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Abstract: During the 1990s, the Argentine federal government dramatically increased the number of workfare programs targeted to the unemployed. The distribution of employment programs, however, varied across provinces. Previous studies suggest that this uneven distribution has taken place because politicians have not distributed programs according to formal eligibility criteria, but rather, in a clientelistic manner to entice voters’ support.

I conduct a balanced pooled time series analysis for twenty-four provinces for the period 1993–2002 and find that partisanship, institutional features of the Argentine federal system, social mobilization, and economic factors strongly determine the way in which presidents have distributed employment programs. The results challenge the assumption that these programs have been exclusively used as clientelistic handouts to buy people’s votes, and point to the necessity of looking at institutional, social, and economic variables to better understand the criteria used by federal politicians to distribute means-tested programs.

The shift towards the implementation of neoliberal (market-oriented) policies in Latin America during past decades has been accompanied by an increase in targeted (rather than universal) welfare provision. Countries throughout the region—such as Bolivia, Peru, and Mexico, among others—have implemented a wide variety of targeted poverty-alleviation programs to better cope with the social costs stemming from neoliberalism. Recent scholarship has demonstrated however, that in addition to their poverty-alleviation goal, these programs have been particularly vulnerable to political manipulation (Fox 1994; Shady 2000; Magaloni et al. 2006). In fact, as these studies show, the distribution of these programs has been influenced by electoral cycles and partisan identity.

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In line with the regional trend, starting in 1993, the Argentine government implemented a number of workfare programs targeted to the unemployed. Interestingly, the number of benefits distributed by the federal government rose from an average of 26,236 programs in 1993 to 1,398,129 in 2002 (5.2 times more than in 1993). Despite this extraordinary expansion, there has been great cross-provincial variation in the number of people receiving these benefits. The data suggest that during the 1992–2003 period provinces with a lower proportion of unemployed have received a greater number of employment programs. Likewise, figures show that, controlling for unemployment rates, the federal government has allocated more employment programs to provinces with lower populations.

Previous studies suggest that this variation is a direct consequence of partisan and political strategies. These works claim that politicians have not distributed programs according to formal eligibility criteria, but rather, in a clientelistic manner. With notable exceptions however, these works do not test this claim in a systematic way. That is, they do not test whether the clientelistic allocation of employment programs has held across provinces and over time, nor do they identify the political conditions under which politicians have employed these programs to garner support from their constituencies. Still more important, because these studies focus on the microfoundations of clientelistic exchanges, they fail to distinguish between two potential and different uses of clientelistic channeling, namely, legislative and electoral vote buying. By so doing, these studies not only fail to specify whether employment programs have been used to buy votes in elections and / or in the national legislature, but they also overlook important political and institutional determinants of public goods distribution.

In this paper, by contrast, I analyze the institutional, political, and socioeconomic conditions under which politicians have allocated employment programs, and, in addition, test whether the federal government has used them to gain legislative and / or electoral benefits. To do so, I conduct a balanced pooled time series analysis for twenty-three provinces and Ciudad de Buenos Aires for the period 1993–2002, and find that political and institutional variables have strongly determined the way in which federal politicians have allocated employment subsidies. Partisanship, institutional features of the Argentine federal system, and social mobilization have been strong and positive predictors of cross-provincial differences. Specifically, between 1993 and 2002, Peronist presidents were more prone to distribute means-tested programs than their Alianzist/Radical counterpart, and Alianzist/Radical governors were less likely to


receive these programs from the federal government. Challenging previous works, I find no evidence indicating that national politicians have employed these programs to buy votes in years of national elections. The analysis also reveals that provinces that are overrepresented in both the Senate and the House received more employment subsidies, suggesting that politicians might have used these programs to gain the support of overrepresented provinces that were crucial to build winning legislative coalitions. Finally, the statistical analysis indicates that high levels of social mobilization also determined the cross-provincial distribution of employment subsidies. The *piqueteros'* mobilizations (i.e., protests organized by the unemployed) not only contributed to the expansion of social protection programs, but also determined the uneven distribution of these goods across provinces. In short, the findings presented in this paper indicate that between 1993 and 2002 the distribution of emergency employment has not responded to electoral vote-buying strategies exclusively. Although the analysis presents evidence of politically motivated allocation, the paper also reveals that institutional, economic, and social variables have played an important role in the distribution of means-tested employment programs.

I begin this paper by outlining the context in which the Argentine federal government began to distribute means-tested employment programs. Next, I summarize the characteristics of the programs that have been put in place since 1993, and sketch the main irregularities they present. Building on previous studies, I elaborate a set of hypotheses to determine the conditions under which the Argentine federal government has allocated employment programs. I then turn to present the measures of the dependent and independent variables, and in the final part of this paper I discuss the results of the analysis and conclude by summarizing the argument and findings.

STATE LABOR MARKET INTERVENTION DURING THE 1990s

The introduction of the neoliberal developmental model in the early 1990s was accompanied by a radical redefinition of Argentina's labor policy. As early as 1991, two years after Peronist president Carlos Menem was elected, the federal government implemented a series of policies to increase the flexibility of the job market and limit employment protection. The government’s agenda prioritized greater flexibility in recruitment and dismissal through temporary hiring contracts and decentralization of bargaining to reduce costs, maintain price stability, keep wage dispersion in line with productivity differentials, and enhance external competitiveness (Marshall 1997; Teichman 2001). These policies were crystallized in the new Ley Nacional de Empleo (National Employment Law), which was passed in 1991.
One of the corollaries of the new labor policy was a dramatic and unprecedented increase in the unemployment rate—which approached double digit numbers. With the goal of reducing unemployment rates, the government designed and implemented a number of means-tested programs of direct employment creation. The Programa Intensivo de Trabajo (PIT), the first employment program carried out in 1993 by Peronist president Menem, was followed by the Plan Trabajar, launched in 1996. In 2000, Alianzist president Fernando de la Rúa implemented the Programa de Emergencia Laboral (PEL), which was followed by the Plan Jefes y Jefas de Hogar Desocupados (PJDH), introduced in 2002 by Peronist president Eduardo Duhalde. Despite their different names, these programs shared similar characteristics: they targeted unemployed workers from poor families who had been formerly active in the informal sector, provided monthly cash transfers (ranging from 150 to 200 Argentine pesos—US$50 and US$66.6, respectively) in return for communal work commitments, and were assigned for short-term periods (6 months) after which renewal was not possible. In addition, individuals were entitled to participate in one program at a time—that is, they could not be enrolled in more than one program simultaneously.

