

Voters, Politicians and Oligarchs: Under What Conditions is Vote Buying a Cost-Efficient Strategy in the Case of Bulgaria?

By

Vanessa Mermet

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Abstract

Studies about vote buying in the literature usually focus on a principal-agent linkage. Furthermore, as far as institutions are assessed, they are not studied as possibly shaping the rules of the game but rather as external possibilities. In my research I argue for the need to integrate a third actor to the voters-politicians framework, I assess the costs and benefits for the three actors to engage in vote buying and explore different institutional features allowing vote buying thanks to this framework. I use a single case study, Bulgaria, and my findings are based on reports and literature as well as interviews with experts or witnesses of vote buying in the country.

The findings of this research are twofold. On the one hand, the introduction of the informal business as an actor equally important to voters and politicians is new and reshapes the logical framework of vote buying. I argue that, within this framework, vote buying is a cost-efficient strategy for all the actors involved. On the other hand, this thesis provides with insights of institutional features which could be reformed in order to decrease incentives for the actors to engage in vote buying. Two propositions concerning the judiciary as well as party financing are elaborated.

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¹ Please note that, in agreement with Professor Toka, interviews transcripts are provided as Appendices in the electronic version of this thesis, but not in the printed version.

Introduction

If free and fair elections are the main tool of democracy, then when they are biased, democracy is considered endangered. Vote-buying, defined as “the payment by political parties of minor benefits (food, clothing, cash) to citizens in exchange for their vote” (Brusco 2004), is widely perceived as one of the most serious biases in democratic elections. Therefore, although it is not independent from other practices of electoral manipulation, such as pork-barrel and pressures or “corporate voting”, its essential feature is the exchange of a good against another one, the vote, thus creating a “vote market”. Vote buying can happen only in democracies, because, as Lehoucq states, voters need to be independent enough to sell their votes (Lehoucq 2007:44); it is thus favored by democracy while it also endangers it. Before studying the mechanisms allowing for vote-buying practices, some reasons why vote-buying is a malpractice that should be banned will be briefly assessed.

According to Hasen, there are at least three major arguments in favor of the ban on vote-buying (Hasen 2000). The first one relates to equality: since the poor are more likely to sell their votes than the wealthy, the political outcome will serve the wealthy at the expense of the poor. The second argument concerns efficiency: vote-buying leads to a decline in overall social welfare because those who buy votes are rent-seekers. Finally, the third main argument is the inalienability of the vote: votes belong to the community as a whole and should not be alienable by individual voters. Even though these arguments can be subject to controversy, anyone is likely to consider at least one of them morally justified. Furthermore, Schaffer establishes that vote buying has dramatic consequences: it fuels organized crime and the criminalization of politics, it diverts funds away from the provision of socially desirable goods, it sharpens social inequalities, it compromises principles of democratic equality,

including decision-making and political autonomy, it damages the collective interests of the poor and it makes the legislative vulnerable to pressures from the executive (Schaffer 2007:195-196). Hence, a consensus is widely established to assert that vote-buying should be eliminated.

Thus, if vote-buying should be eradicated for the good of democracy, one question remains: how? As with any other illegal activity, it is difficult to identify such a phenomenon and to promulgate the necessary reforms to contain it. We will see below that both the existing literature in this field and practical attempts for reform in countries affected by vote-buying practices are messy and quite inefficient. What are the main features of the democratic system that allow for vote buying practices? On which of these features should reforms be enacted in order to eradicate the phenomenon?

In my research, I will bring new elements on the theoretical as well as on the practical level, in order to define efficient reforms to be implemented. To achieve this goal, I will use a single case study in a country considered a democracy which, however, has suffered from vote-buying practices for more than a decade. I think that for several reasons Bulgaria is the perfect candidate for this kind of study. According to Kolarova, vote buying as we notice it in the country nowadays emerged because of several preconditions. First of all, since the early 1990's some fragile groups of people such as members of the marginalized Roma minority were targeted by the former communists – Bulgarian Socialist Party (BSP) – in order to exchange their votes against some goods or some protection.

In parallel to this phenomenon, a strong clientelistic relationship was developed between the party of the Turkish minority – Movement for Rights and Freedom (DPS) – and the members of this minority, based on a sort of corporative vote forcing members of the minority to be a

faithful electorate to ‘their’ party. The very beginning of vote buying as such in Bulgaria was when a new party entered the political scene: NDSV, the party of the former King Simeon Saxe-Cobourg-Gotha. According to Kolarova, this party did not have a strong basis of supporters, and thus attempted to develop vote buying as a means to secure voters’ support.

The first attempt was for local elections in 2003, and it appeared that they were not very successful, but “it turned out that the most successful vote buying was in the cases where [DPS] can serve as a ground setting agent, guaranteeing certain votes to which you add the bought ones” (Kolarova 2010). Indeed, the two parties were at this time forming the governing coalition of the country; hence they were motivated to help each other. Thus, the first successes of vote buying in Bulgaria were thanks to the support of another party providing a basis of supporters to which vote buying can be added.

From this point, vote buying became a rather widespread phenomenon among political parties, and, according to Hristova, “there is no single party which didn’t go for this dangerous practice” (Hristova 2009). Although vote buying has been forbidden by law since 2004², the phenomenon appears to be still widespread, as a survey conducted by OSI Bulgaria

² The first law in that matter was promulgated in 2004 and concerned only vote-buyers. An amendment in 2007 included the vote sellers in the game, punishing the sale of vote by a BGN 500 fee (250 Euros). In 2009, a more severe amendment stated that anyone found involved in vote rigging or buying could receive a jail term of 1-3 years and a fine of between BGN 1 000 and BGN 10 000 (500 and 5000 Euros). This new law included anyone found threatening or conning voters during local or national elections and, for “more serious offences” judges could give a jail term of up to 6 years and a fine of up to BGN 20 000 (10000 Euros). (National Assembly of the Republic of Bulgaria 2009). However, the main drawback of this law is that vote buyers and sellers have to be caught red-handed. Monitoring has been implemented in polling stations on election day, but studies about the techniques of vote buying in the literature have shown that the transaction is made partly before the elections, partly after, but never inside the polling station (Callahan 1996). This reform has thus been proved ineffective, and many vote-buying allegations have been reported during these elections.

in 2009 has shown: 35% of the respondents declared that they could sell their votes for the coming elections³.

Yet, once I got the data from this survey, it appeared that the results are hardly significant and cannot be exploited for further use. However, Galabov, from Transparency International-Bulgaria, evaluates the part of bought votes in the total votes at approximately 12% (Galabov 2010). While starting this research, one of the criteria for the choice of Bulgaria as a case study was the fact that vote buying is a widespread practice. My findings however have shown that it is not so widespread. Whether this estimate of 12% is accurate, the importance of studying the case of Bulgaria is not decreased. Indeed, most countries studied in the literature, such as Japan or Taiwan, are those where vote buying is a very deep rooted practice. But in terms of incentives, I think that the Bulgarian case has a particular relevance: if the impact of vote buying on electoral outcome is not more than 12%, and if all parties use this strategy more or less equally, what are the incentives for politicians to continue using vote buying?

