# Who Delivers? Partisan Clients in the Argentine Electoral Market

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*Why do some parties fail to benefit from patronage in pork-ridden political systems? This article analyzes the interaction between patronage and partisanship to explain why some incumbents are more likely to benefit from pork politics than others. We explain such differences by focusing on political parties' access to resources (supply side) and voters' dependence on fiscal largesse (demand side). We show how these differences affect the patron's choice of public sector wages and employment. We use subnational level data to show different electoral returns from patronage for the two major political coalitions in Argentina—Peronism and the UCR-Alianza—and their effect on preferences over public sector wages and employment.*

W hy do some political parties fail to benefit from patronage in pork-ridden political systems? This article analyzes the interaction between patronage and partisanship to explain why some incumbents are more likely to benefit from pork politics than others. We explain returns to patronage by highlighting differences in the political parties' access to resources (supply side) and the voter's dependence on public sector jobs (demand side). We propose that, just as political parties cater their policies to particular groups of voters, they pursue different strategies when allocating pork in exchange for support. On the supply side, we highlight the importance of partisan biases in the fiscal and electoral institutions that regulate the access and distribution of public resources. On the demand side, we show that patronage is a distributive mechanism that provides different returns to voters with different skills and labor market expectations.

There is a large body of literature that explores how voters' contextual and socio-economic characteristics result in different levels of dependence on public resources.[1] The most important insight of this literature is differences in income levels and private sector alternatives affect a voter's propensity to accept pork in exchange for support. Simultaneously, current works on distributive politics have shown that parties cultivate specific political constituencies by following different distributive strategies.[2] The most important finding of this literature has been in modeling the extent to which left- and right-wing political parties follow different macroeconomic and public spending strategies. To our knowledge, however, little research effort has integrated these two literatures by linking the demand side of patronage with the redistributive strategies of different political parties. Our intent is to fill this gap, providing an explicit link between the literature on redistributive taxation and clientelism by showing the

[1]Brusco, Nazareno, and Stokes (2002), Diaz Cayeros, Estevez, and Magaloni (2001), Robinson and Verdier (2002), Stokes and Medina (2004).

[2]Alesina, Danninger, and Rostagno (2001), Alesina and Rosenthal (1995), Boix (2001), Iversen and Wren (1998), Garret (1998), McCarty, Poole, and Rosenthal (2003), Moene and Wallerstein (2001) provide significant evidence of how partisan differences lead to different distributive paths in order to benefit particular constituencies.

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use of public jobs as a redistributive mechanism with different electoral returns depending on the labor market expectations of partisan constituencies.

Our argument is straightforward: patronage spending is a redistributive tool that transfers public resources from the net payers of the tax system to the poor. Moreover, lower income/skill voters are more sensitive to clientelistic transfers than are higher income/skill voters.[3] Under similar budget constraints, the mean public wage for low-skill workers is smaller, and the redistributive premium is therefore larger, than for those with comparatively high income/skill. This redistributive premium can take the form of larger relative public wages or larger employment. Therefore, the utility from patronage declines monotonically with income (or skills), and transfers to higher-income voters (middle classes) do not provide the same returns to pork as those to low-income voters (the poor). This simple description already captures an essential feature of patronage: while targeting could give any party the opportunity to transfer clientelistic resources to their constituencies, targeting does not benefit every patron equally.

After introducing the general model, we illustrate our argument with an in-depth analysis of the different electoral returns to patronage for the Peronist Party (PJ) and the Radical Civic Union (UCR) in Argentina. Argentina lacks stable civil service rules, and its two main political parties have clientelistic origins and receive electoral support from relatively stable electoral coalitions with differently skilled constituencies. Additionally, Argentina has experienced a competitive democratic process since 1983 that has included two partisan alternations in presidential power and presents considerable competition at the subnational level, where half of public expenditures are concentrated. These conditions allow us to test the effect of variation in access and dependence on public resources that we hypothesize. Using subnational level data, we show the existence of partisan effects on both access to, and returns from, the distribution of patronage. We link these partisan effects to the country's fiscal and electoral subnational institutions (supply side) and the sociodemographic characteristics of their partisan constituencies (demand side). Furthermore, this subnational analysis allows us to control for historic and cultural variables at the country level that may affect our explanatory variables.

This article is divided into six sections. In the first section we present a partisan model of patronage. In the second section we describe the competitive electoral market established in Argentina since the 1983. In the third section we estimate the mechanisms that explain different parties' access to fiscal resources, and in the fourth section we estimate the electoral returns from patronage, which we link to the voters' labor market expectations and skills. In the fifth section we derive the implications of our argument for partisan preferences on public sector size and wages. The sixth section discusses the comparative implications of studying patronage as a partisan redistributive mechanism.

## A Stylized Model of Partisanship, Patronage and Redistribution

Public jobs are excludable goods that can be distributed to partisan constituents in the absence of civil service rules.[4] These public jobs reward supporters and their dependents through a publicly provided income, with additional positive externalities for a community of actors embedded in clientelistic networks. Hence, patronage contributes to the stability of electoral coalitions by shaping expectations about the future distribution of public jobs over a stable network of voters (Diaz-Cayeros, Estevez, and Magaloni 2001; Robinson and Verdier 2002). However, the question of why parties have different preferences with respect to patronage spending has not been addressed by the literature on patronage.

This article shows that not all parties benefit equally from patronage spending. The electoral efficiency of patronage depends critically on the ability of political parties to access public jobs at different levels of the government and the dependence of differently skilled voters on these jobs. Prior linkages between political parties and voters with different labor skills and market expectations therefore limit the redistributive strategies parties can choose and the electoral returns to public jobs' spending.

Different returns to patronage spending, in turn, influence patrons' policy preferences regarding the size and wages of the public sector along partisan lines. That is, if the access to fiscal resources is unequally distributed among parties, or skills are unequally distributed among their voters, patronage would not be equally valuable to all

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[3]This larger sensitivity captures the idea that a *one peso* increase provides more utility to a low-income/skill voter than to a high-income/skill voter. This larger sensitivity is not crucial to our argument because politicians face a tradeoff between employment and larger public salaries even when all voters value equally a nominal increase in their income.

[4]We center our analysis of "patronage" on the allocation of public jobs in exchange for political support (Robinson and Verdier 2002). Other targeted transfers are of course possible and would not affect the basic argument.

FIGURE 1    **Public and Private Sector Wages and Years of Education (Argentina 1997)**
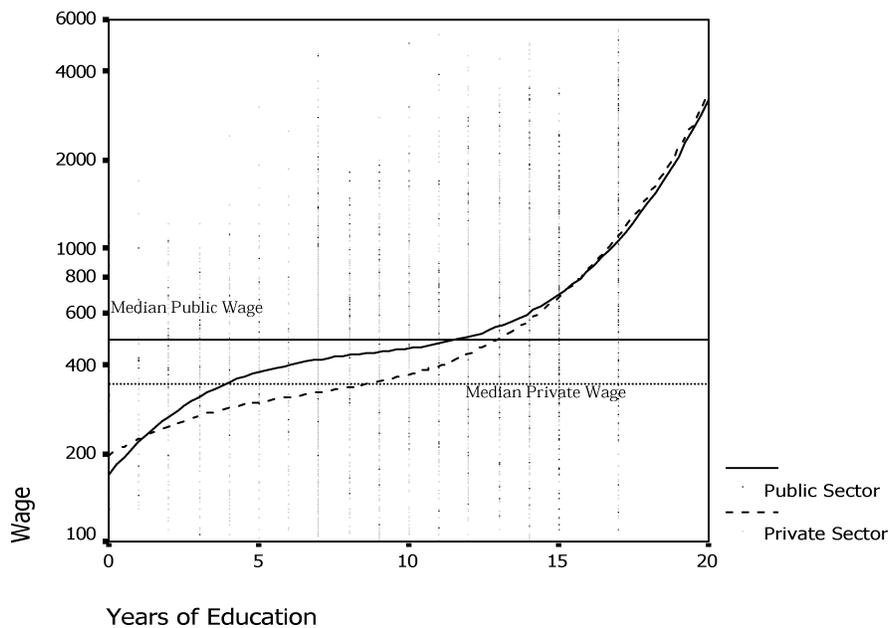


*Note:* Fitted cubic regression lines of wage by education, for both public and private workers. Estimated from Siempro (1997) National Household Survey, 18.643 valid observations.

partisan patrons, and they should have different strategies of patronage to maximize their electoral returns.

