CHAPTER 9

A New Iron Law of Argentine Politics?

Ernesto Calvo and María Victoria Murillo[*]

As Argentina fell once again into economic recession and political crisis in December of 2001, President Fernando De la Rúa fled the Presidential Palace in a private helicopter. Food riots, protests, and severe repression resulted in half a dozen deaths, an unknown number of injured, and the burning of some of the National Congress' quarters. Harassed in restaurants, theaters, and even while walking in the streets, politicians escaped from public view while citizens banged pots and pans, shouting, "throw everyone out!" This demand united the middle class, who wanted access to their frozen bank deposits, with the unemployed *piqueteros,* who were demanding food and jobs from the state. As a result, for the second time in twenty years, economic crisis and political turmoil led to the resignation of a Radical president in Argentina.

Between 1983 and 2001, Peronists (Justicialist Party, or PJ) and Radicals (Radical Civic Union, or UCR) won two presidential races each, breaking the old "iron law" of Argentine politics: "only Peronists can win in free and open elections." However, the resignation of both Radical presidents before the end of their mandates hinted at a new regularity: non-Peronist candidates could win the presidency, but they could not govern effectively enough to hold onto it. As a result, the 2001-02 political crisis did not bring about a collapse of the party system as in Venezuela and Peru in the early 1990s. Indeed, although the PJ was divided into three presidential candidacies, it won the presidency and two thirds of the votes in the 2003 presidential election. In contrast, the Radical presidential candidate gained less than three percent of votes, while the combined total won by the two electoral alliances headed by former Radical candidates was thirty percent.

In this chapter, we explain the mechanisms that provide the Peronists with a comparative advantage in governing when they control the national executive, and in sustaining a competitive party machine when they are the opposition. In contrast, we show the difficulties faced by non-Peronist executives, who usually lack congressional majorities and hold only a minority of provincial governments. We explain the Peronists' advantage by focusing on the stability of their subnational electoral coalitions and their broader capacity to access and use public resources for electoral gain. That is, Peronists are more electorally effective in using patronage than are Radicals. Along with an electoral system that over-represents provinces where the PJ vote is concentrated, this comparative advantage in accessing and using public resources consolidates the Peronist control over a majority of provinces and municipalities even during periods when non-Peronists control the presidency. As a result, non-Peronist presidents are more likely to face policy gridlock and weak support coalitions. When this is combined with Peronists' higher capacity to control social mobilization, it explains why non-Peronist presidents do not finish their mandates.

The chapter is divided into five sections. First, we describe the competitive electoral market established since 1983, to show the Peronist advantages in winning and *retaining* provincial and local governments that provide leverage to Peronist presidents. We explain this advantage by focusing in the second section on Peronism's better access to fiscal resources, and in the third section on the better electoral returns Peronism obtains from investing in public jobs. In the fourth section, we discuss the implications of our findings for democratic governance in Argentina and we conclude in the last section with our contribution to the comparative study of patronage.

The Argentine Electoral Market

      Argentina sanctioned a federal and presidential constitution with a bicameral Congress

in 1853. This Constitutional design worked with relative stability until the first military coup

in 1930. The coup began a fifty year period of political instability, which eroded the state's

capacity to generate stable social expectations. From the time that universal suffrage for males

was established in 1912 until President De la Rúa's resignation in December of 2001,

Argentina had six elected presidents and another six military presidents ousted by military

coups. Only four presidents were elected by popular vote in free and fair elections and

finished their mandates: Radicals HipólitoYrigoyen (1916-1922) and Marcelo T. de Alvear

(1922-28), and Peronists Juan D. Perón (1946-1952) and Carlos Menem (1989-1995 and

1995-99).

      During the second half of the twentieth century, Argentine political instability has

been associated with the "iron law of Argentine elections" (only the Peronists can win

competitive elections) and a lack of partisan alternation of power except through military

coups. In this period, the Argentine party system was based on two loosely organized

political coalitions: those supporting the Peronist movement and those opposing it. The

Peronist party emerged in the 1940s from a coalition of urban working classes in the most

developed areas of the country, and local bosses in the most rural provinces.[1] The main

opposition to Peronism throughout this period was the UCR, a centrist party that emerged

from the urban vote in the early twenty century, and which traditionally represented the

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[1] Mora y Araujo (1980a), Smith (1980) and Llorente (1980a) discuss the electoral support for Peronism in the 1946 election when Perón was first elected president, showing the support of urban workers in the most developed provinces and a more multi-class alliance including the poor in the less developed provinces. Mora y Araujo (1980b) and Llorente (1980b) discuss the evolution of this dual coalition after Perón became president until he was reelected in 1973. They show the persistence of this dual support and Peronism's increasing gains in the less developed provinces.

middle classes in the most developed and urbanized provinces.[2] From its emergence in

1945 until 1983, the Peronist party won all national elections in which it was allowed to

run. This "iron law" of Peronist electoral victories has been used to explain Argentina's

recurring military coups in 1955, 1962, 1966, and 1976 (Cavarozzi 1987, O'Donnell 1973).

The return to democracy in 1983 marked the beginning of a period of democratic

stability, with competitive elections and effective power alternation in the national

executive. Two presidential elections were won by the PJ, and two by Radical candidates.

