# Prologue

The paradox of modern democracies is that they level the playing field so that profoundly unequal parties may compete against each other. Political parties in democracies seem to enjoy unfettered freedom to select and advertise the policies of their choosing. However, they have different reputations for competence and honesty, unequal capacity to recruit and mobilize activists, as well as different access to public office and money. While competition for policy may be the paramount goal of democratic representation, most of parties' time and energy is devoted to managing non-policy endowments. There are good reasons for this. Any party can offer policy, but only a handful of them can deliver.

We began this project over a decade ago to explore a simple intuition: not all political parties are created equal. Peronists and Radicals in Argentina have wildly different reputations for managerial competence and honesty as well as different-sized networks of activists, brokers, and clients. In hindsight, Peronists and Radicals differ in non-policy endowments to a larger extent than they do in all policy-related matters. Differences in non-policy endowments also complement ideological distinctions in party competition among Socialists, Christian Democrats, UDI, and RN in Chile. Just as in Argentina, parties differ in style and substance, publicizing what makes them valuable, useful, and an asset to voters. As noted by one of Bachelet's presidential advisors in 2009, "There are more people that think that Bachelet is honest than people thinking their own grandmother is honest. And that is a great political asset to have." Yet, changing public views of her competence and character were crucial in explaining the defeat of her coalition in the 2018 presidential election.

The general theoretical framework we present in this book understands non-policy endowments as an asset to parties and as a boon to voters. On the supply side, parties differ in non-policy endowments, from a good reputation for managerial competence to armies of activists and donors to the advantages holding office provides. On the demand side, voters reveal differences in their taste for non-policy benefits. Some voters care deeply about competence while others value honesty, handouts, and/or public-sector jobs. Differences in party endowments, voter preferences, and party-voter linkages constrain the ability of candidates to deliver benefits. As different groups of voters weigh some of the non-policy endowments in parties' portfolio more heavily, parties disproportionally target benefits to some voters at the expense of others. Who these voters are is a crucial question to understand patterns of electoral responsiveness.

In this book, we focus our attention on the effects of non-policy endowments on electoral politics. We consider three types of non-policy endowments that are of the utmost importance and have already garnered considerable attention among scholars: managerial competence, activists' networks, and patronage resources. We describe these non-policy endowments as a resource to parties as well as a benefit to voters. We develop a general theory of how non-policy endowments interact with each other, constrain policy offers, and provide evidence of large and measurable effects on party vote in Argentina and Chile.

As we develop our theory, we demonstrate that parties with larger non-policy endowments could have lower costs to switch policy offers. Our study of non-policy politics provides answers to important puzzles that characterize elections in Argentina, Chile, and the Americas as a whole. Why are policy switches frequent in Argentina but not in Chile? Why do Peronists have such a stable constituency if policy switches are frequent in Argentina? Why do parties on the left and right of the political spectrum dominate Chilean politics when most voters are centrists? As we analyze asymmetries in non-policy endowments and uncover their effect on policy offers, this book also provides an answer to questions about policy volatility in Argentina and to policy stability in Chile.

As the project evolved, we published some results in specialized journals and developed collaborative efforts to explore new lines of research. The initial impulse for this project was published in the *American Journal of Political Science*, which led to an NSF proposal that financed the surveys in Argentina and Chile. Results on partisan networks, which inform Chapters 5 and 7, were then published in *Comparative Political Studies* under the title "When Parties Meet Voters." The effect of

non-policy politics on policy positions also informed collaborative research by Ernesto Calvo with Tim Hellwig and Kiyoung Chang, published in the *American Journal of Political Science* (2011) and in *Electoral Studies* (2015 and 2017). While some of the results in this book have been discussed with colleagues on three continents, most are presented in their current form and published for the first time. As such, they are more the continuation of a long-term research agenda rather than its conclusion.

Because this book was long in the making, in the process, we acquired numerous intellectual and institutional debts, which we would like to acknowledge. We first want to thank the National Science Foundation (#0617659) for financing our surveys in Argentina and Chile. Vicky Murillo would also like to thank Columbia University for institutional support and a friendly intellectual community, as well as the Russell Sage Foundation for an interdisciplinary forum, which was crucial for thinking of the ideas expressed in this book. The Institute of Latin American Studies and the Institute for Social and Economic Research and Policy also provided generous support for her. Ernesto Calvo would like to thank the University of Houston and the University of Maryland for providing research support and two wonderful communities of colleagues that greatly contributed to the completion of this book.

