Clientelism, Policy Responsiveness, and Inequality

Saskia Pauline Ruth*

* Saskia Pauline Ruth is a Doctoral Student and Research Associate in Political Science. Comparative Politics, Department of Political Science, University of Cologne, P.O. Box 41 10 20, 50870 Cologne, Germany, E-mail: saskia.ruth@uni-koeln.de, http://www.vergl-polwiss.uni-koeln.de/ruth.html

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Abstract
Progress, challenges and setbacks in the realization of democratic representation, accountability and responsiveness of political elites are crucial topics in comparative research on new democracies. Central to this research agenda are studies on democratic institutions and their impact on the representation of citizens’ policy preferences. Especially in systems where clientelistic practices prevail, democratic representation is expected to be relatively low. This paper investigates how political competition structures and party-society linkages interact to impact policy responsiveness in new democracies. Two distinct effects of clientelism on policy responsiveness are expected: first, a level effect reducing the degree of policy responsiveness. Second, a distortionary effect on policy responsiveness in the direction of high income voters, thereby, fostering inequality. By means of the inspection of descriptive statistics and bivariate correlations for eleven Latin-American democracies, the paper moreover provides for a first test of these effects.

Keywords: clientelism; responsiveness; representation; public opinion; budget
“We need to know more about the breadth and depth of the inequality [in representation], both at particular points in time and over time. To the extent that there is inequality, are politicians more responsive to the opinions of the better-educated, higher-income, more right-wing voting population? Much more work remains to be done” (Christopher Wlezien and Stuart N. Soroka 2007: 811)

1. Introduction

In the competitive model of democracy a key feature for the functioning of democratic representation is competitive interaction between political parties for public office and power. The development of this model dates back to the 1950s and 1960s with Schumpeter (2008 [1942]) and Downs (1957) as famous defenders of the unintended positive effects of political competition for a third party, namely the citizens. In line with a delegative perspective of representation, the unintended by-product of competition for public office and power is the responsiveness of elected representatives to the policy interests of their citizens (Bartolini 1999, 2000). Policy responsiveness, thus, is at the core of both theories on democratic representation and political competition (Pitkin 1967; Strøm 1992). Furthermore, the quality of democratic representation is usually judged according to the degree of programmatic representation or policy responsiveness realized in a political system (e.g. Mainwaring/ Bejaran/ Pizarro 2006).

These traditional theories of democratic representation and political competition, however, have been developed with a focus on established democracies with institutionalised party systems. Many of the assumptions these theories are based on may not be applied directly to new democracies.

Particularly problematic for emerging democracies is the assumption that democratic representation and political competition are substantially “programmatic”. According to the classic model of “responsible partisan government”, political parties that mobilize electoral support by following a (pure) programmatic linkage strategy appeal to their voters with policy programs. Political parties’ programs consist of policy bundles and serve as information shortcuts for voters. In this sense parties make indirect policy pledges to a large range of voters. In spatial models of party competition (Downs 1957) it is assumed that voters base their electoral decision on exogenously given policy preferences. Usually, political parties are assumed to be located on a left-to-right policy dimension.

This idealization of policy representation through programmatic competition hampers awareness of other modes of political representation and competition (Kitschelt 2000). Especially in new democracies political parties are often not linked to their voters based on coherent policy programs that fit into the classic distinction of political parties on a left-to-right scale (Kitschelt/ Wilkinson 2007; Hagopian 2009). Furthermore, the left-right dimension is increasingly incapable to summarise party competition in any democracy whatsoever (Albright 2010). Thus, electoral mobilization strategies that differ from the classic programmatic ones have to be integrated into the concept of party competition if new democracies are to fall into the range of a comprehensive theory of political competition (Kitschelt/ Wilkinson 2007).

Comparing Latin American democracies, Kitschelt et al. (2010) show that the degree of programmatic party system structuration differs greatly in the region due to varying incentives for politicians to offer policy bundles, i.e. collective goods, to their voters.

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1 For a comprehensive overview of the relation between democracy and political competition see Strøm 1992.
2 Moreover, non-programmatic competition is also observable in some Western European democracies, e.g. Italy (see Piattoni 2001; Roniger 2004).
Especially in so called patronage-based systems (Kitschelt/ Wilkinson 2007), where clientelistic practices prevail, programmatic representation is expected to be relatively low.

The connection between clientelism and low programmatic representation seems to be intuitively straightforward, as clientelistic practices aim at the exploitation of state resources for the benefit of few, delimitable groups of voters and not at the implementation of general welfare-enhancing policies (i.e. public goods). But „privileging the provision of patronage over public goods has significant consequences for both economic development and democracy“ (Remmer 2007: 363). Thus, with different forms of party-society linkages prevailing, political competition may foster different forms of accountability relationships and responsiveness. Kitschelt and Wilkinson (2007) explicitly comment on the specific form of clientelistic accountability in patronage-based systems. Therefore, this article focuses on the effects of clientelism on the quality of representation measured as the degree of policy responsiveness of governments.

The aim of this paper is to investigate how clientelism affects the responsiveness of governments to citizen’s policy interests in Latin America. By answering this question, this study contributes to the fields of research on the quality of democratic representation in new democracies and the relationship between public opinion and public policy in general.3

Therefore, the present study will first highlight relevant issues in the literature on democratic representation, political competition, and party-society linkages. This is followed by the development of a theoretical model from which two main hypotheses are derived: (1) Clientelism is expected to have a negative effect on the degree of policy responsiveness in general; (2) a distorting effect of clientelism on policy responsiveness in favour of high income and high skilled voters is expected. In the last part of this paper first evidence from descriptive statistics and bivariate correlations between clientelism and policy responsiveness is presented for eleven Latin-American democracies.4 In the conclusion the results are summarised and an agenda for further research will be proposed.

2. Theoretical Approach

This chapter will first highlight the concepts central to this study and in a second step derive hypothesis about the relationship between them.

2.1 Democratic Representation, Political Competition, and Policy Responsiveness

This paper concentrates on democratic representation, which takes place in the political realm and is realised through repeated free, open, secret, and fair elections. Electoral systems and within them political competition are seen as the basic institutional arrangements to implement democratic representation.

