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**The Cost of Political Competition:
Electoral Handouts in Mumbai Elections**

Abstract: This article examines the rationale for electoral handouts –gifts from candidates to voters during campaigns. The most common argument in the literature treats handouts as the first half of a monitored transaction for votes. Recent arguments suggest that handouts are not meant to “buy” votes, but rather serve other purposes. In this article, I argue that handout-distribution strategies can often be understood as prisoner’s dilemmas in competitive contexts. In contemporary Mumbai, most candidates shower voters with cash during campaigns. Since they cannot monitor voters, party workers see this as an uncertain strategy. But they also acknowledge that deviating from the handout strategy adopted by other candidates is risky. This is because handouts are believed to have *some* effect, including in the absence of monitoring, and because the presence of multiple gift-givers in a low information context makes gift-giving a dominant strategy. This illustrates that clientelistic strategies can survive in the absence of “machines”, and in the presence of high levels of political competition.

Keywords: India – Clientelism – Handouts – Elections – Political Competition.

1. The Question

Electoral handouts – gifts provided to voters during campaigns – are a common feature of elections in emerging democracies.¹ With a few notable exceptions², political scientists have interpreted handouts as the first part of a clientelistic *quid pro quo* exchange enforced by a party machine. According to these arguments, handouts constitute the first part of an exchange that requires recipients to engage in behaviors they might not have engaged in otherwise. Some studies suggest that handouts affect turnout among populations who receive them.³ Other arguments suggest that handouts also

¹ Schaffer, Frederic Charles. 2007. “Why Study Vote Buying?” In *Elections for Sale: The Cause and Consequences of Vote Buying*. Frederic Charles Schaffer, ed. Pp. 1–16. Boulder, CO: Lynne Rienner.

² Exceptions to this are: Björkman, Lisa. 2014. “You Can’t Buy a Vote: Meanings of Money in a Mumbai Election”. *American Ethnologist*; Kramon, Eric. 2016. “Electoral Handouts as Information: Explaining Unmonitored Vote Buying”. *World Politics*; Muñoz, Paula. 2014. “An Informational Theory of Campaign Clientelism: The Case of Peru”. *Comparative Politics* 47 (1), 79-98; Piliavski, Anastasia (2014). “India’s demotic democracy and its ‘depravities’”, in *Patronage as Politics in South Asia*, ed. Anastasia Piliavski. Cambridge: Cambridge University Press; Lawson and Greene (2014). “Making Clientelism Work: How Norms of Reciprocity Increase Voter Compliance.” *Comparative Politics*, Vol. 47, No. 1 (October 2014), pp. 61-77.

³Nichter, Simeon, 2008. “Vote Buying or Turnout Buying? Machine Politics and the Secret Ballot”. *American political Science Review*. Vol. 102, No. 1 February 2008. Other

influence the choices of voters, as in arguments about “vote-buying”.⁴ In both cases, a quasi-contract between candidates and voters is enabled by similar techniques: “brokers” who constitute the “machine” of candidates collect information on voters, and hence “monitor” their behavior. This monitoring allows machines to detect and sanction non-enforcement⁵, or to predict it.⁶ This makes “vote-buying” relatively efficient in spite of the secret ballot.

Yet the delivery of electoral handouts does not always square with this account, in spite of the popularity of studies on party networks in Argentina since Brusco et al (2003).⁷ In many cases, the political actors who deliver handouts do not monitor voters, either because they do not have “machines” that allow them to do so or because they choose not to. They instead distribute gifts in competitive environments in which multiple actors distribute gifts to overlapping groups of voters, and in which none of

examples however suggest that handouts are delivered to selectively *depress* turnout, as in Cox, Gary W. and Kousser, J. Morgan (1981) “*Turnout and Rural Corruption: New York as a Test Case*”. *American Journal of Political Science*, 25 (4). pp. 646-663.

⁴ Auyero, Javier. 2000. “The Logic of Clientelism in Argentina: An Ethnographic Account.” *Latin American Research Review* 35(3): 55-81; Brusco, Nazareno and Stokes (2003). “Vote-Buying in Argentina”. *Latin American Research Review*; Stokes, Susan. 2005. “Perverse Accountability”. *American Political Science Review* 99(3):315–325.

⁵ Brusco et al (2003), *ibid.*

⁶ Federico Finan & Laura Schechter, 2012. "Vote-Buying and Reciprocity," *Econometrica*, Econometric Society, vol. 80(2), pages 863-881.

⁷ Brusco et al (2003), *ibid.*

these actors monitors these fluxes of money. Recent studies about Kenya, Peru, and Mumbai suggest that electoral handouts may be at least as prevalent in such competitive contexts. Scholars have developed a variety of alternative arguments – insisting on the informational, relational and cultural role of handouts – to explain these patterns.⁸

In this article, I rely on qualitative data from a single case to show that another, so far overlooked explanation may account for handout-distribution patterns in competitive contexts. Building on Björkman (2014), I explore the rationale of gift-givers in several constituencies of Mumbai, over two different types of elections. In these constituencies, candidates and parties did not engage in the costly monitoring inherent to machine-based strategies. Yet, as I show below, all serious candidates showered liberal amounts of cash on poor communities during campaigns. While handouts were generalized, some of the candidates provided many more handouts than others, leading to dramatic differences in expenses across candidates.

These patterns raise two important theoretical questions about the motivations of gift-givers in competitive contexts such as contemporary Mumbai. First, what motivates candidates to provide handouts when they know that their competitors also provide them,

Frederico *Finan* & Laura *Schechter*, 2012. "Vote-Buying and Reciprocity,"

Econometrica, Econometric Society, vol. 80(2), pages 863-881;

⁸ Kramon (2016, *ibid*) and Muñoz (2014, *ibid*) argue that lavish spending provides relevant information about candidates. Björkman (2014, *ibid*) emphasizes the relation-building aspect of gift-giving. Piliavski (2014, *ibid*) and Lawson & Greene (2014, *ibid*) insist on cultural norms to explain the rationale of gift-givers.

and when they know that they cannot monitor the effects of these multiple fluxes of money? Second, why did some candidates deliver more handouts than others?

