

# The Distributive Politics of Electoral Outsiders

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## Abstract

Most empirical studies of distributive politics examine how fiscal policies, transfers, or public employment affect electoral outcomes. This paper studies the relationship in the opposite direction by asking how electoral support for a political outsider shapes the subsequent geographic allocation of public resources. I define a political outsider as a candidate competing in his first national election without prior representation in the legislature or in subnational office. The paper examines the first presidential election of Rafael Correa in Ecuador, a setting in which initial support for an outsider can be observed directly. To address the endogeneity of vote share, I use an instrumental variable based on the spatial proximity between local school infrastructure and historically documented repression episodes that occurred approximately two decades earlier. This historically predetermined measure generates plausibly exogenous variation in first-time electoral support across municipalities and is unlikely to be directly related to contemporaneous fiscal conditions. I find that municipalities providing greater support to the outsider candidate experienced larger increases in public sector employment and more favorable central government transfers in the years following the election. The evidence further suggests that these effects were concentrated in core-support areas rather than swing municipalities. The results are consistent with the view that outsider governments use durable and discretionary redistributive tools, especially public employment, to consolidate early political support and build territorial organization.

**Keywords:** Political outsiders, tactical redistribution, distributive politics, repression, Ecuador

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## 1. Introduction

Once voters support a political project that weakens checks and balances, an open question is how political outsiders consolidate and maintain that support after entering office. Understanding how political incentives shape economic and political outcomes has become increasingly important in recent political economy research (Acemoglu et al., 2013a; Guriev and Papaioannou, 2020; Funke et al., 2021). A large body of this literature studies the rise of non-traditional political actors and the consequences of their entry into power, often in contexts characterized by weak institutions and limited checks and balances. While much of this work focuses on ideology, rhetoric, or aggregate economic outcomes, less attention has been paid to how the electoral success of such actors reshapes distributive incentives at the subnational level. In particular, we know relatively little about how governments led by political outsiders allocate public resources following their first national election.

A parallel and extensive literature on distributive politics studies how fiscal policies, public employment, and transfers affect electoral outcomes (Alesina et al., 2000, 2001; Golden and Min, 2013). This broader literature already documents that governments use distributive tools with electoral aims, including in settings involving political outsiders or newly empowered parties. For example, Schady (2000) studies the political allocation of expenditures through Peru's social fund under Fujimori, while Díaz-Cayeros et al. (2016) analyze the electoral payoffs of antipoverty programs in Mexico. Much of this work, however, focuses on incumbents or more established partisan actors, where redistribution and electoral support evolve jointly over time. In these settings, observed vote shares may reflect prior party or political actors' reputations, or long-standing political relationships, which complicates the interpretation of initial political support and makes it difficult to identify whether electoral alignment causes subsequent resource allocation or responds to it. This paper bridges these strands of the literature by studying a setting in which first-time electoral support for a genuine political outsider can be directly observed, allowing early electoral alignment to be separated more cleanly from past redistribution.

This paper contributes to the broader literature on distributive politics by studying how initial electoral support shapes subsequent resource allocation in a setting of outsider entry. A notable exception is Maurer (2018), who examines the relationship between voting behavior and public employment in a historical setting. Relative to this work, the present paper focuses on a contemporary democratic context and exploits a setting in which first-time electoral support for a political outsider can be observed directly. This feature is important because, in most studies of

distributive politics, the main question is how fiscal or employment policies affect voting behavior, rather than how electoral alignment at the moment of entry into office shapes subsequent allocation decisions. The contribution of the paper is therefore not to show that governments reward supporters per se, but to examine this relationship in a setting where early alignment with an outsider can be identified more cleanly and where the main distributive instrument of interest is bureaucratic expansion rather than targeted transfers alone. The paper also shows that this relationship is highly nonlinear, with the strongest effects concentrated in core-support territories, a pattern consistent with outsider party-building rather than swing-voter targeting.

The Ecuadorian case is particularly well suited for this analysis. The election of Rafael Correa in 2006 marked the entry of a political outsider into executive office in a context characterized by weak party systems, limited checks and balances, and subsequent institutional reform. While a growing literature evaluates the economic consequences of Correa's government using aggregate approaches such as synthetic control methods, these studies have struggled to identify large macroeconomic costs during the early years of the administration (Absher et al., 2020; Funke et al., 2021). This suggests that aggregate analyses may overlook important within-country reallocations that occur during periods of institutional change. Focusing on the geographic allocation of public employment and transfers allows this paper to capture a distributive channel through which outsider-led governments may reshape the state, even in the absence of pronounced aggregate economic effects.

A central empirical challenge in estimating the effect of electoral support on distributive outcomes is endogeneity. Electoral support may be correlated with unobserved local characteristics that also influence the allocation of public resources, and vote shares may reflect expectations of future redistribution rather than initial political alignment. To address this concern, I employ an instrumental variable strategy inspired by the literature on the long-run political effects of repression and historical violence (Rozenas et al., 2017; Bautista et al., 2021). This approach allows me to isolate variation in first-time electoral support that is plausibly unrelated to contemporaneous fiscal conditions or post-election distributive decisions.

The instrument exploits spatial variation in the distance between locations of documented repression episodes that occurred during the 1980s and local public school infrastructure. Although these repression events predate the election by roughly two decades, they became politically salient during the period under study through public discourse and institutional initiatives that revisited past human rights violations. A growing body of work shows that historical repres-

sion can shape political behavior long after the events themselves, operating through collective memory and intergenerational transmission (Rozenas et al., 2017; Bautista et al., 2021; Henn and Huff, 2023). I argue that proximity between repression locations and schools captures persistent differences in exposure to these historically rooted narratives, as schools serve as focal points for social interaction and information transmission within communities. This spatially and historically predetermined measure provides plausibly exogenous variation in first-time electoral support for the outsider candidate and is unlikely to be directly related to the subsequent allocation of public employment or transfers.

The main results show that municipalities providing greater electoral support to the outsider candidate in his first national election experienced significantly larger increases in public sector employment in subsequent years. Consistent with the estimates in the paper, a 1 pp. increase in vote share is associated with approximately a 6% increase in the growth rate of public employment across municipalities. This relationship is also strongly nonlinear: the expansion of public employment is concentrated in core-support municipalities, while swing areas do not exhibit comparable gains. This pattern suggests that public employment was used not simply to reward supporters in general, but to consolidate strongholds and help build the territorial organizational base of the outsider movement. Capital transfers also became more favorable toward municipalities initially aligned with the outsider, although the evidence suggests that transfers and public employment operated through different political margins. In particular, public employment responds more strongly to the intensity of electoral support, whereas transfers appear to be associated with the threshold of political control at the municipality level.

Beyond documenting a pattern of distributive politics, the results speak to a broader question in constitutional political economy concerning how outsider-led governments consolidate political support during periods of institutional change. A growing literature emphasizes that voters may support political projects that weaken checks and balances when they expect future benefits or policy change (Acemoglu et al., 2013a). However, sustaining such political coalitions requires credible commitment mechanisms. In this context, public sector employment provides a durable and locally embedded form of redistribution that can bind early supporters to a new political project, consistent with the logic developed by Robinson and Verdier (2013). The expansion of bureaucracy therefore serves not only as a fiscal outcome but also as a political instrument through which outsider governments can stabilize early electoral coalitions while institutional constraints are being reshaped.

The focus on the period between 2006 and 2010 is deliberate. This interval corresponds to the first national election of the outsider candidate and the initial phase of policy implementation, during which electoral support can be interpreted as first-time political alignment. It also coincides with the availability of detailed census data that allow for consistent measurement of public sector employment across municipalities. Extending the analysis beyond this period would involve subsequent elections in which the candidate ran as an incumbent in 2009 and again in 2013, at which point electoral support would reflect an established political trajectory rather than initial alignment. Restricting attention to the early years therefore isolates the distributive dynamics associated with the entry of a political outsider into office, rather than the behavior of a consolidated political actor.

The paper is organized as follows. Section 2 presents the conceptual framework and a brief summary of the institutional context of Ecuador. Section 3 provides the main sources of data used. Section 4 discusses the empirical strategy to be used along with the models and its main considerations. Section 5 shows the estimations and results from the models. In section 6 I present suggestive evidence of similar behavior by using central government transfers to municipalities. Section 7 concludes.

## 2. Conceptual and institutional context

### 2.1. Conceptual Framework

This paper studies distributive politics in a context where a political outsider enters office and initiates institutional change. Voters may rationally support political projects that weaken checks and balances when they expect redistribution or reform (Acemoglu et al., 2013a). However, such support is formed before any distributive outcomes are observed, raising the question of how outsider-led governments consolidate political support once in office.

Political outsiders face a distinct problem. Unlike established politicians, they lack reputational capital, party organizations, and prior distributive records. As a result, electoral support in a first national election reflects initial political alignment rather than sustained loyalty. While outsider candidates can mobilize support by presenting themselves as a rupture with an existing institutional order, this support is inherently fragile. This helps explain why the Ecuadorian case is especially useful for studying distributive politics: it allows initial support for an outsider to be observed at an unusually early stage of political organization, before a prior national distributive

record had been established.

This setting also sharpens a classic question in the distributive-politics literature: should governments direct resources toward core supporters or toward swing voters? In more established party systems, targeting swing voters may be attractive because parties already possess organizational infrastructure and can seek to maximize marginal electoral returns. For outsider governments, however, the problem is different. Without an inherited territorial machine, the immediate challenge is not only to win additional votes, but to stabilize and organize the coalition that first brought the outsider to power. Under these conditions, rewarding core-support areas may be more attractive than targeting swing voters, since strongholds offer lower political uncertainty and higher organizational returns (Cox and McCubbins, 1986). Durable patronage in these territories can help transform initial electoral support into brokers, activists, and local networks that sustain the new movement over time.

Historical grievances associated with past repression provide one channel through which outsiders can mobilize early support. By linking past repression to the institutional order they seek to dismantle, outsiders can make such grievances politically salient. This logic motivates the empirical strategy in the paper, which exploits spatial variation in proximity to historically documented repression episodes interacted with local school infrastructure as a proxy for differential exposure to politically salient historical narratives. This channel is expected to matter primarily for first-time electoral support and to weaken once the outsider becomes part of the political establishment.

Once in office, outsider-led governments face a commitment problem. Promises of future redistribution may not be credible under weak institutional constraints. Following Robinson and Verdier (2013), durable and discretionary distributive tools can serve as commitment devices that stabilize early political coalitions. Public sector employment is particularly effective in this regard, as it is locally embedded, persistent, and difficult to reverse. In the context of outsider party-building, it also helps create the territorial organizational infrastructure that new movements initially lack. The framework therefore predicts that governments led by political outsiders disproportionately reward early electoral supporters through durable distributive instruments during the initial phase of the administration, with especially strong effects in core-support territories.

