Chasing Votes with the Public Budget*

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Abstract

This paper examines the tactical redistribution of public resources by an incumbent seeking re-election. I present a model to explain the behavior of an incumbent redistributing public goods and cash transfers. In the model, politicians have a portfolio of electoral investment, and they diversify expenditure to persuade different groups of voters at the same time. I constructed a unique data set on promises the president of Colombia made directly to different regions he visited. The empirical results show evidence that public goods are used to reward supporters, while cash transfers are used to persuade voters.

Key words: redistribution, elections, public goods, cash transfers.
JEL: D72, O17, H41

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1 Introduction

"A government that is not in campaign dies."
— Alvaro Uribe Velez*, former Colombian president*

Countries with weak institutions allow politicians to make decisions regarding the allocation of government expenditure without significant control, which may pose a threat to the development of some regions within the country. The ambition to achieve power leads politicians to make promises about redistribution and to allocate resources to regions that are of strategic importance in elections. The distribution of governmental resources among the regions of a country has been a constant concern in political economy literature and several papers agree that political interests drive the distribution of resources.[1]

This paper explores the behavior of a politician when announcing and actually distributing public resources, and analyses the factors that drive differences between the decisions on redistribution of the two types of public spending:*cash transfers and public goods.*To explain the relation between elections and redistribution, I develop a simple model based on a standard probabilistic model.

This model incorporates further details on redistribution and allows politicians to appeal simultaneously to different groups of voters. I study the composition of government spending to shed light on the analysis of the behavior of politicians in office and to allow for a more thorough study of public spending, which is a very complex issue that has several components but usually is treated as a single phenomenon. So, I argue that politicians have two tools to persuade and reward voters: cash transfers and public goods, respectively.

The model, supported by my empirical results, states that cash transfers can be distributed quickly and easy. This makes them an instrument to persuade voters. On the other hand, public goods require time, preliminary studies, labor, coordination and a large investment. Even if promises are made at the beginning of the term, the incumbent is not likely to deliver or even to start projects in the short run. So, with public goods, it is better to

[1]See, for an example, Migueis (2010), Johansson (2003), Ansolabehere and Snyder (2006), Finan (2004), Milligan and Smart (2005), Casey (2013), Weitz-Shapiro(2011), Stromberg(2008) and Medina and Stokes (2002), among others.

target supporters, since core voters are more likely to trust in the promise of public goods before actually seeing the results. This makes public goods a more useful tool for rewarding core voters.

I use an unique set of data to test a model of distributive politics. My dataset came from town-hall meetings conducted all around Colombia, with President Uribe (2002-2010). A key to Uribe's popularity was his communication strategy in town-hall meetings with people throughout the country. These meetings involved weekly visits to diverse regions of Colombia that lasted entire days. During these visits, the president made promises of redistribution to the municipality he was visiting and to surrounding municipalities.[2] The people and local mayors attending these meetings could ask the president directly for favors, either in their own interest or for the benefit of the community. All promises and tasks could be tracked through a website and changes in the status of the promises were updated continuously. This information gave me the opportunity to construct a detailed database on redistribution afforded directly by the incumbent to different regions. The richness of the data makes it possible to go a step further in solving two questions about tactical redistribution; namely, to whom it is addressed and what form it takes.

My empirical evidence shows that announcements and actual redistribution target pivotal voters. Nevertheless, the incumbent targets centrists with promises, while fulfilled promises are used to target right-centrist municipalities. I did a more detailed, rigorous study of fulfilled promises, dividing this group into two categories: cash transfers and public goods.Fulfilled promises are assembled from those announcements and, thus, represent the subset in governmental expenditure that was delivered pursuant to the president's instructions. Finally, I found empirical evidence that public goods are used to reward core municipalities and cash transfers are used to persuade swing voters.

The remainder of this paper proceeds as follows:Section 2 discusses related literature. Section 3 contains a description of the political, social and institutional framework of Colom-

[2] The president made the promises on the meetings, but governmental staff review the promises after the meeting to decide whether they were possible or not. Some promises were rejected because they did not meet the legal requirements to be executed. The promises were financed mostly with loans, international grants and the budget.

bia as the empirical application. Section 4 presents the theoretical model. Section 5 explains the data. Section 6 presents the econometric specifications and empirical evidence. Section 7 gives a concluding summary.

2 Related Literature

The interest in deciphering the campaign strategies and the need to analyze the reasons behind the incumbent's criteria for distributing public resources have promoted the development of several models predicting the decisions of a leader, who seeks to win elections, about optimal allocation of resources.

The most influential models on tactical redistribution are those of Dixit and Londregan(1995), Cox and McCubbins(1986) and Lindbeck and Weibull(1987), which generate two hypotheses. The first is *the swing voter hypothesis*, where the central government makes more promises to the regions with more politically centralist/nonpartisan voters. The second is *the core voter hypothesis*, where a risk-averse incumbent chooses to make redistributions to the regions where he or she has more support.

Several authors have contributed to empirically testing the hypothesis derived from these probabilistic voting models using data from all over the world, making this a topic of general interest. Each contribution, describing a different country, adds to this vast literature about the behavior of leaders and the distribution of resources. Some examples are Ansolabehere and Snyder(2006), who analyze the behavior of parties in control of U.S. states when distributing aid to counties. Migueis(2013) uses financial data on transfers from the central government to municipalities in Portugal and, by comparing close elections where the margin of loss or gain is small, shows the political alignment between local and central government brings financial benefits to local governments. Finan(2004) analyses budget amendments in Brazil from 1996 to 1999 and their relation to the vote shares for the 1994 election to study how the allocation of public works at the municipal level has political motivations, such as rewarding supporters. Johansson(2003) and Dahlberg and Johansson(2002) test political distribution theories using data on the distribution of Sweden's government

grants to municipalities.

Incumbents campaign with a variety of policy instruments, mainly public goods and cash transfers, targeting diverse groups of voters at the same time. Nevertheless, there is little research on the form of redistribution. Magaloni et al.(2007) argue that politicians have a portfolio of electoral investment, and they diversify expenditure to persuade both swing voters and core voters. Likewise, the theoretical model of Lizzeri and Persico(2004) emphasizes the fact that candidates have two possible choices: providing public goods or redistributing money. In addition, Persson and Tabellini(1999) make a clear distinction between promises and fulfilled promises, dropping the unrealistic assumption of binding commitments before the election.

In the same line, this paper examines the tactical redistribution of public resources by an incumbent seeking re-election using data of promises and fulfilled promises made directly by the president and makes a clear distinction between distribution of cash transfers and public goods to the regions which allows to a more extensive understanding of incumbent strategies when seeking re-election.

3 Political Overview of Colombia for the Period 2002-2010

In 2002, Uribe won the presidential election in the first round with approximately 53.2% of the total vote and ended his two terms with the highest popularity on record for an outgoing president in Colombia (between 60 and 90 percent, according to Gallup surveys). Uribe sought re-election in both 2006 and 2010, but Colombia's constitution at the time did not allow for presidential re-election. However, in 2005, Uribe pressed for constitutional reform to permit his immediate re-election. The Congress and the Constitutional Court approved the proposal, and Uribe won the presidential election in 2006 with 62% of the vote, gaining the largest percentage of votes in the country's history.[3] While seeking approval for a second re-election, the president decided to use the popular vote, a referendum, to legitimize another

[3]The approval of Uribe's re-election was marked by controversy, since some congressmen were convicted for taking bribes to vote in favor of the re-election bill.

constitutional reform. In February 2010, the Constitutional Court declared the referendum unconstitutional, thereby preventing Uribe from running for a third term in the elections held in May 2010, despite his immense popularity.[4]In 2010, the candidate from Uribe's party, who was supported by Uribe, won the elections. Uribe's career as president of Colombia shows his profound interest in staying in power, exhausting all possible means to do so, thereby making him a president in constant campaign mode. Moreover, in justifying his incessant campaigning for votes, he is openly quoted as saying, *"A government that is not in campaign dies."*

The country is politically and administratively divided into 33 departments. Each department is divided into municipalities, for a total of 1,121. In 2002, 158 municipalities lacked a military presence.[5]Under Uribe's government, the military was present in every municipality. In this context, the president's presence in several municipalities, holding town-hall meetings, was a great achievement; people witnessed the arrival of a prominent authority, an event not seen in years or ever before. People living in remote places could be heard by the central government. Town-hall meetings were a successful tool implemented by Uribe's government to exercise what it called a direct and participatory democracy. In Uribe's words: *"This government does not stay in the nation's capital on Saturdays and Sundays, at gatherings dedicated to drinking whiskey, gossiping about people [and] slandering political opponents. The gatherings of this government are with the people, talking with them and finding ways to vindicate the poor and to build a fair country".* On the opposite side, others saw these meetings as a sign of neo-populism and demagogy. Antonio Caballero, a journalist for the opposition, argued: *"The secret of Alvaro Uribe's performance is that he does not act as president but as a candidate".*[6]

During the eight years of Uribe's administration there were more than 300 town-hall meetings. Each week, at his discretion, Uribe chose the municipality to visit and what to offer for the selected community and its environs. Those meetings were broadcasted

[4]The money "invested" in promoting the referendum for a second re-election was more than the law allowed. For further details, see Dugas(2003) and Pachon(2009).

