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Introduction: Clientelism and Politics

Let's imagine a democratic country, *Politica*. For the citizens of *Politica*, finding employment in the public sector often requires being recommended by a prominent career politician from the ruling party. Professional advancement is secured by connections to politicians and their support network, as exemplified by what a public sector clerk says: "I work in a small town, and I would like to transfer to a bigger city; I approached my local mayor who I voted for, and he told me he would talk to the minister to make it happen." *Politica* also receives foreign aid and administers funds for economic development distributed by a government agency to fund business plans and infrastructure contracts. It is well known that this agency gives most of these grants to business owners who support the government party.

In *Politica*, the leaders of the Labor Union of State Employees negotiate with leading cadres of the political party in government not just about rights applicable to all employees across the country but also for special benefits for its members in exchange for their unwavering political support. During election campaigns, the union's leaders mobilize their members and instruct them to vote for the governing party, promising job security, pay increases, financial benefits, and promotions, as long as the party remains in power. In return, the government ensures that special positions and promotions within the public sector are reserved for those union-affiliated workers recommended by the labor union's leadership and, additionally, that the union leaders themselves are appointed to key positions on the executive boards of state-owned corporations where multi-million-dollar decisions and deals are made.

Meanwhile, ahead of a critical state auction for a major public infrastructure project, the owner of the nation's largest media company launched a campaign in favor of one presidential candidate with weeks of favorable editorials, opinion pieces, and coverage of campaign activities. Ultimately, when his favored candidate was elected President, one of his companies secured the contract and, subsequently, several other contracts by the government. This is not an isolated case. Many politicians in *Politica* fund their campaigns with large money donations by entrepreneurs and, in return, they consistently advocate policies that favor their sponsors.

These are examples of particularistic politics where resources and opportunities are allocated by political actors to selected socioeconomic actors. They constitute cases of clientelism insofar as these benefits are explicitly traded by these political actors for support in the form of political allegiance, campaign money, or votes by the recipients of these benefits (Kitschelt and Wilkinson

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2007; Stokes 2007; Trantidis 2015).[1] Clientelist exchanges involve agreements between political actors – the *patrons* – and socioeconomic actors – the *clients* – for the mutual exchange of benefits.

Why Does It Matter?

This book offers a new perspective on clientelism that informs and refines key notions and conceptions in the disciplines of political science, political theory, and economics. Using concepts from the school of Public Choice, a school of political economy that places self-interest in politics center-stage, the book emphasizes *the logic of exchange* that permeates all types of human relations, including interactions involving political and social actors. Political power allocates economic resources and opportunities, and self-interest drives political actors and socioeconomic groups to the competitive fields of politics and the economy, respectively.

Understanding this exchange logic underscores why the book sees clientelism as an integral and inalienable part of politics and the economy, rather than a pathology that can be rooted out with some form of institutional reform. Here, transactional practices emerge at the intersection of politics, society, and the economy. Patron-client relations involve actors who rationally behave like "contracting parties." As the book's sections analyze, clientelism profoundly shapes party politics, campaign strategies, the design of policies, the functioning of markets, and state-society relations.

First, the book emphasizes the profound impact of clientelism on political competition. While most studies see clientelism as a strategy to attract voters directly, the book stresses that clientelism's primary function lies in enabling politicians and parties to amass campaign resources, forge cohesive and motivated supporter networks, and deploy these assets to compete for votes through traditional means such as programmatic promises, attacks on their rivals, image-building, and ideological positioning. In that regard, clientelism acts as a catalyst for inter-party and intra-party competition.

[1] It is important not to conflate clientelism with the distribution of material benefits by politicians who expect votes and political support without a clientelist agreement. Banfield's (1958) observed that the Italian Christian Democratic Party had been offering small material benefits, such as packages of pasta, sugar, and clothing, to local voters in the small town of Montegrano just before elections. Banfield interpreted this behavior as emblematic of a broader system of reciprocal obligations. Yet unless there is some form of agreement, any distribution of immediate, tangible benefits, even if they are not driven by ideology or programmatic policy preferences, does not qualify as clientelism. Examples of non-clientelist resource allocation for the purpose of winning votes include any decision that improves living conditions and may attract voters such as building a road or a new hospital in an area.

