

BRINGING CIVIL SOCIETY BACK IN: THE ALLOCATION OF SOCIAL BENEFITS IN
ARGENTINA

by
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Abstract: This thesis explores the determinants of the use of material inducements by political parties as a strategy of mobilizing voters. Previous studies find an association between socioeconomic variables, electoral competition, partisanship and the level of social discontent and the scope of clientelistic offers on the other. This study suggests that manipulation of public policies is a function of not only political incentives but also of incumbent parties' capacity to monitor the responsiveness of the voters to the material offers. Claiming that social networks are also relevant actors contributing to this capacity, it tests the effect of linkages between political parties and civil society organizations on the scope of Programa Jefes de Hogar Desocupados (Unemployed Heads of Households) in Argentina. By deploying quantitative and qualitative methods, this thesis provides further support for the relationship between socioeconomic and political factors and pervasiveness of clientelism. Moreover, it finds that religious organizations, sports clubs and economic organizations are associated with greater extent of public policy manipulation while business associations, neighbor organizations and unions mitigate clientelism. This study also relates to the literature on the role of civil society organizations in promoting more accountable program implementation, contributing to democratic deepening and poverty eradication through participation in social protection programs. The discussion on the findings of this program address the conditions under which civil society organizations are more efficient to further these aims and the conditions under which they fail to do so.

SİVİL TOPLUMU GERİ GETİRME: ARJANTİN'DE SOSYAL YARDIM DAĞILIMI

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Anahtar Kelimeler: Klientalizm, Şartlı Nakit Transferi Programları, Sivil Toplum Örgütleri, Dağıtıcı Siyaset

Bu tez, maddi kaynakların oy kazanma amacıyla kullanıldığı durumları belirleyen faktörleri araştırmaktadır. Önceki çalışmalar sosyoekonomik düzey, seçimlerdeki rekabet, partizanlık ve toplumdaki tepkilerin önüne geçme amacı ile klientalist yardım teklifleri arasında ilişki olduğunu bulmuşlardır. Bu çalışma da kamu politikalarının manipüle edilmesinin sosyoekonomik ve siyasi değişkenlerin yanısıra iktidardaki partinin oy verenlerin siyasi tercihlerini ve bu yardımlara olan tepkilerini gözlemleyebilmesinin bir sonucu olduğunu önermektedir. Bu bağlamda sosyal ağların da önemli bir aktör olduğunu savunarak, sivil toplum ve iktidar partisi arasındaki ilişkilerin kamu politikalarının manipülasyonuna olan etkisini Arjantin'deki Jefes de Hogar Desocupados (İşsiz Aile Reisleri Programı) örneği üzerinden test etmektedir. Sonuçlar önceki araştırmaların bulgularını doğrulamaktadır. Ayrıca dini grupların, ekonomik derneklerin ve spor kulüplerinin klientalizmin yayılmasında etkisi olduğunu; diğer taraftan sendikaların, mahalli derneklerin, ve işveren derneklerinin bu uygulamaların önüne geçtiğini işaret etmektedir. Aynı zamanda sivil toplumun yoksulluğu ortadan kaldırma amacı taşıyan proje ve politikadaki etkisini, demokratik derinleşmeye katkısını inceleyen literatüre de bağlanan bu çalışma; hangi koşullar altında sivil toplumun bu amaçlarını gerçekleştirebileceğini de tartışmaktadır.

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CHAPTER 1

INTRODUCTION

In 2001, Argentine economy faced one of the deepest crises in its history. As the collapse of economy became more and more evident in the living conditions of Argentine society, the crisis spread over social and political realm. Social discontent was voiced by the masses through the famous “Que se vayan todos” (out with all of them) which resulted in the resignation of the President de la Rúa and five successive changes in the office within two weeks. Eroding legitimacy of the Argentine political system required measures to be taken in order to mitigate crisis in the short run. One of the priorities was to initiate emergency employment programs given the peaked unemployment rates¹. Jefes de Hogar Desocupados is one of these programs, which reached almost two million beneficiaries. However, the number of beneficiaries under PJHD points to a variation across Argentine provinces over time; even when the unemployment rates at provincial level are controlled². Therefore, this research explores the determinants of geographic distribution of the PJHD benefits across Argentine provinces over the period 2002-2005. What makes some individuals more likely to become a beneficiary of PJHD? Why do incumbent governments increase the program coverage in some provinces but not in others?

This research question relates to the broader literature on the use of material inducements by political parties as a strategy of mobilizing voters which covers a number of different practices: Political parties can act upon such a strategy in various ways ranging from deploying programmatic strategies to establishing clientelistic relations (Stokes 2009). Manipulation of public policies is one of these practices; it

¹ Republic of Argentina. Decree No 165/02 “Emergencia Ocupacional Nacional.” Buenos Aires, 22/1/2002.

² Author’s evaluation based on unemployment data (Instituto Nacional de Estadística y Censo) and PJHD inscription data (Ministry of Labor).

involves biased, non-programmatic distribution patterns and quid pro quo aspect (Stokes 2009). In other words, transfer of resources is conditional on voters' behavior as to their support for the incumbent party in exchange for the benefits provided and accordingly, incumbent party uses discretionary power to channel resources to certain groups as a reward and withdrawing resources from others as punishment. Hence, it is biased because political incentives enter the scene as political actors decide on how to allocate resources; it is manipulation of public policies because objective eligibility criteria that emerge as an outcome of public debate are not complied with during the process of implementation as political actors use transfer of these benefits as an electoral strategy (Stokes 2009).

When resorting to manipulation of public policies, political actors rely on their capacity to monitor voters so that manipulation of these policies maximizes electoral gains (Szwarcberg 2001; Stokes 2005; Kitschelt and Wilkinson 2007; Nichter 2008; Gans-Morse et al. 2010 among others). Monitoring refers to the idea that political actors have information on the voting behavior of the recipients and they can reward or punish them depending on the latter's choice (Medina and Stokes 2007). Medina and Stokes (2007) maintain that monitoring does not mean being able to observe the ballot casted by voters, which is hardly the case in democratic systems. Nonetheless, political actors with monitoring capacity are able to deduce it from electoral results at disaggregated levels and have information about the level of loyalty of the electorate. From voters' perspective, political actors' capacity to monitor them and punish them if necessary provides voters with information on the costs and benefits of loyalty/defection and shape their voting behavior accordingly (Medina and Stokes 2007).

The assumption that political actors can monitor voters rests on retrospective evaluation of electoral results as an indicator of voters' preferences and this evaluation is also facilitated by the extensiveness of political machines and base organizations (see for example Calvo and Murillo 2012; Nichter 2008; Stokes 2005; Szwarcberg 2011). Studies on clientelism in Argentina suggest that Peronist Party, by means of its widespread political machine and local branches, gathers sufficient information on voters and influence voting-behavior by distributing material benefits (Auyero 2000; Brusco Nazareno and Stokes 2004; Levitsky 2003; Stokes 2005 among others). Distribution of handouts during electoral campaign links political actors and voters at the local level and helps the former monitor and influence voters as local politicians signal voters that they are expected to vote for the party in exchange for the benefits

distributed in electoral campaign (Brusco, Nazareno and Stokes 2004). Similarly, at grassroots level, problem-solving networks and political networks merge in such a way that Peronist brokers link political party and the poor by channeling resources obtained from municipalities to the poor and influence political orientations of the poor by giving them access to these benefits (Auyero 2000).

Political machines and politicization of local problem solving networks endow political parties with monitoring capacity and vote-buying capacity. However, the question remains, is it only elections or the extensiveness of political networks that provide political actors with the information required for offering material inducements? What are alternative mechanisms that also bring about clientelistic exchanges?

A recent work addresses this issue: Kitschelt and Kselman (2011) explore the effects of “organizational extensiveness” defined as “a political party’s relative reach or territorial presence, its ability to establish connections with voters across a country’s geographic expanse” (Kitschelt and Kselman 2011, 3) on the effectiveness of clientelistic strategies. Not only formal organization of parties such as networks of base organizations but also informal ties to local notables and regularized relations with civil society organizations are counted as components of a party’s “organizational extensiveness”. Interestingly, the authors assert that parties which predominantly rely on local branch organizations tend to pursue more programmatic strategies. On the other hand, routinized linkages to business associations, ethnic groups and religious groups are more successful in translating clientelistic effort into tangible electoral gains in line with the argument that certain civil society organizations are more inclined to favor clientelistic exchanges and these organizations work as a bridge between electorate and political parties which in turn enable political parties to monitor the electorate more efficiently (Kitschelt and Kselman 2011). In a similar vein, Szwarcberg (2012) argues that it is not only the political networks but social networks that influence the voting behavior of individuals because central actors within social problem-solving networks are also able to become an effective party broker.

Building on the arguments developed by these studies, this research goes beyond the assertion that incumbent government resorts to base organizations and problem-solving networks to enhance its monitoring capacity and claims that social networks are also relevant actors contributing to this capacity. Then, it tests the effect of linkages between political parties and civil society organizations on public policy manipulation.

To do so, this study focuses on the universe of the cases where public policies are manipulated in the sense that the distribution of benefits deviate from the objective criteria and involves discretion. Out of that particular universe, Programa Jefes de Hogar Desocupados (PJHD) is selected.

Previous studies on clientelism in Argentina maintain that political machines and base organizations allow political actors, mainly the Peronist Party, to observe voting behavior and build clientelistic linkages with them by offering them selective benefits conditional on political support. However, there are few studies which systematically address social networks and their influence on monitoring and clientelism. Therefore, this thesis analyzes the effects of party-civil society linkages on a particular clientelistic exchange relation, manipulation of the PJHD as a social policy. The PJHD is a suitable case to explore this relationship because it has both within-case variation and is a data-rich case: Since program design assigns administrative roles to civil society organizations in program implementation, the number of different participating civil society organizations will be used as a proxy of the strength of state-society linkages. In doing so, the study also relates to the literature on the role of civil society organizations in promoting more accountable program implementation, contributing to democratic deepening and poverty eradication through participation in social protection programs (Lazarus 2008; Molenaers and Renard 2006; Possing 2003; Siebold 2007). The discussion on the findings of this program address the conditions under which civil society organizations are more efficient to further these aims and the conditions under which they fail to do so.

CHAPTER 2

THEORETICAL BACKGROUND

The number of beneficiaries incorporated into Plan Jefes de Hogar Desocupados indicates a deviation across Argentine provinces over time even when it is controlled for the unemployment levels. Having identified this variation across time and space, this study attempts to provide an explanation for this observation. The main hypothesis is that the distribution of benefits under this program exemplifies a case of manipulation of public policies by incumbent government as an electoral strategy. Discussing the defining attributes of “public policy manipulation” as a way to elicit votes, this section presents a theoretical framework upon which this study is built and which, specifically, addresses the following question: How is it possible that manipulation of public policies yields electoral benefits for incumbent parties and how do incumbent parties monitor the compliance of the voters with the clientelistic exchanges? Responses to these two questions fall within the broader theme that point to elections as an instrument of democratic representation. Over electoral cycles, policy preferences of political actors and voters are articulated and pooled to determine the outcome of elections. Drawing on this aspect of elections, this section attempts to understand what factors make incumbent governments increase the program coverage in some provinces but not in others.

Then, this study turns to the conditions that created a need for the launch of the program Jefes de Hogar Desocupados. These conditions are to be traced back to the evolution of social security system and social protection programs in Argentina and their effect on different sectors in Argentine society. Introduction of new social

programs or reforms in social security system both reflect economic policy orientations of the incumbent government and also shape the state-society relations by redefining the winners and losers over the course of this process. So, taking these aspects of social policy making into account allows one first to understand the context in which Plan Jefes de Hogar Desocupados emerged as an emergency employment program and second, how changes in state-society relations as an outcome of this drastic shift in economic model led to changes in the policy preferences and voting behavior of the electorate. Again, the purpose of this section is to discuss how the reform coalitions are seen as responsive to material inducements by incumbent government.

Thirdly, the overview of Plan Jefes de Hogar presents main features of the program, with a specific emphasis on target population, program implementation and monitoring the compliance of the beneficiaries with program requirements. This section will mostly focus on the institutions that are in charge of beneficiary incorporation and monitoring, namely Municipal Consultative Councils, which are composed of representatives of municipalities, civil servants and representatives of civil society organizations. The aim is to find out how different civil society organizations approach the target population of the program. The relationship between civil society organizations and the unemployed is expected to be the outcome of societal coalitions that is shaped by reforms in social security system and redefinition of vulnerable sectors. Also, this section concentrates on state-civil society relations. Civil society organizations are important actors in executing the PJHD and have linkages to the target population as they evaluate the applications and oversee their participation in training and employment projects. At the same time, they have also linkages to political parties because municipalities appoint them as members of the consultative Councils. This study suggests that civil society organizations can be considered as “brokers” which bridge target population and incumbent party and help the latter monitor whether voters really support the party in exchange for PJHD benefits.

2.1. Manipulation of Public Policies – Non-Programmatic, Biased and Exchange-Based

Manipulation of public policies is one form of strategy deployed by political parties in order to attract voters (Stokes 2009). As a wide-ranging strategy, the proffering of material benefits covers a number of different practices. In other words, political parties can act upon such a strategy in various ways ranging from deploying programmatic strategies to establishing clientelistic relationships (Kitschelt and Wilkinson 2007, Stokes 2009). Programmatic strategies can be distinguished along the following lines: “Objectives are a matter of public debate, these objectives shape the official, codified criteria for distribution of the program or resource, and the official criteria shape the actual distribution of the program or the good” (Stokes 2009, 8). Political parties that build or attempt to build programmatic linkages with the electorate also reflect this objective in their political campaigns: Rather than leaving room for discretionary implementation, campaign promises point to “codified, universalistic public policy applying to all members of a constituency, regardless of whether a particular individual supported or opposed the party” (Kitschelt 2000, 850). On the other hand, the strategies that do not meet these necessary conditions are regarded as non-programmatic strategies because the lack of any of these criteria implies that the political parties use discretionary power in the distribution of resources (Wilkinson 2007; Stokes 2009).

Political actors may rely on discretionary power to channel private or public goods to a constituency without necessarily calculating whether that particular constituency is more inclined to support political actors for granting them access to these resources (Keefer and Khemani 2009; Snyder and Ting 2002; Stokes 2009; Taylor 1992). While the previous strategy counts on the expectation that voters will give credit to political actors for their investment in the constituency and for their performance, biased version of such a strategy is shaped by electoral records in a constituency, as to whether the constituency has been responsive to the resources and rewarded the party in previous elections (Stokes 2009). By taking electoral records into consideration, political actors distribute resources selectively but do not exert control over voting behavior of the individuals in these constituencies (Dahlberg and Johansson 2002; Kitschelt and Wilkinson 2007; Levitt and Snyder 1997; Stokes 2009).

If there is also a quid-pro-quo aspect, meaning that the voters are expected to reward political parties in exchange for receiving benefits and defection by voters leads to withdrawal of the benefits by political agents, in addition to discretionary and biased distribution of resources, this strategy is defined as clientelism (Auyero 2000, Fox 1996, Gay 2006, Kitschelt and Wilkinson 2007, Piattoni 2001; Stokes 2007). Vote-buying defined as “the proffering to voters of cash or (more commonly) minor consumption goods by political parties, in office or in opposition, in exchange for the recipient’s vote” (Brusco, Nazareno and Stokes 2004) invokes reciprocity during exchange process. Likewise, patronage and public policy manipulation require actors involved in this clientelistic exchange to act according to the terms of the exchange – granting public jobs or social benefits is conditional on the loyalty of the recipients which diverge from vote-buying on one aspect that these strategies can be deployed only by incumbent parties since they have access to public jobs and state resources that are to be distributed under a specific policy (Stokes 2009).

This study builds on this conceptualization of public policy manipulation and considers deviations from the objective criteria which set the conditions for the incorporation of beneficiaries as an incidence of public policy manipulation. In other words, if the number of beneficiaries of PJHD exceeds the number of unemployed in a certain province at a certain point in time, then this raises doubts on the objective implementation of the program. Whether this has been the case in PJHD will be elaborated below in detail. Since defining attributes include biased distribution and the exchange of votes for benefits that is to be monitored by political actors, the next part of chapter will address theoretical answers to the question how political parties expect the voters to be responsive to the material inducements they provide for certain individuals.

2.2. Responsiveness of Voters to Manipulation of Public Policies

The first aspect of the use of material benefits as an electoral strategy relates to the issue of democratic representation. Elections in democratic regimes provide the voters with two different ways through which they can exert influence on politics (Manin, Stokes, and Przeworski 1999). “Prospective choice” (Powell 2000), “anticipatory representation,” (Mansbridge 2003) or “mandate conception of representation” (Manin,

Stokes, and Przeworski 1999) assume that voting behavior is shaped by the expectation that the party program correspond to the policy preferences of a voter and when in office, that party is expected to deliver policy promises.