[5]`http://www.centrodememoriahistorica.gov.co/descargas/informes2010/informe_bojaya.pdf`

[6]Velez (2008).

on the state-run television channel and occupied the entire day. In them, the president began by talking about the issues that were going to be discussed, asking his ministers to give a report on the programs and public policies that were in place or were going to be implemented (promises). Next, the attendees participated by asking questions, making requests, or thanking Uribe.[7] Antanas Mockus, a former mayor of Bogota, explained the atmosphere at these sessions: *"What you see in the town-hall meetings is everyone requesting things... a kind of piñata where local leaders are cast as children".*[8] The government rigorously collected and monitored the promises, which could be tracked by anyone through a website, making it possible to see if they were executed or not. [9] According to the government, the purpose of the town-hall meetings was to work with the community in a more participatory way that was consistent with direct democracy, so as to solve local problems through loans and policy proposals. The government also claimed this tool allowed the public sector to understand and recognize the concerns and necessities of citizens in the most remote parts of the country. [10] Arguing against this official explanation, critics say this tool was a means of patronage, a way to campaign for re-election by seeking to gain new followers, and a measure that undermined the existing system of decentralized government. De La Torre(2005) stresses that, in time, the president went from conceding "little things" at the town-hall meetings to making large investments: *"the budget for investment in road infrastructure..., the most ambitious public investment programs the country has seen, was being allocated from the town-hall meetings, in haste, without fulfilling the technical requirements and, sometimes, in a painful and hard way to see".* Juan Camilo Restrepo, former Minister of Finance, concludes this is due to *"what the politician needs for re-election".*[11]

[7]Torres (2007).

[8]Ibid

[9]In the first years the president and his ministers proceeded, at the end of the meeting, to deliver micro-credit checks to some of the attendees, through a program known as the "Bank of Opportunities", which was promoted by the government, in conjunction with the private financial sector, to give loans to low-income people. Those loans were criticized sharply, since they were seen as a *"subliminal but effective message, especially for a president who is seeking re-election"*, and they were eventually abolished. For more information see Duzan(2004).

[10]`http://www.eltiempo.com/colombia/politica/ARTICULO-WEB-PLANTILLA_NOTA_INTERIOR-6275770.html`

[11]De La Torre(2005).

4 Theoretical Model

In this section I present a model based on Dixit and Londregan (1996) to motivate my empirical specification. I modify the model by adding two new features. First, it includes two different types of redistribution: cash transfers and public goods. Second, it allows for having municipalities that differ in their ideological distribution, as in reality, where preceding elections reflect the difference of the average ideology of each municipality.

Let us consider an incumbent labeled I, who is running for re-election. In the elections, the incumbent is competing against the opposition, labeled O. The two candidates, I and O, differ in their ideology, which is fixed within a time horizon. Before elections both parties announce policy platforms. They don't cooperate and the winning platform is implemented after elections.

Let us assume there are three municipalities with different political preferences m : $1.followers$, $2.moderates$ and $3.opponents$. The number of persons in each municipality is given by N_m for municipality $m = 1, 2, 3$.

For each municipality, let σ_m denote the relative preference for the opposition. σ_m is uniformly distributed over the interval $[-\frac{1}{2\phi_m} + \bar{\sigma_m}, \frac{1}{2\phi_m} + \bar{\sigma_m}]$, where municipalities differ in their average ideology $\bar{\sigma_m}$ and in their ideological homogeneity ϕ_m.

For the followers $\bar{\sigma_1} < 0$ which implies that voters in this municipality are biased towards the incumbent. For the moderates $\bar{\sigma_2} = 0$, a condition that makes the voters in this municipality ideologically neutral, on average. For the opponents $\bar{\sigma_3} > 0$, a condition that makes voters biased towards the opposition.

The density of each municipality is given ϕ_m and it shows how closely voters are clustered around the average ideological position. Following Persson and Tabellini(2000), let's suppose that $\phi_2 > \phi_1, \phi_3$ meaning that moderates has the largest portion of ideological neutral voters as shown in Figure 1. Figure 1 illustrates the differences in the distributions for ϕ_i in the three municipalities. In the graph moving to the left increases the probability of finding someone voting for the Incumbent.I also assume that $\phi_1\bar{\sigma_1} + \phi_3\bar{\sigma_3} = 0$ to show that ex ante there is no national bias towards any candidate.

Politicians (incumbent and opposition), $p = I, O$, make promises of redistribution in the form of cash, c_m^p, and public goods, g_m^p. These two categories of public spending have different characteristics. With cash, politicians can target voters within groups and cities. With public goods, politicians can benefit the entire municipality. Cash transfers are delivered immediately after the election, but public goods are promises that their date of delivery in the future is uncertain. For this reason, I expect more promises of public goods at the beginning of each presidential term, while promises of cash transfers to be relatively constant over time.[12] Politicians need to expend in both: cash transfers (as subsidies, loans, etc.) and public goods.

Individuals have a utility function for cash transfers and public goods.

$$U(c_{im}, g_m) = U^i(c_{im}^p) + \beta_i U^i(g_m^p) \tag{1}$$

Here, the utility function is concave (i.e. $U^{'}(\cdot) > 0$ and $U^{''}(\cdot) < 0$) and $U(0) = 0$, where β_i is a probability that promised public goods actually will be delivered. That probability is a measure of voter confidence in the politician. This parameter depends on how ideologically close the group is to the politician. Then $\beta_i = \text{prob}(\sigma_i \leq 0) = \frac{1}{2} - \bar{\sigma_m}\phi_m$. The candidate knows this probability beforehand by looking at results of the preceding elections.[13]

People decide whether to vote for the incumbent by comparing the platforms announced by the two candidates. Once they are announced the candidates are able to influence voters' decisions through their promises of cash and public goods. Therefore, a voter who lives in municipality m, will vote for the incumbent if the expected utility of reelecting the incumbent exceeds the expected utility of electing the opponent.

$$U^i(c_{im}^I) + \beta_i U^i(g_m^I) \geq U^i(c_{im}^O) + \beta_i U^i(g_m^O) + \sigma_i \tag{2}$$

In rearranging for the relative preference for the opposition,

$$\sigma_i \leq U^i(c_{im}^I) + \beta_i U^i(g_m^I) - U^i(c_{im}^O) - \beta_i U^i(g_m^O) \tag{3}$$

[12] See Section 6.4

[13] See Section 6.1 for empirical evidence

equation 3 states that voters choose the incumbent,I, if the relative preference for the opposition is less than the utility of an improvement in consumption to be afforded by the incumbent, if re-elected.

Once platforms are announced, the voters with high σ_i will vote for the opposition candidate and those with low σ_i will vote for the incumbent's re-election. There is a value σ_i^* that makes a voter indifferent to either candidate, a cutoff point that divides the electorate by their voting decision.

As in a standard probabilistic model, the probability of voting for the incumbent is given by:

$$\Pi_{im}^I = \text{prob}(\sigma_i \leq \sigma_i^*) = (\sigma_i^* + \bar{\sigma_m})\phi_m + \frac{1}{2} \tag{4}$$

The decisions on promises by the incumbent are based on maximization of the vote share, subject to budget constraints.

$$\max_{c,g} \sum\nolimits_m \Pi_m^I N_m \quad \textbf{s.t} \quad \sum\nolimits_m c_m^I N_m + \sum\nolimits_m g_m^I = 1 \tag{5}$$

Since the two candidates are equal in their ability to redistribute benefits once in office, the opposition candidate solves a symmetric problem.[14] The problem yields to the following first order condition for the incumbent,

$$\left(c_m^I\right): \quad \phi_m U^{'}(c_m^I) = \lambda \tag{6}$$

$$\left(g_m^I\right): \quad N_m \phi_m \beta U^{'}(g_m^I) = \lambda \Rightarrow N_m \phi_m (\frac{1}{2} - \bar{\sigma_m}\phi_m) U^{'}(g_m^I) = \lambda \tag{7}$$

The Lagrange multiplier λ shows the value for the incumbent in terms of votes, which represents a promise of one more dollar of tactical redistribution.

Hypothesis 1: ***(With cash transfers, the incumbent targets swing voters.)*** A municipality with the highest ϕ_m obtains a greater redistribution of cash. Cash redistribution does not take turnout into account.

[14]Dixit and Londregan(1995) proves that, with a concave utility function, the first order condition will have a unique solution for the Lagrange multiplier and, therefore, the solution will be equal for both candidates, implying that both candidates will promise the same amount to a given electorate.

Hypothesis 2: ***(Large municipalities of core voters will receive more public goods.)*** A municipality that is closer in ideology to the incumbent obtains more public goods. Municipalities with high turnout will receive more public goods. Promises of public goods target municipalities with core groups that are larger and sensitive to policy.

The equilibrium distribution of cash transfers and the level of public goods for a region are determined by the ideology and the turnout in the municipality.

$$\frac{U'(g_m^I)}{U'(c_m^I)} = N_m(\frac{1}{2} - \bar{\sigma_m}\phi_m) \tag{8}$$

According to equation 8, a municipality that is more homogeneous in their preferences and closer in ideology to the incumbent, negative $\bar{\sigma_m}$ and high ϕ_m, obtains more relative public goods. If the municipality of followers is numerous and homogeneous, then the incumbent would target that the municipality.

4.1 Vote Share as a Measure of Popularity

Presidential elections in Colombia are held by direct national vote; thus, every vote in every municipality carries the same weight. However, when president Uribe decided where to make promises, he had to choose between municipalities. There is not much information about the ideologies within the municipalities. Usually, election polls cover only five (5) municipalities. The variable that could give him some indication of his popularity or the ideological preferences in a municipality is the share of votes he obtained in the previous election. Even if the best strategy is to find the municipalities with a high proportion of people, a measure of his popularity will show if campaigning in a municipality is going to pay off.

