The Countervailing Effects of Competition on Public Goods Provision: 
When Bargaining Inefficiencies Lead to Bad Outcomes

Jessica Gottlieb      Katrina Kosec
Texas A&M University  IFPRI

ABCDE 2018, World Bank
June 25, 2018
How does political competition affect public goods provision in developing country settings characterized by weak parties and low transparency?
We develop a theory showing that the net effect of political competition on public goods provision may be positive or negative, showing that it is negative in settings characterized by weak parties and low transparency.

Analyze the effect of increases in political competition on public goods provision with panel data from on such setting: Mali.

Find a robust negative effect of increases in local party competition on local public goods provision in Mali.

Present some tests of the mechanisms at work that are consistent with our theory.

Test the generalizability of our model using a cross-country panel dataset of 164 countries spanning 1975–2015.
Motivation

- Public goods provision is one of the key functions of government
- Much of the empirical literature on the impacts of political competition on public goods has concentrated on developed countries or mature democracies
- Little is known about how well this holds up in young democracies
- Two literatures are relevant, but are generally considered independently (Laver, 1989):
  - Democratic accountability literature (e.g., (Fearon, 1999; Besley, 2006)) that examines the strategic incentives elections impose on politicians
  - Legislative bargaining literature (e.g., (Riker and Brams, 1973; Weingast and Marshall, 1988; Williams, Forthcoming)) that examines factors affecting the ability of coalition partners to sustain credible commitments
- We apply insights from both to the topic of public goods provision
Political competition between parties is known to improve public goods outcomes by creating incentives for incumbent politicians to behave in office by creating a credible threat of future election loss.

But, we argue that political competition, in a legislative context, can lead to worse public goods outcomes by reducing the efficiency of the policy-making process in between elections.

Key insight of our theory: how political competition ultimately affects public goods provision depends on the relative rates at which it exerts these positive and negative effects.
Political competition between parties is known to improve public goods outcomes by creating incentives for incumbent politicians to behave in office by creating a credible threat of future election loss.

But,
Argument

Political competition between parties is known to improve public goods outcomes by creating incentives for incumbent politicians to behave in office by creating a credible threat of future election loss.

But, we argue that political competition, in a legislative context, can lead to worse public goods outcomes by reducing the efficiency of the policy-making process in between elections.

Political competition between parties is known to improve public goods outcomes by creating incentives for incumbent politicians to behave in office by creating a credible threat of future election loss.

But, we argue that political competition, in a legislative context, can lead to worse public goods outcomes by reducing the efficiency of the policy-making process in between elections.

Key insight of our theory: how political competition ultimately affects public goods provision depends on the relative rates at which it exerts these positive and negative effects.
Political Competition, Electoral Incentives, and Public Goods

- Standard models of accountability predict that increases in competitiveness should increase public goods provision (Besley, 2006; Fearon, 1999):
  - A credible threat from the opposition disciplines incumbent behavior in office
  - Greater competitiveness makes the threat of election loss more credible
Political Competition, Electoral Incentives, and Public Goods

- Standard models of accountability predict that increases in competitiveness should increase public goods provision (Besley, 2006; Fearon, 1999):
  - A credible threat from the opposition disciplines incumbent behavior in office
  - Greater competitiveness makes the threat of election loss more credible
- We see evidence of this, for example:
  - In the US (high-income): more competitive jurisdictions have greater expenditures on public goods and tend to grow faster (Hatfield & Kosec, 2013)
  - In Brazil (middle-income): first-term mayors misappropriate fewer resources than second term mayors (Ferraz & Finan, 2011)
Political Competition and Legislative Bargaining

Party competition can impede the efficiency of legislative bargaining by:

1. More fractionalized party systems increase the complexity of coalition formation. In a majority-rule system, moving from 3 to 7 parties moves the system from 7 to 127 possible coalitions; from 4 to 5,040 ways of forming a coalition, and from 3 to 35 different minimum winning coalitions (Laver, 1989).