Raúl Alfonsín (UCR) was the first presidential candidate to break the "iron law" when he

defeated Peronist Italo Luder in 1983. That electoral defeat drove Peronism into a process

of internal restructuring that allowed it to win in the 1989 and 1995 presidential elections.

In 1999, Fernando De la Rúa, a Radical running as the candidate of a broader alliance,

defeated Peronist Eduardo Duhalde. This reinforced the image of a competitive electoral

market in Argentina. However, the resignation of both Alfonsín and De la Rúa before the

end of their terms signaled a "new iron law" in which non-Peronist candidates could win

the presidency, but could not hold on to it.

Peronism's Electoral Stability at the Subnational Level

To explain partisan differences in governability, we focus on the subnational

electoral coalitions that generate the different conditions affecting policy gridlock and the

stability of national electoral coalitions for the Peronists and the Radicals. Since the return

of democracy in 1983, during Peronist presidential administrations, the Peronists controlled

the Senate, even when they had lost the presidency, and both houses of Congress (1989-

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[2] The studies mentioned in the previous footnote compare the electoral coalitions of both parties. David Rock

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99). In contrast, non-Peronist presidents (1983-89 and 1991-2001), won national electoral majorities, but never controlled the Senate and only briefly held a plurality of seats in the lower house (Table 1).

Table 1: President's Party and Congressional Control

	1983-1985	1985-1987	1987-1989	1989-1991	1991-1993	1993-1995*	1995-1997*	1997-1999*	1999-2001*
President's Party	UCR	UCR	UCR	PJ	PJ	PJ	PJ	PJ	UCR-Frepaso
Number of PJ Deputies	111	98	99	120	124	127	131	119	99
Number of UCR-Alianza Deputies	129	129	114	90	84	84	90	106	120
Number of PJ Senators	21	21	21	28	28	28	39	39	39
Number of UCR-Alianza Senators	18	20	20	12	10	10	20	20	20

* The number of senators increased from 48 to 72. *Sources*: Dirección Nacional Electoral, Ministerio del Interior; Molinelli, Palanza & Sin (1999).

Second, Peronist politicians were more able than Radicals to win and retain control over provincial governments (Table 2). Since the return of democracy, two to seven Radicals have won in a given year's gubernatorial elections, while twelve to seventeen Peronists have won. Moreover, whereas the UCR has only maintained control over the governorship of Rio Negro in the four elections since 1983, the PJ has kept the governorships of eight provinces, thereby enhancing the stability of subnational electoral coalitions.

(1975) discusses the origins and evolution of the UCR.

Table 2: Parties Winning Gubernatorial Elections (1983 to 1999)

Province	1983	1987	1991	1995	1999
BsAs	UCR	PJ	PJ	PJ	PJ
Catamarca	PJ	PJ	Frente Cívico y Social (UCR)*	Frente Cívico y Social(UCR)	Frente Cívico y Social (UCR)
Córdoba	UCR	UCR	UCR	UCR	PJ
Corrientes	Autonomista Liberal	Autonomista Liberal	(federal intervention)	PAL/Partido Nuevo**	PJ
Chaco	PJ	PJ	Acción Chaqueña	UCR	UCR
Chubut	UCR	PJ	UCR	UCR	Alianza
Entre Ríos	UCR	PJ	PJ	PJ	Alianza
Formosa	PJ	PJ	PJ	PJ	PJ
Jujuy	PJ	PJ	PJ	PJ	PJ
La Pampa	PJ	PJ	PJ	PJ	PJ
La Rioja	PJ	PJ	PJ	PJ	PJ
Mendoza	UCR	PJ	PJ	PJ	Alianza
Misiones	UCR	PJ	PJ	PJ	PJ
Neuquen	MPN	MPN	MPN	MPN	MPN
Río Negro	UCR	UCR	UCR	UCR	UCR
Salta	PJ	PJ	Pdo. Ren. Salteño	PJ	PJ
San Juan	Pto. Bloquista	Pto. Bloquista	PJ	PJ	Alianza
San Luis	PJ	PJ	PJ	PJ	PJ
Santa Cruz	PJ	PJ	PJ	PJ	PJ
Santa Fe	PJ	PJ	PJ	PJ	PJ
Santiago	PJ	PJ	PJ	PJ	PJ
Tierra del Fuego	***	***	Mopof	Mopof	PJ
Tucumán	PJ	PJ	PJ	Fuerza Repub.	PJ
Total PJ	12	17	14	14	15
Total UCR/ Alianza	7	2	4	5	7

Sources: Ministry of the Interior.
* 1991 Intervention before the election
**PAL from 1993 to 1995 and Partido Nuevo from 1995 to 1997
***Tierra del Fuego was not a province.

Finally, the predominance of Peronists at the local level was so great that even in 1999, when they lost the presidency they won almost half the municipalities, whereas Alianza (a UCR-Frepaso electoral coalition) won only a third, despite its presidential victory. Additionally, different patterns emerge in comparing the richer and more populated metropolitan provinces in the center of the country, with the poorer and less populated ones of the periphery (Gibson and Calvo 2000). Whereas in the metropolitan

provinces the difference in the number of municipalities in 1999 was five to four in favor of Peronists, in the periphery, it was almost double.[3] This difference hints at the importance of electoral geography discussed below.