In doing so, voters make an evaluation of the party running for office before having observed the performance of the prospective government. “The conditions under which mandate representation occurs are threefold: when politicians’ and voters’ interests coincide, when politicians are motivated by the desire to be reelected and they think that voters will reelect them if they pursue policies on which they are campaigned, and when politicians are concerned about the credibility of their future promises” (Manin, Stokes, and Przeworski 1999, 31). It is also the case that party programs announced during electoral campaigns are not always complied with because of changes in exogenous conditions that requires a shift form policies articulated in electoral campaigns or because policy preferences of the “decisive voters” yields inferior outcomes and although party’s electoral platform reflected these preferences, nonetheless, incumbent governments may shift to alternative policies in an attempt to persuade the voters that the outcome is far better than that of the promised ones and thereby, expect to be reelected (Manin, Stokes, and Przeworski 1999). Moreover, incumbent governments may resort to various manipulation strategies mentioned above in order to compensate voters for the costs of policy changes and convince them that they are and will be better off (Stokes 2007, Jaimes-Moreno 2011). In these cases, deviations from announced agenda are not necessarily punished.

Evaluation of the performance of the incumbent governments appears as another function of elections. “Retrospective control,” (Powell 2000) “promissory representation,” (Mansbridge 2003) or “accountability representation” (Manin, Stokes, and Przewoski 1999) assume that elections is a way to punish the government which failed to deliver the expected policies to the voters. “Accountability representation occurs when (1) voters vote to retain the incumbent only when the incumbent acts in their best interest, and (2) the incumbent chooses policies to get reelected“(Manin, Stokes, and Przewoski 1999, 40). Considering that voters are endowed with a power to punish the incumbent government in the forthcoming elections, incumbent governments are expected to become more responsive to the demands and welfare of the electorate rather than pursuing their self-interest.

Accountability as such assumes that the voters make their judgments about incumbent governments having sufficient information about their performance.

However, if this works in the opposite way, in the sense that “when parties know, or can make good inferences about, what individual voters have done in the voting booth and reward or punish them conditional on these actions,” it is hardly democratic accountability but “perverse accountability” which undermines the autonomy of voters because their decisions are constrained by the threat of punishment (Stokes 2005, 316).

The assumptions presented above constitute the background upon which the discussion on the PJHD will be built for the purposes of determining whether it was trapped by the logic of clientelism. Political parties may announce such a conditional cash transfer program during electoral campaign and voters can support by anticipating that the party will deliver promised benefits to eligible population objectively. Similarly, incumbent government may choose to use conditional cash transfers as a programmatic electoral strategy by adhering to the rules and procedures as announced in electoral campaign and at the moment of policy launch and may not manipulate it if they expect that voters will reward it when evaluating the performance of the incumbent party retrospectively as it implemented the announced policy without deviating from program objectives. However, if incumbent party believes that it will obtain a higher payoff from biasing the distribution of benefits rather than implementing the program objectively, it chooses the former strategy as long as it expects that voters will be responsive to such a manipulation. Upon this calculation, policy will be executed in a biased way targeting mainly those sectors of the electorate which are more likely to reward incumbent party electorally.

When resorting to manipulation of public policies, political actors rely also on their capacity to monitor voters so that manipulation of these policies maximizes electoral gains (Szwarcberg 2001; Stokes 2005; Kitschelt and Wilkinson 2007; Nichter 2008; Gans-Morse et al. 2010 among others). Monitoring refers to the idea that political actors have information on the voting behavior of the recipients and they can reward or punish them depending on the latter’s choice (Medina and Stokes 2007). Medina and Stokes (2007) maintain that monitoring does not mean being able to observe the ballot casted by voters, which is hardly the case in democratic systems. Nonetheless, political actors with monitoring capacity are able to deduce it from electoral results at disaggregated levels and have information about the level of loyalty of the electorate. From voters’ perspective, political actors’ capacity to monitor them and punish them if necessary provides voters with information on the costs and benefits of

loyalty/defection and shape their voting behavior accordingly (Medina and Stokes 2007).

The assumption that political actors can monitor voters rests on retrospective evaluation of electoral results as an indicator of voters' preferences and this evaluation is also facilitated by the extensiveness of political machines and base organizations (Calvo and Murillo 2012; Nichter 2008; Stokes 2005; Szwarberg 2011). Studies on clientelism in Argentina suggest that Peronist Party by means of its widespread political machine and local branches gathers sufficient information on voters and influence voting-behavior by distributing material benefits (Auyero 2000; Brusco Nazareno and Stokes 2004; Levitsky 2003; Stokes 2005). Distribution of handouts during electoral campaign links political actors and voters at the local level and facilitate the latter to monitor and influence voters as local politicians signal voters that they are expected to vote for the party in exchange for the benefits distributed in electoral campaign (Brusco, Nazareno and Stokes 2004). Similarly, at grassroots level, problem-solving networks and political networks merge in such a way that political party and the poor are linked by "brokers" who channel resources obtained from municipalities to the poor and influence political orientations of the poor by giving them access to these benefits (Auyero 2000).

Political machines and politicization of local problem solving networks endow political parties with monitoring capacity and vote-buying capacity. However, the question remains, is it only elections or the extensiveness of political networks that provide political actors with the information required for offering material inducements? What are alternative mechanisms that also bring about clientelistic exchanges?

As mentioned above, accountability is an important element of democratic representation. Voters can hold incumbent parties accountable for their performance by means of elections, depending on their performance, they may choose reelect them or punish them by voting for the opposition party/candidate. Also, accountability is seen as a form of holding political actors and public officials answerable for their actions to other political institutions and agents of accountability which requires formal, institutionalized mechanisms with "legally ascribed sanctioning power" (Mainwaring 2003, 14).

This conceptualization with a specific emphasis on the "sanctioning power" leaves the agents of accountability lacking this power out and this is especially relevant

to the discussion on where civil society can be placed in this conceptual framework. One way of looking at this issue, is following: Since civil society actors do not have access to such mechanisms directly, due to the fact that they operate outside of the political authority, they cannot formally hold political actors accountable and use sanctions for wrongdoings (Mainwaring 2003). Still, this view does not reject the effect of civil society on improvements in democratic representation and accountability because, albeit indirectly, social actors can exert influence on the authorities with sanctioning power and force them to exercise their power to scrutinize observed wrongdoings (Mainwaring 2003). Indeed, their capacity to exert influence on the formally recognized authorities and agencies of accountability, they nonetheless can indirectly and still very efficiently contribute to the quality of democracy (Hochstetler and Friedman 2008; Smulovitz and Peruzzotti 2003). Smulovitz and Peruzzotti define “societal accountability” as follows:

“Societal accountability relies neither on individual voters nor on the system of checks and balances to achieve control. To be effective, societal accountability requires an organized civil society able to exert influence on the political system and on public bureaucracies. Unlike electoral mechanisms, societal accountability can be exercised between elections and does not depend upon fixed calendars. It is activated “on demand” and can be directed toward the control of single issues, policies, or functionaries. Like horizontal mechanisms, societal ones can oversee the procedures followed by politicians and public officials while making policy. Unlike horizontal mechanisms, however, societal-accountability measures perform these watchdog functions without the need for special majorities or constitutional entitlements” (Smulovitz and Peruzzotti 2000, 150).

So, while delimiting the concept of accountability to “political accountability” serves analytical purposes, it does not dismiss the potential role assigned to civil society in furthering the objectives inherent to accountability (Mainwaring 2003). Having pointed out that civil society is not endowed with the same mechanisms as the formal agents of accountability; the next step is to focus on alternative mechanisms to which civil society resorts for this aim. Drawing from different understandings of civil society and its relations with the state, I will present the theoretical framework of how civil society contributes to accountability and how these organizations themselves are trapped by clientelistic linkages to political actors – for example, through cooptation- and therefore reproduce clientelism rather than eliminating it. By focusing on this literature, my aim is to understand whether civil society organizations’ failure to bring about societal

accountability results in “perverse accountability.”³ In other words, cooptation of civil society organizations by political actors undermine their capacity to hold political actors accountable for their actions and I question whether the same practice pushes civil society organizations to get involved in assisting political actors in their attempts to hold voters accountable for their voting behavior. If there are grounds to observe such an alliance between civil society organizations and incumbent governments, then one can also claim that civil society organizations can be employed as efficient monitoring agents by making use of their linkages to their core constituencies. Therefore, in the next section I will dwell on state-civil society relations.

2.3. Civil Society as Agents of Accountability

Public sphere opens a space for social actors to introduce certain issues, which were excluded by power-holders, to public debate and to raise their demands that become politicized through processes of public debate (Habermas 1996). In doing so, they attempt to exert influence on politics and draw attention to neglected concerns and demands. However, politicization of demands and identities does not by itself lead to policy outcomes as it does not entail a transfer of authority from political actors to civil society in decision-making processes (Bohman 1996; Avritzer 2002; Novy and Leubolt 2005). In other words, for policies to be made, political authority should bring the issues debated in the public sphere to the institutions in charge of decision-making. Since social actors are dependent on political actors and on the latter’s decision to incorporate debated issues to political agenda, the capacity of social actors to influence politics is limited and indirect (Bohman 1996).

A corollary of this critique is the following: “A process of public discussion that assigns equal rights to all participants but does not establish a criterion for making discussion compatible with deliberation; and a process of deliberative law-making in which the publicity and equality of decision-making depends ultimately on the

³ As stated in the previous section, perverse accountability is defined as the instances “when parties know, or can make good inferences about, what individual voters have done in the voting booth and reward or punish them conditional on these actions” (Stokes 2005, 316)

lawmakers, since they are not bound by results of public deliberation” (Avritzer 2002, 50). While free expression, discussion, emergence of different identities and free association constitute the main features of Habermasian conception of public sphere, these limitations puts constraints on the effectiveness of public debate which can be remedied by an alternative conception of “public deliberation” through the introduction of two mechanisms: “Public fora [which has] the capacity to transform an existing consensus into public forms of deliberation and accountability, [which] connected with public deliberation can allow citizens to monitor administration and thereby avoid conflating administration and deliberation” (Avritzer 2002, 51-2).

These two mechanisms help debated issues be brought to decision-making arena and also protect the autonomy of the deliberative processes through the separation of deliberative and administrative spheres by entitling the former the authority to monitor the latter (Avritzer 2002). The resulting “participatory publics” is characterized by the following features: “Formation at the public level of mechanisms of face-to-face deliberation, free expression, and association, social movements and voluntary associations [which] address contentious issues by introducing at the public level alternative practices, a space for administrative complexity and, at the same time, challenge the exclusive access of technicians to decision-making fora, search for institutional formats capable of addressing at the institutional level the issues made contentious at the public level” (Avritzer 2002, 52).

Other theoretical perspectives on the capacity of civil society to influence decision-making and monitor administration lend support to this conception of “participatory publics”. Participation at local level serves as a platform where demands and needs are voiced and thereby, helps to rank these demands according to their priorities and local community, by participating actively, can get informed about the government policies and more information allows them to voice their interests (Tikare et al. 2001). Mutual interdependence and shared concerns about local community provides with a solution to collective action problem and increase social trust; and therefore, individuals refrain from using the resources for their own benefit (Grimes 2008). In organizational terms, these platforms are based locally and therefore do not require mobilizing resources as needed by more large-scale forums which makes deliberation and monitoring easier (Tikera et al. 2001).

Participation can also bridge the idea of retrospective control and societal accountability because individuals present in participatory processes exert pressure on

government officials by signaling that their weak performance will be punished electorally (Hirschman 1970, cited in Cleary 2007, 285). Another issue is the level of political participation since the level of political participation provides incumbent governments with the information about the policy preferences and demands of the voters better (Hirschman 1970). For this “interactive hypothesis” to be effective, electoral competition is required so that incumbent governments face with insecurity regarding their prospects of being reelected and thereby become more responsive to the demands raised by the electorate (Cleary 2007).

Moreover, social networks linking political actors and voters works as yet another mechanism that make political actors to comply with the demands of their constituency because these networks create certain norms and values and they exist only as far as these norms are respected (Putnam 1993). Hence, it is to the interest of political parties to comply with the norms or the expectations of their constituency in order to keep the network intact. By contrast, “[v]ertical flows of information are often less reliable than horizontal flows, in part because the subordinate husbands information as a hedge against exploitation. More important, sanctions that support norms of reciprocity against the threat of opportunism are less likely to be imposed upwards and less likely to be acceded to, if imposed” (Putnam 1993, 174).

Another form of public participation can be through civil society organizations in the sense that the latter claim to be representatives of their interests. Civil society organizations are considered as being sensitive to democratic values and throughout their participation in policy making and implementation they are expected to further the welfare of the community in accordance with their cause as long as they enjoy autonomy from interference of the state (Hawkins and Hansen 2006). Furthermore, civil society participation is expected to enhance the effectiveness of the programs since they represent the interests of the poor and they are more sensitive to their needs (Lazarus 2008). It also offers a “short route to accountability”, whereby potential and actual program clients can demand accountability from service providers through the direct use of oversight mechanisms” (de Janvry et al. 2005, 3). By facilitating transparency of social service delivery, contribute to democratic accountability and to poverty eradication - by monitoring spending patterns under a specific program so that resources are not used against the objectives of the program and are channeled to the ones in need (Molenaers and Renand 2006).

Yet, potential problems associated with civic participation are also addressed. There is a growing tendency to interpret the participation of civil society organizations in different social programs as having only symbolic value because lacking resources for a meaningful participation and clearly defined sphere of authority, civil society organizations cannot really exert influence on decision-making processes (Posing 2003; Siebold 2007). While civil society organizations mostly pursue democratic values and participate in social program provision contributing to the welfare of the community and, they may fail to realize the goal of participatory democracy. Either they remain silent about the clientelistic social service delivery or they are closely linked to the political leaders, as it is the case of Bolivarian Circles in Venezuela, although they claim an independent agenda which promotes ideals of participatory democracy (Hawkins and Hansen 2006). In a similar vein, competition for resources and recognition by state agencies may bring about a deviation from the values and causes of these organizations: “Initiated and sustained from above by governments and NGOs in order to give credibility to ‘participatory development’ they remain under the firm control of established local leaders and serve as a disguise for political entrepreneurs eager to appropriate public funds” (de Wit and Berner 2009, 942-3). Similarly, increased participation in neighborhood associations mitigate the vulnerability of the poor, which is exploited by local powerholders by means of clientelism, as the capacity to organize locally and resort to self-help mechanisms for problem-solving increases while it is also the case that organized neighborhood population also can be mobilized electorally (Gay 1994).

All in all, the influence of participatory publics and civil society organizations on poverty reduction and social and political accountability has mixed records. Therefore, I will survey empirical studies to be found in this line of literature in order to identify the conditions under which civil society emerges as a barrier to clientelistic exchange relationships. The role of civil society organizations and civic participation in providing an alternative to clientelism has received scholarly attention as experiments with participatory policy-making and policy implementation has increased in contexts where clientelistic linkages between political actors and individuals are prevalent. However, as presented above, there are also reasons to expect that civil society organizations do not always achieve these aims. Therefore, it is important to explore the variables that produce these varying outcomes.

Next section also addresses previous studies on determinants of resource allocation by political actors. What factors make incumbent governments channel more resources to a province but not the other one? Again, this section will turn to the defining attributes of “manipulation of public policies” and raise the following questions: When do incumbent governments resort to biased distribution, what sectors of the society benefit from this bias and how do incumbent governments monitor the voting behavior of the voters?

By focusing both on civic participation in public policy delivery and on the extensiveness of political networks and base organizations, I will attempt to bridge these accounts in order to show that the decision to manipulate public policies is conditional on not only the extensiveness of a party’s political networks and base organizations but also of their linkages to the participating civil society organizations since the latter can also facilitate monitoring through close contacts with the target population of a particular social program.

2.4. Existing Explanations for Manipulation of Public Policies

As presented above, elections appear as an important indicator of policy preferences of the electorate. Either they resort to anticipatory voting and voter for the party that is expected to perform better than other candidates or they look retrospectively and evaluate the incumbent government’s performance and on the basis of their conclusions, they either reward it or punish it electorally. On the other hand, political actors also formulate their agendas by anticipating the policy preferences of voters and manipulate public policies in order to elicit votes or they use discretionary spending as a threat so that voters do not defect political parties after having received benefits.

Regarding electoral competition, there are two rival explanations for the political manipulation of social policy provision; the first one suggests that risk-averse politicians tend to target mostly their core supporters (Cox and McCubbins, 1986) while the second one maintains that the social benefits are mostly channeled to the electorally competitive districts in order to elicit support from “swing voters” (Lindbeck and Weibull 1987; 1993).

Other formal models build on these studies and suggest more refined models and empirical analyses. One of the important contributions is addressing monitoring capacity of political actors over beneficiaries of material inducements. Monitoring refers to the idea that political actors have information on the voting behavior of the recipients and they can reward or punish them depending on the latter's choice (Medina and Stokes 2007). While political parties cannot observe the ballot casted by the beneficiaries, they nonetheless deduce it from electoral results at disaggregated levels and have information about the level of loyalty of the electorate. From voters' perspective, political actors' capacity to monitor them and punish them if necessary provides voters with information on the costs and benefits of loyalty/defection and shape their voting behavior accordingly (Medina and Stokes 2007). To identify cases of clientelistic exchanges, monitoring component should be kept in mind as it is a defining feature of such material inducements.