Firstly, democratic representation comprises a procedural or formalistic part that refers to the institutional mechanisms that structure the representative relationship between a principal and an agent. Secondly, a substantive part of the concept refers to the desired outcome of such a principal-agent relationship: the responsiveness of representatives (i.e. the agents) to public interests (i.e. the principal) (Pitkin 1967; Manin/ Przeworski/ Stokes 1999).

3 See especially the edited volumes by Kitschelt et al. (2010) and Mainwaring/ Bejarano/ Pizarro (2006) for research on the quality of representation in Latin America. For a comprehensive overview of the research on public opinion in relation to public policy see Wlezien/ Soroka (2007).

4 Argentina, Bolivia, Chile, Costa Rica, Ecuador, El Salvador, Guatemala, Honduras, Mexico, Peru, and Uruguay.
As mentioned earlier, a key feature of representative democracies is competitive interaction between political parties for public office and power. Following the seminal contribution of Bartolini (1999, 2000), political competition is basically defined as “a social relationship characterized by a system of interaction among consciously rival autonomous actors” (1999: 438). Although competition is by far not the only form of social interaction possible in a democratic setting, its importance for the quality of democratic representation has often been emphasized in the literature (e.g. Sartori 1976; Strøm 1992).

In line with a rational choice perspective, political competition enables voters to hold their representatives accountable by rewarding or punishing them retrospectively, dependent on their performance in the previous term(s). Thereby these institutional mechanisms ideally induce responsive behaviour of representatives to the interests of the citizens. Responsiveness may originate either indirectly when voters select representatives prospectively according to their policy promises and when these representatives are credible to their promises and implement the policies desired by their voters (Manin/ Przeworski/ Stokes 1999). Or incumbent public officials may be directly responsive to public opinion changes due to “rational anticipation” to preclude turnover (Stimson/ MacKuen/ Erikson 1995: 544; Wlezien/ Soroka 2007).

In this regard, responsiveness is equated with policy responsiveness, defined as the degree of correspondence between the policy interests of citizens and government policies.

But, elected representatives will only respond to the policy preferences of citizens if they are selected and judged by this logic. Thus, institutional mechanisms only structure political parties’ scope of action but do not determine the substance on which base they are accountable and responsive to their voters. Consequently, if the quality of democratic representation depends on the degree of policy responsiveness then it also depends on the type of interaction between political parties and voters, i.e. the type of party-society linkages that prevail in a political system.

2.2 The Clientelistic Party-Society Linkage

In general, the linkage concept describes the interactive relationship between the electorate and political parties (i.e. the state) (see Kitschelt 2000; Poguntke 2000, 2002). Classically three forms of party-society linkages are mentioned in the literature: programmatic, clientelistic, and charismatic linkages. These linkage forms are not mutually exclusive. Political actors may pursue different forms of linkages at the same time. Hence, it may be a viable strategy of risk avoidance to pursue a strategic mix of linkage forms (see Magaloni/ Diaz-Cayeros/ Estévez 2007; Hagopian 2009). But as the main interest in this study lies on the clientelistic relationship between political parties and voters, this linkage type will be addressed in more detail.

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5. E.g. negotiation and cooperation in consensus democracies (Ljiphart 1999).
6. For a critical consideration of the limits of rational choice institutionalism in Latin America see Weyland (2002).
7. This logic is based on the assumptions that public officials are interested in reelection and have access to information about public opinion (Stimson/ MacKuen/ Erikson 1995).
8. Like all principal-agent relationships, democratic representation may also be jeopardized by “moral hazard” and “adverse selection”, possibly precluding the institutional mechanisms to produce responsive behaviour of elected officials (see Kiewiet/ McCubbins 1991). In their edited volume on „Democratic Accountability in Latin America“ Mainwaring/ Welna (2003) and others especially focus on such deficits of horizontal accountability mechanisms in the region. Here, in contrast the focus lies on the behaviour of political actors within vertical accountability structures.
9. This study focuses on the effects of the clientelistic linkage type in contrast to the classic programmatic linkage type, leaving the analysis of the consequences of the charismatic linkage for further research.
Over time researchers approached the study of clientelism in different ways. When the topic entered the research agenda in comparative politics, the conceptualization of clientelism marked a first challenge. As the concept of clientelism is widely used and referred to in very different contexts, it is prone to conceptual stretching (Piattoni 2001). Different definitions of clientelism are owed to different research interests and to the changing role of patron-client relationships over time (e.g. Hopkin 2006; Stokes 2007).

In the present study, clientelism will be defined as “a transaction, the direct exchange of a citizen’s vote in return for direct payments or continuing access to employment, goods, and services” (Kitschelt/ Wilkinson 2007: 2, italics original). Following Stokes, two subtypes of clientelistic exchange can be identified: patronage and vote buying. Patronage is “the proffering of public resources (most typically, public employment) by office-holders in return for electoral support” (2007: 606, italics in the original), whereas “vote buying is a more narrow exchange of goods (benefits, protections) for one’s own vote” (2007: 606, italics in the original).

Besides conceptual issues, the puzzling persistence of the phenomenon in new democracies in the 1990s inspired researchers to focus on the causes of clientelism (e.g. Kitschelt 2000; Stokes 2007). The decline of clientelism has often been predicted, but it has proven to be a highly adaptive strategy even in democratic contexts (see Roniger 2004; Gay 1998). Factors that have been identified as favouring clientelistic practices are, among others, the economic development, the degree of competitiveness of political competition, and ethnocultural divides (see Medina/ Stokes 2002; Kitschelt/ Wilkinson 2007; Remmer 2007; Stokes 2007).

Due to this persistence of clientelism, it is important to study its consequences on the functioning of democratic institutions. Noteworthy investigations in this respect are, the study of Philip Keefers (2007) on the effect of clientelism on democratic performance in young democracies, the analysis of Wantchekon (2003) and Vicente/ Wantchekon (2009) on the effect of vote buying on voting behaviour, and Nichter’s (2008) study on the relationship between clientelism and electoral turnout.

In line with the latter approach to the study of clientelism, the next chapter will develop hypotheses on the relationship between clientelism and policy responsiveness.

