Religious Market Structure and Democratic Performance: Clientelism

By Stratos Patrikios & Georgios Xezonakis

ABSTRACT

Is there a connection between government intervention in religious competition and partisan clientelism in democratic systems? Drawing on the economics of religion, we argue that alongside commonly examined population-level religious processes (religious diversity), state-level religious processes (government regulation of competition in the religious market) affect institutional performance in electoral democracies. Linking comparative indicators of religion-state relations with measures of partisan clientelism, statistical analysis suggests that uncompetitive religious markets, such as those where a dominant religion is sponsored by the state, create incentives, infrastructures and opportunities that favour clientelism. The study emphasises the importance of light-touch regulation of religion not merely as a normative principle narrowly related to religious freedom, but also as a potential remedy that can enhance the quality of political institutions.

Keywords: Electoral clientelism; economics of religion; religion and the state

1. Introduction

The paper examines whether state-level religious processes explain variation in one aspect of institutional performance among electoral democracies: partisan clientelism. We are interested specifically in the explanatory contribution of the way governments regulate denominational competition in their jurisdiction. Religious regulation or state intervention in religious competition is observed empirically as different types of religious "economic" or "market" arrangements. These range from the least competitive (a government imposed religious or atheistic monopoly) to more competitive settings under varying degrees of state regulation (see the economics of religion or rational choice approach to religion in Iannaccone 1991; Stark and Finke 2000). Regulation of the religious market by the state is a phenomenon "sticky" enough in the long run to warrant consideration as an explanation of institutional performance (Barro and McCleary 2005: 1368).

We examine clientelism as a form of partial electoral mobilisation rooted in the provision of targeted benefits to particular groups of voters, rather than in broad policy appeals (Keefer 2007; Kitschelt and Wilkinson 2007; Hicken 2011; Kitschelt and Altamirano 2015). Clientelism is one of the alternative "linkages" through which politicians attract voters alongside personal charisma, programmatic appeals and party identification (Kitschelt et al. 2009: 742-745). It is a useful measure of the extent of democratic government quality (Stokes et al. 2013; Fukuyama 2013; Varraich and Rothstein 2017; Heath and Tillin 2018).

The study proposes four mechanisms through which state-level religious processes (regulation) affect the prevalence of clientelistic electoral competition: church orientation, church motivation, party motivation and institutional context. It acknowledges the possibility

that these mechanisms are not universalistic, but may be moderated by underlying cultural conditions (religious tradition). The empirical analysis takes its main variables from the Democratic Accountability and Linkages Project, the Religion and State measurement programme and the International Religious Freedom dataset. Findings indicate that competitive religious markets, such as those where no one religion is favoured by the state, can thwart the operation of clientelistic practices.

Although systematic work in this direction is scant, comparative studies have started to document the damaging effect that state intervention in the religious market (heavy regulation of denominational competition) exerts on various aspects of the supply of good government, such as bureaucratic efficiency, regulatory quality and corruption control (Sommer et al. 2013; Tusalem 2015). These examinations tend to concentrate on the wider cultural effect of state regulation of religion on institutional performance in two ways. First, heavier regulation is treated as a constraint placed upon the public expression of religiosity, which, in turn, has negative consequences on ethical behaviour in general and, by extension, on ethical political behaviour (Sommer et al. 2013: 288, 290, 301). Second, lighter regulation is viewed as a property of secular states, which are more likely to promote an egalitarian and meritocratic political culture with subsequent positive government outcomes (Tusalem 2015: 97, 99–100, 129).

Despite this emerging line of research, most existing insights regarding the role of religious variables in explaining democratic government outcomes have ignored the state-level dimension of the religious phenomenon (religious market structure) and its impact on the performance of political institutions. Religious market structure is analytically distinct from the population-level religious variables that have been the focus of existing analyses, such as

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the distribution and concentration of religious affiliation (LaPorta et al. 1999; Alesina et al. 1999; Ko and Moon 2014; for democratisation in general, see Philpott 2004; Woodberry and Shah 2004; Gerring et al. 2018). In particular, previous explanations of institutional quality show a special interest in three types of religion-related effects on government quality: the positive role of Protestantism (as population adherence rates) compared with other religious cultures (LaPorta et al. 1999; Paldam 2001; Ko and Moon 2014); the negative role of population (especially ethnic) fractionalisation (Alesina et al. 2003; Kitschelt and Wilkinson 2007; Wang and Kolev 2019); and the negative role of high religiosity levels (Berggren and Bjørnskov 2013).

The study makes the following contributions. First, we synthesise different theoretical strands to identify institutional explanations of the connection between religious regulation and clientelism. These add to the cultural explanations proposed by the few available investigations of the impact of religious regulation on other aspects of democratic performance (Sommer et al. 2013; Tusalem 2015). Second, many previous applications have been limited in that they examine how state-level religious properties affect transitions from authoritarian rule (e.g. Driessen 2014), without taking a detailed look at outcomes such as the quality of political competition in electoral democracies. Third, regarding the general validity of economics-based predictions, which are the starting point of our argument, we qualify these by looking into the possible role of context in determining their universal applicability (Iannaccone 1991). Fourth, regarding religion's relationship with modern liberal-democratic states, this type of study highlights a paradox: the continuing significance of organised faith for political outcomes, despite the widely anticipated demise of religion in this "secular" age (Patrikios and Xezonakis 2016).

The text begins with a conceptual clarification regarding the role of the state in managing competition among religious denominations. The discussion then turns to the relevance of this state-level religious feature for clientelistic outcomes. It continues with a review of previous studies of clientelism, connecting these to data and methods, and presents results from a series of regression models. The conclusion discusses implications and identifies critical cases for future investigation.

2. Theory

2.1. The concept of religious markets

Before discussing how religious market structure can account for comparative variation in partisan clientelism, we review briefly the concept of religious markets. Different religion-state arrangements exist in countries with similar profiles of religious diversity and dominant religious culture (compare England and the United States). Similar religion-state arrangements exist in countries with different profiles of religious diversity and dominant religious culture (compare England and Greece). Even among predominantly Catholic countries, one can find competitive religious markets where the state keeps a laissez-faire attitude towards denominational competition (Chile) and also uncompetitive religious markets under heavy state intervention (Venezuela). In this vein, the present analysis distinguishes state-level arrangements regarding the state's disposition towards organised religion from other religious variables that studies of democratic performance have used so far, especially dominant religious culture and the concentration of denominational population shares.

A number of scholars in political science, sociology and economics view religion-state

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arrangements as a phenomenon that operates under economic principles (see seminal contributions in Iannaccone 1991; Stark and Finke 2000). Organised religions ("churches") are conceptualised as resource-seeking firms, religion as a commodity and believers as customers that exercise choice. In this perspective the state can impose different degrees of social control on denominational competition and consumer choice, and, in this way, shape the structure of the religious market. Some states do not allow a religious market to operate in their jurisdiction, but instead host a monopoly (theocracies or forced-atheism states). Others tend to favour only certain dominant religions with targeted material and symbolic support (e.g. states that host established churches). Finally, there are states that allow all churches to compete freely for members within basic legal constraints.

As a consequence of the wide scope covered by the economics of religion, numerous works disagree with various aspects of the approach such as the treatment of individual religiosity as a matter of choice (Bruce 1999) and the anticipated positive outcomes of religious competition regardless of context (Sullivan et al. 2015). Based on these critiques the theoretical discussion that follows takes a cautious path in connecting religion-state relations and electoral clientelism. It extends predictions of the economics of religion framework, while acknowledging the importance of context in moderating these predictions. The predictions refer to the effects of different religious economic arrangements (competitive, laissez-faire and deregulated versus uncompetitive, dirigist and regulated by the state) on the motivations and functions of churches and political parties, and on shaping the wider environment in which these actors operate.

