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Political Machines and Networks of Brokers:

The Case of the Argentine Peronist Party

By

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Abstract

Political Machines and Networks of Brokers:

The Case of the Argentine Peronist Party

by

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Doctor of Philosophy in Political Science

University of California, Berkeley

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Machine parties have been an important focus in political science during the past decade. The Argentine Partido Justicialista (the Peronist Party, or PJ) is a well-known case of an electorally successful party machine, and scholars have repeatedly noted the salience of brokers (called *punteros* in Argentina) for the PJ political strategy and its political hegemony. However, key political dynamics that make brokers in efficient political agents and the PJ a successful party machine remained unexplained. This study shows how party machines and their brokers operate by studying the case of the Peronist Party.

Peronism has recently achieved a remarkable consolidation of power through control of electoral districts by networks of municipal mayors and brokers. This has been accomplished especially in the *Conurbano Bonaerense* (CB), i.e., the 33 municipalities surrounding the city of Buenos Aires. Since the 1983 re-democratization up to 2010, the PJ has won 168 out of 212 (a remarkable 80 percent) mayoral elections in the CB.

Since 1990, two factors have increased the salience of mayors and the pyramidal structure of brokers they command. On the demand side, the poor population in the CB continued to expand, and with it the demand for clientelistic rewards. On the supply side, consolidation of the PJ's hegemonic position was accompanied by a sharp increase of competition *within* the party, with complex competition among national political candidates, mayors, and brokers to gain the support of the poor.

This study focuses on the brokers and the chain of relationships and strategies involved in a political machine. I analyze, with the help of three formal models, two resources—information and reputation—that influence how brokers practice clientelism, and particularly vote-buying. Given that vote-buying inherently involves uncertainty about voters' political behavior, these two resources become especially important for brokers. The insights from the model are complemented by information gleaned from 170 in-depth interviews I personally conducted with brokers and politicians, including 3 former governors of Buenos Aires, 5 mayors from the CB, 12 municipal directors and secretaries, 22 city council members, and 120 brokers.

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The first three chapters present the qualitative analysis. Chapter 1 examines the historical trajectory of this party. Chapter 2 examines differences across CB municipalities on three dimensions: (a) the level of the PJ's electoral success and (b) the degree of intra-Peronist competition, which in turn are crucial in influencing (c) in the level of clientelism. Chapter 3 explores the full portfolio of brokers' strategies—both clientelistic and non-clientelistic.

Chapter 4 to Chapter 6 present formal models of information and reputation. Chapter 4 offers a probabilistic vote-buying model that captures how clientelistic parties allocate resources, according to their informational advantage, when they are uncertain about how their clients will actually cast their votes. This formal model helps show why clientelistic parties win elections with higher probabilities than their counterparts and accounts for why clientelistic parties often target their own constituencies, rather than attempting to win over swing voters. Chapter 5 and 6 develop reputational models showing the importance for PJ brokers of building reputations for accessing and delivering resources, as clients remain loyal to brokers with reputations for delivering. The reputational models capture how history matters for clientelistic deals; it affects voters' expected payoff.

Overall, this study provides new insight for explaining the salience of the networks of brokers for electoral competition in Argentina—where the Peronist party has enjoyed a persistent advantage—as well providing new leverage in understanding other cases of established machine parties.

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Acknowledgments

Glossary

Agrupación
Groups of PJ officials and activists that share common views on the party and come together to compete for power spaces in the party and the government. Brokers commonly belong to an Agrupación.

Alianza (para el Trabajo, la Justicia y la Educacion - Alliance for Work, Justice and Education)
A coalition of the Radical Party, Frente por un País Solidario (FrePaSo – Front for a Country in Solidarity), and small local parties, built in 1997, as a center-left alternative to Carlos Menem. Fernando de la Rúa (UCR) was elected president in 1999 running as candidate for the Alianza.

Colectoras (Listas Colectoras)
Electoral innovation implemented in the ballots in 2007 by Kirchner. This system, which was installed despite the general complaint from the opposition about its unconstitutionality, allows a candidate to run for office by heading several ballots with different candidates for lower positions. These candidates at lower positions run directly for general elections avoiding primaries. For example, in Malvinas Argentinas, a voter that went into the poll station will find ballots with Cristina Kichner for president and with Cariglino for mayor and ballots with Crsitina Kichner for president and Vivona for mayor. They are called *colectoras* (adding together in Spanish) because the candidate at the upper level adds together the votes received by different candidates at lower levels. In the example before, Cristina Kirchner received the votes of those who voted for Cariglino and of those who voted for Vivona.

Conurbano Bonaerense (CB)
The CB is composed of 30 predominantly poor municipalities surrounding the capital city of Buenos Aires. In this study I use the term CB to refer to these 30 municipalities in addition to the three municipalities of the Greater La Plata (La Plata, Berisso y Ensenada) as they form one continuous urban area.

Duhaldist
Term used to refer to a supporter of Eduardo Duhalde, Governor of Buenos Aires Province (1991-1999) and president of Argentina (2002-2003).

Frente para la Victoria (Front for Victory – FPV)
An alliance of a faction of Peronist, Duhaldist, and left-wing parties formed to defeat Carlos Menem in the 2003 presidential election. After accessing the presidency in 2003, the FPV candidate, Néstor Kirchner, broke his alliance with Duhalde and the FPV turned into a center-left Peronist party identified with Kirchnerism. Both, former President Néstor Kirchner (2003-2007) and current President Cristina Fernández de Kirchner (2007-present) belong to this party that is to a large extend a center-left faction of the Peronist Party.

Kirchnerist
Term used to refer to a supporter of Néstor Kirchner, president of Argentina from 2003 to 2007, and of his wife Cristina Fernández de Kirchner, president since 2007. Although, most of the

Kirchnerist are Peronist, many Kirchnerists are not Peronists as, for example, the group of Radical politicians called Radicales-K.

Municipalidad (Municipality)
It is an urban administrative and political division with powers of self-government. Each municipality has an elected mayor and legislative council.

Partido Justicialista (Peronist Party – PJ)
Argentine Party founded in 1947 by Juan Domingo Perón. It superseded the Labor Party on which Peron had been elected a year earlier. It is the largest Argentine Party in terms of affiliates and it has had the support of working and lower classes. The current Argentine president, Cristina Fernández de Kirchner, as well as former presidents Carlos Menem, Eduardo Duhalde, and Néstor Kirchner are members.

Partido Radical (Unión Cívica Radical – Radical Party – UCR)
The Radical Party is the oldest political party active in Argentina. Founded in opposition to the Conservative Party in 1891, its political platform is aligned with social democratic ideas. Generally a party with links to the middle classes, it has been the main source of party opposition to the PJ. Since democratization in 1983, two Radical candidates were elected president defeating Peronist candidates: Alfonsín in 1983, and de la Rúa, with the Alianza, in 1999.

Plan Jefes y Jefas de Hogar Desocupados (Unemployed Male and Female Heads of Households Plan – PJJH)
Workfare program implemented in 2002 by the Ministry of Labor under the Presidency of Duhalde to face the harsh social situation. The plan distributed a monthly income of U.S. $35 to each beneficiary and had more than 2.2 million beneficiaries by 2003.

Programa de Ingreso Social con Trabajo, Argentina Trabaja (Program of Social Income with Job, Argentina at Work – PSIJ)
Workfare program launched by Néstor Kirchner's sister and Minister of Social Development, Alicia Kirchner, in 2009. Beneficiaries of the PSIJ receive an income of U.S. $300 per month in exchange for working 40 hours a week in cooperatives of 60 members that do mainly community works.

Punteros (Brokers)
Brokers are party representatives who serve as middlemen at the local level; they receive state resources from politicians in office and distribute them to voters (typically poor ones) in order to generate political support.

Unidad Básica (Basic Units – UB)
PJ's neighborhood-level branches operated by activists or brokers where traditionally the party affiliates gather together, discuss party issues, and plan activities.

Chapter 1

Introduction: Peronism, Brokers, and Territorial Power

The Argentine Labor Party emerged in the 1940s when the charismatic Colonel Juan Domingo Perón built a coalition of industrial workers and local provincial bosses. After winning the 1946 presidential election, it immediately became clear that Perón was more interested in consolidating a populist movement that appealed to the lower classes and industrial workers, than in founding an institutionalized Labor Party. Perón dissolved the Labor Party immediately after assuming the presidency and formed the Partido Justicialista (Peronist Party, hereafter PJ), which was more a movement under his direct control than an autonomous and institutionalized party. Perón's direct bond with the masses, and the rights he granted to them, made it hard for any party leader to challenge his power. However, diverse groups always existed under Perón's leadership.

From 1946 until Perón's death in 1974, the PJ won every election in which it was allowed to run with the support of workers and the lower classes. In 1955 a military coup, supported by sectors of the middle and upper classes, ended Perón's second presidency and he fled the country. After the coup the PJ did not work as a party, but as a conglomeration of different groups without any central leadership. While some Peronist subgroups survived in the unions, others formed paramilitary cadres. Because Perón was then in exile and unable to control the actions of the different Peronist groups, his orders were often disobeyed.

Perón was able to return to Argentina and won election to his third presidency in 1973. After his death in 1974, and a two-year term led by his second wife María Estela Martínez de Perón, the military came to power in another coup. From 1976 to 1983, under a harsh military dictatorship, the PJ again divided itself into different groups without a central leadership. Left-wing paramilitary groups—such as Montoneros—fought against the military and suffered numerous losses, and many right-wing cadres—such as many members of the Guardia de Hierro (Iron Guard)—remained working inside the unions. Interestingly enough, while the party branches at the local level were closed by the military, at the neighborhood level many local PJ leaders and activists continued working through social organizations such as soccer clubs, neighborhood associations, and churches. This gave the PJ a network of local activists when democracy returned in 1983. The survival of the network through years of proscription and repression was critical to the PJ's record of electoral success from 1983 to the present (Levitsky 2003, 29).

Despite suffering its first electoral defeat in the 1983 presidential election, the PJ revealed an efficient network of leaders and activists at the local level. Whereas the Radical[1] candidate Raúl Alfonsín became president, the PJ controlled the Senate and a majority of the provincial governments. The Radicals won seven provincial governorships, while the Peronists won twelve. The PJ also controlled more than one-half the municipalities of the Conurbano Bonaerense (CB). The CB was composed, in 1983, of 24 predominantly poor municipalities surrounding the capital

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[1] The Unión Cívica Radical (Radical Party, or UCR) is the oldest political party active in Argentina. Founded in opposition to the Conservative Party in 1891, its political platform is aligned with social democratic ideas. Generally a party with links to the middle classes, it has been the main source of party opposition to the PJ. It has won the two presidential elections since democratization in 1983 in which the PJ was defeated: Alfonsín was elected President in 1983, and de la Rúa won in 1999.

city of Buenos Aires. These positions gave the PJ control over fiscal resources even though it did not control the presidency.

The importance of PJ mayors and the network of local activists became clear in 1984, when Radical President Alfonsín was unable to implement the "Cajas PAN" (Plan Alimentario Nacional), a national food program[2], without their intermediation. The Radicals did not have the same network among the poor that the PJ had, and to a great extent food was distributed through Peronist *punteros* (PJ brokers). Brokers are party representatives who serve as middlemen; they receive state resources from politicians in office and distribute them to voters (typically poor ones) in order to generate political support.

The presidential defeat in 1983 brought an institutional crisis to the PJ. In 1984 a group that had sought to reform the party emerged under the leadership of Antonio Cafiero, Carlos Grosso, and Carlos Menem. Soon this group—called the Renovators—was able to capture the party leadership, displacing old-guard leaders such as Vicente Saadi and Herminio Iglesias. The Renovators sought to broaden the party's base of support by relaxing its ties to unions and building territorial power (Novaro 1999, 92; Torre 1999, 48).

Amidst a hyperinflation crisis, Alfonsín called an early presidential election in June 1989. The Peronist candidate Carlos Menem won easily. If the Renovators' push moved the leadership of the PJ beyond the unions and broadened its electoral appeal to middle-class voters, Menem's programmatic shift to the Right left the unions at the margin of the party. The networks of brokers replaced unions as the PJ's primary link to the lower classes (Levitsky 2003, 107). With the Renovators and Menem's presidency, the PJ transformed itself from a party organized through unions to a party that was territorially organized (Abós 1986, 86). "Local *punteros* who had previously gone to the unions for resources now turned to PJ government officials. PJ office holders built alliances with these *punteros*, creating *agrupaciones*[3] whose principal bases were patronage, rather than unions" (Levitsky 2003, 109).

In the 1991 election for provincial governors and municipal mayors, the PJ gained control of the executive office of 15 out of 23 provinces; in the CB the Radicals were able to retain the executive position in only four municipalities, while the PJ won in 23 municipalities. The PJ's success in accessing executive offices at the national, provincial, and municipal levels between 1989 and 1991 gave the PJ the resources to consolidate territorial power through its network of brokers.

During the 1990s, while the Peronists gained a hegemonic position in the political arena that gave them control over state resources, poverty and unemployment grew in the most important electoral jurisdiction—the CB—creating a demand for clientelistic goods. Mayors and governors used resources to develop and consolidate networks of brokers to control their territories. At the local level, politics became increasingly commoditized and many activists became rented brokers.

The development and consolidation of the most powerful machine took place in the province of Buenos Aires, where Eduardo Duhalde was elected governor in 1991. Duhalde recognized early on the importance of building territorial power, so he left the vice-presidency to consolidate his power in the most populated province of Argentina. With control of the provincial legislature and most of the municipalities, as governor of Buenos Aires, Duhalde enjoyed enough resources to develop strong networks of brokers.

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[2] This program distributed food handouts to 1,200,000 families per month from 1984 until 1989.

[3] *Agrupaciones* are groups of PJ officials and activists that share common views on the party and come together to compete for power spaces in the party and in the government. Brokers commonly belong to an *Agrupación*.

Particularly relevant was that in order to accept the nomination to run for governor, Duhalde negotiated with Menem the creation of the CB's Historical Reparation Fund. Created by law in 1992, this fund allocated 10 percent of collected income taxes to public works and social assistance in the province of Buenos Aires. With the generous funding of the Historical Reparation Fund—which allocated U.S. $600 million per year—and with discretionary powers to allocate funds across municipalities, Duhalde retained the loyalty of most of the mayors. Duhalde appointed his wife (Hilda "Chiche" Duhalde) to direct social programs and he created the Life Plan, which in 1996 had 35,000 volunteers (*manzaneras*) who distributed food to one million poor people in the province. Hilda Duhalde handled an annual budget for social assistance that was close to U.S. $300 million, of which two-thirds came from the Historical Reparation Fund and one-third from loans from international lenders such as the Inter-American Development Bank.

The triumph of the clientelistic machine became manifest when businessman Alberto Pierri—an ally of Duhalde—became president of the Chamber of Representatives and the political strongman of La Matanza, electorally the most important municipality of Buenos Aires. Pierri entered the political arena by making a generous contribution to the Peronist campaign in exchange for a place on the list of legislative candidates. He used then both his own money and state funds to buy the brokers of the orthodox Peronist mayor of La Matanza, Federico Russo; build his own network; and in 1991 defeated Russo in La Matanza's mayoral election with his own candidate, Héctor Cozzi.

Since the 1990s there has been a consolidation of the template of power in which the fundamental aim is to control territory through a network of brokers. This territorially based power has proved effective in responding to the needs of an impoverished electorate with many unemployed and informal workers, especially in poor provinces and poor municipalities. Territorial organization through governors, mayors, and their networks of brokers has provided goods and services to poor people.

Based on the stabilization of the economy and in a pact with Radical leader Alfonsín, Menem was able to amend the constitution in 1994 to run for a second term. He was reelected in 1995. After this election Duhalde, who was reelected governor of Buenos Aires, maneuvered to become Menem's successor. As Menem tried to interpret the Constitution in a way that would allow him to run for a third term, Duhalde became his opponent—and, as Torre said, the Peronists "acted simultaneously as the incumbents and as opposition" (1999, 44). With political control over the CB, Duhalde was able to block Menem's ambition and become the PJ's presidential candidate in 1999.

Despite the PJ's clear territorial control over the important jurisdictions of the CB, the nation's increasing economic problems and the impact of continuing accusations of corruption against the PJ returned a Radical to the presidency in 1999. However, the PJ retained the governorship of the province of Buenos Aires and most of the municipalities of the CB. Duhalde maintained his influence in the CB and became one of the leaders of the opposition. Fernando de la Rúa's presidency, and the halt to the PJ hegemony that it signaled, did not last long. The breakdown of the Alianza (Alliance)—the coalition that brought him to power—and the looming financial crisis generated social unrest throughout the country. De la Rúa resigned in 2001, after only two years as president, and the Peronists appeared to be the sole alternative to chaos. After a succession of three Peronist presidents, each of whom was unable to last longer than a couple of weeks, the Congress appointed Eduardo Duhalde as president. He was the only individual who could control the networks and pacify the riots that were especially brutal in the CB.

President Duhalde liberalized the exchange rate and in 2002 launched the Plan Jefes y Jefas de Hogar Desocupados[4] (Unemployed Male and Female Heads of Households Plan, hereafter PJJH) to address the concerns of the unemployed and prevent social unrest. With more than 2.2 million beneficiaries by 2003, the plan distributed a monthly income of U.S. $35 to each beneficiary. Despite the fact that the PJJH was allocated through the municipalities, and therefore used in a clientelistic way, it helped alleviate the challenging circumstances of millions of people. After pacifying the country and controlling the economic crisis, Duhalde called a presidential election for April 2003. In an attempt to prevent Menem's return to power, Duhalde backed a series of candidates who did not gather enough popular support. Duhalde's last resource was to give his support to Néstor Kirchner, the governor of Santa Cruz, who assumed the presidency in May 2003. Since the PJ was divided and ran three candidates, Kirchner ran in 2003 as candidate for the Frente para la Victoria (hereafter FPV), an alliance of a faction of Peronist, Duhaldist, and left-wing parties whose main goal was to defeat Carlos Menem. While Kirchner lost in the first round, he won when Menem withdrew his candidacy to avoid a certain defeat by Kirchner in the runoff. Crucial to Menem's anticipated withdrawal were the results in the CB, where Kirchner triumphed over Menem by 10 percent due to the support of Duhalde's political machine.

Soon after assuming power, Kirchner—conscious of the CB's electoral importance—sought to control the area without being under the shadow of former President Duhalde. To erode Duhalde's power, Kirchner sent resources to CB mayors according to their willingness to distance themselves from Duhalde and show loyalty to him instead. When mayors were not willing to accept the new leader, resources were funneled to their challengers. The election of 2005, in which Kirchner's FPV candidates ran against Duhalde's PJ candidates, constituted a milestone in the shift of power in the CB. The FPV turned into a center-left Peronist party identified with Kirchnerism. The competition between Duhalde and Kirchner provided resources for clientelism and gave negotiation power to the mayors, since both leaders tried to court their support. Kirchner emerged victorious, especially in the CB, the home of Duhalde's machine. The FPV won 50 of the 127 elected representatives and 14 of the 24 elected senators, achieving majorities in both houses of Congress. Particularly relevant and symbolic was the landslide victory of Néstor Kirchner's wife, Cristina Fernández de Kirchner, over Hilda "Chiche" Duhalde for national senator from the province of Buenos Aires. In terms of national representatives for the province of Buenos Aires, the FPV won 18 seats while the PJ only won six.

Numerous scholars and journalists foresaw in this victory the end of the CB machine based on brokers and clientelism (Lenarduzzi 2010, 7). Many expected Kirchner to cut the state resources funneled to Duhalde's old territorial bosses and cement his power base in social movements and in the unions that returned to the political arena with economic growth. However, Kirchner decided to take over the machine rather than eliminate it. With the discretionary allocation of resources, he disciplined the CB mayors and, in the words of a PJ broker, "rode the beast instead of killing it." More than the end of the machine, the 2005 election marked the transfer of its ownership. If anything became clear to CB mayors in 2005, it was that Kirchner's command of the state resources would deliver victory to his candidates and that Duhalde's dominance of the CB machine was over. While the outcome of the competition between Kirchner and Duhalde was still undecided, mayors had more power to negotiate; and

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[4] Plan Jefes y Jefas de Hogar Desocupados was a workfare program implemented in 2002 by the Ministry of Labor under the Presidency of Duhalde.

once this competition was decided in favor of Kirchner in 2005, he consolidated most of this bargaining power.

The mayors who did not switch to Kirchner's camp before the 2005 election started to do so after the fact. When Juan José Mussi—the Duhaldist mayor of Berazategui— finally decided to support Kirchner in 2006, he made an interesting comparison signaling the end of Duhalde's power over the PJ political machine: "This is not like a soccer player changing teams, because there is a team that does not exist anymore. Duhalde is out of politics."[5]

After 2005 the Kirchners consolidated their power and mayors and governors competed over who was most loyal to them. In the 2007 presidential election, Cristina Fernández de Kirchner ran for office with little intraparty or interparty opposition. The Kirchners used their momentum to further consolidate their power, especially over the CB mayors, by introducing the *listas colectoras* system. This system allows a candidate to run for office heading several ballots with different candidates for lower positions. These candidates at lower positions run for general elections directly, avoiding primaries. Kirchner launched the colectoras as a way of adding together the votes of different groups with diverse interests in order to defeat challengers. The colectoras not only increased votes for Cristina Kirchner by allowing the coexistence of opposing groups in the incumbents' coalition, but they were also instrumental in preventing other candidates—who could have not run for mayor in the official coalition without colectoras—from moving to the challengers' camps. As long as candidates could run with Cristina Kirchner, the favored candidate in the presidential election, they stayed in her camp and added their share of votes. In 25 CB municipalities in 2007, different Peronist candidates competed for mayoral positions with colectoras headed by Cristina Kirchner as presidential candidate.

With the colectoras, the Kirchners were able to challenge those mayors who were not loyal enough and/or could not guarantee an electoral victory in their municipalities, without losing the votes that incumbent mayors always receive (Lenarduzzi 2010). While the colectoras allowed Cristina Kirchner to concentrate the votes of different sectors at the national level, they fragmented the Peronist electorate at the municipal level. This development further spurred the importance of brokers. Candidates heading colectoras lists sought to expand their networks of brokers to compete with their opponents and increase their chances of electoral success.

While in 2007 the Kirchners achieved a hegemonic position at the national level, at the municipal level the colectoras opened opportunities for local politicians seeking mayoral office. The latter often found financial support from higher-level allies to promote their political careers. Leaders with very different ideologies and backgrounds coexisted under Kirchner's orders and competed for spaces of power. Powerful ministers such as Anibal Fernández, Alicia Kirchner, José Pampuro, and Julio De Vido, union leaders such as Hugo and Pablo Moyano, and social movement leaders such as Luis D'Elia and Emilio Persico sought to develop territorial power by supporting different candidates at the municipal level. Mayors and local politicians found resources to enlarge their networks of brokers. When local politicians could not find enough support from the Kirchnerist camp, they sought it from their Peronist challengers. However, in 2007, given the Kirchners' hegemony, clientelism was spurred more by interparty competition inside the Kirchners' coalition than by inter-Peronist competition between Kirchnerist and anti-Kirchnerist groups.

In 2009 the Kirchners were again challenged by Peronist candidates in the CB. In fact, de Narváez and Solá defeated the Kirchners in the CB in the legislative election of 2009. The

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[5] "Mussi: 'No hay pases porque hay un club que ya no existe,'" *La Nación*, January 27, 2008.

emergence of a challenger to the Kirchners returned bargaining power to the mayors and clientelism found new sources of supply.

While the network of brokers became crucial for the PJ in the 1990s, its importance was spurred in the 2000s by intra-Peronist competition between Kirchnerists and anti-Kirchnerists, and from 2007 between different Kirchnerist groups and candidates. The electoral hegemony that the Kirchners sought in the face of Peronist challengers gave more relevance to brokers and their strategies. After the collapse of de la Rúa's presidency, the Radicals appeared to be weak candidates—especially in the CB, where the two Radical presidencies since redemocratization ended abruptly amidst social upheavals. The Peronists thus became the only game in town, and they competed among themselves for power.

Politicians trying to expand their power looked for the support of governors and CB mayors, since their territorial power was crucial for any national electoral project. However, to gain their support it was necessary to funnel resources to them, which they in turn allocated to their networks of brokers. Therefore the networks of brokers were fostered by competitions: first between Menem and Duhalde (1998); second between Menem and Duhalde and Duhalde's candidate Kirchner (2003); third between Duhalde and Kirchner (2005); fourth between the Kirchners and the Felipe Solá/Francisco De Narváez alliance; and finally, the present-day competition between Cristina Kirchner and her challengers Duhalde, De Narváez, Das Neves, and Rodríguez Saá. All of them needed a structure of territorial bosses and networks of brokers to sustain their electoral ambitions. In 2007, when the Kirchners sought to consolidate their hegemonic position, it was the competition inside their own coalition—expressed especially through the colectoras—that primarily fostered the networks of brokers.

In the past decade, the PJ has not presented a unified list for any presidential election, and intraparty competition has mainly characterized not only the party but also national politics. In 2003 three Peronist candidates directly competed for the presidency outside of a primary: Menem, Rodriguez Saá, and Kirchner (backed by Duhalde). Added together, the three Peronist candidates received around 60 percent of the votes. In the 2005 legislative election, Kirchner's candidates faced those of Duhalde. Again the Peronist vote constituted around 60 percent of the total vote. In 2007 Cristina Kirchner received 45 percent of the votes, Roberto Lavagna (who had the support of the Duhaldists) received 17 percent, and Rodriguez Saá received 8 percent. In the 2009 legislative election, the Kirchners faced the opposition of a center-right coalition led by Mauricio Macri, leader of the PRO party (Alianza Propuesta Republicana), and dissident Peronists such as former Governor of Buenos Aires Felipe Solá and Francisco de Narváez. Intra-Peronist competition has characterized general elections, and primaries inside the PJ have mainly disappeared up to 2011, when open and compulsory primaries took place. General elections actually resemble a PJ primary. This intra-Peronist competition multiplied the sources of financing for brokers—especially in the poor CB, the most important electoral region.

Since the early 1990s brokers have become increasingly important political actors in the CB and politics have become progressively more commoditized. This study is principally focused on this process. CB mayors and their challengers seek to develop networks of brokers (*punteros*) to politically control each poor neighborhood in their municipalities. Brokers in these neighborhoods work to cement poor constituents' loyalty to their bosses.

Methodology and Plan of this study

The focus of this study is on the role of the brokers in CB politics, as well as on their relationships with clients and politicians. While this study centers on the brokers, it aims to analyze the full chain of relationships involved in a political machine. I seek to understand not only the top-down relationship of brokers with clients, which has been the main focus of the existing literature, but also the top-down relationships between politicians and brokers and the bottom-up relationships between clients and brokers.

This study is primarily based on 170 in-depth interviews[6] that I conducted with brokers and politicians, including three former governors of Buenos Aires; five mayors from the CB; 12 municipal directors and secretaries; 22 city councilmen; and 120 brokers. My extended residence in poor areas of Buenos Aires gave me the contacts and time to personally meet and interview a large number of brokers, who are usually reluctant to be interviewed, as well as the politicians working in these areas. By personally interviewing 120 brokers for an average of two hours each, I was able to produce an ethnographic account of brokerage in the CB.

While I provide data over the 33 municipalities of the CB[7], the brokers whom I interviewed belonged to four municipalities: Malvinas Argentinas, Merlo, La Matanza, and San Miguel. These four municipalities present interesting variations for testing my hypothesis: La Matanza is the largest municipality of the CB, with an electorate of almost one million and high intra-Peronist competition; Merlo has very low political competition and has had the same Peronist mayor for five terms; San Miguel has very high political competition and has never reelected a mayor; and the Malvinas Argentinas municipality was only created in 1995 and has been governed since then by the same Peronist mayor.

Although I cannot claim that these four municipalities represent the entire CB in every respect, the findings were corroborated with information from the remaining municipalities. The most important dynamics of brokerage that I captured from these four municipalities are generalizable to how the networks of PJ brokers work throughout the CB.

This research is organized as follows. Chapter 2 focuses on CB mayors and their relationships with the national executive and with brokers. It examines differences across CB municipalities and their mayors on three dimensions: (a) the level of the PJ's electoral success and (b) the degree of intra-Peronist competition, which in turn are crucial in influencing (c) in the level of clientelism.

Chapter 3 describes brokers' multiple strategies and explains the particular dynamics that each of the strategies entails in terms of checking compliance, granting rewards, and meting out punishment. Scholars have paid attention to PJ brokers mainly as turnout or vote buyers (Brusco, Nazareno, and Stokes 2004; Calvo and Murillo 2007; Nichter 2008; Stokes 2005, 2007). While this study agrees with these scholars on the importance of clientelistic deals—especially vote-buying—for brokers and their bosses, it also shows that brokers perform many other strategies and roles that sustain the PJ's hegemony in the CB. For example, as political actors on the ground, brokers continue to invest a considerable amount of time and resources in campaigning

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[6] All interviews were conducted in accord with IRB protocol 2010-03-1079, and respondents' names and characteristics have been changed to preserve their anonymity.

[7] The question of which municipalities are considered part of the CB does not have a clearly agreed upon answer, and differs across studies and even among state organisms. For the purposes of this study, I use the term CB to refer to the 30 municipalities used in the official CB map provided by the Government of the Province of Buenos Aires (http://www.gba.gov.ar/municipios/mapa.php), in addition to the three municipalities of the Greater La Plata (La Plata, Berisso y Ensenada) as they form one continuous urban area.

and delivering public goods and services to their poor communities. One of the goals of this study is to explore the complete portfolio of brokers' strategies,[8] both clientelistic and non-clientelistic. While I show that brokers use many strategies that are non-clientelistic, clientelistic strategies occupy a central place in their agendas, and hence in this study.

Clientelistic strategies, in particular vote-buying, require know-how and entail dynamics that make them rather complicated to practice. Not every party can practice vote-buying and not every activist can be a broker. Brokers allocate resources with a degree of uncertainty about how their clients will behave. In this study I analyze how two resources are especially important in influencing how brokers efficiently practice clientelism—particularly vote-buying—in the face of uncertainty: information and reputation.

For brokers to practice clientelism efficiently, it is crucial to gather sufficient information about their clients. As a PJ broker told me, "Trying to get votes without knowing the people is riskier than buying a used car without knowing it. You are going to be cheated for sure." Immersed at the local level and in constant contact with voters, brokers learn voters' political preferences and identify their urgent needs. The most important knowledge for them to have in order to practice vote-buying is which voters are willing to sell their vote, and at what price. Information is crucial to vote-buying, and that is the reason why PJ brokers invest in gathering it. Chapter 4 offers a probabilistic vote-buying model that captures how clientelistic parties allocate resources, according to their informational advantage, when they are uncertain about how their clients will actually cast their votes. This formal model helps show why clientelistic parties win elections with higher probabilities than their counterparts and accounts for why clientelistic parties often target their own constituencies, rather than attempting to win over swing voters.

Brokers also invest in building their reputations. Before starting a relationship with a broker, voters are unsure about the dependability of the broker and whether he or she will access resources and fulfill promises. However, through interacting with brokers, voters learn how worthy they are. Poor voters trust brokers who have previously delivered to them. Therefore brokers who have a record of fulfilling their promises have a better chance of being supported than newcomers. Clients do not want to lose access to the resources that brokers represent, and consequently they vote as these brokers tell them. In other words, through interaction with clients, brokers can build their reputations to the point that clients want to keep them because they are confident the brokers will deliver appealing rewards. Since clients prefer brokers who have access to considerable resources and fulfill generous promises, brokers who develop a reputation for doing so can exploit this tendency. Chapter 5 and 6 develop reputational models showing the importance for PJ brokers of building reputations for accessing and delivering resources, as clients remain loyal to brokers with reputations for delivering. The reputational models capture how history matters for clientelistic deals; it affects voters' expected payoff.

In the concluding chapter, I show that my arguments could extend beyond Argentina, by comparing PJ brokers to brokers in Mexico and Taiwan, and even to brokers in many large cities in the United States prior to World War I, such as New York and Chicago. To understand how brokers operate, it is essential to understand politics in Argentina, since to a great extent this is dominated by the PJ. Overall, this study provides new insight for explaining the salience of the networks of brokers for electoral competition in Argentina—where the Peronist party has enjoyed a persistent advantage—as well providing new leverage in understanding other cases of established machine parties.

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[8] I borrowed the expression "portfolio of strategies" from Magaloni, Diaz-Cayeros and Estévez's "Clientelism and Portfolio Diversification" .

Chapter 2

The President and the Mayors

Introduction

Since redemocratization in 1983, the PJ has won 168 out of 212 mayoral elections (80 percent) in the Conurbano. Today, the PJ governs 28 of the 33 municipalities in this jurisdiction. Of these 28 mayors, 18 have been in office for at least two terms, seven have been reelected at least three times, and 20 of the municipalities have been governed exclusively by Peronist mayors. Peronist mayors are key actors in order for understanding the PJ electoral hegemony in the CB and Argentine politics. As a CB mayor told me, "today the PJ is an association of territorial Chiefs; its future depends on the agreements among the mayors of the CB, the governors, and some other mayors of important cities." In this chapter, I focus on the role of CB mayors in Argentine politics and describe their relationships with the national executive and with their networks of brokers.

Peronist mayors practice a common method for obtaining electoral positions and governing power in the CB and territorially control each neighborhood. Their key strategy for gaining such involves cultivating a network of brokers under their command. Brokers cement poor voters' loyalties by providing everything from public goods and services to small favors. The old established identification of the poor and working classes with the PJ is nurtured by brokers' delivery of goods and services. Mayors are at the top of a pyramidal template of power whose base consists of brokers deeply immersed in every poor neighborhood.

Two historical factors lent significant weight to the mayoral dominance over this pyramidal structure of brokers. On the demand side, the CB's low-income population quickly grew, which enlarged the pool of voters to whom clientelistic rewards appealed. On the supply side, while the Peronists gained a hegemonic position in the political arena with control over state resources, they became increasingly involved in intraparty competition that fostered clientelism. In order to compete, different PJ candidates cultivated their relationships with mayors and local politicians who required resources to consolidate their power via clientelism. Different PJ factions at the municipal level found support from above to develop or consolidate their networks of brokers. While in the 2000s, clientelism was fostered by intra-Peronist competition between Kirchnerists and anti-Kirchnerists, since 2007 it was also fostered by competition between different Kirchnerist groups due to the creation of the *Listas Colectoras*. This novel system, which was installed by the government despite the general agreement in the opposition that it was unconstitutional, allows a candidate to run for office by heading several ballots with different candidates for lower positions. These candidates at lower positions run directly for general elections avoiding primaries. For example, in Malvinas, Argentinas, a voter that went into the poll station would find ballots with Crsitina Kichner for president and with Cariglino for mayor and ballots with Crsitina Kichner for president and Vivona for mayor. They are called colectoras (adding together in Spanish), because the candidate at the upper level receives the vote of those who vote for Cariglino and of those who vote for Vivona for mayor. For the 2007 election, in 25 CB municipalities, different mayoral candidates ran with FPV ballots headed by Cristina Kirchner for president.

While I provide data from the 33 municipalities of the CB, I mainly focus on Malvinas Argentinas, Merlo, La Matanza, and San Miguel. This chapter proceeds as follows: The first part shows how poverty has increased in the CB, thereby generating more demand for clientelistic goods and services. The second shows the supply structure for clientelistic rewards. It first presents a classification of CB municipalities according to the level of the PJ's electoral success and the degree of intra-Peronist competition. Then it shows how the degree of Intra-Peronist competition impacted on levels of clientelism. Finally I present the pyramidal structure of the network of brokers and identify the resources that keep these networks alive.

Demand for clientelistic rewards

With 10.3 million voters, the province of Buenos Aires constitutes about 38 percent of the total Argentine electorate. The CB, with 7.5 million voters, constitues one fourth of the national electorate and, as a unit, the largest electoral jurisdiction in the country. The CB has an electorate equivalent to that of 17 provinces added together.[9] The CB municipality La Matanza, with 834,000 voters alone, has a bigger electorate than 17 of the country's 24 provinces. Added together, the other three municipalities from which I collected data have an electorate bigger than those of 16 provinces (Merlo: 326,000 voters; Malvinas Argentinas: 203,000 voters; and San Miguel: 186,000 voters).[10] The high concentration of voters in the CB makes its municipalities crucial districts for winning elections and giving political salience to its mayors. In the Presidential election of 2007, Cristina Kirchner won with more than 8,500,000 votes; 30 percent of those votes came from the CB.

Redemocratization in 1983 did not bring promised economic development to the CB. On the contrary, in the last two decades poverty has increased steadily. While the population of the CB increased by 7 percent from 2001 to 2006, the population in the slums of the CB increased by 57 percent in the same period; 60 percent of the new population that came to the CB in this period settled in slums. The four municipalities that I studied had in 2006 around 141 slums. (Cravino, del Río, and Duarte 2006). The CB has roughly 1000 slums, which have a population of about 2,000,000 people.[11]

Moreover, hyperinflation in 1989 and the financial crisis of 2001 pushed millions of Argentines into poverty. In May, 2001, there were approximately 12,000,000 people below the poverty line. In both crises, riots took place in many municipalities of the CB. The four studied here were scenes of much rioting and looting, with San Miguel in particular registering the most violent cases. Soup kitchens popped up in every neighborhood of the CB in an attempt to help the poor. An old man from La Matanza recalled those days saying, "you always see street dogs in this slum but by the end of 2001 you could not find a single one. You could not listen to a bark. People were eating them." Similarly, a street vendor told me, "I used to have a horse and cart, but one night of those last days of 2001 my neighbors stole it and ate the horse. I understand. We were all starving."

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[9] These provinces are: Tierra del Fuego, Santa Cruz, Chubut, Río Negro, Neuquén, La Pampa, San Luis, San Juan, La Rioja, Santiago del Estero, Catamarca, Jujuy, Chaco, Formosa, Misiones, and Corrientes y Salta. There are a total of 23 provinces in Argentina.

[10] All data are from the 2009 official register.

[11] Morosi, Pablo. 2010. "Viven más de 2 millones en las villas bonaerenses", *La Nación*, April 5, 2010.

President Menem responded to the 1989, hyperinflation crisis with aggressive reforms that sought to dismantle the statist, economic model and reduce the deficit. Privatizations and trade liberalization meant a cut of nearly 700,000 government jobs, a significant blow to unions. Levitsky (2003) reports that between 1989 and 1997, the Unión de Obreros Metalúrgicos (Union of Metallurgic Workers -UOM) lost nearly 44 percent of its members, railway workers unions nearly 80 percent of their members, and textile unions more than 40 percent of their members.

With the exception of a few municipalities in the north of the CB, which have wealthier populations, the municipalities of the CB have more poor voters than any other region in the country. With 25 percent of the total electorate and a predominantly poor population, it is easy to understand that the CB has increasingly became the arena in which politicians sought to court voters with clientelistic strategies. By any standard poverty measurement, the CB shows poorer rates than both the country as a whole and the Province of Buenos Aires, as is shown in Table 1.

Table 1: Poverty in the CB

Jurisdiction	UBN(%)[12]	Deficient Hosing (%)[13]	Unemployment and Underemployment (%)[14]
National Level	14.3	25.5	15.7
Buenos Aires Province (without CB)	10.5	17.7	13.9
Conurbano Bonaerense	14.5	26.3	18.1
Malvinas Argentinas	19.8	38.2	-
Merlo	19.8	39.3	-
La Matanza	16.8	31.4	-
San Miguel	15.1	32	-

The four municipalities under study here have Unsatisfied Basics Needs (UBN) percentages above the national and state averages, and it is higher in the CB than in the rest of the Buenos Aires province and the country as a whole. Further, the percentage of people with insufficient housing is also higher in the CB than in both the state of Buenos Aires and for the country. In two municipalities, Malvinas Argentinas and Merlo, close to 40 percent of the population has insufficient housing. The figures are not much better for unemployment, in which the CB´s rate is again higher than both the state and national averages. For the 2007 election, 25 percent of people in the CB were under the poverty line, and 9.1 percent were under the extreme poverty line[15].

The literature has clearly established that poor voters are more dependent on public goods and show greater propensity for accepting clientelistic deals. The large set of poor voters

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[12] UBN refers to Unsatisfied Basic Needs (*Necesidades Básicas Insatisfechas*–NBI), and reflects the percentage of households that present one of the following signs of deprivation: more than three people per room, deficient housing, houses without sanitation, houses with school-age children who do not go to school, and houses that have four or more members for every employed member and also whose head of household has a low level of education. Data from Instituto Nacional de Estadística y Censos (INDEC)–Censo Nacional 2001. www.indec.mecon.ar.

[13] Data from INDEC–Censo Nacional 2001.

[14] Data from INDEC–Encuesta Permanente de Hogares, Last Quarter 2010. There is not available disaggregated data for the municipal level for this rate.

[15] Data from INDEC–Encuesta Permanente de Hogares, First Semester 2007.

concentrated in the CB has demanded goods and services. This demand is, to a large extent, satisfied with clientelistic strategies through the networks of brokers commanded by the mayors.

The Clientelistic Supply Structure: The President, The Mayors, and The Brokers

Mayors or Feudal Lords?

The press and scholars often refer to the mayors of the CB as "The Lords of the Conurbano." Under this label, journalists and scholars homogenize all CB mayors, attributing to them a personalistic way of handling power and an electoral supremacy based on clientelism. Mayors are also often associated with corruption and illegal persecution of the opposition. Former governor Felipe Sola told me, "The press has installed the idea that the CB mayors are a bunch of fat, dark and mafioso politicians. But the fact is that it is not easy to govern these poor municipalities and they do so." Similarly, a Peronist gubernatorial candidate for Buenos Aires told me, "It is a common mistake to think that all CB mayors are the same. However, they differ a lot among themselves. Some of them are even honest." While CB mayors are crucial actors in the PJ's power grid, they do not all share the same characteristics. Consequently, I differentiate three main groups of CB mayors according to the PJ level of electoral success and to the level of intra-Peronist competition of the municipalities that they govern.

Three characteristics can be attributed to the lords of the CB: 1) they have been mayors in poor municipalities of the CB for more than a decade; 2) they exercise monopolistic, territorial power; and 3) they command extended networks of PJ brokers in their territories. A careful look at the CB municipalities reveals that not all mayors have the monolithic power over their territories that common portrayals attribute to them. In fact, while in 12 of the 33 municipalities we find the type of mayor that has all the qualities attributed to a lord (see Table 2 for a list of these mayors), in 12 other municipalities there is strong intra-Peronist competition, and in seven the PJ does not even have a clear electoral hegemony per se. Two municipalities, Avellaneda and Hurlingham, fall between the first two categories.

The 12 mayors in Table 2 consolidated their territorial power during the 1990s and most of them were part of the Duhalde's political machine. With Duhalde serving as governor of the Province of Buenos Aires (1991–1999) and then as president (2002–2003), these mayors gained access to considerable resources, which they used to consolidate strong networks of brokers under their grip. Two institutional features help these mayors to centralize power and achieve a hegemonic position over their networks of brokers and over their municipalities. First, there is no limit on reelection for mayors, and, second, they enjoyed *superpoderes* (superpowers)—the right to change by decrees the budget without consultation to the municipal legislature. With almost no limitation on the use of the budget by the municipal legislature, these mayors have centralized and personalized power.

Table 2: Lords of the Conurbano - PJ Mayors with Monopolisitc Power 1983-2011[16]

N°	Municipality	Incumbent	Terms	%	Previous Referent	w/ Kirchner	Col.
1	José C. Paz	Ishii	3	44	Rodriguez Saá	2003	0
2	Florencio Varela	Pereyra	4	49	Duhalde	2003	0
3	Merlo	Othacehé	5	49	Rodriguez Saá	2003	0
4	Moreno	West	2	47	Duhalde	2003	0
5	Ezeiza	Granados	4	52	Menem	2005	(2)
6	Ituzaingó	Descalzo	4	45	Duhalde	2005	0
7	Tres de Febrero	Curto	5	48	Duhalde	2007	0
8	Lanús	Quindimil	6	49	Duhalde	2007	1
9	Malvinas Arg.	Cariglino	4	47	Duhalde	2007	1
10	Almirante Brown	Villaverde	2	42	Duhalde	2007	1
11	Berazategui	Mussi	4	49	Duhalde	2007	2
12	San Fernando	Amieiro	4	42	Duhalde	2007	4

All of these mayors had controlled their territories for more than a decade. Six of them were reelected in 2007 for a fourth term. The mayor of Merlo, Raúl Othacehé, and the mayor of Tres de Febrero, Hugo Curto, were reelected in 2007 for a fifth term. Quindimil, the former mayor of Lanús, lost in 2007 when he ran for his seventh consecutive term. Mariano West was mayor of Moreno for two terms (1995–2003) and then went to serve in the provincial cabinet for Governor Solá, but he was succeeded by his follower Andrés Arregui. Arregui was reelected in 2007, so in fact West has been in control of Moreno since 1995. He is running again for mayor in 2011 and will most likely win. A similar case is that of Jorge Villaverde in Almirante Brown. He was mayor for two terms and was then succeeded by his follower, Hebe Maruco, who served as mayor for two terms. The only difference is that Villaverde was not able to keep control of his municipality, and when he ran again in 2007, he lost to Dario Giustozzi. All of these mayors have enjoyed long-lasting power in their territories (the "Terms" column in Table 1 shows how many terms the mayors have been in office). Only two of them lost territorial power in 2007: Quindimil, who was 83 years old when he lost, had governed Lanús for 24 years; and Villaverde had held power in Almirante Brown for two decades.[17]

At the time of the 2011 election, the average length of a mayor's tenure was 20 years. Of the 12 mayors, Mario Ishii of José C. Paz has controlled his territory for the shortest amount of time—16 years. Curto and Othecehé, with 24 years in power, are at the other extreme. Despite being in power for so long, these mayors win elections with a high share of votes, showing their

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[16] The "Incumbent" column lists the mayors that dominated their municipalities for more than a decade. Three of them (West, Quindimil, and Villaverde) are not mayors at present but they are included because they completely dominated their municipalities for 20 years. The "Previous Referent" lists the mayor's political ally at the national level and the column "w/ Kirchner" notes the year in which they switched to support Kirchner. The last column has the number of colectoras that mayors faced in each municipality for the 2007 election. In Ezeiza, Granados faced two other lists that had Cristina Kirchner for President, but I put them in brackets because they were not relevant or a serious threat to Granados's hegemony.

[17] Because in these two municipalities (Lanús and Almirante Brown) there is ongoing confrontation between the incumbent's group and the former mayor's group, they might be considered municipalities with intraPeronist competition. This shows that the categories are not locked in forever and that over time, a municipality can turn from one category to the other.

hegemonic power. The 12 of them considered together won elections with an average of 47 percent of the vote (column 4 of Table 1 shows the average number of votes they received in these elections). With two exceptions,[18] Peronist candidates won every mayoral election—70 victories—in these 12 municipalities. In Ezeiza, Malvinas Argentinas, and Ituzáingo, the same Peronist politicians have been mayors since the creation of these municipalities in 1995.

While the label Lords of the Conurbano may apply to those mayors in power over prolonged years and that control their territories with little opposition, the name does not completely fit the rest of the CB mayors. In 12 municipalities we see clear electoral hegemony by the PJ, but without a particular PJ politician holding monopolistic power. PJ mayors in these municipalities face strong opposition from Peronist challengers. Table 3 presents a list of the municipalities characterized by "intra-Peronist political competition" in the last two decades.

Table 3: Municipalities with Intra-Peronist Competition 1983-2011[19]

N°	Municipality	Peronist Victories	Terms	Colectoras
1	Lomas de Zamora	6/7	2	4
2	Quilmes	5/7	1	2
3	La Plata	5/7	4	2
4	Echeverria	4/7	3	2
5	San Miguel	7/7	1	2
6	Berisso	7/7	3	1
7	Ensenada	6/7	3	1
8	Presidente Perón	4/4	2	1
9	San Vicente	7/7	3	1
10	General Rodriguez	6/7	3	1
11	La Matanza	7/7	2	0
12	Pilar	6/7	2	0

While there is clear electoral dominance by the PJ in these 12 municipalities, Peronist mayors were not easily reelected because they faced strong intra-Peronist competition. Peronist candidates won 70 out of 81 (86 percent) elections for mayor in these municipalities. Even when the rate was lower than that of the lords (97percent), this is a very high rate of electoral success. The Radicals won in eight elections, and local parties won in three. In these municipalities, we do not see the hegemonic PJ mayors of the previous category. In four of these municipalities (Berisso, La Matanza, San Miguel, and San Vicente), Peronist candidates won all the elections, but no PJ mayor was able to maintain unchallenged control of his territory. We can see in the "Terms" column of Table 3 that with the exception of Alak in La Plata, none of these mayors was reelected more than twice, while in the group of Lords, 9 out of 12 mayors were reelected more than twice. While for the group of Lords the average tenure was 20 years, for mayors from municipalities with "intra-Peronist competition" this average is shorter than 6.5 years. Different

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[18] The Radical candidate Héctor Dattoli was elected mayor of Tres de Febrero in 1983, and the Independent Julio Assef was elected mayor of Moreno in 1991.

[19] The second column lists the rate of PJ victories in mayoral elections. The third column notes the number of terms held by the longest-serving mayor in that municipality. The last column includes the number of colectoras for the FPV that the incumbent faced in 2007.

strong Peronist lines compete for power, making it harder for any particular mayor to consolidate his power and keep his office.