Despite the fact that the 1991 National Employment Law stipulated that all transitory programs of direct employment be financed out of payroll taxes, most of the programs were co-financed with loans granted by the World Bank and the Inter-American Development Bank. The implementation of these programs was coordinated by the federal government (through the Ministry of Labor) and administered by provincial governments. Under this arrangement, the federal government sent funds directly to the provinces and these in turn were allocated to different municipalities. In the case of the Plan Trabajar and the PJDH, beneficiaries were hired by municipal, provincial and/or federal governments, NGOs.

4. The high levels of unemployment reached throughout the mid-to-late 1990s and early 2000s, marked a watershed in Argentina’s development, a country that had historically suffered from a shortage of labor.

5. It is important to note that the strategy of implementing workfare means-tested programs was somewhat new. Only a couple of provinces have implemented these type of programs during the 1980s (Svampa and Pereyra 2003).

6. From 1996 to 2001 there were three different versions of this program: Plan Trabajar (I, II, and III).

7. It should be noted that several other workfare programs were implemented during 1993–2002. Yet, none of them reached the extensive coverage of the programs described in this section.

8. These similarities notwithstanding, there are some technical differences between the programs. The distribution of subsidies under the PJDH for instance, has been more decentralized; organizations outside of the government have played a greater role in the execution and monitoring of the program, and the PJDH’s explicit aim was to reach a broader segment of the population.
and to a lesser extent by private enterprises. Potential employers were required to submit proposals of communal work projects to the local government, which with the assistance of technicians and representatives from intermediate associations, evaluated and authorized relevant and feasible proposals. Once projects were approved, the responsible gubernatorial agencies and/or NGOs were authorized to hire beneficiaries of employment programs.

The coverage of these programs was at first limited. Marshall (1997) points out that in 1996 all employment programs benefited 2.5 percent of the urban unemployed, and expenditures were equivalent to only 0.03 percent of the GDP. Still, in 1997, the Plan Trabajar II alone covered around 270,000 beneficiaries and, within five months of its commencement, the program had disbursed more than double the spending of the Plan Trabajar I over the previous year, involving an expenditure of over US$100 million (Rovallion 1998, 9-10). By 2002, the coverage of these programs had expanded enormously: the PJDH alone covered around 1.5 million heads of households and it accounted for 7.5 percent of the federal government expenditures.

Numerous studies have indicated that the implementation of these programs was inefficient. Among the most notable irregularities, these reports found that: (1) programs were allocated discretionally, preventing the neediest from gaining access to benefits, (2) the targeted population was not always informed about the communal projects in which beneficiaries had to engage, (3) monthly payments were not made on time, (4) beneficiaries were not able to engage in community-level projects due to lack of co-funding from the executing agencies, and (5) periodic oversight by responsible control agencies was not carried out (Marshall 1997; Galasso and Rovallion 2003; Centro de Estudios Legales y Sociales 2003; Vinocur and Halperín 2004).

Evaluations of the PJDH conducted by the World Bank confirm some of these irregularities. They find that one-third of the beneficiaries did not satisfy the eligibility criteria and that 80 percent of the active individuals who were eligible did not receive cash transfers (Galasso and Rovallion 2003). Likewise, a 1998 analysis of the Argentine Encuesta Permanente de Hogares (EPH) shows that approximately 30 percent of the beneficiaries belonged to the top 50 percent of income earners, or had some college education (Fachelli, Ronconi, and Sanguinetti 2004). These results indicate that politicians did not target these programs to the unemployed exclusively and suggest that the distribution of at least some of these benefits might have been done on the basis of calculated political interests.

Surveys conducted by one of the federal oversight agencies (SIEM-PRO) further confirm some of the irregularities mentioned above. They show that when asked about conditions for access, beneficiaries reported
that to receive workfare programs they were required to prove some kind of party affiliation (Centro de Estudios Legales y Sociales 2003). Similarly, officials from several municipalities controlled by opposition parties denounced that due to their party affiliation, the federal government refused to transfer employment programs to their localities (Centro de Estudios Legales y Sociales 2003). Evidence also suggests that, to maintain their monthly subsidies, beneficiaries were asked to participate in political rallies backing ruling parties. Oviedo (2001), for instance, provides thorough accounts of how provincial governors employed workfare programs to extort poor people to attend political rallies. Similarly, as Fachelli, Ronconi, and Sanguinetti (2004) note, in several instances subsidies were employed to finance politics. In suburban areas, the authors note, participants received two-thirds of the benefit, while the remaining third was held by political brokers. In a similar vein, studies conducted by the World Bank have expressed the Bank’s concern about irregularities during electoral years, suggesting that employment programs might have been employed with political/electoral goals. Finally, in an examination of the main Argentine newspapers, Ronconi (2001) finds that most newspaper articles regarding employment programs report allegations of clientelistic practices.