2.2. From religious regulation to clientelism

We approach clientelism as a phenomenon that undermines institutional performance, specifically public goods provision by an electoral democracy (Keefer 2007; Kitschelt and Wilkinson 2007; Hicken 2011; Kitschelt and Altamirano 2015). Parties eschew broad universalistic appeals that benefit the general population. Instead, they rely on practices that target narrow groups of voters to gain electoral support. Voters find partisan promises of public goods provision less credible and deliverable. Instead, they are more responsive to promises that target smaller groups or individual voters.

Our argument is this. The historically entrenched religion-state arrangements encountered in uncompetitive religious markets promote electoral clientelism by creating four conditions: a type of church that has a particularistic orientation; the early involvement of that church in party politics; incentives for parties to exchange favours with that church; and a weak state with which these religious and political actors interact. These conditions add to the cultural explanations prioritised by recent empirical studies of this emerging topic (Sommer et al. 2013; Tusalem 2015). And although we acknowledge the possibility that aspects of institutional performance, such as clientelism, might in turn shape the structure of the religious market (e.g. by facilitating the rise of a dominant religious actor), the latter has been found to be historically stable and subject only to glacial change (Barro and McCleary 2005: 1368). The studies and cases surveyed below will elaborate on our expectation that religious market structure can explain clientelistic outcomes.

Figure 1 outlines the four conditions that derive from uncompetitive religious markets, which are conducive to clientelism. First (Condition 1), churches exhibit different orientations regarding the provision of public goods under different religious market structures. According to comparative empirical evidence, competition favours the survival of "good" firms

(churches) (Gutmann 2015: 154-155). This is because the absence of state imposed coercion (e.g. subsidies that distort competition) promotes the scrutiny of the religious organisation by rival denominations, the authorities and the public, ensuring proper organisational conduct. Proper conduct entails pursuing causes that benefit the public, such as equality, fairness and accountability. Churches in this setting are more likely to follow these ethical rules in their exchanges with adherents and secular authorities by becoming more responsible regarding the wider consequences of their actions for universal well-being. Conversely, uncompetitive (heavily regulated) religious markets allow "bad" firms to survive; that is, churches engaged in socially suboptimal behaviour. The absence of competition encourages rent-seeking behaviour and other socially wasteful tendencies by dominant religious organisations, making them less willing to serve the public good.

A study of the political mobilisation of minorities in twentieth-century Mexico allows us to contextualise this causal claim with evidence of temporal-causal sequence (Trejo 2009: 326-327). Here, the historically dominant Catholic Church reacted to the threat of membership decline that was brought about by new religious market entrants (foreign Protestant missionaries). Its reaction took the following form: the Church became less dedicated to delivering targeted benefits to the powerful and privileged, more responsive to minority members it had ignored previously and more supportive of redistribution, equality and other universalistic causes (Trejo 2009: 340; see also Gill 1998). This change in priorities was a direct consequence of a more competitive religious market due to foreign proselytising activity. The change reoriented the organisation towards the delivery of goods that covered the entire population. Increased denominational competition cultivated a different, more universalistic church orientation.

[Figure 1 about here]

Second (Condition 2), an uncompetitive religious market produces early incentives for dominant religious actors to participate in party politics. We revisit here a standard work on the rise of Christian Democracy in countries such as Austria, Belgium and Italy, among others, where the Catholic Church was the dominant player in an uncompetitive religious market (Kalyvas 1996). The Catholic Church viewed itself traditionally as sole representative of the people (Kalyvas 1996: 31, 37). Facing competition from emerging political parties over its traditional role, this dominant religious actor participated in electoral politics in order to use parties as parallel representation vehicles and retain control over mass representation (Kalyvas 1996: 76, 229, 255). That is, a dominant religion (uncompetitive religious market) reacted to the development of mass electoral politics by engaging in party networks.

Third (Condition 3), an uncompetitive religious market produces incentives for parties to pursue clientelistic exchanges. Here, parties are likely to enter into exchange relationships with dominant religious actors. The latter are veto players, local power brokers and important opinion leaders that can muster considerable electoral support. This type of reciprocity between dominant religious actors and parties includes access to civil service jobs or the vetting of government officials and legislation in exchange for votes (Tusalem 2015: 96). The relationship between the *Democrazia Cristiana* party, one of the most successful of its family for a half century, and the Catholic Church in postwar Italy is just one example of this relationship (Warner 2000; Fink 2009). When combined with the first two conditions (particularistic church orientation and incentives for the church to participate in partisan politics), this electoral incentive for parties to discriminate in favour of a dominant religion provides a positive connection between uncompetitive religious markets and clientelism.

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Fourth (Condition 4), in an uncompetitive religious market a church can use the state's support in suppressing competition from other denominations. Therefore, not having to waste resources on fending off other churches, this religious organisation can operate networks of welfare provision, supplementing or substituting the state in this field (Ferrera 1996; Backstrom et al. 2010). It can deliver services that cover poverty relief, education, healthcare, elderly care, orphanages and official registry needs. The arrangement in which a religious actor substitutes various functions of the state, exemplified in the prominent welfare role of dominant churches in Southern Europe (van Kersbergen 1995), fosters a weaker type of state bureaucracy. Arrested institutional development exposes governments to stronger partisan pressures for the appropriation of collective resources for patronage purposes (on the link between historically weak government institutions and clientelism see Shefter 1994; Heath and Tillin 2018). This is another, indirect influence of uncompetitive religious markets on the preponderance of clientelistic politics.

This discussion leads us to expect the extent of government involvement in the religious market to be associated with political clientelism in the following direction:

> H1: Under less competitive religious markets (heavier state regulation), parties will pursue clientelistic linkages more vigorously (effort) and with greater success (effectiveness).

2.3. Contextual Considerations

The anticipated influence of religious regulation on the quality of partisan competition

(clientelism) may not be homogeneous across contexts. We base this qualification on a point that has been central in previous attempts to study the role of religion in shaping democratic performance. Specifically, it is worth considering whether the operation of the proposed causal mechanism, which connects religious market structure and clientelism, depends on religious tradition.

A key distinction is usually made between Protestantism and non-Protestant traditions (Catholic, Orthodox and Muslim), although further distinctions can be made within the Protestant group (especially between Reformed and Lutheran strains). According to this line of thinking, Protestantism exposes society to a mentality that challenges authority by prioritising an unmediated relationship between the individual believer and God. Other religious traditions are viewed as lower on trust, averse to pluralism and more prone to absolutism and exclusiveness, including in their relations with secular authority (for a classic discussion, see Lipset 1959; see also LaPorta et al. 1999; Paldam 2001; Sommer et al. 2013; Ko and Moon 2014). Protestant societies are also less likely to have experienced a great deal of church-run social policy, as the Reformation state took over these welfare functions from the dominant church at an early stage (van Kersbergen 1995). Therefore, a Protestant milieu is thought to produce a political culture that is more likely to subject authority to extensive scrutiny and also lacks a heavy church welfare "footprint".