Below, I will present some of formal models that focus on this particular aspect. Claiming that these above cited models do not sufficiently address the issue of how political parties monitor voting behavior, Stokes introduces the idea of monitoring accuracy on the basis of the following argument:

“Information about individual voters' partisan predispositions helps the machine make inferences about how individuals vote and whether they are good candidates for vote buying. For instance, the model in the next section shows that voters who are predisposed in favor of the machine on partisan or programmatic grounds cannot credibly threaten to punish their favored party if it withholds rewards. Therefore the party should not waste rewards on them. The model also shows that voters who are strongly opposed to the machine will not trade their votes for rewards. A machine can compensate, to some degree, for an effective secret ballot if it can distinguish strong opponents from people who oppose it more moderately, or strong loyalists from people who are indifferent about whom to vote for” (Stokes 2005, 317).

Studies on clientelism in Argentina maintain that Peronist Party by means of its widespread political machine and local branches gathers sufficient information on voters (Auyero 2000; Levitsky 2003; Stokes; Brusco et al. 2004 among others). Auyero (2000) argues that clientelism as vote-buying cannot specify whether the voters support a political party because of their partisan identification or because of the benefits provided by that party. Given these limitations of previous studies on clientelism, he offers an analysis of clientelist networks at grassroots in Argentina level to illuminate the ways in which these mechanisms are reproduced and they construct the linkages

between clientelism and Peronism. Especially, the relationship between informal networks of reciprocal help and political networks strengthen Peronist Party's reliance on clientelistic exchanges because it facilitates the access to resources to be distributed by the Peronist brokers (Auyero 2000). *Unidades Basicas* (local problem solving units) receive resources such as food and medicine from the municipality in order to allocate among the poor enhance the Peronist brokers since they have discretionary power over distribution of resources and access to information (Auyero 2000).

As presented above, monitoring requires retrospective evaluation of voters' political preferences and electoral results at disaggregated levels provides political parties with the information on how their vote share evolves over time. Other models further delve into the relationship between electoral competition and discretionary benefit provision. Party network structures characterized by party organization, partisan networks and personal ties as well as party ideology separately shape the voters' assessment of their probability to receive excludable benefits (Calvo and Murillo 2012). Through social network analysis, Calvo and Murillo (2012) estimate the effects of the "relative proximity of voters to party activists" measured by the relative number of ties between voters and party activists, and "the self-reported ideological distance between voters and parties" on voters' expectations of receiving excludable good in Chile and Argentina. Results of this study suggest that greater links between party activists and voters in the case of the PJ and the UCR leads to an increase in the voters' expectations for access to benefits.

Similarly, Dunning and Stokes (2008) offer a two-dimensional model which assumes that the political machine allocates benefits both according to voters' propensity to vote and their ideological stance. Politicians may target "certain voters" or "potential voters" and within these groups they further decide on which groups to target considering their ideological position. The model expects that parties target swing voters and weak opponents among the voters who have a high propensity to vote. Also, strong supporters among potential voters receive more benefits. Survey evidence from Argentina also supports the predictions of the model: "Vote buying focuses on swing and opposition voters, whereas turnout buying focuses on supporters" (Dunning and Stokes 2008, 28).

In a similar vein, Smith and Bueno de Mesquita (2010) introduce the idea "contingent prize allocation rules" which brings pivotal voting and patronage together through the idea of "contingent prize allocation rules". Contingent prize allocation

creates an environment where the groups compete with one another to signal their loyalty to the winning party so that the party rewards them. The authors argue that this model remedies the problem of credibility by assuming that the winning parties target “discernible electoral groups” which are most loyal to the party, rather than individuals or entire core constituency. Regarding the question whether the party targets core supporters or swing voters, the authors concludes that it does both: More specifically, swing districts receive more benefits, however, these benefits goes to the most loyal groups within these districts.

As shown above, monitoring is taken into account into when constructing the models. Not only the existence of monitoring capacity of political actors but also the lack of this capacity raised attention, and some scholars turn to this in order to explain distribution patterns of material inducements in these cases (e.g. Luna and Mardonez 2009). Chilean case which is considered as having a stable well institutionalized party system together with low levels of corruption and high levels of state autonomy and state capacity shows first of all that the allocation of benefits is mostly based on socioeconomic criteria rather than political criteria which is a function of institutional features administrating social programs (Luna and Mardonez 2009). The authors also find that municipalities governed by the opposition party receive more family and assistance pension subsidies given that such benefits enhance the credit of the central government. However, the mayors belonging to the incumbent party are not rewarded and central government transfers more benefits to municipalities where turnout rates are low. This study indicates that distribution of benefits is driven by political considerations, while the lack of quid-pro-quo aspect leaves it out of the category “political manipulation of public policies” (Luna and Mardonez 2009). Nonetheless, insights derived from this study are important in understanding the role of electoral results in determining allocation when there is low monitoring capacity.

Empirical studies builds on these assumptions developed in formal theories and treat electoral results as an indicator of voter’s preferences. The hypothesis is that political parties allocate resources on the basis of vote shares, either they reward the loyal groups or they target the groups where material inducement are expected to tilt the balance in favor of them. Again, underlying assumption is that political parties can identify ex post which groups are loyal and which groups are not by evaluating electoral results in absolute terms and level of electoral competition.

These analyses found support for both hypotheses. For example, distribution of Progresa program benefits in Mexico (Menocal 2001) and of the Foncodes Funds in Peru (Schady 2000) reflects vote buying logic since the scope of the programs increase with the proximity to elections and the supporters of the incumbent party are disproportionately rewarded. In Mexico, distribution of Progresa rewards PRI-dominant municipalities –which enjoyed hegemony until 1990s- even though these municipalities were far less successful in converting the funds into development while municipalities with multiparty environments received less funds (Hiskey 2003). Moreover, PRI is more interested in expanding the scope of this program by increasing the number of recipients in rather than by increasing the amount of benefits received by each beneficiary which points to the expectation that increasing program coverage helps mobilize more voters (Menocal 2001).

Another social program in Mexico, Pronasol, also targets provinces support for the incumbent party is not necessarily higher; rather where the electorate is repeatedly loyal and electoral volatility is low (Diaz-Cayeros 2008). With respect to Misiones in Venezuela, the picture is more complicated because each Misiones reflect a different distribution pattern: Ribas, which is the only cash transfer program among the four programs, was allocated on the basis of political factors while there is evidence that the socioeconomic criteria was at work as well (Penfold-Becerra 2007). Similarly, Mercal, the food program, targeted both the poor as well as rewarding the Chavistas. However, the states with governors from incumbent party or with more Chavista voters were not rewarded by Barrio Adentro benefits which contradicts the hypothesis that core constituency receive more benefits (Penfold-Becerra 2007).

On the other hand, there are also cases where high levels of electoral competition have more effect on determining resource allocation. Trabajar program under de la Rúa administration in Argentina favored electorally competitive provinces, namely the provinces in which the vote shares of the winning party is close to the second runner-up parties (Weitz-Shapiro 2006). Although it is not an example of clientelism but rather an example of distributive politics because there is no quid-pro-quo component included, Keefer and Khemani (2009) find that constituency development fund in India targets less party strongholds and states with dominant parties. Similarly, the probability of a municipality to receive ecological grants (SEK) in Sweden increases with the number of swing voter while a municipality dominated by the opposition party is not very likely to receive money.

These contradicting results point to the need for refinement by incorporating institutional, social, and economic variables into the analysis (Giraudy 2007). With respect to Progresa program mentioned above, a more refined analysis only partially supports core voter hypothesis and suggests that the competition between PRI and PAN does not favor the municipalities where this particular competition takes place while municipalities in which the PRI and PRD compete receive also disproportionately large share of benefits (Takahashi 2005). When controlled for institutional, social and economic variables, emergency employment programs in Argentina cannot be explained by the margin of electoral victory either; the results suggest that presidential elections do not have any effect on distribution of emergency employment programs such as Trabajar and Programa Jefes de Hogar Desocupados in Argentina (Giraudy 2007). Similarly, incumbent parties can target both core supporters and opponents simultaneously depending on the interaction between poverty level and electoral competition as it is the case for Programa Nacional de Seguridad Alimentaria (Weitz-Shapiro 2012).

A relevant explanation for clientelism is partisanship. Based on her analysis of the distribution of patronage jobs in Argentina, Remmer (2007) suggests that incumbent president allocates a greater share of the budget to the provinces governed by the incumbent party. The logic behind this strategy is that the legislators are responsive to the governors of their provinces and the president assumes that the rewarded governors can exert influence on the legislators to make the latter comply with the legislative proposals of the president (Remmer, 2007). A more refined analysis suggests that the level of discretionary power impacts incumbent president's preferences over allocation of resources; the programs or policies over which the president enjoys discretionary power tends to target provinces governed by the opposition party so that access to these transfers facilitates coalition-building (Bonvecchi and Lodola 2011). On the other hand, more programmatic transfers target the provinces governed by the incumbent party as incumbent president expect them to support the party in any case (Bonvecchi and Lodola 2011).

Another variable that was of interest in the literature on clientelism is electoral system. Studies on Argentina point to a "majoritarian bias" in the translation of votes into seats that allows small Argentine provinces to have disproportionately more representatives in the legislative branch (Gibson, Calvo, and Falletti 2004; Calvo and Murillo, 2004). Argentine presidents are expected to transfer these benefits mostly to

the provinces which allow the overrepresentation of their party in the legislature since the cost of benefits transferred to these provinces is low given the low population size while the benefits to be received is great as the increase in the vote share leads to even greater increase in the control of the legislature (Snyder and Samuels 2001; Calvo and Murillo, 2004).

The need to mitigate social discontent constitutes another incentive for political parties to manipulate social benefit distribution. Exploring the relationship between social movements and targeted social policies, Weitz-Shapiro (2006) finds that Piquetero movement (unemployed groups protesting the government by blocking main roads) led to an increase in the number of individuals entitled to Plan Trabajar under de la Rúa government. Political parties, when faced with high levels of discontent, have incentives to mitigate the protests by offering some particularistic benefits. Political parties may choose to channel these protests to networks at the local level. For example, incorporating vulnerable sectors into the networks allowed Partido Justicialista to mitigate discontent about and mobilizations against the implementation of market reforms (Levitsky 2001). Similarly, Kirchner's Frente para la Victoria (FpV) achieved to mobilize independent associations of the unemployed under this coalition (Garay 2007). The associations within these networks are then compensated by gaining access to state funding for micro-enterprises and their newly created housing cooperatives and public office" (Garay 2007, 318). In doing so, political parties can both moderate discontent and elicit support from the mobilized groups.

Poverty alleviation programs are assumed to have a propensity to be used as a token of clientelistic exchange given that the target population, the poorer sectors of the society, gets a higher marginal utility from the increase in their income as a result of their access to these programs and in return offer their support for the political parties carrying out these programs (Dixit and Londregan 1996; Calvo and Murillo 2004). On the other hand, clientelistic goods leads to a decrease in resources which could have been channeled to public goods and benefit middle class voters which, in turn, make the latter not welcome an incumbent governments resort to clientelistic goods (Magaloni et al. 2007). Similarly, middle class voters are expected to associate clientelism with corruption which leads to a decrease in their support for the incumbent government (Weitz-Shapiro 2011).

The assumption that political actors can monitor voters rests on electoral results as ex post evaluation of voters' preferences and the extensiveness of political machines

and base organizations which helps political actors observe voting behavior. So, empirical analyses build on this assumption and mainly focus on the results of elections as a determinant of material benefit distribution. However, the question remains, is it only the election that provides political actors with the information required for offering material inducements? Partisanship, overrepresentation, the level of electoral competition, the level of poverty and social discontent signal to political parties the propensity of being rewarded with votes for each unit of investment in each of the provinces. On the basis of this signal, political parties have incentives to transfer more resources to the provinces where the transfer of benefits is expected to elicit more votes and fewer resources to the provinces which are expected to be indifferent to these transfers. But when they do so, do they count only on electoral results or extensiveness of their base organizations when defining their monitoring capacity? If they define it as such, to what extent is it effective to convert it into electoral gain? Next section will focus on this aspect of public policy manipulation.

2.5 Social Networks and Manipulation of Public Policies

Having stated the gap in the literature, that clientelism literature focuses mostly on political base organizations as facilitators of monitoring this section turns to alternative suggestions. A recent work addresses this issue: Kitschelt and Kselman (2011) explore the effects of “organizational extensiveness” defined as “a political party’s relative reach or territorial presence, its ability to establish connections with voters across a country’s geographic expanse” (Kitschelt and Kselman 2011, 3) on the effectiveness of clientelistic strategies. Not only formal organization of parties such as the network of base organizations but also informal ties to local notables and regularized relations with civil society organizations are counted as components of a party’s “organizational extensiveness. Interestingly, the authors assert that parties which predominantly rely on local branch organizations tend to pursue more programmatic strategies. On the other hand, routinized linkages to business associations, ethnic groups and religious groups are more successful in translating clientelistic effort into tangible electoral gains in line with the argument that certain civil society organizations are more inclined to favor clientelistic exchanges and these organizations work as a bridge

between electorate and political parties which in turn enable political parties to monitor the electorate more efficiently (Kitschelt and Kselman 2011). These findings point to a gap in the literature which requires attention to alternative mechanisms that facilitate monitoring.

In a similar vein, Szwarcberg (2012) argues that it is not only the political networks but social networks that influence the voting behavior of individuals because central actors within social problem-solving networks are also able to become an effective party broker. She explains it the following way:

“A broker who is not affiliated to a party but is, nevertheless, effective in solving voter problems is more likely to influence a voter’s decision about which rally to attend and for whom to vote than a broker who is affiliated to a party but unable to solve the voters’ problems. It is a broker’s capacity to solve problems and not his or her political affiliation that explains their capacity to influence voter participation at rallies and voter choice on Election Day. Consequently, in order to identify effective from ineffective brokers, scholars and policy makers alike should observe who is solving problems in the community; and not who is formally or informally representing the party in the neighborhood” (Szwarcberg 2012, 231).

These studies point to the role of civil society organizations or social networks in general in social program implementation. Therefore, I revisit the issue of social accountability in order to discuss whether civil society can be considered as another agent that can monitor political actors and institutions and hold them accountable for their actions. Following this, main weaknesses of civil society vis-à-vis the state throughout its participation in social policy implementation will be elaborated and I will show that civil society organizations can mitigate the incumbent governments’ attempts to pursue clientelistic strategies while some of them facilitate discretionary distribution of social benefits by enhancing monitoring capacity of the incumbent party.

2.6. How and When Does Civil Society Contribute to Accountability and Transparency?

“Participatory budgeting” in Brazil is one example of the practices in which local community was given the right to deliberate on the municipal budget along with the municipal officials. Following the restoration of democracy, participatory budgeting

emerged first in Porto Alegre in 1985 as a response to democratic deficit and poverty (Abers, 1998; Avritzer, 2002). 1988 constitution in Brazil granted rights to municipalities as to how to allocate the budget received from the federal government among different services and infrastructure projects. Composed of two processes, budget proposal and project proposals to be financed through the proposed budget, the practice of participatory budgeting gave the local community a say about what to spend and how to spend for the infrastructure and welfare of their community (Santos 1998, Abers 1998, Wampler and Avritzer 2004). However, adoption of participatory budgeting by municipalities was far from being universal across Brazilian municipalities. Nor was it implemented by adhering totally to the idea of deliberative democracy. Therefore, these studies focused both on facilitating factors for adoption of participatory budgeting and on the factors that allowed citizens to participate regularly and influence local decision-making⁴.

Brazilian experience shows that the rise of new voluntary associations and the creation of alternative democratic institutions by these organizations lead to the development of new participatory institutions through exerting influence on Brazil's new constitution (Wampler and Avritzer 2004). Participatory budgeting in Porto Alegre incorporates civil society organizations and local population into policy making procedure and thereby, it constitutes an alternative to clientelistic linkages prevalent at local level (Abers 1998). However, this success is not universal when other municipalities are concerned and the most important variables that define the success of participatory budgeting is the willingness of political actors, in this case the mayor, to recognize the authority of other social actors as his equals in the participatory process and the existence of a vibrant civil society because the cost of cooptation increases with the number of civil society organizations (Abers 1998). The success of participatory budget programs was determined mainly by the commitment of voluntary organizations to the proliferation of public deliberation, and by their capacity to build coalitions with leftist and reformist politicians in order to exert pressure on the municipal administration for the creation of this institution (Wampler and Avritzer 2004). According to Avritzer (2010), the emergence of participatory budgeting is the outcome of three processes: "First, PT-governed municipalities have consistently adopted participatory budgeting. As the PT's influence map expanded, so, too, did the map of

⁴ However, this does not mean that there is a perfect deliberative policy-making process.

adoption of participatory budgeting. Second, there is a state and regional spatial diffusion effect (i.e., the hub effect discussed previously)⁵. Third, informal knowledge networks that include NGOs, CSOs, unions, and social scientists spread information on how the process took place” (Avritzer 2010, 180). Previous rates of civic participation contribute to elimination of clientelistic linkages, through “demonstration effect,” referring to the idea that initial rate of participation is reinforced by face-to-face deliberation and mutual trust (Wampler and Avritzer 2004, 302).

