

The vicious cycle of clientelism and state weakness

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V Congreso de Economía Colombiana
Universidad de los Andes
Septiembre 29, 2016

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- **Political incentives** key to help explain persistence of weak states
 - E.g., Acemoglu et al. (2013); Fergusson, Robinson, et al. (2016).
- This project: the prevalence “clientelism” may exacerbate incentives not to create a powerful state, and vice versa.

This project

- Hypothesis: A weak state and widespread clientelism are part of a political equilibrium with multiple feedback loops.
- Empirical evidence from a number of countries, with particular emphasis in Colombia (unique household survey).
 1. Rely on clientelistic vote buying as a key aspect of clientelism to measure its prevalence.

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 5. At least in Colombia, no social stigma of either behavior.
 6. An overview of some of the mechanisms and apparent empirical relevance.

Clientelism

Targeted benefits contingent on political support

- “Perverse accountability” (Stokes, 2005):
 - It is not citizens who punish politicians when they fail to fulfill their promises/programs in office, but politicians who may punish citizens for not supporting them.
- Emphasize:
 - Particularistic benefits. Delivered to a voter or his inner circle.
 - Quid-pro-quo. Excludes e.g. allocation of public funds to certain municipalities or geographical areas in hopes of obtaining electoral support (Stokes, 2007; Hicken, 2011).
 - Can be given to supporters and withdrawn from opponents
→ undermines the provision of public goods (Bates, 1981).
- “Support” may be broader than voting (activities, campaigning).
- Focus on clientelistic vote-buying: key, more concrete, and more likely to be interpreted equally by all respondents.

State capacity

Why paying taxes pays a central role

- Long tradition relates state capacity to the development of an effective tax capacity (See Besley and Persson (2009) for a discussion)
- Incidence of tax evasion is a good indicator of the state's enforcement ability and its capacity to mobilize resources.
- But also influenced by general trust in the state and compliance with the implicit 'social contract' in society: citizens pay taxes, the state works for citizens and delivers public goods.
- Therefore related to the state's *consensual strength* (Acemoglu, 2005).
 - Consensually strong states: not simply powerful (many dictators are).
 - Also legitimate power: actions respond to citizens' needs and demands.
- Here focus on this (more complete) notion of state capacity.

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Exploring the correlations

- Focus on correlation (we claim both directions of causality are at play!) between clientelism and state capacity around the globe.
- But account for unobservable selection (Altonji, Conley, Elder, & Taber, 2011; Oster, 2014).
- In all exercises, we compute:
 - Original *Altonji* ratio.
 - *Oster's* δ : corrected ratio.
 - * Roughly: ratio of unobservable to observable selection required to nullify the effect.
 - *Oster's* lower bound of effect of interest (onwards β *Oster*).
- Avoid “bad” controls.

Africa

- Fifth round of *Afrobarometer* survey.
- To capture clientelism:
 - *And during the last national election in [20xx], how often, if ever did a candidate or someone from a political party offer you something, like food or a gift or money, in return for your vote?*
- And as measure of state capacity:
 - *Here is a list of actions that people sometimes take as citizens. For each of these, please tell me whether you, personally, have done any of these things during the past year. If not, would you do this if you had the chance: Refused to pay a tax or fee to government?*
- 34 countries are included on the *Afrobarometer* survey and in 28 of them both questions were asked.
 - Burundi, Benin, Burkina, Botswana, Cameroon, Ivory Coast, Cape Verde, Ghana, Guinea, Kenya, Lesotho, Liberia, Madagascar, Mauritius, Mali, Malawi, Mozambique, Namibia, Niger, Nigeria, South Africa, Senegal, Sierra Leona, Tanzania, Togo, Uganda, Zambia and Zimbabwe.