2.3 Clientelism and Policy Responsiveness

Unlike programmatic parties, clientelistic parties do not provide for mechanisms of interest aggregation. On the contrary, they do not offer orientation in the policy space to the voters, even cut across cleavages and cater for highly heterogeneous clients (Gay 1998; Roberts 2002). “Clientelism practiced in the extreme robs parties of identities and coherence and crowds out other forms of interest representation. Most importantly, it deprives citizens of their capacity to hold parties and politicians accountable for the policies they pursue in office” (Hagopian 1998: 123).

Thus, clientelism perpetuates or increases the indifference of voters in respect to party’s policy promises. An indifferent voter does not care about the policy positions of political parties; he only cares about the direct material advantage that he might obtain with his vote. Thus, clientelistic parties in government have a greater “margin of safety” (Stimson/
MacKuen/ Erikson 1995: 544) to follow their own policy interests instead of those of their voters and nevertheless be re-elected as long as they provide selective benefits to their voters. Thus, clientelism undermines the favourable (though unintended) consequences of political competition for the quality of representation. Since “the use of the vote as a currency to buy material benefits subverts the ostensible purpose of the electoral process in a representative democracy” (Hopkin 2006: 410), a negative effect on parties’ responsiveness to the policy preferences of the voters may be expected.

Hypothesis 1: Ceteris paribus, the higher the degree of clientelism in a political system, the lower the degree of governments’ policy responsiveness.

As a second effect, clientelism may also distort policy responsiveness in the direction of high-income and high-skilled voters. Since poor voters are more inclined to direct material inducements, because they value such direct side payments more than future benefits from the provision of public goods (Dixit/ Londregan 1996; Calvo/ Murillo 2004), clientelistic parties have a genuine interest at least in maintaining the status quo of poverty or income inequality (Stokes 2007).

Furthermore, as mentioned before linkage strategies of political parties are not mutually exclusive. A political party may use portfolio-diversification to win elections and address different constituencies with different linkage forms (see Magaloni/ Diaz-Cayeros/ Estévez 2007; Hagopian 2009). But if political parties in government focus their policy programs more likely on those voters that are not inclined to give their vote in exchange to material inducements, clientelism may induce inequality in democratic representation in favour of high income and high skilled constituencies.

Hypothesis 2: Ceteris paribus, the higher the degree of clientelism in a political system, the stronger the distortion of governments’ policy responsiveness in favour of high income voters.

However, some limitations to this logic have to be addressed. Primarily, representation may be differential due to the likely favouritism of voter preferences compared to non-voter preferences (Griffin/ Newman 2005; Soroka/ Wlezien 2008). Furthermore, research on the US revealed a bias of policy responsiveness of governments towards higher income and higher educated voters (Bartels 2005; Gilens 2005; Jacobs/ Page 2005). However, a precondition for unequal representation is that differences in public preferences on policy according to different subgroups in the society exist (Soroka/ Wlezien 2008).

These hypotheses will be tested in a longitudinal cross-national comparison of Latin-American democracies which offer suitable units of observation in this respect. Before the analysis, the next section will give a selective overview of the literature on democratic representation and political competition in this region.

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13 The Argentine Partido Justicialista (PJ), for example, successfully forged an electoral coalition of very unequal supporters from metropolitan and peripheral regions by addressing both constituencies with different linkage strategies (Gibson 1997).
3. Method and Data

As a first attempt to quantify the concepts discussed in the previous paragraphs, data from 11 Latin-American democracies will be used in this study. Therefore, this section will comment on the issues of case selection, the data sets and indicators used in the analysis. The hypothesis developed in the last section will then be tested using descriptive statistics and bivariate correlations.

3.1 Case selection

As mentioned earlier, research on party politics and democratic representation indicates great differences of political parties and party systems between new and established democracies. Mainwaring and Scully (1995), for example, indicate that Latin American party systems are barely institutionalized and volatility in the region is much higher compared to Western European democracies (Mainwaring/Torcal 2006). Moreover, political party organizations are less based on party membership than their Western European counterparts and competition structures between political parties are often shaped by clientelistic and charismatic means (Coppedge 2001; Kitschelt/Wilkinson 2007). In particular research focused on party politics in Latin America has often pointed to the existence of a 'crisis of representation' (e.g. Roberts 2002; Mainwaring/Bejarano/Pizarro 2006) and empirical research, actually, more and more focuses on the quality of democratic representation in the region. However, Kitschelt et al. (2010) also pointed out that representation structures within the region differ greatly. Therefore, Latin-American democracies offer suitable units of observation to investigate the influence of clientelistic party-society linkages on the responsiveness of governments to the policy interests of their citizens.

Due to problems with data availability and validity comparative empirical studies investigating the degree of programmatic representation in emerging democracies remain rare. Research on Latin America have been dominated by in depth case studies. But recently a few examples of systematic comparative research started to rely on the growing data bases of public opinion surveys from the Corporación Lationbarometro (Santiago, Chile) and elite surveys from the Parliamentary Elites of Latin America (PELA) project at the University of Salamanca (Spain). Based on these data sets especially researchers in the recently edited volume by Kitschelt et al. (2010) developed different measures of the programmatic structuration of democratic representation for 12 Latin-American countries. However, for the purpose of this paper these measures of programmatic representation have two limitations. Although these studies provide first measures of the degree of programmatic party system structuration, they cannot account for the degree of policy responsiveness in these countries. The congruence between public and elite opinion, does not imply the congruence between public opinion and public policy. To capture this relationship data on signals and outcomes (or at least outputs) is needed (Manin/Przeworski/Stokes 1999). Furthermore, as these measures concentrate on the illustration of the degree of programmatic representation at one point in time, they cannot account for changes in this respect. Most importantly, as will be explained in more detail in the next section, representation is a dynamic process and thus also policy responsiveness should be modelled over time (see Stimson/MacKuen/Erikson 1995; Wlezien 2004).

14 Besides the negative effects of extremely low institutionalization on democratic consolidation and stability (e.g. Brazil), the opposite case of very high institutionalization, also referred to as ‘partyarchy’, as well has extremely negative effects on the quality of representation (e.g. Venezuela) (for Venezuela Coppedge 1994; for Brazil see Mainwaring 1999).