From this perspective, our proposed positive connection between uncompetitive religious markets and clientelism (H1) does not appear to apply where these markets are hosted by predominantly Protestant societies. By disregarding the presence of a strong Protestant background we would anticipate, erroneously, these contexts to achieve inferior government performance – for instance, more pronounced clientelistic tendencies. These Protestant

settings are largely encountered in Nordic countries. These cases are the obvious outliers to

our expectation. The state here has supported a national church in a society that is also

homogeneous in terms of religious adherence. At the same time, these countries host party

competition structures that are not typically associated with clientelism, but with broad

programmatic appeals. In all, our proposed mechanism is more plausible in settings where

heavily regulated religious markets operate in a non-Protestant background (Roman Catholic,

Eastern Orthodox, or Muslim). For these considerations, we expect the main relationship to

apply only in particular religious cultural contexts:

> H2: The relationship between religious regulation and clientelism (H1) is more
>
> likely to hold outside Protestant contexts.

3. Analytical strategy

3.1. Dependent variable

Clientelism is a concept shared by many disciplines, including anthropology, history and

sociology (Scott 1977). We approach it here as a party-level phenomenon located within large

societies of the representative-democracy type. This section presents our analytical strategy by

reviewing existing empirical research on clientelism, including alternative explanations of the

phenomenon. For the dependent variable we use systematic information collected by the

Democratic Accountability and Linkages Project (2008-2009 dataset, party-level version).

Although alternative approaches have measured partisan clientelism at the voter level (Heath

and Tillin 2018), the available instrument here is an expert survey that covers linkages

between political parties and citizens in 88 electoral democracies for a total of 506 parties

(Kitschelt et al. 2009). The dataset includes mainly democracies with a population larger than two million that have held at least two elections prior to data collection.

The two indicators that measure the dependent variable are clientelistic party effort and effectiveness respectively. The former is an additive index based on five questions that measure party effort in five areas of clientelistic exchange (see Supplementary Appendix, Section A). A question example follows:

> Consider whether candidates and parties give or promise to give citizens consumer goods (e.g. food or liquor, clothes, cookware, appliances, medicines, building materials etc.) as inducement to obtain their votes. How much effort do candidates and parties expend to attract voters by providing consumer goods?
>
> 1. A negligible effort   3. A moderate effort
>
> 2. A minor effort   4. A major effort

The effectiveness indicator gauges the extent to which parties are successful in their clientelistic exchanges. We measure this by using the following question from the same dataset:

> Please assess how effective political parties are in their efforts to mobilise voters by targeted benefits.
>
> 1. Not at all   3. To a moderate extent
>
> 2. To a small extent   4. To a great extent

To clarify further our use of the clientelism concept, we note that parties' efforts to pursue clientelistic linkages with voters are analytically distinct from the effectiveness of these efforts

(Kitschelt and Altamirano 2015). The two indicators, effort and effectiveness, are correlated at 0.66, suggesting strong but imperfect correspondence. The relationship of the two phenomena can be recast as a question of efficiency, or of how well party costs (effort) are translated into benefits (effectiveness). Clientelistic partisan effort might be incommensurably intense compared to its (in)effectiveness to attract voters; inversely, it could be surprisingly weak considering its success; or there could be a perfect balance between what parties spend in pursuing clientelistic linkages and what voters return. If our proposition proves better at explaining clientelistic effectiveness (success) rather than the intensity of parties' effort, this would imply that parties in an uncompetitive religious market are able to achieve clientelistic outcomes regardless of (potentially despite) a weak effort. Alternatively, if our proposition is able to explain the intensity of clientelistic effort but not its effectiveness, this could imply that parties in an uncompetitive religious market are wasteful in their effort to achieve clientelistic outcomes.

3.2. Independent variables

The four indicators that measure the key independent variable, the structure of the religious market, capture the extent of government regulation of religious competition. First, we use two indicators from the International Religious Freedom data programme, which quantifies U.S. State Department reports on religious freedom in almost 200 countries and territories (Grim and Finke 2006, aggregate file 2003–2008). The reports are based on expert evaluations by U.S. government personnel of the state-religion nexus in various countries, written in a standardised format that facilitates coding. The International Religious Freedom dataset is considered reliable and has been used extensively by empirical research on the origins and consequences of religious regulation (e.g. Gutmann 2015; Tusalem 2015), although the U.S.

government's use of these reports can be biased (Finke and Martin 2014: 693). The Government Regulation Index (GRI) presented here draws on sections of the reports that determine whether a government restricts missionary activity, proselytising and free public expressions of religion. The measure attempts to capture the degree of state intervention in religious activity. Higher scores show heavier regulation of religious activity by the state.

A second indicator from the same dataset, the Government Favouritism Index (GFI), measures whether a government subsidises and supports specific religious actor(s). The index relies on the coding of parts of the State Department reports that document the balance of funding to the religious sector, the existence of a church that is favoured by the state and the like. Higher scores again indicate that the state constrains religious competition by favouring certain religions over others. Both indexes, GRI and GFI, can be used to measure how competitive a religious market is and how interventionist the state is. As the United States is not covered in these reports, we imputed the lowest possible score for this country into both measures. Excluding the United States from the analysis returns the same results as those reported below (alternative results available from the authors).

We use two additional indicators from another dataset, the Religion and State programme (Fox 2012, Round 2 data). So, the third indicator of religious market structure is the Composite Religious Discrimination against minorities measure from the 2008 wave, which is the year of measurement that overlaps with the other indicators described above (CRD or *mx2008* in the dataset). The variable summarises the extent to which the state places limitations on a wide range of activities conducted by minority religious organisations. These limitations include restrictions on religious observance, building and accessing places of worship, religious education, publications and proselytising, which

typically operate in favour of the dominant religion. Higher scores indicate heavier discrimination and barriers against religious minorities by the state.

The fourth indicator, again from the Religion and State programme, is more nuanced and attempts to capture different types of formal arrangements between institutional religion and the state. This is the Official Government Involvement in Religion from 2008 (GIR or *sbx2008* in the dataset). To maintain the rich detail in this typology, we use it as a series of dichotomous indicators that describe settings where the state is closer and more positive towards particular religions (points 6-13 in the list below). In our sample of countries the variable ranges as follows, applying the original category descriptions of the Religion and State data (Fox 2012):

3. Separationist: Official separation of Church and state and the state is slightly hostile toward religion.

4. Accommodation: Official separation of church and state and the state has a benevolent or neutral attitude toward religion in general.

5. Supportive: The state supports all religions more or less equally.

6. Cooperation: The state falls short of endorsing a particular religion but certain religions benefit from state support (monetary or legal) more than others.

7. Multi-Tiered Preferences (II): two or more religions are clearly preferred by state, receiving the most benefits, there exists one or more tiers of religions which receive less benefits than the preferred religions but more than some other religions.

8. Multi-Tiered Preferences (I): one religion is clearly preferred by state, receiving the most benefits, there exists one or more tiers of religions which receive less benefits than the preferred religion but more than some other religions.

9. Preferred Religion: While the state does not officially endorse a religion, one religion

serves unofficially as the state's religion receiving unique recognition or benefits.

10. Historical or Cultural State Religion: There is an official religion but it is mostly due to historical or cultural inertia.

11. Active State Religion: State actively supports religion but the religion is not mandatory and the state does not dominate the official religion's institutions.

12. State Controlled Religion, Positive Attitude: The state both supports a religion and substantially controls its institutions but has a positive attitude toward this religion.

13. Religious State (II): Religion mandatory for members of official religion.

Apart from these four indicators of the state's role in constraining activity in the religious market, our analysis includes a standard measure of religious fractionalisation as a focused control variable (Alesina et al. 2003). This indicator models the impact of population centred religious explanations that existing research prioritises. Specifically, the fractionalisation index reflects how likely it is that two randomly selected individuals from a population belong to different social groups (ethnic, religious or linguistic). Due to the substantive focus of the present study, we use the religious fractionalisation measure rather than a composite fractionalisation index that would also aggregate ethnic and linguistic divisions. Higher values in this measure indicate greater religious fractionalisation (population heterogeneity).