Qualitative features of initial civic participation also make a difference in outcome variable, decrease in clientelistic relationship, which is conditional on the patterns of how different social actors appeal to political actors and local government to voice their demands and on the extent to which citizens are able to become a part of these linkages (Wampler and Avritzer 2004). Transition from clientelism to more democratic forms of representation does not emerge in a vacuum; rather, they are conditional on preexisting patterns of state-society relations (Fox 1994; Baiocchi, Heller and Silva 2008). Enjoying high levels of self-organizing capacity and autonomy before the formation of participatory budget is a necessary but not a sufficient condition for more democratic political regime since this capacity in some cases is sacrificed for accessing to governance processes: “Before PB reforms, CSOs [civil society organizations] had a range of practices, while able to autonomously organize, were partially linked to the state via clientelism. The PB clearly reduced clientelism as a mode of intermediation, but the autonomy of civil society was also compromised in the process” (Baiocchi, Heller and Silva 2008, 929). This account suggests that a vibrant civil society is not likely to end clientelistic linkages by itself; institutional setting also matters, especially those institutions that set the rules of the game that clearly define the competencies of actors and delimit the room where political actors can use discretionary power.

For example, participatory publics are more efficient in municipalities where new forms of decision making are institutionalized and if there is no such institutionalization, political actors and local governments continue to enjoy discretionary power (Wampler and Avritzer 2004). Similarly, social control councils composed of civil society organizations under Bolsa Familia, a conditional cash transfer program in Brazil for families living under poverty, influenced implementation of Bolsa

⁵ “Hub effect” refers to the dissemination and diffusion of the experiences in a particular context to elsewhere (Avritzer 2010).

Familia positively through enhancing the mechanisms of accountability (de Janvry et al. 2005). However, this finding has also some reservations since the study also identified discrepancies in the institutionalization of social control councils across municipalities and there also incidences where incorporation of civil society institutions is executed in a selective way so that it yields political support for mayors (de Janvry et al. 2005). Even the very existence of a social control council was a source of electoral reward for mayors (de Janvry et al. 2005).

Institutions that impede a meaningful participation of civil society organizations reproduce clientelistic exchange relationship between government and civil society organizations (Choup 2003). Even though decentralization of the political system is included in the agenda of civil society organizations and political actors, there is no visible attempt in Dominican Republic towards this reform which blocks the means to be employed by civil society organizations to pursue their ends (Choup 2003). Since the responsibilities and authority realms of different administrative units remain unclear, civil society organizations are not able to define a consistent strategy to push political actors for democratic deepening and decentralization; "despite efforts to make demands through decentralized appeals to government institutions, that is, to play by democratic rules, a direct appeal to the president still yielded the best results for a community" (Choup 2003, 39). Hence, it becomes another example of the effect of institutionalization on the effectiveness of civil society organizations in deepening democracy because institutions define and limit available strategies to be employed by societal actors (Choup 2003). In a similar vein, institutional arrangements determine whether the increased levels of participation can shift the state-society relations from clientelism to citizenship (Garcia-Guadilla and Perez 2002). Enhanced decentralized participatory mechanisms are assumed to replace clientelistic linkages with linkages built upon the idea of citizenship, universal rather than particular, and with the idea of social justice while it is also acknowledged that decentralization itself cannot achieve such a shift in without touching upon preexisting patron-client relations and without leaving room for democratizing social movements and institutionalized mechanisms which make democracy work such as referendum, recall and freedom of assembly (Macpherson 1977; Garcia-Guadilla and Perez, 2002). The effects of decentralization in Venezuela point to this assertion; even though some neighborhoods experience more horizontal linkages between individuals on the one hand, and the town councils and mayors on the other, these linkages are not necessarily more democratic because the

influence exerted by individuals is very limited and they cannot affect decisions on the distribution of scarce resources in the absence of the above mentioned institutionalized practices.

Not only formal participatory institutions but also informal patterns of participation determine civil society's capacity to demand accountability of political actors and the level of autonomy enjoyed by the citizens, however, it cannot be obtained by merely reforming the institutions (Shefner 2001; Fox 1994; Montambeault 2011). When citizens participate only irregularly in an ad-hoc fashion, they are more likely to act as the local government sees fit and dependent interest groups at local level only serve reproduction of the old clientelist exchanges without transforming state-society relations (Montambeault 2011).

Political opening in Mexico attempted to undermine the authority enjoyed by political brokers who traditionally kept demanding social groups under control of the state and met their demands by giving these groups access to state resources and social programs and this political bargaining coincided with increasing number of societal mobilization from below which gradually obtained more autonomy to redress their bargaining process with the state (Fox 1994). Fox maintains that "in some cases Solidarity agreements permitted independent poor people's organizations to bypass hostile governors. [...]. Where especially authoritarian governors managed to exclude autonomous social organizations, however, they used Solidarity programs to promote competing development and welfare projects and reinforced the most authoritarian elements within the ruling party (for example, in Guerrero). In many areas of the local Solidarity committees appeared to reflect the "modernization" of clientelistic control, as poor people in need of basic services shifted their patrons from regional elites to federal officials" (Fox 1994, 169).

So, the effect of civil society participation on the patterns of benefit allocation is conditional on institutional setting, preexisting patterns of state-society relations. In order to understand the real effect of civil society on the prospects of clientelism, one should incorporate socioeconomic and political variables into the analysis. Likewise, I claim that political variables cannot explain manipulation of public policies without considering the effect of social networks. As mentioned above, previous studies are built on the assumption that parties with widespread political machines can deduce from vote shares in the past elections the voting behavior of a particular group. However, this study attempts to incorporate a new variable, strength of the state-civil society linkages,

in order to test whether alternative mechanisms can be at work to bring about discretionary, biased spending by analyzing Programa Jefes de Hogar Desocupados empirically. Before turning to the hypotheses, I will present a brief overview of the evolution of state-society relations in Argentina. Then, I will focus on the PJHD and its administrative institutions, namely Consultative Councils, through which civil society organizations engage in program implementation.

2.7. State-Society Relations: Market Reforms and Changes in the Electoral Base of Partido Justicialista

How is manipulation of public policies regarded by the incumbent government as a more efficient strategy to attract voters than programmatic linkages? This question relates to another one; namely, how policy preferences of the electorate and the incumbent party, the PJ being incumbent government throughout the time frame to be analyzed in this study, has evolved over time. Addressing these issues is important to understand the incentives of the PJ to manipulate the PJHD. Therefore, this section will focus on a critical juncture, the launch of market reforms in Argentina by the PJ and discuss how the party-core constituency linkages are reshaped in this process and how it affected electoral strategies of the PJ. The shift to neoliberal economic model is considered as a critical juncture because, as a labor-based party, the PJ initiated neoliberal reforms without being challenged electorally which, nonetheless, created changes in its linkages to the core constituency, the labor, as will be presented below (Levitsky 2003). Since market liberalization redefines the winners and losers of this process, its effects on a party's core constituency is also relevant to the changes in the electoral strategies of political parties (Kurtz 2004, Hagopian 2009): "The potential for clientelism is driven up by increased demand caused by the impoverishment and dislocation to the informal sector of former unionized workers" (Hagopian 2009, 7). Considering that PJHD did not come into being in a vacuum but rather as a response to the economic and political crisis in 2001-2002, the preceding reforms and changes in state-society relations should be taken into consideration in order to find out whether

the incumbent government had incentives to rely on this program to build clientelistic linkages to voters.

Biased distribution of resources may stem from the shift to market reforms because “the potential for clientelism is driven up by increased demand caused by the impoverishment and dislocation to the informal sector of former unionized workers” (Hagopian 2009). As it will be discussed below in the context of market reforms in Argentina, manipulation of public policies can be used as a strategy to compensate certain sectors of society for their losses due to policy changes in other areas and thereby, to recover eroding linkages to the labor (Levitsky 2003). Thirdly, manipulation of public policies is especially prevalent where incumbent parties are endowed with instruments that enable them to hold voters accountable for their voting behavior (Stokes 2005; Kitschelt and Wilkinson 2007; Nichter 2008; Gans-Morse et al. 2010 among others). If incumbent government in Argentina effectively monitors PJHD beneficiaries’ choices in elections, they tend to use withdrawal of PJHD benefits as a threat in the cases where beneficiaries receive the funds but ultimately votes for opposition party.

As mentioned above, Peronist Party has capacity to manipulate public policies but doing so should also correspond to the interests of its supporters. Therefore, I will focus on the changes in PJ’s core constituency that can be attributed to the shift to neoliberal economic model.

2. 7. 1. Winners of the Reform Process: Unions?

The alliance between labor and the PJ dates back to import substitution industrialization and it was reflected on the expansion of social rights. This alliance also transformed the approach to social protection as to a shift from “charity” to “rights” to be enjoyed under the coverage of an institutionalized social security scheme which allowed Peron to consolidate his alliance with the labor movement (Haggard and Kaufman 2008). While targeting the military, white collar workers and some key blue-collar unions initially, the import substitution industrialization paved way to the expansion in the coverage of the social security scheme as an important component of Peron’s populism (Mesa-Lago 1978). On the other hand, social programs such as housing programs (FONAVI), health

care programs for mothers and children as well as job training programs are installed and such programs also seen as a part of state's responsibility rather than charity (Bustalo and Isuani, cited in Salas 2006). However, from mid-1970s onwards Argentine welfare state was challenged by inflationary pressures and rising unemployment rates.

During the 1990s, Argentina underwent a series of radical economic reforms under democratic regime which distinguished this case from the other Latin American countries that could either launch more limited and slow-paced reforms in a fully democratic context (Costa Rica, Uruguay, Venezuela, Brazil) or carry out rapid and radical reforms under authoritarian regimes (Chile, Peru, Mexico) (Levitsky and Murillo 2005). Convertibility Law, as a component of stabilization program, enhanced domestic and international credibility (Levitsky and Murillo 2005) and allowed the adoption of new technologies in the production process (Gasparini and Cruces 2007). While market reforms contributed to price stability and strong economic growth, in the long run economic success became unsustainable as the convertibility limited the resort to exchange rate policy as a response to economic shocks and to the decline in export competitiveness and as the costs of pension reform and fiscal decentralization required high levels of public borrowing (Levitsky and Murillo 2005). In accordance with market imperatives which require a shrinking role and involvement of the state in economic sphere, structural reforms following the debt crisis in 1980s attempted to reduce budget deficits through cuts in welfare expenditures rather than to use the existing resources with greater efficiency (Angell and Graham 1995).

The literature on market reforms suggests that labor-based parties launch market reforms relatively easy because they are able to convey the message to their core constituency that the shift in policies is required by the need to adapt to exogenous conditions and does not reflect their main policy orientation (Cukierman and Tommasi 1998). A similar explanation is also suggested for the case of Argentina where market reforms are initiated by the labor-based Peronist party as a response to hyperinflation even though these reforms met resistance from within the PJ and unions (Stokes 2004). On the other hand, results of the public opinion surveys indicate that despite the deviation from his electoral platform, Menem's success in stabilizing economy received support from the electorate (Stokes 2004). Another explanation comes from the analysis of the unions and their responses to market reforms and suggests that party-union linkages mitigated the militancy of the unions and lack of competition among unions also facilitated the PJ to obtain their support in exchange for concessions granted to

unions and thereby enabled the incumbent government to implement market reforms without alienating labor (Murillo 2004). Gradually, the PJ tended to erode its traditional linkages to the organized labor in an attempt to embrace a broader segment of the electorate by replacing the labor linkages with clientelistic linkages while labor parties in Chile, France and Spain continued to claim their even though they experienced a programmatic shift which shows that the reforms were accompanied by identity shift of the party itself (Levitsky 2003). These accounts for the success of the PJ as a labor-based party in launching market reforms without losing its voter share in subsequent elections put an emphasis on provision of material inducements in mandate terms.

Such concessions to the core constituency of the PJ fall within the realm of “distributive politics” which is defined as biased targeting of material benefits to certain groups out of electoral concerns without monitoring the recipients’ responsiveness and compliance with the exchange of benefits for votes (Stokes 2009, 12). “Maintenance of the corporatist labor structure, preserving labor’s role in administrating the health-care system, granting unions a privileged position in the private pension funds market and granting unions a share of unionization” enabled the PJ to incorporate the labor movement into the reform coalition (Etchemendy 2007, 74). Reforms in health-care and pension provision are the most relevant points to the discussion on the relationship between changes in social protection system and the changes in state-society relationship and these reforms will be presented below.

Regarding health care system, *Obras Sociales* (union-run health care system) which granted unions the right to establish their own funds and to distribute the payroll taxes among the member workers, was to be reformed by Menem government in such a way that private *obras sociales* would compete for administrating their own funds, which was nonetheless not implemented since it faced opposition from unions (Haggard and Kaufman 2008, Etchemendy 2007). Since these *obras* constituted a source of funding for unions through the access to payroll taxes gathered in the pool and for private insurance companies and private hospitals through subcontracting health services, the fact that the system remained untouched is interpreted as a concession to unions (Lloyd-Sherlock 2004, Etchemendy 2007). On the other hand, pension system was only partially privatized, and it did not replace the public pay-as-you-go system, rather unions were allowed to create their own pension funds to compete with the public system (Etchemendy 2007). The latter continued to be in effect and provided the basic universal benefit which is funded by 16% of employer payroll tax (Kay 1999). Also,

workers can choose to hold their individual accounts in the “Administradora de Fondos de Jubilación y Pension” (Kay 1999). Administrating their own pension funds endowed unions with additional resources as it is the case in *obras sociales* and as mentioned above, the PJ could implement neoliberal policies without alienating labor movement.

2.7.2. Losers of the Reform Process: The Informal Sectors?

Since this individualized contribution determines the amount of benefits one will receive, the prospective welfare of an individual is dependent both on his own investment on the social security scheme as well as market conditions (Kay 1999). Market conditions do matter because the benefits are subject to inflationary effects, on one’s position in the labor market and on his disposable income, a share of which will be transferred to social security program as contributions (Kay 1999). Since the benefits are a function of contributions, privatized social security schemes are not redistributive (Kay 1999).

During economic liberalization, budget cuts in social spending emerge as a response to the requirements of the adopted economic model, while the decision to protect a particular sector is a political issue since there are asymmetries in the level of influence by different interests groups and generally the poor tends to assume the burden of such decreases in social spending given that their capacity articulate their interests as an organized group is smaller than other groups (Lustig, 2000). Latin American countries tended to achieve redistributive goals by means of macroeconomic policies which make the prospects of welfare of the poor vulnerable to the economic performance (Angell and Graham 1995). When macroeconomic indicators display a favorable picture, this is translated into the decrease in inequality. However, since the already vulnerable ones are not supported by redistributive policies, the problem of poverty remains untouched (Angell and Graham 1995). Hence, social exclusion and growing inequality were the side effects of the rapid economic reform since organizational adjustment to the capital intensive production process was slow and it mainly threatened the unskilled workers (Gasparini and Cruces 2007) while the economic shocks hit the “traditionally large Argentine middle class” (Levitsky and Murillo 2005).

For relieving the burden of the losers of market reforms, Argentine governments initiated targeted social programs which reflect the relationship between fiscal constraint as a market imperative, and the choice between universal social policies and conditional cash transfers (Teichman 2008). While the former is accepted as financially implausible, the latter is also subject to criticism as being inefficient because it fails to reach the whole population of the extremely poor and the means-tested nature tends to exclude the moderately poor by definition (Teichman 2008). Secondly, compliance with the conditionality required by programs is already an impediment for the very poor given that fulfilling these requirements is not cost-free, they have to transfer some amount of their benefits in order to finance these requirements and its marginal cost is very high given that beneficiaries have very limited income (Teichman 2008). The launch of these programs was actually considered as a response to crises, not necessarily complementing the market reforms from the very beginning, such as emergency unemployment program Plan Trabajar (1995-1999) and conditional cash transfer program Programa de Atención a Grupos Vulnerables (1996-2002), and empirical studies on Plan Trabajar find that distribution of benefits under this program is politically manipulated (Giraudy; Weitz-Shapiro and Lodola).

2.7.3. 2001 Crisis and its Aftermath: New Coalitions

Beginning from 1999, unfavorable international conditions, being most importantly the devaluation in Argentina's main trade partner Brazil in 1999, and the poor performance of the currency board mechanism accelerated the crisis which in 2001 brought about the devaluation of currency, a decline in real wages and in output, and a sharp increase in unemployment rates (Gasparini and Cruces 2007). In 2001, Argentine economy faced one of the deepest crises in its history. As the collapse of economy became more and more evident in the living conditions of Argentine society, the crisis spread over social and political realm. Neffa summarizes in a paragraph the socioeconomic context in Argentina preceding the launch of Plan Jefes de Hogar Desocupados:

“Following the resignation of Dr. De la Rúa 21 December 2001, and the succession of five provisional presidents in a week, the country went through deep economic, social and political crisis; the recession that started in 1998 increased, lootings of supermarkets by people in need

spread over the country, default on external debt was announced, all bank accounts were blocked limiting the maximum amount of withdrawals, capital flight continued, all political parties were discredited which risked governability, and social unrest, which was repressed before, erupted especially in Capital Federal and also in other provinces.” (Neffa 2009, 284 – author’s translation)

When Eduardo Duhalde was appointed president by the Congress and took office in January 2002, poverty rate was 57.5 per cent, extreme poverty was 27 per cent and unemployment level reached to almost 20 percent (INDEC). Since social costs were huge, interim government attempted to take measures and also consulted civil society in this process in order to enhance the legitimacy of the interim government (Golbert 2006).