As suggested above, and as detailed in the ethnography I draw on in this article, “machine-based” explanations cannot explain these patterns: most parties do not have “machines” in Mumbai, including the Shiv Sena. Besides, political workers do not engage in much monitoring around elections. Drawing on observations and interviews of low-level party operatives, I also show that alternative explanations insisting on the informational, relational or cultural role of money, while they may explain why candidates without monitoring capabilities provide handouts, generally do not explain differences in spending, nor the manner in which handouts are delivered.

This leads me to propose a different explanation to explain the behavior of handout-providers in Mumbai, and beyond, in competitive polities in which handouts are common. I argue that prisoner’s dilemmas often explain the strategies of candidates in these contexts. While Mumbai political operatives see handouts as a highly uncertain strategy, they acknowledge that deviating from the strategy likely adopted by other candidates is exceedingly risky. Political operatives believe that some voters only vote for candidates who provide handouts, hence disqualifying those who do not. Second, political operatives assume that their competitors will provide them, and that this spending will reduce their own vote-share. This leads them to provide handouts to counter, or neutralize, the effects of their competitors’ handouts and minimize the chance that they lose an election because they did not bid on handout-responsive voters. In game-theoretical terms, the combined presence of handout-responsive voters and multiple gift-givers, in a context of limited information, makes gift-giving a “dominant strategy”

for all players. This strategic argument also explains why candidates end up spending different amounts: since candidates feel unequally vulnerable to handout-responsive votes, some need to spend more than others to neutralize their competitors.

This suggests that the delivery of handouts may owe to different rationales in different political contexts. It also illustrates how clientelistic strategies can survive in the absence of machines, and when levels of political competition are high. This calls for added sophistication in the literature on handouts and clientelism.⁹ Contrary to what has sometimes been argued¹⁰, it can be rational for candidates who face stiff competition and who do not have the ability to monitor voters to distribute handouts. In such context, these handouts however are defensive attempts at splitting the votes of handout-reactive voters rather than attempts at “vote-buying” *per se*. This also suggests that rising levels of political competition in India over the past thirty years may contribute to the omnipresence of handouts in the country today.

⁹ In addition to the aforementioned works on clientelism: Stokes, Susan, Thad Dunning, Marcelo Nazareno, and Valeria Brusco. 2013. *Brokers, Voters, and Clientelism: The Puzzle of Distributive Politics*. New York: Cambridge University Press.

¹⁰ Lehoucq Fabrice. 2007. In *Elections for Sale: The Cause and Consequences of Vote Buying*. Frederic Charles Schaffer, ed. Pp. 17–30. Boulder, CO: Lynne Rienner.

2. The Patterns: Handouts in Mumbai Elections

To explore handout-distribution strategies in Mumbai, I rely on a combination of long-term ethnographic observations and interviews of party operatives. In order to maintain the anonymity of the political operatives I followed and interviewed, I will refer to the neighborhood of greater Mumbai in which this fieldwork took place as Savli.¹¹ As detailed in online Appendix A¹², Savli is a very ethnically and socially diverse Assembly constituency¹³, and most importantly, one in which political competition has been fierce for decades. On each of these dimensions, Savli is thus not an outlier in Mumbai.¹⁴

As detailed in Appendix B (Methodological Note), these data were gathered over a period of 32 months, which included two elections: the 2014 legislative elections and the 2017 municipal elections. A combination of daily observations in two wards of Savli *during* these two campaigns and repeated interviews of political workers *in between* these elections allows me to uniquely document how handouts are distributed. It also allows me to estimate how much the main candidates spent on handouts in the Assembly constituency in 2014, and in two municipal constituencies – located within the Savli

¹¹ There is no constituency called *Savli* in Maharashtra. I also change every name in what follows.

¹² The online appendix will be available on the Author's website.

¹³ Savli counted as of 2014 over 450,000 inhabitants and over 350,000 voters, divided over eight wards and more than 300 polling booths

¹⁴ I discuss the external validity of my observations in the final section.

Assembly constituency – in 2017. Finally, this strategy allows me to discuss whether political workers thought these handouts to be effective.

How Were Handouts Distributed?

To answer this question, it is first necessary to clarify what fluxes of money I consider as handouts. I have defined electoral handouts above as gifts made during campaigns. Following this definition, some transfers between candidates and voters do not qualify as handouts: for instance, transfers that do not take place during campaigns, but in between, for which this expectation is less clear.¹⁵ In addition, I do not count as handouts the campaign-time transfers whose objective is explicitly *not* to influence their recipients. As noted in Author (n.d) and in Appendix C, a major share of the unaccounted funds spent during campaigns in India and in Savli is allocated to various wages, explicitly paid in exchange of tasks or work accomplished during the campaign. Since candidates and their entourage explicitly distribute these sums *in exchange for work*, and

¹⁵ Interviews suggest that gifts are sometimes delivered before the official campaign.

Candidates attending religious ceremonies and community gatherings in the year leading to the election may provide community-level or individual-level gifts, or sponsor meals, as described in Piliavski (2014). Since I focus on campaign periods here, I may be understating the importance of such events. Interviewees however overwhelmingly agreed that the bulk of handouts are delivered during the last few weeks of campaigns.

do not directly describe these sums as being related to influence, I do not treat these amounts as handouts.¹⁶

With these necessary clarifications in mind, observations and interviews – documented at greater length in Appendix D – suggest that Savli candidates deliver handouts in at least *two* different ways during electoral campaigns.

Candidates first provide lump payment to influential citizens (housing society presidents, temple or mosque association presidents, regional or caste association presidents, and union leaders). Accounts across party lines suggest that these transactions typically take place in the weeks leading to the elections. If not the candidate herself, usually a very close associate of the candidate – often even a family member – arranges for the delivery of the cash. A senior associate of candidate who knows the area often accompanies him. Interestingly, lower-level party workers were – much to their chagrin – almost never involved in these transactions, presumably because they could not be trusted. Because the lump sums received by locally influential citizens as part of this strategy were said to be enormous (in the order of 1000 rupees or \$15 per voter in their community), it is likely the case that the largest portion of the funds allocated to handouts were delivered in that manner.