Dahlberg and Johansson (2002) and Johansson (2003) use the share of the winning bloc in the election as a proxy of ideological preferences. They state the assumption of a symmetric and unimodal ideological distribution and the fact of having two parties competing for power lead the vote share for the winning bloc to represent the ideological position of a municipality. These same assumptions could hold for Colombia.

For the 2002 and 2006 elections in Colombia, only two candidates were relevant, with more than 80% of the votes. The other candidates did not have enough electoral strength in the presidential elections. Uribe is known for being on the right of the political spectrum and the other two candidates, Serpa and Gaviria, are on the left of Uribe. [15] In the 2002 elections, Uribe had 53% of the votes as opposed to 31% for the opposition candidate, Horacio Serpa of the Liberal Party, center-left (the third highest vote share (6%) was for the candidate of the Democratic Pole Party). In the 2006 elections, Uribe had 62% of the votes as opposed to 22% for the opposition candidate, Carlos Gaviria of the Democratic Pole, left (the third highest vote share (11%) was for the Liberal Party candidate). Therefore, the assumption about two candidates is plausible in this scenario.

The assumption of a single peaked and symmetric distribution of ideologies is plausible for the Colombian case. The surveys conducted by Latinobarometro in Colombia for the years starting in 2001 could provide an idea of the ideological distribution.[16] I used the question of ideological self-placement to portray the distribution of ideologies. Figure 2, 3 and 4 show the histogram of the answers of Colombians to this question for the entire country, each region and each year, respectively, along with the normal density corresponding to the graph. The graphs verify that the assumption of single peakedness and symmetry for ideologies can be consistent with the data. As a result, it is possible to argue that the assumptions proposed by Johansson (2003) hold in the Colombian case.

Let me illustrate an example to explain how vote share is a measure of ideological position. Let us assume we have three municipalities: A, B and C (Figure 5). All three municipalities have a single peaked and symmetric distribution of ideological preferences, with X being the cutoff point that divides voters into those voting for Uribe (voters at the left of X) and those voting for the opposition (voters at the right of X). Thus, the area under the curve from the cutoff point to the left is the vote share for Uribe. Uribe had a high vote share in municipality A, with more than 50%. In municipality B, the election was close. Uribe

[15] Colombia has became a personalistic system where the parties have limited electoral influence, while individual candidates dominate regardless their party. See Botero and Renn (2007)

[16] For the year 2002, we expected the large proportion of persons located at 10 came from a survey that included more people from the paramilitary areas.

had a low vote share in municipality C, with less than 50%. Here, we can see the density at the cutoff point is higher, the closer the election. The line at the cutoff point measures the fraction of moderates in the municipalities. So, municipality $C's$ cutoff point is exactly at the same location as the median of the distribution; that is, at the highest point of the distribution, indicating that municipality C has more moderates in relation to the other two municipalities. Therefore, municipalities with close elections will have larger groups of swing voters and, if the president needs to persuade moderates, the best strategy is to target those municipalities.

5 Data

5.1 Tactical Redistribution Data

For eight years, President Uribe conducted over 300 town-hall meetings and made around 9000 promises to the municipalities he visited, as well as surrounding ones. The idea for this paper was to code and organize a comprehensive database using all the information available on the promises and fulfilled promises President Uribe had made to each municipality at town-hall meetings by the time he left office. The information on town-hall meetings was compiled on the website of the presidency, where anyone could access information on the details of each promise: e.g., the municipality where the promise was made, the institution responsible for carrying out the task, the report on the progress of the promise, and information on whether or not it was fulfilled. The basic descriptive statistics for this paper are in Table 1, while Table 2 offers an example of the promises on the website. The columns in Table 1 show the mean and standard deviation for the number of promises and fulfilled promises made by Uribe at the town-hall meetings in different periods. There is information from years 2002 to 2010 for rows (1), (4), (7), (10) and (13). For rows (2), (5), (8), (11) and (14), I restrict the data to observations in the first presidential term (2002-2006). Finally, rows (3), (6), (9), (12) and (15) focus on the information about the second presidential term (2006-2010). The basic statistics show the average number of visits to a municipality is 0.14. The average number of promises per municipality during Uribe's administration is 4.7, while the average

number of fulfilled promises is 3.45. The average number of cash transfers and public goods for a municipality is 0.66 and 1.51, respectively.

For this research, I counted all the promises made by Uribe that affect each municipality for each presidential term, regardless of whether they were executed or not. Thus, I have the number of promises benefiting municipality m in presidential term t, where $t = 2002, 2006$.[17] Then, I counted the promises that were fulfilled, using the information in the monitoring report and the status of the task.[18] Thus, I have the number of fulfilled promises for municipality m that were promised in presidential term t, where $t = 2002, 2006$.[19] The count of promises for each presidential term starts once the president takes office; that is, after the elections of 2002.

I will illustrate the codification of the information using Table 2 as an example. For the first task, I code one promise and one fulfilled promise for the municipality of San Matias in period 2002. For the second task, I code one promise and one fulfilled promise for every municipality within the Cordoba region, 30 municipalities, for period 2002. For the third task, I count one promise and zero fulfilled promises for the municipality of Caldas, in the Antioquia region, for period 2002.

The fulfilled promises are divided into two categories: public goods and cash transfers.[20] Public goods refer to those fulfilled promises that involve tangible goods or services delivered to the communities which benefit the entire population of a municipality or several municipalities, such as water systems, roads, health centers, education, etc. Cash transfers refer to

[17] $t = 2002$ refers to the first term from 2002 to 2006(August, the first day of the second term) and $t = 2006$ refers to the second term from 2006 (August, the first day of the second term) to 2010.

[18] See Table 2. There is no reason to believe some governmental agencies were more likely to complete the monitoring report, since each agency had a staff in charge of attending the town-hall meetings and filling in the reports. It is also important to mention that the government had a department dedicated exclusively to town-hall meetings. Its job was to coordinate the visits to the municipalities, collect all the promises made at each meeting, compile all the information from all the agencies, and check to make sure everyone was doing a proper job on the monitoring report, so as to be able to upload the information in a web page.

[19] Unfortunately the information available on all the tasks does not include the date when the promises were delivered. The information about the cost of each promise is available only for a few tasks. Therefore, it is not possible to measure, in an objective way, the size and importance of each task.

[20] I did not code the promises between public goods and cash transfers, because promises were vague and very ambitious. Therefore, it was difficult to decide whether they were meant to be a public good or a transfer of cash. The situation with the fulfilled promises is different, because it was easy to find out from the report what type of public spending was delivered.

loans, subsidies and money, which can be seen as private goods. Not all fulfilled task were assigned to these two groups. I also had another category for paperwork and administrative procedures. Using Table 2 as an example, for the first task, I code one public good and zero cash transfers for the municipality of San Matias in period 2002. For the second task, I code one cash transfer and zero public goods for every municipality inside the Cordoba region, 30 municipalities, for period 2002. For the third task, I put a missing value in both public goods and cash transfers for the municipality of Caldas, in the Antioquia region, for period 2002.[21]

5.2 Elections

The data on elections were obtained from the National Registrar, which has information about voting results for each municipality with respect to the presidential elections for the years 1998, 2002, 2006 and 2010. The data on elections in Colombia prior to 1998 were gathered from the Andes University. The presidential elections in 2002 and 2006 provide the key data for this paper.

6 Testing Tactical Redistribution

6.1 Trust and Ideology

One assumption of the model, parameter β in equation 1, states that there is a positive relation between ideological closeness and trust in the promises of the incumbent.

Figure 6 uses data from Latinobarometro to present evidence of the relation between ideological closeness and trust. Latinobarometro uses a random sample of 1200 Colombians from different municipalities for its survey. One of the questions asked people to place themselves on a scale from 0, representing the left, to 10, representing the right. The other question asked people to measure the level of trust they have in the president, from 1 (none) to 4 (considerable). Figure 6 uses data from the surveys from 2002 to 2009 to compare

[21] I checked the correlation between military actions prompted by government and the visits, promises and fulfilled promises to determine if the town-hall meetings were to signal an involved administration that was interested in making an appearance in areas where the government had not been present. The correlation with the three variables is very low, between 0.1 and 0, indicating the two strategies were targeting different places.

the percentage of people who select each of the levels of trust for the two extremes of the ideological distribution: right and left. The figure shows that the right-wing voters have more trust in the right-wing candidate than the left-wing voters.

6.2 Tactical Redistribution

The classical model of probabilistic voting predicts an incumbent seeking re-election will offer more to the municipalities with close races, indicating the municipality has a high proportion of moderate voters who can be persuaded with tactical redistribution promises. Therefore, the closer the preceding election, the greater the number of promises and fulfilled promises made by the incumbent in the presidential term. Figure 7 graphs the relationship between the number of promises in each term and the fulfillment associated with those promises and the value of Uribe's vote share in the preceding elections. Figure 8 shows the confidence bands as a gray band around the regression line for the same relationships.

