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ABSTRACT

Countries vary substantially in the level of political patronage exercised in their respective political systems. I examine how hypotheses generated by the literature on economic, institutional-partisan, and electoral factors account for variation in the level of political patronage in Argentina, Brazil, Chile, Colombia, Mexico, and Peru. Political patronage, operationalized as the proportion of spending on personnel to total spending, both at the central government and ministerial level, is examined through a pooled cross-sectional time-series regression. Previous spending on personnel has the most consistent effect on political patronage, while the influence of political variables is more ambiguous. In contrast to conjectures that tie personalism and clientelism, I show that the presence of Personalist Parties in the legislature is negatively associated with patronage spending. Subsequently, I trace the evolution of personnel expenditure in Argentina and Peru based on qualitative evidence and interview data.

THE PROBLEM AND ITS SIGNIFICANCE

Few would dispute that clientelistic practices and patronage-ridden politics are commonplace in Latin America. Present in almost all polities but varying in nature and intensity, clientelism has nonetheless been associated with a weak civil society (Roniger 1994; Whitehead 1992), with hierarchical particularistic exchanges leading to nepotism (O’Donnell 1996: 40) and thus perceived as a counter force to democratic consolidation in Latin America. Likewise, patronage resources are exploited by political actors (presidents, legislators, local party leaders) for their personal and partisan career ambitions, debilitating Latin America’s feeble national economies. Helpful though particularistic benefits are for the strengthening of politicians’ bases of support, it is clear that they forsake the needs of the vast majority of underprivileged citizens. Thus, political clientelism appears to have a negative impact on political and economic development, acquiring a particularly pejorative connotation within the context of Latin America.

Useful as a heuristic tool for studying the politics of the region (Kaufman 1974: 287; Martz 1997: 12-15), clientelism is used loosely in the literature as a variable for explaining bureaucratic performance (Cleaves 1974; Cleaves and Scurrah 1980) or, as mentioned above, as a more or less personalized relationship between actors that affects the quality of the political system. Surprisingly, little research tried to tie politico-institutional factors to the persistence of patronage
practices in Latin America. Albeit recognizing that clientelism deserves systematic attention as a
dependent variable, Guasti (1977) juxtaposes the rise and decline of clientelism to the process of
modernization and the concomitant realignment of class relations; class-oriented politics, the
argument goes, tends to weaken clientelist networks based on personalistic interactions. Yet, she
predicates her argument on impressionistic data of only ten years and one case, Peru, and
considering the magnitude of pork-barreling throughout the heavily class-grounded government
of Alan Garcia ten years later, Guasti’s contention seems quite questionable. The same applies to
Martz (1997), who focuses on the national government and party factions at the national level,
with virtually no attention to the ministerial bureaucracy level, where clientelism is most
palpable, as we will examine later.

Clientelism is a concept that generally interests political scientists, as it seems to be
embedded in the political process of many countries. Although in its most common social
science usage clientelism denotes a mode of social stratification (Lemarchand 1981: 15) or a
carrier for incorporation and cooptation of peasant populations in Third World’s national
political systems (Clapham 1982), we basically employ this concept in its political dimension: as
fundamentally associated with the distribution of public resources and the partisan-electoral
arena, be it by way of votes or other forms of political support in exchange for public resources
(i.e., jobs, pay raises, allowances) by power holders as favors. The particularistic nature,
accordingly, is the most salient feature of clientelist transactions (Eisenstadt and Roniger 1984).
Moreover, among the different ways to get a general view of the phenomena grouped under the
concept of clientelism, the “affective” dimension has been strongly emphasized. By this I allude
to those who claimed that a personalized relationship between two parties based on trust, loyalty,
and reciprocity in the exchange of goods and services is a necessary condition for clientelism to
exist (Powell 1970: 412). In this regard, it is critical to consider whether the clientele relationship
is personalized or disappears into an anonymous political machine. Viewed in a historical
perspective, politicians had traditionally face-to-face, dyadic relations with their supporters,
which were essentially a continuation of the rural landlord-dependent relationship. In the postwar
era, personal reciprocity in clientelist exchanges was still conspicuous, but there were also
additional elements. To the extent that the then current political parties had been trying to reduce
their dependence on the volatile support of local strongmen, it became necessary for them to enlist their followings in a more fragmented fashion (Valenzuela 1977). This sort of clientelism typically revolves around the organization of “political machines” and it prevails where local community orientation and deference patterns have weakened (Scott 1969).

This is where the concept of political patronage disentangles the heavily socio-anthropological twist evidenced in the literature on clientelism. As Banck (1999: 120) cogently points out, “there is often a rural bias in analysis which distorts a proper understanding of the historical roots of the phenomena we often class together under the heading clientelism”. Moreover, patronage refers to the object of the exchange (political jobbery, exchanges of reciprocal favors, state development projects) in a more explicit manner than studies of political clientelism. Patronage can be dispensed by institutionalized, non-affective relationships, so they cannot be properly termed clientelistic (Graziano 1975). On careful inspection, it is surely a mistake to consider patronage as a mere anomaly in the political system. It would be closer to reality and theoretically more fruitful to regard it (however in varying degrees) as a major systemic property.

A glance at how developed countries exploited (and some still exploit) the public purse to provide posts that may be dealt out according to political criteria reveals the prominence of patronage practices. In the heyday of political machines in the United States the number of jobs allocated by patronage reached exceptional levels. For instance, 60 percent of the party precinct captains in Chicago held municipal jobs in 1928 and almost 50 percent did so in 1936 (White 1980: 77). While the bastion of patronage in that country has remained at the state and local levels, federal posts historically have served to knit together national parties as well. Under President Truman, some 70,000 civil service posts were still open to patronage appointments, nearly half of them within the middle and upper levels of the civil service (Van Riper 1958: 58). Analogous cases from other developed nations could be cited at length, but the Austrian example is sufficiently illustrative of the entrenchment of patronage in the political system. The scope for exercising such practices has been predicated in the introduction, soon after World War II, of the principles of Proporz, whose main aim was to avoid the crises of distribution and legitimation of the First Republic, by ensuring that both major Lager (i.e., pillar parties, Social
Democrats and Conservatives) would consider themselves equal beneficiaries of the new state. Basically, *Proporz* denotes the proportional distribution of posts in the state bureaucracy and public-sector industries, as well as public resources, between the two major parties in proportion to their relative strength, as defined primarily in terms of their relative share of the vote at the most recent national election.

Patronage practices, thus, have long been important components of the politics of both developed and developing countries. Borrowing from Mainwaring (1999: 180), “patronage is the primary glue that holds modern clientelism together”. Accordingly, patronage, which refers to the more limited form of the distribution of jobs and services in exchange for future political support, can be used as a proxy for clientelism. A step forward in this direction was taken by Geddes (1994), who draws on comparative data analysis to explore the consequences of institutional variations among the larger South American countries for state sector reform. According to her analysis, office-seeking politicians strive to induce their comrades in the legislature to vote for bureaucratic reform. This support, it is argued, hinges upon the probability that the benefits of having an efficient bureaucracy will outweigh the benefits from having the ability to dispense patronage and particularistic goods. While her focusing on the causal impact of levels of party discipline, the number of political parties, and parity of legislative power between major parties on the incentives of politicians to carry out bureaucratic reforms sheds light on the political underpinnings of state capacity, clientelism emerges out of her study as an intervening variable between institutional arrangements and political outcomes. Geddes’”‘Politician’s Dilemma,” of course, raises crucial issues for the study of clientelism but still falls short of providing definite answers.¹ Is the presence of two evenly matched parties in congress a necessary condition to reform the state sector and, consequently, cut down patronage?

¹ Moreover, it can be argued that Geddes’ reliance on cooperative game theory is theoretically problematic. The asymmetric distribution of power between patrons (i.e., legislators) and clients (i.e., partisan supporters susceptible to obtain bureaucratic jobs) invalidates prisoners dilemma’s main assumption: symmetric power between actors (Montinola 1999: 742). The notion of asymmetry still holds when we apply it to the relationship among governmental actors, as in most Latin American countries - with Venezuela a major example, at least until Chavez was elected - presidents have extensive prerogatives over legislators and ministers.
Recent Argentine and Brazilian experiences show that it is not always the case. In the former, the Peronist majority relinquished patronage privileges through the Administrative Reform Auditing Executive Committee (in Spanish, CECRA), particularly in the metropolitan area of the country (Gibson 1997). Despite its fragmented support in Congress, Cardoso government in Brazil succeeded in promoting a considerable package of administrative reforms, mainly stimulated by the popular Real Plan yet very significative when compared with previous administrations (Heredia and Schneider 1998: 15-16).

