

Organizing for Prosperity

Collective Action, Political Parties and the Political Economy of Development

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Abstract

The ability of citizens to act collectively plays a central role in major debates in the political economy of development, including the causes and consequences of democratization and clientelism. This essay uses two lines of research to underscore the importance of explicitly introducing the organization of collective action into these debates. Exhaustive research on the management of open access resources demonstrates that citizens' ability to act collectively depends on non-trivial organizational

arrangements that allow leaders to sanction free-riding and allow members to replace leaders if they shirk. Other research demonstrates wide variability in the organization of political parties. In countries where political parties do not have these two organizational characteristics, public policies are less friendly to economic development. This evidence suggests that in future research on democracy, state-building and development, citizen organization should be a central object of analysis.

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Organizing for prosperity: Collective action, political parties and the political economy of development

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The vast literature on the political obstacles to economic development ranges widely, from clientelism, ethnicity and conflict to the influence of special interests, culture, colonial experience, and regime type. Citizens' ability to act collectively underlies all of these, but differences in the ability of citizens to act collectively are not usually the explicit focus of analysis. Two lines of research, in particular, conclude that the specific organizational arrangements that groups make to facilitate collective action have significant development implications. This essay explores this work. An essential challenge of common resource management is the potential that free-riding leads to the "tragedy of the commons". Scholars in this area have long explored the importance of formal organizational structures to avoid free-riding. Another literature focuses on political parties, primary vehicles of collective political action. A wealth of scholarship has explored significant variations in party organization and electoral mobilization strategies. One dimension of variation that has received less attention is the degree to which parties are organized to serve the collective interests of members. When they are not, recent research suggests that governments are less likely to pursue development-friendly public policies.

The links between collective action and the various strands of research on the political economy of economic development are easy to discern, even when they are not the direct focus of scholarly inquiry. This research analyzes struggles between elites and non-elites, workers and capitalists, farmers and merchants, insurgents and counter-insurgents, and among ethnic groups, in order to understand the causes and consequences of conflict or the interaction of democracy and development. It almost always assumes that groups are capable of collective action: leaders of the groups do not shirk in their pursuit of group objectives nor do group members free-ride on their obligations to the group. In many relevant cases, however, they are not.

The importance of collective action for economic development is also evident when one focuses on the more proximate determinants of development: education and the accumulation of human capital; infrastructure; security, including the protection of property and contract rights; public health; or the proper regulation of market failures, ranging from the environmental to the financial. All of these are vulnerable to the central collective action challenge of free-riding: they are under-provided if individuals cannot be persuaded to contribute to or abide by them.

For example, although most education benefits accrue to the recipient and are private, some accrue to society as a whole (e.g., norms of citizenship); education is under-provided to the extent that all members of society assume that all other members will underwrite the costs of instilling norms of citizenship in its children. The benefits of secure property rights similarly accrue to everyone in society: expropriation of one investment deters other investors, reducing employment for all. Individuals who expropriate enjoy all of the benefits of expropriation, but bear only a fraction of the costs. They have private incentives to free-ride on a social norm or law that prohibits predation.

Governments can solve these problems when government officials have the authority and incentive to enforce individual contributions to collectively optimal public goods and individual compliance with collectively optimal regulations. Unfortunately, delegation of this authority by citizens to government is fraught with "political market imperfections" (Keefer and Khemani 2005). These "imperfections" drive a wedge between politicians and citizens, making it difficult for citizens to hold politicians responsible for political decisions that reduce citizens' welfare.

One of these political market imperfections is the inability of political actors to make credible commitments to citizens. As Ferejohn (1986) concludes, when citizens do not believe candidate promises, they can no longer credibly threaten to vote for the challenger who promises to pursue different policies than the incumbent, since challengers' promises are not credible. Instead, at best, citizens can credibly threaten to remove incumbents who fail to meet a performance threshold on which citizens spontaneously coordinate. If citizens can spontaneously coordinate, and if incumbent performance falls below the threshold, then regardless of challenger characteristics and promises, citizens throw out the incumbent. Otherwise, they retain the incumbent in office. Unfortunately, the performance threshold is credible only if it is low. If it is not low, it is feasible – and cheaper – for incumbents to use small transfers to persuade individual citizens to ignore the spontaneous decision to expel them. Persson and Tabellini (2000) describe multiple policy failures that emerge under these circumstances.

As this example demonstrates, credible commitment is therefore difficult because voters can neither *collectively* commit to punishing incumbents who do not fulfill their promises nor exert their collective influence over the choice of candidates. In the Ferejohn argument, precisely because citizens' capacity to act collectively is restricted to spontaneous coordination, they cannot credibly commit to removing politicians unless incumbent performance is particularly low. The remainder of this essay examines the question of why groups of citizens are better able to act collectively in some places than in others.

One important clue comes from research on the management of the commons. The next section of the essay summarizes the evidence from this literature: the organizational characteristics of these groups are key in ensuring that they do not fall victim to the “tragedy of the commons.” Successful commons have organizational arrangements that assign to leaders the right to enforce rules of access, but also make it easy for group members to replace leaders who shirk.

The parallels between the challenges of common resource management and of managing public policy to promote economic development are immediate. When citizens cannot act collectively, they exercise less collective influence over the political process, allowing politicians to pursue significant departures from those public policies that contribute most to their collective welfare. Political parties are the central vehicle for collective action by citizens to enforce government actions in the public interest. The essay examines evidence for one broad hypothesis to explain why politics might be more likely to exhibit this behavior in some places than others: in some countries, political parties are organized to represent the collective interests of members, and in others they are not. In particular, in poor countries, parties are less likely to be organized to facilitate collective action by party members. *Why* this is the case is an important subject for future research.

The final part of the essay explores the implications of collective action for debates surrounding democratization, state-building and development. In most analyses of democratization, the disenfranchised struggle for self-determination in order to correct public policies that are biased against them. In this literature, citizens, enfranchised and disenfranchised, are generally assumed to be able to act collectively. The state-building literature focuses on the leader's decision to establish a large and organized bureaucracy; this is sometimes influenced by the threat of citizen rebellion, but citizen organization is not explicitly examined. The threat of violence lurks beneath these theories, with democratization ultimately determined by the rents at stake and the relative ease with which

rulers can repress and the disenfranchised can organize revolutionary movements. Again, though, as in most theories of conflict, scholars assume that parties to the conflict can act collectively. This ability varies significantly across countries.

The organizational foundations of collective action and the common pool problem

For scholars of the commons (e.g., Ostrom, 1990 or Libecap and Johnson, 1982), it comes as no surprise that development is a collective enterprise and that the enterprise is fraught with difficulty.¹ When individual exploitation of economic resources such as fisheries, irrigation systems, forests, and oil reservoirs is difficult to limit, rational users extract more of the resource than is optimal for its long-run sustainability. When they do, they precipitate the “tragedy of the commons” – a tragedy, since all fishermen would be better off if they could enforce collectively optimal limits to fishing.²

Central to the task of managing common pool resources – and economic development – is, of course, the control of free-riding. Olson’s (1965) argument is precisely that collective action is illogical in the absence of measures to control free-riding by group members. He and other researchers emphasize three solutions to free-riding: small groups, so that members are more likely to internalize the costs of free-riding; selective incentives or punishments that directly discourage free-riding; and the presence of hegemonic members, who themselves benefit enough from the provision of the collective good that it is in their interest to provide it even when all other members free-ride on their efforts.

The emphasis on small groups and hegemonic members leaves open the question of how to organize collective action in large groups that lack a hegemonic member. The application of selective incentives or punishments answers this question, but raises a central organizational issue: Who in the group monitors shirking and applies the selective incentives, and how do group members prevent such “leaders” from shirking? A large literature, much of it based on laboratory experiments and on efforts to manage common pool resources, such as irrigation systems and forests, has grappled with these organizational issues.