Tax evasion and clientelism in Africa

	(1)	(2)	(3)	(4)
	<i>Clientelism</i>			
Tax Evasion	0.0718*** (0.0144)	0.0707*** (0.0141)	0.0602*** (0.0118)	0.0539*** (0.0111)
Age, Gender and Zone	No	Yes	Yes	Yes
Race fixed effects	No	No	Yes	Yes
Ethnic group fixed effects	No	No	Yes	Yes
Language fixed effects	No	No	Yes	Yes
Region Fixed Effects	No	No	No	Yes
Observations	44,234	44,234	44,234	44,234
Countries	28	28	28	28
R-squared	0.007	0.014	0.143	0.175
<u>Unobservable selection</u>				
<i>Altonji</i>		65.63	5.205	3.003
<i>Delta Oster</i>		1.870	6.578	7.089
<i>Beta Oster</i>		0.0358	0.0530	0.0483

Notes: Standard errors clustered to country level. * is significant at the 10% level, ** is significant at the 5% level, *** is significant at the 1% level.

- A one-standard deviation increase in tax evasion (0.4) is associated with an increase in clientelism 14.9% as large as the mean incidence and 6.5% of a standard deviation.

Asia

- Second round of *Asian Barometer* survey.
- To capture clientelism/quality of democracy:
 - *On the whole, how free and fair would you say the last national election was?*
- And as measure of state capacity:
 - *Here is a list of actions that people sometimes take as citizens. For each of these, please tell me whether you, personally, have never, once, or more than once done any of these things during the past three years. Refused to pay taxes or fees to the government.*
- 13 countries are included on the *Asian Barometer* survey and in 9 of them both questions were asked.
 - Japan, Korea, Mainland (China), Mongolia, Philippines, Taiwan, Thailand, Vietnam and Malaysia.

Tax evasion and clientelism in Asia

	(1)	(2)	(3)	(4)
		<i>Clientelism</i>		
Tax Evasion	0.0945** (0.0383)	0.0835** (0.0347)	0.0908** (0.0298)	0.0837** (0.0331)
Age, Gender and Zone	No	Yes	Yes	Yes
Language fixed effects	No	No	Yes	Yes
Country Fixed Effects	No	No	No	Yes
Observations	12,001	12,001	12,001	12,001
Countries	9	9	9	9
R-squared	0.002	0.016	0.024	0.071
<u>Unobservable selection</u>				
<i>Altonji</i>		7.537	24.54	7.755
<i>Delta Oster</i>		1.272	5.256	10.11
<i>Beta Oster</i>		0.0235	0.0792	0.0804

Notes: Standard errors clustered to country level. * is significant at the 10% level, ** is significant at the 5% level, *** is significant at the 1% level.

- A one-standard deviation increase in tax evasion (0.23) is associated with an increase in clientelism 7% as large as the mean incidence and 4.3% of a standard deviation.

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Measuring sensitive behaviors

2013 round of the Colombian Household Panel Survey

- Responses on clientelism and tax evasion may be plagued with social desirability bias.
 - Designed list experiments to measure both behaviors.
- List experiments:
 - Under plausible assumptions, uncover true prevalence of each behavior.
 - Plus can estimate extent of social desirability bias.

Measuring clientelistic vote buying

T1: “I will read a list of five (5) things people have in mind when deciding who to vote for. I want you to tell me how many of these five things you have taken into account when voting for a candidate. Do not tell me WHICH, ONLY HOW MANY”. Then respondents are handed a card with the following options:

1. The information about the candidate in the radio or television,
2. What you read about his government plan,
3. **The benefits, gifts, or jobs the candidate offered you in exchange for your vote,**
4. The conversations you had with your friends about the candidate,
5. The candidate’s party.

C1: Similar prompt and list, without sensitive item in bold.

C1,2: Asked directly: “Could you tell me if when deciding who to vote for, you have taken into account the benefits, gifts or jobs that a candidate offered in exchange for your vote?”.

