Clientelism and development: is there a poverty trap?

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Abstract: There are sound theoretical reasons to expect clientelism to suppress economic growth: politicians who garner support by offering employment to voters and grassroots party members can do so more effectively when the voters’ participation constraint is met with low wages. Hence, clientelism can become a poverty trap. Yet in many countries, the heyday of political clientelism coincided with periods of rapid economic growth. I offer preliminary evidence of this coincidence of clientelism and economic growth in several OECD countries, at earlier stages of development. An explanation is that clientelism can be a product of industrialization, urbanization, and economic growth. This growth may persist, despite patron–political incentives to keep the poor in poverty. As private-sector wages edge up, the patron–politician cannot offer a wage that satisfies the voter–worker’s participation constraint, and the political relationship between them unravels.

Key words: clientelism; political competition; public policy; poverty trap

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1 Introduction

[ln]eless government policy arises as a way of making voters more dependent on politicians, and hence making it easier to buy their political support with job offers (Robinson and Verdier 2013: 262).

Does clientelism suppress economic development? Does it keep the poor poor?

There are strong theoretical reasons to think that it does. In Robinson and Verdier’s (2013) model of the political economy of clientelism, an incumbent patron–politician derives rents by expanding public employment in exchange for voters’ support. The politician’s drive for rents leads him to underinvest in developmental public goods, with the effect of perpetuating the poverty of the very voter–clients who elect him. Robinson and Verdier are not the only scholars to notice that the political economy of clientelism involves incentives on the side of politicians to keep poor voters poor.¹

If this perspective is correct, clientelism is a poverty trap. Politicians have incentives to keep voters poor, and poor voters have an incentive to keep electing these politicians. We might be tempted to predict, then, that clientelism, patronage, and machine politics are powerful brakes on economic development. In many settings, one can identify long-lasting clientelistic polities nested in stagnant economies. A good example is the Italian mezzogiorno, its southern region. The region received massive state transfers in the middle decades of the 20th century, the heyday of the Christian democratic political machine. Development aid to the region drove enormous growth in public employment, while the payoffs in regional economic development were disappointing (see Chubb 1981, 1982). Experiences like this might lead us to conclude that clientelism is indeed a poverty trap.

Such experiences notwithstanding, the historical record is not particularly supportive of the idea of clientelism as a poverty trap. In this essay, I draw attention to historical periods that contravene this claim. Clientelism, patronage, and political machines have thrived in many settings that were simultaneously experiencing rapid economic development, processes that also shifted many individuals from poverty to the middle class, raising questions about whether clientelism is, actually, a poverty trap. I offer brief sketches in favour of such an account, in which clientelism exists alongside rapid economic growth, from several national experiences: Britain, the United States, Japan, Mexico, and Italy.

Clientelism remains widespread in today’s developing societies, in regions including sub-Saharan Africa,² southeast Asia,³ and Latin America.⁴ Its meaning and impact are disputed, yet it is generally viewed as diagnostic of pathologies of democracy and as an indication of economic inequality and, perhaps, economic stagnation.⁵ Therefore, citizens, scholars, and other observers of politics in the Global South look to historical trajectories of previously clientelistic societies to get some sense of possible future paths for these countries. Though we expect no common path or teleological

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¹ The same is asserted in Medina and Stokes (2007) and Stokes et al. (2013).
² For a comparative quantitative study, see Isaksson and Bigsten (2017).
³ See, e.g., Tomsa and Ufen (2013).
⁴ The literature on clientelism in Latin America is very large. See the recent contribution by Nichter (2018) and the citations therein.
⁵ For sceptical and nuanced accounts of clientelism in sub-Saharan Africa, see, e.g., Lindberg and Morrison (2008) and Kramon (2017). Kramon argues that politicians passing money to voters does not necessarily constitute vote-buying but can communicate information to the latter.
trajectory, it is of value to understand the dynamics of countries that are less clientelistic, and, in some countries, less poor (though not necessarily more economically equal) than they once were.

The co-occurrence of clientelism and rapid economic growth could be explained in at least three ways. One is that clientelism might encourage economic development. A second is that, though not encouraging development, clientelism is not a sufficiently powerful brake on it to slow the rate of expansion of high-growth economies. A third explanation adds to the second. Clientelism is actually a by-product of rapid growth and modernization. Once established, despite its inefficiencies, it is an insufficient brake to stop the processes of growth and development that helped engender it. Though a firm answer would require more research, there are reasons for scepticism about the first answer and in favour of the second and third.

In the first part of this essay, I will sketch several cases in which the poverty-trap conclusion is at odds with reality. The most notorious political machines have existed in societies undergoing rapid, sometimes ‘miraculous,’ rates of economic development.

Rather than machines being an insuperable obstacle to development, development persisted despite clientelism.