15 For a comprehensive overview of the research on democratic representation in Latin America see Luna (2007).
3.2 Policy Responsiveness

An extensive literature focuses on the relationship between public opinion and public policy (e.g. Stimson/ MacKuen/ Erikson 1995; Wlezien 1995, 1996, 2004; Hobolt/ Klemmensen 2005, 2008; Soroka/ Wlezien 2007). However, due to substantial data requirements these empirical studies have been mainly focussed on advanced democracies, especially the U.S.. In this study a first attempt of descriptive evidence for the region of Latin America is presented.

In general, public policy is understood as a function of public opinion mediated either indirectly through institutional mechanisms (i.e. electoral systems, government institutions) or directly through the anticipation of public officials (Stimson/ MacKuen/ Erikson 1995; Wlezien/ Soroka 2007). An important question in this respect is the direction of causality. As responsiveness is a phenomenon that evolves over time, the link between opinion and policy has to be modelled dynamically (Stimson/ MacKuen/ Erikson 1995; Wlezien 2004). Different studies addressed the topic of causality in both directions. Studies on policy response to public opinion changes have tested the relationship with various time lags (Stimson/ MacKuen/ Erikson 1995; Hobolt/ Klemmensen 2008). Usually an influence of public opinion at time t is expected to influence policy outcomes at time t+1 (Hobolt/ Klemmensen 2005; 2008). But also the opposite situation of non-autonomous public opinion has been tested effectively, confirming an influence of public policy on public opinion in opposite directions (Brooks 1985). In a more sophisticated approach, Wlezien (1995, 1996), develops a “thermostatic” model accounting for a reciprocal relationship between public opinion and public policy.

The scope of this study cannot account for the direction of causality between public opinion and public policy in Latin America due to data constraints. However, as governments are assumed to seek reelection, they have strong incentives to respond to changes in public opinion (Hobolt/ Klemmensen 2005). It will therefore be assumed that the effect of public opinion on public policy is stronger than the other way around. This assumption will also be accounted for in the construction of the measure of policy responsiveness (see chapter 3.2.3).

In the next sections the data sets used to construct a measure of incongruence between policy priorities in public opinion and public expenditures will be described.

3.2.1 Public Opinion Data

Measures for the importance of policy domains to the public will be obtained by evaluating responses to the “most important problem” question in the Latinobarometer opinion surveys from 1996 to 2006\(^\text{16}\). The question asks respondents to indicate the most important policy problem in their country to them. Unfortunately this question does not reveal the direct public preferences on government spending, but the use of this question as a proxy for public policy priorities is common in the literature on the link between public opinion and public policy (e.g. Bara 2001; Hobolt/ Klemmensen 2005, 2008). Furthermore, the question has the advantage that it captures the relative importance of policy domains in a country\(^\text{17}\). Due to limitations on public spending data the following five policy domains are included in this study: 

- economic assistance
- education
- health care
- housing
- social security

After re-coding the answers to the question in each year into these five categories, the relative

\(^{16}\) In 1999 no Latinobarometer survey was conducted, thus, missing values for this year were substituted through linear interpolation.

\(^{17}\) For a critique of the use of this survey question see Wlezien (2005).
importance of each domain is calculated as the percentage of the overall responses to these five categories.\textsuperscript{18}

Descriptive statistics of public opinion for the countries in the study are reported in Table 1. The data indicates a similar pattern over all countries for policy priorities in public opinion. We can see that the policy domain of social security is by far the most important category in all countries in this study; with a lowest mean of 45\% in Guatemala and the highest mean of 70\% in Uruguay for the period from 1996-2006. As the second most important policy domain economic assistance follows, with exception of Argentina, Guatemala, and Honduras where education ranges second and Ecuador with both policy domains on par. In relation to these three policy domains, the remaining domains of health care and housing seem to play only a minor role in public opinion priorities. Furthermore, the data indicates that public opinion varies considerably over time, which is illustrated by the high standard deviations in brackets.

3.2.2 Public Expenditures

A common proxy for governmental policy output in the literature is public spending data (e.g. Soroka/ Wlezien 2005; Hobolt/ Klemmensen 2008). Although the governmental scope of change in public expenditures is limited due to socio-economic or institutional constraints, research on the effect of partisan composition of governments on public expenditure priorities shows that they make a difference, especially in redistributive policy domains (e.g. Budge/ Hofferbert 1990; Gallagher et al. 2006).

Especially due to the unavailability of continuous official public expenditure data by government functions only eleven countries could be included in this analysis. Either official data was unavailable for the period of investigation – this was the case for Brazil, Columbia, Panama, and Paraguay –, or data was only partly available – this was the case for Nicaragua and Venezuela. Continuous data for most countries in this study is not available before 1997. In addition, it should be accounted for that data on public expenditures is mainly only available as aggregated data and not always are changes in the functional definition of the budget reported. Thus, unknown changes in functional definitions may jeopardize the comparability of expenditure data over time.\textsuperscript{19}

Descriptive statistics on the distribution of public expenditure priorities between the countries under study here are reported in Table 1. Like public opinion priorities, public policy priorities are measured as percentages of the total expenditures in the five policy domains mentioned above. Overall, for public expenditure priorities no such similar pattern as in public opinion may be derived from the data, indicating the potential for cross-national variance in our dependent variable. Furthermore, although the low standard deviations reflect the limited influence of governments on national budgets, the data also shows that minimal changes are possible, allowing for changing levels of incongruence over time.

\textsuperscript{18} Coding decisions of the responses to these five categories are reported in the Appendix.

