

# Disloyal Brokers and Weak Parties

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**Abstract:** *This article shows that the disloyalty of political brokers causes party fragility. Lacking distinctive brands, organization, and activists to mobilize individuals, parties “hire” local notables to broker votes among a local, nonpartisan constituency. However, brokers may be unreliable agents, regularly changing political allegiances in search of better returns for their brokerage among the module of voters they control. This free agency from brokers hinders durable party–voter linkages and results in electorally vulnerable parties. Measuring how brokers influence parties is empirically complex, but taking advantage of the fact that in Brazil these agents are also local candidates, this article demonstrates the negative electoral consequences of brokers’ free agency on party performance. Natural experiments and an unexpected, temporary institutional reform that discouraged disloyalty for brokers demonstrate this relationship.*

**Replication Materials:** The data, code, and any additional materials required to replicate all analyses in this article are available on the *American Journal of Political Science* Dataverse within the Harvard Dataverse Network, at: <https://doi.org/10.7910/DVN/BPON3K>.

Political brokers are crucial for mobilizing voters for political parties in the developing world (Baldwin 2013; Gingerich 2014; Holland and Palmer-Rubin 2015; Koter 2013; Larreguy, Marshall, and Querubin 2016; Stokes et al. 2013; Zarazaga 2014). Local intermediaries are the best hope for rapid electoral success when parties lack a distinctive political platform, do not enjoy consistent support of activists, have no connection to social organizations, or are unable to credibly commit to clientelistic campaign promises (Keefer 2007; Keefer and Vlaicu 2008; Kitschelt and Kselman 2013; Robinson and Verdier 2013). In such cases, parties can depend on community organizers, ethnic chiefs, local bureaucrats, neighborhood leaders, patrons, *caciques*, local politicians, and other notables to act as brokers and close the gulf between party politicians and voters.

Brokers, however, can be disloyal, acting more as free agents in a market with a bloc of voters to “sell” than as committed activists. From the perspective of the party, these brokers are useful because they control a private constituency or a module of nonpartisan voters who can readily help party candidates win elections. However, when multiple parties need brokerage to win elections, only the one offering the most attractive incentive

package will gain the support of a broker. Since parties’ relative ability to hire brokers may fluctuate over time, ongoing brokerage deals may suddenly break apart as brokers receive counteroffers and decide to place their modules elsewhere. Hence, these *modular parties* need brokers to mobilize voters, but broker disloyalty makes them fragile.

This article identifies how brokers’ disloyalty affects the organization and the electoral performance of political parties through an empirical analysis of Brazil. The research design in this article takes advantage of the fact that Brazilian parties use local politicians, especially mayoral candidates, as agents for their congressional candidates, making the measurement of broker affiliation less elusive. In addition, the article employs an empirical strategy that counters the endogeneity problem that weak electoral support stimulates disloyalty, or in the case of mayoral candidates, party switching (Desposato 2006). In 2007, a Supreme Court decision greatly inhibited party switching. This decision by an independent actor increased exit costs for those brokers who had won mayoral elections and would then have to ponder whether party switching was worth losing the mayoral seat. Thus, the court increased the survival odds of some party–broker relations.

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The institutional change reduced broker fluidity and allowed Brazilian makeshift parties to perform better electorally across spheres of government. Using regression discontinuities that define as if randomly which brokers are subject to high exit barriers (i.e., mayoral candidates who win the election), the design shows that compared to losing brokers, the rate of party switching of winning brokers, is smaller only after the court ruling. Subsequently, and taking advantage of the electoral calendar that places local and national elections 2 years apart from each other, results show that parties received 34% more votes for representatives in municipalities with brokers subject to high exit barriers.

The results underscore the importance of studying brokers to understand why parties in the developing world remain weak. For Levitsky et al. (2016), party-building efforts in Latin America and elsewhere failed because parties did not cultivate a strong party brand or partisans, lacked a strong territorial organization, and were not organizationally cohesive. By outsourcing mobilization to free agents, such conditions will never be met. Since voters may receive and expect the same goods regardless of the party their broker directed them to vote for, interparty differentiation becomes impossible and party brands diluted (Lupu 2013). Perhaps not surprisingly, voter attachment to party brands is rare in many party systems and certainly uncommon in Brazil (Mainwaring 1999; Samuels and Zucco 2016). In addition, party branches, members, and operatives—correlates of party organizational strength (Tavits 2013)—may be under the influence of the local notables, carrying certain party labels for a limited period only. Under these circumstances, when brokers are disloyal, they can take the entire local political organization with them. Hence, without loyal brokers, not only will parties have intermittent political support, but parties will also fail to mobilize partisans, and their territorial presence will become unreliable. Making disloyalty less advantageous to brokers may be a necessary first step toward building strong parties.

## **Brokers: An Unreliable Channel to Voters**

Brokers are essential for parties that lack direct linkages to voters. Local notables can lend their credibility with a relatively small constituency and procure votes for parties that cannot reach out to that group of individuals in any other way (Keefer and Vlaicu 2008; Thachil 2014). Especially in clientelistic mobilization, the contingent exchange of goods for votes, brokers operate by certifying

that the goods parties send to voters actually generate political support (Stokes et al. 2013, 76). Thus, parties that are unable to mobilize voters on their own can hire several local notables, each with an autonomous module of voters, to form a modular party. In the short run, the brokerage arrangement is beneficial for parties, brokers, and voters. For mobilizing supporters, brokers receive resources for their private consumption (Camp 2017), and by distributing resources they can maintain and even expand their influence over voters (Zarazaga 2014). Parties receive votes they would not be able to get otherwise, and voters can also benefit if local leaders are able to request and distribute resources voters would not receive without those brokers' help.

Yet, party–broker relations take place under the shadow of broker disloyalty. A large and recent literature has noted that the relationship between parties and brokers can be contentious, with brokers taking advantage of information asymmetries to extract more resources and exert less effort (Camp 2017; Larreguy, Marshall, and Querubin 2016; Stokes et al. 2013; Szwarcberg 2012; Van Houten 2009). Scholars, however, have neglected the fact that typical principal–agent issues are not the only reason party–broker relations may be problematic. Brokers may be unreliable because they may defect to other parties. As long as there is more than one party willing to hire brokers, when brokers receive less than the agreed amount or understand that they should be receiving more, these agents can search for new employers to maximize their gains. Similarly, when a political party believes brokers and their networks can be of use, it may try to poach them from adversaries.