In short, there seems to be wide consensus among scholars, policymakers, and international financial institutions that during the decade spanning from 1993 to 2002 the allocation of employment programs did not respond exclusively to unemployment alleviation purposes but followed also a political logic. Despite this evidence, little research has been done to systematically test whether this claim has held over time and across provinces and much less to uncover whether institutional, political, and socioeconomic factors might have also determined the uneven distribution of these public goods. To these I turn next.

**HYPOTHESES**

Not all political parties are equally suited to (or inclined to) deliver public goods in a clientelistic way. This is so for at least two reasons. First, not all partisan constituents are likely to accept goods in exchange for political support—or in case they do, they are not prone to accept the same types of goods. Therefore, political parties’ ability to entice voters’ support is contingent upon specific economic, cultural, and/or social characteristics of their constituencies. Second, not all parties have equal access to the fiscal resources that allow politicians to deliver goods clientelistically. In Argentina, as described below, the PJ (Partido Justicialista, 9. Populist parties may offer social programs to lower-class constituencies, whereas pro-business parties may offer tax breaks, and/or various types of rent-seeking business opportunities to attract upper-class constituents.
or Peronist Party)—more than any other major party—is best suited to take advantage of clientelistic exchanges.

There is wide agreement among scholars studying Argentine politics that poor and low-skilled voters are more susceptible to being turned into political clients than higher income/skilled voters. Brusco, Nazareno, and Stokes (2003, 2004) have shown that, in the Argentine case, differences in income levels affect voters’ propensity to accept goods in exchange for support. Using data from ninety-nine Argentine municipalities across three provinces, Brusco et al. (2003) demonstrate that poverty fairly consistently predicts voter’s involvement in clientelistic networks. Brusco and her co-authors suggest, moreover, that vote buying has become more prominent and profitable in the context of deterioration of the living conditions of vast sectors of the population that resulted from the implementation of market-oriented reforms during the 1990s. Finally, the authors show that less-educated, low-income, and more-clientelistically-prone constituents most typically vote for the Peronist Party. These findings fit nicely with other studies that also show that poor and less-skilled voters have traditionally voted for the Peronist Party (Gervasoni 1998; Mora y Araujo and Llorente 1980).

In a similar vein, Calvo and Murillo (2004) demonstrate that not all Argentine parties benefit equally from patronage spending. The authors prove that in Argentina, the efficiency of patronage depends critically on the ability of political parties to access public jobs at different levels of government and on the dependence of differently skilled voters on these jobs. Calvo and Murillo (2004) show that three factors helped the Peronist Party access the fiscal resources that were needed to deliver goods clientelistically: “(1) the geographic distribution of the Peronist vote, (2) a majoritarian bias in the electoral rules which restricted the entrance of parties in overrepresented but sparsely populated provinces where the Peronist vote concentrated, and (3) fiscal federal institutions that favored Peronist-dominated provinces” (747).

These findings by Brusco et al. (2003), and Calvo and Murillo (2004) complement other qualitative studies that point to the clientelistic nature of the Peronist Party. Levitsky (2001) for instance, suggests that clientelism has been the crucial factor allowing the Peronist Party—a traditional labor-based party, to survive in the era of market-oriented reforms. The combination of its loose and nonbureaucratized structure, together with the ability of its leaders to build patronage networks among urban poor, allowed the Peronist Party to rapidly adapt to the changing environment in which it had to operate.

In short, there is wide consensus among scholars that relative to the country’s other major parties, particularly the Radical Party, the Peronist

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10. Canton and Jorrat (2002) show that higher income and more educated voters are more likely to vote for the Unión Cívica Radical (UCR) traditional middle-class-based party.
Party is better positioned to establish clientelistic linkages with its core voters and to get the highest returns from patronage. Moreover, low-income voters who, according to Brusco et al. (2003) and Auyero (2001), are more susceptible to “selling” their votes in exchange for material goods and strongly support (and vote for) the Peronist Party. Based on this evidence I hypothesize that if employment programs have been distributed in a clientelistic way, there should be a positive partisan effect on the allocation of these programs. That is, Peronist presidents should be a strong predictor of employment programs’ distribution (hypothesis 1a).

For a different set of reasons, this expectation should also hold at the provincial level. If Peronist presidents allocate programs discretionally to favor their own party and voters, I would expect them to transfer a greater proportion of programs to provinces in which Peronist governors are in office. Given that Peronist governors are in most cases in control of provincial clientelist machines, I would expect Peronists presidents to contribute to maintaining, reproducing, and enhancing these political machines by rewarding Peronist governors with a greater proportion of employment programs. The same expectation should hold if conservative machine-oriented provincial parties, which have historically been allied to the Peronists and have been part of its “peripheral” coalition, are in office. This hypothesis builds on Gibson (1997) and Gibson and Calvo (2000), who argue that the more rural, conservative, backward, and under-populated provinces have been critical for the Peronist Party’s ability to govern. Therefore, I would expect to find a positive effect of both Peronist and conservative provincial parties on the number of employment programs (hypothesis 1b).

If politicians use employment programs as a commodity of clientelistic exchange, I would expect to observe an increase in the allocation of employment programs during election years. As mentioned above, not all political parties contesting elections are able to use employment programs to buy political support. Therefore, the distribution of these programs should increase during election years but only if Peronist politicians are in office. My hypothesis is then that during election years, Peronist incumbency at the federal level should have a positive effect on the number of programs (hypothesis 2).

Recent scholarship notes that federal institutional arrangements shape the way in which federal politicians distribute public goods (Gibson and Calvo 2000; Gibson, Calvo, and Falleti 2004; Calvo and Murillo 2005). According to this view, under bicameral federal systems, which deliberately overrepresent subnational territorial units in their national Senate, federal politicians have incentives to distribute federally funded programs in a rather unbiased way. Given that the votes of legislators of underpopulated provinces weigh far more heavily than those of big provinces, national politicians might favor the former at the expense of
the latter because they constitute an attractive source of “cheap” support for legislative coalition building (Snyder and Samuels 2001).