Both graphs show an inverted "U" shape, indicating a move towards a closer election would represent more redistribution for the municipality. A clear victory for a candidate in a municipality; that is, a high vote share for Uribe, means the municipality leans mostly to the right of the political spectrum. A low vote share for Uribe indicates the municipality leans mostly to the left of the spectrum. Being at the extremes of the ideological spectrum will harm the municipalities in terms of promises and fulfilled promises. This result is consistent with the swing voter hypothesis, since it seems the incumbent is favoring those municipalities with relatively more moderate voters, who are more likely to be persuaded with promises of a redistribution of public resources.[22]

Figure 9 shows the relationship between the number of visits to the municipalities and the preceding vote share for Uribe. This graph also shows an inverted "U" shape relation but is less striking, since Uribe was prevented from going to certain municipalities, given the

[22]Others have found results consistent with the swing voter hypothesis. Casey (2013) examines the elections in Sierra Leone and captures voter partisanship by looking at the historical association between ethnic groups and political parties. She finds that parties distribute their campaign goods to coerce swing areas. Johansson (2003) and Dahlberg and Johansson (2002) test the model of Dixit and Londregan(1995) using data on the distribution of Sweden's government grants to municipalities and, in both papers, the results support the swing voter hypothesis.

difficulty in accessing them. Nevertheless, he made promises to surrounding municipalities, and people from the vicinity who were present at the town-hall meetings.[23]

I estimate the following equation to test this hypothesis.

$$T_{mt} = m_m + t_t + \beta_1 \text{closeness}_{m,t-1} + \beta_2 N_{m,t-1} + \epsilon_{m,t} \tag{9}$$

Where T_{mt} represents either the amount of promises or the fulfilled promises for municipality m in election term (period) t, m_m is the municipality fixed effect, t_t is the period fixed effect, and $\epsilon_{m,t}$ is the random term. I use three measures to capture the closeness of the election, *Closeness*: 1. a quadratic function of Uribe's vote share in the previous election for each municipality;[24] 2. the distance to the 50-50 vote for Uribe in the last election, for each municipality, calculated as the absolute value of the difference between the vote share for Uribe and 50%;[25] and 3.the standard deviation of the vote share for the rightwing candidate over the preceding years, starting with 1990, when the constitution was changed.[26] The variable $N_{m,t-1}$ measures the number of valid votes per 10000 habitants (Turnout) in municipality m in period $t-1$. Errors are clustered at the municipal level.[27]

Table 3 examines the outcome of equation 8 using fixed effects for the municipalities and for the periods. The results are consistent with the swing voter hypothesis. Column 1 uses the quadratic term for Uribe' vote share and shows the coefficient for the lineal term is positive and statistically significant, while the coefficient for the quadratic term is negative and statistically significant. These results show evidence of an inverted "U" shape where the municipalities with a high proportion of indifferent voters are favored. These outcomes indicate the peak of the inverted "U" lies near 54% for promises, while the highest point of fulfilled promises is at a vote share of 65%, implying the fulfilled promises target the center-right, while the promises target the center. Column 3 makes the swing voter hypothesis more

[23]Furthermore, Uribe occasionally was promising more to a municipality in the vicinity than the one he was visiting. The correlation between visits and promises is 0.56.

[24]I ran regressions with other higher degree polynomial function of shares; however, starting from the third degree, the additional terms were not significant.

[25]As in Asolabehere and Snyder (2006).

[26]Asolabehere and Snyder (2006) propose this variable, using extended historical data on the vote share for democrats.

[27]The results are robust to cluster at department level (one level of aggregation above municipalities).

explicit, showing that moving to a greater distance from a vote share of 50% would result in fewer promises. In particular, a one standard deviation increase in the distance to 50% in the elections produces a decrease of 0.07 standard deviation in the promises and a decrease of 0.04 in the number of fulfilled promises. In column 4, the coefficient of the standard deviation has the expected sign and it is significant, reaffirming that pivotal municipalities will be the beneficiaries of promises and fulfilled promises.

The final prediction of the model is that in a direct election, as is the case in Colombia, the incumbent is going be concerned about the number of extra votes he will receive by making promises to a region, compared to the number of votes he would get in other regions. Colombia has a direct election, so one would expect the turnout will be decisive to campaigning. I find that both promises and fulfilled promises target municipalities with a high number of voters. In particular, an increase of one standard deviation in turnout is associated with a 3.5 standard deviation increase in the number of promises and a 2.1 standard deviation increase in the number of fulfilled promises.[28]

The results show the promises and fulfilled promises made by the president will target regions that bring extra votes; however, to find the extra votes, it is necessary to have a measure of the number of voters, and also a measure of the ideological distribution. The incumbent's chance of re-election is not just a matter of the quantity of voters, but also the number of voters who can be persuaded in a municipality.[29] Table 4 shows the results are valid without using municipality fixed effects, implying that, when deciding among municipalities, the incumbent targets municipalities with closer elections and high turnout, using both promises and fulfilled promises.

6.3 Public Goods vs. Cash Transfers

To test empirically the model, I divided fulfilled promises into two categories: public goods and cash transfers. Public goods are defined as tangible goods or services intended for the community as a whole. Cash transfers refer to loans, subsidies and other direct transfer

[28]For all the equations, the p-values of the F-statistics are always below the 1% level of confidence.

[29] The equation 8 was estimated using only the election in 2002 for the vote share and the information for the two periods for promises and transfers. The results are robust.

payments of money to eligible people, the municipality or to the entire community in the municipality. The model presented in this paper predicts that the provision of public goods would target core municipalities and cash transfers would target swing municipalities.

I estimate the following equation to test Hypothesis 1 and 2 which states that there is a different strategy for when to announce public goods and when to announce cash transfers.

$$T_{m,t} = m_m + t_t + \beta_1 \text{Share}_{m,t-1} + \beta_2 \text{Share}^2_{m,t-1} + \beta_3 N_{m,t-1} + \epsilon_{m,t} \tag{10}$$

$T_{m,t}$ represents either the amount of money or public goods delivered in municipality m, as announced in election term (period) t. $Share$ is the linear term of Uribe's vote share in municipality m in period $t-1$, $Share^2$ is the quadratic term of Uribe's vote share in the previous election for each municipality.[30]

Table 5, 6 and 7 provide empirical support for Hypothesis 1 and 2. Table 5 shows the outcome of equation 9 using fixed effects for the municipalities and for the periods. It provides evidence that investments in public goods favor core municipalities, while cash transfers favor swing municipalities.[31] The results show the differences in the strategy of the incumbent when making promises of cash transfers and promises of public goods. Both columns use the quadratic term for Uribe's vote share and the number of people who voted in the preceding elections (turnout). Column 1 uses public goods as the dependent variable. The coefficient for the lineal term of Uribe's vote share is positive and statistically significant, while the coefficient for the quadratic term is statistically insignificant, suggesting that an increase of one percentage point in Uribe's vote share is associated with a 2.55 unit increase in promises of public goods, which is significant at 95% confidence. In other words, an increase of one standard deviation in the share for Uribe is associated with a 0.22 standard deviation increase in the number of public goods. The turnout also has a noticeable effect on transfers of public goods. The results show that a one standard deviation increase in the number of

[30] I decided to use the share and the quadratic term for share, because they allow me to localize municipalities with close elections; that is, municipalities with a higher proportion of moderates, given the actual distribution of ideologies, and core municipalities.

[31] The results are consistent without using municipality fixed effects, which means the incumbent wants to target swing municipalities with money and core municipalities with public goods.

valid votes per 10000 habitants (Turnout) leads to a 1.48 standard deviation increase in the promises of public goods. The consumption of public goods is non-rival and non-exclusive, which means the incumbent can use them to target areas with a large number of voters, so as to benefit everyone. This means Uribe wanted to reward large areas of supporters with public goods, which is consistent with the second result of the model when the groups of followers are homogeneous and numerous.

Column 2 uses cash transfers as the dependent variable. The coefficient for the lineal term of Uribe's vote share is positive and statistically significant, while the coefficient for the quadratic term is statistically significant and negative, implying that moving towards a closer race in the elections would represent more transfers of money to the municipality. These outcomes indicate the peak of the inverted "U" lies near 60% for money, showing the incumbent targets the center-right. Being on the extremes of the ideological spectrum will represent less cash transfers. This result is consistent with the swing voter hypothesis. The number of voters is not significant. These results are consistent with the hypothesis, predicted by the model, that cash transfers are used to persuade voters and could be used to target specific groups who are strategic in term of elections, and that the number of voters is irrelevant when it comes to distributing cash transfers.[32]

Table 6 shows the results are consistent without using municipality fixed effects, which means the incumbent wants to target swing municipalities with money and large core municipalities with public goods.

Table 7 shows the same regression using a different specification: the distance to the 50-50 vote for Uribe in the captured swing voters last election. Column 1 and Column 2 shows that moving to a closer distance from a vote share of 50% will represent more cash transfers to the region, but not public goods and increasing the turnout will provide the municipality with more promises of public goods, but not cash transfers. In particular, a one unit change in turnout generates a 0.51 unit change in the promises of public goods and a one standard deviation increase in the distance to 50% in the elections produces a decrease of 0.09 standard

[32] For all the equations, the p-values of the F-statistics are always below the 1% level of confidence.

deviation in the promises of cash transfers. This result is consistent with the hypothesis in which the incumbent uses cash transfers to persuade swing voters and public goods to target municipalities with a high turnout. In column 4 and column 5 shows the results without using municipality fixed effects and the results are similar.

6.4 Timing for Announces of Public Goods and Cash Transfers

The model emphasizes that cash transfers are delivered fast and easily, but public goods are promises that their date of delivery is uncertain. Because of that, I expect more promises of public goods at the beginning of each presidential term, while promises of cash transfers to be relatively constant over time.