By outsourcing mobilization and suffering from broker disloyalty, parties have trouble cementing a direct relationship to voters. In effect, brokers may be the ones who own linkages to individuals, a feature that allows these agents to relocate their module of voters to different parties. This feature adds to the debate about on whom the party should focus resources—core or swing voters—another layer of complexity (Cox and McCubbins 1986; Lindbeck and Weibull 1987; Stokes 2005). In the eyes of brokers, voters within their modules are loyal followers; for parties, voters' partisan inclinations are capricious if brokers are disloyal.

Parties may not have consistent access to state or private resources to meet brokers' demands over time, creating conditions for broker rotation. Usually, politicians gain access to resources that can be used to hire brokers when their party elects a candidate or when other party members control important areas of policymaking. The bulk of discretionary resources politicians can use to distribute to brokers (who will then distribute to followers)

comes from executive offices (Gervasoni 2010). However, term limits, unfavorable retrospective voting, and a possible incumbency disadvantage for politicians in developing regions may quickly shift the electoral fortunes of governors and presidents.<sup>1</sup> And, with power turnovers, resources change hands. Consequently, the ability to hire and maintain brokers fluctuates among politicians and parties, preventing parties from consolidating power and facilitating the cycling of brokers.<sup>2</sup>

Disloyalty is advantageous for brokers if they maintain their influence on voters even if they start brokering votes to a different party, or at least receive compensation for eventual losses they incur in the process. Defection is increasingly likely when brokers' linkages to voters are held by these agents only, and do not overlap with any connection voters might have with parties. In other words, the less partisan (or the more instrumental) voters are, the more mobile the module will be, and the less costly the disloyalty will be for brokers.

In some cases, exit costs are prohibitive. When parties have programmatic linkages to voters (Kitschelt 2000), agents may still be relevant for mobilizing supporters (Gans-Morse, Mazzuca, and Nichter 2014; Nichter 2008), but efforts to swing voters could prove fruitless or too expensive for these agents. For example, in ethnically diverse societies, voters may suspect local ethnic leaders WHO are brokering votes for politicians of a different ethnic group (Baldwin 2013; Chandra 2007; Corstange

2016; Koter 2013), and agents can anticipate that changing parties would make them lose their grip with supporters, and relevance to parties. However, when voters are nonpartisan, or there are at least two parties appealing to the same group, brokers can relocate voters more easily. Kenya provides an example of high and low exit costs for brokers. On the one hand, both the Ford Kenya and New Ford Kenya parties in the Western Province appeal to the Luhya group, potentially allowing local chiefs to switch between these two parties seamlessly. On the other hand, the National Alliance party is strongly identified with the Kikuyu group, and the Orange Democratic Movement to the Luo people. In these settings, switching parties may be politically ruinous for the broker.

Brokers also have limited mobility and face high exit costs when one clientelistic machine dominates the party system.<sup>3</sup> The party–broker connection in dominant clientelistic machines may be more resilient for two reasons. First, politicians in these machines have preferential access to state resources and are in a position to retaliate against disloyalty by withholding resources or creating institutional complications for those who turn their backs against them. Second, dominant parties have exclusive channels to popular sectors. The two dominant clientelistic machine parties in Latin America, the Justicialist Party (PJ) in Argentina and the Institutional Revolutionary Party (PRI) in Mexico, at their onset incorporated labor sectors into the organization (Collier and Collier 2002). If not conceived as clientelistic parties, structural and economic changes during the 1980s forced them to readapt their organic ties to labor unions to serve as distributional channels of patronage (Levitsky 2003; Roberts 2014). And these linkages to mass organizations are exclusive to the party. Brokers operating in dominant parties will only have access to clients in these organizations if party leaders allow them to operate within these channels.<sup>4</sup> Although factions within these dominant parties may battle for the same brokers, and such infighting may affect party performance (Camp 2017), brokers would be wary about losing privileged access to state resources and captive voters, making party switching less likely than brokers in nondominant parties. Brokers operating in party systems without a dominant machine, or acting where

<sup>1</sup>Large-scale majoritarian elections for executive offices rely less on brokers than open-list proportional elections. First, the actions of members of the executive are much more visible than those of legislators, as an executive decision is individual, but legislation is a collective effort. Studies show that information (or lack thereof) may generate an incumbency disadvantage in developing countries (Schiumerini 2015), or when voters know politicians engage in corruption (Klašnja 2015). Second, elections for executive offices often list only a few candidates, where opposing parties may be able to coordinate against the incumbent (Lucardi and Rosas 2016), contrasting with proportional elections, where the list of candidates can often surpass hundreds. On one hand, with fewer competitors, candidates for executive offices can use media outlets and other propaganda resources to communicate policy intentions to voters. Candidates for Congress, on the other hand, will have limited exposure to differentiate themselves from adversaries, making brokerage a suitable strategy for their success.

<sup>2</sup>Most work on disloyalty has focused on floor crossing by legislators (Heller and Merzhon 2008). Although party switching by legislators and broker disloyalty are potentially correlated, scholars have only recently started to document cases of disloyal brokers. Koter (2013) describes how brokers in Senegal generally act as free agents, and a similar behavior is captured in Peru by Muñoz (2014). Holland and Palmer-Rubin (2015) conceptualize these free agent brokers, whose determining characteristic is their autonomous control of the network. They also show evidence of broker fluidity in Colombia, and less so in Mexico, where brokers appear to be loyal to the dominant party.

<sup>3</sup>Dominant parties include the Liberal Democratic Party (LDP) in Japan (Krauss and Pekkanen 2011), the PJ in Argentina (Gibson 1997; Roberts 2014), and the PRI in Mexico (Greene 2007; Magaloni 2006).

<sup>4</sup>Thus, brokers in dominant machines are in a sense *partisans*, as Holland and Palmer-Rubin (2015) discuss. Similarly, parties with strong ethnic or religious identities may run clientelistic exchanges through their self-identified groups' organizations, making broker defections costly.

voters are not markedly partisans, or are partisans but more than one party appeals to them, will face few constraints if they decide to switch parties and receive more resources for the service they provide. In such cases, only an exogenous shock may limit the free agency of brokers.