My work in Bulgaria consists in establishing a web of all the actors involved in the vote-buying process, their linkages, in order to finally identify which institutions allow for these linkages to exist and on which of them reforms should focus. The method I used during the field research is not original compared to the methods used in the literature: since vote buying is an illegal activity, one cannot expect to find absolutely reliable information on it. However, the main goal of this field research was to collect narratives in order to generate insight into

³ “For 6% of Bulgarians vote buying is normal, should not be punished and they are willing to sell their own vote; another 15% say they are inclined to sell their vote while 14% are hesitant. When asked about the punishment for such acts, 26% insist no measure would be able to stop them, 25% consider fines an effective sanction, 13% believe that vote buying should be punished by jail time and 10% by community service.” (Novinite, Staggering 35% of Bulgarians Inclined to Sell Vote - Poll 2009)

how things might be rather than how they are. In this respect, I collected two interviews in May 2009 and six interviews in May 2010⁴. Three interviewees were professors – Georgi Karasimeonov, Rumiana Kolarova and Daniel Smilov, two were scholars and members of Transparency International-Bulgaria – Antonyi Galabov and Katia Hristova, one was an NGO activist conducting research at the local level on vote-buying issues – Iva Lazarova, and one was a member of the informal business who participated in vote buying actions, preferring to keep anonymity and who I will henceforth name “P”.

Interviews were led on a conversational basis, because the interviewees’ narratives were different, and all were more specialized in a certain facet of vote buying. I had predetermined areas that I wanted to talk about, but interviewees’ experience was the most important, so the way I formulated the questions related to the same topic usually differed from one interviewee to the other. Although I did not gather numerous narratives, I targeted people who had many things to tell, and all testimonies I obtained were very useful in assessing the problem of vote buying in Bulgaria.

The first part of this thesis will thus evaluate the costs and benefits of the three main actors in opting for vote buying strategies: voters, politicians and informal business. The introduction of this third actor is, as I will argue, new in the literature, usually focused on a single principal-agent linkage. I will show that this third actor is of crucial importance in the vote buying process in Bulgaria, shaping the decisions of the two other actors through financial or violent means.

The second part of this thesis will map the linkages these actors have with each other, and evaluate the institutional features allowing for these relationships to be held. Finally, the main

⁴ One of the interviewees, Professor Galabov, was interviewed both in 2009 and 2010 because he led a very important research in the mean time and had very different arguments to propose in 2010 than in 2009.

Introduction

objective of such a work will be to provide new ideas concerning areas of reform in order to deter the phenomenon of vote buying, mostly based on speculation in regards with the findings. Contrary to my previous expectations, party organization is not a main factor allowing for vote buying. In the same vein, I was expecting a reform of campaign financing in order to counter vote buying to be focused on reporting and centralization of the finance; in fact, my findings led me to formulate a new hypothesis suggesting that the threshold of allowed funds should be increased. In parallel, I evaluated two different ways to reform the judiciary: introduce an independent body and place high level layers in each polling station.

Part 1: Actors involved and their costs and benefits of engaging in vote buying

The recent literature on political clientelism focuses on the linkages between voters and politicians, using the principal-agent approach (Kitschelt and Wilkinson, 2007). The literature about vote-buying specifically uses this framework, in the context of a votes market in which politicians and the electorate maintain an exchange relationship, trading votes as normal goods (Schaffer and Schedler 2007:19). Although I will use the findings of these authors in my own work, I will also argue that, for the Bulgarian case, another actor actively participates in the game and shapes the conditions for voters and politicians to engage in vote buying: informal business⁵.

1.1 The Electorate

1.1.1 The Voter's Dilemma

Many reasons why there may be a demand from voters for engaging in vote-buying are given by the literature on clientelism and vote-buying. Many authors refer to the 'voter's dilemma' of, mainly, *poor* people (Chandra 2007, Lyne 2007, Stokes 2007). The argument is that politicians can adopt two types of strategies, clientelistic or programmatic, the former referring to the direct provision of private goods to individuals voting for them, whereas the latter providing uncertain public goods to the whole community. Many authors have developed theories around this framework, arguing that under the uncertainty of programmatic strategy, poor people would rather go for a clientelistic exchange because then they can be sure that they will actually receive something (see, for example, Lyne 2007). In a more general manner, Kitschelt and Wilkinson argue that citizens choose clientelism because of social networks and the 'discount rates' they can obtain from it, i.e. the certainty of

⁵ I explain the reasons of this designation later in this paper. However, I will equally use the terms "oligarchs" and "grey economy" to refer to this same notion.

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receiving a private good against the uncertainty of receiving a public one (Kitschelt and Wilkinson 2007:25). However, as Stokes remarks, voters may sell their votes to one party, hoping that another one will win (Stokes 2007:93), hence they might not be satisfied with the election outcome they voted for.

Research about clientelism in Japan has shown that voters have a strong interest to participate in clientelistic structures through *Koenkai*, support groups for political parties that in exchange for their vote and visible support, provide them with diverse advantages such as jobs and career opportunities, scholarships for their children or places in kindergartens (Scheiner 2007:279).

Furthermore, the fear to be the only one to defect encourages the voters to maintain a clientelistic relationship. Indeed, Magaloni et al., in their work on Mexico, show that clientelism inhibits the exit option of voters, firstly because of the threat of punishment from the patrons, and, more importantly, because of the lack of coordination among voters towards exit, bringing the scary option of being the only one to defect and thus lose both private goods provided by the patron and public goods that the voter could have got if a party using a programmatic strategy would have won (Magaloni, Diaz-Cayeros and Estévez 2007:184).

1.1.2 Socio-economic conditions

The Mexican case also confirms the role of voters' socio-economic conditions in maintaining clientelistic strategies because it shows that when voters get wealthier, they tend to be more demanding and less frequently live in emergency situations, so they are better satisfied with public goods than private ones and prefer programmatic to clientelistic exchanges (Magaloni, Diaz-Cayeros and Estévez 2007:202). As Hicken argues, vote-buying has a decreasing marginal utility: "as incomes rise, the cost of vote buying will rise while the benefits decline,

all else being equal, thus making other strategies more appealing” (Hicken 2007:55). Stokes argues in the same vein that the more unequal the distribution of incomes the more prevalent vote buying is (Stokes 2007:84) and that the poorer the country, the more widespread the vote-buying (Stokes 2007:85). Desposato strengthens this argument while saying that poverty and inequality make private goods an optimal choice for voters (Desposito 2007:103). Hence, voters have a financial incentive to engage in vote-selling.

In the case of Bulgaria, interviews have shown that this argument may be valid. Indeed, vote buying in this country is more widespread among poor (Kolarova 2010), peripheral areas, with a high level of unemployment (Galabov 2009). As Kolarova states, “they are poor because [for them] 20 leva (10 Euros) matters, and [...] this 20 leva is worth risking [their] dignity for, or respect” (Kolarova 2010). People who are dependent on the social system are also particularly vulnerable (Galabov 2009), as well as an increasing number of people depending on bailout agencies (Galabov 2010). According to Galabov, this phenomenon is rather recent, but some families are already dependent on the circle of credit: estimations show that 22% of credits contracted last year served to reimburse previous credits. This people, once official banks stop receiving them, go to private usurers and bailout agencies, and this way become dependent on the informal business (Galabov 2010).

Marginal and fragile minorities, such as the Roma, are especially vulnerable to vote buying (Galabov 2010, Karasimeonov 2010, Kolarova 2010, Smilov 2010). The Roma minority in Bulgaria is quite excluded, and its living conditions are strongly dependent on the statist system, be it at the level of social care (Galabov 2009) or regulations (Kolarova 2010). Members of this minority usually have problems to find jobs, so usually oligarchs provide them with labor and make them dependent: if they do not behave the way they should, they lose their source of incomes (Interviewee “P” 2010). P mentioned that the “Galevi Brothers”,

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two oligarchs controlling the town of Dupnitsa, threatened people from the Roma minority before local elections, saying that they knew that, in their neighborhood, there were 3.000 people able to vote. They told the leaders of the community that they expected 2.000 votes for them; if they did not get them, people in this neighborhood would have no work at all. Since these people are very dependent on their work, they have to obey. P added that it is in fact a common practice to beat up even the baron of a Roma community (Interviewee “P” 2010).