Measuring tax evasion

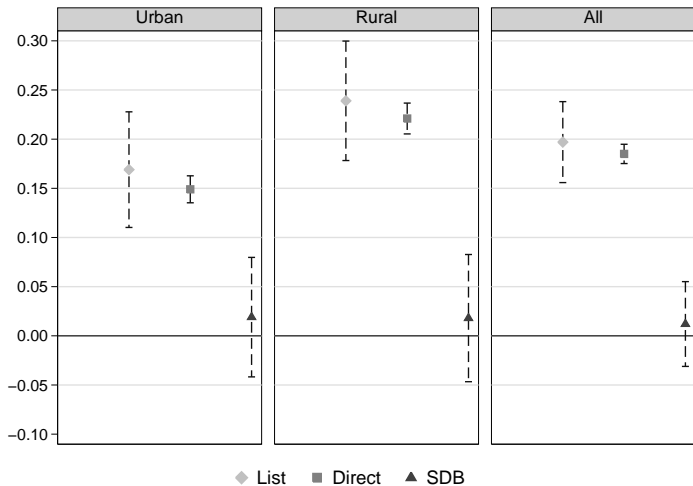
T1: “I will read a list of five (5) actions that people follow to save money when shopping. I want you to tell me how many of these five things you do regularly. Do not tell me WHICH, ONLY HOW MANY”. Then respondents are handed a card with the following options:

1. You choose the cheapest brand even if it is lower quality,
2. You wait for sales in the best brands,
3. You buy in cheaper outlets even if they are far from your home,
4. **You accept buying without a receipt, to avoid paying the VAT,**
5. You buy bulk.

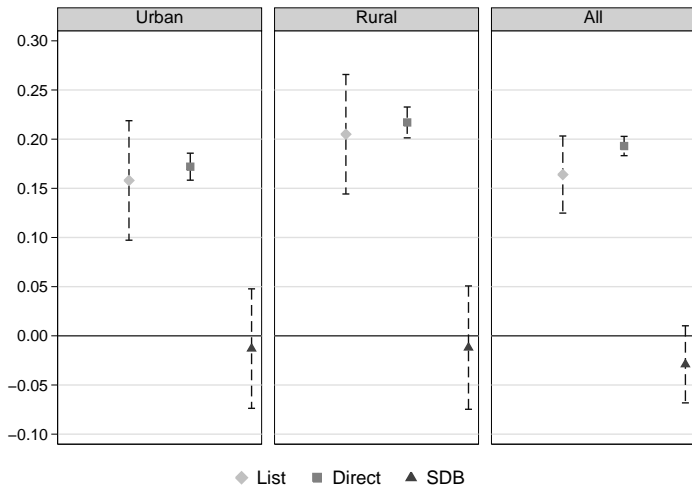
C1: Similar prompt and list without sensitive item.

C1,2 Asked directly: “Could you tell me if you normally accept buying without a receipt, to avoid the VAT” .

Clientelism: no social desirability bias



Tax Evasion: no social desirability bias



Correlation of both phenomena

OLS estimates of the relation between tax evasion and clientelism

	(1)	(2)	(3)	(4)	(5)
	<i>Clientelism</i>				
Tax Evasion	0.119*** (0.0180)	0.118*** (0.0181)	0.114*** (0.0176)	0.116*** (0.0173)	0.0804*** (0.0241)
Demographic controls	No	No	Yes	Yes	Yes
Geographic controls	No	No	No	Yes	Yes
Community fixed effects	No	No	No	No	Yes
Observations	3,259	3,228	3,228	3,228	3,228
R-squared	0.016	0.016	0.053	0.069	0.321

Unobservable selection

<i>Altonji</i>	27.04	63.01	2.131
<i>Delta Oster</i>	2.408	7.889	4.993
<i>Beta Oster</i>	0.0725	0.104	0.0686

Notes: Standard errors clustered to community level. * is significant at the 10% level, ** is significant at the 5% level, *** is significant at the 1% level.

A one-standard deviation increase in tax evasion (0.4) is associated with an increase in clientelism 17.5% as large as the mean incidence and 8.3% of a standard deviation.

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The seven sins

- Mechanisms whereby clientelism weakens a consensually strong state.
- To reiterate: the consensually strong state
 - Is an ideal type implying the capacity to raise taxes and provide public goods, but under the supervision and control of citizens.
 - Solves the fundamental dilemma of state power (a state powerful to deliver goods is also powerful to inflict harms (Levinson, 2014)) by making control and power complements:
 - More control \Leftrightarrow More capacity.