## Spreadsheets, Deputies, and Mayoral Candidates in Brazil

Local notables have been essential for brokering political support for subnational and national politicians at every stage of the Brazilian republic. During the First Republic (1889–1930), local leaders would use their authoritarian control over the local population to deliver entire blocs of votes to state politicians (Carvalho 1997; Leal 2012). From Getúlio Vargas's rise to power in 1930 until the military dictatorship, local leaders did not diminish in importance. In fact, they took advantage of the increased political competition to boost their leverage (Limongi 2015, 390). During their authoritarian rule (1964–85), the military used local notables to acquire a veneer of legitimacy. The dictatorship would purge the opposition and send resources to local allies, who in turn “continued to nourish the traditional political system by mobilizing internal party and broader electoral support for their patrons in the state oligarchy” (Hagopian 2007, 179–80).

After democratization, local notables continue to play an active role in state and national politics, especially in congressional elections. To become a deputy in Brazil, a candidate cannot count on party labels or political advertisement to attract votes. The level of party identification has never surpassed 50% (Samuels and Zucco 2014, 214).<sup>5</sup> Television advertising has been an important tactic through which few viable candidates can project their charisma or populist agendas (Boas 2010, 641), but in proportional elections, such as those for the legislature, candidates appear only for a few seconds on-screen, allowing for nothing much more than dictating ballot numbers to the audience (Ames 2002, 43; Mainwaring 1999, 188). Instead of promoting political platforms and engaging the public with programmatic appeals, congressional candidates need local notables to mobilize voters. Instead of *coronéis* in the early days of the Republic—local notables who controlled local politics in a mostly agrarian

Brazilian republic through force and intimidation—deputies rely mostly on mayoral candidates for support.

Mayoral candidates make natural brokers.<sup>6</sup> These local politicians have extensive knowledge of their area and constituents, and continued interaction allows them to gain trust and gather information from voters. In most cases, mayoral candidates have been cultivating a clientele throughout their careers as business owners, bureaucrats, community organizers, physicians, and other occupations that in an unequal society such as that in Brazil put them in a position of authority. The relatively small median population of Brazilian municipalities (8,255 in 2012) gives these individuals an opportunity to organize an encompassing clientele in their districts. Although the group of mayoral candidates is not composed entirely of brokers, most mayoral candidates are expected to work in deputies' campaigns.<sup>7</sup> In addition, mayoral candidates have brokers working for them too, such as council candidates, neighborhood agitators, and municipal bureaucrats.<sup>8</sup> With the mayoral candidate on top, a local team will procure votes when a deputy hires the mayoral candidate.<sup>9</sup>

Interviews in the field testify to a retail and overt political market between mayoral candidates and parties. In one of these, the interviewee, a state party branch manager, produced a spreadsheet containing the names of brokers (most of whom were mayoral candidates), the number of votes these supporters promised before the election, and the money they received for the votes. According to this same branch manager, it would be very difficult to find a successful deputy without a similar spreadsheet with an explicit account of brokers, votes, and money transfers.<sup>10</sup>

Some transactions appear in congressional candidates' public campaign disclosures. The electoral authority requires candidates to acknowledge every transaction during campaigns, and although these accounts are not exhaustive or completely reliable, some congressional candidates declare having hired past mayoral candidates as brokers. For example, Mauro Lopes, a

<sup>6</sup>According to former President Cardoso (1995–2002), mayors are “the most important brokers for deputies” (interview by author, October 2012).

<sup>7</sup>According to a party leader (interview by author, April 2013).

<sup>8</sup>According to Montero (2012, 12), Brazilian parties are “decentralized and delegated to local officials.”

<sup>9</sup>Mayoral candidates may also resort to electoral fraud to broker votes. For example, Hidalgo and Nichter (2015), using a regression discontinuity design (RDD), shows the efforts of mayors in establishing a private bloc of votes through electoral fraud.

<sup>10</sup>The origin of the support-buying fund was usually a *caixa dois* (unreported political donations, a type of slush fund), a common practice in political campaigns (Gingerich 2014; Hunter 2010).

<sup>5</sup>The Worker's Party (PT) is the only party that has true partisans, according to Samuels (2006), who also states that “partisanship for parties other than the PT continues to reflect the traditional bases of Brazilian politics,” and that “partisanship does not drive the vote for most Brazilians” (19–20).



Brazilian Democratic Movement Party (PMDB) candidate for Congress in 2010, declared that Firmino Ton, who had run for mayor at Santa Rita do Itueto 2 years before, worked for him as “campaign coordinator” and received R\$2,500 (around \$1,250 at the time). Fifty percent of Santa Rita’s voters voted for Lopes, who was eventually elected.<sup>11</sup> Regression analysis shows that parties that send money to mayoral candidates receive 11 percentage points more votes for their congressional candidates, almost twice as much as the 14% baseline scenario (see Table 8 in the supporting information). These campaign disclosures show that when hired as brokers, mayoral candidates are pivotal for congressional campaigns.

Money, however, is only part of the package congressional candidates use to motivate brokers. Congressional candidates are fundamental in securing party nominations for local allies. Using political influence within their own organization, congressional candidates often block nominations for candidates from other parties, reducing the electoral competition their prospective ally will face, and making selection an important incentive (Van Houten 2009, 145). In turn, the local politician who benefits from this action delivers votes to the deputy in the subsequent congressional election.

### Party Switching and the Loyalty Law

In Brazil, any party can offer a money and nomination package, creating conditions for rampant disloyalty in the form of party switching. Until recently, party switching went unchecked by the electoral authority. That became a problem for the Democrats Party (DEM) (formerly known as the Liberal Front Party [PFL]) in 2007. Suffering from an acute spike in defections, its leaders petitioned the Electoral Court (TSE) to rule on who owns the elected office, the party or the candidate, hoping to close the doors of the party.<sup>12</sup> The TSE eventually ruled that legislative offices belong to parties, preventing legislators from switching parties while in office.<sup>13</sup>

Although the decision made it clear that deputies would lose their jobs if they switched parties, it was vague regarding politicians winning elections by majority

voting.<sup>14</sup> The electoral authority recommended that the new law should be applicable to all offices, but the matter would only be decided 7 years later, with the Supreme Court ruling against the extension of the decision to all offices. Mayors elected in 2008 had to proceed at their own risk if they decided to switch parties. Some did take the risk, and either by a direct complaint by their former party or by the initiative of the Public Prosecutor (Ministério Público), they had to face regional electoral courts.

Party switching rates vary considerably among the different parties. On average and before the court decision, a staggering 39% of all mayoral candidates who had run for office in two consecutive elections switched parties. The PT, the closest to being a programmatic party in Brazil (Samuels 2006), had the lowest switching rate: 18%. With the exception of the DEM, all parties present lower party switching rates after the court decision, and the average rate declined to 31% in the 2008–12 period.