During this long journey, we benefited from the comments of two anonymous reviewers as well as participants in a book conference, generously organized by Erik Wibbels at Duke University. At the conference, excellent comments where provided by our discussants Anna Grzymala-Busse, Pablo Beramendi (who had also been our discussant at Lundt), Herbert Kitschelt, Guadalupe Tuñon (who had also been our discussant at Yale), and Erik Wibbels (who also suggested the title of our book), as well as other participants. We also presented parts of the manuscript at George Washington University, the University of Lundt, Stanford University, the University of Sao Paulo, the University of Tel Aviv, Hebrew University of Jerusalem, Washington University, University of North Carolina, University of Miami, Princeton University, Yale University, Caltech, Columbia University, University of Houston, University of Maryland, Rochester University, University of Chicago, Harvard University, New York University, University of Minnesota, University of Virginia, University of Texas-Austin, Universidad Torcuato Di Tella, Universidad de General San Martin, Universidad de Buenos Aires, Universidad de San Andres, Universidad Catolica de Chile, Universidad Diego Portales, Instituto Tecnologico Autonomo de Mexico, Centro de Investigacion y Docencia Economica, the Inter-American Development

Bank, the World Bank, the 2008 American Political Science Association Annual Meeting, and the Russell Sage Foundation.

We are indebted to many colleagues who provided feedback on the manuscript. Alisha Holland read the whole book and her comments and suggestions were invaluable. We also benefited from feedback from Isabella Alcañiz, Virginia Oliveros, Stephen Kaplan, Karen Remmer, Cecilia Martinez-Gallardo, Jonathan Rodden, Beatriz Magaloni, Alberto Diaz Cayeros, Fernando Limongi, Lorena Barbería, Andrés Malamud, Fernando Guarnieri, Yael Shomer, Orit Kedar, Pazit Ben-Nun Bloom, Guillermo Rosas, Brian Crisp, Norman Schofield, Jonathan Hartlyn, Evelyn Huber, Graeme Robertson, Agustina Giraudy, Santiago Olivella, Merike Blofield, Bill Smith, Jim Adams, Bernie Grofman, Sam Merrill, Andy Gelman, Cristopher McCarty, Noah Kaplan, Gary Cox, Sebastian Saiegh, Peter Smith, Carles Boix, Alicia Adsera, Deborah Yashar, Noam Lupu, Susan Stokes, Statis Kalyvas, Thad Dunning, Steven Wilkinson, Mike Alvarez, Cary Smulovitz, Juan Carlos Torre, Alejandro Bonvecchi, Sebastian Etchemendy, Carlos Gervasoni, German Lodola, Marcelo Cavarozzi, Marcelo Escolar, Ricardo Gutierrez, David Altman, Juan Pablo Luna, Rossana Castiglione, Eric Magar, Juan Pablo Micozzi, Joy Langston, Gabriel Negretto, Mariano Tomassi, Lorena Moscovich, Marcelo Leiras, Carlos Scartascini, Ernesto Stein, Joel Helmman, Greg Wehier, Eduardo Aleman, Andy Baker, Tim Hellwig, Ray Duch, Gergely Ujhelyi, Bin Powell, Gretchen Helmke, David Karol, Hanna Birnir, Mark Lichbach, John McCauley, Kanisha Bond, Antoine Banks, Joel Simmons, John Huber, Isabela Mares, Kimuli Kasara, Kate Baldwin, Mariela Szwarcberg, Rebecca Weitz-Shapiro, Ana de la O, Tulia Falleti, Matt Singer, Maria Escobar-Lemmon, Misha Taylor-Robinson, Gerardo Adrogue, Julia Pomares, Mario Pecheny, Peter Siavelis, Sara Niedzwiecki, Javier Auyero, Terri Caraway, Daniel Gingerich, Robert Kaufman, Mathew McCubbins, Charles Munnel, Patricio Navia, David Samuels, Simeon Nichter, Horacio Larreguy, Steven Levitsky, Amaney Jamal, Daniela Campello, Tariq Tachil, Libby Wood, Thomas Brambor, Rodrigo Zarazaga, Viridiana Rios, Nahomi Ichino, Lisa Wedeen, Phil Keefer, Ken Roberts, Marty Gilens, Andrew Schrank, and the students in Vicky's class on Democratic Responsiveness at Columbia University. We are also thankful to comments and suggestions given to our presentation, whose names we have forgotten. Finally, we benefited from the terrific research assistance of Giancarlo Visconti, Mariana Gutierrez, Iñaki Sagarzazu, Jorge Mangonnet, Pilar Giannini, Alex Micic, Zachary Scott, as well as by the support staff at the Russell Sage Foundation.

We wrote our first joint paper in college at the Universidad de Buenos Aires and since then have discussed politics and political science while sharing a long-term friendship that exceeds scholarly pursuits. We both left Argentina to pursue careers in the United States; we both got married and had families. We benefited from the friendship of each other's partners in the process, and we saw our kids grow up. The support of our partners and friends Isabella Alcañiz and Ernesto Cabrera has kept us going through all these years across both hemispheres and in the process of writing this book. Isabella and Ernesto's intellectual support, feedback, and – more importantly – their love, affection, and senses of humor were crucial in keeping our focus on what is important while working on this book. Our children were dispensed from reading its pages, but they gave us both a sense of how time passed while we were working on this project and how their lives are what matters the most for both of us. For this reason, we dedicate this book to them.