The Argentine federal system is one of the most distorted (overrepresented) systems in Latin America (Snyder and Samuels 2001; Gibson, Calvo, and Falleti 2004). Argentina’s small provinces are overrepresented not only in the upper chamber, but also, and most importantly, in the lower chamber.11 Within this institutional arrangement Argentine presidents have strong incentives to allocate public goods, such as employment programs, not on the basis of means-tested formulas to benefit provinces with higher unemployment, but based on strategic electoral and legislative calculations to obtain legislative support.12 Moreover, given that Argentine legislators (especially senators) often respond to the governors from their districts (i.e., provinces), presidents might transfer these programs to overrepresented governors, who in turn demand or induce legislators to vote in favor of the presidential legislative agenda.13 Consequently, if a province is overrepresented in the House and/or the Senate, the more likely it is that the federal government will allocate employment programs in its favor regardless of levels of unemployment. I would then expect legislative overrepresentation to have a positive effect on the share of employment programs allocated by the federal government (hypothesis 3).

In recent years, several scholars have argued that the dramatic increase in the allocation of workfare programs has responded to the growing and steady mobilizational capacity of the unemployed movement, better known as the piqueteros (Golbert 2000; Lodola 2002; Svampa and Pereyra 2003; Delamata 2004). The piquetero movement, an umbrella organization grouping different organizations of unemployed people, has been able to obtain concessions from the state due to its ability to block strategic roads throughout the country.14

The movement appeared for the first time in the public scene in June 1996, when piqueteros from Neuquén province blocked one of the main federal highways of the Patagonia region, demanding food and jobs from the state. The popular uprising was demobilized when

11. Since 1949, each district (i.e., province) has had a minimum of two deputies. In 1972, the minimum number was increased to three, and in 1983 to five deputies.
12. For studies showing the effects of overrepresentation on the allocation and distribution of public goods, see Gibson and Calvo (2000); Gibson, Calvo, and Falleti (2004); and Calvo and Murillo (2005).
13. Governors’ power over legislators stems from their ability to influence deputies’ and senators’ careers. Because provincial governors are responsible for drawing up provincial lists, they have considerable power to determine whether or not legislators will stand for reelection (Jones and Hwang 2005). As a result, legislators seeking to keep their congressional seats usually vote in line with their governor’s preferences.
14. Far from being isolated expressions of discontent, the piqueteros’ roadblocks (or “pickets”) have steadily increased in number, rising from 140 in 1997 to 1,609 in 2002.
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the provincial government responding to the protestors’ demands, handed out emergency employment programs (Planes Trabajar). The way in which this episode was settled set a precedent for future conflicts between the piqueteros and the government, for both the federal and provincial governments would hand out employment programs every time roads were blocked.

Interestingly, the first agreement between the piqueteros and the government, as all others that came after it, was negotiated directly between the piqueteros and the governor, and without the mediation of traditional political organizations—such as political parties and local unions.15 Moreover, the piqueteros explicitly rejected the collaboration of union leaders and political brokers, and sought instead to establish themselves as an independent and autonomous organization representing the interests of the unemployed.16 The autonomy of the movement was decisive in empowering the piqueteros vis-à-vis labor unions, for they could attain a position that allowed them to dispute unions over the distribution of state resources (Lodola 2002). Not only could piqueteros influence the distribution of public goods, but due to their refusal to operate within traditional political organizations, they were also able to circumvent clientelistic party machines and political brokers—who had influence on the discrentional distribution of employment programs—and gain direct control of the subsidies handed out by government (Lodola 2002; Svampa and Pereyra 2003; Delamata 2004).17

The positive relationship between piqueteros’ mobilizations and the distribution of employment programs indicates that, during the period under study, the federal government’s distributive criteria was not determined by clientelistic strategies exclusively but also by piqueteros’ demands. If the pressure exerted by the piqueteros forced politicians to redirect programs to those provinces where the movement has had a stronger presence (i.e., where roadblocks became salient), the distribution of these benefits was more a programmatic response to social demands and less a function of clientelistic strategies. Consequently, if employment

15. The only institutionalized actor mediating these conflicts was the Catholic Church (Lodola 2002; Svampa and Pereyra 2003).
16. The exception is the first roadblock that took place in 1996 in Cutral Co-Plaza Huincul (Patagonia) that was organized by party brokers (for further details see Szwarcberg 2004, and Lodola 2002).
17. This of course does not indicate that within their own organizations piqueteros distributed programs according to means-testing criteria. Evidence shows that these organizations allocated programs discretionally, many times contingent upon the recipient’s acceptance to participate in road blocks (see Villalon 2002). Even though when it goes beyond the period covered in this analysis, it is important to note that the piquetero movement has progressively co-opted by the Peronist Party, especially under the Kirchner administration (2002–2006). This co-option, however, has not taken place in the period covered by this paper.
programs were not a commodity of clientelistic exchange, I would expect the number of roadblocks to have had a positive effect on the number of beneficiaries receiving employment programs (hypothesis 4).

MEASURES OF THE DEPENDENT AND INDEPENDENT VARIABLES

The dependent variable in this analysis is the percentage of the total population that received employment programs every year in each of the twenty-three provinces and Ciudad de Buenos Aires between 1993 and 2002. The data were compiled from the Instituto Nacional de Estadísticas y Censos (INDEC). It is worth pointing out that due to its skewed distribution (the number of programs increases dramatically in 2002 as a result of the economic and political crises of 2001–2002), this variable yields a nonlinear relationship with the predictors, and thus might not capture the direction of the hypotheses presented above. Given that the skewness is due entirely to the spike in 2002, I address this problem by including a dummy variable that captures the impact of the economic crisis (see below).