## Empirical Method

The 2007 court ruling allows the measurement of how broker disloyalty affects clientelistic parties. The design involves a two-step approach to inference. Regression discontinuity designs (RDDs) identify whether winning the mayoral race influences brokers’ party switching and future party electoral performance. The timing of Brazilian elections, where municipal and congressional elections take place 2 years apart from each other, facilitate the test. The second step measures how the effect of winning on party switching changes as a result of the court ruling limiting free agency of brokers. The following subsections discuss each part of the two-step approach, the data, and the validity of the design.

### Close Elections

Brokers who win and lose mayoral elections are strikingly dissimilar, and any naive comparison between them would lead to biased estimates.<sup>15</sup> We should expect winning brokers to be more competent, as winning elections is a strong indication of political ability. RDDs, however, allow valid inferences about the effect of winning elections

<sup>11</sup> A comprehensive list of descriptions is provided in the supporting information.

<sup>12</sup> The party was left out of the governing coalition when the left-leaning Worker’s Party (PT) won the presidency, a position that made a number of Democrat cadres uneasy (Thiago Boverio, Democrat lawyer in charge of the petition, interview by author, November 2012).

<sup>13</sup> Resolução TSE n. 22.610/2007. A few months later, the Supreme Court published a resolution legislating on the matter.

<sup>14</sup> This includes presidents, governors, senators, and mayors.

<sup>15</sup> *Brokers* and *mayoral candidates* are from this point used interchangeably. It is worth noticing that not all mayoral candidates are brokers. Parties, especially in medium to large cities, are interested in placing candidates for reasons other than brokering votes to congressional candidates.

by examining differences between groups of winning and losing brokers who are qualitatively identical before the election.

RDDs have been extensively covered (Lee and Lemieux 2010), and scholars have already produced robust comparisons between winning and losing candidates in Brazilian elections (Boas and Hidalgo 2011; Brollo and Nannicini 2012; Hidalgo and Nichter 2015). Crucially, RDDs depend on the assumption that treated units receive the treatment by chance, and not by any omitted characteristic that differentiates them from control units. When the difference between winning and losing represents a small enough fraction of the total votes such that the final result cannot be anticipated before the election day, luck or some other unpredictable event may place one candidate in the treatment group, that is, make that candidate win the election as if at random (Dunning 2012, 80).

The local average treatment effect (LATE)  $\tau$  is defined as

$$\tau_{p,b} = Y_{p,b}^W - Y_{p,b}^L, \quad (1)$$

where  $Y_{p,b}^W$  is the average potential outcome under treatment, that is, the outcome after winning an election, and  $Y_{p,b}^L$  is the average potential outcome after losing an election;  $p$  is the period from which I draw observations (i.e.,  $p \in P = \{\text{Before Court Ruling, After Court Ruling}\}$ ), and  $b$  is the bandwidth of observations, described below.  $Y$  represents two main outcomes of interest: party switching and party electoral performance. To estimate each average outcome, I calculate

$$Y_{p,b}^W = \frac{1}{N} \sum_{n=1}^B W_i = \bar{W}, \quad \text{and} \quad Y_{p,b}^L = \frac{1}{M} \sum_{m=1}^B L_i = \bar{L},$$

where  $N$  is the total number of units exposed to treatment and contained in  $b$ , and  $M$  is the total number of control units contained in  $b$ . In other words,  $W_i$  is a winning broker, and  $L_i$  is a losing broker. The *absolute* value of the difference of votes (in percentage of all valid votes) between winning brokers and losing brokers defines the margin in which I allocate units to different bandwidths. A winning broker is one whose margin is positive, and a losing broker has a negative margin. Thus, each race produces two units, symmetrical in their distance to the cutoff that decides who will become mayor. The value of the absolute margin defines which aggregation the unit will join, and consequently the study group size  $N + M$ .

The natural experiment component of RDDs is valid when treatment assignment is independent from unobservables, which is increasingly plausible as we approach the marginal vote that determines winning and losing brokers. Aggregations in the design, or bandwidths, are a

set of increasingly restrictive groupings. They range from the most permissive, the 100% margin bandwidth, which includes all units, to the most exclusive, 0.5 percentage points, which includes only units whose margin of victory (defeat) is 0.5% of all valid votes. Besides these two, LATEs for three other windows (i.e., 2.5%, 5%, and 10%) are presented. Each bandwidth collects all observations for treatment and control for the symmetric neighborhood. For example, the 0.5% bandwidth contains defeated units whose losing margin was less than 0.5% less than that of the winning candidates.

Simple t-tests of group differences provide unbiased estimators of treatment effects; the procedure also accounts for heteroskedasticity of treatment and control group variances.<sup>16</sup> If there are no statistically detectable pretreatment disparities between winners and losers, difference of means is likely sufficient to estimate treatment effect, eliminating further assumptions to the estimations. As a robustness check, however, tables in the supporting information present other estimation procedures, namely, local linear models and optimal bandwidth models, as proposed by Calonico, Cattaneo, and Titiunik (2014). Thus, the estimator for Equation (1) is

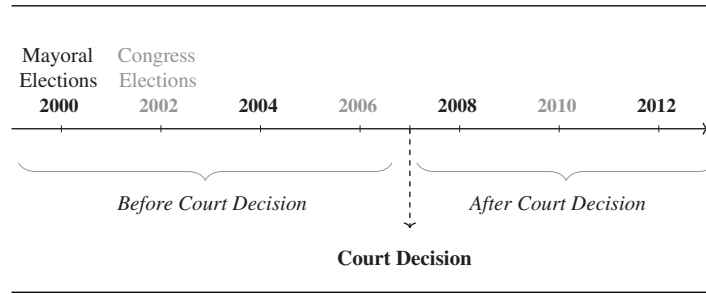
$$\hat{\tau}_b = \bar{W}_b - \bar{L}_b, \quad (2)$$

where  $b$  represents the bandwidth from which I collect observations in a particular test; that is,  $b \in \{0.5\%, 2.5\%, 5\%, 10\%, 100\%\}$ . Treatment and control groups from more restrictive bandwidths are in principle the most similar to each other. Comparing different measures helps confirm consistency in results and reduces doubts about the discretionary choice of bandwidths.