Two emblematic cases of municipalities with strong intra-Peronist competition are Quilmes and San Miguel, the only two in the CB where an incumbent has never been reelected.[20] On the other extreme is the municipality of La Plata, where Julio Alak was reelected three times. However, intra-Peronist competition has characterized La Plata since 2002, when PJ councilman Pablo Bruera broke with Alak. Bruera became mayor, defeating Alak in 2007, when both of them ran on colectora lists headed by Cristina Kirchner.

Two cases fall between the Lords and Intra-Peronist competition categories. In Avellaneda, Baldomero Alvarez de Olivera, who was mayor for four terms, and in Hurlingham, Luis Acuña, who is in his second term, can be considered "Lords," as they mainly control their territories. However, in Avellaneda Radicals won three out of seven mayoral elections and there is strong intra-Peronist competition, and there is strong intra-Peronist competition in Hurlingham as well where the Duhaldist Juan Jose Alvarez had his own share of power and brokers.

The seven municipalities where the PJ does not have a hegemonic role are the relatively wealthy municipalities of the northern region of the CB: San Isidro, San Vicente, and Tigre, and the municipalities of Escobar, Marcos Paz, Morón and San Martín, where the failures of Peronist mayors have given local party candidates greater access to power. Table 4 provides a list of the seven municipalities where Radicals and local parties have a higher electoral success rate than the Peronists.

Table 4: Municipalities Dominated by Local Parties

N°	Municipality	Incumbent	Terms	%	Party	w/Kirchner	Col.
1	San Isidro	Posse	3	53	Radical-Local Party	2007	1
2	Vicente López	García	6	48	Radical-Local Party	2007	3
3	Tigre[21]	Ubieto	5	50	Local Party	2005	0
4	Moron	Sabattella	3	53	Local Party	2005	1
5	San Martín	Ivoskus	3	40	Local Party	2007	2
6	Escobar	Guzmán	1	31	Local Party-PJ	2007	3
7	Marcos Paz	Curuchet	2	34	Local Party	-	2

Curiously enough, most of these municipalities have mayors that have also exercised power for many years in very personalistic ways. The first three muncipalities are the wealthiest in the CB and they all have mayors that have governed for at least three terms. Of the 21 mayoral elections in these three municipalities, the PJ has only won one.

In San Isidro, Ángel Melchor Posse and Ángel Gustavo Posse, a father and son team with radical origins, have governed their municipalities since redemocratization, concentrating power in their hands. Similar cases are those of the radical Enrique García in Vicente López, who is in his sixth term, and Ricardo Ubieto, who led his own local party and governed the municipality of Tigre from 1987 until his death in 2006. Interestingly enough, each of these mayors had non-

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[20] Rico was elected in 1997 to complete the period of the deposed Mayor Luis de Lucca, and reelected in fact in 1999. However, as those two elections took place in a period of two years, for the purpose of this study, I consider them together.

[21] Ubieto died in 2006 and his local party lost against the FPV candidate, Massa. However, I included Ubieto instead of Massa in the list because his historical dominance has characterized the Tigre municipality.

Peronist origins, all of them supported the Kirchners at certain points. Posse and Garcia, radicals by origin, went to the 2007 election in lists headed by Cristina Kirchner for president. Ubieto, who led a local party and was mayor of Tigre during the military dictatorship, showed his support for Kirchner in 2005. In fact, although these mayors have governed their municipalities in personalistic ways for many years and have supported the Kirchners at certain points, they can also be considered lords of the Conurbano. However, because they are non-Peronist mayors, at least by origin, in governing wealthier municipalities they are not the stereotypical lords.

The other four municipalities that complete Table 4 are those where Peronist candidates' mistakes or mayors' administration failures allowed for the emergence of leaders from local parties. The municipality of Morón provides a good example of a non-Peronist party coming to power after a Peronist failure. After serving three terms as mayor, Juan Carlos Rousselot was deposed on corruption charges, and the collapse of his government and of the Peronist Party in this municipality brought local party leader, Martin Sabbatella, to power for three terms beginning in 1999. A similar case is that of San Martín's mayor, Ricardo Ivoskus. He came to power with the Alianza after the deposition of his Peronist predecessor on corruption charges. Ivoskus was reelected twice as a candidate of the local party *San Martín con Honestidad y Trabajo*. In two other municipalities, Escobar and Marcos Paz, local parties have come to power, and the PJ does not enjoy the same hegemony that it has in the rest of the municipalities of the CB. However, despite their Radical or local party origins, all of the mayors in Table 4 became allies of the Kirchner regime to the point that the first three could have been included in the lords category and the last four under municipalities with intra-Peronist competition.

Intra-Peronist Competition, Colectoras and Clientelism

Until 2004, Eduardo Duhalde was in charge of the powerful PJ political machine of the CB, which mainly consisted of a league of mayors and their networks of brokers. After becoming president and breaking his alliance with Duhalde, one of Néstor Kirchner's main political goals was to replace Duhalde as head of this machine. As a broker from La Matanza told me, "after defeating Duhalde in the 2005 election, we thought that Kirchner was going to decapitate the monster [for the PJ political machine in the CB], but he wanted to ride the beast rather than kill it." To consolidate his power against PJ challengers, Kirchner sought the loyalty of the CB mayors. To achieve such a goal, Kirchner used the installation of colectoras and the allocation of public funds.

Installed in 2007, the colectoras became not only the institutional device to catch the votes of diverse groups at the municipal level, but they also became a tool to reward or punish mayors according to their success and loyalty. Negotiations over colectoras then began to depend on how loyal a mayor was and how many votes he could deliver.[22] The creation of the colectoras allowed the Kirchners to challenge those mayors who were not loyal enough and/or could not guarantee a good share of votes without risking the election. Opening a colectora and fueling resources to opposition candidates were common ways that Néstor Kirchner challenged mayors who might be tempted to support Duhalde or some other opposition candidate in the presidential election (Lenarduzzi 2010).

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[22] Julieta Lenarduzzi explores these ideas in her paper presented at LASA 2010 "La Renovación Política en el Nivel Local. Transformaciones de los Vínculos Representativos y Convivencia de Viejas y Nuevas Formas Políticas."

In only nine municipalities of the CB did Kirchner prohibit colectora lists. With the exception of Granados in Ezeiza, who faced two small colectoras that did not represent any real challenges, none of the six mayors in the Lord category who supported Néstor Kirchner in the 2005 election against Duhalde faced colectoras in 2007. Ishii in José C. Paz, Pereyra in Florencio Varela, Othacehé in Merlo, Mariano West´s candidate in Moreno, and Descalzo in Ituzáingo were able to compete without facing any Peronist candidates in a colectora. These were not only early Kirchner supporters, but they were also lords that commanded their municipalities without any serious challengers and who guaranteed a good share of votes in their districts. The Kirchners did not have any incentives to defy these mayors, so they did not open colectoras in these municipalities. Additionally, they sent generous resources to them, which further consolidated these mayors' networks of brokers. In these municipalities, brokers do not have any alternative but to work for the mayor, and consequently they do not have much negotiating power.

Particularly interesting is that the Kirchners did not challenge Merlo's Mayor Raúl Othacehé with a colectora. While the Kirchners identified themselves as a progressive government, they embraced Othacehé, who in the past had been part of the nationalist and far-right Peronist faction and had been accused of illegally chasing opposition members. Since 2010, Othacehé has been under investigation by the Human Rights Committee of the Chamber of Representatives. While he should have been excluded from the FPV if the real goal of the Kirchners were to dismantle the Duhaldist machine, he was supported because, by 2005, he had already switched to their camp, and because he had monopolistic power over a district that represented 1.2 percent of the national electorate. When Cristina Kirchner won in 2007 in Merlo with 50 percent of the votes, brokers in Merlo frequently complained that they were under strict surveillance by municipal officers and that they depended too much on the mayor. They did not have enough freedom and resources to establish their own territorial power.

In the group of lords, the only mayor who converted to Kirchnerism after 2005 and who did not face a colectora in 2007 was Curto from Tres de Febrero. While he was a Duhaldist and not an early supporter of the Kirchners, he had monopolistic power in a district that represented one percent of the national vote, which is significant for just one district. After a failed attempt to back up a colectora, the Kirchners decided to support Curto, who finally ran without facing any PJ challengers.

Mayors with monopolistic power win elections in their jurisdictions and track votes for candidates in the same ballot; therefore, they have power to negotiate with the president. Even when the president and these mayors have a history of confrontation or do not share an ideology, at election time the best strategy for both is to support each other. In this way, the president gains the biggest possible share of support in these municipalities and the mayors gain national resources that allow them to administer their municipalities and control their networks of brokers.

The other three candidates that did not face colectoras in the CB were Espinoza, Balestrini's candidate in La Matanza, Zúccaro in Pilar, and Massa in Tigre. While the first two belong to municipalities with intra-Peronist competition, the last one belongs to a wealthy municipality historically governed by a local party. Balestrini—then the president of the National Chamber of Representatives and the power in La Matanza—was an early supporter of Kirchner, so they freed his candidate of any Peronist competition. In Pilar, Zúccaro, another early supporter of Kirchner, had (according to polls prior to the election) 60 percent of the votes, so he did not face any colectora. In Tigre, the Kirchners needed to defeat the local party that had been

in power since 1987, so they freed their candidate, Massa, of colectoras to assure him a good performance in the election.

The strategy of cementing mayoral loyalty by sending them resources and freeing them of the competition from colectoras clearly worked well for the Kirchners and for the mayors. In 2007, each of the six municipalities governed by lords that did not face colectoras, Cristina Kirchner won with an average close to 53 percent of the votes, with the highest percent in José C. Paz (59 percent) and the lowest in Ituzaingo (39 percent). All six mayors were also reelected. In the other three municipalities without colectoras, the results were also positive for the Kirchners and the mayors. In La Matanza, a district with 3.5 percent of the national electorate, Cristina Kirchner achieved a crucial victory with 54.7 percent of the vote.

In 24 of the 33 CB municipalities, Kirchnerist candidates ran for mayor under colectoras. With the exception of Curto, all the mayors that were Duhaldist until 2006 had to face colectoras, even when they had monopolistic power in their municipalities. Jesús Cariglino in Malvinas Argentinas, for example, was Duhaldist until 2006 and even when he had won three elections with an average close to 50 percent of the vote, he faced a colectora led by Luis Vivona. While Kircher wanted to challenge the Duhaldist Cariglino, he did not want to lose the share of votes that his territorial power represented. Therefore, he opened a colectora and supported Vivona. The results for Kirchner were positive. While he could not purge Cariglino, who was reelected with about 42 percent of the votes, his wife, Cristina Kirchner, collected votes from both lists and received 61 percent of the votes of Malvinas Argentina, which was the biggest share in the CB. Mussi, in Berazategui, and Amieiro, in San Fernando, went through similar experiences as Cariglino. It is interesting to note that when Vivona challenged Cariglino, the demand for brokers increased and brokers were able to negotiate. Once Cariglino won and Vivona abandoned his political project in the municipality, brokers lost their bargaining power. After the election, Malvinas Argentinas brokers' complaints were similar to those of the brokers from Merlo.

The Kirchners clearly found it easier to challenge mayors in municipalities with intra-Peronist competition than in municipalities in which the mayors had consolidated their power. Once mayors were consolidated and in control of an extensive and unified network of brokers, the costs to defy them were high, even for the president. With few or no challengers inside the party and with resources coming from the national executive, the lords had no difficulty controlling strong networks of brokers. Although other networks may coexist, they are relatively small compared to that of the incumbent. This quasi monopoly over the brokers improved the incumbent's probability of winning, making brokers' defections less likely. In the words of a broker in a municipality where the mayor is in his fourth term, "every other alternative to working for the mayor looks like betting for a losing number."

In 2007, the Kirchners were able to eliminate two lords they did not trust, while six lords without much of the president's sympathy survived the colectoras but had to express their loyalty to the president immediately after the election. These were the mayors of Ezeiza, Malvinas Argentinas, Berazategui, and San Fernando, and to a lesser degree, Hurlingham and Avellaneda. While these six mayors faced colectoras, they kept power and control over the main network of brokers in their territories. After their victories, they and the president came to certain agreements. For example, Cariglino and President Cristina Fernandez de Kirchner backed the same list of candidates for the legislative election of 2009, but only after agreeing to the national resources that were to be allocated to Malvinas Argentinas.

More successful for the Kirchners were the cases of Almirante Brown and Lanús, in which along with the colectoras they were able to eliminate two mayors who had monopolistic power over their districts and remained mostly loyal to Duhalde. The seven-time mayor of Lanus, Manuel Quindimil, lost after 24 continuous years in power against Darío Díaz Pérez. While Quindimil supported Duhalde in 2005, Darío Díaz Pérez was then already with the Frente para la Victoria. That is why Darío Díaz Pérez was backed by the national executive, mainly by Defense Minister José Pampuro. While Darío Pérez received 34 percent and Quindimil 25 percent of the votes, Cristina Kirchner won in Lanús with 46.4 percent of the votes. Similarly, in Almirante Brown, Jorge Villaverde, who supported Duhalde in 2005, lost against Giustozzi, who was elected national representative by the Frente por la Victoria in 2005. In 2007, Giustozzi was backed by the national executive, especially by Minister Anibal Fernandez. Cristina Kirchner received 52.6 percent of the votes in Almirante Brown.

In the municipalities with lords where the Kirchners opened colectoras, enemies or even former allies of the lords found opportunities to access resources, fuel their own brokers, break with the district bosses, and challenge them in elections. This clearly brought or increased PJ intraparty competition at the municipal level. Those were the cases of Vivona, a former ally of Mayor Cariglino in Malvinas Argentinas; of Darío Pérez who was a former secretary of Mayor Quindimil in Lanus; and of Dario Giustozzi, who challenged the Duhaldist Villaverde in Almirante Brown. Mussi, in Berazategui, and Amieiro, in San Fernando, were able to maintain power despite facing three and four colectoras, respectively, which obviously brought more intraparty competition into their municipalities.

The colectoras functioned as powerful device, not only for collecting votes for the Kirchners, but also for eliminating untrusted mayors in municipalities with intra-Peronist competition. In 11 of 12 municipalities with intra-Peronist competition, the Kirchners opened colectoras to collect for themselves not only the share of votes of the incumbent mayors, but also of their challengers who were often early Kirchnerists. In this way, they could keep the votes that the incumbents always have due to their connection to the machine, while also rewarding their earlier supporters and adding their votes.

Quilmes and San Miguel are examples of municipalities with historically strong intraparty competition where the colectoras further increased competition among candidates and their networks of brokers. These are the only two municipalities in the Conurbano where the incumbent was never reelected after completing a full term. In the 2007 mayoral election in Quilmes, the incumbent Peronist, Mayor Sergio Villordo, who was backed by the cabinet chief, Anibal Fernandez, lost against the other Kirchnerist candidate, Francisco Gutierrez, who was backed by the state executive and, apparently, directly by Cristina Kirchner. In San Miguel, Oscar Zilocchi, a follower of Aldo Rico, lost against a colectora led by Joaquín de la Torre. De la Torre was a follower of Felipe Solá who had the support of the national executive and of provincial representative Franco La Porta. Zilocchi was a former Duhaldist that supported Kirchner only after 2005. De la Torre later broke with La Porta, and Rico was able to win the presidency of the PJ in the internal election of 2008 and the municipal legislative election of 2009.

While the colectoras generated intraparty competition in some municipalities with lords, they further increased it in those municipalities that already had various Peronist leaders competing for power. In both of these cases, Peronist networks of brokers vied to deliver victories to their candidate, expanding clientelistic strategies. The lack of strong non-Peronist candidates, the possibility that colectoras opened for different PJ candidates to run for mayor,

and the multiple sources of financing for different Peronist candidates made general elections for mayors in these municipalities similar to a PJ primary. As in PJ primaries, the network of brokers turned out to be a salient element in electoral success.

The colectoras often encouraged former allies to challenge their old bosses, as they had more chances of accessing funding for their campaigns. Conflicts between bosses and old allies often emerged when a mayor or a politician from a municipality was promoted to the state or the national executive level. These politicians then tried to maintain their power in their original municipalities by funneling resources from their new position while the new mayor tried to establish his own personal power without interferences. They usually ended up finding different sources of funding from the executive and running in or backing different colectoras. The colectoras also encouraged municipal conflicts by letting Peronist municipal leaders replicate internal struggles within the provincial and the national executive. Different high-ranking politicians channeled resources and backed different candidates for mayor across the Conurbano in the hope of building local support for their political careers.

The municipality of Berisso also illustrates the case where a municipal official received support from above to challenge his former boss. After being mayor of Berisso for two terms, Néstor Juzwa lost his position in 2003 to former secretary of government Enrique Slezak, who was backed at that time by the governor. They both competed in colectoras in 2007, and Slezak was able to keep his position. In Berazategui, Mayor Juan José Mussi backed Carlos Infanzón as his successor, while he went to serve in the cabinet of the state executive. Soon, they broke up their former alliance and were competing for municipal power. Power is so attached to the control of the network of brokers and so personalistic that, as one broker told me, "here if you leave and do not funnel resources to your brokers any more, you lose everything."

The Kirchners also made deals with non Peronist mayors who were willing to support them and had a considerable share of the votes. Ivoskus (Mayor of San Martin and former member of the Afirmación para una República Igualitaria Party–ARI), Posse (Mayor of San Isidro and from the Radical Party), and Garcia (Mayor of Vicente Lopez and with origins in the Radical Party) carried Cristina Kirchner as candidate for president in their ballots. However, in these municipalities governed by non-Peronist mayors, Kirchner opened colectoras to provide room for those Peronists and early Kirchnerists who wanted to compete. Regardless, these colectoras did not have much relevance, and all the incumbents were reelected.

The Radical mayors of San Isidro and Vicente Lopez also have networks of brokers, but they only permeate the relatively few poor neighborhoods. While on average a mayor from a municipality in the west or the south of the Conurbano Bonaerense will have 400 brokers, in these wealthier municipalities the average is below 100 brokers. With fewer poor people and fewer brokers the relative weight of clientelism is smaller. While it might be important to keep governability, especially in the midst of an economic crisis, clientelism is electorally less decisive. However, as in the Peronist municipalities, mayors directly and personally lead their networks of brokers. Personal power over local networks of brokers is a general feature of Conurbano Bonaerense politics.

In the municipalities governed by local parties the weight of clientelism seems— as in the wealthy ones— less influential. The general consensus is that Sabbatella's party, Nuevo Moron, relied much less on clientelism than the other parties in the Conurbano. However, Ivoskus is in his third term and the opposition accuses him of clientelism and of handling the municipality of San Martín as if it were "his own farm."

The strategy of using colectoras and resources to keep mayors loyal and accumulate votes was very successful for Kirchner in 2007. In those municipalities where the colectoras were enabled, they gave the Kirchner regime an advantage of incumbency and opposition at the same time. They received the votes of those who were happy with the incumbent mayors and part of their machines, but they also received the votes of those challengers who promised to end the personalistic power of the incumbents. In places like Lanús, Almirante Brown, Malvinas Argentinas, Quilmes, and San Fernando, Cristina Kirchner benefited in 2007 not only from the votes that machine incumbents typically received, but also from the votes that the challengers to these incumbents brought by promising reform.

In the cases where colectoras were not installed, there were still mechanisms to keep lords and their networks of brokers loyal. The threat of a colectora and of resources going to a PJ challenger were usually enough to dissuade any lord of abandoning the Kirchners. Furthermore, the colectoras also reinforced Peronist hegemony in the municipal legislatures. The colectoras let in many cases in which all the council members were Kirchnerists, or at least Peronists. In 19 of the 33 CB municipalities, the colectoras let Peronist or Kirchnerist factions take first and second place in the election, leaving few or no council chairs for non-Peronist forces. In the other 14 municipalities, pro-Kirchner mayors won and second place went to the Civic Coalition, PRO, or local parties. Unsurprisingly, these 14 municipalities include the 8 municipalities without Kirchnerist colectoras as well as the three wealthy municipalities from the north.

The mayors that did not face colectoras had the disadvantage of facing more non-Peronist council members. For mayors, it is always easier to negotiate with Peronist council from other lists than with other parties' councils. This is especially because many times mayors are able to infiltrate other Peronist lists with their own people. In fact, in many of these municipalities, after the election, the Peronist factions that accessed seats through different colectoras voted as a unified bloc in the municipal elections. In this tradeoff, the mayors always preferred not to face a Peronist challenger in the election, in order to consolidate their power over the Peronist machine under their grip, and avoid facing the opposition of some non-Peronist councilpersons in the municipal legislature. Moreover, there are few non-Peronist councils, and they can be easily bribed or threatened. For example, Mayor Othacehé in Merlo has an extended reputation for expelling any inconvenient members of Merlo's legislature. Some of his own brokers commented that it was common practice in Merlo to plant drugs or create false evidence to frame opposition members. The removal of Horacio Cepeda from Nuevo Encuentro in 2010 is particularly relevant.

In terms of elections, the colectoras were an important device for the Kirchners. After the election of 2007, all the winning mayors of the CB explicitly declared their support for Cristina Kirchner. She lost in only two municipalities (San Isidro, and Vicente Lopez), but the mayors of these two municipalities even declared their loyalty to her. She won the 2007 election with 8,651,066 (45 percent of the total vote), of which 2,390,000 (27 percent) came from the CB.

If the need of the executive to reward or secure the loyalty of the lords consolidated clientelism in the municipalities governed by them, in the municipalities with intra-Peronist competition, the multiplication of candidates and of sources of financing for them fostered it. In the municipalities with colectoras, candidates expanded their networks of brokers to increase their chances of electoral success. Compared to the municipalities with lords, in the municipalities with intra-Peronist competition, brokers have more power to negotiate with their bosses. Brokers can always threaten to work for some other candidate if they do not get enough resources, while in the municipalities with lords this same threat is meaningless.

The Kirchners could resort to colectoras partly because other parties, especially the Radicals, had became increasingly weak, thereby permitting the Kirchners to fragment the Peronist vote without fearing loss of control of any municipality. In fact, after the 2007 election, every mayor in the CB declared his loyalty to the president. When the result of the competition between the Kirchners and Duhalde was still open, mayors had more power to negotiate. However, once the election was decided in favor of the Kirchners in 2005, the Kirchners obtained more bargaining power than the mayors. The fragmentation of Peronism at the national level and the electoral salience of the CB brought more resources to be used in clientelism, whether municipal politics were characterized by intra-Peronist competition or by consolidated mayors. The needs of different Peronist leaders to gain crucial support from the CB pushed them to send resources to mayors or to their challengers. In turn, the mayors and their challengers distributed resources through their networks of brokers to gain control over each neighborhood in their municipality.

Networks of Brokers: La Matanza, Malvinas Argentinas, Merlo, and San Miguel

Mayors build territorial power by developing and controlling extensive networks of brokers that permeate every corner of their municipalities. Power is built in each municipality by the presence of brokers that solve everyday problems for the poor people in the name of their political bosses. I describe here the structure of the broker network in four municipalities of the CB that have different characteristics. In Merlo, Othecehé, a stereotypical lord, consolidated monopolistic and unyielding power over the only network of brokers. Similarly, in Malvinas Argentinas, Cariglino controls the main network of brokers. In La Matanza, there has always been competition between different Peronist lines and networks of brokers. Although, Balestrini managed to achieve control of most of the brokers during his second term as mayor (2003–2005), when a stroke took him out of politics in 2010, intra-Peronist competition emerged again. In San Miguel, the competition between different Peronist figures and their networks has always existed and has been particularly intense since 2003.

An incumbent's network has a three-level pyramidal structure that allows those in command to reach most poor households of the municipality. At the apex of the structure is the mayor and the inner circle of two or three people that participate in building and controlling the network of brokers; usually these are the municipality's Secretary of Government and the Secretary of Social Development. On the second level there is a group of municipal delegates, council members, or regional bosses that deal with the groups of brokers. The third level is the army of brokers that permeates the poor neighborhoods in these municipalities.

In Merlo, Mayor Raúl Othacehé commands the network of brokers with the help of Secretary General, Ricardo Giacomino, and his wife, Mónica Arnaldi de Othecehé. Mónica Arnaldi de Othecehé is a member of the municipal legislature and president of the Municipal Council for Women, a council created by her husband that controls most of the social benefits distributed in Merlo. Power is so personal and so concentrated in the hands of the Othacehé couple that the second level of the pyramid is weak in Merlo. Only a handful of the 11 municipal delegates and the 20 official council members hold some power. The third level at Merlo, however, is particularly impressive. It consists of about 600 brokers that cover more than 90 neighborhoods, making Othacehé´s network one of the most powerful machines in the CB.

In Malvinas Argentinas, the network is handled by Mayor Jesús Cariglino, his brother, Provincial Senator Roque Cariglino, and Secretary of Government, Miguel Harari. In Malvinas Argentinas, the second level is formed by a group of 20 people—municipal delegates, municipal directors and council members—who manage nearly 350 brokers that control every neighborhood in the municipality.

In La Matanza, a district with a history of different Peronist lines and *agrupaciones,* Balestrini was able to unify a significant network of brokers mainly through his agrupación, Ramón Carrillo. This network was partially inherited from his successor and follower, Fernando Espinoza. Most of the control at the second level of the network of brokers that support the mayor is in the hands of a group of 30 municipal authorities and leaders of the agrupación, such as Sub-Secretary of Government, Daniel Barrera; Secretary of Youth, María Laura Ramírez; Rosa Pintos, leader of a women's branch of agrupación; Ramón Carrillo, and 13 municipal delegates. In La Matanza there are approximately 1,000 brokers working for the incumbent.

However, in La Matanza the structure is not as vertical as it is in municipalities like Merlo or Malvina Argentinas. Mayor Espinoza never enjoyed the support or trust of the members of the Agrupación Ramón Carrillo that Balestrini had. He faced internal opposition from members of his own government and of his own agrupación. Consequently, he has never enjoyed monopolistic power over the networks of brokers that supposedly work for him. For example, Daniel Castro, who is president of the municipal legislature and a member of the Agrupación Ramón Carrillo, has his own share of power over this network of brokers and activists. While he is a follower of Balestrini and part of the incumbent government, he also has his own ambitions to become mayor, and in this sense is a potential challenger to Mayor Espinoza. The secretary of the union for municipal employees, Juan Carlos Sluga, was a Balestrini ally, but also had his own aspirations to become mayor. Based on his position in this powerful union, he had an important network of brokers and activists.

In San Miguel, the network is led by the mayor and General Secretary of Government, Alfonso Coll Areco. Below them—aside from a couple of council members and municipal delegates, such as Máximo Luppino and Martín Tuma—the structure of brokers working for the incumbent has been handled since 2009 by a group of 24 coordinators that report to the secretary of government. These coordinators are brokers themselves who each manage from 5 to 15 other brokers; they constitute the third level of the pyramid. In San Miguel, there are about 400 brokers working for the mayor in 20 neighborhoods.

Of the four mayors, the one who enjoys the most undisputed control over all the brokers in his municipality is Othacehé. The lack of competition, his alliance with the national executive, his electoral successes, and his often undemocratic and violent methods gave him absolute control over the network of brokers. There are no alternative networks of brokers in Merlo. Cariglino, in Malvinas Argentinas, enjoys also a clear monopoly over the Peronist network of brokers. However, as a Duhaldist, he has always kept a distance from the Kirchners, who have tried to challenge his monopolistic power with colectoras. In 2007, Luis Vivona, the Secretary of Sports for the National Ministry of Social Action, which is backed by Cristina Kirchner, ran for mayor of Malvinas Argentinas in a colectora that lost to Cariglino by 9 percent of the vote. Vivona´s campaign was mainly based on a network of brokers financed by the national executive that distributed appliances in the slums of the municipality. After being defeated, Vivona´s network of brokers dispersed. While Cariglino, as with Othacehé, can be considered a lord with monopolistic control over the main network of brokers, he is not free of every challenge since he has never completely aligned with the Kirchners. Because Cariglino has joined with Duhalde

again for the 2011 election, we should expect that with the support of Cristina Kirchner, Vivona or other challengers will defy his monopolistic power. In order to do so, they will need to marshal their resources to gain the support of alternative broker networks.

In San Miguel, from the time de la Torre became mayor in 2007 to 2009 when he lost the legislative municipal election against former mayor Aldo Rico, he only had weak control over his network. Even many of his own brokers worked for other candidates in the 2009 election. After de la Torre was defeated in that election, many of his brokers started looking for a new boss. They had the option of switching to either one of the two alternative broker networks in San Miguel. Aldo Rico, an ex-military officer and former mayor of San Miguel, led a network of 100 brokers, and state representative, Fanco La Porta, de la Torre's former ally, had a network of about 80 brokers.

Because of the rupture between them, de la Torre and La Porta ran in different colectoras for the 2009 municipal election, which further fragmented the network of brokers, facilitating the victory of Aldo Rico. After being defeated, de la Torre reorganized his brokers and invested in public works in the municipality. He put the 24 regional delegates in charge of the second level of the network. This consolidated his power over his own network and even attracted brokers from his enemies. With a more consolidated network of brokers and more agencies, de la Torre will, in 2011, probably become the first mayor to be reelected after completing a four-year term in a municipality that historically has had high intra-Peronist competition and competing networks of brokers. This would provide de la Torre a unique opportunity to further consolidate his network. While in the case of Malvinas Argentinas, the challenge to the Duhaldist incumbent comes from the FPV. In the case of San Miguel, the challenge to the incumbent that is now supported by Cristina Kirchner comes especially from Aldo Rico, a Peronist who has alternatively supported Duhalde and Rodriguez Saá.

Besides the challengers from his own agrupación in La Matanza, Espinoza must also face challengers from FPV and from dissident Peronist factions. Given that La Matanza contains 3.2 percent of the national electorate, it is not strange that this poor municipality attracts so many politicians eager to launch their careers; it is a crucial district for winning the national election. Inside the FPV, Espinoza is opposed by Ricardo Bruzzese, Alberto Samid, and Luis D'Elia. The first two are in the cattle industry, and they are Kirchnerists who benefited from "Beef for All," a national program that subsidizes beef for the poor. They both use the program and the money to sustain a territorial presence in La Matanza. However, Bruzzese, who owns a chain of butcheries, ironically named after the protagonist of the gangster's movie Godfather— "Don Corleone," has more territorial power, through the brokers of his agrupación "Bases Nacionales Peronistas," than does Samid. While Bruzzese is a friend of the powerful Trade Secretary Guillermo Moreno, Samid is an ally of the governor of Buenos Aires, who is not fully trusted by the president. Moreno helped Bruzzese develop his network of about 300 brokers by commissioning him to distribute beef to NGOs and soup kitchens in the poor neighborhoods of La Matanza. Bruzzese constantly complains that Espinoza pays his brokers with positions in the cooperatives of Argentina Trabaja, where he does not have a single position. He claims that his followers are activists that work out of love for the Peronist doctrine.

Among the beneficiaries who receive beef from Bruzzese is Luis D'Elia's piquetero movement. D'Elia is another supporter of Cristina Kirchner's reelection campaign in 2011. He also has a territorial presence in La Matanza, and he harbors his own ambitions to build power within and beyond the municipality, which is the base of his piquetero movement and of his new

party Movimiento de Integración Latinoamericana de Expresión Social (MILES–Latin American Integration of Social Expression Movement).

Outside the FPV, Julio Ledesma, General Secretary of the Union for Commerce Employees, is another politician in La Matanza with a considerable network of brokers. Ledesma was an early supporter of Kirchner in 2002 and introduced Kirchner in La Matanza at a rally for which he gathered 14,000 people through his brokers. Ledesma was even appointed adviser to President Nestor Kirchner in 2003. However, he never received full support from the Kirchners to become mayor of La Matanza. In 2002, Ledesma lost the primary against Balestrini while Nestor Kirchner kept himself out of the dispute to avoid electoral costs in such an important district. In 2007, Kirchner supported Balestrini's candidate, thereby impairing Ledesma's chances. In 2009, Ledesma was elected national representative with PRO, but he returned promptly to the FPV. Shortly after that, Kirchner supported Espinoza's run for reelection and Ledesma started to look for another ally who supported his ambitions. For the 2011 election, he is Duhalde's candidate for mayor of La Matanza.

Of the other ten politicians, some have territorial power through their agrupaciones and brokers. Two are Juan Carlos Piriz—who works for the gubernatorial candidate for Buenos Aires, Francisco De Narváez—and Víctor Martínez, Duhalde's councilman and precandidate for mayor. Interestingly enough, Martínez recently declared to the press, "I am not afraid of competing with three other Duhaldist candidates in the primary for mayor, because I have the activists."[23]

The National Executive and brokers' resources

Kirchner's need to consolidate his power in order to stand up to PJ challengers, as well as the electoral decisiveness of the impoverished CB, made more resources available for brokers. While the Kirchners had the resources that mayors needed to control their municipalities, mayors had a share of votes that was important for the Kirchners. Lords, whose loyalty the Kirchners could trust and who received an important share of votes, did not face colectoras and received generous resources that fueled their broker networks. In the municipalities with mayors who did not have an obvious electoral advantage and/or whose loyalty was unclear, Kirchner opened colectoras and supported challengers to incumbent mayors (Lenarduzzi 2010). Several PJ candidates competed in these municipalities with funds coming from different sectors of the national or state executive. These candidates invested in their own networks of brokers who vied to control different neighborhoods.

Kirchner's strategy of using public funding and colectoras to discipline the CB mayors was a successful one. After the 2007 election there was not a single mayor in the CB that had not pledged allegiance to the national project led by Kirchner. Most of the mayors who were not originally Kirchner's supporters, became so after the election of 2005 when Kirchner's candidate defeated that of Duhalde. For example, right after the 2005 election, the former Duhaldist mayor of Malvinas Argentinas, Jesús Cariglino, declared his new loyalty toward Kirchner, by stating that "from Malvinas Argentinas we will be with you [meaning with Kirchner]…the president should sit in his chair and start to govern so that we can be with him as the people have been

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[23] lapoliticaonline.com. June 27th, 2011. "La Matanza: Ledesma es candidato de Duhalde...". Accessed http://www.lapoliticaonline.com/noticias/val/74556.

with him for the election. Mr. President I wish you the best because your good is our good and the good of the rest of the country."[24]

However, what is more striking than Peronists shifting their loyalty from Duhalde to Kirchner, was that for the 2007 election, even those mayors with origins in local parties or in the Radical Party jumped into the victorious Kirchner's coalition, becoming *Vecinalistas K* or *Radical K*. While until the election of 2005, it was not clear that the Kirchners could defeat Duhalde in the CB. For the 2007 election, there was no doubt that Kirchner had his grip on the CB machine. Because these mayors govern mainly poor municipalities that lack budgetary autonomy, they largely depend on resources from the national and the state executives for provision of infrastructure and social welfare. As the system that allocates both of these across municipalities is characterized by a high degree of discretion, mayors align themselves with the federal government to avoid being left behind.

Loyalty to the Kirchners was crucial for accessing public resources during the 2007 and the 2011 campaigns. During these campaigns, candidates often criticized their opponents and claimed that because theywere not loyal enough to Cristina Kirchner, they could never bring resources to their municipalities. For example, Minister of Justice and former La Plata Mayor, Julio Alak, criticized Mayor Pablo Bruera saying that "the present administrator used Néstor and Cristina Kirchner´s good image to win the election, but then at the time of conflicts…he abandoned the national and populist Kirchnerist project…Bruera has arrived at a level of conflict with the national executive that has stopped the development of the city."[25]

Similarly, the former Mayor of Lanús, Manuel Quidimil, who lost in 2007 after six terms, complained that he lost because the national executive did not provide the infrastructure that they promised him for his municipality. "I saw the machines working in Lomas, Quilmes, Florencio Varela…and I got angry because I did not see the orders coming to start anything in my municipality…I said, 'They want to cook me' [meaning to stop his political career] and I sent my resignation to the president. Finally, they started but only 20 days before the election. I cannot believe the lack of consideration for a long-time Peronist like me."[26]

The arbitrary distribution of funds is the most common tool to reward or punish mayors. Five days after the 2007 elections, Néstor Kirchner sent U.S. $50 million as a reward to the municipalities of the CB, which mayors could spend without limitation. During 2008, Cristina Kirchner promised work in the municipalities for U.S. $1,250 million. Every mayor of the CB, who were by then all loyal to the Kirchners, was invited to go to the Casa Rosada (the National Palace) with a folder with all the infrastructure work they would like to have done in their districts. Coming out from one of those meetings, a CB mayor said, "if I get half of what they are promising this will be Disneyland."[27]

In 2011, Mayor Cariglino broke with Cristina Kirchner in order to support the presidential candidacy of his old ally, Eduardo Duhalde. When he explained the reasons for the break with the president, Cariglino said "they have not fulfilled even 10 percent of the public works that they promised to me…many mayors are dissatisfied with the president too, but as they cannot pay their suppliers and they have debts for millions, they depend on her and they are

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[24] "Nos ganó el Presidente." *Tiempo de Tortuguitas* (Tortuguitas, Argentina), October 2005 (Segunda quincena).

[25] Millalonco, Omar. 2011. "Alak: "Bruera utilizó la buena imagen de Néstor y Cristina para llegar al Municipio y luego los abandonó." *InfoPlatense*, April 1, 2011. http://www.infoplatense.com.ar/index.

[26] Fontevecchia, Jorge. 2008. "Mate con Quindimil." *Diario Perfil*, March 2, 2008.

[27] Mindez, Leonardo. 2009. "Obra Pública: una palanca para hacer fuerte al gobierno." *Clarín*, January 25, 2009.

scared."[28] Since a crucial factor for mayors' territorial power is their networks of brokers, they have to negotiate with the national and state executives for the resources to maintain them. As I discuss in the next section, two resources are crucial to keep brokers' loyalty: municipal jobs and workfare programs.

Paying for the Network

Municipal Temporary Jobs

The mayors' networks of brokers are crucial for their territorial power. However, as mayors govern municipalities with large budget deficits, in order to provide public jobs and workfare programs, they need the support of the national or state executives. As with public goods, the provision of these is conditional upon loyalty. Mayors mainly resort to municipal jobs and to workfare programs to pay to their brokers. This explains why the municipal staff is oversized and not well paid.[29] A broker told me that the favorite slogan of mayors, when it comes to temporary public employees' policy, seems to be "more and cheaper." In contrastwith other public jobs, municipal workers are the worst paid, with an average net salary of U.S. $666 per month in 2011. To compare, workers in the national legislature have an average net salary of U.S. $1,914 per month, and the average for the national public sector overall is U.S. $1,700 per month.[30]

Municipalities have a payroll of permanent staff. Permanent municipal employees have usually been in their positions for many years and are unionized. As such, they are difficult to fire and are not susceptible to clientelism or political manipulation. However, permanent employees usually represent only 10 to 50 percent of the employees in any CB municipality. A large percentage of municipal employees in the CB are under temporary contracts or are paid under the table. To be able to pay these temporary employees, the municipal states usually depend on funds that come from the national executive.

The forms and contracts used to hire temporary workers for the municipality are endless. Some of these workers have contracts known as "political positions," others are hired under the term "scholarships," since the money originally came to the municipalities to subsidize training programs for unemployed people. Many do not have any contracts at all and are paid under-the-table; they usually have no labor protection. Most of the contracts last 6 or 12 months and the mayor can end or renew them with total freedom. At election time, more people are incorporated into municipality work, but usually for no more than two or three months. In fact, the municipal governments are the biggest under-the-table employers in the CB municipalities.

For the last decade mayors have tried to reduce their permanent staff and increase their force of temporary employees. This allows them to reduce costs while increasing their political gain. Temporary workers are cheaper, as they usually have lower salaries, no job benefits, and are more easily manipulated for political ends than permanent staff. The municipal delegate for Villa de Mayo in Malvinas Argentinas, Carlos Méndez, explained the main advantage of temporary workers:

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[28] Sued, Gabriel. 2011. "Duhalde sumó a un intendente K." *La Nación*, June 22, 2011.

[29] In a seminal paper, Calvo and Murillo show that since the PJ constituency has on average less skills and a lower income than the other parties' constituencies and, the PJ can benefit more than any other party from the clientelistic allocation of public jobs.

[30] Data from INDEC - Informe: Evolución de la Distribución Funcional del Ingreso 2011.

Here in Malvinas if you do not answer to the mayor, you are fired. The thing here is that we do not have permanent personnel. We have very few permanent staff, about 300 among 3,500 temporary workers. The mayor could take out of the payroll whoever he wants, whenever he wants. This is good because the permanent staff is protected by the unions and they do whatever they want. You do not have any control over them.[31]

The General Secretary for the Municipal Workers Union of San Miguel, José C. Paz, and Malvinas Argentinas, Alberto López Camelo, declared to the press that "it is a scandal that the permanent municipal staff is every day smaller and that the transitory staff is every day more numerous."[32] He also declared,

The priority is the incorporation of the temporary employees to the permanent staff. In San Miguel they are incorporating some workers, but a few and not all that we are requiring…Malvinas Argentinas is the place where vulnerable municipal jobs are at their peak. There are less than 400 permanent workers and we suspect more than 5000 temporary employees. The permanent personnel is not even 10 percent of the total force work in Malvinas Argentinas.[33]

Municipal Employees Unions have been complaining about labor vulnerability in municipalities, especially after the approval in 1995—with Menem as president and Duhalde as governor—of State Law 11,757 which regulates the rules for municipal workers. This law ruled out direct negotiations for salaries and benefits between employees and mayors, and allowed for significant labor flexibility. In Article 12, the law declares that "norms of stability do not apply to those who are subject to the decision of the agency that appointed them, as temporary workers, who do not have any more stability in their jobs than that which emerges from the contract and can be fired whenever there are reasons."

The president of the Federation of Municipal Employees Unions (FESIMUBO), Rubén García, said at a 2008 plenary, "Duhalde and the mayors allowed the approval of the famous law 11,757…which made us available for being transformed into political merchandise for the government of the hour. The Municipal employee, and this has to be said, works for the state and not for the ruling party."[34] Press Secretary Charly Schneider said:

They cannot take away from us what Perón gave us, we need to keep asking for the derogation of law 11,757 which enslaves us and is only useful for the mayors that want to use workers as their troops for pennies…It is not possible that they retire people and replace them with other junk contracts. Every coworker deserves some dignity.[35]

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[31] Personal interview with the author.

[32] "Lopez Camelo: "Es un Escandalo que el Personal de Planta sea cada vez menos." July 25, 2010. *SMnoticias.com*. http://www.smnoticias.com/index.php?news=1114.

[33] "Municipales Anuncian Marcha por la Derogación de la Ley 11757." July 12, 2011. *SMnoticias.com*. http://www.smnoticias.com/index.php?news=2567.

[34] "Acompañando a los Compañeros de Olavarría." January 2008. *Sindicato de los Trabajadores Municipales de Campana*. http://www.sindicatomunicipal.com/2008/01.

[35] "2º Plenario Provincial del FESIMUBO en la localidad de Quilmes." September 2009. *Sindicato de los Trabajadores Municipales de Campana*. http://www.sindicatomunicipal.com/2009/09.

Even if the threat of losing a job due to electoral defeat is not always explicitly expressed to public workers by brokers or municipal officers, it is still very real. In Merlo, briefly after assuming his position in December of 1991, Peronist mayor Othaché fired more than 1,200 municipal employees who had supported his predecessor, Gustavo Green (O'Donnell 2005, 165). A broker from San Miguel who appointed 10 people to work in the municipality of San Miguel illustrates the logic: "I gave five jobs in the municipalities to people who were working with the opposition before. Now they need us to win because if not, they could lose their positions. They know that." Another broker who felt betrayed by two people to whom he gave municipal jobs said, "They did not come to rally for me, now they will see, I will cut off their oxygen [meaning their jobs]."

It is difficult to figure out the real numbers of temporary workers in CB municipalities. Mayors tend to hide actual figures, and many temporary workers do not appear in the payroll but are covered under other items in the municipal budgets instead. Many are paid under-the-table with funds from uncertain sources. It is also common for brokers and politicians to force a couple of people to share one salary. In this case, only one salary will appear in the payroll, but actually two or three people will be working for it. A broker from Malvinas explained to me how and why he arranges this type of a deal,

> Many times people want a job but they do not have any skills. It is impossible for them to get a job in the real market. I have many families like that. So I go to them and I explain that I have a municipal job for $1,200 a month and if they are willing to split it with two other families, the job is theirs. They always accept. I get to help more people in this way.

For all these reasons, the number of temporary employees that municipalities declare is probably much lower than actual numbers. According to the information provided by each of the municipalities, in San Miguel there are about 1,500 workers with temporary municipal jobs, in Malvinas Argentinas there are 3,000, in Merlo there are 3,500, and in La Matanza there are 7,000.

Workfare Programs

In addition to public jobs, mayors use social workfare programs to build and maintain their networks of brokers and cement a constituency. Mayors use the income provided by workfare programs to pay to their brokers and also to provide them with resources so that brokers can cement their groups of followers. Mayors depend completely on the executives powers above them to provide workfare programs. Mayors complain that when they are not completely submissive to the national executive, they receive fewer workfare programs, the other crucial resource for maintaining a network of brokers. The mayor of José C. Paz, Mario Ishii, now one of the most fervent Kirchnerist mayors, admitted that without national and state funds, it would be impossible for him to govern his municipality. In 2003, when Ishii was still supporting Rodriguez Saá for president against Kirchner and PJJH were a crucial element of the campaign, he complained that "the government suddenly took 6,410 workfare positions away from us."[36]

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[36] "El juego político en los municipios." January 25, 2003. *Clarín*.

By 2010, Ishii was not only the most feverous Kirchnerist mayor, but he was also the CB mayor who received the most workfare programs, relative to the population size of the municipality.

Since 1996, national or Buenos Aires provincial executives have launched several workfare programs: Plan Barrios Bonaerenses; Plan de Emergencia Laboral; Plan Trabajar; Plan de Empleo Comunitario; Crear Trabajo; Plan de Inversión Social; Plan Jefes y Jefas de Hogar; Programa Familias; and more recently, Argentina Trabaja. Municipalities usually enroll beneficiaries through brokers. Even when the latest programs, such as Plan Jefes y Jefas de Hogar and Programa Familias, were implemented with a higher degree of institutionalization—beneficiaries received their money with magnetized bank cards—politicians and brokers still manipulate these programs to serve their political goals. Mayors use these programs as a way to pay their brokers. They not only allocate programs to brokers and their families so that brokers have a direct income, but mayors also let brokers incorporate people into the list of beneficiaries and then charge them a percentage for incorporating them.

Since August of 2009, the most important workfare program, in terms of social benefits and potential use for clientelism, has been the "Plan de Ingreso Social con Trabajo, Argentina Trabaja" (Program of Social Income with Job, Argentina at work–PSIJ) This workfare program was launched by Néstor Kirchner's sister and Minister of Social Development, Alicia Kirchner. I It provides beneficiaries an income of U.S. $300 per month in exchange for working 40 hours a week in cooperatives of 60 members. Most of these cooperatives do community work—clean streets and parks, build sidewalks and bus stops, paint public buildings, improve streets, and install sewage pipelines—in poor neighborhoods. The total budget for this program was U.S. $645 million for 2010.

An area director of the Ministry of Social Development explained to me that the program has a double goal: 1) to provide an income for poor households; and 2) to politically control mayors, especially from the CB.

The first goal was achieved by providing a monthly salary to people without any formal training and who did not have any other social benefit. The program has been generally successful in reaching the target population. Of the total beneficiaries (all of them unemployed at the time of joining the program), 72.5 percent were younger than 40 years of age, 34 percent were younger than 24 years of age, 79 percent had not finished compulsory basic education, and 60 percent did not have any job skills. This is the population with the fewest job opportunities, and for many of them, the PSIJ was their first regular salary ever.[37]

The second goal of the program is entirely political. The program could be executed by the provincial executive, municipalities, or NGOs. In fact, 72 percent of it is being executed by municipality executives, and 28 percent is being executed by nongovernmental organizations, mainly piquetero movements. In this way, the national executive could allocate cooperatives in the different municipalities of the CB—where 85 percent of the cooperatives were allocated at the end of 2010—according to the loyalty of the mayors and of the piquetero movements. In the words of an area director, "we needed a program to answer to the problem of unemployment, but also to control the mayors of the CB. By allocating cooperatives to piqueteros, we were able to counterbalance the mayors' power."

Mayors compete among themselves and especially with social movements to obtain as many cooperatives as possible. A mayor who has shown more independence from the national government complained that he did not have as many positions in the cooperatives as his

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[37] Data from Ministerio de Desarrollo Social – Informe Semestral Ingreso Social con Trabajo, Julio 2010, http://www.desarrollosocial.gov.ar/ingresosocialcontrabajo/114.

colleague from José C. Paz, "He has thousands and thousands of public employees and cooperatives Argentina Trabaja. We have a larger population but get much less. It is a question of loyalty." The irregularities in the distribution and management of the cooperatives deserved attention from the Argentine Congress when opposition representatives organized a public hearing about the program. The Radical mayor of Necochea, a beach city in the Province of Buenos Aires, complained, "the Municipalities run by mayors from the opposition were not invited to this program; they keep rejecting our petitions for incorporating cooperatives."[38]

A PSIJ Director told me that the program has "completely clear and fair criteria of distribution across municipalities. The criteria are available online for everyone." While the criteria are clearly published on the Ministry of Social Development's webpage, it is less clear that they are completely objective. For example, in the second stage that distributed 50,000 positions, 20 percent of them were allocated according to a subjective appraisal of the capacities of the municipalities to carry on the Program during its first stage. The municipalities were scored from 0 to 3. For example, with three other municipalities, the Municipality of José C. Paz, governed by the ultra Kirchnerist Mayor Mario Ishii, received the highest score, 2.22. Besides this subjective element, no other criterion clarifies which percentage of the cooperatives should be allocated through social movements and which ones should be allocated through municipality executives in each municipality. This gives room to distribute cooperatives to different groups, the municipalities, or the piqueteros movements according to electoral goals.