\textsuperscript{19} In Table A1 in the Appendix the sources of the national budgets per country and the lowest level of aggregation available are reported.
Table 1: Descriptive Statistics of Policy Priorities (1996-2006)

<table>
<thead>
<tr>
<th>Policy Domain</th>
<th>Argentina</th>
<th>Bolivia</th>
<th>Chile</th>
<th>Costa Rica</th>
<th>Ecuador</th>
<th>El Salvador</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Public Preferences</td>
<td>Public Expenditures</td>
<td>Public Preferences</td>
<td>Public Expenditures</td>
<td>Public Preferences</td>
<td>Public Expenditures</td>
</tr>
<tr>
<td>Economic Assist.</td>
<td>14 (5)</td>
<td>9 (5)</td>
<td>22 (13)</td>
<td>24 (4)</td>
<td>26 (11)</td>
<td>16 (1)</td>
</tr>
<tr>
<td>Education</td>
<td>19 (7)</td>
<td>9 (1)</td>
<td>22 (17)</td>
<td>37 (7)</td>
<td>14 (8)</td>
<td>22 (1)</td>
</tr>
<tr>
<td>Health</td>
<td>3 (1)</td>
<td>20 (1)</td>
<td>3 (3)</td>
<td>9 (2)</td>
<td>10 (4)</td>
<td>17 (1)</td>
</tr>
<tr>
<td>Housing</td>
<td>1 (1)</td>
<td>0 (0)</td>
<td>1 (1)</td>
<td>2 (1)</td>
<td>2 (1)</td>
<td>1 (0)</td>
</tr>
<tr>
<td>Social Security</td>
<td>63 (8)</td>
<td>62 (4)</td>
<td>51 (21)</td>
<td>28 (8)</td>
<td>48 (14)</td>
<td>43 (2)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Policy Domain</th>
<th>Guatemala</th>
<th>Honduras</th>
<th>Mexico</th>
<th>Peru</th>
<th>Uruguay</th>
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<tr>
<td></td>
<td>Public Preferences</td>
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<tr>
<td>Economic Assist.</td>
<td>20 (15)</td>
<td>28 (4)</td>
<td>16 (13)</td>
<td>25 (5)</td>
<td>29 (12)</td>
</tr>
<tr>
<td>Education</td>
<td>28 (27)</td>
<td>31 (2)</td>
<td>28 (27)</td>
<td>49 (4)</td>
<td>16 (7)</td>
</tr>
<tr>
<td>Health</td>
<td>4 (5)</td>
<td>13 (1)</td>
<td>6 (8)</td>
<td>22 (1)</td>
<td>3 (2)</td>
</tr>
<tr>
<td>Housing</td>
<td>2 (1)</td>
<td>17 (3)</td>
<td>2 (2)</td>
<td>2 (2)</td>
<td>3 (2)</td>
</tr>
<tr>
<td>Social Security</td>
<td>45 (28)</td>
<td>13 (2)</td>
<td>48 (27)</td>
<td>3 (2)</td>
<td>49 (17)</td>
</tr>
<tr>
<td>n</td>
<td>11</td>
<td>11</td>
<td>11</td>
<td>11</td>
<td>11</td>
</tr>
</tbody>
</table>

Sources: **Public preferences**: Latinobarometer 1996-2006 [1999] responses to the "most important problem" questions. **Public expenditures**: Official public expenditure data 1996-2006, for countries with only 10 time points no data for 1996 was available. Figures in cells are mean percentages with standard deviations in brackets.
3.2.3 Incongruence in Policy Priorities

To evaluate the incongruence in policy priorities (hereafter IPP) the difference between public opinion and public expenditure priorities will be calculated. To account for the assumption that public opinion precedes public expenditures, a common time lag of one year will be used.\(^\text{20}\)

\[
IPP_t = \text{Public Expenditure Priorities}_t - \text{Public Opinion Priorities}_{(t-1)}
\]

This measure does not reflect the causal relationship between public opinion and public policy, only the extent to which these two are incongruent. Nor does it reflect the degree to which public policy is influenced by changes in public opinion. To test this relationship more sophisticated empirical models are necessary which lie beyond the scope of this study. Furthermore, due to the use of an output measure for governmental policy priorities (i.e. national budgets), our indicator of IPP does not account for differences in policy outcomes. Policy outcomes may be influenced by other factors, not controlled for in this study. Future research should therefore also integrate several socio-economic and institutional factors to overcome this problem.

Nevertheless, our measure of policy responsiveness, at least captures the potential magnitude of incongruence as well as the direction of it. Negative values then indicate policy domains where governments spend less than expected by public opinion, and positive values indicate oversupply in policy domains according to public opinion priorities.

**Figure 1: Mean IPP by Policy Domain (1997-2006)**


\(^{20}\) Future research should also account for different time lags in this respect.
Therefore, Figure 1 shows that all governments in this study on average assign less priority to the domain of social security than the public does. On the other hand, health care spending gains more importance in governmental spending in relation to its importance in public opinion.

Moreover, Figure 2 shows the distribution of IPP mean differences for the analysed countries over the period of investigation. Interestingly an increase of the mean incongruence of policy priorities over time can be inferred from the picture. This general pattern is paralleled by all country except for Argentina and Chile (see country specific Figures A1-A11 in the Appendix). It seems that since the beginning of the new century, Latin-American democracies are increasingly incapable in responding to public opinion priorities.

**Figure 2: IPP over Time (1997-2006)**


This pattern gives additional relevance to the question under study here and also relates to the impression of a “crisis of representation” in Latin America, identified in the literature (see Mainwaring/ Bejarano/ Pizarro 2006).

### 3.3 Clientelism

Finally, the measures of the incongruence of policy priorities between the public and the government shall be compared to the independent variable in this study, i.e. the degree of clientelism in a country. Therefore, clientelism will be measured through the proxy variable of Transparency Internationals Corruption Perception Index (hereafter CPI). The CPI is measured on a scale from 0 to 10, where higher values indicate lower levels of corruption. Descriptive statistics of the CPI index for the eleven countries in this study are reported in Table 2.
Table 2: Mean CPI Scores (1997-2006)