Far from always constituting a poverty trap, in some settings clientelism failed to stop rapid growth, and this rapid growth in turn helped end clientelism. I develop this point in the penultimate section.6

In the final section of the essay, I briefly consider some alternative accounts, such as that clientelism is a by-product of rapid economic growth in developing societies—reversing the causal arrow between economic change and political formation. I conclude by offering some theoretical reflections on why client–voters may not be ‘trapped’ by machine politics and why parties that have relied on clientelism find themselves pushing to break away from it. The brief overview of the experiences of Britain, the United States, Japan, Mexico, and Italy offered below suggest the following: (1) economic growth is often a cause of clientelism, though political–institutional factors are also important in shaping the degree to which politics are non-programmatic; (2) machine politics can coexist with periods of sustained, even dramatic, economic development; but (3) this development undermines machine politics.

2 Machine politics in periods of rapid economic growth

2.1 Britain

The high point of what was known in Britain as electoral bribery and political corruption was the mid-19th century, from 1832 until 1883. This was also a period of rapid industrialization and economic growth in Britain. If clientelism was a poverty trap or a drag on growth, it was not so much a drag as slow growth to less-than-historic rates. Britain in the Victorian era underwent a dramatic economic transformation, solidifying its place as the world’s first industrial economy. It also, eventually, ended clientelism.

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6 A recent contribution by Nathan (2019) reminds us that the emergence of a middle class is not sufficient to kill clientelism. The middle class needs to reach a threshold size, and its willingness to abstain from political participation may prolong machine politics.
Though some insist that the term industrial ‘revolution’ is overstated, even these sceptics find it to be a ‘useful metaphor’ in light of the rapid growth and transition to industrial production (Craft 2014: 1; see also Hoppen 2000). Britain’s share in world industrial production languished at less than 2 per cent in the mid-18th century. It grew to 9.5 per cent in 1830 to just under 20 per cent in 1860 to 23 per cent in 1880 (Bairoch 1982). Real per capita gross domestic product (GDP) and total factor productivity also increased impressively the first half of the 19th century.

High rates of economic growth in mid-Victorian Britain coincided with the heyday of electoral bribery. Bribery, involving payments, blandishments, and threats to voters carried out by party agents was a long-standing practise in Britain. It accelerated after the Great Reform Act and the entry into the electorate of large numbers of lower-income men. Seymour explains, ‘Before 1832 the great lords had, with few exceptions, complete control of the small boroughs . . . But after the Reform Act the patrons lost their control to a large extent and must strain every nerve to influence the election; where they had before commanded, now they must buy’ (Seymour 1970[1919]: 170).

If high levels of development persisted through the high points of electoral bribery in Britain, did bribery contribute to economic growth? Probably not. The evidence points more towards anti-developmental features of clientelism which, nevertheless, were not sufficient to slow the industrialization process.

Craft (2014: 3) outlines political obstacles to growth that remained in place at the outset of Britain’s most dynamic phase of industrialization. ‘Intellectual property rights were weak since the legal protection offered by patents was doubtful until the 1830s and the cost of taking out a patent was very high until the reforms of 1852. Rent-seeking in the law, the bureaucracy, the church and the military remained a very attractive alternative to entrepreneurship as the evidence on fortunes bequeathed attests’.7

In comparative terms, Britain was less afflicted by patronage than other early- (not to mention late-) industrializing countries. The key anti-patronage reform, instituting competitive examination in relevant fields for recruitment into the British civil service, was imposed in 1870. The examinations made room for the talented sons of both the bourgeoisie and the landed classes, a key to their easy passage through the House of Commons, where earlier reforms had stumbled (Shefter 1977).8

If clientelism and patronage coincided with rapid industrial growth in Britain, this same process of industrialization led, fairly quickly, to reforms that aimed to clear away some of the political drags on capitalist development. The key anti-patronage reform was implemented in 1870; the key anti-clientelism reforms clustered in this same period and, importantly, the introduction of the secret ballot in 1872 anti-bribery reforms of 1883.

The timing suggests that reforms targeting patronage and electoral bribery were not prerequisites to rapid socio-economic development in Britain. Quite the opposite: industrial development if anything encouraged electoral bribery by bringing low-income voters into the electorate and thus

7 For a discussion of the ways in which weak property rights militate against robust capitalist expansion, see North and Weingast (1989).
8 Anti-patronage reforms, advocated in the Trevelyan–Northcote report of 1854 (Northcote and Trevelyan 1854), failed to gain parliamentary approval; the 1870 measure was basically the same reform, revived by the Gladstone government.
lessening the ‘complete control’ of the ‘great lords’. Development surged despite these political obstacles, but development led, eventually, to anti-patronage and anti-clientelism reforms.

What was the connection between economic dynamism and later political reform? It might be tempting to see a conscious effort to break down these barriers to growth. If a corrupt and unprofessional civil service stood in the way of pro-developmental educational and science policies or a useful patent, perhaps political or economic actors identified these obstacles and took them down.

This explanation is not entirely without merit. For instance, merchants and businessmen, the latter organized into the Administrative Reform Association, favoured 1870 civil service reforms (Shefter 1977: 435–6). In addition, treating high positions in the bureaucracy as sinecures for the sons of the aristocracy ran counter to commitment of rising liberal thinkers, men like John Stuart Mill and Edwin Chadwick, to merit and fair competition. Patronage reform was inspired by a mix of rising liberal ideology and economic strategy.