Consequently, not much systematic research has been undertaken directly on the impact of economic and political factors on clientelism. Not to mention that we lack cross-nationally valid indicators of patronage to account for variations in clientelist practices across time and across countries. Both theoretical and empirical considerations have restrained the development of such indicators. First, clientelism is one of those social science concepts almost unmatched when it comes to ambiguous usage, despite having attracted a great deal of rigorous theoretical analysis (Clapham 1982; Eisenstadt and Lemarchand 1981; Kaufman 1974). On the one hand, clientelist networks were a typical form of organization in oligarchic parliamentary politics, particularly in semiperipheral polities (Mouzelis 1985: 332). On the other, Banck (1999) claims that clientelism it is not associated with any particular historical stage or normative undertone; on the contrary, this concept is highly dynamic and acquires meaning in its proper context. In this vein, we may argue that clientelism may not be only linked to electoral politics but also to the universal need of power holders to secure political loyalty, regardless of the type of political regime to which they belong. As Ames (1987: 16) points out, “newly installed officers act like newly installed civilians - that is, they increase overall spending to win friends and reward followers.” Hence, keeping in mind the constant switch between dictatorship and democracy in Latin American twentieth century history, we may well ask whether clientelist practices of military regimes contrasted significantly with those of democratic ones, a question which will be dealt with subsequently in this paper. In summary, while we may argue that the core properties of political clientelism revolve around the allocation of the central government personnel budget by politicians in exchange of votes and support, the absence of a standard definition may not only lead to “conceptual stretching” (Sartori 1970) but also hinders the design of observable and
measurable indicators of clientelism.

Second, data gathering on clientelism involves problems of validity (i.e., to measure what we think we are measuring), which stem from the fact that there is a close association between this concept and corruption, at least in the minds of those less acquainted with their theoretical differences. At the qualitative level, elite respondents often resort to “calculated lies” in order to avoid potentially embarrassing questions that may arise throughout interviews, particularly when it comes to interview mid-level bureaucrats and ministerial hands (Hansen 1988: 200). On the other hand, students of clientelism who prefer to base their research on quantitative data face the complex task of obtaining information that is not easily handy, as state bureaus and archives in most of Latin America lack the necessary resources (or political willingness) to maintain adequate data bases, let alone uniform statistics across time and across policy programs.

This study attempts to begin the process of filling those gaps. It employs a data set comprising central government total spending and personnel budgets (the so-called wage bill) for the whole government and for three key ministries - education, finance, and public works - from 1960 through 1994 in Argentina, Brazil, Chile, Colombia, Mexico, and Peru to test systematically a number of alternative, system-level explanations of cross-national and cross-time variance in public expenditures for these countries. These data originated in a comparative cross-national Latin American project on clientelism, patronage, and bureaucratic reform conducted by Barry Ames, at the University of Pittsburgh. Since this study constitutes an initial exploration to understand the nature of clientelism, we will concentrate on six large Latin American countries for the moment and additional analysis will be extended to other cases in the region subsequently.

Why should be used spending on salaries as a proxy for political patronage? While at the

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2 Whereas both clientelism and corruption entail informal practices not legally ratified by constitutional authorities, the latter is considered a deviant behavior that is penalized by law in most countries. See, for example Friedrich (in Philp 1997: 440)”s seminal definition of corruption, which “can be said to exist whenever a power-holder who is charged with doing certain things, i.e., who is a responsible functionary or office holder, is by monetary or other rewards not legally provided for, induced to take actions which favor whoever provides the rewards and thereby does damage to the public and its interests”. 
more general level clientelism is regarded as a particularistic exchange of political favors, the
distribution of public jobs has been its most widespread manifestation (Valenzuela 1984). This
has been the case in the United States (V. O. Key in Martz 1997: 23) but it has acquired a
particular significance within the Latin American context given the large proportion of work
force dependent on government employment in that region. Furthermore, distributing spoils by
means of government-related jobs may be an appealing option to attract political intermediaries
and bolster popular support through pork distribution within the lower tiers of government.
Albeit often costly, recruitment of manpower appears to be a strategy that most presidents and
ministers are willing to adopt, considering the tradition of fiscal laxity in Latin America and the
resulting practice of “leaving unpaid bills” by most administrations to the successor ones.
Accordingly, public bureaucratic institutions such as ministries are a key arena of political
patronage and thus are conjectured to be the locus where clientelism can serve as a useful and
valid analytical construct. For this project, we have chosen to focus on the ministries of finance,
education, and public works. While the first is regarded as less inclined to succumb to fiscal
prodigality than other ministries, the other two are characterized by “distributive” politics (Lowi
1964), particularly public works in which rivers and harbors (“pork barrel”) policies are a
pervasive feature. An additional advantage of measuring patronage in terms of “governmental
output” ,i.e., variations in yearly wage expenditure shares, is that we avoid analytical
propositions, mainly held in holistic terms - such as “presence” or “absence” of clientelism -,
that are hard to be established empirically (Jackman 1985).

The above having been said, it should be stressed that expenditure on personnel is an
indicator that tells us little about political patronage, unless it is validated by qualitative evidence
on recruitment and promotion procedures, ministerial reforms, and contextual
macro-determinants such as socioeconomic crises. More fundamentally, the main weakness of
analyzing political patronage at the macro-level is that it neglects the “flesh and blood” of
clientelism: Individuals or groups of individuals interested in gaining spoils and rewards, indeed
in plundering the state (be its payroll, special favors, or other fringe benefits and privileges). For
that reason, our focusing on only six Latin American cases, with particular emphasis on
Argentina and Peru, countries on which I conducted field research in the past, may shed light on
local public resource distribution and consequently analyze the impact of particular administrations and reforms more systematically. Entailing a “small n,” this research strategy is apparently a good complement to multinational pooled-times series analysis, bearing in mind the limitation of our data at this time. Based on a crude level of measurement, our dependent variable still needs further refinement. For instance, Argentina and Peru, as most of Latin America, have been distressed by high levels of inflation, which presumably may have affected both salary adjustments for central government employees and total budgets. Still, other things being equal, has inflation been associated with higher increases in wage spending than in total budgets? As Baumol (1967) has shown, the productivity of the technologically progressive activities (i.e., innovation) is offset to a great extent by the costs of the non-progressive (i.e., technologically unchanging activities where the labor is an end in itself) sectors of the economy; hence, the costs in many sectors of the economy - which affect wage spending promptly - will rise relentlessly, sparking inflation levels. Still, assessing whether this is the case or otherwise is beyond the scope of this analysis and thus it seems to be an empirical question that our counterparts in economics could better examine. For the sake of this analysis, we will confine ourselves to estimate partial parameter effects of inflation as if only linearly-fitting configurations were relevant to personnel spending. Since the data set is still being corrected and improved, I will pool only six cases and thus the task of testing our explanatory hypotheses through a more rigorous cross-sectional examination will be left to later projects.

**HYPOTHESES AND RESEARCH DESIGN**

This paper compares the explanatory power of five different system-level conditions for clientelism to vary across time and cases. The theoretical framework for this analysis consists of a set of hypotheses positing relationships among two categories of independent variables and the

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3 Using Argentine data from 1970 to 1990, Arce M (1999) found that when budgets are adjusted for inflation, the stance of fiscal policies changes dramatically. While this points at the fact that inflation is a prime source of budget endogeneity in many Latin American economies, it does not substantively help us to estimate the differential impact of inflation, if any, on personnel and aggregate spending.
intensity of patronage. Although the existing literature on public spending in Latin America includes extensive hypothesis testing (Ames 1977; Alesina, Hausmann, Hommes and Stein 1996; on OECD countries, see Alesina, Roubini and Cohen 1997), it does not evaluate separately the impact of economic and political factors on personnel spending. This dependent variable, as we will see in more detail subsequently, measures the variation in the percentage of the total central government budget allocated to total government personnel expenditure. The general thrust of economic literature is the assessment of budget deficits and their fiscal implications. Important as this factor is for macroeconomic stability, it does not tell us much about the political underpinnings of bureaucratic recruitment strategies, as they initially transpire from spending on salaries. On the other hand, much of the study on bureaucratic politics tends to focus on administrative processes such as budgeting, planning, coordination, and reform and thus it is predicated on intermediate-size organizations, paying scarce attention to the general environment, namely variations in Gross Domestic Product (GDP) level, presence of elections, type of regime, number of “veto players”, and party ideology.