The leaders of piquetero movements have regularly complained that the cooperatives are handled by mayors and their brokers in order to practice clientelism. From the end of 2009 to mid-2011, different piquetero movements, such as Barrios de Pie, Movimiento Teresa Vive, Polo Obrero, Bloque Piquetero Nacional, organized protests for a fair distribution of the cooperatives. The signs in the protest said "Cooperatives without Brokers." The piquetero leader, Luis D'Elia, complained at the beginning of 2010 that his movement, Federación Tierra y Vivienda, was left outside the plan. He received only 500 positions in cooperatives while Emilio Pérsico, the leader of the piquetero group Movimiento Evita and then-National Sub-Secretary in the Ministry of Social Development, attained 15,000 positions for his movement. However, Juan Carlos Alderete, the leader of the piquetero movement Corriente Clasista y Combativa, criticized both the mayors and D'Elia, saying that brokers working for CB mayors "ask for bribes of 300 or 400 pesos to beneficiares of the Plan Argentina Works…and D'Elia just wants the control for himself."[39] The cross accusations between mayors and piquetero leaders reveals that the Kirchners used the allocation of cooperatives as a tool to keep mayors loyal; where mayors were not, the Kirchners just allocated cooperatives to piquetero movements or to the other challengers.

The program is politically important for the CB mayors. While it can serve them to improve the management of their municipalities and engross their armies of brokers, it could also feed political enemies. At the end of 2010, there were approximately 140,000 people in cooperatives in the CB. By the middle of 2011, there were about 200,000. The program provides mayors with an army of workers to improve public spaces in the municipality and to campaign for them. The Director mentioned above also declared,

> Mayors are mayors because they have gained their territories and because they
> have bought their territories. The program perfectly suits their political needs. It
> helps them to gain their territories by improving their management; they have

[38] Veneranda, Marcelo. 2010. "El Plan para Coorperativas, Bajo Sospecha." *La Nación* March 19, 2010.
[39] "Alderete denuncia coimas dentro del plan Argentina Trabaja." February 15, 2010. *InfoBAN*. http://www.infoban.com.ar/despachos.asp.

more arms to clean streets, build sewerages, paint schools, etc. And they also have more resources for clientelism and more people to mobilize for rallies.

Although I explain in Chapter 3 how brokers implement program, I show here the importance of the program for mayors. Mayors allocate cooperatives to brokers with convening power. Mayors need brokers to mobilize their cooperatives for rallying, campaigning, and voting. Brokers could always threaten beneficiaries with exclusion from the cooperatives if beneficiaries do not politically support their bosses. Small brokers are paid with cooperatives' salaries, but more relevant brokers can appoint up to 60 people in cooperatives and can keep 10 to 50 percent of those salaries for themselves. During an interview, a mayor of the CB admitted that "letting the brokers discount 10 percent from the people in the cooperatives is retribution for their efforts. They do a lot for their neighborhoods." Brokers in municipalities with intra-Peronist competition have more freedom to determine the share of resources that they keep for themselves than brokers in municipalities under lords in which mayors can control precisely what brokers receive.

Some brokers give some of the money that they receive from the cooperatives to the campaigns. The director I interviewed declared that:

…in many municipalities it is institutionalized that the brokers take money from the members of the cooperative and use it for the campaign. The excuse at the beginning was that there is a legal form by which members of cooperatives commit to contribute to fund the cooperative. Now they just directly ask for money for the campaign and if you do not want to cooperate you are out.

Of the 60 brokers interviewed that handled cooperatives, 33 percent (20) admitted to accepting money from the beneficiaries; although, 12 of them declared that they do it freely without coercion. The amount of filed claims for irregularities in the program was about 1,300 in July 2011, most of which were about brokers demanding a percentage of the salaries from beneficiaries.

Mayors also increase the funds for campaigning by seizing money and resources earmarked for equipment and materials for the cooperatives. In each cooperative, 70 percent of the budget is to pay the salaries of the members and 30 percent to buy equipment and materials. A share of that money or of those materials ends up in the campaign. For example, a broker told me that he used the same cooperatives' materials to paint the neighborhood school, to graffiti the mayor's name on the open walls of the neighborhood. Another way to seize resources through the cooperatives was described during a Congressional hearing with a public audience by Gustavo Ferragut, a councilman of La Matanza, "In addition to inscribing their employees, the mayors are keeping for themselves the resources already in the budget for municipal works that they now do with the cooperatives."[40]

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[40] Veneranda 2010. *La Nación*.

Conclusion

For the last three presidential elections, the PJ was divided and presented three different candidates. In 2003, Menem received 24 percent of the vote; Néstor Kirchner, 22 percent;and Rodriguez Saá, 14 percent. In 2007, Cristina Kirchner received 45 percent of the vote; Rodriguez Saá, eight percent; and Roberto Lavagna, who had the support of the Duhaldists, received 17 percent. For the open primaries of 2011, Cristina Kirchner received 50 percent of the vote; Eduardo Duhalde, 12 percent; and Rodriguez Saá, eight percent. While fragmented, the total Peronist share of votes was between 60 and 70 percent in the 2000s, and a Peronist candidate was always elected in these campaigns. The same can be said for the legislative elections of the same period. Particularly relevant were the legislative elections of the province of Buenos Aires in 2005 in which Cristina Kirchner (with 43 percent of the vote) defeated Hilda "Chiche" Duhalde (15 percent) for Senator. Another was that of 2009 in which Francisco de Narvaez and Felipe Solá (35 percent of the vote) defeated Néstor Kirchner and Daniel Scioli (32 percent of the vote) for Representatives.

While these elections showed the electoral hegemony of the PJ, they also revealed the intra-Peronist competition that characterized elections after 1999. Since the collapse of the Alianza government in 2001, the PJ became the only game in town, and the benefits of controlling it increased and fostered intraparty competition. This intraparty competition reinforced the salience of brokers. In 2007, with the colectoras, it was intra-Peronist competition between different Kirchnerist groups and candidates which reinforced their salience. The electoral hegemony that the Kirchners sought in the face of Peronist challengers gave more relevance to brokers and their strategies. The colectoras, as a new institutional creation, express precisely the process by which the PJ achieved an unquestionable electoral monopoly, and at the same time, became increasingly divided.

The president and his/her opponents tried to cultivate the loyalty of mayors and local politicians in the CB by sending them resources and making use of the colectoras. The mayors and the local politicians used some of these resources to develop and consolidate their networks of brokers. The Kirchners were particularly successful in courting the loyalty of the CB mayors and of local politicians by handling the allocation of resources and of colectoras. Both means had a direct impact on the level of commoditization of politics and of clientelism. As a broker confessed, "now it is all about money. Nobody cares about the PJ anymore; they are all trying to open their own branch of the PJ to get resources and pay for brokers.

Chapter 3

The Role of Brokers in Peronist Hegemony

Introduction

"I come humbly to say that I am presenting my candidacy for Governor. We have gone once, twice, and three times, one on top of each other, to pack stadiums for them, and then we are left out of the list for others who do not have a single broker."[41] This statement by Mario Ishii, the three-time Mayor of José C. Paz and PJ candidate for Governor of Buenos Aires in 2011, reflects the importance of brokers in upholding the Peronist hegemony in the CB. Ishii believed that, as a CB mayor, he had the single most essential quality to run for Governor—the command of a large network of brokers. This chapter explores all the strategies brokers enact in upholding PJ hegemony in the CB. It shows the complete portfolio of brokers' strategies—both clientelistic and non-clientelistic—and explains at what point in the electoral cycle they are used.

A broad literature has recently emerged explaining the role of PJ brokers as turnout and vote buyers (Brusco, Nazareno, and Stokes 2004; Nichter 2008; Stokes 2005, 2007). Brokers (called *punteros* in Argentina) have increasingly focused on gaining supporters through the discretionary allocation of resources. Materialistic appeals have progressively overshadowed both identity and partisan arguments (Auyero 2002; Ostiguy 1998) in courting poor voters. However, Peronist brokers also employ a diverse portfolio of non-clientelistic strategies that contribute to the PJ hegemony in the CB. Furthermore, brokers' roles are not only limited to electoral issues, but also include governing matters. Using Mazzuca's categories, brokers not only perform activities related to *access* of power, but also to the *exercise* of power (2010, 335).

As the main—and frequently the only—political actors on the ground, brokers continue to invest a considerable amount of time and resources into gaining support by campaigning and by providing public goods and services for their poor communities. These are non-clientelistic strategies that are often ignored by scholars and the media. They are not clientelistic because they are not dependant on individual's political behavior. By focusing solely on clientelistic strategies, we cannot fully understand brokers' role in upholding the PJ hegemony. By the same token, the complexity of clientelistic strategies can only be understood in the context of brokers' whole portfolio.

While some strategies are carried out on a continual basis, other ones—such as distributing ballots and pasting posters up—pertain exclusively to the period just before elections. Each strategy entails different goals and diverse dynamics between brokers, politicians, and clients, especially in terms of checking compliance, granting rewards, and doling out punishment. The relationships between brokers and their clients and bosses are more complex than depicted by the vote-buying literature. Additionally, in contrast to the current debate over whether PJ brokers allocate discretionary resources with the goal of buying votes (Brusco, Nazareno, and Stokes 2004; Stokes 2005, 2007), turnout (Nichter 2008), or support in primaries (Auyero 2002; Levitsky 2003; Torres 2002), this chapter shows that brokers use different strategies at different stages in the electoral cycle. In this sense, this study agrees with more recent work by Dunning and Stokes (2008) and by Gans-Morse, et al. (2009) which argue

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[41] Speech by Mayor Mario Ishii during the Buenos Aires PJ Congress in June 2011, La Nación 06-14-2011.

that parties engage in both vote and turnout buying. However, this study also challenges these scholars' assertions that parties simultaneously target different types of voters with each of these strategies. I show that while brokers do practice both vote and turnout buying, they mainly target the same voters, that is, their supporters.

I base my arguments on substantial observation of brokers' activities in their communities as well as interviews with 120 brokers from the municipalities of Malvinas Argentinas, Merlo, La Matanza, and San Miguel. The brokers' narratives allow me to assemble an ethnographic account that shows the dynamism of the clientelistic machine at work, rather than a snapshot of one particular moment. The focus is on the role of the brokers as well as their relationships with clients and politicians. This approach goes beyond a bottom-up perspective that analyzes only the client-broker relationship. This study examines the chain of relationships involved in a municipal political machine—including a top-down analysis of the relationships between politicians, brokers, and clients—at different points in the electoral cycle.

The first four sections of this chapter analyze brokers' roles and strategies used to gain political support at four different stages: 1) maintaining a Peronist base; 2) campaigning before elections; 3) primaries and party authorities' elections; and 4) general elections. Table 1 presents the exchanges between brokers, PJ politicians, and poor people at these four intervals. As the table shows, brokers have different roles and strategies for the different phases in the electoral cycle. The table also lists what poor people receive from brokers, what brokers receive from their clients, and how politicians benefit from brokers. The last column enunciates what politicians or brokers monitor in each of these strategies. Finally, the concluding section of this chapter—titled "Beyond Elections"—shows that brokers are not only crucial for electoral purposes, but—as actors with extensive local knowledge—also for governance and the consolidation of power.

Table 5: Interchange among Brokers, Clients, and Politicians

Brokers' roles	Clients receive from brokers	Brokers gets	Politicians receive	Boss/broker monitor
1. Maintaining Peronist Base				
Welfare provider	Public goods and services	Support	Support	Brokers' provisions
		Reputation	Grassroots presence	
	Social gatherings			
		Information		
Support buyer	Public jobs/ Workfare programs	A group of followers	Political support	Loyalty
2. Campaigning before Elections				
Propaganda activist	Information about candidates	Display territorial control	Advertisement	Propaganda in the streets
			Display territorial control	
		To be known		
Mobilizer for rallies	Money and food handouts	Display convening power	Display power	Assistance
			Measure brokers' convening power	
		Measure clients' loyalty		
3. Primaries and Authorities' Party Election				
Turnout buyer	Money/ food handouts Transportation	Votes at their polling stations	Votes	Turnout and results at the polling station level
Vote buyer	Public jobs/ Social programs Food handouts	Votes at their polling stations	Votes	
Elections Monitor			Supervision of elections	
			Fraud in their favor	
4. General Elections				
Mobilizer	Food handouts Transportation	Turnout at their polling stations	Votes	Votes at the polling station level
Vote buyer	Public jobs and workfare programs	Votes at their polling stations		
Election Monitor			Supervision of elections Fraud in their favor	

1. *Maintaining a Peronist Base*

Providing public goods and services

This study of Peronist brokers purposely focuses on the complete portfolio of their strategies. Clientelistic strategies are a central element of this portfolio. However, to understand brokers' positions and political salience, it is also important to consider their non-clientelistic activities. Therefore, this section discusses brokers' strategies that involve public goods. Brokers invest considerable time in obtaining resources to provide public goods and services for their neighborhoods. Brokers, especially those who can access municipal resources, frequently try to solve neighborhood-wide problems by providing improvements, such as streetlights for dark areas, small bridges for crossing streams, bus shelters, and garbage trucks. While these strategies might be considered pork barrel politics, they are not clientelistic as they do not have a discretionary component based on individual political behavior.[42] However, they are usually still associated with ongoing clientelistic deals. By providing small-scale public goods and services, brokers fulfill a tripartite goal: 1) gain and maintain a base of political support; 2) strengthen ties to poor people, creating conditions in which to practice clientelism more efficiently and with less liability; and 3) acquire a reputation as good brokers.

With the provision of small-scale public goods, brokers fill the gap between people's needs and their lack of state provisions. When frustration rises in a neighborhood over the lack of state provisions, brokers offer solutions with a grassroots efficiency that earns them political support and a privileged position in the neighborhood. Fifty-six (63) of the interviewed PJ brokers supply some public goods to their neighbors. By providing everything from materials to improve a street to sewage disposal or electricity, brokers present themselves as the only ones responsive to poor people's needs. Of the 120 brokers interviewed, 62 percent (74) provide services on a regular basis without distinguishing among beneficiaries according to their partisan leanings or their likelihood of voting: 23 organize sports activities and field trips for children; 19 provide school tutoring; 15 legal counseling; and 11 job training. In this dimension, PJ brokers are not different from community leaders in any other countries in the world.

A common service that brokers provide is organizing social gatherings and parties for the neighborhood. For example, all 112 PJ brokers I interviewed are involved in the organization of parties for Children's Day.[43] They organize games, distribute cakes and chocolate, hand out toys, and raffle off bicycles. On average, each broker gathers a crowd of 100 people. Half of the brokers interviewed also organize parties for Mother's Day, Independence Day, Christmas, or New Year's Eve. None of these events can be directly considered a form of clientelism, as they are open to everyone in the neighborhood. By organizing such events, brokers earn support from poor parents who do not have enough resources to throw parties for their own children.

In poor areas, neighborhood crises also create opportunities for brokers to gain residents' support by demonstrating their ability to provide what the state bureaucracy or other parties' representatives cannot. For example, in a poor shantytown in San Miguel, when houses are

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[42] Clientelism is usually understood as the personal and discretionary allocation of goods and services in exchange to individuals for their political support. For a distinction between clientelism, vote-buying, and pork-barrel politics see Schaffer, F. C. and A. Schedler, Eds. (2007). <u>What is vote-buying?</u> Elections for sale. London, Lynne Rienner Publishers. For general overviews about clientelism see: Schaffer and Shedler (2007; 1), and Stokes, S. C. (2007). Political Clientelism. <u>Handbook of Comparative Politics</u>. C. Bois and S. C. Stokes. Oxford, Oxford University Press.

[43] In Argentina, Children's Day is traditionally celebrated with presents and food for children.

flooded by excessive rainfall, residents resort to either one of the two PJ brokers to access boats to move out their few belongings. By providing public goods and services, brokers consolidate their territorial power. A poor resident of a shantytown in La Matanza outlined what neighbors might have at stake—beyond clientelistic favors—when deciding whether or not to support a broker: "Carlos got us the water pipelines; they said he is a *puntero*, but what I know is that all of us have water thanks to him. I will always support him. He is good for the neighborhood, even if he is a broker."

Only with a thorough knowledge of the neighborhood, the people, and their problems can a broker efficiently practice clientelism; vote-buying in particular requires knowing how much it takes to secure the vote of a particular resident. Brokers need both—to know the people in order to allocate resources efficiently, and to be known as a source of resources in their territories. Supplying public goods and organizing social events help brokers achieve such goals. Brokers usually lead inaugurations of public facilities and other events with a microphone or a megaphone. They put themselves literally at the center of the stage. By providing public goods and services, brokers also legitimate their roles and develop an environment in which to practice clientelism efficiently and cost-effectively.

Nevertheless, scholars tend to believe that only middle and upper classes despise clientelism, but in fact in the poor neighborhoods of the CB, most people also criticize it. Because not every poor person is a client, and because clients tend to see clientelism in brokers' relations with other clients but not with themselves, clientelism is always something that only happens to someone else. Brokers are aware of the harsh criticism directed at clientelism and try to avoid being associated with it. They try to present themselves as people concerned with social issues and neighborhood problems rather than with electoral matters. It is not coincidental that 62 percent (74) of the brokers initially described their activities as "social" rather than "political."[44] It is interesting that while the media and scholars call the brokers *punteros*, the brokers call themselves *referentes barriales* (neighborhood referents). This is because the *punteros* label is immediately associated with clientelism, which certainly damages their electoral prospects.

As clients support those brokers who access resources for them, brokers seek to develop the reputation that they can deliver. Every broker seeks to be recognized for accessing resources and solving problems for poor people. Supplying public goods and services is also the way for brokers to signal to the neighbors that they can access and deliver considerable resources. Of the PJ brokers I interviewed, 80 percent (90) presented themselves as the only ones providing solutions for their neighborhoods.[45] Brokers are particularly attentive to the emergence and actions of competing brokers, and even of other sources of solutions, such as churches and NGOs. If a broker achieves a monopoly or a quasi-monopoly over social provisions for the poor in a particular neighborhood, he/she will have a large set of followers willing to give their support to whomever he/she tells them. The broker will then be well-positioned to negotiate more resources with his/her political boss. This is particularly true in municipalities such as San Miguel and La Matanza, where intra-Peronist competition is high. Brokers can always threaten their bosses in these areas to work for someone else. In these municipalities with intra-Peronist competition, public goods appear to the people as provided by the broker as much as by the

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[44] In the interviews, they will later provide evidence that this was not the case. It is interesting that they are aware of the liability of an accusation of practicing clientelism and try to avoid it as much as possible.
[45] Auyero reported the same attitude .

mayor, whereas in municipalities with mayors with monopolistic power, such as Malvinas Argentinas and Merlo, the brokers appear much less important than the mayor for provisions.

Through the provision of small public goods and services, brokers seem like the only efficient agents for solving community problems. A broker from a shantytown in Merlo explained, "I do what no one else, not even the state, can do." He is right. He is the only one in the shantytown with access to state resources to solve problems and provide services for the poor; state bureaucracy or other parties are mainly absent. However, even when brokers frequently like to present themselves in contrast to state agents—as this last broker did—they receive their salary and their resources from the state. In this sense, brokers represent a discretionary and particularistic face of the state in poor areas, rather than its complete absence. Of the PJ brokers interviewed, 81 percent (91) received state wages, whether in the form of a municipal salary, a position in a state-run cooperative, or even a state or national salary.

Cementing a group of followers

During the Presidency of Carlos Menem (1989–1999), the PJ, which is a party with traditional links to poor people, shifted from seeking lower class support through granting rights to workers and unions to courting their supporters with clientelistic appeal (Levitsky 2003). When the pauperization process accelerated and unions lost power due to high unemployment, brokers and their clientelistic strategies gained relevance for the PJ to maintain a base of support among the poor. In the brokers' narratives, politics at the ground level clearly has become progressively commoditized since the 1990s. An increasingly poor population in the CB has gradually given more traction to material considerations in voters' decisions over whom to support. A broker from Merlo illustrates the process that converts neighborhood partisan leaders into rented political mediators: "We went from being activists and social referents to just rent brokers. Now nobody cares about the [Peronist] doctrine anymore; it is all about the material rewards that you can get. It is the same for the politician, the broker, and the voter. We all ask how much is on the table for us."

A manifestation of this commoditization of politics at the ground level is that most Unidades Básicas (Basic Units, or UB)—the PJ's neighborhood-level branches operated by brokers where traditionally the party affiliates gather together and discuss the party issues—remain closed most of the year and open only when electoral campaigns begin as centers for the distribution of food handouts and ballots. In fact, 83 percent (100) of the brokers agreed that politics have become progressively commercialized. Sixty-seven percent (48 out of 72) of the brokers from the municipalities with political competition that I studied, that is La Matanza and San Miguel, declared that they would work for whomever gave them more resources. Moreover, 61 percent (44) of the brokers from these two municipalities have switched at least once from one Peronist faction to another, exclusively for material motivations. They repeated phrases, such as: "we are all rented now;" "political vocation does not exist any longer, it is just about business;" "if they pay me, I work, if not I do not;" and "without resources I do not follow anyone, because none follow me if I do not have resources."

Levitsky's groundbreaking fieldwork provides us with a cornerstone upon which to build a comparison that confirms this process. He reports that when he did his research in 1996–1997, out of the 112 brokers he interviewed, 60 percent (67) would regularly deliver particularistic favors and only 22 percent (25) would provide government jobs. Furthermore, Levitsky found

that 39 UBs out of 101 based their activities primarily on material exchange. Fifteen years later, with exactly the same sample size coincidentally taken in a very similar context, I found that all of the brokers (112) regularly deliver particularistic favors and that 52 percent (62) provide public jobs or workfare programs. I also found that material exchanges were fundamental for all the brokers interviewed. This evolution in the data points to a process of commercialization of politics at the ground level.

Of the portfolio of resources, the most valuable for politicians and brokers in order to cement a group of followers are public temporary jobs and workfare programs. Mayors use them to pay their brokers, and in turn, brokers use them to sustain immediate followers. A mayor of one of these municipalities openly told me that "what we call scholarships (*becas*) are actually temporary public jobs that are paid under the table. Basically we use these to pay to our brokers." Both the temporary municipal jobs, called *puestos politicos*, *becas,* or *decretados,*[46] and the workfare programs perfectly suit brokers' support-buying strategy. They both combine two characteristics that make them functional as clientelistic strategies: 1) they provide a vital income to beneficiaries; and 2) brokers control the access to and maintenance of such income. People who obtain temporary municipal jobs or positions in a cooperative earn on average a monthly salary of about U.S. $300, which is extremely valuable in a context of poverty and high unemployment. At the same time, the benefits can be interrupted at any moment. Politicians and brokers decide who receives a temporary job or a workfare program, and for how long, with almost completely arbitrary power.

With Menem as president of the country and Duhalde as Governor of Buenos Aires, the approval in 1995 of state law 11,757 left the destiny of temporary municipal workers in the hands of mayors and brokers. The law declared that "norms of stability do not apply to those who are subject to the decision of the organ who appointed them, such as the temporary workers, who do not have any more stability in their jobs than that which emerges from the contract and can be fired whenever there are reasons." For temporary public employees, the threat of losing their jobs for political reasons always exists. Their destiny always appears tied to the political fortune of the person who hires them. As stated above, in Merlo, after assuming office in December of 1991, Peronist Mayor Othacehé fired more than 1,200 municipal employees linked to his predecessor Gustavo Green (O'Donnell 2005, 165).

In the case of workfare programs, a common institutional feature is that they require that people work to receive benefits. This endows brokers with gatekeepers' powers. The municipalities often designate brokers to enroll beneficiaries and to act as coordinators of the groups of beneficiaries that perform municipal jobs. As coordinators, brokers are in charge of checking if people fulfill their responsibilities or not. They often use this power to demand political support. They demand beneficiaries' political support by threatening to remove them from the program if they do not collaborate.

A former Director of Employment of San Miguel, who was in charge of the workfare program PJJH in San Miguel provided me with the list of people who were in charge of controlling beneficiaries' work obligations in 2001. On the list I recognized 27 of 45 brokers that I interviewed in San Miguel. On the list, I recognized 27 of 45 brokers that I interviewed in San Miguel. The Director was very helpful in explaining the clientelistic dimension of the program.

> I brought 17,000 Planes Jefes to San Miguel. It was a very useful Plan to
> help poor people. It was a real palliative. However, for me it was

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[46] "Political placements, scholarships, or decrees" are all different names for municipal temporary jobs appointed by a Mayor with high arbitrary power to fire them.

impossible to avoid the clientelistic use of it. I was as honest as I could, but very often I got a call from the Mayor Oscar Zilocchi demanding me to give out 50 Planes to a municipal representative or a broker. I fought as much as I could to avoid it, but the option often came down to taking the order or losing the position.

Regarding the power that brokers have over beneficiaries, he told me: "Brokers can squeeze political support or even money out of the beneficiaries because they can always threaten them with removal from the plan. They can always say that someone did not fulfill the obligations. As people are really needy they just feel it is safer to follow them in every instruction."

As said in the previous chapter, since August of 2009, the most important workfare program, in terms of social benefits and in terms of its potential use for clientelism, is the PSIJ. As referenced above, beneficiaries of the PSIJ receive an income of U.S. $300 per month in exchange for working 40 hours a week in cooperatives of 60 members that do mainly community jobs. Fifty-two percent (62) of the interviewed brokers allocate temporary public jobs and/or positions in cooperatives. Eighty percent (50) of these brokers worked for the incumbent mayor, and on average, each of them allocated three municipal temporary jobs and 20 positions in cooperatives.

Brokers allocate temporary municipal jobs and positions in cooperatives to get general political support. Those who get these resources are, most of the times, expected to participate during electoral campaigns, to turn out at rallies, and to vote for the broker's boss in primaries and general elections. They are the PJ's machine for winning elections. A broker who appointed 10 people to work in the municipality of La Matanza and 20 people in cooperatives illustrates the logic, "I gave five jobs in the municipalities to people who were working with the opposition before. Now they need us to win because if not they could lose their positions. They know that so they work hard for us." A broker from San Miguel told me, "I think it is okay that we demand that people working in the cooperatives rally for us. The name 'cooperative' itself indicates its goal: I cooperate with them; they have to cooperate with me."

Brokers make more than an income from their own salaries. The most powerful ones get also a share of what they distribute. All brokers accused the rest of the brokers of keeping for themselves or their families a portion of the resources they receive, even when it is illegal. Eight brokers admitted that they kept 10 percent of the monthly salary of the people to whom they gave positions in cooperatives. One of them told me: "We all do the same. Do not believe them if they tell you otherwise. I only ask for 10 percent but some even ask for 50 percent of the salary. I think that is unfair to the people and that in the long run you cannot last if you take that much."

Brokers with small groups of followers are paid with cooperatives' salaries, but those with more convening power get to appoint up to 60 people in cooperatives and to discount and keep for themselves from 10 to 50 percent of those salaries. Because it is common for brokers to arrange with their followers to keep as much as 50 percent of their income in exchange for excusing the followers from work, the program is regularly called "Argentina Rests (descansa)" in poor neighborhoods instead of the official name "Argentina Works." A La Matanza municipal officer in charge of controlling attendance for the PSIJ said that

the level of attendance is around 60 percent; 10 percent of the members are absent very often, and 30 percent do not show up to fulfill their job obligations. Most of the times that people do not show up it is because they have a deal with the

coordinator of the cooperative. They give part of their salaries to the coordinators and the coordinators mark them as present when they do not work.[47]

Temporary jobs and positions in cooperatives provide poor people with a vital income throughout the year. The people with these positions stick to their providers and support them politically because they depend on them to keep these benefits. Their support includes their vote, but it certainly goes beyond it. Politicians need brokers to mobilize their followers for rallying, campaigning, and voting. With temporary municipal jobs and workfare programs, mayors build their political machine and cement the loyalty of a good share of their hardcore constituencies.

2. Campaigning before elections: grafitti and rallies

Scholars and the media have systematically underestimated the brokers' most conventional form of gaining votes—campaigning. Brokers always have in mind the goal of making themselves and their political bosses more well-known. Campaigning is, after all, a fundamental dimension of democracy, and brokers form the PJ's army of campaign workers. With the cost of airtime on national TV or ad space in newspapers almost completely beyond the scope of their budgets, mayors and their challengers must mainly rely on local campaigns run by brokers. To be known in their municipalities, they need brokers who can cover every blank wall with campaign posters or graffiti and who can bring people to their rallies.

Every social provision that brokers offer is framed to convey that without them and their political bosses, it would not have been possible. While this cultivation of support goes on all year round, during elections the brokers are in charge of campaigning every day at the local level. They run local campaigns from their homes and from UBs that they open for the occasion. Although it is difficult to estimate the number of UBs in each municipality since many are not officially registered, according to broker interviews, the number of UBs multiplies by 10 during campaigns. In a municipality like San Miguel, there are about 15 UBs open year-round, a number that grows to around 150 during campaigns. Through brokers and their UBs, the PJ displays a local propaganda machine unmatched by any other party.

During electoral seasons, this army of brokers and their aides campaign door-to-door, plaster posters, and paint walls with candidates' names. In poor neighborhoods, Peronist brokers constantly visit voters at their houses, leaving ballots and inviting them to gatherings in the neighborhood to meet the candidates. This traditional—and non-clientelistic—way of campaigning, which puts a heavy workload on brokers' shoulders, is an important factor in the PJ's hegemony in the CBs. Brokers know that to win an election, it is crucial that people know their candidates. As brokers' political futures are tied to the electoral fortune of their bosses, not only in the municipality but also in their particular neighborhood, they campaign constantly in their neighborhoods. During the 2009 election, 73 percent (82) of the PJ brokers I interviewed said they visited voters at their homes and 64 percent (72) declared that they held organized neighborhood meetings so that voters could meet the candidates. A broker for the Peronist challenger to the Malvinas Argentinas mayor, Luis Vivona, explained his strategy for the 2007 campaign, "we spent the last month walking the neighborhoods. I walked 10 blocks ahead of

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[47] Author's personal interview.

Vivona, telling the neighbors that he was coming and organizing groups. Every time I gathered a group of 20 or 30 I called him on his cell phone and he came to talk with them."

Much of the advertising for candidates consists of painting graffiti and pasting posters on empty walls. Political bosses monitor the streets to see if their brokers are covering the neighborhoods' streets with their names, and then they reward or withhold resources accordingly. A Secretary of Government from one of the municipalities in this study told me that during campaigns, he is always "in the street checking if the posters had been pasted and the walls painted" because if he does not "you do not know to which brokers give more resources."

Where there is no intra-Peronist competition and the network of brokers is monopolized by the mayor, one can only see the mayor's name on election posters in poor neighborhoods. This was what happens in Merlo and Malvinas Argentinas, where every single spot in the poorest neighborhoods was covered with propaganda for the Mayors Othacehé and Cariglino, respectively. When the network of brokers is not unified and different brokers support different Peronist candidates for mayor, as in San Miguel and La Matanza, then brokers compete for propaganda spaces and different candidates' names are visible in graffiti and posters.

This competition for open walls and signposts often involves violent fights between rival groups. In these municipalities with intra-Peronist competition, fights often arise when one group tries to cover up or tear off what an opposing group had previously painted or posted. Seventeen percent (20) of the PJ brokers told me about having been involved in shootouts with competing brokers on nights when they were painting graffiti and hanging posters. Although these fights also emerge as a means of blocking any serious challengers, in municipalities where the mayor has hegemony they are less frequent than in municipalities with high intraparty competition. Not many have the courage to defy the army of brokers that mayors with hgemonic territorial power control.

A Peronist candidate for the local legislature of San Miguel told me his faction paid a broker U.S. $5,000 to paint graffiti in San Miguel, but that this broker guaranteed that nobody would paint over his graffiti. He patrols his tags with an armed gang of followers every night. He even signs his graffiti with his nickname to ward off other brokers. A former Governor of Buenos Aires confessed to me that "during the campaign you are obsessed with having brokers keep painting graffiti to a point where you do not care if they are involved in drugs or illegal issues or not. You just want them to paint and you give them resources for that." This fight for empty wall space illustrates the brokers' fight to control their territory and install their candidates. They need to control their territories to deliver support to their bosses, and this calls for a monopoly over available, wall space as much as over social provisions.

Violence also emerges in other campaign activities for which brokers are crucial—the rally. Securing high participation in rallies is a critical part of the broker's job. Rallies are important during campaigns for candidates to display their power to the general public and also to measure their brokers' skill at wielding power. During campaigns, brokers mobilize their own groups to support their candidates, wherein politicians—the mayor or challengers—can measure the number of followers of each broker and distribute resources accordingly. A broker for a Peronist candidate challenging the Peronist mayor, explained,

> my candidate respects me because I am always the one who mobilizes more
> people for his rallies. Politicians use rallies to count people and votes. It is then
> when they realize what you have. To mobilize the guys with drums brokers use
> illegal drugs and cheap wine, but I do not have of those. I only take my women. It

is only so that the guy above can count people. I am lucky I can always move three full buses.

It is common for brokers to count support in terms of buses. The number of buses brokers can fill is one of the main factors that determines the amount of resources they will get from their bosses.

Prior to a rally, brokers notify a coordinator about how many buses they are going to need. When the rally is for the incumbent mayor, the buses are paid for by the municipality. Brokers mobilize an average of two buses with 30 to 50 people per bus. On rally days, the candidates have someone monitoring how many people brokers bring to verify that it is the amount they promised or if they were just "selling smoke."[48] Candidates then allocate resources, taking into account the brokers' performance at rallies. In Merlo, a broker told me that he and other brokers were videotaped by their bosses to see how many people they brought.

At the same time that they are controlled, brokers also keep track—with printed lists or by memory—which of their followers showed up and which ones defected. Rallies entail a different system of checking, incentivization, and sanctions than vote-buying, where the secret ballot requires other mechanisms. At a rally, it is easy for brokers to check which clients show up and which ones do not, and to reward or punish them accordingly. A broker from La Matanza openly admitted that he "would fire from the cooperative" two guys who were "not showing up at rallies and they know the rules; this is not Caritas (Catholic Relief Service), after all."

As rallies involve no secrecy, brokers have more freedom to buy occasional support. For example, while vote-buying usually entails long-term relationships with clients, brokers can make single-shot deals for rallies, especially when they know that they are short on the expected amount of buses. A broker from La Matanza disclosed,

for the last time that the president came I gave U.S. $12 or a food handout to each person. They got to pick which one they preferred. I even got some members of the Radical Party in my bus. I just needed to show that I could fill a bus." Such a strategy would not work for vote-buying, as a radical would take the money and vote for the radical candidate at the secret ballot.

Although single-shot arrangements between brokers and clients are possible for rallies, they have long term exchange relationships with most of the people that they mobilize for rallies. Candidates use rallies not only to display their power and to campaign, but also to count the number of followers for each of their brokers. Even when they know that some who follow the brokers to rallies might not vote for them, they use the number that the brokers bring to rallies as proxies for the amount of votes that a broker might deliver. I asked a broker how that was possible and he described:

You have the broker Tonio, for example, he can mobilize six buses for the mayor. The mayor knows that most of them do not care at all about the rally or his speech; he even knows that a percent of them will not vote for him, but these are nevertheless 300 people for the rally and most of them will probably follow Tonio's direction for voting too. What else will they do if most of them are making a living by supporting Tonio?

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[48] This is the expression used among brokers and politicians to indicate that someone is bluffing about the number of followers that he/she can mobilize.

Another interesting aspect of rallies is that candidates usually require some of their brokers to mobilize *la pesada* (thugs), those who can fight against other factions if things get violent. They are the *fuerzas de choque* (task forces) that come up to the front when different factions fight. *La pesada* is usually in charge of playing drums, carrying big banners, and fighting for visible spots during rallies. Fifteen brokers admitted in the interviews that they mobilize hooligans from local soccer teams as their strike forces. Six brokers explained to me that they used the same infrastructure (buses, food, drinks, and so forth.) to take their people to political rallies instead of soccer games. Hooligans from 11 different soccer clubs were mentioned in my interviews as regular task forces for different municipal politicians. For example, five brokers in Merlo told me that hooligans for the two local teams Argentinos and Deportivo Merlo were the main forces that supported Mayor Othacehé, and they followed him to every rally. Even when these numbers do not appear to be very large, they are significant because given the close relationship between hooligans and violent and illegal activities, one would not expect such sincerity from the brokers.

When the president visits a municipality, every PJ candidate mobilizes constituents and task forces. In municipalities with intra-Peronist competition, candidates need the president's support to run for mayor, which means they need the president to see that large groups follow them. They fight for the most visible spots. A broker and hooligan for the Almirante Brown soccer team, who is in charge of a task force in La Matanza said, "I mobilize 20 hooligans. I always bring them with me because they are used to fight against the police forces in the stadiums." A broker from San Miguel, who also resorts to using the hooligans from a soccer team, explained to me that you cannot organize a rally without having your own task forces. "You never know when you have a 'bug' (an infiltrator) from another faction or even from the police who starts a fight because he wants to discredit your candidate. You need your own forces to prevent this type of operation that seeks to harm the reputation of your candidate."

This illegal dimension of brokerage does not come as a complete surprise. As Peronist networks permeate most poor areas in the CB, they become intertwined with illegal networks and the violent methods that usually pervade poor areas in developing countries (Levitsky 2003, 62). When asked, 70 percent (85) of the brokers answered that the practice of paying rally participants with illegal drugs was used extensively. Even ten percent (12) of PJ brokers admitted to having paid people with drugs. One broker told me, "when you need to mobilize 'people with drums' for rallies, it is with joints and alcohol. If not, they stay at their homes." A broker from La Matanza explained the same use of illegal drugs but in regard to paying youngsters to graffiti walls,

> when I was 15 years old it was an honor for me to go to paint walls for the PJ. I felt like I was in heaven if they congratulated me and gave me a sandwich. Now 15 year-old boys ask for *frula* [cocaine] in exchange for going out to paint graffiti. Now it is commonplace that brokers pay with *frula*. I have never done it—maybe alcohol, but never *frula*.

During my fieldwork, I witnessed firsthand how a broker distributed small bags of cocaine to a group of ten people bringing drums and banners onto a bus for a rally. As I rode a bus to a rally, where I had been invited by one of the brokers that I came to know well, one of the helpers distributing drugs to the riders handed me a *raviol* (a small dose of cocaine).

Most of the brokers in San Miguel and La Matanza declared that they have had violent confrontations with other brokers; 17 even mentioned having received threats to their families. A

Peronist broker from San Miguel complained that his Peronist rival destroyed his UB with a gang of addicts during the last campaign. It is difficult in these settings to run a campaign without an army of brokers. While politicians need brokers to campaign in traditional ways—visiting people's houses, distributing ballots, and painting graffiti—they also need them to defend their campaigns in less conventional ways that imply violence and illegal activities.

3. Primaries and authorities' party elections: machines' domain

Two factors turn brokers into key actors for winning primaries and authority party elections. First, given that intraparty municipal candidates cannot distinguish themselves in terms of partisan identity, they resort to clientelistic appeals to lure votes. Second, while voting in the general elections is mandated by law, participation in PJ primaries was voluntary and restricted to affiliates until the 2009 electoral reform.[49] Participation is still voluntary for affiliates for party authorities' elections. For this reason, while participation in general elections has generally been high—around 80 percent of the electorate, participation in primaries and party elections has been consistently low—around 20 percent of the party affiliates (Novaro 1999, 96). Intraparty election results heavily depend on the candidates' capacity to recruit brokers.

Brokers affiliate people with the PJ, buy their votes, and transport them to vote in primaries.[50] Otherwise, voters would remain unmotivated to participate in primaries and would largely ignore the elections. Of the PJ brokers, 69 percent (77) declared in interviews that they transported their followers to vote in primaries and 29 percent (32) admitted to giving voters food or money just before they cast their votes. Since primaries and authority party elections are voluntary, turnout buying is clearly an important strategy, especially if we identify turnout buying with the physical transportation of voters to the polls.

The mayor of San Miguel, Joaquin de la Torre, explained the brokers' roles in primaries, "there is simply no way to win a Peronist primary without brokers. You would only have your own vote if you did not have brokers." Similarly, the powerful former mayor of La Matanza, Alberto Balestrini, said about the last primary in his district,

> we got 75,000 votes; we knew where 51,000 of the votes came from, but the other 24,000 were from people that went to vote just because they wanted to, and that stands out because in a primary it is hard for people to vote spontaneously. The political machine is the one that takes care of these things in a primary. (Entin 2003, 15)[51]

The monopoly over the network of brokers guarantees victory in primaries and internal elections to those who control it. Although in some municipalities—like Malvinas Argentinas and Merlo—the incumbents' monopoly over the network of brokers guarantees them a sure victory

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[49] The 2009 electoral reform introduced for the first time open, simultaneous, and compulsory primaries. This type of primary was carried out for the first time in August 2011 for the presidential election of the same year.

[50] It is worth noting that for the last two municipal elections, that of 2007 for mayor and municipal legislators and that of 2009 for municipal legislators, primaries were not held because of the use of the *colectoras*. For the election of 2007 in 25 CB municipalities, different mayoral candidates ran with ballots headed by Cristina Kirchner for President.

[51] This primary was held on March 30th, 2003. Balestrini defeated Ledesma with 72 percent of the vote.

in easy primaries and party elections, in other municipalities—like San Miguel and La Matanza—there are different networks, and the competition is stiff, even for the incumbent. While Malvinas Argentinas mayor, Jesus Cariglino, and Merlo's mayor Othacehé easily maintain party hegemony in their jurisdictions, in La Matanza there are at least three different lines competing for the dominant party. In San Miguel, Mayor de la Torre lost control of the PJ at the hands of his rival Peronist candidate, Aldo Rico.

Brokers are not only important because they enroll and mobilize affiliates for primaries and party elections in exchange for goods, but also because they prevent and carry out fraudulent activities during these elections. Brokers are the agents in charge of supervising the primaries. Those candidates that are not able to send brokers with experience to every polling station are vulnerable to fraud. A broker for the mayor of San Miguel complained, "we did not have people well prepared at the polling stations. They were cheated all the time because they are not familiar with the tricks." Confirming this broker's perception, a broker for an opposition candidate confessed to me that "their deputy left the place before closing time. We counted as we wished. I think I stole like 40 votes." I did not find a single broker among the 112 PJ brokers that I interviewed who thought that primaries were fair and who did not depend on their networks of brokers.[52]

Brokers told me about different tricks used in primaries and party elections. In Argentina, each party has its own ballot at the polling station, and the voter goes into the polling station, picks up the ballot of the party he/she wants to vote for, and put it into an envelope. The voter then comes out of the polling station and puts this envelope in a sealed urn. One hoax used in primaries is the "chain vote technique," which consists of making an affiliate vote with a fake envelope (they forged signatures) at the beginning of the election and then sneaking the real envelope out of the polling station. Then the broker puts the ballot he/she wants in the envelope and gives it to the next voter before he/she enters the polling station. That voter then votes with the sealed envelope from the broker, and then gives the unused legally signed envelope to the broker so that the process can be repeated. Even though the first vote might be contested because of the illegal envelope, all the other votes will count. Sometimes brokers are even able to steal a signed legal envelope right at the beginning. Besides chain voting, brokers also cheat by stuffing the ballot box, miscounting votes, modifying the numbers after the official count, substituting ballot boxes, and bribing election monitors. Fraud is more common in primaries and party elections because the system of checks and balances is much weaker than in general elections.

Vote-buying is also more pervasive in primaries and party authorities' elections than in general elections. Although single-shot transactions of money for votes on election day is not predominant in general elections, it is fairly common in primaries or party elections. This is because participation is voluntary and candidates do not distinguish themselves along partisan or ideological lines. Therefore, people vote to a large degree based on materialistic incentives. For participating in the chain vote scheme, some voters told me they had received U.S. $12. Voters in San Miguel reported having received free transportation and a bag of food in exchange for voting in the last party election.

Brokers and their close followers who regularly receive goods and services—often a public job or a workfare program—are crucial for winning intraparty elections. They generate votes and supervise the process. As a broker described it, "getting into a primary without having a solid network of brokers is like embarking on the Titanic—a sure catastrophe."

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[52] The questions asked were: "Do you think that primaries are fair and free of fraud?" (Yes/No) and "Do you think that primary results heavily depend on the network of brokers?"

4. General Elections

Vote buying

The importance of vote-buying for general elections has been called into question by authors who argue that brokers are only crucial for intraparty competition during primaries (Auyero 2002; Levitsky 2003; Torres 2002). However, the evidence shows that politicians also make use of their network of brokers for general elections. Moreover, the colectoras system that was implemented in the last two municipal elections reproduced dynamics from primaries in general elections. In fact, 86 percent of the brokers (103) declared that their bosses give them far more resources during the general election, and all of them (120) said that brokers in general use material incentives to get votes. Their vote is, after all, one of the few pieces of capital that poor people can trade. As a consequence, brokers made vote-buying a central strategy.

The evidence shows that every broker practices vote-buying. They all admit that they need resources to maintain the loyalty of their followers, and that sooner or later, without resources they will lose their followers' votes. For example, a broker from La Matanza confessed, "you need to sustain the vote of your own people by providing them with resources. If you do not do so, sooner or later they will go and vote for someone else." Whereas most of the brokers would not initially admit to using material incentives to get votes, all of them immediately accused the other brokers of doing so. Surprisingly enough, 40 percent (47) of the brokers admitted at some point in the interview that they used material incentives to get votes.[53] A broker who worked for a challenging candidate illustrates this dynamic. He criticized his rival PJ broker in the following way.

> El Cacique got food from the mayor two weeks ago. He used that to buy votes. He goes to a family, and says to them: 'Here you have food, and I will give you handouts every week.' And, well, then this family, who probably has many members, will vote as El Cacique says because they need the food they get from him.

Immediately, this broker claimed that he is different by stating, "I just give the food, when I have it, to those who really need it, without looking to their color or their party. I do not care how they will vote." I asked him if in that case his political boss would not complain. He answered, "Well, of course, I am not stupid, I know I need to deliver votes; I give the food to the poor people that will vote for my candidate. I need to sustain my share of votes. But they certainly need this help." Suddenly, the difference between Cacique and his competitor vanished, even in the competitor's narrative. A female broker in San Miguel explained the use of resources to get votes very clearly.

> To win an election you need to get voters on your side and the only way to do it is by getting them positions in the cooperatives, food handouts, medicines….There are many needs in this place; if you help them, even with very little, you win the elections. A bunch of people supported me in the last election only because I got them blankets last winter, which was really cold.

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[53] Usually these answers came up when I asked them how their political bosses would react if they did not allocate resources strategically.

In order to practice efficient vote-buying, brokers command multiple assets: resources, information, and reputation. They have the resources to buy votes, the information to do it efficiently, and the reputation that makes voters want to abide by the terms of the deal. The non-clientelistic strategies, such as the provision of public goods and services, help brokers to obtain information about communities and to appear reliable to them. Brokers usually receive diverse resources from candidates and their allies to buy votes. The litany of resources that brokers named in the interviews was lengthy and involved jobs, workfare programs, food, medicine, clothes, shoes, coffins, school materials, medicine, appliances, bricks, zinc sheets, charcoal, cash, scholarships, joints, illegal drugs, and many others. From this portfolio of resources, the most valuable for brokers as well as for the voters are public employment and workfare programs. When brokers have access to jobs in the municipality or a cooperative, they usually allocate these positions to people who will bring in many votes, such as parents of large families. While the political support expected from people who get jobs or workfare programs goes beyond votes, these are certainly crucial. I show next that brokers and their followers who are paid with public jobs and workfare programs have a direct impact on general election results.

Table 2 outlines the number of people with temporary municipal jobs (Column 1) and positions in PSIJ cooperatives (Column 2) of four municipalities in the CB. I use the most conservative figures from municipal officers. The Municipal Employees Union provided figures twice as high for temporary employees. However, I prefer to include the most conservative figures to show the direct impact of these resources even for the most unadventurous estimation. To calculate the estimated impact in votes (Column 3), I multiply the number of beneficiaries by three, which is the estimated average number of voters per household in poor neighborhoods. I incorporate the total positive votes for the mayoral election in 2007 into Column 4. In Column 5, I estimate the percentage of these positive votes that was affected by public jobs and cooperatives. In Columns 6 and 7, I include, respectively, the total number of votes that the elected mayor received in the 2007 election and the estimated percentage of these votes that were affected by public jobs and cooperatives. For comparative purposes I include the total number of votes received by the second-place mayoral candidate in the last column.