Two additional clarifications regarding the dependent variable are in order. First, in this paper I am looking at the employment programs allocated by the federal government to the provinces only. In addition to the programs I analyze here, each province carries out its own set of employment and welfare programs. Therefore, the results presented in this paper as well as its implications should be regarded cautiously for they only shed light on the political dynamics between provinces and the federal government.

Second, the dependent variable is a composite of different employment programs. Still, the bulk of unemployed receiving these benefits were registered in only one of the two programs with broader coverage (i.e., any of the three versions of the Plan Trabajar or the PJDH). Hence, it is possible to maintain that almost two-thirds of the beneficiaries of

18. The best way to measure the dependent variable would have been to calculate the percentage of unemployed covered by employment programs. This however was not possible because data on the size of the economically active population are not available for all twenty-four provinces. Without this information it is not possible to estimate the number of unemployed for each province.

19. From 1993 to 2002, the federal government put in place the following employment programs: Forestar; Trabajar II, Trabajar III, Trabajar III con materiales; Servicios Comunitarios; Programa Especial de Empleo (PEEC); Programa Intensivo de Trabajo; Programa de Empleo de Interés Social; Programa de Asistencia Solidaria; Programa de Entrenamiento Ocupacional; Proempleo; Programa de Emergencia Laboral (PEL); PEL(A-200)-Desarrollo Comunitario; PEPL(A-220) Consorcios Productivos; PEL(B-210)-Desarrollo Comunitario; PEPL(B-230) Autoempleo; Recuperación Productiva; Crear Trabajo—Consorcios Productivos Locales; Crear Trabajo—Autoempleo Productivo (Familiar); Crear Trabajo—Microempresas o Cooperativa; Crear Trabajo—Pequeñas Empresas; and Plan Jefas y Jefes de Hogar Desocupados.
employment programs I analyze in this paper belong to two programs only. As for the remaining workfare programs carried out by the Ministry of Labor between 1993 and 2002, they share similar characteristics with the Plan Trabajar and PJDH, and therefore can be treated as comparable programs.

To evaluate the partisan effect on the number of beneficiaries receiving employment programs I created a dummy variable for each year in which there was a Peronist president in office (Peronist presidents were coded as 1 and 0 otherwise). To test partisan effects at the provincial level, I also created a dummy variable for each year in which there was a Radical/Alianza governor in office (Radical/Alianza governors were coded as 1 and 0 otherwise). The reason to do so responds to the argument advanced by Gibson (1997) and Gibson and Calvo (2000) that suggests that the Peronist Party has traditionally governed with the support of a metropolitan and peripheral coalition. Conservative parties from underdeveloped and underpopulated provinces rather than Radical/Alianza politicians have been key electoral partners during many Peronist administrations.

If politicians use employment programs to buy people’s votes, the likelihood of allocating a greater amount of programs should coincide with the years of major electoral contestation. To capture this effect I include a dummy variable for each year in which presidential elections were held only if Peronist president were in power.  

To test the incidence of federal institutional arrangements on public good provision I created a House and Senate overrepresentation index. Following the formula employed by Gibson et al. (2004) I measured upper and lower chamber overrepresentation by a ratio of each province’s percentage of total seats to its percentage share of national population. A score of 1 means seat allotments are proportional to population. Because underrepresented provinces score somewhere between 0 and 1, and overrepresented provinces score between 1 and infinity, the distribution of the under- or over-represented provinces in the upper and lower chambers is highly skewed. The skewed distribution of these variables yields a nonlinear relationship with the dependent variable, and thus might not capture the direction of the hypotheses presented above. To handle the skewness, I took the natural logarithm of both

20. Initially, I created two different dummies, one for presidential elections and another for gubernatorial elections. The correlation between president and gubernatorial elections (0.6) made it inappropriate to include both variables in the analysis. For this reason I dropped gubernatorial elections from the analysis.

21. Between 1995 and 2001, Catamarca province occupied only one seat in the Senate. Between 2001 and 2003, a seat from the city of Buenos Aires and a seat from the province of Corrientes were never occupied. Accordingly, between 1995 and 2003 the number of actual senators was 70 instead of 72.
variables. It should be noted that the high correlation (0.8) between House overrepresentation and Senate overrepresentation made it inappropriate to include both variables in the same model. Consequently, I present the results of two different models to capture the individual impact of these predictors on the distribution of employment programs.

To analyze the relationship between the number of roadblocks and the number of employment programs allocated to the provinces, I include a variable that measures the absolute number of roadblocks for each province for each year. This measure is compiled from the Centro de Estudios Nueva Mayoría and spans the period 1993–2002. The number of roadblocks is measured according to the number of mobilizations that took place on any given day, and not as a function of the number of roads that were blocked. Groups of protesters that mobilize in any given day often block more than one road—they might block for instance different intersections of a same road—yet the Centro de Estudios Nueva Mayoría counts this as one roadblock. In addition, each day in which protesters block roads is counted as a different roadblock. So, for instance, if one group of piqueteros blocks a highway for three days, the Centro de Estudios Nueva Mayoría counts three roadblocks. Each group that blocks a different road is also counted differently. Thus, if four groups of protesters block roads in different neighborhoods of Buenos Aires province on any given day, the Centro de Estudio Nueva Mayoría computes four roadblocks.

To test whether or not employment programs have been exclusively allocated on a clientelistic basis, I include a variable that measures the annual level of provincial unemployment. Had the federal government allocated programs in a purely clientelistic way, I would expect to find no effect of the unemployment rate on the number of people receiving employment programs. Because the number of employment programs to be distributed on any given year is calculated on the basis of the unemployment rate of the previous year, I lagged the “unemployment” variable one year. Data on unemployment were compiled from the EPH conducted by INDEC.