Figure 10 displays a graph of the average number of relative promises of public goods, including the quadratic of best fit for the two presidential terms.[33] The timing of the announcements of public goods suggests different strategies are employed when announcing public goods compared to announcements of cash transfers.[34] The graph shows the number of promises of public goods increases at the beginning of each period the politician is in office, then declines over time to reach its lowest point at the end of the presidential term. This same behavior is displayed in the second presidential term; that is, an increase in the announcement of public goods at the beginning of the term, followed by a decline. This behavior shows announcements of public goods are made early in presidential terms. Figure 11 shows the averages for the number of promises of public goods and money during the periods. In general, the promises decrease at the end of the presidential term; however, promises of public goods drop off sharply, while promises of money seem to be relatively constant over time. To test this fact, table 5 estimates the following regression:

$$T_t = \beta_1 \text{Months Until Election}_t + \epsilon_t \tag{11}$$

T_t represents either the amount of money, public goods or average number of relative promises of public goods during the month t. *Months Until Election* is the number of

[33] Where the relative promises of public goods $= \dfrac{PublicGoods}{PublicGoods - CashTransfers}$

[34] Bear in mind that all analyzed promises of public goods and cash transfers were fulfilled.

months remaining before the presidential election. The results in Table 8 show that more public goods are offered, the farther are the elections. Each month apart from elections represent 0.9 more promises of public goods. Nevertheless, the number of promises of cash transfers are not affected by the time remaining before the presidential election.The relative number of public goods increases with the time remaining for elections.

7 Conclusion

Political economy literature reveals that leaders in office act as individuals who are trying to maximize their own benefit as opposed to being benevolent planners. This paper uses an original dataset to help us understand, in greater detail, the strategy of an incumbent seeking re-election. In Colombia, President Uribe unwittingly revealed his political strategy when he stated: *"A government that is not in campaign dies"*. Government decisions are guided typically by re-election ambitions, rather than exhaustive studies on the most effective way to allocate state resources in the interest of ensuring the general welfare and development of the country.

The results show an incumbent running for re-election will make more promises and redistributive transfers when electoral competition is more intense; that is, when voters have moderate preferences. According to the findings, an incumbent in a direct election makes more promises of redistribution to municipalities where a large number of voters can be persuaded to vote for him/her. A look at the details of the data shows the incumbent distributes public goods to some municipalities and cash transfers to others. Cash transfers are easy and quick to distribute and are a good tool to persuade voters, while public goods reward supporters. These findings are in line with previous theoretical literature, but previous empirical studies lacked the data to distinguish between these two categories of government spending.

My work has implications for public policy, inasmuch as it highlights the importance of controlling discretionary access to public resources on the part of a president seeking re-election, since the incentives of campaigning usually prevail over considerations regarding the

public's welfare. My project functions as a call to implement laws that limit and regulate the president's faculty to distribute resources in the public budget, particularly if the constitution allows for re-election.

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Table 1: Descriptive Statistics

Variable	Whole Sample	
	Mean	Standard Deviation
(1) Number of visits made by Uribe 2002-2010	0.14	0.74
(2) Number of visits made by Uribe 2002-2006	0.13	0.69
(3) Number of visits made by Uribe 2006-2010	0.14	0.79
(4) Number of promises made by Uribe 2002-2010	4.70	7.32
(5) Number of promises made by Uribe 2002-2006	3.65	5.65
(6) Number of promises made by Uribe 2006-2010	5.78	8.56
(7) Number of fullfiled promises made by Uribe 2002-2010	3.45	5.28
(8) Number of fullfiled promises made by Uribe 2002-2006	3.31	5.00
(9) Number of fullfiled promises made by Uribe 2006-2010	3.59	3.59
(10) Number of fullfiled promises about cash transfers made by Uribe 2002-2010	0.66	1.38
(11) Number of fullfiled promises about cash transfers made by Uribe 2002-2006	0.66	1.25
(12) Number of fullfiled promises about cash transfers made by Uribe 2006-2010	0.66	1.48
(13) Number of fullfiled promises about public goods made by Uribe 2002-2010	1.51	2.47
(14) Number of fullfiled promises about public goods made by Uribe 2002-2006	1.53	2.40
(15) Number of fullfiled promises about public goods made by Uribe 2006-2010	1.47	2.55

Table 2: Example of the Promises on the Web Site

Date	Municipality	Task Summary	Institution Responsible	Monitoring report	State of Task
7/5 2003	Antioquia - Envigado	GCC 31 (05Jul03 Envigado, Ant): The Ministry of Social Protection will study the possibility of providing an ambulance to the municipality of Don Matias (Emergency)	Ministry of Social Protection	Jun/14/05. Ministry of Social Protection. The ambulance was delivered. The number of the Resolution is 3750 dated 9 November 2004.	Done
3/19 2005	Córdoba - Montería	GCC 90 (19Mar05 Monteria, Cor): Promote, at the regional fairs in Cordoba, rural loans for farmers. The ministry is obliged to give advice on how to draw up and present projects for such loans.	Ministry of Agriculture and Rural Development	June 13 of 2005. The Ministry of Agriculture and Rural Development is already promoting loans in the department. Around 30 requests for loans were processed and a total of $492 million pesos in loans were granted. .	Done
7/5 2003	Antioquia - Envigado	GCC 31 (05Jul03 Envigado, Ant): Co-financing the second stage of refurbishing Ciro Mendia School in the municipality of Caldas, with international cooperation resources, under the condition that the school enroll displaced children.	Presidential Agency for Social Action and International Cooperation, and the Ministry of Education	10Sept2007 Presidential Agency for Social Action and International Cooperation The mayor of the municipality reports that Ciro Mendia is a private school. On the other hand, the displaced children in the community are attending the local municipal schools. TASK CLOSED	Closed

Table 3: Swing Voter Hypothesis

Dependent variable	Number of Promises ß/se	Number of Fulfill Promises ß/se	Number of Promises ß/se	Number of Fulfill Promises ß/se	Number of Promises ß/se	Number of Fulfill Promises ß/se
Uribe Vote Share	10.11***	4.957**				
	(3.092)	(2.046)				
Uribe Vote Share Squared	-9.145***	-3.467*				
	(2.796)	(1.896)				
|Uribe Vote Share-0.5|			-4.064***	-1.766**		
			(1.203)	(0.827)		
Standard Deviation of Vote for the Right Wing Candidate					0.0365**	0.0355***
					(0.0144)	(0.0101)
Turnout	3.654***	1.518***	3.667***	1.518***	3.666***	1.597***
	(1.400)	(0.487)	(1.412)	(0.492)	(1.389)	(0.489)
N	2,214	2,214	2,214	2,214	2,199	2,199
R^2	0.127	0.018	0.127	0.016	0.125	0.022
Municipality FE	YES	YES	YES	YES	YES	YES
Time FE	YES	YES	YES	YES	YES	YES

Notes: Robust standard errors are clustered at the municipal level in parenthesis. Panel regressions with full set of municipality and period dummies. Significance levels indicated by *** $p < 0.01$, ** $p < 0.05$, * $p < 0.1$. The dependent variable is the number of promises made by Uribe at the town-hall meetings from 2002 to 2010 or the fulfilled promises made by Uribe at the town-hall meetings from 2002 to 2010. I report the results using three measures of closeness of elections: a quadratic function of the Uribe vote share, for each municipality, at the beginning of the period in column (1) and (2); the distance to the 50-50 vote for Uribe in the municipality in the presidential election at the beginning of the period, calculated as the absolute value of the difference between the vote share for Uribe and 50%, in column(3) and (4); and the standard deviation of the vote share for the rightist candidate in the two preceding elections, in column (5) and (6). Turnout is measured as the total number of valid votes in a municipality for the last election and is included in all the columns.

Table 4: Swing Voter Hypothesis without Municipality Fixed Effects

Dependent variable	Number of Promises ß/se	Number of Fulfill Promises ß/se	Number of Promises ß/se	Number of Fulfill Promises ß/se	Number of Promises ß/se	Number of Fulfill Promises ß/se
Uribe Vote Share	10.32***	5.871***				
	(2.527)	(1.858)				
Uribe Vote Share Squared	-9.058***	-5.301***				
	(2.469)	(1.737)				
|Uribe Vote Share-0.5|			-3.265***	-1.940**		
			(1.124)	(0.794)		
Standard Deviation of Vote					0.0253*	0.0180*
for the Right Wing Candidate					(0.0139)	(0.00982)
Turnout	0.223***	0.166***	0.223***	0.166***	0.223***	0.166***
	(0.0806)	(0.0568)	(0.0806)	(0.0568)	(0.0803)	(0.0566)
N	2,046	2,046	2,046	2,046	2,058	2,058
R^2	0.253	0.251	0.252	0.250	0.251	0.250
Controls	YES	YES	YES	YES	YES	YES
Municipality FE	NO	NO	NO	NO	NO	NO
Time FE	YES	YES	YES	YES	YES	YES

Notes: Robust standard errors are clustered at the municipal level in parenthesis. Panel regressions with full set of municipality and period dummies. Significance levels indicated by *** $p < 0.01$, ** $p < 0.05$, * $p < 0.1$. The dependent variable is the number of promises made by Uribe at the town-hall meetings from 2002 to 2010 or the fulfilled promises made by Uribe at the town-hall meetings from 2002 to 2010. I report the results using three measures of closeness of elections: a quadratic function of the Uribe vote share, for each municipality, at the beginning of the period in column (1) and (2); the distance to the 50-50 vote for Uribe in the municipality in the presidential election at the beginning of the period, calculated as the absolute value of the difference between the vote share for Uribe and 50%, in column(3) and (4); and the standard deviation of the vote share for the rightist candidate in the two preceding elections, in column (5) and (6). Turnout is measured as the total number of valid votes in a municipality for the last election and is included in all the columns.