The seven sins

1. Preserving clientelistic parties comparative advantage.
2. ★ Personal over institutional links: Displacing formal relationships with the state.
3. ★ Personal over institutional links: Fragmenting society.
4. ★ Breaking the social contract: mutual justification on defaulting.
5. ★ Breaking the social contract: undermining the role of elections.
6. Powerful groups, not citizens, control the state.
7. Controlling with a small budget.

The seven sins

1. Preserving clientelistic parties comparative advantage.

The seven sins

2. ★ Personal over institutional links: Displacing formal relationships with the state.

Sin # 2: Displacing formal relationships with the state

Positive reciprocity

	(1)	(2)	(3)	(4)	(5)	(6)
		<i>Clientelism</i>			<i>Tax Evasion</i>	
Positive reciprocity	0.0916*** (0.0225)	0.0897*** (0.0231)	0.0576* (0.0297)	0.0220 (0.0331)	0.0220 (0.0330)	-0.0128 (0.0357)
Demographic controls	No	No	Yes	No	No	Yes
Geographic controls	No	No	Yes	No	No	Yes
Community fixed effects	No	No	Yes	No	No	Yes
Observations	5,095	5,046	5,046	5,398	5,347	5,347
R-squared	0.002	0.001	0.231	0.000	0.000	0.237
Unobservable selection						
<i>Altonji</i>			1.789			-0.369
<i>Delta Oster</i>			4.815			-1.196
<i>Beta Oster</i>			0.0480			-0.0233

Notes: *Positive reciprocity*: equals one if “totally agree” or “agree” with statement “You always have to help those who help you”. Standard errors clustered to community level. * is significant at the 10% level, ** is significant at the 5% level, *** is significant at the 1% level.

Sin # 2: Displacing formal relationships with the state

Negative reciprocity

	(1)	(2)	(3)	(4)	(5)	(6)
		<i>Clientelism</i>			<i>Tax Evasion</i>	
Negative reciprocity	0.0792*** (0.0142)	0.0793*** (0.0145)	0.0663*** (0.0166)	0.0820*** (0.0140)	0.0828*** (0.0142)	0.0665*** (0.0179)
Demographic controls	No	No	Yes	No	No	Yes
Geographic controls	No	No	Yes	No	No	Yes
Community fixed effects	No	No	Yes	No	No	Yes
Observations	5,095	5,046	5,046	5,398	5,347	5,347
R-squared	0.006	0.006	0.235	0.007	0.007	0.240
Unobservable selection						
<i>Altonji</i>			5.095			4.064
<i>Delta Oster</i>			12.09			9.744
<i>Beta Oster</i>			0.0623			0.0614

Notes: *Negative reciprocity*: equals one if “totally agree” or “agree” with statement “whoever harms me pays for it (*el que me la hace la paga*)”. Standard errors clustered to community level. * is significant at the 10% level, ** is significant at the 5% level, *** is significant at the 1% level.

Sin # 2: Displacing formal relationships with the state

Personally reaching a congressman

	(1)	(2)	(3)	(4)	(5)	(6)
	<i>Clientelism</i>			<i>Tax Evasion</i>		
Request a congressman	0.183*** (0.0259)	0.181*** (0.0258)	0.163*** (0.0312)	0.0459** (0.0203)	0.0440** (0.0202)	0.0553** (0.0234)
Demographic controls	No	No	Yes	No	No	Yes
Geographic controls	No	No	Yes	No	No	Yes
Community fixed effects	No	No	Yes	No	No	Yes
Observations	5,095	5,046	5,046	5,398	5,347	5,347
R-squared	0.018	0.017	0.242	0.001	0.001	0.238
<u>Unobservable selection</u>						
<i>Altonji</i>			8.905			-4.892
<i>Delta Oster</i>			8.813			-12.54
<i>Beta Oster</i>			0.157			0.0587

Notes: *Request a congressman*: equals one if answering "yes" to: "In order to solve some problems, have you ever requested help or cooperation from... a congressman or his collaborators". Standard errors clustered to community level. * is significant at the 10% level, ** is significant at the 5% level, *** is significant at the 1% level.