Lastly, I include a dummy variable that captures the effect of the 2001–2002 crisis on the number of beneficiaries of employment programs.

22. The House and Senate overrepresentation index yields numbers that are, in many cases, lower than 1. Because the natural logarithm of any number lower than 1 is negative, I multiplied the numbers by 100 to move the decimal place.

23. Models including a two-chamber average do not alter the results presented here.

24. From 1993 to 1995, roadblocks were coded as zero. The reason to do so responds to the fact that the piqueteros started to block roads in 1996. Therefore, no roadblocks took place during the period 1993–1995. Unfortunately, the Centro de Estudios Nueva Mayoría does not provide data for 1996. Consequently, data for 1996 are missing.

25. Data correspond to the EPH conducted in May. Data for Rio Negro province correspond to March and September. INDEC computes more than one unemployment value for Buenos Aires, Córdoba, Entre Ríos, and Santa Fe. To get one single measure of unemployment for each of these provinces, I weighted their unemployment rates.
Given that the economic crisis was triggered in the last quarter of 2001 and was mostly felt during the subsequent year, in the analysis I compute the year 2002 as the year of the economic crisis.

METHODOLOGY

I use a balanced panel data set with 192 observations from Ciudad de Buenos Aires, and twenty-three provinces: Buenos Aires, Catamarca, Chaco, Chubut, Córdoba, Corrientes, Entre Ríos, Formosa, Jujuy, La Pampa, La Rioja, Mendoza, Misiones, Neuquén, Río Negro, Salta, San Juan, San Luis, Santa Cruz, Santa Fe, Santiago del Estero, Tierra del Fuego, and Tucumán. The data span the period 1993–2002.

When data are pooled across time and units, several of the ordinary least squares (OLS) standard assumptions are violated, and as a result the usual procedures for hypothesis testing are no longer appropriate (Long and Ervin 2000). Several authors have provided alternative solutions to deal with these violations (Beck and Katz 1995; Achen 2000; Huber and Stephens 2001; Plümper et al. 2005). Some of these authors propose to use a lagged dependent variable on the right hand side of the equation (Beck and Katz 1995). Others, by contrast, argue that the inclusion of a lagged dependent variable inappropriately suppresses the power of other independent variables (Achen 2000; Huber and Stephens 2001; Plümper et al. 2005). Here I follow Plümper et al.’s (2005) recommended procedure and use a combination of panel-corrected standard errors with Prais-Winsten transformation (AR1). This technique has the advantage of absorbing less time-series dynamics, leaving much more variance for the substantive explanatory variables rather than suppressing the effects of other (relevant) independent variables.

RESULTS

The results presented in table 1 indicate that partisanship at both the federal and provincial level, together with the institutional features of the Argentine federal system strongly determine the cross-provincial allocation of employment programs. The findings also reveal that there is a positive and significant relationship between the number of roadblocks, the level of unemployment, the 2001–2002 economic crisis, and the percentage of people getting emergency employment programs.²⁶ By contrast, the analysis shows that presidential elections are statistically insignificant.²⁷

²⁶. The “economic crisis” variable was likely to distort the results. To isolate the impact of this predictor, I ran a different set of models in which I dropped the last time point (2002). With the exception of one variable (Peronist president) there were no substantial modifications in the results.

²⁷. I used the generalized estimating equation (GEE) extension of GLS for panel data sets to check for robustness, and found no changes in the results.
As hypothesized early on, the results confirm that partisanship at both the provincial and federal level is a significant predictor of employment programs' allocation. Peronist and conservative provincial governors, compared to their Radical/Alianzist counterparts, are more likely to receive employment programs from the central government. Likewise, Peronist presidents are more inclined to allocate means-tested employment programs than are presidents from other parties.

The proclivity of Peronists presidents to distribute means-tested goods might have been determined by the party's choice to offer programmatic responses to low-income voters. In fact, during the mid- and late 1990s, the party needed to appeal to Peronism's traditional lower-class voters during the neoliberal era, when the party backed away from Peronism's long-standing state-interventionist/pro-labor ideology and implemented neoliberal policies that proved detrimental to the socioeconomic status of its core constituency. Still, the inclination of Peronist presidents to distribute discretionary and particularistic (rather than universal) goods might have also been conditioned by the party's need to enhance and reproduce patronage networks at the subnational level. That is, because these programs are directed to special groups and not to the entire population, politicians have a greater room for maneuver to target these programs to politically relevant individuals—who usually do not meet formal eligibility requirements—and use them as particularistic handouts to buy political loyalties. By handing out a larger number of employment programs to Peronist and machine-oriented provincial governors, Peronist presidents may have given allied governors a powerful instrument to fuel their own party machines, and to feed political loyalties at the provincial and local level.

Partly for this very same reason, non-Peronist presidents may have refused to transfer employment programs to Peronist and conservative machine-oriented provinces. The Alianza, unlike the Peronist Party, could not rely on well-established and efficient clientelistic machines (Calvo and Murillo 2004), and consequently was not able to take advantage of the benefits arising from the clientelistic allocation of goods. In other words, the lack of Alianzist brokers at the provincial and local level meant that the Alianza had less incentive to distribute goods that might very likely have been used by Peronist and machine-oriented provincial brokers to maintain and/or increase the scope and power of their clientelistic networks (Golbert 2004; Svampa and Pereyra 2003). Consequently, within weeks of assuming office De la Rúa rolled back the distribution of employment programs.