The Economic Context

*Domestic Resources Constraint*

Our economic hypothesis stems from the contention that spending is overwhelmingly related to domestic resources. While this statement would not surprise a student of OECD countries, it cannot be taken for granted in the Latin American context, where populist policies have lead to macroeconomic chaos (Dornbusch and Edwards 1991). Compared to the United States, “Latin America lacks the industrialization-demand creation mechanism...that translates resources into expenditures, but it does not follow that the empirical linkage will disappear as well” (Ames 1987: 19). Excluding recent experiences of fiscal restraint, it seems that spending in most Latin American countries has exceeded parallel changes in the resource base, but this is a conjuncture that needs to be proven and thus an empirical question. Therefore, it is worth testing how GDP levels (our measure of economic growth) constrain spending, as this linkage seems to have a strong impact on the political manipulation of public expenditures. After experiencing
hyperinflation, and the consequent abrupt decline in economic growth, both Argentina and Peru have experienced pronounced decreases in spending, despite the fact that their respective executives have been characterized by neopopulist styles of policymaking (Weyland 1996a). Previous research has examined the influence of GDP levels on total central government spending in the five countries under study here⁴. Yet, we need to specify the separate impact of GDP on wage expenditures to assess how economic imperatives may come to be crucial to determine variation in clientelist practices.

HYPOTHESIS 1: Increases in GDP levels should lead to increases in the proportion of expenditures on personnel in relation to total expenditures.

The Institutional-Partisan Context

Veto Players

To paraphrase Tsebelis (1995:289), “veto players are individual or collective actors whose agreement (by majority rule for collective actors) is required for a change of the status quo”, i.e., policy change. Veto players can be grouped into two major different categories. “Institutional” veto players are the President, Congress (the Senate and the Chamber of Deputies), and to some extent, courts, constitutionally required super majorities, and referendums (Tsebelis 1995: 289, 307). “Partisan” veto players refer to political parties in the Congress. In a nutshell, veto player’s theory assesses a problem of collective action, one in which selective incentives must dispensed to guarantee political support for effective governance. More specifically, this theory seeks to pinpoint the conditions for co-opting supporters in the policy process.

While Tsebelis (1995: 301) alludes to three main characteristics of veto players, i.e., their number, their ideological congruence, and their cohesion, let me simply refer to the first characteristic and argue that a higher number of partisan veto players results in higher costs for presidents to secure legislative majorities. Borrowing from Geddes (1994), thus, we associate distribution of patronage with the relative electoral strength of parties in the Congress. However,

⁴ For instance, Ames (1977: 158-159) used GDP measurement for those countries (i.e., all our case studies excluding Panama) in which the percentage of income obtained from direct taxes was at least 45 percent of total taxation.
the number of veto players shall affect the distribution of spoils in different ways. It can be argued that lower legislative fragmentation leads to higher policy consistency, easing the introduction of bureaucratic reforms (that thoroughly affect patronage). However, evidence from Alan García’s administration in Peru shows that, even if the President does not have to pay extensive “bribes” to other parties to secure majorities, he or she may still use pork to cultivate political support within his own party.

In order to avoid the trouble of assessing (and operationalizing) party cohesion and discipline (Bowler, Farrell, and Katz 1999), we will assume that legislative parties behave as unitary actors, an assumption that has not few objections (Laver and Shepsle 1996). One important advantage of this approach is that by simplifying the problems of intra-party factionalism in the Congress, it helps to adopt an analytical yardstick that can be applied to all our cases, facilitating comparative inquiry. The concept of veto players, however, is not entirely straightforward. Policy areas may well alter the relative leeway of informal veto players; for instance, while central banks are not democratically elected institutions, they can be considered veto players given the pivotal role they play in monetary policy. On the other hand, strong or quasi-monopolistic labor unions often impede major changes in their respective policy dominions, becoming thus an additional veto player.

All that said, where shall veto players be found? How do veto players affect patronage spending? What is the trigger mechanism? We posit that a substantial number of decisions on public expenditure, let alone personnel salaries, are being made by partisan actors in the legislature and the executive. Shugart and Carey (1992: 139-140) argue that “where the executive is given exclusive authority to introduce legislation in certain key policy areas, as in Brazil, Chile, Colombia, and Uruguay, the president necessarily becomes the most important legislative actor in those domains”. To mention just one example, in post-Pinochet Chile, the President’s budget bill imposes a spending cap that cannot be amended, meaning that Congress can shift the allocation of appropriations but only within a fixed budget. Consequently, these extensive agenda-setting and budgetary powers possessed by Presidents in most of Latin America, not least the constitutionally-granted right to turn down many congressional decisions and the right of decree-making, warrant their characterization as formal veto players. While in Peru and
Venezuela, at least in theory, presidents do not have extensive veto powers, it has been alleged that they nonetheless have a strong say in personnel recruitment and in increases in the remuneration of bureaucrats (Clapham 1982; Cleaves 1974).

Therefore, we will conjecture, for the sake of this analysis, that a lower number of veto players, providing that the President belongs to one of the partisan veto players, should be associated with a less expansionary approach to public expenditure and, therefore, to political patronage. Still, a cautionary note should be made regarding this conjecture because, as suggested above, a party can exploit its overwhelming strength in the legislature to perpetuate clientelism.

**HYPOTHESIS 2: Increases in the number of partisan veto players should lead to increases in the proportion of expenditures on personnel in relation to total expenditures, assuming that the President belongs to one these partisan veto players.**

*Party Ideology*

Recent research on Latin American political parties invites us to rethink the old conventional wisdom that sees parties as mere arenas for the exchange of “goods and services” between local bosses and politicians (Chalmers 1977; Nelson 1979: 189-190). While it is well established that cleavage-based parties with programmatic appeals are not dominant in Latin America (Domínguez and McCann 1996; O’Donnell 1994; Roberts and Wibbels 1999), there is evidence that parties in this region are not entirely “policy-blind”. Coppedge (1998: 552), a leading proponent, has argued that ideological considerations have an independent impact on clientelism because while the latter is simply a *modus operandum*, the former “is what guides what [clientelism] is used for”. Hence, the argument goes, both qualities may vary independently. I take aim at this contention and argue that his is a generalization that merits empirical probe. On the one hand, patronage partisan networks loom large as an important parameter in the politics of advanced capitalist democracies like Belgium, and Italy, mainly as a result of the low programmatic character of party competition in these countries (De Winter and Dumont 1997; Hine 1995). In this regard, it is important to consider whether patronage tends to retreat dramatically during peaks of political ideologization or otherwise. The Austria case shows
that both factors do not necessarily collide, as the Austrian socialists, the main working-class mass party, developed strong patronage systems. On the other extreme, there seems to be a strong connection between the non-ideological character of party competition in Colombia and the proliferation of patronage networks, for which that country became a widely accepted case-study of clientelist politics in the modern times (Archer 1995, Martz 1997). Even if we acknowledge that parties primarily based on patronage machine politics may not be entirely devoid of programmatic signals, there is an inherent tension between the universalist ideological calls of left and right wing parties and the particularist network of beneficiaries existing in clientelist exchanges. Hence we should take Coppedge’s assertion with a dose of caution. Last but not least, it is not theoretically rewarding to conceive clientelism as a mere “means to build and maintain a power base” (p. 552), for this is something that characterizes politicians’ ambition in general.