When it came to anti-clientelism reforms, the motives lying behind them were less clearly connected to any developmental social benefits of a free and fair vote and more closely connected to the interest of party leaders. The ‘great lords’ who, in Seymour’s phrase, now ‘must buy’ elections strained under the costs of buying votes (1970[1919]: 169–170). The candidates drawn from the professional and merchant classes also strained.

The central figure in electoral bribery was the electoral agent, a character pilloried in Trollope’s novels and, earlier, in Hogarth’s paintings. Like party brokers in other countries and time periods, these characters were both indispensable for aspiring candidates and untrustworthy representatives of the candidates’ interests. The agent knew whom to treat—which electors’ financial or personal circumstances left them vulnerable to electoral bribery. The agent also knew which electors followed through and which turned their backs on the treating candidate and cast their votes with a rival. (The task of monitoring was easier before 1872 when the secret ballot was introduced.)

However, the candidates, for their part, typically lacked the ability to monitor the electoral agent. They could never be sure of how much of their money might be squandered on unresponsive or double-dealing voters or pocketed by the agent himself (over and above the agreed-upon fee that the candidate paid his agent). Small wonder that liberal and conservative candidates and party leaders viewed the agents as ‘treacherous’ and ‘electioneering parasites’ (O’Leary 1962: 229).

Eventually, liberal and conservative party leaders in effect colluded to pass legislation that put an end to electoral agents. After many failed efforts, in 1883 under William Gladstone, the House of Commons passed the Corrupt and Illegal Practices Act (see Stokes et al. 2013; Camp et al. 2014). The act barred candidates from hiring paid agents for the purposes of canvassing and imposed strict spending limits on overall campaign expenditures as well as on distinct categories of expenditures. These regulations were effectively enforced. Post-1883, the number of claims by losing candidates of malfeasance on the side of the victory slowed to a trickle.

### 2.2 The United States

If ever there was an example of the compatibility of machine politics and rapid economic growth, it was the United States in the 19th and early 20th centuries. The United States surged to industrial and economic dominance in this period. Total output grew at an average rate of about 4.5 per cent between 1840 and 1860. After the Civil War, total output was somewhat lower—mainly because of the collapse of the Southern economy—but remained at 4.4 per cent between 1870 and 1900 (see the discussion in Engerman 1966). The share of the US economy in world industrial
production doubled—from 7 per cent in 1860 to nearly 15 per cent in 1880—and then more than doubled—to 32 per cent—by 1913. The United States achieved high levels of growth, punctuated by deep recessions, into the 20th century and up to the Great Depression.

Machine politics flourished in this same period. In the middle decades of the 19th century, as Bensel (2004: 9) explains, ‘For many men... the act of voting was a social transaction in which they handed in a party ticket in return for a shot of whiskey, a pair of boots, or a small amount of money’. Economic development and modernization created some of the same tensions for political machines that we observed in Britain, though the death of the American machine was a more prolonged and agonized affair. It persisted after the introduction of the Australian ballot, in most states in the last decade of the 19th century. It persisted through the Gilded Age and, despite setbacks, through the Progressive Era. Even with the advent of the New Deal, elements of a welfare state fused with principles of patronage and clientelism. Despite several crucial reforms putting an end to some of the more blatant aspects of the spoils system, from the vantage point of European democracies, patronage remains welded to the American political system, even today.

We saw that in Britain, the expansion of the electorate, especially with the Great Reform Act of 1832, lowered the average income of voters and hence encouraged electoral bribery. In the United States, by contrast, the male white suffrage was already nearly universal by the mid-19th century (see Keyssar 2001). The encouragement to clientelism in 19th-century America came in the form of immigrant communities, drawn to the country by its hunger for labour. Immigrants were the client-voters who might have fallen into a poverty trap, dependent as they were on political brokers for assistance.

Immigrants arrived in 19th-century America in droves—from Ireland in the early 19th century and from Italy and Eastern Europe after 1880. Boss Tweed in New York was quick to send underlings to Chinatown after fires had broken out, when it could provide forms of social insurance, and was careful to appear at funerals where immigrants might need financial support and connections in city hall.

Industrialization spurred internal migration, as well, in particular during the early-20th-century Great Migration of African Americans from the South to the cities of the Northeast and Midwest. There were Black subsidiaries to urban machines, such as the Dawson machine in Chicago, linking South- and Westside communities with the Kelly and Nash and, later, Daley operations.

In such settings, machines made themselves useful to poor migrant groups, providing social services that would later be supplied by a more impersonal bureaucracy. One claim is that urban machines played a positive role of incorporating immigrant communities into political life. The Tammany Hall machine ‘turned immigrants into voters’. Urban political organizations, from Boss Tweed in 19th-century New York to Boss Hague in 20th-century Jersey City, had an interest in the naturalization of immigrants from the communities in which they worked. By showing up at fires and funerals and softening some of the hard edges of urban life for these newcomers, the political organizations built relationships of trust and dependence; hence, they were likely to harvest large numbers of votes when the migrants became voters. Therefore, the machines had an interest in the rapid naturalization of immigrants; they became a ‘friend of the immigrant’, both socially and in the naturalization process.