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What is more, the book criticizes normative concepts in economics and political theory regarding the role of government in the economy and society as the mechanism to correct market failures, address externalities, and pursue conceptions of the common good. The book's critique also challenges broader conceptions of politics in which governments are also expected to provide protection from collective risks through regulation and redistribution, tackle inequalities and perceived injustices, and accommodate considerations of public interest, social justice, and fairness.

This book goes as far as refining key tenets in institutional economics on democracy and the provision of public goods that claim that democratic governments tend to be responsive to the concerns of a large majority whose common concern must be the provision of these public goods (Cf. Wittman 1995; Bueno de Mesquita et al. 2003; North, Wallis, and Weingast 2007; Acemoglu and Robinson 2012). Instead, it posits, a focus on formal institutions alone idealizes these processes and underestimates informal practices in the intersection between politics, society, and the economy, where competition exists and extractive preferences abound and prevail, generating negative *government externalities*.

What characterizes both politics and the economy is *competition* and relations of *exchange*. In the economy and society, there is competition for profit and personal advancement in terms of career, income, and personal status. In politics, competition takes place at two levels: at one level, politicians and political parties running for public office, typically through elections, and, importantly, at another level, and before or between elections, competition for attracting campaign resources and a loyal support base without which no politician or party could effectively appeal to the broader electorate.

While democracies have more inclusive political and economic institutions to govern political competition, and while markets drive innovation and the discovery of consumer preferences through economic competition, they both host opportunistic actors who are affected by the very stakes of politics: governments have an unmatched capacity to allocate resources, distribute socioeconomic opportunities, create winners and losers and establish basic norms and rules that govern markets.

Understandably, government power becomes the target of political groups fiercely competing for control over its allocating mechanism, and of competing economic actors that seek to secure a privileged treatment by government. Here, at the intersection of politics with the economy and society, there are strong incentives for socioeconomic actors and political actors to approach one another and reach an agreement on the mutual exchange of

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benefits: government-distributed resources and opportunities in return for substantial political support.

Clientelist exchanges are thus a rational choice by socioeconomic actors seeking access to special benefits distributed by government and through politics, as well as by political actors seeking to gather active supporters and resources that will enable them to succeed in political competition.

This *logic of exchange* under these competitive terms makes clientelism "the norm" of politics, rather than simply an exceptional pathology in politics; clientelism is a prevalent facet of economic competition in view of the stakes of politics: government's regulatory and distributive functions. Using clientelist exchanges, politicians attract, recruit, and reward key supporters with special interests and specific requests for the government.

Finally, the book explores the system-level consequences of clientelism as it weakens democracy's accountability, raises barriers to entry for new political actors, and distorts the terms of competition in the economy and society, while transferring the costs of this practice to the rest of the citizens and taxpayers in each jurisdiction. In that regard, it ascertains, democracies host and sustain an elite structure whereby the preferences of a few political clients are prioritized over preferences of the public.

Contents of the Book

The book is structured in two parts with each comprising discrete sections/chapters. In the first part, I analyze clientelism as a strategy of political mobilization and a mode of interest accommodation in the context of democratic competition. I explain why clientelism is the most effective method of political mobilization and campaign organization, and why it considerably strengthens the chances of candidates and parties to win elections and political power. I demonstrate how this practice comes to influence not just the terms of electoral competition, but also the properties and purposes of political participation and organization itself, including the formation and cohesion of political parties and the autonomy of civil society organizations and the business community. I then relate clientelism with core concepts in the discipline of economics: rent-seeking, market failure, and negative externalities. Ultimately, clientelism is embedded in state-society relations and profoundly affects both politics and markets.