2. More competitive parties make coalitions that are formed less durable. Equally sized parties will find it difficult to negotiate because each has the same expectation of being able to form a majority coalition, and many potential coalition partners (thus making reneging on agreements relatively easy). Insight: A majority party thus forms the most durable government (can pass policy without a coalition).
Party competition can impede the efficiency of legislative bargaining by:

1. More fractionalized party systems increase the complexity of coalition formation
   - In a majority-rule system, moving from 3 to 7 parties moves the system from 7 to 127 possible coalitions; from 4 to 5,040 ways of forming a coalition, and from 3 to 35 different minimum winning coalitions (Laver, 1989)

References

Political Competition and Legislative Bargaining

Gottlieb and Kosec (2018)
Party competition can impede the efficiency of legislative bargaining by:

1. More fractionalized party systems increase the complexity of coalition formation
   - In a majority-rule system, moving from 3 to 7 parties moves the system from 7 to 127 possible coalitions; from 4 to 5,040 ways of forming a coalition, and from 3 to 35 different minimum winning coalitions (Laver, 1989)

2. More competitive parties make coalitions that are formed less durable
   - Equally sized parties will find it difficult to negotiate because each has the same expectation of being able to form a majority coalition, and many potential coalition partners (thus making reneging on agreements relatively easy)
Political Competition and Legislative Bargaining

Party competition can impede the efficiency of legislative bargaining by:

1. More fractionalized party systems increase the complexity of coalition formation
   - In a majority-rule system, moving from 3 to 7 parties moves the system from 7 to 127 possible coalitions; from 4 to 5,040 ways of forming a coalition, and from 3 to 35 different minimum winning coalitions (Laver, 1989)

2. More competitive parties make coalitions that are formed less durable
   - Equally sized parties will find it difficult to negotiate because each has the same expectation of being able to form a majority coalition, and many potential coalition partners (thus making reneging on agreements relatively easy)

Insight: A majority party thus forms the most durable government (can pass policy without a coalition)
Legislative Bargaining and Public Goods Provision

- To produce local public goods, parties must bargain over, e.g., the type and location of the good, dimensions over which parties likely have distinct preferences.
Legislative Bargaining and Public Goods Provision

- To produce local public goods, parties must bargain over, e.g., the type and location of the good, dimensions over which parties likely have distinct preferences.
- Failure to form or sustain a legislative bargain can prolong the decision-making process and/or stem the flow of inter-governmental transfers, which can stall or stop service provision.
  - E.g., (Williams, 2016) reveals how unstable bargains can lead to partially-constructed (and thus useless) infrastructure projects.
To produce local public goods, parties must bargain over, e.g., the type and location of the good, dimensions over which parties likely have distinct preferences.

Failure to form or sustain a legislative bargain can prolong the decision-making process and/or stem the flow of inter-governmental transfers, which can stall or stop service provision.

- E.g., (Williams, 2016) reveals how unstable bargains can lead to partially-constructed (and thus useless) infrastructure projects.

While trading votes is possible in theory, those benefiting early have incentives to renege, preventing potential coalitions from forming in the first place (Weingast and Marshall, 1988).
To produce local public goods, parties must bargain over, e.g., the type and location of the good, dimensions over which parties likely have distinct preferences.

Failure to form or sustain a legislative bargain can prolong the decision-making process and/or stem the flow of inter-governmental transfers, which can stall or stop service provision.

- E.g., (Williams, 2016) reveals how unstable bargains can lead to partially-constructed (and thus useless) infrastructure projects.

While trading votes is possible in theory, those benefiting early have incentives to renege, preventing potential coalitions from forming in the first place (Weingast and Marshall, 1988).