Furthermore, as for vote buying, Roma people usually practice collective voting: a baron sells the vote of his whole community to some party, and then all the members of the community have to vote for this particular party. Some scholars attribute this organization to the very patriarchal social structure of Roma clans; Kolarova argues that, in fact, state regulations strengthened the dependency of a whole community on a single person. She explains that many Roma people are still nomad, moving from one city to another, and when they arrive somewhere they are supposed to register. But they usually live in illegal habitations, so they ask their baron to register them at his own address. This way, in some cases 100 people can be registered at a single address. This registration makes them dependent on the address’ owner (Kolarova 2010).

Furthermore, since the last elections of Spring 2009, a new phenomenon has appeared: students from provincial areas, studying in big cities such as Sofia, but with no financial support from their parents, are now joining the category of vote sellers (Galabov 2010, Karasimeonov 2010). Previously, big cities had been free of the phenomenon, which was happening mostly in rural areas and medium size cities. The reason was not only that capital’s inhabitants are richer or more educated on average (Lazarova 2010) but also that high concentration of people increased anonymity and made it difficult for vote buyers to establish the same networks they use in small villages (Galabov 2009). However, a recent report from a

coalition of NGOs led by Transparency International, and which sent observers to several constituencies throughout the country during the last elections, shows that many cases of irregularities connected to vote buying happened in Sofia. (Civil Society Coalition for Free and Democratic Vote 2009). Apart from the underprivileged students in needs of funds, others are just provided with the possibility to enter a fancy disco or some drinks in a pub (Karasimeonov 2010, Kolarova 2010).

1.1.3 Disenchantment with Democracy

Schaffer and Schedler raise the argument that, in highly corrupted democracies such as Benin, voters consider selling their vote to be a legitimate way to get back the money politicians have stolen (Schaffer and Schedler 2007:26). In the case of the Bulgarian vote sellers, Galabov argues that this argument is highly possible, the global perception being that “it is not theft to steal from a thief” (Galabov 2010). At the beginning of this research, I had the assumption that the widespread rumor in Bulgaria that officials and administration are highly corrupted can give the voters more incentives to get whatever they can from their vote and thus have no will to engage into programmatic strategies. Indeed, there is some evidence of this kind of behavior (Galabov 2010); however, this concerns mostly a volatile part of vote sellers, and might not replace the poverty and dependency argument abovementioned.

For Kolarova, a disenchantment with democracy might also be a cause of vote selling. She states that there are many people who do not care about voting, and if they can get an immediate material benefit from this vote that they would not use otherwise, they will sell it. She illustrates this argument while comparing the two elections held in Spring 2009 – for the European Parliament and the National Assembly – explaining that most people do not have incentives to vote for EU elections because those are not important, and this is why parties

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such as NDSV, known as a vote buying party, obtained a good score. For the elections to the National Assembly, on the contrary, a new party – Citizens of the European Development of Bulgaria (GERB) - provoked a lot of excitement among Bulgarian voters, who were massively willing to support its populist leader, Boyko Borisov – the current Prime Minister. In this case voters were less inclined to sell their votes and preferred to use it to support GERB, which is one of the reasons why NDSV – which had thus less opportunities to buy votes - did not manage to pass the threshold to enter Parliament.

Finally, according to Galabov, a recent study has shown that 72% of Bulgarian population think that everyone is not equal in regards to the law (Galabov 2010). This number implicitly shows that an important part of the Bulgarian population does not trust the democratic system and thus would not consider it a crime if they use their democratic rights in order to obtain private material goods. As Lazarova states, “If someone has the opportunity to do something illegal, not get caught and make profit from it, he will do it, of course.[...] Everyone is doing this, and the one not doing is considered crazy.” (Lazarova 2010)

Considering that the Bulgarian law against vote buying sanctions not only the buyers but also the sellers (National Assembly of the Republic of Bulgaria 2009), voters’ incentives to still opt for vote buying have to be strong enough. However, as I have shown, costs and benefits of voters in preferring clientelistic to programmatic exchange seem to provide voters with good incentives to opt for vote buying, as a secured means to get something. Furthermore, the fact that most of the vote sellers are among poor and marginalized populations shows that they have strong financial incentives to get material benefits out of this vote. Finally, the fact that they would not otherwise vote or that they do not care about the election outcome adds to

their benefits in selling their vote. Finally, some vote sellers do not take this decision in an autonomous way but under conditions of threat or dependency.

1.2 Politicians

Politicians' incentives to engage into clientelistic strategies and vote buying is a topic which has been widely studied in the literature. As Schaffer puts it,

[v]ote buying [...] is among the least-efficient strategies of manipulation, to the extent that it requires votes to be picked up one at a time, and is among the least-dependable strategies in that it is the only one that [...] requires the willing compliance of voters. [It] is the least-efficient strategy of distributive mobilization (focused [...] on individuals and family) and the only [one] that is unambiguously in violation of the law (Schaffer 2007:190).

Why then do politicians opt for vote buying strategies? In my opinion, the costs and benefits for politicians in opting for this clientelistic approach can be divided into two categories: *independent* and *conditional*. The first category refers to costs and benefits that are independent from other actors' choices, whereas the second category lists those which are conditional on the choice of the other actors involved in the process or to institutional features.

1.2.1 Independent Incentives

According to Wilkinson, clientelism is a powerful means for politicians to reward their core and pivotal supporters and punish their opponents. Indeed, using the dichotomy between programmatic and clientelistic strategy in the case of India, he argues that politicians reward their supporters by providing them with private goods while punishing their opponents by not providing them with public goods once elected (Wilkinson 2007:131). Vote-buying is also a

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successful strategy to alter turnout, be it to demobilize active opponents or to mobilize passive supporters (Schaffer and Schedler 2007:19).

Magaloni et al. have shown, in the case of Mexico, that clientelism is a powerful strategy for politicians for two main reasons: it can deter voter exit and diminish electoral risks. Indeed, from the voters' perspective, the fear to be the only one to defect keeps the voters from exiting. For politicians, it is a good means to keep voters for the future and secure their loyalty. According to the authors, investment in public goods is riskier than in private ones because public goods cannot be withdrawn and because they should provide public goods to everyone, including their opponents, whereas there is an option to reward only their supporters by providing them private goods; in this respect, politicians thus have more benefits to opt for clientelistic relations.

Furthermore, Müller argues that clientelism is a self-reinforcing mechanism in the sense that “no party leader could afford unilaterally for his party to cease distributing patronage” (Geddes, cited in Müller 2007:255). Indeed, abandoning clientelism is very costly for a party because, first, its former clients may feel frustrated and choose another patron and, second, it is difficult to publicly give the evidence that the party dropped clientelism and try to campaign on this because all the parties, clientelistic or not, have the same claim. Moreover, Kitschelt and Wilkinson argue for the existence of a competitive clientelistic system: following market conditions, patrons have to offer to their clients attractive rewards in order to prevent them from leaving for another patron (Kitschelt and Wilkinson 2007:33); if a party decides to drop clientelism, it just opts out of the competition, but the votes market still exists for other parties. Hence, parties already engaged in clientelistic strategies will tend to keep it. Furthermore, iteration is important for clientelism because the longer the clientelistic

relationship lasts, the more powerful it is and the more difficult to erase, since trust is strengthened with iteration (Kitschelt and Wilkinson 2007:8).