# 1

# Non-Policy Politics

Parties do not focus narrowly on advertising policy proposals. Instead, they use all the resources they have at their disposal to win elections. Parties advertise policies, such as lower taxes and improved access to health services, while also offering non-policy benefits in the form of competent economic management, constituency service, and patronage jobs. Voters value policy and non-policy benefits, and consider all that parties have to offer when deciding their vote. The non-policy benefits, which voters demand and parties supply, are the object of this book.

Non-policy benefits are important for winning elections. Supporters and detractors of New York's Tammany Hall, the political machine that delivered public jobs to allies and services to city residents for over a century, understood this well (Golway, 2014). Non-policy politics also fueled efforts by early reformers that fought Tammany Hall, who trusted that clean politics and competent management would deliver electoral victories (Morris, 2010). Indeed, competing non-policy endowments empowered machine politics in New York as much as they facilitated its demise.

Non-policy politics also shapes the policies parties offer to voters.[1] Consider a contest between two candidates that know the exact tax policy that different groups of voters want, with leftist voters preferring a higher tax rate than conservative voters, $r_L > r_M > r_C$, and a median voter $r_M$ being decisive to the outcome of the election. Consider then that these two

[1] See Adams et al. (2005), Londregan and Rommer (1993), Groseclose (2001), Ansolabehere and Snyder (2000), and Schofield (2003) for a literature that describes the effect of valence on policy offers.

candidates advertise the exact same policy, $r_M$, but one of them is perceived by all voters as a more competent candidate (e.g. a better administrator, a more experienced politician, or any other similar trait that denotes competence).[2] If two candidates offer the exact same policy but one of them has a non-policy advantage, shouldn't voters opt for the more competent one on Election Day? More important, if the more competent candidate takes on the median voter's preferred policy, which policy should the disadvantaged candidate offer? As we will argue, non-policy politics is crucial to winning elections not only because it delivers votes, but also because it changes the policy based calculus of candidates with different endowments of non-policy resources.

Once we acknowledge that parties maximize votes by delivering policy and non-policy benefits, a number of interesting questions arise. Which types of non-policy benefits matter most to voters? What happens if voters have heterogeneous assessments of the non-policy benefits provided by different parties? How do parties administer different non-policy endowments, such as a good reputation for managerial competence, the delivery of public-sector jobs, or the energy and time invested by activists during campaigns? How do candidates signal non-policy reputations, such as managerial competence, and how do they administer scarce resources, such as patronage jobs? Finally, what are the electoral consequences of a party holding a non-policy advantage over its competitors, and how does such an advantage shape the policies offered to voters? In short, which combinations of non-policy benefits and policy offers do voters expect to receive and candidates hope to deliver?

## 1.1 NON-POLICY ENDOWMENTS AND RESPONSIVENESS

We conceptualize non-policy endowments as a resource at the disposal of elites, as well as a benefit to voters. There are differences in the type and quantity of endowments held by parties, as well as in the benefits sought by voters. Differences in the parties' endowments result from their capacity to recruit well-trained bureaucrats, control public offices, access financial resources, and attract, energize, and deploy networks of activists. Voters, in turn, recognize the positive value of non-policy benefits but differ on the weight they assign to different endowments in deciding their

[2] See Groseclose (2001) and Ansolabehere and Snyder (2000) for a formal treatment of this assumption in two party settings. See Schofield and Sened (2006) and Calvo and Hellwig (2011) for similar findings in multiparty settings.

vote choice. Voters also differ in their ability to observe and benefit from non-policy endowments. Just as partisans (of any ideological position) and independents may give different values to the policies offered by candidates, perceptions of non-policy endowments may also differ across groups.

Some parties, for example, build dense and energetic networks of activists while others parties fail to do so. Some parties have proven records of managerial competence, while others lack the experience, skills, and personnel required to fill public offices and implement even the most basic policies. We argue that while candidates may advertise policy offers without cost, not all parties are equally capable of accessing and delivering non-policy benefits. More important for our research, differences arise on the demand side as well, as voters have different perceptions of parties' non-policy endowments and expect to derive varying benefits from them. Some voters may be close to the parties' networks and value the benefits they deliver, while others may not know a single activist. Voters may vary on their perceptions about the managerial competence of competing parties and care to different extents about its importance.