In the second part, I illustrate how the practice of clientelism affects policy-making and the functioning of political institutions. In what at first glance might seem to be a provocative statement, I offer a simple but illuminating model explaining why politicians and political parties, even those driven by ideology

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and commitment to public causes, must prioritize promising and delivering special benefits to their core supporters. This game-theoretical argument shows why competing politicians and political organizations in government must avoid policies and legislation that could limit the pool of resources available for clientelist exchange. The *clientelist game*, as I name it, creates a policy bias for prioritizing clientelism at the expense of providing public goods and services.

I then explain how this *clientelist bias* affects the institutions of a democracy; why it is unlikely for clientelism to be contained even by rising political forces and populist leaders promising deep reform, or to be constrained by way of institutional reform. Competition between clientelist political parties and collective action problems regarding party cohesion and mobilization generate strong disincentives against any reform that would restrain the practice of clientelism even during economic crises where economic restructuring and fiscal discipline are deemed necessary.

Part I Clientelism and Politics

1 Defining Clientelism

Clientelism refers to the provision of resources and advantages by political actors – the patrons – to their clients through an agreement in which these benefits are made conditional on the beneficiaries' political support in return (Trantidis 2016a: 6). Patrons can be politicians, political parties and other organized political groups that look for loyal and animated supporters and campaign money. They distribute benefits through political power primarily through government legislation and acts of administration that create favorable rules for, or directly allocate resources to people, groups or businesses explicitly in exchange for their political support.

Clients can be individuals or interest groups, such as professional organizations, businesses, lobbies, religious organizations, non-governmental organizations and labor unions, each asking for tangible benefits in their own circumstances: economic resources or social opportunities granted by government, such as jobs, promotions, insider information, subsidies, favorable legislation, favors with public administration, government contracts, etc. In return, they agree to offer support that ranges from votes to public endorsement, active party membership, and campaign contributions. Patrons choose their clients by assessing the value of their contribution for their political career plans, and reward them insofar as their behavior conforms to the terms of the clientelist agreement. Patrons are expected to meet the demands of their clients, while the clients must remain loyal to the commitments they have made to the patrons.

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Contrary to the typical view of the clientelist relationship as an unequal power relation favoring patrons (Eisenstadt and Roniger 1984: 48–49) – a perspective rooted in the study of clientelism in poor, developing, and mostly rural societies (Piattoni 2001a: 9, 2004)[2] – clientelistic relationships exhibit varying power dynamics in various environments. Some clients offer sizeable resources, such as large donations or wide-ranging favorable media coverage, and have a stronger bargaining position over individual politicians and party cadres, even politically appointed ministers (Trantidis 2016b). Depending on power dynamics, patron-client relationships can involve threats and sanctions from either party (Trantidis 2015). These dynamics may change over time. For instance, a political candidate who initially relies on a wealthy client may, once elected, consolidate a position in power, attract new clients, and build a large network of wealthy supporters, to a degree that this first sponsor becomes dependent on the patron's favors, and not the other way around.

In this book, I use the terms clientelism and patronage interchangeably (Scott 1972: 92). Mainwaring defines patronage as "the use or distribution of state resources on a nonmeritocratic basis for political gain" (1999: 177). Weingrod (1968: 379) defines patronage as the way in which party politicians distribute public jobs or special favors in exchange for electoral support. Still, the term "patrons" has been used for all cases where politicians and political parties distribute benefits to several types of beneficiaries (Trantidis 2016a, 2016b).

Clients Offer More than just Votes

Earlier definitions of clientelism see it as a practice primarily deployed to attract voters (Kramon 2019; Ravanilla and Hicken 2023). When clientelism targets voters, political parties and politicians confront the problem of monitoring each individual's voting choice in the polling station (Stokes 2005), possibly with the exception of quite small communities and constituencies (Chubb 1982; Chandra 2004; Magaloni 2006; Medina and Stokes 2007; Hicken and Nathan 2020). By contrast, it is easy to observe the clients' political behavior in the