Table 1: Estimated Impact of Temporary Public Jobs and Cooperatives in General Elections for Mayor at four Municipalities of the CB

Municip.	Temp. Public jobs (1)	People in Cooperat. (2)	Estimated Impact in votes (3)	Total Positive Votes (4)	% (5)	Total votes for winner 2007 (6)	% (7)	Total vote 2nd (8)
La Matanza	7.000	18.000	75.000	532.842	14	266.903	28	74.284
Merlo	3.500	5.000	25.500	203.540	12	89.856	28	35.183
San Miguel	1.600	2.000	10.800	118.670	9	33.384	32	30.489
Malvinas Argentinas	3.000	3.500	19.500	142.788	14	59.791	32	46.640
All data gathered by the author. The data for temporary municipal jobs was provided by each municipality. The data for people in PSIJ cooperatives comes from the following sources: San Miguel, from the Municipal Office of Social Action; La Matanza, from the Municipal Office for checking assistance to PSIJ; and for Malvinas Argentinas, from the National Ministry of Social Development. In the case of Merlo, as the municipality repeatedly refused to provide the data, I used the number of positions in cooperatives that the National Ministry of Social Development decided to allocate in Merlo (Ministerio de Desarrollo Social de la Nacion, 2009).							

Temporary public jobs and positions in cooperatives are estimated to affect between 9 and 14 percent of the positive vote, and between 28 and 32 percent of the votes that the elected mayor received in these four municipalities. While jobs and workfare programs cannot by themselves account for electoral victory, they provide an important base of votes. In the cases of San Miguel and Malvinas Argentinas, the estimated impact in votes is bigger than the difference in votes between the winner and the runner-up for the 2007 election, which indicates that temporary public jobs and positions in cooperatives managed by brokers can make the difference between winning and losing an election. Although we should be careful about making any inference from Table 2, especially because the cooperatives were launched in 2009, the figures help to illustrate the potential electoral impact of temporary public jobs and workfare programs.

After municipal jobs and positions in cooperatives, food handouts and medicine are second in importance for brokers and voters. Sixty-two percent (69) of the PJ brokers distribute at least one of these on a regular base. Other important items are building materials, especially zinc sheets and bricks. Twenty-six percent (31) of the brokers regularly allocated such resources. Resources are crucial for brokers to maintain the loyalty of their helpers and followers; they are the source of their power. When brokers have a considerable number of followers and know they play a role in the results of the election at the neighborhood level, they negotiate more resources with their political bosses to further increase their power. This is especially true in those municipalities where there is strong intraparty competition. Brokers can negotiate with their bosses by threatening to work for the opposition candidate if they do not get enough resources. In this sense, brokers have more negotiating power in municipalities like San Miguel and La Matanza, where they can threaten to work for another PJ candidate, than in municipalities like Malvinas Argentinas or Merlo, where other candidates have little chance of defeating the incumbent, thereby weakening the credibility of brokers' threats. The 44 brokers from La Matanza and San Miguel who switched from one Peronist faction to another clearly illustrate the dynamic in which political bosses try to employ the best brokers, and brokers negotiate with them for more resources. During one interview with a CB mayor, his Secretary of Government came in and asked me to name the best brokers of a challenging candidate so that he could recruit them.

Brokers do not randomly allocate the resources they receive, but rather do so according to the information they have and with the clear intention of preventing defection and cementing their share of votes. They seek to secure the largest number of votes at the lowest possible price. A broker from Merlo stated, "politics here is the art of getting people's votes by giving them out really very little." Personal and direct ties with their constituencies allow PJ brokers to distribute highly specific benefits with perfect timing, including primary needs such as coffins, medicines, food, blankets, and other discretionary rewards.

From the evidence, we can gather that brokers devote significant time and resources to vote-buying. However, the interaction between brokers and followers in general is not a simple transaction in which a vote is exchanged for goods or money. Rather than a single-shot relationship, brokers and clients are involved in long-term relationships with a series of iterations, through which clients become confident about brokers' skills to access resources and deliver to them, and brokers gather information about their clients' reservation values, that is the lowest level of benefits needed to secure their votes.

As on-the-ground actors, brokers know the people and their problems. All of them told me at some point in the interviews that being close to the voters, knowing their problems, and being available 24 hours per day were crucial components of their job. Brokers usually live in

the same neighborhood where they allocate resources. No other party has a network of brokers as deeply immersed at the ground level as the PJ, and consequently, no other party has the local knowledge that the PJ has to allocate resources efficiently (Calvo and Murillo N.d.). Peronist brokers have thorough knowledge about the neighborhood voters' partisan preferences, socioeconomic situations, and urgent needs. A distinctive aspect of the network of PJ brokers is the high rate of female participation; 46 of the 112 (41 percent) PJ brokers interviewed were women. While women can be less effective for rallies and demonstrations, especially if violence might emerge, they are particularly effective at entering poor homes and knowing their needs. Female, PJ brokers can easily relate to poor mothers and gain their support by solving urgent needs.

It is not only crucial for brokers to possess the necessary information to buy votes efficiently, but also to convince voters that, if supported, they will deliver on promises. Through a series of interactions, clients learn how good their brokers are (Kitschelt and Wilkinson 2007). For clients, a good broker is someone who is sufficiently well-connected to politicians to access enough resources to fulfill promises. In the poor neighborhoods of the CB, people distinguish brokers according to their ability to get resources. As referenced above, they differentiate between brokers with "plug" and "smoke sellers." A broker with "plug" is well-connected and is able to access to enough resources to fulfill generous promises. A "smoke seller" lacks crucial political connections and consequently ends up making meager offers. Voters want brokers with "plug" rather than smoke sellers, because the former will allocate more generous transfers than the latter. Clients need to know that their brokers are good, and brokers are invested in developing such a reputation.

Brokers link the flow of resources to their electoral success. For example, clients such as municipal employees who received their jobs through brokers know their brokers' candidates must win in order to keep those jobs. If the person who ultimately hired them is not reelected, their positions in the municipality or in the cooperative will be in jeopardy (Auyero 2002, 123). If the broker loses and is replaced, clients do not know what the new broker will realistically offer them; brokers remind clients often about this fact. I witnessed firsthand how a broker, on the eve of Election Day, gave a food handout to an elderly person while telling her to "remember that if we lose there might not be more food handouts." A broker from La Matanza also explained this mechanism very well.

> The voter knows that if his broker does not perform well in the election at the
> neighborhood level, he will be replaced even if his candidate wins as mayor. If
> that happens, he does not know how much he can get out from the new broker. If
> the broker delivers, the voters usually stick to him."

The fact that voters want to keep brokers when they receive resources from them and that the fate of brokers is decided by the results at the polling station level determines why voters vote as brokers indicate, even in the absence of monitoring. Scholars studying vote-buying in Argentina have argued that voters abide by clientelistic deals because brokers can monitor how individuals cast their votes (Brusco, Nazareno, and Stokes 2004). However, I did not find any evidence of monitoring. None of the 120 brokers thought it possible to monitor how an individual voted. Although 29 percent (35) of brokers declared that they had committed fraud, and 10 percent (12) even admitted to paying certain clients with illegal drugs, none of them believed it possible to monitor individual votes.

It is not monitoring that enforces voter compliance but rather voters' awareness of the importance of their vote for retaining the benefits granted by their brokers. Brokers' futures do not only depend on the electoral success of their bosses at the aggregated level, but also on the results in the polling stations[54] they are supposed to win for their bosses. Brokers need to deliver an electoral victory at the neighborhood level, that is, a win in the school where people vote in the neighborhood. On average, each broker must deliver victory at four polling stations. Candidates monitor brokers' success in their neighborhoods by checking the electoral results at the polling station level, and they reward them or punish them according to those results. An elected mayor would probably fire a broker whose candidate won at the municipal level but lost at the polling station level. A broker working for the mayor of San Miguel realized, after losing the municipal legislative election of 2009, "now many of us will be replaced. I lost in my school, but not as bad as others lost in their schools so I might be able to keep my position."

On average, 350 people vote at a polling station and 3 people vote per household. Therefore, each household a broker helps represents a little less than one percent of the votes at a polling station. If a family decided not to support its own broker but someone else's candidate instead, at the polling station where the family votes the gap between the two candidates would increase by almost two percent. If another family decided to do the same, the gap would increase to almost four percent. This might be enough to change a broker' luck; it could be the difference between winning and losing at a polling station. If not, it may mean that the broker fares worse than other brokers working for the same candidate. In this case, voters might be putting their broker at risk of being replaced by another broker who might bring in new clients. Moreover, brokers in charge of different polling stations might look for new clients at the polling stations where they perform the worst. In other words, although voters know they are not pivotal at the aggregate levels, they do not know if they are pivotal at the polling station level. To avoid losing their source of welfare, clients minimize risks by voting as their brokers indicate.

Turn Out Buying

For Nichter (2008), asserting that a party can monitor how people vote—even under a secret ballot—is a broad claim. He argues that there is no vote-buying in Argentina, but rather there is turnout buying, which can be more easily monitored. I found some evidence in my study of the CB about the importance of making voters to turn out. Seventy-three percent (88) of the brokers claimed that they provide transportation for their followers to the polls. On election days, brokers spend a considerable amount of time and resources to mobilize their clients and provide transportation to polling centers. I spent the election of 2009 with PJ brokers, who were constantly sending cars and buses to voters' houses to be sure that they voted. However, we can only assert that brokers perform turnout buying if by turnout buying we mean the physical transportation of core voters to the polls.

Brokers provide transportation on election days to assure that the people who received resources throughout the year turn out to cast their votes. A broker from Malvinas Argentinas who provides assistance to a group of 80 people stated, "whether you win the 'school' depends on whether you are able to make the people you had helped all year to show up." In San Miguel

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[54] In Argentina each polling station is called a *mesa* (table) and they are the most disaggregated level for which is possible to gather electoral results.

during the election of 2009, brokers hired every person with a car in the region to drive people to the polls. They gave them U.S. $15 and coupons for gas. Even though brokers invest in mobilizing their own followers to the polls, in order to obtain every single vote in which they have invested, they use this as a complementary strategy to vote-buying rather than an alternative one. Turnout buying is limited to the physical transportation of clients to the polls to guarantee that they vote. A broker from Merlo used this metaphor,

> it is the topping on a cake. If you spend a lot of money on the cake, then you cannot be cheap with the topping at the last minute. You do not want anything to spoil it at election day. You need people at the poll whether they are sick, high, or drunk.

Although brokers make provisions so that their clients turn out on Election Day, what actually tethers their clients is that the brokers have been courting their votes by providing assistance for a long time. It is hard to believe that the amount of resources that brokers invest in their clients is just to make them turn out to vote, especially given that the opportunity cost for voting is extremely low for poor people and that voting is mandatory in Argentina.

The discussion between vote-buying and turnout buying is permeated by a timing problem. Scholars have focused on broker activities at a particular point in the electoral calendar and generalized from there. An observer arriving on Election Day at a shantytown with the goal of assessing brokers' activities would probably be convinced that brokers buy turnout, based on the presence of brokers sending cabs and buses to pick up voters to transport them to the polls, and even occasionally giving them food handouts. However, this same observer could go to the same place when Election Day is still far off and see the broker distributing goods and services, keeping the PJ's presence alive all year-round. It would then be easier to conclude that brokers transfer resources to their clients mainly to maintain their loyalty.

Supervising elections

As with intraparty elections, brokers are also crucial on election day for supervising elections and often gaining votes in illegal ways. They prevent fraud against their voter lists and engage in fraud to favor their lists. In each school where people vote, a broker plays the role of *fiscal general* (general monitor). These brokers arrive early on Election Day to monitor that there is no fraud by their competitors and at the same time to commit fraud. They make sure that the first person to vote at each polling station is one of their followers because if the supervisors of polling station do not show up, they are replaced with the first person who casts his/her vote. It is useful for brokers to have those positions covered by their own people, as these authorities would be the ones making decisions with respect to null votes and voting procedures.

During the election, brokers perform many tricks to prevent people from voting for the opposition candidate. In the legislative election of June, 2009, a broker taught me some of these tricks, one of which was to continuously steal the ballots of the opposition so that voters only pick among the ones they see. Whereas 29 percent (35) of the brokers admitted that they had committed fraud, 20 percent (22) of the PJ brokers admitted that they sent followers to vote at regular intervals with instructions to steal opposition ballots. Other brokers carried on an even sneakier ruse in my presence, printing fake opposition ballots and exchanging them for the original ones. The voters who voted for the opposition did not perceive the difference, but the

fake ballots had the wrong number and consequently were nullified. Brokers told me that Peronist brokers supervising different PJ colectora lists would always agree on splitting among themselves the votes for parties that do not have deputies at the polling stations.

Once the election is over, brokers utilize all of their knowledge to increase their share of votes during the count. A broker told me to watch a specific teenage boy during the process. The boy went to a polling station and kindly offered to help organize and count the ballots. Very pleased, the president at the polling station accepted. Within ten minutes, the boy snuck 40 votes for the opposition from the polling station into his bag, and replaced them with his own ballots. His father, the broker, proudly declared, "he is the best operative that I have. He is the fastest. Sometimes, not even I realize when he steals votes." A broker from Malvinas Argentinas told me that the cheating does not stop, even after votes are counted. Furthermore, some brokers are able to replace original ballots, falsify figures, or steal the ballot boxes. According to some brokers, the electoral judges who do the final certification very often receive pressure to change the final numbers.

Parties that lack the network of brokers or activists to monitor every polling station are inevitably cheated. The large network of brokers provides the PJ with enough workers to supervise elections in the CB where 7.5 million people vote at more than 22,000 polling stations. Despite the difficulty in estimating the effects of all these activities on the electoral results, what is clear is that without enough people to monitor every polling station, the candidate becomes easy prey for fraud. Former Governor of Buenos Aires, Felipe Sola, told me, "If you do not have an army of brokers to supervise the election in the CB, you can be sure that they will steal it out from you." Any candidate with a serious aspiration to win an election in the CB needs an army of activists to monitor each polling station in the jurisdiction.

Beyond elections

The existing literature has focused on the electoral role of brokers, ignoring their crucial role in governing. Brokers' tasks are not limited to the goal of accessing power, they also include the exercise of power (Mazzuca 2010). In the view of San Miguel´s Mayor, Joaquin de la Torre, "…brokers are much more useful in terms of governing than in terms of elections. They are key providers of information. They tell you the needs and what is going on at the neighborhood level." As brokers provide information to their clients about the provision of resources, they also provide their political bosses with information about the neighborhood. The SubSecretary of Government of La Matanza, Daniel Barrera, explains the role of brokers as follows:

> they put us, the government, in touch with reality. It is the real thing. They tell us
> if we are doing things right or doing things wrong. They are the ones that know
> how we are with the people. We make the decisions, but they tell us how those
> decisions work in reality.

Alejandro Groh, a councilman for Malvinas Argentinas, shared that "we have a structure that is impossible to handle without the brokers that know the neighborhoods. They are from the neighborhoods. The mayor will not know what to do without them."[55]

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[55] All personal interviews with the author.

Brokers collect information not only about local needs and problems, but also about political opportunities and threats, upcoming protests, and opponents' activities. A broker for former Mayor Aldo Rico shared that one of his main tasks was to keep the mayor informed of any activities of *piquetero* groups in his shantytown. He even had people infiltrate a *piquetero* group to learn beforehand when they were planning to block the nearby highway. About 80 percent of the brokers I interviewed said that a part of their job was to keep their political bosses informed of what was going on at the local level. A broker from Malvinas Argentinas explained,

> I am the mayor's eyes and ears in these 10 blocks and another broker is in the next 10 blocks. If we all do our job, the mayor is stronger. I have to tell the mayor if someone is not doing his job. If you are not out there for the team you are useless and you have to leave.

In Merlo and Malvinas Argentinas, where the mayors have a clear monopoly over the network of PJ brokers, it was clear that brokers practically constitute a municipal intelligence service. Raúl Quiroz, a former councilman in the municipal legislature in Merlo and the person in charge of the Coalición Civica in Merlo, explained to me when I met him in his headquarters, "you can be sure that by now the mayor knows that you are here. He has around 500 'ears'[56] in Merlo."

It is not out of the ordinary for brokers to intimidate members of the opposition and the press. Twenty brokers told me that on certain occasions they had needed, in their own words, to *apretar* (to physically threaten someone) municipal legislative members, *piqueteros*, or curious journalists in order to defend their political bosses. In particular, the mayor of Merlo has a strong reputation for using his army of brokers to intimidate, defame, or put pressure on any source of competition (O'Donnell 2005, 160). In three out of the four municipalities that I studied, journalists were threatened, or even beaten, by brokers for investigating municipal officers.

Brokers, depending on whose side they are on, can also be crucial in preventing or causing social unrest. When hyperinflation and shortages left poor people without food in many areas of the CB in April of 1989 and December of 2001, many brokers encouraged looting and social unrest (Auyero 2007). Also, in many municipalities where the mayors want to avoid social unrest, the brokers help to prevent it. Most of the brokers I interviewed mentioned that they organized soup kitchens in their neighborhoods in rough times.

Brokers provide more than information, intelligence services, and task forces for their political bosses. In the case of brokers who are part of a mayor's network, they actually perform local tasks related to governing the municipality. We have already seen that brokers are channels for the distribution of social programs and social provisions in general, and that they even provide services and public goods. They also frequently participate in the implementation of policies, for example, by telling the municipality officials which street to pave, where streetlights are needed, or where to put garbage cans. A broker from San Miguel introduced himself as the "Mini-Mayor" for the neighborhood. Because brokers have good knowledge of their neighborhoods, they often run or help run community centers, health care centers, sport centers, and delegations that municipalities have in poor neighborhoods. Brokers also fill many positions in the municipality, especially in social and infrastructure sectors. In this way, they not only receive a salary in exchange for their political activities, but also contribute their skills and know-how in governance. On many occasions, brokers even help municipal employees and their machinery access the areas where they need to go to perform a job. Otherwise these employees

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[56] In Merlo, they call the people who keep the Mayor informed of any political activities "orejas", or "ears."

could be robbed, and their machinery could be stolen. Even one of the mayors whom I interviewed conceded, "There are about 20 slums in my municipality, it would be impossible for me to enter to any of those without my brokers."

Conclusion

Brokers play a crucial role in the Peronist political hegemony in the CB. Without a doubt, the central task of the brokers is to maintain voters' loyalty to the PJ by strategically allocating resources to the voters. Access to state resources is a necessary condition to be a broker, however it is not sufficient; brokers also need to gather information about their neighbors and to develop a reputation for delivering. With resources, information and reputation, brokers can practice vote – buying more efficiently. Further, brokers' activities and strategies go beyond vote-buying.

Brokers perform a large set of strategies, with each of them entailing its own logic and dynamics. Despite the fact that brokers arbitrarily distribute resources that are vital for poor people, they are often the only social and political actors in poor neighborhoods and slums who can provide assistance to poor voters. The recent literature and the press have focused on how brokers exploit the poor, while largely ignoring the fact that poor people prefer their brokers to succeed rather than to fail, because they provide them assistance and benefits. Poor voters do know that brokers benefit from their activities, but they often lack any alternatives to going along with their brokers, in order to survive. By being in the neighborhood, knowing the area and residents, and enacting a large set of strategies, brokers are the most successful actors in obtaining support for the PJ. While a fair state bureaucracy and other parties' representatives remain largely absent from poor places in the CB, we should expect the PJ hegemony—upheld by brokers—to last for many more years.

Chapter 4: Vote-buying and information

Introduction

 Clientelistic parties are often better electoral performers than their programmatic counterparts.[57] This fact in turn suggests two questions. How do the clientelistic parties achieve this superior performance? Furthermore, clientelistic and programmatic parties always (and by definition) make divergent promises to voters.[58] According to the median voter theorem, this outcome is particularly puzzling in those countries where clientelistic parties out-perform their programmatic counterparts. Why do programmatic parties not adjust their promises to compete more effectively with clientelistic parties?

The first question hinges on information asymmetries between parties; some parties are better informed than others about voters' political preferences. Political parties that are better informed about these preferences target discretionary transfers to voters with greater accuracy than parties without such information. Consequently, better-informed parties win more elections than parties without informational advantages.

The answer to the second question can be found in a key actor who is prominent within clientelistic machine parties but practically nonexistent in programmatic parties: the broker. Brokers gather crucial information about voters, including which ones are willing to be bought and at which price. Brokers are the source of private information for clientelistic parties. Immersed at the local level and in constant contact with voters, brokers are able to find voters' *reservation values* (i.e., the lowest level of benefits needed to influence the vote), allowing for significant price discrimination in the clientelistic exchange. As party machines deploy the networks of brokers that provide their competitive advantage, they are the only ones able to efficiently distribute discretionary goods and services.

The PJ is in this respect a typical case of a political machine party that accesses better information through its networks of brokers. In the course of the interviews I conducted, every PJ broker highlighted the importance of knowing clients.

> This is my neighborhood, no one knows it better than I do, and no one is better known here than I am. People here are poor. They do not have anyone else to resort to when they have a problem, and I know what and when I have to deliver.

This statement by a Peronist broker summarizes one of the important roles brokers perform for their parties. They provide clientelistic parties with greater information about voters than non-machine parties have, allowing the former to buy votes with far greater efficiency.[59] By contrast, without brokers of their own, non-machine parties are deterred from entering the vote-buying market.

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[57] Clientelism is usually defined in the literature as the personal and discretionary allocation of goods or services to voters in exchange for their political support. It is, in this sense, broader than the phenomenon discussed here of vote-buying, in which the exchange is specifically for the clients' vote.

[58] Programmatic parties are understood here as parties that promise public goods and general policies rather than clientelistic goods and services.

[59] In this vein, Calvo and Murillo argue that "voters…. perceive dense organizational networks as an asset for accessing clientelistic goods and thin organizational networks as a liability" (N.d.,6).

An old saying about clientelism describes the system as "give and rule," but in fact the brokers' methods are better expressed as "*know,* give, and rule." Personal and direct ties with their constituencies allow PJ brokers to distribute highly specific benefits with perfect timing, including primary goods such as coffins, medicines, food, blankets, and other discretionary rewards. By contrast, the lack of brokers imposes a dual handicap on programmatic parties. First of all, general, universalistic policies by definition do not distribute benefits to voters with such precision, and the lack of such networks in poor municipalities pushes, for example, the Radicals to offer the same benefits to *all* voters. In addition, if a programmatic party seeks to saturate a given electoral constituency with benefits, based on a universalistic policy, they may well lack the network that allows them to do this. For example, as said it before, in 1984, Radical President Raúl Alfonsín was unable to distribute the "Cajas PAN" (Plan Alimentario Nacional), a national food program, through his party operatives because he did not have the necessary network among the poor. As a result these food handouts were distributed to a large extent through PJ brokers. At least up to 2010, the Radical leaders continued their universalistic appeals by promising to establish a general income or welfare program for every citizen.

A possible question that could emerge is, if information is so crucial in electoral terms, why do the Radicals not develop a similar network of brokers in order to be as well-informed as the Peronists? In the next two chapters I explain how a *first mover advantage* and a *reputational effect* preclude the radicals from such a strategy. With regard to the first mover advantage, Levitsky (2003) has explained how the PJ, a party with traditional links to poor people, shifted during the Presidency of Carlos Menem (1989–1999) from seeking the support of the lower classes through unions to courting their support with clientelistic appeals. The PJ brokers were already in place and prepared to practice clientelism efficiently when poverty dramatically increased in the 1990s, and the unions lost power due to high rates of unemployment. With regard to reputation, it can be said that once the PJ brokers developed the reputation for delivering among the poor, it became hard for any other party's brokers to compete. Reputation causes clients to prefer brokers who are known for delivering (as with the Peronists), as opposed to newcomers (in this case, those working for the Radicals).

Motivated by the findings of my field research, I develop a formal model of electoral competition that shows how a given political party, with private information about voters' political preferences, targets discretionary transfers to voters with greater accuracy than a party without such information. Consequently, for a given budget, the better-informed party wins elections with a higher probability than its less-informed counterpart. In short, the model predicts that information asymmetries translate into higher probabilities of electoral victory for the party with better information.

Brokers' narratives show that information is a non-tangible but highly valuable component of clientelistic strategies. Without it, vote-buying would be political gambling. That explains why across different countries and regions, clientelistic parties deploy networks of brokers deep inside local communities. Scholars studying a diverse range of clientelistic parties and their brokers report that close contact with voters—living in their communities and being regularly available to them—is a crucial element of brokers' work.

The Peronist Party in Argentina is a typical example of a clientelistic machine party that employs a network of brokers to maintain local electoral supremacy in the CB. The PJ's network of brokers not only delivers goods and services to the poor, but also gathers crucial information about the constituents to do so efficiently. By placing brokers physically close to the poor people, the PJ can know and respond to peoples' needs. The value of medication delivered in the

middle of the night when a little boy is sick, for example, or of a blanket provided in the middle of the winter, is extremely high for poor voters. By providing such goods or services when they are most needed and valued, Peronist brokers get votes at relatively low cost.

Placing the Argentine case in comparative perspective, I would emphasize that the PJ's control over the CB closely resembles that of party machines in many large cities in the U.S. prior to World War I. In Boston, New York, Philadelphia, Kansas City, and Chicago, machines deployed dense networks of brokers to establish political dominance, dispatching brokers to every district to distribute goods and solve problems for their neighbors.[60] Ward leaders of the New York political machine Tammany Hall were able to target their constituencies with great accuracy by being continually in touch with them (Riordan 1963, 90). Rakove explicitly argues that brokers make payments based on voters' reservation values: "Every man has his price, according to the machine, and the major problems are to find out what that price is and whether it is worth paying" (1975, 4). He also notes that a precinct captain needs to

> …evaluate if a new voter who came to the neighborhood is a potential Democrat or Republican. If he is probably a Democrat, or might be encouraged to become one, he has to be registered.… Precinct work requires calculation of the way in which every potential voter in the precinct is likely to vote in the coming election. (1975, 124)

In the case of Chicago, it was also important that captains were of the same ethnic group as the clients (Irish, Polish, Jewish, Black, etc.). This gave them an additional advantage in ascertaining people's needs and political inclinations and delivering accurately. Captains secured their clients' votes by providing goods as diverse as buckets of coal, sweaters, food, and garbage cans, and services ranging from fixing a fine to repairing a roof (Cohen and Taylor 2000, 45).

Scholars explaining the Taiwanese Kuomintang (KMT) Party's electoral supremacy after the end of martial law in Taiwan and the democratic reforms of 1986 provide similar accounts. Brokers appointed by the KMT had thorough knowledge about voters' needs and preferences. Wang states that a successful KMT broker needed to be a "walking encyclopedia of local knowledge" (2007, 64). As with the Democratic machine in Chicago and the PJ in Argentina, proximity to clients provided KMT brokers with sufficiently precise information to address each voter with the right transfer. In other words, "brokers…responded to voters' needs" (2007, 231).

Evidence from scholars of Mexico's Partido Revolucionario Institucional (PRI) displays the same pattern. Rewards—which varied from food to public jobs—were strategically allocated by brokers who had thorough information about voters' needs (Greene 2007; Magaloni 2006). According to Magaloni, PRI-affiliated local politicians "employ dense organizational networks in order to acquire knowledge about voters' loyalties and to target benefits" (2006, 81).

In parallel with the evidence from these wider comparisons, the model in this chapter shows the effect of clientelistic parties' informational advantage on electoral competition: namely, such parties win elections with a higher probability than their competitors for a given budget. Furthermore, the model's probabilistic design speaks to the ongoing debate among scholars of vote-buying over which type of voters—"core" or "swing"—machines are more likely to target. A further question in this debate is why party machines should need to buy the votes of their own partisans—their "core group"—when such voters will support them no matter what. The model shows that because brokers remain uncertain, at the moment of promising transfers, of how their clients will actually vote—depending on the distribution of voters—they

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[60] Some of the most classical works in American politics describe such machines .

could target their core group to prevent their defection. Supporters can always defect in the event that they receive promises from another party, or in the face of an adverse shock such as a bad campaign, an economic downturn, or a bad candidate. As a Peronist broker explained: "You never know. You always have some people who get handouts from you and they ask you for a ballot, but then in the booth they stab you in the back."

This chapter proceeds as follows. After a review of the pertinent literature, I develop a probabilistic vote model of two competing parties with asymmetric information. Using the model, I then describe the competitive advantage for a party with more accurate information, and how it affects parties' utilities and probabilities of winning. I then juxtapose the results of the formal analysis with evidence drawn from an existing database on vote-buying in Argentina and from my 120 in-depth interviews with brokers, 112 of whom worked for the PJ.

Vote buying and networks of brokers: The current debate

There is a broad consensus among scholars of clientelism in Argentina that the only party with a network of brokers extensive enough to permeate most of the poorest areas is the Peronist Party.[61] This consensus, however, breaks down when it comes to explaining what this network accomplishes for the PJ in the vote-buying process. Authors have alternatively argued that the network of brokers is crucial to monitoring voters' political behavior (Brusco, Nazareno, and Stokes 2004; Nichter 2008; Schaffer and Schedler 2007; Stokes 2005), to nurturing or recreating a political identity (Auyero 2002; Ostiguy 1998), or to triggering reciprocal behavior (Finan and Schechter N.d.).

The present study, by contrast, suggests that this network is crucial to gaining the information needed to practice vote-buying efficiently. Thus, the model and the evidence in this chapter show how clientelistic parties' access to better information about individuals' ideological preferences and reservation values gives them an advantage for vote-buying, and thus for electoral results.[62] For the clientelistic party in the model, the network of brokers is the primary source of information. This crucial point coincides with the carefully crafted findings of Calvo and Murillo (N.d.)

A further issue is discussed in two insightful articles that focus on modeling vote-buying in the Argentine context. While Susan Stokes argues in "Perverse Accountability" (2005) that the PJ brokers target swing voters, Simeon Nichter argues in "Vote Buying or Turnout Buying?" (2008) that brokers target their supporters to persuade them to turn out. This Stokes-Nichter debate is a continuation in the Argentine context of the more general debate among competing models by Cox and McCubbins (1986), Lindbeck and Weibull (1987), and Dixit and Londregan (1996). While Cox and McCubbins lean toward a core-voter model, Lindbeck and Weibull lay

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[61] In a groundbreaking paper, Calvo and Murillo (N.d.) measure with an innovative technique the size of political parties' networks in Argentina and Chile. The Peronist Party has the largest network, and voters closer to this network perceive that they are more likely to receive excludable goods than those with few contacts in the Peronists' network. Likewise, Levitsky describes the extensive Peronist broker network as a key factor in the transformation of the Labor based Peronist party into a successful clientelistic machine.

[62] Levitsky rightly argues that the "…base-level infrastructure was critical to Peronism's survivalas well as to its extraordinary record of electoral success"(2003, 23) .

out a swing-voter model, and Dixit and Londregan set up conditions under which parties target one group or the other[63].

Asserting, as Stokes does, that a party can monitor how people vote even under the secret ballot is a broad claim. That is why Nichter argues that brokers do not monitor how voters vote, but rather focuses on *if* they vote—i.e. turn-out buying. Brokers monitor whether an individual who was promised benefits turns out or not. For the Argentine case, one point to consider about his argument is that voting has been compulsory in Argentina since 1914 and that the opportunity cost to vote for poor people is extremely low. While I agree with Nichter that the PJ often targets its core group, I emphasize a different motivation for targeting supporters. Brokers target their own partisans to prevent defection.

Another important issue with previous models of vote-buying is their deterministic design. This design implies that a voter who is only slightly inclined to vote for the machine party cannot credibly threaten to vote for the opposition. In contrast to these deterministic models, I develop here a probabilistic model of two parties with asymmetric information competing for votes. The model captures each party's uncertainty about how clients will actually vote, and it helps to account for why clientelistic parties target their own constituencies, rather than attempt to win over swing voters. The probabilistic model estimates the probability that an individual will vote for the machine; it treats this probability as a continuous variable, rather than as a dichotomy as in previous deterministic models.

Another innovation of the model presented here, in comparison with Stokes and Nichter is that it focuses on asymmetrical information, rather than assuming perfect information. In this sense the present model is an extension of Dixit and Londregan (1996) into a probabilistic context. Dixit and Londregan find that when two parties are equally effective in their ability to allocate transfers to all voters, then they vie with each other to win over swing voters, whose indifference or indecision can be swayed by personal benefits. By contrast, when a party has a better knowledge of its core group, compared to the knowledge of other parties, it targets the core group because it can do so more efficiently. In developing this argument, Dixit and Londregan make a major contribution to the debate by taking into account the efficiency with which a party targets different groups. Building on this discussion, I develop a *probabilistic* model in which two parties with *asymmetric information* about voters' preferences compete over voters. The model captures parties' uncertainty about how individual voters will cast their votes.

A probabilistic vote-buying model with asymmetric information

This model analyzes electoral competition between two parties that have asymmetric information about voters' ideological preferences. More precisely, one party can identify the ideal point of each voter in the ideological spectrum, whereas the other cannot. Both parties seek election in order to control a pre-determined budget. In order to increase the odds of winning, each party

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[63] There is some important disagreement in what authors understand by the concepts of core and swing voters. While Lindbeck and Weibull , Stokes , and Nichter understand core and swing in the context of voters' affinities to parties, Cox and McCubbins, as well as Dixit and Londregan, understand by "core voters" voters that the political machines can target more efficiently but not necessarily that are more politically identified with that party. I characterize here a party's core voters as those voters that, prior to any transfer or shock, prefer to vote for such party and swing voters as those voters that all things equal are mainly indifferent between one party and the other.

courts voters by promising them transfers, which the winning party will honor by assumption. Given this commitment assumption, the transfers are costly and reduce the size of the budget available to the winning party. Thus, each party faces a trade-off between increasing its probability of winning by offering more to the voters and having fewer resources if it actually wins the election.

Model Set up

The game is a simple probabilistic voting model in which there are two parties, *P* and *R*, and a continuum of voters *i* of mass one. The parties begin the game by making simultaneous offers to the voters. The party that gets a majority of the votes takes office and thereby gains control of an exogenous budget *B* out of which it pays the promised transfers.

   Voters are distinguished by their ideological preferences for *P* which is denoted by $\pi_i \in [-1,1]$, where the most adverse voter to P is the voter $\pi_i = -1$, and the most favorable is the voter $\pi_i = 1$. Since ideological preferences distinguish voters, from now on I will refer to voters just by π.

   I next characterize voters' preferences. Voters care about parties' transfers, but they also derive utility from their non-material preferences over parties, described here as ideological preferences. Voters thus vote to maximize their utility functions, which depend on transfers and ideological preferences. As in previous works about vote-buying, I assume that voters vote sincerely[64] (Dixit and Londregan 1996; Gans-Morse, Mazzuca, and Nichter 2009; Morgan and Várdy N.d.).

   The partisan utility for π of voting for *P* is $-\gamma(1-\pi)^2 + b$, where the parameter *b* measures the bias toward Party *P* (i.e. it measures how inclined to Party *P* the set of all voters is), and the parameter $\gamma (> 0)$ captures the salience of ideology in the political spectrum. Therefore, the total payoff for a voter π for voting for *P* is given by

$$U_\pi(P) = -\gamma(1-\pi)^2 + b + t(\pi) + \delta,$$

where *t(π)* is what *P* promises to a voter with ideological preference π if that voter votes for *P* and where δ represents a stochastic shock toward Party *P* that is uniformly distributed on the interval $[-u, u]$. Formally—as in all probabilistic voting models—this shock makes the probability of winning a random variable; substantively it represents any random event—such as an economic downturn, a scandal, or a bad campaign decision—that affects the popularity of a party's candidate, and thus the electoral outcome.[65] Furthermore, it captures the uncertainty parties have about voters' ultimate behavior at the polls.

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[64] Sincere voting means here that voters get offers from *P* and *R* and simply vote for the better offer, assuming that is what they will get. They do not weight their utilities by the probabilities than one party or the other wins.
[65] For example, the Madrid train bombings on Mach 11th 2004, three days before national elections, were an unexpected shock that transformed a near-certain Partido Popular win into a victory for Partido Socialista Obrero Español. The economic crisis that struck in the middle of the 2008 U.S. presidential campaign can also be considered a shock that buttressed the opposition candidate. Related to the case motivating this study, in 1983 the PJ Buenos Aires state candidate Herminio Iglesias blundered badly by burning a coffin labeled "UCR" at the PJ's campaign closure, scaring many voters into the opposition camp and preventing an almost sure PJ victory in that state.

Similarly, π's partisan utility of voting for R is $-\gamma(\pi-1)^2$ and the total payoff for voting for R is given by

$$U_\pi(R) = -\gamma(\pi-1)^2 + r,$$

where r is a lump sum R offers to every voter. For convenience, I label the difference between π's partisan utility of voting for P and π's partisan utility of voting for R the *reservation value* $V(\pi)$ of voter π, such that $V(\pi) = \left(-\gamma(1-\pi)^2 + b\right) - \left(-\gamma(\pi-1)^2\right)$. By algebra I get that $V(\pi) = 4\gamma\pi + b$. To simplify the notation, let $4\gamma = k$. Therefore, π prefers P if $k\pi + b + t(\pi) - r + \delta \geq 0$.

Let's turn now to the parties. Party P and Party R court voters by promising them transfers, but they have asymmetric information about voters' ideological preference π. To model this asymmetry as simply as possible, I assume P knows each voter's ideological preference π, whereas R is uncertain of it but believes that it is uniformly distributed over $[1,-1]$. Since P knows π, it can condition its offer to voters on it. Hence, a strategy for P is a function $t(\pi)$ for all $\pi \in [-1,1]$ where $t(\pi)$ is the transfer promised to a voter with ideological preference π if that voter votes for P. R does not know π and therefore cannot condition its offer on it. In light of this, I assume that R's strategy is the same offer r to every voter.[66] Now let $\Delta_P(t(\pi),r) \subset [-1,1]$ denote the set of voters who vote for P given strategies $t(\pi)$ and r. Then P's payoffs are:

$$UP_{(t,r)} = \begin{cases} B - \displaystyle\int_{\Delta_P(t(\pi),r)} t(\pi)\,d\pi/2 & \text{if} & Pr\{\Delta_P(t(\pi),r)\} \geq 1/2 \\ 0 & \text{if} & Pr\{\Delta_P(t(\pi),r)\} < 1/2. \end{cases}$$

The first line expresses the utility for P when it wins the election, i.e. half of the voters or more vote for it, and it gets the budget B minus its total costs, i.e. the integral of what it offers to every voter, and the second line expresses what P gets if it loses the election, i.e. less than half of the voters vote for it[67]. Note that as I am working with a continuum of voters of mass one in the integral that expresses P's costs, $d\pi/2$ denotes the density of the ideal points. Clearly, $\int_{-1}^{1} d\pi/2 = 1$.

Similarly, by letting $\Delta_R(t(\pi),r) \subset [-1,1]$ denote the set of voters who vote for R, R's payoffs are:

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[66] Even if R does not know the voter's ideological preferences, R could still make arbitrary offers to every voter or to some voters randomly picked. Intuitively, this would be whimsical, so we simplify matters by assuming that R makes the same offer to every voter. This assumption makes sense substantially as it captures the competition between a clientelistic party with extended networks and superior information that promises discretionary goods to voters (like the Peronists in poor districts in Argentina) and a party without such information that can only offer non-discretionary public goods (like the Radicals promising a general income for every citizen). The previous literature makes the same assumption (Calvo and Murillo N.d.).

[67] In order to simplify, we assume as a tie break rule that P wins in the case that exactly half of the voters vote for it. Note that without such assumption P would not have a best response to r because any response that adds to Pr $\{\Delta_P(t(\pi),r)\} = 1/2$ a very small fraction ε of voters voting for P would be a best response. Therefore, we could have an infinitely number of best responses by repeatedly cutting in half this fraction ε, which would leave the best response undefined.

$$UR_{(p,r)} = \begin{cases} B - \displaystyle\int_{-1}^{1} r \, d\pi / 2 & \text{if} & Pr\{\Delta_R(t(\pi), r)\} > 1/2 \\[2em] 0 & \text{if} & Pr\{\Delta_R(t(\pi), r)\} \leq 1/2 \end{cases}$$

R as well as P maximize a utility function composed of i) an exogenously determined budget (B) they will control if they win; ii) the costs of total transfers; and iii) the probability of winning the election. Then the utility functions are for P and R respectively

$$U_P(t(\pi), r) = \left(B - \int_{\Delta_P(t(\pi), r)} t(\pi) \, d\pi / 2 \right) \left(Pr\{\Delta_P(t(\pi), r)\} \geq 1/2 \right)$$

$$U_R(t(\pi), r) = \left(B - \int_{-1}^{1} r \, d\pi / 2 \right) \left(Pr\{\Delta_R(t(\pi), r)\} > 1/2 \right).$$

Before moving to specify best responses, I provide in Figure 1 some intuition as to how parties' promises affect voters' utilities. In this graph the horizontal axis represents voters' ideological preferences, and the vertical axis represents voters' payoffs for voting for P. For the purpose of clarity I set $b>0$ and $\delta>0$.[68] The line $k\pi + b$ graphs voters' utilities for voting for P before any transfers are promised from either party. In this case voters to the left of the cut point x vote for R, and those to the right of x vote for P. Below line $k\pi + b$, the line $k\pi + b - r$ graphs voters' utilities after R makes the lump-sum offer r. By promising r, R shifts the line down to $k\pi + b - r$, increasing its vote share from the cut point x to the cut point x'. Also notice that the line $k\pi + b - r$ is parallel to the line $k\pi + b$, this is because R offers the same amount r to each voter. Party P promises transfers, but it can do so by taking into account the private information it has about voters' reservation values. Consequently the line $k\pi + b - r + t(\pi)$ that adds P's promises will not necessarily be parallel to the line $k\pi + b - r$. In fact, the next section shows that, in equilibrium, P tailors its promises to voters' ideals points making the line $k\pi + b - r + t(\pi)$ not parallel to the line $k\pi + b - r$.

After parties make promises, a shock δ takes place that linearly affects all voters' payoff. The line that represents voters' payoffs would move up with a $\delta > 0$, and it would move down with a $\delta < 0$. Obviously, for a $\delta = 0$, the line stays in the same place as it was after both parties made their promises. Because there is a shock, the outcome of the election is probabilistic; parties do not know the result of the election at the time of making promises.

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[68] This also makes sense substantively in terms of the case; in the *CB* the actual distribution of voters is biased toward the Peronist Party.

Figure 1: Utilities before and after transfers from R
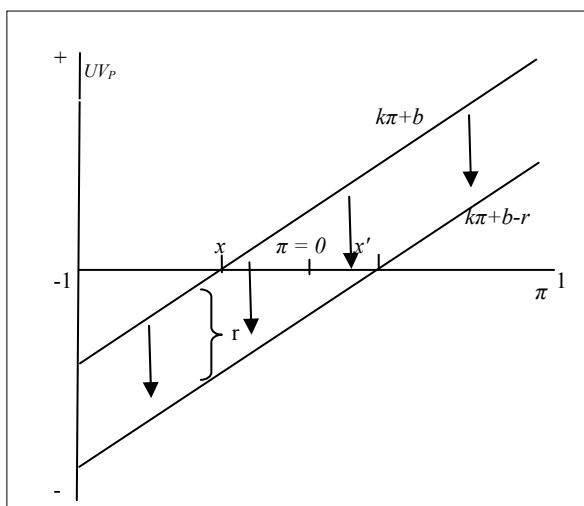
The equilibrium

Next, I find and describe the Bayesian-Nash equilibrium for this game. To do so, I need first to find the best response that Party P has to Party R, and vice-versa. We know that R promises the same amount to every voter, so its best response to a strategy $t(\pi)$ is the level of r that maximizes its utility given $t(\pi)$. Respectively, P's best response will be the amounts $t(\pi)$ that it promises to each voter π such that P maximizes its utility given R's strategy. Therefore, more formally, Party *P's* best response is $br_P(r) \in \arg max_t \ U_P(t(\pi), r)$, where $t \in T$, T is the set of all the integrable functions over [-1,1], and $\int_{-1}^{1} t(\pi) \in [0, B]$. Similarly, Party *R's* best response is $br_R\left(t(\pi)\right) \in \arg max_r \ U_R\left(t(\pi), r\right)$ where $r \in [0, B]$.

We might very well think that it is a hard problem to define P's best response to r since the function $t(\pi)$ that defines it could take, in principle, any form. However, it turns out that P's best response to r takes a very simple form. It takes the form of what Groseclose and Snyder (1996) called a "leveling strategy." I describe next a leveling strategy with the help of Figure 2.

There are two basic intuitions behind Party *P*'s leveling strategy. The first intuition is that since P needs to buy just half of the distribution of voters to win the election, and as the cheapest half of the distribution is that ideologically closer to P (i.e. to the right of the median), P promises transfers only to voters to the right of the median. Clearly, if P makes promises to voters on the left of the median it would be buying more voters and/or more expensive voters than necessary. To illustrate this, let's call δ' the minimal shock for which P wins with a leveling strategy $L(\pi)$. Formally: $\delta' = \min\{\delta : \Delta_P(L(\pi), r) \geq 1/2\}$. Note in Figure 2 that given transfer r, P would need to promise an amount less than or equal to λ to make any voter $\pi \in [0, \bar{x}]$ indifferent with strategy $L(\pi)$. Conversely, P would need to promise an amount bigger than λ to make any voter $\pi \in [-1, 0)$ indifferent with $L(\pi)$. Clearly, any voter to the left of the median is more expensive than any voter to the right of the median. Therefore, P only targets voters to the right of the median.

Figure 2: P's Leveling Strategy

The second intuition is that since *P* needs the vote of every voter on the right of the median it makes promises so that all the voters who receive a promise have the same level of utility. *P* is equally interested in each of the voters to whom it allocates transfers, and as a consequence of that, it reduces the amount of promised transfers linearly with these voters' increased preferences for it (see the solid flat bold line in Figure 2 and the shaded triangle labeled A underneath it that represents *P*'s transfers).

Note in Figure 2 that for a shock δ', *P*'s promises leave all voters $\pi \in [0, \bar{x}]$ indifferent, where $\bar{x}$ is the first voter to the right of the median that does not get a transfer from *P* (see the solid flat line between 0 and $\bar{x}$ on top of the horizontal axis). All the rewarded voters vote for *P* in this case for any $\delta \geq \delta'$. This is because *P* needs all of these votes and it would waste money by transferring more to some voters than others in the set $[0, \bar{x}]$. It does not increase *P's* utility if it allocates transfers in a way that gives some voters $\pi \in [0, \bar{x}]$ a bigger payoff than others and has them vote for it for a $\delta < \delta'$. Its costs would increase but its probability of winning would remain the same as the probability that the voter $\pi \in [0, \bar{x}]$ who has the lowest payoff will vote for it. *P* wastes money, if it does not leave all voters $\pi \in [0, \bar{x}]$ with the same "level" of utility as the marginal voter $\bar{x}$. Because this type of strategy levels the utility of a segment of voters—the segment between the median and voter $\bar{x}$—it is called a "leveling strategy."

With these two intuitions about leveling strategy, I can illustrate now with Figure 2 how strategies and the random component of the model play out. Note in Figure 2 that for a shock δ', defined as before, *P* wins with a leveling strategy $L(\pi)$, as it has half of the votes. Clearly, we can see now that for any shock $\delta \geq \delta'$, *P* wins, and that for any shock $\delta < \delta'$, *R* wins. In Figure 2, for example, the dashed line mostly below the horizontal axes represents the utility for voters to vote for *P* for a shock $\delta < \delta'$ denoted by $\underline{\delta}$. Note that if nature selects $\underline{\delta}$, *R* wins; every voter to the left of x' vote for *R*. The dotted line represents the utility for voters to vote for *P* for a shock $\delta > \delta'$ denoted by $\bar{\delta}$. Note that if nature selects $\bar{\delta}$, *P* wins; every voter to the right of the median votes for *P*. The intuition gained from above is that *P* and *R* differ in their promises to court voters and that there is a random component given by the shock that affects the ultimate result of the election. Let's next formally express a leveling strategy.

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Under a formal leveling strategy, all voters who receive promises from P have the same payoff for voting for P. I formally express this by making their payoffs equal to the same constant denoted by C; such that $V(\pi) - r + L(\pi) = C$ for all $\pi \in [0, \bar{x}]$. The first term on the left-hand side represents the voter's ideological utility for voting P minus his ideological utility for voting for R; the second term represents R's promise; and the third term represents P's promise. In other words, P's strategy 'levels' the payoffs for all voters that receive a promise. P does not transfer to any voter an amount more or less than what a leveling strategy dictates. I need now to specify $\bar{x}$ and $L(\pi)$ for every $\pi \in [0, \bar{x}]$.

The payoffs for voting for P, after promises have been made, are the same for the median voter $\pi = 0$, for the cut-point voter $(\bar{x})$, and for all the voters (π) that are between them (note that these are the only voters who received a promise from P and have a "leveled" pay off). This allows us to derive both $L(\pi)$ for every $\pi \in [0, \bar{x}]$ and $\bar{x}$. Given $V(\pi) = k\pi + b$ and $V(\pi) - r + L(\pi) = C$, it must be that $V(0) - r + \lambda = C$, where λ is what P transfers to the median voter with a leveling strategy; that is, $L(0) = \lambda$. It must be then that $L(\pi) = \lambda - k\pi$ and I know by definition that $L(\bar{x}) = 0$. Therefore, $0 = \lambda - k\bar{x}$ and $\bar{x} = \lambda/k$. The form of a *leveling strategy* is then formally defined as follows:

$$L(\pi) = \begin{cases} 0 & \text{for } \pi < 0 \\ \lambda - k\pi & \text{for } \pi \; \varepsilon \left[0, \min(1, \lambda/k)\right] \\ 0 & \text{for } \pi: \lambda/k < \pi \leq 1, \end{cases}$$

except possibly of a set of measure zero.