One finding from this literature is not organizational at all: some fortunate groups are able to control free-riding simply by relying on social norms and the intrinsic motivation of individuals to cooperate. Ample laboratory evidence indicates that norms and intrinsic motivation can substantially offset incentives to free-ride. In her review of this large literature, Ostrom (2000, p. 140) lists key regularities that emerge among laboratory subjects playing variations on the public goods game. Despite the fact that the dominant strategy for each participant – the strategy that maximizes their individual material interests – is to make no contribution at all, participants regularly contribute significantly to the public good/collective action. They also expend resources to punish non-cooperators, even though the individually rational strategy is to leave punishment to others. Finally, and again

¹ Important contributions in the context of the organization of firms analyze similar issues, for example Miller (1987).

² Individuals know that they can sell all of the fish that they catch today. They also know that they cannot reserve for themselves any fish that they leave for tomorrow: these can be freely taken by other users. Lacking any special claim on the contribution that they make to future fish populations, the future benefit to them of conserving fish today is only a fraction of the benefit of extracting fish today.

contrary to their dominant strategy, the more that participants believe that other participants will cooperate, the more likely they are to cooperate themselves.

These results might tell us that collective action should not be so difficult – indeed, it should be nearly universal. They imply that the literature on public economics is of only theoretical concern – in practice, groups do not require delegation to government to solve the problem of public good provision. Moreover, Ostrom (2000, 149) reports that groups *do* self-organize when they have a norm of reciprocity. However, she also presents ample evidence from the field and laboratory demonstrating that this fortuitous circumstance is frequently absent: “Few long-surviving resource regimes rely only on endogenous levels of trust and reciprocity. . .” (Ostrom 2000, p. 151). Moreover, the more complex the common resource and the larger the number of users, the more likely is collective management to have failed, as Libecap and co-authors have shown for oil fields, land and fisheries.

Frequent real world breakdowns in collective action find potential explanations in laboratory experiments. One of these is anonymity: once exchange is no longer face-to-face, cooperative behavior in laboratory settings endures for fewer periods. Another is adverse experiences with cooperation: when “conditional cooperators” experience non-cooperation, they turn into “rational egoists” (who play dominant strategies – they cease to contribute to the public good). Moreover, subjects who have played incentive-compatible versions of cooperation games – where their dominant strategy was actually to cooperate and contribute – are less likely to behave cooperatively in settings where cooperation is no longer a dominant strategy (Schmidt, et al. 2001).

Historical and cultural circumstances also have profound effects on norm-based cooperative behavior: many communities, particularly those that are more deprived, are less well-endowed with cooperative norms. Based on experiments they conducted in Uttar Pradesh, Hoff, Kshetramade and Fehr (2011) show, for example, that lower castes in India are much less willing to punish members of their own caste who free-ride than are members of higher castes. Norms that deny opportunities to members of lower castes certainly harm them directly. However, they also have indirect effects, by undermining their ability to organize in their collective interests to improve their situation over time.

This research indicates that where social norms are insufficiently widespread or too weakly embedded to overcome collective action problems, groups cannot spontaneously solve free-rider problems. Instead, they require more structured, organizational solutions. These solutions, and the difficulties of achieving them, entirely parallel the challenges of solving the collective action problems that impede economic development. The parallels are not coincidental: economic development and fisheries are both common “resources” that demand efficient collective action.

Two features of group organization reduce the challenges of managing common resources, particularly when many individuals have the right to use the resources. First, members in successful common resource associations allow group leaders to enforce rules to limit free-riding (Ostrom 2000). This decision supports groups’ ability to act collectively even when members have weak cooperative norms. By itself, though, the delegation of key powers to a single group member does not guarantee that collective action will be in the group’s collective interest. The group member with the authority to monitor and punish free-riding by other members can shirk on this task to secure private benefits at the expense of the group. In real-world experiences of common pool management, leaders differ

significantly in the degree to which they encourage norms of reciprocity, with corresponding effects on whether these norms actually emerge and persist. Opportunistic behavior by group leaders is a frequent reason for collective failure.

To control this, groups that successfully manage common resources, like those that successfully delegate development challenges to government, have a second feature: organizational characteristics that allow members to replace leaders who fail to pursue the collective interests of the group. Based on her review of numerous irrigation systems, fisheries and other collectively managed resource systems, Ostrom (1990, 2000) argues that members must be able to select their own monitors. Individuals affected by a resource regime should also be able to participate in making and modifying its rules. Bardhan (1999) finds that the quality of irrigation maintenance is significantly lower where farmers believe rules of access are made by a local elite. In their theoretical analysis, Bates and Bianco (1990) conclude that leaders are less able to curb free-riding when group members cannot credibly commit to a response to leader shirking.

Political parties and collective action

In most countries, citizens cannot easily act collectively in support of development policies over which they share common preferences. This is not a question of preference heterogeneity. Every country exhibits groups of citizens who prefer similar policies, even if between-group preferences diverge. Nevertheless, even groups with homogeneous preferences are incapable of collective action. Moreover, citizens should all prefer to limit corrupt behavior – excessive rent-seeking – by government officials and yet, in many countries, they cannot. One important reason for this lies with the political parties in these countries, which are not organized to promote members' collective action.

Political parties' role in solving citizen collective action problems has long been recognized. Kitschelt (2007 p. 525) emphasizes that in mass democracies with a universal franchise, individuals require “intermediary vehicles of coordination that help them to overcome collective action problems. . .” Aldrich (1995) introduced the idea that parties solve voters' collective action problem of trying to hold multiple politicians jointly accountable for their actions. Cox and McCubbins (1994) view parties as a solution to collective action problems inside the legislature. However, although political parties are ubiquitous in both democracies and non-democracies, they often do not promote the collective interests of adherents.

Research on political parties rightly emphasizes the central question of whether and how cleavages in society – between rich and poor, secular and sectarian, rural and urban, north and south, Catholic and Protestant, etc. – are manifested in party systems. Lipset and Rokkan (1967) were the first to link the diversity of party systems to the interaction of social cleavages and the particular historical and institutional circumstances that lead elites to emphasize certain cleavages over others. Boix (2007) reviews the body of scholarship flowing from this insight, deploying more rigorous theoretical frameworks to weave together the specific roles of institutions, particularly electoral, and of history, particularly the constraints and opportunities confronting elite decision makers, to explain the emergence and evolution of parties.

Scholars have not, however, focused as much on the particular organizational challenges of forming political parties that facilitate collective action by members, though all

recognize that this is precisely the role of parties. An important exception, Kalyvas (1996), advances the important insight that Christian Democratic parties succeeded in Europe because they benefited from the organizational strength of the Catholic Church. Even here, though, the analysis does not explore the specific features that distinguish strong and weak organizations, nor explain why they are difficult to develop. The capacity of parties to represent the collective interests of members is similarly not a focus of early research on party organization (see, e.g., Panebianco 1983 and Katz and Mair 1994). On the contrary, Panebianco argues that parties are stronger when leaders are more autonomous from members, which is particularly the case when members *cannot* act collectively to supervise leaders. Gehlbach and Keefer (2011), in their analysis of ruling parties in non-democratic settings, reach a different conclusion: the more difficult it is for members to act collectively to remove leaders, the less credible are leader commitments to pursue the collective interests of members.

As the collective action and common resource literature foreshadows, two organizational characteristics ensure that parties pursue the collective interests of members (Keefer 2011); neither is easy to adopt. One is that leaders are authorized to monitor and punish free-riding by members in the pursuit of the party's objectives. Parties grant leaders the authority to sanction members who fail to support the party – by, for example, denying members access to party funding or advantageous positions in the government or legislature. However, leaders can use this authority to advance policies that help their private interests at the expense of the party, or to promote members who are personally loyal to them, even if the members' support for the party is suspect. The second key organizational characteristic, therefore, is that members (or some reasonably large sub-group of members) can act collectively to control shirking by leaders.

