

# Ethnic Group Divisions and Clientelism<sup>1</sup>

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## ABSTRACT

In this paper, we explore the relationship between ethnic group divisions and clientelism in competitive party systems. We find that engaging in this mode of partisan mobilization is more widespread in contexts characterized by higher number of politically relevant ethnic groups that are economically unequal and therefore expected to have different preferences. We then speculate about and explore the potential mechanisms behind this relationship and find that the effect of ethnicity on clientelism is at least partially due to politicians' capabilities to sanction the voters, as well as their willingness and ability to circumvent campaign finance regulations. In addition, we present some evidence that when politicians make a greater clientelistic effort by providing targeted benefits and experts judge these efforts to produce indeed additional votes, there is a higher degree of ethnic mobilization, measured as voting along ethnic lines.

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## Introduction

Exit polls after the 2006 presidential election in Bulgaria showed that approximately 98 percent of some 500,000 Turkish minority voters in the country supported incumbent president Georgi Parvanov (Gospodinova 2006). His candidacy was at the time endorsed by the party that has virtually monopolized the Turkish vote in Bulgaria since democratization, the Movement of Rights and Freedoms (DPS). TV reports from the heavily Turkish Southeast region of Bulgaria showed voters that could not name the incumbent nor his opponents, but nonetheless knew the number of the ballot that corresponded to Parvanov's name. They showed up in high numbers and contributed significantly to the reelection of the sitting president.

DPS is a political party that has been an important player in Bulgarian politics since democratization in the early 1990s and has been a coalition partner in every single cabinet, except for the most recent one. It draws its support almost exclusively from ethnic Turks and is often accused of relying on patronage to achieve its electoral goals. DPS, notably, is also among the ten most clientelistic parties in the recently completed Democratic Accountability and Linkages dataset, which contains more than 500 political parties in some 88 countries. It serves as a useful illustration of the main question approached in this paper about the relationship between ethnicity and clientelism: Does the presence of ethnic networks make the deployment of clientelistic strategies, i.e. the provision of targeted benefits to citizens in exchange for their vote, more or less likely?

Political scientists frequently view the interaction between voters and politicians in democratic countries as a relationship between principles and agents. In this framework, politicians are motivated to get elected and stay in power by responding to the preferences and needs of the citizens that occasionally give them feedback through their actions in the voting booth. Periodic elections, in this framework, are seen as the vehicle of *accountability*, which is based on the exchange of votes in return for whatever policies citizens need or think that they need.

Scholarship on established (usually Western) democracies has often simplified the democratic process by suggesting that the "currency of accountability" is in fact programmatic platforms of policy bundles. That is, voters voice their preferences over some broad issues that are first addressed in party platforms and, if they lead to elected office, addressed by politicians through policies. Policies provide goods and

impose costs on voters regardless of how this or that individual has voted. There is no direct contingency between the act of voting and the allocation of consequences, although obviously politicians try to benefit broad categories of citizens they presume to vote actually or potentially for their party. This has given rise to the convenient and simplified model of spatial politics and responsible government that has led to numerous stylized facts about voter and party behavior (Kitschelt and Wilkinson 2006).

While programmatic politics has frequently been seen as the normatively most adequate and satisfactory form of democratic competition, scholars have for some time realized that it is not the only game politicians and voters play. As early as the 1950s and 1960s, but drawing on even earlier comparative investigations by Max Weber in the first and second decades of the twentieth century, research has pointed to clientelism as one of at several alternatives to this mode of political exchange<sup>2</sup>. Clientelism, or patronage<sup>3</sup>, is the provision of targeted goods and services by politicians to voters in exchange for their vote. While the benefit for a voter who engages in a programmatic accountability mechanism could be a broad policy package, a voter in a clientelistic relationship might be after a particular party-sponsored benefit. At the same time, both clientelism and programmatic competition are rational and deliberative strategies of principal-agent interaction (Kitschelt 2007).

Many voters see clientelism as an acceptable strategy of “partial political mobilization” (Roniger 2004). The benefits distributed through patronage are tailored for specific narrow constituencies. They involve a direct transaction in return for electoral support. As such, clientelism presupposes not only that the politicians will be able to identify and attract voter groups and their specific material desires, but will also be able to verify that the vote has been delivered. This makes clientelism an *immediate* and *contingent* form of exchange. While policies are delivered throughout the politician’s term in office and are intended to affect citizens without their explicit promise of electoral support, clientelistic benefits are delivered during or soon after elections and affect only those who have committed and cast their vote for the party providing the benefit. Therefore, while both are mechanisms of voter-politician accountability, they diverge in terms of *the kind of benefits* extended to the supporters, as suggested

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<sup>2</sup> In addition to particularistic benefits (clientelism) and broad policy packages (programmatic competition), voters are often influenced by personal charisma and family- and generation-based party identification, belief in a party’s ability to govern based on its previous performance, among others.

<sup>3</sup> In this paper, we use “clientelism” and “patronage” interchangeably to refer to a form of exchange between politicians and voters in which politicians’ provision of benefit is contingent on citizens’ delivery of their votes.

above. Perhaps more importantly, they are different in terms of *the type of voters* that they attract and the necessary political machinery for their successful execution.

In the remaining sections, we further delineate how clientelism and programmatic politics are different. More specifically, we derive our expectations for the circumstances under which engaging in patronage makes sense for both voters and politicians and how ethnicity might play a role in facilitating this form of exchange. This is done by providing specific expectations about the demand and supply for clientelism in societies where ethnicity is hypothesized to play an important role. We then proceed to test those expectations empirically using data from the Democratic Accountability Project, which is the first cross-national systematic attempt to measure clientelism across the world. In the end, we show that societies characterized by a higher level of ethnic economic inequality, and thus actual or potential inter-group conflict, experience higher levels of clientelism. This association is at least partially explained by the presence of sanctioning mechanisms provided by the infrastructure of social networks within mobilized ethnic groups, as well as lower compliance with campaign finance regulations.

### **Existing Empirical Studies of Clientelism and Ethnicity**

There has been a relative lack of systematic measures and data on clientelism until recently and this has translated into a scarcity of studies exploring the effect of ethnicity on the incidence of patronage. However, several existing studies do present arguments and some evidence that could inform this paper to a certain extent.

James Fearon has explored the relationship between ethnicity and political “pork” (Fearon 1999). He claims that ethnicity provides stable and reliable restrictions on the size of the coalition that receives pork barrel benefits. Politicians who engage in this type of interaction with voters benefit from this restriction because they have limited resources that they can distribute to constituencies and are therefore looking to create coalitions of voters that are based on characteristics that are not easy to modify and inflate over time. Fearon’s logic is very useful for understanding why politicians feel attracted to homogeneous and stable voter clusters. It is different from this paper most clearly in terms of the dependent variable it utilizes. Pork and clientelism, albeit sometimes related, are different. The main difference has to do with the fact that clientelism involves the explicit practice of contingent exchange, whereby the goods are provided only to those who uphold their promise to vote for the

candidate that has offered it (Kitschelt 2000). In addition, the article does not present a rigorous test of the theory and in fact does not find a robust relationship between ethnicity and pork.

In a study of public goods provision across cities in the United States, economists Alberto Alesina, Reza Baqir and William Easterly have argued that the presence of ethnic divisions leads to a lower level of public goods provision (Alesina, Baqir et al. 1999). This is because, the authors argue, different ethnic groups have diverging preferences for public good provision and because the utility derived from receiving such a broad benefit from the government for any particular ethnic group is reduced if another ethnic group also has access to it (Ibid, 1244). While the dependent variable used by Alesina and his coauthors is clearly different, in the empirical portion of this paper we present some evidence that politicians indeed face a tradeoff between providing broader public goods and the particularistic benefits that are typical of clientelism. It could therefore be true that candidates in electoral districts and countries that are characterized by higher levels of ethnic heterogeneity will also tend to dedicate more of their finite resources to establishing and maintaining clientelistic relationships with the voters.

Empirical work that has explicitly focused on clientelism and its relationship with ethnicity has so far, unsurprisingly, been qualitative in nature and based on extensive knowledge of single cases. Evidence that clientelism reinforces ethnic voting is found in the work of Leonard Wantchekon (Wantchekon 2003). He conducted a field experiment in Benin, in which campaign workers issued either a clientelistic or programmatic message among treatment and control groups of village inhabitants. The former consisted of emphasis on ethnic affiliation, region-specific interests and patronage benefits, while the latter – on party affiliation and socio-economic policy for the nation as a whole. His findings indicate that public policy appeals worked better in regions that are richer, better educated, and have healthier inhabitants (Ibid, 418). At the same time, clientelistic appeals worked for candidates that were of the predominant ethnicity, had regional voter bases and were incumbents<sup>4</sup>.