<table>
<thead>
<tr>
<th>Country</th>
<th>Mean</th>
<th>Std. Dev.</th>
<th>Min</th>
<th>Max</th>
<th>Obs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chile</td>
<td>7.1</td>
<td>0.446</td>
<td>6.1</td>
<td>7.5</td>
<td>11</td>
</tr>
<tr>
<td>Uruguay</td>
<td>5.2</td>
<td>0.804</td>
<td>4.1</td>
<td>6.4</td>
<td>10</td>
</tr>
<tr>
<td>Costa Rica</td>
<td>4.9</td>
<td>0.745</td>
<td>4.1</td>
<td>6.5</td>
<td>10</td>
</tr>
<tr>
<td>Peru</td>
<td>3.9</td>
<td>0.464</td>
<td>3.3</td>
<td>4.5</td>
<td>9</td>
</tr>
<tr>
<td>El Salvador</td>
<td>3.9</td>
<td>0.292</td>
<td>3.4</td>
<td>4.2</td>
<td>9</td>
</tr>
<tr>
<td>Mexico</td>
<td>3.4</td>
<td>0.284</td>
<td>2.7</td>
<td>3.7</td>
<td>11</td>
</tr>
<tr>
<td>Argentina</td>
<td>3.0</td>
<td>0.359</td>
<td>2.5</td>
<td>3.5</td>
<td>11</td>
</tr>
<tr>
<td>Guatemala</td>
<td>2.7</td>
<td>0.354</td>
<td>2.2</td>
<td>3.2</td>
<td>9</td>
</tr>
<tr>
<td>Bolivia</td>
<td>2.5</td>
<td>0.406</td>
<td>2.0</td>
<td>3.4</td>
<td>11</td>
</tr>
<tr>
<td>Ecuador</td>
<td>2.5</td>
<td>0.293</td>
<td>2.2</td>
<td>3.2</td>
<td>11</td>
</tr>
<tr>
<td>Honduras</td>
<td>2.3</td>
<td>0.364</td>
<td>1.7</td>
<td>2.7</td>
<td>9</td>
</tr>
</tbody>
</table>

Source: Own calculations based on data from Transparency International. Sporadic missing values were substituted through linear interpolation.

As comparative measures of clientelistic practices are difficult to find, the use of the CPI as proxy variable offers a fair approximation (see especially Manow 2002). Two arguments can be made in favour of the CPI proxy: firstly, the surveys used to construct the CPI also capture aspects of political patronage (see Lambsdorff 1999, 2006). Secondly, the two concepts practically “tend to go hand in hand” (Indridason 2006) as societies where direct clientelistic linkages structure the relationship between voters and the state are more prone to corruption (Gerring/ Thacker 2004). Furthermore, Müller (2007) shows that the CPI also corresponds to judgemental rankings of Western European democracies according to their degree of patronage.

However, the CPI only captures the patronage side of political clientelism, and thus we lose the influence of vote buying on policy responsiveness. The measures of the effect of clientelism on policy responsiveness are thus likely biased downwards.

The following chapter will now relate those concepts to each other and attempt a first test of the hypothesis proposed in the theoretical chapter.

4. Descriptive Statistics and Bivariate Correlations

4.1 Testing Hypothesis 1 (H1)

To evaluate the relationship between clientelism and policy responsiveness Table 3 summarises the IPP values for the most salient policy domain in public opinion – social security – and the IPP score of the mean difference per policy domain. For a first descriptive evaluation of the patterns the mean CPI scores are included. The scores in brackets refer to the rankings of the countries for each indicator individually.

21 The IPP Mean Difference is calculated as the sum of the absolute IPP scores per policy domain divided by the total number of policy domains. Thus, the score refers to the absolute mean magnitude of incongruence between public opinion and public policy per policy domain, while directional information is lost by its calculation.
Table 3: Mean IPP and CPI Scores (1997-2006)

<table>
<thead>
<tr>
<th>Country</th>
<th>IPP Social Security</th>
<th>IPP Mean Difference</th>
<th>CPI</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ecuador</td>
<td>-42.40 (11)</td>
<td>20.80 (11)</td>
<td>2.5 (10)</td>
</tr>
<tr>
<td>Honduras</td>
<td>-41.63 (10)</td>
<td>19.62 (10)</td>
<td>2.3 (11)</td>
</tr>
<tr>
<td>Costa Rica</td>
<td>-40.53 (9)</td>
<td>19.03 (9)</td>
<td>4.9 (3)</td>
</tr>
<tr>
<td>El Salvador</td>
<td>-39.13 (8)</td>
<td>18.62 (8)</td>
<td>3.9 (5)</td>
</tr>
<tr>
<td>Guatemala</td>
<td>-29.74 (7)</td>
<td>17.27 (7)</td>
<td>2.7 (8)</td>
</tr>
<tr>
<td>Mexico</td>
<td>-29.65 (6)</td>
<td>13.42 (6)</td>
<td>3.4 (6)</td>
</tr>
<tr>
<td>Uruguay</td>
<td>-24.95 (5)</td>
<td>12.90 (5)</td>
<td>5.2 (2)</td>
</tr>
<tr>
<td>Peru</td>
<td>-22.38 (4)</td>
<td>12.80 (4)</td>
<td>3.9 (4)</td>
</tr>
<tr>
<td>Bolivia</td>
<td>-17.44 (3)</td>
<td>9.54 (3)</td>
<td>2.5 (9)</td>
</tr>
<tr>
<td>Chile</td>
<td>-4.65 (2)</td>
<td>9.41 (2)</td>
<td>7.1 (1)</td>
</tr>
<tr>
<td>Argentina</td>
<td>-1.31 (1)</td>
<td>9.40 (1)</td>
<td>3.0 (7)</td>
</tr>
</tbody>
</table>


The results offer mixed evidence for $H1$: In line with the expectations, the country with the highest mean CPI score – Chile – shows very low scores for both IPP measures, namely a negative mean incongruence of -4.65% in the domain of social security and an absolute mean incongruence of 9.41% per policy domain. Likewise the two countries with the lowest CPI scores – Honduras and Ecuador – are located at the top of the ranking. However, contrary to what was expected, Bolivia with its very low mean CPI score of 2.5 is located at the bottom of the ranking, showing very low values of IPP measures, whereas Costa Rica with a relatively high mean CPI score of 4.9 is located at the top of the ranking, displaying unexpected high IPP values. Another contradictory case is Argentina, which according to the expectations, should be located in the middle of the IPP ranking. However, Argentina achieves the lowest IPP scores, both for the social security category and the mean incongruence measure.