Each of these organizational attributes is risky. Members fear that leaders will exercise their authority opportunistically, or that their decisions will not hew closely enough to member preferences. Leaders, for their part, are typically more interested in organizational arrangements that cement their control over the organization, rather than arrangements that allow members to more easily remove them. They also may be concerned that less informed members will prevent more informed leaders from making decisions that ensure the party's political success.

Differences across parties in these two organizational attributes distinguish the types of political parties that have attracted the most scholarly attention: programmatic parties – those that mobilize electoral support through appeals based on a particular policy or ideological program; machine parties, for which electoral strategies depend on targeted, party-mediated transfers to supporters; and “patron-client” parties, where targeted transfers to individual supporters are again the key instrument of electoral mobilization, but these are mediated by candidates themselves, not by the party.

These parties vary significantly in the degree to which they promote collective action by members. As the following sections argue in greater detail, programmatic parties can only sustain credible programmatic appeals if they allow members to act collectively to sanction leaders who shirk and leaders to apply selective sanctions to members who free-ride. Machine parties are more likely to succeed if they offer members some capacity for collective action, to restrain leaders from reneging on their obligations to supporters. Patron-client parties, however, provide little basis for collective action by members. Correspondingly,

evidence reviewed below suggests that public policy is least supportive of development in countries where political competition is organized around patron-client parties.

Programmatic parties and collective action

It is well-known that programmatic parties make it easier for citizens to hold politicians collectively accountable for their actions, encouraging politicians to care less about the particularistic benefits they deliver to voters and more about broadly distributed benefits (Aldrich 1995). Scholars have also pointed to organizational pre-conditions for the sustainability of programmatic parties. In particular, Kitschelt (2000) argues that a central feature of programmatic parties is an organizational arrangement to resolve intra-party disagreements about policy, allowing the parties to hold policy positions that voters can easily identify (or “programmatic crystallization” as in Kitschelt, et al. 1999).

In view of one important goal of research on political parties – to understand what types of programmatic parties emerge in societies with multiple and often cross-cutting cleavages – it is natural for discussions of party organization to revolve around struggles to define a party program. However, this struggle is usefully seen as not simply a bargaining process among members with conflicting views, which organizational arrangements can help to structure. It is also only one of many collective action challenges that programmatic parties must successfully address.

The overarching collective action challenge concerns the incentives of party members and leaders to free-ride on their obligations to the party and, instead, to pursue their own private interests – ranging from the financial to the ideological. The ambitions that drive individuals to push for party leadership positions, or party candidacies, are rarely confined to the purely programmatic. Office-seeking leaders and candidates may seek to shade the party’s program to expand support beyond the membership of the party; their views may be stronger on some issue dimensions and weaker on others than average members of the party; and venal motivations can tempt them to make decisions that benefit only themselves and select special interests. As a consequence, leaders of programmatic parties may promote members and candidates who support them personally, rather than those who best advance the goals of the party. In raising funds to support the electoral appeal of the party and the party’s candidates, leaders may retain a larger share of those funds for themselves.

In each case, party members have incentives to seek advantages that benefit them individually at the expense of other party members. However, the essence of a party’s ability to credibly commit to a specific program is the degree to which it is organized to limit free-riding by party members, candidates and leaders. Parties that are not organized to limit free-riding undermine the ability of their candidates to credibly commit to a policy program.

The tensions within programmatic parties are well-known, but the impressive organizational challenge needed to moderate free-riding tendencies is less often the focus of attention. For example, a large body of scholarship concludes that programmatic parties comprised of members who all have strongly-held and homogeneous views on the party program confront fewer challenges to collective action. This parallels the literature on collective action and evidence from laboratory experiments, demonstrating that strong intrinsic commitments to the goals of a group can substitute for organizational controls.³

³ Kitschelt (1993) argues that parties that fail to employ “organizational democracy” (the delegation of

However, preference homogeneity is an organizational choice, and can only be sustained if party recruitment limits leader and member discretion to depart from the programmatic litmus tests that are a condition of membership. This is not costless for leaders, who face higher costs in trying to recruit and advance personally loyal individuals who are less committed to the party's goals.

The sustainability of a party program also demands that party organization facilitate collective action by members to challenge leaders and leader decisions regarding such key issues as candidate selection. This, however, also limits leaders' discretion and makes them more vulnerable to replacement. It also requires that members and candidates delegate to leaders the authority to sanction them – denying recalcitrant members leadership positions in the party or financing for their campaigns. However, popular candidates with strong personal constituencies are loath to subject themselves to discipline by party leaders.

The link between programmatic crystallization and the organizational challenges of limiting free-riding is therefore clear. The collective task of programmatic crystallization is more difficult if party organization does not institutionalize the recruitment of members with homogeneous preferences. At the same time, efforts to crystallize the program are only meaningful if party organization can enforce the program that emerges. Where it imposes no limits on leader or member free-riding, citizens have little reason to believe candidate commitments to pursue the party program.

Collective action in machine parties

Machine parties mobilize electoral support through the party-mediated distribution of private benefits to supporters. Policy promises and ideology play less of a role; recruitment into the party places correspondingly little weight on these factors. Nevertheless, machine parties may also support collective action by members.

By definition, these parties exhibit one of the two organizational features that support collective action by members: they allow leaders to provide selective rewards and punishments to members depending on member efforts to advance the cause of the party. The party itself supervises the exchange of targeted rewards for political support between party and party members, so party leaders have the authority impose sanctions on party members who free-ride on their obligations to support the party. This is organizationally complex: machine parties exhibit sophisticated arrangements to track members' contributions to the party's electoral success, offering privileged access to private transfers from the party or government to members who contribute more (Kitschelt 2000; Stokes 2003; Calvo and Murillo 2013, forthcoming).

Machine parties exchange targeted rewards from the party for supporters' efforts on behalf of the party. This exchange is rarely simultaneous and supporters exert effort on behalf of the party in the expectation of future rewards. Gehlbach and Keefer (2011) explain, however, that these intra-party exchanges require that party leaders credibly commit not to renege on the party's obligations to reward such supporters. Such a commitment comes precisely from organizational arrangements inside the party that allow members to punish or remove leaders who shirk on their obligations to party members. In the absence of

authority by members to party leaders) are necessarily small, since the alternative, direct democracy, imposes costs that many potential party members are unwilling to bear. In the cases he refers to (left-libertarian movements that become parties, such as the Greens), members actually have an ideological aversion to centralized mass organizations, preferring "direct democracy" as the model for internal governance.

these arrangements, individual party members have less confidence in party promises that their efforts on behalf of the party will be subsequently rewarded. This undermines the efficacy of the machine party's main mobilization strategy, the exchange of private rewards for efforts on behalf of the party.

As with programmatic parties, it is not necessary that the entire membership be able to act collectively to restrain shirking by leaders of machine parties. It is, instead, only necessary that they are sufficiently numerous and well-organized to make it too costly for the leader to buy their support. In programmatic parties, however, the cost of buying off members must compensate members for the reduction in their welfare occasioned by leader decisions that degrade the party program. In pure machine parties, organized only around the transfer of rents to individuals, party members incur no such programmatic losses.

Enduring machine parties therefore exhibit both leader oversight of member free-riding, and member oversight over leader shirking. Given that they are already equipped with organizational arrangements that are needed to make credible programmatic appeals, one might expect machine parties to eventually increase their reliance on programmatic commitments as a device to mobilize electoral support. This is because the resources needed to fulfill programmatic commitments can, in principle, deliver larger welfare gains to citizens than if the same resources are used to make transfers to citizens. A standard conclusion of public economics, for example, is that spending on public goods can deliver larger welfare increases to large groups of citizens than the same spending transformed into individual payments to each of those same citizens. It is, in a nutshell, cheaper for parties to use public goods to improve citizen welfare by a given margin than to use transfers (see, e.g., Persson and Tabellini 2000).⁴

As Kitschelt (2000) points out, however, machine parties typically do not invest in the organizational infrastructure of interest aggregation (see also Kitschelt and Wilkinson 2006). In the context of the arguments in this essay, three obstacles stand out as limiting the scope for machine parties to embrace programmatic appeals. First, programmatic appeals are more difficult to the extent that a party continues to rely on activists with little programmatic commitment, but great skill at mobilizing voters with private inducements. Second, the support of these activists is at risk if these same activists see their path to party advancement limited by the new emphasis on programmatic mobilization.