In a related vein, Henry Hale has argued that electoral clientelism is higher in Russian regions that are officially designated as homelands for ethnic minorities or have the status of ethnically defined autonomous voting districts (Hale 2006). He finds that governors from such areas tend to provide

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<sup>4</sup> Wantchekon raises an interesting point about causality, claiming that clientelism encourages ethnic voting, rather than the other way around. This paper acknowledges the endogeneity challenges of this research question and returns to a discussion of how it could be partially addressed in the empirical section.

targeted preferential goods and services, such as education and state employment, for the particular ethnic minorities that constitute the given region. While his small-n research design raises questions of external validity, Hale's work is insightful in terms of the role it ascribes to ethnicity and explicitly stating that it is *politicized* ethnicity that should be expected to play a role when examining the incidence of clientelism.

In the remaining sections, we take some of the insight provided by the studies cited above and then test in rigorously using systematic data collected through expert surveys in some 88 countries and over 500 political parties. We therefore provide what's perhaps the most comprehensive test of the relationship between ethnicity and clientelism to date.

## **The Demand for Clientelism**

The basic question underpinning this section is: Why would members of politically relevant ethnic groups be more responsive to clientelistic appeals? To answer it, we incorporate some of the existing literature, introduce our concept of ethnicity and develop an argument about its relationship with the levels of clientelism observed across the countries included in a large cross-national dataset.

Donald Horowitz makes a distinction between vertical and horizontal ethnic differentiation (Horowitz 1971). Vertical differentiation means that ethnicity is hierarchically organized and social mobility within this hierarchy is restricted by certain ascriptive criteria, like skin color (Ibid, 232). Horizontal ethnic differentiation, on the other hand, is characterized by more fluidity and cross-cutting ethnicities that shift easily in terms of their political importance. In this framework, countries where ethnic differentiation is primarily vertical are characterized by a "premise of inequality" which suggests that different benefits are intended for different ethnically identified societal strata - distinguished by wealth, power, and social standing - and are awarded to those who accept their social status and ascriptive belonging most readily. Vertical ethnic differentiation, in other words, means that pre-existing ethnic differences can be regarded as politically salient.

Ethnic groups are also particularly sensitive to their relative group worth (Horowitz 1985, 143). Once ingroups and outgroups are defined and differences solidify, a pronounced drive for comparison and need for within-group rewards emerge. This is often displayed as a unified desire for joint profit maximization and perhaps more importantly, an effort to maximize the income differential between the

ingroup and the outgroup (Ibid, 145). According to Horowitz, cohesive ethnic groups are much more sensitive to group membership and in-between differences than within-group similarities. The behavior displayed by well-defined groups, therefore, could make them especially responsive to the particularistic incentives that a clientelistic electoral campaign might be able to offer because those are most frequently provided as an incentive to a particular group and not another.

The stratification of vertically differentiated ethnic societies is most easily broken up by the application of “universalistic, egalitarian, achievement-oriented values”, such as universal education (Lemarchand 1966, 609). Interestingly enough, these are precisely the outcomes most frequently associated with programmatic, policy-oriented politics that this paper views as a strategic alternative to the particularistic incentives of clientelism that could rather further solidify the hierarchical social order of ethnic differentiation. This is therefore one potential explanation of our expectation that more patronage will appear in societies where citizens are durably divided along ethnic lines.

At the same time, some existing theories of ethnicity and clientelism warn against postulating a straightforward relationship between the two (Lemarchand 1972, 83). The basic insight is that vertical ethnic differentiation promotes clientelism only when the ethnic solidarities that typically operate at the individual level are organized at the group level. After all, clientelism’s greatest appeal is that it is a method of attracting the votes of a strategically important subset of the electorate in bulk. From the perspective of voters, being given an advantage based on a particularistic group membership and little personal effort (primarily voting), is an easy way to gain an advantage relative to other members of society without having to show individual desert or performance in the market place. Furthermore, as Horowitz argued, similarity is a much less powerful unifying tool than comparison with other groups. In this sense, a systematic relationship between ethnicity and clientelism can only be uncovered in light of some other intervening structural variables that makes ethnicity coherent, puts one ethnic group in relation to other groups and therefore makes ethnicity both politically relevant and somewhat susceptible to clientelistic appeals. Ethnicity, in other words, would be most likely to encourage clientelism when structural conditions enable patrons to provide incentives that emphasize relative well-being with respect to other groups. Under such circumstances, the pre-existing social networks boost confidence that cooperation will indeed take place and ethnic group members will be more likely to solve any existing collective action problems (Habyarimana, Humphreys et al. 2007).

Economic well-being is perhaps one of the most influential structural characteristics that could contribute to the cohesiveness and clientelistic appeal of an ethnic group in vertically stratified ethnic contexts. When incomes are relatively similar within ethnic groups and different across them, those groups will have diverging political preferences along with being ethnically coherent (Baldwin and Huber 2010). Group members will also tend to attribute their well-being more to their ethnic membership than to personal abilities. Such scenarios could be characterized by a heightened sense of relative well-being and constant comparison of the benefits the ingroup is getting from the political system, relative to what outgroups are getting. This could both indicate a vertical stratification of ethnicity, as well as greater susceptibility of lower-income ethnic groups to clientelistic appeals because of several reasons. First, poorer voters will have shorter time horizons and therefore might be easier to entice with particularistic material goods and services that are delivered immediately. Second, the relative cohesiveness of ethnic groups in hierarchical systems will make it easier for individual members to overcome collective action problems due to an already existing sense of belonging. Third, voting usually occurs in an environment of limited information for voters, which will make ethnic identities an easy shortcut for self-assurance and trust-building (Chandra 2006). Finally, and perhaps most importantly, the relative appeal of universalistic policy propositions by politicians will be lower than incentives that single out only particular ethnic groups and promise to make them better off than other ethnic groups. For those reasons, clientelism is a viable option for rational voters in contexts, characterized by inequality in economic well being across various ethnic groups.

To sum up, in our framework we seek to be careful about the aspect of ethnicity that could influence clientelism. We stay away from viewing ethnicity as more salient simply when there are multiple ethnic, religious or linguistic groups (Alesina, Devleeschauwer et al. 2002; Fearon and Laitin 2003). Instead, we are interested in grounding the salience of ethnic diversity for political competition in inter-group economic inequality, which is not necessarily the same as simple fractionalization. This approach is more in line with distinctions made by authors, such as Horowitz and Lemarchand. As will be discussed later in the empirical section, we settle on an index of between-group ethnic inequality that is constructed following Baldwin and Huber's work that we believe taps into concepts of vertical differentiation and between-group rivalries that are expected to boost the demand for clientelism on behalf of voters.

Such situations of heightened sense of ingroup belonging due to ascriptive commonalities and shared economic opportunities will mean that the individual payoff will be superseded by the group payoff.

Members of ethnic groups under such circumstances are more likely to follow group leaders in terms of voter behavior in hopes that collective rewards will contribute to improvement in the economic well-being of the particular ethnicity, relative to others. The solution of collective action problems according to this logic makes the appeal of universalistic policy promises for both the poor (redistribution) or the rich (tax cuts) less appealing and puts a premium on the provision of particularistic electoral incentives that are extended to a particular ethnic group.

## **The Supply of Clientelism**

In the previous section, we derived expectations about the demand for clientelism in contexts, characterized by vertically stratified ethnicity on the basis of between-group economic inequality. We focused on the value of short-term material benefits directed exclusively towards an easily recognized group of co-ethnics that has the promise of improving the well-being of that subset of voters only, in relation to outgroups. While such demand might indeed exist under those conditions, we still need to spell out why politicians will choose to supply clientelistic goods and services.

One important assumption that applies to politicians is that they operate in an environment of finite resources, which place a limit on the efforts they can dedicate to issuing clientelistic or programmatic appeals or both. Clientelism, for example, is a strategy that requires investment in a unique patronage infrastructure. It is characterized by extensive local networks that utilize the knowledge and connections of regional intermediaries for the successful mobilization of groups of voters, the efficient and reliable delivery of the goods and services promised in exchange for votes and the necessary sanctioning in the instances when the voters don't live up to their end of the bargain. A great share of what constitutes an electoral opportunity cost for politicians is absorbed by the goods and services delivered to patronage networks, instead of being invested in a programmatic campaign. Politicians, therefore, will be more likely to emphasize clientelism only when the votes they get using this strategy are both of strategic importance and more likely to be attracted through particularistic benefits.

Engaging in clientelism will make more sense for candidates in countries that resemble what Chandra calls "patronage democracies" (Chandra 2006). Those are characterized by substantial state control over jobs and services and freedom in terms of campaign spending regulations. The former will assure that politicians (primarily incumbents) will have a large pool of discretionary benefits to circulate to potential

voters. The latter will make it possible for candidates to dedicate material resources to a wider variety of campaign activities with relative ease.