Another, more basic type of handouts however existed in Savli, resembling patterns that are reportedly common in rural India.¹⁷ In addition to lump payments delivered to influential citizens, money from several candidates trickled down party networks, which led to gifts in kind (especially liquor) and cash handouts being showered

¹⁶ Though including them would not change my conclusions.

¹⁷ Vij, Shivam. “An Election in Matsura”, *The Caravan*, August 2010.

directly on voters in a secretive but relatively indiscriminate manner during the last few hours of the campaign. This indiscriminate distribution was restrained the poorest areas and the ones in which voters were the least organized. Because this is the only type of handout that authorities can hope to crack down on, observing such distribution was extremely challenging, as the lanes of Savli were filled with police the nights before polls. Discussions with party workers on Election Day however hinted at the fact that the much joked-about “rat meetings” during which such handouts are delivered had occurred at many locations in the hours leading to the opening of the booths.

These patterns suggest two important points. The first one is that both types of handouts were handled in a similarly secretive manner, contrary to what studies elsewhere in India have sometimes suggested (Piliavski 2014). While the risk of legal sanctions likely explains this secretiveness, interviews with political operatives suggest that it may also be due to the risk of social sanctions. This is because richer voters whom political operatives did *not* target with either type of handouts frequently expressed concerns about handouts, which they disapproved of. Insofar as each candidate’s electorate was in part constituted of such voters, handouts were best kept secret. The second fact is related: a vast majority of voters in Savli did *not* receive any electoral handout. There are two reasons to this: the first one is that only the poorest and most vulnerable communities (mostly, slums) were targeted. The second is that many payments never actually reached voters, since the local influencers who were targeted by candidates cornered much of the funds.

How Much Did Candidates Distribute?

How much did candidates spend on handouts? Estimates patiently collected from workers from all parties after the elections (see Appendix E for a description of the methodology behind these estimates) suggest that campaigns were prohibitively expensive, and that a large fraction of the funds spent during campaigns were spent on handouts.

Estimates provided by *Savli* political workers regarding the 2014 Assembly Elections suggest the following: the Shiv Sena candidate – a serious contender¹⁸ – had clearly spent the least amongst serious candidates, somewhere between 1 and 2 crore rupees¹⁹, a relatively small fraction of which (estimated at 19% on average, across our interviewees) had been spent on handouts. The BJP and INC candidates – also seen as serious contenders during the campaign – had spent far more: estimates vary from 1 to 5 crore for the BJP candidate, and from 2.5 to 6 crores for the INC candidate²⁰, with a more serious fraction of these amounts (40% and 42%, respectively) spent on handouts. Finally, the NCP candidate, who was *not* a contender at the beginning of the race – the NCP is traditionally very weak in *Savli* – but ended up with a vote share in the high single digits, surpassed all of these candidates, with estimates ranging from 9 to 16 crore

¹⁸ I refrain from providing final vote shares to maintain the anonymity of the study.

¹⁹ A crore is ten millions rupees. In dollar, that candidate thus spent somewhere between \$153k and \$306k, between 3 to 6 times more than the legal limit.

²⁰ That is, between 3 to 15 times the legal amount for the BJP candidate, and between 7 and 18 times the legal amount for the INC candidate.

rupees (that is, between 27 and 45 times the legal limit), most of which (64%) had been spent on handouts.

Table 1: Spending in Local Elections Across Candidates (based on subjective estimates).

Candidates*	Estimates of Total Spending	Estimated % of Total Spending on Handouts
<i>2014 Assembly Elections</i>		
1. Shiv Sena	rps. 1-2 crores	19%
2. INC	rps. 2.5-6 crores	40%
3.BJP	rps. 1-5 crores	42%
4.NCP	rps. 9-16 crores	64%
<i>2017 Municipal Elections, ward ABC</i>		
1. Shiv Sena	rps. 0.6 - 1.1 crores	36%
2. INC	rps. 2 - 3 crores	48%
3.BJP	rps. 2 - 3 crores	61%
4.Independent	rps. 0.4 - 1.5 crores	53%
<i>2017 Municipal Elections, ward DEF</i>		
1. Shiv Sena	rps. 0.4 - 0.6 crores	30%
2. INC	rps. 1 - 2 crores	65%
3. BJP	rps. 0.8 - 1.6 crores	44%

*Serious candidates (>10% final vote share).

While they are noisy, these estimates suggest that all the main candidates spent massively more than they were legally allowed to, and that they all distributed handouts. Besides, there were important differences across candidates. While the Shiv Sena candidate was described as a small spender in spite of the fact that he had massively exceeded legal limits, one candidate (the NCP candidate) spent far more than all other

candidates. His spending behavior had quickly earned him the reputation of a “money-power candidate”, since he had neither a pre-existing reputation as a politician to uphold (he was a wealthy developer by profession) nor a strong organization on the ground.

Estimates for the 2017 municipal elections in wards ABC and DEF – summarized in table 1 - suggest patterns consistent with these. In ward ABC, there were four serious contenders (one from each of the INC, the Shiv Sena, and the BJP, plus an independent), each of which ended with a vote share above 10%. Here again the Shiv Sena candidate had reportedly spent the least, with estimates ranging from 60 lakhs to 1.1 crore rupees (between 6 and 11 times the legal limit); the independent had reportedly spent between 40 lakhs and 1.5 crore rupees (between 4 and 15 times the legal limit). The INC and the BJP candidates had in all workers’ opinions spent the most, each between 2 and 3 crore rupees (that is, 20 to 30 times more than the legal limit). Estimates across interviewees from all parties suggest that these candidates had allocated between 36% and 61% of their inflated budgets to these handouts. In ward DEF, there were only three serious contenders (a BJP, a INC and a Shiv Sena). As during the 2014 Assembly elections and as in the election in ward ABC, all three candidates spent large amounts on handouts, with the Shiv Sena candidate spending the least of all.