The supply-side advantages to patronage are the result of the parties' different access to public funds. Because any clientelistic party prefers larger budgets, supply-side differences emerge from biases in the institutional mechanisms that regulate the incumbents' access to public funds. We show here, for the case of Argentina, that different electoral and fiscal rules (Monroe and Rose 2002) generate partisan biases in the subnational distribution of public funds.

On the demand side of patronage, the absence of civil service rules allows the discretionary use of public employment as a distributive mechanism that rewards public employees with a wage premium above their likely private sector wages.[5] Because this premium can be targeted to groups of voters' endowed with different skills, factors that affect the expected income or market alternatives of different groups of voters will also shape the effectiveness of patronage-driven electoral strategies. For instance, socioeconomic development is usually associated with increases in the skill levels of the labor force, thereby lower-

ing the returns that patrons can derive from redistribution through the discretionary allocation of public jobs.[6]

Figure 1 provides an example of this argument by plotting individual-level survey data on wages (private and public) and years of education (as a proxy for skill levels) in Argentina. As shown by the solid line, the median public wage is significantly above the median private wage for the low-skilled employees and slightly below the private sector wage for high-skilled employees. As a result, although the median private wage is around 370 pesos and the median public wage is around 500 pesos, this 33% wage premium is unequally distributed among workers

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[5]We define the wage premium as the difference between the public sector wage and the private sector wage for groups of voters with equivalent skills.

[6]Therefore, we may expect patronage to increase in highly unequal middle-income democracies, in contrast with both low-income countries, in which there is little redistribution, and consolidated democracies in developed countries, where there is limited partisan control over the allocation of relatively costly public jobs to comparatively skilled workers. There is evidence, however, that redistribution through public employment is still quite significant in some developed countries, such as Sweden (Iverson and Wren 1998; Iverson and Soskice 2002) and Italy (Alesina, Danninger, and Rostagno 2001), and that public employees provide electoral returns to the parties with redistributive policy preferences. However, even in those cases the patron's discretion has generally been replaced by universal budgetary mechanisms while constituencies' dependence has been alleviated by welfare entitlements.

with different skill endowments.[7] As noted in Figure 1, the wage premium derived from a public job is large for employees with elementary education (seven years), but it turns negative for workers with two years of college, whose public sector wages are below their private market prices.[8]

Under this formulation, patronage represents a different instrument for social redistribution, in line with most accounts of redistributive taxation (Meltzer and Richards 1981; Alesina and Rodrik 1994). Two important differences with the basic models are, however, (1) the particularistic nature of redistribution to a fraction of voters,[9] and (2) the discretionary control given to politicians over the allocation of public resources. This discretionary control not only serves as a mechanism that actualizes the relationship between the patron and the client but, as important, it provides a mechanism to finance and discipline different factions of the clientelistic party. There are, therefore, electoral and organizative advantages linked to the continued management of patronage resources, and this is critical for explaining the portfolio of redistributive instruments by different party machines.

It is important to note that in the presence of budget constraints, the number of public employees is a declining function of the relative salaries different groups of voters receive. Therefore, patrons face a trade-off between hiring larger numbers of public employees and providing larger public sector wages.

In the absence of prior linkages to particular constituencies, any patron can maximize both public employment and public wages by specializing in low-income/skill voters. However, under similar budget constraints, parties

with programmatic linkages to differently skilled constituencies face the tradeoff of granting wage premiums to fewer high-skilled workers or to a larger group of low-skilled workers. Therefore, redistribution through public employment should affect the public sector size depending on the skill level of the groups targeted for redistribution by the partisan patrons.

The fact that public employment can serve as a mechanism of social redistribution does not explain how clientelistic political parties choose partisan clients rather than always catering to the less-skilled voters, who can be hired in larger numbers than more-skilled workers under the same budget constraint. Indeed, most studies of clientelism assume an instrumental vote rather than long-term ties between voters and patrons.[10] Political parties, however, have prior partisan linkages to constituencies because they do not rely only on patronage as a distributive mechanism to fulfill voters' expectations.

Because party systems emerge in a cumulative way, political parties diversify their resources, investing in private, club, and public goods for redistribution depending on the different constituencies they target (Diaz-Cayeros, Estevez, and Magaloni 2001) and their supply of such goods.[11] As a result, the socioeconomic status and partisan allegiances of electoral constituencies come from historical factors that generate distributive expectations reinforced when incumbent politicians allocate resources based on those pre-existent linkages.[12]

For the Argentine case, we show first the institutional effects produced by the territorial distribution of vote on access to fiscal resources. We then demonstrate the distributive nature of patronage spending on partisan constituencies. Lastly, we analyze the implications of our

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[7]Because the median public sector wage is larger than that expected by the median worker in the private sector, public employment should be a dominant strategy for a majority of the economically active population.

[8]Alesina, Danninger, and Rostagno (2001) show similar distributive effects for the case of Italy.

[9]Iversen and Soskice (2002) provide an alternative model of targeted redistribution. The only additional assumption needed for our analysis of patronage is that transfers are defined as a lottery within categories of workers with different skills. The fact, however, that taxation will occur with probability $p = 1$ while lump-sum transfers will occur with probability $p^* < 1$, could provide risk-averse median voters with incentives to choose lower levels of taxation than those expected under a pure mixed strategy. There are many interesting alternatives to such games, one of which could presume a discount function for lower values of $p^*$, making it less attractive to choose high redistribution as the likelihood of being hired in the public sector declines. In principle, this should make redistributive taxation more attractive for low-skill, low-wage employees of large public sectors, compared to high-skill, high-wage employees of small public sectors. These alternative models are for the moment outside the scope of this article but constitute a promising research agenda for analyzing public sector targeting and the support for redistribution.

[10]The model developed by Stokes and Medina (2004) assumes an instrumental relationship based on clients' dependence but without prior partisan linkages. However, Stokes (2003) assumes that patrons in democratic regimes are more likely to invest their clientelism on weakly predisposed voters than in either loyal or non-predisposed voters, whereas Cox and McCubbins (1986) assume that risk-averse politicians are more likely to invest pork on loyal supporters.

[11]Clientelism is a strategy compatible with both conservative parties, minimizing redistribution to the middle classes and subsidizing low-income voters, or labor parties, benefiting their constituencies for both electoral and ideological reasons. The different returns to pork that come from cultivating low-income voters, explain why parties as different as the U.S. Democrats in the early twentieth century, the Conservative Colorados in Uruguay, the PRI in Mexico, and the Peronists in Argentina followed similar clientelistic strategies to cement their electoral coalitions, while also using public good redistribution through the most extensive expansion of social policy in their respective countries.