Third, the task of "programmatic crystallization" is much more difficult for a machine party than for a new party. Machine parties carry a legacy of past recruitment strategies, with members who are tied together only by loyalty to the party and its private transfer agenda. Party members are no more likely to share with each other a common perspective on development policies than they are with non-party members. Deep disagreements about whether those policies should emphasize redistribution, growth, infrastructure, education, transfers that relieve credit constraints on the poor, public health,

⁴ A road, for example, could increase the incomes of both party members and non-party members by 25 percent, after accounting for the deadweight losses accrued from raising revenues to finance the road. The same resources, delivered as transfers to all citizens, would actually reduce their incomes slightly (taking into account the deadweight losses associated with collecting taxes). If the resources were transferred only to the members of a small party, their incomes could increase by much more than 25 percent. As the party grew, however, the optimal policy even for party members would eventually switch to the road that benefits all citizens.

environmental regulations, or support to the judiciary can be an insuperable obstacle to programmatic transitions.

Kitschelt (2000, p. 854) emphasizes the difficulties that parties confront when they attempt to switch between clientelist and programmatic strategies, emphasizing especially examples from Austria, where “the disparity between clientelist deeds and Socialist words hung like a millstone around the neck of the SPÖ and eventually undercut the party’s credibility.” In India, the Congress Party has struggled to free itself from historic promises to provide free power to farmers. This policy generates social costs far in excess of the value of the power received by farmers. Moreover, because the costs of the policy have led to underinvestment in the power sector, it leaves even many farmers worse off. Nevertheless, the general secretary of the Congress Party indicated the difficulties of abandoning the policy when he explained that “Congress as a national party . . . is against subsidies, but if the state Congress is confident that it can sustain providing free power to farmers, the party high command will have no objections to it” (*The Times of India*, July 22, 2002).

Nevertheless, because members can act collectively, and following the argument that Aldrich (1995) makes for programmatic parties, citizens can rationally hold individual machine party candidates accountable for policy failures by leaders. Citizens know that party members collectively have the ability to restrain leader shirking and that the party is sufficiently well-organized to allow such collective action. Hence, they can rationally punish individual candidates from parties that are responsible for development failures and reward individual candidates from those that succeed.

As the next section indicates, this contrasts with the experience of countries dominated by patron-client parties – clientelist parties that are loosely organized around patron-candidates. In these countries, it is irrational for voters to hold individual candidates even retrospectively accountable for failures of national economic policy. Individual politicians have little influence over national policies and their parties have no capacity to organize them for collective action. That is, they can do nothing to change policy even if voters threaten them with expulsion in the event of policy failure; voters therefore gain nothing by expelling them in the event of policy failure (beyond the satisfaction of casting a protest vote).

Clientelist parties, charismatic leaders and the absence of collective action

In two other broad categories of non-programmatic parties, those that rely on individualized patron-client exchanges (“patron-client parties”) to mobilize electoral support, and those based on the charismatic appeal of their leaders, party members have little ability to act collectively. The central characteristic of patron-client parties is the exchange of support by individuals (“clients”) for narrowly targeted benefits provided by candidates (“patrons”). In contrast to machine parties, the exchange of payoffs to individual voters for their electoral support is managed by individual politicians. These politicians are, or work with, “patrons”, individuals who each have the capacity to make credible commitments to deliver private rewards to a personal constituency, their “client”, as in Keefer and Vlaicu (2008), and to monitor their electoral choices (see, e.g., Bratton and van de Walle 1997 and Kitschelt and Wilkinson 2006).

The basis of electoral mobilization in patron-client parties is the individual exchange between patrons and clients. Regardless of party organization, patrons have the capacity to make credible commitments to deliver private rewards to their clients (as in Keefer and

Vlaicu 2008) and to monitor clients' electoral choices (see, e.g., Bratton and van de Walle 1997 and Kitschelt and Wilkinson 2006). Patron-client exchanges are credible, even in the absence of collectively-organized clients, because the relationship between patrons and clients is grounded in sustained reciprocal exchange (Scott 1972), which makes them self-enforcing. Both patrons and clients value future exchanges, so the threat of withdrawing from the patron-client relationship, in the event of non-compliance, is a meaningful threat.

However, within patron-client parties, little binds patrons together or prevents them from splitting off to form new parties. Moreover, the fixed costs of unilaterally starting a party are low since patrons can always count on the support of their clients. In Benin, for example, individual politicians regularly establish and disband parties and parties have generally been small. The average age of all political parties in Benin was 10 years in 2001 – but only three years in 2012. Weakly organized, clientelist parties can persist, but then because family ties are extensive and strong, or because, in the style of charismatic parties, party leaders or their families are popular or command large voting blocs (e.g., as in Pakistan).

Patron-client parties have notably weak incentives to pursue policies that promote development because they are inherently incapable of making programmatic commitments to voters. For example, party leaders are unable to prevent patrons from pursuing policy objectives that are contrary to those advocated by the party as a whole, since patrons can easily leave. This has significant implications for public policy. Keefer and Vlaicu (2008) show that policies pursued by politicians who can make credible pre-electoral commitments to only a narrow group of voters (e.g., politicians in patron-client parties) mirror the policy choices associated in the literature with political clientelism: low public good provision relative to private good provision and high rents. Keefer (2007) shows that young democracies pursue exactly these types of policies, consistent with the hypothesis that political competitors in younger democracies are less able to make credible commitments to broad groups of citizens.

Leaders who rely on their own charisma to attract popular support also have weak incentives to introduce organizational arrangements that facilitate collective action by members. The popular appeal of such leaders emerges precisely because citizens believe that these leaders will pursue their interests. Citizens therefore do not require the reassurance that committed party members will act collectively to discipline the leader if the leader shirks.

For example, Hugo Chávez advanced significant social programs that largely benefited the poor and were not strongly conditioned on overt support for the ruling party (Hawkins 2010). His party, though, like those of other charismatic leaders, was organized around the personality of the leader, with little institutional basis of its own (Zúquete 2008, Roberts 2003). The internal organization of such parties does not impose costs on leaders if they fail to pursue redistributive policies in the future. This is because voter support for the party rests not on the credibility of the party's commitment to redistributive policies, but on their faith in the charismatic leader's commitment to those policies. Indeed, it is precisely because Chávez' personal charisma was sufficient to persuade voters of his credibility that he could refrain from introducing key organizational arrangements into the *Partido Socialista Unido de Venezuela* that would allow members to act collectively to restrain leader shirking. Such parties are less likely to survive after the death of their charismatic leader (holding aside the question of the long-term financial feasibility of the leader's program).

Isn't clientelism everywhere?

This discussion emphasizes that a key difference between programmatic and clientelist parties is the organizational characteristics of programmatic parties that allow them to make credible commitments to broad public policies. Of course, any simple typology of parties masks the complexity of real world partisan organization. Hagopian (2007) summarizes evidence indicating that, whether one looks at self-reported citizen identification with parties or swings in party vote-shares from one election to the next, emerging democracies exhibit significantly lower and higher rates, respectively, than those in industrialized countries. The preceding argument offers one explanation for this: in countries dominated by patron-client parties, which are more likely to be emerging than industrialized democracies, the ease with which patron-candidates can switch and establish new parties renders parties unstable. However, Hagopian (2007) underlines that this, or any other single explanation, is unlikely to explain all cases.

