

Clean Image or Vote Buying? Strategy to Win Elections in Indonesia

Irwanda Wisnu Wardhana¹²

¹PhD Student
School of Economic, Political and Policy Sciences
University of Texas at Dallas

²Researcher
Fiscal Policy Agency
the Indonesia Ministry of Finance

EITM Summer Institute, University of Houston, 2015

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Electoral Reform and Corruption

- The existing literature on electoral studies suggests that electoral reform has positive effects on the reduction of political corruption.
- Indonesia has reformed its electoral system, however, the corruption level has persisted. Furthermore, public opinion has begun to favoring the authoritarian regime due to corruption problems under the democratic system.
- This study aims to investigate the interaction between politicians and voters to explaining the phenomenon.

Research Questions

- Do voter's preferences to choose politicians in an election based on rational choice?
- Do the relationships between politicians and voters could explain the persistence of corruption incidences in Indonesia?

Research Hypotheses

- H1: Voter's preferences to choose a candidate in an election is based on rational choice.
- H2: Probability to win an election is higher when a politician is using more than one strategy (i.e. the clean image and the vote buying strategy).

The Importance of Electoral Studies for Indonesia

- Democracy is irreversible. Since 1999, Indonesians have enjoyed fair, free, peaceful, and regular elections every 5 years participated by multiple contestants.
- Indonesians elect their representatives in the national level (DPR=Representatives, DPD=Senators), the provincial and the municipality.
- Indonesians elect their executive leaders directly (president, governors, mayors/regents). The presidential direct election was initiated in 2004, meanwhile, the local direct elections were in 2005.

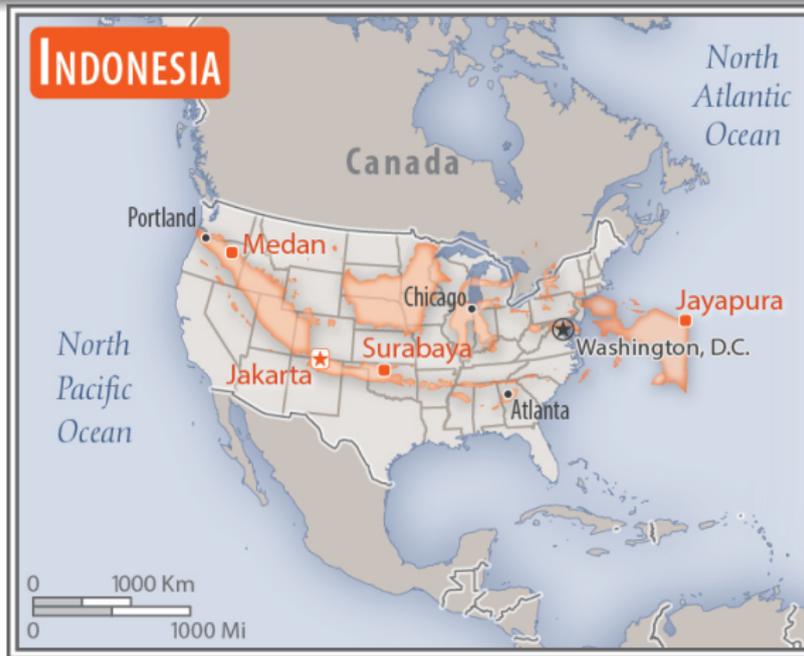


Figure 1: Indonesian Map in comparison with the US



Figure 2: Indonesia geographical position in the world

Political Institutions and Members	Pre-Amendment (1955)	Post- Amendment (1999-2002)
President (and a Vice President)	Very powerful; no term limitation; elected by MPR	Less powerful; maximum 2 terms in office; elected under Majority-runoff system*
DPR (560 members)	Weak; Proportional Representation Close-list System	More powerful; elected under Proportional Representation Close-list; in 2009 changed to Open-list System*
DPD (132 members)	Not exist	Designed as Senate but less powerful compared to DPR; elected under Single Nontransferable Vote*; a province represented by 4 members; independent (non-partisan)
MPR (DPR and DPD members: 692)	Strong	Weaker, ceremonial role

Notes: Sources are the Indonesia Constitution and related laws. *classification by Norris (1997).