The Conflicting Views of Political Workers

In the absence of disaggregated data listing handouts distributed in each area, estimating their effect is challenging. Whether vote shares correlate with spending provides us with a coarse sense of the efficiency of handouts. Yet this cannot provide a

clear answer, insofar as we do not know what vote shares candidates would have received had handouts not been distributed. Since they themselves lacked precise information, measuring the effect of handouts was similarly challenging for political workers. Interestingly, two conflicting views emerged in our exchanges with party workers, frequently over the course of the same discussion.

According to the first view, handouts only made a small difference. To illustrate this view, workers commonly referred to the fate of big spenders such as the NCP candidate in 2014: by far the biggest spender, he had finished fourth. A slightly more optimistic version of this argument suggested that handouts get candidates “*only a few additional votes*”. Of the 80 workers from all parties that my collaborators and I interviewed, not a single one estimated that handouts actually influenced more than 10% of the voters receiving them. The modal response was 2%. Workers justified this pessimism in two ways. They blamed the notables to whom candidates delivered lump payments for not fairly redistributing these resources, and hence for preventing these sums from having a greater impact on voters. Second, workers blamed recipients themselves, who had “gotten clever”. Having realized that there never monitored, they frequently accepted several handouts and “*betrayed*” candidates.

While this pessimism was common, many workers also insisted on the necessity of handouts, often over the course of the same discussion. While they mocked the NCP candidate, workers from all parties noted in repeated interviews that he had performed surprisingly well given his lack of experience and given the organizational weakness of his party, suggesting that handouts had brought him *some* votes. Many workers similarly noted that his score was unexpectedly high, given his absence of experience and political

background. More importantly, all continued to provide versions of a similar assertion, indiscriminately applied to all candidates: “*A lot of cash is necessary*”, “*Without cash one cannot win today*”, “*One needs crores in order to stand a chance today*”, etc. Rikhil, a BJP ward-level leader who had repeatedly complained about the inefficiency of handouts, also insisted on the inevitability of handouts:

“What can I say? Sadly, this is just the way it is now in politics. You HAVE to spend. There is no other way around this, at least right now. Even we, even with the Modi factor²¹, we might get wiped out if we did not [distribute handouts]. Few votes make the election, voters are independent and we like to take no risk”.

Aditya Yadav, a younger BJP ward-level leader, offered a more flourished metaphorical take on the same point, in a way that best summarizes the thoughts of many workers on campaign finance:

“Cash in elections is like putting gas in a motorbike. If you don’t put gas in the bike, you never get to your destination. But you do not get there faster if you put more gas.”

In light of the patterns exposed in this section, a robust explanation for handouts will need to explain why all candidates provided them, but also why some provided fewer

²¹ The “Modi factor” refers to the fact that Narendra Modi had won general elections only a few months before, in a landslide. Most observers thus saw the BJP as the likely winner of the 2014 State Assembly elections, which state-level results confirmed.

handouts than others. It also needs to explain why handouts were delivered in a secretive manner before polls. Finally, if workers' views are to be trusted, an explanation for handouts will articulate why they were perceived as necessary but never sufficient.

3. The Limitations of Existing Explanations

Existing arguments about electoral handouts have a limited ability to explain these patterns.

The Limitations of Machine-Based Arguments

It is hard to interpret these handouts as the first part of a clientelistic exchange monitored by party machines, since most parties in Savli did not have machines. While the *Shiv Sena* arguably resembles the well-oiled machines encountered in the comparative literature on patronage²², the other parties active in the constituency – the INC and the BJP – do not. There are several reasons to this. The first one is that these organizations rarely extend down to the booth level: even though local leaders routinely pretended otherwise, many booth-level positions remain either unfilled or poorly filled. As a result, neither the BJP nor the INC systematically had an “active worker”²³ able to

²² For an example, see Brusco et al.

²³ Party leaders at the local level differentiate between “active workers” (*karyakartas* in Hindi) and simple workers. As Rikhil, a local BJP leader put it during one of our conversations: “Active *karyakartas* are those who show up at every meeting, are

interact with voters in every polling booth during the 2014 and 2017 elections. More generally speaking, the number of active workers attached to these parties remained small compared to the overall number of voters. While ward-level party leaders we interviewed routinely claimed to control over a thousand workers (numbers comparable to those reported in Björkman 2014; that is, a worker for every fifty voters), our observations suggest that these numbers were shamelessly inflated. This numerical weakness made monitoring impossible in most areas. The second reason is that party organizations in Savli, in the few wards in which they actually extend down to the booth level, are ephemeral: while many party workers at the lowest levels continue to engage in “social work” between campaigns, most remain inactive, including many workers very active during campaigns. The third reason is that many of these workers switched allegiances in rapid fire or declined “political work” if better opportunities had emerged. More generally speaking, many of the individuals who ended up campaigning at the local level for these parties were better described as “freelancing brokers”, whose alliance to a party during a specific campaign was both circumstantial and non-committal. In line with this, boundaries between parties were very porous at the lowest levels of parties. In sum, as illustrated in our fieldnotes – a telling excerpt of which is reproduced in APPENDIX F –, the two parties that have alternatively won the *Savli* state assembly seat (The BJP and the

committed to the ideology of the party and are with us regardless. Others are people we know likely vote for us, but who do not necessarily want to work too much. These are people we try to involve at election time, so that they speak to others. But this is really limited to the few weeks during which we campaign...and usually we have to pay them something”.

INC) suffered from a number of weaknesses: the venal motivations of their workers, the porous nature of party boundaries at the local level, low levels of loyalty, and finally, weak control of party higher-ups over these workers. These weaknesses imply that most parties could not have monitored voters in most areas.