As much as particular reforms, such as the introduction of the Australian ballot or the invention of the professional city-manager model in many urban centres, what eventually spelled the demise of the most egregious forms of machine politics in the United States was economic development. Development meant the growth of the American middle class as well as changes in communication technologies; both harmed machine politics in the United States, without dealing it the death blow
that the 1883 reforms in Britain dealt clientelism in that country. Business interests also pressured for an end to clientelism, as Kuo (2018) explains.

In the United States, as in Britain, machine politics was not a sufficient drag on economic efficiency or sound policy-making to a degree that it constituted a poverty trap.

2.3 Japan

Scholars of clientelism in Britain and the United States underscore income inequality in the electorate and expanding numbers of dependent voters as factors encouraging clientelism. Scholars of Japan focus more sharply on political institutions as militating against programmatic politics. Electoral rules helped sustain pork-barrel politics in Japan right through one of the world’s great economic miracles (see Calder 1988).

Japan’s post-war economic history is characterized by Hayami and Ogasawara (1999: 7) as one of ‘high economic growth’. During the period from 1958 until 1970, ‘Japan recorded unprecedented high rates of economic growth, closing the gap in per capita income and labor productivity vis-à-vis the advanced industrial economies in Western Europe and North America. Indeed, the average growth rate of real labour productivity was as high as 7 to 8 per cent per year’.9

This history of economic dynamism unfolded against the backdrop of a political system in which campaigns were mainly silent matters of policy, focusing instead on pork-barrel offers. The failure of Japan’s politicians to develop links with citizens that revolved around broad public policies was not a sufficient barrier to economic development to keep the economic miracle from unfolding.

How did Japan’s political institutions encourage pork-barrel politics? Scholars emphasize the impact of its single non-transferable vote, mixed member district (SNTV-MMD) electoral rules. Under these rules, put in place in 1947, voters faced a menu of candidates but could cast a ballot for only one of them. Unlike transferable-vote systems, ‘extra’ votes for a candidate who had already secured a seat would not be redistributed to members of the party’s list who had fewer votes or—as in open-list systems—to a candidate whom the voter ranked below their top choice because Japanese voters cast ballots for only one candidate.10

From the vantage point of a party’s leadership, the strategy for maximizing the number of seats won by the party under the SNTV-MMD system (or for maximizing its chances of capturing a majority in the chamber) was to run multiple candidates in each district but to nearly equalize the vote shares going to each of the party’s candidates. For instance, in a three-seat district, a party’s ideal outcome was for its candidates to garner the largest, second-largest, and third-largest number of votes. A less-than-ideal outcome would be for Party A’s most popular candidate in a district to capture a very large plurality of votes at the expense of its second-most-voted candidate, who would be overtaken by competing Party B’s top vote-getter.

Thus, Japan’s electoral system encouraged candidates either to occupy extreme ideological positions or to cultivate ties with discrete subsets of a broader constituency. The vast majority adopted the latter strategy. From the vantage point of individual candidates, a relatively small number of votes could get them elected in Japan’s multi-member districts, which, throughout most

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9 Hayami and Ogasawara (1999), however, also document slower rates of increase in total factor productivity than in other rapidly expanding economies, in particular than in the United States.

10 These excess votes were thus ‘wasted’ from the standpoint of creating a system that would match parliamentary representation to the distribution of voter preferences (see Powell 2000).
of the period from 1947 until 1994, varied in size from three to five members. The strategy most commonly adopted was to specialize in a discrete ‘private good’ offered to a targeted set of voters within a district—a targeted agricultural subsidy or very local development effort (such as a school or elder centre; see Ramseyer and Rosenbluth 1993).

The parties’ challenge was to avoid competition among their parties’ candidates as they metered out this pork. As Masumi (1995) explains, instead of building local party branches, candidates from conservative parties developed koenkai, networks of organizations and clubs that were linked to particular politicians and aided in their re-election. Catalinac (2016) writes:

Through their koenkai, which functioned as their own political party, they performed personal favors for constituents such as finding jobs, securing loans, navigating parking tickets, and mediating disputes, and spent vast sums of money subsidizing social activities such as golf tournaments, tea ceremony lessons, trips to the hot springs, and study trips to the Diet (35).

In the 1993 election, by McCubbin and Rosenbluth’s (1995: 43) estimates, campaign expenditures per conservative politician were between US$3 million and US$12 million. Hence, though the system in some ways treated constituents in small groups rather than as individual beneficiaries—it was a system of pork rather than clientelism—it retained several features that ran in parallel to British and US clientelist systems. It downplayed broad aspects of public policy affecting larger groups of Japanese voters or the country as a whole and induced candidates and parties to spend heavily on consumption goods for would-be supporters.