Figure 3: Political Institutions and Electoral Systems in Indonesia

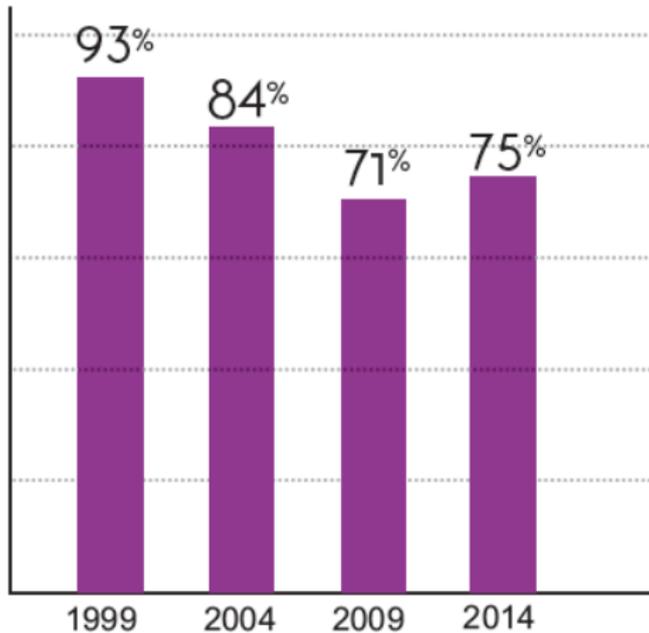


Figure 4: Voter Turnout



Figure 5: Political Parties in 2014 Election



Figure 6: Voters select four senators per province



Figure 7: Nails to punch the ballot papers



Figure 8: Ballot papers are stored in boxes



Figure 9: Each voter must take a finger dye to avoid repeat voting



Figure 10: Securing and counting the ballot papers are challenging tasks



Figure 11: Voters will vote the national legislative and the president at the same time in 2019

Lessons learned: diversity and corruption

- Democratization in a country with high diversity in multiple aspects. Indonesia has 17,000 islands, hundreds of distinct native ethnic-linguistic groups, and different religion groups.
- Despite the Balkanization projection in 1998 yet Indonesia has maintained the territorial integrity by using democratic measures.
- There is a persistence of corruption cases despite the CPI positive trend and reforms of electoral systems.

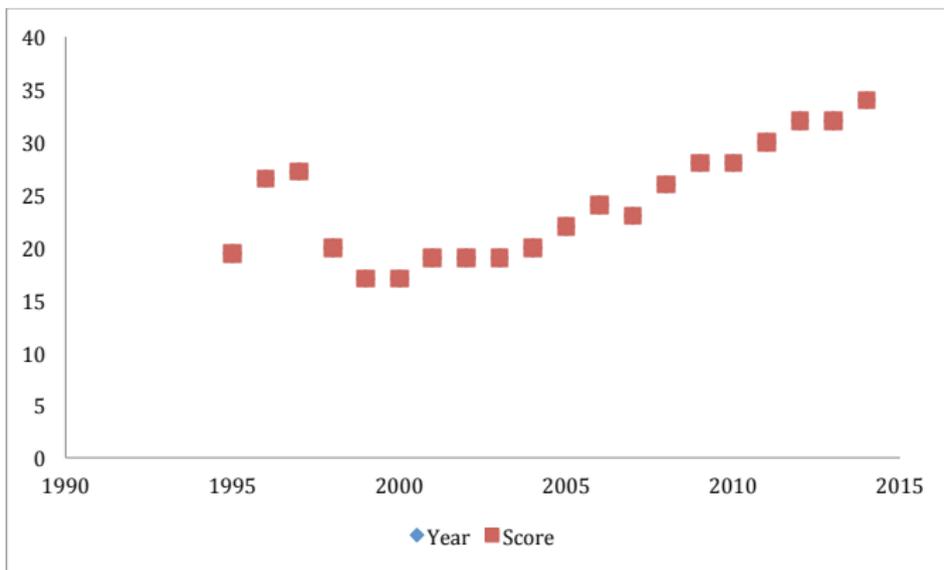


Figure 12: Corruption Perception Index Scores 1995-2014

Position	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	Total
Lawmakers	0	0	0	2	7	8	27	5	16	8	4	77
Governor	1	0	2	0	2	2	1	0	0	2	2	12
Mayor/Regent	0	0	3	7	5	5	4	4	4	3	12	47
Minister	0	1	1	0	1	1	2	0	1	4	9	20
Bureaucrat	2	9	15	10	22	14	12	15	8	7	2	116

Figure 13: Corruption Cases handled by KPK (Commission on the Corruption Eradication)

Lessons learned: Islam and democracy

- Democracy and Islam compatibility. Indonesia is the most populated Muslim country in the world and the third democratic country in the world (after India and the US - >250million people).
- Furthermore, Indonesia has never experienced a military coup nor political assassination toward the head of government since its independence (1945).
- In addition to Arab Springs, Indonesia Summer lessons learned in democratization may be beneficial for other newly democratized countries.