To examine the impact of partisan ideology on personnel spending, we will use a dataset developed by Coppedge to assess how ideological the parties of the region are. Based on country specialists responses, he compiled the most comprehensive classification of Latin American parties to date, analyzing, among other party-system characteristics, the mean left-right position of parties in eleven countries. In many respects this analysis is appealing, not least because it conforms with our everyday notions of “left” and “right” in politics. Nevertheless, Latin America provides many instances of parties that embrace quite distinct left and right wings; the Mexican PRI is a good, but not unique, example. In Argentina, both the Partido Justicialista (Peronist Party, hereafter PJ) and the Unión Cívica Radical (hereafter, UCR) operate as “catch-all” parties, rendering the left-right categorization not very meaningful. The same applies to the Liberals and Conservatives of Colombia. Consequently, we do not expect public expenditure to vary according to the left-right cleavage as such. Conversely, the linkage between personalist parties and patronage-oriented spending is more apparent. As Kitschelt et al. (1999: 48-49) point out, “the more a party ideology predicates in the personality of its leader, the harder it is to dole out substantive and long-lived benefits to followers, because the recklessness of the leader tends to undercut such commitments”. To become viable, patronage politics needs to be grounded on institutionalized relations of “accountability” between politicians and clients. The fact that the leader’s personal qualities tends to eclipse party organization and ideology reveals how difficult
is for partisan policy goals - a robust indicator of ideology (Klingemann, Hoffebert and Budge 1994) - to translate into predictable patterns of public sector salaries. Moreover, personalist parties are often led by charismatic leaders whose political survival do not exclusively depend on the distribution of material payoffs because party followers may be motivated by solidary incentives to follow a leader who is revered by the masses (Madsen and Snow 1991). Hence, this reservoir of “leadership capital” lessens the reliance on pork and, in turn, on extensive bureaucratic recruitment and spending. In summary, while some scholars claim that personalist parties have an “elective affinity” with patronage spending (Martz 1997), I argue exactly the contrary.

HYPOTHESIS 3: Whereas the left or right orientation of a party does not have a major impact on bureaucratic patronage, the presence of personalist parties should be associated with decreases in the proportion of expenditures on personnel in relation to total expenditures.

The Electoral Context

Electoral Cycle

Another source of change in patronage might be related to the electoral calendar. Beginning with the work of Nordhaus (1975) and Lindbeck (1976), an important body of research has revealed that opportunistic policymakers can take advantage of the political business cycle because naive voters, unaware of how the economy works, would not punish politicians whose career incentives lead them often to adopt policies that have negative mid and long-term macroeconomic consequences. Informational asymmetries notwithstanding, voters like growth and dislike inflation and unemployment and tend to vote in favor of the incumbent if the economy is doing well during his/her term of office, heavily discounting past experiences (Lewis-Beck 1988). That is why incumbents often stimulate the economy just before elections. In this vein, but looking at the survival goal of different administrations, Ames (1987: 26-27) has found that government spending rises both before and after elections in Latin America, except in the rare occasion in which incumbents got reelected. Albeit disputed (see, Remmer 1993), his findings are worth being retested with additional data from the late 1980s and 1990s. As most of Latin America experienced economic policies of fiscal adjustment in that period, we might
expect a decreasing influence of electoral factors on patronage spending, mainly, but not only, due to the stringent criteria imposed by international financial institutions on debtor countries. Drawing heavily on Ames’ work, we are going to examine the impact of elections by using two different “dummy” variables, pre-electoral year and post-electoral year.

HYPOTHESIS 4: *The proportion of expenditures on personnel in relation to total expenditures should rise in the election year and in the year immediately after elections, relative to other years.*

**The Regime Context**

*Regime Type*

A well-known proposition of comparative politics is that democratic regimes\(^5\) tend to adopt a more conciliatory stance than dictatorships, given the need for consensus and legitimacy. While military regimes do also necessitate a dose of popular support to govern, democracies have to deal with a more complex institutional framework, involving numerous actors and interests. This, of course, entails costs, as party activists and supporters seek to maximize their access to the public distribution of goods in the form of tenders or jobs in the bureaucratic sector. As Roniger (1994: 15) points out, “clientelistic commitments can be converted into political influence and can become entrenched in the actual workings of democratic polities; they are useful for in the competition for power and, once power is achieved, for effectively formulating and implementing policies.” Therefore, we might expect that, other things being equal, the presence of democracy should be associated with a more activist approach toward personnel recruitment than dictatorships. However, it should be noted that we might also expect some variation in spending on salaries at different echelons of the bureaucracy, depending on whether the democratic regime at work is of consociational or majoritarian nature. For instance, consociational democracies are characterized by strong elites that have a great deal of latitude

\(^5\) Following the procedural definition extensively used in the study of Latin American politics since the democratization period, democracy is described here in entirely institutional terms, leaving aside other important issues regarding access to policy formation and socioeconomic equity. For instance, Mexico is coded as having a democratic regime, despite the fact that the PRI held power without break for more than seventy years.
over mass membership by means of vertical networks (Lijphart 1984). In turn, the distribution of spoils to these elites might be a factor providing stability to the political system, predominating the recruitment in the upper levels of the bureaucratic apparatus. On the other hand, majoritarian democracies, which lack strong mechanisms for conflict-management among social sectors, are distinguished by more diffuse chains of command over mass membership, making the distribution of jobs all along the ministerial hierarchy a more common approach. Yet, we lack the data to systematically assess the differential impact of both types of democracies on personnel recruitment and we shall leave this important theoretical question for future study.

HYPOTHESIS 5: The presence of a democratic regime should be associated with higher proportion of expenditures on personnel in relation to total expenditures.

METHODOLOGY AND MEASUREMENT

To evaluate the hypotheses laid out in previously, we use pooled time-series regression analysis, which is the most appropriate technique for dealing with a model that includes a lagged dependent variable on the right side of the equation and time-dependent data. Ordinary least squares (OLS) cannot be straightforwardly used due to the statistical problem of autocorrelation, i.e., the relationship between last year’s value and present year’s figure (Wonnacot and Wonnacot 1979). In particular, for the OLS to be optimal (best linear unbiased) it is necessary to assume that all the error processes have the same variance (homoscedasticity) and that all the error processes are independent of each other. Both assumptions cannot be taken for granted when we use longitudinal data. Accordingly, it can be argued that time-series analysis follows the basic logic of ordinary regression, but with a few twists concerning the independence of observations over time and the time lags of variables. Further, the TSCSREG procedure (SAS version) is used for processing data with different numbers of time series observations across different cross sections.

While statistical analysis is used in this study to test several explanations of political patronage, information and data from qualitative methods are integrated in order to fully explore the phenomenon under study. In this sense, we attempt to triangulate quantitative and qualitative methods and findings. Initially described as the combination of multiple methods in the study of
the same phenomenon (Web et al. 1966), triangulation is used (a) to test several frames of reference or perspectives in analyzing the same data, and, (b) to combine multiple observations, coders, and evidence in order to remove potential bias. In other words, we take advantage of interviews to experts and of configurative analysis to pinpoint the impact of different administrations -our unit of analysis for this study - on political patronage.

**Dependent Variable**

My approach to identifying our measure of political patronage will be to estimate one particular indicator: the ratio between the central government’s total budget and the total expenditure on personnel (WAGEGOVT). The variable is also measured for the ministries of education (WAGEEDU), finance (WAGEFINA), and public works (WAGEPW) respectively. These institutions were chosen because each is identified with a different approach to public expenditure. Whereas the ministry of education is known to be vulnerable to an activist approach toward personnel spending (for it controls the appointment of teachers nationally), the ministry of public works is largely a medium for doling out public contracts that often favor economically-powerful collective actors such as business, especially the government-friendly capitalists. Likewise, certain trade unions may benefit from such contracts. Hence, it can be argued that while the ministry of education dispenses jobs to mostly individual actors, the ministry of public works often deals with well-organized corporate actors. Thus, public works may enhance the capacity of the government to reach political brokers. In contrast, the ministry of finance maintains a much more technocratic profile in personnel recruitment, because much of its staff is characterized by higher levels of education than in the other ministries. Therefore, and given the “knowledge-intensive” character of the career patterns in this ministry, we expect the turnover of officers to be lower in finance than in the other two ministries, lessening the potential of patronage-heeded recruitment. It is worth noting that increases or decreases in WAGEGOVT do not tell us whether there was a change in the number of jobs or increases in the remuneration received by existing bureaucrats in the ministry or central government administration. This ambiguity can only be unraveled by focusing on a different type of data, mainly from interviews to ministries’ specialists and informants.
The data were obtained from the Contraloría General (General Comptroller) of each country or from the institution whose task is to audit and oversee in each country. It must be pointed out that this type of data presents some irregularities; for instance, there were particular years for which we lack the value for spending on wages or even the total budget.