Most of the literature expects a negative impact of fractionalisation (especially ethnic) on the performance of democratic government. The assumption is that more fractionalised communities supply the narrow and stable constituencies that are a necessary condition for the delivery of targeted benefits (e.g. Alesina et al. 1999). In particular, politicians can invest their limited resources to identify, exploit and monitor these constituencies more effectively here than in the case of more homogeneous (less fractionalised) social contexts. In addition, the diverse groups that compose the body politic have diverse preferences, which cannot be met

by broad universalistic appeals that benefit all citizens regardless of group affiliation. Heterogeneous populations, therefore, make it less costly and more enticing for politicians to deliver targeted benefits rather than public goods (Alesina et al. 2003; Gerring et al. 2018).

But the particular measure of religious fractionalisation that we use here has been found by its creators to have a benign effect on government outcomes; more religiously diverse (fractionalised) societies, such as the United States, perform better in public goods provision and corruption control (Alesina et al. 2003: 173; cf. Raymond 2016). In other words, while deeper ethnic cleavages have been found to be a negative influence in the performance of democratic government, the opposite holds for religious divisions (cf. Gerring et al. 2018). An interpretation that might explain this finding is that greater religious fragmentation and pluralism are typically encountered in societies that are more tolerant, more egalitarian and better governed (Alesina et al. 2003: 175).

Introducing this variable in the model is required to provide a stringent test of the relative validity of our (state-level) religious market hypothesis compared to the established (population-level) religious pluralism hypothesis. This is also due to the plausible connection that may exist between regulation of religion by governments and religious diversity in the population. Although the two are not synonymous, what the state does to manage the activities of religious denominations can constrain or enhance the choices available to individuals for practising their faith. At the same time, one might expect the state to be less (more) willing and able to favour a single religious actor in more (less) religiously fractionalised societies.

There is a concern, therefore, that the continuous indicators that measure the independent variable of interest (religious market structure) and religious fractionalisation reflect similar

underlying processes and are therefore to a large extent indistinguishable. Figure 2 reports

correlations between the three continuous religious market indicators and the fractionalisation

measure. As expected the relationship between the three religious market variables is strong

despite the fact that two of them come from a government agency and only one is

independently collected. The religious fractionalisation measure is negatively related with the

other three (a negative slope is somewhat clearer in the case of GRI and GFI), but the

relationship is not strong enough to imply collinearity.

[Figure 2 about here]

3.3. Controls

To account for alternative explanations of clientelism we include various controls. We expect

the level of democracy to be correlated with our dependent variables and also with religious

market structure; for instance, all these phenomena might be reflections of a generally

pluralistic societal disposition. Frequently cited studies suggest that the relationship between

democracy and government quality is most likely curvilinear (Montinola and Jackman 2005;

Bäck and Hadenius 2008). We are not aware of any similar effects in the case of clientelism,

so the models below use a linear specification. However, the inclusion of a squared term in an

alternative specification does not yield very different findings than those reported below

(results available from the authors). The level of democracy is operationalised using combined

Freedom House and Polity scores (Hadenius and Teorell 2005). Such summary measures of

democracy can be criticised as capturing too many dimensions at once (Bueno de Mesquita et

al. 2005; Potrafke 2012), which may also be related with church-state relations in

heterogeneous ways. However, we rely on these summary measures to ensure comparability,

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since they are commonly used in extant models in the field.

Electoral rules can encourage party strategies related to clientelism, as well as corruption in general. The type of electoral formula is one institution frequently cited along with ballot structure and district magnitude (Persson et al. 2003; Charron 2011). Some works suggest that Proportional Representation (PR), at least under closed list, might lead to higher corruption levels (e.g. Kunicová and Rose-Ackerman 2005). Others indicate that larger district magnitudes (combined with open list and PR) can increase political corruption due to the cultivation of the "personal vote" (Chang and Golden 2007). The type of electoral formula (a variable coded 0 for proportional allocation of the majority of seats, and 1 for plurality) and district magnitude at the national level are the relevant measures entered in the models. These indicators come from the Database of Political Institutions (Beck et al. 2001).

The models presented below account for party size (as vote shares) and ideology (higher values are right wing). We expect party size to be positively related to clientelism. Larger parties are more likely to have the organisational resources to build and maintain a clientelistic network (Wang and Kolev 2019). Party ideology is related to clientelism under a similar rationale. Socialist and left-wing parties tend to have stronger organisational bases, but also tend to have lower access to state resources (Shefter 1994; Tzelgov and Wang 2016; Wang and Kolev 2019). Both party measures (size and ideology) come from the Democratic Accountability and Linkages Project (Kitschelt et al. 2009). Finally, the analysis controls for economic development measured as log GDP per capita. While the direction of causality is not easy to establish, affluent states tend to outperform developing ones consistently on various measures of government performance (Stokes 2009). Table 1 reports summary statistics for all variables and the list of countries in the analysis.

[Table 1 about here]

3.4. Model specification

Our variables are measured at different levels of analysis (party and national). For this reason we use a multi-level linear specification: a random intercept model with robust standard errors clustered at national level to ensure that unobserved differences between countries are not driving findings. This decision addresses potential problems with clustered data, such as heteroscedasticity and violations of the independent-observations assumption (Steenbergen and Jones 2002; Arceneaux and Nickerson 2009). The following equation presents the basic specification regarding H1:

$$\textit{Clientelism} \;=\; B_1(\textit{religious market}) + B_2(\textit{fractionalisation}) \quad [\text{national level}]$$
$$+ \textit{controls} \qquad\qquad\qquad\qquad [\text{national \& party levels}]$$

The hierarchical model expects the effect of religious market structure to be positive ($B_1 > 0$), if the relationship resembles our hypothesis. Since higher values in the religious market variables indicate heavier state involvement (weaker competition), we expect a positive relationship with the dependent variable, in which higher values indicate stronger clientelistic outcomes. This effect should survive the presence of the religious fractionalisation variable, which according to one view should produce a negative sign and a beneficial effect (Alesina et al. 2003), but a positive sign and a detrimental effect when referring to ethnic fractionalisation. The religious market effect should also survive the influence of economic development (national-level control), which is expected to be negative. To account for the anticipated

Protestant idiosyncrasy of low clientelism under uncompetitive religious markets, models are also estimated with additional interaction terms between each of the main independent variables and the percentage of the population that is Protestant in each country.

4. Results

4.1. Main findings

Beginning with H1, Table 2 presents results from the models that use clientelistic effort as the dependent variable. Model 1 (column 1) uses as its religious market structure variable the Government Regulation Index (GRI). Model 2 operationalises religious market structure using the Government Favouritism Index (GFI). Both these measures are from the Grim and Finke (2006) dataset. Model 3 uses Composite Religious Discrimination against minorities (CRD) scores from the Religion and State dataset (Fox 2012). Results that rely on the more nuanced typology captured by the fourth religion-state indicator, the official Government Involvement in Religion (Fox 2012), will be presented separately.