In addition, politicians will be much more likely to consider clientelism as an electoral strategy if there is a demand for it to begin with. An ethnic group that is coherent and united will be appealing to a political party running for office because it will provide obvious economies of scale: one the group leader is on board, the political party can set up a mechanism for goods delivery, monitoring and enforcement by minimizing the transaction costs it would otherwise face if it went after individual voters. From the perspective of the members of the ethnic groups who operate in an environment of informational deficiency, the cues issued by a group leader will serve as a convenient shortcut and a mechanism of assurance when deciding who to vote for.

### **A Note on Endogeneity**

So far, we have assumed that clientelism is the outcome that is being affected by ethnicity. Some existing studies on this subject, however, have suggested that the relationship is in fact reversed. This argument is evident, for instance, in the single-case work of Leonard Wantchekon (Wantchekon 2003, 403). It is important to take note of the fact that clientelism and ethnicity could indeed be engaged in a circular relationship. Unfortunately, this could be established most easily through a time-series, large-n design. The only systematic dataset on the subject, however, which is utilized by this paper, is cross-sectional and provides only a snapshot of the levels of clientelism in 2008-2009.

To at least partially address this concern, however, measure attributes of ethnic relations that quite plausibly temporally precede clientelistic political practices, when we employ clientelism as a dependent variable. As already discussed, the difference in income levels between ethnic groups is employed as the main predictor of clientelism. This variable is also typically coded on the basis of information that predates the coding of the clientelism variable and there is at least some sort of temporal separation between the two.

We also look at whether clientelism is associated not only with economic inequality between ethnic groups, but also with a higher degree of ethnic mobilization, conceptualized as the extent to which the same ethnic group supports the same party. This is one alternative to determining whether greater political mobilization across ethnicities is associated with clientelistic appeals. It is important to

emphasize, however, that our data do not permit us to establish the causal direction of the association between clientelism and ethnic partisan mobilization.

## **Hypotheses**

In the basis of the preceding sections, we derive one main hypothesis (H1) and two supplementary hypotheses (H2 and H3) that will be tested in the remainder of this paper. The first hypothesis gets at the core of this paper and explores whether it is indeed the case that ethnically politicized societies experience higher levels of clientelism. The second tries to get more specific with regards to the mechanisms behind this relationship. Finally, in the third hypothesis we explore whether clientelism itself is associated with a greater degree of ethnic mobilization.

- H1 (Main hypothesis): Political parties will tend to rely on clientelistic appeals more heavily in societies that are characterized by politically relevant ethnic divisions.
- H2 (Mechanisms hypothesis): Three potential mechanisms will link ethnic divisions to levels and efficiency of clientelistic appeals. Clientelism will be more widespread and efficient when political parties:
  - 1) have built capabilities for monitoring the vote (H 2.1);
  - 2) have built capabilities for sanctioning voters or groups of voters when they don't deliver on their promises to support the party (H 2.2);
  - 3) have the ability to circumvent or be otherwise flexible with respect to campaign finance regulations (H2.3);
- H3 (Effect of clientelism): Successful implementation of clientelistic appeals by political parties will itself be related to a higher degree of ethnic voter mobilization.

## **Variable Operationalization, Model Specification and Methods**

In this section, we describe the main variables that are included in the empirical tests of the theory specified earlier.

## **Hypothesis 1: Ethnic Divisions and Clientelism**

### *Dependent Variable 1: Measuring Clientelism*

The first hypothesis explores the effect of income inequalities between ethnic groups on levels of clientelism. We create two models to test this hypothesis that differ in terms of the dependent variable that is being predicted. In the first model, the outcome explored is a straightforward measure of the level of clientelism, based on five most common practices of contingent exchange. In the second model, we explore the extent to which clientelism is emphasized *at the expense of* programmatic appeals.

The first dependent variable is taken from the Democratic Accountability and Linkages Project. It is a research effort that studies leadership accountability in 88 countries around the globe. Those are selected to reflect polities with at least two million citizens and minimally competitive democratic elections. To meet the second criterion, a country needs to have had an average of at least 4.0 according to Freedom House's political rights index for 2007 and 2008. This restriction is important, because politicians are expected to engage in any sort of accountability exchange with voters only when elections do matter at least to a certain extent.

For each country in the sample, the project contains judgments on electoral practices of all politically relevant parties as of the last elections prior to 2009, when the project implementation was concluded. This gives a sample of about 500 parties that are being evaluated by country experts filling out a survey specifically designed to find out how they go about their linkage to voters. While the project covers a vast array of questions<sup>5</sup>, we focus here on the information contained within sections B and E.

The first dependent variable is constructed on the basis of the first five questions contained in Section B of the survey, called "Exchange Mechanisms". Experts are asked to assess the effort parties make in offering five types of benefits to *specific* individuals or small groups of citizens in exchange of their vote. As such, it asks questions about the five most common types of explicit clientelistic exchanges between candidates for office and voters and is therefore a fairly direct measure of clientelism.

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<sup>5</sup> For a paper describing the dataset, please see Kitschelt et al. (2009). "Measuring Democratic Accountability: An Initial Report on an Emerging Data Set." *Revista de Ciencia Política* 29(3): 741-773.

The full survey instrument can be downloaded at <http://duke.edu/web/democracy/Documents/2008-01-democratic%20linkages-survey.pdf>

Variable name	Variable meaning:	Variable mean (SD)
B1	Consumer goods	2.29 (.87)
B2	Material advantages in public social policy schemes	2.57 (.70)
B3	Employment in public or publicly regulated private sector	2.44 (.83)
B4	Government contracts	2.43 (.86)
B5	Application of regulatory rules issued by gov't agencies	2.4 (.70)
B15	Sum of B1-B15	12.12 (3.79)

Table 1: Subcomponents of b15: Preferential access to five types of clientelistic goods/services

Table 1 presents the five variables that are used to create the first dependents variable (b15). All five are coded on a 1-4 scale, depending on the level of effort each party commits to providing the particular clientelistic good or service. A coding of “1” reveals a negligible effort or no effort at all, whereas a coding of “4” means that the particular party is involved in a major effort to provide the benefit in question.

Variable “b1” refers to simple consumer goods that can range from food, clothes or liquor, to more expensive supplies, such as building materials, washing machines, or other appliances for the home. Variable “b2” has to do with preferential access to material advantages, such as providing subsidized prescription drugs, public scholarships, housing, police protections, etc. “B3” gets at the extent to which a given party promises to deliver preferential access to employment in either the public sector (post office, maintenance work, etc.) or publicly subsidized private sector. In question “b4”, experts were asked to evaluate the effort each party seeks to attract the votes of individuals or groups by promising preferential access to government contracts (construction projects, military procurement, etc.) without competitive bidding, as long as a particular company’s employees vote for it. Finally, “b5” codes expert evaluations of whether parties promise to influence the application of regulatory rules by government agencies (tax assessments and audits, import and export regulation, etc.) in exchange for individual or group votes.

### *Dependent Variable 2: Measuring Clientelistic-Programmatic Tradeoffs*

Our second dependent variable is constructed to measure the extent to which ethnic group division is conducive to emphasis on clientelism at the expense of policy appeals. In addition to exploring the levels of parties' clientelistic efforts, the Democratic Accountability and Linkages Project also includes instruments to capture party efforts on four other potential accountability mechanisms. In Section E of the survey, experts were asked to indicate the extent to which parties attract votes by emphasizing the charismatic features of their leaders (E1), by highlighting their history to invoke long-term party identity and loyalty (E4), or by drawing attention to the party's general competence of governing (E5). To identify the extent to which parties rely on programmatic appeals, experts were also asked to score party positions on the left-right scale (DW). If experts perceived parties to present sufficiently unambiguous policy platform, it is likely that the scores different experts assigned to the same party would be very close, captured by a small policy position standard deviation. We can use this standard deviation of experts' left-right placements (DWsd) as an indicator of a given party's programmatic ambiguity. Factor analysis of these four variables and the measure of clientelism, b15 as described previously, produces two factors. The resulting orthogonal varimax rotated factor loadings are displayed in Table 2. The first factor combines parties' charismatic and clientelistic efforts and programmatic ambiguity. The high values on this dimension indicate parties with substantial efforts on clientelistic and charismatic appeals and little emphasis on programmatic politics. Parties that present unambiguous policy positions but little reliance on charismatic and clientelistic strategies will have low scores for this factor. The factor loadings also show that parties which make substantial efforts in clientelism at the expense of programmatic politics will tend to also highlight their charismatic authority. The other two variables, linkage mechanisms through party identification and valence politics, do not substantially define this dimension. We use party scores for this first factor as a measure of parties' trade-offs between programmatic and clientelistic linkage strategies.