[12]Lowry, Alt, and Ferree (1998) associate different voter reactions to budget deficits by Republican or Democratic governors in the United States to voters' expectations about the distributive effects of incumbency by each party.

argument on partisan preferences for different distributive paths—public sector size and wage—derived from the budget constraints faced by politicians over a limited range of feasible voters to which they have priorities.

## Subnational Politics and Patronage in Argentina

Argentina's 1853 constitution established a federal and presidential republic with a bicameral Congress. This constitutional design was relatively stable until the first military coup in 1930. A fifty-year period of political instability ensued, which eroded the state's capacity to generate stable social expectations. In the absence of a civil service, this instability led to high levels of rotation in the upper bureaucratic and judicial cadres (Iaryczower, Spiller, and Tommasi 2002).

During the second half of the twentieth century, Argentina's party system was based on two political coalitions led by the Union Cívica Radical (UCR) and the Peronist Party (PJ). The UCR was a centrist party that emerged from the urban middle classes in the 1890s, while the PJ emerged in the 1940s from a coalition of urban workers in the most developed areas of the country and local bosses in the most rural provinces. The UCR won all presidential elections between the electoral reform of 1912, which made universal male suffrage effective, and the 1930 coup. The Peronists won all subsequent elections in which they were allowed to run until 1983. The combination of a lack of effective competition and political instability prevented either of the two parties from establishing distributive strategies in a competitive context until 1983.[13]

The return to democracy in 1983 marked the beginning of a period of democratic stability with competitive elections and effective power alternations in the national executive. In the period between 1983 and 2001, both the PJ and the UCR (with allies) won two presidential elections each. Regardless of who won the presidency, Peronists controlled the Senate, a majority of governorships, and usually a majority of municipal governments and a plurality of seats in the Lower House. By contrast, non-Peronist presidents who had gathered national majorities never controlled the Senate and only briefly the plurality of seats in the Lower House (Table 1).

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[13]During their first three administrations (1916–30), the Radicals did not establish any large program of social policy redistribution but enlarged the public sector and opened it to the middle classes. In contrast, during their first two administrations (1946–55) the Peronists not only expanded the state but also committed to a dramatic redistribution through social policy and labor market regulations (McGuire 1997).

**TABLE 1  Party of the President, House and Senate Seats, and Governorships**

| | 1983–1985 | 1985–1987 | 1987–1989 | 1989–1991 | 1991–1993 | 1993–1995* | 1995–1997[a] | 1997–1999[b] | 1999–2001[b] |
|---|---|---|---|---|---|---|---|---|---|
| Party of the President | UCR | UCR | UCR | PJ | PJ | PJ | PJ | PJ | UCR-Frepaso |
| Peronist Diputados (%) | 43.7 | 38.4 | 38.4 | 47.1 | 48.6 | 49.8 | 51.4 | 46.6 | 38.82 |
| Alianza Diputados (%) | 50.6 | 50.6 | 44.7 | 35.3 | 32.9 | 32.9 | 35.3 | 41.6 | 47.0 |
| PJ Senators (%) | 45.6 | 45.6 | 45.6 | 61.2 | 61.2 | 61.2 | 55.7 | 55.7 | 55.7 |
| UCR-Alianza Senators (%) | 39.1 | 43.5 | 43.5 | 26.1 | 21.7 | 21.7 | 28.6 | 28.6 | 28.6 |
| Peronist Governorships | 52.2 | 52.2 | 73.9 | 73.9 | 58.3 | 58.3 | 58.3 | 58.3 | 62.5 |
| Alianza Governorships | 30.43 | 30.43 | 8.7 | 8.7 | 16.7 | 16.7 | 20.8 | 20.8 | 29.16 |
| Peronist Mayors (>4000 inhabitants) | 43.3 | 43.3 | 55.9 | 55.9 | 55.7 | 55.7 | 58.9 | 58.9 | 51.5 |
| UCR Mayors (>4000 inhabitants) | 45.8 | 45.8 | 32.8 | 32.8 | 30.4 | 30.4 | 28.8 | 28.8 | 36.2 |

*Sources*: Dirección Nacional Electoral, Ministerio del Interior; Jones and Hwang (2003).
[a]The number of senators increased from 48 to 72 after the constitutional reform of 1994.
[b]Alianza diputados after 1997 include seats from the UCR and the Frepaso.

Not only were PJ subnational electoral coalitions more extensive, but they were also more stable. The number of Radical victories in gubernatorial elections ranged from two to seven, whereas those of the Peronists ranged from 12 to 17. But while the UCR only retained the governorship of Rio Negro during these four elections, the PJ repeatedly kept the governorships of eight provinces.

We show below partisan differentials of access to fiscal resources and electoral returns from patronage in Argentina. These partisan differences provide evidence for the partisan model of patronage we described in the previous section while also explaining the relative stability of the Peronist subnational coalitions, which made political and legislative gridlock more likely under non-Peronist presidents after the democratic transition of 1983.

## The Supply of Patronage Resources: Electoral and Fiscal Institutions

In this section we examine the partisan bias introduced by electoral and fiscal institutions on the distribution of fiscal resources by provincial patrons at the subnational level in Argentina. We show that these institutional effects produce a partisan bias because they overlap with the geographic concentration of PJ votes. We argue that three different elements helped the Peronists achieve a partisan advantage in their access to fiscal resources: (1) the geographic distribution of the Peronist vote, (2) a majoritarian bias in the electoral rules which restricted the entrance of third parties in overrepresented but sparsely populated provinces where the PJ vote concentrated, and (3) fiscal federal institutions that favored PJ-dominated provinces, even controlling for redistribution and provincial overrepresentation. The institutional bias introduced by both electoral and fiscal arrangements due to the geographic distribution of PJ voters affected access to fiscal resources at the subnational level through the incumbency effect and the distribution of fiscal revenue.

### Geographic Bias and Electoral Institutions

The Argentine electoral system for Lower House Representatives, established by exiting military rulers in 1983, is characterized by a majoritarian bias that benefits winning parties in the less-populated provinces. This majoritarian bias, common in tiered multimember districts (Monroe and Rose 2002), provides a larger number of seats to parties whose constituencies are located in provinces with smaller district magnitudes. The election of national representatives has effective magnitudes ranging from 35 in Buenos Aires, to two to three in 14 of the 24 provinces. As

**FIGURE 2  The Effect of Inter-Provinces Magnitude Variation in the Seat Allocation of the National Chamber of Representatives**
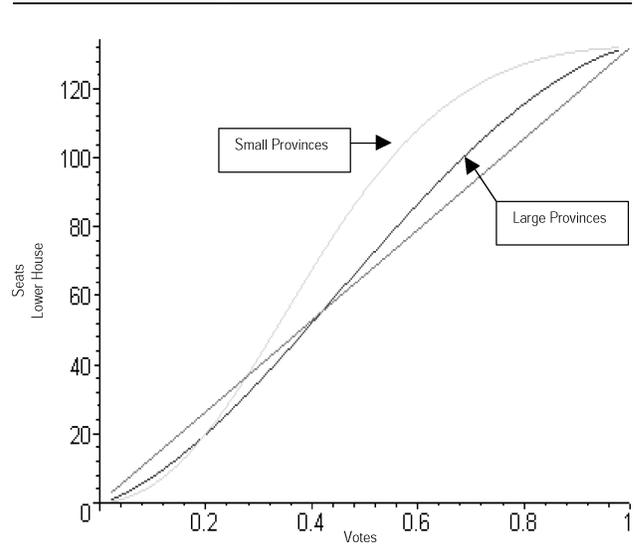


*Note:* Measured on legislative elections for the renovation of half of the Lower House (124 seats). Grouped Logistic Model with pooled provincial data from the appendix.

a result of the closed party ballot and PR system used for congressional elections, the effective number of legislative parties ranges from over six in the City of Buenos Aires to close to one in provinces like La Rioja and Santiago del Estero. As a result, the elections for the Lower House in most small provinces are majoritarian and have low electoral volatility, whereas in a few large provinces they are proportional and electoral volatility is high.