[Table 2 about here]

The independent variables regarding the state's role in regulating religious competition (GRI, GFI, CRD) are not significant predictors of comparative variation in levels of clientelistic partisan effort. Religious fractionalisation is negatively related to clientelistic effort, exerting therefore a benign influence on democratic performance. This suggests that, in more religiously fractionalised societies, parties make a weaker effort to provide particularistic goods to their constituents. This finding replicates an oft cited work, which also finds religious

fractionalisation to improve other aspects of government performance, contrary to other types of population fractionalisation (Alesina et al. 2003: 158). Regarding controls at the national level, economic development is negatively related to clientelism. Voting institutions, such as electoral system and district magnitude, do not register effects. At the party level larger parties and right-wing parties are more likely to engage in clientelistic exchanges.

[Table 3 about here]

Table 3 reports results from the models that explain clientelistic effectiveness. The columns in this table follow the same logic as in Table 2 regarding the use of three different religious market structure indicators (GRI, GFI, CRD) as the main independent variable. The impact of these variables is indeed evident in Table 3. The relationship is in the expected direction (positive), although the magnitude of the effect and the statistical significance of the estimates vary across models (columns) 4-6, with the CRD indicator returning the weakest effect (column 6). Heavier religious regulation (weaker competition), therefore, increases clientelistic effectiveness across all models. This is consistent with the argument formulated in this study. In this instance, the religious fractionalisation variable does not have an impact on clientelistic effectiveness. The role of the remaining control variables is similar as in Table 2. Therefore, population characteristics (religious fractionalisation) determine the extent to which parties attempt to attract voters via targeted benefits (Table 2), but institutional characteristics (religious regulation) are the determining influence on the success of these attempts (Table 3). The figures that appear in Section B of the Supplementary Appendix graph the effect of the three religious market-structure indicators on clientelistic effectiveness. Additional tests (with extra controls for ethnic/linguistic fractionalisation, age of democracy in log years and urban population) that appear in Section C of the Supplementary Appendix suggest that the results

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presented here are robust.

The main independent variable of religious market structure in the next test is the official Government Involvement in Religion (GIR) typology from the Religion and State programme. The results presented in Table 4 rely on a series of dichotomous variables with "Separationist" as the baseline category. In the case of clientelistic effort (column 7), the relationship is not statistically significant in almost all instances. This is the same result as in Table 2, which used the three continuous religious market indicators to explain clientelistic effort. In the case of effectiveness (column 8) the hypothesised relationship tends to hold, as was also the case in Table 3. In less competitive settings, where the state is closer to and more positive towards specific religions, clientelistic effectiveness is higher. In particular, clientelism is more likely in religious markets where the state intervenes more heavily in religious competition than in the baseline category ("Separationist", which describes a maximum distance between religion and the state). These more interventionist structures include "Cooperation", "Multi-Tiered I/ II", "Active State Religion", "State Controlled Religion" and "Religious State II". On the contrary, countries with an "Accommodation" arrangement (the state has a neutral attitude towards religion) do not seem to behave differently than "Separationist" ones (the baseline category). The strongest effect in column 8 appears in the case of a "Religious State II" (religion is mandatory for members of official religion) and in countries coded as "Multi-Tiered I" (one religion is clearly preferred by the state).

[Table 4 about here]

There are exceptions in Table 4 that contradict H1. First, we might have expected no effect on clientelism (no difference from the baseline category) from "Supportive" cases, where a

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neutral state supports all religions more or less equally. Instead, Table 4 reports a positive effect in column 8 (explaining effectiveness). Second, we would have expected a positive effect on clientelism from cases with a "Preferred Religion", where one religion serves unofficially as state religion. Instead, Table 4 reports insignificant effects in both columns. Finally, we would have expected a positive effect on clientelism from a "Historical (or Cultural) State Religion" (an official religion present due to inertia). Instead, Table 4 reports a significant effect in the opposite direction in both columns. Looking at our data more closely, the only state that falls into the "Historical (or Cultural) State Religion" category is the United Kingdom (UK), where religion-state arrangements are too complex to be captured at state level (e.g. the Church of England is the official church only in England; the devolved parts of the UK have different arrangements). This is a limitation of our data, so one needs to proceed with caution. Still, in the context of our models this is also a validation check, as we would indeed expect a relatively lower degree of clientelism in the British context. Overall, the more nuanced typology used in Table 4, which is possibly the more appropriate variable to test our argument, supports our expectations, while also serving as a robustness check to the findings in Tables 2-3. Figure 3 summarises the main finding of Table 4.

[Figure 3 about here]

4.2. Protestant exceptionalism?

Our final step qualifies the main relationship by taking into account the role played by the underlying religious tradition of different national contexts (H2). Our motivation for doing so is a Protestant idiosyncrasy that seems to contradict the hypothesised malign effect of uncompetitive religious markets on clientelism: the apparent combination of low clientelism

with uncompetitive religious markets that are dominated by Protestantism. In this section we estimate the models presented so far with the addition of interaction terms between each of the main independent variables and the percentage of the population that is Protestant in each country (using most recent combined data for Protestant/Anglican segments from Maoz and Henderson 2013).

Columns 9-11 in Table 5 are the clientelistic effort models, while columns 12-14 are the clientelistic effectiveness models. Neither the main effects of GRI, GFI and CRD nor their respective interactions are significant in models 9-11. The same applies to models 13-14. However, whereas the interaction is insignificant also in column 12, the main effect of GRI is now significant. This might suggest that there is a positive effect of religious market structure (GRI) on clientelistic effectiveness in countries with very low Protestant population segments, but that this effect largely disappears in countries with larger Protestant segments. However, the flat line in Figure 4, which graphs the GRI effect across Protestant population levels as in model 12, does not provide strong support for an interaction effect.

[Table 5 and Figure 4 about here]

5. Conclusion

Religion-based explanations of democratic performance have paid excessive attention to population-level processes, particularly to the distribution and concentration of denominational adherence rates. These explanations of democratic performance view religion as a matter of population percentages and fragmentation: majority and minority religions, the distribution of religious affiliation across the electorate and other indicators of

diversity, heterogeneity and group classification.

This study developed and tested a novel explanation of clientelism by treating religion as a state-level property. The specific focus of our argument and empirical test has been the role of religious market regulation by the state in encouraging partisan clientelism. The postulated causal mechanisms expected that, parallel to population-level properties, the extent of government imposed constraints on denominational competition is another explanation of democratic performance – in this particular case, of clientelistic phenomena in electoral competition. We developed explanations of this relationship that added to the cultural explanations of similar existing research. We also paid closer attention to the potential interaction between state-level processes (religious regulation) and population-level processes (religious culture) to qualify our predictions.

By modelling this state property with the use of measures of government involvement in religious competition, the empirical analysis found that heavier regulation of religion increased the effectiveness of clientelistic politics (success in attracting voters), but not necessarily their intensity (partisan effort). Therefore, religious regulation might not raise particularistic efforts by parties, but does seem to provide an opportunity structure that makes particularistic linkages between parties and voters more successful. This translates into an environment that sustains stronger clientelistic outcomes regardless of effort. A possible explanation of this difference might lie in the greater availability of "clientelistic" voters in such environments. The relationship does not appear to be conditional upon context, signalling the generalisability of the assumptions that were evaluated in this study.

The findings point to new directions for further empirical study. The observed link between

the state's management of religious competition and clientelistic politics updates the democratic performance literature. Despite its emphasis on the state, this literature has not addressed adequately the various implications of the state's relationship with organised faith. The link underlines the increasing usefulness of empirical measures of religion-state relations in the study of democratic quality. It appears that these variables are consequential beyond the realm of discrimination, human rights and democratic transitions. They are valuable in explaining variations in the performance of government even among electoral democracies.