Table 5: Public Goods vs. Cash Transfers

Dependent variable	Number of Public Goods ß/se	Number of Cash transfers ß/se
Uribe Vote Share	2.555**	2.594***
	(1.115)	(0.660)
Uribe Vote Share Squared	-1.169	-2.157***
	(1.058)	(0.616)
Turnout	0.514**	-0.0191
	(0.257)	(0.548)
N	2,214	2,214
R^2	0.015	0.011
Municipality FE	YES	YES
Time FE	YES	YES

Notes: Robust Standard errors are clustered at the municipal level in parenthesis. Panel regressions with full set of municipality and period dummies. Significance levels indicated by *** $p < 0.01$, ** $p < 0.05$, * $p < 0.1$. The dependent variable is the number of fulfilled promises for public goods made by Uribe at the town-hall meetings from 2002 to 2010, in column (1), or the number of fulfilled promises for cash transfers made by Uribe at the town-hall meetings from 2002 to 2010, in column (2). I report the results using a quadratic function of the Uribe vote share for each municipality, at the beginning of the period, in all the columns. Turnout is measured as the total number of valid votes in a municipality for the last election and is included in all the columns.

Table 6: Public Goods vs. Cash Transfers

Dependent variable	Number of Public Goods ß/se	Number of Cash Transfers ß/se
Uribe Vote Share	2.006**	1.687***
	(0.992)	(0.521)
Uribe Vote Share Squared	-1.420	-1.574***
	(0.924)	(0.497)
Turnout	0.0557**	0.0330**
	(0.0242)	(0.0148)
N	2,046	2,046
R^2	0.193	0.142
Municipality FE	NO	NO
Time FE	YES	YES

Notes: Robust Standard errors are clustered at the municipal level in parenthesis. Panel regressions with full set of municipality and period dummies. Significance levels indicated by *** $p < 0.01$, ** $p < 0.05$, * $p < 0.1$. The dependent variable is the number of fulfilled promises for public goods made by Uribe at the town-hall meetings from 2002 to 2010, in column (1), or the number of fulfilled promises for cash transfers made by Uribe at the town-hall meetings from 2002 to 2010, in column (2). I report the results using a quadratic function of the Uribe vote share for each municipality, at the beginning of the period, in all the columns. Turnout is measured as the total number of valid votes in a municipality for the last election and is included in all the columns.

Table 7: Public Goods vs. Cash Transfers with other Specification

Dependent variable	Number of Public Goods ß/se	Number of Cash transfers ß/se	Number of Public Goods ß/se	Number of Cash transfers ß/se
|Uribe Vote Share-0.5|	-0.591	-1.008***	-0.314	-0.600***
	(0.466)	(0.266)	(0.418)	(0.221)
Turnout	0.505*	-0.0167	0.0556**	0.0330**
	(0.263)	(0.554)	(0.0241)	(0.0148)
N	2,214	2,214	2,046	2,046
R^2	0.010	0.006	0.191	0.142
Controls	NO	NO	YES	YES
Municipality FE	YES	YES	NO	NO
Time FE	YES	YES	YES	YES

Notes: Robust Standard errors are clustered at the municipal level in parenthesis. Panel regressions with full set of municipality and period dummies. Significance levels indicated by *** $p < 0.01$, ** $p < 0.05$, * $p < 0.1$. The dependent variable is the number of fulfilled promises for public goods made by Uribe at the town-hall meetings from 2002 to 2010, in column (1) and column(3), or the number of fulfilled promises for cash transfers made by Uribe at the town-hall meetings from 2002 to 2010, in column (2) and (4). I report the results using the distance to the 50-50 vote for Uribe in the municipality in the presidential election at the beginning of the period, calculated as the absolute value of the difference between the vote share for Uribe and 50%, in all the columns. Turnout is measured as the total number of valid votes in a municipality for the last election and is included in all the columns.

Table 8: Timing for Public Goods vs. Cash Transfers

Dependent variable	Number of Public Goods	Number of Cash transfers	Number of relative Public Goods
	ß/se	ß/se	ß/se
Months until Election	0.992**	0.0970	0.00284*
	(0.435)	(0.239)	(0.00156)
N	91	91	91
R^2	0.047	0.002	0.046

Notes: Robust Standard errors are clustered at the municipal level in parenthesis. Panel regressions with full set of municipality and period dummies. Significance levels indicated by *** $p < 0.01$, ** $p < 0.05$, * $p < 0.1$. The dependent variable is the number of fulfilled promises for public goods made by Uribe at the town-hall meetings from 2002 to 2010, in column (1), or the number of fulfilled promises for cash transfers made by Uribe at the town-hall meetings from 2002 to 2010, in column (2) and the relative number of promises of public goods in column (3). I report the results using the months remaining for the next election, in all the columns.