## 2.2. Ecuador before *Correísmo*

Ecuador returned to democracy in 1979 following a military dictatorship. In 1984, businessman León Febres-Cordero won the presidential election. He led a right-wing government that faced various political and economic challenges. The government exhibited a highly autocratic style, largely due to the president's notably confrontational attitude (Moncagatta and Espinosa, 2019). One instance of this occurred when Febres-Cordero instructed a physical blockade of Congress due to his opposition to certain judge selections. His administration faced numerous challenges, including a significant earthquake that required substantial state resources.

The most important confrontation that the government had to face was the insurrection of a subversive group called "*Alfaro Vive Carajo*" (AVC), which was a violent guerilla which was in favor of Marxist ideas through revolution. Due to the challenging circumstances faced by Ecuador's neighbor, Colombia, with their guerrilla warfare, Febres-Cordero's government resolved to respond with strength and determination. The AVC was also implicated in various acts of vandalism, including kidnapping, terrorism, and threats to citizens' safety.

Various groups also contributed to repression. In 1987, a military mutiny resulted in the president's kidnapping for several hours. This incident, referred to as the "Taura case," led to government backlash following the president's release. Several military personnel implicated were unlawfully detained and experienced mistrials (Comisión de la verdad, 2010). Other instances included individuals wrongfully held by police or improvised "special forces". The most controversial incident was the vanishing of two brothers, who were never found again. This situation, referred to as the "Restrepo case" (from the victims' surname), gained extensive media attention and emerged as one of the emblematic cases of the 1984-1988 era.

In general, the confrontations led to a number of human rights violations in terms of unfair trials, torture, disappearances, and kidnappings (Ayala Mora, 2008; Comisión de la verdad, 2010). In 2008, a truth commission was established to investigate and document many of these cases for public awareness. Additionally, over the years, various cases garnered media attention, becoming part of the "Voz populi" in specific regions of the country, thereby preserving the memory of the Febres-Cordero government's oppressive nature.

By the end of his term, Febres-Cordero's party, PSC, became politically weakened after four years in power. In 1988, PSC's political opponents, Izquierda Democrática, achieved a resounding victory at both national and local electoral levels. The administration headed by left-wing politician Rodrigo Borja began a peace initiative with insurgent factions such as AVC to end the

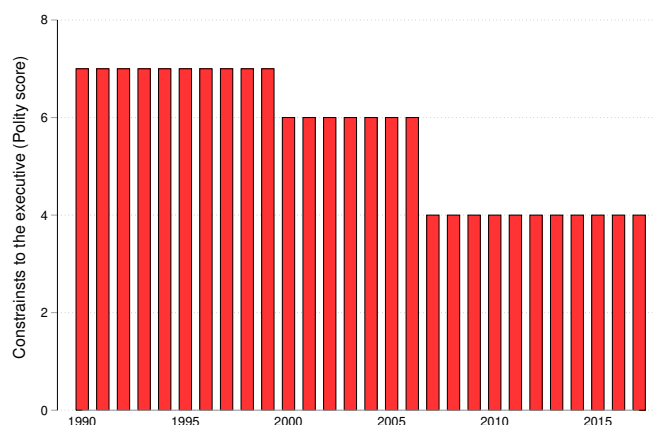
repression. Following Borja's successor, Sixto Durán Ballén, who completed his term in 1996, the nation experienced instability, resulting in 7 presidents within 10 years, along with a severe financial crisis in 1999.

### 2.3. Ecuador during *Correísmo*

Throughout the 1990s and early 2000s, Ecuador experienced prolonged political instability. In this setting, Rafael Correa's win in the 2006 presidential election was noteworthy. He emerged victorious without prior political experience, running from a newly established party that lacked any congressional representation or municipal leaders. A key aspect of his campaign was the proposal to dissolve congress and create a National Constitutional Assembly, tasked with drafting a new constitution to replace the parliament. This assembly received approval through a national referendum, with its members elected via popular vote, resulting in a majority from Correa's party, Alianza País. Once the new constitution was completed, it underwent a national referendum, alongside new presidential elections to confirm or dismiss the sitting president. Correa triumphed in all these endeavors. In just three years, a simple tally shows that Correa and his proposals successfully navigated five major electoral processes.

The new constitution introduced certain caveats, notably the dismantling of checks and balances on the executive branch, which is the most significant aspect for this paper. Figure 1 illustrates Ecuador's scores for "constraints to the executive" from Polity V since 1990, alongside the country's abrupt political changes over a relatively short timeframe.

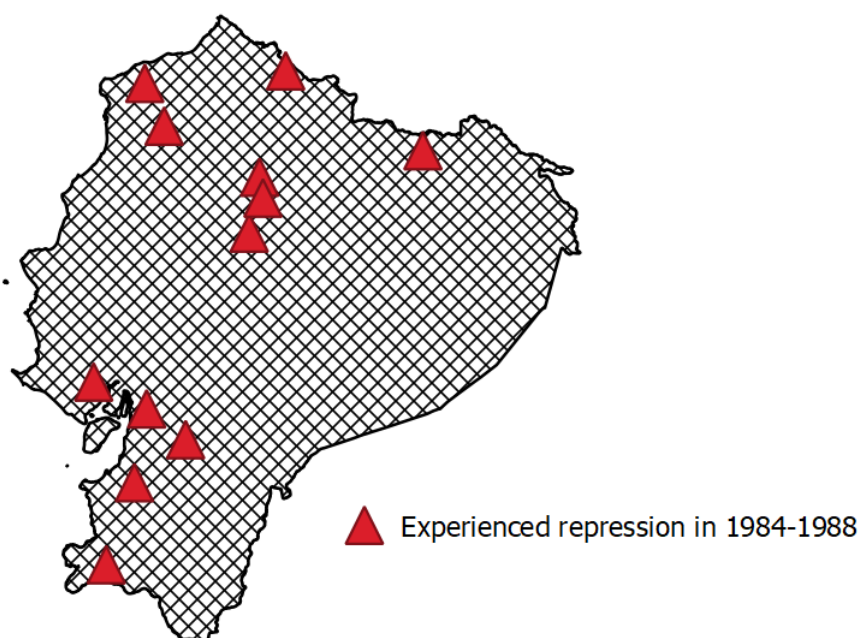
Figure 1: Checks and balances on the executive



## 2.4. Commission of Truth of 2008

A common characteristic of Correa's regime was agitating people to look at third parties as "enemies" (Conaghan, 2011; Guriev and Treisman, 2019). Furthermore, keeping enemies alive is politically fruitful (Fergusson et al., 2016). During the election campaign, the insinuation that old political parties were repressive was a cornerstone in Correa's discourse. Once in power, a Commission of Truth was created in order to review human rights violations, specially from the 1980s. The final report listed all cases from 1984 till 2008, where 1984-1988 was the period with the highest number of events. Figure 2 presents geolocations of all cases during 1984-1988, where subversive groups initiated the event or when the government reacted with repressive actions.

Figure 2: Geo reference repression locations according to the Commission of Truth



**Note:** Red triangles mark the geo-reference of a repression episode according to *Comisión de la verdad* (2010)

Even though the election of Correa came in a moment of political instability, the conditions for voters to prefer a dismantling of checks and balances came from a persistent system of political inequality (Acemoglu et al., 2013b). Since the strategy required popular support, important investments were made in the communication strategy along with the messages allocated to voters (Cerbino et al., 2016). Part of this strategy was to confront voters with traditional political parties, especially PSC, since they represented the most important adversaries from the traditional political party spectrum<sup>1</sup>.

<sup>1</sup> Table B1 in the appendix present a ranking of municipalities using population and production (value added index

Taken together, these features imply that electoral competition in Ecuador prior to 2006 was characterized by weak partisan attachments and limited continuity across electoral cycles. As a result, voter support in national elections was less likely to reflect long-standing party loyalties or prior distributive relationships. This environment makes it possible to observe electoral alignment at the moment of entry of a political outsider, rather than as the outcome of repeated interactions between voters and incumbents. This feature is central to the empirical strategy employed in the paper.

### 3. Data

The most relevant source of information for this paper comes from the following sources: The national censuses for the years 2001 and 2010 collected by the National Statistics Institute of Ecuador (INEC), and electoral data from the National Electoral Council of Ecuador. In Appendix section [A](#) I provide a complete explanation of the data handling process. Furthermore, [table 1](#) presents the summary statistics for all variables used.<sup>2</sup>

#### 3.1. Data construction

Merging census and electoral data was the critical task for creating the final data set. The raw data for both sources varies in how they identify parishes and municipalities. Given that this paper focuses on municipalities, I aggregated the data sets at that administrative level. I then matched the two data sets using the names of the municipalities. While the electoral data includes the names of each municipality, the census data does not, so I conducted this process manually in accordance with guidelines from INEC's administration classification.<sup>3</sup>

#### 3.2. Bureaucracy data

I extract data on public sector jobs from the National Census. In order to do this I intersect observations using the International Standard Industrial Classification and the International Standard Occupation Classification. I combine the category "Public Administration" (for the industry

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calculated by the Central Bank of Ecuador) showing that the places where repression episodes happened were not only in rich municipalities.

<sup>2</sup> A first version of this data set was constructed in [Gachet \(2020\)](#). The version used in this paper corrects, updates, and adds new variables.

<sup>3</sup> Each administrative zone has a code which helps to track each parish, municipality, and province (in order of aggregation) within the same stratum. It is important to note that some municipalities may share the same name, so it is crucial to associate each municipality with the correct province. In [Appendix A](#) I provide an example of this.

classification) and "bureaucratic job" (from the occupation classification). I homologate the classifications on both census used (2001 and 2010) in order to make them comparable.<sup>4</sup> Finally I collapse everything to the municipal level and divide each cell by municipality population in 2010. The outcome is the number of bureaucrats per capita at the municipal level.

### 3.3. Electoral data

The National Electoral Council from Ecuador make publicly available data on voting since 2002. However, data from certain referendums between the years 2006-2017 are not available.<sup>5</sup> Vote shares are calculated relative to "valid votes" (following guidance from the Ecuadorean electoral authority) meaning that the numbers of votes for a candidate is divided by the number of votes for all candidates together without taking into account nulls and blank votes.

In Ecuador, presidential elections consist of two rounds. Initially, all registered candidates compete, and the top two candidates proceed to a runoff one month later, with the winner determined by the highest number of valid votes. This format leads to a higher likelihood of voters being "core" supporters in the first round. Therefore, my primary variable regarding vote share is derived from the 2006 elections, the year Correa first ran for political office.

### 3.4. Repression and school locations

Distances are defined as the smallest distance between a school in a municipality and a location (at the parish level) where a repression episode was documented by the Commission of Truth. Report number three from the Commission gives specific details of each case and the location where each happened ([Comisión de la verdad, 2010](#)). I revise each case and geocode the specific location when possible.<sup>6</sup> If the specific location was not in the text, I opted for locating the episode in the principal parish within that municipality.<sup>7</sup> Cases were documented (in broad terms) as: Torture, kidnapping, and judiciary malpractice. These cases might overlap with each other (e.g. a person that was tortured could also be part of a bias trial according to the commission). While one desirable exercise would be to disentangle the effect of different types of repression from the government, this is not possible with this data.