The cases of Japan and Russia show that politicians at the local level can be provided with incentives to engage into clientelistic relations not only by voters but also by politicians at the national level. In the Japanese case, national politicians rely on local ones to provide them with votes; in exchange, they allow them funds and lobby in their favor at the national level. Scheiner argues that the strong pressure from the national politicians on the local ones to force them to effectively bring votes encourages them to opt for clientelistic strategies (Scheiner 2007:281). In Russia, local governors have an extensive influence on the local electorate to make it vote for their preferred candidates (Hale 2007:228). They are usually non-partisan, thus able to choose the candidate offering most and bargain with him over the conditions to provide him with the votes of their region (Hale 2007:231). In these two cases, local politicians have also material incentives to engage in vote-buying strategies.

I expected while starting my research the strong independence of local politicians to be an important factor in the Bulgarian case. Indeed, as previous research on this topic has shown, local officials tend to be non partisan and choose the party offering the most to run their campaign; they are also the ones to be able to have a great influence on their local electorate and tied relationships with the local business, the third actor I will assess below. However, this was not exactly verified during my field work. Indeed, it happens that politicians for their local campaign create their own local party, in order not to discredit or be discredited by their national party (Lazarova 2010), but usually if they switch from one big party to another it is mainly for ideological reasons, not so much for material benefits (Smilov 2010). However, it happened already that MPs from a party go to another one because the second party allows

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vote buying to its candidates while the first one forbids it⁶ (Kolarova 2010). Nevertheless, these are exceptional figures, and this movement does not seem as widespread as expected.

However, local politicians ties with the local business are confirmed by the interviewees (Interviewee “P” 2010, Lazarova 2010). Indeed, they argued that, since political parties are overall quite poor, local politicians have to fund their campaigns through the use of sponsors (Karasimeonov 2010). They thus find these sponsors at the local level, usually through informal business sponsorship. However, the matter here is not the independence of local politicians, since parties at the national level also use informal sponsorship (Interviewee “P” 2010). I will assess this point more in details in the second part, while examining the role of party rule and organization in allowing vote buying.

1.2.2 Conditional Incentives

Although Lehoucq argues that parties buy votes in order to win elections, but only if it is cost-efficient, i.e. if vote-buying is the cheapest way to convert their efforts into votes, Simpson claims that the main stake is legitimacy: politicians buy votes either to increase or decrease turnout (Simpser 2004) or in order to gain a “comfortable margin” (Simpser 2008), but not to directly win elections. Anyhow, in choosing this strategy politicians should ensure different things: they have to assure the enforcement of the contract with vote sellers, prevent the risk of prosecution and get efficient financing in order to buy the votes. I will argue that the last argument goes also the other way, i.e. that the kind of financing they receive conditions also their choice of whether to buy votes or not.

⁶ According to Kolarova, this was the case with two MPs from the Union of Democratic Forces, party of the former dissidents, Hristo Biserov and Jordan Tsonev, who moved to the party of the Turkish minority - Movement for Rights and Freedom (DPS) - after concluding a deal with its leader in order to insure a “clientelistic minimum required for vote buying” (Kolarova 2010). The deal was that DPS assured a basis of supporters to the two MPs, and in exchange these MPs buy the extra votes they need to be elected.

1.2.2.1 *Make sure that vote sellers respect their engagements*

According to Kitschelt and Wilkinson, three components constitute clientelistic exchange: contingent direct exchange, predictability and monitoring (Kitschelt and Wilkinson 2007:9-10). Indeed, in order to engage into a clientelistic strategy with reduced costs, politicians need to make sure that no voter will opt for an opportunistic behavior, i.e. will take the money and vote for the party of her choice. In order to have this insurance, politicians need to be able to monitor voters' behavior when casting their ballots (Kitschelt and Wilkinson 2007:17). The impossibility of recourse to legal action in order to make sure the contract is actually enforced makes politicians search for other means of surveillance (Schaffer and Schedler 2007:19-20); although it might be costly for them, they dispose of a wide range of techniques to bolster voter compliance.

They can, first, invoke personalized social norms in order to make sure their client will honor her contract. They can also create a moral obligation on the voter's part so that she feels grateful to the candidate, or at least a "cognitive dissonance" while voting for another candidate (Schaffer and Schedler 2007:21). Through the recruitment of renowned intermediaries in charge of buying the votes in a community in a personalized way, politicians make sure that social links will prevent voters from defecting. Politicians can also impose informal sanctions on voters who refuse the trade or fail to vote for the candidate; the threat to be subject to these sanctions can also make voters behave as expected. Finally, politicians can use means of electoral surveillance in order to deter voters' defection and misbehavior. Along time and space, politicians engaged in vote-buying strategy have shown to be particularly creative concerning monitoring means, hence there is a large variety of possible ways to monitor voters' conformity with the contract while casting their ballots.

Politicians can monitor voters' appropriate behavior individually or collectively. At the individual level, they can ask voters to provide evidence of how they voted, be it thanks to the

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use of carbon paper while filling their ballots as in the Philippines or through taking a picture of their ballot with a mobile phone as in Italy (Schaffer and Schedler 2007:23) and in Bulgaria before it has been forbidden to use mobile phones inside polling stations in 2007 (Hristova 2009). They can also be given a filled ballot that they have to cast and bring back to the buyers the official empty ballot as evidence; this famous technique is called the “caterpillar”, the “shuttle” or even the “Tasmanian dodge” (Schaffer and Schedler 2007:23). In Bulgaria, this technique is also widely used, and named ‘the Single file’ (Interviewee “P” 2010). If politicians have accomplices in the polling station, they can ask the voters to fold their ballot in a distinctive way or put a pinhole in one corner of the ballot as in Corsica (Schaffer and Schedler 2007:23). In Bulgaria, NGOs monitoring during the last elections have raised many issues concerning the irregularity of the composition of polling commission, from which observers inferred that people present are supporting a particular party and supervise the proper functioning of vote buying from inside the polling station (Civil Society Coalition for Free and Democratic Vote 2009).

On the collective level, if voters are asked to abstain from voting altogether, the turnout per constituency is a good indicator for politicians. Furthermore, in monitoring the polling station, vote buyers can see whether voters went voting or not. In some cases, vote buyers organized excursions out of town for the whole election day to make sure that voters had no means to cast their ballot (Schaffer and Schedler 2007:23). Finally, in the case where voters are asked to vote for a particular party, election results in small constituencies are easy to monitor: a politician who knows he bought half of the town’s votes should expect approximately 50%; if he gets less, he knows that some voters defected and can engage into investigation through intermediaries. Contingency payments are also used in the Bulgarian case: many cases have

been investigated in which half of the payment was delivered before election day and the second half on election day after providing evidence of the ballot (Hristova 2009).

1.2.2.2 *Avoid the risk of prosecution*

In order for vote-buying to be a cost-efficient strategy, politicians have to surmount the risk of prosecution (Schaffer and Schedler 2007:20). Wang and Kurzman, in their assessment of vote-buying in Taiwan, argue that judicial protection is a necessary condition in order for politicians to engage effectively into vote buying. They show that, at first, the limitation of the scope of vote-buying to close social relations reduces the risk that a voter will report the practice to the authorities (Wang and Kurzman 2007:71). Furthermore, they provide evidence that in the case of Taiwan the local police is rewarded by politicians if it accepts to “look the other way” (Wang and Kurzman 2007:71). Wang and Kurzman argue that in this respect vote buying campaigns are not different than other criminal enterprises: “they make up for their vulnerabilities by ensconcing themselves in local networks of protection, and they administer resources to motivate these networks to protect them” (Wang and Kurzman 2007:77).