While politics is often a repeated game (helping solve commitment problems), this is less useful in weaker party systems (e.g., lack of party discipline, personalistic politics, frequent party switching).
We argue that this *net negative* relationship should obtain where:

- Parties are weaker – and thus legislative bargaining is harder
- Transparency is low, making it more difficult for voters to hold politicians accountable (Besley, 2006)

Gottlieb and Kosec (2018)
We argue that this *net negative* relationship should obtain where:
- Parties are weaker – and thus legislative bargaining is harder
- Transparency is low, making it more difficult for voters to hold politicians accountable (Besley, 2006)

These are both common features of young, low-income democracies
Hypotheses

1. In places with weak political accountability and weak party systems, there should be a net negative relationship between political competition and public goods provision
   - Test using panel data from Mali (plus qualitative survey data)
   - Test using cross-country panel data from 164 countries spanning 1975–2015

2. The negative relationship should be most apparent where bargaining or coalitions are required to make policy
   - E.g., when there is no majority party on the commune council

3. The negative relationship should be most apparent for goods that are harder to share (more excludable)
   - Clinics and water boreholes (less so for roads and schools)

Mali has 666 rural communes with elected local governments responsible for providing local public goods

- Commune councilors are directly elected using closed-list proportional representation
- Policy is made by majority-rule, often via coalition formation
- Communes receive substantial transfer revenue, including annual funds for a development project, and also generate a small amount of tax revenue
  - Communes comprise an average of 18 villages, and project funds typically fund a project in one of them
- Number of seats on the council ranges from 11 to 45; on average, 6 parties compete
Measurement

Indep. Var.: Political competition (measured as concentration), using elections data from 2004 and 2009

1. HHI: For parties $i$ in $N$, and seat shares $SS_i$, we calculate a Herfindahl Index

$$HHI = \sum_{i=1}^{N} SS_i^2$$

2. Margin of victory: Difference in seat shares between top two parties

Higher values $\rightarrow$ greater concentration of power/ lower competition

References

Anderson Index: standardizes and mean-centers each composite variable and then combines them into a single index using an inverse covariate weighted average

Measurement

Indep. Var.: Political competition (measured as concentration), using elections data from 2004 and 2009

1. HHI: For parties $i$ in $N$, and seat shares $SS_i$, we calculate a Herfindahl Index

$$HHI = \sum_{i=1}^{N} SS_i^2$$

2. Margin of victory: Difference in seat shares between top two parties

Higher values $\rightarrow$ greater concentration of power/ lower competition

Dep. Var.: Local public goods, using 2008 and 2013 data

- Number of: water clinics, and schools, and clinics; kilometers of unpaved (rural) roads
- Anderson Index: standardizes and mean-centers each composite variable and then combines them into a single index using an inverse covariate weighted average

Estimation strategy: First Differences

Examine effects of changes in competition between 2004 and 2009 on changes in the stock of local public goods in commune $i$ between 2008 and 2013 (i.e. 4 years later), controlling for 2008 level of public goods

$$PG_{i,2013−2008} = \beta_0 + \beta_1 \Delta \text{Competition}_{i,2009−2004} + \theta_2 PG_{i,2008} + \gamma X_i + \epsilon_i$$ (1)
Estimation strategy: First Differences

Examine effects of changes in competition between 2004 and 2009 on changes in the stock of local public goods in commune $i$ between 2008 and 2013 (i.e. 4 years later), controlling for 2008 level of public goods

$$PG_{i,2013-2008} = \beta_0 + \beta_1 \Delta Competition_{i,2009-2004} + \theta_2 PG_{i,2008} + \gamma X_i + \epsilon_i$$  (1)

Vector of controls includes:
- Pre-trend in electoral volatility (2004–2009)
- Pre-trend in logged population size (1998–2009)
- Baseline (2008) levels (or 2008–2013 change) of national government-constructed infrastructure (Kilometers of paved roads, # sources of electricity) and # NGO/ development projects

Standard errors clustered at cercle level (admin. unit above commune)