Previously, during the mandate term of President de la Rúa, the CTA, one of the main confederations which was established by the unions disaffiliated from CGT, took the initiative to gather different human rights organizations, representatives of religious organizations and legislators under the umbrella organization Frente Nacional contra la Pobreza (FRENAPO) and proposed a safety net for the unemployed heads of households and universal entitlement for each child⁶ (Clarín 2002). In a similar vein, Caritas representing the Catholic Church also attempted to bring state, business, labor and civil society organizations in order come up with a response to economic and political crisis in the country in January 2002 (Neffa 2009). The so-called Mesa del Dialogo Argentino proposed political, economic, social, institutional reforms and put emphasis on transparency and accountability. Regarding social reforms, basic income for all individuals living under poverty with clearly defined criteria for beneficiary selection and implementation process subject to social audit mechanisms constituted the main pillar of the proposal. Also, it is important to note that the possible risks associated with clientelistic exchanges in the implementation of future programs were recognized by the participants: “Severe sanctions should be established for those who divert resources from target population or for those who promise benefits or make access to resources conditional on political support.”⁷

⁶ Clarín. 2002. El Nuevo Escenario: El Frente Nacional Contra La Pobreza Se Reunio Con Duhalde: Piden un seguro de empleo <http://edant.clarin.com/diario/2002/01/15/e-01603.htm>

⁷ Boletín Informativo No: 1, January 2002. Author’s translation

Following Mesa de Dialogo, government issued Decree 165/02 which announced emergency situation with respect to unemployment and increasing poverty until December 31, 2002 and the launch of Programa Jefes de Hogar Desocupados with the objectives are to protect families at risk of social exclusion, to ensure the education and health assistance of their children, and to provide job training for the unemployed in order to facilitate their entrance to labor market. Decentralized implementation is another important component of the program which assigned an important role to civil society organizations through their participation in consultative Councils. Depending on the size of the jurisdiction –municipality-, at least two thirds of its members should be representatives of non-governmental organizations such as labor unions, businessmen associations, trade unions, religious organizations which would be formed upon the call by local governments.

In April 3, 2002, Decree 565/02 modified the previous one with a specific emphasis on the “right to social inclusion.” “Considering the right of the families to social inclusion, recognized in line with the Article 75 of the Constitution and with the International Covenant of Economic, Cultural and Social Rights of the UN, and the emergency of the economic situation, urgent measures are adopted to transfer economic resources to the poorest and to promote a more equal and socially sustainable development” (Decree No: 565/02). It maintains that Plan Jefes y Jefas de Hogar is universalized as a means to ensure a minimum income to all Argentinean families. In addition, this program ensures basic education to children and training to unemployed adults to promote their reentry to formal labor market. The purpose of the program is to protect families at risk of social exclusion, to ensure the education and health assistance of their children, and to retrain to unemployed adults to facilitate their inclusion in the labor market. It transfers 150 pesos provides training programs to unemployed adults and is limited to families with children under 18 years old. The program evaluation will be also performed by social organizations in order to ensure its efficiency and transparency.

Civil society organizations are recognized as necessary components of the developmental agenda of the social programs launched in the aftermath of the economic crisis while the discourse on this role of civil society is also interpreted as a way of justifying the claim of the programs guaranteeing social inclusion as a fundamental human right as well as providing social peace in times of massive protests and lack of credibility of the state (Arcidiácono and Zibecchi 2008; Golbert 2006). Civil society

actors have been present in program design dating back to “Dialogo Argentino” after the 2001 economic crisis. Bringing representatives of the PJ government, the Catholic Church and United Nations Development Program together, Dialogo Argentino was expected to become an alternative platform where solutions to the economic as well as political crisis are deliberated. However, it is also noted that Argentine civil society is not limited to religious organizations, neighborhood assemblies, piquetero movement, business associations, and trade unions also constitute a significant part of civil society (Golbert 2006). While it is criticized that Dialogo Argentino happened to be an exclusive forum, the design of the PJHD resulted in putting civil society organizations in charge of program implementation, monitoring and evaluation by creating Consejos Consultivos (Golbert 2006).

Legitimacy of civil society organizations’ participation in public affairs or social policy in particular is derived from the adoption of the role assigned by the preexisting state-society linkages but this does not mean that partisan affiliation is another source of legitimacy (Iñiguez 2004). Social recognition of the right to intervene in political affairs and to organize around a cause is the source of legitimacy which then can be compromised politically in order to enjoy this right (Iñiguez 2004). So, political compromise emerges as a function of the existing patterns of state-society relations and these patterns shape the position of civil society organizations vis-à-vis the state and the terms of the political compromise (Iñiguez 2004). However, civil society organizations also tend to build unilateral linkages to the state even though they operate in settings where multiple actors are present and this tendency is very likely to produce clientelistic exchanges, exchange of benefits for political support (Iniguez 2004). In Argentina, the linkages between the state and some civil society organizations and social movements are considered clientelistic as the latter are competing for access to international funds which are pooled and channelled by state agencies (Friedman and Hochstetler 2002). "The National Center for Community Organizations (CENOC)" was founded to bring the state and civil society together so that the interactions between these actors contribute to the development of social policy; however, these linkages provide the state with the capacity to exert control over civil society since the creation of CENOC was not an outcome of a deliberative process among civil society organizations and state agencies; rather it was imposed by the state (Friedman and Hochstetler 2002).

When faced with increased level of social mobilization and opposition, states tend to co-opt NGOs by offering them resources, technical assistance and training in

exchange for their autonomy in the sense that they, as loyal clients of the state, are expected to mitigate social discontent and not to challenge government policies (Foweraker 2001). Argentine case was yet another example of these strategies deployed by political actors and civil society organizations. Even though widespread social movements peaked in 2001-2 challenged the legitimacy of the state, the movements was not able to present an alternative to political authority and as the latter resorted to clientelistic networks and cooptation strategies, these movements resulted in “a struggle for *contención social* [social control]” (Schaumberg 2008, 373). Social movements such as *piqueteros*, unemployed groups blocking main roads as a way of protesting the government, increasingly attempted to obtain the status of NGO and to adhere to this status in their dealings with the state (Salvochea 2008; Schaumberg 2008). The clientelistic linkages between *piqueteros* and incumbent party raised very much attention in the literature on Argentine politics which finds a positive relationship between the extensiveness of *piquetero* movement and incumbent government’s response as to offering them selective benefits (Lodola 2003; Weitz-Shapiro 2006; Remmer 2007).⁸

As shown above, state-civil society linkages in Argentina points to an asymmetry in the sense that state has more control over civil society organizations which stems from and is reproduced by institutional arrangements. Next, I will focus on the particular process and institutional setting through which civil society organizations are incorporated into the Programa Jefes de Hogar Desocupados. Drawing from the findings of previous studies, I argue that there are grounds to suspect that manipulation of public policies is still likely even in the presence of civil society organizations. Then, I will present the testable hypotheses of this study which expects to find that certain civil society organizations are more likely to develop closer contacts with incumbent party and act as intermediaries between the incumbent party and target population of the PJHD which facilitates monitoring and gives incumbent party more incentives to manipulate the PJHD.

⁸ Fragmented nature of *piquetero* movement, however, reflects on different strategies deployed by these mobilized groups. This flexibility allowed them to build alliances with different actors and yielded different outcomes ranging from cooperation to cooptation. For example, *Movimiento Territorial de Liberación* (MTL) resorted to its previous linkages to the Communist Party which channeled the former resources and helped it not to be trapped by Peronist clientelistic exchange relationship while others chose to build alliance with the Peronist Party (Alcañiz and Scheier 2007).

2.7.4. Bringing Civil Society Back in: Consejos Consultivos

When the PJHD was launched, it also stated that it would be operated on a decentralized basis through local councils, “Consejos Consultivos (Consultative Councils), which are to be composed of civil society organizations upon the call of local governments. While total number of council members depends on the size of the municipality (jurisdicción), at least two thirds of its members should be from nongovernmental organizations. Key functions and competences of the councils include controlling inscription, incorporation and implementation of the program in their respective jurisdiction, proposing to the municipality incorporation of new beneficiaries and disqualification of the ones who fail to meet program requirements, receiving complaints about irregularities regarding program implementation, investigating them and reporting them to Consultative Councils at provincial and national level if needed and evaluate project proposals for community projects and job training projects. Consultative Councils are required to meet upon the call by the Council President, secretary or three members.

Consultative Councils originate from the need to construct a new model of participatory administration which is more pluralist and depoliticized social service provision, while, in practice, cooperation between constituent units does not reflect the idea of horizontality, rather it is characterized by an asymmetry between those who have access to resources such as municipalities and who are in need of resources such as civil society organizations (Clemente 2004).

Regarding the institutionalization of Consultative Councils in accordance with the requirements specified in government decree, most of the municipalities established these institutions by 2003 and also incorporated civil society organizations as members even though there are cases which failed to do so⁹ (Lupica et al. 2003). To shed light on

⁹ Gruenberg (2006) points to the fact that the deadline of application for PJHD was May 2002 and when the lists were closed, a significant percentage of municipalities did not establish these councils and therefore, incorporation of beneficiaries in that period was not subject to monitoring process by these institutions. Given that the number of beneficiaries boomed right after the end of application period, there are questions on the objectiveness of beneficiary selection in this period. However, the period covered in

the institutionalization patterns of the consultative councils, four types are identified: One category is constituted by those councils whose very existence is indebted to municipality's efforts to construct these councils and thereby composed of the organizations that are closer to the mayor or by socially mobilized groups in the community which have more or less contacts with unemployed groups (Arroyo 2004). Similarly, consultative councils that are established by the initiative of civil society organizations are sustained by their linkages to the public workers serving in social policy area and they diverge from the former category on the basis of institutionalization, they are regarded as a network of civil society organizations which regularly meet and has a common agenda but lacking the status of a formal consultative council (Arroyo 2004). There are *consejos consultivos* which define social audit as their main responsibility and focus on beneficiaries' compliance with program conditionality and criteria for beneficiary selection and an important characteristic of these councils is business associations and corporations' significant presence (Arroyo 2004). Member organizations in this category of consultative councils have close linkages to the community and therefore, are able to identify better their needs. However, the relations among member organizations, municipal officials and unemployed groups bring about tension as their interests clash. Finally, the consultative councils that prioritize reinsertion into the formal labor market and to this end, promote creating training and communitarian projects are committed to make use of the existing resources in an optimum way. However, low rates of participation of business associations constitute a problem in delivering these objectives (Arroyo 2004).

As shown above, how these councils are institutionalized gives insights on the prospects of their contribution to objective program implementation or reproduction of clientelism. Beyond institutionalization, however, it is also important to note how they implemented program objectives. According to Lupica et al. (2003), they performed poorly in meeting program requirements: This stems from consultative councils' lack of information and resources to fulfill the expected tasks. Rules themselves are very vaguely defined and subject to change and there is no formal guidance which would contribute to monitoring capacity of the councils. Also, they do not have regularized access to the database which provides information on socioeconomic conditions of incorporated and disqualified beneficiaries. Therefore, council members begin to lose

my analysis includes the period when incorporation of beneficiaries was stabilized again.

their decision-making power and autonomy. This further erodes the identity of “consultative council” as members are not recognized as competent authorities. Therefore, they try to recover it by building linkages to political actors outside of the councils which decrease their incentives to genuinely participate in monitoring process and leads to an overall inefficiency of the social control mechanisms over the program (Lupica et al 2003).

Further evidence for short circuits with respect to incorporation of beneficiaries is found in an interview with a member of Mesa del Dialogo Argentino who asserts that municipalities present the list of beneficiaries to the administration so that the Ministry of Labor transfer benefits to these beneficiaries which undermines direct communication between Consultative Councils at municipal level and at national level.¹⁰

Competition among civil society organizations for gaining access to the CCs and thereby to public funding is one of the mechanisms which produce biases in PJHD implementation because these organizations tend to select their own members (clients) as beneficiaries by violating the principle of beneficiary selection on the basis of objective criteria (Colina et al. 2009):

“Some CC members provided testimonies that illustrated the way in which some organizations submitted their own beneficiary lists directly to public officers in the central government in Buenos Aires. This situation was caused because the legal power to select beneficiaries lies with the CCs but the practical power to register beneficiaries in the data-bases, and therefore to make the payments, belongs to the central administration” (Colina et al. 2009, 345).

For example, the case study of Tres de Febrero in Buenos Aires illuminates how civil society organizations in the municipal consultative council count on personal contacts with municipality and the resources provided by municipality which make the position of these civil society organizations closer to that of “brokers” mediating between the local community and beneficiaries in particular and local politicians (Salas

10 “La Mesa del Diálogo acompañó la crisis con esa condición. Si se observan los considerandos del Decreto, éstos están asociados a lo producido en la Mesa del Diálogo. Era una condición para legitimar una movilización social enorme que permitiera gobernar el país en ese momento. La garantía para poder desarrollar un programa masivo era que la sociedad civil estuviera presente... Aunque después se pasó a la cooptación, a la manipulación, al cierre de los Consejos Locales en muchos casos, consejeros que se fueron dando portazos, organizaciones que persistieron sólo por su finalidad religioso-social... (cited in Repetto 2003, 37)”

2006). these personal contacts are visible in the process through which member organizations in the Consultative Councils are appointed by social capital as such is a function of not only sympathy to a particular civil society organization's constituency or "compañerismo" but also of more vertical linkages, acknowledgement of respect for the "other" who maintains more power than the subject (Salas 2006). This third aspect embodies itself in the capacity of civil society organizations to accede to benefits and information through their linkages to local government and politicians.

To sum up, civil society organizations were recognized as key actors in restoring the credibility of the state in the middle of political, economic and political crisis. These organizations played a role both in policy design and policy implementation. However, the literature points out that institutionalized and regularized participation of civil society organizations in program implementation do not deliver the expected outcome: mitigation of clientelism. It is important to understand how incumbent parties bypassed the authority of the civil society organizations that is assigned by law. Drawing from the literature on the PJHD, one explanation can be that incumbent party achieved to incorporate civil society organizations into their zone of influence by offering them resources for their organizations or personal benefits. For this to be the case, I expect that incumbent parties also consider whether these organizations are successful in acting as political brokers bridging voters to the party and monitoring their voting behavior. Therefore, it is rational for incumbent parties to take the effectiveness of their social networks into consideration besides political and socioeconomic variables, such as overrepresentation, electoral results, electoral arrangement and poverty, while determining their electoral strategies. This aspect should be incorporated into empirical analyses in order to observe the causal mechanism of electoral strategies and the outcome variable as the manipulation of public policy. More specifically, the analysis of the variation in the allocation of PJHD funds across Argentine provinces should not only explore the effects of incumbent government's incentives but also the effects of its capacity to monitor compliance of the beneficiaries. The research question is not which set of civil society organizations are more likely to manipulate the PJHD program through their authority in beneficiary selection, without examining daily interactions in a consultative council this cannot be inferred from correlational associations. Rather, the question is which set of civil society organizations in a province give to incumbent government more leverage to manipulate this program on the hypothesized assertion

that social networks of these organizations can be used by incumbent party as a way of eliciting information on voters.

CHAPTER 3

METHODOLOGY

Having surveyed the literature and stated the puzzle that monitoring capacity is not limited to the extensiveness of local branches and political problem-solving networks, this study suggests that incumbent party's linkages to civil society organizations can also facilitate monitoring and therefore, have an impact on distribution of social benefits. Civil society organizations resemble political problem-solving networks to the extent that they also aim to further the interests of their constituencies and differ from them to the extent that they maintain their autonomy from political actors and keep their relations with their constituency out of political sphere. This study hypothesizes that certain categories of civil society organizations facilitate political manipulation of public policies because they are more likely to be co-opted by political parties and through their close relations with the target population of the PJHD they help the incumbent party to identify the responsiveness of voters. Other categories of civil society organizations, on the other hand, lack routinized contact with the target population, serve the interests of other groups or they maintain autonomy from political actors which make them ineffective "monitoring"¹¹ agents from the perspective of the incumbent party. Since they cannot count on these latter categories of civil society organizations, they are expected to decrease the scope of the PJHD so that the resources are not wasted.

¹¹ "Monitoring" is one of the expected competences of civil society organizations. They are expected to monitor voter's compliance with program conditionalities. Here, it refers to monitoring of their political orientations, not to monitoring the voters to help political parties define their electoral strategies.