The incentives, then, at the level of party leadership were also to have distinct candidates from any given district forge discrete and long-lasting relationships with subsets of constituents and to avoid overlap in the organizations included in their candidates’ koenkai in any particular district. The pre-reform SNTV-MMD system featured pushed towards a politics of pork and away from a politics of public policy.

Catalinac (2016) uses quantitative analyses of campaign manifestos to demonstrate the heavy reliance of politicians on pork, as well as the shift from pork to policy, after a change in electoral rules. A politician whom she interviewed sketched the incentives he faced to offer benefits to discrete sets of voters in order to avoid competing with fellow Liberal Democratic Party (LDP) candidates. In 2006, this politician recalled running on a three-person LDP list for the Diet, before the 1993 reforms.

We couldn’t say anything like ‘the LDP will do this!’ because we were all from the LDP. . . You have to think about how to differentiate yourselves. ‘I will build a road in your village.’ ‘I will build a harbor for your town.’ ‘I will help your son get into university.’ Appealing to the same policy is useless as there would be no difference between me and the others. Under this system, talking about ‘the defense of Japan’ didn’t make anyone happy (Catalinac 2016:110).

An upshot of the system was that economic planning and decision making redounded to a specialized bureaucracy and played a small role in the campaign manifestos or candidate statements in campaigns.

In 1993, Japan undertook a major overhaul of its electoral system, replacing the old system with a mixed-member majority (MMM) one. The reform changed the nature of pressures on parties and the ways in which they competed for voters’ support (see Hirano 2006). Though the reasons for the change were quite different than those lying behind reform in late-19th-century Britain, they
too shifted the system towards programmatic politics fairly dramatically. As Catalinac’s interviewee explained, ‘By changing to a new system, we are able to say “the LDP will do this, the LDP thinks this,” etc. instead of “I”, “I”, “I’” (Catalinac 2016: 110).

The change was from the SNTV-MMD to an MMM system. Beginning in elections held in 1994, the SNTV was replaced by a system in which each voter cast two ballots. One ballot was for the voter’s preferred candidate in the (newly defined) single-member legislative district in which the voter resided. The second was for a party list. This was a closed-list system: parties established the ranking of candidates within the list, and voters simply cast a ballot for their preferred list. The legislators elected from single-member districts, together with those who won seats through the party-list vote, comprise an MMM system.

Just as the SNTV-MMD system, and the pork-barrel politics it encouraged, did not stop economic expansion and the growth of the Japanese middle class, the shift of the electoral system to an MMM one did not stave off economic stagnation. It is unlikely that the change in electoral systems contributed to Japan’s long recession of the 1990s and early 2000s; more likely, economic decline contributed to the malaise that encouraged political reform.12

In sum, the Japanese experience is another one of non-programmatic politics, persisting for many decades and producing not a poverty trap but at least coinciding with an historic experience of economic growth and development. There was much that was singular to the Japanese case, which was one less of clientelistic quid pro quos to individuals than of pork targeted towards towns or cities or towards narrowly defined sectors of workers. (Though it did not preclude acts of ‘constituency service,’ such as help getting a district resident’s son into university.)

2.4 Mexico

Between the mid-1950s and the 1970s, Mexico achieved robust and sustained rates of economic growth. This period was one in which the model of autocratic politics carried out by the Party of the Institutionalized Revolution [Partido de la Revolución Institucionalizada (PRI)], rested on clientelism, patronage, and vote fraud, operated at full throttle. (Though never unchallenged, guerrilla movements in southern Mexico and the student movement of the late 1960s were challenges to the PRI rule in this period.) Among the cases of machine politics and economic expansion considered in this essay, Mexico is one in which politics probably interfered most clearly with sustainable economic development.

The economic model was one of inward-looking growth, like that adopted by several of Latin America’s larger economies. Bolstered by the work of the Economic Commission on Latin America (CEPAL), under the leadership of Raúl Prebisch, Mexico pursued important substitution industrialization (ISI) policies. It imposed high tariffs on light consumer products and, eventually, on consumer durables and some capital goods. In the absence of sufficient capital investment by the Mexican private sector, the Mexican state stepped in, while also allowing multinational corporations behind the tariff wall. Oil and tourism industries permitted Mexico to delay some of the negative effects of ISI, among them the neglect of a range of export opportunities; exports were rendered less competitive by high effective domestic production costs. As Bulmer-Thomas

11 Campaign-finance scandals, as well as the frustration of younger Diet members who wished to focus on policy concerns rather than highly local, pork-barrel politics, lay behind the reforms (see Hideo 1996).

12 The proximate causes for the electoral-system reform that Japan experts point to include disputes within the LDP about reforms, corruption scandals, and a short-lived government made up of new reform parties that passed the reforms in 1994.
(2014) notes, even despite several advantages—beyond oil and tourism, the proximity to the United States and the state’s willingness to allow periodic devaluations of the peso—’the contribution of [Mexican] industry to foreign-exchange receipts was still minor’ (304).