<table>
<thead>
<tr>
<th>Dep. Var.: Public goods index</th>
<th>(1)</th>
<th>(2)</th>
<th>(3)</th>
<th>(4)</th>
<th>(5)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Difference in HHI (2009-2004)</td>
<td>0.211⁺</td>
<td>0.229⁺</td>
<td>0.211⁺</td>
<td>0.215⁺</td>
<td>0.477*</td>
</tr>
<tr>
<td></td>
<td>(0.110)</td>
<td>(0.115)</td>
<td>(0.113)</td>
<td>(0.115)</td>
<td>(0.193)</td>
</tr>
<tr>
<td>Diff. in HHI × Majority Party</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>-0.341</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>(0.222)</td>
</tr>
<tr>
<td>Majority Party (2009)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>-0.083⁺</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>(0.043)</td>
</tr>
<tr>
<td>Constant</td>
<td>0.007</td>
<td>0.015</td>
<td>-0.035</td>
<td>-0.057</td>
<td>0.010</td>
</tr>
<tr>
<td></td>
<td>(0.030)</td>
<td>(0.032)</td>
<td>(0.052)</td>
<td>(0.043)</td>
<td>(0.056)</td>
</tr>
<tr>
<td>Observations</td>
<td>664</td>
<td>660</td>
<td>660</td>
<td>660</td>
<td>660</td>
</tr>
<tr>
<td>Controls as 2008 levels</td>
<td>Yes</td>
<td>No</td>
<td>Yes</td>
<td>No</td>
<td>Yes</td>
</tr>
<tr>
<td>Controls as 2008–13 change</td>
<td>No</td>
<td>Yes</td>
<td>No</td>
<td>Yes</td>
<td>No</td>
</tr>
</tbody>
</table>

OLS models with standard errors clustered at the cercle level.

⁺ p < 0.10, * p < 0.05, ** p < 0.01

<table>
<thead>
<tr>
<th>Dep. Var.: Public goods index</th>
<th>(1)</th>
<th>(2)</th>
<th>(3)</th>
<th>(4)</th>
<th>(5)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Difference in HHI (2009-2004)</td>
<td>0.211⁺</td>
<td>0.229⁺</td>
<td>0.211⁺</td>
<td>0.215⁺</td>
<td>0.477⁺</td>
</tr>
<tr>
<td></td>
<td>(0.110)</td>
<td>(0.115)</td>
<td>(0.113)</td>
<td>(0.115)</td>
<td>(0.193)</td>
</tr>
<tr>
<td>Diff. in HHI × Majority Party</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>-0.341⁺</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>(0.222)</td>
</tr>
<tr>
<td>Majority Party (2009)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>-0.083⁺</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>(0.043)</td>
</tr>
<tr>
<td>Constant</td>
<td>0.007</td>
<td>0.015</td>
<td>-0.035</td>
<td>-0.057</td>
<td>0.010</td>
</tr>
<tr>
<td></td>
<td>(0.030)</td>
<td>(0.032)</td>
<td>(0.052)</td>
<td>(0.043)</td>
<td>(0.056)</td>
</tr>
<tr>
<td>Observations</td>
<td>664</td>
<td>660</td>
<td>660</td>
<td>660</td>
<td>660</td>
</tr>
<tr>
<td>Controls as 2008 levels</td>
<td>Yes</td>
<td>No</td>
<td>Yes</td>
<td>No</td>
<td>Yes</td>
</tr>
<tr>
<td>Controls as 2008–13 change</td>
<td>No</td>
<td>Yes</td>
<td>No</td>
<td>Yes</td>
<td>No</td>
</tr>
</tbody>
</table>

OLS models with standard errors clustered at the cercle level.

⁺\( p < 0.10 \), *\( p < 0.05 \), **\( p < 0.01 \)

39% of commune councils in 2009: one party holds the majority of seats (bargaining and coalition formation unnecessary)
### Effect of Change in Margin of Victory (Concentration) (2004-2009) on Change in Public Goods Index (2008-2013)