With $L(\pi)$ and $\bar{x}$ defined as before, the problem of party P is reduced to that of choosing the amount λ that he promises to the median voter. Once that decision is made, the probability of winning and the decision of which other voters to buy and at which "price" are automatically determined. Let's show next that given r, for every non-leveling strategy for P there will always be a leveling strategy that does better. This will reduce then the search for P's equilibrium strategy to the set of *leveling strategies*; in fact the search is reduced to that of finding the optimal λ^*.

Lemma 1: *for any given strategy $h(\pi)$ that is not a leveling strategy there is always a leveling strategy $L(\pi)$ for P that does strictly better than it; $U_P(L(\pi), r) > U_P(h(\pi), r)$*

I explain here the dynamics that sustain Lemma 1 and leave the formal proof for Appendix 1 (Proof 1). Assume that instead of implementing a *leveling strategy*, P makes promises according to a function $h(\pi)$. I can affirm that given r and $h(\pi)$ there will always be a minimal shock δ' for which P wins. As before I formally define $\delta' = \min\{\delta: \Delta_P(h(\pi), r) \geq 1/2\}$. Note that if $\delta \geq \delta'$, P wins the election and if $\delta < \delta'$, P loses the election. Let's assume now that P responds to r with $h(\pi)$ and that δ' takes place. I can define m' as the type of voter that, given $h(\pi)$ and δ', leaves to its right the minimum amount of voters preferring P that P needs to win; that is half of the total voters. Formally, $m' \in [-1, 0] \ni \Pr\{[m', 1] \cap \Delta_P(h(\pi), \delta', r) = 1/2\}$. Note now that I can analyze two cases: $m' = 0$ or $m' < 0$.

I start by showing, with the help of Figure 3, that in the case of $m' = 0$, for any arbitrary non leveling strategy $h(\pi)$ there is always a leveling strategy $L'(\pi, \delta')$[69] that wins with the same probability (that is for shocks greater than or equal to δ') and costs less for P than $h(\pi)$, which means that $L'(\pi, \delta')$ does strictly better for P than $h(\pi)$. With strategy $L'(\pi, \delta')$, P would leave the voters $\pi \in [0, \bar{x})$ indifferent between P and R (see the solid flat line in Figure 3), and would promise nothing to the rest of the voters; $L'(\pi, \delta') = 0$ for all $\pi \in [-1, 0) \cup [\bar{x}, 1]$. Let's define $h(\pi) = 0$ for all $\pi \in [-1, 0)$ and $h(\pi) \geq L'(\pi, \delta')$ for all $\pi \in [0, 1]$. It is easy to see that to win with $h(\pi)$, P needs all of the voters to the right of the median to vote for it. Therefore it needs the rewarded voter with the lowest payoff to vote for it (in Figure 3 this voter is the median voter who is indifferent to P and R). Note now that if $h(\pi) = L'(\pi, \delta')$ for all $\pi \in [0, 1]$ then it is a leveling strategy and if $h(\pi) > L'(\pi, \delta')$ for all $\pi \in [0, 1]$ then it is not a leveling strategy and entails more costs for P than $L'(\pi, \delta')$. Therefore, $L'(\pi, \delta')$ does better for P than $h(\pi)$; for every $\delta \geq \delta'$, P wins either strategy but it spends more under the non leveling strategy $h(\pi)$, and for every $\delta < \tilde{\delta}$, P loses the election and its payoff is 0 with either strategy. We can see in Figure 3 that with strategy $h(\pi)$, the median is indifferent but all the rest of the voters $\pi \in [0, \bar{x}]$ have higher payoffs for voting for P than the median. Note that in this particular case of Figure 3, the cost for P for strategy $h(\pi)$ is the sum of the areas A and B

Figure 3: m′ = 0
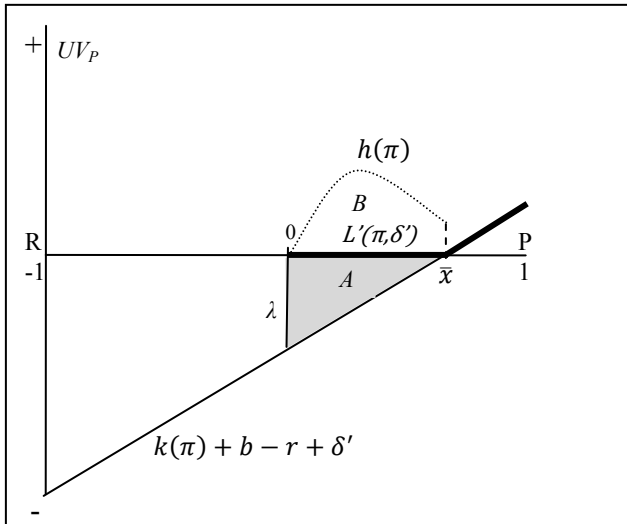
However, the leveling strategy $L'(\pi, \delta')$ wins with exactly the same probability, i.e. the probability of a $\delta \geq \delta'$, but it saves costs for P, as it allocates promises leveling the payoff of all rewarded voters to that of the voter that marginally prefers P. See in Figure 3 that $L'(\pi, \delta')$ leaves all voters $\pi \in [0, \bar{x}]$ indifferent, and the cost for P is just the triangle area A. In other words, with a strategy $h(\pi)$, P wastes money by transferring more than $L'(\pi, \delta')$ to some voters $\pi \in [0, \bar{x}]$ without increasing its probability of winning.

Let's consider now the case where $m' < 0$. With the help of Figure 4, I show that for any arbitrary non-leveling strategy $h(\pi)$ I can construct a leveling strategy $L'(\pi, \delta')$ that wins with

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[69] Note that to make clear that we construct this leveling strategy for a given shock, I incorporate δ' in the notation that denotes the leveling strategy $L'(\pi, \delta')$ that wins with the same probability that $h(\pi)$.

the same probability (that is, for shocks equal or bigger than δ') at lower cost, which means that $L'(\pi, \delta')$ does strictly better for P than $h(\pi)$. In the case that $m' < 0$, P is winning with at least half of the voters and some of these voters are located to the left of the median. Note that given $\delta', h(\pi), and\ r$, if $m' < 0$, then it has to be that a set of positive measure of voters at the right of the median is not voting for P, and that a set of positive measure of voters $\pi \in [m', 0]$ is voting for P.

Because I assume a uniform distribution of voters, it is clear that for δ' and given $m' < 0$, the set of voters that are not voting for P to the right of the median needs to be equal to the set of voters that are voting for P between the median and m'. If this were not the case, P would not have at least half of the voters any more as δ' determines (see Appendix 1 for formal proof). In the example of Figure 4, we can note that δ' makes that segment $[x_1,x_2]$ and segment $[x_3,0]$ vote for P if P enacts strategy $h(\pi)$, and that the size of the sum of these segments is equal to the length of segment $[x_4,x_5]$—the segment of the distribution not voting for P to the right of the median in the face of δ'.[70] Now note that for such a shock δ' there is always a *leveling strategy* $L'(\pi, \delta')$ for which P also wins with the same probability, i.e. the probability of a $\delta \geq \delta'$, as represented by the bold solid line in Figure 4.

Figure 4: m′ smaller than 0
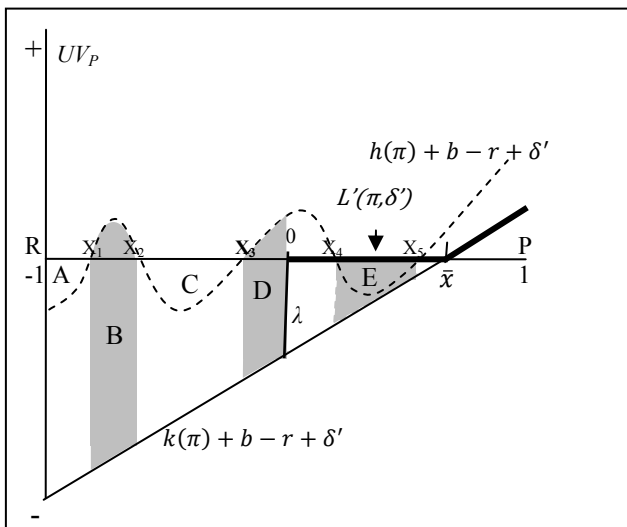
Next, note that to maintain the votes of one-half of the voters with $h(\pi)$, P needs to spend an amount equal to the regions B and D. Since the length of segment $[x_1,x_2]$ plus the length of segment $[x_3,0]$ is equal to the length of segment $[x_4,x_5]$, the shaded area of $B+D$ is necessarily bigger than the shaded area E. This is because voters to the left of the median are ideologically further away from P and therefore are more expensive for P to buy. This shows that in order to maintain the same vote share and the same probability of winning, Party P spends more with the non-leveling strategy $h(\pi)$ than with the leveling strategy $L'(\pi, \delta')$. Clearly, $L'(\pi, \delta')$ does better for P than $h(\pi)$; for every $\delta \geq \delta'$ P wins for both strategies but it spends more under $h(\pi)$, and for every $\delta < \delta'$, P loses the election and its payoff is 0 for either strategy.

I showed that for any non-leveling strategy there is always a leveling strategy for P that does strictly better (see formal proof in Appendix 1- Proof 1). Therefore, we know that P's best

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[70] While assuming a uniform distribution simplifies the explanation it does not mean a loss of generality.

response to *r* would take the form of a leveling strategy and that in order to find *P*'s best reply to *r* I just need to find among the leveling strategies the one that maximizes *P*'s payoff against *r*. It is easy to characterize leveling strategies as they depend only on λ, which means I have only a one variable maximization problem. This maximization problem is what I solve next.

Maximization problem

In order to solve parties' maximization problem I first calculate the probabilities of winning that each party has and then the cost in which they incur. I find first what *P*'s probability of winning is, or formally $\Pr\{\Delta_p(\lambda,r)\} \geq 1/2$. If the median voter ($\pi=0$) votes for *P*, all the voters to the right of the median do so because all the voters that received promises have the same payoffs for voting for *P* (the bold solid flat line in Figure 3). Thus, the probability that *P* wins is equal to the probability that $\pi=0$ votes for *P*, which is given by the probability that $b-r+\lambda+\delta > 0$. So *P* wins for any $\delta > r-b-\lambda$. Given that δ is uniformly distributed over [*u,-u*], this probability is equal to $\left(u-(r-b-p)\right)/2u$. It is easy to see that the probability that *R* wins, or formally $\Pr\{\Delta_R(\lambda,r)\} > 1/2$, is then $(u+r-b-p)/2u$.

I now calculate the costs for parties *P* and *R*. *P* promises λ to the median voter and then decreasing amounts—determined by $\lambda - k(\pi)$—to voters to the right of the median ($\pi=0$) until the cut point $\bar{x} = \lambda/k$. Therefore the total cost for *P* for its leveling strategy is given by

$$\int_{0}^{\min[\lambda/k,1]} (\lambda-k(\pi))d\pi / 2.$$

Solving for this integral yields a total cost for *P* of $\lambda^2/4k$. We can see in Figure 2 the total cost for *P* represented by the shadowed triangle area A. Note that I impose the following assumption: $\lambda/k \leq 1$. This means that *P* does not make promises to the voters in the extreme of the distribution most favorable to it ($\pi=1$) as not even the worst shock can make these voters defect from voting for *P*. This makes sense substantially, as the strongest PJ supporters prefer to vote for the PJ independent of transfers even in the event of the worst possible shock. I can also capture this assumption with the following expression: $k-r+b-u > 0$, where *k* multiplied by 1 represents the ideological payoff for voting for *P* of the most favorable voter to *P* and *–u* is the worst possible shock against Party *P*. It is easier to calculate the costs for *R* as it transfers the same amount to every voter, it is just *r*. Formally; $\int_{-1}^{1} rd\pi/2 = r$.

I can move now into solving the maximization problem. As mentioned above, each party maximizes its utility gained from accessing power minus the costs of transfers, all multiplied by its probability of winning. Thus, *P* maximizes

$$U_P(\lambda,r)=\left(B-\frac{\lambda^2}{4k}\right)\frac{u-r+b+\lambda}{2u}.$$

The derivative of $U_P(\lambda,r)$ with respect to λ is then

$$\frac{\partial U_P(\lambda,r)}{\partial \lambda} = \frac{-1}{8ku}(2b\lambda - 4Bk - 2\lambda r + 2\lambda u + 3\lambda^2).$$

The first order condition is then given by

$$\frac{3\lambda^2}{2}+\lambda(u-r+b)-2Bk = 0. \qquad\qquad [1]$$

By solving this expression for λ I get *P*'s best reply. Similarly, *R* maximizes

$$U_R(\lambda, r) = (B - r)\frac{u + \lambda - b - p}{2u}.$$

The derivative of $U_R(\lambda, r)$ with respect to r is

$$\frac{\partial U_R(\lambda, r)}{\partial r} = \frac{1}{2u}(B + b + \lambda - 2r - u).$$

Therefore, the first order condition yields that R's best reply to P is $r = (-u + B + b + \lambda)/2$. By substituting R's best reply into P's best reply given by Equation 1, I get $2\lambda^2 + \lambda(3u + b - B) - 4Bk = 0$. By using the quadratic formula to solve for λ I get

$$\lambda^* = \frac{B - b - 3u + \sqrt{(b + 3u - B)^2 + 32kB}}{4}. \qquad [2]$$

Note that I can disregard the negative square solution as it would yield a negative λ (see formal poof in Appendix 1- Proof 2). Replacing λ^* in r yields r:

$$r^* = \frac{-7u + 3b + 5B + \sqrt{(b + 3u - B)^2 + 32kB}}{8} \qquad [3]$$

Equilibrium: *There is a unique equilibrium in which R selects the optimum level of transfers* $r^* = \left(-7u + 3b + 5B + \sqrt{(b + 3u - B)^2 + 32kB}\right)/8$ *for every voter, and P pursues the leveling strategy*

$$L(\pi) = \begin{cases} 0 & \text{for } \pi < 0 \\ \lambda - k\pi & \text{for } \pi \ \varepsilon \ [0, min(1, \lambda/k)] \\ 0 & \text{for } \pi : \lambda/k < \pi \le 1, \end{cases}$$

except possibly for a set of measure zero and where $\lambda^* = \left(B - b - 3u + \sqrt{(b + 3u - B)^2 + 32kB}\right)/4.$

By replacing $\lambda*$ and $r*$ in $U_P(\lambda, r)$ and in $U_R(\lambda, r)$, I get the following utilities, respectively, in equilibrium

$$U_P^*(\lambda^*, r^*) = \left(\frac{B - \left(B - b - 3u + \sqrt{(b + 3u - B)^2 + 32kB}\right)^2}{64k}\right)\left(\frac{9u + 3b - 3B + \sqrt{(b + 3u - B)^2 + 32kB}}{16u}\right)$$

$$U_R^*(\lambda^*, r^*) = \left(\frac{B - \left(5B + 3b - 7u + \sqrt{(b + 3u - B)^2 + 32kB}\right)^2}{8}\right)\left(\frac{7u - 3b + 3B + \sqrt{(b + 3u - B)^2 + 32kB}}{16u}\right).$$

I next discuss the main findings of the model.

Discussion

The better the information, the greater the probability

I prove and discuss here an important finding of this study: assuming an equal budget for both parties, the party buying votes with private information about voters' reservation values wins elections with a higher probability than a party without such information. In other words, information asymmetries translate into higher probabilities of electoral victory for the better-informed party.

Proof and discussion

The probability that P wins is $\left(9u + 3b - 3B + \sqrt{(b + 3u - B)^2 + 32kB}\right) / (16u)$ Then the probability that P wins is bigger than 1/2 when

$$u + 3b - 3B + \sqrt{(b + 3u - B)^2 + 32kB} \geq 0. \qquad [4]$$

Note that this expression is increasing in k, so it holds for sure if it holds for the smallest possible k which is $k=p$ (recall from above that $\lambda^* / k \leq 1$). I proceed to prove that even when setting k equal to the smallest possible value $k = \lambda^*$, P wins with greater probability than R. $k = \lambda^*$ implies that $k = \left(B - b - 3u + \sqrt{(b + 3u - B)^2 + 32kB}\right) / 4$. By algebra I get that $\sqrt{(b + 3u - g)^2 + 32gB} = 4k - B + b + 3u$. Now I can replace the right side of this expression in Equation 4 and get $u + 3b - 3B + (4k - B + b + 3u) \geq 0$. Therefore, P wins with greater probability than R if $k - B + b + u \geq 0$. Note that I previously established the more demanding condition $k - B + b - u \geq 0$. Therefore, given that it is always true that $k - B + b - u \geq 0$, then $k - B + b + u \geq 0$ also has to be true, and P always wins with a greater probability than R, i.e., with probability greater than one half.

The electoral hegemony of the party with better information is what we observe in the CB in Argentina. Brokers are the key providers of information for the PJ, working at the neighborhood level with the goal of delivering victory in their electoral jurisdiction to their political bosses. The narratives from the 120 in-depth interviews with brokers show that brokers use information about their clients to target them efficiently. A mother from a poor slum in San Miguel illustrated this point when she explained that she will always support her PJ broker because he always provides inhalers for her asthmatic boy; "once he even got it for me in the middle of the night when my boy had an attack and I did not have any. Who else would do that for my child?"

The Peronists have the monopoly over the networks of brokers able to reach voters in poor municipalities. Ninety-two percent (110) of the brokers I interviewed live in the same neighborhood where they need to assure electoral victory for their political bosses. Their presence in the communities gives the PJ an advantage for collecting information and delivering goods to poor voters that is impossible to match for any other party. All of the PJ brokers declared that being close to the voters, knowing their problems, or being available 24 hours a day were crucial components of their job.[71] It is this everyday presence that allows the PJ brokers to

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[71] Brokers provided these answers when asked the following open question: Which are the crucial components of your relationship with people that allow you to do your job?

get precise information and deliver goods and services with surgical precision to their clients. A broker from San Miguel declared, "I know everybody in my neighborhood and everybody knows me. Even the parrots in the trees call my name when I walk these streets." Similar phrases, like "even the dogs know me" were said repeatedly by the interviewed brokers. Clearly, its deeply immersed network of brokers gives the PJ an advantage in collecting private information about voters.

Brokers invest time in getting enough information about their neighbors to find out whether, and at what price the brokers can secure their votes and whether it is worth paying this price. A broker from San Miguel explained how vote-buying works and its risks:

> The mayor allocates 50 workfare programs and 50 food handouts to 'El Cacique'. Then El Cacique needs to get 50 votes so this broker gives these resources to people he thinks he can buy. That's how you take care of your farm. However, it is never a sure business. It has happened to El Cacique that people to whom he gave resources did not vote with him. You never know what happens in the voting booth. You can buy votes only to a certain degree. It is crucial to know the people well enough.

Brokers reported that they know their clients' socioeconomic situation well or very well. Eighty-seven percent (104) of the brokers said they were able to name the most urgent need of each family. A PJ broker from Merlo told me, "I know their situation every minute. When Matilde, the old lady across the street, passed away, nobody told me but I knew they did not have money for the coffin so I showed up with it. When spring comes, I know that the mother of the allergic boy from two blocks down cannot afford the medication so I get it for her from the mayor. Nobody could ever help them like me." Brokers also know their clients political preferences. Seventy-three percent (82) of the PJ brokers claimed to know which party their clients prefer. Generally, brokers think that people are responsive to material incentives. Seventy-three percent (82) of the PJ brokers claimed that people vote according to the material incentives provided by them.[72] A broker from San Miguel stated, "This is a belly-oriented[73] neighborhood. They vote with the belly. Whoever fills their belly wins the election."

When I asked brokers what they provide to people, the list of goods and services that they mentioned was extensive: jobs, food, medicine, clothes, shoes, coffins, school materials, medicine, appliances, bricks, zinc sheets, charcoal, cash, scholarships, marijuana, illegal drugs, and much more. They do not allocate these resources randomly but rather according to the information they have and with the clear intention of preventing defection and cementing their share of votes. A broker from La Matanza clearly stated his informational advantage: "I can get the same amount of votes as any other party representative but with half of the resources, because I know which families have more children and what they need."

Revealing that brokers are attentive to voters' "reservation values," a broker from Malvinas Argentinas explained that he used food coupons for U.S. $12 and for U.S. $25 to get votes and that he "needed to be careful because they [the voters] pretend that they will go to another broker just to get the bigger ones." In this case, the broker's information about his neighbors' needs and political sympathies proved to be a valuable resource in deciding which

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[72] The question asked was, "Do you think that people vote for a candidate out of partisan reasons, gratitude to the broker, or material incentives?"

[73] The Spanish term she used was "*pancistas*" from *panza* (belly). Twenty-two brokers used exactly that same word to describe people's behavior.

voters should receive more and which should receive less. One broker complained about a fellow broker who lost the election in his neighborhood: "Look at the total lack of intelligence of Sosa. He distributed jobs to people that he did not know. If you do not know them well, you do not know what they have at stake. They can take the job, and then stab you in the back. What a lack of intelligence!"

The evidence shows that brokers allocate resources strategically to try to secure the greatest possible number of votes. When I asked brokers in an open question what the fundamental keys to being a broker were, 72 percent (86) of them mentioned in some form both "knowing the people" and "having access to resources." A broker from San Miguel said, "You can be a nice candidate but without resources you will not be mayor. You need resources and to know who you are giving them to. You need good brokers. Here with very little you get enough support. If you give this [showing his fingertip] to the people you can handle them as you wish. But you need the people who know how to do it."

The data from the interviews clearly indicate that PJ brokers have near-perfect information about their clients. Moreover the brokers' narratives show not only that they have thorough information but also that they use it to try to secure their votes at the lowest cost. It is not a surprise then that the PJ won 168 out of 212 mayoral elections in the CB from 1983 to 2007. Today, the PJ governs 28 municipalities in this jurisdiction. Of these 28 mayors, 18 have been in office for at least two terms, 7 have been re-elected at least 3 times, and 20 of these municipalities have always been governed by Peronist mayors.

Targeting the "core" or the "swing" voter

As parties are never sure of voters' behavior, clientelistic parties target voters who are ideologically closer to them in order to ensure, as much as possible, their share of votes. However, this does not allow us to immediately infer that they target their own followers. Whether clientelistic parties target opposite, indifferent, or supporting voters depends on the distribution of voters—specifically on where the median is along the ideological spectrum. In the model used here, this aspect is modeled by the parameter b, which indicates how tilted the distribution of voters is to the party machine. When b is positive, the distribution of voters favors the political machine—as in the case of the PJ in the CB—and we should expect the machine to target their own followers.

Proof and discussion

In this model, in equilibrium, the clientelistic party transfers λ^* to the median voter and then decreasing amounts, determined by $L(\pi) = \lambda^* - k(\pi)$, to voters to the side of the median closer to the party's ideology until the cut point $\bar{x}$ (see Figure 2). As proved in Appendix 1- Lemma C, any strategy other than targeting voters within the closer half of the distribution would increase costs without increasing the probability of winning. The model predicts that clientelistic parties would target within the half of the distribution of voters closer to them, and that they would target voters based on the risk of having them vote for the other party.

However, if the targeted individuals are core or swing voters will depend on where the median is located in the ideological spectrum. Scholars who discuss which voters are targeted by clientelistic parties have generalized from different cases, but without taking into account the

distribution of voters in the ideological spectrum in each of these cases, and ignoring that parties cannot predict voters' behavior with full certainty. Furthermore, scholars discuss aggregated data without taking into account the fact that the distribution of voters changes across jurisdictions, generating different strategies for parties (Nichter 2008; Stokes 2005).

Stokes (2005, 322) reports logit regression results showing that voters who have a favorable view of the PJ have a higher probability of receiving rewards than those with an unfavorable view of the PJ.[74] The broad sector of voters receiving rewards (60 percent) labels the PJ as good. As Stokes admits, these numbers do not conform to her model; voters slightly inclined toward the PJ should not receive any reward. On the contrary, if in following Stokes and Nichter we do not take into account the problem of mutual causation that clearly affects Stokes's database, the model in this chapter could account for such results. The probabilistic model shows that when the distribution of voters is tilted to their side—that is a positive b—informed clientelistic parties target their own supporters to prevent their defection. In this case clientelistic party brokers mainly nurture and cement a coalition already in place. In this strategy, information about each voter's preferences plays a crucial role. The usual question of why parties would target their own followers finds an answer in the fact that parties are never sure about voters' behavior in the booth and thus seek to ensure their vote.

Also, Stokes reports that 24 percent of the voters who received rewards label the PJ as bad. Nichter's model could not account for this fact. Why, if their goal is to buy turnout, would PJ brokers ever mobilize the opposition or even indifferent voters? There is an answer for this question, and it is found in the context of the probabilistic model. The surveys were carried out not only in Buenos Aires, but also in Córdoba and Misiones, where the distribution of voters— not clearly tilted to the PJ side—may also push PJ brokers to target indifferent and slightly opposed voters.

The PJ in the CB is a good example of a party machine that faces a distribution of voters tilted to its side and consequently targets supporters to reassure their votes. Most of the PJ brokers consider their followers predominantly Peronists.[75] However, they admit that they are never sure of how their followers will cast their votes. Eighty-three percent (94) of them estimate that a percentage of people who get help from them do not vote for them. On average, they calculate that approximately 10 percent of the people they helped vote for opposition candidates. A broker from La Matanza, for example, told me, "You never know. You always have some people that get handouts from you and they ask you for a ballot, but then in the booth they stab you in the back."

Furthermore, none of the 120 brokers think that it is possible to monitor how an individual votes. Even those who admit to cheating in different ways on Election Day deny being able to monitor how any particular voter votes. While 29 percent (35) of them recognized that they had committed fraud, and 10 percent (12) even admitted to paying certain clients with illegal drugs, none of them believe that it is possible to monitor how individuals vote.

This uncertainty and its consequences are well captured by this probabilistic model. That parties target their own constituencies does not mean that they are buying turnout, but that they are preventing the defection of their followers. In the words of a broker from San Miguel: "You

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[74] Stokes's dataset is based in 1,920 interviews carried out during 2001 and 2002 in three Argentine provinces, Buenos Aires, Córdoba, and Misiones. Nichter used Stokes's data set.

[75] In an interesting paper, Magaloni et al., argue that the PRI in Mexico also targeted its followers to deter their exit to other parties.

need to nurture the vote of your loyal supporters by giving them handouts. If not you might one day get the unpleasant surprise that they are playing for someone else."

Furthermore, PJ brokers often secure followers' votes at low prices, for example, by delivering food handouts. This resonates with the model here by showing that the more committed to the clientelistic party supporters are, the fewer transfers this party would need to offer to secure their votes. Not without irony, a PJ broker confessed, "we became the opposite of what we were. Before we sang 'fighting capital,' now we only do politics with 'capital,' and we give to the poor as little as we can."[76]

Ideology and vote-buying

Finally, if the salience of ideology rises—i.e. an increase in k occurs—parties increase their transfers to voters. However, while both parties increase their transfers, an increase in k increases P's probability of winning while diminishing R's probability of winning.

Proof and discussion

The partial derivatives of λ^* and r* with respect to k are both positive:

$$\frac{\partial \lambda^*}{\partial k}\left(\frac{-b+B-3u+\sqrt{\left(b+3u-B\right)^2+32Bk}}{4} \right) = 4\frac{B}{\sqrt{b^2-2bB+6bu+B^2-6Bu+32Bk+9u^2}}$$

$$\frac{\partial r^*}{\partial k}\left(\frac{-7u+3b+5B+\sqrt{\left(b+3u-B\right)^2+32Bk}}{8} \right) = 2\frac{B}{\sqrt{b^2-2bB+6bu+B^2-6Bu+32Bk+9u^2}}.$$

The partial derivatives of P's and R's probability of winning with respect to k are respectively positive and negative:

$$\frac{\partial PrP}{\partial k}\left(\frac{9u+3b-3B+\sqrt{\left(b+3u-B\right)^2+32Bk}}{16u} \right) = \frac{B}{u\sqrt{b^2-2bB+6bu+B^2-6Bu+32Bk+9u^2}}$$

$$\frac{\partial \Pr R}{\partial k}\left(\frac{7u-3b+3B+\sqrt{\left(b+3u-B\right)^2+32Bk}}{16u} \right) = \frac{-B}{u\sqrt{b^2-2bB+6bu+B^2-6Bu+32Bk+9u^2}}$$

These partial derivatives prove the interesting facts that the greater the ideological salience, the more parties spend in transfers and the greater the advantage for the party with better information. In other words, vote-buying turns out to be more expensive when ideology is more relevant. While both parties increase transfers with ideology, the better-informed party increases its probability of winning with ideology. This is precisely because Party P is better informed about voters' ideological preferences. Intuitively, the party with better information can exploit further its comparative advantage. If ideology did not matter at all ($k=0$) then the informational advantage would vanish.

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[76] "Fighting capital" (*Combatiendo el capital*) is a line from the Peronist anthem.

Conclusion

The model in this chapter demonstrates that if two parties compete for votes in an environment of asymmetric information, the party with access to better information about voters' political identification and reservation values can buy votes more efficiently and win elections more often than the party without such an informational advantage. The key element in the equilibrium is that the better-informed party tailors the transfers according to each voter's reservation value. By linearly reducing the amount of transfers according to voters' increasing preferences for the party, the better-informed party buys votes more efficiently, increasing its probability of winning over the other party.

In addition to showing that the better-informed party enjoys a greater probability of winning, the model contributes to the understanding of how voters' party preferences might interact with material inducements. First, due to its probabilistic design, the model accounts for why clientelistic parties often allocate resources to their own constituencies. Depending on the distribution of voters, they might target their core group of voters to prevent their defection into the opposition camp. Second, it shows that, contrary to common knowledge, an increase in the salience of ideology translates into more transfers rather than fewer, due to the effect of asymmetric information.

The model allows us to better understand the case of the PJ in the CB, where the Peronists' access to better information about political identification and the reservation values of the poor allows them to practice clientelism more successfully than any other party. The evidence collected shows that Peronists perform vote-buying efficiently because they benefit from a strongly embedded clientelistic network of brokers among poor voters. The brokers are shown to be the crucial actors whose command of information is critical to the functioning of clientelism and to the PJ's electoral hegemony. By targeting voters with discretionary transfers tailored to each voter's reservation value, they cement a coalition of supporters that is hard to defeat.

Finally, I want to highlight the fact that more often than not, clientelism emerges where large sectors of the population do not find any other way to solve their vital problems. Many times clientelism provides—albeit in a particularistic way—what the state has previously failed to deliver on a more universalistic basis. Clientelistic parties are often the only organizations with a grassroots presence and the only ones in touch with the poor, a fact for which opposition parties are mostly to blame. Accepting this fact might lead non-clientelistic parties and politicians to think anew about how to create links to poor voters and challenge the dominance of clientelistic parties.

Appendix 1

Proof 1

I prove here Lemma 1: for any given strategy $h(\pi)$ that is not a leveling strategy there is always a leveling strategy $L(\pi)$ for P that does strictly better, i.e. $U_P(L(\pi), r) > U_P(h(\pi), r)$. It suffices to prove that for any strategy $h(\pi)$ there will be a leveling strategy $L(\pi)$ that lowers the expenditures on transfers for the same probability of winning delivered by $h(\pi)$:

$$\int_{\delta'}^{u} [\int_{-1}^{1} h(\pi) \, d\pi/2] d\delta > \int_{\delta'}^{u} [\int_{-1}^{1} L(\pi) \, d\pi/2] d\delta,$$

whereas before $\delta' = \min\{\delta : \Delta_P(h_b(\pi), r) \geq 1/2\}$. This is what I prove next.

Whatever form $h(\pi)$ takes, we know that it is associated with a total cost for P and a minimal shock δ' for which P wins the election. Note that if $\delta \geq \delta'$, P wins the election, and if $\delta < \delta'$, P loses the election. Now, for any strategy $h(\pi)$ I can construct a leveling strategy $L'(\pi, \delta')^{[77]}$ that implies lower costs and wins with the same probability that $h(\pi)$ does, that is, for shocks $\delta \geq \delta'$. The strategy $L'(\pi, \delta')$ has the form

$$L'(\pi, \delta') = \begin{cases} 0 & \text{for } \pi < 0 \\ \lambda' - k\pi & \text{for } \pi \; \varepsilon \left[0, min(1, \lambda'/k) \right] \\ 0 & \text{for } \pi : \lambda'/k < \pi \leq 1, \end{cases}$$

where λ' is what P transfers to the median voter $\pi = 0$. Note that given δ', $L'(\pi, \delta')$ is well-defined. $L'(\pi, \delta')$, as any leveling strategy, is defined by the amount (λ' in this case) that it transfers to the median. Since δ' leaves the median voter ($\pi=0$) indifferent between P and R, I can derive the amount λ' that P transfers to him. If the median is indifferent with $L'(\pi, \delta')$ then $k(0) + b + \lambda' - r + \delta' = 0$. This leaves $\lambda' = r - b - \delta'$. With λ' defined, this also defines what P transfers to every voter π with $L'(\pi, \delta')$.

Now, as in the body of the chapter, I define m' as the type of voter that, given $h(\pi)$ and δ', leaves to its right the minimum amount of voters preferring P that P needs to win; that is, half of the total voters. Formally, $m' = \min \{m : \Pr\{[m, 1] \cap \Delta_P(h(\pi), \delta', r)\} \geq 1/2\}$. Since $m' \leq 0$, it is convenient to consider two cases: $m' = 0$ and $m' < 0$. I start by proving that when $m' = 0$, the leveling strategy $L'(\pi, \delta')$ that wins with the same probability as $h(\pi)$ spends less. This obviously means that $L'(\pi, \delta')$ does strictly better for P than $h(\pi)$.

I have $h(\pi) \geq 0$ for all π. Since by construction $L'(\pi, \delta') = 0$ for all $\pi \in [-1, 0)$ *and* $\pi \in [\lambda'/k, 1]$, then it must be that $h(\pi) \geq L'(\pi, \delta')$ for all $\pi \in [-1, 0)$ *and* $\pi \in [\lambda'/k, 1]$. Since $m' = 0$, it must be that with $h(\pi)$ all $\pi \in [0,1]$, except possibly for a set of measure zero, at least weakly prefer P. Since by construction I know that all $\pi \in [0, \lambda'/k)$ are indifferent between P and R for δ' given offers $L'(\pi, \delta')$ and r, it has to be the case that $h(\pi) \geq L'(\pi, \delta')$ for all $\pi \in [0, \lambda'/k)$, except possibly of a set of measure zero. It follows now from above that $h(\pi) \geq L'(\pi, \delta')$ for all $\pi \in [-1,1]$, except for a set of measure zero. Note that if $h(\pi) = L'(\pi, \delta')$ for all $\pi \in [-1,1]$, except possibly for a set of measure zero, then $h(\pi)$ is a leveling strategy. If $h(\pi) > L'(\pi, \delta')$ for a set of positive measure of $\pi \in [-1,1]$ then $h(\pi)$ is not a leveling

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[77] Note that to make clear that we construct this leveling strategy for a given shock we incorporate δ' in the notation that denotes the leveling strategy that wins with the same probability that $h(\pi)$: $L'(\pi, \delta')$.

strategy and it follows that $\int_{-1}^{1} h(\pi)\, d\pi/2 > \int_{-1}^{1} L'(\pi, \delta')\, d\pi/2$. Note that this last inequality holds for every shock $\delta > \delta'$ and that $L'(\pi, \delta')$ does strictly better for P than $h(\pi)$ because $L'(\pi, \delta')$ entails less cost for the same probability of P winning. Therefore,

$$\int_{\delta'}^{u}[\int_{-1}^{1} h(\pi)\, d\pi/2]d\delta > \int_{\delta'}^{u}[\int_{-1}^{1} L'(\pi, \delta')\, d\pi/2]d\delta.$$

Simplifying I get, $\int_{\delta}^{u}[\int_{-1}^{1}(h(\pi) - L'(\pi, \delta'))\, d\pi/2]d\delta > 0$ and, for the case that $m' = 0$, I have proved that $U_P(L'(\pi, \delta'), r) > U_P(h(\pi), r)$.

To complete the proof I need to also show now that in the case that $m' < 0$, the leveling strategy $L'(\pi, \delta')$ spends less than $h(\pi)$. This would mean that $L'(\pi, \delta')$ does strictly better for P than $h(\pi)$, because, as I have already said, by construction P wins with the same probability with either strategy. First note that given $\delta', h(\pi),$ and r, if $m' < 0$, then it must be that a set of positive measure of voters at the right of the median is not voting for P. I denote this set by A_1. Therefore, $A_1 = \{\pi : \pi \in [0,1] \cap \Delta_R(h(\pi), r)\}$, where $\Delta_R(h(\pi), r)$ denotes the set of voters that vote for R. If $m' < 0$, it also has to be true that a set of positive measure of voters $\pi \in [m', 0]$ is voting for P. I denote this set by A_2. Formally, $A_2 = \{\pi : \pi \in [m', 0] \cap \Delta_P(h(\pi), r)\}$, where $\Delta_P(h(\pi), r)$ denotes the set of voters that vote for P. I claim now that if $\Pr\{A_1\}$ is not equal to $\Pr\{A_2\}$ then m' would not have to its right half of the voters preferring P as required by definition. I prove next that $\Pr\{A_1\} = \Pr\{A_2\}$. We know that

$\Pr\{A_1\} + \Pr\{[0,1] \cap \Delta_P(h(\pi), r)\} = 1/2$
$\Pr\{A_2\} + \Pr\{[0,1] \cap \Delta_P(h(\pi), r)\} = 1/2$,

then from the second equation I can derive

$\Pr\{[0,1] \cap \Delta_P(h(\pi), r)\} = 1/2 - \Pr\{A_2\}$.

By substituting this expression in the first equation I get

$\Pr\{A_1\} + 1/2 - \Pr\{A_2\} = 1/2$,

and I have proved that $\Pr\{A_1\} = \Pr\{A_2\}$.

Now, I denote the total cost of transfers from P to voters in A_2 with strategy $h(\pi)$ by $\int_{\delta'}^{u}[\int_{A_2} h(\pi)d\pi/2]d\delta$, and I denote the total cost for P of leaving all voters $\pi \varepsilon A_1$ indifferent between P and R with a leveling strategy $L'(\pi, \delta')$ by $\int_{\delta'}^{u}[\int_{A_1} L'(\pi, \delta')d\pi/2]d\delta$. I want to prove next that

$$\int_{\delta'}^{u}[\int_{A_2} h(\pi)d\pi/2]d\delta > \int_{\delta'}^{u}[\int_{A_1} L'(\pi, \delta')d\pi/2]d\delta.$$

To do so, I define first a strategy $\tilde{h}(\pi)$ such that $\tilde{h}(\pi) = h(\pi) \forall\, \pi \notin A_2$ and $\tilde{h}(\pi) = r - k\pi - b - \delta' \,\forall\, \pi \in A_2$. Note that since a voter is indifferent between R and P when $k\pi + b + \tilde{h}(\pi) - r + \delta' = 0$, $\tilde{h}(\pi)$ leaves every voter $\pi \in A_2$ indifferent between P and R. It immediately follows, then, that $\int_{\delta'}^{u}[\int_{A_2} h(\pi)d\pi/2]d\delta \geq \int_{\delta'}^{u}[\int_{A_2} \tilde{h}(\pi)d\pi/2]d\delta$, except for a set of measure zero. Therefore, in order to prove that $\int_{\delta'}^{u}[\int_{A_2} h(\pi)d\pi/2]d\delta > \int_{\delta'}^{u}[\int_{A_1} L'(\pi, \delta')d\pi/2]d\delta$, it suffices to prove that

$$\int_{\delta'}^{u}[\int_{A_2} \tilde{h}(\pi)d\pi/2]d\delta > \int_{\delta'}^{u}[\int_{A_1} L'(\pi, \delta')d\pi/2]d\delta.$$

This is what I do next.

Let $\overline{\pi}$ be any non zero element of A_1 and $\underline{\pi}$ be any non zero element of A_2, and claim that $\forall\, \overline{\pi} \in A_1$ and $\forall\, \underline{\pi} \in A_2$ it has to be that $\tilde{h}(\underline{\pi}) > L'(\overline{\pi}, \delta')$. It is easy to prove such claim. By construction, with a leveling strategy $L'(\pi, \delta')$ all voters $\overline{\pi} \in A_1$ are indifferent between P and R

$k\overline{\pi} + b + L'(\overline{\pi}, \delta') - r + \delta' = 0 \ \forall \ \overline{\pi} \in A_1.$

Therefore,

$L'(\overline{\pi}, \delta') = r - k\overline{\pi} - b - \delta' \ \forall \ \overline{\pi} \in A_1.$

I know from above that $\tilde{h}(\underline{\pi}) = r - k\underline{\pi} - b - \delta' \ \forall \ \underline{\pi} \in A_2$ and I also know that $\overline{\pi} > \underline{\pi}$. It then must be true that $r - k\underline{\pi} - b - \delta' > r - k\overline{\pi} - b - \delta'$. Therefore, $\forall \ \overline{\pi} \in A_1$ and $\forall \ \underline{\pi} \in A_2$ it must be that $\tilde{h}(\underline{\pi}) > L'(\overline{\pi}, \delta')$. Given this, as well as the fact that $\Pr\{A_1\} = \Pr\{A_2\}$, it follows that

$\int_{\delta'}^{u}[\int_{A_2} \tilde{h}(\underline{\pi})d\underline{\pi}/2]d\delta > \int_{\delta'}^{u}[\int_{A_1} L'(\overline{\pi}, \delta')d\overline{\pi}/2]d\delta$, which implies that

$\int_{\delta'}^{u}[\int_{A_2} h(\pi)d\pi/2]d\delta > \int_{\delta'}^{u}[\int_{A_1} L'(\pi, \delta')d\pi/2]d\delta.$

Therefore, I have proved that it is always true that $\int_{\delta'}^{u}[\int_{-1}^{1} h(\pi) \ d\pi/2]d\delta > \int_{\delta'}^{u}[\int_{-1}^{1} L'(\pi, \delta') \ d\pi/2]d\delta$. Therefore, $U_P(L'(\pi, \delta'), r) > U_P(h(\pi), r)$ ■

Proof 2

When looking for the optimal transfer λ^* that *P* promises to the median voter, I know that $\lambda^* \geq 0$ and that λ^* has to satisfy the quadratic equation given by $2\lambda^2 + \lambda(3u + b - B) - 4kB = 0$. Let's denote this expression by *A*. As the first term of *A* is positive I know that *A* defines an upward parabola, and as the third term is negative, I know that this parabola crosses the vertical axis in the negative region, that is, under the horizontal axis. This means that the parabola defined by *A* has a positive root and a negative root. Solving for the roots of A yields $\lambda = \left(B - b - 3u \pm \sqrt{(b + 3u - B)^2 + 32kB} \right)/4.$ Since $\sqrt{(b + 3u - B)^2 + 32kB} > 0,$ then it must be that

$$\frac{B - b - 3u - \sqrt{(b + 3u - B)^2 + 32kB}}{4} < \frac{B - b - 3u + \sqrt{(b + 3u - B)^2 + 32kB}}{4},$$

which means that the negative root that satisfies *A* is given by $\left(B - b - 3u - \sqrt{(b + 3u - B)^2 + 32kB} \right)/4.$ Since $\lambda^* \geq 0$, I can reject the negative square root solution and affirm that $\lambda^* = \left(B - b - 3u + \sqrt{(b + 3u - B)^2 + 32kB} \right)/4$ is *P*'s unique best reply to

r^* ■

Chapter 5

Brokers With Plug:

A Model about Vote-buying and Access to Resources

Introduction

Most articles about clientelism in Argentina, whether in the mass media or in academic journals, present brokers as PJ machine operatives manipulating their clients. Brokers frequently appear as exploiters who transfer the minimal possible amount to poor voters in order to secure their votes and monitor their political behaviors (Stokes 2005; Nichter 2008; Gans-Morse 2008). In these accounts, most of the bargaining power is with the brokers, who know the exact price at which their clients will sell their votes and are thus able to buy them at the cheapest possible price. But if this were indeed the case, each poor voter should be indifferent over which broker they deal with, as all brokers equally hold them down to their reservation value (the lowest level of benefits needed to buy the voter's vote).

Yet to the contrary, evidence from the field shows that poor voters do care about their choice of brokers, and in fact develop long-term relationships with them. Why this is the case remains a puzzling question—what exactly is it that clients have at stake? In this chapter, using a formal model and evidence from the field, I show that due to brokers' uncertainty over voters' reservation values, the more resources brokers obtain the more they transfer to clients to assure their votes. Therefore, given this uncertainty over reservation values, voters benefit from brokers' abilities to access more resources. As one poor voter from La Matanza describes his broker: "He is well connected to the mayor and he gets resources for us. I do not care if he is corrupted. Everyone is corrupted in politics, but at least he helps me. I prefer him rather than to a useless guy who will not bring us anything."

Brokers with strong connections to high-ranking politicians are able to obtain considerable resources. Brokers keep a portion of these resources for themselves, so the more they get, the more they have at stake in holding their positions. Because brokers are uncertain about voters' reservation values, the more resources they receive, the more they promise to their followers to gain their support and maintain their positions. In cases such as these, most clients in fact receive transfers in excess of their reservation values.

In the model that follows, the voters extract an informational rent. This explains why poor voters care about which brokers they deal with, as a broker with access to resources will earn them with rewards in excess of their reservation values. Resource access is important not only for the broker who retains a larger share, but also for the client who will receive a higher transfer. As a broker's access to resources increases, not only does the broker's profit increase but the client's profit as well.

As shown in Chapter 2, in the poor neighborhoods of the CB, people specifically distinguish brokers according to their ability to access resources. They distinguish between brokers with "plug" and "smoke sellers." A broker with "plug" is sufficiently well-connected to politicians with access to enough resources to fulfill generous promises. A "smoke seller" is a

broker who lacks connections and, as a consequence, ends up giving meager rewards. Voters want to deal with brokers with plug rather than with smoke sellers, because the former allocate more generous transfers than the latter.

The fact that it is in the clients' own interest to care about their brokers is a feature of the broker-client relationship extending beyond the Argentine case. Scholars studying clientelism in Africa report that voters choose brokers according to their reliability as sources of prospective rewards. For example, scholars working on Nigeria affirm that poor voters take brokers' offers as signals of wealth and the potential for future offers (van de Walle 2007; Bratton 2008). Poor voters in many large cities in the U.S. at the end of the 19th century and the first half of the 20th century clearly took into account how much they were helped by party machine brokers. Favors helped gauge what they could expect in the future and they voted accordingly. In cities such as Boston, New York, Philadelphia, Kansas, and Chicago, brokers established long-term relationships with their clients. According to Rakove, poor voters in Chicago were familiar with Daley's brokers' largess. Voters understood their access to resources and consistently supported them, leaving the Republicans at competitive disadvantage (Rakove 1979).

In this chapter, I show with a simple repeated infinite game how brokers—given their uncertainty about voters' reservation values—transfer more to their clients as their access to resources increases. This accounts for why voters care about their brokers. When brokers are skillful enough to gain substantial resources, voters want them to win elections and stay in the neighborhood, thus delivering what they did in previous rounds. In this way, voters receive payoffs in excess of their reservation values. Building on this finding in chapter 5, I introduce a signaling model with two types of brokers, allowing me to show that brokers invest in developing good reputations among their clients, and subsequently exploit their reputations.

A Baseline Model

In this model, I capture how brokers' differing skills for accessing resources —given their uncertainty over voters' reservation values—affect voter's payoff. Brokers receive resources from the candidates they endorse and decide which portion to retain and which portion to offer voters for their support. Brokers face a trade-off between promising more to voters (increasing their probability of being supported and reinstated upon her candidate winning) and keeping a bigger portion of the pie for themselves. The model shows that when brokers have access to considerable resources, they make bigger offers to voters because they have more at stake on being brokers in the future. If they remain brokers, they will have more chances to receive sizeable resources and keep more rewards for themselves. And when brokers with access to resources make offers in excess of voters' reservation values, voters benefit.

To capture this mechanism, I develop a model in which the broker's ability to access resources is characterized by a value $\alpha \in [0,1]$. A broker (B) will have access to resource level $\pi \in \{\bar{\pi}, \underline{\pi}\}$, where $\bar{\pi} > \underline{\pi}$. $\bar{\pi}$ is drawn with probability α, $\underline{\pi}$ with probability $1 - \alpha$. While in the next chapter I distinguish between two types of brokers by their likelihood of receiving high and low resources, I first simplify by assuming homogenous brokers with equal α. The main goal of this model is to show that voters—as well as brokers—benefit from higher α.

The game tree is depicted in Figure 1. First, the voter realizes her reservation value and nature randomly selects a B that comes to power. B will receive $\bar{\pi}$ or $\underline{\pi}$ depending on his ability

to secure resources[78]. Conditional on the size of the pie available to him, B next makes an offer to secure the voter's vote. Let $z_t \in \{0, \overline{\pi}\}$ be the offer at time t if $\pi = \overline{\pi}$, and $z'_t \in \{0, \underline{\pi}\}$ be the offer at time t if $\pi = \underline{\pi}$.

After receiving B's offer, the voter decides if she will accept and support B's candidate. The voter's payoff for voting for her own candidate is $r + \varepsilon$. Because this is the minimal amount that B would have to pay to switch her vote in favor of his candidate, we refer to it as the voter's reservation value. Since the economic and political situation changes from one electoral term to the other, the voter's reservation value also changes. Thus we assume that ε is drawn for V at the beginning of each round from a uniform distribution between $-u$ and u. ε is private information to V, while we assume that B has the correct belief that $\varepsilon \sim u[-u, u]$.