In the first quarter century after the Korean War, inward-looking growth in Mexico produced the country’s own economic ‘miracle’. The average rate of growth of GDP per capita in the 1950s was 5.6 per cent; in the 1960s it was 7.1 per cent (Bulmer-Thomas (2014: 331). The Mexican middle class grew. Its members shared the consumption patterns of growing middle sectors everywhere: urban middle-class Mexicans consumed higher-quality apparel and footwear, radios and televisions, and even automobiles. Mexicans in this period also consumed domestically produced entertainment, from film to television to recorded music.

Eventually, the Mexican middle class would become restive under a political system that offered little choice and that displayed some of the outer trappings of democracy but without being especially democratic. But the key point for our purposes is that in Mexico—as in Britain, the United States, and Japan—clientelistic politics, pork, and patronage were not sufficient drags on the economy to put a stop to Mexico’s economic expansion.

The ruling party throughout this period of growth (followed in the 1980s and 1990s by contraction) was the PRI. It had its roots in the early post-Revolutionary period and in the redistributive and populist policies of Lázaro Cárdenas, president of Mexico from 1934 to 1940. The party which, under Cárdenas, expressed the social priorities of the ‘institutionalized revolution’ came under subsequent administrations to represent a mechanism for cooptation, separation, and control. In the decades after Cárdenas, the PRI staved off real political competition with a mixture of clientelism, patronage, and—when necessary—electoral fraud. The PRI ‘perfected the Mexican variant of clientelism, based on delivery of material resources, reciprocal political obligations, and ideological legitimacy (Shefner 2001: 594). Offers of public employment played an important role in the PRI’s continued support, as Magaloni (2006) explains.

The system came under severe strain during the debt crisis of the 1980s, set off by Mexico’s 1982 default on its sovereign debt. The administration of Carlos Salinas (1988–94) tried to offset the crisis and austerity, in part, with a large public spending programme, the National Program of Solidarity (PRONASOL). PRONASOL was a highly politically targeted spending scheme: ‘run out of the president’s private pocket, its beneficiaries are selected on personalistic and partisan grounds and, most fundamentally, it is immune from any democratic means of control or accountability’ (Dresser 1991: 3; see also Pérez Yarahauín n.d.; Molinar and Weldon 1994).

The 1980s held political challenges to the PRI that it had not faced in earlier decades. On the right, the Authentic National Party [Partido Auténtico Nacional (PAN)] achieved successes in state-wide elections, in particular in northern states. On the left, the 1988 presidential candidacy of Cuauhtémoc Cárdenas, son of Lázaro and erstwhile PRI governor of the southern state of Michoacán, had to be squashed by last-minute interventions in the vote count.

An arguably more effective push towards political reform came from within the PRI and from the accidental presidential candidacy of Ernesto Zedillo. Zedillo became the PRI candidate in 1994 after the assassination of the original candidate, Luis Donaldo Colosio. Zedillo showed disinterest in continuing the clientelism, pork, and fraud of his predecessors and guaranteed the acceptance of the party’s loss of the presidency in the 2000 election. Unfolding in a context of insurgencies and the 1995 currency crisis, Zedillo took a series of steps to unravel the PRI system and move towards the democratization of Mexico, including judicial reforms and a promised end to the dedazo, the informal rule by which the incumbent president selects his successor, who would then
go through the motions of running for president. Zedillo did not enjoy universal support for these reforms from within his party.

Regarding distributive politics, a shift away from clientelism and pork was visible during Zedillo’s **sexenio** in the adoption of the Progresa conditional cash transfer programmes. De la O (2015) shows that by both design and in practise, these programmes broke the mould of clientelism and pork-barrel spending, eschewing political criteria in the selection beneficiaries and going to lengths to sever the receipt of cash transfers from the political support of the PRI. It was just the desire of officials like Zedillo and Santiago Levy to reduce the inefficiency entailed in clientelism and pork in reaching the poor. The PRI lost its congressional majority in the 1997 elections, and Congress would not approve massive cash transfers to the poor unless the programme was designed in such a way as to keep it from becoming an electoral tool of the PRI. In this sense, as De la O (2015) demonstrates, Mexico’s experience foreshadowed the pattern throughout Latin America of constrained presidents overseeing better designed programmes. Ironically, she shows, politically neutral distributions of conditional cash transfers were good politics, driving up turnout and support for the PRI. This is distributive politics in a more Weberian mould.

Yet, neither policy innovation under the PRI’s last pre-democratic president, nor the shift of Mexico to a competitive party democracy, meant the final demise of clientelism. Vote-buying, even in its crudest forms, has survived. A recent strategy by PRI candidates has been to distribute cash withdrawal cards to voters, asking for their support and promising that they would be able to cash in the card for access to state programmes or to pay for groceries. The former was the strategy of the PRI’s candidate for the governor of the state of Mexico, Eruviel Ávila, in 2011. Competing campaigns brought suit with the Federal Electoral Tribunal, accusing the Ávila campaign of vote-buying. However, the Tribunal decided in Ávila’s favour, citing insufficient evidence that particular voter’s votes were bought. In 2012, the presidential campaign of Enrique Peña Nieto distributed cards that were supposed to be redeemable for payment for groceries.