[2] Part of the literature adheres to the archetypical image of clientelism as that of an asymmetrical power relationship between a stronger patron and a weaker client. In this relationship, political parties and politicians monitor their clients, impose their terms, hold them accountable for their behavior instead of citizens holding politicians accountable (Legg 1972; Eisenstadt and Roniger 1980; Stokes 2005). The exchange of benefits between politicians and their constituent has seen as "a dyadic alliance" by Landé (1977: xx), or an "instrumental friendship in which an individual of higher socioeconomic status (patron) uses his own influence and resources to provide protection or benefits, or both, for a person of lower status (client) who, for his part, reciprocates by offering general support and assistance, including personal services, to the patron" (Scott 1972: 92; also Lemarchand 1972: 150; Kaufman 1974, 285; Landé 1977: xx; and Mainwaring 1999: 177). The book has a different position regarding bargaining power (see page 8).

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public sphere, especially when they are asked to openly and tangibly support a political campaign.

Selecting clients is difficult for another reason. The benefits to be distributed through clientelism are limited, rivalrous, and excludable, being akin to private or club goods, and as such, they can only be distributed to a select few, meaning that any selection is likely to lead to the exclusion of some others, and comes with the risk of triggering animosities among prospective and existing clients, and reactions from those excluded.[3]

Importantly, the scarcity of opportunities and resources for clientelist distribution means that patrons cannot buy a majority of votes in the population, particularly in larger constituencies. If clientelism were simply about attracting voters, this strategy would have been too costly to pursue. What is more, the marginal utility of a small material benefit in exchange for a vote decreases as incomes rise, making these clientelist offers more appealing only to the very poor and not for those whose "reservation wage" may be higher. Small benefits, such as some little cash or a small gift, are unlikely to sway a voter in favor of a patron, particularly a middle-income voter. This is why vote-buying tends to be limited to deprived constituencies and poorer societies (Cf. Wantchekon 2003).

Scarcity and selection tend to generate a bidding process. Politicians and political parties offer substantial benefits, such as jobs in the public sector and government contracts. It makes sense to select beneficiaries among those who could offer something equally substantial for them, far more than just a vote. Understandably, patrons will choose those prospective clients who are keen to become active and loyal party members, give prominent public endorsements, favorable media coverage and public commentary, or donate substantial campaign money, helping patrons build a visible public presence and appeal to the broader electorate (Trantidis 2014a, 2015, 2016a; Gherghina and Volintiru 2017). For political parties, clientelism helps with the formation of energized and resource-rich political organizations and campaigns.[4]

[3] This is a problem that is overlooked by some reductionist models of clientelism. Take, for example, Robinson and Verdier's (2013) model that hinges on the idea that public jobs are selective and targeted, which makes them a politically efficient favor that delivers high loyalty per unit of cost. Nowhere in their article do they model an explicit constraint on the aggregate size of the public workforce or the budget. They focus on relative incentives, not absolute resource scarcity.

[4] Definitions have analytic implications in terms of how we delineate the conceptual boundaries of a term. If clientelism is regarded as a practice targeting voters only, then we can observe its decline with the expansion of democratic suffrage and the bureaucratization of the state or the involvement of elite actors, such as experts, in decision-making. Weitz-Shapiro (2012) posits that clientelism is more likely to persist in environments characterized by high poverty levels, and, when political competition is coupled with low poverty rates, the reliance on clientelistic practices

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Clientelism is primarily a strategy of political organization rather than a way to directly attract voters.

Clientelism and Particularistic Politics

Clientelism is a subset of *particularistic politics*, a concept that refers to policymakers prioritizing the interests of groups and constituencies over public issues and concerns that are typically considered claims of common interest. This term includes a wide range of political activities from pork-barrel politics to clientelism and criminal corruption (Della Porta and Vannucci 1999; Trantidis and Tsagkroni 2017).

What distinguishes clientelism from other forms of particularistic politics is the explicitly transactional character of benefit allocations, whereby political actors agree to satisfy specific demands by actors and groups in return for their political support and political loyalty. For allocations of special benefits to be clientelistic, they must involve an agreement between the patron and the client, a *clientelist exchange*, where the criterion of distribution by the patron is "did you (will you) support me?" (Stokes 2007: 605; cf. Piattoni 2001b).