<table>
<thead>
<tr>
<th>Dep. Var.: Public goods index</th>
<th>(1)</th>
<th>(2)</th>
<th>(3)</th>
<th>(4)</th>
<th>(5)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Difference in Margin (2009-2004)</td>
<td>0.189*</td>
<td>0.201*</td>
<td>0.196*</td>
<td>0.179*</td>
<td>0.379*</td>
</tr>
<tr>
<td></td>
<td>(0.075)</td>
<td>(0.077)</td>
<td>(0.075)</td>
<td>(0.076)</td>
<td>(0.147)</td>
</tr>
<tr>
<td>Diff. in Margin × Majority Party</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>-0.253</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>(0.174)</td>
</tr>
<tr>
<td>Majority Party (2009)</td>
<td>-0.080+</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>(0.041)</td>
</tr>
<tr>
<td>Constant</td>
<td>0.006</td>
<td>0.015</td>
<td>-0.036</td>
<td>-0.058</td>
<td>0.004</td>
</tr>
<tr>
<td></td>
<td>(0.030)</td>
<td>(0.032)</td>
<td>(0.051)</td>
<td>(0.042)</td>
<td>(0.057)</td>
</tr>
<tr>
<td>Observations</td>
<td>664</td>
<td>660</td>
<td>660</td>
<td>660</td>
<td>660</td>
</tr>
<tr>
<td>Controls as 2008 levels</td>
<td>Yes</td>
<td>No</td>
<td>Yes</td>
<td>No</td>
<td>Yes</td>
</tr>
<tr>
<td>Controls as 2008–13 change</td>
<td>No</td>
<td>Yes</td>
<td>No</td>
<td>Yes</td>
<td>No</td>
</tr>
</tbody>
</table>

OLS models with standard errors clustered at the cercle level.

+ p < 0.10, * p < 0.05, ** p < 0.01
### Effect of Change in Margin of Victory (Concentration) (2004-2009) on Change in Public Goods Index (2008-2013)

<table>
<thead>
<tr>
<th>Dep. Var.: Public goods index</th>
<th>(1)</th>
<th>(2)</th>
<th>(3)</th>
<th>(4)</th>
<th>(5)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Difference in Margin (2009-2004)</td>
<td>0.189*</td>
<td>0.201*</td>
<td>0.196*</td>
<td>0.179*</td>
<td>0.379*</td>
</tr>
<tr>
<td></td>
<td>(0.075)</td>
<td>(0.077)</td>
<td>(0.075)</td>
<td>(0.076)</td>
<td>(0.147)</td>
</tr>
<tr>
<td>Diff. in Margin × Majority Party</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Majority Party (2009)</td>
<td>-0.253</td>
<td></td>
<td>-0.080†</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>(0.174)</td>
<td></td>
<td>(0.041)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Constant</td>
<td>0.006</td>
<td>0.015</td>
<td>-0.036</td>
<td>-0.058</td>
<td>0.004</td>
</tr>
<tr>
<td></td>
<td>(0.030)</td>
<td>(0.032)</td>
<td>(0.051)</td>
<td>(0.042)</td>
<td>(0.057)</td>
</tr>
<tr>
<td>Observations</td>
<td>664</td>
<td>660</td>
<td>660</td>
<td>660</td>
<td>660</td>
</tr>
<tr>
<td>Controls as 2008 levels</td>
<td>Yes</td>
<td>No</td>
<td>Yes</td>
<td>No</td>
<td>Yes</td>
</tr>
<tr>
<td>Controls as 2008–13 change</td>
<td>No</td>
<td>Yes</td>
<td>No</td>
<td>Yes</td>
<td>No</td>
</tr>
</tbody>
</table>

OLS models with standard errors clustered at the cercle level.

† $p < 0.10$, * $p < 0.05$, ** $p < 0.01$

39% of commune councils in 2009: one party holds the majority of seats (bargaining and coalition formation unnecessary)
If Bargaining Inefficiencies Explain the Negative Effects of Political Competition, We Expect:

1. Political competition reduces public goods production only where coalition formation is necessary (no majority party on council)

2. The negative effects of competition should be greatest for goods that are harder to share (more excludable)

3. With greater competition, the same amount of public expenditures should yield fewer outputs

4. Political competition does not increase the provision of private goods (i.e. this is really something about bargaining inefficiency, not simply competition being over private instead of public goods)

Use commune-level data on public expenditures during 2006–2008 on schools, clinics, and boreholes (we lack data for roads), and total number of each constructed during the same period.

Use data from a phone survey of 611 elected officials before the 2016 elections (how much did you spend on constituents, per month, during your current mandate?)

If Bargaining Inefficiencies Explain the Negative Effects of Political Competition, We Expect:

1. Political competition reduces public goods production only where coalition formation is necessary (no majority party on council).