If the voter accepts B's offer then they both move to the next round which starts with a new ε for the voter and a new pie $\pi \in \{\underline{\pi}, \overline{\pi}\}$ for B. If the voter rejects B's offer, then B exits the game and the next round starts with a new B coming to power and receiving a pie $\pi \in \{\underline{\pi}, \overline{\pi}\}$, and the voter learning her new type ε.

Figure 5: Game Tree
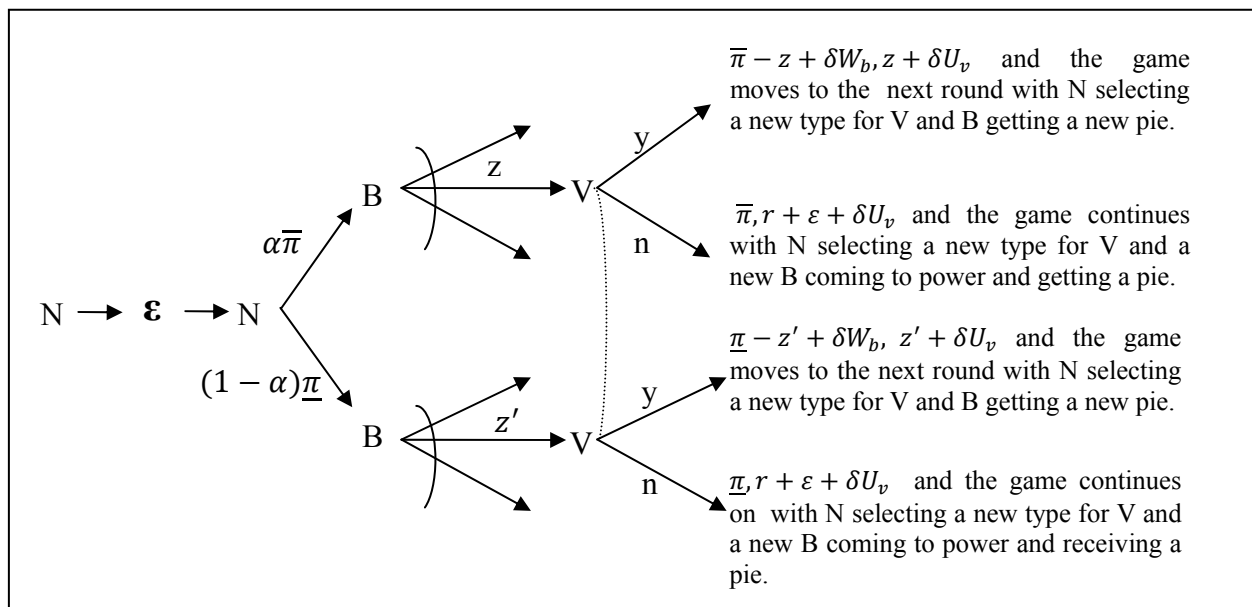
I next explain how players derive utility. In this game, the voter derives utility from voting for her preferred candidate measured by the voter's reservation value for voting for B's candidate—and from B's transfers. If the voter does not accept B's offer, she receives her reservation value $r + \varepsilon$ for voting for her preferred candidate and moves to the next round in which a new B will make her a new offer. If the voter accepts B's offer, she receives the offer and moves to the next round in which B will make a new offer. Note that since the brokers are identical, in equilibrium they make the same offer as a function of the pie they receive. Therefore, over any given history, the voter's payoff is given by the discounted sum of the maximum of each period's offer and her reservation value.

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[78] From now on, I use masculine for the Broker and feminine for the Voter.

B gains utility from the portion of the pie he keeps for himself in each round he plays. If the voter does not accept his offer, B keeps the entire $\pi \in \{\underline{\pi}, \overline{\pi}\}$ for himself but loses his position as broker. If the voter accepts his offer, B receives that period's available pie minus the offer, and moves to the next round where he will receive a new pie and make a new offer to the voter. As I assume B fulfills his promises, he will stay in power as long as the voter accepts his offers.

The Strategies

A behavioral strategy for B specifies his offer $z_t \in [0, \pi_t]$ to the voter at each period as a function of the history preceding that period, and whether he received $\overline{\pi}$ or $\underline{\pi}$. In other words, a behavioral strategy for B is a set of offers z_t for all possible information sets defined by the previous history of offers and replies h_{t-1} and by the size of the pie available at time t, $\pi_t \in \{\overline{\pi}, \underline{\pi}\}$. The previous history is given by all the actions the players have taken in previous rounds; it is the list of offers the broker(s) made from round 0 through round $t-1$: $\{z_j\}_{j=0}^{j=t-1}$, and all the replies the voter provided to these offers $C_j \in \{0,1\}_{j=0}^{j=t-1}$, where 0 is reject and 1 is accept. Any particular history before time t is then given by $h_{t-1} = \{(z_j, C_j)\}_{j=0}^{j=t-1}$, where I express for each round first the offer the broker makes and then the voter's reply, and where the subscript indicates the round in which they are playing. I denote H_{t-1} as the set of all possible histories h_{t-1}. The set of strategies for B for any time t is then given by $\{z_t\}_{t=0}^{\infty}: H_{t-1} \times \pi_t \to [0, \pi_t]$.

A behavioral strategy for the voter has to specify the voter's reply to each possible offer she could receive from B in any round, given her type and previous history. The voter's strategy is a sequence of acceptance functions that specify the probability $K_t(z|h_{t-1}) \in [0,1]$ that she will accept an offer z at any information set. Where, for example, $K_t(z|h_{t-1}) = 1$ means the voter accepts B's offer for sure, $K_t(z|h_{t-1}) = .5$ means the voter accepts with 50 percent probability, and $K_t(z|h_{t-1}) = 0$ means the voter rejects for sure. Therefore, a strategy for the voter is a mapping to an acceptance probability for all possible information sets defined by her type, previous history h_{t-1}, and given the offer she receives from B at time t; $z_t \in [0, \pi_t]$. A sequence of behavioral strategies for the voter at each time can thus be formally expressed as $\{K_t\}_{t=0}^{\infty}, K_t: \varepsilon \times H_{t-1} \times z_t \to [0,1]$. In the following I characterize the class of equilibrium of interest, but not before I lay out some assumptions that simplify the game's analysis.

The Equilibrium

To simplify the model, I assume that $\underline{\pi} < r - u$. Therefore, in the event that B receives $\underline{\pi}$, the voter's reservation value would be bigger than the available pie. This simplifies the game since, as I explain below, because when B receives $\underline{\pi}$ his offer will always be rejected by the voter regardless of her type. On the other hand, I assume $\overline{\pi} \geq r + u$. This insures that B upon receiving $\overline{\pi}$, can afford to buy off any type of voter. When nature selects $\overline{\pi}$, B faces a trade-off between

promising more to the voter (increasing his probability of remaining as the broker) and keeping a bigger portion of the pie for himself. While these assumptions simplify the problem, they do not prevent the model from retaining the essential dynamic of interest, that is, that voters benefit from brokers who access considerable resources more often. Such brokering abilities are captured by the parameter α—measuring brokers' skills toward accessing $\bar{\pi}$.

The environment underlying this game is static in the sense that the only variables that should be of interest to the broker are the size of the available pie and the type of voter in each round. Similarly, the Voter is indifferent over past actions, but cares only about the offer of that periods' broker. Note that all the brokers have the same ability α to access resources in this game. If one broker is rejected, a new broker comes to power who is indistinguishable from the rejected one; all the brokers are identical.

Thus, I can further simplify things by focusing on Markov Perfect Equilibria (MPE). In an MPE, the players' strategies depend only on the current state, here defined by π. As such, players choose their action as a function of the current state, independent preceding history. MPE insure that the continuation value for the voter is constant over time and behavior because the previous history does not factor into strategies (there are not punishment strategies), and the brokers are all of the same type. This makes the problem tractable as the solution reduces to finding B's optimal offer and a threshold for the voter to accept an offer.

Given that there are no punishment strategies and that brokers are of the same type, the voter's strategy depends only on the offer she gets and her myopic reservation value. The voter accepts or rejects B's offer by comparing only the value of the offer in that round to her myopic reservation value. Whether or not she accepts has no effect on her continuation value, which remains the same because the new broker will be identical to the rejected one. Therefore, for the unique pure MPE of this game, the voter's strategy is rather simple:

Accept any offer z if $z \geq r + \varepsilon$,

Reject any offer z if $z < r + \varepsilon$.

In the case of B's strategy, it is clear that if nature selects $\underline{\pi}$ because $\underline{\pi} < r - u$, B cannot buy the voter's support, so any offer $z' \in [0, \underline{\pi}]$ is payoff equivalent for him. Whatever he offers, his offer will be rejected and he will keep $\underline{\pi}$ for himself and be out of the game. On the other hand, if he receives $\bar{\pi}$, B can make an offer z to gain the voter's support. If B receives $\bar{\pi}$, his optimal offer z gives the maximum of the utility of having that pie $\bar{\pi}$ and of making an offer that can be accepted or rejected by the voter. Formally, conditional on having $\bar{\pi}$, B maximizes

$$P_b(z) = \left[\bar{\pi} - z + \delta\left((1-\alpha)\underline{\pi} + \alpha P_b(z)\right)\right]\frac{z-r+u}{2u} + \bar{\pi}\left(1 - \frac{z-r+u}{2u}\right), \qquad [1]$$

The first term of $P_b(z)$ captures what B gets if his offer is accepted. Note that if his offer is accepted B gets the pie minus the offer plus the discounted value of being the broker in the next round, where $\delta \in [0,1]$ is a common discount factor and $(z-r+u)/(2u)$ is the probability that $z \geq r + \varepsilon$ given that $\varepsilon \sim u[-u,u]$; that is the probability that the voter accepts the offer z. The second term of $P_b(z)$ captures what B gets if his offer is rejected; he simply keeps the big pie $\bar{\pi}$. The factor $1-(z-r+u)/(2u)$ multiplying $\bar{\pi}$ in this second term is the probability that $z < r + \varepsilon$; that is the probability that the voter rejects the offer z.

Solving Equation 1 for $P_b(z)$ yields,

$$P_b(z) = \frac{-2\bar{\pi}u - (\alpha - 1)\delta\underline{\pi}(r - u - z) + z(-r + u + z)}{-2u + a\delta(-r + u + z)}.$$ [2]

$P_b(z)$ is the broker's payoff when he is deciding what to offer, given that he received the big pie $\bar{\pi}$. As B only decides over an optimal offer when he receives $\bar{\pi}$, I can solve B's maximization problem conditional on B having $\bar{\pi}$. I maximize $P_b(z)$ over $z \in [0, \bar{\pi}]$ by taking the partial derivative of $P_b(z)$ with respect to z,

$$\frac{\partial P_b(z)}{\partial z} = \frac{2u(\delta\underline{\pi} + r - u - 2z) + \alpha\delta(r^2 + 2\bar{\pi}u - 2\underline{\pi}u + u^2 + 2uz + z^2 - 2r(u + z))}{(2u + a\delta(r - u - z))^2}$$

The first order condition is then given by

$$\frac{2u(\delta\underline{\pi} + r - u - 2z) + \alpha\delta(r^2 + 2\bar{\pi}u - 2\underline{\pi}u + u^2 + 2uz + z^2 - 2r(u + z))}{(2u + a\delta(r - u - z))^2} = 0.$$

This first order condition yields

$$z = \frac{1}{\alpha\delta}(2u + r\alpha\delta - u\alpha\delta \pm \sqrt{2}u\sqrt{\frac{1}{u}(2u + r\alpha\delta - \underline{\pi}\alpha\delta^2 + \underline{\pi}\alpha^2\delta^2 - u\alpha\delta - \bar{\pi}\alpha^2\delta^2)})$$ [3]

Note that since by definition $z \le r + u$, only the negative solution to the square root (that I denote by $\tilde{z}$) is feasible (See Appendix 1- Proof 1). Therefore, I can next formally characterize the proposed equilibrium and prove its existence.

Proposition 1

In the unique pure MPE, the voter's strategy is:

> *accept any offer bigger or equal to her myopic reservation value $r + \varepsilon$, and to reject otherwise.*

And, B's strategy is:

> i) *upon receiving $\underline{\pi}$, offer $z' \in [0, \underline{\pi}]$, and*
>
> ii) *upon receiving $\bar{\pi}$, offer*

$$z^* = \begin{cases} [0, r - u] & \text{for } \tilde{z} < r - u \\ \tilde{z} & \text{for } r - u \le \tilde{z} \le r + u \\ r + u & \text{for } \tilde{z} > r + u, \end{cases}$$

where $\tilde{z} = \frac{1}{\alpha\delta}(2u + r\alpha\delta - u\alpha\delta - \sqrt{2}u\sqrt{\frac{1}{u}(2u + r\alpha\delta - \underline{\pi}\alpha\delta^2 + \underline{\pi}\alpha^2\delta^2 - u\alpha\delta - \bar{\pi}\alpha^2\delta^2)})$. [4]

Proof 1

It is easy to see that the voter's strategy is an equilibrium. If the state is $\underline{\pi}$, meaning that B received a small pie, the voter would reject any offer $z' \in [0, \underline{\pi}]$ because by assumption $\underline{\pi} < r - u$. In this case, by accepting the offer the voter would do worse in the present round and get the same continuation value she would receive if she rejected B, because the new broker would be identical to the rejected one. Formally, because $z' + \delta Uv < r - u + \delta Uv$, every type of voter rejects z'.

If the state is $\bar{\pi}$ and $z < r + \varepsilon$, then in the present round the voter derives more utility from supporting the candidate she prefers $(r + \varepsilon)$ than by supporting B's candidate and receiving z. Let us consider now what happens with the continuation value in this case. If the voter accepts an offer $z < r + \varepsilon$, her continuation value δUv is the same as if she rejects it because all the brokers are identical in this baseline model. Therefore, by accepting an offer $z < r + \varepsilon$, the voter would do worse in the present round and receives the same continuation value as she would if she rejected. Clearly, the voter never accepts an offer $z < r + \varepsilon$ because $z + \delta Uv < r + \varepsilon + \delta Uv$.

By the same argument, it is not optimal for the voter to reject an offer $z \geq r + \varepsilon$. In this case, by rejecting the voter would do worse in the current period and get the same continuation value in the future as she would if she accepted. Formally, the voter accepts an offer $z \geq r + \varepsilon$ because $z + \delta Uv \geq r + \varepsilon + \delta Uv$.

Regarding B's strategy, we have already seen that if B receives $\underline{\pi}$ any offer $z' \in [0, \underline{\pi}]$ would be an optimal offer for him because it would always be rejected by the voter. If B receives $\bar{\pi}$, then he faces the maximization problem I solved above. If the solution is $\tilde{z}$ with $r - u \leq \tilde{z} \leq r + u$, then the optimal offer z^* is interior and $z^* = \tilde{z}$.

Now, note that making a promise $z > r + u$ is always suboptimal for B, as he would be spending more resources than needed to secure the support of even the voter with the highest possible reservation value $r + u$. Promising z strictly above $r + u$ does not increase B's utility but decreases her current consumption. Therefore, if the $\tilde{z} \geq r + u$ then B offers $z^* = r + u$. Also note that any offer $z < r - u$ would always be rejected. Therefore, if $\tilde{z} < r - u$, any offer $z \in [0, r - u]$ is payoff equivalent for the broker in equilibrium. I show in Appendix 1-Proof 2 that if, in practical terms, B is not absconding (he is not making an offer smaller than $r - u$) then his optimal offer z^* is unique.

The strategies specified in Proposition 1 thus constitute a subgame perfect equilibrium. As I have shown, neither the broker nor the voter can increase utility by making any changes in their strategies at the start of a subgame in which they are moving. I next discuss the properties of this equilibrium.

Discussion

First, I want to show that voters have an interest in brokers that can access more resources. Formally, this means checking if the voter's equilibrium payoff rises with B's increasing ability to gain resources as measured by α. If it does, this would explain why a voter cares about the identity of her broker—every

voter with a reservation value smaller than z^* benefits from having a broker with more skills at accessing resources. I first express the voter's payoff in equilibrium to then show that this payoff is increasing in α.

I denote by $U_v(z^*, \varepsilon)$ the payoff in equilibrium for a voter that knows her type. Note that since brokers are all identical, the voter can expect all the brokers to make the same offer. This means that depending on the pie, the optimal offer is always the same. I denote by $U_v(z^*)$ the ex-anti expected equilibrium payoff for the voter (prior to knowing her type). The ex-post payoff for a voter (upon learning her type ε) is given by

$$U_v(z^*, \varepsilon) = \begin{cases} r + \varepsilon + \delta U_v(z^*) & \text{if } \varepsilon > z^* - r \\ (1-\alpha)(r + \varepsilon + \delta U_v(z^*)) + \alpha(z + \delta U_v(z^*)) & \text{if } \varepsilon \le z^* - r, \end{cases}$$

where the first line captures the payoff for a voter that will reject the offer z^*, and the second line captures the payoff for a voter that will accept the offer z^*. Note now that the payoff in equilibrium for a voter at the beginning of the game before she knows her reservation value is equal to the expectations of $U_v(z^*, \varepsilon)$ over realizations of ε. Under the assumption of uniformity of ε, this is formally

$U_v(z^*) = \int_{-u}^{u} U_v(z^*, \varepsilon) d\frac{\varepsilon}{2u}$. Therefore,

$$U_v(z^*) = \int_{\hat{\varepsilon}}^{u} r + \varepsilon + \delta U_v(z^*) d\frac{\varepsilon}{2u} + \int_{-u}^{\hat{\varepsilon}} (1-\alpha)(r + \varepsilon + \delta U_v(z^*)) + \alpha(z^* + \delta U_v(z^*)) d\frac{\varepsilon}{2u},$$

where the first integral captures the payoff for types of the voter that will reject the offer z^*, the second integral captures the payoff for types that will accept the offer z^*, and where $\hat{\varepsilon}$ is the indifferent voter to the offer z^* such that $\hat{\varepsilon} = z - r$. Solving the integrals and then solving for $U_v(z^*)$ yields,

$$U_v(z^*) = \frac{1}{1-\delta}(r + \frac{a(-r + u + z^*)^2}{4u}).$$

So now we want to prove that this payoff $U_v(z^*)$ is increasing in α. Because

$$\frac{\partial U_v(z^*)}{\partial \alpha} = \frac{\partial U_v(z^*)}{\partial z^*}\frac{\partial z^*}{\partial \alpha} + \frac{\partial U_v(z^*)}{\partial \alpha},$$

it suffices to prove that

$$\frac{\partial U_v(z^*)}{\partial z^*}\frac{\partial z^*}{\partial \alpha} + \frac{\partial U_v(z^*)}{\partial \alpha} > 0, \text{ where}$$

$$z^* = \frac{1}{\alpha\delta}(2u + r\alpha\delta - u\alpha\delta - \sqrt{2u}\sqrt{\frac{1}{u}(2u + r\alpha\delta - \underline{\pi}\alpha\delta^2 + \underline{\pi}\alpha^2\delta^2 - u\alpha\delta - \overline{\pi}\alpha^2\delta^2)}).^{79}$$

The partial derivative of $U_v(z^*)$ with respect to z^* is $\partial U_v(z^*)/\partial z^* = (\alpha(-r + u + z^*))/(2u(1-\delta))$. Since the solution is interior it must be that $z^* \ge r - u$, thus $\partial U_v(z^*)/\partial z^* > 0$. I prove in Appendix 1- Proof 2 that the partial derivative of z^* with respect to α is always positive: $\partial z^*/\partial \alpha > 0$ Finally, the partial derivative of $U_v(z^*)$ with

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[79] Note that since the offer z^* would not increase further if equal to $r + u$, and that the voter rejects the offer if $z^* < r - u$, I check if the voter's payoff increases with α when the optimal offer is interior; that is, when $z^* = \tilde{z}$.

respect to α is $\partial U_v(z^*)/\partial\alpha = (-r+u+z)^2/(4u(1-\delta))$, which is positive. Therefore, $\partial U_v(z^*)/\partial z^* > 0;\ \partial z^*/\partial\alpha > 0$ and $\partial U_v(z^*)/\partial\alpha > 0$, implies that

$$\frac{\partial U_v(z^*)}{\partial z^*}\frac{\partial z^*}{\partial\alpha} + \frac{\partial U_v(z^*)}{\partial\alpha} > 0.$$

The positive sign of these partial derivatives shows that the more B can access considerable resources, the better it is for the voter. This result resonates with evidence from the field. For clients, it is crucial that brokers have access to resources which is why they prize brokers that "have plug." Clients perceive their welfare to be tied to the amount of resources that their brokers can assure. If their brokers have resources, they will have them too. An old man from San Miguel stated it clearly, "If Carlos [his broker] does well so do we. He knows that he cannot improve his personal situation only. If he gets resources he helps us. The better he is, the better we are."

Brokers' perceptions match that of their clients. When asked what they needed to fulfill their political goals, 72 percent (86) of them mentioned having access to resources. Interestingly enough, when asked why, they not only mentioned the goal of having more followers but also the goal of helping their own followers more in order to further cement their loyalty. As a broker from La Matanza told me, "It is about getting as many resources as you can. Once the people know that you handle plentiful resources they will not leave you."

A broker from San Miguel proudly explained that he had received more support from the mayor as of late, and that with that support he was able to improve not only his personal welfare but also that of his group's: "I am handling many more resources now than a year ago. I have 60 positions in cooperatives. We are doing fine. I got a new car and a new house. But also my people are doing better. Now they are getting a much better income than a year ago and I always have a 100 box bill to slip in their pockets as an extra reward. Now it will be hard for anyone to defy me in my territory." Similarly, a broker from Malvinas Argentinas narrated: "Many people follow me, at least 140 people. I move three buses. Thank God people are responsive to my calls. They follow me because I was never cheap to them. If I eat beef, they eat beef too. You cannot be in this business for too long if you keep all the best stuff for yourself and only distribute the crumbs."

It is interesting that the vast majority of the brokers I interviewed highlighted their proximity to their bosses. They often enjoyed explaining that they grew up together, that they get together for barbecues on Sundays, or that they are close friends with their bosses' children. This is a message they deliver as often as they can, as a way to ensure their clients that the flow of goods is guaranteed, as long as their position is guaranteed. The implied message is that a new broker might jeopardize this privileged relationship that the neighborhood has to the central power. It is a way for brokers to show their skills or, in the in the context of the model, to show that they have a high α.

Next I show that as the pie $\bar{\pi}$ increases, B offers more to his clients by proving that z^* is increasing with $\bar{\pi}$. The substantive interpretation of this is that as $\bar{\pi}$ increases, the more B has at stake in being the broker in the next round and cashing in on the difference between the big pie he receives—$\bar{\pi}$—and the offer he makes—z^*. Thus, in response to an increase in $\bar{\pi}$ he increases the probability of being supported by increasing his offer z^*. I take the partial derivative of z^* with respect to $\bar{\pi}$ when $z^* = \tilde{z}$, as follows. The partial derivative of $\tilde{z}$ with respect to $\bar{\pi}$ is

$$\frac{\partial \tilde{z}}{\partial \bar{\pi}} = \frac{\alpha \delta u}{\sqrt{2}\sqrt{u(2u + r\alpha\delta - \underline{\pi}\alpha\delta^2 + \underline{\pi}\alpha^2\delta^2 - u\alpha\delta - \bar{\pi}\alpha^2\delta^2)}}.$$

Note that the numerator and the denominator are always positive, hence $\partial \tilde{z} / \partial \bar{\pi} > 0$. The positive sign of this partial derivative shows that the more resources B is able to access, the more he offers to the voter. It is interesting to note that for B, even when the pie becomes big, the option of making a smaller offer and keeping more for himself is outweighed by the option of making a more generous offer but increasing the probability of keeping his position. Effectively, a bigger pie dies not tempt B into decreasing the voter's share and thus decreasing the probability of being the broker in subsequent rounds.

Brokers skilled at accessing resources tend to have long-lasting relationships with their clients. Imagine, for example, that brokers have α close to 1 so that they are extremely successful in accessing resources. In this case, they will almost always receive a big pie and they will be supported with high probabilities, and thus will likely be brokers for a long time. This resonates with the evidence from the CB where poor people have long-lasting personal relationships with their brokers. The average length of service of a broker in the same neighborhood was, for the 120 brokers that I interviewed, 19 years; 89 percent (107) of these brokers declared that the base of their groups composed of mostly the same people. When I asked why the relationships with their clients were essentially stable, 70 percent (75) explained that it was because they were overly generous with their clients. Brokers uttered phrases such as "I always have my people in good conditions," "if you want their loyalty you better be generous to them," and "if you are too cheap, sooner or later they will find someone that helps them more than you and they will leave you."A poor woman from Merlo said of her broker, "He does not give me everything that I want, but he got me school uniforms for my children and he always helps me out with food. If I go to somebody else I might well end with less than that. He has my loyalty." Clients remain with brokers who provide for them.

Conclusion

As supported from evidence collected in the field and as demonstrated in the model, clients care about their choice of brokers. Voters benefit from brokers' skills at accessing more resources. In my interviews, brokers repeatedly expressed beliefs that clients were loyal to them because they were successful at gaining resources. And at the very least, they all agreed that when they do not have access to resources they cannot do anything for them.

Existing literature points out that when brokers find that voters have not abided by a deal, they refrain from helping that voter in the future. Brokers regularly confirmed this in their interviews. However, there is a double commitment issue in clientelistic relationships and it is also true that if the broker does not deliver as the client expects, the client will not support the broker. Therefore, brokers make efforts to access resources and to allocate them to gain voter support. The evidence shows that brokers invest a considerable share of their time in developing connections that allow them to access resources. A broker from La Matanza declared, "90 percent of my problem is to keep contacts in the municipality. If you have friends there, then doors will open when you knock. It is not easy, you need to be here in the streets of the neighborhood listening to people needs, but you need to be also at the municipality getting resources."

Clearly, clients care about who their brokers are because not all of them can equally meet their clients' needs; not all can "knock at the same doors." Brokers with access to a large set of resources guarantee clients a good provision for their needs. This explains why brokers invest in developing a reputation for accessing considerable resources and distributing them. This is a phenomenon that I study in the following chapter.

Appendix 1

Proof 1

Two roots solve for z (Equation 3), I prove here that only the negative solution to the square root (that I denote by $\tilde{z}$) is feasible

$$z = \frac{1}{\alpha\delta}(2u + r\alpha\delta - u\alpha\delta \pm \sqrt{2}u\sqrt{\frac{1}{u}(2u + r\alpha\delta - \underline{\pi}\alpha\delta^2 + \underline{\pi}\alpha^2\delta^2 - u\alpha\delta - \bar{\pi}\alpha^2\delta^2)}$$

$$= r - u + \frac{2u}{\alpha\delta} \pm \frac{1}{\alpha\delta}\sqrt{2}u\sqrt{\frac{1}{u}(2u + r\alpha\delta - \underline{\pi}\alpha\delta^2 + \underline{\pi}\alpha^2\delta^2 - u\alpha\delta - \bar{\pi}\alpha^2\delta^2)}.$$

Note that since $\alpha\delta < 1$, then $((2u)/(\alpha\delta)) > 2u$. Therefore, the solution taking the positive root is bigger than $r + u$. Because B would never make an offer bigger than what is required to buy the highest voter type ($r + u$), the positive root can be rejected∎

Proof 2

I prove next that when B receives $\bar{\pi}$ and makes his optimal offer to try to buy the voter, this optimal offer is unique. $P_b(z)$, as defined by Equation 2, is the broker's payoff when he is deciding what to offer given that he received the big pie $\bar{\pi}$. B wants to maximize $P_b(z)$ with respect to his offer z. The partial derivative of $P_b(z)$ with respect to z is

$$\frac{\partial P_b(z)}{\partial z} = \frac{2u(\delta\underline{\pi} + r - u - 2z) + \alpha\delta(r^2 + 2\bar{\pi}u - 2\underline{\pi}u + u^2 + 2uz + z^2 - 2r(u+z))}{(2u + a\delta(r - u - z))^2}$$

Note that the denominator is always positive. Hence, the sign of the partial derivative of $P_b(z)$ with respect to z is determined by the sign of its numerator. By collecting terms in the numerator we can see that it is quadratic in z with positive sign:

$$\alpha\delta z^2 + z(2\alpha\delta u - 2\alpha\delta r - 4u) + \alpha\delta r^2 + 2\alpha\delta\bar{\pi}u + 2\delta\underline{\pi}u - 2\alpha\delta\underline{\pi}u + 2ru - 2\alpha\delta ru - 2u^2 + \alpha\delta u^2.$$

Therefore, the numerator is a convex parabola and has a minimum value. There are three different cases, according to where this minimum is that need to be considered:

a) If this minimum is positive then the derivative of $P_b(z)$ with respect to z is always positive. This means that $P_b(z)$ is always increasing in z and that it achieves its maximum at the upper bound $r + u$. In this case the solution to the optimal solution is unique and given by the corner solution $z^* = r + u$.

b) If the minimum equals zero, then the quadratic expression of the numerator has only one root. Note that the derivative of $P_b(z)$ with respect to z is zero at that root and that it is positive everywhere else. Because in this case there is only one root, it must be that the discriminant of the quadratic formula is zero. From Equation 4 it is clear then that the optimal occurs at $z^* = r - u + 2u/\alpha\delta$. However, the asymptote determined by the denominator of the expression that defines $P_b(z)$ is exactly zero at at $z^* = r - u + 2u/\alpha\delta$ (see that in Equation 2 if $z^* = r - u + 2u/\alpha\delta$ then the denominator is equal to

0), establishing that the derivative of $P_b(z)$ with respect to z is increasing for $< r - u + 2u/\alpha\delta$, and hence the maximum is again at the corner solution $z^* = r + u$.

c) Finally, I consider the case in which the minimum is below zero and there are two distinct real roots solving for $\frac{\partial P_b(z)}{\partial z} = 0$. These are the roots given by Equation 4:

$$z = \frac{1}{\alpha\delta}(2u + r\alpha\delta - u\alpha\delta \pm \sqrt{2}u\sqrt{\frac{1}{u}(2u + r\alpha\delta - \underline{\pi}\alpha\delta^2 + \underline{\pi}\alpha^2\delta^2 - u\alpha\delta - \bar{\pi}\alpha^2\delta^2)}.$$

For the roots to be real and distinct in this case, the discriminant must be positive, so:

$$(\alpha^2\delta^2(-\bar{\pi} + \underline{\pi}) + 2u - \alpha\delta(\delta\underline{\pi} - r + u)) > 0.$$

If $P_b(z)$ is strictly concave it will have a unique maximum. $P_b(z)$ is strictly concave if its second derivative with respect to z is negative. I show next that this is the case. The second derivative of $P_b(z)$ with respect to z is given by

$$\frac{\partial P_b(z)}{\partial z} = \frac{4u(\alpha^2\delta^2(\bar{\pi} - \underline{\pi}) - 2u + \alpha\delta(\delta\underline{\pi} - r + u))}{(2u + \alpha\delta(r - u - z))^3}$$

The denominator is positive for any value of z. The factor multiplying 4u in the numerator is the negative of the discrimimant above. Since the discriminant must be positive, its opposite must be negative. Hence, the second derivative of $P_b(z)$ with respect to z is negative and $z^* = \tilde{z}$. Therefore, when B tries to buy the voter there is a unique optimal offer z^* ■

Proof 3

I prove here that the partial derivative of z^* with respect to α is always positive. The derivative of $\tilde{z}$ with respect to α is given by

$$\frac{\partial \tilde{z}}{\partial \alpha} = \frac{u(4\sqrt{2}u - \sqrt{2}\alpha\delta(\delta\underline{\pi} - r + u) - 4\sqrt{u(2u + r\alpha\delta - \underline{\pi}\alpha\delta^2 + \underline{\pi}\alpha^2\delta^2 - u\alpha\delta - \bar{\pi}\alpha^2\delta^2)})}{2a^2d\sqrt{u(2u + r\alpha\delta - \underline{\pi}\alpha\delta^2 + \underline{\pi}\alpha^2\delta^2 - u\alpha\delta - \bar{\pi}\alpha^2\delta^2)}}.$$

Note that the denominator is always positive. Therefore, we need the numerator to be positive too. Note that if the numerator is positive for the highest possible value of the discriminant it will always be positive. If the offer is interior, it has to be that $\tilde{z} > r - u$, which implies—from Equation 4—that $(\sqrt{2}\sqrt{u(2u + r\alpha\delta - \underline{\pi}\alpha\delta^2 + \underline{\pi}\alpha^2\delta^2 - u\alpha\delta - \bar{\pi}\alpha^2\delta^2)})/(\alpha\delta) < 2u/(\alpha\delta)$. If not $\tilde{z} < r - u$. Setting this expression equal to its greatest possible value yields

$$\sqrt{u(2u + r\alpha\delta - \underline{\pi}\alpha\delta^2 + \underline{\pi}\alpha^2\delta^2 - u\alpha\delta - \bar{\pi}\alpha^2\delta^2)} = \sqrt{2}u.$$

Note now that by replacing the root in the numerator with $\sqrt{2}u$ we get $u(4\sqrt{2}u - \sqrt{2}\alpha\delta(\delta\underline{\pi} - r + u) - 4\sqrt{2}u)$. Simplifying, $-u\sqrt{2}\alpha\delta(\delta\underline{\pi} - r + u)$. Since $\delta\underline{\pi} < r - u$, then $\delta\underline{\pi} - r + u < 0$. Therefore, $-u\sqrt{2}\alpha\delta(\delta\underline{\pi} - r + u)$ is always positive, which means that the numerator is positive and that $\partial\tilde{z}/\partial\alpha > 0$ ■

Chapter 6

Brokers with Plug and Smoke Sellers:

Building and Exploiting Reputation

Introduction

"People know that I am not one of those smoke sellers that never solve problems for them. I have been here helping them for years. That is why they are always with me." As this statement by a Peronist broker helps show, not all brokers are held in equal regard by their clients. As a result, brokers—through the distribution of resources—try to signal to their clients that they are of the most beneficial type. Clients prefer brokers with access to considerable resources, whom they call brokers "with plug" because, as explained in the previous chapter, they are better at securing and distributing benefits.

Of course clients do not immediately distinguish brokers "with plug" from their less dependable counterparts, the "smoke sellers." Rather, they learn brokers' types through observation and experience. Before starting a relationship with a broker, clients are unsure about the dependability of the broker, but learn their brokers' types through a series of interactions. The repeated success of exchanges between broker and clients make the client more confident that he or she is dealing with a broker with "plug". Deliveries on generous clientelistic promises make the broker and his future promises more credible (Kitschelt and Wilkinson 2007, 8). In other words, as the voter's confidence in the broker's abilities strengthens through several rounds, brokers can build their reputation to the point that clients want to retain them. As a result, brokers that develop such a reputation can exploit their status to solidify their positions and reap more rewards.

The previous chapter shows why clients care about whom—and how competent—their brokers are. The goal of the model in this chapter is to show that since voters care about brokers' types, brokers build and exploit reputations for delivering generous promises to their clients. When brokers fulfill generous promises, the clients can infer that these brokers have access to a big pie. In this way, through delivering generous rewards brokers can signal that they are competent and develop reputations. Voters want brokers with good reputations to win elections and stay in the neighborhood, delivering what they delivered in previous rounds. The model in this chapter shows that voters derive higher utilities from brokers who have good reputations, as they will more likely provide substantial rewards in the future. This benefits brokers with reputation for delivering, since they can actually offer *less* to their clients without lowering their probability of winning the election.

Furthermore, by extending the findings from the model, I show that—all else equal— clients prefer to retain brokers with reputations for delivering rather than to replace them with brokers whose reputations have yet to be established. This offers an explanation for why all parties chose not to develop a network of brokers. After all, much of the current literature on clientelism concurs that brokers provide an electoral advantage to clientelistic parties (Auyero 2002; Brusco, Nazareno, and Stokes 2004; Magaloni 2006; Nichter 2008; Schaffer and Schedler

2007; Stokes 2007). Working under this consensus, we must move to ask why all parties do not develop such networks. However, bidding war dynamics between two machine parties for voters seldom occur. We often see one party offering clientelistic appeals while its counterpart focuses on programmatic appeals (Stokes 2007). This is the case in the CB, where PJ brokers enjoyed a monopoly over the distribution of clientelistic goods.

Scholars have attempted to explain this lack of competition by emphasizing the power of previously established constituencies (Calvo and Murillo 2004; Stokes 2005). In these accounts poor constituencies are more willing to sell their votes. So, only the party with a poor constituency and a network capable of reaching that constituency can buy votes. While it is true that only one party enjoys a vote-buying advantage due to its extensive network capable of reaching poor voters, this does not explain why competing parties do not seek to develop similar networks. The previously established constituency explanation might account for an initial advantage, but it does not fully explain how such an advantage is maintained.

While I do not model competition between brokers, the model sheds light on how a party machine maintains a reputational advantage. The model shows why voters prefer brokers with good reputations. I hypothesize in the discussion section that reputation makes it difficult for any newcomer to challenge an established successful broker. The model shows that the payoff to voters increases with brokers' reputations for delivering. This allows us to infer that a newcomer must offer a bigger reward in order to beat a broker with an established reputation for delivering. This may account for why it is hard for non-machine parties—such as the Radicals—to develop their own network of brokers when there is already a party machine network delivering. Simply put, it is more expensive.

To summarize, the main goal of the model in this chapter is to show that a broker can build a reputation for delivering to clients, and then exploit it to his own benefit. This chapter proceeds as follows: I first set up the model, then I find a pooling equilibrium, and finally I discuss the findings and illustrate them with evidence from the field.

The Model

As in the model in the previous chapter, in this model a broker (B) tries to secure the vote of a voter (V) by offering her a transfer.[80] I introduce, however, two main modifications to the previous model: I add voters' uncertainty about the brokers' type to make room for the process of building reputation in which I am interested, and I compress (for tractability reasons), the broker's lifetime to two rounds. I show next with the help of Figure 1 the basic sequence of players' moves for this game and further explain these two modifications to the model.

In the first round, $a = 0$, the broker receives a pie π of resources from the candidate he endorses and makes an offer z to the voter. Then the voter accepts or rejects this offer. If the voter rejects the offer the broker keeps the pie but is forced to exit the game, which continues with a new broker coming to power and receiving a new pie of resources. If the voter accepts the offer, then V gets the offer z and B keeps the pie minus his offer z. Then both players move into the second round, $a = 1$, where B receives a new pie and makes a new offer, and V accepts or rejects this offer.

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[80] Again, I use the masculine for the broker and the feminine for the voter.

Figure 6: Sequence of players' moves
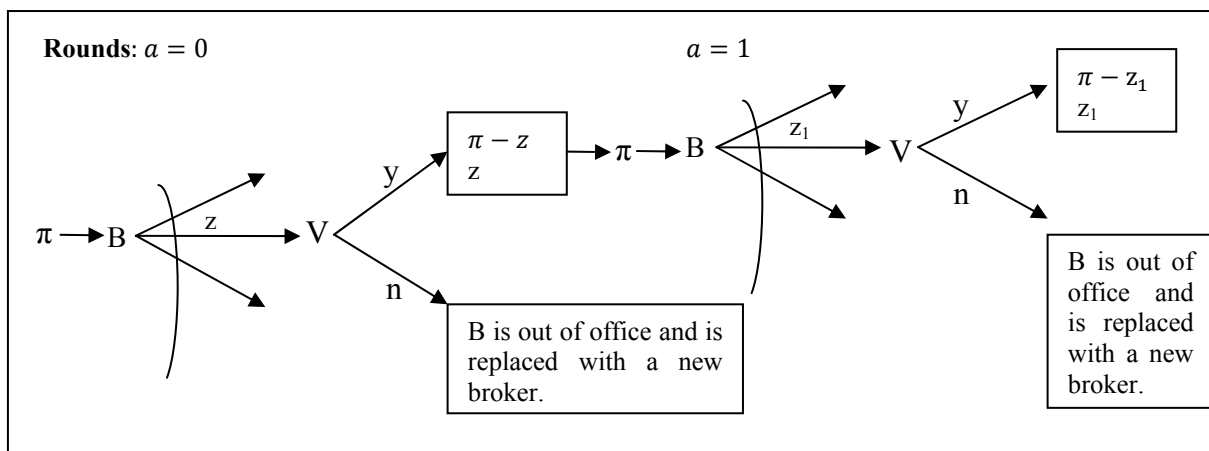
The first modification I introduced to this model is that the voter is uncertain about the type of broker whom she is facing. While all brokers were the same in the previous chapter, in this model the broker can be one of two types: a "broker with plug" (P) or a "smoke seller" (S); that is, $B \in \{P, S\}$. At the beginning of the game, nature selects a B of either type and V believes that she is facing a P with probability γ, and an S with probability $1 - \gamma$.

As in the previous model, in this model the size of the pie π available to the broker can be small $\underline{\pi}$ or big $\overline{\pi}$; that is, $\pi \in \{\underline{\pi}, \overline{\pi}\}$. However, in this model what distinguishes one type of broker from the other is that a broker of type P receives from the candidate he endorses a big pie $\overline{\pi}$ more often than a broker of type S. Precisely, I let $\overline{\alpha}$ be the probability that a P receives a big pie and $\underline{\alpha}$ the probability that an S receives a big pie, with $\overline{\alpha} > \underline{\alpha}$. This captures the important primitive of the model that P has better access to resources than S. I also call $1 - \overline{\alpha}$ and $1 - \underline{\alpha}$, respectively, the probabilities that P and S receive a small pie.

The second modification to this model is that the broker plays the game for a maximum of two rounds. This is because, by construction, every time his offer is rejected the broker loses his position while a broker whose offers are accepted for two rounds is promoted to a higher position with a new broker replacing him in the remaining game.

I assume that every time a broker is promoted to a higher office he gets a prize *I*. I incorporate this prize into the model because brokers value being promoted, but also as a technicality to counter the effect of limiting the broker's life to two rounds. In an infinite horizon game, a broker can live long enough to build a reputation and reap rewards for several rounds. However, to simplify the game and make it tractable, I compress the broker's life to a maximum of two rounds. The problem is that by allowing only two rounds, I reduce the broker's incentive to build a reputation since he only has one round to build and exploit his reputation. Introducing the prize *I* is a way to bolster the incentive for the broker to build a reputation and exploit it in the second round. The prize *I* can be thought of as a way to summarize and incorporate into a two-round game the gains at stake from a longer career as a broker in an infinite horizon game.

While B plays the game for at most two rounds, V plays the game—as in the previous model—for infinitely many rounds. Also as in the previous model V's payoff for voting for her

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own candidate is $r + \varepsilon$. Because this is the minimal amount that B would have to pay to switch her vote in favor of his candidate, it is referred to as the voter's reservation value. In this model I retain the property that because the economic and political situation changes from one electoral term to the other, the voter's reservation value also changes each term. Thus ε, which is uniformly distributed between $-u$ and $+u$, is drawn for V at the beginning of each round. While V knows ε, B is uninformed of it but believes that $\varepsilon \sim u[-u, u]$.

As seen in Figure 2—where I only show the relevant paths—the game proceeds as follows. First, nature selects ε, a B of a given type comes to power, and nature draws the size of the pie $\pi \in \{\underline{\pi}, \bar{\pi}\}$ available to him. Then B decides what to offer V. I use $z \in \{0, \bar{\pi}\}$ and $y \in \{0, \bar{\pi}\}$ to denote the respective offers that P and S can make in the first round ($a = 0$) when they receive the big pie $\bar{\pi}$, and $\hat{z} \in \{0, \underline{\pi}\}$ and $\hat{y} \in \{0, \underline{\pi}\}$ to denote the respective offers that P and S can make in their first round when they receive the small pie $\underline{\pi}$.

After receiving B's offer, V decides whether to support B's candidate. If she does not, the broker loses his position, a new broker of either type takes his place in the precinct, and the game continues with this new broker receiving a pie and V realizing her reservation value for the coming round. If V accepts B's offer in this initial round, then both players move to the broker's last round $a = 1$, where V realizes her reservation value and B receives a pie for the coming round. Then B makes a new offer and V decides how to reply to this offer. I use $z_1 \in \{0, \bar{\pi}\}$ and $y_1 \in \{0, \bar{\pi}\}$ to denote the respective offers that P and S can make at the second round of their lives ($a = 1$) when they receive the big pie $\bar{\pi}$, and $\hat{z}_1 \in \{0, \underline{\pi}\}$ and $\hat{y}_1 \in \{0, \underline{\pi}\}$ to denote the respective offers that P and S can make in their second round of their lives when they receive the small pie $\underline{\pi}$. Note that the subscript 1 indicates that these are the offers in the last round of a broker's life. If in this last round V rejects the offer, B loses his position but if V accepts the offer, then B is promoted to a higher office and receives the prize *I*. In either case a new B comes to play in the game in the next round. No matter what B and V do in this second round of B's life, the game will continue with a new broker in the next round.

Figure 2: Decision Tree
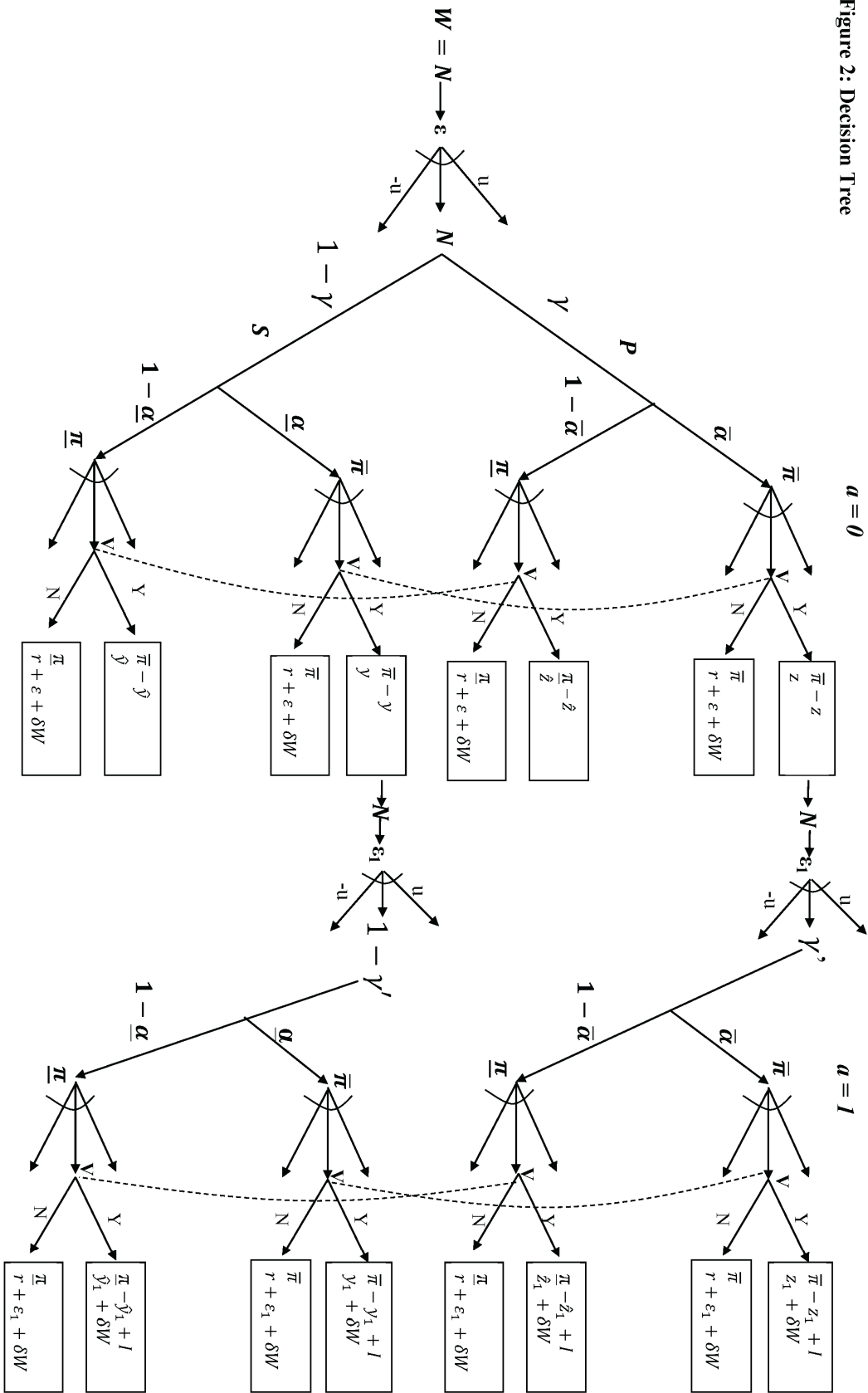
To simplify the game I assume that $\underline{\pi} = 0$, so that whichever type of B receives the small pie simply offers 0 to V. I also assume that $\overline{\pi} \geq r + u$, so if nature selects $\overline{\pi}$ then B could potentially buy even the voter with greatest reservation utility, that is, of type $\varepsilon = u$. When nature selects $\overline{\pi}$, B faces a tradeoff between promising more to V (and increasing his probability of remaining as the broker) and keeping a bigger portion of the pie for himself. To further simplify, I assume that P always receives a big pie, that is, $\overline{\alpha} = 1$.