Figure 1: Distribution of ϕ_i for the three groups

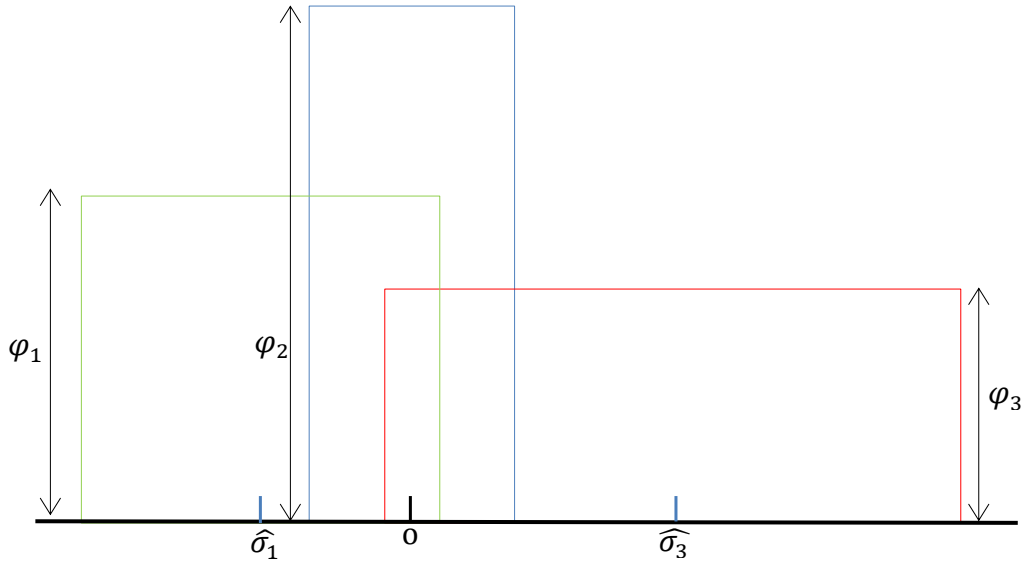

Figure 2: Histogram of the Political Preference Survey for Colombia

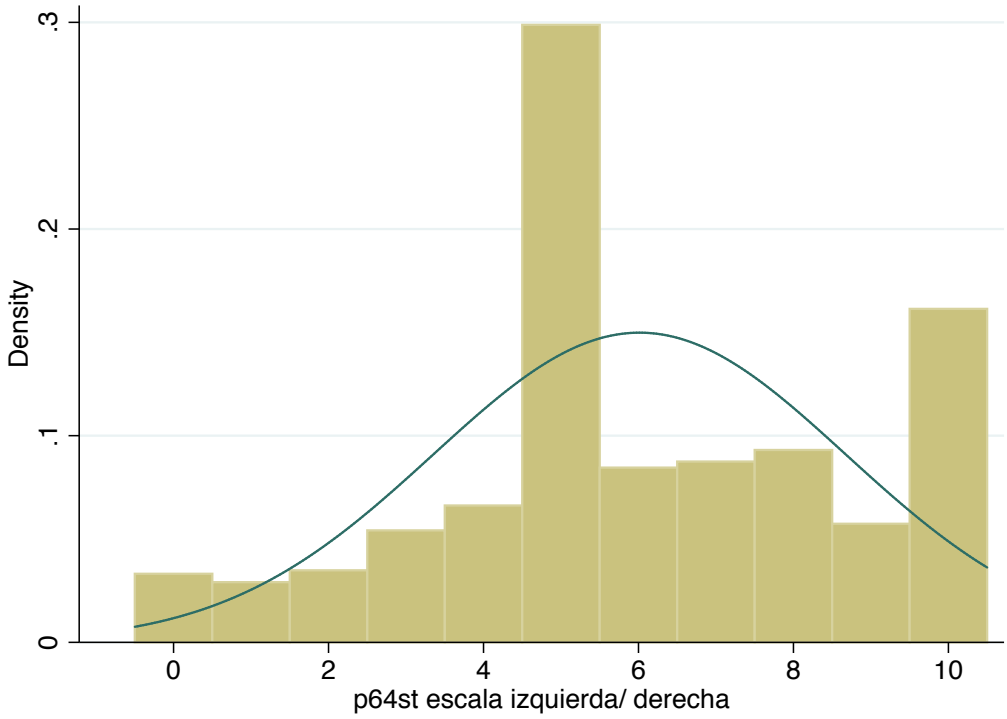

Figure 3: Histogram of the Political Preference Survey for Colombia, by Year

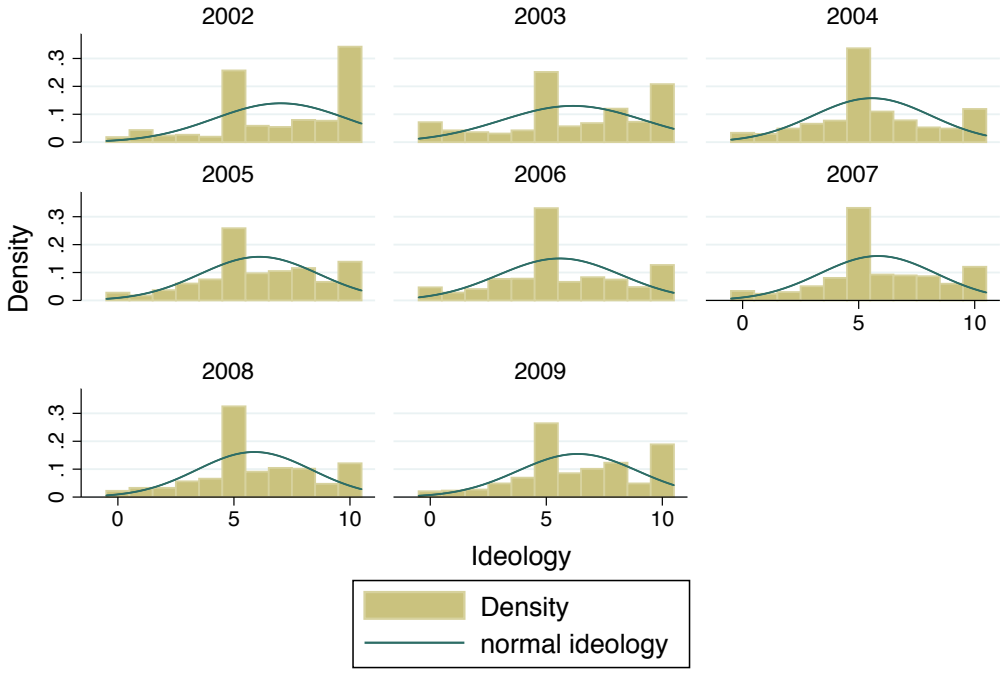

Figure 4: Histogram of the Political Preference Survey for Colombia, by Region

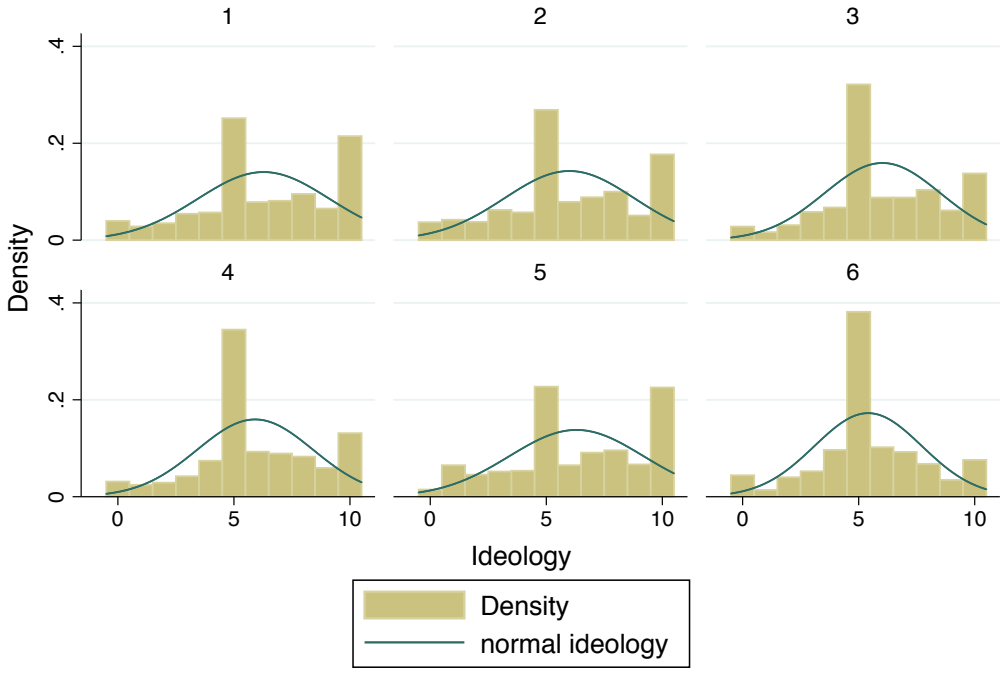

Figure 5: Example to Show that with Some Assumptions the Closeness of an Election Could Be Measured with the Winning Block Vote Share

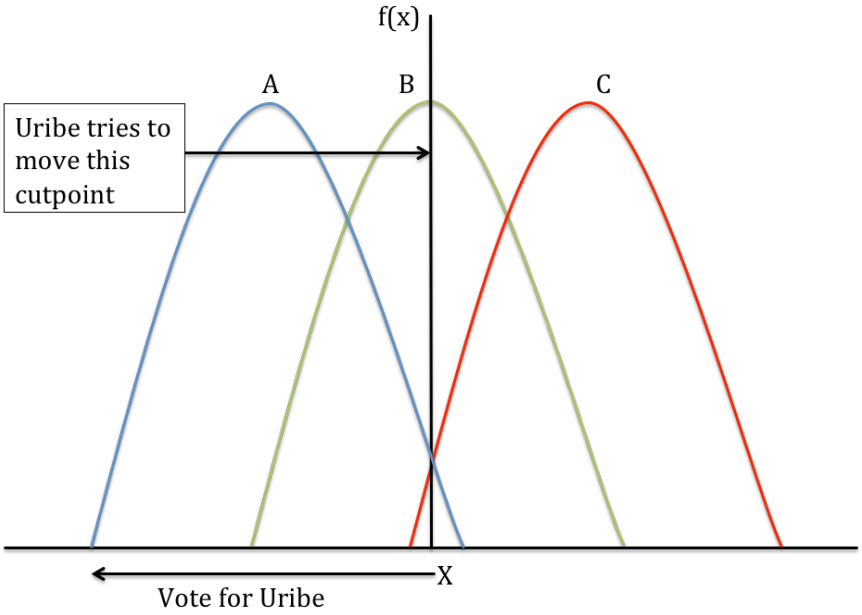

Figure 6: Relation between Trust and Ideological Closeness

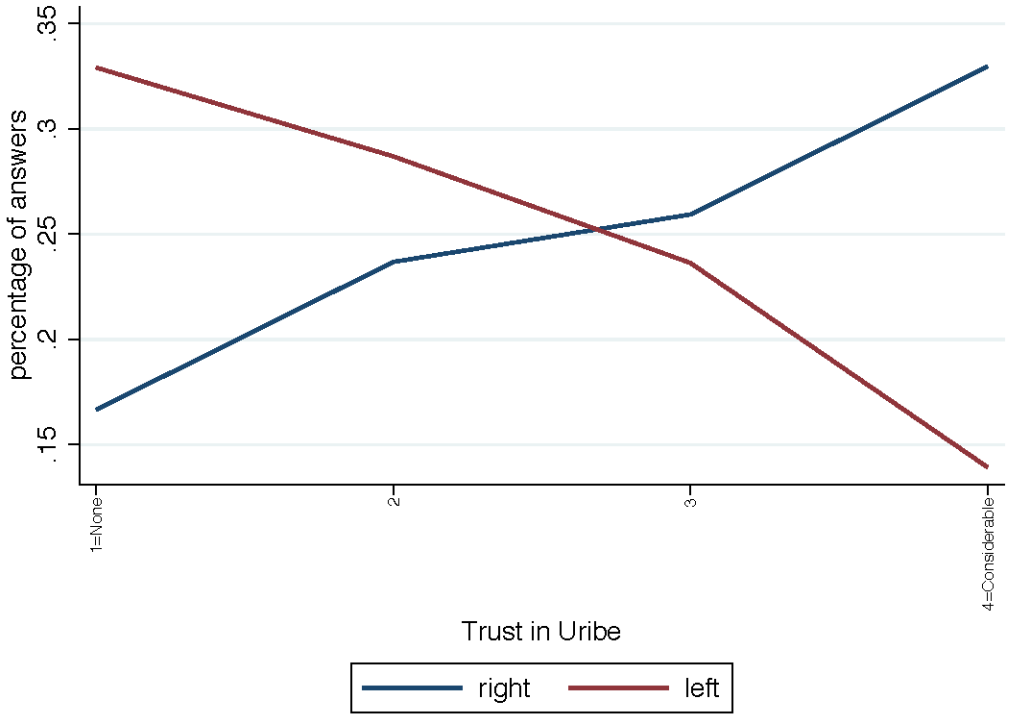

Figure 7: Relationship between the Number of Promises and Transfers and the Vote Share for Uribe