In the case of Bulgaria, there is no real evidence of the compliance of the police. Although some police officers might be corrupted, Lazarova argues that it is just easier for them to look the other way. Indeed, they are usually not bribed nor threatened, but whenever they arrest someone trading votes, the Court decision will drop the charges or condemn the person with a minimal sentence (Lazarova 2010). The problem here is correlated with, at the first place, the ambiguous place of political parties in the penal law against vote buying. Indeed, as assessed previously, this law condemns vote buyers and sellers whenever there is evidence of a transaction. But there is no particular condemnation concerning political parties as such. However, after the last parliamentary election started a denunciation game between political parties, each accusing the others of buying votes; some of them were fined by the Court, but no legal precedent has been settled (Galabov 2010).

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Corruption in the judiciary is also highly related with the fact that police officers prefer to look the other way any time they can catch vote traders red handed. According to Lazarova, this comes from the fact that they know the people they arrested will be released by the Court, or be charged a minimum fee. Indeed, corruption in the judiciary is very important in Bulgaria, and has been several times denounced by the European Commission in its reports. Judges are usually under paid, and most of them were appointed before the transition, so they bring with them legacies of the past regime; they usually come from communist families, whose members became later oligarchs, so they have tied links with the informal business and are easy to corrupt (Lazarova 2010).

The low recognition of their status as judges, as well as the low salaries they receive, increased their incentives to get bribed. The results of this problem are visible: although, as I mentioned earlier, the penal law on vote buying has been strengthened in 2009, so far no one had been condemned with this law; some fees were charged, but no one went to jail for buying votes (Galabov 2010, Lazarova 2010). I will focus more deeply on the problem of the corruption in the judiciary in the second part of this thesis, while attempting to provide elements of reforms which could be implemented in order to counteract the negative effect of the penal Courts on vote buying.

1.2.2.3 *Financing a clientelistic campaign*

Only if politicians are able to make sure that voters will behave according to what they expect from them will they opt for clientelistic strategies. In the same vein, Lehoucq argues that politicians will consider buying votes only if they can solve the principal-agent problem of trading money for votes and if there are no other cost-efficient ways of influencing voters or rigging election results (Lehoucq 2007:34). The principal-agent problem can be solved, as I showed earlier, through appropriate monitoring. However, maintaining such a network of

party organizers responsible for targeting defecting voters is very costly (Stokes 2007:84), and one can wonder if a programmatic strategy is not financially less costly in the sense that its costs are just those of communication – party press, advertising, etc...(Stokes 2007:84). Is it really cost-efficient for politicians to prefer a clientelistic strategy to a programmatic one?

In the case of Bulgaria, the answer to this question is far from being straightforward, and I think that the main reasons for politicians to use vote buying are very closely connected to their links with the informal business. As I mentioned earlier, the estimated proportion of bought votes in the total votes during the last elections is about 12% (Galabov 2010). In fact, this does not amount to a lot, because still 88% of the electorate cast their votes for other reasons. Furthermore, scholars have raised the fact that other techniques are used by politicians in order to control the votes, such as threatening voters with losing their job or using dependency chains in order to use them without paying (Galabov 2010). In this respect, Lehoucq's abovementioned argument that parties would not engage in vote buying if there are other less costly strategies is questioned.

I think that the main problem here is related to party financing. Vote-buying is an expensive strategy (Wang and Kurzman 2007:66,75; Schaffer 2007:188). In order to be able to choose this strategy, politicians need the necessary funds. Hence, Shefter argues that parties with access to government resources will rather opt for clientelistic strategies, while others will choose programmatic ones (cited in Van de Walle 2007:67). Nevertheless, when parties do not have the possibility to access government funds, they have to search for funds somewhere else. As Schaffer argues, this "need to fund vote-buying may provide perverse incentives for criminality and the criminalization of politics" (Schaffer 2007:10). He provides examples of Argentina where politicians found money through "kidnapping-for-ransom", and of Taiwan, Thailand and the Philippines, where candidates using a vote-buying strategy are often funded

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by drug syndicates and local godfathers. This practice has a double effect: it increases lawlessness outside the political arena and permits criminals to have a direct and strong influence on politics (Schaffer 2007:11).

According to the Bulgarian Law on party campaign financing, legal entities as private donors cannot give more than 30.000 leva (15.000 Euros) to a party for its campaign (Kanev 2007:46) . According to estimations, this sum is equal to a two-day advertising campaign on a national TV channel (Lazarova 2010). If a party has a few very generous sponsors, it will not legally be able to get as much money from them as it could. Thus, both parties and sponsors – usually informal business – would go for illegal financing, i.e. financing not reported to the revenue court. Since parties also have to report their expenses, all spendings in legal campaign tools of programmatic strategy –such as advertising, political meetings, press...- should be reported. But the party cannot report more expenses than resources. So, I think that, if its campaign gets funded illegally, this money has to be spent illegally as well, hence the choice of vote buying as an easy strategy in order to get secured votes and use the extra money provided by the sponsors. In this case, the choice of buying votes is conditional on illegal financing from the sponsors, which I will assess in the coming chapter as a third actor entirely involved in the process of vote buying.

Politicians have strong incentives to engage in vote buying, be it independently or conditioned by the choice of other actors and the features of the system they evolve in. They can reward their own supporters by providing them with private goods, mobilize passive voters, deter voter exit and diminish electoral risks by providing their secured electorate with secured goods. Once they engage into vote buying, it is difficult to drop the practice because

of competition risks: other politicians might use it, and being the only one to defect will just bring them less supporters and a unsecured victory. Furthermore, as vote buying is a self-reinforcing mechanism, iteration is important and politicians should better continue this practice, since they are becoming better and better in doing it. In the case of Bulgaria, local politicians can find their own campaign sponsors at the local level, but their independence is not the main issue here; parties at the national level find the same types of sponsorship through grey economy networks.

Politicians' conditional incentives towards vote sellers is to make sure that they will not defect; they do it through highly elaborated monitoring techniques. Towards the institutional system, they avoid the risk of prosecution thanks to the willing compliance of judges and the desillusions of police officers. Finally, they are closely linked to informal business which provides them with the funds necessary to launch a vote buying campaign.

1.3 Informal business

Little mention is made in the literature about the role of formal and informal business in clientelism and vote buying. Nonetheless, while assessing the case of Thailand, Hicken investigates party funding by local business and comes to the following conclusion:

[...] a symbiotic relationship has developed between most politicians and business interests – a relationship made possible through vote buying and pork and patronage. Politicians receive the resources necessary to buy votes and gain office, and in exchange, business interests acquire political connections, insurance against recalcitrant local officials, as well as specific economic benefits (government contracts, special licenses, etc...). Pork distribution, then, is a means by which politicians raise money to fund their vote buying (Hicken 2007:151).

Preliminary interviews held in 2009 during previous research on the topic of vote buying led me to the same conclusions concerning the case of Bulgaria (Hristova 2009, Galabov 2009). I will further investigate the links between politicians and informal business, but before I

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introduce this very notion of “informal business”, I explain its importance in the Bulgarian case and evaluate its costs and benefits to participate in vote-buying.