28. This of course does not mean that means-tested programs are inherently clientelistic. In fact, means-tested programs are usually seen as a way to prevent clientelism.
29. De la Rúa's refusal to distribute employment programs is corroborated by the following numbers: the Plan Trabjar III's targeted population reached an average of only 6 percent in the first year of the Alianzist administration (1999), and fell to 3 percent in
In addition, and with the goal of further undercutting the power of non-Alianzist clientelistic machines, De la Rúa required the piqueteros’ organizations to acquire legal status (Svampa and Pereryra 2003; Delamata 2004). Piqueteros’ organizations could no longer receive employment programs unless they had registered their organizations as NGOs. It was believed that by granting these organizations a new legal status, they could compete with non-Alianzist party brokers over the distribution of employment programs, get a greater share of employment programs, and as a result, limit the capacity of non-Alianzist clientelistic machines to control the distribution of these goods. Yet, the strategy of playing off non-Alianzist brokers and piqueteros’ organizations against each other had a number of negative and unintended consequences for the Alianzist government. By forcing the piqueteros to legalize their organizations, and by allowing them to have direct access, control, and administration of workfare programs, De la Rúa contributed to increasing the autonomy and power of the movement vis-à-vis its own administration. He would himself fall victim of this strategy in December 2001, when groups of piqueteros and middle-class protestors filled the streets banging pots and pans, demanding the resignation of President De la Rúa, who, with no room for maneuver to control popular uprisings and the economic crisis that had triggered them, was forced to step down.

The results displayed in table 1 confirm that federal institutional arrangements have a positive and significant effect on the allocation of employment programs. Overrepresentation in the lower and upper chamber is indeed a strong predictor of the cross-provincial variation of distribution of employment programs. Provinces with greater legislative representation in Congress receive more programs. In fact, a 1.0 standard deviation increase in overrepresentation in the Senate, leads to a 0.24 percent increase in the percent of people receiving employment programs. Similarly, a 1.0 standard deviation increase in overrepresentation in the House produces a 0.18 percent increase in the dependent variable. The impact of overrepresentation on the distribution of employment programs may be explained by the president’s need to get “cheap” legislative support to build or maintain winning legislative coalitions in Congress. If Argentine presidents have in fact used employment programs as a commodity to buy legislative loyalties, they have done so by favoring governors of underpopulated provinces.

As the results show, presidential elections are not statistically significant. The negative sign of the coefficient however, might be indicating that employment programs have not been used as campaign handouts during (national) election years. Federal politicians might

2000, compared to a level of nearly 10 percent under the Plan Trabajar II implemented during the Menem administration (World Bank Report No. 26134-AR:13).
Table 1 Prais-Winsten Regression with AR1 Corrections: Determinants of Employment Programs' Allocation (1993–2002)

<table>
<thead>
<tr>
<th></th>
<th>Model 1</th>
<th>Model 2</th>
</tr>
</thead>
<tbody>
<tr>
<td>Roadblocks</td>
<td>0.0019***</td>
<td>0.0012*</td>
</tr>
<tr>
<td></td>
<td>(0.0004)</td>
<td>(0.0006)</td>
</tr>
<tr>
<td>Unemployment (lagged)</td>
<td>0.5457***</td>
<td>0.0452***</td>
</tr>
<tr>
<td></td>
<td>(0.0151)</td>
<td>(0.0138)</td>
</tr>
<tr>
<td>Peronist President</td>
<td>0.2208**</td>
<td>0.1878*</td>
</tr>
<tr>
<td></td>
<td>(0.0834)</td>
<td>(0.0863)</td>
</tr>
<tr>
<td>Radical/Alianzist Governor</td>
<td>-0.1670*</td>
<td>-0.1928*</td>
</tr>
<tr>
<td></td>
<td>(0.0645)</td>
<td>(0.1385)</td>
</tr>
<tr>
<td>Presidential Election</td>
<td>-0.0022</td>
<td>-0.0080</td>
</tr>
<tr>
<td></td>
<td>(0.0417)</td>
<td>(0.0638)</td>
</tr>
<tr>
<td>Senate Overrepresentation (log)</td>
<td>0.2376***</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>(0.0417)</td>
</tr>
<tr>
<td>House Overrepresentation (log)</td>
<td></td>
<td>0.1788*</td>
</tr>
<tr>
<td></td>
<td></td>
<td>(0.1084)</td>
</tr>
<tr>
<td></td>
<td>(0.1093)</td>
<td>(0.1178)</td>
</tr>
<tr>
<td>Constant</td>
<td>-0.4944***</td>
<td>-1.0824*</td>
</tr>
<tr>
<td></td>
<td>(0.1883)</td>
<td>(0.5469)</td>
</tr>
<tr>
<td>N</td>
<td>192</td>
<td>192</td>
</tr>
<tr>
<td>R-Square</td>
<td>0.83</td>
<td>0.82</td>
</tr>
<tr>
<td>Wald chi2</td>
<td>2169.82</td>
<td>2206.04</td>
</tr>
<tr>
<td>Prob&gt;chi2</td>
<td>0.000</td>
<td>0.000</td>
</tr>
<tr>
<td>Rho</td>
<td>0.377</td>
<td>0.386</td>
</tr>
</tbody>
</table>

Panel corrected standard errors in parentheses; *p < .1, **p < 0.01, ***p < 0.001; one-tailed test.

distribute employment subsidies to gain legitimacy, placate social conflict, or benefit overrepresented provinces but, as the results suggest, they might not be employed to win national elections. Moreover, the fact that workfare programs have been transferred in a greater extent to overrepresented provinces indicates that these goods have not been
considered decisive to win national elections. Had presidents had the intention of buying people’s votes to win elections, they would have channeled employment programs to populous provinces (i.e., the least overrepresented in Congress). Instead, the federal government favored small and overrepresented provinces where, by definition, the absolute number of votes is considerably smaller. The insignificant effect of presidential elections, then, poses some limitations to studies that suggest that employment programs have been used to buy votes during national elections.