To test this hypothesis, this research deploys quantitative and qualitative methods. Before presenting the analyses, it is important to justify why a multi-method research is more suitable for explaining the variation in the dependent variable. Hence, this section will show that statistical analysis helps to identify the association between explanatory variables and dependent variable. By analyzing a large number of cases, one can more confidently reject the hypotheses or prove that they hold (Lijphart 1971).

On the other hand, this study will also resort to qualitative method since “causal complexity” is hard to be captured by the covariance of two variables separately (Ragin 1987). Rather, there is a “chemical causation” suggested by Mill (1843) which refers to the idea that a combination of different conditions produces an outcome and there can be many other combinations which can contribute to the emergence of a phenomenon. The combination of different conditions does not necessarily suggest that individual components are necessary or sufficient: Being probabilistic, such an approach may provide more insight on the research object because it considers all important ingredients for the occurrence of an outcome rather than focusing on only one explanatory variable and controlling the others (Ragin 1987). “In other words, once the possibility of multiple conjunctural causation is admitted, it is necessary to determine how different conditions fit together – and in how many different combinations – to produce a given outcome” (Ragin 1987, 26). Quantitative method cannot capture this configurational aspect of the cases because it requires too many interaction terms to be included in the statistical model. Statistical models work with variables which does not consider the cases as “meaningful wholes”.

Therefore, this thesis will firstly identify the association between political and socioeconomic variables and the patterns of PJHD benefits allocation through statistical analysis. Then, it will compare different cases¹² in order to find out how different combinations of variables influence the outcome variable.

¹² Case selection will be detailed in Chapter 5.

3. 1. Data and Variables

3.1.1. Dependent variable: Discrepancy between Actual and Potential Beneficiaries

This study explores whether the PJHD beneficiary selection process is carried out in accordance with the objective criteria for eligibility that define the target population as the unemployed heads of household. Hence, the dependent variable is operationalized as difference in percentage between the number of the eligible individuals, namely the number of the unemployed, and the number of actual beneficiaries of that program divided by the number of eligible individuals in order to control for the population size of a province. Ideally, the ideal case being that there is no manipulation, the value of the dependent variable should be 0 which would indicate that all unemployed individuals are incorporated into the PJHD program. The scarcity of available funds to be distributed may justify slight deviations from the ideal towards negative values showing that not all eligible individuals are covered by the program due to budget constraints. On the other hand, positive values of the dependent variable can be interpreted as an instance of political manipulation of the program; since in these cases, the number of beneficiaries exceeds the number of the unemployed. Similarly, greater deviations in the opposite direction raise doubts about the objectiveness of the program posing the question whether the implementation of the program in such provinces is trapped in logic of “punishment”. Operationalization of the dependent variable as the gap between eligible and actual beneficiaries allows for detecting the variation in the scope of the program across time and space more directly since it controls for the level of unemployment for each province-semester (Weitz-Shapiro 2006).

Data on the dependent variable come from different sources. Regular Household Survey conducted by Instituto Nacional de Estadística y Censo (INDEC) is one of the main sources for data on Argentine labor market. Being conducted in 31 urban centers with a population over 100.000 inhabitants and covering 70% of the national population, this survey has the advantage of capturing the changes in unemployment rates over the census data since the former reports twice a year (INDEC). Nonetheless, it neglects rural unemployment. Therefore, this study complements the number of unemployed individuals in rural areas by resorting to the 2001 census data in order to

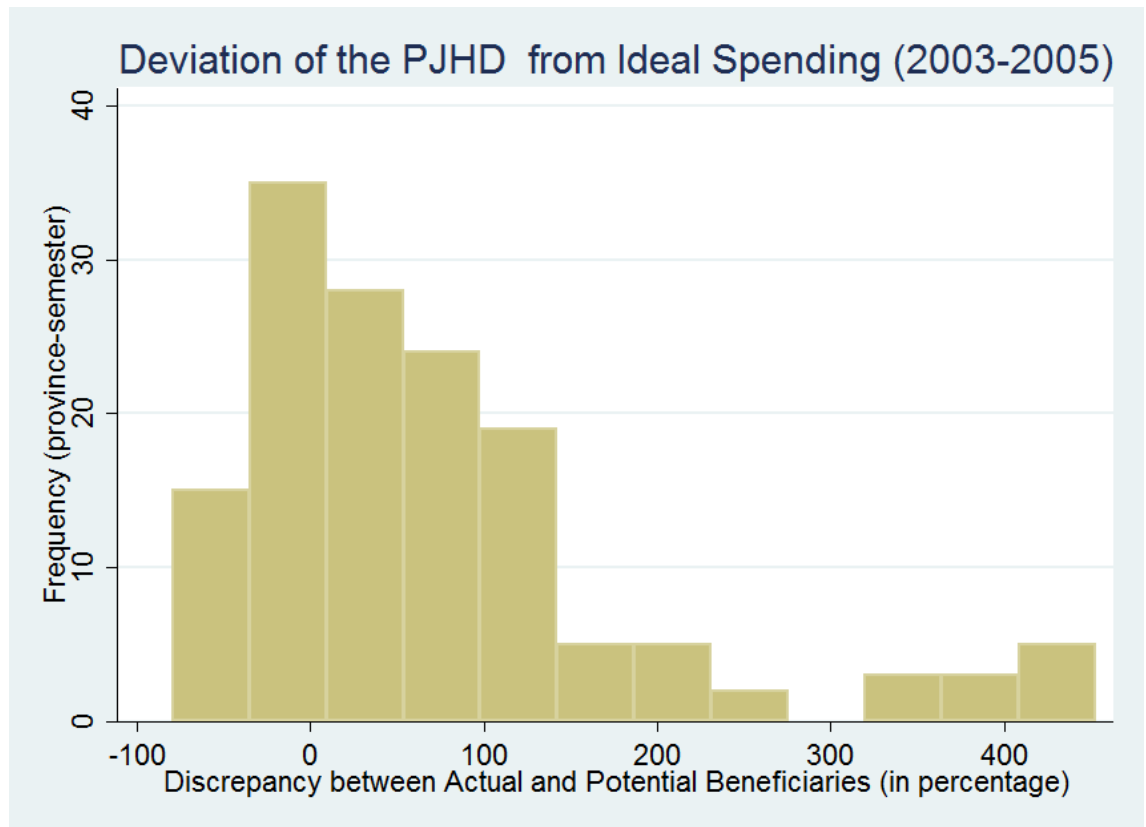
decrease a possible bias in the findings (INDEC). Even though the number of the unemployed in rural areas is taken as a constant, the benefits of using a more dynamic measure of unemployment in the analysis are expected to outweigh the problems associated with using the rural unemployment as a constant value over time.

Data on the number of beneficiaries for six semesters over the period 2003-2005 is obtained from Ministry of Labor and Ministry of Interior¹³. In aligning the number of beneficiaries and the number of unemployed individuals to determine the value of the dependent variable for each province-semester, it should be taken into consideration that the individuals who were unemployed at the moment of application would not become beneficiaries immediately. To address this gap in time, unemployment rates are lagged one semester in order to calculate the discrepancy between the beneficiaries and the unemployed. In other words, the eligible individuals are the ones who were unemployed six months before and the number of beneficiaries is compared to the number of the unemployed in the previous semester.

Figure 1 indicates that there is a variation in the value of this variable ranging from -78.93% (Capital Federal) to 452.74% (Formosa). Negative values of the dependent variable suggest that there are the number of incorporated beneficiaries is not outweighed by the number of the unemployed. So, the coverage of the program is very low compared to the national average. On the other hand, positive values of the dependent variable are puzzling since it points to a deviation from the objective criteria which set the unemployed as the eligible population. The number of beneficiaries exceeding the number of the unemployed in a particular province at a particular time period means that this criterion is violated.

¹³ Data is accessible online, retrieved from <http://www.trabajo.gov.ar/programas/sociales/jefes/infoyestad.htm> and for months lacking in the website of Ministry of Labor, the panel is complemented by the data provided by Ministry of Interior, Secretary of Provinces. Retrieved from <http://www.mininterior.gov.ar/provincias/provincias.php?idName=provincias&idNameSubMenu=&idNameSubMenuDer=>

Figure 1



4.2. Independent Variables

President's/ Incumbent Party's Vote Share

To explore the determinants of the variation in the dependent variable, this study focuses on political and socioeconomic variables as well as the political parties' linkages to civil society organizations. The first independent variable, "President's/incumbent party's vote share", measures the vote share of the president in the previous presidential elections and his/her party's vote share in the previous legislative elections. For each province, this variable takes three different values which come from 2001 legislative elections, 2003 presidential elections, and 2003 legislative elections. Incumbent party's vote share in 2001 legislative election¹⁴ is expected to

¹⁴ For the first semester of 2003, the values are based on the results in the legislative elections. The reason for not choosing the previous presidential elections (in 1999) is

account for the allocation of PJHD benefits for the first semester of 2003; 2003 presidential elections for the second semester of 2003 and first semester of 2004¹⁵, and 2003 legislative elections for the second semester of 2004 and first and second semesters of 2005. In accordance with the findings of previous studies (for example Cox and McCubbins 1986; Menocal 2001; Schady 2000, Diaz-Cayeros 2008), this study hypothesizes that the discrepancy between beneficiaries and the unemployed increases as the vote share of the president and the incumbent party increases. In other words, incumbents are expected to reward most loyal voters by allowing them discretionary access to PJHD benefits.

Electoral Competition

“Electoral competition” is another political variable that this study takes into account and it captures the difference between the vote share of the incumbent president/party and the vote share of his main opponent(s). The reason for incorporating this variable is that the presidents in office and incumbent parties in general may refrain from allocating resources disproportionately to the provinces which are their strongholds regardless of material offers or where their electoral defeat is almost certain. However, if the margin of difference between the incumbent party/president and the opposition is small, then these parties may offer material inducements to the electorate with the expectation that these benefits can attract voters and tilt the balance in favor of the incumbent party (Weitz-Shapiro 2006, Remmer 2007). This study tests this hypothesis against the evidence drawn from the case of PJHD, expecting to observe a negative relationship between the level of competition and the gap between the number of beneficiaries and the unemployed.

that Eduardo Duhalde’s presidency is not a result of his electoral performance. Since he was appointed president by the Chamber of Deputies in January 2002, the composition of the legislature, and thereby the 2001 elections, has a greater influence on his presidency. Also, 2001 legislative elections, being closer to the time period covered in the analysis, provide more accurate information on the preferences of the electorate.

15 Although Carlos Menem received most of the votes in the first round, he renounced to participate in the second round. According to the National Electoral Code Article 155, Kirchner was appointed directly president. Therefore, Kirchner’s vote share in the first round constitutes the value of the variable.

To calculate the value of this variable, namely the level of electoral competition, one should consider whether the results of the elections resemble those in a two-party system. If there are only two major parties that receive most of the votes, then the margin of difference can be taken as the absolute value of the difference between the vote shares of these parties (Weitz-Shapiro 2006). If the vote share of a third candidate/party is significantly large and that particular party forms an alliance with one of the two major parties, then these two parties are treated as an “opposition bloc” (Weitz-Shapiro 2006) and the difference is calculated accordingly. The absolute value of the difference between the vote shares of the PJ and the UCR in each province in 2001 and 2003¹⁶ legislative elections constitutes the value of the variable “electoral competition” and other parties are disregarded because their vote shares are too small. On the other hand, the presidential elections in 2003 display a different picture. In 2003, Carlos Menem received 24.45% of the valid votes and was followed by Nestor Kirchner who received 22.4% (Ministry of Interior). Although both candidates come from the Peronist tradition, they represent different factions of the PJ and their candidacies indicate that intra-party rivalry was converted into opposing electoral formulas. Thus, it is necessary to consider these candidates’ vote shares as well as political orientations in order to determine whether other candidates constitute a significant opposition to Kirchner. The third candidate López Murphy (Alianza Movimiento Federal para Recrear el Crecimiento) cannot be treated as a part of the opposition bloc because there is no evidence indicating a possible alliance with the FpV or the UCR. On the other hand, Rodríguez Saa belongs also to the Peronist tradition and created the Frente Justicia, Unión y Libertad with Menem in 2007 in order to run for office in 2007 presidential elections¹⁷ (Perfil 2007). Therefore, the candidacy of Rodríguez Saa is considered a part of the opposition bloc and therefore, the variable “electoral competition” takes on the absolute value of the difference between the vote shares of Kirchner on the one hand and of Menem and Rodríguez Saa on the other. If the swing

¹⁶ In 2003 legislative elections, the electoral formula of President Kirchner Frente para la Victoria (FpV) did not run for office in every province (only in La Pampa and Misiones) and it did not have a separate bloc in the chamber of deputies. The vote share of FpV replaces the vote share of the PJ only in La Pampa and Misiones. For the rest of the provinces, “electoral competition” variable takes on the value of the difference between the PJ and the UCR.

¹⁷ Perfil. 2007. “Carlos Menem se sumó a la campaña de Rodríguez Saá.” Retrieved from http://www.perfil.com/contenidos/2007/10/09/noticia_0085.html

voter hypothesis holds, there should be more beneficiaries incorporated into the program as the margin of difference between the two blocs decreases.

Partisanship

Third variable, “Partisanship” is treated as a dummy variable distinguishing between the provinces governed by the incumbent party and provinces governed by the opposition party. Based on her analysis of the distribution of patronage jobs in Argentina, Remmer (2007) suggests that incumbent president allocates a greater share of the budget to the provinces governed by the incumbent party. She asserts that the logic behind this strategy is the responsiveness of the legislators to the governors of their provinces and the president assumes that the rewarded governors can exert influence on the legislators to make the latter comply with the legislative proposals of the president. However, as presented above the rival explanation maintains that the provinces receive more discretionary resources (Bonvecchi and Lodola 2011). Accordingly, this study assigns the value 1 to the provinces governed by the PJ, while it assigns the value 0 to the others, and the coefficient is expected to be negative because this study maintains that the PJHD is distributed through presidential discretion although it is formally a program with objective criteria for beneficiary selection.

Overrepresentation

Lastly, the variable “Overrepresentation” is operationalized as the ratio of each province’s percentage of total seats in lower chamber to its percentage share of national population following the operationalization by Gibson et al. (2004). Studies on Argentine politics point to a “majoritarian bias” in the translation of votes into seats facilitating small Argentine provinces to have disproportionately more representatives in the legislative branch (Gibson, Calvo, and Falletti 2004; Calvo and Murillo, 2004). Argentine presidents are expected to transfer these benefits mostly to the provinces which allow the overrepresentation of their party in the legislature since the cost of benefits transferred to these provinces is low given the small population size (Snyder and Samuels 2001, Calvo and Murillo, 2004). This line of literature also maintains that

the benefits to be received is great as the increase in the vote share leads to even greater increase in the control of the legislature. In order to test the hypothesis that overrepresentation and the discrepancy between the beneficiaries and the unemployed is positively associated, this study employs the variable “Overrepresentation” and takes the natural logarithm of the values given that the distribution is skewed (Giraudy 2007).

Poverty

The empirical analysis in this study also examines the effects of socioeconomic variables. The variable “Poverty” is indicated by the percentage of the individuals living under poverty line in each province. Inclusion of this variable in the model facilitates to test whether the PJHD funds target poorer provinces where individuals are more responsive to material inducements given the higher marginal utility of such inducements at lower levels of income (Dixit and Londregan 1996; Calvo and Murillo 2004). The purpose of including this variable is not to examine whether the distribution of PJHD funds fulfills redistributive purposes since the unemployment data constituting the dependent variable already measures it (Weitz-Shapiro 2006). Rather, the aim is to observe whether poverty level enhances the incentives of the incumbent parties to manipulate the PJHD program in order to gain electoral support as it is the case in other contexts.

This study relies on the measure of poverty as reported by Encuesta Permanente de Hogares (INDEC). Again, the concerns discussed above also apply to the use of EPH as a data source; as it covers only urban areas yet at the same time, it is sensitive to the changes in poverty rates over time. Another widely-used measure of poverty is the percentage of the population with unsatisfied basic needs (“necesidades básicas insatisfechas”) extracted from the census data for the national population (Weitz-Shapiro 2006). However, this alternative measure remains constant over time. Therefore, the variable “Poverty” takes on the percentage of the people living under extreme poverty. “Poverty” variable is lagged one semester, considering that the incorporation of individuals to the program in a given semester is not necessarily a response to the poverty rate of the same semester, but to that experienced in an earlier

period¹⁸. Thus, the hypothesis is that the provinces where poverty is high the number of beneficiaries will exceed the number of the unemployed.