In Russia, for example, during a period of extreme party flux, voting decisions reflected most strongly citizens' views on issues rather than candidates. One explanation for this, consistent with the core argument in this essay, is that where ideology is highly salient to voters, and candidates can establish a personal commitment to the ideology, voters can rationally base their votes on ideology even when those candidates are not organized into parties that can make credible programmatic appeals.

Hagopian notes as well that parties make clientelist appeals in some parts of a country and programmatic appeals elsewhere, and that ideologically committed party representatives can also be effective representatives of narrow constituent interests. Certainly, it is well-known that even programmatic parties do not abjure clientelism and its candidates may still make "empty promises" – promises that are infeasible to implement. Targeted payoffs to key constituencies are a staple of politics in North American and European democracies. Politicians in these democracies also often make clearly non-credible policy promises on issues ranging from job creation to the elimination of waste in government to the reversal of global warming, to signal their broader policy preferences.

However, in contrast to politicians in countries that lack programmatic parties, they can credibly commit to policies that differ from those advanced by competing parties. Republicans who embrace higher taxes or Democrats who oppose abortion face larger sanctions from within their parties than do their counterparts in countries that lack programmatic parties.⁵ One way to see the importance of the difference is to observe inter-party variation in partisans' preferences on key issues. If programmatic parties can make credible commitments to broad policies that party supporters care about, supporters should exhibit systematically different preferences regarding "programmatic" issues. Where credible policy differences are not in evidence, there should be no association between voters' policy preferences and their partisan inclinations.

In the United States, in a survey of 2,369 voters in February 2002, Republican and Democratic voters expressed significantly different preferences regarding tax cuts that were consistent with their party affiliation. Fifty-five percent of Republican-leaning respondents

⁵ Of course, this makes compromise difficult when the programmatic gulf is large, as American politics in 2012 demonstrate. However, negotiation between competing parties is potentially even harder when neither is programmatic and there are weak political incentives to solve broad policy problems.

said tax cuts should be made permanent and 12 percent said they should be repealed. In contrast, 12 percent of Democratic-leaning respondents said they should be made permanent and 31 percent said they should be repealed. Similarly, 70 percent of Republican-leaning voters described themselves as pro-business and only 30 percent as not being pro-business. Democratic-leaning voters split 50-50.⁶

Many observers have argued that the two main parties of Ghana are also programmatic with regard to economic policy. The New Patriotic Party, they argue, is a part of the anti-Nkrumah tradition of J.B. Danquah and President Kofi Busia, typically viewed as the party of business (or at least, of successful businessmen, or “big men”) (Nugent 1999, 290). The National Democratic Congress, on the other hand, began as a revolutionary, socialist party that rapidly became more populist and “developmental” (oriented towards public works).⁷ *The Economist Intelligence Unit* (2006, p. 10-12) described the NPP as the party of the market and of business, opposed to the interventionist policies of Ghana’s post-independence leader, Kwame Nkrumah and virulently opposed to the aggressive anti-business policies followed by the Rawlings government immediately after taking power in 1981. The NDC, in contrast, traditionally favored more significant government intervention in the economy, but lost a definite policy identity as a result of major liberalizations that began under the Economic Recovery Program (ERP) around 1983. In addition, based on their survey of 690 voters in 2003, Lindberg and Morrison (2005) argue that partisan preferences differ by education, the rural-urban divide, income and occupation, the same dividing lines that one observes in mature democracies. They also conclude that Ghanaian parties convey programmatic messages to voters.

However, in other work, Lindberg (2003) carefully documents that clientelist payoffs from politicians to voters are so large that politicians hesitate to return to their constituencies because of the large sums they are expected to distribute when they are there. Moreover, there is little evidence of organizational arrangements within these parties that encourage programmatic consistency. On the contrary, the Center for the Development of Democracy-Ghana (CDD-Ghana) held debates for parliamentary candidates in 24 constituencies across the country in 2004 and recorded the proceedings of 15 of them in detail (CDD, no date). Of 14 NPP candidates who appeared in the 15 debates, eight made no mention at all of the national party, either its program or its past performance, despite the generally recognized success of the NPP’s first four years in government. Only five of all the NPP candidates mentioned policy issues that extended beyond the constituency; the remainder confined themselves exclusively to constituency-level policy interventions. The NDC candidates were even more emphatic in underplaying the national party, with only three of 12 candidates mentioning the national party’s accomplishments, and only two of 12 mentioning policy issues that transcended constituency borders.

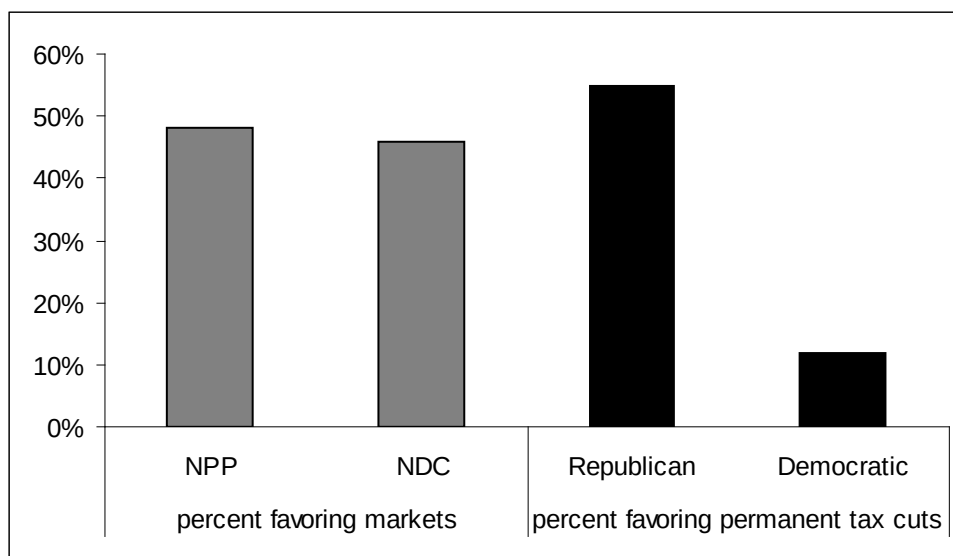
Consistent with the relative weakness of programmatic appeals to voters in Ghana relative to the United States – despite the potential presence of both programmatic and

⁶ Pew Research Center for the People and the Press. Survey of February 2002. <http://people-press.org/dataarchive/>

⁷ Parties in the tradition of Kwame Nkrumah, also with a more left-leaning ideology, persist as well, but none approaches the two main parties as a political force; in the 2000 elections, the two main parties won 93 percent of the presidential votes and all but eight parliamentary seats (Nugent 2001, 422).

clientelistic mobilization strategies in both countries – the policy preferences of supporters of different parties in Ghana are nearly identical, in contrast to those of their counterparts in the US. The Afrobarometer 2002 survey of Ghana probed 1,200 respondents about their party preferences and also about their opinions about a market-based economy. About 10 percent of respondents (126 out of 1,200) agreed with the statement, “For someone like me, it does not matter what kind of economic system we have.” Thirty percent (372) agreed with the statement, “A government run economy is preferable to a free market economy” and half (612) agreed with the reverse statement, “A free market economy is preferable to a government run economy.” As Figure 1 indicates, however, and in sharp contrast to the supporters of the Republican and Democratic parties in the US, these responses were nearly the same across supporters of the two main Ghanaian parties, contrary to what one would expect if the parties made credible programmatic promises related to the role of government in the economy.⁸

Figure 1: Partisan divides on the growth agenda, Ghana and the United States



Note: The figure depicts the percent of Ghanaian and US respondents to the 2002 Afrobarometer and Pew surveys, respectively, who expressed support for the indicated party and who agreed either that the market was a preferable form of economic organization (Ghana, NPP and NDC), or that tax cuts should be made permanent (the US, Republicans and Democrats).