<sup>4</sup> For the 2010 census, I used the industry category "public administration" together with the occupation category "office clerk." For 2001, the classifications are slightly different. For industry, I used the category "public administration and application," and for occupation, "other office clerks."

<sup>5</sup> This include data from the constitutional referendum which asked people to approve the establishment of a constitutional assembly and the referendum that asked people if they are in favor of the new constitution.

<sup>6</sup> For example in Quito and Guayaquil (major cities), the common places where repression episodes happened were in Servicio de Investigacion Criminal de Pichincha (SIC-P) and Cuartel Modelo, respectively.

<sup>7</sup> Since the analysis is at the municipality level, this gave me variation within a municipality.

These episodes were not broadly discussed in the country in general, except for the emblematic ones, until they were revisited by Correa 20 years later, which helped him build a human rights platform. However, I argue that schools may have helped preserve and transmit local political memories, making repression episodes more politically salient in some places than in others. Consequently, I create a continuous variable representing the proximity of repression areas to the nearest school<sup>8</sup>. The locations of schools are sourced from the administrative records of the Ministry of Education for the year 2014, which offer the most comprehensive and geographically precise data for public schools. To ensure the inclusion of schools that existed before the Correa administration, I exclude schools created during that period<sup>9</sup>.

### 3.5. Municipal transfers

I utilize data on central government transfers to municipalities from [Mejia Acosta and Meneses \(2019\)](#). As the cited paper observes, I employ data on capital transfers, which are more susceptible to political control. I include this because my preferred dataset encompasses bureaucracy at the municipal level, thus it is pertinent to examine whether this strategic allocation of resources is evident in a distinct dataset with a different specification.

### 3.6. Additional variables

I use additional variables to complement the analysis. Specifically, I rely on data from [Larrea \(1992\)](#) to obtain historical indicators at the municipal level. This data is available for only 123 municipalities. The specific variables are: public sector workers in 1982 as a percentage of the economically active population, land Gini in 1974, percentage of holdings smaller than one hectare relative to the total number of holdings in 1974, percentage of land affected by land reform between 1974 and 1984, available land per rural worker in 1974, and growth in rural population between 1974 and 1982. Furthermore, I use data from [Latinobarómetro Corporation \(2006\)](#) and [LAPOP Lab \(2006\)](#) for information on political perceptions for 2006, which corresponds to the time of the initial observed vote share.

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<sup>8</sup> Essentially, I calculate distances from each available school in the registry to the closest repression episode. I collapse everything to the municipality level.

<sup>9</sup> To achieve this, I employ text analysis to identify and exclude schools with names containing "replica" and "del milenio", which were the two most significant educational projects in the country.

### 3.7. Final data set

The final dataset is contingent upon the availability of all utilized variables, including controls. In essence, this research excludes municipalities located in the insular region. Owing to municipality creation or annexation to other administrative boundaries within the country, not all variables are accessible for the entire set of municipalities as of 2010. Since this study primarily focuses on comparing data between 2001 and 2010, I utilized the municipalities listed until 2001 as my base sample. This yields a final count of 213 municipalities<sup>10</sup>. Descriptive statistics are presented in Table 1.

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<sup>10</sup> In addition to the insular region municipalities, the areas excluded from this research are: Camilo Ponce Enríquez, Paquisha, Quinsaloma, Tiwintza, and La Concordia.

Table 1: Descriptive statistics

	mean	sd	min	max	count
Bureaucracy 2010 per 1,000 inhabitants	4.06	2.50	0.63	15.78	213
Bureaucracy 2001 per 1,000 inhabitants	2.97	2.13	0.63	13.35	213
Growth of bureaucracy 2001-2010	54.13	75.53	-35.21	567.38	213
Vote share	19.81	8.86	5.09	49.75	213
Log distance. Repression to nearest school	4.14	0.61	2.06	5.30	213
Log distance to Quito	5.35	0.69	0.00	6.28	213
Log distance to Guayaquil	5.20	0.64	0.00	6.29	213
Log distance to Cuenca	5.08	0.72	0.00	6.18	213
Population growth 2001-2010	0.21	0.15	-0.48	0.74	213
Vote share in local elections	27.82	15.19	0.00	85.33	213
Migration in 2001	0.96	0.89	0.00	5.33	213
Night lights 2001	0.09	0.12	0.00	1.00	213
Latitude	-1.78	1.41	-4.85	1.00	213
Longitude	-79.09	0.95	-80.92	-75.88	213
Log of bureaucracy in 2001	0.88	0.64	-0.47	2.59	213
Gini in 1974	0.71	0.15	0.17	0.93	123
Buraucracy in 1982	2.67	1.25	0.69	7.15	120
log capital transfers 2006	14.69	0.79	12.51	18.73	211
log capital transfers 2007	14.96	0.77	13.54	18.87	213
log capital transfers 2008	15.18	0.76	13.77	18.96	213
log capital transfers 2009	15.04	0.78	13.63	19.12	212
log capital transfers 2010	15.38	0.81	13.71	19.35	213

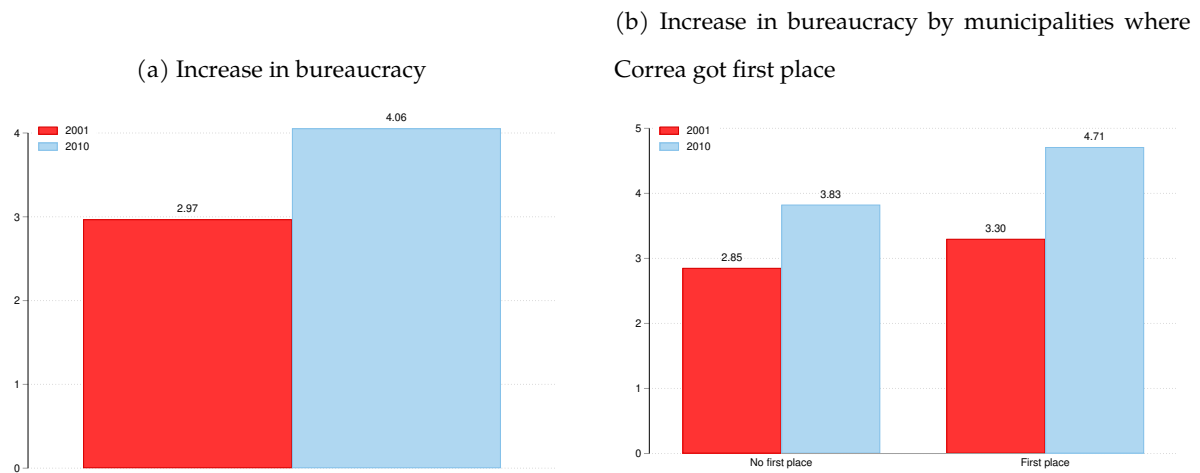
### 3.8. Descriptive overview of the main outcome and independent variables

#### 3.8.1. Bureaucracy

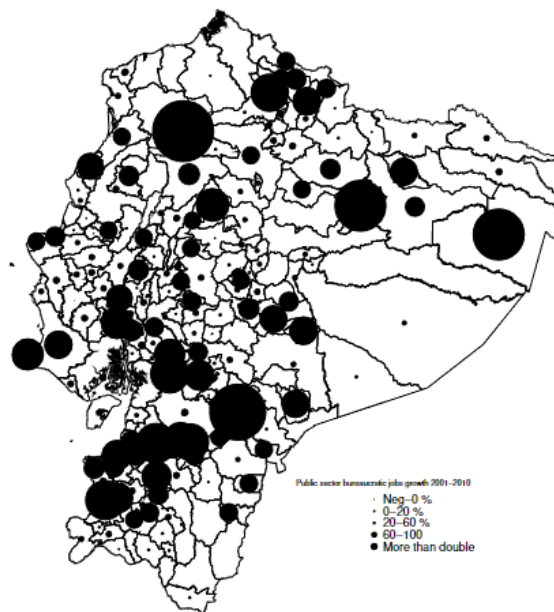
Correa's regime is characterized by the expansion of the public sector. Most of his policies were dependent on increasing public investment and increasing state intervention. By following the reasoning on tactical redistribution theory, the political-economy solution to an optimization

problem on resource allocation will be unequal between groups relative to a social planner that does not care about elections. Public sector bureaucratic jobs between 2001 and 2010 are shown in Figure 3: panel (a) displays the increase on average between 2001 and 2010, while panel (b) classifies this by municipalities in which Correa obtained the first place versus the ones where he did not. In relative terms, while bureaucracy increased by 36% between 2001-2010 overall, it grew 41% in the municipalities where Correa won his first election. Panel C shows the spatial distribution of the growth rate of bureaucracy per 1,000 inhabitants. The largest circles indicate where bureaucracy grew the most. The southern part of the Midlands and the north-west of the Amazon region present significant growth in public bureaucratic jobs.

Figure 3: Allocation of bureaucracy (per 1,000 inhabitants)



(c) Spatial distribution of bureaucracy growth (2001-2010)



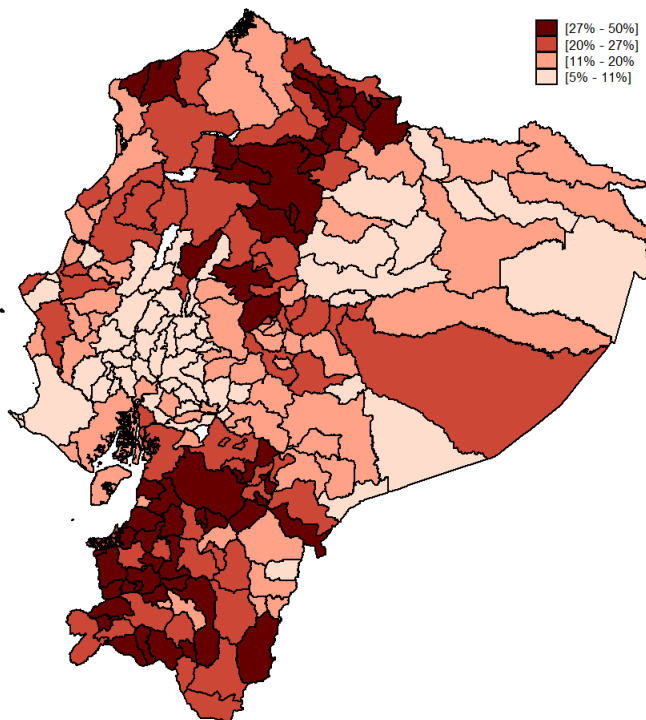
**Note:** Bureaucracy refers to the number of bureaucrats divided by the population in each municipality and multiplied by 1,000

### 3.8.2. Vote share

Ecuador is officially divided into four natural regions: Coast, Highlands, Amazon, and Insular. Historically, population density is higher in the two main regions, Coast and Highlands. Furthermore, both regions have competed for political power since the beginning of the Republic (Ayala Mora, 2008; Hurtado, 2010). Every administrative level has the same weight in the voting, hence is a general majority-win type election. Therefore, it is logical that a political can-

didate must win in the municipalities within these regions. In the case of Correa, the majority of his voters in 2006 were located in the Highland region (Figure 4).

