kenya in 2003 by an Act of parliament. This Act has since been amended twice, in 2007 and in 2013. Prior to the second amendment in 2013, MPs had broad control over the management and allocation of CDF benefits, including handpicking members of the constituency CDF committees. However, the second amendment in 2013 significantly reduced their influence. Though this amendment was passed in parliament, it is only recently, after the law came into effect, that some MPs realized that their power had been completely curtailed by the new law.

The new law has since provoked a media debate among MPs. The *Standard* newspaper of April 19, 2013 reports that the MP for Bomet East Constituency, James Bett, and his counterpart from Nandi Hills constituency, Alfred Keter expressed strong dissatisfaction with the new law.[19] The paper quotes James Bett as saying that "*Voters*

[19] https://www.standardmedia.co.ke/?articleID=2000081836&story_title=members-vow-to-review-law-regain-control-of-cdf-kitty&pageNo=1

across the country are holding MPs accountable for the development projects in their constituencies and that includes the management of CDF. Any attempts to take it away from the constituencies will be resisted." Two other MPs – MP for Nyatike constituency, Omondi Anyanga, and MP for Kuresoi North constituency, Moses Cheboi – also expressed support for amending the CDF law. Meanwhile the MP for Mathioya constituency, Clement Wambugu holds the opposite view. The *Talk Africa* newspaper reports that "*Mathioya MP, Clement Wambugu advised his colleagues to keep their hands off the fund saying that the way it is crafted, it will work well for them*."[20]

Among the few MPs who have weighed strongly into the media debate, those who spoke in favor amending the CDF law to restore MPs power and influence largely won the 2013 national assembly elections by comfortable margins (at least 10 percentage points). The most outspoken MP, James Bett of Bomet constituency won the elections by a margin of 82 percentage points. Alfred Keter, the other leading advocate against the new CDF law also won by a margin of 33 percentage points. The only MP who publicly expressed support for the new law, Clement Wambugu, won by a very narrow margin (only about 1 percent): he obtained 49 percent of the popular vote while his closest contender obtained 48 percent. In fact only 461 votes separated the two candidates in this constituency.[21]

The views of these MPs regarding the CDF law are consistent with anecdotal evidence I gathered in my interaction with some Kenya scholars and a retired Kenyan

[20] http://talkafrika.com/2013/05/mps-vow-to-change-cdf-law-to-give-themselves-more-clout/
[21] The data are from the Independent Electoral and Boundaries Commission of Kenya: *www.iebc.or.ke/index.php/resources/downloads*

politician.[22] Prior to the introduction of the CDFs in 2003, I am told that whenever MPs were faced with demands from their constituents that they could not meet, they would simply shift the blame to the president, claiming it is the president who is not responsive to their requests for development projects. Thus the presidency served as a convenient scapegoat for MPs. After 2003, when the CDFs were in place, it was no longer easy for MPs to shift blame. From this point, it appears that for some MPs, having direct control over the CDF allocations was hurting rather than helping their electoral support. Over time, some MPs increasingly relinquished control over the allocations to the constituency CDF committees who are by law, mandated to follow specific guidelines in vetting and approving projects for funding.

In 2007, the CDF Act was amended, partially reducing the influence of MPs; but they still had a high degree of control over the allocations. But in 2013, a second amendment almost completely eliminated the role of MPs in the management and distribution of the CDFs. While some of the MPs seem satisfied with the new law (as reported in recent media publications), others have clearly been unhappy. The preliminary evidence seems to suggest that MPs in politically competitive constituencies have favorable views regarding the new law, which limits the power and influence of MPs.

[22] I presented versions of my research at the 2013 APSA meeting in Chicago and also to audience at the Africa Region of the World Bank. A Kenya scholar who has worked with MPs in Kenya for many years mentioned the problems that some MPs face with the CDF distribution and how they were no longer able to easily shift blame to the executive. A retired Kenyan politician was also in the audience at the World Bank and he reiterated this fact.

5.4 Voter Responsiveness: *Bolsa Familia* in Brazil

Do voters respond favorably to non-discretionary allocation of benefits? Existing evidence on the effects of Brazil's cash transfer program, *Bolsa Familia*, on voting behavior seem to suggest that they do. By setting up and letting specific, publicly-known rules shape the actual allocation of resources to voters, incumbents can extend benefits to voters outside their core – voters who may not have had access to benefits if they had been concentrated among the ruling party's initial supporters – potentially broadening their electoral support among those voters. The evidence suggests that *Bolsa Familia* increased the vote for the incumbent president in Brazil during the 2006 elections. Zucco (2013) shows that in 2006, President Lula and the PT party in Brazil drew large electoral support from the poorer regions of country for the first time largely because of *Bolsa Familia*. Zucco notes that until 2006, the PT party was all but absent from the most backward regions of the country, where the poorest are concentrated.