1.3.1 The importance of the informal business in Bulgaria

Before starting my research, it was still rather unclear to what extent business was involved in vote buying in Bulgaria. Although specialists argue that business money is used to buy votes, who is actually in charge of this work? Do politicians or local godfathers organize and monitor the vote buying process? I investigated this question deeper during my field research. I tend to call this actor “informal business” because I think that, in terms of accountability, it is impossible for a firm to give away large amounts of money easily; the same way, politicians do not report the money they receive from these private investors. Hence the term “informal”: it is not clear where this money is from – is it from the company, its owner, or some illegal activities? As Schaffer argues for the case of the Philippines, “[p]oliticians need to raise large sums of money to buy votes, and because vote buying is illegal, the sources of those funds must remain clandestine” (Schaffer 2007:178).

According to a recent report of the Center for the Study of Democracy, there are three types of organized crime structures in Bulgaria. The first type, named *violent entrepreneurs*, refers to the movies-like mafia and disappeared after the 1997 change (Center for the Study of Democracy 2009:46). The second type, called *deviant entrepreneurs*, “secure for themselves a competitive advantage in the market by means of criminal structures” (Center for the Study of Democracy 2009:47). To a greater or lesser extent, this second kind of structure can be found in many other countries. The third and last type is the most interesting one for my research, because, as the report notes, it “represent[s] the currently most influential kind of organised crime in Bulgaria which is most often associated with political corruption” (Center for the

Study of Democracy 2009:47). The report names this third type *political investors*, or *oligarchs*.

This third category is original, compared to the others, in the sense that it tends to develop in a “top-down fashion” (Center for the Study of Democracy 2009:48): starting from their entrepreneurial position, they gradually extend their control to all the power structures of the state and enter into politics by different means, be it directly through their own parties and candidates or indirectly through making some politicians’ victory conditional on their participation. Originally, these *oligarchs* are former secret security agents or former members of the communist *nomenklatura*, who were later joined by successful *deviant entrepreneurs* (Center for the Study of Democracy 2009:49). Estimations show that this informal business is now so extended that it is responsible for approximately 45% of the country’s GDP (Galabov 2010). Finally, the report mentions that the control of economic resources is mostly observed at the local level (Center for the Study of Democracy 2009:48).

I managed to get an interview with a member of the informal business, who was working, during the 1990s, for one of the most powerful barons, before starting his own business. He preferred to keep anonymity, hence I will further refer to him as “P”. He explained that oligarchs, at the local level, usually “own” a whole city, and there is rarely a competition between two different businesses for the same sector in the same city (Interviewee “P”, 2010). This monopoly situation can thus give them enough power at the local level on politicians and on the electorate – their workers (Galabov 2010, Lazarova 2010).

1.3.2 Benefits for the informal business to enter politics

Informal business has many interests for entering into politics, especially at the local level, since most businesses are locally based. Having favorable politicians sitting in the city council

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can allow them a direct influence on local decisions. For example, on the sea side, the most touristic area in Bulgaria, entrepreneurs need municipal authorization if they want to build a hotel. Having politicians in the council will facilitate the allowance of this authorization (Lazarova 2010). They can directly interfere with the municipal urbanization plans or push for land changes, for example transforming a non-buildable land into a buildable one – especially in risky areas too close to the sea - in order to favor their own construction plans (Lazarova 2010).

Having favorable politicians in the local council can allow them to get new market shares in the city and become a favored provider of public goods for the municipality. If there is a call for tenders concerning a particular project, their companies will be preferred thanks to the influence they have in the council (Lazarova 2010). Furthermore, this tendency developed with the possibility of getting extra funding from the European Union programs (Galabov 2009).

Finally, getting politicians dependent on them will give some immunity to the business for continuing its illegal activities. For example, cities on the sea side are strategically important for all kinds of traffics because they hold a unique position permitting goods to enter the Bulgarian territory – and thus, the European Union – through the sea, without being checked. This way, cigarettes, drug, and even Chinese goods escaping VAT are transferred through these cities (Lazarova 2010). Having the compliance of local politicians ensure them that they will not be prosecuted.

Usually, informal business chooses local candidates whom they think are most promising. They search for their compliance by promising them financing and an easy and secured victory. They sometimes impose their own candidates on the party's list, but not on the first

position; their own candidate usually occupies the third or fourth position (Lazarova 2010, Interviewee “P” 2010). The reason of this choice is that, first of all, the business’ candidates will be less visible because not on top of the list. Second of all, he will be the one to get elected through vote buying, thus pushing the others before him on the list to the victory (Lazarova 2010).

Sometimes, it might happen that two businesses are competing; they thus bet on two different parties. It was the case in one of the cities studied by Lazarova, Nessebar, where two businesses divided the city: one of the oligarchs was into construction, the other into tourism. They betted on two different parties, went on a competitive vote buying campaign in the city and both got five or six seats. At the point where the construction oligarch decided to extend his activities to tourism, there was a real political fight in the council, each business willing to make a coalition with smaller parties. This example shows that informal business, once it enters the political sphere, behaves like an entirely political actor, shaping new rules of party competition and coalitions within the political arena.

1.3.3 The choice of vote buying strategy

Although informal business has obvious reasons for entering into politics, it does not explain the choice of the vote buying strategy. One could argue that they could support political parties adopting programmatic strategies; I will defend that, in fact, it is more advantageous for business to engage into vote buying.

1.3.3.1 *Spending the money efficiently*

The first main reason is related to money laundering. Galabov states that money makes a circle, going through construction, public services, real estate, entering politics, exiting in drug trafficking and finally being reinvested into construction etc... Hence the most visible

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part of this process is political financing (Galabov 2010). From this perspective, we can hypothesize that businesses willing to provide funds to the campaign of particular candidates or parties are stopped by two factors: the first one is the funding threshold, established by law at 15.000 Euros per funder; the second is the obligation for political parties to report their campaign financing and expenses. The second factor would firstly be a problem for business if their money is illegally obtained, and secondly, if parties have to report their expenses in advertising, meetings, etc..., the sum of the expenses cannot be higher than the sum of the funds. Hence, if they get financial support from informal business, politicians should not report it because it might be more than 15.000 Euros and might be embarrassing if the money is illegal. If they do not report this money, they cannot report it as an expense, hence they cannot use it into the framework of a programmatic strategy (Lazarova 2010). I think this is the reason why this money is spent in vote buying.

1.3.3.2 *Insuring that the other actors will not defect*

Yet, business should not engage into spending a lot of money in vote buying if they do not have the insurance that the two other actors, i.e. politicians and voters, will not defect. I expected the politicians to be under pressure that, in the next elections, the local godfather may choose another candidate and make him win; this threat could force newly elected officials to behave according to their engagements. Empirical research showed me that informal business uses even more radical means, thus reshaping the rules of the game through the use of violence. In Nessebar, one of the cities studied by Lazarova, the Chairman of the Municipal Council was shot, and the mayor's life was threatened several times, because these public figures did not behave the way business wanted them to (Lazarova 2010). The fact that, not only power, but a lot of money is involved encourages organized crime to use violent means in order to force politicians to respect their engagements. As Lazarova puts it, "once

you get in, you cannot go out. You used their money, you have to work for them, unless they don't want you to. They have the means to make your life miserable" (Lazarova 2010).