In short, Peronism's subnational dominance made political and legislative gridlock more likely to emerge under non-Peronist presidents, thereby contributing to the new "iron law" of governance in Argentina. As Jones and Hwang (forthcoming) have shown, the party that controls both Chambers is almost never rolled in a Congressional vote. However, both of the post-1983 Radical presidents, Alfonsín and De La Rua, lacked control of the Senate and consequently suffered important political setbacks when trying to pass labor legislation. In 1984, Alfonsín sent a bill to Congress to reform the corporatist trade union law that was defeated in the Senate. The failed reform prompted the reunification of the Peronist labor movement, which organized thirteen general strikes over the next four years, undermining the Alfonsín government's economic policies. Similarly, De La Rua sent a bill to reform labor legislation in 2000 and surprisingly obtained its approval from the PJ-controlled Senate. Soon afterward, however, allegations of the use of bribery use in overcoming gridlock and passing this legislation led to the resignation of Vice-President Carlos Alvarez and the subsequent dissolution of the governing coalition. As these examples show, divided government has often limited presidential power in Argentina, which is critical explaining democratic governance (or the lack of it) since the 1983 democratic transition. In the following sections, we explain the subnational dominance of Peronism by exploring the comparative electoral advantage of patronage spending.

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[3] The Peronists obtained 50% of municipalities in the metropolitan provinces and the Alianza 41% whereas in

Access to Patronage in Argentina: Electoral and Fiscal Institutions

Two different mechanisms worked to provide Peronism with an electoral advantage in controlling Congress and provincial governorships: (1) electoral rules, which over represented the sparsely populated provinces and restricted the entrance of third parties in those provinces and (2) the geographic concentration of the Peronist vote in these provinces. These two factors enhanced the party's access to fiscal resources so that it could maintain and increase its subnational dominance. Together, they explain Peronism's greater electoral stability and its better access to public resources.

Electoral Institutions and Geographic Over-representation

Argentina's electoral rules, established by military decree during the 1983 transition, benefit the less populated provinces. Twenty-four provinces serve as electoral districts for the 257 members of the Lower Chamber and the 72 members of the Senate (3 per province). Each province receives a number of lower house members (known as deputies) in proportion to the population, provided that no district receives fewer than five deputies or fewer legislators than its share during the 1973-76 democratic period. As a result, the provinces in the least populous quartile (Catamarca, La Rioja, San Luis, La Pampa, Santa Cruz, and Tierra del Fuego) have 3.9 percent of the population and 11.7 percent of the seats in the Lower Chamber (and 25 percent in the Senate). In contrast, the province of Buenos Aires, which has 39 percent of the national population, has 27 percent

the periphery the Peronists won 40% of municipalities and the Alianza 22%.

of the Deputies and three Senators.[4] Hence, due to malapproportionment in the lower chamber, a third of the population in the smaller provinces elects almost half the seats.[5]

Moreover, as a result of the closed party ballot with proportional representation system used for legislative elections, as well as population differences among provinces, the number of political parties with legislative representation ranges from more than six in the City of Buenos Aires to close to one in small provinces such as La Rioja and Santiago del Estero. Whereas the province of Buenos Aires elects 35 Deputies in midterm legislative elections, the other fourteen provinces elect only two or three. As a result, the party that wins 50 percent of the vote gets around 56 percent of seats in the large provinces, and 72 percent in the less populated provinces. The number of effective legislative parties decreases when provinces elect fewer legislators, because there are fewer seats to distribute. Therefore, a small number of parties in the least populated (and over-represented) provinces receive more seats per vote than a greater number of parties competing in the larger (and under-represented) provinces.

In short, the electoral system benefits the PJ due to the geographic distribution of its constituencies. It allows the PJ to win more seats per vote than the UCR and helps explain both the PJ's electoral advantage (in winning provincial governorships and senate seats regardless of the outcome of presidential elections), and its more stable lower house coalitions.

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[4] Prior to 1991, Tierra del Fuego was not a province and the City of Buenos Aires was a federal district. Prior to the 1994 constitutional reform, there were two instead of three Senators per provinces and an Electoral College elected the president whose members doubled the number of Senators and Deputies of every province.

Fiscal Institutions, Access to Public Funds and Peronist Bias

Electoral institutions and the Peronist vote's geography give the PJ a partisan advantage over the UCR. This gives greater access to patronage resources, which in turn foster subnational electoral stability. Peronists are more able than Radicals to extract and thereby utilize fiscal resources for electoral gain. This is due to the distributive nature of Argentina's federal institutions, and its provinces' territorially based income inequalities. That is, thanks to fiscal federal institutions, Peronist control of Congress provides the party with more resources for political spending, which provincial and local executives can use to maintain their incumbency.

Argentina's fiscal federal institutions have evolved since 1935 when the provinces agreed in Congress to delegate the authority for levying and collecting taxes to the federal government. Using a revenue-sharing formula determined by Congress, centrally collected resources are divided between the federal and provincial governments (see Eaton, this volume). As Eaton explains, during the democratic period, the share of GDP controlled by provinces grew whereas the federal share declined, even discounting public debt for both levels of government. Whereas the larger share of the fiscal pie received by the provinces gives an idea of the importance of provincial governorships for getting access to public monies, the Peronist advantage in obtaining fiscal resources is not only based on its broader electoral success at the provincial level, but also on the fact that the distribution of fiscal monies is biased in a way that favors Peronist-controlled provinces.