5.5 Implications

5.5.1 Loyal Voters and Distributive Politics

Standard models of distributive politics assume that politicians can take their loyal voters for granted in the distribution of benefits. Loyal or core voters cannot credibly threaten to defect from their party. These models, developed to explain patterns of resource distribution elsewhere, are based on the ideological predispositions of parties and voters. However, ideology is much less salient in many new democracies, notably those in

Africa. Instead, public resources play an important role in shaping partisan loyalties and the electoral behavior of voters. This project explains how the responsiveness of loyal voters of parties shapes the strategies that politicians use to allocate valued benefits to voters. In Ghana, it is common for unusually loyal voters of a party or candidate to defect to the opposition, especially when incumbents fail to deliver material benefits. This risk constrains the type of distributive strategies that incumbents can use to distribute resources to voters, especially when they are faced with tough political contests. I show, in the case of Ghana, that incumbents in swing electoral districts are more likely to favor non-discretionary distributive strategies. The prospects of increased electoral support from swing voters and the risk of offending and alienating some loyal voters forces politicians facing competitive elections to relinquish discretionary control over the allocation of benefits to voters. This project therefore demonstrates that non-discretionary distribution of benefits is often a strategic response to the potential electoral backlash from loyal voters of incumbent politicians.

5.5.2 Poverty and Clientelism

With the spread of multiparty elections in the developing world beginning in the early 1990s, many scholars have focused attention on questions about clientelism and patronage politics. Though clientelism is frequently associated with low political competition (Magaloni, Diaz-Cayeros, and Estevez, 2007; Medina 2002), some scholars have highlighted its usefulness in competitive electoral politics (van de Walle, 2007). With poverty still widespread in most of rural Africa, clientelism should be an attractive

vote-buying tool for politicians (Diaz-Cayeros, Estevez, and Magaloni, 2012; Wantchekon, 2003). However, the rising popularity of direct, unmediated public transfers to the poor in some developing countries is inconsistent with this prediction. The theory presented in this project explains why politicians would willingly relinquish discretion over the distribution of private, excludable benefits to the poor.

One implication of this result is that if political competition grows, support for programmatic or non-discretionary distribution of public resources is likely to grow, especially in places where there are large numbers of unaffiliated voters. Support for non-discretionary distribution of public resources might be reinforced as politicians learn about their effectiveness in winning votes. In fact recent trends in the developing world regarding direct public transfers to citizens suggest that political support for these programs is growing. For instance the May 3, 2014 edition of the Economist newspaper reports that "Brazil's president, sharply increased welfare payments under the country's *Bolsa Familia*, anti poverty programme as polls showed her approval rating dipping ahead of October's presidential election" (p7).

5.5.3 Policy Consideration

The results of many impact evaluation studies suggest that targeted, non-discretionary distribution of public resources are effective in reducing poverty and vulnerable. The results of this study also show that non-discretionary distributive strategies are effective in winning electoral support for politicians credited with favoring those strategies. The development community has, for the past four or more decades channeled large amounts

of resources into poverty reduction initiatives in the developing world. Many of these initiatives have failed to generate the expected impact, sometimes because the incentives of politicians are not properly aligned with those initiatives. Direct cash transfers might address this challenge. Increasingly, politicians are learning that these programs are effective electoral mobilization tools. For donors interested in poverty reduction, direct cash transfer programs may be more attractive and thus easier to sell to politicians. Providing evidence of the effectiveness of these programs in winning electoral support for politicians would properly align their incentives and potentially enhance the adoption of these programs by governments.

5.5.4 Future Direction

Although direct public transfers to citizens have increased tremendously in the last twenty years, some governments in the developing world have resisted their introduction. The suggestion by some scholars that direct cash transfers to citizens could reduce the corrosive effects of natural resource wealth on governance in new democracies has also received very little attention, especially from governments in those countries that have recently discovered oil. A cross-country analysis of the implementation of direct cash transfer programs and the volume of such transfers would be helpful in further enhancing our understanding of the sources of non-discretionary distributive politics in the developing world. This might also help us learn about the status of clientelism in those countries: is clientelism declining in those countries that have implemented large-scale targeted public transfers to citizens?

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