In the case of Bolivia one part of the explanation may be the low representativity of the Latinobarometer surveys from 1996 to 2001. Latinobarometer surveys in these years overrepresented the urban population, which, according to the theoretical argument, could influence our findings considerably.\footnote{For a detailed overview of the representativity of the Latinobarometer data see Table A2 in the Appendix.} If the mean IPP scores are calculated for the period of 2002 until 2006 exclusively, the scores are more in line with the expectations. The IPP Social Security score than increases to -32.32% and the IPP Overall score increases to 16.01%. However, despite the explanation for Bolivia, from this first inspection no clear answer to $H1$ can be derived.

For a second test of $H1$, bivariate correlations between CPI scores and the different IPP measures are analysed. For reasons of comparison, the correlations are also calculated for a subsample of the data, by excluding the case of Bolivia. Table 4 summarises the correlations for the different measures and samples.

In general, the findings fit with our expectations, all significant correlations between CPI and IPP values show the expected sign, indicating that countries with higher CPI scores have
lower values in the different IPP measures. For the complete sample, the CPI and the IPP mean difference correlate with -0.177 ($p < 0.10$). However the relationship is not very strong and the IPP scores for the two most important policy domains – economic assistance and social security – are insignificant.

Table 4: Bivariate Correlations for Hypothesis 1

<table>
<thead>
<tr>
<th>Variable 1</th>
<th>Variable 2</th>
<th>Coefficient</th>
<th>Coefficient</th>
</tr>
</thead>
<tbody>
<tr>
<td>IPP Mean Difference</td>
<td>CPI</td>
<td>-0.177 (0.070)</td>
<td>-0.288 (0.004)</td>
</tr>
<tr>
<td>IPP Economic Assistance</td>
<td>CPI</td>
<td>0.142 (0.147)</td>
<td>0.102 (0.323)</td>
</tr>
<tr>
<td>IPP Education</td>
<td>CPI</td>
<td>-0.200 (0.040)</td>
<td>-0.238 (0.020)</td>
</tr>
<tr>
<td>IPP Health</td>
<td>CPI</td>
<td>-0.221 (0.023)</td>
<td>-0.460 (0.000)</td>
</tr>
<tr>
<td>IPP Housing</td>
<td>CPI</td>
<td>-0.249 (0.010)</td>
<td>-0.315 (0.002)</td>
</tr>
<tr>
<td>IPP Social Security</td>
<td>CPI</td>
<td>-0.154 (0.115)</td>
<td>-0.227 (0.026)</td>
</tr>
</tbody>
</table>

Sample unrestricted Bolivia excluded

Note: Numbers in brackets are $p$-values. Sources: IPP: Own calculations based on Latinobarometer data from 1996-2005 [1999] and official public expenditure data from 1997-2006. CPI: Corruption Perception Index from Transparency International from 1997-2006. Sporadic missing values were substituted through linear interpolation.

Excluding Bolivia from the calculations improves the correlation results considerably. The correlation coefficient between CPI and the IPP mean difference increases to -0.288 with significance now at the 99 per cent level. Also the correlation for the IPP value in the policy domain of social security becomes significant as soon as Bolivia is excluded from the analysis. The strongest relationship in the restricted sample, and with -0.460 ($p < 0.01$) at a fairly high level, occurs between CPI and the IPP value of the health care domain. As only exception, the correlation coefficient for economic assistance remains insignificant (and also with a wrong sign).

Concluding, the bivariate correlations indicate the expected negative relationship between CPI scores and IPP measures for all policy domains, except economic assistance (and social security in the unrestricted model). Furthermore, differences between policy domains are revealed. In a similar way, hypothesis 2 will be analysed in the next section.

4.2 Testing Hypothesis 2(H2)

In line with the argument of Soroka and Wlezien (2008) on the limits of unequal representation, differences in representation of subgroups of the public may only occur when differences in public opinion between these groups exist. Table 5 reports the mean differences in public opinion priorities for the five policy domains by income groups. The scores indicate that differences according to income groups exist only in two policy domains: education and social security. In addition, the signs of the mean differences show that on average high income respondents value education about 5% higher than low income respondents, while low income respondents on average have a 4% higher priority for social security than high income respondents.
Table 5: Mean Differences in Public Opinion Priorities by Income Groups

<table>
<thead>
<tr>
<th>Policy Domain</th>
<th>Δ (High – Low Income Priorities)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Economic Assistance</td>
<td>-0.01</td>
</tr>
<tr>
<td>Education</td>
<td>0.05</td>
</tr>
<tr>
<td>Health Care</td>
<td>0.01</td>
</tr>
<tr>
<td>Housing</td>
<td>0.00</td>
</tr>
<tr>
<td>Social Security</td>
<td>-0.04</td>
</tr>
</tbody>
</table>


If \( H2 \) is true, then the incongruence in policy priorities should be smaller for high income respondents than for low income respondents in countries with low CPI levels in the two policy domains where differences in priorities between the two income groups were detected. Thus, to test \( H2 \) bivariate correlations between CPI scores and the differences between the absolute IPP scores for high and low income groups in the domains of education and social security were calculated (see Table 6).

\[
\Delta IPP_{policy\ domain} = |IPP_{High\ Income, policy\ domain}| - |IPP_{Low\ Income, policy\ domain}|
\]

As Table 6 shows, CPI scores neither correlate with IPP differences between income groups in education and social security, nor do they correlate with the overall mean difference of IPP per policy domain. Thus, \( H2 \) may not be confirmed by the data.

Table 6: Bivariate Correlations for Hypothesis 2

<table>
<thead>
<tr>
<th>Variable 1</th>
<th>Variable 2</th>
<th>Coefficient</th>
</tr>
</thead>
<tbody>
<tr>
<td>Δ IPP Mean Difference</td>
<td>CPI</td>
<td>-0.078 (0.427)</td>
</tr>
<tr>
<td>Δ IPP Education</td>
<td>CPI</td>
<td>-0.067 (0.494)</td>
</tr>
<tr>
<td>Δ IPP Social Security</td>
<td>CPI</td>
<td>-0.005 (0.956)</td>
</tr>
</tbody>
</table>

Note: Numbers in brackets are \( p \)-values. Calculations include all 11 countries in the study from 1997-2006\(^{23}\). Sources: \( IPP \): Own calculations based on Latinobarometer data from 1996-2005 [1999] and official public expenditure data from 1997-2006. \( CPI \): Corruption Perception Index from Transparency International from 1997-2006. Sporadic missing values were substituted through linear interpolation.