Figure 4: Vote share for Correa 2006



## 4. Empirical strategy

The research design that I propose exploits the location of episodes of repression between the government and subversive groups in the period 1984-1988. In this section I present the main models and the parameters to be estimated. Furthermore, I provide historical and quantitative evidence of the validity of my instrument by discussing the exclusion restriction and the conditional independence assumption.

### 4.1. Ordinary Least Squares (OLS)

The baseline regression is estimated by OLS and it has the following form,

$$\begin{aligned}
 Bureaucracy_{i,2010} &= \alpha + \beta_{OLS}VoteShare_{i,2006} + \delta X_{i,j} + \gamma_r + \epsilon_i \\
 BureaucracyGrowth_{i,2001-2010} &= \alpha + \beta_{OLS}VoteShare_{i,2006} + \delta X_{i,j} + \gamma_r + \epsilon_i
 \end{aligned}
 \tag{1}$$

where  $Bureaucracy_{i,2010}$  stands for number of bureaucrats divided by the population of municipality  $i$  in 2010 per 1,000 inhabitants.  $BureaucracyGrowth_{i,2001-2010}$  refers to the growth rate of bureaucracy between 2001 and 2010 according to the national census.  $X_{i,j}$  summarizes a set of parsimonious controls (discussed in detail in the next subsection),  $\gamma_r$  are fixed effects for each natural region  $r$ , and  $\epsilon_i$  is the error term. Model (1) is a cross-section regression with fixed effects at an aggregate level,  $X_{i,j}$  have two sub-indices because some controls may refer to different years in the set  $j = \{2001, 2009\}$  depending on the model specification. The pitfall of this model is that the dependent variable includes (for the case of the growth rate) an effect that may have happened between 2001-2006. However, the period 2001-2006 is known as one of austerity in the economic history of Ecuador (Conaghan, 2011), so having the prior that most of the growth in bureaucracy happened during 2006-2010 is not unreasonable.

## 4.2. Set of controls

For controls, the selection was based on variables that reflect heterogeneity among municipalities and may condition the effect of vote share in 2006 on bureaucracy. I list the set of chosen controls along with its description and justification.

*Geographic variables:* I calculate distances to major cities using GIS and the official geographical information from INEC. In particular, I calculate distances to Ecuador's capital Quito, the country's major port Guayaquil, and Cuenca which is another major hub in the highlands. Additionally, these cities are the most important ones (politically and economically) in the Highland (Quito) and Coastal (Guayaquil) region. These variables are in logs. Being closer to major cities may have importance on state presence (Fergusson et al., 2020). Besides distances to major cities I also control for latitude and longitude of every municipality to account for spatial autocorrelation concerns. These variables are highly used in the literature when geographic considerations are introduced.

*Population growth 2001-2010:* As a measure of economic progress at the municipal level, I use population growth using data from the 2001 and 2010 National Census. This variable is in logs. This gives a measure of relative importance of certain cities' economic prosperity within the country.

*Vote share in 2009 local elections:* Correa's regime did not have representatives at the local level (i.e., no mayoralty was from the government's party) since his party was new and he was the only politician running for office. In 2009, there were general elections at all administrative levels

where the support for Correa increased but his party also achieved important victories at the local level. This may condition bureaucracy in 2010 so I control for the vote share for Correa's party in local elections due to some favoritism to majors from the same party. I do not consider Correa's national vote share in 2009 since it can be considered an outcome (when vote share in 2006 is the independent variable).<sup>11</sup>

*Number of bureaucrats in 2001:* I include the log of the number of bureaucrats in 2001 as a control for all regressions.

*Migration in 1998:* From the 2001 census it is possible to obtain the number of people that migrate from a certain household and in which year. In 1998, after a financial crisis, people mostly in urban areas migrate out of the country. I explicitly control by the share of people relative by the total labor force.

*Region fixed effects:* When considering historical explanations in the context of Ecuador, its regions are particular. The history involving the three natural regions<sup>12</sup> of the country (coast, midlands, and Amazon) led to different ways of interaction between political and economic actors. The Amazon region, for instance, is relatively new since it began to be populated as the result of the land reform process started in the 1960s. Furthermore, climate characteristics are also different among regions leading to different social processes throughout history, that possibly affected a persistence mechanism in political preferences. The notion of regions in Ecuador has been constant over time, making it more stable than provinces when trying to capture aggregate heterogeneity with data from different periods.

### **4.3. The instrument: Distance from repression episodes to nearest school**

After a "soft" military dictatorial period, Ecuador had a moderate and calm return to democracy relative to other Latin American countries such as Chile (Hurtado, 2010; Bautista et al., 2021). The first years of this new democratic period were intense, having to confront territorial disputes with Peru and facing the death of the President Jaime Roldós. By 1984, the second government in winning elections was led by right-wing politician Febres-Cordero. Febres-Cordero was known as a powerful businessman from the Coastal region and a promoter of austerity-type policies as well as a fierce enemy of left-wing politicians. During the period from 1984 until 1988, the regime faced various challenges; among them, an increase in social repression which was fueled by the

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<sup>11</sup> I include candidates who were in an electoral alliance with Correa's party as well.

<sup>12</sup> There is also the insular region (the Galápagos islands). This region does not form part of the paper due to the use of geographical distances, and its small population; hence becoming an outlier.

confrontational style of the President.

The generation of tension is a widely accepted characteristic of Febres-Cordero's government among researchers (Ayala Mora, 2008; Freidenberg and Pachano, 2016; Hurtado, 2010). Episodes such as an order of sending military tanks to the congress to stop the election of judges for the Supreme Court; or the kidnapping of the President for several hours (during the "Taura case"), are examples of the kind of political tension where the government was a protagonist. Additionally, there were cases related to human rights violations (generated from repression from the government), an extreme example of one of these cases is the "Restrepo case" where two young men were taken by the police, never to be seen again. Their corpses were never found and there has been no clarification of the events until recently.

The formation of subversive groups that challenged the government grew in number and membership during the turbulent 1984-1988 period. The most important and dangerous group was AVC which was responsible for different kinds of robbery and cases of kidnapping and killings. AVC had links with the Colombian guerilla, but it never became as big and dangerous as their Colombian counterparts. In general, two explanations have been offered for AVC not becoming as relevant as Colombian FARC or M19: AVC was an urban group and was funded by middle-income people who did not necessarily connect with the population in the poorest parts of the country. Even though this was an important characteristic of AVC, it grew in membership quite rapidly and their operations expanded throughout the Highlands and the Coastal region. The second explanation points to the repression that subversive groups had under the Febres-Cordero government, and that this strong counter-response to the groups was necessary to eliminate any guerilla threat.

I developed a measure to assess the effectiveness of information sharing through social interactions. Essentially, younger generations viewed the repression of the 1980s government as a catalyst for forming left-wing ideologies that would be harnessed by Correa's discourse. The distance from locations of repression to the nearest schools indicates how likely individuals are to engage in discussions based on local memories. I aggregate this measure at the municipal level to create a metric that reflects the proximity to social interactions relative to the site of a repression event at the municipality level.

The controversies in Febres-Cordero's regime, gave Correa examples on how "old" politics was repressive and promoted non-transparent governments. The Commission of Truth established under Correa's regime became handy to promote the idea that the problem of the country

was the traditional political leaders and parties. Febres-Cordero’s party, the PSC, confronted critiques and the political attacks of Correa’s government. This was useful in order to position his government as humanitarian and anti-establishment. Furthermore, the discourse was empowered by hiring former members of AVC in his government as an act of including them into the state decision-making process.

**The role of schools.** What is the precise mechanism through which information passes from repression episodes to influence certain areas? [Ajzenman and Durante \(2022\)](#) demonstrates the significant role that school infrastructure can play when individuals decide whom to vote for on election day. Furthermore, [Berger et al. \(2008\)](#) demonstrates that this relationship can extend beyond mere perception, highlighting the significant impact of situational context on shaping voter preferences. I suggest that schools can also provide settings where individuals: 1) interact with the community, and 2) are more vulnerable to the influence of repression incidents, especially if such events have taken place in their immediate vicinity. Furthermore, these contexts tend to respond strongly when a politician references specific repression events.

#### 4.4. Instrumental variable (IV) model

The (just-identified) instrumental variable model will be estimated in the following manner via 2SLS,

$$VoteShare_{i,2006} = \theta + \pi Distancerepression_i + \delta X_{i,j} + \gamma_r + \tau_i \quad (2)$$

$$Bureaucracy_{i,2010} = \alpha + \beta_{IV} Vote\hat{Share}_{i,2006} + \delta X_{i,j} + \gamma_r + \epsilon_i \quad (3)$$

$$BureaucracyGrowth_{i,2001-2010} = \alpha + \beta_{IV} Vote\hat{Share}_{i,2006} + \delta X_{i,j} + \gamma_r + \epsilon_i$$

where the first stage regresses the vote share in 2006 on the (log of) geographical distance from repression locations to the closest public school at the municipality level. The model is analogous when applying the IV to the case of having the growth of bureaucracy as dependent variable.

All results are presented using Huber-White robust standard errors since observations are at the municipality level, and to adjust for heteroskedasticity. Additionally, I include the estimation of the IV models using the [Conley \(1999\)](#) procedure for correcting standard errors that are likely

to be affected by spatial auto-correlation. Those results are consistent with the ones presented in the main text and are available in the Appendix.

#### 4.5. Relevance and exclusion conditions

There are two main conditions that need to be fulfilled on a IV strategy: Relevance and exclusion. The relevance condition refers to how strongly the instrument is correlated with the endogenous regressor. This condition can be tested statistically. Figure 5 shows the unconditional correlation between the instrument and the vote share for Correa in 2006. In the estimation results I will use the Kleibergen-Paap F statistic to show that my model specification are over the threshold proposed by [Stock et al. \(2002\)](#).

