Analytical Narrative on Subnational Democracies in Colombia
Clientelism, Government and Public Policy in the Pacific Region
Chapter 3
A Model of Public Choice with Clientelism and Corruption: Introducing the Analytical

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Colombia is deeply outraged. Corruption is everywhere and we have discovered that it is the “system”. (...) the Anti-Corruption Prosecutor was captured by corrupt, (...) three former presidents of the Supreme Court of Justice were linked to the tsuga cartel. All this is due to clientelism and the way in which the policy has been conducted to reach all corners and steal our country. Do not be fooled, corruption comes to power in elections. It is in the elections where the frontal fight against corruption is determined. Those who pay to arrive, come to steal. The first point to fight against corruption is to vote, to choose honest people. Sergio Fajardo. Presidential Debate, Colombia, 2018.

Abstract This chapter introduces a model of public choice with the purpose of explaining the existing relationship between clientelism, corruption, public expenditure, and the quality of public policy, at the municipal level. The model has as reference, the municipal political system that is configured at a later time to the political, administrative, and fiscal decentralization of 1991 in Colombia. In consequence, based on this narrative about the evolution of the Colombian Pacific political regime and the qualitative evidence it provides, we would like to build a theoretical model in the context of game theory. If the equilibrium strategies of the players coincide with their strategies detected in the pattern of institutional behavior, it will be affirmed that the theoretical model explains the behavior patterns detected in the narrative. Our main contribution is to demonstrate the following result: The faction that wins the elections for the mayor’s office is the one for which the average expenditure of obtaining one vote is the lowest, due to its capacity to hire the grassroots politicians with the greatest social capital, and to whom the highest salaries are paid. Once this political faction obtains control of the mayor’s office, it seeks to assign public contracts to members of its organization in a corrupt manner. This has the purpose of misappropriating, for private consumption, a certain amount of those public resources from such public contracts. The aforementioned contributes to a reduction in the quality of public policy, in such a way that this reduction will be greater whenever the assessment that the faction has for the provision of public goods diminishes, or the average expenditure incurred by the faction increases, in obtaining a vote in the elections. As a corollary to the above, it is possible to affirm...