## The Court Decision and the Difference-in-Differences Design

In the time series interrupted by the court decision, mayoral candidates could have potentially acted strategically expecting or influencing the court decision, or the decision could have attracted a pool of politicians different from past cohorts. These possibilities would make brokers after the ruling invalid counterfactuals for their predecessors. However, at that point, Brazilian superior courts were arguably independent (Kapiszewski 2012, 5), and it is implausible that judges suffered any political influence from mayoral candidates. In addition, the courts' timing could not have been predicted. An initial recommendation that the law should be applied to all incumbent politicians was only made days after the date

<sup>16</sup>For a detailed discussion, see Dunning (2012, 157–59).

**FIGURE 1 Timing of Brazilian Elections and Court Decision, and Collection of Data**

on which politicians were allowed to switch parties and run for the 2008 mayoral elections.<sup>17</sup> The small window to act upon the ruling, the unpredictable decision from an independent government branch, and the uncertainty about enforcement on majoritarian incumbents reduce the possibility that mayors planned strategically in the 2008 elections and makes the presumption that mayoral candidates interfered with the process unlikely. Moreover, the RD design guarantees that the court decision did not affect winning or losing brokers differently.

As the RD design provides a measurement of the treatment effect of incumbency within periods, the difference-in-differences estimator shown in Equation (3) calculates how the treatment effects vary before and after the court decision:

$$\widehat{DD}_b = (\hat{\tau}_{b,2} - \hat{\tau}_{b,1}), \quad (3)$$

where 1, 2 denote the time periods before and after the court decision, respectively. RDDs analyze whether incumbency causally explains party switching and party performance, and whether the causal effect is present in both periods, in only one, or in neither. The difference-in-differences estimator captures the variation in the incumbency effects on the outcomes of interest between the two periods.

## Data

The basic units of analysis are the parties of the first- and second-place mayoral candidates in all municipal elections in the time period under study. Municipal elections (mayors and councilors) take place mid-term between the state and federal elections. The data consist of three mayoral election cycles, namely, the 2000, 2004, and 2008 elections. The first two elections took place before the Supreme Court ruling.

<sup>17</sup>Article 13 of Resolução TSE n. 22.610/2007. See Giraldi (2007). Ultimately, in 2015, the Supreme Court declared that mayors could indeed switch parties without facing any penalty.

Figure 1 shows the timing of the court decision relative to mayoral and congressional elections. For each municipal election, there is a corresponding party performance in the federal and state elections (the 2002 and 2006 elections happen before the court decision, and 2010 after it). The decision of brokers to switch parties is revealed in the subsequent mayoral election. It is fortuitous for the research design that municipal and congressional elections take place in different years, separating vote-brokering efforts from the effort of campaigning in mayoral races.

Only when brokers are candidates in a different party in the subsequent municipal election do they manifestly switch parties. A politician can run as the candidate for a party only if she has been a member of the organization for at least one year prior to the election. Thus, formally, the switch occurs in  $t + 3$ , but unfortunately one cannot capture the exact moment when the politician decides to change parties.<sup>18</sup> The vote share of all congressional candidates of a party measures party performance at the local level.

The critical RD assumption of valid counterfactuals can be tested by comparing the means of the treatment and control groups' covariates. Specifically, as we reduce the size of the bandwidths from which we draw the units, we should observe the treated and control groups becoming more similar.<sup>19</sup> Since there are two different periods, there must be balance tests for the two time spans.

<sup>18</sup>Parties must divulge an updated list of members, but this requirement (TSE Provision 2/2010) has only been in force since 2010, and the self-reported data have inconsistencies in regard to the timing of switches and completeness of the party list. The MUNIC database from the Brazilian Statistics Institute reports mayors' current affiliation and their affiliation at the time they were elected. Unfortunately, the database only reports party switching for elected mayoral candidates, and it is not reported consistently.

<sup>19</sup>By design, demographic and other municipality-related covariates are balanced between treatment and control, since there is one winning candidate and one losing candidate for each municipality at each electoral period, unless there is a term-limited mayoral candidate.

Tables 2 and 3 in the supporting information present the balance for each period. Proper balance can be observed for both time periods. For the 0.5% bandwidth, there is no statistically significant imbalance at the 5% level for any covariate. There is some imbalance in a few variables for larger bandwidths of observations, but the crucial RD assumption that imbalances reduce as one shortens the distance from the cutoff is confirmed by the tests.

## Results: Limited Free Agency and Party–Broker Connections

The court decision limited brokers' free agency and changed the organization of parties at the local level. First, brokers who won the mayoral election reduced their rate of party switching dramatically in comparison to losing candidates unaffected by the ruling. Second, winning brokers were more likely to receive a renomination, indicating a more resilient party–broker–voter channel. Third, the forced loyalty of winning brokers reverberated to other party members.

Potentially higher exit costs reduced party switching. As Figure 2 shows, defeated brokers switched parties consistently more than winning brokers only after the court ruling. The plots in the top row of Figure 2 show the visual representation of the discontinuities, where points represent the average rate for every 1/4 percentile. Lines in this plot are LOWESS (locally weighted scatterplot smoothing) regressions, and the bandwidths represent the 95% confidence interval of these regressions.

The bar chart in the middle row shows the difference of means between treated and control groups for each period, according to the distance from the win/lose cutoff. As we can observe, not only is the probability of switching much lower for winning brokers after the ruling, but the LATE estimates for winning brokers are significant for all bandwidths. Aside from difference of means, the RD results are robust to local linear, polynomial, and optimal bandwidth specifications.<sup>20</sup> If before the ruling the probability of switching for winning brokers was at best 7 percentage points lower than for losing brokers, after the decision winning brokers are 17 percentage points less likely to switch.<sup>21</sup>

<sup>20</sup>Please refer to the supporting information for all alternative specifications.

<sup>21</sup>The estimates include only politicians who remained electorally active in the subsequent municipal electoral cycle. It is reasonable to think, however, that attrition is more severe among losing candidates. As a robustness check, I ran the same estimates including

The bars at the bottom of the figure depict the actual difference-in-differences. The large number of observations reduces the variance enough to make even very small differences statistically significant (except where noted, all differences are significant at  $p < .001$ ; see also Table 4 in the supporting information).<sup>22</sup> The difference between periods is at least 10 percentage points. The court decision more than doubles the rate at which winning candidates remain loyal in comparison to losing candidates.