Sin # 2: Displacing formal relationships with the state

Personally reaching a mayor or local councilor

	(1)	(2)	(3)	(4)	(5)	(6)
	<i>Clientelism</i>			<i>Tax Evasion</i>		
Request a mayor	0.120*** (0.0153)	0.120*** (0.0149)	0.118*** (0.0175)	0.0463*** (0.0131)	0.0454*** (0.0131)	0.0312** (0.0148)
Demographic controls	No	No	Yes	No	No	Yes
Geographic controls	No	No	Yes	No	No	Yes
Community fixed effects	No	No	Yes	No	No	Yes
Observations	5,095	5,046	5,046	5,398	5,347	5,347
R-squared	0.017	0.017	0.244	0.002	0.002	0.237
<u>Unobservable selection</u>						
<i>Altonji</i>			88.43			2.201
<i>Delta Oster</i>			121.6			6.754
<i>Beta Oster</i>			0.118			0.0269

Notes: *Request a mayor* equals one if answering “yes” to: “In order to solve some problems, have you ever requested help or cooperation ... any local authority such as mayor or councilor”. Standard errors clustered to community level. * is significant at the 10% level, ** is significant at the 5% level, *** is significant at the 1% level.

Sin # 2: Displacing formal relationships with the state

Believing in democracy

	(1)	(2)	(3)	(4)	(5)	(6)
		<i>Clientelism</i>			<i>Tax Evasion</i>	
Popular vote	-0.0206* (0.0108)	-0.0204* (0.0110)	-0.0109 (0.0129)	-0.0518*** (0.0119)	-0.0523*** (0.0124)	-0.0357** (0.0167)
Demographic controls	No	No	Yes	No	No	Yes
Geographic controls	No	No	Yes	No	No	Yes
Community fixed effects	No	No	Yes	No	No	Yes
Observations	5,095	5,046	5,046	5,398	5,347	5,347
R-squared	0.001	0.001	0.231	0.004	0.004	0.238
Unobservable selection						
<i>Altonji</i>			1.140			2.139
<i>Delta Oster</i>			3.810			6.394
<i>Beta Oster</i>			-0.00803			-0.0306

Notes: *Popular vote* equals if “totally agree” with statement: “It is important that rulers are elected by popular vote”. Standard errors clustered to community level. * is significant at the 10% level, ** is significant at the 5% level, *** is significant at the 1% level.

The seven sins

3. ★ Personal over institutional links: Fragmenting society.

Sin # 3: Fragmenting society

Protests against state authorities

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
	<i>Clientelism</i>				<i>Tax Evasion</i>			
Protest 2005-2014	-0.0170** (0.00664)	-0.0301*** (0.00920)			-0.0165** (0.00708)	-0.0439*** (0.0104)		
Protest 2012-2014			-0.0182* (0.00972)	-0.0264** (0.0111)			-0.0235** (0.0103)	-0.0441*** (0.0138)
Demographic controls	No	Yes	No	Yes	No	Yes	No	Yes
Geographic controls	No	Yes	No	Yes	No	Yes	No	Yes
Municipality population	No	Yes	No	Yes	No	Yes	No	Yes
Observations	5,046	5,046	5,046	5,046	5,347	5,347	5,347	5,347
R-squared	0.002	0.045	0.001	0.043	0.002	0.014	0.001	0.012
Unobservable selection								
<i>Altonji</i>		-2.296		-3.237		-1.605		-2.137
<i>Delta Oster</i>		-4.802		-7.553		-0.858		-0.990
<i>Beta Oster</i>		-0.0342		-0.0289		-0.0531		-0.0512

Notes: *Protest* is the log of (one plus) the total municipal protests carried out against the government between 2005 (or 2012) and 2014. Standard errors clustered to community level. * is significant at the 10% level, ** is significant at the 5% level, *** is significant at the 1% level.

The seven sins

4. ★ Breaking the social contract: mutual justification on defaulting.