We conclude that an increase in denominational competition, or a decrease in government control over the religious market, is not merely an abstract normative principle related to religious freedom. It is also a step that can potentially improve the performance and quality of political institutions in the long run. Whether any future distancing of historically dominant churches from their host government also leads to the strengthening of programmatic politics in cases like Italy, Greece and Cyprus – prominent examples of both electoral clientelism and close religion-state relations of the non-Protestant variety – or whether the coincidence of religious deregulation and political modernisation in instances like post-WWII Ireland can be treated as causal remain open empirical questions worth asking.

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Table 1

Summary Statistics

Variable		Mean	St.d.	Source
	GRI	2.26	2.33	International Religious Freedom data, 2003-08
Religious market	GFI	5.37	2.40	International Religious Freedom data, 2003-08
structure:	CRD	8.98	9.64	Religion and State dataset, Round 2 (year: 2008)
	GIR	7.33	2.51	Religion and State dataset, Round 2 (year: 2008)
Clientelistic Effort		12.02	3.67	Democratic Accountability and Linkages, 2008-09
Clientelistic Effectiveness		2.62	0.62	Democratic Accountability and Linkages, 2008-09
Rel. Fractionalisation		0.41	0.22	Alesina et al. 2003
Party size		14.60	14.37	Democratic Accountability and Linkages, 2008-09
Ideology		5.66	2.16	Democratic Accountability and Linkages, 2008-09
Democracy Level		8.50	1.62	Freedom House/Polity
District Magnitude		25.64	72.41	Database of Political Institutions
Proportionality		0.38	0.49	Database of Political Institutions
GDPpc (log)		9.28	1.05	World Governance Indicators

N (parties) = 485

N (countries) = 83

Note: GRI: Government Regulation of Religion Index; GFI: Government Favouritism of Religion Index; CRD: Composite Religious Discrimination; GIR: Official Government Involvement in Religion.

Countries: Albania, Argentina, Australia, Austria, Bangladesh, Belgium, Benin, Bolivia, Botswana, Brazil, Bulgaria, Canada, Chile, Colombia, Costa Rica, Croatia, Czech Republic, Denmark, Dominican Republic, Ecuador, Egypt, El Salvador, Estonia, Finland, France, Georgia, Germany, Ghana, Greece, Guatemala, Honduras, Hungary, India, Indonesia, Ireland, Israel, Italy, Japan, Kenya, Latvia, Lebanon, Lithuania, Macedonia, Malaysia, Mali, Mauritius, Mexico, Moldova, Mongolia, Morocco, Mozambique, Namibia, Netherlands, New Zealand, Nicaragua, Niger, Nigeria, Norway, Pakistan, Paraguay, Peru, Philippines, Poland, Portugal, ROK (South Korea), Romania, Russia, South Africa, Senegal, Slovakia, Slovenia, Spain, Sweden, Switzerland, Tanzania, Thailand, Turkey, UK, USA, Ukraine, Uruguay, Venezuela, Zambia.

Table 2

Explaining clientelistic effort

Religious market indicator:	(1) GRI	(2) GFI	(3) CRD
Main IVs			
Religious market	0.13	0.13	0.01
	(0.12)	(0.10)	(0.03)
Rel. Fractionalisation	-3.57***	-3.45***	-3.67***
	(1.21)	(1.21)	(1.21)
Party Level			
Party Size	0.09***	0.09***	0.09***
	(0.01)	(0.01)	(0.01)
Ideology	0.22***	0.22***	0.22***
	(0.06)	(0.06)	(0.06)
Country Level			
Democracy Level	0.16	0.11	0.06
	(0.20)	(0.19)	(0.21)
District Magnitude	0.00	0.00	0.00
	(0.00)	(0.00)	(0.00)
Proportionality	0.10	0.22	0.19
	(0.58)	(0.57)	(0.57)
GDPpc (log)	-1.72***	-1.75***	-1.67***
	(0.31)	(0.31)	(0.32)
Constant	24.85***	25.11***	25.51***
	(2.46)	(2.43)	(2.39)
Observations	485	485	485
Groups	83	83	83

Note: Each model uses a different Religious Market indicator. GRI: Government Regulation of Religion Index; GFI: Government Favouritism of Religion Index; CRD: Composite Religious Discrimination. Robust standard errors in parentheses.
*** p<0.01, ** p<0.05, * p<0.10

Table 3

Explaining clientelistic effectiveness

Religious market indicator:	**(4)** GRI	**(5)** GFI	**(6)** CRD
Main IVs			
Religious market	0.06***	0.04**	0.01*
	(0.02)	(0.02)	(0.00)
Rel. Fractionalisation	0.02	0.03	-0.02
	(0.16)	(0.17)	(0.17)
Party Level			
Party Size	0.02***	0.02***	0.02***
	(0.00)	(0.00)	(0.00)
Ideology	0.02*	0.02*	0.02*
	(0.01)	(0.01)	(0.01)
Country Level			
Democracy Level	0.07**	0.03	0.04
	(0.03)	(0.03)	(0.03)
District Magnitude	-0.00	0.00	0.00
	(0.00)	(0.00)	(0.00)
Proportionality	0.08	0.13	0.12
	(0.10)	(0.10)	(0.10)
GDPpc (log)	-0.15***	-0.15***	-0.15***
	(0.04)	(0.05)	(0.05)
Constant	2.85***	3.05***	3.12***
	(0.43)	(0.44)	(0.41)
Observations	485	485	485
Groups	83	83	83

Note: Each model uses a different Religious Market indicator.
GRI: Government Regulation of Religion Index; GFI:
Government Favouritism of Religion Index; CRD: Composite
Religious Discrimination. Robust standard errors in
parentheses.
*** p<0.01, ** p<0.05, * p<0.10

Table 4

Explaining clientelistic effort and effectiveness using a detailed typology (GIR)

	(7) Effort	**(8)** Effectiveness
Main IVs (GIR)		
(Baseline: 3. Separationist)		
4.Accommodation	-1.59	0.33
	(1.30)	(0.25)
5.Supportive	0.15	0.58**
	(1.95)	(0.25)
6.Cooperation	-0.22	0.66***
	(1.31)	(0.23)
7.Multi-tiered (II)	0.45	0.57**
	(1.30)	(0.23)
8.Multi-tiered (I)	0.67	0.75***
	(1.11)	(0.22)
9.Preferred Religion	0.47	0.30
	(1.19)	(0.26)
10.Historical Religion	-4.53***	-0.44**
	(1.25)	(0.22)
11.Active State Religion	-0.52	0.57**
	(1.31)	(0.24)
12.State Controlled Religion	-2.86*	0.48*
	(1.56)	(0.25)
13.Religious State (II)	-1.03	0.75**
	(1.28)	(0.31)
Rel. Fractionalisation	-2.50*	0.05
	(1.40)	(0.17)
Party Level		
Party Size	0.09***	0.02***
	(0.01)	(0.00)
Ideology	0.22***	0.02*
	(0.06)	(0.01)
Country Level		
Democracy Level	-0.06	0.02
	(0.21)	(0.03)
District Magnitude	0.00	-0.00
	(0.00)	(0.00)
Proportionality	0.46	0.11
	(0.53)	(0.09)
GDPpc (log)	-1.54***	-0.12***
	(0.27)	(0.05)
Constant	25.15***	2.64***
	(2.51)	(0.47)
Observations	485	485

Number of groups	83	83

Note: The main IV is based on the Official Government Involvement in Religion (GIR) typology from the Religion and State Round 2 dataset. Robust standard errors in parentheses. *** p<0.01, ** p<0.05, * p<0.10