⁸ Responses might have differed if the question had emphasized a potentially more salient issue, such as “The government should redistribute more from the rich to the poor”. The 2005 Afrobarometer survey asked whether respondents believed that people should be responsible for their own success, or whether the government should bear the main responsibility. Here, NPP supporters were more different than NDC supporters: 61 percent of NPP supporters, compared to 44 percent of NDC supporters, favored the self-reliance response. Even here, though, the differences are far smaller than those found between Republicans and Democrats.

Parties in non-democracies

The foregoing logic extends to any group that seeks to make credible claims about its future actions, and not only to political parties in democracies. In particular, the organization of ruling parties is also relevant for non-democratic leaders. They can limit challenges to their rule in three ways. One is through the persistent application of coercion. Another is to make continual payoffs to key groups of citizens in exchange for their continued support of the regime. A third, however, is to convince key citizens that future policies under the current leader will be better than those under any potential replacement. The way they choose to organize the ruling party affects how non-democratic leaders can bind themselves to their future policy commitments.

As with party leaders in democracies, rulers can rely on their charismatic appeal as their source of credible commitment, if they happen to possess it, allowing them to dispense with party organization. If their charismatic appeal is more limited, they can at least make credible future commitments to family members or others with whom they have a personal connection, again without relying on party organization, the strategy followed by the recently deposed president of Tunisia, Ben Ali. These individuals might themselves be “patrons” and able to make credible commitments to their own clients, allowing leaders to extend their ability to make credible commitments to a larger fraction of the population (as Keefer and Vlaicu 2008 describe in the case of democratic rulers).

Like party leaders in democracies, non-democratic rulers may find it advantageous to expand their capacity to make credible commitments beyond those with whom they have personal relationships and affinity ties by establishing more organized ruling parties. The choices that they have in this regard are analogous to those of party leaders in democracies. In particular, they can establish a ruling party machine, targeting members with individual benefits. Or they can establish a programmatic party, aiming to make credible commitments to citizens regarding their future policies. In both cases, the question confronting rulers is whether they want to create organizational arrangements that facilitate the collective action of members, the problem at the center of Gehlbach and Keefer (2011, 2012).

In democratic ruling party machines, as long as the leaders’ interests are sufficiently intertwined with those of the party, individual members can restrain leader shirking without resorting to collective action. Leaders can be obliged to honor their commitments to individual members simply by the threat that these members will switch parties should commitments to them not be honored. In non-democratic settings, however, the option of party switching is constrained by restrictions on the existence of other parties. It is also constrained by the threat that the leader will make reprisals against individuals who leave.

As a consequence, in ruling party machines, non-democratic rulers’ commitments to provide transfers to individuals who exert effort on their behalf are only credible if those individuals can act collectively to restrain the leader. In addition, as in democratic settings, the credibility of programmatic commitments by rulers requires that they endow party members with the ability to act collectively.

Gehlbach and Keefer (2012) show that organizational arrangements that ensure the free flow of information about ruler treatment of individual party members are sufficient to make ruler commitments not to expropriate party members credible. In an extension, Gehlbach and Keefer (2012) also demonstrate that the same logic applies to leader promises to provide selective benefits to group members who exert effort in the pursuit of goals

established by the leader. This is key, because in a setting where the programmatic promises of rulers include infrastructure development, better schools or improved environmental quality, the ability of party members to act collectively to enforce those promises has spillover benefits for citizens more generally.

The development effects of political party organization

The foregoing discussion indicates that political parties in both democracies and non-democracies differ in the degree to which their organization supports collective action by party members. In particular, parties seeking to mobilize support on the basis of programmatic commitments, either in democratic or non-democratic settings, must allow party members to act collectively. Otherwise, leader incentives to shirk in their pursuit of the party program render it non-credible and the program ineffective as a mobilizing device. Successful machine parties also allow members to act collectively to restrain leader shirking, though they confront significant obstacles to using this organizational endowment to make programmatic appeals. In contrast, patron-client parties have no capacity at all to make programmatic appeals.

If the analysis is correct and patron-client parties are the only parties that are systematically incapable of making credible commitments to pursue policies in the broader public interest, then we should observe an association between the presence of such parties and the lower quality of public policies and development outcomes, in both democratic and non-democratic settings.

Evidence on these implications is difficult to assemble, since data on whether parties exhibit leader monitoring of member contributions and member collective action to restrain leader shirking are not available. However, Keefer (2011) exploits several characteristics of parties, for which time-series data are available, that plausibly capture the degree to which parties are organized to better promote the collective interests of members. One of these, from the Database of Political Institutions (Beck, et al. 2001), is whether parties can be characterized as espousing economic policies that are left (more redistributionist), right, or centrist; or whether instead the party has no stance on these issues and, instead, seems to exist to further the ambitions of the party leader.

The coding of the DPI is based on descriptions of the party in a number of long-running almanacs. The coding rules do not require the enumerators to identify the organizational characteristics of the party (on which the descriptions in the almanacs are, in any case, silent). However, the foregoing argument is that parties can only sustain a programmatic reputation for pursuing broad public policies along the left-right spectrum if they allow members to remove leaders who diverge from the policies and delegate to leaders the right to sanction members who do not contribute to the party's pursuit of these policies.

The coding is generous: 71 percent of the largest governing parties are coded as programmatic. However, among poorer countries, only 58 percent are coded with a programmatic stance, compared to 83 percent in richer countries (91 percent and 71 percent in the case of richer and poorer countries that exhibit competitive elections). Moreover, the generosity is in the direction of attributing programmatic character to parties (such as machine parties) that may not be sufficiently well organized to make credible programmatic commitments to voters. That is, parties that are not coded as programmatic can be reliably

regarded as fundamentally organized around patron-client, charismatic, or coercive forms of political mobilization.

Table 1: Party organization and public policy
(*p*-values in parentheses, standard errors clustered by country)

Dependent variables:	Gross Secondary School Enrollment	Gross Primary School Enrollment	Bureaucratic Quality (ICRG)	Corruption (ICRG)
Panel A: All country-years, controlling for whether governments are competitively elected. Coefficients for other controls not reported (see note)				
Competitive elections, 0-1	1.13 (.55)	4.0 (.15)	.29 (0.103)	0.17 (0.17)
Average of programmatic dummy variables over all parties	6.22 (.01)	6.03 (.08)	.64 (0.00)	1.01 (0.00)
Panel B: Sample restricted to country-years with governments elected in competitive elections. Coefficients for other controls not reported (see note)				
Average of programmatic dummy variables over all parties	9.56 (.001)	7.26 (.08)	.66 (.01)	.92 (0.00)
Panel C: Sample restricted to country-years with governments <i>not</i> elected in competitive elections. Coefficients for other controls not reported (see note)				
Average of programmatic dummy variables over all parties	3.93 (.23)	7.66 (.11)	.33 (0.08)	.79 (0.00)

Note: Table based on Tables 4 and 5, Keefer (2011). Results of ordinary least squares regressions that control for real, purchasing power parity-adjusted income per capita; the percent of the population that is rural; the percent that is 15 years old or younger; land area; and total population (not reported). Competitively-elected governments are those in which both legislative and executive elections had multiple parties competing and in which no party or candidate received more than 75 percent of the vote or seat share (data from the Database of Political Institutions). Sample sizes in Panel A range from approximately 500 for the education variables to approximately 1300 for the International Country Risk Guide variables.

For example, the almanacs, and therefore the data in the DPI, tend to distinguish whether programmatic tendencies are the product of leaders' autonomous decisions, or are supported by the party. Venezuela provides a useful illustration. In particular, although

Hugo Chávez advanced significant social programs that largely benefit the poor, his party, the *Partido Socialista Unido de Venezuela* (PSUV), is, correctly, not coded as programmatic in the DPI. Instead, the party is coded with a 0, non-programmatic, because it is organized around the personality of the leader, with little institutional basis of its own.