One threat to the design is that winning brokers may start covertly working for other parties. Facing higher exit costs, these brokers may find it advantageous to change political allegiances without formally switching parties. However, since parties can use nominations as an inducement, as long as they detect disloyalty they may also censure disloyalty by refusing to renominate disloyal brokers. Hence, if winning brokers are now covertly working for other parties, and parties can at some degree detect this type of disloyalty, winning brokers' renominations should decrease after the court decision. In reality, the opposite happens.

Detecting disloyalty is not difficult. Due to the fragmented political system, it is unlikely that any party would receive substantial support by chance, unless it decides to hire a broker. The median vote share for any party in the congressional race at the municipal level is only 0.2% of all valid votes, or 12 actual votes.<sup>23</sup> Parties who outsource to brokers have a median vote share of 11.6%. This would come as a surprise, as before the election there is an agreement regarding the number of votes the broker will deliver.<sup>24</sup> However, this boost is only present when brokers remain loyal, since the median for parties with a disloyal broker is 3.0%.

Although these correlations and the contractual arrangement make detecting disloyalty straightforward, renominations increase after the court decision. After the ruling, winning the mayoral elections generates a positive local effect on renominations (see Figure 6 in the supporting information for details). Conversely, winning decreases nominations from other parties. These results

politicians absent from the next electoral cycle and classifying them as not having changed parties. In these models, the level of the dependent variable is lower, but the LATEs are largely unchanged (see Figure 4 in the supporting information). I also chose to remove term-limited mayors from the sample. If mayors cannot compete for office in the subsequent election, it is less likely they will change parties. Including them in the treatment group would mechanically return a treatment effect of no substantive significance.

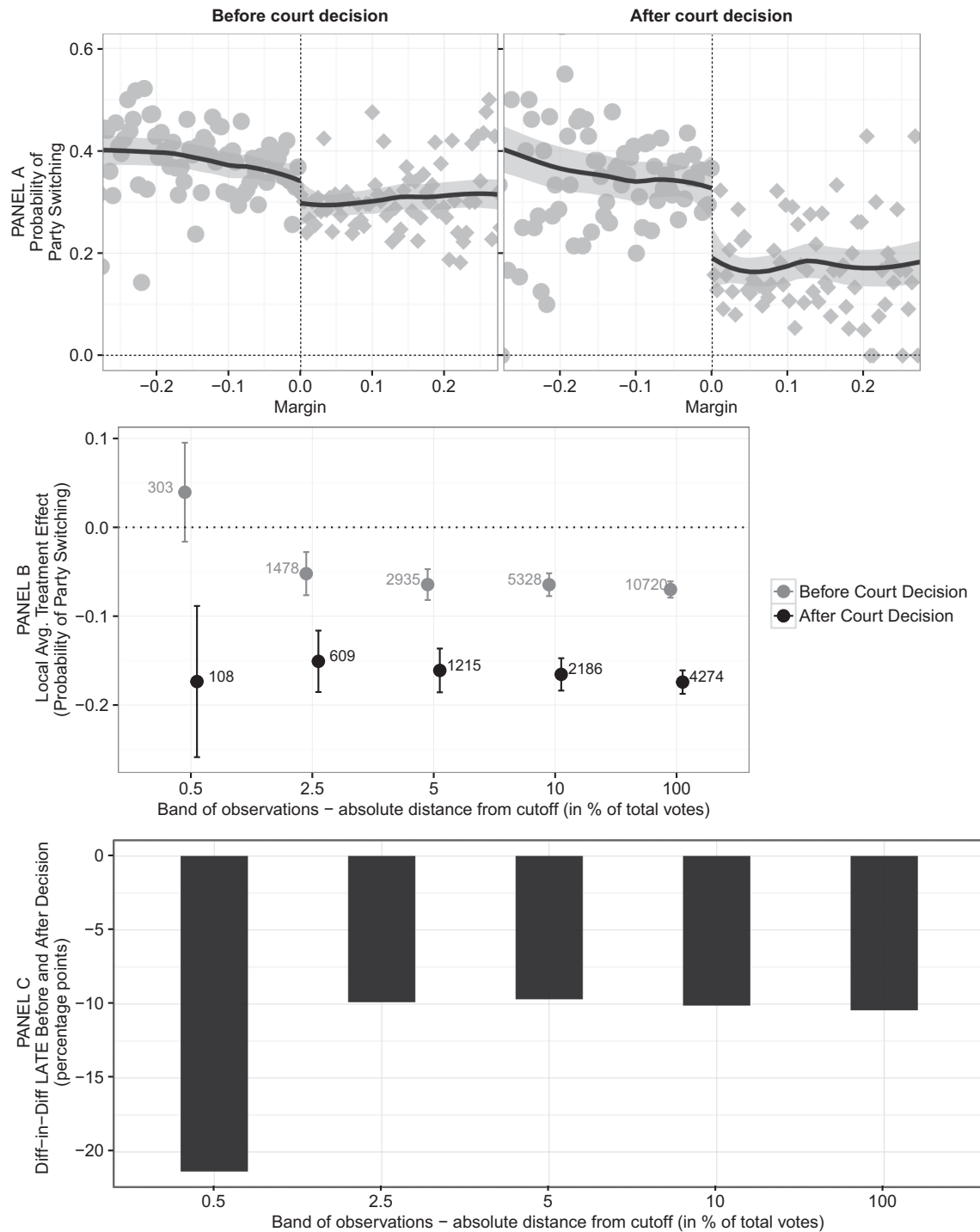
<sup>22</sup>The difference-in-differences analysis is carried out using a paired t-test with unequal variances.

<sup>23</sup>The average is 3.9%, or 597 votes.

<sup>24</sup>Interview by author, April 2013.



**FIGURE 2 The Effect of Winning Mayoral Elections on the Decision to Switch Parties in the Future**



*Note:* Panel A shows a graphical representation of the discontinuity, with dots representing the average rate at which mayoral candidates change parties in each 1/4 percentile. Panel B presents the local average treatment effect compared between treatment (winning parties at the mayoral election) and control (runner-up parties), with respective (robust) standard error bars and study group sizes. Panel C presents the difference-in-differences estimations in percentage points of total votes. All differences are statistically significant at  $p < .001$ .

not only dispel the possibility that winning brokers are now working covertly, but they also show that parties reciprocate brokers' loyalty with an extension of the brokerage contract.