Figure 2 summarizes the seat-vote allocation properties of the Argentine electoral system, where many parties compete for underrepresented votes in the most populated provinces, while a few parties compete for overrepresented votes in the least populated provinces.[14] Because small and large provinces distribute close to half of the seats in each election, Figure 2 shows that a party winning 50% of the vote in every province should obtain ≈70 seats (56%) in the large provinces and ≈90 seats (72%) in the less-populated ones. Additionally, while only a third of the population lives in the smaller provinces, overrepresentation gives these voters ≈48% of the seats.[15] Thus, a small

[14] Figure 2 was estimated from pooled provincial data covering 10 elections between 1983 and 1999. The estimates are from a grouped logit model for seat counts, using votes and time-series controls (Calvo and Miccozzi 2004). Details of estimation in the appendix.

[15] Samuels and Snyder's (2001) ranking of 78 countries in the world in terms of the malapportionment of their Lower Houses puts Argentina at 12.

number of parties receive half of the Lower House seats in overrepresented majoritarian districts, while a large number of parties receive half of the Lower House seats in underrepresented proportional districts. Indeed, overrepresentation is even worse in a Senate with equal representation per province regardless of population (two Senators until 1994 and three afterwards).[16]

The geographic concentration of PJ voters in less-populated, and more overrepresented, provinces overlaps with the majoritarian bias produced by the electoral system, thereby favoring this party in the distribution of seats in the Lower House, the Senate, and provincial governorships. Therefore, even when the PJ did not gather national majorities to win the presidency, it obtained more governorships—and thus access to fiscal resources—than the Radicals. In addition to the effect produced by the electoral bias on subnational incumbency, fiscal institutions further reinforced partisan differences in access to resources as discussed below.

## Fiscal Federalism and Partisan Bias in Access to Resources

The geographic distribution of the Peronist vote in combination with the distributive effects of Argentine fiscal federalism provides an advantage for Peronist politicians in obtaining fiscal resources to invest in patronage This partisan bias produced by the combination of institutional effects and the PJ concentration of the vote cannot be accounted for by other factors affecting fiscal redistribution, such as population, provincial income redistribution, or even electoral overrepresentation.

Since 1934, the Argentine provinces delegated fiscal authority to the federal government for levying and collecting taxes. Fiscal revenues were divided between the federal and provincial governments using a revenue-sharing formula set by Congress, which over time increased the provincial share of resources at the expense of the federal share to the point that both shares were almost equal by 2001.[17] This distribution favored the

Peronist politicians who controlled more provincial governorships than their Radicals counterparts.

The Peronists' advantage in obtaining access to fiscal resources is not only based on their larger electoral success at the provincial level but also in the fact that the distribution of fiscal revenue is biased toward Peronist-controlled provinces, even taking into account other factors influencing revenue-sharing. Using a pooled cross-sectional dataset of economic and political provincial indicators we show that Peronist-dominated provinces are able to extract larger federal resources than their UCR counterparts, even when controlling for differences in income and population in the redistributive component of the revenue-sharing formula, as well as for the overrepresentation generated by the electoral system.[18] Our dataset includes cross-sections of the 24 provinces and the City of Buenos Aires for the years of 1987, 1990, 1995, and 2000. Two years were under UCR presidencies (1987 and 2000) and two years under Peronist presidencies (1990 and 1995).[19] In order to test for the existence of a partisan bias in the allocation of fiscal resources, we analyze the effect of the Peronist and UCR *vote share* on our dependent variables:

(1) *Share of expenditures financed by the federal government:* Describes the percent of province i's total expenditures financed by both revenue sharing and other special transfers from the federal government.
(2) *The relative share of fiscal resources (revenue sharing ratio) received by each province:* Measures province *i*'s share of the total federal resources over their population share.[20]

Our independent variables are the UCR/Alianza and Peronist *vote*[21] for province *i*, and we use the usual controls for explaining revenue sharing and federal financing:

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[16]Since 1991, Argentina has 24 provinces, which serve as electoral districts for the 257 members of the Lower Chamber and receive a number of deputies in proportion to population, provided that no district receives fewer than five deputies or fewer legislators than its share during the 1973–76 democratic period. As a result, six provinces in the least populous quartile have 3.9% of the population, 11.7% of the seats in the Lower Chamber, and 25% of seats in the Senate. In contrast, the province of Buenos Aires, which has 39% of the population, only receives 27% of deputies and 4% of Senators. Prior to 1991, Tierra del Fuego was not a province and the City of Buenos Aires was a federal district.

[17]Between 1980 and 2001, the provincial expenditures—discounting public debt—grew from 8% to 13% of the GDP while federal expenditures decreased from 17% to 13% of the GDP (Ministry of the Economy 2002).

[18]An income-adjusted revenue-sharing formula can be an indication of Peronist legislative strength. Although controlling for such endogeneity should provide even stronger results than those presented in this section, the conservative estimates displayed here show a partisan effect even when controlling for the main components of the revenue sharing formula.

[19]Between 1997 and 2001, the UCR made an electoral alliance with the center-left FREPASO, for that reason we have pooled their votes together for the 1995 election—the year after the establishment of FREPASO.

[20]The measurements of federal government financing and relative revenue-sharing ratio are similar to those used by Gibson and Calvo (2000) and Remmer and Wibbels (2000).

[21]The effective number of competitive parties in Argentina ranges from 2.7 to 3.3, with relatively high levels of competition in 1991, 1995, and after the presidential crisis of 2001. We controlled for the residual category "other parties" and found no significant differences. Further statistical results are available from the authors upon request.

population share, income, and voting power by province *i*. Because the revenue-sharing formula in Argentina has population and income components, we introduce control variables measuring the median voter's income and the population of every province.[22] To capture the electoral power of different provinces we introduce a control variable measuring the degree of electoral overrepresentation of every province *i*'s voter.

The measure of overrepresentation is the share of legislators in province *i* over the share of the population of province *i*, with larger values representing larger voting power. To render the results more readily interpretable, natural logs were used for both the dependent and independent variables. This led to a simple log-log OLS model in which all coefficients can be interpreted as relative changes in the percent of financing as a function of the percent of change in the variables of interest.[23]

Table 2 shows both positive and significant effects of the Peronist vote on both the amount of federally financed expenditures and on revenue sharing, even controlling for other factors affecting revenue sharing. In fact, a 1% increase on the Peronist provincial vote leads to a .28% increase in the percent of expenditures financed by the federal government and a .39% increase in revenue sharing. By contrast, the UCR-Alianza has no significant effect on either *federal financing* or *the relative revenue-sharing ratio*. The combination of the geographic distribution of Peronist voters and federal institutions gives Peronist incumbents an advantage over the UCR incumbents at obtaining access to 70% of all provincial expenditures and 69% of all provincial employment—equivalent in 2001 to 945,000 public employees. Thus, regardless of which party controls the presidency,[24] Peronist-controlled provinces received higher levels of federal funding for their local expenditures and a larger share of revenue-shared resources than those controlled by the UCR-Alianza.