Variable name	Factor 1	Factor 2
Parties' clientelistic efforts (B15)	.72	.39
Diffuseness of parties' left-right placements (DWsd)	.82	-.14
Parties' emphasis on leaders' charismatic features (E1)	.60	.30
Parties' reliance on invoking party identification (E4)	.18	.73
Parties' emphasis on competence to govern (E5)	.01	.85
% of total variance explained	.317	.304
Eigenvalue	1.59	1.52

Table 2: Rotated (orthogonal varimax) factor loadings of B15, DWsd, E1, E3, and E4

Not surprisingly, this tradeoffs variable is substantially correlated to b15, our clientelism indicator (at  $r=.72$ ). It shows that parties tend to rely on clientelistic strategy as the expense programmatic appeals. However, the coefficient of correlation also shows that there are some parties that heavily rely on both clientelistic and programmatic strategies, or make little effort in both mechanisms.

*Key Independent Variable: Measuring Between-Group Inequality*

To explore whether the difference in economic status between ethnic groups is conducive to group members' demands for targeted benefits from politicians, we create a between-group inequality (BGI) index, a measure developed by Baldwin and Huber (2010) in the study of public goods provision. The formula for BGI is:

$$BGI = \frac{1}{2\bar{y}} (\sum_{i=1}^n \sum_{j=1}^n p_i p_j |\bar{y}_i - \bar{y}_j|),$$

where  $\bar{y}$  is the national mean income,  $\bar{y}_i$  is the mean income of group  $i$ , and  $p_i$  is the proportion of individuals who belong to group  $i$ . This index captures the normalized mean difference between all groups' income in a country, weighted by the population size of each group. As Baldwin and Huber make it clear, BGI is equivalent to the Gini index, but it assigns each group's mean income to every member of that group, instead of calculating based on individual income. Like the Gini coefficient, this index ranges from 0 to 1. BGI will be 0 if individuals in a country belong to the same ethnic group, or if all groups in a country have the same mean income. BGI will increase when the income differences between groups increase, controlling for the level of ethnic fragmentation. BGI will be highest when there are many equally sized groups, and the income differences between those groups are large.

To construct a cross-national BGI index, we utilize information of group size and mean income of groups in each country. Since the macro level data of between-group inequality is unavailable for most countries included in the Democratic Accountability and Linkages Project, we follow Baldwin and Huber and utilize public opinion surveys, including Afrobarometer, Comparative Study of Electoral Systems (CSES), European Social Survey (ESS), Latin American Public Opinion Project (LAPOP), and World Value Survey (WVS). First, we identify the group divisions within a country based on Fearon's (2003) criteria of "prototypical" groups (Fearon 2003), which emphasize that an ethnic group should be based on the idea that "members and non-members recognize the distinction and anticipate that significant actions are or could be conditioned on it." These criteria are centering on whether groups are perceived as having

“descent basis”, whether group members have self-consciousness, and whether belonging to a group is locally viewed as socially or politically consequential. Thus, Fearon’s identification may be based on languages, races, tribes, religions. We mirrored this classification as closely as possible to identify the relevant groups of survey respondents within each country. The coefficient of correlation between fragmentation scores calculated based on the survey data and Fearon’s fragmentation scores based on macro level data is 0.8394. If one accepts the group division identified by Fearon, there is good reason to believe the surveys validly map the extent of ethnic fragmentation.

In terms of the mean income of groups, the public opinion surveys also include instruments to measure the well-being of respondents. In ESS, LAPOP, and WVS, respondents are asked to indicate the income range that the total monthly (or annually) income of their household fits, from all sources. Respondents are given a country-specific scale which has 10 categories to choose from. CSES surveys also include a similar question that asks respondents to use a 5-category scale to identify their level of household income. Another source we utilize, Afrobarometer, includes several questions on how often the respondents or anyone in their family have gone without enough food, clean water, medical treatment, cash income, and fuel over the past year. Each variable is coded from 0 to 4. We use the sum of the responses for the five questions to construct a scale ranging from 0 to 20 to capture the well-being of respondents.

As mentioned by Baldwin and Huber, the inequality index calculated based on survey data which use ordinal measures will underestimate the true levels of inequality. In addition, since the scales of economic status used in the surveys vary, the different levels of coarseness of the measures may also lead to bias. For example, the 5-category scale used in CSES should be coarser than scales which classify responses into 10 categories. In addition, the indicators included in Afrobarometer surveys focus more on the scarcity of basic necessities and are therefore more useful in distinguishing the least well-off, rather than the wealthy. However, Baldwin and Huber’s simulation shows that even though the coarseness of the scales introduces biases, and the biases are greater when the scales are coarser and when groups are more heterogeneous, those imperfect measures are still highly correlated with the “true” measure. In addition, any bias in estimating between-group inequality, which is in the “right direction” in that it should make it more difficult to examine the differences between the effects of BGI and other measures of group fragmentation on clientelism.

For the 81 countries in the Democratic Accountability Project, the mean value of BGI is .019, and the standard deviation is .024. The correlation between this measure and Alesina’s fractionalization index, which measures the probability that two randomly chosen individuals will not belong to the same group based on macro level data, is 0.135. In addition, BGI is correlated at 0.348 with the Gini index<sup>6</sup>. It is clear that neither the levels of ethnic fragmentation nor individual-level inequality can totally explain the extent of between-group inequality. Figure 1 gives a scatterplot of the 81 countries based on Alesina’s measure and BGI. It illustrates that correlation between them weakens as the fractionalization scores grow. The coefficient of correlation is 0.5 when both measures are below their mean. The figure also shows that many countries with high ethnic fragmentation levels, including several African countries and Canada, have groups which are relatively equal in their economic status. There are also countries with comparatively low fractionalization scores that have higher between-group inequality, especially Turkey and some Latin American countries.

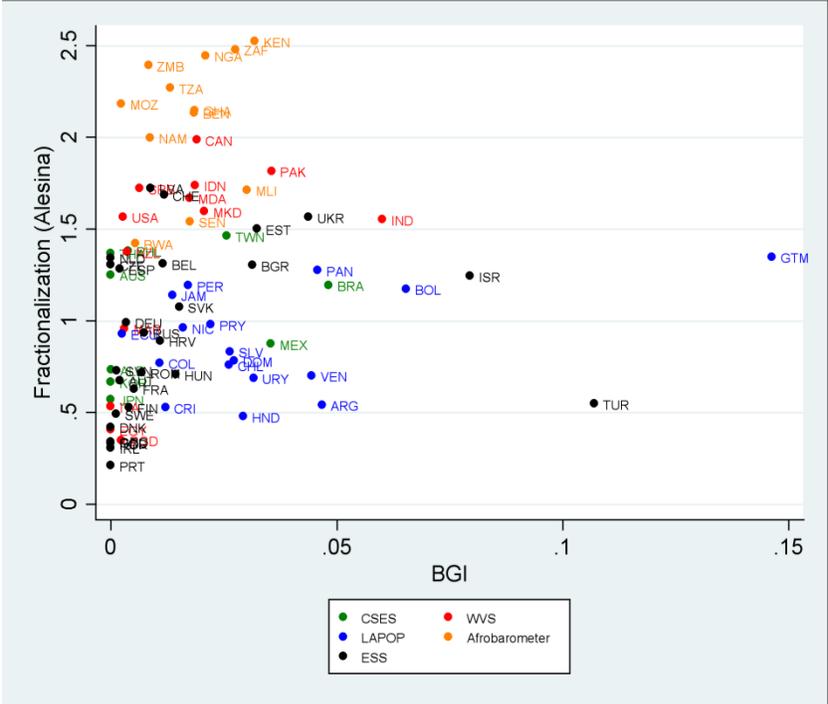


Figure 1: Scatterplot of BGI index and Alesina’s fractionalization index

To explore how the use of different measures affects countries’ ranks on levels of group divisions, we run a bivariate regression, using BGI as the dependent variable and Alesina’s fractionalization scores as the independent variable. The countries with the largest positive residuals, that is, those with the

<sup>6</sup> Data of Gini index is from the Human Development Report 2009 of United Nations Development Programme, which is available at <http://hdrstats.undp.org/en/indicators/161.html>.

highest levels of between-group inequality given ethnic fractionalization, include Guatemala, Turkey, and Israel. Based on Nope and Gonzales' calculation (2008), wage gaps along the ethnic dimension in Guatemala are the highest in Latin America (Ñopo and Gonzales 2008).

### *Control Variables*

There is a set of controls that complement the model that tests the effect of between-group inequality on the two alternative measures of clientelism levels described earlier. More specifically, we account for levels of economic development and levels of democracy. For reasons discussed in the theoretical section, we believe that voters in richer societies might be more difficult to entice with particularistic benefits. In addition, polities that are more democratic will also be more likely to feature programmatic appeals.

Further, we include two institutional controls that account for the potential effects of electoral institutions on the propensity to engage in clientelism. These include rules that are expected to affect the proportionality between votes and seats, such as the electoral formula and the district magnitude. An ongoing debate between social scientists has pinpointed these as somewhat important determinants of the integrity of the political process and democratic consolidation (Horowitz 1985; Lijphart 1999; Norris 2004). We therefore code the electoral formula variable, following the IDEA guide as majoritarian (coding of 1), mixed (2) or proportional (3) (Reynolds, Reilly et al. 2005) and borrow the mean district magnitude measure featured in the Database of Political Institutions (Beck, Clarke et al. 2001)

In addition, there can be some speculation with regards to whether the form of government has any effect on electoral practices. We include an indicator variable for whether a country is a presidential (coding of 1) or parliamentary (coding of 0) democracy to account for this. Our rationale for doing so has to do with the fact that presidents might have an easier time gaining access to the state resources that are often helpful for fostering local networks of patronage.