Table 5

Explaining clientelistic effort and effectiveness (Protestant exceptionalism)

	DV: Clientelistic effort			DV: Clientelistic effectiveness		
	(9) GRI	**(10)** GFI	**(11)** CRD	**(12)** GRI	**(13)** GFI	**(14)** CRD
Main IVs						
GRI	-0.02			0.05***		
	(0.13)			(0.02)		
Protestant%	-0.05***	-0.03	-0.04***	-0.00*	-0.01	-0.01**
	(0.01)	(0.03)	(0.01)	(0.00)	(0.01)	(0.00)
GRI*Protestant%	0.01			-0.00		
	(0.01)			(0.00)		
GFI		0.13			0.03	
		(0.12)			(0.02)	
GFI*Protestant%		-0.00			-0.00	
		(0.00)			(0.00)	
CRD			-0.00			0.00
			(0.03)			(0.01)
CRD*Protestant%			-0.00			0.00
			(0.00)			(0.00)
Rel. Fractionalisation	-2.78**	-2.73**	-2.87**	0.08	0.11	0.10
	(1.19)	(1.24)	(1.17)	(0.17)	(0.19)	(0.18)
Party Level						
Party Size	0.09***	0.09***	0.09***	0.02***	0.02***	0.02***
	(0.01)	(0.01)	(0.01)	(0.00)	(0.00)	(0.00)
Ideology	0.23***	0.23***	0.23***	0.02*	0.02*	0.02*
	(0.06)	(0.06)	(0.06)	(0.01)	(0.01)	(0.01)
Country Level						
Democracy Level	0.13	0.19	0.10	0.07**	0.04	0.04
	(0.18)	(0.18)	(0.20)	(0.03)	(0.02)	(0.03)
District Magnitude	0.00	0.00	0.00	-0.00	0.00	-0.00
	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)
Proportionality	0.01	0.06	-0.01	0.07	0.11	0.11
	(0.57)	(0.56)	(0.57)	(0.10)	(0.10)	(0.10)
GDPpc (log)	-1.60***	-1.70***	-1.56***	-0.15***	-0.14***	-0.14***
	(0.28)	(0.27)	(0.30)	(0.04)	(0.04)	(0.05)
Constant	24.78***	24.41***	24.79***	2.84***	2.99***	3.11***
	(2.43)	(2.33)	(2.36)	(0.43)	(0.42)	(0.41)
Observations	485	485	485	485	485	485
Number of groups	83	83	83	83	83	83

Note: GRI: Government Regulation of Religion Index; GFI: Government Favouritism of Religion Index; CRD: Composite Religious Discrimination. Robust standard errors in parentheses.
*** p<0.01, ** p<0.05, * p<0.10

CLIENTELISM

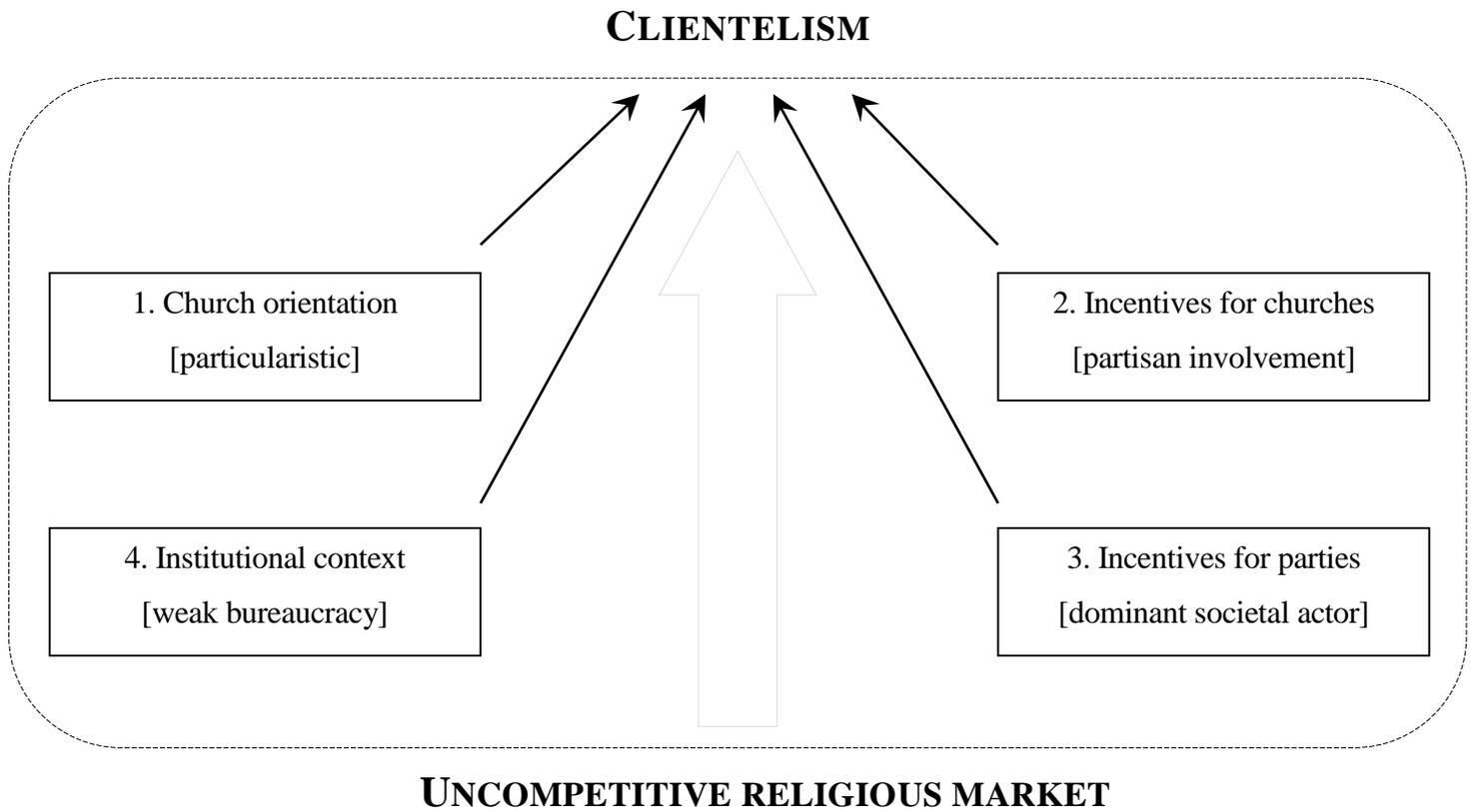| 1. Church orientation [particularistic]		2. Incentives for churches [partisan involvement]
4. Institutional context [weak bureaucracy]		3. Incentives for parties [dominant societal actor]