Candidates and their workers, including in areas in which they had stronger organizations, indeed did surprisingly little to monitor the behavior of handout recipients. Despite dogged attempts at documenting monitoring, our notes repeatedly illustrate the lack of meticulousness with which workers operated, including on Election Day:

In [area name], Election Day is quiet. [...] We spend time with the young guys who have been hired to hold “tables” for various parties [tables where electoral slips indicating where to vote etc. are provided by each party to voters]. These kids are not even karyakartas [party workers]. They do their job – find the slip corresponding to each voter – but they do not make any notes re. whom they gave those slips to. Nobody supervises them. [...] At night, after the polls have closed, we meet Fatima’s son, who was an electoral agent for the Congress inside the booth. He apparently did this for the money – he is supposed to get 1000 rupees from the party. When we ask him whether he has kept track of who came to vote, he answers that he did. But when we ask him if he has communicated this to anyone, he tells us that no one has asked, and that he has actually disposed of the files.

Repeated interviews with workers from all parties confirmed these observations about the weakness of monitoring strategies. While they were knowledgeable about city

politics, most booth-level workers remained unaware of the precise results in their own polling booth after the elections. When we asked them about the voting patterns of specific voters from their own booth area²⁴, they typically struggled: most were simply unaware of who had turned out to vote, let alone who these voters had selected. Besides, their tone implied that no such knowledge was usually *expected* of them.

Party higher-ups were equally ignorant about the behavior of individual voters, because they did not know these voters in the first place, and because booth-level workers never assembled systematic data for them to review. Most surprisingly, they did not pay much attention to booth-level results. When asked why they did not put more stock in that data to “sanction” targeted voters who had not even turned out (a common occurrence), most workers reacted with puzzlement, as sanctioning voters struck them as a terrible calculation. A combination of reasons was cited. Since handouts were often channeled through unreliable local leaders, candidates were first reluctant to blame anyone in particular. As mentioned by Srinivasan (INC): “*you may be angry at the leader who took your money, but there is no reason to be mad at voters. It’s probably not their fault*”. Shiv Sena workers did indeed recount tense meetings between candidates and local leaders after elections, but also noted that local influencers often got out of trouble by blaming voters of their areas for not implementing their part of the deal. Second, candidates had very imperfect information as to whether *other* candidates had provided handouts in a given area. Most workers we privately interviewed after elections admitted that candidates routinely got “fooled” by intermediaries pretending to deliver votes, only

²⁴ As done in Schneider, Mark. *Do Brokers know their Voters? A test of Guessability in India*. Unpublished paper.

to chase additional payments.²⁵ Third, party workers generally lacked a clear sense of voters' responsiveness to handouts. Not knowing whether voters really received handouts, how many candidates distributed them, nor what handouts' effect should be, the idea of sanctioning voters made little sense to workers precisely because they had no precise expectations of what their performance should have been.

Additional aspects of the handout-distribution process in *Savli* did not square with “machine-politics” arguments. Nothing for instance suggested that parties were channeling funds towards either *core* or *swing* voters.²⁶ Leaders could enumerate areas in which they would never deliver handouts: areas that were *very* strongly identified with one of the candidates (because they resided or had their office there) and areas in which voters were, according to Rikhil, “*too rich to be moved by gifts*”. But beyond these areas, our limited observations of targeting strategies suggest that each candidate targeted an extremely wide array of caste, regional and religious groups, with some surprising targets given the ethnic labels attached to these parties. By contrast, allocation decisions during campaigns were often strategic and defensive. In 2014, the INC candidate for instance spent a fair deal of money in a ward that was a likely stronghold for him (ward *ABC*),

²⁵ Repeated conversations with workers suggested that candidates and their entourage ran some sort of a background check before making community-level payments; most workers however agreed that even careful investigation could not guarantee that a deal was exclusive, and examples to the contrary abounded. For individualized payments (“untargeted last-minute handouts” above), no such verifications existed.

²⁶ As suggested in Stokes et al, *ibid*.

after he had been pressured to do so upon hearing about disproportionate spending by the NCP candidate in that area.

The Limitations of Informational, Relational and Cultural Arguments

Alternative arguments insisting on the informational, relational and cultural role of money in elections have emerged over the past few years. Several authors have argued that providing handouts allows candidates to signal their wealth, and hence their viability or competence (Kramon 2016, Muñoz 2014).²⁷ Along the same lines, Björkman (2014)²⁸ argues that cash spent by candidates during campaigns is not meant to buy votes, and suggests that it does not directly influence voters' choices. While she notes that handouts signal access to powerful networks, Björkman also suggests that they are "*productive and performative of sociopolitical networks that infuse everyday life far beyond Election Day*", which further implies that they have little to do with short-term cash-for-vote exchanges. Finally, Piliavski (2014) and Lawson and Greene (2014)²⁹ rely on norms to explain handouts. Piliavski (2014) suggests that voters in rural Rajasthan expect patronage, feasts or handouts from candidates to office, and are unwilling to support them if campaigns do not include such election-time redistribution. In another context, Lawson and Greene (2014) show that the existence of reciprocal obligations between candidates and voters makes handouts relatively safe from candidates' standpoints. In both cases,

²⁷ Full references above.

²⁸ Ibid.

²⁹ Ibid.

this suggests a cultural explanation for handouts: when it is the norm to exchange handouts for votes, candidates should be expected to engage in handout strategies.

While they explain some of the patterns listed in the preceding section, these alternative arguments cannot, however, explain *all* of them.

The fact that some of the funds were spent on generating loud and colorful crowds for campaign events would support informational arguments. Workers frequently thought it was necessary to spend large amounts to generate crowds “*because a small crowd would look bad*”, “*because the candidate would look weak*”, or “*because it is important to show that you have support*”. All of these statements suggest that establishing viability was a key concern for the main candidates. This interpretation also helps explain some of the variation across candidates. It for instance explains why the NCP candidate, a millionaire without a reputation, initially seen as a non-player, did spend much more than others in 2014: because his viability was not established, contrary to other “big” candidates.