Two additional controls are utilized to explore the extent to which government membership and party size will make it more likely for political parties to engage in clientelism. The former makes it easier for a political party to have preferential access to information and resources that will come in handy when developing a clientelistic network. The measure utilized here is an indicator variable that reflects whether a party has had a cabinet minister in during the latest electoral cycle as of the time when the

Democratic Accountability survey was implemented. The latter accounts for the fact that bigger parties might be more likely to possess the organizational and material resources necessary for clientelism. This measure is operationalized as the percentage of seats held by the particular party as of the latest electoral cycle.

There is some reason to believe that ideology might also influence the propensity of parties to engage in clientelistic practices. According to Duverger, leftist parties tend to be mass parties (Duverger 1954). If his claim is correct, we should see that liberal parties will also see less benefit in offering narrow clientelistic benefits. This idea is also present in *Political Parties and the State*, where Martin Shefter claims that leftist parties tend to be “externally mobilized” because they do not typically occupy positions of power at the time of democratization and therefore opt out for programmatic politics (Shefter 1993). For both of these reasons, we include a variable from the Democratic Accountability project coded as “1” for parties that are furthest to the left on the ideological spectrum and “10” when they are furthest to the right.

We finally incorporate several alternative measures of societal diversity, including Alesina’s index of ethnic, religious and linguistic fractionalization (Alesina, Devleeschauwer et al. 2002), Reynal-Querol’s indexes of ethnic and religious polarization (Reynal-Querol 2002), and relevant political groups power polarization (Cederman, Girardin et al. 2006)<sup>7</sup>. These are all alternatives to the between-group economic inequality measures we develop in accordance with Baldwin and Huber’s work. While we do anticipate that this index will be the most relevant for the theoretical question at hand, we nonetheless incorporate its main alternatives as robustness checks.

#### *Method: Multilevel Mixed-Effects*

The model outlined above is tested by utilizing multilevel mixed-effects linear regression maximum likelihood estimation model. The multi-level nature of the analysis reflects the fact that some of the variables in the models are at the party-level (e. g. ideology, party size, government membership),

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<sup>7</sup> Alesina’s scores measure the probability that two randomly selected individuals in a country will belong to different groups. We use the sum of ethnic, religious and linguistic fractionalization scores, since they are closely correlated. Reynal-Querol’s indexes measure the extent to which the distribution of different ethnic and religious groups is bimodal. Cederman and colleagues’ polarization indicator measures the population distribution between groups who are included in the decision-making authority and those who are excluded.

whereas others are at the national level (between-group inequality, economic development, levels of democracy, electoral institutions). Unlike standard linear regression, the multilevel mixed-effects one allows one or more of the coefficients to vary from group to group, but be fixed within them.

### **Hypothesis 2: Mechanisms of Clientelism**

#### *Dependent Variable*

For the second hypothesis, we explore whether clientelism is more widespread and more successful in attracting support when parties in systems with high between-group inequality are more capable of utilizing the network characteristics of ethnic groups. In addition to the levels of clientelism, the same dependent variable as in Hypothesis 1, we also include the indicator of the effectiveness of clientelistic efforts as another dependent variable. In the Democratic Accountability Project, experts were asked to indicate the extent to which parties are effective in their efforts to mobilized voters by targeted benefits (B11). The variable is coded on a four-point scale from 1 (not at all effective) to 4 (effective to a great extent).

#### *Mediators*

The three variables that we hypothesized will transmit the effects of ethnic divisions on clientelism include the capacity for monitoring how people vote, the ability to sanction voters that do not live up to their promises, as well as the latitude parties have in terms of conforming to campaign finance legislation. Indicators of these mediating variables are also from the Democratic Accountability Project. The variable of how successful parties are in checking voters' decisions is coded on a three-point scale from 0 (not at all successful or does not try to find to out how individuals voted) to 2 (very successful) (C1). The measure of sanctioning is operationalized as the percentage of experts answering in the affirmative "yes" to the question of whether a party can sanction individuals that do not deliver their votes (C4). The variable of financial transparency is the sum of the fraction of respondents indicating that more than half of a party' private revenue is collected in compliance with regulations (A10) and the fraction of respondents indicating that more than half of parties' public revenue is collected in compliance with regulations (A11). The two measures of private and public transparency are highly correlated, and we aggregated them into one value.

### *Independent and Control Variables*

The proposed independent variable whose effects on clientelism will be explored through the three mediators is BGI, the measure of between-income inequality. As in the test of Hypothesis 1, we also include some covariates as controls. These covariates include the measures of economic development, democracy, electoral rules, form of government, party size/government membership, and party ideology.

### *Method: Mediation Analysis*

To explore whether the effects of between-group inequality are transmitted through the three specific mechanisms outlined in Hypothesis 2, we conduct mediation analysis. Mediation analysis is aimed to explore if there are some intermediate variables that lie in the causal pathway between the independent and the dependent variables. It helps to identify if the independent variable (X) affects the dependent variable (Y) by changing the level of mediators (M) and consequently influencing the dependent variable (Y). Figure 2 shows an unmediated model (upper half) and a mediated model (lower half), in which  $c$  is the total effect of X on Y,  $c'$  is the direct effect, and  $c-c'$  is the indirect effect that is mediated. Mediation effects are different from the coefficients of interaction variables. Interaction terms measure the extent to which an intermediate variable (I) modifies the relation of X to Y such that the relation of X to Y differs at different values of I. That is, an interaction variable is not part of the causal sequence between two variables, while a mediator captures the process by which one variable affects another.

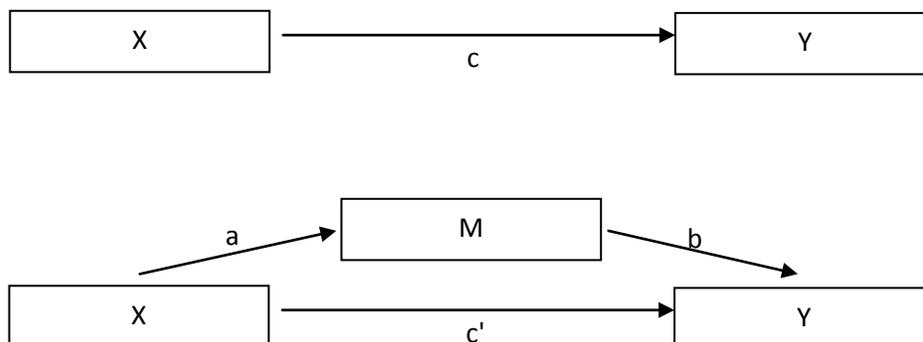


Figure 2: Unmediated and mediated model

Based on the method of mediation analysis developed by Baron and Kenny (1986), a variable can be considered as a mediator when it transmits the effects of a given independent variable to a given dependent variable. Baron and Kenny suggest that the conditions for mediation to occur include 1) X significantly affects Y in the absence of M so that there is an effect that may be mediated; 2) X significantly affects M; 3) M has a significant unique effect on Y, while X is controlled; 4) the effect of X on Y shrinks when M is controlled in the regression model. The amount of mediation, indirect effect, is thus defined as the reduction of X's effect on Y. As MacKinnon et al. (1995) present, the size of indirect effect,  $c-c'$ , is equal to  $a*b$ . The significance of indirect effect can be examined by testing the null hypothesis that  $a*b=0$ . To estimate the standard error of  $a*b$ , we use bootstrapping method to overcome the limitations of some traditional ways of estimation, such as the assumption of normality and the requirement of large sample sizes (Shrout and Bolger 2002). Bootstrapping uses resampling of the observations to obtain empirical approximation of the distribution of  $a*b$ , rather than making assumption about its shape.