Violence is, to a certain extent, also used by oligarchs in order to persuade voters to accept the money and in fact vote for the candidates supported by the business. Business has a unique position towards voters, in that it is the biggest work provider. Most people in a city actually work for one of the companies controlled by the local baron, and may have pressure at work or may be under the threat of getting fired, if they do not accept the money and not vote accordingly. P explained in this respect that in the firms of Kovachki, an energy oligarch, workers were targeted per constituency. Someone would come to them and calculate that they are five, two of them have spouses and one of them also has a son aged over 18, so it makes eight votes in total. If, at the end of election day, there are less than eight votes in this particular constituency, they all get fired (Interviewee "P" 2010). Other irregularities, such as a sudden increase of salaries just before or after the elections in companies owned by local oligarchs, confirm the fact that dependency relations between business and workers can assure the former that the latter will not defect.

In the same vein, oligarchs control also bailout and usurer offices. As I argued earlier while assessing the electorate, more and more people are dependent on these structures and are engaged into the spiral of credits. By law, usurers need to have all the ID information of the creditors; they can either use it directly in the polling station, if they have there someone they bought, or promise creditors that their objects will not be sold for one more week if they vote for a certain party (Galabov 2010). There are thus new techniques developing which do not require a direct purchase of the votes, but simply a pressure on vulnerable and dependent populations.

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Hence, networks of pressure and dependence can be used by business to make sure voters will not defect. They are not all related to direct vote buying, and some do not involve any real exchange. One could wonder why business would spend money on buying votes if it can have costless votes through pressures. I think that the money laundering argument is still valid in this respect: they have a need to invest money into politics, and show politicians how much they spent on their campaign in order to impress them and have them docile. It is difficult to assess how much pressures worked, but easier to count the amount of cash spent for buying votes. Furthermore, one can infer that vote buying is a less violent strategy than controlling votes through pressures, hence it might encounter more compliance from the side of the voters. In any case, vote buying appears as a costless and easy strategy for informal business to enter politics.

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As I have assessed previously, vote buying is sometimes the result of hardly reformable features such as poverty or inequality. Furthermore, civil society activists usually emphasize the need for voters' education as the best means to fight vote buying (Galabov 2009). However, studies by Schaffer in Thailand and the Philippines have shown that voters' education was not effective at all, and could in fact just encourage even more extensive vote buying. He argues that education is a class character reform, a result of a "clash of moral codes that pitted higher-class reformers against lower-class 'wrongdoers'" (Schaffer 2007:177). Even though I think that voters' education in the long term can help to raise public awareness and promote a certain kind of "good" behavior, it is unlikely that it can be relied on as the exclusive means to deter illicit exchanges.

Indeed, as I have shown previously, voters are not the only actors shaping the rules of the game: if politicians and informal business have incentives to buy votes, they will find ways to convince the voters to sell their vote. Indeed, if voters' income level did not raise, the fact that they are educated to the value of their democratic rights can hardly stop them to accept private benefits of voting. Furthermore, I have assessed previously that some parts of the electorate are into dependency circles, and it is thus hard for them to refuse the selling of their votes. All in all, education of the voters may be useful, but only if accompanied with measures reducing the incentives of politicians and oligarchs to buy votes.

The principal-agent problem has been extensively described in the literature, as mentioned in the first part of this thesis. However, with the introduction of a third actor equally important to the others, this linkage has to be reshaped in order to fit the Bulgarian reality. My research thus aims to show how local politicians and business are related in the vote buying process. At the beginning of my research, the point of knowing who, from politicians or informal

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business, in fact buys the votes, was rather unclear for the case of Bulgaria, because I had no evidence of who orders the intermediaries to buy votes. This point was an important part of my investigation, and according to the narratives I collected, it appears that there is no single pattern in this respect but rather a variety of different techniques, according to the kind of relationship between politicians and informal business. I will accompany each linkage with institutional features possibly allowing vote buying to exist and be a cost-efficient strategy. I will finally speculate on which of these institutions it is possible to act in order to make vote buying an impossible or, at least, a costly strategy.

2.1 Electoral System

In the literature, the most studied institutions supposedly allowing vote-buying and clientelism are those concerning the electoral system; here, scholars are divided into two main trends. On the one hand, Hicken claims that electoral systems giving incentives for a personal vote, such as Single Non-Transferable Vote, Open-List PR, STV, Block Vote and any system using within-party primary elections for the selection of candidates, give more incentives to candidates to buy votes (Hicken 2007, Lehoucq 2002). The argument is that these systems stimulate intra-party competition, thus incentives for personal vote, and that the difference between candidates will be in the capacity to buy the votes of the electorate.

On the other hand, scholars using quantitative research argue for the opposite: according to their findings, electoral corruption is more likely to arise in countries using proportional representation with a high district magnitude (Chang 2004, Kunicova 2005). The interpretation here is that this kind of electoral system gives more incentives to parties to buy votes because they have more chance to be successful than in a majoritarian system, in which the stake is bigger in the sense that a party would have more probability to lose elections although it bought votes. In systems using proportional representation with high district

magnitude, more people get elected; hence parties have more interests to invest into buying votes even though they know that they do not have a clear majority in this constituency. The case study of Thailand tends to prove the first theory right (Callahan 1996), but Müller argues that while the three clientelistic West-European countries he studied – Italy, Belgium and Austria – all use PR, the direct link between this electoral system and clientelism is not obvious (Müller 2007:263). Furthermore, Scheiner's work about Japan has shown that SNTV favors vote-buying but is not a sufficient reason for maintaining clientelistic relationships, and that other factors were in fact more strongly related – such as the social structure, local government officials' autonomy, political competition and economic development (Scheiner 2007:282).

Bulgaria is, since last year's reform of the electoral system, some sort of a mixed system. 209 members of the National Assembly are elected under proportional representation (PR) using closed party lists and, since the last parliamentary elections of July 2009, 31 members are elected using the first-past-the-post (FPTP) system in 31 single member constituencies corresponding to the constituencies of the PR lists (Inter-Parliamentary Union s.d.). Before this reform, the system was pure PR. In my interviews, in order to assess the abovementioned literature, I attempted to ask some of my interviewees whether there had been a difference in vote buying strategies with the introduction of majoritarian candidates. The answers were negative, mostly because there was no competition between majoritarian candidates and the ones on the lists, since most majoritarian candidates were also on the top of their party's list.

Thus, the case of Bulgaria does not seem to help in the ongoing debate in the literature; there is still no evidence of the role of the electoral system in creating or not incentives for vote buying, and I will thus leave this factor apart in order to focus on more empirically documented features.

2.2 Corruption in the judiciary

For Müller, the degree of decentralization can encourage clientelism in the sense that it allows more resources to be available on the local level (Müller 2007:262). Bureaucratic organization is also important because bureaucrats can control the resources used in clientelistic exchange; a corrupt bureaucracy can help patrons to gain money to distribute to their clients. However, these two institutional features are highly related to the access to government resources; as I have argued before, there are other means for politicians to find the funds allowing them to buy votes, principally thanks to the participation of informal business. Furthermore, he mentions several external constraints which can shape the decision of politicians to engage in clientelistic linkages, such as the presence of investigative journalism, of parliamentary minority rights, of strong civil society organizations defending democratic transparency, or an independent judicial system (Müller 2007:268).

While he concludes by claiming that “no specific institution is necessary for patronage becoming an important or the dominant linkage strategy” (Müller 2007:275), I would rather consider in more detail this last point about the independence of the judicial system. In fact, one of the main reasons for the progressive eradication of vote-buying in Great Britain was a transfer of electoral matters from Parliament to the judiciary (Orr 2006). Furthermore, emphasis has been put in the literature on the necessity to create an independent body, responsible for dealing with electoral irregularities (Hicken 2007): “taking the responsibility for monitoring and enforcement out of the hands of politicians and placing it under an autonomous or semi-autonomous agency” (Hicken 2007:147). Hicken also argues that outlawing vote buying is not sufficient to deter it; as I will assess more in detail in the case of Bulgaria, the penalization of vote buying does not help to eradicate this phenomenon. While

starting my research, I was expecting the low quality of the judiciary and the absence of an independent body especially in charge of dealing with electoral irregularities to be strongly related to the presence of vote buying.