We show the existence of a pro-Peronist bias in the allocation of resources to the provinces using a pooled cross-sectional dataset of economic and political provincial

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[5] According to Samuels and Snyder (2001: 661-662), Argentina ranks twelfth in the world in lower chamber

indicators. Our analysis shows that Peronist-controlled provinces are able to extract greater

federal resources than their UCR counterparts, even when controlling for differences in

income, population, and over-representation generated by the electoral system.

The dataset includes cross-sections of the 24 provinces and the City of Buenos

Aires for the years of 1987, 1990, 1995, and 2000. Two years were under UCR presidents

(1987 and 2000) and the other two were under Peronist presidents (1990 and 1995).[6] In

order to test for the existence of a partisan bias in the allocation of fiscal resources, we

analyze the impact of the Peronist and UCR vote on (1) the *share of provincial*

expenditures financed by the federal government, and (2) the *relative share of fiscal*

resources (revenue-sharing) received by each province. The measurements of federal

government financing and relative revenue sharing ratio are similar to those used by

Gibson and Calvo (2000), Remmer and Wibbels (2000), and Saiegh and Tommasi (2000).

> *Share of expenditures financed by the federal government*: describes the percent of
> province *i*'s total expenditures financed by both revenue-sharing and other special
> transfers from the federal government.

> *The relative revenue sharing ratio*: Measures province *i*'s share of the total federal
> resources over its population share.

We then entered the PJ vote share and the UCR-Alianza vote share with the usual controls

for income, population, and overrepresentation.

The independent variables in the model include the UCR and Peronist vote for

province i and the usual controls for explaining revenue sharing and federal financing:

population share, income, and voting power by province i. Because the revenue sharing

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malapportionment and first in terms of higher house malapportionment. Cabrera (1996) and Gibson, Calvo,
and Falleti (2001) analyze the impact of electoral overrepresentation in legislative elections.
[6] While it would be preferable to also use 1985, a year in which the UCR held as many governorships as in
2000, data limitations lead us to use 1987. Given that a significant departure from previous revenue-sharing
strategies takes place in 1988, we think that the sample remains adequate.

formula in Argentine has population and income components, we introduce variables

measuring the median voter's income and the population of every province. To capture the

electoral power of different provinces we introduce a variable measuring the degree of

electoral over-representation of every province i's voter. The measure of over-

representation is the share of legislators in province i over the share of population of

province i, with larger values representing larger voting power. To render the results more

readily interpretable, natural logs were used for both the dependent and independent

variables.

Table 3 shows both positive and significant effects from the Peronist vote on both

the amount of federally financed expenditures and on revenue sharing. In fact, a 1%

increase in the Peronist provincial vote leads to a 0.28% increase in the percent of

expenditures financed by the federal government and a 0.39% increase in revenue sharing.

As expected, the analyses show a strong, negative relationship between the median voter's

income and both dependent variables: the share of expenditures financed by the federal

government and the amount of revenue-sharing received by the province. A 1% decline in

median income also leads to a 1.03% increase in federal financing and a 0.67% increase in

revenue sharing. Moreover, over-representation has a positive effect on the relative revenue

sharing ratio, thereby explaining why the four most populous provinces, which account for

67.4% of the population and 71.1% of the provincial share of the gross provincial product,

only received 44% of federal revenue transfers.

Table 3: Revenue Sharing, Federally Financed Expenditures, and the Peronist Vote

	Percent of Provincial Spending Financed by the Federal	Relative Revenue Sharing Ratio

	Government(ln)	
PJ Vote Share (ln)	0.28**	0.39***
	(0.11)	(0.11)
Al Vote Share (ln)	-0.04	-0.02
	(0.08)	(.07)
Median Income (ln)	-1.03***	-0.67***
	(0.17)	(0.17)
Over-representation (Dip)	0.03	0.07**
	(0.03)	(0.034)
Population (ln)	-0.20***	-0.44***
	(0.04)	(0.04)
1990	1.14***	0.44**
	(0.22)	(0.22)
1995	-0.02	0.45***
	(0.09)	(.094)
2000	-0.04	0.68***
	(0.09)	(0.09)
Constant	7.89***	7.77***
	(1.29)	(1.25)
R^2	0.63	0.869
N	87	87

Note: OLS estimates with standard errors in parenthesis. *Significant at the 0.1 level, **Significant at the 0.05 level, *** Significant at the 0.01 level. PJ vote describes the share of Peronist vote in Province i. Al vote describes the share of the Alianza vote in Province i. Median-income describes the median income of the economically active population (EPH, INDEC). Over-representation describes the share of representatives of province i over the share of population of province i. Natural logs allow quantities to be interpreted as relatives change, % of change in the dependent variable per 1% change in the independent variables (elasticities).

To summarize, Table 3 shows that, regardless of who the president is,[7] and even controlling for over-representation, Peronist-controlled provinces received higher levels of federal funding for their local expenditures and a larger share of revenue-shared resources than those controlled by Alianza (UCR-Frepaso).[8] By contrast, larger Alianza vote contingents have little impact on federal financing and the relative revenue sharing ratio. Hence, the impact of electoral over-representation and the geography of Peronist voters

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[7] The year dummies already reflect two Peronist administrations (1990, 1995) and two UCR administrations (the 1987 baseline, and 2000). The models presented were robust to different specifications, and Haussman tests conducted using a PJ president dummy and interacting with the PJ and Alianza vote share were not statistically significant.