### **Hypothesis 3: Clientelism and Ethnic Mobilization**

#### *Response Variable: Measuring Ethnic Mobilization*

For the third hypothesis, we aim to explore whether parties' efforts on targeting goods distribution are related to a higher degree of ethnic mobilization of voters, when the demand for clientelism arises from between-group economic inequality. To measure the levels of ethnic mobilization of voters, we need a party level index that captures the extent to which the support for a party is disproportionately from certain ethnic groups. We follow Huber's (2010) proportionality index<sup>8</sup> and construct the Ethnic Mobilization Index (EMI). The formula of EMI for party j is:

$$EMI^j = \sqrt{\frac{1}{2} \sum_{i=1}^n (p_i^j - p_i)^2},$$

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<sup>8</sup> EMI is slightly different from Huber's EVI in that we compares the national ethnic distribution and the ethnic distribution within a party's supporters, and thus the measure is at party level; while Huber compares parties' vote share in a group with parties' national vote share, and aggregates the group level scores into a country level measure.

where  $p_i$  is the proportion of individuals who belong to group  $i$  in general population,  $p_i^j$  refers to the proportion of individuals who belong to group  $i$  in party  $j$ 's supporters, and  $n$  is the number of groups. EMI ranges from 0 to 1, and it measures how the ethnic distribution within a party's supporters is different from the national ethnic distribution. Similar indices of proportionality have been used to study the relations between seats and votes in elections, and perfect proportionality is achieved when the percent of seats that a party receives is the same as the percent of votes that the party receives. Similarly, EMI will be equal to 0 when the ethnic distribution within a party's supporters is the same as the ethnic distribution within general population. EMI will take its highest values if a party's supporters are exclusively from one group and the group size is small relative to the whole population. That is, a party's EMI score will be high if the party is solely supported by one minority group.

It is important to recognize that there are other methods to measure the levels of ethnic voting. Chandra and Wilkinson (2008) conduct content analysis of parties' election campaign and assess whether parties make explicit ethnic appeals to identify "ethnic parties." Our index does not take into account whether parties make such appeals. However, we believe that if we do find voting behavior along ethnic divisions, it is hard to deny the existence of ethnic mobilization even in the absence of explicit ethnic appeals by parties. On the other hand, if parties do make ethnic appeals but still get support proportionally from all ethnic groups, it is hard to conclude that some ethnic groups are truly "mobilized" politically.

To construct a cross-country EMI index, we also utilize public survey data, including Afrobarometer, CSES, ESS, LAPOP, and WVS, to have information of parties' vote shares in different ethnic groups. We use the same way that we construct BGI to identify the relevant ethnic divisions in each country. All these surveys have instruments for us to know the voting decisions of respondents. The CSES and ESS are post-election surveys, and ask respondents which party they supported in the last national election. LAPOP, Afrobarometer, and WVS ask which party the respondent would support if there were an election in tomorrow. We use the vote for a lower house election if the data is available; otherwise vote for a presidential election or for an upper house election (Japan) is used.

Different wordings of the surveys and many components of the survey processes may introduce measurement biases. To detect whether the surveys map the true vote distribution, we compare the

vote shares collected from the survey data and the “true” vote shares of parties from the last parliamentary elections before 2009. Their correlation is significant and the coefficient of correlation is 0.863. We also ran bivariate regression of these two measures, and found that the vote shares from the survey data significantly explain the variation of parties’ true vote shares, up to 75% of the variation. We also included different survey sources as dummies to see if their correlation would be affected by different survey wordings and processes. We found that none of the survey source dummies has significant impact on the regression residuals.

For the 444 parties that survey data is available, the mean value of EMI is 0.117 and the standard deviation is 0.168. Table 3 lists parties with the highest EMI scores. All of them are parties with relative small sizes and targeting particular ethnic groups.

Rank	Party	Country	EMI	Vote share
1	Ticino League	Switzerland	0.8228	0.6%
2	The Democratic Union of Hungarians in Romania	Romania	0.8175	6.2%
3	Swedish People's Party	Finland	0.8041	4.5%
4	The Democratic Party of Albanians	Macedonia	0.7576	8.5%
5	Bloc Québécois	Canada	0.7046	10%

Table 3: Parties with the highest EMI scores

In the empirical section below, we will use EMI at the party level. However, to see how EMI is related to the levels of ethnic fractionalization, we also calculate the country mean of EMI scores, weighted by party sizes. Figure 3 depicts the relation between EMI (weighted country mean) and Alesina’s fractionalization index. The coefficient of correlation between these two variables is 0.5524. It is clear that the levels of ethnic mobilization cannot be totally explained by ethnic fractionalization. The ranks of some countries vary significantly in these two measures. We also run a bivariate regression, using EMI as the dependent variable and Alesina’s fractionalization scores as the independent variable. The countries with the largest positive residuals, that is, those with the highest levels of ethnic mobilization given ethnic fractionalization, include Belgium, Macedonia, and Latvia. They are countries with middle ranged fractionalization but have parties exclusively attract particular ethnic groups.



### *Method*

To disentangle the causality between between-group inequality, clientelistic efforts, and ethnic mobilization, we will need time-series data of these variables. However, the only cross-country dataset measuring the levels of clientelism is constructed in 2008-2009; while the survey data we use to calculate the BGI and the EMI indexes is generally collected slightly earlier. The data we have does not allow us to examine the causal direction between them. We will show the partial correlation between these variables when controlling for other covariates to explore the extent to which they are associated. We will also conduct one-way ANOVA to see whether parties' capacities of mobilizing ethnic voting will vary when they are in systems characterized with different levels of between-group inequality and when they put different amounts of clientelistic efforts.

## **Empirical Test Results**

### **Hypothesis 1:**

In our first hypothesis, we laid out an argument that linked between-group inequalities (BGI) of politically relevant ethnic groups to higher levels of clientelism and a greater propensity for parties to engage in patronage appeals at the expense of programmatic ones. Those two related arguments are tested by utilizing two different dependent variables, described in more details earlier in the paper.

Below, we present the results of the tests we conducted, using a hierarchical maximum likelihood estimation technique. For each dependent variable, two sets of models were run. The first included the main independent variable (BGI) and a set of national- and party-level controls. In the second, we added a few measures of ethnic diversity and polarization that are often used instead of BGI in the existing literature. The rationale for this action was for us to see whether BGI is truly the most robust predictor of clientelism, even when accounting for those other options.

VARIABLES	(1) Clientelism Level	(2) Clientelism Level	(3) Tradeoff	(4) Tradeoff
Key IV:				
BGI	49.81*** [10.12]	37.06*** [10.28]	7.480*** [2.476]	6.207** [2.618]
National-Level Controls				
GDP (ln)	-0.418*** [0.138]	-0.241 [0.160]	-0.204*** [0.0343]	-0.204*** [0.0408]
Polity	-0.138* [0.0775]	-0.0178 [0.0952]	-0.0473** [0.0191]	-0.0158 [0.0244]
EI. Formula Proportionality	-0.156 [0.291]	-0.292 [0.316]	-0.123* [0.0717]	-0.117 [0.0809]
Presidentialism	1.618*** [0.540]	2.031*** [0.592]	0.375*** [0.133]	0.473*** [0.150]
Mean District Magnitude (House)	-0.0127* [0.00765]	-0.0151** [0.00708]	-0.00172 [0.00186]	-0.00303* [0.00179]
Party-Level Controls				
Government Membership	0.631*** [0.132]	0.653*** [0.151]	-0.0428 [0.0420]	0.0100 [0.0476]
Party Size	0.0623*** [0.00679]	0.0639*** [0.00771]	0.0110*** [0.00215]	0.00988*** [0.00242]
Ideology (Left-Right)	0.220*** [0.0398]	0.201*** [0.0469]	0.0651*** [0.0127]	0.0773*** [0.0148]
Alternative Ethnic Measures:				
Fractionalization (Alesina)		-1.262** [0.586]		0.124 [0.151]
Ethnic Pol. (Reynal-Querol)		0.671 [1.651]		-0.879** [0.423]
Religious Pol. (Reynal-Querol)		2.199** [0.973]		0.209 [0.248]
Power Polarization (Cederman)		-0.665 [1.405]		0.0682 [0.360]
Constant	19.54*** [3.587]	15.56*** [4.511]	4.858*** [0.890]	4.785*** [1.155]
Observations	454	363	453	362
Number of groups	79	61	79	61

Standard errors in brackets

\*\*\* p<0.01, \*\* p<0.05, \* p<0.1

Table 4: BGI as a predictor of levels of clientelism and clientelistic-programmatic tradeoff<sup>9</sup>

<sup>9</sup> We performed multiple imputation in Stata 11 to address the drop in observations, especially in models 2 and 4. Those restored the number of observations to 496 in 86 countries, but the significance of BGI did not change.

Table 4 presents the results of the statistical analysis and illustrates that they are supportive of Hypothesis 1<sup>10</sup>. As revealed by the first and second model, between-group inequality is a robust predictor of levels of clientelism. In addition, the third and fourth models seem to suggest that societies with diverging income levels across ethnic groups seem to motivate political entrepreneurs to emphasize clientelism *at the expense of* programmatic appeals. At the same time, the alternative measures of ethnic diversity or polarization are not nearly as robust.

## **Hypothesis 2**

### *Hypothesis 2.1*

The mediation analysis to test hypothesis 2.1 is shown in Figure 4 and in Figure 5. For simplicity, the figures only list the effects of the main independent variable on the mediator, the effects of the mediator on the dependent variable, and the direct effects of the main independent variable on the dependent variable, but do not list the coefficients of the controls in these regression models. These two figures show that parties in systems characterized by high levels of between-group inequality do not have more capacities of monitoring. The levels of income inequality between groups and parties' capacities of monitoring both contribute to the reliance and the effectiveness of clientelism. However, the effects of ethnic divisions on clientelism are not conditional on whether parties can successfully monitor voters' decisions or not. It seems that the capacities of monitoring do not constitute the mechanism through which parties in countries with high ethnic inequality are more likely to emphasize clientelistic appeals.