Civil Society-Incumbent Party Linkages

Finally, the last independent variable is the level of party-civil society linkages (Kitschelt and Kselman 2011). This study explores the linkages to civil society organizations under two categories. The first category will be indicated whether the incumbent party has routinized relationship with religious groups, associations of the marginalized groups, community organizations, economic associations and sports clubs at provincial level. Second category entails the linkages to business associations and unions at provincial level. The assignment of the organization to these two groups is based on the assumption and empirical evidence that the poorer sectors of a society are more responsive to the clientelistic offers because they get a higher marginal utility from the increase in their income as a result of their access to these programs and in return offer their support for the political parties (Dixit and Londregan 1996; Calvo and Murillo 2004). Religious groups, economic organizations (for example cooperatives and barter groups), associations of the marginalized groups are assumed to have a closer relationship with the poor and, therefore, can monitor them more effectively. On the other hand, neighborhood associations and sports clubs operate at the local level and, thereby, constitute a platform where individuals have more personal contacts and therefore facilitate monitoring. Linkages between religious groups (Semán 2004 cited in Szwarcberg 2011) and sports clubs (Alabarces 1996; Veiga 1998; Grabia 2009 cited in Szwarcberg 2011) and these groups' capacity to mobilize voters gives another reason to expect that these linkages can be converted into public policy manipulation.

However, cooperatives which increased following 2001 crisis by recuperating default enterprises have been ignored by the national administration (Ranis 2006) and whether the linkages between the representatives of cooperatives and the Peronist Party yields deviations from ideal spending under PJHD program remains as a questionmark

¹⁸ For example, the value of the dependent variable for the first semester of 2003 is explained by the value of poverty rates for the second semester of 2002.

and these rival hypotheses will be tested below. Finally, the clientelistic linkages between piqueteros and incumbent party raised very much attention in the literature on Argentine politics which finds a positive relationship between the extensiveness of piquetero movement and incumbent government's response as to offering them clientelistic resources (Lodola 2003; Weitz-Shapiro 2006; Remmer 2007).

This study asserts that political parties can oversee the rate of responsiveness of the voters when they have linkages to these first set of civil society organizations and therefore, increase the scope of social programs in provinces where these civil society organizations prevail.

Regarding the second category of civil society organizations, business associations do not have close links to the target population of the PJHD, the unemployed. Therefore, higher ratio of these organizations to other members of consultative councils is expected to decrease manipulation of the PJHD. Lastly, unions tend to further the interests of the "insiders" in the formal labor market rather than the unemployed which is supposedly decrease their likelihood to be responsive to the clientelistic offers made by political parties for the "outsiders" being the unemployed (Rueda 2006). On the other hand, unions and Peronist Party linkages have been traditionally strong and even though market reforms brought about a transformation in this relationship –from being more programmatic to more clientelistic – unions can be still considered as important actors strengthening electoral success of the Peronist Party (Levitsky 2003; Murillo 2001). Therefore, the coefficient of this association can be both positive and negative.

Having constructed these categories, the next step is to determine how the linkages between these groups of CSOs and the incumbent party are measured. Kitschelt and Kselman (2011) construct a dataset through expert surveys which ask experts whether a political party has linkages to each of the civil society organizations, generating a dichotomous variable. For this present research, I operationalize this variable differently which can be measured at ratio/interval level. I will construct a dataset from the information available on the Municipal Provincial Consultative Councils which are the institutions in charge of beneficiary selection and monitoring beneficiaries' compliance with program requirements. Regulations regarding the composition of these councils are also institutionalized and require that members from non-governmental organizations constitute at least two-third of each council (Lupica et al. 2003). The available data on the composition of these councils convey information

on the member civil society organizations which I use as a proxy to measure the civil society extensiveness of the incumbent party since the local governments appoint the members of these organizations.

Examples for religious organizations are varying churches and Caritas, a network of Catholic agencies. Neighborhood associations are those composed of local inhabitants voluntarily and seeking to exert influence on local politics such as *Juntas Vecinales* or to contribute to the welfare of the neighborhood such as *Bomberos Voluntarios*. Economic organizations include cooperatives and barter organizations which promote exchange of goods and promote reciprocity (*clubes de trueque*). Chambers of commerce, corporations, and organizations promoting production for the welfare of the community (*Sociedades de Fomento*) are counted as business organizations. Informal groups of the unemployed as well as formal organizations such as *Corriente Clasista y Combativa* (CCC), *La Federación de Tierra, Vivienda y Hábitat* (FTV) constitute part of the marginalized groups. Also, indigenous groups covered under the category of marginalized groups. Sports clubs and unions are coded accordingly. Public institutions, civil servants, political parties and institutions of municipalities are excluded because the main concern is to detect the patterns of representation of the CSOs in the Consultative Councils. Having coded these institutions and placed them under nine categories, I calculated the average of each of the nine categories in each province¹⁹ and these averages constitute the value of these nine variables.

¹⁹ There are some CSOs lacking information which prevented me from deciding to which category they belong. Either there are abbreviations which does not allow for a meaningful inference or there is no information on the objectives/thematic field of these organizations. In some cases, the Ministry of Labor itself does not report information on the organizations (for example for the municipality of Arroyo Maturrango in Entre Rios). These organizations are excluded and the average is calculated over the total of organizations (Excluding public institutions, civil servants political parties and municipal institutions) for which I have data. Missing data may bias the results. However, including them without information would also result in underestimating the representativeness of the organizations because it is likely that some of such organizations actually belong to the categories covered in the analysis.

CHAPTER 4
STATISTICAL ANALYSIS

This chapter will deploy quantitative methodology to explore the effects of political and socioeconomic variables, and incumbent-civil society linkages on social benefit allocation. Before constructing the models to test whether there is a statistically significant association of these variables, it is important to check for a possible association between independent variables themselves. In order to do so, I will firstly look at the correlation between each pair of explanatory variables. Table 1a and Table 1b present the results.

Table 1a. Correlation Matrix of Independent Variables I

| | Poverty | President vote share | Margin of victory | Governor's partisanship | Overrep. | Religious |
|----------------------------|---------|-------------------------|-------------------------|----------------------------|----------|-----------|
| Poverty | 1.00 | | | | | |
| President's vote share | -0.08 | 1.00 | | | | |
| Margin of victory | -0.12 | 0.12 | 1.00 | | | |
| Governor's partisanship | -0.08 | 0.35 | 0.35 | 1.00 | | |
| Overrep. | -0.44 | 0.17 | 0.26 | 0.03 | 1.00 | |
| Religious | -0.02 | 0.21 | 0.05 | -0.02 | -0.19 | 1.00 |
| Neighborhood Union | 0.12 | -0.22 | 0.03 | -0.02 | -0.02 | -0.59 |
| Economic | 0.00 | -0.29 | -0.18 | -0.38 | 0.04 | -0.24 |
| Business | -0.1 | 0.27 | -0.17 | 0.07 | -0.11 | 0.56 |
| Marginalized | -0.14 | -0.33 | -0.01 | -0.42 | 0.09 | -0.32 |
| Sports | 0.29 | -0.36 | -0.35 | -0.40 | -0.31 | -0.50 |
| | 0.30 | -0.25 | -0.09 | 0.02 | -0.62 | -0.10 |

Table 1b. Correlation Matrix of Independent Variables II

| | neighborhood | Union | Economic | Business | Marginalized | Sports |
|--------------|--------------|-------|----------|----------|--------------|--------|
| Neighborhood | 1.00 | 0.21 | -0.44 | 0.23 | 0.40 | 0.17 |
| Union | | 1.00 | -0.19 | 0.69 | 0.22 | 0.01 |
| Economic | | | 1.00 | -0.28 | -0.39 | 0.01 |
| Business | | | | 1.00 | 0.29 | -0.13 |
| Marginalized | | | | | 1.00 | 0.48 |
| Sports | | | | | | 1.00 |

Correlation matrix of independent variables indicate that community associations and religious organizations are correlated to an important extent (.59), as well as marginalized groups and sports clubs (.48) and unions and business organizations (.69). Including them simultaneously in a model may cause multicollinearity problem as these variables have similar explanatory power. Therefore, the models employing these variables are constructed in such a way that only one variable from these pairs enter the model. For the sake of simplicity, I present only the models that have more explanatory capacity and that suffer less from collinearity. However, alternative models are also run and they yield similar results while varying on the explanatory power and having a less precise control for the other variables when predicting the effect of a particular variable due to a higher level of multicollinearity.

4.1. Results

The first model analyzes the effects of the political variables and linkages to varying civil society organizations on the scope of PJHD program by running a regression with panels corrected standard errors (PCSEs). As mentioned above, the unit of analysis is province-semester which and the analysis covers 23 provinces and the autonomous city of Buenos Aires over the period first semester of 2003 and last semester of 2005 which provides 144 observations. As Table 3 shows, the provinces where the incumbent president or the governing party receives a greater percentage of the valid votes are rewarded with the expansion in the scope of the PJHD program.

Table 2a: Allocation of PJHD Beneficiaries Across Argentine Provinces (2003-2005)

| | (1) | (2) | (3) | (4) |
|-------------------------|----------------------|-----------------------|----------------------|----------------------|
| President's vote share | 2.15*** (.60) | 2.29*** (.64) | 2.04*** (.59) | 2.09*** (.63) |
| Margin of victory | 1.41** (.47) | 1.29** (.45) | 1.74*** (.51) | 1.68*** (.51) |
| Governor's partisanship | -36.10*** (9.61) | -40.42*** (9.42) | -66.43*** (15.73) | -68.15*** (14.58) |
| Overrepresentation | 39.34** (16.85) | 56.97*** (16.95) | 31.24** (15.62) | 35.89** (15.46) |
| Poverty | 5.75*** (1.75) | 5.70*** (1.73) | 4.89*** (1.53) | 4.91*** (1.52) |
| Religious organization | 1.55 (1.69) | 2.27* (1.34) | -.47 (1.95) | -.36 (1.64) |
| Union | -3.55*** (.81) | -3.58*** (.76) | | |
| Economic association | 15.66*** (3.70) | 13.20*** (3.76) | 12.37*** (3.39) | 11.39** (3.61) |
| Business association | | | -13.22*** (1.31) | -12.87*** (1.32) |
| Marginalized groups | 2.52 (3.64) | | 2.16 (3.55) | |
| Sports clubs | | 9.34** (2.97) | | 3.05 (3.13) |
| Constant | -188.71** (60.14) | -198.38*** (56.69) | -67.45 (55.28) | -69.84 (55.67) |
| Observations | 144 | 144 | 144 | |
| R-squared | 0.4190 | 0.4280 | 0.4826 | 0.4833 |
| Mean VIF | 1.76 | 1.63 | 1.83 | 1.76 |
| Condition Number | 22.29 | 18.0928 | 24.4254 | 22.3461 |
| Correlation matrix | 0.086 | 0.1141 | 0.0663 | 0.0868 |

Similarly, the number of beneficiaries exceeds the number of the unemployed as the province's strategic importance for legislative politics increases which is indicated by the significant and positive relationship between overrepresentation and the gap between actual beneficiaries and the unemployed. In other word, manipulation of PJHD in these provinces conveys the logic of increasing influence in the legislature because with relatively low investment in these provinces due to the disproportionately large numbers of legislators. This supports previous findings that political parties tend to

invest funds in provinces where the cost of this investment is low due to the relatively smaller population and the return is high since disproportionately larger number of deputies provides them with the leverage to influence legislative politics.

Table 2b: Allocation of PJHD beneficiaries across Argentine provinces (2003-2005)

| | (5) | (6) | (7) | (8) |
|-------------------------|----------------------|----------------------|----------------------|----------------------|
| President's vote share | 2.16*** (.60) | 2.29*** (.64) | 2.02*** (.59) | 2.08*** (.63) |
| Margin of victory | 1.46** (.47) | 1.40*** (.41) | 1.74*** (.49) | 1.65*** (.44) |
| Governor's partisanship | -38.70*** (8.64) | -42.16*** (9.34) | -64.05*** (12.67) | -67.22*** (13.03) |
| Overrepresentation | 35.13** (15.80) | 50.12** (16.43) | 33.06** (13.69) | 37.86** (14.58) |
| Poverty | 5.76*** (1.76) | 5.71*** (1.73) | 4.91** (1.56) | 4.95** (1.56) |
| Neighborhood | -.60** (.26) | -.79*** (.22) | -.36 (.25) | -.35 (.23) |
| Union | -3.60*** (.73) | -3.65*** (.71) | | |
| Economic association | 16.12*** (3.32) | 15.00*** (3.12) | 11.56*** (2.86) | 10.14*** (2.81) |
| Business association | | | -12.97*** (1.08) | -12.56*** (1.09) |
| Marginalized groups | 1.15 (3.55) | | 3.66 (3.57) | |
| Sports clubs | | 8.25** (3.46) | | 3.77 (3.78) |
| Constant | -161.47** (54.01) | -163.99** (53.08) | -71.91 (48.49) | -71.08 (50.01) |
| Observations | 144 | 144 | 144 | 144 |
| R-squared | 0.4187 | 0.4265 | 0.4830 | 0.4837 |
| Mean VIF | 1.56 | 1.48 | 1.61 | 1.71 |
| Condition Number | 16.6131 | 15.3068 | 18.2370 | 18.3896 |
| Correlation matrix | 0.1258 | 0.1572 | 0.1080 | 0.0670 |

Swing voter hypothesis is also tested in the model. While the relationship between the margin of difference between vote shares of two political parties or opposition blocs and the deviation of the number of beneficiaries from the number of the unemployed is

statistically significant, the sign of the coefficient is not in the expected direction. Rather, it shows that the scope of the program increases as the margin of difference increases. So, the incumbent presidents and parties target the provinces where their vote share is high and where they are unchallenged or defeated with a large margin of victory.

One explanation of the results supporting these two rival hypotheses is that the political instability in 2001 might have caused the PJ and the Duhalde administration to reward the provinces where the PJ remains unchallenged. For the period of Kirchner's presidency, the competition between political was between different factions of the same party. Also, the emergence of Frente para la Victoria coincides with the period in which the program was implemented. Being a new political organization and facing important rivals from the PJ tradition, Kirchner would have to make a greater effort to distinguish his bloc from other Peronist factions to create a core constituency. Rather than attempting to mobilize the voters in the provinces where the FpV and the opposition are very close to each other in terms of vote shares, Kirchner might have opted for enhancing the party's presence in provinces where there was greater support for him and his party. Also, he might be interested in attracting other Peronist voters who tend to vote for the rival factions.

Indeed, other studies also support this interpretation: "The *transversalidad*, like the mathematical term "transversality" in English, describes the area where two sets intersect. In this case, the sets are the Kirchnerist Peronists on the one hand, and the Radicals on the other (Calvo and Murillo 2012, 160). This strategy does not only target the Radical Party but also other factions of the PJ in order to unify Peronist tradition under the leadership of FpV (Cheresky 2004; Vives-Segl 2006).

Comparative analysis of three cases helps interpret *transversalidad*. Santa Cruz, La Rioja and San Luis are the provinces where the number of PJHD beneficiaries exceeds the number of eligible individuals, namely the unemployed. This commonality becomes more interesting as these provinces converge in yet another aspect. Each of them is the stronghold of the competing candidates with Peronist background in 2003 Presidential elections and each of them served as governor in their respective province: Menem in La Rioja, Rodriguez Saa en San Luis and Kirchner in Santa Cruz.

La Rioja and San Luis are similar cases in all of the aspects presented in the table. the only difference identifiable is that San Luis is slightly more loyal to the local powerholder Rodriguez Saa than La Rioja to Menem and extensiveness of party-civil

society linkages that facilitate monitoring and clientelism is higher in San Luis since civil society organizations that are considered as a barrier to clientelism are relatively less which increases the net effect of clientelistic linkages on manipulation of public policy. Even though political incentives are not very strong in these provinces in aggregate terms and incumbent party lacks linkages to civil society organizations that facilitate effective monitoring of the beneficiaries, Kirchner government seems to have resorted to existing Peronist machine to manipulate the PJHD because eroding the power of the two significant political rivals outweigh his risk-aversiveness. This interpretation also receives support from “transversality” strategy discussed above. Arguably, Kirchner’s investment performed well and helped him gain Peronist votes. In 2007, Beder Herrera – the candidate running for office in gubernatorial elections in La Rioja with the support of Kirchner- was elected by receiving 41,1% of the votes while where Carlos Menem in his stronghold received only 21,8% of the votes (El Pais 2007).²⁰ Coming to the case of Santa Cruz, the decision to channel benefits to this province reflect the logic of maintaining the loyalty of the core supporters by rewarding them further. Since his new formula Frente para la Victoria needs to consolidate itself as a relevant actor in Argentine politics this interpretation seems plausible.

The results also point out that the provinces governed by the incumbent party do not incorporate more beneficiaries than the number of the unemployed. The relationship is significant but again it works in the opposite direction. This might also stem from intra-party competition. As presented above, the governors belonging to the PJ are assigned the value of 1. However, these governors may be representatives of Anti-FpV faction of the PJ. Given that the presidential vote share and his party’s vote share has significant impact on the distribution of PJHD benefits, this finding should be elaborated carefully. Rather than dismissing the “ally hypothesis” altogether, an alternative interpretation is that the provinces governed by the incumbent party do not receive discretionary transfers but more programmatic transfers because they are assumed to be loyal to the party while discretionary transfers target the provinces governed by opposition party so that these governors influence their political constituency in favor of the incumbent government (Bonvecchi and Lodola 2010).