Sin # 4: Both sides mutually justified on defaulting

Beliefs about breaking the law

	(1)	(2)	(3)	(4)	(5)	(6)
	<i>Clientelism</i>			<i>Tax Evasion</i>		
Breaking the law	0.0245** (0.0108)	0.0252** (0.0110)	0.0172 (0.0136)	0.0353*** (0.0114)	0.0370*** (0.0115)	0.0325** (0.0138)
Demographic controls	No	No	Yes	No	No	Yes
Geographic controls	No	No	Yes	No	No	Yes
Community fixed effects	No	No	Yes	No	No	Yes
Observations	5,095	5,046	5,046	5,398	5,347	5,347
R-squared	0.001	0.001	0.231	0.002	0.002	0.238
<u>Unobservable selection</u>						
<i>Altonji</i>			2.134			7.263
<i>Delta Oster</i>			7.013			22.01
<i>Beta Oster</i>			0.0148			0.0312

Notes: *Breaking the law* equals one if “totally agree” or “agree” with statement: “To capture criminals, authorities should sometimes break the law”. Standard errors clustered to community level. * is significant at the 10% level, ** is significant at the 5% level, *** is significant at the 1% level.

Sin # 4: Both sides mutually justified on defaulting

Beliefs about bribery

	(1)	(2)	(3)	(4)	(5)	(6)
		<i>Clientelism</i>			<i>Tax Evasion</i>	
Agree with bribery	0.114*** (0.0174)	0.114*** (0.0179)	0.0888*** (0.0197)	0.0965*** (0.0158)	0.0968*** (0.0159)	0.0739*** (0.0188)
Demographic controls	No	No	Yes	No	No	Yes
Geographic controls	No	No	Yes	No	No	Yes
Community fixed effects	No	No	Yes	No	No	Yes
Observations	5,095	5,046	5,046	5,398	5,347	5,347
R-squared	0.010	0.010	0.236	0.007	0.007	0.240
Unobservable selection						
<i>Altonji</i>			3.547			3.232
<i>Delta Oster</i>			7.022			7.392
<i>Beta Oster</i>			0.0810			0.0669

Notes: *Agree with bribery* equals one if “totally agree” or “agree” with statement: “Considering how things are, sometimes paying a bribe is justified”. Standard errors clustered to community level. * is significant at the 10% level, ** is significant at the 5% level, *** is significant at the 1% level.

Sin # 4: Both sides mutually justified on defaulting

Taking justice into own hands

	(1)	(2)	(3)	(4)	(5)	(6)
	<i>Clientelism</i>			<i>Tax Evasion</i>		
Justice by herself	0.0481*** (0.0116)	0.0466*** (0.0115)	0.0249* (0.0132)	0.0784*** (0.0121)	0.0780*** (0.0120)	0.0566*** (0.0137)
Demographic controls	No	No	Yes	No	No	Yes
Geographic controls	No	No	Yes	No	No	Yes
Community fixed effects	No	No	Yes	No	No	Yes
Observations	5,095	5,046	5,046	5,398	5,347	5,347
R-squared	0.003	0.003	0.232	0.008	0.008	0.240
<u>Unobservable selection</u>						
<i>Altonji</i>			1.150			2.638
<i>Delta Oster</i>			3.682			6.848
<i>Beta Oster</i>			0.0184			0.0499

Notes: *Justice by herself* equals one if “totally agree” or “agree” with statement: “When the government does not punish criminals, it is okay that people take justice into their own hands”. Standard errors clustered to community level. * is significant at the 10% level, ** is significant at the 5% level, *** is significant at the 1% level.

The seven sins

5. ★ Breaking the social contract: undermining the role of elections.

Sin # 5: Undermining the role of elections

Party identity

	(1)	(2)	(3)	(4)	(5)	(6)
		<i>Clientelism</i>			<i>Tax Evasion</i>	
Party identity	0.0669*** (0.00998)	0.0671*** (0.0101)	0.0562*** (0.0125)	0.0445*** (0.0106)	0.0446*** (0.0106)	0.0214* (0.0125)
Demographic controls	No	No	Yes	No	No	Yes
Geographic controls	No	No	Yes	No	No	Yes
Community fixed effects	No	No	Yes	No	No	Yes
Observations	5,095	5,046	5,046	5,398	5,347	5,347
R-squared	0.007	0.007	0.235	0.003	0.003	0.237
Unobservable selection						
<i>Altonji</i>			5.178			0.920
<i>Delta Oster</i>			13.25			2.945
<i>Beta Oster</i>			0.0529			0.0143

Notes: *Party Identity* equals one if answering “yes” to: “Do you remember which party you voted for mayor of your city or municipality?”. Standard errors clustered to community level. * is significant at the 10% level, ** is significant at the 5% level, *** is significant at the 1% level.