Yet informational arguments do not explain many other patterns listed above. For one, they do not explain why Savli candidates secretively distributed handouts instead of spending their funds on more visible forms of advertising, including legal advertising. Besides, signaling arguments of this type do not easily explain the behavior of most candidates. They do not explain the behavior of candidates from established parties, especially the BJP and INC candidates, whose record or character were already known before elections in 2014, and who were obviously viable in upcoming elections, either because they belonged to the leading party or because polls had long predicted the victory of their party (in the case of the BJP candidate in 2014). It does not better explain why

Shiv Sena candidates tended to spend less than other candidates across elections in Savli.³⁰

The patterns described above are not entirely consistent with the idea that handouts are constitutive of long-term relationships (Björkman 2014). The timing and the manner in which handouts are distributed does not easily square with this hypothesis. The fact that candidates multiply gifts immediately before elections (“*for maximum effect*” according to one worker), often in the most secretive manner, is hard to reconcile with the idea that handouts are *not* meant to influence the behaviors of voters. Besides, this explanation does not square with the identity of the communities targeted by candidates’ gifts. If gifts were constitutive of long-term relationships between voters and leaders, we would expect candidates to deliver handouts neither to communities in which they had delivered little in the past nor to communities to in which they had recently delivered much. Yet both cases were common in Savli.

Cultural explanations can justify why *all* serious candidates delivered handouts before every election. They however fail to explain many of the patterns described above. Given the pessimism of political workers, it is hard to argue that candidates delivered handouts because they expected voters to follow reciprocal norms and vote for them upon receiving a handout, as suggested by Lawson and Greene (2014). Second, the fact that candidates only targeted *some* slum dwellers, and definitely refrained from such distribution in richer sections of Savli, is not coherent with the idea that voters *generally*

³⁰ While the Sena is generally dominant in Mumbai, it has not always been in Savli, and signaling the viability of the party’s candidate could have helped.

expect handouts from candidates (Piliavski 2014): if candidates distributed handouts because they knew voters to expect handouts, we would expect them to be much less selective in their distribution. Most importantly, cultural arguments of this type neither explain differences in amounts across candidates nor the reactivity of candidates to their competitors' spending: if voters generally expect handouts, why would some candidates provide them and not others? If voters generally expect handouts, why do candidates wait for their competitors to spend before they themselves do?

In sum, none of these explanations fully explains the handout-distribution patterns observed in Savli. In the following section, I argue that this is because these explanations do not take into account the competitive context in which handouts are often distributed. When multiple candidates distribute handouts, and when voters may receive several handouts, the motivations of the different candidates cannot be understood in isolation. Why then did all main candidates in Savli simultaneously provide handouts and frequently targeted the same areas? Why did they in turn spend different amounts?

4. Handouts as Prisoners' Dilemma

In order to explain the behavior of all candidates, a different explanation is needed. In a context of weak information and high levels of competition, I argue that candidates provide handouts because they fear that their competitors will provide them, and hence corner the votes of handout-responsive voters. Since few votes might tip the balance in tight races, candidates provide handouts in order to split the handout-responsive vote with their competitors.

This argument relies on three claims. The first one is that candidates have very imperfect information as they make decisions about handouts. Since most payments are indirect, they do not know the extent to which voters ever receive them. As summarized by Rikhil (BJP), “*one never knows whether voters really receive the handouts, and how many do.*” Second, they have imperfect information about the allocation decisions of their opponents – both *how much* they spend and *where* they distribute handouts. Ali, a senior INC worker very close to the candidate, best summarized this on the eve of the 2014 election, as his teams frenetically tried to keep track of rumors in the constituency: “*frankly we do not know anymore where they spend. We tried to keep track until last week, but so much has been spent now that we can only guess.*” Third, candidates have a very imperfect sense of voters’ preferences during the campaign, before they potentially receive handouts. While this was true of all candidates, even BJP candidates in 2014 and 2017 were measured in private interactions, since they widely described the electorate as “capricious” and young voters as uninterested. Fourth, workers have a very uncertain sense of voters’ responsiveness to handouts. This is precisely because political networks had never properly attempted to measure this responsiveness (“*how do you want me to answer this question*”, noted one frustrated interviewee, “*since we have never been able to keep track*”).

As a result of these multiple deficits of information, candidates take costly decisions about handouts with very imperfect information in hand. None of our interlocutors pretended otherwise. Party higher-ups such as Ravindran (INC) lamented the nerve-racking situations that this weak informational environment placed them in: “*this is a weird situation in India now. You spend so much, but even that cannot give you*

any comfort since many things could happen until the last minute". Booth-level workers such as Fatima, while less invested, were similarly puzzled by this equilibrium: "*these people [likely, candidates] are crazy. They spend without understanding anything about this place*".

The second claim on which my argument relies relates to candidates' beliefs about the efficiency of handouts. Even though they described handouts as risky and inefficient bets, workers we interviewed quasi-universally agreed that candidates were better off providing handouts, including in the absence of monitoring. While they typically described the rate of return on handouts as low, *none* of them described this rate of return as being either equal to zero or negative.

Most workers tied this remarkable ability to spend large amounts on actions seen as relatively inefficient to the fact that "*money is easy to find in Mumbai*" (Srinivasan, INC). Large sums are easily available to credible candidates from the main parties in Mumbai today. In light of high returns from office³¹, several types of actors are ready to provide generous funding to candidates of their choice. In Mumbai, developers and contractors hoping to influence zoning laws – or obtain contracts – are obvious examples.³² Because, once in office, the paybacks to be obtained from these candidates can be enormous, providing large funds to candidates during the campaign may be

³¹Chandra, Kanchan. 2015. "The New Indian State: The Relocation of Patronage in Post-liberalisation India". *Economic and Political Weekly*.

³²Vaishnav, Milan and Devesh Kapur. "Quid Pro Quo: Builders, Politicians, and Election Finance in India". Unpublished paper.

advantageous in the long run, even if costs in the short term are steep. In these conditions, candidates are likely to underestimate the cost of handouts *during* electoral campaigns.

This further increases the likelihood that they provide handouts.