The results displayed in Table 1, taken from Tables 4 and 5 in Keefer (2011), illustrate the strong association between the absence of parties sufficiently organized to sustain a programmatic reputation and the corresponding absence of more development-oriented policies. Panel A indicates that both gross primary and secondary school enrollments are significantly higher in countries that exhibit programmatic political parties (controlling for income and the presence of competitive elections, among other things). Stasavage (2005) and Baum and Lake (2003) argue that competitive elections, in and of themselves, increase access to education. The results in Keefer (2011), reported in Table 1, indicate that this effect is driven by the disproportionate presence of parties organized to sustain a programmatic reputation in democracies: the effect of competitive elections is largely insignificant after controlling for whether parties are primarily patron-client and non-programmatic.

The predominance of patron-client parties is also associated with lower bureaucratic quality and higher levels of corruption, as reported by the *International Country Risk Guide*. Again, the effect of competitive elections is insignificant and appears to depend on the relative importance of programmatic parties relative to patron-client parties. Panels B and C demonstrate that these effects also capture within-regime variation in public policy. Among countries that with competitively-elected governments, and among countries that lack such governments, school enrollment and bureaucratic quality are significantly higher and corruption significantly lower in countries with more programmatic political parties.

The evidence in Table 1 indicates that the prevalence of non-programmatic parties – the pervasiveness of patron-client parties – is associated with worse public sector performance with respect to education, bureaucratic quality and corruption. This raises the question of whether countries that lack programmatic parties are also less likely to adopt institutional arrangements inside the bureaucracy that support better bureaucratic quality and lower corruption – in particular, transparent public sector financial management and meritocratic civil service recruitment.

Cruz and Keefer (2012) address this issue. They argue that politicians in political parties organized in the members' collective interests are more likely to insist on management systems that allow them to supervise the public administration.⁹ On the one hand, such parties are more likely to prefer policies (such as education, health and infrastructure) that are difficult to monitor without the assistance of adequate management systems (in contrast to policy goals of distributing patronage jobs that they can oversee by themselves). On the other hand, collectively-organized legislators and ruling party members can more effectively insist that the executive adopt such administrative reforms. Cruz and Keefer (2012) test this theory looking at independent evaluations of 511 public sector reform loans extended by the World Bank. They find that, among countries that accepted these

⁹ Kitschelt (2000, p. 852) also concludes that programmatic parties are more likely to require a “universalist legal codification of citizens' entitlements and obligations”, which also demands a well-functioning public administration.

loans, those with programmatic parties implemented the reforms more successfully than those that did not.

Their findings explain the robustness of the results in Table 1 to the inclusion of countries such as Venezuela under Hugo Chávez in the “non-programmatic” category. As Cruz and Keefer (2012) argue, although Chávez pursued explicitly redistributive policies, he did not invest in improved bureaucratic performance – indeed, reluctance to strengthen the bureaucracy goes hand in hand with an unwillingness to strengthen party organization, since both strong bureaucracies and strong parties restrict the discretion of leaders.

If the prevalence of patron-client parties increases two of the clientelist attributes of public policy (narrowly targeted transfers, rent-seeking), they should also increase a third, vote-buying. Hanusch and Keefer (2012) argue that vote-buying is particularly likely when politicians cannot make credible commitments to voters. In that case, they can only mobilize electoral support with pre-electoral transfers to voters – with vote-buying. However, to make it easier to enforce the vote-buying contract, vote-buying is more likely to occur just before the elections. This, however, should give rise to a political budget cycle, with greater expenditures just before elections to finance vote-buying. They find evidence precisely of this: political budget cycles are more extreme in countries lacking programmatic political parties, which they interpret as resulting from the reduced incentives of more credible politicians to engage in vote-buying.¹⁰

One key public good that clientelist politicians are less likely to provide is security. Keefer (2008, 2012) links this prediction to the vulnerability of countries to civil war. On the one hand, countries without programmatic policies are less likely to pursue broadly-beneficial public policies, making citizens less supportive of the government in the face of potential insurgencies. On the other hand, public security, including the development of counter-insurgency capacity, is an important broad public policy that, like other broad policies, is more likely to be implemented by political parties capable of credibly committing to them. The evidence in Keefer (2008) points to a significantly lower risk of civil war in countries with programmatic political parties.

The implications of collective action for democracy, state-building and development

Research on the political economy of development is intimately tied to questions of democratization and state-building. What are the effects of democracy on development? Under what conditions do countries democratize? And when do rulers build “strong” states? The organization of collective action plays a significant role in answering all of these questions.

¹⁰ In fact, one other indication that the DPI coding of the PSUV in Venezuela as non-programmatic is likely correct is the prevalence of vote-buying in the country. Some evidence (not unbiased, however) suggests that vote-buying could be important in Venezuela. *El Nuevo Herald* (a newspaper opposed to the Chavez regime), reported widespread vote-buying in connection with regional elections in 2012. In several municipalities, it exceeded \$10 million (<http://www.elnuevoherald.com/2008/12/06/335076/denuncian-descarada-compra-de.html>). These reports, if they are accurate, are telling: in 2012, Chavez’ illness was well-advanced and well-known, weakening the credibility of his personal commitments regarding future party actions and exposing the lack of credibility of the party, absent Chavez.

Democracy, democratization and development

Fundamentally, arguments that democracy improves development outcomes rest on the assumption that elections substantially reduce the costs of citizen collective action. At the very least, they provide a focal point (the time and place) for citizen action, and the action itself is cheap. On the other hand, the key conclusion of the foregoing discussion is that regimes – democracies and non-democracies – vary significantly with respect to the ability of citizens to act collectively, independent of elections, and that this variation has a significant impact on political incentives to pursue development. Some non-democracies exhibit significant capacity for citizen collective action (e.g., within the ruling party); many democracies exhibit little capacity for citizen collective action (e.g., parties are inchoate or leader-centric).

In the best case, articulated by Tilly (1986), elections themselves lead to citizen organization, explaining why citizen organizations were far more developed in 19th century Europe than in the 18th century. However, consistent with intra-regime heterogeneity with respect to citizen collective action, the 19th century British and French experiences at the center of Tilly's narrative contrast sharply with those of many newly democratic developing countries. In these countries, despite universal suffrage, organizations capable of supporting collective action by large groups are often absent. Consequently, the development performance of democracies, in practice, need not be better than that of non-democracies.

Citizen organization also plays a central role in the recent work of North, Weingast and Wallis (2009). One novel conclusion that they advance is that more prosperous countries (open access orders) are characterized by multiple citizen organizations, engaged in economic or political competition with each other, subject to failure and exposed to the entry of other organizations. Organizations play a central role because, alone, citizens can do little to protect themselves from predation by other citizens. In his review, Bates (2010) argues that their thesis mirrors Tilly's work. However, in contrast to earlier research, including Tilly's, they explicitly link citizen organization to development and argue, just as this essay argues, that suffrage is neither a necessary nor sufficient condition for citizen organization to emerge.

The organizational features that matter most for the argument here differ, however, from those emphasized in North, Weingast and Wallis. In their analysis, the key attribute of organizations is that they are long-lived. This essay emphasizes two characteristics of organizations that arguably allow them to be long-lived: the ability of members to replace leaders; and the ability of leaders to monitor and punish free-riding by members. A focus on these characteristics offers insights into why many organizations neither endure nor promote the collective interests of members.

Given the uneven level of citizen organization across democracies, the evidence on the effects of democracy on development is correspondingly mixed. Research looking at specific and dramatic policy failures finds that democracies outperform non-democracies. Bates (1981) concludes that agricultural policy in post-independence Africa was enormously prejudicial to small farmers because unelected leaders could prevent these farmers from organizing against the government. He argues that this strategy is foreclosed to elected officials. Consistent with this, Bates and Block (2011) provide evidence that the introduction of competitive elections in Africa significantly improved conditions for farmers.