Successful democratization yet underrepresented literature

- Despite its uniqueness, Indonesia has so little information to share with the world. A lot of experiments are happening such as the local elections in hundreds of municipality will be conducted all at once in 2016, opposition parties vs ruling parties, etc.
- Democratization in fiscal aspects. Since 2001, the Central Government of Indonesia has decentralized almost half of its fiscal authority to local government (fiscal democratization).
- The future of electoral studies and related professions are promising. Political consultant and surveyor are among the most recognizable professions.

The Importance of Electoral System

- Provides access to a small portion of citizens to represent the whole population. The system creates a mechanism to form and circulate the power elite (Mills, 1956).
- Determines how the majority treats minority groups in the participation of public affairs. People have options either to accommodate representation of minority groups or they simply keep those marginal groups underrepresented.
- Determines both of the working approach of government and the public policy outcomes (Person and Tabellini, 2004). The system may determine the risk of politicians to engage corruption that depends on the costs of elections.

Majoritarian System: Effectiveness and Accountability

- The oldest and the simplest electoral system (plurality system or the first-past-the-post).
- Creates a strong and majority government. Majoritarian creates a strong and majority government since it impedes the emergence of other parties than two parties at the national level utilizing the winner take all principle as known as Duverger's Law (Norris, 1997).
- It nurtures higher level accountability of politicians since voters cast their votes based on personal characteristics not just identities of parties (Reynolds et al., 2005).

Proportional Representation: Fairness and Diversity

- The most popular electoral system in the world (Reynolds et al., 2005).
- Represents minority and heterogeneity in the government. It is favored by least developing and developing countries which have vulnerability because of the wide ranges of heterogeneity in races, ethnicities, religions, and other diversity variables.
- The system is more likely encouraging the establishment of parties that makes legislative bodies to be more fragmented.

Which Electoral System is Better?

- Which system is better in improving accountability? The level of accountability of incumbents under PR system is lower than majoritarian.
- Which system is better in reducing corruption? Perrson and Tabellini (2003) suggest that both majoritarian and PR systems bring indifference effects on corruption level in a country.
- Thus, the evidence is inconclusive.

Clean Image or Vote Buying Strategy?

- A voter choose one party/candidate over the others based on the relative political positions of the party/candidate with the voter-proximity voting theory. Here, we can relate this position as the clean image strategy.
- A voter is also concerned about the performance of a party/candidate to provide benefits to the voter-compensational voting. Ideally, voters evaluate the aggregate policy outcome.
- In practice, voters may demand direct compensation. Here, we can relate this compensation provision as the vote buying strategy.

Why Politicians Giving Money to Voters?

- Vote buying is a type of clientelism. It is the distribution of material benefits with the expectation of political support (Kramon 2009).
- Middlemen are working to connect the politicians and the voters. The presence of middlemen may reduce the clientelism mechanisms.
- Voter's reactions to the vote buying are unknown since the voting process is confidential. Why the politicians keep giving money or goods to voters?

Economic Problems and Voter's Preferences

- The existing literature does not address how economic problems faced by a voter can influence the voter's preferences.
- The compensation voting theory could explain the voter's preferences in terms of the direct benefits from politicians rather than policy outcomes.
- When facing economic problems and financial constraint, a voter is more likely to seek material assistances rather than political promises from a politician.

Rational Choice and Bounded Rationality

- Today is far more important than tomorrow; a personal gain is more important than the public gain (rational choice).
- Eventually, a voter can learn that he can absorb as much as money or material given by politicians without a binding commitment to vote any of them.
- A voter is getting more information on how to exercise his voting power and therefore he is getting more rational (bounded rationality).

Vote Buying Practices

- A voter is given material supports either money or goods by middlemen (campaign team of politicians).
- The value ranges between USD1 and USD20.
- The vote buying takes place between the night before the election day and a few hours before the election started.

Take the Money and Leave the Vote

- In 2014, JPPR found the vote buying practices in 33 percent of ballot places.
- Indikator in 2014 found that 41.5 percent of 15,600 respondents reported that they did not have a problem accepting cash or a gift.
- More than 55 percent said they would accept the cash but not necessarily vote for the person giving it.

Vote Buying Acceptance



10%

said that they would report a case of money politics

Reasons for not reporting:

53.4% Did not want any problems

18.0% Believed it was not a voter's responsibility

13.3% Didn't know where to report such cases

11.2% Considered that the process would be complicated

Voter's Preferences and Politician's Strategies

- Politicians respond the preferences of voters by using the suitable strategy either the clean image or the vote buying.
- Politicians will have greater incentives to utilize both strategies because the existence of two types of voter.
- Politicians will employ middlemen to distribute money and goods as the instruments of the vote buying strategy to keep them in distance from the vote buying strategy.