While they agreed that easily available funds made careful deliberation about the efficiency of handouts superfluous, workers noticeably disagreed on the mechanism(s) that allowed handout-providers to receive a few additional votes. Some of the workers cited arguments similar to those formulated by authors highlighting the informational or the relational value of handouts: voters appreciate wealthy or generous candidates because they favor candidates perceived as viable, and because high spenders are more likely to be seen as such. Others suggested that handouts create a sense of reciprocity among voters.³³ Yet other noted that handouts provide other, longer-term benefits: big spenders may for instance find it easier to obtain a party ticket in subsequent elections. The absence of a common explanatory mechanism however did not prevent workers and candidates from agreeing that handouts help. In that sense, the reasoning that leads candidates to deliver handouts in Mumbai resembled the reasoning that leads candidates to overspend on advertising elsewhere: the absence of evidence that a strategy “works” and the absence of a clear explanatory mechanism for why it might work do not suffice to dissuade actors from having recourse to said strategy. Since there was no agreement as to why handouts helped, my argument remains agnostic on this point. It does not advance one of these hypotheses over the others. It simply states that all candidates perceived the handout strategy to yield some votes, at a very low rate of return. In that sense, it brings

³³ Hicken, Allen; Leider, Stephen; Ravanilla, Nico; Yang, Dean. 2015. Measuring Vote-Selling: Field Evidence from the Philippines, *The American Economic Review*, 105 (5).

informational and cultural arguments into a more strategic framework (with multiple distributors) more than it contradicts them.

Third, even if candidates generally believe handouts to bring (a few) votes, they also believe their rate of return on handouts to be heterogeneous across subgroups of voters, and to be null in some cases. Because of this, candidates are not always equal when it comes to transforming handouts into votes. The case of the Shiv Sena is here a case in point. While this was *not* the case of the other main parties, the SS remains, in spite of its recent mutations, a strongly polarizing force strongly associated with one specific ethnic group (Marathi voters). Because of this label, workers across party lines consistently described the party as being at a disadvantage when it came to handouts. Since most poor voters in Savli were either migrants (from the North, or from Tamil Nadu) or Muslims – groups that SS party leaders have explicitly excluded in the past –, workers across party lines agreed that SS candidates would be “100% fools”, in the words of a young SS worker named Srikant, to deliver handouts on a large scale. This is because non-Marathi voters receiving handouts from the SS would have been relatively unlikely to adapt their behavior, especially if they had simultaneously received other handouts.

Taking these three claims into account, the motivations of candidates should become clearer: if handouts are believed to provide an advantage to candidates who distribute them, if other candidates are widely suspected of delivering them, and if candidates generally lack information allowing them to predict vote patterns, we should expect all candidates who can mobilize funds to provide handouts, though not at equal rates. This should occur even if they are unable to monitor their effect, simply because delivering handouts provides candidates with a probabilistic chance at receiving some

handout-responsive votes. Bidding on these votes at least guarantees that they do not all go to the competition.

To understand why such equilibrium should be common, one may outline a possible model of voters' responsiveness to handouts in competitive systems (i.e. where multiple handout providers exist). Suppose, first, that only one candidate provides handouts. In this case, the probability that that candidate receives the votes of the voters she targeted increases by a factor of p , with $p \geq 0$.³⁴ This reflects an assumption that handout-responsive voters have a more favorable (or at least, unchanged) view of the handout-provider when they receive a single handout. By contrast, when several candidates distribute handouts, handout-responsive voters develop more favorable views of several handout-providers: their view of Candidate 1 increases by a factor of p , with $p \geq 0$, and their view of candidate 2 increases by a factor of q with $q \geq 0$. In this case, since both candidates are now more favorable in the voter's eyes, handouts essentially nullify, or at least reduce, the effect of competitors' handouts. In light of my third claim, it is important to specify here that p and q should fluctuate across groups, and that they should not necessarily be expected to be overall equal. This implies that within some groups, some candidates may benefit more than others when voters receive multiple gifts. Providing handouts in this context remains useful from a candidate's standpoint unless p or q are thought to be equal to 0 (which was in Savli arguably the case in some communities for the Shiv Sena), since any influence > 0 allows candidates to obtain part

³⁴ Again, the ratio of handout-responsive voters is likely very small in the first place. But that should not discourage candidates from bidding for these votes, since every vote counts in a tight race.

of handout-responsive vote. Wherever elections are tight and/or unpredictable, this strategy – however costly it might be – may appear necessary to candidates.

Simultaneous reasoning of this type on all parts can easily lead to a prisoner's dilemma: even if this is not their mutually best strategy, candidates provide handouts because each of them individually sees this as a dominant strategy, and because they are unable or unwilling to cooperate in a context of heated political competition.

This model explains the patterns listed above better than the alternatives. It explains why handouts were often delivered in a secretive manner late in the campaign: namely, because spending was often reactive to rumors about the spending of other candidates. It also explains why *leading* candidates – that is, candidates who presumably did *not* need to advertise their qualities as much as new candidates – kept spending during the 2014 and 2017 campaigns: because of uncertainty about the spending of others, and about its potential effects. In the absence of communication or information on other candidates, candidates provide handouts because they fear that other competitors will do so, and because *not* providing handouts can prove disastrous in a context in which vote margins are small and in which voting patterns are increasingly unpredictable. In that sense, leading candidates often distribute handouts in competitive contexts to avoid losing votes rather than to “buy” them. Finally, it explains why handouts are perceived as necessary but not sufficient to win elections. In this model, handouts never guarantee victory, in light of the many unknowns listed above. They however guarantee a fair shot at influencing the behavior of a small group of handout-responsive voters, crucial voters in a tight race. Finally, this model can explain differences in spending *across candidates*, and specifically, why the Shiv Sena spends – as is widely known around Mumbai –

remarkably less than its competitors during campaigns, in spite of the fact that it controls much of the city.

5. Beyond Mumbai

Beyond the case explored in this article, competitive polities should frequently lead to prisoner's dilemmas of this type if candidates attach a high value to "handout-responsive votes". This should be the case wherever leading candidates project that they do not have a large advantage over their opponents. Such pressure to provide handouts is also likely wherever the cost of handouts is low. This should especially be the case in polities in which elected officials are able to use their time in office to accumulate large private resources. Wherever these scope conditions are met, we should often see candidates trapped in prisoner's dilemmas.