Not only does the party–broker relationship last longer, but also the party ground organization is more resilient after the court decision. Consistent local presence is part of what makes parties strong (Tavits 2013), and the newfound loyalty of brokers spills over to the rest of the local party organization, as additional tests show (see Figure 8 in the supporting information). Council candidates, who are “lieutenants” in the mayoral candidates' brokerage operation, switched parties much less often as a result of winning mayoral candidates' loyalty, even when they did not face exit barriers.

### Reduced Party–Broker Fluidity and Party Performance in Subsequent Elections

Party performance in terms of vote share for congressional candidates in municipalities with winning and losing brokers is almost identical before the court decision. However, after the ruling, the party with a winning broker fares much better than the runner-up, as Figure 3 shows.<sup>25</sup> Winning the mayoral race causes the *deputado*'s share of votes to rise by 5 percentage points compared to the losing party (in the 0.5% bandwidth), which corresponds to a 30% increase in average 2008 party performance at the municipal level. The RDs are robust to other specifications (shown in the supporting information). The difference-in-differences estimate is substantial; not only is winning the election now responsible for a significant increase in votes, but also the increase is more than double the previous LATE point estimate in the 0.5% bandwidth.<sup>26</sup> Figure 12 in the supporting information shows that there was an overall downward trend in the party vote share in congressional elections between 2002 and 2010. Consistent with Figure 3, however, winning a mayoral election counteracted this trend after 2008. Thus, instead of following this counterfactual path, the party vote share of winners remained at a similar level after 2008.

A placebo test using term-limited brokers corroborates that local politicians' career decisions are crucial to

understanding the surge in local party support (see Figure 11 in the supporting information). Since nominations for mayoral offices are irrelevant for term-limited politicians, we should not expect the court decision to affect their career trajectory.<sup>27</sup> The test shows that the court decision did not affect party support in municipalities governed by term-limited mayors, when compared to losing brokers. In other words, the effect is only present when the court decision affects career decisions. Moreover, Table 15 in the supporting information shows that the relationship between party switching and party vote share is negative, significant, strong, and constant over the years.

### Alternative Hypotheses

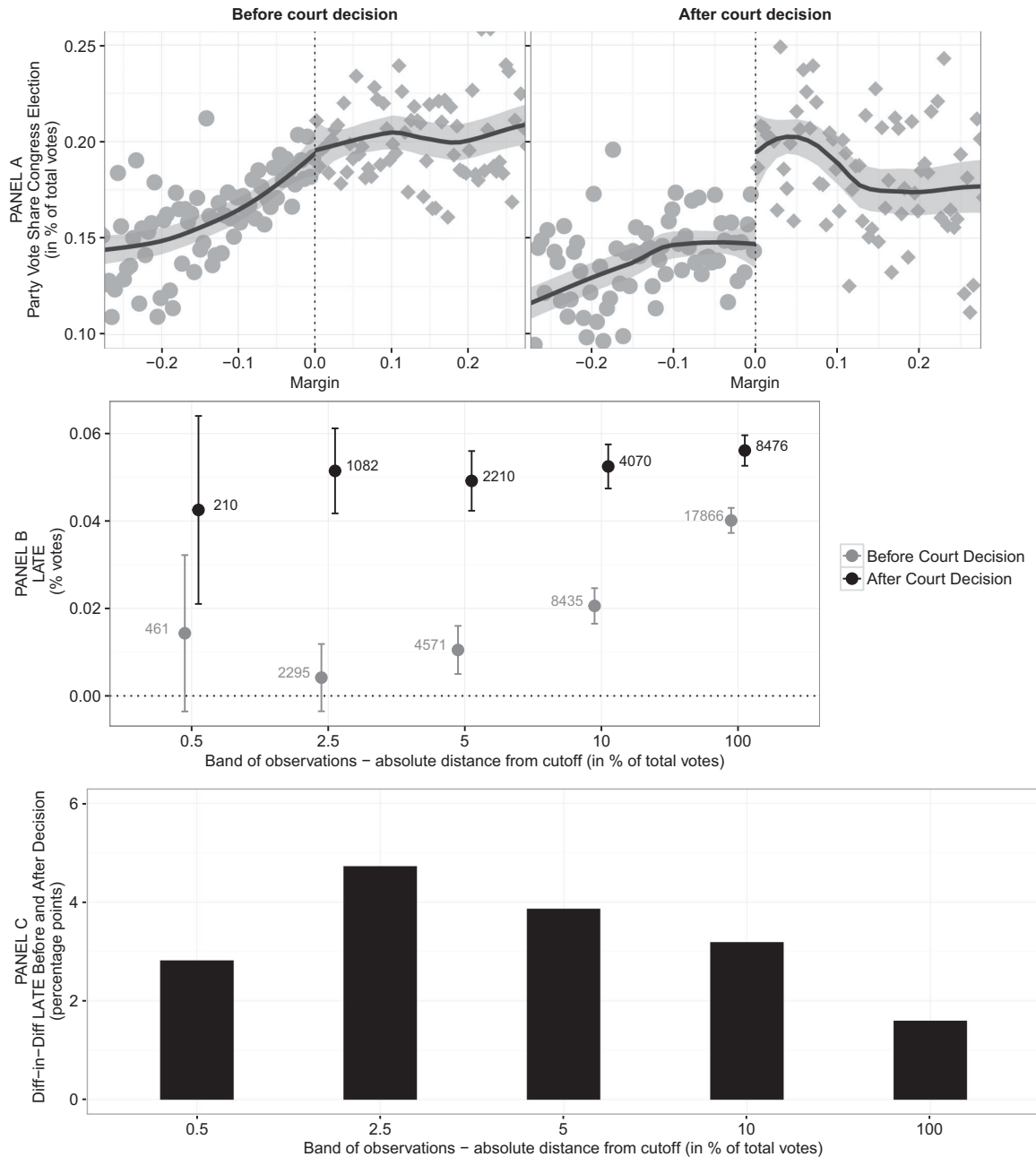
Despite strong evidence of mayoral candidates working as brokers for congressional candidates, there are other plausible hypotheses that could explain the observed outcome. One competing explanation is that after 2008, voters became more responsive to party labels, and party performance improved because parties began to benefit from having a mayor posted at the municipality. Avelino, Biderman, and Barone (2012), analyzing the elections after the court decision, first identified the discontinuity of congressional party support among winning and losing mayoral candidates' parties and concluded that Brazilian parties experience a reverse coattail effect (Ames 1994). Having a mayor from a given party could signal the party's commitment to local affairs to voters, or, if the loyal mayor is competent, it may suggest to voters that the party will also do a good job in Congress.