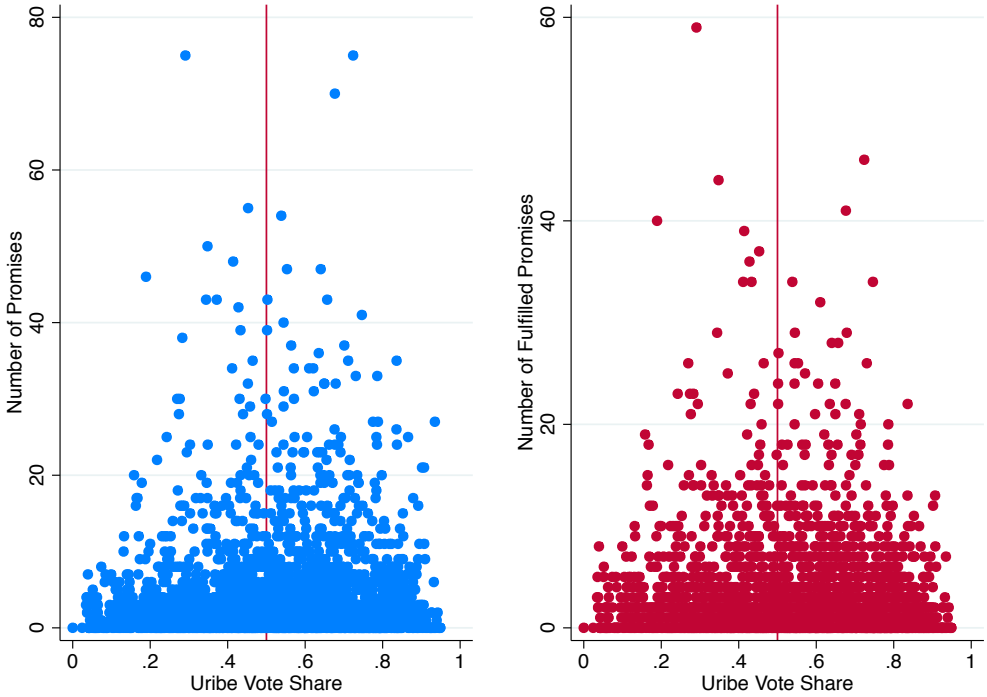

Figure 8: Relationship between the Number of Promises and Transfers and the Vote Share for Uribe, Using Confidence Intervals

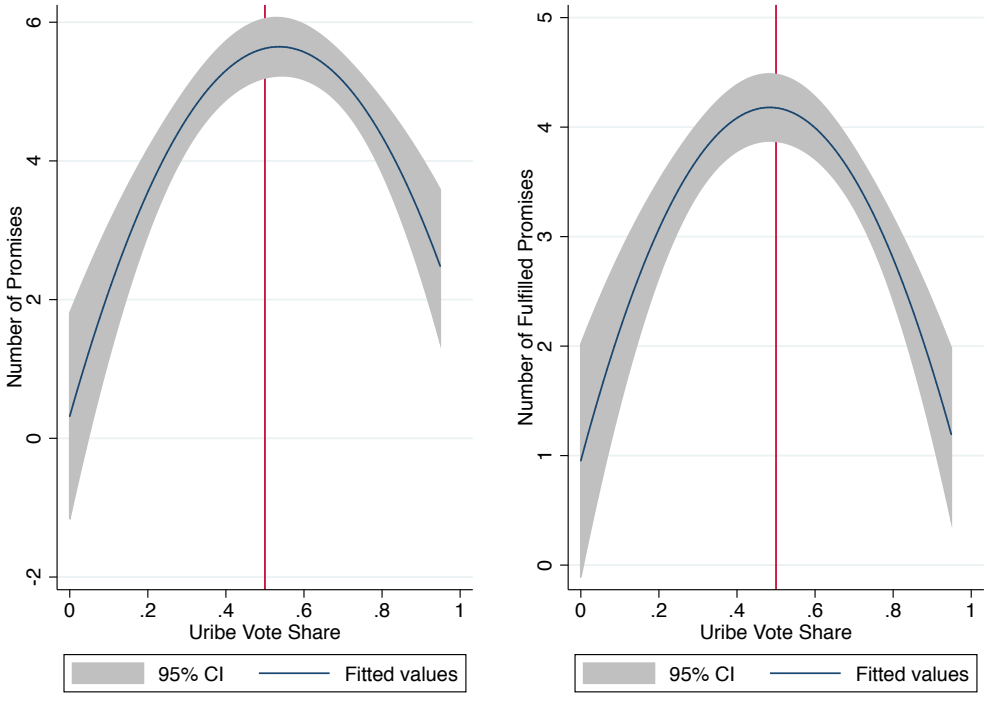

Figure 9: Relation between the Number of Visits and the Vote Share for Uribe

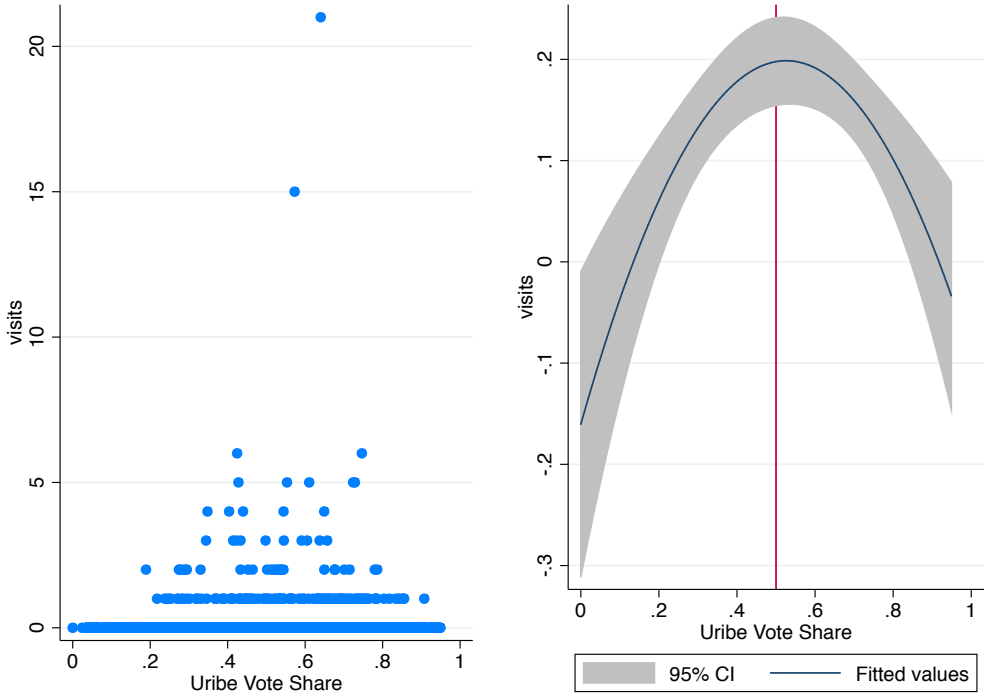

Figure 10: Differences in Timing between Announcements of Public Goods and Cash Transfers

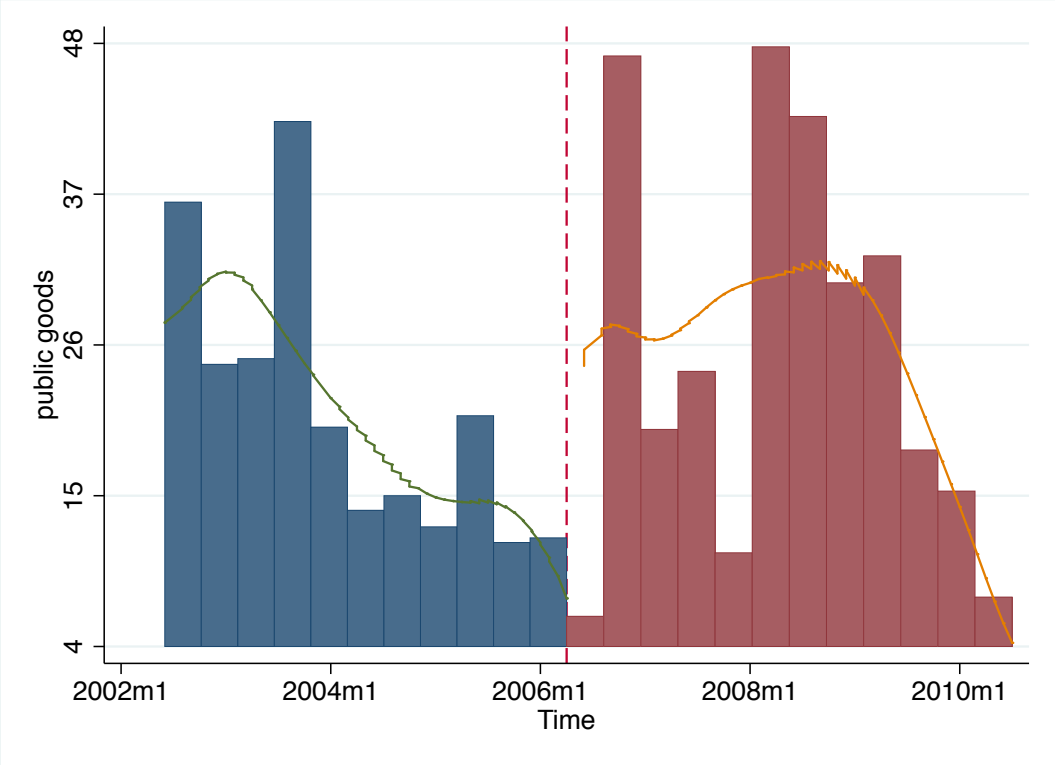

Figure 11: Differences in Timing between Announcements of Public Goods and Cash Transfers