2. The negative effects of competition should be greatest for goods that are harder to share (more excludable).

If Bargaining Inefficiencies Explain the Negative Effects of Political Competition, We Expect:

1. Political competition reduces public goods production only where coalition formation is necessary (no majority party on council).
2. The negative effects of competition should be greatest for goods that are harder to share (more excludable).
3. With greater competition, the same amount of public expenditures should yield fewer outputs.
   - Use commune-level data on public expenditures during 2006–2008 on schools, clinics, and boreholes (we lack data for roads), and total number of each constructed during the same period.

If Bargaining Inefficiencies Explain the Negative Effects of Political Competition, We Expect:

1. Political competition reduces public goods production only where coalition formation is necessary (no majority party on council).
2. The negative effects of competition should be greatest for goods that are harder to share (more excludable).
3. With greater competition, the same amount of public expenditures should yield fewer outputs.
   - Use commune-level data on public expenditures during 2006–2008 on schools, clinics, and boreholes (we lack data for roads), and total number of each constructed during the same period.
4. Political competition does not increase the provision of private goods (i.e. this is really something about bargaining inefficiency, not simply competition being over private instead of public goods).
   - Use data from a phone survey of 611 elected officials before the 2016 elections (how much did you spend on constituents, per month, during your current mandate?)


Gottlieb and Kosec (2018)

The Countervailing Effects of Competition on Public Goods

Δ HHI

Δ Margin of Victory

Majority Party

Boreholes                               Clinics                             Roads                              Schools

Marginal Effect of Expenditures on Outputs, by Competition

Boreholes

Clinics

Schools


<table>
<thead>
<tr>
<th>Dep. Var.: Constituent spending per mo.</th>
<th>(1)</th>
<th>(2)</th>
<th>(3)</th>
<th>(4)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Concentration, HHI (2009)</td>
<td>0.208</td>
<td>0.289</td>
<td>-0.210</td>
<td>-0.218</td>
</tr>
<tr>
<td></td>
<td>(0.338)</td>
<td>(0.359)</td>
<td>(0.303)</td>
<td>(0.312)</td>
</tr>
<tr>
<td>Concentration, Margin (2009)</td>
<td>-0.210</td>
<td>-0.218</td>
<td>0.061</td>
<td>0.061</td>
</tr>
<tr>
<td></td>
<td>(0.303)</td>
<td>(0.312)</td>
<td>(0.109)</td>
<td>(0.109)</td>
</tr>
<tr>
<td>Logged Population (1998)</td>
<td>0.066</td>
<td>0.042</td>
<td>0.061</td>
<td>0.061</td>
</tr>
<tr>
<td></td>
<td>(0.152)</td>
<td>(0.151)</td>
<td>(0.109)</td>
<td>(0.109)</td>
</tr>
<tr>
<td>Number of Sources of Electricity (2008)</td>
<td>-0.001</td>
<td>-0.001</td>
<td>-0.008</td>
<td>-0.009</td>
</tr>
<tr>
<td></td>
<td>(0.000)</td>
<td>(0.000)</td>
<td>(0.012)</td>
<td>(0.011)</td>
</tr>
<tr>
<td>Kilometers of Paved Roads (2008)</td>
<td>0.363**</td>
<td>0.362**</td>
<td>0.363**</td>
<td>0.362**</td>
</tr>
<tr>
<td></td>
<td>(0.124)</td>
<td>(0.124)</td>
<td>(0.124)</td>
<td>(0.124)</td>
</tr>
</tbody>
</table>

Observations 474 474 474 474

OLS models with standard errors clustered at the cercle level.

\[ p < 0.10, \text{ } * p < 0.05, \text{ } ** p < 0.01 \]

We develop a theory showing that the net effect of political competition on public goods provision may be positive or negative, showing that it is negative in settings characterized by weak parties and low transparency.

Analyze the effect of increases in political competition on public goods provision with panel data from on such setting: Mali.

Find a robust negative effect of increases in local party competition on local public goods provision in Mali.

Present some tests of the mechanisms at work that are consistent with our theory.

Test the generalizability of our model using a cross-country panel dataset of 164 countries spanning 1975–2015.
References

Bibliography