[8] The dependent variables are UCR votes for the 1987 and 1990 elections, the addition of UCR and Frepaso votes for the 1995 election, and their coalition's votes for the 1999 election.

favor Peronist access to fiscal resources. As a result, the combination of the geographic distribution of Peronist voters and federal institutions give Peronist incumbents an advantage over Radical ones. Peronists gain access to 70% of all provincial expenditures and 69% of all provincial employment—equivalent to 945,000 public employees in 2001—and are thereby able to organize patronage to maintain their electoral predominance.

Comparative Advantages of Patronage in Electoral Returns

While the previous section establishes the PJ's advantage in accessing public resources for patronage, this section shows that not only do Peronists have broader access to public resources; they also use them more effectively to get re-elected. In other words, Peronist local incumbents get greater electoral returns from the same resources invested in patronage and are thereby more likely to keep their voters than are Alianza local incumbents. We explain the greater electoral efficiency of the Peronists' use of patronage by focusing on its constituencies' greater dependency on public monies, as well as on a partisan effect resulting from historical ties between Peronism and poorer constituencies.

Efficiency Advantages in Using Patronage at the Provincial Level

Using the same cross-sectional provincial dataset summarized in Table 3, we now turn our attention to explaining the national level impact of patronage on the PJ and UCR vote. As before, we pooled the votes for the UCR and Frepaso for the 1995 election. We also included dummies to estimate the effect of incumbency —for both incumbent governors and president—and introduce indicators of income, public employment, and changes in the effective number of competing parties.

The dependent variables shown in Table 4 are the *percent of congressional votes* obtained by Peronism (models 1 and 2) and UCR-Alianza (models 3 and 4) in every province i and year j. The explanatory variables are (1) Incumbent Governor, a dummy variable indicating wether the governor is Peronist or not (models 1 and 2) or UCR-Alianza or not (models 3 and 4); (2) Incumbent President, a dummy variable indicating whether the president is Peronist or not (models 1 and 2) or UCR-Alianza or not (models 3 and 4); (3) Median Voter Income, describing the median provincial worker's income, as reported by the Argentine Census Bureau (INDEC) in province i and year j; (4) Public Employment, describing the number of provincial public employees per 1000 inhabitants of province i in year j; and (5) Public Expenditures per capita, describing the gross provincial expenditure per capita in Argentine pesos for province i and year j. Finally, we use (6) the Lakso and Taagapera index of the effective number of competing parties to control for the change in votes expected in more competitive party systems.[9]

Table 4: Impact of Income and Employment on the Peronist and UCR-Alianza Vote

	PJ Vote	PJ Vote	UCR-Alianza Vote	UCR-Alianza Vote
Incumbent Governor	7.08***	6.88***	9.29***	9.06***
	(1.75)	(1.74)	(2.28)	(2.26)
Incumbent President	7.77*	13.82***	8.88*	12.45**
	(4.25)	(4.78)	(4.27)	(5.14)
Median Voter	-5.47*	-9.07***	4.93	7.23*

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[9] $ENCP = \dfrac{1}{\sum v_{(i)}}$, where $v_{(i)}$ is the share of votes for every party i.

Income (LN)	(3.2)	(3.52)	(3.46)	(3.8)
Public Employment per 1000 (LN)	6.65*** (1.89)	-	-2.20 (2.06)	-
Public Expenditures per Capita (LN)	-	6.58*** (1.79)	-	-3.35* (1.94)
Effective Number of Competing Parties	-23.97*** (2.45)	24.11*** (2.43)	-17.94*** (2.54)	18.06*** (2.51)
1995	5.69 (4.03)	-14.83*** (5.06)	5.36 (4.32)	10.49** (5.47)
2000	5.25* (2.08)	8.74*** (2.25)	2.82 (2.30)	4.60* (2.49)
Constant	78.66* (19.99)	103.39*** (19.96)	28.73 (24.62)	14.69 (25.16)
R^2	0.72	0.73	0.57	0.58
N	83	83	83	83

Note: Incumbent governor is a dummy variable that indicates a Peronist governor in the PJ equations and an UCR-Alianza governor in the Alianza equation. Incumbent president is a dummy variable that indicates a Peronist president in the PJ equation and a UCR-Alianza president in the Alianza equation. Public employment is a variable describing the natural log of the total number of provincial public employees per 1000 citizens for 1987, 1990, 1995, and 2000. Public expenditures indicates describes the natural log of the total expenditures in pesos for every province i in every year of the sample. Effective number of competing parties is a reduced version of the Laakso and Taagepera formula including only major parties.

 * $p<0.2$, **, $p<0.1$, *** $p<0.01$

   The OLS results in Table 4 show that changes in public employment and public spending are positively associated with Peronist vote gains and with UCR-Alianza losses. At the same time, both benefit from incumbency; an incumbent governor results in approximately 7% more votes for Peronists and approximately 9% for the UCR-Alianza. Controlling for incumbency, though, patronage benefits the Peronists more than Radicals. Public employment per 1000 inhabitants has a positive and significant effect for Peronists. A 1% increase in provincial public employment leads to a 0.066 percent increase in the Peronist vote. Hence, doubling the number of provincial public employees, from 5 percent of the economically active population (Buenos Aires) to 11 percent of the economically active population (Salta), should led to approximately 6 percent more votes for Peronism. By contrast, public employment is not statistically significant in explaining the UCR-Alianza vote, and public expenditures are negatively associated with the UCR-Alianza

vote. Thus, at the provincial level, higher spending in public employment does not give Radicals an electoral advantage.