The partisan effect just described is robust even when we include controls for other factors affecting the fiscal distribution.[25] All the control variables have the expected

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**TABLE 2  Partisan Vote and Public Resources**

|  | Percent of Provincial Spending Financed by the Federal Government (ln) | Relative Revenue Sharing Ratio |
|---|---|---|
| PJ Vote Share (ln) | .28** | .39*** |
|  | (.11) | (.11) |
| Al Vote Share (ln) | −.04 | −.02 |
|  | (.08) | (.07) |
| Median Income (ln) | −1.03*** | −.67*** |
|  | (.17) | (.17) |
| Over-representation (Dip) | .03 | .07** |
|  | (.03) | (.034) |
| Population (ln) | −.20*** | −.44*** |
|  | (.04) | (.04) |
| 1990 | 1.14*** | .44** |
|  | (.22) | (.22) |
| 1995 | −.02 | .45*** |
|  | (.09) | (.094) |
| 2000 | −.04 | .68*** |
|  | (.09) | (.09) |
| Constant | 7.89*** | 7.77*** |
|  | (1.29) | (1.25) |
| $R^2$ | .63 | .869 |
| N | 87 | 87 |

*Note:* OLS estimates with standard errors in parenthesis. *Significant at the .1 level, **Significant at the .05 level, ***Significant at the .01 level. PJ vote describes the share of Peronist vote in province *i*. Al vote describes the share of Alianza vote in province *i*. The sum of the Peronist and Alianza vote has a mean of .81, with almost 19% of the vote won by the residual category other parties (baseline). *Median-income* describes the median income of the economically active population in province *i* (EPH, Indec). Over-representation describes the share of representatives of province *i* over the share of population of province *i*. Natural logs allow quantities to be interpreted as relatives change, % of change in the dependent variable per 1% change in the independent variables (elasticity).

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[22]Population data from the Argentine Census Bureau (INDEC). Provincial median worker's income from the National Household Survey, EPH, INDEC.

[23]Random-effect models for time series produced equivalent results and, therefore, we present the OLS alternatives.

[24]The year dummies include two Peronist administrations (1990, 1995) and two UCR administrations (1987 baseline and 2000).

[25]An endogenous alternative to the models presented in Table 2, jointly specifying the revenue-sharing and total-spending formulas, produced comparable estimates. While it was not included in this article, both the data and the alternative specification can be requested from the authors. The lack of congressional data limits the possibility of an explicit hierarchical estimation of the partisan choice of a revenue-sharing formula but the estimated parameters should remain unbiased.

effects. The median voter's income has a significant and strong negative effect on both dependent variables, confirming the redistributive component of revenue sharing. A 1% decline in median income also leads to a 1.03% increase in federal financing and a .67% increase in revenue sharing. Overrepresentation does not significantly affect the percentage of provincial spending financed by the federal government, but it has a significant and positive effect on the relative revenue-sharing ratio, accounting for the fact that the four most populous provinces had 67.4% of the population and 71.1% of the gross provincial product but only received 44% of the federal revenue.

In sum, this section shows how the combination of the effects produced by both federal and electoral institutions

and the territorial distribution of voters provide Peronists with a partisan advantage in access to fiscal resources that can be deployed for patronage. This supply effect, though, is independent from the demand for redistribution which explains the higher vote-per-buck the PJ receives from patronage spending due to its voters' dependence on public largesse as discussed in the next section.

## Partisan Advantages in the Efficiency of Patronage Expenditures

We have already shown the existence of partisan differences in access to fiscal resources in Argentina, and we now turn to our main argument about the partisan variation in the electoral returns reaped from investing public funds on public employment (demand side). We show here that due to the higher dependence of their constituencies on public largesse, public employment provides better electoral returns for the PJ than the UCR-Alianza in the Argentine electoral market.

### Partisan Returns to Patronage and Constituencies Dependency on Patronage

Once again, this section uses the cross-sectional provincial dataset of Table 2 to explain the effect of patronage on the PJ and UCR vote. In this analysis, our dependent variables are the *percent of congressional votes* obtained by Peronism (Model 1) and the UCR-Alianza (Model 2) in every province *i* and year *j*. The explanatory variables are: (1) *Incumbent Governor*, a dummy variable indicating whether the governor is Peronist or not (Model 1) or UCR-Alianza (Model 2); (2) *Incumbent President*, a dummy variable indicating whether the president is Peronist (Model 1) or UCR-Alianza (Model 2); (3) *Median Voter Income*, describing the provincial median worker's income, as reported by the Argentine Census Bureau (Indec) in province *i* and year *j*; (4) *Public Employment*, describing the number of provincial public employees per 1000 inhabitants of province *i* in year *j*; (5) *Public Expenditures per capita*, describing the gross provincial expenditure per capita in Argentine pesos for province *i* and year *j*; and (6) *effective number of competing parties*, which controls for the different expected vote shares under different provincial competition levels.[26]

Again we pool the votes for the UCR and Frepaso for the 1995 election and include dummies to estimate the effect of incumbency—for both incumbent governors and the president. As in the estimated models of Table 2, the results obtained by OLS were similar to the random effect models, so we display the simpler models.

Table 3 shows that changes in public employment have a significant and positive effect on the PJ vote but not on the UCR-Alianza vote. The effect of public employment per 1,000 inhabitants has a positive and significant effect for the Peronists. A 1% increase in provincial public employment leads to a .066% increase in the Peronist vote. Therefore, we should expect that doubling the number of provincial public employees, from 5% of the economically active population to 11% of the economically active

TABLE 3   Public Employment and Electoral Returns

| | PJ Vote (model 1) | UCR-Alianza Vote (model 2) |
|---|---|---|
| Incumbent Governor | 7.08*** | 9.29*** |
| | (1.75) | (2.28) |
| Incumbent President | 7.77* | 8.88* |
| | (4.25) | (4.27) |
| Median Voter Income (LN) | −5.47* | 4.93 |
| | (3.2) | (3.46) |
| Public Employment per 1,000 (LN) | 6.65*** | −2.20 |
| | (1.89) | (2.06) |
| Effective Number of Competing Parties | −23.97*** | −17.94*** |
| | (2.45) | (2.54) |
| 1995 | 5.69 | 5.36 |
| | (4.03) | (4.32) |
| 2000 | 5.25* | 2.82 |
| | (2.08) | (2.30) |
| Constant | 78.66* | 28.73 |
| | (19.99) | (24.62) |
| R² | .72 | .57 |
| N | 83 | 83 |

*Note:* Incumbent governor is a dummy variable that indicates a Peronist governor in the PJ equations and an UCR-Alianza governor in the Alianza equation. Incumbent president is a dummy variable that indicates a Peronist president in the PJ equation and a UCR-Alianza president in the Alianza equation. Public employment is a variable describing the natural log of the total number of provincial public employees per 1,000 citizens for 1987, 1990, 1995, and 2000. Public expenditures describes the natural log of the total expenditures in pesos for every province *i* in every year of the sample. Effective number of competing parties is a reduced version of the Lakso and Taagepera formula including only major parties.
***p < .01, **p < .1, *p < .2.