All of this seems hugely anachronistic in the world’s 15th-largest economy, the second-largest in Latin America, in a country with a large middle class, excellent universities, and scientific infrastructure. Yet, it is another reminder that modernization and economic development can persist alongside extensive vote-buying, clientelism, and patronage.

**2.5 Italy**

The massive transfers to Italy’s Mezzogiorno region, during the post-war decades, failed to produce sustained development but succeeded, as mentioned, in producing a bloated public sector. Yet the post-war years were also ones of an Italian ‘economic miracle’. Between the outbreak of the Korean War and 1970, GDP in Italy grew by at least 5 per cent per year (Craft and Toniolo 1996). Italy transitioned from a mainly agricultural society to one sustaining a wide range of industries, oriented towards both domestic and export markets.

Italy’s transformation from a relatively poor agricultural society, which exported people more than manufactures, to a major world economy came despite political disadvantages. Its high politics were notoriously unstable and relied on broad but unsteady multi-party alliances. Large regional differences in economic well-being and democratic performance were not effaced by later developments; in Putnam’s (1993) renowned analysis, regional differences in outcomes in the 1970s were traceable to divergences occurring in the medieval regions of today’s Italy.

Politics in the southern cities of Palermo and Naples, as minutely described by Chubb (1981, 1982), featured political parties, in particular the Christian Democrats, offering public employment and campaign gifts in return for political support, right into the 1970s. A vivid image is the ‘pasta truck’,
which circulates in poor neighbourhoods of these cities during election campaigns, trading basic food for votes. Yet even these cities and their surrounding regions experienced an historic transition to modern economies—captured in Elena Ferrante’s (2015) novel, *The Story of the Last Child*, in which a character whom we first met as an impoverished, talented child in 1950s Naples is now, in the 1980s, running her own technology firm.

Vote-buying and unconstrained patronage are much less prominent features of Italian politics than they were in the middle decades of the 20th century, though they have not entirely disappeared. Political connections are still useful for securing public employment in some parts of the regional and even national bureaucracies. As late as 2004, the Italian Parliament found it advisable to pass a law barring cell phones into voting booths. Voters were found to be using the cell-phone cameras to snap images of their filled-out ballot, which they would then use to prove to a party broker that they had voted in the manner agreed upon (see discussion in Stokes et al. 2013).

But these cases were, by the early 21st century, exceptional. In a manner reminiscent of the Japanese experience, changes in political institutions and the party system discouraged clientelism in Italy. Italy passed the Mattarella Law in 1993, eliminating supermajority voting in the Senate. Reforms were aimed at encouraging a two-party system to replace the fragmented system that encouraged coalition governments of the centre and centre-left, which continued in place, seemingly whatever the outcome of any given election. In the background of the 1993 reforms was a major corruption scandal, known as the *Tangentopoli*, with its epicentre in Milan.

Electoral-system reform was seen as a cure for many of Italy's political ills, including:

- political fragmentation and consequently short-lived governments;
- governmental immobility and corruption, exacerbated by the absence of alternation in a centre-dominated system; and

The reforms broke the power of the Christian Democratic party [*Democrazia Cristiana* (DC)], the main purveyor of clientelism and patronage in Italy. Yet these shifts also occurred against the backdrop of a wealthier, more urban, and more independent voting population.

Hence, in Italy we hear echoes of the same story of development and the rise and decline of clientelism in 19th-century Britain, 19th- and early 20th-century America, and, in more recent decades, in Japan and Mexico. Economic development with widespread poverty and inequality initially encourages clientelism but, should development be sustained, ultimately undermines it.

3 Economic development undermines clientelism

Clientelism appeared not to be a poverty trap, at least in some countries over some key periods. In fact, in some settings there is evidence that the economic development that clientelism failed to put an end to helped kill clientelism.

Consider again the British experience. We reviewed earlier the crucial reforms of 1883, which effectively, and practically overnight, put an end to electoral bribery in Britain. The reforms were a model of parties’ agreement to self-regulate spending. But they might never have been embraced
had the effectiveness of electoral bribery not declined. To understand why it declined, we must turn to broad changes wrought on British society, as a consequence of the very process of industrialization and socio-economic development that we have been discussing.

Industrialization in Britain produced an electorate that was wealthier and more urban. If real wages in British manufacturing were indexed at 100 in 1850, by the time of the Corrupt and Illegal Practices Act, they had risen to 130. (By the end of the century, they would approach 160 on this index; see Hoppen 2000).

Successive expansions of the franchise, in 1832, 1861, and 1871, reduced the average income of voters. Yet the upward trend in incomes over time erased this effect and made the average voter increasingly costly to buy.