Similar to factor endowments in economic production, we consider that different non-policy endowments may be pooled together, create synergies, and/or substitute each other. A reputation for managerial competence, for example, serves as a recruiting tool that expands the pool of potential activists. Dense and energized networks of activists may facilitate the delivery of targeted benefits and propagate messages that enhance the reputation of a party candidate. The delivery of patronage jobs may provide activists with financial independence to engage voters. In all, we consider non-policy endowments as a resource to party elites and as a benefit to voters, as illustrated in Table 1.1.

While we acknowledge that both policy offers and non-policy benefits matter, we direct most of our research efforts toward explaining the latter. In particular, we focus on the effect of asymmetries in the perceived supply of non-policy endowments as well as in the voters' heterogeneous demand for non-policy benefits. When deciding their vote, high-income voters may care deeply about managerial competence, unemployed voters may be enticed by public-sector jobs, while voters in slums may value the ability of party brokers to reduce crime in their communities or to deliver clean water and food. Differences on perceived party endowments and on voters' preferences, we posit, are crucial for understanding party competition and electoral performance in democracies around the world.

TABLE 1.1. *Non-policy endowments: resources and benefits*

| Non-policy endowment | As a resource to politicians | As perceived by voters |
|---|---|---|
| Valence | More competent bureaucrats, more personable politicians, less corrupt politicians | "They get things done," "they communicate better," "they are trustworthy" |
| Targeted benefits | Access to office for the delivery of goods, public-sector jobs, and contracts | "They took care of my electric bill," "they got me this job," "they got the money to repair our school" |
| Party organization | Networks of activists | "They answer my questions," "they are always doing things for the community," "they understand my needs" |

Consequently, how parties with different non-policy endowments respond to voters with heterogeneous demands is a critical question.

Non-policy politics is crucial for explaining party and voter behavior in modern electoral democracies where voters weigh all that parties have to offer and candidates struggle to mix and match complex portfolios of benefits to secure the support of voters. Candidates could always do better if they had unlimited resources to tailor policy offers and non-policy benefits to the particular needs of each voter. If one group is likely to change their vote upon observing a particular tax policy offer while another group cares deeply for the delivery of public-sector jobs, parties would gain more votes by tilting tax policy in the direction of the former and delivering more jobs to the latter. How do parties respond to such heterogeneous combinations of voters' demands, given their resource constraints?

Policy offers and non-policy endowments, we argue, should be biased toward the preferences of voters that care more intensely about them: i.e. voters that display larger changes in the probability of voting for a party in response to particular combinations of policy offers and non-policy benefits. Whether such differences are the result of preferences, asymmetries in information, or strategic behavior on the part of voters is an empirical question to be carefully tested. Irrespective of its origin, we expect politicians to bias policy and non-policy offers toward voters

who feel more intensely about each of them. Consequently, parties should develop strategies to identify both the content as well as the intensity of the voter's policy and non-policy preferences.

Parties may target distinct policy offers and non-policy benefits toward different groups of voters[3] or focus their efforts on a particularly intense subgroup. We assess such differences empirically and place them in historical context, an important step considering they result from particular distributions of voter preferences and party endowments. Our theory of non-policy politics explains the general mechanisms underlying such differences, as well as their overall effect on electoral strategies.

In the chapters that follow, we provide evidence of asymmetries in the parties' non-policy endowments, of heterogeneity in voters' preferences, and of unequal allocation of non-policy benefits to preferred groups of voters. We discuss the institutional, behavioral, informational, socioeconomic, and identity related factors that explain these differences. In doing so, we follow a significant literature that acknowledges the tailoring of electoral strategies to diverse demographic constituencies, although our work focuses on socioeconomic status as the category of interest.[4] To advance our research goals, we draw from existing scholarship that analyzes the effect of valence issues, targeted distribution, and party organization on the policies offered by parties.[5] At the intersection of these distinct literatures, we build our argument on the determinants and the consequences of non-policy politics.

### a) Non-Policy Endowments and Electoral Responsiveness

Non-policy endowments are key to campaigns and a defining component of voters' electoral behavior. Politicians promise non-policy benefits as often as they promise policy ones, advertising competent management, constituency service, and patronage jobs among a long list of valence-related offers where execution is what matters most to voters. Donald Stokes forcefully argued this point in his classic "Spatial models of party competition," where he criticized Downs's (1957) ideological

[3] What Luna (2014) describes as "segmented representation."

[4] Other demographic categories, such ethnic or religious divisions, have also been used for explaining electoral behavior (Baldwin, 2016; Chandra, 2004; Corstange, 2016; Gryzmala-Busse, 2015; Kasara, 2017; Posner, 2005; Thachil, 2014; Wilkinson, 2006).

[5] See Stokes (1963), Cox and McCubbins (1986), Dixit and Londregan (1996, 1998), Ansolabehere and Snyder (2000), and Adams, Merrill, and Grofman (2005), among others.