However, this test of \( H2 \) was only conducted for different income groups. According to the theoretical argument, clientelism’s distorting effect on policy responsiveness may also result from differences between education levels. Thus, future research should also focus on incongruences of policy priorities between differently skilled voters.

\(^{23}\) Correlations for the sample without Bolivia are also insignificant.
5. Conclusion

In this paper the relationship between clientelism and policy responsiveness was analysed. Relating policy priorities of the public to those of the government in the national budget an incongruence measure of policy responsiveness was developed. This measure was then compared to the level of clientelism in a country.

According to the theoretical argument, countries with higher levels of clientelism should, on average, also show higher levels of incongruence in policy priorities between the public and the government. Bivariate correlations confirmed the hypothesised negative effect of clientelism on the incongruence in policy priorities, i.e. policy responsiveness.

However, the expected distorting effect of clientelism on policy responsiveness in the direction of high income voters, could not be confirmed by the data. Although there seem to be differences in policy priorities between high and low income groups – at least in the policy domains of education and social security – differences in incongruences of policy priorities between each income groups’ policy priorities and the government’s budget priorities are not related to the level of clientelism in a country.

Bivariate correlations for both hypothesis may be spurious due to influential factors on both the dependent and independent variable not included in this study. Future research should, therefore, control for such factors by means of multivariate statistical procedures. Recent research, for example focussed on the effects of different institutional arrangements on the public opinion – public policy link (Hobolt/ Klemmensen 2008). Especially the influence of different electoral systems and different governmental institutions should be accounted for (Soroka/ Wlezien 2008). Furthermore, a time-series cross-sectional design could also address the question of causality between the two measures.

This paper has presented a first approximation to the question of what drives the connection between public opinion and public policy in Latin-American countries. However, a lot more remains to be done.
Appendix


Table A1: Data sources for public expenditures

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Chile</td>
<td>“Estadística de la Finanzas Públicas” available at <a href="http://www.dipres.cl">http://www.dipres.cl</a></td>
<td>Disaggregated data available online.</td>
</tr>
<tr>
<td>El Salvador</td>
<td>“Gobierno Central Estado Demostrativo de Gasto por Areas” available on request at the Ministerio de Hacienda</td>
<td>Disaggregated data available on request.</td>
</tr>
<tr>
<td>Guatemala</td>
<td>“Gasto Público de la Administración Central” available at <a href="http://www.minfin.gob.gt">http://www.minfin.gob.gt</a></td>
<td>Disaggregated data available online.</td>
</tr>
<tr>
<td>Honduras</td>
<td>“Ejecución Presupuestaria del Gasto pro Finalidad y Función” available on request at the Secretaría de Finanzas</td>
<td>Disaggregated data available on request.</td>
</tr>
</tbody>
</table>

\(^{24}\) Transport was included in the measure because aggregated public spending data on economic assistance includes spending on transportation as well.
Table A2

Representativeness of Latinobarometer Samples 1996-2006 (% of total population)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Argentina</td>
<td>56</td>
<td>68</td>
<td>48</td>
<td>75</td>
<td>75</td>
<td>75</td>
<td>100</td>
<td>100</td>
<td>100</td>
<td>100</td>
</tr>
<tr>
<td>Bolivia</td>
<td>32*</td>
<td>32</td>
<td>32</td>
<td>52</td>
<td>52</td>
<td>100</td>
<td>100</td>
<td>100</td>
<td>100</td>
<td>100</td>
</tr>
<tr>
<td>Chile</td>
<td>67</td>
<td>70</td>
<td>67</td>
<td>68.97</td>
<td>70</td>
<td>70</td>
<td>70</td>
<td>70</td>
<td>70</td>
<td>100</td>
</tr>
<tr>
<td>Costa Rica</td>
<td>100</td>
<td>100</td>
<td>35</td>
<td>92</td>
<td>100</td>
<td>100</td>
<td>100</td>
<td>100</td>
<td>100</td>
<td>100</td>
</tr>
<tr>
<td>Ecuador</td>
<td>96</td>
<td>96.8</td>
<td>96.8</td>
<td>96.8</td>
<td>96.8</td>
<td>100</td>
<td>100</td>
<td>100</td>
<td>100</td>
<td>100</td>
</tr>
<tr>
<td>El Salvador</td>
<td>100</td>
<td>100</td>
<td>64.5</td>
<td>68</td>
<td>100</td>
<td>100</td>
<td>100</td>
<td>100</td>
<td>100</td>
<td>100</td>
</tr>
<tr>
<td>Guatemala</td>
<td>100</td>
<td>100</td>
<td>70.24</td>
<td>81.5*</td>
<td>100</td>
<td>100</td>
<td>100</td>
<td>100</td>
<td>100</td>
<td>100</td>
</tr>
<tr>
<td>Honduras</td>
<td>100</td>
<td>100</td>
<td>47.5</td>
<td>95</td>
<td>100</td>
<td>100</td>
<td>100</td>
<td>100</td>
<td>100</td>
<td>98.4</td>
</tr>
<tr>
<td>Mexico</td>
<td>93</td>
<td>93</td>
<td>90</td>
<td>93</td>
<td>88.3</td>
<td>95</td>
<td>96.4</td>
<td>97.7</td>
<td>100</td>
<td>100</td>
</tr>
<tr>
<td>Peru</td>
<td>70</td>
<td>52</td>
<td>53</td>
<td>52*</td>
<td>52</td>
<td>100</td>
<td>100</td>
<td>100</td>
<td>100</td>
<td>100</td>
</tr>
<tr>
<td>Uruguay</td>
<td>100</td>
<td>80</td>
<td>80</td>
<td>80*</td>
<td>80</td>
<td>80</td>
<td>100</td>
<td>100</td>
<td>100</td>
<td>100</td>
</tr>
</tbody>
</table>

* Bolivia 1996: 75% of urban population; 88% of population in towns of more than 30,000; Guatemala 2000: 90% of urban population; Peru 2000: 72.4% of urban population; Uruguay 2000: 88% of urban population.

Figure A1-A11: IPP over Time and per Country

References