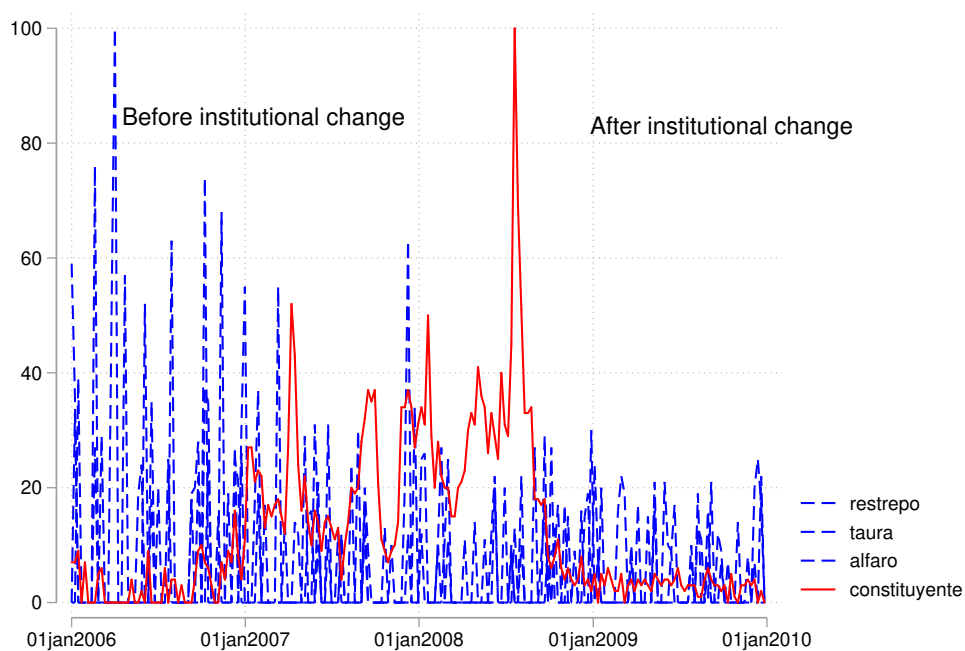
Figure 5: Vote share for Correa in 2006 and distance to repression locations



On the other side, the exclusion restriction implies that the instrument only affects the outcome through the endogenous variable. In this case, the distance from repression localities to schools must affect bureaucracy allocation only through Correa's vote share in 2006. While direct testing for this is not plausible, I provide evidence that this condition is likely to hold. Figure 6 shows Google Trends data on the searches that people made about the emblematic cases of human rights violations during Febres-Cordero's administration from 1984-1988. Additionally, I plot the same Google Trends score for the word "constitution" during the same period, I use this as a proxy for institutional reform. According to this information, there were spikes in the search for cases before the implementation of the new constitution. After the referendum, it can

be seen that the searches for cases fell rapidly. This descriptive relation provides suggestive evidence of the strategic use of the repression cases as a platform. In other words, the mentioning of the cases and their importance activates in the Correa regime for strategic needs. Furthermore, [Conaghan \(2011\)](#) and [de la Torre \(2013\)](#) emphasize the importance of Correa’s decisions for the subsequent massive increase of the public sector in Ecuador, something that did not happened before his regime. The demand for state presence was channeled through politics and granted via tactical redistribution. Furthermore, in the robustness section, I provide a placebo test exchanging the vote share of Correa for the vote share received by former president Lucio Gutiérrez in the previous election. Gutiérrez won his election using a similar ant-elite discourse. When using Gutiérrez’s vote share, the instrument is not correlated with it and provide non-significant results.

Figure 6: Google trends- selected cases-Before after institutional change



**Note:** This Figure plots the Google trends score for the topics in the shown in the legend.

If schools were a source of information diffusion, the relevant implication is not simply that younger cohorts should be more distrustful of political parties on average, since such age gradients may reflect broader regional patterns in Latin America. A more informative test is whether the age gap in distrust is larger in places where repression occurred closer to schools. To examine this, I use both the 2006 Ecuador Latinobarómetro ([Latinobarómetro Corporation, 2006](#)) and the 2006 Americas Barometer ([LAPOP Lab, 2006](#)) surveys and match respondents to the

municipality-level measure of repression proximity used in the paper. In both datasets, the interaction between being part of the younger cohort and proximity to repression episodes near schools is positive and statistically significant, implying that younger cohorts are less trusting of political parties precisely in municipalities where repression occurred closer to schools. I interpret this evidence as suggestive corroboration of the described mechanism rather than as a definitive test, since the number of merged municipalities is medium-low (45 for Latinobarómetro and 64 for Americas Barometer). The corresponding figures and additional details are reported in Appendix Figures B3 and B4.

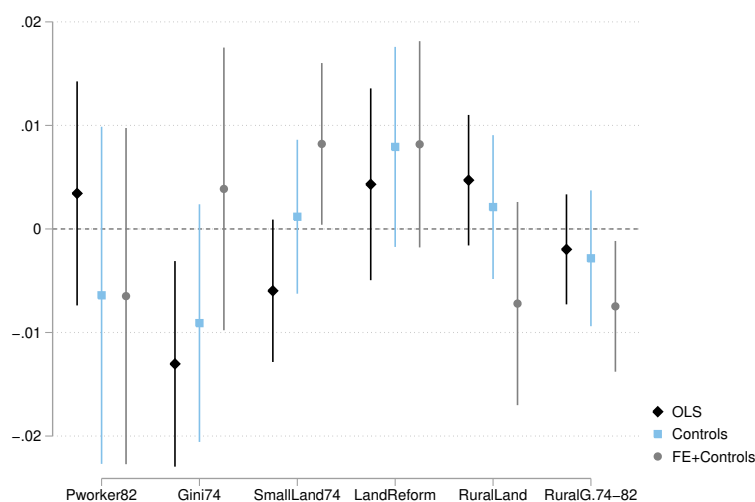
Which were the local conditions before the repression episodes took place? I use data from Larrea (1992), which processes census data from 1974 and 1982<sup>13</sup> at the municipality level on several characteristics to evaluate preconditions for the available municipalities, which are 123 out of the 213 used in this paper. The variables are: Public sector workers in 1982 as a percentage of the economically active population, land Gini in 1974, percentage of holdings smaller than one hectare relative to the total number of holdings in 1974, percentage of land affected by land reform between 1974 and 1984, available land per rural worker in 1974, and growth in rural population between 1974 and 1982. Even with this limited number of observations, it can provide a reasonable comprehension if some of these characteristics strongly predict the IV.

Figure 7 summarizes the results of three models applied to each of the variables found in Larrea (1992). When using controls and region fixed effects, most of these characteristics are non-significant, hence not different from zero. Small land holdings in 1974 (*smallland74*) and rural growth from 1974-1982 (*Rural G.74-82*) show some significance levels. In the robustness section, I estimate a model including these variables as controls. When doing this, observations reduce from 213 to 123, but it is useful to provide convincing evidence of the correct estimation of the model.

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<sup>13</sup> 1974 is an agricultural census and 1982 is a population census.

Figure 7: Characteristics pre 1984 and IV



**Note:** This Figure tests if any of the available pre-1984 characteristics is related with the IV.

## 5. Estimates: Initial electoral support to an outsider and bureaucracy 2001-2010

The first set of estimates comes from an OLS model. Table 2 shows the two main outcomes: the number of bureaucrats in 2010 and the growth rate of bureaucrats between 2001 and 2010. Only the vote share of Correa in 2006 has explanatory power over the outcomes; the vote share in 2009 doesn't seem to explain any of the variation for the number of bureaucrats in 2010, but it yields a significant, but modest in magnitude, result (at the 90% confidence level). These initial correlations already suggest that bureaucratic expansion was more closely associated with early electoral support for the regime than with later vote accumulation.

Moving forward and applying the identification strategy, Table 3 shows the results of the estimation. In panel A, the reduced form captures a negative variation with the outcomes, meaning that bureaucracy is negatively linked with the instrument. More bureaucracy is allocated farther away from the locations in which repression happened and from its geographic connection towards schools. Panel B shows the IV estimates, indicating that the vote share for Correa explains 1.3% of the variation with respect to the mean of the number of bureaucrats in 2010 and almost 6% of the growth rate between 2001 and 2010. I provide the same set of results using Conley standard errors in Appendix B2. The presence of heterogeneous effects makes IV estimates to recover average treatment effects (LATE), i.e., the effect of belonging to a municipality where

Table 2: OLS model

	(1)	(2)	(3)	(4)
	N.Bureaucrats 2010	G.Bureaucrats 01-10	N.Bureaucrats 2010	G.Bureaucrats 01-10
Vote share in 2006	0.053 (0.012) <sup>***</sup>	2.675 (0.723) <sup>***</sup>		
Vote share in 2009			0.014 (0.011)	1.052 (0.568) <sup>*</sup>
Observations	213	213	213	213
Controls	Yes	Yes	Yes	Yes
Region FE	Yes	Yes	Yes	Yes
Mean Dep.Var	4.06	54.13	4.06	54.13
Variation w.r.t mean	1.30	4.94	0.34	1.94

Robust standard errors in parentheses

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

Note: N. Bureaucrats 2010 = Number of bureaucrats per 1,000 inhabitants. G. Bureaucrats 01-10 = Growth rate of the number of bureaucrats from 2001 to 2010. Vote shares refer to the votes received by Correa in the first round of that election year. For a description of the control variables, see the main text.

Correa had a high voting share in 2006 on compliers<sup>14</sup>. In other words, the effect is only being captured in those municipalities highly exposed to repression in the 1980's, hence more prone to demand state presence and to be fragile to the remembering of such episodes.

### 5.1. Nonlinearities in electoral support and core targeting

An important question is whether the distributive pattern documented above reflects targeting of core-support areas or swing areas. In the case of an outsider entering a weak party system, the relevant political logic is likely to be coalition consolidation rather than swing-voter persuasion.

To examine this issue, I divide Correa's 2006 municipality-level vote share into terciles: low support (below 14%), swing (14–24%), and core support (above 24%). Using the same controls and region fixed effects as in the main analysis, I estimate a bin specification with low-support municipality as the omitted category. The results point clearly toward core targeting. Relative to low-support municipalities, swing municipalities show no statistically significant difference in bureaucracy growth, whereas core-support municipalities experience substantially larger bureaucratic expansion. This indicates that the increase in public employment was concentrated in stronghold areas rather than in electorally marginal ones.

Figure 8 shows this nonlinearity visually. After partialling out the same controls and region fixed effects used in the main specification, the conditional relationship between Correa's

<sup>14</sup> Another assumption comes from monotonicity, here I am assuming that the likelihood of being exposed to these type of repressions decays linearly, i.e., being farther away from repression areas makes those areas less prone of being exposed. This assumption looks like it is fulfilled from the reduced form estimates.

Table 3: Instrumental variables model

	(1)	(2)
	N.Bureaucrats 2010	G.Bureaucrats 01-10
<b>Panel A: Reduced form</b>		
Distance repression to nearest school (log)	-0.269 (0.159)*	-16.713 (8.181)**
<b>Panel B: IV Estimates</b>		
Vote share in 2006	0.050 (0.029)*	3.134 (1.486)**
Observations	213	213
Controls	Yes	Yes
Region FE	Yes	Yes
K-P F-stat	38.37	38.37
Mean Dep.Var	4.06	54.13
Variation w.r.t mean	1.24	5.79

Robust standard errors in parentheses

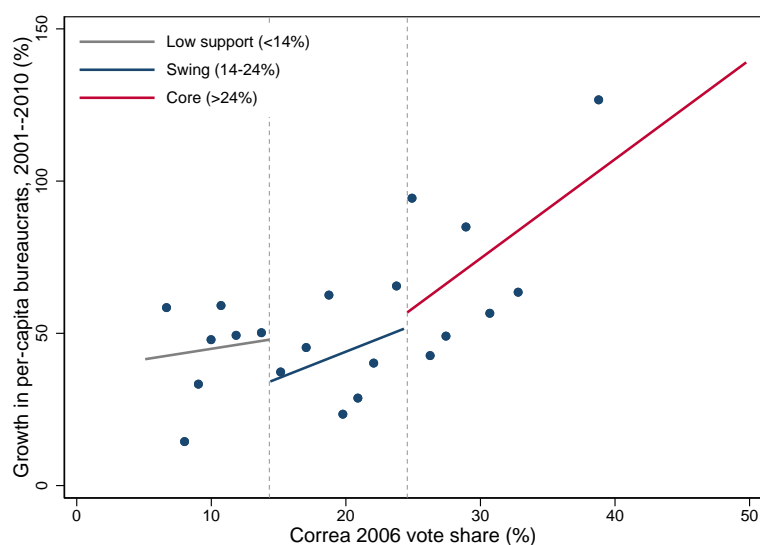
\*  $p < 0.10$ , \*\*  $p < 0.05$ , \*\*\*  $p < 0.01$

**Note:** N. Bureaucrats 2010 = Number of bureaucrats per 1,000 inhabitants. G. Bureaucrats 01-10 = Growth rate of the number of bureaucrats from 2001 to 2010. Vote shares refer to the votes received by Correa in the first round of that election year. The distance from a repression location to the nearest school is measured at the municipal level, reflecting the shortest distance on a logarithmic scale. For a description of the control variables, see the main text.