Public expenditures per capita also have a substantial and statistically significant effect on the Peronist vote. Increasing public expenditures per capita by 1 percent leads to a 0.07 percent growth on the Peronist vote, showing a similar effect to that of public employment. This is not surprising, given that most provincial resources in the Argentine provinces are used to pay salaries. The effect, though, is not statistically significant for the UCR-Alianza vote. Therefore, once we control for incumbency benefits, investing in public employment provides the PJ with substantial electoral returns, but does not serve the UCR-Alianza as well.

In sum, we have shown that there is a different electoral return for investing in public employment and expenditures for Peronist as opposed to Radical incumbents. That is, the Peronists receive not only a larger share of fiscal resources, but also larger returns for every peso spent at the local level. The demographic characteristics and partisan linkages of Peronist voters explain the electoral differences generated by patronage for both parties.

The Demographic and Partisan Linkages of Peronist Voters

Although both PJ and UCR incumbents reap electoral returns from increasing public employment paid with those public funds, PJ incumbents also get more votes-per-buck than their contenders. The explanation for these differentials is related to the geographic distribution, demographic characteristics, and partisanship of Peronist voters.

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Whereas their geographic distribution in poorer and less populated provinces benefits Peronists with larger access to fiscal monies, their demographic characteristics make them more dependent on public resources and employment. The provincial data in Table 4 show the lower income voters' higher propensity to vote for Peronism, and higher income voters' tendency to vote for the UCR-Alianza. However, Table 4 also shows that greater public employment and public expenditures increase electoral returns for Peronism more than for Radicals, even when controlling for the economic dependence (income) of voters and the electoral bias introduced by geographic over-representation (effective number of competing parties). Thus, there is an effect that cannot be accounted for by income and geographic over-representation, which we attribute to the partisan linkages between the PJ and its constituencies.

The socioeconomic status and partisan allegiances of electoral constituencies comes from historical factors that cannot simply be accounted for by patronage. After social constituencies have established partisan allegiances with political parties, they generate social linkages beyond their dependence on public largesse. These allegiances, in turn, generate long-term expectations regarding the distributive consequences of incumbency in public, club and private goods, thereby reinforcing partisan loyalties. In Argentina, income and education have been predictors of alignment with Peronism because partisan identities have been rooted in deep socio-political and cultural cleavages since the 1940s (Ostiguy 1998, Mora y Araujo 1980). Informal networks and local subcultures reinforced these partisan identities, thus buttressing partisan expectations for the distribution of private goods (Auyero 2001). Peronists have a dense network of local activists that maintained partisan loyalties even when the party was proscribed (James 1988). The market reforms

implemented by President Menem in 1989 were expected to cause a political realignment but, as shown by Gervasoni (1998), Peronism did not lose its social base of support even after dramatically shifting from populism to neoliberalism. Electoral loyalty to Peronism remained associated with low socioeconomic status in terms of income, occupation, and educational level. In contrast, electoral loyalty to the UCR in the late 1990s was still associated with high socioeconomic status.[10]

These socioeconomic links between parties and their constituencies were further reinforced by the use of patronage. Both the PJ and the UCR use public employment to sustain these ties during the 1983-2001 period. Peronist-controlled provinces had lower average public wages, but public wages were higher than the alternative private wage for workers with low educational attainment than in non-Peronist provinces. As a result, public sector employment favored less educated workers more in Peronist than in non-Peronist provinces. Additionally, lower average public wages in Peronist-controlled provinces allowed governors to hire more public employees with the same budget constraints, thereby maximizing returns from patronage (Calvo and Murillo 2004:751-754). Thus, not only did socioeconomic linkages increase Peronist returns from public jobs, but these linkages were also reinforced by the distributive consequences of patronage.

Even though Menem's neo-liberal policymaking won the support of some formerly conservative and high-income voters in 1995, the traditional Peronist constituencies remained aligned with Peronism and showed few signs of deterioration. Levitsky (2003) shows Peronism's transformation from a party based on linkages to labor to one based on clientelistic

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[10] For the 1983, 1985 and 1987 elections, Catterberg (1989) shows that the Peronist vote was associated with lower socioeconomic status. For both the 1989 and the 1995 elections, Gervasoni (1998) finds that support for Peronism was associated with lower material wealth and education. Canton and Jorrat (2002) show the

machine politics, which enabled it to maintain its ties with the lower classes despite a shift

from populism to neoliberalism.[11] In his chapter in this volume, he shows the PJ's advantage in

adapting to market reforms based on its weak institutionalization and the dense local networks

that facilitate the distribution of clientelism. Along these lines, in examining patronage's

electoral returns for incumbents of different parties, we find a partisan effect, independent of

socioconomic status: Peronist voters rely more on public monies.

Democratic Governance in Argentina

We have shown Peronism's comparative advantage regarding access to fiscal

resources and the electoral returns derived from investing in public jobs. The combination

of electoral and fiscal federal institutions along with the geographic distribution of its

voters provided the PJ with more public resources than the UCR to invest in patronage. The

combination of the previously defined partisan linkages and demographic characteristics of

Peronist voters—which increase their dependence on public funds—explains why it gets

better electoral returns from its investment in public employment. In contrast, the UCR's

social composition of relatively wealthier constituencies, and its voters' geographic

concentration in the most populated provinces, reduces its access to public monies and

guarantees smaller electoral returns for engaging in patronage.