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<sup>10</sup> Including survey sources as dummies or excluding countries with the largest residuals in the bivariate regression between BGI and Alesina's scores does not change the results.

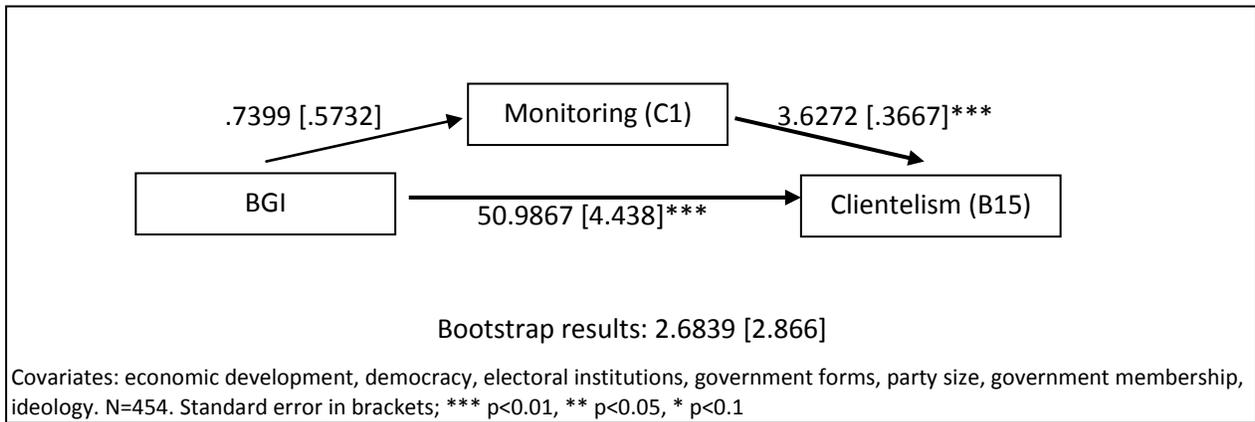


Figure 4: Mediation analysis for Hypothesis 2.1 (a)

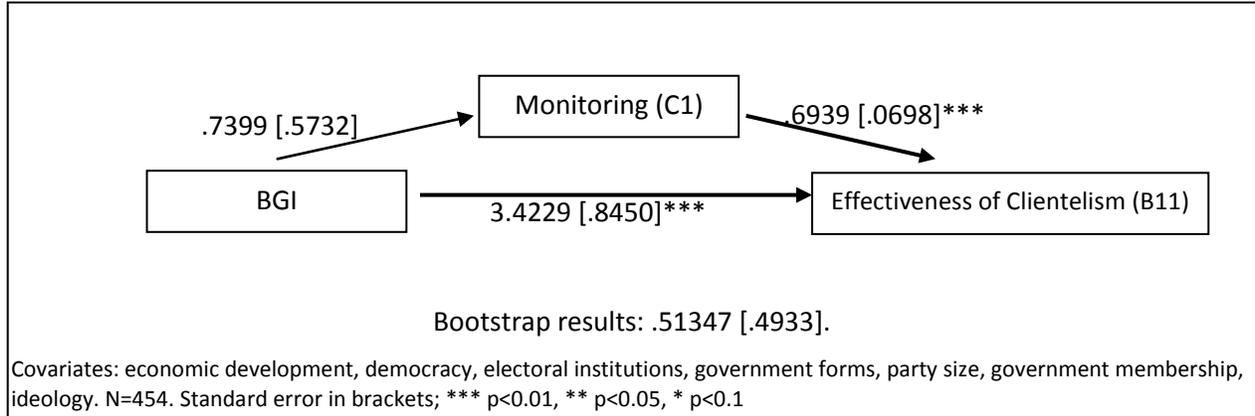


Figure 5: Mediation analysis for Hypothesis 2.1 (b)

### Hypothesis 2.2

Figure 6 and Figure 7 show the results of mediation tests for hypothesis 2.2. They suggest that parties in countries with high levels of ethnic inequality have more capabilities to sanction voters that do not deliver their promises. These parties are more likely to rely on clientelistic appeals, and are also more successful in attracting support through targeted goods distribution. The mediation effect of the sanctioning variable is significant, and this variable transmits more than ten percent of the total impacts of ethnic divisions on the levels and the effectiveness of clientelism.

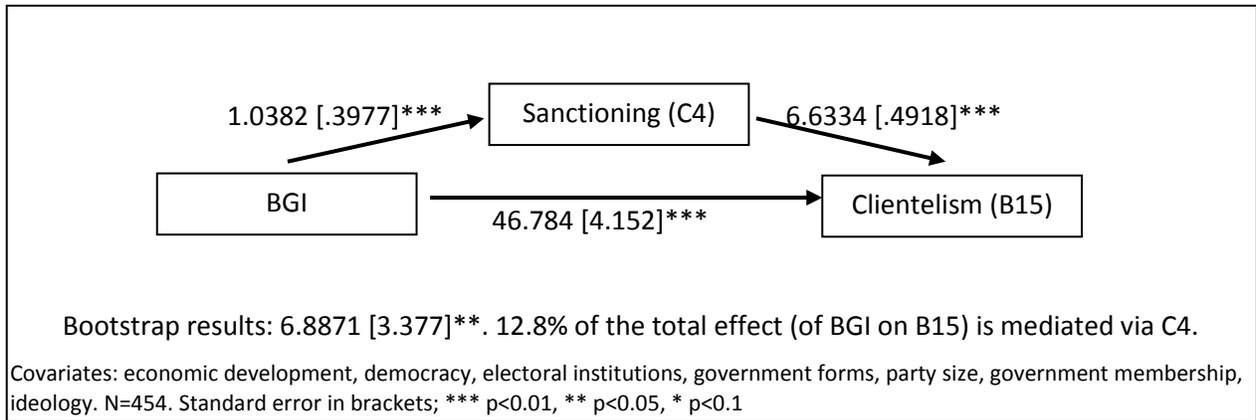


Figure 6: Mediation analysis for Hypothesis 2.2 (a)

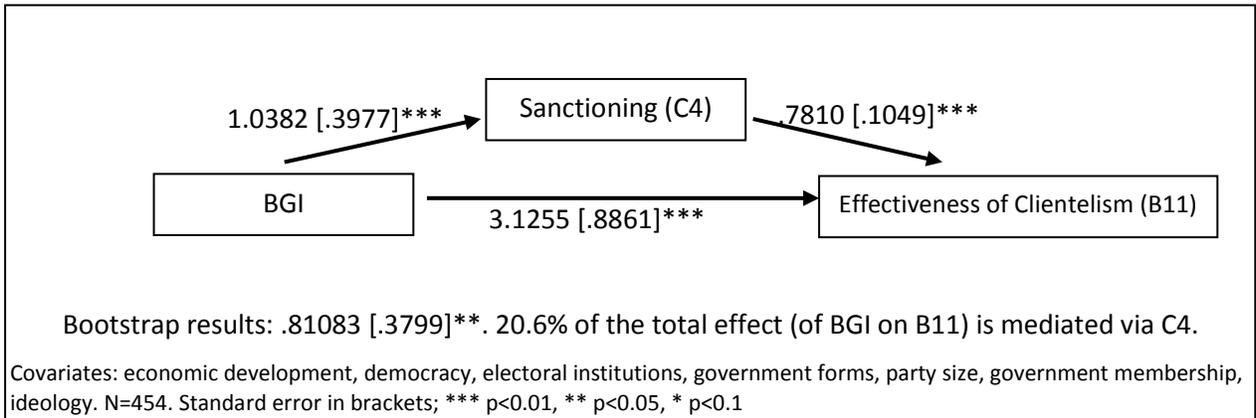


Figure 7: Mediation analysis for Hypothesis 2.2 (b)

### Hypothesis 2.3

The results of mediation analysis for hypothesis 2.3 are shown in Figure 8 and Figure 9. The results suggest that parties in systems with high between-group inequality are less likely to comply with financial rules. These parties tend to rely on clientelism, and their clientelistic appeals are also more effective in attracting votes. The bootstrap results show that as a mediator, the parties' financial compliance transmits a substantial amount of the effects of ethnic divisions on clientelism. Especially for the effectiveness of clientelism, the indicator of financial transparency mediates around sixty percent of the total impacts of BGI on it.