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[26]We measure it using Laakso and Taagepera (1979) index: $ENCP = \frac{1}{\sum v_{(i)}^2}$, where $v_{(i)}$ is the share of votes for every party *i*. Public Employment data from *ProvInfo* (http://www.mininterior.gov.ar).

population, should lead to approximately 6% more votes for Peronism. By contrast, public employment is not statistically significant in explaining the UCR-Alianza vote. At the provincial level, therefore, higher spending in public employment does not provide an electoral advantage to the Radicals. This effect holds even when controlling for an incumbent governor (who has access to public resources), which has positive and significant effects on both dependent variables. That is, an incumbent governor results in ≈7% more votes for the Peronism and ≈9% for the UCR-Alianza.[27]

While both the UCR and the PJ have their own clienteles, the statistical analysis shows that the Peronists benefit more than the Radicals from patronage spending. In the model outlined in the first section, most of this variation is explained by the different returns to patronage by Peronist and non-Peronists constituencies. Because public employment is a more efficient redistribution mechanism when directed toward low-skill/income workers, the Peronists prior linkage to such voters led to larger public sectors with higher wage premiums, maximizing the Peronists vote.

The linkages between PJ and its voters have a long history. The PJ vote has been negatively associated with income and education since the 1940s (Ostiguy 1998; Mora y Araujo and Llorente 1980). While these linkages were originally sustained by the distribution of both public and club goods, the fiscal crisis of the 1980s and the market-oriented policies of the 1990s eroded the ability of the state to deliver such goods. Facing the decline in public resources, the PJ-supported policies of state retrenchment while shifting from the delivery of public goods to private goods, especially public jobs whose supply grew at the provincial level during the 1990s (Gibson 1997; Gibson and Calvo 2002). Indeed, Levitsky (2003) argues that this strategy allowed the PJ to keep the partisan loyalties of the lower strata of the population while shifting its economic policies from populism to neoliberalism during the Menem administration. PJ voters continued to be less educated and poorer in the 1990s (Gervasoni 1998). By contrast, electoral loyalty to UCR was associated with higher income and education (Catterberg 1989; Canton and Jorrat 2002), explaining its lower returns from patronage.

We have shown thus far the existence of partisan differentials in both access and returns from patronage in Argentina. Because politicians are strategic, the different returns they derive from patronage should lead to different distributive preferences along partisan lines. Hence,

in the next section we present the implications of our argument for the partisan preferences about public sector size and wages. That is, if patronage is a redistributive mechanism—with different partisan implications—we should observe partisan preferences on public sector size and wages. These partisan preferences, moreover, link our findings to previous work on redistributive taxation in advanced democracies.

## Partisanship, Patronage, and the Relative Size of the Public Sector

The argument presented in the first part of this article is an extension of the more general models of redistributive taxation and hence has natural implications for the size of the public sector. Because different political parties specialize in workers with different skill levels and all of them are restricted by budget constraints, different average public wages affect both the level of spending and the total number of differently skilled public employees. Political parties should thus have different preferences for levels of public wages and employment for workers with different skills and market expectations.
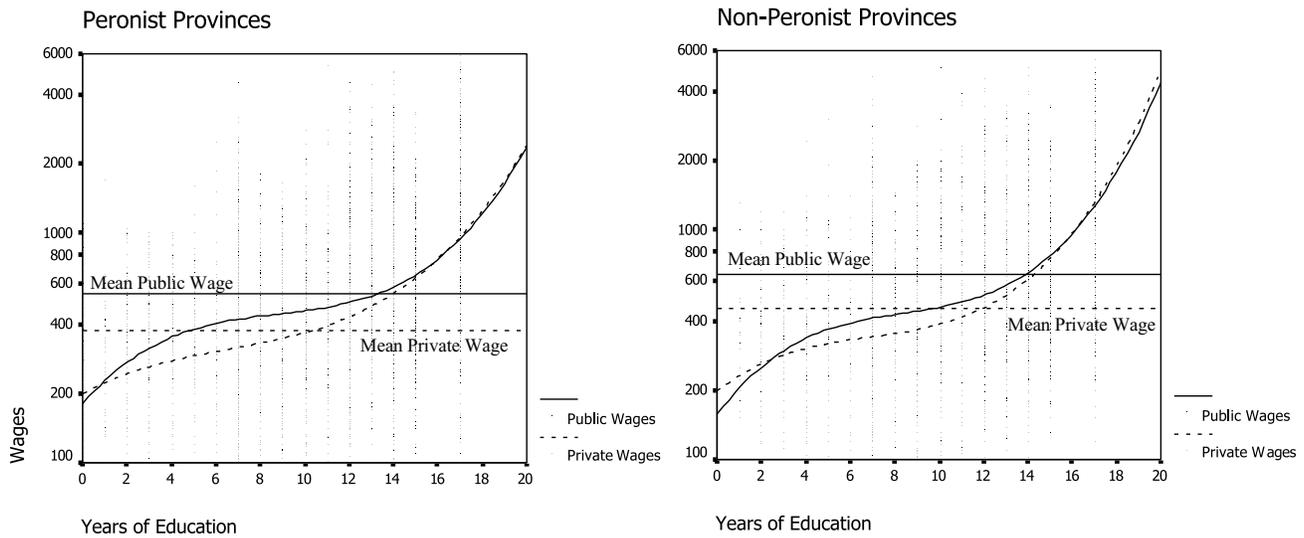
We present Figure 3a and 3b to illustrate different partisan preferences in Argentina based on individual-level data from a national survey (Siempro 1997). The solid line in both figures represents the public sector mean wage by educational level, while the dotted line represents the private sector mean wage by educational level. These figures show that Peronist provinces (Figure 3a) provide a higher public wage premium to low-skilled workers, as expected, than non-PJ provinces (Figure 3b). These figures also show that Peronist provinces have smaller public wages ($704 on average)[28] but more redistribution ($171 on average) from net taxpayers to public employees through the public wage premium.

Moreover, these provinces provide the largest public wage premium to less-skilled workers with only six years of education. By contrast, non-Peronist provinces have higher public wages ($860 on average) and less redistribution ($153 on average) while providing the largest public wage premium to more skilled workers with eight to nine years of education. Therefore, with the same budget constraints, Peronist provinces can sustain 21% more public employees than non-Peronist provinces while providing larger wage premiums to its low-skilled constituencies.

Due to budget constraints, any provincial distributive strategy based on patronage can modify public salaries to

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[27]Consistent with previous research by Jones (1997), provincial coattail effects are comparable in magnitude to presidential coattail effects while displaying considerably smaller standard errors.

[28]Visual differences between the graph and values described in the text come from the population weights in the summary statistics.

*Note:* Fitted cubic regression lines of wage by education in Peronist and non-Peronist provinces, public and private workers. Estimated from Siempro (1997) National Household Survey, 18,643 valid observations.

maximize both redistribution and the total number of public employees benefiting from it. Yet, because higher relative public sector salaries result in fewer public sector employees, there is a benefit in cultivating low-skilled voters and in moderating public wages in favor of larger public sectors. The trade-off between wages and employment should therefore generate pressure for wage moderation in favor of larger employment in Peronist provinces.

We test this partisan effect on the size of the public sector using aggregate-level data to test the relationship between public sector wages, public sector size, and partisanship. Because budget constraints limit the total bill for public sector wages, control over the number of employees is given by regulating public sector salaries. Hence, higher public sector wages should lead to reductions in the number of public employees and lower public sector wages to increases in public sector employment. The statistical analyses, therefore, focuses on partisan choice over public sector wages, which in turn lead to larger or smaller public sector size.