While these assumptions simplify the analysis by making the algebra simpler, they do not prevent the model from capturing the essential dynamic driven by brokers' different skills to access the large pie. With $\overline{\alpha} > \underline{\alpha}$ the model still captures how a broker can signal his type with the offer he makes, build his reputation, and gain voter support while reaping rewards. The voter does not know which type of broker she is facing, but updates her beliefs according to the offer that she receives. Note that V sees the offer but not the size of the pie. This captures an interesting political dynamic at the ground level, where poor voters do not immediately know how good their brokers are but learn their brokers' types through past interactions with them. A goal of the model is to show that by delivering offers that clients are willing to accept, brokers develop a reputation that allow them to keep their positions and reap rewards for themselves.

To further simplify, I assume that the prize I is big enough to make both types of brokers to buy off any type of voter if they receive $\overline{\pi}$ in their last round. This assumption reduces to the prize I being bigger than $r + 3u$. In fact, this prize insures B will buy every type of voter by offering $z_1^* = r + u$ when he receives $\overline{\pi}$ (Proof in Appendix 1-Proof 1). I impose this assumption to simplify the algebra, however it does not preclude any of the dynamics capturing the reputation building that takes place when the broker's first round offer affects the voter's interim beliefs.

Note that Figure 2 shows only relevant paths, omitting those that would not be taken by B and V. For example, if V accepts an offer when $\pi = \underline{\pi}$ in $a = 0$, the game will continue. However, since V would never accept such an offer equal to 0 (as I prove later), I do not continue the tree in this case so as to simplify Figure 2. The dashed lines in Figure 1 tie nodes in V's information sets: V does not know at which connected decision node she is being called upon to play. She believes at $a = 0$ that she is facing P with probability γ, and S with probability $1 - \gamma$. Depending on the offer she receives she updates her $a = 1$ beliefs over B's types to γ' and $1 - \gamma'$, respectively.

Before moving into a discussion of players' strategies, it is easy to provide a brief intuition of how players derive utility. The broker gains utility from the portion of the pie that he can keep for himself in every round in which he is in power, and from the prize he receives if he is promoted. I assume that B fulfills his offers if V votes for his candidate, so offers are costly to him if he is supported by the voter. The voter derives utility because in each round, she either gets her reservation utility or the transfer. Players discount next rounds' payoff by a common discount factor $\delta \in [0,1]$. I next explain players' strategies.

The Strategies

A strategy for $B \in \{P,S\}$ specifies his offers $z_a \in [0, \pi_a]$ at each period $a \in \{0,1\}$ of his life as a function of his type, the size of the pie he received and actions taken in preceding periods during his life[81]. Therefore, his action at his first round $a = 0$ is a mapping in an offer z_0 from his type and whether he received $\underline{\pi}$ or $\overline{\pi}$. By construction, if B receives $\underline{\pi}$ then he offers $z_0 = 0$. If he receives $\overline{\pi}$ then he offers $z_0 : B \to [0, \overline{\pi}]$. Note that since B is unaware of the history previous to his life in this first round of his life, his offer z_0 is independent of the history leading to it.

B's actions in his last round $a = 1$ is a mapping to an offer z_1, from the cross of 1) his type, 2) the size of the pie available to him, $\pi_1 \in \{\underline{\pi}, \overline{\pi}\}$, and 3) the previous history h_0 given by his offer z_0 in the previous round and V's reply C_0 to that offer. Since by construction B only plays at round $a = 1$ if his offer was accepted at the first round, it must be that $C_0 = 1$, where 1 means that V accepted the offer at the first round $a = 0$. Thus, I suppress C_0 in the domain of B's strategy at $a = 1$. Any particular history before time t is given by $h_0 = \{(z_0, C_0)\}$, where I express first the offer the broker makes and then the voter's reply, and where the subscript indicates that this happened in the previous round $a = 0$. I denote H_0 as the set of all possible histories h_0. The strategy for B at his first round $a = 1$ is then to offer $z_0 = 0$ if he receives $\underline{\pi}$, and to offer $z_1 : B \times H_0 \to [0, \overline{\pi}]$ if he receives $\overline{\pi}$.

A strategy for V has to specify her reply to each possible offer she could receive from B in any round t, given her type at that round ε_t and the previous history. While B lives at most for two rounds, V is playing an infinite horizon game. The previous history for V is then given by all the actions the players took in previous rounds; it is the list of offers the broker(s) made from round 0 through round $t-1$, $\{z_j\}_{j=0}^{j=t-1}$, and all the replies V provided to these offers, $C_j \in \{0,1\}_{j=0}^{j=t-1}$, where 0 is rejection and 1 is acceptance. Any particular history before time t is then given by $l_{t-1} = \{(z_j, C_j)\}_{j=0}^{j=t-1}$ where, for each round, I express first the offer the broker makes and then V's reply, and where the subscript indicates the round.[82] I denote L_{t-1} as the set of all possible histories l_{t-1}. The voter's strategy $\{P_t\}$ is a sequence of acceptance functions that specifies the probability $\rho_t(z_t, l_{t-1}) \in [0,1]$ that she will accept an offer z_t at any information set. For example, $\rho_t(z_t, l_{t-1}) = 1$ means V accepts B's offer for sure, $\rho_t(z_t, l_{t-1}) = .5$ means V accepts with 50 percent probability, and $\rho_t(z_t, l_{t-1}) = 0$ means V rejects for sure. Therefore, a strategy for V is a mapping to an acceptance probability for all possible information sets defined by the previous history l_{t-1}, and given her type and the offer she gets from B at time t, $z_t \in [0, \overline{\pi}]$. The set of all strategies for V at any time can thus be formally expressed by $P_t : L_{t-1} \times \varepsilon_t \times z_t \to [0,1]$.

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[81] For simplification, I abuse the notation here by using z for the offers of both types of brokers.
[82] For simplification, I do not sub index the offer z by the round at which B is playing, either 0 or 1, but by the round at which V is playing.

The Equilibrium

A Pooling Equilibrium

I propose here a pooling equilibrium in which both types of brokers pool together in offering P's best pooling offer. While many other equilibria may exist, I focus on a pooling equilibrium because it gives room for the reputation building phenomena of interest. If brokers separate and make different offers according to their type, the voter becomes certain at the moment of receiving the offer of the type of broker that she is facing, leaving no room for reputation building. Recall that the main goal of the model in this chapter is to show that a broker can build a reputation for delivering to his clients, and can then exploit it.[83]

There are also other pooling equilibriums in which the brokers pool on an offer different from P's best pooling offer. In the proposed equilibrium, in which brokers pool in P's best pooling offer, P's payoff is higher than in any other pooling equilibrium. I focus on this particular pooling equilibrium because it resonates with the evidence from the field. Brokers with "plug" have access to resources and enough bargaining power to make their optimal offer to secure the support of their clients, but they know that their actions are mimicked by smoke sellers. Voters know that brokers pool on the same offer, but they also know that the brokers with plug always get the big pie while the smoke sellers realize it with probability less than one. Consequently, voters update their beliefs about the broker according to the offer that they receive from him.

To characterize this pooling equilibrium I need to find the offer B makes at each round and the threshold V establishes to accept the offer at each round. In his first round, $a = 0$, B of either type makes P's best pooling offer z^*. When a voter is choosing between accepting an offer z and rejecting it, the voter knows its (myopic) reservation value $r + \varepsilon$ for this first round. Voter ε (i.e a voter of type ε) has a threshold to accept the offer. I denote this threshold for round $a = 0$ by $T(\varepsilon)$. That is, voter ε will accept an offer z in the first round if $z \geq T(\varepsilon)$. Correspondingly, in his last round, $a = 1$, B makes his optimal offer z_1^*. The voter, who at the time of accepting or rejecting an offer z_1 knows her type ε_1 for this round, accepts an offer z_1 if $z_1 \geq T_1(\varepsilon_1)$, where $T_1(\varepsilon_1)$ is the threshold that voter ε_1 establishes to accept an offer in the broker's last round.

In a Perfect Bayesian equilibrium a voter updates her prior beliefs upon observing z^* using Bayes' rule. I assume that every time the voter observes an out of equilibrium path offer z', with $z' \neq z^*$, then she has the most pessimistic beliefs that she is facing a bad broker for sure. However, note that in a broker's last round, the voter's beliefs about him are irrelevant since the broker will be out of the game in the next round. Beliefs do not affect the future payoffs for any of the players in the last round and, therefore (in the last round), players' actions are independent of their beliefs.

It is helpful to note that by construction, B can make an offer in the last round $a = 1$ only if his offer in his first round $a = 0$ was accepted. This simplifies the relevant strategies in equilibrium for the broker and the voter. It is also important to note that, given that a broker lasts

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[83] I do not consider a semi-separating equilibrium for this game because in order to sustain it, the broker of type S would need to be indifferent between mimicking P and absconding, and I focus in the case where the broker values the future and prefers always to continue in the game, which I formally obtain by making the prize I sufficiently large.

for at most two rounds and that a new broker does not know the history before coming to play, there is no potential for punishment strategies. Since B is unaware of anything that happened prior to $a = 0$, he cannot condition his action in the first round on the previous history. Since the second round is by assumption his last, B makes an offer only taking into account the present payoff of such an offer. He cannot be punished or rewarded in the future because he will not play any further.

The voter, in turn, chooses her reply based only on the offer she receives and her beliefs. She knows that brokers live at most two rounds and that they are ignorant of the history preceding their coming to power, so she cannot make credible threats to punish them. Because brokers are ignorant of the history previous to their life and they play at most for two rounds, in any given round both players base their choice of action solely on the present payoff and the stream of future payoffs that they will derive from that action. In this game, given its structure, history matters only to the extent that it shapes beliefs. This makes the problem rather tractable as it reduces to finding the optimal offer z^* and z_1^* that B makes in his first and in his last round, respectively, and the thresholds $T(\varepsilon)$ and $T_1(\varepsilon_1)$ (for each current period type) that V establishes for accepting offers in the brokers' first and last round, respectively. To solve for these strategies, I must first specify the players' payoffs.

I denote by $U_B(z)$ the payoff to a broker when he receives $\bar{\pi}$ in the first round and there is pooling in the offer z, and the voter has Bayesian beliefs. Hence, $U_P(z^*)$ is the payoff to P for making his best pooling offer z^*, and is given by

$$U_P(z^*) = \left[\bar{\pi} - z^* + \delta(\bar{\pi} - r - u + I)\right]G(z^*) + \bar{\pi}(1 - G(z^*)),$$

The first term captures P's payoff if the voter accepts the offer z^*—the pie $\bar{\pi}$ minus the offer z^* plus the discounted value of what he gets in his second round— and the second term captures P's payoff if the voter rejects z^*, which is just the pie $\bar{\pi}$. Note that in the first term that $G(z^*)$ is the probability that the voter accepts z^* given that she has Bayesian beliefs about the type of broker that she is facing, and in the second term that $1 - G(z^*)$ is the probability that the voter rejects z^* given her Bayesian beliefs. I specify the probability $G(z^*)$ when solving the maximization problem further below. I denote by $U_S(z^*)$ the payoff to S when pooling the offer z^* when he receives $\bar{\pi}$ in the first round. This payoff for S is given by

$$U_S(z^*) = \left[\bar{\pi} - z^* + \delta\underline{\alpha}(\bar{\pi} - r - u + I)\right]G(z^*) + \bar{\pi}(1 - G(z^*)),$$

The first term captures S's payoff if the voter accept z^* and the second term captures his payoff if the voter rejects z^*. Note the variable $\underline{\alpha}$ in the term that captures the discounted value of what S gets in his second round; in contract to a P, a broker S does not always get the big pie for sure in his second round, but with probability $\underline{\alpha}$.

I denote now by $W(z^*)$ the payoff to the voter at the beginning of the game, before her type is revealed, given that in equilibrium brokers offer z^* and the voter updates her beliefs by Bayes' rule after receiving z^*. In Figure 2, $W(z^*)$ is the payoff to the voter calculated from the first node at the beginning of the tree. To specify $W(z^*)$, I first use $\hat{\varepsilon}$ to denote the type of voter

indifferent to the offer z^* in round $a = 0$. I specify the payoff $W(z^*|\varepsilon)$ at the beginning of the game for any voter that knows her type ε in round $a = 0$, and given that B offers z^* if he receives $\bar{\pi}$. If the voter is of a type ε such that $\varepsilon > \hat{\varepsilon}$, then she will reject the offer z^* in round $a = 0$ and her payoff will be given by $r + \varepsilon + \delta W(z^*)$. If the voter is of a type ε such that $\varepsilon \leq \hat{\varepsilon}$, then she will accept the offer z^* and her payoff will be given by

$$\gamma\left[z^* + \delta(r+u+\delta W(z^*))\right] + (1-\gamma)\left[\underline{\alpha}\left(z^* + \delta\left(\underline{\alpha}(r+u+\delta W(z^*)) + (1-\underline{\alpha})(r+\delta W(z^*))\right)\right) + (1-a)(r+\varepsilon+dW(z^*))\right],$$

The first term captures what the voter receives when she is playing a P and the second term captures what the voter receives when she is playing an S. The first term is multiplied by γ, the probability that V is facing a P. If V is facing a P, she gets the offer z^* plus the discounted payoff for playing a P in the next round, which consists of the offer P makes in his second round, $r + u$, plus the discounted payoff for continuing the game with a new broker, $\delta W(z^*)$. The second term is multiplied by $1-\gamma$, the probability that V is facing an S. If V is facing an S with probability $\underline{\alpha}$ she gets the offer z^* plus the discounted payoff for playing an S in the next round, and with probability $1-\underline{\alpha}$ she just gets her reservation value plus the discounted payoff from continuing the game with a new broker, that is, $r + \varepsilon + \delta W(z^*)$. Therefore, I can define $W(z^*|\varepsilon)$ in the following way

$$W(z^*|\varepsilon) = \begin{cases} r + \varepsilon + \delta W(z^*) & \text{if } \varepsilon < \hat{\varepsilon} \\[2mm] \gamma\left[z^* + \delta(r+u+\delta W(z^*))\right] + \\[2mm] (1-\gamma)\left[\underline{\alpha}\left(z^* + \delta\left(\underline{\alpha}(r+u+\delta W(z^*)) + (1-\underline{\alpha})(r+\delta W(z^*))\right)\right) + (1-a)(r+\varepsilon+dW(z^*))\right] & \text{if } \varepsilon \geq \hat{\varepsilon}. \end{cases}$$

Note now that the payoff $W(z^*)$ for the voter at the beginning of the game before her type is revealed is given by the integral of the payoff for any voter that knows her type $W(z^*|\varepsilon)$ over the set of all possible types of voters. More formally, $W(z^*) = \int_{-u}^{u} W(z^*|\varepsilon)\, d\dfrac{\varepsilon}{2u}$. Hence,

$$W(z^*) = \int_{\hat{\varepsilon}}^{u} \frac{(r+\varepsilon+\delta W(z^*))}{2u}\, d\varepsilon + \int_{-u}^{\hat{\varepsilon}} \left[\gamma\left[z^* + \delta(r+u+\delta W(z^*))\right] + \right.$$

$$\left.(1-\gamma)\left[\underline{\alpha}\left(z^* + \delta\left(\underline{\alpha}(r+u+\delta W(z^*)) + (1-\underline{\alpha})(r+\delta W(z^*))\right)\right) + (1-a)(r+\varepsilon+\delta W(z^*))\right]\right]\frac{1}{2u}\, d\varepsilon,$$

where the first integral captures the payoffs to a voter of any type that rejects the offer and the second integral for types of the voter that accepts the offer. Solving the integral yields: (formal procedure in Appendix 1-Proof 2)

$$W(z^*) = \frac{1}{(\delta-1)^2 \delta^2 (\underline{\alpha}\gamma - \underline{\alpha} - \gamma)} \left[-2u \sqrt{-\frac{(\delta-1)^2 \left(\underline{\alpha}^2 \delta^2 u(\gamma-1) - a\delta(\gamma-1)(r-u-z^*) + \delta\gamma(-\delta u + r - u - z^*) - u \right)}{u}} + \right.$$

$$\left. \underline{\alpha}^2 \delta^2 u(\delta - \delta\gamma + \gamma - 1) - \underline{\alpha}(\delta-1)\delta(\gamma-1)\left((\delta-1)r + u + z^*\right) + \delta\gamma\left(\delta(\delta(r+u) - 2r + z^*) + r - u - z^*\right) + 2u(u-1) \right] \qquad [7]$$

I next establish equilibrium play-in each round. Recall that this means finding the optimal offer z^* and z_1^* that B makes in his first and last rounds, respectively, and the thresholds $T(\varepsilon)$ and $T_1(\varepsilon_1)$ that V establishes for accepting offers in the brokers' first and last rounds, respectively. In the broker's last round $a=1$, a voter of type ε_1 accepts an offer z_1 if $z_1 + \delta W(z^*) \geq r + \varepsilon_1 + \delta W(z^*)$ where z_1 is the offer for this last round and $W(z^*)$ represents the future payoff to the voter before her type is revealed at $a = 0$. Since B will be gone in the next round regardless of whether or not the voter accepts his offer, the voter's future payoff is the same whether she accepts or rejects. Also because B will be gone in the next round, the voter's beliefs about him are irrelevant. Hence, in $a = 1$, voter ε_1 accepts z_1 if $z_1 \geq r + \varepsilon_1$, and rejects otherwise. Note that we've pins down $T_1(\varepsilon_1)$, type ε_1's threshold in the last round. It is equal to her myopic reservation value, that is, $T_1(\varepsilon_1) = r + \varepsilon_1$. I move next to the previous round.

In the first round of a broker's life, $a = 0$, when the voter receives P's best pooling offer z^* she believes by Bayesian updating that she is facing a broker of type P with probability $\left[\frac{\gamma}{\gamma + (1-\gamma)\underline{\alpha}} \right]$ and a broker of type S with probability $\left[1 - \frac{\gamma}{\gamma + (1-\gamma)\underline{\alpha}} \right]$. At $a = 0$, voter ε accepts z^* if

$$z^* + \delta W_1(z^*) \geq r + \varepsilon + \delta W(z^*), \qquad [8]$$

where z^* is P's best pooling offer, ε is the voter's type in the first round, and $W_1(z^*)$ is the future payoff to the voter that accepted z^* but before her type for round $a = 1$ is revealed to her. I specify next this future payoff $W_1(z^*)$.

To do so, I first determine the continuation value, denoted by $W_1(z^* | \varepsilon_1)$, for a voter that accepted the offer z^* at the broker's first round and already knows her type ε_1 for the second round $a = 1$. This continuation value $W_1(z^* | \varepsilon_1)$ depends on what the broker does when $a = 1$. However, this calculation is simplified by the assumption that the prize I is big enough to influence both types of brokers to buy every type of voter off if they receive $\overline{\pi}$ in this last round. Therefore, the future payoff to the voter of type ε_1 that accepted z^* at the broker's first round is given by

$$W_1(z^* | \varepsilon_1) = \left[\frac{\gamma}{\gamma + (1-\gamma)\underline{\alpha}} \right] \left[r + u + \delta W(z^*) \right] + \left[1 - \frac{\gamma}{\gamma + (1-\gamma)\underline{\alpha}} \right] \left[\underline{\alpha}(r + u + \delta W(z^*)) + (1-\underline{\alpha})(r + \varepsilon_1 + \delta W(z^*)) \right]. \qquad [9]$$

The first term of Equation 3 captures the future payoff to the voter if she is facing a P. This first term is given by $(r+u)$, the offer a broker of type P gives to voter ε_1 in his second round, plus the voter's discounted payoff for continuing the game with a new broker. The term is multiplied by $\left[\gamma / (\gamma + (1-\gamma)\underline{\alpha}) \right]$, the Bayesian probability that V is facing a broker of type P. The second

term of Equation 3 captures the future payoff to voter ε_1 if she is facing a broker of type S. For that reason this term is multiplied by the Bayesian probability that voter ε_1 is facing a broker of type S, $[1-\gamma/(\gamma+(1-\gamma)\underline{\alpha})]$. In this second term we can see that with probability α, S receives the big pie and offers $r+u$, and that with probability $1-\underline{\alpha}$ he offers nothing and voter ε_1 receives her reservation value $r+\varepsilon_1+\delta W(z^*)$.

With $W_1(z^*|\varepsilon_1)$ defined, I solve for $W_1(z^*)$, the continuation value for a voter that accepts the offer z^* but whose type for round $a = 1$ is not yet revealed. That is, $W_1(z^*)$ is the integral of the continuation value when the voter knows his type over the set of all possible voters. More formally, $W_1(z^*) = \int_{-u}^{u} W_1(z^*|\varepsilon_1)\frac{1}{2u}d\varepsilon_1$. Note that in Equation 3 the variable ε_1 over which we are integrating $W_1(z^*|\varepsilon_1)$ is only in the last term $(r+\varepsilon_1+\delta W(z^*))$, and as the voter's types are uniformly distributed between $-u$ and u, a voter's expected reservation value is just $r+\delta W(z^*)$. More formally, $\int_{-u}^{u} r+\varepsilon_1+\delta W(z^*)\frac{1}{2u}d\varepsilon_1 = r+\delta W(z^*)$. Hence,

$$W_1(z^*) = \left[\frac{\gamma}{\gamma+(1-\gamma)\underline{\alpha}}\right]\left[r+u+\delta W(z^*)\right]+\left[1-\frac{\gamma}{\gamma+(1-\gamma)\underline{\alpha}}\right]\left[\alpha\left(r+u+\delta W(z^*)\right)+(1-\underline{\alpha})\left(r+\delta W(z^*)\right)\right].$$

By substituting $W_1(z^*)$ into Equation 2, voter ε accepts the offer z^* at $a = 0$ if

$$z^* \geq r+\varepsilon+\delta W(z^*)-\delta\left[\left[\frac{\gamma}{\gamma+(1-\gamma)\underline{\alpha}}\right]\left[r+u+\delta W(z^*)\right]\right.$$

$$\left.+\left[1-\frac{\gamma}{\gamma+(1-\gamma)\underline{\alpha}}\right]\left[\alpha\left(r+u+\delta W(z^*)\right)+(1-\underline{\alpha})\left(r+\delta W(z^*)\right)\right]\right]$$

[10]

and she rejects otherwise, where voter ε believes via Bayesian updating that she is facing a broker of type P with probability $[\gamma/(\gamma+(1-\gamma)\underline{\alpha})]$ and a broker of type S with probability $[1-\gamma/(\gamma+(1-\gamma)\underline{\alpha})]$. Substituting with $W(z^*)$ from Equation 1 into Equation 4; voter ε accepts the offer z^* if

$$z^* \geq T(\varepsilon) \equiv$$

$$z^* \geq \frac{1}{4u[\gamma+\underline{\alpha}(1-\gamma)]}\left[\alpha(1-\gamma)\left(-2\left(2ru+2u\varepsilon+\delta\gamma(u+\varepsilon)^2\right)+\delta\underline{\alpha}\left(u^2(3+\gamma)+2u\varepsilon(\gamma-1)+\varepsilon^2(\gamma-1)\right)\right)+\right.$$

$$\left.\gamma\left(4ru+\delta u^2(\gamma-4)+2\varepsilon u(2+\delta\gamma)+\delta\gamma\varepsilon^2\right)\right],$$

and she rejects otherwise. Therefore, this determines the threshold $T(\varepsilon)$ for voter ε to accept the offer z^*.

I have yet to specify what the voter does if she sees an out of equilibrium path offer z' such that $z' \neq z^*$, at $a = 0$. By assumption, if the voter receives an offer $z' \neq z^*$, she forms the most pessimistic belief that she is facing an S for sure. With these beliefs, a voter ε accepts an off equilibrium path offer z' if

$$z' + \delta\Big[\underline{\alpha}\big(r + u + \delta W(z^*)\big) + (1-\underline{\alpha})\big(r + \delta W(z^*)\big)\Big] \geq r + \varepsilon + \delta W(z^*). \qquad [11]$$

Hence, she accepts if $z' \geq r + \varepsilon + \delta W(z^*) - \delta\Big[\underline{\alpha}\big(r + u + \delta W(z^*)\big) + (1-\underline{\alpha})\big(r + \delta W(z^*)\big)\Big]$ and rejects otherwise. Given voter ε's extreme beliefs upon receiving the offer $z' \neq z^*$, in the left side of Equation 5 the second term captures the payoff to voter ε for the second round when she is playing an S. Note that since $\delta W(z^*)$ depends on z^*, to completely specify voter ε's threshold $T'(\varepsilon)$ to accepting an out of the equilibrium path offer z', I first need to find the offer z^*. I find z^* next in considering B's actions and I leave the complete specification of this action for V for the next section.

In his last round, $a = 1$, B's actions are independent of his type since the assumption that I imposed on the prize $(I \geq r + 3u)$ implies that B of either type buys everyone off if he receives $\bar{\pi}$. Nor does reputation affect B's actions in the last round. Since B will be gone in the next round, the voter no longer cares about his reputation, but rather only about the offer. Therefore, at $a = 1$, B offers $z_1^* = 0$ if he receives $\underline{\pi}$ and offers $z_1^* = r + u$ if he receives $\bar{\pi}$. Recall that I have already established that the voter accepts z_1 if $z_1 \geq r + \varepsilon_1$. Since the most expensive voter has type $\varepsilon_1 = u$, by offering $r + u$, B effectively buys any type of voter.

I now determine the offer z^* that B makes when he receives $\bar{\pi}$ in round $a=0$. Remember that I proposed a pooling equilibrium in which both types of brokers pool together in offering P's best pooling offer. I focus on this particular pooling equilibrium because brokers with "plug" have access to resources and enough bargaining power to make their optimal offer to secure the support of their clients, but their actions are mimicked by smoke sellers. When P receives $\bar{\pi}$, he offers the optimal pooling z^* that makes him better off, and S mimics P. When P receives $\bar{\pi}$ he faces a tradeoff between promising more to V (and increasing his probability of remaining as the broker) and keeping a bigger portion of the pie for himself. With an abuse of the notation, I denote now by z any pooling offer that P can make to V. It must be that this offer maximizes his payoff given by

$$U_P(z) = \Big[\bar{\pi} - z + \delta(\bar{\pi} - r - u + I)\Big]G(z) + \bar{\pi}\big(1 - G(z)\big),$$

The first term captures P's payoff if the voter accepts the offer z and the second term captures P's payoff if the voter rejects the offer z. $G(z)$ and $1 - G(z)$ are, respectively, the probability that the voter accepts the offer and the probability that the voter rejects the offer when she has Bayesian beliefs about the type of broker she is facing. After simplifying, I get

$$U_P(z) = \bar{\pi} + [-z + \delta(\bar{\pi} - r - u + I)]G(z). \qquad [12]$$

To solve the maximization problem, I need to specify $G(z)$. In order to do so, I find the indifferent voter $\hat{\varepsilon}$ to the offer z by making Equation 4 an equality and solving for ε. This yields

$$\hat{\varepsilon} = \frac{1}{\gamma + \underline{\alpha}(1-\gamma)}\Big[\gamma\big[(-1+\delta)r + \delta\big(u + (-1+\delta)W(z^*)\big) + z\big]\Big] + (1-\gamma)\underline{\alpha}\big((-1+\delta)(r + \delta W(z^*)) + z + \delta u \underline{\alpha}\big).$$
[13]

Now note that since the voter's type is $\varepsilon \sim u[-u, u]$ then the probability $G(z)$ that the voter's reservation value is below the indifferent type $\hat{\varepsilon}$ is given by $(\hat{\varepsilon} + u)/(2u)$. Substituting in this expression with $\hat{\varepsilon}$ from Equation 7 yields

$$G(z) = \frac{1}{2u}\left[\frac{\left[\underline{\alpha}(\gamma-1)\left(\delta u\underline{\alpha}+(\delta-1)(r+\delta W(z^*))+z\right)-\gamma\left(r(\delta-1)+\delta(u+(\delta-1)W(z^*))+z\right)\right]}{\underline{\alpha}(\gamma-1)-\gamma}+u\right].$$

I substitute with $G(z)$ in Equation 6 and solve P's maximization problem by taking the derivative of $U_P(z)$ with respect to z. This yields the following first order condition:

$$\frac{1}{2u\left(\underline{\alpha}(\gamma-1)-\gamma\right)}\left[\gamma\left(r(2\delta-1)+u+\delta^2 W(z^*)+2z-\delta(I-2u+W(z^*)+\bar{\pi})\right)+\right.$$

$$\left.\underline{\alpha}(1-\gamma)\left(r(2\delta-1)+u+\delta^2 W(z^*)+2z-\delta(I-u+W(z^*)+\bar{\pi})+\delta u\underline{\alpha}\right)\right]=0.$$

Note that I took the derivative with respect to z, treating $W(z^*)$ as a constant. This is because the voter's future payoff is independent of the broker's offer z at the present time. The voter's future payoff is independent of the offer z made in the present round by a broker who will certainly be out of the game in the next round. The broker making an offer knows that the voter's continuation value does not depend on his particular offer z, even when is equal to the equilibrium offer z^*. This allows us to solve the maximization problem treating the voter's continuation value as a constant. With this maximization problem solved, I can then derive the utilities in equilibrium because it is also true that any broker would behave in the same way as the broker for whom I solve the maximization problem. I denote by $\tilde{z}$ the offer that solves the previous first order condition (See formal procedure in Appendix 1- Proof 3)

$$\tilde{z}=\frac{\gamma\left(u-\delta\left(\bar{\pi}+I-2u+W(z^*)\right)+\delta^2 W(z^*)+r(2\delta-1)\right)+\underline{\alpha}(\gamma-1)\left(\delta\left(\bar{\pi}-\delta W(z^*)+I-u+W(z^*)\right)-\delta u\underline{\alpha}-2\delta r+r-u\right)}{2\underline{\alpha}(\gamma-1)-2\gamma}\; [14]$$

By substituting $W(z^*)$ from Equation 1 into Equation 8 and solving for the offer, I get the offer that solves the maximization problem (Formal Procedure in Appendix 1-Proof 4),

$$\tilde{z}=\delta(\bar{\pi}-r+I-u)+\frac{2}{\delta\left(\gamma-\underline{\alpha}\gamma+\underline{\alpha}\right)^2}\left[2u\underline{\alpha}(1-\gamma)+2\gamma u+\right.$$

$$\left.-\sqrt{-u\left(\gamma-\underline{\alpha}\gamma+\underline{\alpha}\right)^2\left[\gamma\delta\left((\delta+1)r-\delta(\bar{\pi}+I)\right)+(\gamma-1)\delta\underline{\alpha}\left(\delta(\bar{\pi}+I-u)+\delta u\underline{\alpha}-r(\delta+1)+u\right)-u(\gamma\delta+4)\right]}\right].$$

There are two boundary conditions on this offer. The cheapest type of voter for B is of the type $\varepsilon=-u$; that is, her myopic reservation value is $r-u$. If this type of voter does not accept the offer, then no type of voter does. By substituting ε with $-u$ into Equation 4, I get the lowest offer that can be accepted. I denote such offer by $\underline{z}$. Below the offer $\underline{z}$ no type of voter accepts the broker's offer. Therefore, between 0 and $\underline{z}$ any offer is payoff equivalent for the players. More formally, if $\tilde{z}<\underline{z}$ then $z^*\in[0,\underline{z}]$. Note that in this case in practical terms B is absconding.

Note also that B will never offer more than what it takes to buy the most expensive voter. By substituting ε with the most expensive type of voter for B, $\varepsilon=u$, in Equation 4, I obtain the highest offer that B would make. I denote such an offer by $\bar{z}$. The broker will never make an offer above $\bar{z}$, hence whenever $z^*>\bar{z}$ then B offers $\bar{z}$ (For a formal derivation of the boundaries on z^* see Appendix 1– Proof 5). Therefore, B offers at round $a=0$ when he receives $\bar{\pi}$,

$$z^* = \begin{cases} [0, \underline{z}] & \text{for } \tilde{z} < \underline{z} \\ \tilde{z} & \text{for } \underline{z} \le \tilde{z} \le \overline{z} \\ \overline{z} & \text{for } \tilde{z} > \overline{z}. \end{cases}$$

Therefore, I have found the strategies in equilibrium by specifying each player's actions at every relevant node, with the one exception of the threshold for V to accept an out of the equilibrium path offer in the first round. I specify this threshold and summarize the strategies in equilibrium in the next section.

The Proposed Pooling Equilibrium

In the last round of their lives $a = 1$, given the assumption that the prize is big enough to make both types of brokers buy every type of voter, B offers $z_1^* = 0$ if he receives $\underline{\pi}$ and he offers $z_1^* = r + u$ if he receives $\overline{\pi}$. Voter ε_1 that knows her type at the time of accepting the offer or rejecting it, accepts the offer z_1^* if $z_1^* \ge T_1(\varepsilon_1)$ and rejects otherwise, where $T_1(\varepsilon_1) = r + \varepsilon_1$. The voter's beliefs about B are irrelevant in this last round because they do not affect her payoff since B will be out of the game in the next round.

In the first round of their lives $a = 0$, both types of brokers offer, when they receive $\underline{\pi}$, $z^* = 0$, and when they receive $\overline{\pi}$,

$$z^* = \begin{cases} [0, \underline{z}] & \text{for } \tilde{z} < \underline{z} \\ \tilde{z} & \text{for } \underline{z} \le \tilde{z} \le \overline{z} \text{, where} \\ \overline{z} & \text{for } \tilde{z} > \overline{z} \end{cases}$$

$$\underline{z} = \frac{\gamma(-r + u + \delta u) - \underline{\alpha}(\gamma - 1)(-r + u + \delta u \underline{\alpha})}{\underline{\alpha}(\gamma - 1) - \gamma},$$

$$\tilde{z} = \delta(\overline{\pi} - r + I - u) + \frac{2}{\delta(\gamma - \underline{\alpha}\gamma + \underline{\alpha})^2} \Big[2u\underline{\alpha}(1 - \gamma) + 2\gamma u +$$

$$- \sqrt{-u(\gamma - \underline{\alpha}\gamma + \underline{\alpha})^2 [\gamma\delta((\delta + 1)r - \delta(\overline{\pi} + I)) + (\gamma - 1)\delta\underline{\alpha}(\delta(\overline{\pi} + I - u) + \delta u\underline{\alpha} - r(\delta + 1) + u) - u(\gamma\delta + 4)]} \Big],$$

and $\overline{z} = \dfrac{\underline{\alpha}(\gamma - 1)(r + u + 2\delta u\gamma - \delta u\gamma\underline{\alpha}) - \gamma\big(r + u(1 + \delta(\gamma - 1))\big)}{\underline{\alpha}(\gamma - 1) - \gamma}.$

In the first round, if the voter receives the equilibrium offer z^* she believes by Bayesian updating that she is facing a broker of type P with probability $\gamma/(\gamma + (1 - \gamma)\underline{\alpha})$ and a broker of type S with probability $\big[1 - \gamma/(\gamma + (1 - \gamma)\underline{\alpha})\big]$. Voter ε that knows her type at the time of accepting the offer or rejecting it accepts the offer z^* if $z^* \ge T(\varepsilon)$, and she rejects it otherwise, where

$$T(\varepsilon)=\frac{1}{4u[\gamma+\underline{\alpha}(1-\gamma)]}\Big[\underline{\alpha}(1-\gamma)\big(-2\big(2ru+2u\varepsilon+\delta\gamma(u+\varepsilon)^2\big)+\delta\underline{\alpha}\big(u^2(\gamma+3)+2\varepsilon u(\gamma-1)+\varepsilon^2(\gamma-1)\big)\big)+$$
$$\gamma\big(4ru+\delta u^2(\gamma-4)+2\varepsilon u(2+\delta\gamma)+\delta\gamma\varepsilon^2\big)\Big].$$

If voter ε receives an off equilibrium path offer z' such that $z'\neq z^*$, at $a=0$, she believes she is facing an S for sure and she accepts z' if

$$z'\geq r+\varepsilon+\delta W(z^*)-\delta\Big[\alpha\big(r+u+\delta W(z^*)\big)+(1-\alpha)\big(r+\delta W(z^*)\big)\Big],\qquad\qquad [15]$$

and rejects otherwise. Note that since $W(z^*)$ depends on the equilibrium offer z^*, the right side of Equation 9 depends on the equilibrium offer z^*. Depending on the value of z^* there are three cases in defining the threshold $T'(\varepsilon)$ for voter ε to accept an out of the equilibrium path offer z'. I develop next these three cases that define $T'(\varepsilon)$ conditional in the offer z^*. I denote each of these cases by the letters A, B, and C, and also sub index the respective $T'(\varepsilon)$'s with the corresponding letters.

Case A: If $z^*\in[0,\underline{z}]$ then any voter will reject the equilibrium offer z^* and her payoff in equilibrium will just be the infinite discounted sum of her expected reservation value; that is $W(z^*)=r/(1-\delta)$. By substituting this expression into the right side of Equation 9 and simplifying, I get that the threshold that voter ε has to accept an out of the equilibrium path offer z' when $z^*\in[0,\underline{z}]$ to be $T'_A(\varepsilon)=r-\varepsilon-\underline{\alpha}\delta u$. Voter ε accepts an out of the equilibrium path offer z' if $z'\geq T'_A(\varepsilon)$, and rejects otherwise.

Case B: If $z^*=\tilde{z}$ then by substituting $\tilde{z}$ into $W(z^*)$—Equation 1—and substituting with this expression into the right side of Equation 9, I get the threshold $T'_B(\varepsilon)$ for voter ε to accept an out of the equilibrium path offer z'. Voter ε accepts an off the equilibrium path offer z' when $z^*=\tilde{z}$, if $z'\geq T'_B(\varepsilon)$, and rejects otherwise. To simplify the expression $T'_B(\varepsilon)$, I set

$$H=2\sqrt{-u(\underline{\alpha}-\underline{\alpha}\gamma+\gamma)^2\Big[\delta(\underline{\alpha}(\gamma-1)-\gamma)\big(\delta(\bar{\pi}-r+I)-r\big)+\delta u\big[\underline{\alpha}(\gamma-1)(\delta(\underline{\alpha}-1)+1)-\gamma\big]-4u\Big]},\text{ and}$$

$$J=\sqrt{\frac{(\delta-1)^2\Big[((\underline{\alpha}-1)\gamma-\underline{\alpha})\big[\delta(\gamma(\underline{\alpha}-1)-\underline{\alpha})\big(\delta(\bar{\pi}-r+I)-r\big)+\delta u\big(\underline{\alpha}(\gamma-1)(\delta(\underline{\alpha}-1)+1)-\gamma\big)-5u\big]-A\Big]}{u[\underline{\alpha}-\gamma(\underline{\alpha}-1)]}}.$$

With these simplifications, I can now express the threshold $T'_B(\varepsilon)$ for when $z^*=\tilde{z}$,

$$T'_B(\varepsilon)=\frac{1}{\big[\delta(\delta-1)(\underline{\alpha}+\gamma-\underline{\alpha}\gamma)\big]^2}\Big[\underline{\alpha}^2\delta(\delta-1)(\gamma-1)\big[\delta(\gamma-1)(\bar{\pi}-r+I)+u(\delta+\gamma-1)+\varepsilon-\varepsilon\gamma\big]+$$
$$\underline{\alpha}\big[2u(\gamma-1)(J+3)+\delta^3\gamma\big[-2(\gamma-1)(\bar{\pi}-r+I)-u\big]+\delta^2\gamma\big[2(\gamma-1)(\varepsilon+\bar{\pi}-r+I)+u(3-2\gamma)\big]$$
$$-2\delta(\gamma-1)\big(\gamma(\varepsilon-u)+3u\big)\big]-2J\gamma u+H(1-\delta)+\delta\gamma^2(\delta-1)\big(\delta(\bar{\pi}-r+I)-\varepsilon\big)+\gamma u(\delta-1)(\delta\gamma+6)\Big].$$

Case C: I denote now by $T'_C(\varepsilon)$ the threshold for voter ε to accept an out of the

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equilibrium path offer z' when the equilibrium offer is equal to its upper bound, $z^* = \bar{z}$. I find this threshold by substituting $\bar{z}$ into $W(z^*)$ and plugging this expression in the right side of Equation 9

$$T'_C(\varepsilon) = \frac{1}{\delta(1-\delta)\left(\underline{\alpha}(\gamma-1)-\gamma\right)}\left[(\delta-1)\delta\left(\underline{\alpha}(\gamma-1)-\gamma\right)(\varepsilon-r) - 2u\sqrt{(\delta-1)^2\left(1+\delta(\underline{\alpha}+\gamma-\underline{\alpha}\gamma)\right)^2} + \right.$$

$$\left. u(\delta-1)\left[2+\delta\left(\underline{\alpha}(\gamma-1)-\gamma\right)\left(-2+\delta\gamma(\underline{\alpha}-1)\right)\right]\right].$$

Voter ε accepts an out of the equilibrium path offer z' when $z^* = \tilde{z}$, if $z' \geq T'_C(\varepsilon)$, and rejects otherwise. In the next section I prove the existence of this proposed pooling equilibrium.

Proving the Existence of the Proposed Pooling Equilibrium

I show now that the proposed pooling equilibrium exists; that is, that none of the players have an incentive to deviate at any round. It is evident that the voter does not have any incentive to accept offers below the thresholds she establishes or to reject offers above these thresholds. She will be receiving a lower payoff by accepting an offer below her thresholds or by rejecting an offer above her threshold. Also, since by assumption the prize I is big enough to make both types of brokers want to buy every type of voter off at round $a = 1$, it is clear that brokers do not deviate at this last round. However, it remains to establish that brokers do not deviate in the first round of their lives. In particular, I need to show that for certain values of the parameters neither type of broker deviates at the first round from offering z^*. I start by showing that at $a = 0$, P never deviates.

For clarity purposes I denote by $V_B(z)$ the utility for a broker to offer z when the voter has the most skeptical beliefs upon receiving the offer. Likewise, I denote by $D(z)$, the probability that a voter accepts the offer z when she has the most skeptical beliefs. The payoff for P to deviating to an offer z' such that $z' \neq z^*$ is then given by

$$V_P(z') = (\bar{\pi}) + [-z' + \delta(\bar{\pi} - (r+u) + I)]D(z'), \qquad [16]$$

Remember now that the payoff for P to offering z^* when the voter has Bayesian beliefs is given by $U_P(z^*) = (\bar{\pi}) + [-z^* + \delta(\bar{\pi} - (r+u) + I)]G(z^*).$ [17]

Hence, I need to prove that $U_P(z^*) \geq V_P(z')$. To do this, I first compare $U_P(z^*)$ with the utility for the broker if he deviates to z' but the voter keeps the same Bayesian beliefs as when she is offered z^*. I denote by $U_P(z')$, P's utility when he deviates to z' and the voter keeps the same Bayesian beliefs as when she is offered z^*, and I denote by $G(z')$ the probability that a voter accepts the offer z' when she keeps these same Bayesian beliefs. By the maximization problem solved above we know that the deviation to z', when the voter keeps the same Bayesian beliefs as when she sees z^*, cannot be profitable for P; that is, we know that $U_P(z^*) \geq U_P(z')$.

Therefore, to prove that $U_P(z^*) \geq V_P(z')$ it suffices to show that $U_P(z') \geq V_P(z')$, where $V_P(z')$ is P's payoff when B offers z' and the voter believes he is a bad broker for sure. From Equation 7 we know that the indifferent voter $\hat{\varepsilon}$ to the offer z' when the voter has the same Bayesian beliefs as when she is offered z^*, is given by

$$\widehat{\varepsilon} = \frac{\left[\underline{\alpha}(\gamma-1)\left(\delta u\underline{\alpha}+(\delta-1)(r+\delta W(z^*))+z'\right)-\gamma\left(r(\delta-1)+\delta(u+(\delta-1)W(z^*))+z'\right)\right]}{\underline{\alpha}(\gamma-1)-\gamma}.$$

I next find the indifferent voter ε' to the offer z', but when the voter believes the broker is of type S for sure upon being offered z'. Note that in this case the voter accepts the offer z' if

$$z' \geq r+\varepsilon+\delta W(z^*)-\delta\left[\underline{\alpha}\left(r+u+\delta W(z^*)\right)+(1-\underline{\alpha})\left(r+\delta W(z^*)\right)\right]$$

By making this inequality an equality and solving for ε, I find ε':

$$\varepsilon' = z'-r+\delta r-\delta W(z^*)+\delta^2 W(z^*)+\delta u\underline{\alpha}.$$

Now by subtracting ε' from $\widehat{\varepsilon}$ I get $\left(\delta\gamma u(1-\underline{\alpha})\right)/\left(\gamma+\underline{\alpha}(1-\gamma)\right)$, which is obviously positive. This means that the type of voter that is indiffetent to the offer z' when the voter keeps the same beliefs as when she is offered z^* is to the right of the indifferent type to the same offer z' when the voter has the most skeptical beliefs. This means that the deviation offer z' is accepted with greater probabilities when the voter keeps the same Bayesian beliefs than when she sees z^*; that is, $G(z') \geq D(z')$. Since the offer is the same for the broker and the probability that the voter accepts this offer is bigger when the voter keeps the same Bayesian beliefs when offered z^* than when she thinks that she is facing an S for sure, it must be that $U_P(z') \geq V_P(z')$. Therefore, it is proved that $U_P(z^*) \geq V_P(z')$, which establishes that P never deviates.

I need to show next that S could never profitably deviate to an offer z' such that $z' \neq z^*$. If S pools with P's offer z^*, his payoff is given by

$$U_S(z^*) = (\overline{\pi})+[-z^*+\delta\underline{\alpha}(\overline{\pi}-(r+u)+I)]G(z^*) \qquad [18]$$

If S deviates and offers z' his payoff is then given by

$$V_S(z') = (\overline{\pi})+[-z'+\delta\underline{\alpha}(\overline{\pi}-(r+u)+I)]D(z'), \qquad [19]$$

where again $D(z')$ is the probability that a voter accepts the offer z' given that she believes that she is facing an S for sure. I need to prove that $U_S(z^*) \geq V_S(z')$. I distinguish two cases: I first prove that S will never deviate to an offer z' with $z' \geq z^*$, and secondly I prove that S will never deviate to an offer z' with $z' < z^*$.

First Case: I assume that $z' > z^*$. Note that if I subtract Equation 10 from Equation 11, and Equation 13 from Equation 12, I respectively get

$$U_P(z^*)-V_P(z') = -z^*G(z^*)+z'D(z')+[\delta(\overline{\pi}-r-u+I)][G(z^*)-D(z')], \text{ and}$$

$$U_S(z^*)-V_S(z') = -z^*G(z^*)+z'D(z')+[\delta\underline{\alpha}(\overline{\pi}-r-u+I)][G(z^*)-D(z')].$$

By combining these two expressions it is easy to see that

$$U_P(z^*)-V_P(z') = U_S(z^*)-V_S(z')+[\delta(1-\underline{\alpha})(\overline{\pi}-(r+u)+I)][G(z^*)-D(z')].$$

Therefore, if $G(z^*)-D(z') < 0$, the third term of this expression would be negative and $U_S(z^*) > V_S(z')$ because it is established above that $U_P(z^*) > V_P(z')$. Hence, I assume now that $G(z^*)-D(z') > 0$, and prove that $U_S(z^*) > V_S(z')$ also in this case.

To do this, I denote by $U_S(z')$ the utility for S to deviating to z' when the voter keeps the same Bayesian beliefs when upon being offered z' as when she is offered z^*. This utility is given by

$$U_S(z') = (\overline{\pi}) + [-z' + \delta\underline{\alpha}(\overline{\pi} - (r+u) + I)]G(z'),$$

where again $G(z')$ is the probability that the voter accepts the deviation offer z' if she keeps the same Bayesian beliefs when she sees the deviation offer z' as when she sees the equilibrium offer z^*. I next prove by contradiction that it cannot be that $U_S(z^*) < V_S(z')$.

I assume now that $U_S(z^*) < V_S(z')$. Since the offer is the same (z') and, as proved above, the probability of acceptance is bigger when the voter keeps the Bayesian beliefs than when she believes she is facing an S for sure, it must be that $V_S(z') < U_S(z')$. Therefore, given that $U_S(z^*) < V_S(z')$ and $V_S(z') < U_S(z')$ it must be that $U_S(z^*) < U_S(z')$. This implies that $0 < U_S(z') - U_S(z^*)$ and by substituting and simplifying I get that this expression is equal to

$$0 < -z'G(z') + z^*G(z^*) + [\delta\underline{\alpha}(\overline{\pi} - r - u + I)][G(z') - G(z^*)].$$

Note now that if this inequality holds, since $G(z') > G(z^*)$ and $\underline{\alpha} < 1$, it certainly needs to hold that

$$0 < -z'G(z') + z^*G(z^*) + [\delta(\overline{\pi} - r - u + I)][G(z') - G(z^*)].$$

However, this last expression is equal to $0 < U_P(z') - U_P(z^*)$, which contradicts what was proved above in the maximization problem. Therefore, it cannot be that $U_S(z^*) < U_S(z')$, and it has to be that $U_S(z^*) \geq V_S(z')$ if $z' > z^*$. It is proved then that S could not deviate to an offer $z' \geq z^*$. However, S could potentially deviate to an offer z' with $z' < z^*$. In order to show that an equilibrium in which S pools with P in offering z^* exists, I next analyze under which conditions such deviation could not be profitable for S.