Constituencies less competitive than Savli abound. In Mumbai itself, many such constituencies exist. In India, many rural constituencies remain dominated by a single partisan network resembling the old Congress pyramidal organization that once existed in most of India, whether this is in Orissa, Gujarat or the Northeast.³⁵ The literature on Latin America and Africa similarly describes contexts in which a specific party machine has managed to dominate the politics of a region for a several decades. In these cases,

³⁵ Wilkinson, Steven. 2007. Explaining Changing Patterns of Party-Voters Linkages in India. In *Patrons, Clients, and Politics: Patterns of Democratic Accountability and Political Competition*, edited by Herbert Kitschelt and Steven I. Wilkinson. Cambridge: Cambridge University Press.

stronger party networks and an ability to gather information about voters and competitors likely lead candidates to distribute handouts for a reason different than the one exposed in this article.

But the politics of Savli also resemble the politics of many constituencies, in India and elsewhere. Emerging democracies are – among other attributes – known for fairly high levels of electoral volatility.³⁶ Volatility, especially if it is combined to demographic growth and to rising levels of literacy, implies that parties do not control voters as well as they once might have, and that they cannot push a form of “perverse accountability” on them.³⁷ But volatility also suggests that candidates feel increasingly uncertain about their likely vote share during campaigns, and increasingly threatened by their competitors. This uncertainty may lead candidates to distribute handouts for the reason outlined in this article: when an election hangs on few votes, candidates are unlikely to stay idle if they perceive that others are doing more than they are to influence voters. Bidding on a handful of votes at a high cost may be rational when campaign costs can easily be recouped.³⁸

The prohibitive cost of handouts should logically lead candidates to change strategy in the long run. As noted by Stokes et al (2013)³⁹, candidates face incentives to

³⁶ Mainwaring, Scott and Mariano Torcal. “Party System Institutionalization and Party System Theory After the Third Wave of Democratization”. In *Handbook of Party Politics*, eds. Richard Katz and William Crotty. 2006. London: Sage.

³⁷ Stokes (2005, *ibid*)

³⁸ Chandra, *ibid*.

³⁹ Stokes et al, *ibid*.

engage in alternative campaign strategies when their cost spirals up. This however supposes that a better strategy than the one involving handouts actually exists.

With time, some candidates may be tempted to build organizations allowing them to gather better information on voters or to better track the expense of their competitors – the BJP currently appears to be engaged in such efforts throughout India. Yet if competition and instability remain at their current levels, party higher-ups are not likely to be able to recruit many loyal, dedicated workers. As a result, it may not necessarily constitute a cost-effective move for the party to engage in such party development. Besides, even if they could recruit influential workers, this should not entirely remove the dilemma that candidates currently face. Knowing *where* their competitors provided handouts should not discourage them from providing handouts themselves. Since there are constraints on their spending, this information should help them better *allocate* these handouts, towards areas in which they believe their competitors have *not* provided handouts.⁴⁰ The logic enunciated here should however remains the same in aggregate: assuming candidates want to receive the highest possible share of the handout-responsive vote – which should be the case in a competitive constituency –, they should be better off providing handouts to counter the potential effect of other candidates' handouts.

Programmatic strategies appear just as unlikely to become dominant among an electorate that remains overwhelmingly poor and in need of access to basic, local services. In this context, a possible route for elected representatives might be to develop a

⁴⁰ In this case, as each candidate strives to best allocate their funds across locations, the situation should resemble the set-up of a *colonel blotto* game rather than that of a prisoner's dilemma.

reputation for non-discriminatory constituency service⁴¹, and to hope that voters respond to it. But this also may be a costly strategy. Besides, none of these alternative campaign strategies are *incompatible* with handouts. As politicians adapt to a more uncompetitive, and hence more uncertain environment, we should in fact expect them to *combine* strategies. As long as competition is as intense and unpredictable as it is in India, candidates should see handouts as necessary assurances, in spite of their apparent inefficiency. A dangerous cocktail of political competition, poor voters and easy access to campaign finance should thus, in all likelihood, continue to fuel the distribution of handouts in Mumbai and much of India, at least in the short run.

It is difficult to imagine how candidates could coordinate away from handouts in the hyper-competitive environment I have described. In a very competitive system, it is unlikely that leading candidates feel confident enough to simultaneously move away from handouts. In that sense, political competition creates a vicious circle for leading candidates. As long as returns from office remain high and politics competitive⁴², political aspirants should continue to be able to raise funds to bid on the votes of handout-responsive voters.

These discussions, and the case of Savli, contribute in several important ways to the literature on clientelism and “vote-buying”. The evidence presented here first suggests that handouts *can* survive in the absence of “political machines”, and in the presence of high levels of political competition. This calls for added sophistication in the

⁴¹ As described in Bussell, Jennifer (2014). “Representation Between the Votes: Informal Citizen-State Relations in India”, unpublished paper.

⁴² Ibid.

literature on electoral handouts and clientelism. Contrary to what has sometimes been argued⁴³, it can be rational for candidates who do not have the ability to monitor voters – but face tough competition – to distribute handouts. This evidence also provides us with additional micro-level evidence about the various forms that clientelism might take.⁴⁴ In Savli, a number of key transformations –the ever greater number of candidates and parties, the high anti-incumbency, as well as rising rates of literacy and independence amongst the electorate have led to ever-weaker party organizations and to high levels of competition. These conditions have rendered machine-driven clientelism impossible. This does not however imply that they have rendered all strategies associated with clientelism – for instance, handouts – obsolete. Much to the contrary, rising competition and a progressive loss of control over voters here appears to have made handouts a more urgent need for candidates unsure of how to influence voters.

⁴³ Lehoucq, *ibid*; Stokes et al, *ibid*.

⁴⁴ Schaffer, *ibid*.