Several factors go against the hypothesis that coattails or party reputation generates better party performance. First, other than the court decision, there has not been any major political turnover that would explain why from 2006 to 2010 voters started rewarding congressional candidates of their mayors. During the period, not even the president changed. Second, winning brokers do not directly capitalize on their own electoral victory since, if anything, mayors suffer a negative incumbency effect (Klašnja and Titiunik 2017; Schiumerini 2015). It is unlikely that voters, in an environment of weak parties, would favor the party of the mayor, but not the mayor. The expansion of the conditioned cash transfer program *Bolsa Família* during the period cannot explain the effects either. Zucco (2013, 819) notes that the program did not significantly changed voters' partisan preferences,

<sup>25</sup>Estimations are in Table 6 in the supporting information.

<sup>26</sup>Calculating heterogeneous effects for individual parties is difficult because individual study groups are small, and trends in national and subnational politics affect parties distinctively. Despite these limitations, individual party estimations in the supporting information show that reduced individual rates of party switching are strongly related to higher party performance in congressional elections.

<sup>27</sup>It is possible that term-limited mayors would still change parties, but since they do not run in elections, there is no affiliation record for that group in the 4 years after they win their second term.

**FIGURE 3 Effect of Winning Mayoral Elections on Parties' Congressional Electoral Performance**

*Note:* Panel A shows a graphical representation of the discontinuity. Each dot represents the average vote share in the congressional election for each 1/4 percentile. Panel B presents the local average treatment effect between treatment (winning parties in the mayoral election) and control (runner-up parties), with respective (robust) standard error bars and study group sizes. Panel C presents the difference-in-differences estimations in percentage points of total votes. All differences are statistically significant at  $p < .001$ .

and its electoral effects have not extended to legislative elections.<sup>28</sup>

<sup>28</sup>In addition, the program succeeded in preventing political manipulation by subnational officials (Fenwick 2009).

Finally, gubernatorial candidates should also benefit from coattails or party reputation. Gubernatorial elections take place on the same day as congressional elections, but the campaign dynamics are intrinsically different between the two. The market for brokerage is much more

limited and less effective in gubernatorial elections. The number of competitive gubernatorial candidates rarely exceeds three and most of the time is limited to two, in contrast to the dozens of congressional candidates. On average, from 1994 to 2010, only 3.14 gubernatorial candidates received more than 5% of the votes in each race. Since the number of votes received by competitive candidates is much larger than those received by individual congressional candidates, it makes it much harder to detect which votes are the result of brokerage. Television ads and political platforms for governors are more informative than those of congressional candidates, making it easier for voters to compare different (and fewer) candidates, and making clientelistic exchanges a relatively inefficient enterprise (Mainwaring 1999, 188). Moreover, party switching between parties of the governors' coalition will not change the number of votes the gubernatorial candidate receives; party switching between parties of the congressional list will tip the scale to one party. Figure 10 (in the supporting information) shows the estimates before and after the court ruling for gubernatorial elections, and in neither is there a statistically discernible LATE. Difference-in-differences estimations are substantively small.

The effect seen for federal congressional candidates does not appear for gubernatorial candidates, but it does for state legislators (see Figure 9 in the supporting information). As with federal deputies, state deputies also need to rely on mayoral candidates of their parties, and they only see their vote shares increase at the local level when brokers face high exit costs.

## Conclusion

This article shows that broker disloyalty causes party weakness by demonstrating that when brokers are reluctantly loyal, parties perform more consistently during elections. This result implies that to improve their electoral prospects, parties can try to dissuade brokers from defecting. One strategy would be to build direct program-based linkages to individuals and form a partisan constituency. Brokers would still be instrumental to cultivate and ignite the support base during elections, but by creating partisan ties, parties ensure that disloyal brokers will not be able to detach a bloc of voters if brokers decide to change allegiances. Although agency problems would still exist between brokers and parties, by enacting program-based mobilization, broker disloyalty would become less probable.

However, growing a partisan following from the ground up may be impossible since it does not serve the

best interests of brokers. Reducing the ability of brokers to reap rewards from their political enterprise will necessarily be met with resistance. Conditional on a constant level of broker effort, the number of votes the party receives from a partisan constituency will be larger than what it would get with a group of voters of the same size who are not affiliated with the party. In this case, the broker would not receive the same amount of rewards, as they become less pivotal for the party. Programmatic linkages can be especially disruptive for some brokers who use clientelism to mobilize voters, as direct party-voter connections undercut patron-client dyads brokers have previously fomented. Anticipating smaller returns with the creation of partisan voters, brokers have reasons to sabotage any initial efforts toward program-based mobilization by actively campaigning against reforming party leaders or candidates.

Another obstacle parties would face when investing in direct linkages to voters is overcoming the pulverization of interests, especially after relying on local notables for mobilization in the past. In order to attract followers through a credible and informative party brand, parties need to enforce a coherent platform among members (Kitschelt et al. 2010; Levitsky et al. 2016). However, political decentralization is inimical to the aggregation of politicians' preferences and centralization of party authority (Caramani 2004; Chhibber and Kollman 2009; Harbers 2010; Luna and Altman 2011). Acting autonomously from each other, brokers specialize in their constituencies' inclinations, which can diverge from what leaders propose as the party platform. Concomitantly, this local knowledge brokers have is a valuable political asset for parties that may be lost when brokers no longer have incentives to work autonomously. Hence, the collective action problem involved in building a programmatic party is compounded when brokers have their interests already established in the political system. From the perspective of party leaders, the benefits of raising barriers to counter disloyalty from brokers may be too uncertain and not large enough to outweigh the electoral damage involved in alienating numerous local notables.

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## Supporting Information

Additional Supporting Information may be found in the online version of this article at the publisher's website:

- Summary statistics
- Regression discontinuities balance tests

- Tables and additional tests for party switching
- Table federal congress vote share (figure 3)
- Robustness Check: Non-Parametric Estimations Using Local Polynomials
- Direct evidence of brokerage
- Second order effects on party organization
- RD and estimation table for state congress performance
- RD and estimation table for gubernatorial performance
- RD for state legislators performance and its estimation table
- Placebo test: RD for term-limited mayoral candidates and its estimation table
- Regressions of party switching v. congressional vote share
- Historical trends of congressional vote share
- The effect on individual parties