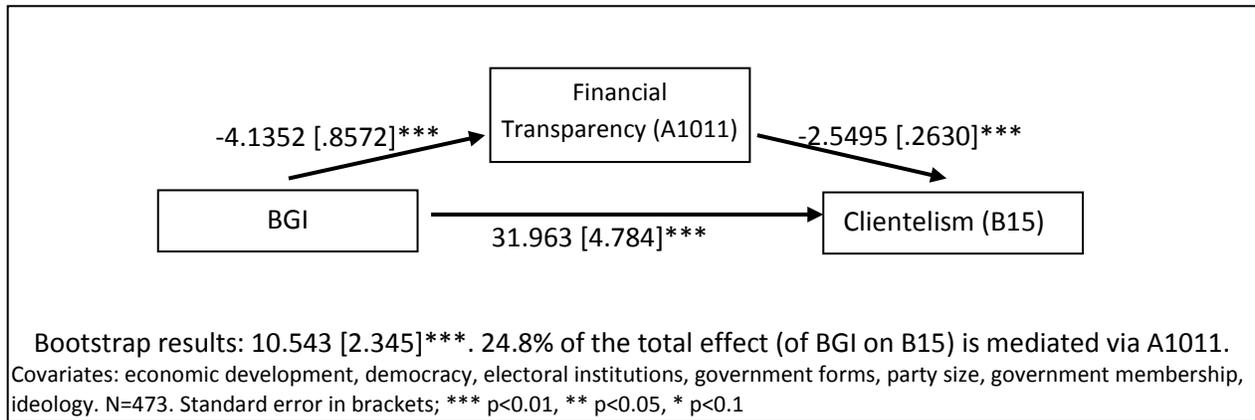


Figure 8: Mediation analysis for Hypothesis 2.3 (a)

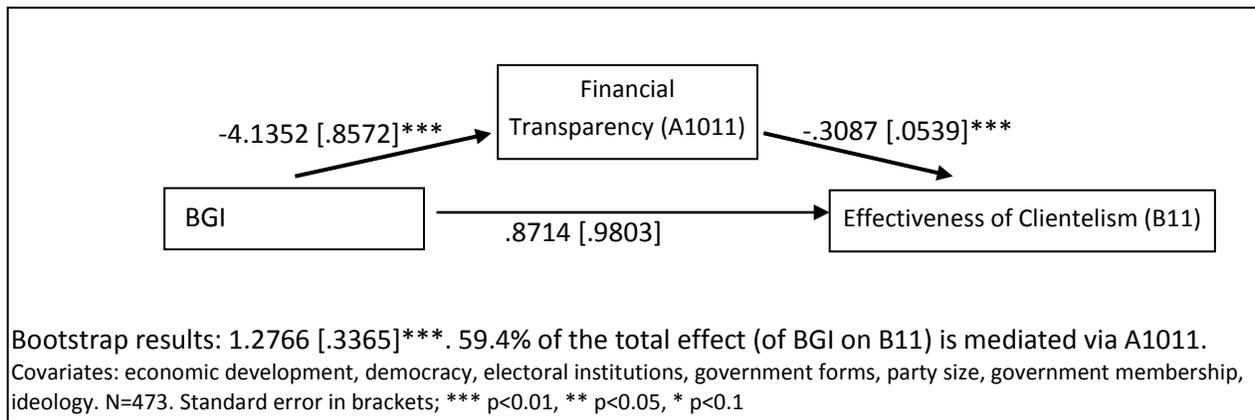


Figure 9: Mediation analysis for Hypothesis 2.3 (b)

The results of the mediation analysis suggest that both Hypothesis 2.2 and Hypothesis 2.3 are confirmed. Parties' capabilities to sanction voters and to circumvent financial regulations both constitute the mechanisms through which ethnic inequality is conducive to the emphasis on clientelism<sup>11</sup>. It is likely that the network characteristics of co-ethnic groups are utilized by politicians to facilitate the sanctioning of contingent exchange and the channeling of targeted goods.

<sup>11</sup> We also conduct mediation analysis using alternative indicators of ethnic divisions that are included for the test of Hypothesis 1. The same results prevail if Reynal-Querol's index of religious polarization is used as the independent variable. All other indicators are not significantly correlated with the measures of these three mechanisms.

### **Hypothesis 3**

Table 5 shows how parties' clientelistic efforts and clientelistic success are correlated with their levels of ethnic mobilization. The first row indicates the coefficients of correlation between EMI and B15, and between EMI and B11. It suggests that parties' capacities of mobilizing ethnic support are positively associated with the extent and the effectiveness of their clientelistic efforts. The partial correlation included in the second row indicates that these positive associations become stronger once controlling for parties' vote shares and the levels of economic development of countries in which the parties are.

	Coefficient of correlation between EMI and B15	Coefficient of correlation between EMI and B11
with no covariates controlled (n=444)	0.1069**	0.1233***
with party sizes and the levels of economic development controlled (n=442)	0.1626***	0.2503***

Table 5: Coefficient of correlation between EMI and B15 and between EMI and B11

After showing that ethnic mobilization is positively associated with clientelistic efforts, we would like to explore how this relation will be affected by the levels of BGI. Based on our result for Hypothesis 1 that political parties tend to rely on clientelistic appeals more extensively in societies characterized by between-group inequality, we should find parties in systems with high BGI have high values for both B15 and EMI scores. The one-way ANOVA in Table 6 and Table 7 classify parties into five categories: parties in countries where ethnic divisions are not politically relevant (category 0), non-clientelistic parties in countries with low BGI (category 1), clientelistic parties in countries with low BGI (category 2), non-clientelistic parties in countries with high BGI (category 3), and clientelistic parties in countries with high BGI (category 4). The tables show whether parties of these five categories have different capacities of mobilizing ethnic voting. Both tables suggest that these differences between categories are significant. Parties in countries with high between-group inequality show much higher levels of ethnic mobilization than parties in countries with low BGI. However, Scheffe's method of multiple comparisons indicates when holding constant for BGI scores, the differences in levels of ethnic mobilization between non-clientelistic parties and clientelistic parties are not significant. That is, parties in countries with high (low) between-group inequality will show high (low) levels of ethnic mobilization, no matter the parties rely on clientelistic appeals or not. The results also suggest that the positive association between clientelism and ethnic mobilization is largely contributed by the covariate of BGI scores.

Categories based on BGI & B15 Levels of ethnic mobilization	Countries where ethnic groups are NOT politically relevant <i>category 0</i>	Countries where ethnic groups are politically relevant			
		BGI<.01 (median)		BGI>=.01	
		B15 < 12.5 (median) <i>category 1</i>	B15 ≥ 12.5 <i>category 2</i>	B15 < 12.5 <i>category 3</i>	B15 ≥ 12.5 <i>category 4</i>
mean (sd.)	.010 (.03)	.067 (.15)	.093 (.14)	.209 (.19)	.175 (.18)
N	65	102	67	75	128

One-way ANOVA: F (4, 432)= 21.77, p<0.0001  
Scheffe contrasts are significant for each of the paired comparisons at the .05 level, except for the comparison between category 0 and 1, category 1 and 2, and category 3 and 4

Table 6: One-way ANOVA for the levels of ethnic mobilization when parties have different BGI and B15

Categories based on BGI & B11 Levels of ethnic mobilization	Countries where ethnic groups are NOT politically relevant <i>category 0</i>	Countries where ethnic groups are politically relevant			
		BGI<.01 (median)		BGI>=.01	
		B11 < 2.6 (median) <i>category 1</i>	B11 ≥ 2.6 <i>category 2</i>	B11 < 2.6 <i>category 3</i>	B11 ≥ 2.6 <i>category 4</i>
mean (sd.)	.010 (.03)	.068 (.14)	.088 (.15)	.169 (.16)	.204 (.20)
n	65	93	76	97	106

One-way ANOVA: F (4, 432)= 21.73, p<0.0001  
Scheffe contrasts are significant for each of the paired comparisons at the .05 level, except for the comparison between category 0 and 1, category 1 and 2, and category 3 and 4

Table 7: One-way ANOVA for the levels of ethnic mobilization when parties have different BGI and B11

## Conclusion

In this paper, we demonstrated a systematic effect of ethnicity on clientelism. We argued that countries whose electorate's variation in economic well-being corresponds to ethnic differences should experience higher demand and supply for clientelistic good provision. We tested this argument by utilizing a new dataset on patronage linkages that provides information on such contingent electoral practices for about 80 countries and 450 parties. We also calculated a measure of between-group inequality as the main indicator of ethnicity and demonstrated that it is a very robust predictor of both levels of clientelism and the tradeoff between patronage and programmatic politics.

In terms of mechanisms, we tested whether the capacity to monitor or punish voters and the latitude in terms of conforming to campaign finance legislation contributes to the clientelistic efforts of political parties. Through mediation analysis, we established that the last two of the three could be seen as valid mechanisms of the relationship between ethnicity and clientelism. We finally established a relationship between clientelism efforts and ethnic mobilization. This is perhaps the area that needs to be explored further once time-series data is available to sort out the causality doubts we raised in the paper.

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