The results show that, as previously argued, roadblocks have been an important determinant of the way in which the federal government has allocated employment programs. The findings confirm, then, that the piqueteros’ mobilizations have been critical for shaping policy outcomes particularly in the area of labor market intervention, for they not only contributed to the expansion of employment programs, but also were crucial to determining their allocation (Lodola 2002). In fact, according to model 1, a one standard deviation increase in roadblocks leads to a 0.12 percent increase in the percentage of people receiving employment programs. Assuming that, during the period covered here, piqueteros’ organizations have been autonomous and have operated independently from clientelistic machines, as Lodola (2002), Svampa and Pereyra (2003), and Delamata (2004) maintain, the upward effect of roadblocks on the number of employment programs suggests that these goods have not been entirely used as clientelistic handouts, as many studies have pointed out. To the contrary, the results point to the fact that the federal government has also offered programmatic responses to piqueteros’ demands.

Finally, the analysis presented in this paper indicates that the economic crisis that hit Argentina during the last quarter of 2001 and the subsequent year has had a significant and positive effect on the distribution of employment programs. Additionally, the results show that the number of employment benefits allocated to the provinces has been determined, at least in part, by levels of unemployment. This result indicates that national politicians, even when they distributed programs discretionally, have responded positively to the dramatic impact of unemployment during the 1990s and early 2000s.

CONCLUSIONS

This paper has shown that, in consonance with previous studies, employment programs have not been entirely allocated according to means-tested formulas. In fact, the results presented here reveal that the distribution of these programs has been influenced by governors’ partisan identity and legislative overrepresentation. Peronist governors as well as conservative machine-oriented governors have been rewarded with a
greater proportion of employment programs than their Alianzist/Radical counterparts. In addition, between 1993 and 2002 the allocation of these programs favored small peripheral provinces with overrepresentation in the House and the Senate.

Still, the analysis shows that presidential electoral cycles have not shaped federal politicians’ criteria to distribute workfare programs, thus suggesting that clientelistic strategies might not be the sole factor driving the allocation of these goods. In fact, economic and societal factors have also determined how federal politicians have transferred employment programs to the provinces. The vast number of public mobilizations organized by piqueteros has had a major effect on the way in which the federal government has allocated employment programs, as did the high levels of unemployment and the economic crisis experienced in 2001-02.

The analysis of the Argentine case has several implications for future studies seeking to understand the way in which the distribution of conditional cash-transfer programs operate. There is wide agreement among scholars and international financial institutions that these types of programs are vulnerable to political manipulation. That said, it is also important to note that the distribution of these programs might not always be driven by clientelistic factors exclusively. As this paper has shown, economic and social factors might also be important determinants of how conditional cash transfer programs—which are rapidly expanding throughout Latin America—are given out. Future studies concerned with targeted social programs should incorporate these variables into their analyses in order to elucidate what programs have been used in a clientelistic way and which others have not.

The case study on Argentina presented in this paper also sheds light on important aspects of clientelistic exchanges. Instances of vote buying can be identified in various contexts such as national legislatures and/or elections to public office. Because election coalitions are frequently different from legislative coalitions, so are the strategies presidents have to employ to buy votes in these two different arenas. In countries where presidential elections are not determined by indirect bodies (electoral colleges), presidents seeking electoral victories have strong incentives to hunt for the support of populous districts. By contrast, when presidents are in need of building winning legislative coalitions, they may look for the support provided by sparsely populated districts, which can deliver a greater proportion of legislative votes at a “cheaper” price. Because these political strategies respond to different logics, presidents may opt to choose one over the other depending on whether they seek to win presidential elections or build/maintain winning legislative coalitions.

As shown in this paper, the allocation of employment programs in Argentina has been more inelastic to national electoral competition than previously claimed. Instead, the results suggest that federal politicians
may have distributed programs to favor provinces that were overrepresented in the national legislature, which may have been crucial to building or maintaining winning legislative coalitions.

In addition, the unpacking of clientelism in its electoral and legislative dimensions reveals that patron-client relations go beyond election day and that the clientelistic distribution of intergovernmental funds might be determined by the president's necessity to build or maintain stable, low-cost legislative coalitions. In bicameral systems, where the asymmetry between subnational units is inherently present in the upper chamber, presidents may have greater incentives to favor sparsely populated units in exchange for cheaper legislative support. Still, given that overrepresentation of small and underpopulated subnational units can also be found in the House, this approach also lends itself useful to study clientelistic exchanges in unicameral countries.

The distinction between pure "electoral vote buying" and "legislative vote buying" becomes particularly important to understanding how clientelistic relationships work in contexts where partisan competition is not structured along programmatic lines but rather along personalized and nonideological lines. Nonprogrammatic politicians, as various studies have shown, use clientelistic appeals to mobilize voters and buy their support on election day. But nonprogrammatic politicians might also use clientelistic handouts to buy the support of nonideological legislators and subnational politicians. Future studies on clientelistic exchanges should differentiate between goods that are targeted to buy electoral support and those that may be handed out to buy legislative votes. By integrating these two different dimensions in their works, these studies might come up with more comprehensive explanations of how patron-client relationships operate.

Finally, the study of the Argentine case provides some insights into another important aspect of clientelistic politics, namely, its intrinsically mediated nature. As noted above, the analysis presented in this paper shows that the distribution of employment programs has not responded to a simple "vote-buying" logic during presidential elections. This finding suggests that the distribution of some goods—such as conditional cash transfers—is less a strategy to directly buy people's votes during national electoral competitions, but more a tactic to invest and reproduce clientelistic networks at the subnational level. It is usually the case that subnational politicians controlling well-entrenched, clientelistic networks get funds from the federal government, which are then used to buy political loyalties from voters and legislators. By looking at the intergovernmental distribution of public goods across different levels of government, this paper has pointed to the necessity of looking beyond national politics to uncover the role played by subnational politicians, who are generally the main brokers mediating clientelistic exchanges.
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