**Independent variables**

Our *economic variable* (VGGDP) measures the variations in GDP growth from previous year. Instead of relying on constant price GDP, which sometimes is seasonally adjusted by national compilers and sometimes not, we chose to use percentage change to adjust these disparities in the data. Past spending is another variable that may have a strong impact on current spending in addition to the marginal effect of other factors analyzed in this study. *Ceteris paribus* we expect that this variable (LAGGOVT) will be of importance for assessing patronage spending, given the inertial drift present in budgetary politics (Wildavsky 1975). Therefore, we obtain LAGGOVT by lagging the dependent variable, which usually carries autocorrelated errors. These straightforward modifications allow a pooled time-series model to yield more robust estimates of parameters and variances than otherwise while avoiding the problems plaguing more complicated methods. A third factor that will be used as a control variable is inflation, which is an increase in the general level of prices in an economy that is sustained over a period of time. Inflation has an effect on public expenditure, because since the public sector budget is denominated in nominal terms, its real value falls with the rate of inflation, reducing the real value of the government’s assets. Therefore, we predict that inflation will be *negatively* related to wage spending, for indexation procedures are not evenly applied to all cases and across time; given that we cannot systematically assess the impact of indexation by now, we will thus assume a negative linear relationship. The rate of inflation will be measured using a consumers price index (CPI) which shows the annual percentage change in consumer prices. We estimate this index in a December over December basis.

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6 For that reason, we had to interpolate data in order to cope with the problem of unbalanced data, for it would have hampered the use of time-series.
The subsequent hypotheses can be tested with a series of “dummy” variables, which indicate either presence or absence of the observed explanatory factor. In the electoral cycle conjecture, for the PREELECT variable, gauging spending in the year previous to the election and until this take place, “1” means the presence of election in that particular year after June 30 or the previous year to the one in which elections occurred before June 30. The value of “0” was assigned otherwise. For the POSTELEC factor, “1” indicates that it is a year following elections that occurred after June 30 or the year in which elections took place before June 30. The value of “0” was assigned otherwise. For example, if elections were on May 2 of 1971, 1970 was considered pre-electoral year and 1971 post-electoral whereas if elections were on October 10 of 1971 then 1971 was the pre-electoral year and 1972 the post-electoral one. The above applies to the political regime (REGIME), for which “1” denotes democracy and “0” dictatorship.

With respect to the veto players variable, we will follow Ames (forthcoming)’ suggestion and circumscribe veto players to actors in formal legislative (Congress) and executive (the President) politics. Accordingly, the “absorption rule” will be used for counting veto players. This means, for instance, that “if the President comes from a cohesive and disciplined party that is part of a stable majority, the President is absorbed as a veto player, i.e., the President need not to be counted”. Furthermore, we count veto partisan veto players according to the “size principle” (Lijphart 1984: 49), that is to say, we include the number of parties in the legislature that form the narrowest possible congressional majority (over 50 percent). In turn, we will use two variables: VPLAYCAM, for the Chamber of Deputies veto players and VPLAYSEN, for those of the Senate. Both factors are kept separated under the assumption that Senadores and Diputados may address issues of personnel spending differently. While the Senadores represent more entrenched local and regional interests, Diputados tend to have a more cosmopolitan stance vis-a-vis policy issues. Whether this difference may be translated into divergent stances in patronage spending is an empirical question to be analyzed.

The party ideology conjuncture is based in three different variables. The first, LEFT, is the percentage of total valid votes won by the left-wing bloc in lower or single-house legislative elections. The second, RIGHT, is the percentage of total valid votes won by the right-wing bloc in lower or single-house legislative elections. The third, PERSONAL, is the percentage of total
valid votes won by personalist parties in lower or single-house legislative elections. Although Coppedge uses the concept of personalist parties as a residual category for those parties that cannot be classified, according to his informants’ assessment, in left-right terms, we will use this category as a proxy for parties that operate through populist styles in terms of both leadership and policies. Instead of considering this category as “non-ideological” (Coppedge 1998: 553), we will classify personalist parties as those whose ideological discourse hinges on their leaders, who seek to situate themselves with “the people” and against “the political class”, being the public bureaucracy a visible manifestation of the latter.

ANALYSIS

Table 1 presents coefficients of the equation estimating wage spending in the selected countries. Due to problems of autocorrelation, we included the previous value of the dependent variable as the predictor LAGGOVT. Surprisingly, VGDP is neither statistically significant nor signed as expected. In turn, it appears that there is a negative relationship between variations in GDP level and patronage: the more GDP increases, the more patronage decreases. This, of course, is a not a very meaningful statement, as we already know that in a patronage-ridden context, availability of resources should enhance, rather than undermine, spending on personnel. However, since this coefficient is not statistically significant (see probability in Table 1) we must leave this empirical puzzle for the moment and acknowledge that limitations from our dataset, stemming from obstacles of obtaining time-series in Latin America in a format suitable for cross-national comparisons, might have been at play. Furthermore, I have created a composite measure (i.e., an interactive term) of VGDP and LAGGOVT to see whether the impact of previous spending is enhanced when it is adjusted to the health of national economy and we got only a 1 percent improvement in the model’s $R^2$, let alone that our new measure VGDPLAGG is not statistically significant.

Table 1 MULTIPLE-REGRESSION ESTIMATES: PERSONNEL SPENDING IN CENTRAL GOVERNMENT

<table>
<thead>
<tr>
<th>Independent Variable</th>
<th>Model 1 Economics Parameter Estimate</th>
<th>Model 2 Institutions Parameter Estimate</th>
<th>Model 3 Elections Parameter Estimate</th>
<th>Model 4 Regime Parameter Estimate</th>
<th>Model 5 Full Model Parameter Estimate</th>
</tr>
</thead>
<tbody>
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</tr>
<tr>
<td>Intercept</td>
<td>3.968 (1.539)</td>
<td>22.041 (5.641)</td>
<td>24.546 (4.568)</td>
<td>24.697 (4.830)</td>
<td>4.198 (2.175)</td>
</tr>
<tr>
<td>VGDP</td>
<td>-.147 (.146)</td>
<td>--</td>
<td>--</td>
<td>--</td>
<td>-.170 (1.46)</td>
</tr>
<tr>
<td>LAGGOVT</td>
<td>.811*** (.043)</td>
<td>--</td>
<td>--</td>
<td>--</td>
<td>.781*** (.045)</td>
</tr>
<tr>
<td>INFLATIO</td>
<td>-.002* (.001)</td>
<td>--</td>
<td>--</td>
<td>--</td>
<td>-.001 (.001)</td>
</tr>
<tr>
<td>PREELECT</td>
<td>--</td>
<td>--</td>
<td>.127 (2.840)</td>
<td>--</td>
<td>2.381 (1.780)</td>
</tr>
<tr>
<td>POSTELEC</td>
<td>--</td>
<td>--</td>
<td>1.561 (2.866)</td>
<td>--</td>
<td>1.619 (1.792)</td>
</tr>
<tr>
<td>REGIME</td>
<td>--</td>
<td>--</td>
<td>--</td>
<td>.176 (2.659)</td>
<td>-.491 (2.682)</td>
</tr>
<tr>
<td>VPLAYCAM</td>
<td>--</td>
<td>5.502 (2.581)</td>
<td>--</td>
<td>--</td>
<td>1.747 (1.683)</td>
</tr>
<tr>
<td>VPLAYSEN</td>
<td>--</td>
<td>-2.090 (3.198)</td>
<td>--</td>
<td>--</td>
<td>1.452 (2.154)</td>
</tr>
<tr>
<td>LEFT</td>
<td>--</td>
<td>-.115** (.052)</td>
<td>--</td>
<td>--</td>
<td>-.012 (.038)</td>
</tr>
<tr>
<td>RIGHT</td>
<td>--</td>
<td>.073 (.052)</td>
<td>--</td>
<td>--</td>
<td>-.033 (.036)</td>
</tr>
<tr>
<td>PERSONAL</td>
<td>--</td>
<td>-.772*** (.160)</td>
<td>--</td>
<td>--</td>
<td>-.354** (.111)</td>
</tr>
<tr>
<td>$R^2$</td>
<td>0.680</td>
<td>0.140</td>
<td>0.002</td>
<td>0.000</td>
<td>0.690</td>
</tr>
<tr>
<td>$N$</td>
<td>179</td>
<td>179</td>
<td>179</td>
<td>179</td>
<td>179</td>
</tr>
</tbody>
</table>

Note: Entries are unstandardized regression coefficients, with robust standard errors given in parentheses. *$p \leq .10$, **$p \leq .05$, ***$p \leq .001$; two-tailed tests.