These two elements—better access to funds and better electoral returns from

investing in patronage—explain why Peronists and Radicals are bound to reap such

different benefits from public employment at the subnational level. It also explains why

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importance of party identification in explaining the vote in the 1999 presidential election in the metropolitan
area of Buenos Aires.

Peronist incumbents are more stable than Radicals. However, the positive effect of patronage for incumbents at the local level makes clear that Radicals are still a patronage-prone party, despite their comparative disadvantage.

The greater political stability of Peronist incumbents at the subnational level allows them to keep their legislative and provincial predominance even when they lose presidential elections. Therefore, we attribute the Peronists' comparative advantage in governability to the stability of their subnational coalition, which is based on both their greater access to patronage and their more effective electoral use of it. Electoral rules, fiscal federal institutions and geographic over-representation explain the PJ advantage in access to patronage. The characteristics of Peronist constituencies and their social linkages with the party explain the PJ's greater electoral effectiveness in using patronage.

The PJ's comparative electoral advantage at the subnational level makes legislative gridlock and policy stalemate more likely for non-Peronist presidents. Indeed, Peronist control of Congress after the 2001 midterm elections, and the resignation of Alianza vice-president Carlos Alvarez in October 2000 explain why, when De la Rúa quit the presidency, Congress selected Peronists Adolfo Rodriguez Saá (who lasted for a week) and Eduardo Duhalde as interim presidents.

As the events of 2000-2001 show, executive crises are not limited to policy gridlock; they may be triggered by extensive social mobilization. Both Alfonsín and De la Rúa suffered urban riots and the former also experienced fourteen general strikes during his administration. Social and labor unrest dramatically declined under their Peronist

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[11] Whereas McGuire (1997) provides a compelling description of Peronist social linkages based on public and club goods (such as social policy or benefits derived from union membership), Levitsky (2003) shows their evolution toward clientelistic ties based on party machines in the 1990s.

successors. The conditions of the crisis were established at the subnational level, but the crisis was triggered on the streets.

The Peronists also have an advantage in social mobilization based on the historical role of labor in the original Peronist coalition (Torre 1990). Gaudio and Thompson (1990) and Murillo (2001) discuss Peronist ties with labor unions and their effects on greater political unrest. However, economic liberalization under Menem reduced employment in the formal sector and weakened the labor movement as described in the introduction to this volume. The PJ adapted with Peronists activists organizing the informal sector into clientelistic networks, which could also be mobilized or used to control social unrest (Levitsky, this volume). This adaptation of the PJ allowed it to maintain its strategic advantage in controlling popular mobilization, as became apparent in its ability to control the massive riots that erupted in the last few days of Alfonsín and De la Rúa's presidencies.

The 2003 elections provided a new puzzle: why did the non-Peronist parties collapse, leaving their voters orphaned, while the Peronists survived the 2001-02 crisis? (Torre, this volume). Although the PJ fragmented into three presidential candidacies in 2003 (in part due to the high value attached to its partisan label), its three factions gathered 60% of the votes in the first electoral round, and no political outsider arose from the ashes of political parties as in Venezuela or Peru. In contrast, the UCR collapsed at the national level, thus relying on local incumbents—and patronage—to survive at the subnational level.[12] Meanwhile non-Peronist voters were left looking for new alternatives, such as the two new coalitions led by former Radical politicians: ARI on the center-left and the MFR on the center-right.

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[12] In May 2003, when its presidential candidate won less than three percent of the vote, the UCR still had 656 mayors, seven governors, 62 deputies and 22 senators, whereas the two coalitions led by former Radical politicians (ARI and the MFR) had only three mayors, 38 deputies, and three senators, *combined*.

We think that the same conditions affecting the stability of Peronist subnational electoral coalitions explain Peronism's higher electoral resilience and the difficulties for outsiders to succeed based on charismatic appeals (as Chávez did in Venezuela). That is, the combination of federalism and the use of patronage and clientelistic networks to reinforce partisan linkages enhanced both the PJ's resilience and the resistance of the Argentine political system to neopopulism. Constituencies receiving either public or private goods from parties with whom they have established linkages are less likely to be attracted by outsiders denouncing the political system. At the same time, federalism heightened the influence of subnational coalitions in defining governability at the national level. This combination of factors helps to explain why neopopulism has been less prevalent in Latin American countries with federal structures and extensive patronage use, such as Brazil and Mexico.

In Argentina, subnational governance explains both the strength of Peronist provincial governors, as well as why the three Peronist candidates in 2003, including former president Menem, were former or current Peronist governors. The importance of subnational politics—including both formal institutions and patronage—makes it difficult for political outsiders to overcome federalism in a national election and to centralize presidential power outside Peronism. The new "iron law" of Peronism is shaping the expectations of the electorate, as well as party machines.

Conclusions

Our findings inform our understanding of the distributive effects of patronage and its implications for democratic governance in comparative perspective. The literature on patronage has generally dismissed this partisan component because it associates the success

of clientelism with contextual conditions, but do not focus on subnational variation related to prior political allegiances and political institutions.