²⁰El Pais. 2007. “Derrota electoral de Menem en su retorno a la política en la provincia de La Rioja.” retrieved from http://internacional.elpais.com/internacional/2007/08/22/actualidad/1187733602_850215.html

Also, when needing continuous support of the national party leadership, governors tend to not demand resources to be used for clientelistic exchanges at the provincial level, especially if the leadership is subject to competition, in order to guarantee his future political career (Kemahlioğlu, 2011). These arguments help to account for this seemingly contradictory finding.

The analysis provides support for the hypothesized positive relationship between poverty and the discrepancy between actual and potential beneficiaries. As poverty rates increase, disproportionately more beneficiaries are covered by the program even though the unemployment rates do not require that much of an expansion. Since the poor is more responsive to material inducements as mentioned above, politicians target these provinces as the likelihood of receiving votes for such an offer is higher in these provinces.

Civil society organizations also influence the allocation of PJHD benefits. The deviation of the number of beneficiaries from the eligible population increases with the number of economic organizations, religious organizations and sports clubs represented in the consultative councils in a province. Close contacts of these organizations with the target population of the PJHD are exploited by incumbent parties to increase PJHD benefits in these provinces since these organizations serve as an intermediary between incumbent government and the unemployed. Regarding religious organizations, previous studies maintain that their linkages to the community allow them mobilize individuals politically and contribute to the reproduction of clientelistic exchanges (Auyero 2000; Kitschelt and Kselman 2011; Semán 2004 cited in Szwarcberg 2011). This study also provides supports for these findings.

As hypothesized before, the number of business associations and the dependent variable are negatively correlated because the unemployed is not the constituency of these associations. Representing business interests, these associations are not likely to be sympathetic to redistributive policies, even less to manipulation of public policies which increases the burden on them as the budget devoted to such a manipulation increases (Weitz-Shapiro 2011). Moreover, they might associate such practices with corruption and act as an effective barrier to them on moral grounds (Weitz-Shapiro 2011).

While all variables regarding linkages to civil society organizations yield statistically significant results except for marginalized groups, the direction of these relationships is not always as expected as it is the case for neighborhood associations or

they are not statistically significant as it is the case for marginalized groups. It may be the case that their impact varies at different levels of poverty. Therefore, I run another regression to observe the interaction effect of poverty and linkages to civil society organizations on the dependent variable. Table 4 summarizes the findings of this model.

In order to interpret the findings, the model is run after having centered “poverty variable” around the mean which helps to identify the effect of each civil society organization on the dependent variable when the poverty rate is 21.98. Religious organizations are still associated negatively with the discrepancy between the number of actual and potential beneficiaries. However, its effect is smaller: When controlled for poverty, one unit of increase in the share of religious organizations in a consultative council translates into 1.55% increase in the dependent variable (Table 3a). However, in provinces where the poverty rate falls within the mean, this increase in the ratio of religious organizations increases the gap only by .23% (Table 4a). As mentioned above, religious organizations are expected to have closer links to the poor and this relationship may allow political parties to oversee their political behavior through their linkages to religious organizations. Poverty gives incumbent parties the incentives to offer material inducements and their ability to monitor the beneficiaries through religious organizations signals them that this offer will yield higher returns which results in the manipulation of the PJHD funds.

Table 3a: Interaction between civil society organizations and poverty

| | (1) | (2) | (3) | (4) |
|-------------------------|-------------------------|----------------------|---------------------|----------------------|
| President's vote share | 2.41*** (.66) | 2.13*** (.53) | 2.12*** (.60) | 2.03*** (.58) |
| Margin of victory | 1.49** (.52) | 1.83*** (.41) | 1.43** (.46) | 1.86*** (.51) |
| Governor's partisanship | - 41.65*** (9.28) | -68.67*** (11.67) | -36.20*** (9.40) | -68.44*** (14.56) |
| Overrepresentation | 49.53** (18.36) | 31.01** (12.26) | 37.45** (15.95) | 27.41** (12.55) |
| Poverty | 2.83 (2.24) | 8.76*** (2.05) | 5.13** (1.93) | 7.00** (2.39) |
| Religious | 2.52** (1.00) | | | |
| Neighborhood | | .31 (.99) | -.57** (.26) | -.59* (.31) |
| Union | -4.21*** (.94) | | -3.52*** (.62) | |
| Economic | 15.04*** (3.92) | 16.04*** (2.99) | 15.92*** (3.25) | -13.63*** (1.38) |
| Business | | -17.14*** (1.15) | | 11.93*** (2.90) |
| Marginalized | | 1.34 (3.51) | 2.54 (3.91) | .35 (4.24) |
| Sports | 8.04** (2.87) | | | |
| Religious*Poverty | .23** (.11) | | | |
| Neighborhood*Poverty | | -.41*** (.09) | | |
| Union*Poverty | | | .11 (.08) | |
| Business*Poverty | | | | -.37** (.18) |
| Constant | -81.67** (31.18) | 45.25 (28.77) | -36.46 (25.51) | 43.01* (23.01) |
| Observations | 144 | 144 | 144 | 144 |
| R-squared | 0.4340 | 0.5329 | 0.4197 | 0.4904 |
| Mean VIF | 3.57 | 2.04 | 2.19 | 2.44 |
| Condition Number | 15.3524 | 14.4707 | 13.6947 | 14.6062 |
| Correlation matrix | 0.0104 | 0.0307 | 0.0291 | 0.0199 |

Table 3b: Interaction between civil society organizations and poverty

| | (5) | (6) | (7) |
|----------------------------|----------------------|----------------------|---------------------|
| President's vote share | 2.32*** (.53) | 2.19*** (.64) | 2.37*** (.68) |
| Margin of victory | 1.93*** (.53) | 1.86*** (.53) | 1.31** (.46) |
| Governor's partisanship | -73.60*** (14.98) | -71.45*** (15.62) | -40.17*** (9.09) |
| Overrepresentation | 16.35 (12.35) | 37.69** (13.70) | 61.35*** (18.13) |
| Poverty | -.21 (1.08) | 5.52*** (1.69) | 6.01*** (1.85) |
| Religious | | | 2.08 (1.44) |
| Neighborhood | -.84** (.27) | -.06 (.29) | |
| Union | | | -3.28*** (.94) |
| Economic | 7.46* (4.43) | 11.92*** (2.82) | 14.58*** (3.81) |
| Business | -15.92*** (1.27) | -14.50*** (1.26) | |
| Marginalized | -1.79 (3.45) | -4.18 (4.68) | |
| Sports | | | 5.23 (4.14) |
| Economic*poverty | 2.02*** (.40) | | |
| Marginalized*poverty | | -1.01** (.48) | |
| Sports*poverty | | | -.46 (.41) |
| Constant | 68.77*** (20.14) | 43.12* (25.20) | -76.68** (37.25) |
| Observations | 144 | 144 | 144 |
| R-squared | 0.5508 | 0.4920 | 0.4302 |
| Mean VIF | 2.11 | 1.88 | 2.02 |
| Condition Number | 14.8699 | 14.6896 | 15.2819 |
| Correlation Matrix | 0.0294 | 0.0419 | 0.0348 |

Interestingly, marginalized groups have also negative effect on the dependent variable at average rates of poverty. Similarly, the effect of sports clubs is positive when it is controlled for poverty. In order to shed light on these variables and their interaction

with poverty, I introduce the effects of these civil society organizations at different levels of poverty.

Table 4: Interaction Effects of Civil Society Organizations at Different Poverty Rates

| | 25th percentile =14.67 | 75th percentile=28.68 |
|----------------------|------------------------|-----------------------|
| Religious*Poverty | 5.8941 | 9.1164 |
| Neighbor*Poverty | -5.7047 | -11.4488 |
| Union*Poverty | -1.9063 | -0.3652 |
| Economic*Poverty | -20.4279 | -25.6116 |
| Business*Poverty | 6.5021 | 1.3184 |
| Marginalized*Poverty | -18.9967 | -33.1468 |
| Sports*Poverty | -1.5182 | -7.9628 |

This table suggests that religious organizations have even a greater positive influence on the dependent variable as poverty increases while neighborhood organizations more strongly act as a barrier to clientelistic exchanges. Similar to religious organizations, incumbent party's linkages to economic associations such as cooperatives and barter clubs is arguably considered by the former as a gateway to the poor, to their political orientations and responsiveness to clientelistic benefits.

Unions show a trend towards being more inclined to further clientelism at poorer provinces. This can be explained through the change in the stance of the unions after 2001 crisis. Rather than furthering the interests of the formally employed, unions tended to become more encompassing organizations to cover the unemployed as well (Hochstetler and Friedman 2008). Unions as representatives of the unemployed can ask for incorporation of new beneficiaries or incumbent party can use the linkages of the unions to the unemployed as a tool to monitor their responsiveness to the material inducements offered in poorer provinces.

CHAPTER 5

COMPARATIVE ANALYSIS

Chapter four identified the relationship between linkages of different categories of civil society organizations and the variation in the scope of the PJHD across province over time. This chapter takes this correlational association further by looking at individual cases to uncover whether there is a causal mechanism that enables extensiveness of these civil society organizations to bring about a variation in PJHD coverage. In order to do so, this chapter begins with the comparison of the cases along the lines of the level of incumbent party's incentives to manipulate the PJHD and the level of clientelistic linkages of incumbent party's to civil society organizations.

The cases will be compared by deploying Mill's method of concomitant variation which allows measuring the variables at ordinal level. The advantage of using this strategy does not lie in its view of causality as covariation of variables; covariation can be grasped through statistical method as well. Rather, this allows using combinational dependent and independent variables (Mahoney 2000). The variable "political incentives" for example does not have only one indicator. Different combinations of the attributes can produce the changes in the value of the dependent variable; the manipulation of PJHD is either high or low.

As Ragin (1987) suggests, combinational categories can be continuous, not necessarily dichotomous and so is the variable "political incentives". Individually, these components are sufficient for an incumbent party to have incentives. For a party to have "strong" incentives to manipulate the program, it is necessary that at least three of the above mentioned attributes present. The reason for including three out of four indicators for the ordinally measured variable "political incentives" is to observe its combinational

effect. It would be too strict to expect that the all conditions, namely low-income provinces, electorally competitive provinces, provinces overrepresented in the legislature and provinces governed by the incumbent party, are necessary conditions because even one is lacking it is assumed that incumbent party has sufficient leverage to channel resources unevenly. On the other hand, these components are either all absent which means that they have no entrenched interest to invest on that province or only one is present which gives the party some incentives but they are quite weak.

The first independent variable, “political incentives,” is conceptualized in line with Goertz’s (2006) approach to concept formation. His main argument is that adding secondary conditions to a concept does not necessarily limit the number of cases that are counted under this concept since one can add secondary conditions by using “or” rather than “and”. Similar to the necessary and sufficient condition logic, a concept with attributes that are linked to each other through “or” points to sufficiency and the attributes that are connected with “and” corresponds to necessary conditions for a case to be a representative of that concept. Following this, “political incentives” in this study is indicated by the characteristics of the provinces because the strategies of political parties are shaped by the characteristics of the voters which are aggregated in provinces. More specifically, any combination of low-income provinces, electorally competitive provinces, provinces overrepresented in the legislature and provinces governed by the incumbent party gives political parties the leverage to manipulate the program.

The second independent variable is the incumbent party’s linkages to civil society organizations. The level of measurement of this variable is also ordinal: parties have either strong or weak linkages to those civil society organizations associated with clientelism. Depending on poverty level each of the provinces are influenced differently by the existence of different categories of civil society organizations. For each province, I aggregated the ratio of those civil society organizations that tend to decrease program scope on the one hand and the ratio of those civil society organizations that tend to increase it. By taking the difference between these two ratios, I reach the net effect of civil society organizations with clientelistic linkages to the incumbent government and again I rank them to determine in which provinces civil society organizations with clientelistic linkages are predominant.

The dependent variable is the manipulation of public policies. This will be indicated by the difference between the number of the eligible individuals (for the case of PJHD, the number of unemployed) in accordance with the objective criteria of a

public program and the number of actual beneficiaries of that program divided by the number of eligible individuals in order to control for the population size of a province. Applying the same procedure to the national level will yield the national average of the deviation from the program objectives. Comparing each provinces score to the national average, it will be determined whether manipulation is high or low (Table 4).

5.1. Case Selection

In this section I will analyze three sets of cases. The first one, composed of Tucuman and Misiones, are cases which resemble each other in political incentive structures. They fall around national average values on the variables that shape the incentives of incumbents to manipulate the PJHD such as political support for the incumbent party, margin of victory of the two main parties and level of poverty.

Tucuman is one of the few provinces where PJHD benefits are distributed in accordance with the objective criteria since the dependent variable takes on negative values indicating that the number of eligible beneficiaries is higher than the number of beneficiaries incorporated into the program. When we look at the political variables, president's vote share and margin of victory is lower than the national average in Tucuman. this can be interpreted as a factor for the incumbent not to choose to transfer more resources to Tucuman. Similarly, governor's partisan identity is another component of this disincentive; statistical analysis has showed that the provinces governed by the incumbent party are less likely to have access to discretionary benefits. Translation of votes into seats in the legislature does not favor Tucuman to become a candidate of recipient of such benefits either.

Table 5 : Tucuman and Misiones in Comparative Perspective

| Province | Gap | President's vote share | Margin of victory | Governor's Partisanship | Overrep. | Poverty | CSO (clientelistic) | CSO (non-clientelistic) |
|----------|-------|------------------------|-------------------|-------------------------|----------|---------|---------------------|-------------------------|
| Tucuman | -1.14 | 24.61 | 16.64 | PJ | 0.95 | 26.25 | 34.16% | 34.16% |
| Misiones | 78.42 | 16.62 | 14.62 | PJ-UCR | 1.03 | 29.65 | 19.59% | 12.67% |

On the other hand, poverty rate in Tucuman is higher than the national average. Since this section attempts to focus mostly on the combinational nature of the explanatory variables, this can be yet another combination of political and socioeconomic factors that enhance the incentives of the incumbent party to transfer more resources to this province. However, the dependent variable points to the fact that it is not the case for Tucuman. In search for an alternative explanation, I look at the ratio of all civil society organizations with clientelistic linkages to the incumbent party and the ratio of the other organizations that are found to mitigate public policy manipulation.

Tucuman is characterized by Consultative Councils that are predominantly run by civil society organizations that fall outside of the clientelistic networks of the incumbent party. A legitimate question is whether the lack of political manipulation of the PJHD in Tucuman stems from these poor records in political support for the incumbent party. When the socioeconomic and political conditions in Misiones are taken into consideration, one observes that Misiones scores even worse on these variables. Poverty rate is 3% higher in Misiones and overrepresentation of legislators in the Congress is slightly higher than in Tucuman. Nonetheless, the manipulation of the PJHD in Misiones amounts to 78%.

How can one account for this variation? I argue that incumbent party-civil society linkages are to be considered as a significant factor to explain social benefit allocation. As incumbent parties are able to count on their linkages to civil society organizations in order to monitor the beneficiaries and to gain insights on their political orientations, they are more likely to channel resources to these provinces even though overall support for the incumbent party is not strikingly high.

CHAPTER 6

CONCLUSION

The pervasiveness of political networks has been a wide referred phenomenon in understanding the incentives of political parties to deploy manipulation of public policies as an electoral strategy because through these networks political parties are more closely linked to voters and hence, able to gather information on their preferences. This study suggests a different approach to linkages between political parties and voters by focusing on social/civic networks. Preliminary results indicate that there is indeed a relationship between extensiveness of different civil society organizations as formal actors in social policy provision and the scope of the programs. More specifically, the ratio of economic organizations such as barter clubs and cooperatives, unions, and marginalized groups such as unemployed and indigenous population to other members in a consultative council is associated positively with the scope of PJHD program across provinces and over time. On the other hand, religious organizations, neighborhood organizations, sports clubs and business associations do not lead to a deviation from program objectives as the number of beneficiaries does not exceed target population. At higher levels of poverty, religious organizations, and sports clubs are also associated by manipulation of the PJHD.

This study claims that civil society organizations which are incorporated into institutions administrating social programs have closer contacts with incumbent party than other civil society organizations on the assumption that their membership in consultative councils is facilitated by their linkages to political actors. In other words, rather than choosing other organizations, political actors might have chosen these

organizations as participants because of their personal contacts. These institutionalized interactions reproduce their linkages and political actors can count on these linkages to enhance monitoring capacity given that certain civil society organizations have also close contacts with the target population. If their monitoring capacity is efficient, incumbent parties have more incentives to manipulate public policies. This assumption is tested against data extracted from the PJHD and the findings support the hypothesis that incumbent parties use civil society organizations as intermediaries between themselves and the voters. Comparative case studies also show that this hypothesis holds even though there are exceptions.

However, available data cannot shed light on the causal mechanism producing manipulation of the PJHD out of the interaction between civil society organizations and incumbent parties and this is the main weakness of this present study. As mentioned above, the relationship between political parties and civil society organizations is not very much explored, nor is their role as “brokers” or “intermediaries” between voters and political parties within a clientelistic exchange. Therefore, both incumbent parties’ and each category of civil society organization’s strategies and self-definition are important to understand in order to build a causal explanation.

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