Overall, most of the explanatory factors that have statistical significance are appropriately signed, except in the case of LEFT where it appears as pointing at a negative relationship between variations in the percentage of total valid votes won by the left-wing bloc in lower or
single-house legislative elections and patronage: the more left-wing parties’ legislative influence increases, the more clientelism decreases. At first glance, this finding does not make much sense, not least because left-wing parties are commonly associated with a support-base among excluded social sectors that urge expansionary policies of public expenditure. There is no shortage, however, of available examples of Socialist or Social-Democrat leaders who take advantage of the willingness of most of the population to accept policies that promised to leave economic crisis behind and transform it into a crucial resource for bolstering their ability to reduce public spending. This was the case of the governments of Felipe Gonzales in Spain and, to some extent, of Francois Miterrand in France. In Latin America, economic emergencies, not uncommon in the region, enabled political leaders such as Carlos A. Perez in Venezuela and Victor Paz Estensoro in Bolivia associated with left-wing socioeconomic programs to renounce their programmatic baggage so suddenly and completely, streamlining the public bureaucracy with an intensity that has even astonished zealous neoliberals elsewhere (Bresser Pereira, Maraval, and Przeworski 1993). Hence, the “leadership capital” derived from their being heads of parties organically linked to popular sectors may account for the negative impact of left-wing legislative parties on patronage spending.

A similar argument applies to PERSONAL, which is the most statistically significant political variable. As Mouzelis (1985: 334) puts it, Personalist parties’ leaders “are usually hostile to strongly institutionalized intermediary levels, whether clientelist or bureaucratic”. These leaders attempt to subjugate middle and upper-level party entrepreneurs who commonly play the role of foremen in the ministerial bureaucracy, overseeing and controlling the provision of public jobs, including low-paying ones. Operating on the assumption that party members and loyalists tend to identify more with him than with the party organization, Raúl Alfonsín himself played the predominant role in dispensing patronage. An even more extreme case of personalism is illustrated by Fujimori in Peru, whose Nueva Mayoria/Cambio ‘90 Party’s whimsical ideological precepts and poorly institutionalized intra-party rules permitted him a high degree of strategical flexibility, while still maintaining a solid base of support. This case merits special

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7 This is an impromptu party established by Fujimori, a virtual outsider to Peruvian politics, as an electoral vehicle for his personal political ambitions
attention because his party obtained almost a 70 percent of the vote in 1995. As we will see subsequently, Fujimori’s administration has been associated with all-time decreases in personnel spending. Another possible way in which personalist parties’ strength can be linked to decreasing patronage spending is conveyed by the fact that patronage practices are being identified with a reduction of economic efficiency. Given citizens’ growing educational skills and economic expectations, “overpopulating” the ministerial bureaucracy finds little favor in most of Latin America, as voters become aware of the long-term costs of clientelism. Hence personalist parties’ leaders, often identified with populist manners, eschew any connection with party patronage machines and associate themselves with distributional coalitions (Olson 1965) that seek to curtail public spending. Still, it can be argued that these are not the last words on the impact of personalist parties on patronage, because these parties rarely succeed to obtain more than 10 percent of the vote.

Despite considerable theoretical and empirical attention devoted to the impact of elections on job creation and salary improvement, we found no statistical evidence to justify that conjecture. Data problems apart, this finding has profound theoretical importance, not least because it tentatively confronts an hypothesis that could have yielded a straightforward justification for the political survival cum expenditure thesis. The same applies to INFLATIO, which was expected to have a strong impact on variations in personnel spending. One explanation to the almost insignificant impact of inflation is related to the fact that comparable, meaningful and up-to-date information on budgetary politics in Latin America remains elusive, largely owing to the inability or unwillingness of national and multilateral bodies to estimate budgets using inflation accounting (Diaz-Alejandro in Arce 1999:21).

Subsequently, I regressed patronage spending in the ministries of finance, education, and public works on the same explanatory models to see whether clientelism varies substantially across offices. Despite the considerable differences among ministries in terms of their mode of operation, as noted above, no major differences were found between finance and public works, as the only explanatory factor consistently statistically significant is the lagged dependent

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8 Coppendge (1998:553) refers to Peru 1990-95, Bolivia 1989-93, and Chile 1949-57 as cases where the personalist vote exceeded the 10 percent of the vote.
variable. In the case of public works, flaws of the selected dependent variable may have been at work. Most of the “opportunity structures” for patronage develop at the level of public contracts, which are primarily capital rather than labor-intensive. When there is a high affinity between holding the government party card - through party membership, personal loyalty, or both - and attaining government contracts, it can be confidently argued that patronage maneuvers were at play. However, in order to validate this argument we would need micro-level data, which is not available at this level of analysis.

It is also worth mentioning that the explanatory power of full model has been substantially improved in the case of education, whose $R^2 (= .74)$ is well above other ministries’ figures and even higher than the value obtained for central government. Previous spending on education has a heavy impact maybe due to high levels of politicization in the recruitment of employees at all echelons in that ministry. In contrast with the temporary nature of most of the work force employed in public works, personnel in education tend to remain in office for long periods. Also, while independent contractors often mediate between staff and the Minister of Public Works, teachers are generally directly hired by the Ministry of Education. Albeit alluding to total expenditures, Ames (1987: 80) shows that both successful and unsuccessful incumbent administrations ranked education among the most advantaged programs. It thus seems that patronage spending varies not only across cases and over time but also appears to be more relevant to particular ministerial jurisdictions than to others. In this regard we may tentatively

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9 In Argentina, both the PJ and the UCR have systematically obstructed the implementation of plans to improve the quality of the personnel employed in the ministry (Aguerrondo 1998, Interview). Likewise, the recruitment and perpetuation of employees in the Peruvian ministry of education has been strongly manipulated by the Aprismo (APRA Party-Alianza Popular Revolucionaria Americana) and, to a lesser extent by Acción Popular (Fernando Belaúnde Terry’s party, henceforth AP). Despite the divergence of opinions among interviewees - Valdivia Vivanco (1998) stressing the more active presence of APRA and Johnson (1998) downplaying the clientelistic streak attributed to that party - there is a wide consensus regarding the discretionary manner in which teachers are maintained in office.

10 This trend in which policy-makers and service providers in specific policy areas are part of the same hierarchical organization is also common in many West European countries (Page 1995: 275).
argue that administrative arrangements may have a strong impact on political patronage, although we do not discard the possibility that different levels of personnel spending may eventually shape different bureaucratic practices, as we leave the question of the direction of causality entirely open.

**Figure 1** RELATIONSHIP BETWEEN WAGE EXPENDITURES IN THE MINISTRIES OF FINANCE AND EDUCATION
Note: This figure contains aggregated data for the six countries under study.

Figure 1 illustrates the ratio between wage expenditures in the Ministries of Finance and Education. We selected these institutions because, as noted above, each represents a significant different approach to wage spending, thus hypothetically to the manipulation of political patronage. If such ratio is below 1, it means that the total wage spending in the Ministry of Education is higher than total wage spending in the Ministry of Finance. Conversely, if such ratio is above 1, it means that the total wage spending in the Ministry of Education is lower than total wage spending in the Ministry of Finance. It can be seen in the figure that up until the mid-1970s, wage expenditures in Education were higher than those in Finance. This can be attributed to a general trend in Latin America, where fiscal considerations were far less important than the expansion of state capacities (Dornbusch and Edwards 1991), thus downgrading the importance - and budget - of the Ministry of Finance vis-a-vis Education. These circumstances have changed dramatically as a result of the oil and debt crises and subsequent economic reforms in most of Latin America, which demanded more qualified manpower for coping with the technical complexities of such reforms. The increase in personnel spending in the Ministry of Finance can be accounted for by either pay hikes aimed at attracting talented functionaries and economists, a growth in the number of the Ministry’s employees, or both factors. Given that we are dealing here with aggregate data for the six countries, it is difficult to figure this out. Not to mention that we are overlooking contextual variables that might have influenced in each country. Still, this
analysis is fairly valuable inasmuch as it shows a marked direction in the trade-off between both ministries, leaving for future study the evaluation of the whole ministerial structure, upon the collection of data of more ministries.

If one examines the above-mentioned findings, one wonders whether we can draw conclusive inferences about the nature of clientelism in Latin America on the basis of budget allocation for personnel. According to the results of our statistical analysis, we cannot. This is not to say that our preliminary incursion to the subject has been not rewarding; on the contrary, there is no better way to understand a particular theory than to start running through some real data. However, it must be acknowledged that, like in most social phenomena, if we set ourselves the goal of developing a theory of clientelism, our measures and propositions should account for the puzzle of explaining complex causal stories. With these limitations in mind, let us focus on the variations in patronage spending (central government) in Argentina and Peru, as it transpires from our data. Although based on qualitative analysis, our looking at the evolution of wage expenditures over time may throw some light on particular dynamics that were not entirely captured in the statistical test.
Figure 2 PATRONAGE SPENDING IN ARGENTINA, 1948 - 1996
Note: WAGEGOVT is measured as the percentage of the total expenditure allocated to personnel spending. The different presidential administrations are appended to the curve.