Second Case: I assume now that $z' < z^*$. Note that given that $z' < z^*$ it must be, as already proved, that $D(z') < G(z^*)$. Recall that $D(z')$ is the probability that a voter accepts the offer z' when she has the most pessimistic beliefs and $G(z^*)$ is the probability that a voter accepts the offer z^* when she has Bayesian beliefs. By subtracting Equation 12 from Equation 13, I get the difference in the utility for S between pooling in the offer z^* and separating to an offer $z' < z^*$:

$$U_S(z^*) - U_S(z') = \delta\underline{\alpha}\big(D(z') - G(z^*)\big)\,(-\overline{\pi} + r - I + u) + D(z')z' - G(z^*)\,z^*. \qquad [20]$$

Clearly, S pools if $\delta\underline{\alpha}\big(D(z') - G(z^*)\big)\,(-\overline{\pi} + r - I + u) + D(z')z' - G(z^*)\,z^* \geq 0$. Note that given that $D(z') < G(z^*)$ this expression is increasing in the prize I. Therefore, S pools if $I \geq \left[\big(G(z^*)z^* - D(z')z'\big)/\big(\delta\underline{\alpha}\big(G(z^*) - D(z')\big)\big)\right] - \overline{\pi} + r + u$. By assumption, $\overline{\pi} \geq r + u$, so by imposing that the prize I is bigger than $\big(G(z^*)z^* - D(z')z'\big)/\big(\delta\underline{\alpha}\big(G(z^*) - D(z')\big)\big)$ in equilibrium S pools with P in offering z^*.

Discussion

Exploiting Reputation

Can a broker who develops a good reputation exploit it? This is the first question of interest to be asked with the model. To answer the question I take two steps. First, I explain what it means to develop a reputation and then what it means to exploit it.

In the context of this model, to build reputation means that a broker making the equilibrium offer z^* sends a signal that makes the voter increase her beliefs about facing a broker with plug. Every time that the voter sees the equilibrium offer z^*, she updates her beliefs by Bayes' rule and becomes more confident that she is facing a broker of type P. This is because brokers can only offer the equilibrium offer z^* when they get the big pie, and a P always receives the big pie, while an S receives the big pie with probability $\underline{\alpha}$. Prior to the offer the voter believes that she is facing a broker of type P with probability γ and after seeing z^* she believes she is facing a broker of type P with probability $\gamma / (\gamma + (1-\gamma)\underline{\alpha})$. Because γ and $\underline{\alpha}$ are bigger than 0 and smaller than 1, it is always true that $\gamma / (\gamma + (1-\gamma)\underline{\alpha}) > \gamma$, and this is how a broker builds reputation through offering z^*. How, then, can he then exploit such reputation?

Every time the voter becomes more confident about facing a broker with plug, her payoff increases. An increase in the probability that she is facing a broker with plug increases her expected payoff because a broker with plug will access a big pie for sure and offer her the maximum offer in the second round of his life. Reputation in this case means more chances for the voter to receive the maximum possible offer in the next round.

Now, as the voter's payoff is increasing in the broker's reputation, the broker can offer less when his reputation goes up. The broker's chances of being supported goes up with his reputation and he saves resources by offering less. In this way, the broker cashes in on the benefits of having a reputation. This is the process by which the broker exploits his reputation.

Up until now I have assumed that every time a new broker was drawn from the pool of brokers, he is of type P with probability γ. I show now how brokers exploit their reputation, given the limitations of the model, by considering the case in which a broker that is drawn from the pool of brokers has probability γ_0 of being of type P, while all the subsequent brokers to this one keep probability γ of being of type P.

If a voter benefits from a broker with better reputation, then her future payoff should increase in γ_0. I determine if the voter's next round payoff $W_1(z^*)$, given that she accepted z^* increases in γ_0, by taking the partial derivative of $W_1(z^*)$ with respect to γ_0 where

$$W_1(z^*) = \left[\frac{\gamma_0}{\gamma_0 + (1-\gamma_0)\underline{\alpha}} \right] \left[r + u + \delta W(z^*) \right] + \left[1 - \frac{\gamma_0}{\gamma_0 + (1-\gamma_0)\underline{\alpha}} \right] \left[\underline{\alpha} \left(r + u + \delta W(z^*) \right) + (1-\underline{\alpha}) \left(r + \delta W(z^*) \right) \right].$$

Note that I can treat $W(z^*)$ as a constant, even when it depends on γ, because γ has nothing to do with the broker playing in this round to whom the voter attaches probability γ_0 of being of type P. This broker is certainly going to be excluded from the game in the next round. Therefore,

the γ_0 that I am varying does not affect the voter's continuation value for the rest of the game which can be treated for this purpose as a constant.

However, if the voter's future payoff increases with γ_0, this increase will come at a price. The broker will know that when he makes the offer z^* the voter updates her beliefs and her payoff for the next round increases. This will give the broker a margin to offer less to the voter in the present round. This is how the broker will exploit his reputation. I show this by taking the partial derivative of the offer $z^* = \tilde{z}$ with respect to γ_0 treating $W(z^*)$ as a constant for the same reasons noted above.

Therefore, formally, exploiting reputation is equivalent to $\partial W_1(z^*)/\partial \gamma_0 > 0$ and $\partial z^*/\partial \gamma_0 < 0$, where $W_1(z^*)$ is the future payoff to the voter when she received the offer z^*. I prove next that $\partial W_1(z^*)/\partial \gamma_0 > 0$ and that $\partial z^*/\partial \gamma_0 < 0$. The partial derivative of $W_1(z^*)$ with respect to γ_0 is given by

$$\frac{\partial W_1(z^*)}{\partial \gamma_0} = \frac{\delta \alpha \underline{u}(1-\underline{\alpha})}{(\gamma_0 + \underline{\alpha} - \underline{\alpha}\gamma_0)^2}.$$

This is always positive. Therefore, given that the voter received the offer z^* in the first round his utility for the second round increases with the reputation of the broker making the offer. This is due to the reason provided above; an increase in γ_0 means a likely increase that the voter is facing a broker with plug who will access a big pie for sure and offer her the maximum reward in the next round. Reputation in this case means more chances for the voter to receive the maximum possible offer in the next round.

The partial derivative of the offer $z^* = \tilde{z}$ with respect to γ_0 is given by

$$\frac{\partial \tilde{z}}{\partial \gamma_0} = \frac{du\underline{\alpha}(\underline{\alpha}-1)}{2(\gamma_0 + \underline{\alpha} - \underline{\alpha}\gamma_0)^2}.$$

This partial derivative is clearly negative. This shows that when the broker makes an offer z^*, he signals that he has received a big pie and develops a reputation while exploiting it by offering less to the voter and keeping more for himself. The model resonates in this way with evidence from the field where clients stick to their brokers with good reputation even when brokers exploit such a reputation.

For example, a broker from Malvinas Argentinas implicitly highlighted the importance of having a good reputation by saying that "people know what I have gotten and what I will get for them, so they are loyal to me. Usually they do not ask for too much. It does not take too much to keep them happy. They know that I will help them when an urgent need comes up because they have seen me doing it in the past." Also illustrating this logic, a broker from La Matanza shared, "Sometimes someone appears offering them money to go to a rally. I only ask them if they know this guy offering them money. I ask them if they know if this new guy is not a smoke seller and if he will stay in the neighborhood after the rally. They always rally with me at the end." A poor resident of San Miguel exemplified the dynamic from the client side saying that "every election new guys appear making promises; I remain myself loyal to Juan [his broker]. The new guys disappear after the election and I could end up with nothing. I prefer a bird in my hand than a thousand flying in the sky."

When brokers deliver, clients stick to them and develop long-lasting relationships. In the previous chapter, I showed that broker-client relationships were long-lasting in general. For the

120 brokers that I interviewed, they averaged 19 years in the same neighborhood. An overwhelming 89 percent (107) of them declared that the base of their groups have mostly consisted of the same people. However, this only applies to the existing brokers who have survived up to the present because they have delivered to their followers. Others cannot access resources, their reputations vanish, and they lose their groups of clients. When I asked brokers if they had seen brokers lose their positions in neighborhoods, 90 percent (108) answered affirmatively. When I asked about the reasons, 73 percent (79) replied that brokers lost their positions because they were not able to fulfill their promises and 64 percent (69) mentioned that brokers lost their positions because they took too much for themselves and allocated too little to their poor constituents. Brokers with plug access resources, fulfill their promises, and have long-lasting relationships with their clients; smoke sellers cannot deliver and inevitably disappear.

Brokers depend on receiving resources from the politicians above them. A broker from Merlo explained, "Here it is distribute or disappear. Once you are not able to deliver food, mattresses, or anything you are out of the game, probably forever." Similarly, Trotta reports in his book that a broker told him, "Here we all know each other. So, when someone is not able to deliver concrete stuff…bye bye, let's go to another one" (Trotta 2003, 137). Puex tells the story of a Peronist broker in the southern municipality of Quilmes who found himself without resources when the opposition won the mayoral election in 1999. He lamented, "If you give to them, they love you; if you do not give them anything…none show up." When a particular broker is unable to deliver, clients just look for a new one (Puex 2006, 193).

The model also captures well how brokers benefit from accessing resources and keeping their positions. All brokers declared that, in general, brokers keep for themselves or their families a portion of the resources they receive. Twelve brokers were even extremely candid about how they made a living out of brokerage. Even when it is illegal, eight brokers admitted that they required 10 percent of the monthly salaries of the people to whom they gave positions in cooperatives. One of them confessed: "We all do the same. Do not believe them if they tell you otherwise. I only ask for 10 percent but some even ask for 50 percent of the salary, but I think that is unfair to the people and that in the long run you cannot last if you take that much." A broker was really upset with a fellow PJ broker because in the last election, the mayor "gave us food handouts with everything: noodles, soups, oil, sugar, flour, yerba…but he kept for himself the most expensive items like sugar, oil, and flour. The poor people only got the noodles. It is unfair. I understand you need to make a living, but just keep the oil not the sugar and the flour too. I only keep the oil for myself."

Reputation and PJ Brokers' Unchallenged Hegemony

An interesting derivation that arises from the model is that, all other things being equal, the voter will always prefer a broker with a good reputation to a broker without reputation. While in the model in this paper, to simplify, I assume that a broker plays for two rounds at most, in reality brokers play for several rounds. By delivering round after round, a broker achieves a good reputation with his clients; his γ goes up. As proven before, this makes the voter's expected payoff increase. Therefore, if two brokers offer the same offer to the voter, but one has a better reputation, the voter will prefer to deal with the one with a better reputation. While I have not modeled competition between brokers, I next use the language of the model to illustrate this dynamic.

Imagine now that a broker starts the game and the voter believes he is a P with probability γ', where $\gamma' > \gamma$. I denote by $W(z^*|\gamma')$ the utility for the voter to accept the offer z^* when the broker making the offer has probability γ' of being of type P. This utility is given by

$$W(z^*|\gamma') = z^* + \delta\left(\left[\frac{\gamma'}{\gamma'+(1-\gamma')\underline{\alpha}}\right]\left[r+u+\delta W(z^*)\right] + \left[1-\frac{\gamma'}{\gamma'+(1-\gamma')\underline{\alpha}}\right]\left[\underline{\alpha}\left(r+u+\delta W(z^*)\right)+(1-\underline{\alpha})\left(r+\delta W(z^*)\right)\right]\right).$$

Now imagine that a competing broker appears and makes the same offer to the voter. This broker would have the same reputation γ as any other broker from the pool. I denote by $W(z^*|\gamma)$ the utility for the voter to accept his offer. This is given by

$$W(z^*|\gamma) = z^* + \delta\left(\left[\frac{\gamma}{\gamma+(1-\gamma)\underline{\alpha}}\right]\left[r+u+\delta W(z^*)\right] + \left[1-\frac{\gamma}{\gamma+(1-\gamma)\underline{\alpha}}\right]\left[\underline{\alpha}\left(r+u+\delta W(z^*)\right)+(1-\underline{\alpha})\left(r+\delta W(z^*)\right)\right]\right).$$

The utility difference for the voter between accepting the previous offer and this offer is given by

$$W(z^*|\gamma') - W(z^*|\gamma) = \frac{\left(\delta\underline{\alpha}u(\gamma'-\gamma)(1-\underline{\alpha})\right)}{\left(\underline{\alpha}(\gamma'-1)-\gamma'\right)\left(\underline{\alpha}(\gamma-1)-\gamma\right)}.$$

Note that as $\gamma' > \gamma$, the numerator is positive, the denominator is positive, and the entire expression is positive. Therefore, if confronted with these two hypothetical brokers, the voter would prefer to stay with the more reputable broker, giving the voter a higher expected payoff. While the offers by these competing brokers are the same, since the voter's expected payoff for the last round increases with the broker's reputation, it will be more beneficial to her if she deals with the broker with a better reputation than with the newcomer.

Voters' preferences for brokers with good reputations can account for why only the Peronist Party enjoys the benefits of a network of brokers. Reputation building influences clients to prefer brokers who are known for delivering (the Peronist one) over newcomer. Given the same offer, a poor voter will go with the Peronist broker, forcing the non-Peronist broker to offer more than the Peronists if they want to gain the support of their clients. In short, clientelism is more expensive for a party without a reputation for delivering.

The PJ brokers enjoyed a first mover advantage. They developed a reputation for accessing resources and for delivering, making it difficult for other parties to compete. President Perón incorporated the masses into political life for the first time in Argentine history, and President Menem—who led Argentina's market reform process—was the first to compensate post-ISI losers with clientelistic transfers (Levitsky 2003). With Menem as president, the governor of Buenos Aires, Eduardo Duhalde, developed most of the CB machine that is in place today. Peronists brokers have shown through repeated interaction that they fulfill their clientelistic promises, while non-Peronist brokers might appear less dependable.

My aim is not to explain why non-Peronists are losing in clientelistic competition against the Peronists. It is well recognized that competition between Peronists and non-Peronist brokers barely exists in the CB. My analysis of reputation rather provides insight into a major reason why this is the case: that it is extremely difficult for the opposition to enter this domain at all. Thus, the above analysis provides an explanation for why no competition existed to begin with.

Conclusion

In general, social scientists with more qualitative methodologies have looked into the context and history within which clientelistic relationships take place and have downplayed the rational materialistic interests of the exchange (Auyero 2002; Ostiguy 1998). But social scientists resorting to formal models and quantitative methods have focused on the incentives for material exchange, without paying much attention to the history and context within which clientelism takes place (Brusco, Nazareno, and Stokes 2004; Nichter 2008; Robinson and Verdier 2002). This chapter bridges the gap between these two currents by studying the salience of reputation in clientelistic deals.

While some of the assumptions built into the model in this paper (to make the problem tractable) do not completely reflect the real world—especially the assumption that brokers do not live for more than two rounds—the model captures some essential dynamics of the relationships between brokers and clients. It shows that through interactions, clients learn how good their brokers are at accessing and delivering resources. The repeated success of exchanges makes the behavior of the broker more predictable to his clients as they become more confident that they are dealing with a broker with "plug" who will supply them with resources. The reputational model in this paper shows that voters want their brokers with plug to win elections and stay in the neighborhood, delivering what they have in previous rounds. A clientelistic exchange is not a single-shot commercial transaction that happens in the absence of relationships. On the contrary, clientelistic deals are preceded by a history of previous exchanges that shape them. Reputations capture how history matters for these clientelistic deals; they shape the clients' beliefs about their brokers.

However, by saying that history matters I do not overlook the intrinsic material interest of any clientelistic exchanges. On the contrary, the model shows that the payoff to voters is higher when a broker has a good reputation. History matters because it shapes voters' beliefs about their brokers, and thus influences their expected payoffs.

This model could also be extended to shed some light over dimensions of clientelism that go well beyond vote-buying and that encompass strategies that involve the core constituencies. The repeated exchanges lead voters to develop survival strategies in connection with the clientelistic party, to the extent that they receive transfers for services that go beyond voting.

Finally, I would like to point to a counterintuitive idea that is worthy of further research. The findings in this chapter indicate that, at least to a certain extent, clients care about the future. Recent evidence seems to suggest that poor voters do not discount future promises as much as the previous literature asserts (Kitschelt 2000, 857; Stokes 2007, 89). The earlier literature in clientelism puts substantial emphasis on the idea that "poverty shortens a man's time horizon and maximizes the effectiveness of short run material inducement" (Scott 1969, 63). While it is true that urgent needs make immediate material accruals more appealing for poor voters than public goods with long-term effects, it is not true that poor voters do not care about addressing those urgent needs in the future. The mother of an asthmatic boy in a slum knows very well that spring will come next year as it does every year, and she wants the broker who gave her medicine this year to deliver next year as well. It is the same for those who receive jobs, food, or blankets from brokers. Thus, the present literature on clientelism might be exaggerating the myopia the poor's preferences.

Appendix 1

Proof 1

I find here the prize I that ensures that every type of voter's offer buys everyone off in his last round. At the broker's last round $a = 1$, V accepts an offer z_1 if $z_1 \geq r + \varepsilon_1$ (See page 18). Since voter's types are $\varepsilon \sim u[-u, u]$, the probability that V accepts an offer z_1 is given by $(z_1 - (r - u)) / (2u)$. Therefore, if B gets $\bar{\pi}$ at his last round he maximizes the following utility with respect to the offer z_1, $U_P(z_1) = \bar{\pi} + (-z_1 + I)\left[(z_1 - r + u) / 2u\right]$. The partial derivative of $U_P(z_1)$ with respect to z_1 yields $(r + I - u - 2z_1) / 2u$ and the optimal z_1^* is then equal to $(r + I - u) / 2$. Note now that this optimal offer z_1^* is increasing in I, so by setting it equal to the maximum possible offer $(r + u)$ and solving for I we get the minimum prize that makes the broker offer $r + u$ at his last round and buy off every type of voter. This yields $I = r + 3u$. Therefore, by imposing the assumption that $I \geq r + 3u$, it must be that $z_1^* = r + u$ ∎

Proof 2

To find the voter's payoff at the beginning of the game, I need to solve the integral

$$W(z^*) = \int_{\hat{\varepsilon}}^{u} \frac{(r + \varepsilon + \delta W(z^*))}{2u} d\varepsilon + \int_{-u}^{\hat{\varepsilon}} \left[\gamma\left[z + \delta(r + u + \delta W(z^*))\right] + \right.$$

$$(1 - \gamma)\left[\underline{\alpha}\left(z + \delta\left(\underline{\alpha}(r + u + \delta W(z^*)) + (1 - \underline{\alpha})(r + \delta W(z^*))\right)\right) + (1 - a)(r + \varepsilon + dW(z^*))\right]\left]\frac{1}{2u} d\varepsilon.$$

Solving and simplifying with Mathematica yields[84]

$$W(z^*) = \frac{1}{4}\left[-\frac{2d\hat{\varepsilon}W(z^*)}{u} + 2\delta W(z^*) - \frac{2r\hat{\varepsilon}}{u} + 2r - \frac{\hat{\varepsilon}^2}{u} + u + \frac{1}{u}2\left[\gamma(\hat{\varepsilon} + u)\left(\delta(\delta W(z^*) + r + u) + z\right) - \frac{1}{2}(\gamma - 1)(\hat{\varepsilon} + u)\right.\right.$$

$$\left.\left.\left(2a^2\delta u + 2r(a(\delta - 1) + 1) + a\left(2((\delta - 1)\delta W(z^*) + z) - \hat{\varepsilon} + u\right) + 2\delta W(z^*) + \hat{\varepsilon} - u\right)\right]\right].$$

By substituting with $\hat{\varepsilon}$ in the previous expression and solving for $W(z^*)$ with Mathematica, I get two roots that are the solutions for $W(z^*)$ that I denote by $W_A(z^*)$ and $W_B(z^*)$:

$$W_A(z^*) = \frac{1}{(\delta - 1)^2 \delta^2 (\underline{\alpha}\gamma - \underline{\alpha} - \gamma)}\left[-2u\sqrt{-\frac{(\delta - 1)^2\left(\underline{\alpha}^2\delta^2 u(\gamma - 1) - a\delta(\gamma - 1)(r - u - z^*) + \delta\gamma(-\delta u + r - u - z^*) - u\right)}{u}} + \right.$$

$$\left.\underline{\alpha}^2\delta^2 u(\delta - \delta\gamma + \gamma - 1) - \underline{\alpha}(\delta - 1)\delta(\gamma - 1)\left((\delta - 1)r + u + z^*\right) + \delta\gamma\left(\delta(\delta(r + u) - 2r + z^*) + r - u - z^*\right) + 2u(u - 1)\right]$$

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[84] For all the calculations in these proofs I used Wolfram Mathematica 8.0.

$$W_B(z^*) = \frac{1}{(\delta-1)^2 \delta^2 (\underline{\alpha}\gamma - \underline{\alpha} - \gamma)} \Bigg[2u \sqrt{-\frac{(\delta-1)^2 \big(\underline{\alpha}^2 \delta^2 u(\gamma-1) - a\delta(\gamma-1)(r-u-z^*) + \delta\gamma(-\delta u + r - u - z^*) - u\big)}{u}} +$$

$$\underline{\alpha}^2 \delta^2 u(\delta - \delta\gamma + \gamma - 1) - \underline{\alpha}(\delta-1)\delta(\gamma-1)\big((\delta-1)r + u + z^*\big) + \delta\gamma\big(\delta(\delta(r+u) - 2r + z^*) + r - u - z^*\big) + 2u(u-1) \Bigg]$$

I next show that $W_B(z^*)$ must not be the payoff for the voter at the beginning of the game before her type is revealed and, therefore, that $W_A(z^*)$ remains as the unique payoff to the voter (that is, $W(z^*) = W_A(z^*)$ in this article).

From Equation 4 we can derive the smallest offer that every voter accepts at round $a = 0$. This is given by $\bar{z} = (r + u + \delta W(z^*))(1-\delta) + \frac{\delta(1-\gamma)\underline{\alpha}(1-\underline{\alpha})u}{\gamma + (1-\gamma)\underline{\alpha}}$. By substituting z^* with this offer $\bar{z}$ in

$$W(z^*) = \gamma\big[z^* + \delta(r + u + \delta W(z^*))\big] + (1-\gamma)\big[\underline{\alpha}\big(z^* + \delta(\underline{\alpha}(r + u + W(z^*)) + (1-\underline{\alpha})(r + \delta W(z^*)))\big) + (1-a)(r + \varepsilon + \delta W(z^*))\big]$$

and simplifying with Mathematica, I obtain the payoff for the voter at the beginning of the game when the broker buys all types of voters. I denote this payoff by $W(\varepsilon, \bar{z})$ and it is given by $W(\varepsilon, \bar{z}) = r + \gamma u + \underline{\alpha}(u - \gamma u) + \delta W(\varepsilon, \bar{z})$. By solving for $W(\varepsilon, \bar{z})$, I get $W(\varepsilon, \bar{z}) = (r + u(\underline{\alpha} + \gamma - \underline{\alpha}\gamma))/1 - \delta$. By substituting $W(\varepsilon, \bar{z})$ into the expression for the offer $\bar{z}$, I get

$$\bar{z} = \frac{\underline{\alpha}(\gamma-1)(r + u + 2\delta\gamma u) - \underline{\alpha}^2 \delta\gamma u(\gamma-1) - \gamma(r + u - \delta u + \delta\gamma u)}{\underline{\alpha}(\gamma-1) - \gamma}.$$

Now note that we know the offer $\bar{z}$ that buys every voter off and the payoff for the voter $W(\varepsilon, \bar{z})$ for such an offer. I next use this information to reject $W_B(z^*)$. Note that by setting $z^* = \bar{z}$ in $W_A(z^*)$, and simplifying with Mathematica I get $W_A(z^*) = (r + u(\underline{\alpha} + \gamma - \underline{\alpha}\gamma))/1 - \delta$, and therefore $W_A(z^*) = W(\varepsilon, \bar{z})$. However by doing the same process with $W_B(z^*)$; that is, by setting $z^* = \bar{z}$, replacing in $W_B(z^*)$, and simplifying with Mathematica, I get

$$W_B(z^*) = \frac{4u + \underline{\alpha}^2 \delta^2 u(\gamma-1)^2 + 4\delta\gamma u + \delta^2 \gamma(r + \gamma u) - \underline{\alpha}\delta(\gamma-1)\big(4u + \delta(r + 2\gamma u)\big)}{\delta^2 (\delta-1)\big(\underline{\alpha}(\gamma-1) - \gamma\big)}.$$

Note that $W_B(z^*) - W(\varepsilon, \bar{z}) > 0$, and hence, the substantively correct root is $W_A(z^*)$ ∎

Proof 3

I find here the offer z that maximizes P's utility. The utility to P for offering z is given by
$$U_P(z) = \bar{\pi} + [-z + \delta(\bar{\pi} - r - u + I)]$$

$$\frac{1}{2u}\Bigg[\frac{\big[\underline{\alpha}(\gamma-1)\big(\delta u \underline{\alpha} + (\delta-1)(r + \delta W(z^*)) + z\big) - \gamma\big(r(\delta-1) + \delta(u + (\delta-1)W(z^*)) + z\big)\big]}{\underline{\alpha}(\gamma-1) - \gamma} + u\Bigg].$$

To solve P's maximization problem I take the derivative of his payoff $U_P(z)$ with respect to z. After Simplifying with Mathematica, I get that

$$\frac{\partial U_P(z)}{\partial z} = \frac{\gamma\left(-\delta(\bar{\pi} + I - 2u + W(z^*)) + \delta^2 W(z^*) + (2\delta - 1)r + u + 2z\right)}{2(\gamma - 1)u\underline{\alpha} - 2\gamma u}$$

$$- \frac{(\gamma - 1)\underline{\alpha}\left(-\delta(\bar{\pi} + I - u + W(z^*)) + \delta u\underline{\alpha} + \delta^2 W(z^*) + (2\delta - 1)r + u + 2z\right)}{2(\gamma - 1)u\underline{\alpha} - 2\gamma u}.$$

By setting $\dfrac{\partial U_P(z)}{\partial z}$ equal to 0, solving for z, and Simplifying with Mathermatica I get,

$$z = \frac{\gamma\left(-\delta(\bar{\pi} + I - 2u + W(z^*)) + \delta^2 W(z^*) + r(2\delta - 1) + u\right) + \underline{\alpha}(\gamma - 1)\left(\delta(\bar{\pi} - \delta W(z^*) + I - u + W(z^*)) - \delta u\underline{\alpha} - 2\delta r + r - u\right)}{2\underline{\alpha}(\gamma - 1) - 2\gamma} \blacksquare$$

Proof 4

I prove here which of the two solutions to the maximization problem is the relevant one in this game. The offer $\tilde{z}$ that solves P's maximization problem is giving by

$$\tilde{z} = \frac{\gamma\left(-\delta(\bar{\pi} + I - 2u + W(z^*)) + \delta^2 W(z^*) + r(2\delta - 1) + u\right) + \underline{\alpha}(\gamma - 1)\left(\delta(\bar{\pi} - \delta W(z^*) + I - u + W(z^*)) - \delta u\underline{\alpha} - 2\delta r + r - u\right)}{2\underline{\alpha}(\gamma - 1) - 2\gamma},$$

and from Proof 3 we know that

$$W(z^*) = \frac{1}{(\delta - 1)^2 \delta^2 \left(\underline{\alpha}\gamma - \underline{\alpha} - \gamma\right)}\left[-2u\sqrt{-\frac{(\delta - 1)^2\left(\underline{\alpha}^2\delta^2 u(\gamma - 1) - \underline{\alpha}\delta(\gamma - 1)(r - u - z^*) + \delta\gamma(-\delta u + r - u - z^*) - u\right)}{u}} + \right.$$

$$\left. \underline{\alpha}^2\delta^2 u(\delta - \delta\gamma + \gamma - 1) - \underline{\alpha}\delta(\delta - 1)(\gamma - 1)\left((\delta - 1)r + u + z^*\right) + \delta\gamma\left(\delta\left(\delta(r + u) - 2r + z^*\right) + r - u - z^*\right) + 2u(u - 1)\right]$$

By substituting $W(z^*)$ into $\tilde{z}$ and solving for the offer with Mathematica, I get two solutions:

$$\tilde{z} = \delta(\bar{\pi} - r + I - u) + \frac{2}{\delta\left(\gamma - \underline{\alpha}\gamma + \underline{\alpha}\right)^2}\left[2u\underline{\alpha}(1 - \gamma) + 2\gamma u + \right.$$

$$\left. \pm\sqrt{-u\left(\gamma - \underline{\alpha}\gamma + \underline{\alpha}\right)^2\left[\gamma\delta\left((\delta + 1)r - \delta(\bar{\pi} + I)\right) + (\gamma - 1)\delta\underline{\alpha}\left(\delta(\bar{\pi} + I - u) + \delta u\underline{\alpha} - r(\delta + 1) + u\right) - u(\gamma\delta + 4)\right]}\right],$$

I show now that the relevant solution is the one with negative square root. I do so by showing that for a big enough prize, the non-radical part of this expression is bigger that $r+u$. Therefore, given that B never offers more than $r+u$, the only relevant solution is the one with a negative sign preceding the second term of the expression.

It is easy to see, after simplifying, that the non-radical part of the expression defining $\tilde{z}$ is increasing in I, $\delta(-r + I - u + \bar{\pi}) + 4\left(u\underline{\alpha}(1 - \gamma) + \gamma u\right)/\delta\left(\gamma - \underline{\alpha}\gamma + \underline{\alpha}\right)^2$. Since the second term of this expression is positive, I find the value of I, denoted below by $\underline{I}$, that makes the first term equal to $r+u$ thus making the expression larger than $r+u$,

$$\underline{I} = \frac{r + u + \delta(r + u) - \delta\bar{\pi}}{\delta}.$$

Therefore, we know now that by imposing I bigger than $\underline{I}$, the non-radical part of the expression defining $\tilde{z}$ is bigger than $r+u$, and thus the only possible solution is given by the negative root in the expression defining $\tilde{z}$ ∎

Proof 5

I find here the boundary conditions on z^*. We know from replacing in Equation 4 the type ε with the lowest type of voter $\varepsilon = -u$, that the lowest offer that might be accepted is given by

$$z^* \geq r + u + \delta W(z^*) - \delta \left[\frac{\gamma}{\gamma + (1-\gamma)\underline{\alpha}} \right] \left[r + u + \delta W(z^*) \right]$$

$$- \delta \left[1 - \frac{\gamma}{\gamma + (1-\gamma)\underline{\alpha}} \right] \left[\underline{\alpha} \left(r + u + \delta W(z^*) \right) + (1-\underline{\alpha}) \left(r + \delta W(z^*) \right) \right]$$

By substituting in this expression into $W(z^*)$ and solving for z^*, I obtain the lowest offer that can be accepted by some voter. I denote this offer by $\underline{z}$:

$$\underline{z} = \frac{\gamma(-r + u + \delta u) - \underline{\alpha}(\gamma - 1)(-r + u + \delta u \underline{\alpha})}{\underline{\alpha}(\gamma - 1) - \gamma}.$$

By repeating the same procedure with the highest type of voter $\varepsilon = u$, I obtain the highest offer that B would make. I denote such offer by $\overline{z}$:

$$\overline{z} = \frac{-\gamma \left(r + u \left(1 + \delta(\gamma - 1) \right) \right) + \underline{\alpha}(\gamma - 1)(r + u + 2\delta u \gamma - \delta u \gamma \underline{\alpha})}{\underline{\alpha}(\gamma - 1) - \gamma} \; ∎$$

Chapter 7

Better Brokers than Nothing:

Political Machines in Comparative Perspective

The PJ has a clear electoral hegemony in the CB, an area that constitutes over 25 percent of the national electorate and can therefore determine the results of presidential elections. Some of the findings in this study clearly illustrate this. From the 1983 redemocratization to 2010, Peronist candidates have won 168 out of 212 mayoral elections in the CB. Further, PJ mayors rule 28 of the CB's 33 municipalities. This study shows that brokers are crucial actors in maintaining the PJ's hegemony. The territorial control of the CB that is exercised through networks of brokers deeply immersed in poor neighborhoods is one of the most important political phenomena of Argentina in the last two decades. In the following sections, I summarize the main insights of this research and illustrate examples of established machine parties in Chicago, Taiwan, and Mexico. The purpose is to leverage a new understanding of this phenomenon in other settings.

As noted in Chapter 2, during the 2000s two factors gave more relevance to CB mayors and the pyramidal structure of brokers that they command: 1) on the demand side, the poor population in the CB increased, which increased demand for clientelistic rewards; 2) on the supply side, the Peronists' hegemonic position went along with increasing intraparty competition that promoted struggles for territorial control. Since the collapse of the Alianza government in 2001, the PJ became the only option available, and the benefits of controlling it increased, fostering intraparty competition. Competition at the national level between PJ candidates presented opportunities for local politicians seeking to advance their political careers. Different high-ranking politicians channeled resources and backed different mayoral candidates across the CB in the hope of building local support.

In 2007, with the implementation of the listas colectoras system, intraparty competition further increased at the local level, but this time it occurred inside the Kirchnerist coalition. Different PJ local candidates and leaders found an opportunity to compete for power and they built and expanded their networks of brokers. These networks of brokers, through which politicians seek to control territories, perform many strategies that extend beyond clientelism. As shown in Chapter 3, Brokers regularly provide, for example, small public goods and services for their communities. They also carry out everyday campaign activities such as painting graffiti, putting up posters, and organizing rallies for their bosses. Moreover, they are often crucial to officials' efforts to govern as they provide the municipality with information and access to places that are not otherwise available to municipal bureaucrats. However, even when non-clientelistic strategies are crucial for brokers, the consensus among the brokers interviewed in this study was that politics at the ground level has become progressively commoditized since the 1990s, and that without enough resources to practice clientelism, there is no way to do politics in the CB. It is common at Peronist rallies to see young people who do not know the lyrics of the famous Peronist anthem and who know very little about Perón o Evita, not to mention Cámpora o López Rega. Politics for many such people has become a way to make a living without having to adhere too strictly to any party principles or doctrine.

In this context, brokers invest a considerable amount of time in accessing resources to obtain political support through clientelistic strategies. Public employment and workfare

programs are the common resources politicians use to pay their brokers, and brokers in turn use these resources to pay off their clients. Besides municipal jobs and positions in cooperatives, food handouts and medicine are second in importance for brokers and voters. However, the list of state resources that clients can get from brokers is almost endless.

When it comes to clientelistic strategies, brokers provide an informational advantage to the Peronist Party. As shown in chapter 5, immersed at the local level and in constant contact with voters, brokers gather crucial information, including which voters are willing to be bought and at what prices. Because the PJ has such an extensive network of brokers, it has better information about poor voters than their opponents, allowing them to buy votes with far greater efficiency. I saw firsthand how PJ brokers distributed targeted benefits with perfect timing, including such urgent goods as coffins, medicines, food, blankets, and other discretionary rewards. The PJ's efficiency at distributing goods and services improves its electoral performance.

Brokers do not only help the PJ gain an informational advantage, as noted in chapters 5 and 6, they also cultivate their reputations by delivering goods and services to clients who contribute to the PJ hegemony. Not all brokers are the same for poor people; some brokers are able to fulfill their promises while others are not. Usually the ones who are able to deliver enjoy connections to high-ranking politicians who funnel resources to them; that is why people usually refer to them as brokers "with plug." On the contrary, the ones who are not able to deliver do not have access to resources; people refer to them as "smoke sellers." PJ brokers develop reputations for delivering and therefore voters want them to succeed and stay in their neighborhoods to continue delivering what they have delivered in previous rounds. The evidence shows that most PJ brokers have long-lasting relationships with their clients and that they enjoy reputations as brokers with plug. Voters' preferences for brokers with good reputations account for why only the Peronist Party has an established network of brokers. Clients favor a broker who is known for delivering (the Peronist one) over a newcomer. PJ have developed such a strong reputation for accessing resources and delivering that it is difficult for other parties to challenge them. Information and reputation are two crucial resources for successful brokerage, especially for vote-buying. Because elections use a secret ballot, brokers allocate resources to buying votes being uncertain about how clients will cast their votes. Information lets brokers allocate rewards as precisely as possible in the face of this uncertainty. Reputation reduces the clients' incentives to vote against their brokers' wishes, even when brokers cannot monitor how people vote. As clients want to maintain brokers who deliver to them, and because their votes count at the disaggregated level of the polling station and therefore decide the broker's future of a broker, they vote to support these brokers even when the same brokers are uncertain of how the clients will vote.

With clientelistic and non-clientelistic strategies, brokers contribute to the PJ's hegemony. They give the PJ the ability to be close to poor voters, and they build the party's reputation on the basis of their dependability. The PJ has this advantage over other parties that have not found ways to get established in poor communities and make credible offers to voters. The case of the Peronist brokers can shed light on how other political machines that enjoy large networks of brokers impose their hegemony. The PJ's control over the CB closely resembles that of party machines over many large cities in the U.S. prior to World War I. In cities like Boston, New York, Philadelphia, Kansas City, and Chicago, party machines deployed dense networks of

brokers to establish territorial control. Dispatching brokers to every district to campaign and to distribute goods to neighbors in need was the main strategy of these political machines.[85]

Like PJ brokers, ward leaders of the New York political machine Tammany Hall were able to target their constituencies with great accuracy because they were permanently in touch with them (Riordan 1963). However, the Democratic Party in Chicago between 1930 and the late 1960s was probably the strongest political machine that ever existed in a U.S. city. Anton Cermak won the election as mayor of Chicago in 1931 after consolidating his political machine. Richard Daley later took the machine to its peak in the 1950s. He was the mayor and the undisputed boss of Chicago for 21 years, winning six mayoral elections without much opposition. Daley's main strategy to consolidate his machine was to dominate each precinct through a network of committeemen and precinct captains—Daley's brokers. The aggregation of the control of each precinct delivered an unchallenged power to the mayor.

Like the PJ, Daley's political machine had a pyramidal structure. With Daley at the apex, there were eighty committeemen at the second level and around 3,000 precinct captains at the base. The machine dispensed around 30,000 jobs through this network.[86] The mayor delivered patronage jobs and resources to the captains through the committeemen to solve neighbors' problems. Each precinct captain was accountable to his committeeman, and he was in good standing as long as he delivered his precinct on Election Day. The committeeman, in turn, was accountable to the mayor and was responsible for electoral results at his ward or township. The power of a committeeman was defined by the electoral result in his ward or township, while that of a captain by the results in his precinct.[87] The more votes the committeemen and the captains were able to deliver, the more access they had to jobs and other resources.

When asked how Daley's Democratic machine in Chicago managed to win six elections in a row, a precinct captain answered: "number one, you are available to the people. Two, you provide service to the people. Three you make yourself on call twenty-four hours a day to the needs of the people that really need you" (Rakove 1979, 184). Captains secured their clients' votes by providing goods as diverse as buckets of coal, sweaters, food, and garbage cans, and services ranging from excusing a fine to repairing a roof (Cohen and Taylor 2000, 45). Captains tailored goods and services to get clients' support. A captain precinct declared in an interview

> I do maybe 150 favors a year. I have 15 notebooks at home with the list of favors I've done for my voters. Each time a voter calls me for a favor I get his phone number. I helped one woman get her citizenship after she had been trying for five years. I made seven trips downtown with her. (Rakove 1975, 127)

Rakove illustrates the committeemen and captains' operations. While he was in the office of the 25th Ward's alderman and committeeman, Vito Marzullo, a precinct captain, ushered in a African American couple. They needed help because they were charged a fee for rodent control that they could not pay. After Marzullo promised them he would take care of it, the precinct

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[85] Some of the most classical works in American politics describe such machines .

[86] These are conservative figures as estimated by scholars in the field. Other authors, like Cohen and Taylor, provide even larger figures: "Daley presided over a Central Committee made up of ward committeemen from each of the city's fifty wards. Through them, he commanded an army of 3,400 precinct captains spread out over every block of the city, and dispensed 40,000 patronage jobs" .

[87] "Losing the ward, or delivering a lower percentage of the vote than was estimated, can have serious consequences for a committeeman. He could lose his job, be "vised" and replaced by an acting ward committeeman selected by the precinct captains of the organization at the instigation of the county chairman, or he could have his patronage cut and have important jobs that he needs to reward his precinct captains taken from him" (Rakove 1975, 111).

captain closed the deal by telling them "your daughter did not vote on November fifth. Look into it. The alderman is running again in February. Any help we can get, we can use" (Rakove 1975, 120). As in the case of the PJ brokers, reputation was important for brokers in U.S. cities. Poor voters also chose brokers according to their reliability as sources of prospective rewards and established long-term relationships with them based on this. Rakove reports that the advantage of Daley's brokers was that people associated them with delivering, and this left the Republicans without any chances of competing (Rakove 1979).

Scholars explaining the Taiwanese Kuomintang Party's (KMT) electoral supremacy after the end of martial law in Taiwan and the democratic reforms of 1986 provide similar accounts. The KMT's local networks of bosses survived the Martial Law and democratic reform of 1986, providing the party with a great advantage for electoral competition. In Taiwanese voters elected 23 executive positions for counties and provincial municipalities. Only in 1997 was an opposition party, the Democratic Progressive Party (DPP), able to win more votes than the KMT. But even in that historic election, the latter managed to keep eight local executive positions. The DPP won twelve local executive positions. In the 2001 election, the KMT enjoyed another victory; with the exscinded First People Party, they won eleven positions, three more than the DPP. In the last local election in 2005, the KMT and its allies won sixteen positions. In five counties, KMT candidates have always won the elections[88].

This local supremacy becomes especially clear in villages and boroughs, where chiefs are still elected. The overwhelming majority of these chiefs are either KMT members or members of local groups or parties affiliated with the KMT. Through the chiefs, the KMT still controls local factions, small villages, towns, and rural areas with a clear supremacy (Schafferer 2003, 110). Obviously this local dominance brings electoral advantages to the KMT at more aggregated levels. At the presidential level, the KMT has won every election but those of 2000 and 2004. In fact, the KMT ran divided in the 2000 elections, and its two factions together got more votes (almost 60 percent of the votes) than the winning PDP (almost 40 percent). For the 2004 elections, the KMT agreed on a reunification list and the result was almost a tie. The KMT got 49.89 percent of the votes and the DPP 50.11 percent. The DPP never achieved a dominant position in the legislative Yuan. The KMT, which ruled Taiwan for more than 50 years, has always controlled the legislature with the help of the People First Party and other members of the Pan Blue Alliance (Chen 2006, 821). In 2008, the KMT was able to come back to the presidency, winning 60 percent of the votes.

This KMT supremacy is partly based of its network of brokers. Candidates of the KMT depend on their network of chiefs and brokers to access crucial information about voters and get their votes. Like PJ brokers, those appointed by the KMT had thorough knowledge about voters' needs and preferences (Wang and Kurzman 2007, 64). As the PJ does in the CB and the precinct captains in Chicago, the KMT made each broker responsible for securing a favorable election result in the corresponding neighborhood (Wang and Kurzman 2007, 233). Bosco (1994) points out that brokers' crucial task is to estimate the likelihood that a voter will vote for their party. As in the cases of the Democratic machine in Chicago and the Peronist Party in Argentina, KMT brokers in Taiwan were able to address voters with the right transfer in order to secure their vote as much as possible. "The faction values accuracy" (Bosco 1992, 169). For one of the particular towns studied by Wang and Kurzman, the KMT recruited 522 brokers who campaigned and distributed anything from cigarettes to public jobs to get votes (Wang and Kurzman 2007, 68).

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[88] These five counties are: Taitung County, Hualien County, Penghu County, Kinmen County, and Lienchiang County.

Bosco claims that the brokers are usually village chiefs who estimate how many votes they can get, distribute the money they get from the party, and deliver the votes. Often more money is paid to swing voters, but the bulk of the money is devoted to consolidate voters who are already inclined to vote for the KMT candidate (Bosco 1992, 169). As with the Democratic machine in Chicago and the PJ in Argentina, "brokers…responded to voters' needs" and enjoyed a reputation for delivering (Wang and Kurzman 2007, 231).

Scholars of Mexico's Partido Revolucionario Institucional (PRI) argue that after the end of the single party regime that lasted for more than 70 years, the PRI has maintained an electoral supremacy at the local level due to its network of local bosses and brokers. After winning every presidential election since 1929 and after electoral reform in 1996, the PRI lost two consecutive presidential elections in 2000 and 2006. However, despite these defeats, it has always controlled the majority of the country's governorships and state capitals. It has also always governed a larger number of municipalities. In 2010, the PRI governed in 18 of 31 states, while the Partido Acción Nacional (PAN) governed in eight, and the Partido de la Revolución Democrática (PDR) governed in six. At the state level, the PRI governed 60 percent of the population and had the majority in 19 out of 32 local congresses. It also governed 921 out of 2,457 municipalities, which was more than any other party. This local supremacy is especially clear in poor and rural areas in the country's north, and in the majority of the southern states, with the exception of Baja California. As in the cases of the Peronist Party in Argentina and the KMT in Taiwan, the PRI established a large network of brokers who campaign and buy votes, giving the party an electoral advantage over competitors (Greene 2007; Magaloni 2006). Just as PJ brokers target their own constituency to cement an existing coalition, scholars argue that PRI brokers in Mexico also targeted its own followers to deter their exit to other parties (Magaloni, Diaz-Cayero, and Estevez 2007).

"The PRI developed complex networks of organizations and activities to mobilize voters' turn out and distributed particularistic material rewards—everything from land titles to constructions materials to public sector jobs—prior to elections" (Magaloni 2006, 46). The network of brokers allows the PRI to allocate these rewards efficiently. The brokers know which voters they need to target with rewards to assure their votes and increase the probability of winning. Rewards were strategically allocated by brokers who had thorough information about voters' needs (Greene 2007; Magaloni 2006). Magaloni argues that in Mexico, vote-buying was easier in rural areas because "in rural settings, local party brokers and *caciques* [local political bosses] possess more local knowledge about voters—with whom voters hang out, what their political opinions are, at which political rallies they show up" (2006, 67). While I argue that such knowledge is also possible at the district level in cities, this study concurs on the importance of local knowledge in vote-buying (Magaloni 2006, 81).

The development of a network of brokers to reach voters and practice clientelism and other strategies is far from unique to the Peronist Party. The cases of Chicago, Mexico, and Taiwan illustrate that brokers perform similar strategies in other countries. Beyond the cases mentioned here, other parties in democracies around the world—in countries as diverse as Perú, Venezuela, the Phillippines, Japan, Italy, Ireland, and Nigeria—and at different moments in history have pursued the same electoral strategy with networks of brokers.

An important commonality across machine parties with extended networks of brokers is that brokers are paid, and that brokers in turn pay their clients with state resources. In the sense that brokers receive and distribute state resources, their work reflects the arbitrary presence, more than the absence, of the state. It is an arbitrary presence because brokers's provisions are

conditional on their clients' political behavior. This is a problem, as states are supposed to provide social welfare regardless of behavior. Brokers impair the impartial distributive capacities and the principle of equality that should rule in rational legal states. Clientelism trespasses on the boundaries and controls that delimit the proper exercise of state authority. Clients get what is appropriated and manipulated by politicians and brokers, causing the political system to lose accountability. If rules are to be universal, clientelism's essential attribute is its arbitrariness.

Brokers impair democracy. When they practice clientelism, they limit the individual freedom that democracy requires. To carry out free and fair elections presupposes that individuals enjoy basic freedoms. However, clientelism makes clients dependent on their brokers, depriving them of their political freedom. Clientelism does not entail unilateral coercion, yet it limits the autonomy of the free voter on which democracy is based. From the moment that poor people rely on political clientelism to solve their urgent needs, they are no longer completely free voters. While clientelism entails an exchange, it cannot be considered a completely fair and balanced one because of its asymmetry; clients are not equal to the politicians.

However, even when the arbitrary mediation of state resources is problematic, the absence of any mediation would represent a worse problem for poor people. Many times, brokers offer—albeit in an arbitrary way—what the state has previously failed to provide on a more universalistic basis. If it is true that brokers arbitrarily distribute state goods and services that are vital for the poor people, and that they make a living from these activities, it is also true that more often than not they are the only political actors providing solutions to poor people's problems. If poor voters support them, it is not because they are immoral or ignorant of the consequences of doing so; quite on the contrary, they support them because they are rational actors who find brokers' promises more credible than those of any other actor. For these poor voters, brokers are the only political actors who are accessible and available. Poor voters want their brokers to win elections, because they are the only ones who address their needs. Poor people do not necessarily see brokers as exploiters; rather, the broker is more like a neighbor who is available 24 hours a day to attend to urgent requests. Clients are aware that brokers have their own interests and do their own business, but what is more important for them is the fact that brokers get them goods and services.

The most prominent characteristic of machine parties' networks is their amazing reach. In the case of Argentina, no other party has so deeply immersed networks of brokers as the PJ in poor municipalities. These networks are not only structures for addressing poor people needs through distribution of goods and services, they are also propaganda machines during campaigns, as well as organizations of informants and mediators for political leaders. While PJ brokers work in poor slums meeting voters, responding to their problems, and cultivating their reputation, other parties lack representation in these places. As a poor neighbor from a slum in San Miguel told me, "here the opposition representatives are like the Halley's comet: they pass through very seldom and they do not last. It is hard to see them." In the poor neighborhoods of the CB, people often do not have any other alternative than to resort to PJ brokers. Machine parties are many times the only organizations with a grassroots presence and in touch with the poor. In this sense, these parties may be more sensitive and responsive to poor people's needs than any other party in the political arena. Accepting this fact might lead non-clientelistic parties and politicians to rethink how to create links to poor voters and challenge the dominance of clientelistic parties.

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