Stasavage (2005) finds that spending on primary education increased following the introduction of competitive elections in Africa.

On the other hand, in the evidence summarized in the previous section (e.g., Keefer 2011), it is the presence of programmatic parties, rather than competitive elections, that is strongly correlated with the development orientation of public policies. Recent debates in the democracy and development literature, from Przeworski, et al. (2000) to Acemoglu, et al. (2008), point to significant ambiguity about whether democracy promotes development and growth more generally. Przeworski, et al. (2000) argue that majorities cannot credibly commit not to expropriate minorities; Acemoglu, et al. (2008) dispute a causal relationship between growth and democracy, insisting that underlying factors that influence whether countries democratize also determine whether, after democratization, countries grow or not.

In his analysis of banking crises, Keefer (2007a) suggests one solution to this puzzle. He finds that the costs of banking crises are significantly lower – as much as 15 percent of GDP lower – in countries with competitive elections. Why should banking crises have lower costs, or agricultural policies be less predatory, in democracies, if overall development outcomes are not clearly associated with democratization? Keefer extends the arguments of Ferejohn (1986) to explain these manifestations of electoral accountability. Citizens can more easily coordinate their electoral behavior when confronted with large policy shocks. When policies are sufficiently welfare-reducing, elections therefore allow citizens to coordinate implicitly on a decision to remove the incumbent, even if they are not formally organized for collective action and even if challengers cannot credibly promise to do better. Banking crises are striking manifestations of policy failure that voters can easily attribute to politicians' actions; the agricultural policies that Bates (1981) documents in pre-democratic African countries are similarly dramatic in their effects.

In contrast, unorganized citizens cannot as easily coordinate on the endemic failure of politicians to address underdevelopment more systematically. Hence, the effects of democracy on growth and development are modest or ambiguous. Even if the prospect of elections does deter particularly pernicious policy decisions, it may do little to prevent the accumulation of less salient, more subtle, but also pernicious policy choices by governments.

Assumptions about citizen collective action also condition theories explaining the emergence of democracy. In accounts that follow Tilly's line of reasoning, elections are a product of elite decisions to encourage citizen collective action, either to resolve inter-elite struggles or to allow the rulers to extract more resources from citizens to meet external threats than they can coerce in the absence of elections. The analyses of Przeworski, et al. (2000), Boix (2003) and Acemoglu and Robinson (2006) each approach the question of democratization differently, but all assume that political contestation occurs between groups of citizens, whether elites and non-elites, capital and labor, or majorities and minorities. In all of these cases, groups are assumed able to act as unitary actors: leaders represent the collective interests of their groups when making decisions, whether before or after the introduction of universal suffrage. Democracy emerges, in these accounts, when the disenfranchised – assumed to be organized already – collectively rise up to demand it.

Like research on collective resource management, the literature on democratization offers evidence that informal citizen organization is insufficient to sustain collective action. Tilly (1990), for example, recognizes that some citizens resisted rulers in 18th century pre-democratic Europe; they were “. . . already connected by durable social ties” (p. 100). Such

social ties are reminiscent of the normative bases of collective action that the common resource literature also studies. As the earlier review of the common resource literature makes clear, however, social norms and the intrinsic motivation of individuals are rarely sufficient to ensure sustainable resource management. Instead, group organization is required. Correspondingly, Tilly (1990) implies that these social ties were insufficient to secure systematic political change that served citizens' collective interests.

More contemporary evidence also shows that affinity is insufficient to motivate collective political action even in countries with competitive elections. In Afghanistan, for example, where durable, organized political parties are entirely absent, politics is organized around clan or tribal lines. These ties are insufficient to overcome significant coordination difficulties. The electoral rule used in Afghanistan, single non-transferable voting, places a high premium on the ability of groups to choose exactly the right number of candidates and to allocate group votes evenly among those candidates. If they choose more candidates than their support base can sustain, or if they fail to allocate votes evenly across candidates, the group can secure dramatically fewer seats than other groups with fewer members. Nevertheless, clans regularly fail to maximize clan representation, as families do not trust that representatives from within the clan but from outside the family will represent their interests. Reynolds (2006) shows the consequences of miscalculation in the first parliamentary election that Afghanistan held: 68 percent of the votes across the entire country were for losing candidates.

Even in democracies where voting patterns regularly track ethnic, religious, tribal or linguistic cleavages, from Benin to Afghanistan, citizen organizations based on these affinities are weak and evanescent. Ethnic political parties are unable to make the credible appeals to co-ethnics that one would expect from large, durable political organizations aimed at mobilizing co-ethnics. One way to see this is to ask whether members of ethnic groups whose collective interests are represented by a co-ethnic party are more likely to express a partisan preference than ethnic groups that lack a co-ethnic party to represent them. Keefer (2010) shows that, in sub-Saharan Africa, although ethnic voting is common, members of ethnic groups represented by co-ethnic parties are *not* more likely to express a partisan preference than members of groups that lack such a party.

Collective action and state-building

Discussions of regime type and government accountability to citizens presume that the state has the capacity to implement the policies that underlie political contestation. This capacity is often not present, making state-building an essential issue in development. It is also a key issue in political economy, since, as Tilly (e.g., 1990) observes, well-organized bureaucracies can constrain ruler discretion. He argues that rulers therefore prefer not to build such bureaucracies except under duress – when confronted by the prospect of war or rebellion that could only be met by building a bureaucratic apparatus that could provide significantly more services to citizens, oversee an effective army, and raise the revenues needed to support these endeavors. Once established, Tilly documents that, just as rulers feared, bureaucracies were not simply a tool of the ruler, but developed the capacity to act independently as a constraint on ruler discretion (p. 115). Shefter (1994) echoes these arguments, concluding that in democracies that inherit a strong civil service, clientelism is more difficult for politicians to implement and they prefer to mobilize voters with programmatic appeals.

Neither Shefter nor Tilly explores the role of formal citizen organizations in state-building. The results reported above from Cruz and Keefer (2012), though, show that the presence of programmatic parties allows citizens to demand broad public goods from politicians; these politicians, confronted with the need to deliver these policies, build an administrative apparatus capable of overseeing it. At the same time, politicians bound together in a programmatic party are themselves better able to demand that the executive implement such an apparatus. In Keefer and Gehlbach (2011), the prospect of greater rents from private investment can be enough to prompt autocrats to strengthen the ruling party by allowing members to act collectively; they provide systematic evidence of the phenomenon in Keefer and Gehlbach (2012). Keefer (2008) shows that programmatic ruling parties are significantly associated with lower risk of civil war: where citizens are organized, they are better able to demand the public good of security, raising the cost to possible insurgents of launching an attack on the regime.

Conclusion

The conclusions reached here go from the more to less widely-appreciated: collective action challenges are pervasive in development; organization is essential to the ability of groups to undertake collective action; and political parties play a central role in citizens' efforts to act collectively to ensure political accountability to their common interests, but only if they are organized to represent the collective interests of members. These arguments have wide-ranging implications. For example, most discussions of institutions in development focus on the right to vote and the rules that govern how votes are translated into representation and representation into public policy. The discussion here adds to this list the right to assembly and the institutions of collective action.

Certainly, politicians themselves pay considerable attention to these issues. This is evident in non-democracies, where rulers overtly suppress organized citizen activity, whether of religious groups, non-profits, or opposition parties. However, even in liberal democracies, politicians act strategically to undermine the organizational capacity of their competitors. For example, when labor and capital conflict over the rules of union formation, politicians take an interest not only because these rules have consequences for the distribution of rents, but also because they influence the costs of mobilizing workers for political activity. The evidence and arguments presented here, but also the actions of politicians themselves, argue for more attention to the role of collective action in development.

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