Sin # 5: Undermining the role of elections

Persuasion

	(1)	(2)	(3)	(4)	(5)	(6)
		<i>Clientelism</i>			<i>Tax Evasion</i>	
Persuasion	0.123*** (0.0163)	0.126*** (0.0163)	0.125*** (0.0194)	0.0338** (0.0143)	0.0334** (0.0145)	0.0289* (0.0173)
Demographic controls	No	No	Yes	No	No	Yes
Geographic controls	No	No	Yes	No	No	Yes
Community fixed effects	No	No	Yes	No	No	Yes
Observations	5,095	5,046	5,046	5,398	5,347	5,347
R-squared	0.014	0.014	0.242	0.001	0.001	0.237
Unobservable selection						
<i>Altonji</i>			732.8			6.432
<i>Delta Oster</i>			947.7			19.91
<i>Beta Oster</i>			0.125			0.0276

Notes: *Persuasion* equals one if respondent had tried to convince others to vote for a particular party or candidate. Standard errors clustered to community level. * is significant at the 10% level, ** is significant at the 5% level, *** is significant at the 1% level.

Sin # 5: Undermining the role of elections

Ideology

	(1)	(2)	(3)	(4)	(5)	(6)
		<i>Clientelism</i>			<i>Tax Evasion</i>	
Ideology	0.0437*** (0.0111)	0.0449*** (0.0113)	0.0396*** (0.0151)	0.0316*** (0.0113)	0.0313*** (0.0113)	0.0116 (0.0138)
Demographic controls	No	No	Yes	No	No	Yes
Geographic controls	No	No	Yes	No	No	Yes
Community fixed effects	No	No	Yes	No	No	Yes
Observations	5,095	5,046	5,046	5,398	5,347	5,347
R-squared	0.003	0.003	0.233	0.002	0.001	0.237
<u>Unobservable selection</u>						
<i>Altonji</i>			7.614			0.588
<i>Delta Oster</i>			22.20			1.937
<i>Beta Oster</i>			0.0381			0.00565

Notes: *Ideology* equals one if respondent had a defined ideology (left, left-center, center, right-center or right) on the question: "Often, people speak of political leanings from left and right. According to the meaning that the terms "left" and "right" have for you, what political tendency sympathizes with you?". Standard errors clustered to community level. * is significant at the 10% level, ** is significant at the 5% level, *** is significant at the 1% level.

Sin # 5: Undermining the role of elections

Information sources

	(1)	(2)	(3)	(4)	(5)	(6)
		<i>Clientelism</i>			<i>Tax Evasion</i>	
Information sources	-0.0112** (0.00453)	-0.0111** (0.00461)	0.00216 (0.00592)	-0.0139*** (0.00373)	-0.0136*** (0.00376)	-0.00806* (0.00480)
Demographic controls	No	No	Yes	No	No	Yes
Geographic controls	No	No	Yes	No	No	Yes
Community fixed effects	No	No	Yes	No	No	Yes
Observations	5,095	5,046	5,046	5,398	5,347	5,347
R-squared	0.001	0.001	0.231	0.002	0.002	0.237
<u>Unobservable selection</u>						
<i>Altonji</i>			-0.163			1.461
<i>Delta Oster</i>			-0.548			4.806
<i>Beta Oster</i>			0.00611			-0.00639

Notes: *Information sources* is the sum of sources used (among radio, newspapers, internet magazines, books and television) to know about the country situation. Standard errors clustered to community level. * is significant at the 10% level, ** is significant at the 5% level, *** is significant at the 1% level.

The seven sins

6. Powerful groups, not citizens, control the state.
7. Controlling with a small budget.

To conclude

- Clientelism and state weakness reinforce each other in equilibrium.

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↑ State capacity ⇒ ↓ Clientelism ⇒ ↑ State capacity ...

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 - Critical juncture?

Thanks!

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