Figure 2 traces wage expenditures for almost fifty years and illustrates considerable variation in patronage levels in Argentina. Since we lack data for the period preceding the rise of Peronism (1946-1955), no systematic comparison between pre and post Peronism can be made. That said, there is strong evidence that Perón set new standards as for overstaffing the public bureaucracy (Luna 1969; Manzetti 1993: 39). His almost unchallenged control of Argentine political life, together with substantial gold reserves capitalized after World War I, facilitated the expansion of government expenditures. However, a careful glance at Figure 1 would reveal that the most dramatic increases in patronage spending took place both during Arturo Illia’s administration (1963-1966) and throughout the interface between General Alejandro Lanusse and the Peronist return to power in 1973. Illia came from the ranks of the UCR and had a weak support base, as he was elected with only 26 percent of the vote. All these circumstances notwithstanding, his presidency gained a reputation of clean government and order, which does not conform to the dramatic boost in salary expenditures (slightly over 80 percent of the total expenditures was devoted to wages). Yet, the mere fact that he commanded a minority government had crippled his plans for “una administración pública mas justa y transparente”\textsuperscript{11} and thus the traditional Radical ‘s patronage approach to policy making prevailed. Furthermore, Illia was politically isolated so much so that he could not even pressure his own ministers to carry out any task in addition to the salary compensation, hence the massive spending in personnel in relation to the total budget. These circumstances were further exacerbated by the fact that Illia led a party that was excluded from power for generations. As Geddes (1994: 160-163) shows in her appointment strategy index, Illia (together with García in Peru) “had the most partisan score within this category”; that is to say, he was unduly pressured by his file and rank, eager to have access to spoils, to politicize appointments and promotions in the public administration. Does this empirical finding confirm that Illia was more inclined to rely on

\textsuperscript{11} Interview with Dr. Eduardo Ares (1998), Director de Despacho, Ministerio de Educación, Buenos Aires, Argentina, July 1998
patronage practices than Perón? Not conclusively. It points at the problems of focusing exclusively on personnel expenditures as an indicator of political patronage.

The period inaugurated by Lanusse in 1971 was continued by Héctor Cámpora, who headed the Peronist ticket for the presidency in March 1973, until the latter was replaced by Perón. Lanusse’s main ambition was to achieve a political alliance among the military, business, and anti-Peronist parties that will serve as his springboard to the presidency, once the army withdrew from power. After several failed attempts, he opted for relegalizing the Peronist Party and even decided to allow Perón to return from his Spanish exile. While reluctant to take bold maneuvers, Lanusse decided to bolster deficit spending and to ease the limitations imposed by General Juan Carlos Onganía on the recruitment of personnel in the ministerial bureaucracy. These steps were not only motivated by Lanusse’s political ambitions but also by his aversion to openly confront the powerful union of public workers. Between repressing this contentious body or conveying material benefits to their members, mainly via salary hikes, he chose the latter. This tendency to increase patronage spending was sustained by Cámpora, who despite being regarded as the only hope against the left, adopted an economic policy aimed at boosting public workers’ earnings back to the share of the national income share they had reached in the earlier Peronist administration. As Figure 1 clearly shows, the Cámpora government (1973-1974) seems to have largely outdone previous Peronist rule in terms of patronage spending; whereas Perón’s all-time high figure for the 1946-1955 period was below 70 percent, Cámpora’s administration reached over 80 percent. Yet, this development should be seen as an interim period, as he remained in power only for a few months until Perón took his place. Quite surprisingly, the new administration carried out a drastic economic policy shift because Perón drove his attention to the right. He abandoned economic redistribution in favor of a wage freeze as well as tax reduction for business. This turn to a more conservative stance is illustrated by the dramatic drop in personnel spending from over 80 percent to 20 percent in 1975.

After six years of military rule, Alfonsín inherited an economy in terrible shape. By early

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1983 the nominal take-home value of the minimum salary was one million pesos a week, worth only about 20 U.S. dollars. The only option that his government seemed to be facing was to seek IMF (International Monetary Fund) assistance, which was contingent upon an austerity plan. Economic imperatives notwithstanding, Figure 1 shows that, as time went on, Alfonsín ended his term (by 1989) with an almost 50 percent of total spending directed to wages. According to Ghio (1998: 2), Alfonsín framed a policy of administrative reform in which the preservation of existing levels of public employment and wages had been the highest priority, let alone that he avoided by all means any major confrontation with unions that were mostly hostile toward his administration. In fact, the trade union leadership had successfully carried out thirteen general strikes to oppose Alfonsin’s earlier adjustment efforts. Despite Alfonsín’s electoral promise of clean government, he rewarded political allies with government jobs and controversial contracts (O’Donnell 1991).

Unlike his predecessor, Carlos Menem acceded to power with well-established credentials among popular sectors, as an important figure in the PJ. A three-time governor of La Rioja, one of Argentina’s poorest provinces, he had placed half of that province’s workforce on the state payroll. Receiving the presidency amid a crisis of hyperinflation, Menem opted for market reform, which set in motion a profound process of state restructuring and bureaucratic streamlining. By 1990, 122,000 public employees were laid off, a fifth of the government bureaucracy (Dromi 1992: 45). To gain closer ties with key economic sectors, Menem has vigorously reinforced the economic and political clout of the most powerful business conglomerates, such as Macri, Perez Companc, Roggio, and Bunge & Born, which have systematically obtained public contracts and tax exemptions. By contrast, middle-sized business was undermined by an orthodox policy of trade liberalization that eliminated state subsidies. Stimulated by his domestic successes and by the sympathy of international financial institutions, Menem sought to govern on his own terms. This implied a significant marginalization of the PJ, which did not offer him the skilled cadre to run the administration. This has “opened the window” for staffing the ministerial bureaucracy with technocrats more attuned to the neoliberal spirit that marked the government. Regarding lower echelons, the previous policy of massive reduction of personnel in central government was relaxed (after 1993, as can be seen in Figure 1),
since Menem had been engaged in bolstering the popular guise of his administration with an eye on the Presidential elections in 1995.
Figure 3 PATRONAGE SPENDING IN PERU, 1963 - 1995
Note: WAGEGOVT is measured as the percentage of the total expenditure allocated to personnel spending. The different presidential administrations are appended to the curve.

If we compare Figure 3 with the Argentine case, it is worth noting that Peru has experienced a somewhat more balanced evolution of patronage spending. While we lack data for assessing whether military administrations before the 1960s have also preserved a consistent pattern in personnel expenditures, there is support for the contention that the army in Peru had pursued a more professional approach to public administration than its Argentine counterpart (Arróspide Medina 1998; Cleaves and Pease García 1983). Particularly, the Peruvian military, staffed by a cadre of competent technocrats, was highly supportive of the entry of foreign capital and advocated domestic restrain. This pattern was dramatically reversed by General Juan Velazco Alvarado, who unlike military rulers elsewhere in Latin America sought to promote social change. However, as can be observed in Figure 2, Velazco Alvarado (1968-1975) adopted a stringent approach to personnel spending, as patronage remunerations (again, as a percentage of the government total spending) were reduced in a 10 percent. Although this figure does not seem particularly odd when compared to the more pronounced swings in patronage in Argentina, it is worth mentioning that this drop of a 10 percent was severe keeping in mind that Velazco Alvarado was entrusted a bureaucratic apparatus that spent around 40 percent in salaries. Furthermore, his administration’s main concern was agrarian reform, as Velazco Alvarado announced the enactment of one of the most sweeping land redistribution programs in Latin America since the Castroist Revolution. Consequently, the regime attempted to institutionalize these transformations, mainly through the creation of state-run organization like SAIS (Agricultural Society for Social Interest) and SINAMOS (National System for Support of Social Mobilization), which came to be known as the most characteristic and vigorous institution of Velazco Alvarado’s administration. Albeit clearly authoritarian and resting on the intimidation of opponents, his government built a considerable base of support that has enhanced its capacity to undertake other reforms. Amongst these, Velazco Alvarado tackled the problem of “amateurism” in the public bureaucracy by means of an administrative reform in which the INP (National Planning Institute) played a central role. This body had its budget substantially increased.
(Cleaves and Pease García 1983: 232) and established strict rules for personnel recruitment and remuneration. In other words, while his regime conserved a populist facade for handling the land question, perceived by the vast majority of the poor as the cause of their distress, it has pursued a marked technocratic approach to patronage spending.