In *pork-barrel politics* the transactional aspect of exchange is missing. The selective allocation of funds to special constituencies occurs without an explicit agreement between the politicians and the beneficiaries. Instead, politicians hope that the "pork" they allocate to a constituency, which is usually some form

tends to diminish. This suggests that, as the electorate becomes more competitive and diverse, political parties are incentivized to adopt broader, more universalistic policies rather than relying on targeted benefits for specific voter groups (Weitz-Shapiro 2012). This book has a different view based on a definition thar focuses on exchange of favors beyond just votes. Clientelism exists in advanced economies too, and mostly involves sizeable campaign contributions and favors by organizations or wealthy individuals.

Bureaucratic reform was also said to play a crucial role in the decline of traditional patronage targeting voters. Cruz and Keefer (2015) posit that non-programmatic political parties, which often rely on clientelistic strategies, resist reforms that would limit their patronage powers. When bureaucratic reforms are implemented successfully, they can supposedly reduce the effectiveness of clientelism by promoting merit-based systems and accountability within public institutions. A shift toward meritocracy can weaken the traditional patronage networks that have historically sustained clientelistic practices.

However, if clientelism is understood as a practice that incorporates key actors in the bureaucracy as well as interest groups and other elite networks, as the book suggests, clientelism does not disappear but rather changes forms. Exchange relations involve fewer voters, as happens in poorer societies, but instead occur behind closed doors at the elite level, influencing policymaking in ways that favor those engaged in these exchanges. Thus, rather than declining, the practice of clientelism evolves and adjusts, in places shifting away from mass voter mobilization to elite-level transactions that continue to operate under a clientelistic logic. Studies that focus only on clientelism as voter-targeted patronage fail to capture these transformations that concern advanced economies and consolidated democracies, leading to mistaken claims that clientelism is in decline when, in reality, it persists in a different form.

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of government funding and investment, will help them win votes and political supporters from that district.

Clientelism intersects with the term *machine politics*, which refers to the organized efforts of political parties or *machines* to influence electoral outcomes through a mix of clientelist strategies. Machine politics involves a centralized, hierarchical organization that systematically mobilizes voters through the distribution of resources and services in exchange for votes. Unlike the classical view that clientelism diminishes with modernization, machine politics remains a term in use for developed democracies, as these mechanisms adapt to evolving electoral contexts (Gans-More, Mazzuca, and Nichter 2014). However, as noted earlier, clientelism involves clients other than voters, where goods or services are provided conditionally by patrons in search for more consequential forms of political support from donors and other organized groups. Machine politics may host this type of relationship too, but the term has been mostly used to describe a system of party organization for voter mobilization. In other words, machine politics is an arrangement that may utilize clientelism as one of its tools. Clientelism, on the other hand, can exist independently of a well-developed political machine.

Clientelism and Rent Seeking

As a term, clientelism overlaps with, but is conceptually distinct from, *rent seeking*. Rent seeking refers to efforts by individuals or groups to gain economic advantages (or *political rents*) through the manipulation of political or legal processes, rather than through exclusively productive economic activity in a competitive market. In economics, a political rent is *this* specific type of economic gain. Individuals or groups attempt to influence or capture government agencies and legislators with the aim of extracting economic gains that would not have been possible in a competitive market (Stigler 1971; Krueger 1974; Dixit and Londregan 1996). Instead of engaging in production and the exchange of goods and services in competitive markets as envisaged in textbook economics, rent seekers want to gain profits, in excess of what pure market transactions would have given them, through favorable government regulations and distributions such as subsidies, monopoly status, and protectionist measures like trade tariffs and quotas.

Some rent-seeking activities are non-clientelistic, when rent seekers seek to influence regulations and gain public resources without an explicit agreement for reciprocation in the form of political loyalty and support, but instead, through information manipulation, media campaigns, bureaucratic lobbying, or bribing. For example, rent-seekers can mobilize resources to shape public

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