Industrializing Britain was also increasingly urban. Cox (1987) and Stokes et al. (2013) stress the fact that vote-buying does not scale up easily to large electorates living in cities. Residents are more mobile within cities; agents cannot so easily keep track of them. Cox notes that ‘a fixed amount of money would buy a smaller proportion of total votes in larger towns if the average price of the votes was not less. Even if the price of votes was less . . . the costs of arranging to bribe many more electors, not to mention the increased risk of being caught, made bribery a less attractive electoral option’ (1987: 57).

Indeed, the burgeoning cities of Manchester or Birmingham were rarely locations for electoral bribery. It was the small, ‘rotten’ boroughs, places like Beverly or Stafford, where complaints of bribery arose.14

Much the same can be said of economic growth and the decline—slow and episodic as it was—of machine politics in the United States. As a result of rapid economic growth and the growth of the middle class, by the middle of the 20th century, urban electorates were concentrated in what Banfield and Wilson (1963) call the ‘newspaper wards’. Their residents were relatively independent and had access to news and information, in contrast to the residents of the ‘river wards’, for whom the hod of coal or Christmas turkey had been effective for political mobilization.

Among the other historical experiences I have explored, the demise of machine politics in Japan and Italy was more closely linked to electoral-system reforms and rapid changes in party politics. Further research may help to clarify the connection between economic development and those reforms and with the decline of pork-barrel politics in Japan and of clientelism in Italy.

In Mexico, the connection is clearer. The demise of the PRI’s single-party dominance began in relatively affluent parts of the country, in the north and west. The initial push towards democratization was in large part a revolt of middle-class regions against corrupt machine politics that worked better in poor constituencies.

13 Kuo (2018) points to another link between economic development and the decline of clientelism in Britain and in the United States: pressure from business groups.

14 It is also worth mentioning a final effect of industrialization that encouraged British party leaders to abandon electoral bribery was changes in political communications, in particular the rise of the inexpensive, mass-oriented newspaper. The annual circulation of newspapers swelled from 16 million stamps in 1801 to 29 million in 1839 (Christie 1970, as cited in O’Gorman 2001: 75). Now candidates were able to communicate directly with large numbers of voters. The effect was to further encourage policy-oriented messages over the individualized treat as the basis of campaigning.
4 What’s wrong with the theory of clientelism and the poverty trap?

If many voters can exit the poverty trap under clientelism, what does this tell us about prior theories? The key result of the Robinson-Verdier (2013) model is that incumbents (patrons) can generate rents by offering voters public employment. If the patron can offer a wage that satisfies the voters’ participation constraint, the relationship will continue, with the voter receiving the wage and the patron receiving support and rent. If the wage the patron can offer does not satisfy the voter’s participation constraint, she will seek employment elsewhere, presumably in the private sector, and the political relationship between them unravels.

More broadly, machine politics that operate in the context of an economy with growing private-sector wages, and hence increasingly attractive private employment, will not persist. It is too simple to say that rising private wages undermined clientelism in all of the cases we considered—we saw that shifts in political institutions, pressure from business, and other factors played a role. But the ‘poverty trap’ is not inescapable—neither in theory nor in historical experience.

That the machine might be swamped by economic development and rising real private wages becomes that more compelling an explanation for the co-occurrence of clientelism and growth if we consider, again, that such growth may have been a factor in the emergence of clientelism in the first place. We saw hints of such a dynamic in Seymour’s (1970[1919]) account, cited earlier, of the impact of the Great Reform Act and its expansion of the electorate. Before 1832, ‘the great lords’ had ‘complete control of the small boroughs; after “the patrons lost their control to a large extent and must strain every nerve to influence the election; where they had before commanded, now they must buy (1970[1919]: 170)”’.

The shift from constituents who were, metaphorically, owned to ones who must be bought—and, later, to ones who must be persuaded—resonates with James Scott’s classic (1969) account of the transitions in contemporary developing countries. Scott discerned the same logic African, Indonesia, and South Asian polities in the 1960s as had been at work in America of the turn of the (19th to 20th) century. Both sets of citizens found themselves enmeshed in machine politics. The developmental sequence Scott identified begins with what he called Phase A, with political ties between elites and the people that were largely determined ‘by traditional patterns of deference’ (1969: 1146). This gave way, in Phase B, to ‘deference patterns’ that have ‘weakened considerably in a period of rapid socio-economic change’, necessitating ‘the widespread use of concrete, short-term material inducements to secure cooperation’.

Phase B is the phase of machine politics. In Scott’s (1969) scheme, machine politics—the product of ‘rapid socio-economic change’—is itself undone by further, rapid change. In Phase C, ‘New loyalties have emerged in the process of economic growth that increasingly stress horizontal, (functional) class or occupational ties. The nature of inducements for political support are accordingly likely to stress policy concerns or ideology’.

Hence, Scott (1969) reminds us that economic development is sometimes both a precursor to clientelist politics and an eventual cause of its demise. Viewed as a phase in this sequence, the coexistence of clientelism and growth—the fleeting power of the poverty trap—is more easily understood.
References