This trend to downsize personnel spending was further intensified by General Francisco Morales Bermudez (1975-1980), who streamlined the ministerial bureaucracy to unprecedented low levels - less than 20 percent - as shown in Figure 2. When Belaunde Terry began his second presidential term, clientelist practices re-emerged; In his previous administration (1963-1968), there was a remarkable increase in patronage spending. In contrast, Belaunde had in 1980 a clear majority in the legislature (more than half of the members in the Chamber of Deputies and 26 of 60 seats in the Senate, together with the support of the Partido Popular Cristiano), being free to pursue his own political agenda. Despite the fact that Belaunde launched a neoliberal strategy of economic restructuring, he preserved ministerial jobs as a means of building his own bases of support, both at the elite level and middle ranks. He packed the INP with Acción Popular sympathizers and, except for the high professional profile of the staff of the Ministry of Finance, most merit-based examinations for recruitment of new employees and salary improvements were virtually withdrawn.

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13 In 1956, Belaunde founded Acción Popular (Popular Action), a catch-all party that won the support of reform-minded sectors in the armed forces and the Church.

His successor was Alan García (1985-1990), a political newcomer from APRA, who promised to reverse previous policies and pursue social-democratic goals, including income redistribution toward the poor. However, he was not able (or willing) to implement his ambitious agenda, mainly by reason of ineffective administrative capacities of his government. Despite the apparent revival of the INP, García has suspended formal examinations for recruitment of personnel, leading to an unprecedented “colonization” of the public bureaucracy. As shown in Figure 3, patronage spending surpassed the 50 percent, which is the highest figure in almost forty years of bureaucratic history in Peru. At the beginning of García’s administration, and following his electoral promises of effective governance, upper-level functionaries had their wages dramatically revamped, as a correction to a steady trend toward salary depreciation in that echelon. For that purpose, García wielded resources accorded by international financial institutions for the modernization of Peruvian economy, creating a new role within the existing bureaucratic structure sarcastically called “burbujas” (bubbles). These were assessors and technocrats, hired on a temporary basis, who basically bypassed career bureaucrats, mostly believed to be far less skilled than needed to address complex policy issues. Most important, this context enhanced García’s capacity to run the ministerial bureaucracy in a discretionary manner, appointing loyalists regardless of their professional credentials. Likewise, lower-level employees were frequently recruited among APRA militants; for instance in the Ministry of Education, which until 1985 had incorporated around 6,200 yearly new employees (including teachers), has reached the figure of 35,000 since 1987 until Fujimori’s election (1990). Last but not least, García took advantage of APRA’s extensive networks in the provinces, expanding clientelistic practices to areas where no other political parties had much of an influence.

The elections of 1990 and the victory of Alberto Fujimori represent a divide between the


administrative disorder of the García years and a “new era” of stability. Although Fujimori’s strategy toward upper-level administrators is even more heavily based on the “burbujas” structure, he succeeded to redesign the ministerial bureaucracy. While he was disposed toward abruptly changing the existing rules of the game when it suits him, one aspect of the politics of bureaucracy has remained clear: Spending on patronage should be kept at a minimum. This is confirmed by the sudden fall of wage expenditures during Fujimori’s first administration (1990-1995), which is the only period for which we have continuous data. While a crisis of hyperinflation did not leave Fujimori much options except to cut down spending, there is strong evidence that he chose to underpin his appointment strategy through the placement of highly trustworthy people in the highest positions, notably of Japanese origin (Demélas-Bohy and Lausent-Herrera 1995). The Ministerio de la Presidencia (Ministry of the Presidency), originally created by García, has been packed with a generous budget and stuffed mainly with “amigos” of the President. Regarding middle and lower echelons, he opted for sliming down the recruitment of new employees and strong incentives for early retirement from bureaucratic positions were offered. Hence, Fujimori succeeded in reducing patronage spending, in aggregate terms, to considerable low levels. Yet, given his ability to manipulate public spending through informal channels, we should take this point with a heavy dose of caution.

**FINAL REMARKS**

The pooled time-series study shows that, at least in six major Latin American countries, economic fitness, presence of elections, regime type, and number of veto players do not account for or capture the shifts in patronage practices. Having focused on personnel spending in the ministerial bureaucracy as the most tangible indicator of political clientelism, we found that the

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18 Several funds of social assistance were financially dependent on the Ministerio de la Presidencia; for instance, FONCODES (National Fund for Compensation and Social Development) operates through a “demand-driven” mechanism directly coordinated by Fujimori’s Minister of the Presidency (FONCODES 1994: 12).

weight of past spending on salaries is the strongest predictor of current expenditure on patronage. This finding is supported by Ames (1987: 25-26), who concluded that past spending is the most consistent variable in his model of public spending in seventeen Latin American countries. That having been said, we explored the impact of the truly political aspects of patronage spending. For that purpose, we have examined the relevance of legislative and executive veto players for explaining variations in personnel spending. Clearly, the most important political source of patronage is the nature of the political parties and, more general, party systems. In this regard, the contrast between programmatic appeals of right and left-wing parties does not explain much of the variance in patronage spending. By contrast, the presence of a personalist party in the legislature is associated with decreases in personnel spending, which challenges conventional wisdom. This paradox, however, is more apparent than real, since it rests upon a widespread presumption that personalism and patronage are positively linked. While all parties will tend to deliver benefits to their loyal following, personalist parties’ leaders do not feel as obliged as more institutionalized and ideological parties do to divide up state revenues and jobs as a booty disbursed to their partisan fellows. Rather, personalist leaders tend to marginalize the role of their party and prefer to establish more unmediated links with followers. Generalized benefits to a more diffuse following, mainly through social assistance programs, are preferred over the provision of a more limited number of targeted goods in the public apparatus. In their discourse, personalist leaders frequently condemn mainstream programmatic parties because they tend to make politics in “smoke-filled rooms”, neglecting the needs of the vast majority of the “people”. This partially explains why personalism and patronage spending are negatively correlated. Additionally, the evolution of personnel spending in Argentine and Peruvian central governments has been traced. In this analysis, the direction and intensity of ups and downs in patronage largely correspond to the evidence provided by scholars and public officials in both countries and to the main findings of my empirical test with regards to the prominence of partisan considerations.

The subsequent qualitative analysis suggests, however, that the state of the economy, elections and, more ambiguously, military rule do matter to some extent. In both countries, economic crises, particularly periods of high or hyperinflation, were followed by severe cuts in patronage spending; in this regard, Latin America does not significantly deviates from the pattern
found elsewhere in developed countries. A caveat note should be made about those periods in which Argentina and Peru were ruled by populist leaders. While personalism and decree-ruling are commonplace in both countries, the cases of García and, more surprisingly Alfonsín, given his reputation of being a scrupulous politician, indicate that social-democratic projects tend to end up in sharp increases in patronage. Paradoxically, Perón has preserved a more orthodox position vis-a-vis personnel spending, a fact which does not fit his activist approach in social and labor matters. Second, new elections have been accompanied by extreme fluctuations in wage expenditures in both directions. Usually the spending curve moves up after elections, but this does not correspond to cases of acute economic distress and strong leaders committed to policies of austerity and fiscal restraint (Fujimori and Menem). Regarding the impact of regime type on patronage spending, it should be stressed out that in Argentina the army did not behave very differently from civilians. Both have normally perceived ministries as private “bulwarks” of ruling administrations. In Peru, while supportive of statist policies, the military advocated a technocratic approach to ministerial bureaucracy through more rigorous recruitment procedures than civilian governments. We may ask whether the greater stability of Velazco Alvarado in power (1968-1975), when compared to Argentine generals, has been a factor at play.

When all is said and done, however, our purpose in this study has been partially accomplished. The availability of longitudinal data seems to be crucial for generating a comprehensive theory of clientelism. Still, pooling did not entirely fulfill our expectations and there is a compelling need for new refinement strategies. Without abandoning quantitative analysis, triangulation may be fruitful strategy for coping with the numerous problems of measurement that arise in comparative politics, as our incursion into the nature of clientelism seems to confirm.

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