We use again the cross-sectional pooled dataset of the previous section, and we incorporate information on provincial public sector wages and private income as well as the total number of provincial public employees.[29] Our dependent variables are the total number of public employees per 1000 citizens and the relative provincial public

sector wage. Operationalizing our argument is relatively straightforward, as we need to show that public employment decreases as a function of relatively higher provincial public sector wages. Because relative public sector wages are a function of the provinces private sector wage and the national public sector wage, we operationalize relative public wages as

$$RPW = LN\left(\frac{w_{pi}}{w_{pt}} \bigg/ \frac{w_{ri}}{w_{rt}}\right).$$

Where RPW, relative public sector wage, is the ratio of the public sector wage ($w_{pi}$) in province $i$ to the national public sector wage ($w_{pt}$), and the private sector wage ($w_{ri}$) in province $i$ to the national private sector wage ($w_{rt}$). Consistent with our argument, and hinted by Figure 3, higher levels of public sector wages lead to smaller public sectors. By contrast, relatively high provincial private sector wages lead to larger public sector salaries in order to be competitive and still satisfy redistribution. Because provincial politicians can only set the provincial public wages, it is useful to present the results with distinct public $LN(\frac{w_{pi}}{w_{pt}})$ and private $LN(\frac{w_{ri}}{w_{rt}})$ terms.[30]

The explanatory variables for the number of public employees have been described previously in explaining the provincial budget equation: (1) *percent of expenditures*

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[29]Income data from the Permanent Household Survey of INDEC and public wages from *ProvInfo* (http://www.mininterior.gov.ar).

[30]The natural log of the ratio is used to normalize the distribution of the terms. The statistical results with the full term of Equation 1 were similar to those presented with separate terms.

*financed from the federal government*, (2) *public spending deficit*, and (3) *revenue-share ratio*. We also introduced as controls the provincial population—due to the existence of economies of scale in the provision of public services—and year dummies for 1990, 1995, and 2000 (1987 was the baseline year).

Because politicians can only control public employment by setting public wages, the model presupposes two stages: (1) the public sector wages are politically set, and (2) budget constraints allow political bosses to hire a limited number of public employees at the $w_{pi}$. In the statistical model, therefore, public wages are only affected by the political choice of a public salary by the governing party. The public wage equation is modeled according to what party controls the governorship (Peronist and UCR governors), how strong the party of the governor is (Peronist and UCR lower-house vote share), and what the provinces' private median income is. Interaction terms and a measure of provincial inequality—80/20 personal-income ratio—are also included to control for distributive pressures on the private-wage ratio. In our model, we expect the Peronists to favor redistribution through public employment and, therefore, Peronist governors and larger Peronist majorities should increase public sector wages.

As shown in Figure 3, in provinces that are controlled by the UCR high-skilled workers should receive larger salaries but declining premiums. Thus, as the electoral strength of the Peronists increases and under Peronist governors, redistribution to low-skill workers grows, pushing relative public wages up. However, when Peronist governors coincide with Peronist electoral majorities, we expect redistribution to be curved in favor of larger public sectors. In other words, because more redistribution to those already employed provides only marginal returns to the party, more redistribution takes the form of larger public sectors instead of higher relative public wages.

The statistical analysis presented in Table 4 is designed to test the model described in the previous paragraph. We present a two-stage OLS sequential model in which politicians set the public wage, with reference to the province's private sector wages, and the redistributive pressure coming from the provincial level of income inequality. Once politicians set the public wage, budget constraints allow for a certain number of public employees, which characterizes the size of the public sector.

Table 4 presents the result of our analyses. We provide both two-stage least square and seemingly unrelated regression results, showing that the analyses are robust to the endogenous treatment. The results from the employment equation of model 1 show that the higher the provincial relative public wage, the smaller the number of public employees. The substantive effect is large, with a decline of 0.33% employees for every 1% hike on the relative public wage. The SURS alternative model, which does not control for endogeneity, leads to an increase of .37% for every 1% increase in public wages.

The comparison between the two-stage least square and SURS estimates also highlights that the endogenous treatment of the first model moderates the negative impact of larger public salaries on employment. By contrast, higher relative private sector wages are associated with relatively higher public sector wages, consistent with the individual level data observed in Figure 3. The rest of the variables have significant effects and work as expected: the revenue-share ratio has a positive effect on public employment whereas provincial budget deficits, federally financed spending, and population all have negative effects. That is, as the revenue share grows, the budget constraints decline, while larger provincial fiscal deficits and federally financed spending signal constraining budgets, and the population effect shows the economies of scale derived from public employment.

The second equation on model 1 of the relative public wage shows that the stronger the Peronists—either measured by their provincial vote share or their incumbent governor—the more redistribution or provincial public wage relative to the national average. By contrast, the Radical vote share has a negative effect on relative provincial public wages, and Radical governors do not have a significant effect on the relative level of provincial redistribution.

More importantly, Peronist governorships with strong partisan control—the interaction between PJ governor and PJ vote share—moderates redistribution through public wages as shown by a significant and negative coefficient. Given that most of the provincial budget is federally financed and there are almost no local efficiency gains to wage restraint, the negative effect cannot be interpreted as a mechanism to reduce the wage pressure in the provincial economy, but must reflect an effort to maximize public employment. This interpretation complements the survey evidence of Figure 3 showing that Peronist provinces recruit more intensively among low-skilled workers than non-Peronist provinces. By contrast, the interaction between Radical governors and the parties' vote share does not achieve statistical significance.

In short, this section discusses the implications of our argument about the partisan effects of patronage on public sector preferences. We show that patronage as a mechanism of redistribution benefits political parties with low-skilled constituencies. Thus, political parties with those constituencies have public sector preferences that maximize their returns from patronage. Argentina provides an illustration of these effects because Peronist politicians (a) use public employment to benefit their low-skilled

**TABLE 4   Partisan Choices on Public Sector Wages and Size**

| | Model 1, Equation 1 Number of Public Employees (per '000) | Model 1, Equation 2 Relative Public Wage | Model 2, Equation 1 Number of Public Employees (per '000) | Model 2, Equation 2 Relative Public Wage |
|---|---|---|---|---|
| Relative Public Wage $Ln(uw_i/uw_t)$ | −33.81** | – | −37.40*** | – |
| | (17.21) | | (5.52) | |
| Relative Private Wage $Ln(pw_i/pw_t)$ | 200.94*** | – | 213.25*** | – |
| | (69.54) | | (42.10) | |
| Relative Coparticipated Ratio (LN) | 26.24*** | – | 26.68*** | – |
| | (7.03) | | (6.23) | |
| Provincial Public Deficit | −22.49*** | – | −22.55*** | – |
| | (4.03) | | (3.50) | |
| Federally financed Spending (LN) | −20.84*** | – | −21.07*** | – |
| | (7.69) | | (7.05) | |
| Population (LN) | −8.65*** | – | −8.5*** | – |
| | (2.47) | | (2.27) | |
| Peronist Seat Share | – | .62** | – | .649*** |
| | | (.31) | | (.29) |
| Peronist Governor | – | .32*** | – | .35*** |
| | | (.14) | | (.13) |
| Interaction PJ Seats ∗ Gov | – | −.79*** | – | −.848*** |
| | | (.35) | | (.32) |
| UCR Seat Share | – | −.38** | – | −.388** |
| | | (.19) | | (.18) |
| UCR Governor | – | −.19 | – | −.20 |
| | | (.36) | | (.33) |
| Interaction UCR Seats ∗ Gov | – | .44 | – | .46 |
| | | (.74) | | (.68) |
| Median Private Wage | – | .59*** | – | .59*** |
| | | (.07) | | (.06) |
| Constant | 196.22*** | −3.74*** | 194.23*** | −3.76*** |
| | (29.66) | (.46) | (27.34) | (.43) |
| $R^2$ | .84 | .53 | .84 | .53 |
| N | 83 | 83 | 83 | 83 |

*Note:* Model 1 estimated by 2SLS, with independently correlated errors (Recursive Model). Model 2 estimated by Seemingly Unrelated Regression (SURS).

constituencies with higher wages than their private sector value and (b) try to maximize employment for low-paid jobs. Politicians thus act strategically according to their perception of partisan returns from patronage and in doing so further the distributive expectations of their traditional constituencies.