2006 vote share and bureaucracy growth is nearly flat in low-support municipalities, rises only modestly in swing municipalities, and becomes markedly steeper in core-support municipalities. This pattern is more consistent with a core-support consolidation logic than with a swing-voter model.

This interpretation also fits the broader political context. Before 2006, Alianza PAIS (Correa's political party) had no prior legislative or local political presence, and Correa entered the national political arena without an established territorial party machine. In that setting, rewarding stronghold municipalities with public employment would have been a natural way to build the organizational spine of the movement. The contrast with the transfer results is also informative: capital transfers appear to respond more to the threshold of winning a municipality, whereas bureaucratic appointments respond to the intensity of support within core territories. Together, these results suggest that different patronage instruments operated through distinct political margins.

Figure 8: Nonlinear relationship between Correa’s 2006 vote share and bureaucracy growth



**Note:** The figure plots a bin-scatter plot of the residualized growth in per-capita bureaucrats between 2001 and 2010 against Correa’s 2006 vote share, after partialling out the same controls and region fixed effects used in the main specification. Two vertical dashed lines mark the tercile cutoffs at 14% and 24%. The piecewise linear fits show that the conditional slope is nearly flat in low-support municipalities, rises modestly in swing municipalities, and becomes markedly steeper in core-support municipalities, consistent with a core-targeting pattern.

## 5.2. Robustness checks

**Placebo election: Lucio Gutiérrez.** As a first robustness check, I show that if I use a placebo election, neither the IV nor the results hold. The election before Correa’s was in 2002, in which Lucio Gutiérrez won with a not so different story from the Correa one. Gutiérrez was a military officer who led a coup against the government of 1998 and became known because of that. His announced platform was one in which he promoted himself as a new option different from the traditional political parties. If the repression episodes from the 1980s were used by any other government than Correa’s, at least the significance of the instrument with the vote share should be strong. This is not the case, as shown in Table 4.

**Dropping capital city.** A second test would be to drop the capital city, since it is where the majority of the bureaucracy is going to be allocated. First, in my main specification, I already control for distance to Quito; however, in this robustness test, I show that the results do not change even when removing the capital city from the sample. Results are shown in Table B3.

**Changing outcome.** Table B4 shows the results from the IV model, but changing the outcome to bureaucracy in 2001. Results are not significant. The main idea with this robustness test is to check if the variable "bureaucracy" has some underlying reason for its significance. In other

Table 4: Place election-Lucio Gutiérrez- IV estimation second stage

	(1)	(2)
	N.Bureaucrats 2010	G.Bureaucrats 01-10
vote share in 2002	-0.890 (3.593)	-55.348 (223.199)
Observations	213	213
Controls	Yes	Yes
Region FE	Yes	Yes
K-P F-stat	0.06	0.06
Mean Dep.Var	4.06	54.13
Variation w.r.t mean	-21.95	-102.26

Robust standard errors in parentheses

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

Note: N. Bureaucrats 2010 = Number of bureaucrats per 1,000 inhabitants. G. Bureaucrats 01-10 = Growth rate of the number of bureaucrats from 2001 to 2010. Vote share 2002 refer to the votes received by Lucio Gutiérrez in the first round of that election year. This is used as a placebo. For a description of the control variables, see the main text.

words, I want to show that it's not simply that bureaucracy in general has a significant effect driven by some underlying nature of the variable.

**Historical controls.** Additionally, and following the suggestion from Figure 7, I estimate the model using the pre-1984 controls that resulted in significance even when using the control variables. Essentially, I include small land holdings in 1974 and rural growth from 1974-1982. Observations drop to 121 since current municipalities did not exist in this period and sample depends on the processed data found in Larrea (1992). Table B5 shows the results: the growth in the number of bureaucrats between 2001 and 2010 remains significant and aligns with the paper's results. In the case of the number of bureaucrats in 2010, statistical significance is lost, but the direction and interpretation of coefficients do not contradict the main conclusions.

**Alternative empirical approach.** As a supplementary robustness check, I also estimate a regression discontinuity specification using Correa's 2006 vote margin as the running variable. This exercise applies the same set of controls and outcomes as in the main analysis, but focuses on municipalities located close to the electoral threshold. I do not treat this design as the main source of identification, since the political meaning of close wins and losses in a presidential election is less direct than in mayoral or legislative settings. Figure B1 provides a graphical illustration of the local comparison, while Table B6 reports the corresponding estimates using the bias-corrected robust procedure of Calonico et al. (2017).

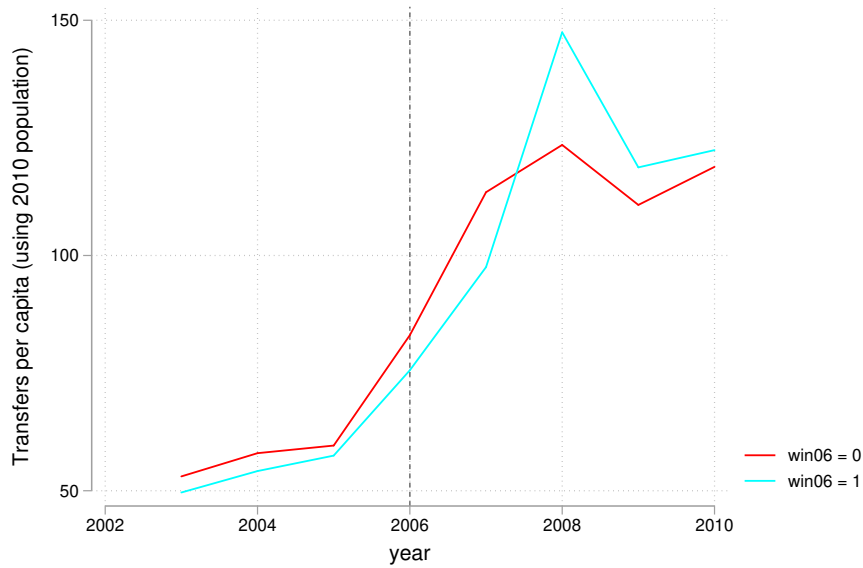
## 6. Municipal transfers

Capital transfers provide a useful complementary outcome because they are observed annually and therefore offer a clearer temporal window around the outsider's entry into office. At the same time, they differ from public employment in an important respect: unlike bureaucratic appointments, capital transfers are more constrained institutionally and partly formula-driven, which limits the extent to which they should be expected to respond proportionally to each additional percentage point of vote share. In this setting, the more relevant political margin is whether the outsider established initial territorial control in the municipality rather than whether electoral support increased linearly across the full distribution. For that reason, I study transfers primarily through a two-way fixed-effects difference-in-differences design based on whether Correa won the municipality in 2006. This approach is especially relevant after the 2008 constitutional reform, which increased executive discretion and centralized budget decisions.

This section provides complementary evidence on the strategic allocation of central government transfers to municipalities. I use data on capital transfers, which are more likely to be shaped by political discretion than other categories of intergovernmental transfers (Mejia Acosta and Meneses, 2019). Examining transfers alongside public employment helps assess whether distributive politics under outsider rule extended beyond bureaucratic appointments to other fiscal instruments.

Figure 9 plots the amount of transfers (in per capita terms) received by municipalities where Correa ended in first place ( $win06=1$ ) and second place or lower ( $win06=0$ ) in the first round of the 2006 presidential elections. During 2008-2009 transfers to municipalities increased substantially in municipalities where Correa won even when his party did not have local candidates of their own.

Figure 9: Capital transfers per capita



**Note:** This figure plots transfers made by the central government to local ones. Transfers are the ones classified as "capital" (for investment purposes) and is on per capita terms (using 2010 population).  $win06=1$  refers to municipalities where Correa ended in first place and  $win06=0$  refers to municipalities where Correa ended in second place or lower in the first round of the 2006 presidential elections

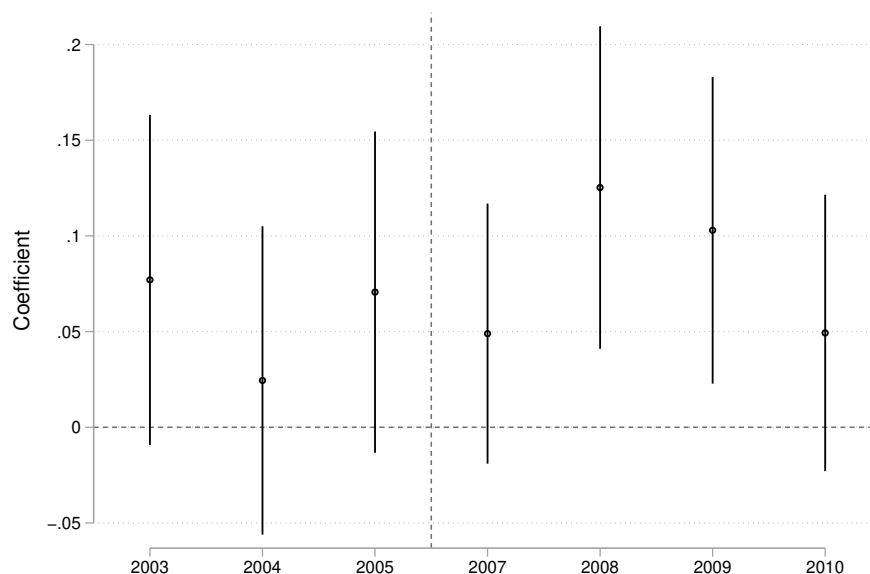
To test this hypothesis, I estimate the following fixed effects model,

$$\log(CapitalTransfersPC + 1)_{i,t} = \eta_i + \lambda_t + \beta_{i,t}win06_i \times year_t + \epsilon_{i,t} \quad (4)$$

where the dependent variable refers to nominal<sup>15</sup> transfers per capita made by the central government to local ones. I use the transfers that are classified as "capital," i.e., money that is used for investment such as infrastructure. According to [Mejia Acosta and Meneses \(2019\)](#), these types of transfers are the ones in which the central government is more likely to be arbitrary. Sub-index  $i$  represents municipalities and  $t$  year, the interaction term gives the coefficient of interest, standard errors are clustered at the municipal level. Win06 is a dummy that equals 1 if Correa ended up in first place in municipality  $i$  in the 2006 presidential election and  $year$  is a dummy for each year from 2003 to 2010. The reference year is 2006. The results of this estimation are presented graphically in Figure 10. It can be seen that the time coefficients belonging to the interaction term become significant in the years where the new constitution was being promoted, confirmed, and approved via popular referendum, e.g., 2008 and 2009.