Politician's Strategies and Campaign Costs

- The costs of campaign are high. Approximately a politician will spend (without winning guarantee) USD50k-USD400k for DPR) and USD25k-USD50k for local DPR (LPEM UI 2014).
- During the campaign period, circulation of money increases by USD11.5 billion (LPEM UI 2014).

Low probability to win the election

Legislative Body	Candidate	Seat	Winning Probability
DPR	6708	560	8.35%
DPD	929	132	14.21%
DPR Province	23287	2137	9.18%
DPR Municipal	200874	17560	8.74%

Figure 15: Number of seats and probability to win the 2014 election

Assumptions

- Two choices of strategy to win an election:
 - Clean Image: Offering platform and agenda similar to voter's political position.
 - Vote Buying: Giving material or money to a voter.
- Two types of voter:
 - A-type voter prefers the clean image strategy.
 - B-type voter prefers the vote buying strategy.
- Two Models:
 - Voter's Preferences.
 - Politician's Strategies.

Voter's Preferences: EITM Step 1

- H1: Voter's preferences to choose a candidate in an election is based on rational choice.
- Intuition: A voter has preference either to choose the clean image strategy or the vote buying strategy. What are their reasons?
- Theoretical concept: Decision theory.
- Statistical concept: Discrete choice modeling or Agent based modeling.

Voter's Preferences: EITM Step 1 (cont'd)

- A-type voter: representational or proximity voting theory. The voter values positively toward the clean image strategy and values negatively the vote buying.
- B-type voter: compensational theory. Voter values positively toward the vote buying and values neutrally towards the clean image strategy.

Voter's Preference: EITM Step 2

- Develop behavioral (formal) and applied statistical analogues.
- Behavioral analogue: Decision making.
- Statistical analogue: Nominal choice or GA model?

Voter's Preferences: EITM Step 3

- Multimomial choice model or simulation of genetic algorithm?

Politician's Strategy: EITM Step 1

- H2: Probability to win an election is higher when a politician is using more than one strategy (i.e. the clean image and the vote buying strategy).
- Intuition: Direct election means that one man one vote. Politicians will choose any opportunity to get additional voter. Therefore, politicians will consider the preference of voters and strategy taken by opponents in their strategy making.
- Theoretical concept: Strategic decision making and decision theory.
- Statistical concept: Discrete choice modeling.

Politician's Strategies: EITM Step 2

- Develop behavioral (Formal) and applied statistical analogues
- Behavioral analogue: Game theory model.
- Statistical analogue: Utility function.

Game Theory Model Specification

- v_i : the probability for politician i to win the election by employing good image strategy.
- x_i : the probability for politician i to win the election by using the vote buying strategy.
- Two politicians are trying to attract the A-type and B-type voter.

A-type Voter

x in this model has negative effect

		Politician 2	
		Clean image	Vote buying
Politician 1	Clean image	V_1^*, V_2^*	$V_1 + X_2, V_2 - X_2$
	Vote buying	$V_1 - X_1, V_2 + X_1$	$V_1 - X_1 + X_2, V_2 - X_2 + X_1$

Figure 16: Model for A-type Voter

B-type Voter

		Politician 2	
		Clean image	Vote buying
Politician 1	Clean image	V_1, V_2	$V_1 - X_2, V_2 + X_2$
	Vote buying	$V_1 + X_1, V_2 - X_1$	$V_1 + X_1 - X_2, V_2 + X_2 - X_1$

Figure 17: Model for B-type Voter

B-type Voter (Augmented)

		Politician 2	
		Clean image	Vote buying
Politician 1	Clean image	$0, 0$	$- X_2, X_2$
	Vote buying	$X_1, -X_1$	$X_1 - X_2^*, X_2 - X_1^*$

Figure 18: Augmented Model for B-type Voter

Politician's Strategy: EITM Step 2

- Politicians have greater incentives to employ two strategies.
- They are using the clean image strategy to attract A-type voters.
- In addition, they are using the vote buying strategy to attract the B-type voters. They are using this strategy to increase the probability to win the election.

Politician's Strategy: EITM Step 3

- Unify and evaluate the analogues.
- Strategic probit model (probit model with random utility).
- Additionally, the study aims to calculate the probability of politicians to choose strategies to win an election.

Summary

- Help me to develop these models.
- Thank you so much!