Public jobs are private goods that can be distributed to partisan constituencies in the absence of civil service rules. Patronage can serve to reward loyal supporters and their dependents through publicly provided income, whereas it also provides access to further resources that loyal supporters can distribute through clientelistic networks.[13] Hence, patronage distribution contributes to the stability of electoral coalitions by shaping expectations about future distribution of public jobs.[14] However, the electoral efficiency of patronage distribution hinges on the ability of political parties to access public jobs at different levels of government, and their constituencies' dependence on those jobs. As we show, these two elements can be unequally distributed among political parties within the same country. Partisanship provides national networks for differential access to resources that influence the ability of incumbents to distribute jobs, depending on the country's fiscal institutions. It also generates expectations among groups of voters about future distribution of resources, regardless of their dependence on those resources.

Patronage-based subnational electoral coalitions appeal to voters who are more dependent on public jobs and who are risk-averse in terms of changing their expectation about future patrons.[15] These voters expect that redistribution will continue to be spread

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[13] In describing clientelistic networks in Argentina, Auyero (2000: 165-166) discusses the case of a client whose husband received a public job as garbage collector and whose daughter was appointed as a municipal employee thanks to the recommendation of the patron who also held a position in the local administration. The networks of clientelism and public sector recruitment are enmeshed due to the absence of formal mechanisms of recruitment for public jobs.

[14] Cox and McCubbins (1986) show that patronage can serve to distribute resources to core rather than swing voters to maintain stable coalitions for risk-averse politicians. Kitschelt (2000) distinguishes between partisan coalitions based on programmatic and clientelistic appeals. However, Diaz-Cayeros et al. (2001) argue that politicians combine a portfolio that includes both public and private goods.

[15] The moral economy arguments explain the reasons for higher risk aversion in lower income individuals based on a minimum threshold of income rather than maximization of income (Scott 1976). Following Stokes

among local supporters of the party that has represented them in the past. That is, they attach their loyalty to political parties based on prior redistribution either in the form of public, club, or private goods and lasting expectations of continued redistribution, even if the portfolio of goods changes.[16] Indeed, private goods such as patronage can be used to sustain these distributive expectations.

Therefore, depending on the institutional structure and historical legacies of core supporters, pork-prone political parties have different (1) access to public resources, which depend not just on incumbency but also on fiscal institutions, and (2) constituencies, with different income expectations and labor market alternatives, based on the prior expectations of redistribution generated by the political party. Political parties with more dependent constituencies and further access to public jobs will have higher returns from patronage. We show that that parties' differences regarding patronage are not simply related to an original choice between programmatic and clientelistic linkages depending on their historical origin (Shefter 1994). Even among pork-prone political parties, there can be differences in terms of the electoral returns obtained from their investment on public jobs.

By focusing on the subnational level, we can keep constant the fiscal and federal institutions as well as partisan linkages defined at the national level. This focus also allows us to explain the competitive electoral advantage of parties that do not control the national government, but maintain stable electoral coalitions. It also allows us to show the result of

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and Medina (forthcoming), the logic of patronage as a risk-minimizing instrument for politicians (Cox and McCubbins 1986) can be extended to clients who prefer (or expect to receive) short-term private goods rather than public goods that may benefit them in the long run.

[16] Our findings support Stokes and Medina's (forthcoming) argument about the theoretical association between clientelism and large public to private sector ratios that increase the value of the government provided risk-free investment and do not contradict Diaz Cayeros et al's (2001) argument about the probability of different combinations of private, club and public goods depending on the contestability of the election and the importance of swing voters.

partisanship on electoral effectiveness of patronage within the same pork-prone political

systems, by emphasizing the variation in the demographic characteristics of constituencies

(demand side) and access to patronage and networks to carry it out (supply side). This

subnational focus of analysis thus allows us to demonstrate the importance of partisanship

in explaining the variation in the electoral effectiveness of patronage within a country.

Our argument implies that in countries where patronage is distributed at the

subnational level, formal institutions that define the share of resources available to

subnational incumbents as well as income, education and private sector alternatives for

constituencies influence the electoral effectiveness of patronage. To test these effects, the

ideal case study should have subnational electoral districts and previously defined partisan

linkages and fiscal and electoral institutions. Argentina provides an ideal case to test these

effects because it is a federal country with subnational electoral districts and whose fiscal

and electoral institutions were defined in periods previous to the one we study (the 1930s in

the former, and the 1976-83 military regime in the latter). Moreover, Argentine partisan

linkages are deeply rooted and were defined primarily by the distribution of both public and

club goods (and reinforced by cultural identities), rather than private goods. As a result,

Peronists could take advantage of these prior partisan linkages, along with the

demographics and geographic distribution of Peronist constituencies, when distributing

private goods like patronage.

We began this chapter with the puzzle of non-Peronists being able to win

presidential elections, but unable to govern until the end of their terms in office, calling it

the new "iron law" of Argentine politics. We explained this new "iron law" of Argentine

politics based on the Peronist comparative advantage in terms of subnational electoral

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stability. We have shown that Peronists are more likely to resort to patronage because they have a comparative advantage in getting votes from it. Subnational access to public jobs and constituencies' dependence on these jobs provide a partisan advantage regarding patronage that explains not only why patronage is not a dominant strategy for all incumbent parties (even at the same level of government), but also why some patronage-prone parties have greater difficulty achieving democratic governance than others in pork-ridden political systems.

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