<sup>15</sup> Since Ecuador is a dollarized economy, nominal and real values are almost identical.

Figure 10: Capital transfer to municipalities during institutional change



**Note:** Figure shows the estimates from Model (4). *Win06* is a dummy variable that takes the value of 1 when Correa ended in first place in a given municipality. Each dot represent the interaction effect between *win06* and a year dummy.

These results provide complementary evidence that tactical redistribution was directed toward municipalities that initially supported the outsider’s regime. The pattern is especially visible during the period in which the new constitution was being promoted and approved, when securing popular backing for institutional change was politically most valuable. The concentration of stronger transfer effects after 2008 is consistent with the interpretation that constitutional reform and budget centralization increased the executive’s capacity to favor aligned municipalities through discretionary fiscal channels.

As a complementary exercise, I also estimate yearly instrumental-variable specifications for capital transfers using the same instrument and controls as in the bureaucracy analysis. The first stage remains strong throughout, but the second-stage coefficients are positive and imprecisely estimated in post-election years, with a null placebo outcome in 2001. I therefore do not interpret the transfer evidence as showing that each additional percentage point of outsider support translated proportionally into greater transfers. Instead, the contrast with the public-employment results suggests that the two instruments of patronage operated differently: bureaucratic appointments responded more continuously to the intensity of electoral support, whereas capital transfers were more closely linked to the threshold of territorial political alignment. This result is presented in Figure B2 in the Appendix.

## 7. Conclusions

In this article, I study how first-time electoral support for a political outsider shapes the subsequent geographic allocation of public sector employment. Focusing on the early years of the Correa administration in Ecuador, I analyze a setting in which electoral support was formed prior to any national distributive record and during a period of institutional change that expanded executive discretion. The results show a positive relationship between the vote share obtained by Rafael Correa in the 2006 presidential election and both the level and growth of public sector employment across municipalities between 2006 and 2010.

To address the endogeneity of electoral support, the paper exploits spatial variation in exposure to historically documented repression episodes that occurred two decades prior to the election, interacted with local school infrastructure. This historically predetermined measure is strongly correlated with Correa's initial vote share but is unlikely to be directly related to contemporaneous fiscal conditions or post-election bureaucratic allocation. The findings suggest that early electoral support was translated into durable distributive outcomes through the expansion of public employment, consistent with the use of public sector jobs as a discretionary and locally embedded redistributive instrument.

The results contribute to the study of distributive politics by providing evidence on how outsider-led governments consolidate early political support during periods of institutional change. More specifically, the paper shows how first-time alignment with a genuine outsider can shape subsequent allocation decisions in a setting where past redistribution and partisan reputation are less deeply entrenched than in more established party systems. Rather than focusing only on ideology or rhetoric, the paper highlights the role of durable redistributive tools—especially public employment—in stabilizing initial electoral coalitions when traditional partisan and reputational mechanisms are absent. The heterogeneity analysis further suggests that this strategy was concentrated in core-support territories, consistent with the use of public employment as a tool of outsider party-building rather than swing-voter persuasion. An important avenue for future research is to examine the longer-run implications of such strategies, including their effects on state capacity, local labor markets, and welfare. Understanding whether the expansion of public employment strengthens or weakens institutional performance remains a central question for the political economy of development.

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## **Author Contribution declaration**

This is a solo-authored paper. The author declares that he was in charge of all stages of this research, including writing, data analysis, data curation, methodology, and editing.

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## Appendix

### A. Data sources and variables creation

#### A.1. Merging process between census and electoral data

As mentioned in the main text the identifiers between the census and the electoral data are not compatible, hence a manual process was necessary in order to compile information from both data sets into a single one.

INEC makes publicly available the coding for each administrative unit in Ecuador. They follow a sequence between province, municipality and parish. It is important to notice that several municipalities changed their codes since from 2006 to 2010 since two new provinces were included: Santa Elena and Santo Domingo.

Each municipality used in the paper was matched with the most updated identifier (2010) using its name. Several municipalities are named alike or even the same so there was an additional cross check with the relevant province. In this paper I did not take into consideration municipalities from the insular region (Galápagos islands) since its population is the smallest in the country and the distance from the continental territory is large.

#### **Example:**

Ecuador has 24 provinces and 221 municipalities. In the case of province "Azuay" its census code, according to INEC, is "01". A municipality within Azuay, Cuenca say, have the code "50". When merging electoral and census data I construct the indicator in the form "province + municipality". From the example above Cuenca will have the following code: "0150".

This allows for municipalities that have the same name but are in different provinces. There is no such case in which two municipalities have the same name and are within the same province.

## B. Additional tables and figures

Table B1: Production and population ranking of municipalities that experienced repression

Production (2010) ranking	Population (2010) ranking	Municipality
2	1	Guayaquil
1	2	Quito
3	3	Cuenca
19	12	Esmeraldas
11	15	Latacunga
20	20	Quininde
33	25	Lago Agrio
26	27	Tulcan
16	29	Ruminahui
37	32	Pasaje
29	40	Naranjal
151	145	Celica

**Note:** This Table shows a ranking for production, measured by the Central Bank of Ecuador. And population according to the 2010 Census. Its objective is to show that municipalities, where repression episodes happened, are not representative of the richest or poorest municipalities only.

Table B2: Instrumental variables model-Conley standard errors-

	(1)	(2)
	N.Bureaucrats 2010	G.Bureaucrats 01-10
<b>Panel A: Reduced form</b>		
Distance repression to nearest school (log)	-0.269 (0.159)*	-16.713 (8.390)**
<b>Panel B: IV Estimates</b>		
Vote share in 2006	0.050 (0.028)*	3.134 (1.446)**
Observations	213	213
Controls	Yes	Yes
Region FE	Yes	Yes
K-P F-stat	26.45	26.45
Mean Dep.Var	4.06	54.13
Variation w.r.t mean	1.24	5.79

Conley standard errors in parentheses

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

Note: N. Bureaucrats 2010 = Number of bureaucrats per 1,000 inhabitants. G. Bureaucrats 01-10 = Growth rate of the number of bureaucrats from 2001 to 2010. Vote shares refer to the votes received by Correa in the first round of that election year. The distance from a repression location to the nearest school is measured at the municipal level, reflecting the shortest distance on a logarithmic scale. For a description of the control variables, see the main text.

Table B3: Estimation without capital city-IV estimates second stage

	(1)	(2)
	N.Bureaucrats 2010	G.Bureaucrats 01-10
Vote share in 2006	0.050 (0.029)*	3.104 (1.505)**
Observations	212	212
Controls	Yes	Yes
Region FE	Yes	Yes
K-P F-stat	38.21	38.21
Mean Dep.Var	4.04	54.07
Variation w.r.t mean	1.24	5.74

Robust standard errors in parentheses

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

Note: N. Bureaucrats 2010 = Number of bureaucrats per 1,000 inhabitants. G. Bureaucrats 01-10 = Growth rate of the number of bureaucrats from 2001 to 2010. Vote shares refer to the votes received by Correa in the first round of that election year. For a description of the control variables, see the main text.

Table B4: Change outcome-IV estimates second stage

	(1) N.Bureaucrats 2001
Vote share in 2006	0.061 (0.040)
Observations	213
Controls	Yes
Region FE	Yes
K-P F-stat	43.82
Mean Dep.Var	2.97
Variation w.r.t mean	2.05

Robust standard errors in parentheses

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

Note: N. Bureaucrats 2010 = Number of bureaucrats per 1,000 inhabitants. G. Bureaucrats 01-10 = Growth rate of the number of bureaucrats from 2001 to 2010. Vote shares refer to the votes received by Correa in the first round of that election year. For a description of the control variables, see the main text.

Table B5: Including historical controls-IV model-

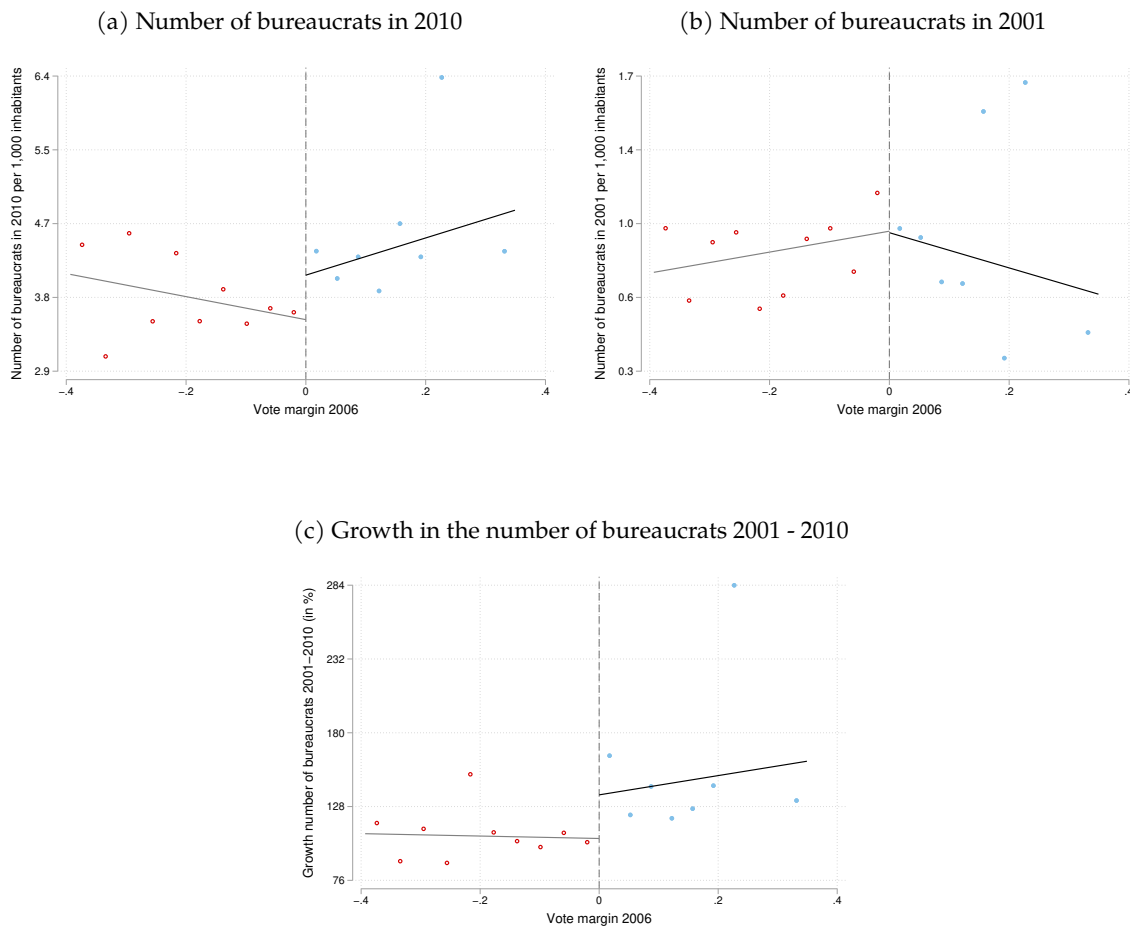
	(1) N.Bureaucrats 2010	(2) G.Bureaucrats 01-10
<b>Panel A: Reduced form</b>		
Distance repression to nearest school (log)	-0.252 (0.185)	-12.205 (6.033)**
<b>Panel B: IV Estimates</b>		
Vote share in 2006	0.049 (0.036)	2.354 (1.178)**
Observations	121	121
Controls	Yes	Yes
Region FE	Yes	Yes
K-P F-stat	21.18	21.18
Mean Dep.Var	4.33	44.09
Variation w.r.t mean	1.12	5.34