## Comparative Implications

This article brings together previous work on distributive taxation, partisanship, and clientelism to explain why some parties receive larger benefits from patronage spending. We demonstrate that patronage can serve as a distributive mechanism to benefit partisan constituencies with higher electoral returns for political parties whose constituencies are more dependent on public largesse (demand side). We also show how institutionally defined territorial biases can affect access to patronage if overlapping with geographic concentration of electoral support for political parties (supply side). Both effects are independent because they impact either the returns from patronage or access to public resources to pay for it. We illustrate our argument in Argentina where both effects

benefit the PJ due to the geographic concentration of its voters and its linkages with less-skilled constituencies.

We start this article by focusing on how the literature on patronage has generally overlooked the existence of partisan effects, assuming a purely instrumental and immediate relationship between clients and patrons. Our theoretical and empirical analysis suggests that targeting populations with different skills and private-market expectations is critical to understand the electoral benefits that political parties can expect from their clienteles, and that prior linkages prevent political parties from selecting constituencies who have the most to gain from redistribution. By focusing on patronage as a distributive mechanism, our article brings together the insights from the literatures on clientelism and redistributive taxation.

The implications of our argument for the study of patronage are clear. While institutionally induced geographic biases—such as those affecting access to public funds—have been studied before, our main contribution is to highlight the partisan bias introduced by the distributive effects of patronage. Hence, external shocks produced by economic development on the demand side, such as changes in skill distribution and labor market alternatives, as well as institutional changes provoked by political development (i.e., civil service) will influence the effect of patronage as a partisan redistributive mechanism. Yet, controlling for those factors, our focus on who the prior constituencies of political parties are and its implications for preferences on relative public wages and public sector size are straightforward. We expect political parties with low-skilled constituencies to use patronage to benefit these voters by increasing public wage premiums for less-educated employees. We also expect them to prefer relatively larger public sectors with larger numbers of low-skilled employees due to budget constraints. We therefore expect other countries where competitive partisan politics overlap with skill differentials to produce the same partisan preferences. In Chile, for example, we expect that the center-left *Concertación* and the center-right *Alianza por Chile* municipalities will reflect these different preferences regarding public sector size and wage premiums. Our expectations are derived from the fact that the *Concertación* has stronger linkages to low- skilled voters than the *Alianza por Chile,* and following Shefter's effect of access to state resources (Shefter 1977), that both political coalitions used patronage for redistribution (Valenzuela 1977).[31]

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[31]Between 1994 and 2000, public opinion showed a continuous association between higher socioeconomic and education levels and vote for the right-wing parties in Chile and the opposite for the Concertación (Centro de Estudios Públicos, several years).

In short, we have shown that patronage as a redistributive mechanism can be targeted to partisan constituencies with different skill levels and market expectations. Budget constraints, however, drive political parties with relatively high-income/skilled constituencies to finance relatively fewer high-skilled workers reducing their returns from patronage. Thus, while any political parties—either conservative or labor-based—with low-skilled constituencies in less developed areas of the country should benefit from patronage redistribution, for conservative parties this mechanism often provides a venue to harness national majorities while minimizing welfare spending to high-skilled workers in the more developed regions. For labor parties, patronage and welfare can serve as complementary redistributive instruments which, given relatively rigid budget constraints, should be juggled to maximize electoral returns and the relative income of its various constituencies.

# Appendix

Majoritarian bias describes the prize in seats that a winning party obtains beyond its vote share. While King and Browning (1987) prefer the term "Majoritarian Representation," we keep the term majoritarian bias to signal departures from perfect proportional representation. One of the most significant features of the Argentine political system is that majoritarian biases differ in systematic ways across provinces, resulting in similar vote shares allocating different provincial seat shares. This majoritarian bias is primarily the result of different district magnitudes used to represent differently sized subnational populations. As noted in Figure 1 of section 3, small provinces using small district magnitudes display considerably larger majoritarian biases than big provinces using large district magnitudes.

There are a number of ways to estimate the relationship between votes and seats in multimember districts. For the analysis of Figure 1 we chose a grouped logistic procedure that estimates the number of seats allocated to party $i$ as an inverse logistic function of party's $i$ votes (King and Browning 1987; Calvo and Micozzi 2004).

$$Seats_{(i)} = M\left\{1 + \exp\left[-pc * \ln(n)\right.\right.$$
$$\left.\left. - \rho \ln\left(\frac{Votes_{(i)}}{1 - Votes_{(i)}}\right)\right]\right\}^{-1} \quad \text{(A1)}$$

Where the share of seats of party $i$—$Seats_{(i)}$— is estimated as a logistic function of the majoritarian bias $\rho$ of party's $i$ share of votes—$Votes_{(i)}$—and the number of parties $n$; multiplied by the district magnitude $M$. A value

TABLE A1 Grouped Logistic Results of Majoritarian Biased in the Argentine Provinces: Congressional Elections: Pooled Data 1983–1999

| | Metro Provinces (large) | Peripheral Provinces (small) | Metro Provinces (large) | Peripheral Provinces (small) |
|---|---|---|---|---|
| ρ | 1.46*** | 1.82*** | 1.38*** | 1.62*** |
| | (.06) | (.11) | (.05) | (.08) |
| ENCP | .16*** | .25*** | – | – |
| | (.05) | (.06) | | |
| 1987 | −.04 | −.16 | .39 | .47 |
| | (.20) | (.22) | (.17) | (.16) |
| 1989 | −.02 | −.13 | .44 | .52 |
| | (.21) | (.24) | (.18) | (.18) |
| 1991 | .03 | −.17 | .54 | .45 |
| | (.22) | (.23) | (.16) | (.18) |
| 1993 | .001 | −.15 | .48 | .46 |
| | (.22) | (.23) | (.17) | (.18) |
| 1995 | −.04 | −.09 | .42 | .58 |
| | (.21) | (.24) | (.17) | (.18) |
| 1997 | −.07 | −.19 | .32 | .42 |
| | (.20) | (.23) | (.17) | (.18) |
| 1999 | .01 | −.20 | .46 | .42 |
| | (.21) | (.23) | (.17) | (.18) |
| N | 7,280 | 4,279 | 7,280 | 4,279 |

Table A1 displays the result of Equation A1 for the two groups of provinces: large metropolitan provinces (Buenos Aires, Capital Federal, Cordoba, and Santa Fe) and for the small Provinces (all other provinces). The ρ values of models 1 and 2 where then replaced in Equation A1 in order to obtain the seat-vote lines displayed in Figure 1.

of ρ = 1 describes a perfectly proportional electoral system while larger values of ρ, ρ > 1, describe majoritarian biases and values lower than 1, ρ < 1, describe submajoritarian biases.

The data used to estimate Equation (A1) included all province level congressional election results from 1985 to 1999. The first year of democracy, 1983, was eliminated because the renovation of all seats, equivalent to doubling all district magnitudes, leads to smaller majoritarian biases. Each observation in the dataset included every party $i$ in province $j$ in year $t$ vote and seat shares. Dummy variables for every election year were introduced to control for time specific effects.

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