UNCOMPETITIVE RELIGIOUS MARKET

Fig. 1. Four conditions: Uncompetitive religious markets as an explanation of clientelism
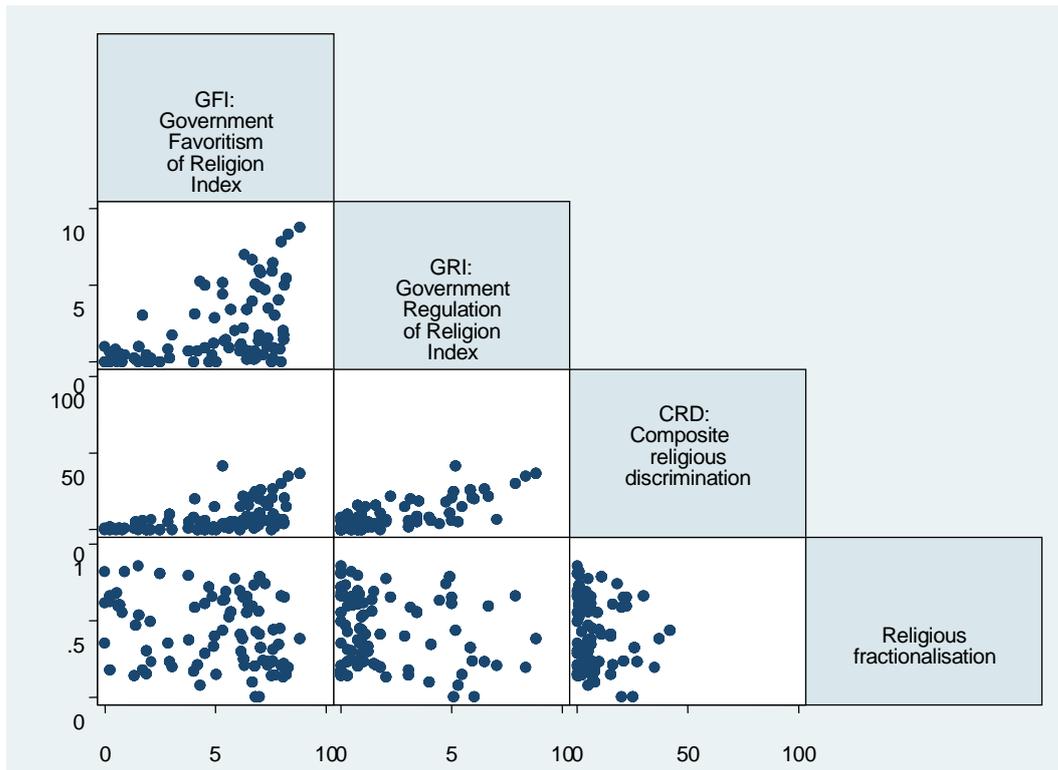
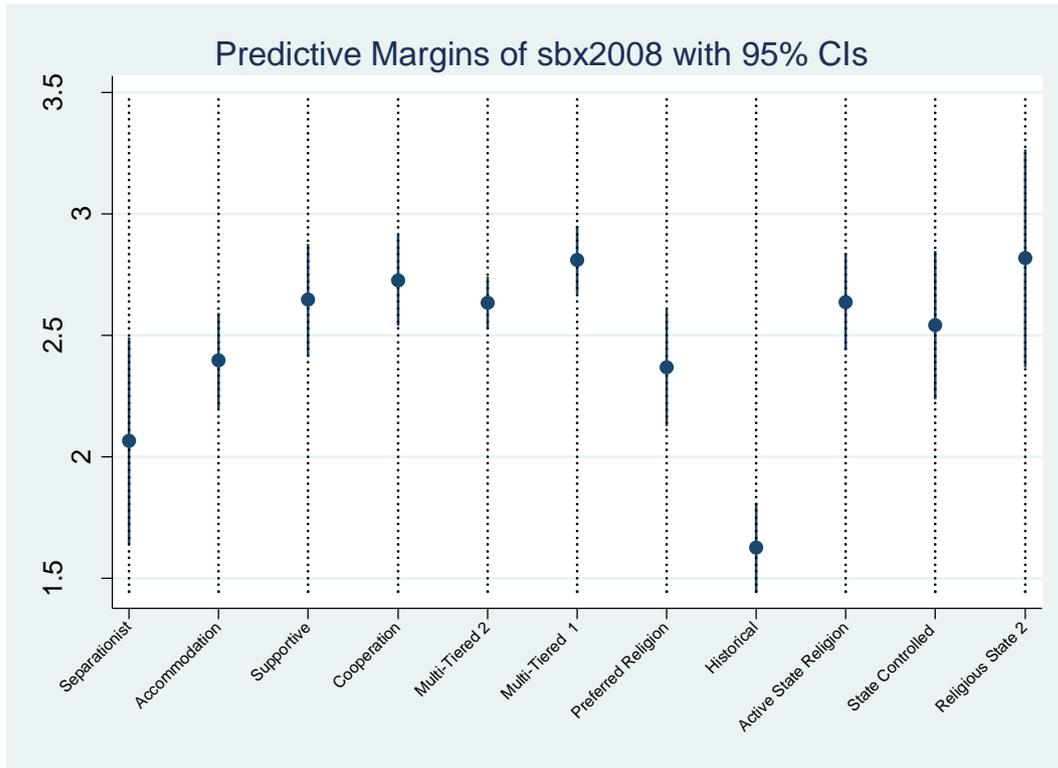**Fig. 2**. Correlations among main independent variables and religious fractionalisation

Fig. 3. Government Involvement in Religion typology (sbx2008) and clientelistic effectiveness.
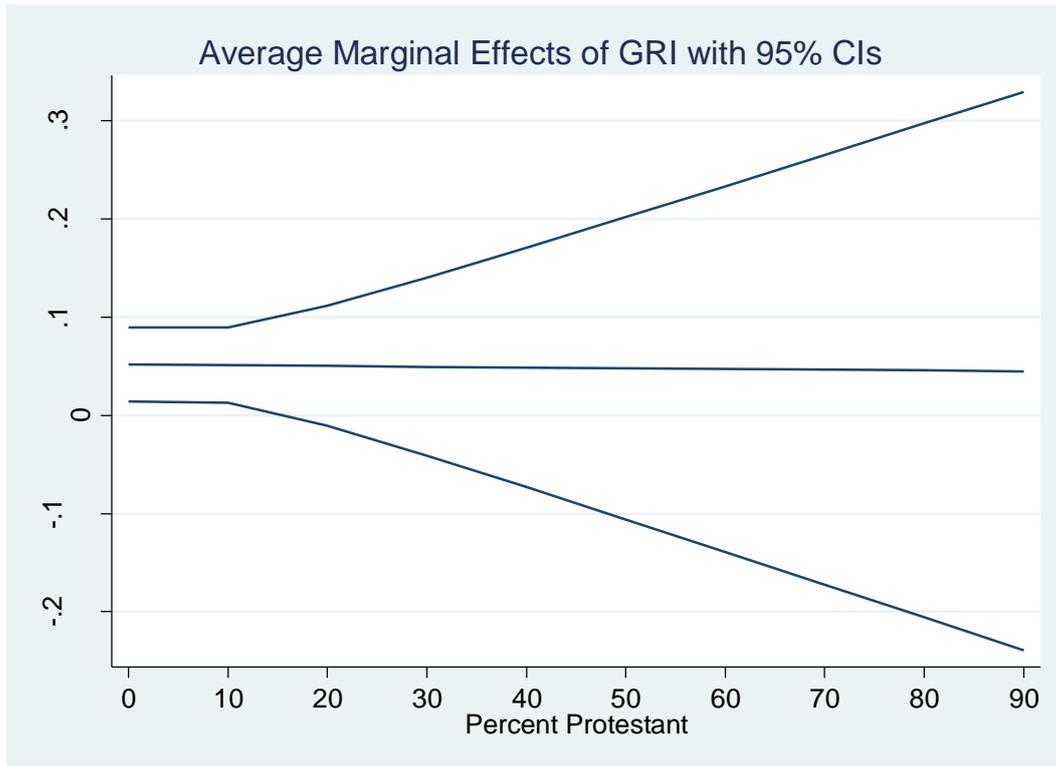
Fig. 4. Explaining clientelistic effectiveness: Interaction between Government Regulation of Religion Index (GRI) and Protestantism (population %)