Robust standard errors in parentheses

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

Note: N. Bureaucrats 2010 = Number of bureaucrats per 1,000 inhabitants. G. Bureaucrats 01-10 = Growth rate of the number of bureaucrats from 2001 to 2010. Vote shares refer to the votes received by Correa in the first round of that election year. The distance from a repression location to the nearest school is measured at the municipal level, reflecting the shortest distance on a logarithmic scale. For a description of the control variables, see the main text.

Figure B1: Discontinuities



**Note:** This figure displays various discontinuities, using Correa's margin share in 2006 as the running variable. All graphs incorporate the same controls as those used in the main OLS and IV models.

**Regression discontinuity robustness check.** Figure B1 presents the graphical evidence for the 2010 number of bureaucrats, the growth in bureaucrats between 2001 and 2010, and the 2001 placebo outcome. The post-treatment outcomes display a visible positive jump at the electoral threshold, especially for the growth rate in bureaucrats, whereas the 2001 placebo outcome does not show a comparable discontinuity. Table B6 reports the corresponding estimates using the bias-corrected robust procedure of Calonico et al. (2017). The estimates are broadly consistent with the main results, although they are larger in magnitude, which may reflect the fact that the regression discontinuity design focuses on a smaller set of municipalities close to the electoral threshold. While the coefficient for the level of bureaucrats in 2010 is positive but imprecisely estimated, the coefficient for bureaucratic growth is positive and statistically significant. I interpret these results as supplementary evidence consistent with the broader pattern documented in the

paper, rather than as the main source of identification.<sup>16</sup>

Table B6: Bias-corrected robust RD results

	(1)	(2)
	N.of Bureaucrats 2010	G. Bureaucrats 01-10
Robust BC estimate	0.765 (1.494)	103.240 (61.454)*
Observations	97	97
Bandwidth	0.15	0.15
Controls	Yes	Yes
Mean	4.23	51.61
Variation w.r.t mean	18.1	200.0

Robust standard errors in parentheses

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

Note: N. Bureaucrats 2010 = Number of bureaucrats per 1,000 inhabitants. G. Bureaucrats 01-10 = Growth rate of the number of bureaucrats from 2001 to 2010. Robust BC estimate refers to the robust bias-corrected estimate from [Calonico et al. \(2017\)](#). Bandwidth is measured in terms of the vote margins for Correa in 2006. For a description of the control variables, see the main text.

Table B7: Bias-corrected robust RD results-No capital city

	(1)	(2)
	N.of Bureaucrats 2010	G. Bureaucrats 01-10
Robust	0.908 (1.492)	108.778 (61.746)*
Observations	96	96
Bandwidth	0.15	0.15
Mean	4.226	51.613
Variation w.r.t mean	21.5	210.8

Robust standard errors in parentheses

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

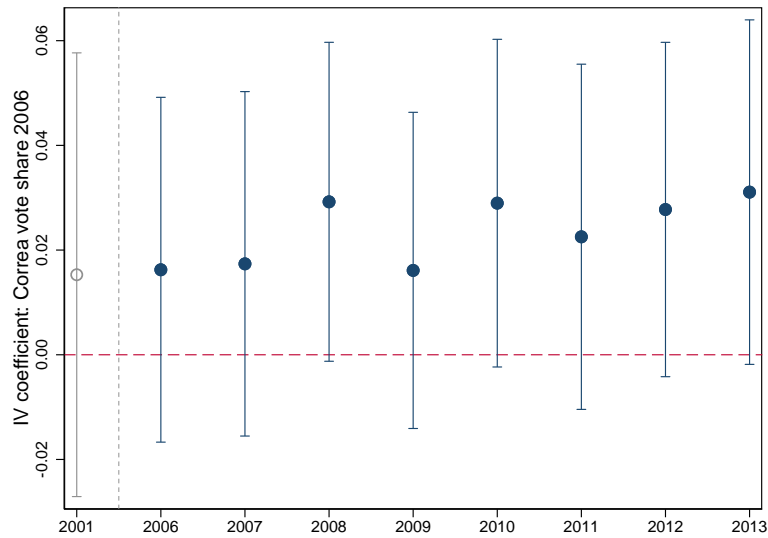
Note: N. Bureaucrats 2010 = Number of bureaucrats per 1,000 inhabitants. G. Bureaucrats 01-10 = Growth rate of the number of bureaucrats from 2001 to 2010. Robust BC estimate refers to the robust bias-corrected estimate from [Calonico et al. \(2017\)](#). Bandwidth is measured in terms of the vote margins for Correa in 2006. For a description of the control variables, see the main text.

## B.1. Survey evidence on cohort distrust and proximity to repression

As a supplementary check for the instrument's mechanism through the outsider's initial vote share, I examine whether younger cohorts are less trusting of political parties in municipalities

<sup>16</sup> Table B7 reports the same exercise excluding the capital city Quito.

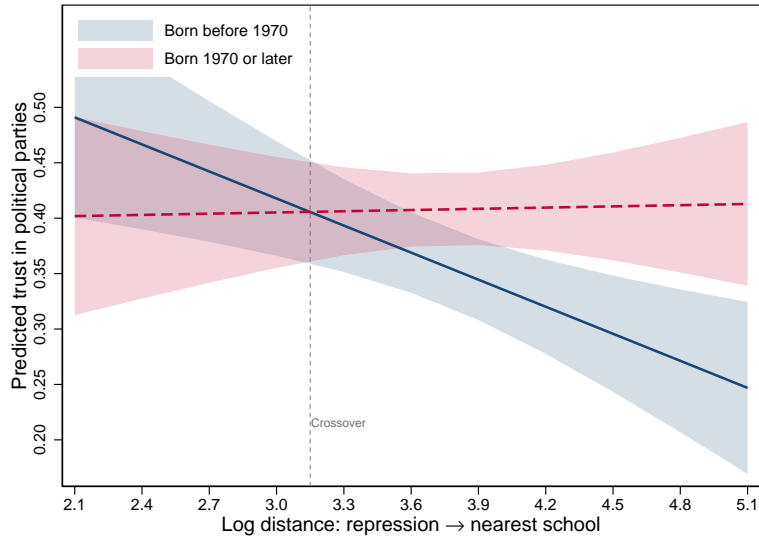
Figure B2: IV Estimates of Capital Transfers by Year



**Note:** Each point is the second-stage coefficient from a separate IV regression of log per-capita capital transfers on Correa’s 2006 vote share, instrumented by log distance from documented state repression episodes (1984–1988) to the nearest public school. Controls and region fixed effects as in the main paper. Bands show 90% confidence intervals based on robust standard errors. The grey marker (2001) is a pre-treatment placebo; the vertical dashed line separates the placebo from post-election years. The number of municipalities varies slightly across years (205–214) because some municipalities were created after 2001 and lack capital transfer data for earlier periods.

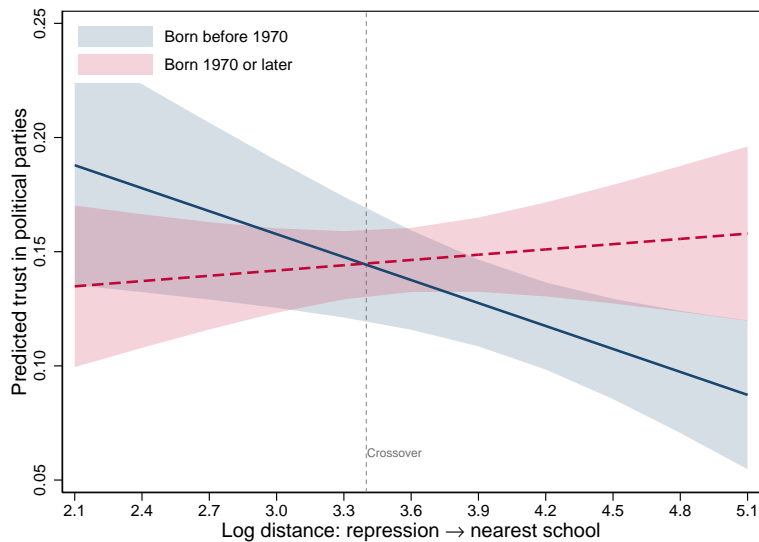
where repression occurred closer to schools. I use two independent surveys from 2006: Ecuador Latinobarómetro and Ecuador AmericasBarometer. In each case, I estimate a model in which trust in political parties is regressed on a younger-cohort indicator, the municipality-level measure of repression proximity, and their interaction, controlling for region fixed effects. The key quantity of interest is the interaction term, which captures whether the age gap in distrust is larger in municipalities where repression occurred closer to schools. In the matched Latinobarómetro sample (1,018 observations across 45 municipalities), the interaction coefficient is positive and statistically significant. The same pattern appears in the matched AmericasBarometer sample (2,901 observations across 64 municipalities). These results are suggestive rather than definitive, since both surveys cover only subsets of municipalities and the confidence intervals overlap substantially, but they provide corroborating evidence consistent with the proposed mechanism.

Figure B3: Latinobarómetro



**Note:** The figure plots predicted trust in political parties by cohort and by proximity of repression episodes to schools using the matched 2006 Ecuador Latinobarómetro sample. Shaded areas represent 90% confidence intervals. The two lines cross at approximately log distance 3.15 (approximately 23.3 km), implying that younger cohorts are less trusting in municipalities where repression occurred closer to schools.

Figure B4: LAPOP



**Note:** The figure plots predicted trust in political parties by cohort and by proximity of repression episodes to schools using the matched 2006 Ecuador AmericasBarometer sample. Shaded areas represent 90% confidence intervals. The two lines cross at approximately log distance 3.39 (approximately 29.7 km), implying that younger cohorts are less trusting in municipalities where repression occurred closer to schools.