It seems indeed that politicians and informal business can have a close cooperation and both engage into vote buying activities without a fear of prosecution, as I already mentioned in the first section of this thesis. The latest reform of the penal law on vote buying states that anyone found involved in vote rigging or buying could receive a jail term of one to three years and a fine of between 1.000 and 10.000 leva (500 and 5.000 Euros). This new law included anyone found threatening or conning voters during local or national elections and, for “more serious offences”, could be given a jail term of up to six years and a fine of up to 20.000 leva (10.000 Euros). (National Assembly of the Republic of Bulgaria 2009).

However, the main drawback of this law is that vote buyers and sellers have to be caught red-handed. So far, no one has been convicted in regards to this law (Galabov 2010, Lazarova 2010), for several reasons. First of all, as Kitschelt puts it, it is difficult to find a “smoking gun” (Kitschelt 2007:325). Indeed, most of the transactions happen either on the days before elections, or the days following (Hristova 2009). Sometimes, as said previously, the payment is partially given before the vote, partially after it. Very few transactions happen inside the polling station.

Second of all, the procedure which has to be followed in case of obvious evidence of vote buying is too time-consuming and impractical to be effective. Last year, a group of NGOs led by Transparency International Bulgaria sent 281 observers throughout the country for the European elections and 481 observers in the 31 electoral districts for parliamentary elections. These observers reported many cases of vote-buying and other irregularities, and had received the instruction not to intervene, but to note everything. The reason for this instruction was

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explained to me by Galabov, who was a part of the organizing body. What is supposed to happen if someone notices a vote trading in the polling station is that this person should report it to the head of the polling commission. Then, the head of the polling commission should close the polling station for the time he holds a meeting with all members of the commission in order to decide if this case should be reported to the police. Most of the times, they decide that it should not. If they decide to call the police, the agents have to come to the polling station; but then the vote traders had the time to go away, and they cannot be caught red-handed anymore (Galabov 2010).

Furthermore, the police generally does not have incentives to arrest either vote traders or members of informal business, and not because they are threatened or corrupted. They sometimes are, but quite rarely. Rather, the main reason why they prefer to look the other way when irregularities happen is that they know that the judiciary is corrupted and, whenever they arrest someone protected by informal business, judges will relax him. It is thus easier for them not to do anything than to engage in a useless procedure (Lazarova 2010).

The weakness of the judiciary is one of the major problems denounced by the European Commission in its reports on Bulgaria. According to Lazarova (2010), the current judicial system gives incentives to the judges to be corrupted, firstly because they do not get paid enough for the amount of work they are supposed to do. Secondly, she argues that most of them have been judges since before the changes in Bulgaria: they have a communist past, come from communist families, which became oligarch families. She adds that each business has its own judge, so businesses deeply infiltrated the courts and can easily shape judicial decisions.

With regards to the corruption in the judiciary, the only penalization of vote buying does not have any effect. The solution could thus be an independent judicial body in charge of electoral irregularities. In Bulgaria, there are two bodies which may be involved in this process: the Central Electoral Commission and the Prosecutor's Office.

There are Regional Electoral Commissions (REC) and a Central Electoral Commission (CEC). Their members are designated by the political parties, so that all parties in Parliament are represented (Karasimeonov 2010). The CEC is in charge of monitoring the election process – registrations, results, irregularities –, but in fact does not have agents in the field to check if everything is happening according to the law (Smilov 2010). In case of a notable irregularity, this Commission does not have the power to investigate, judge or take a decision (Karasimeonov 2010, Smilov 2010); it should just lodge a complaint to the Prosecutor's Office (Smilov 2010). Thus, this body in charge of the elections is not independent, because its members are nominated by the parties and have to take care of defending the interests of their party inside the Commission, and do not have the power to investigate and take decisions.

The Prosecutor's Office does have investigative powers and can take judicial decisions, although there is still the possibility for the accused to appeal and for the decisions to be canceled by a higher court (Smilov 2010). But the Prosecutor's Office is not only in charge of electoral irregularities; it has to deal with many other fields. Although it is independent – its members are judges - it is not a specialized body. A new initiative of the Prosecutor's Office is to have agents infiltrate vote buying networks before the elections, but so far the persons arrested have received very low penalties in court (Galabov 2010).

Prosecution of vote buying in Bulgaria seems to be a chaotic issue. On the one hand, catching someone red-handed seems to be almost impossible and, when it happens, the judiciary will

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usually not apply the law fairly. On the other hand, two bodies can refer to each other if there are irregularities, but none of them has a complete power in this respect. In my opinion, the creation of an independent court in charge of judging electoral irregularities such as vote buying, with investigative powers and professional and independent judges could be an effective means to make vote buying more costly for vote traders. The work with infiltrated agents started by the Prosecutor's Office could be continued, but only if the accused people are judged by the very same independent body and if there is a limited possibility to appeal to a penal court.

2.3 Inside polling stations

The observers from the coalition of NGOs report that, during last elections, between 44% and 47 % of the reported violations concern organizational problems and are perpetrated by chairmen or members of the polling commissions (Civil Society Coalition for Free and Democratic Vote 2009: 11,18). In most cases, the chairman or some members do not come on Election Day and are replaced by other individuals, whose designation is rather obscure (Galabov 2010). By law, the polling commissions have to be constituted of members of all political parties running for elections. In fact, in some areas it happens that only one or two parties are represented, usually parties which cooperate with each other because they are members of the same coalition at the national level (Galabov 2010). As Galabov notes , there are “264 local authorities, more than 7.000 towns, so it is impossible to be present in all polling stations. In the mountain, in remote areas, sometimes only two parties are present”. When all members of a polling station support the same coalition, it is easier to monitor the behavior of the voters and control whether they vote according to their engagements while selling their votes.

Galabov also argues that regional governors have, in this respect, an overwhelming influence in the sense that they can decide the number of persons in polling commissions. These regional governors - *opravitel oblast* - are nominated by the Prime Minister, hence they are political figures. According to Galabov, “there is a series of complaints against the regional governor, who accepts polling commissions of only one party – the one in power” (Galabov 2010). Here also, polling commissions of only one party can more easily monitor voters’ behavior. The power of these regional governors seems very extended, because “with only one signature from [them], one can have some commissions totally out of official control”.

In this respect, Kolarova states that people sitting at the polling commissions are irresponsible, because “they are ad hoc, there is this high level of turnover, they are ignorant and they receive a low payment” (Kolarova 2010). She argues that the Greek model in this respect gives more incentives to people sitting in polling commissions to enforce the law. In the Greek system, a local lawyer is responsible for the polling commission, he is highly paid, and is tied by obligations and risks his professional license if there is evidence that he did not behave according to the law. As in Greece the lawyer has a high professional status and he cares about losing his license, he will make sure that elections are held in his polling station according to the law, and thus he will refuse corruption and denounce irregularities (Kolarova 2010). Such a system, in the case of Bulgaria, would need a more general judiciary reform, and particularly in the status of judges; indeed, in order to achieve the level of incorruptability of Greek lawyers, a general reform has to be done in the judiciary, in order to give judges less incentives to accept bribery. Such a reform would include higher salaries, as well as a higher social status and recognition of judicial professions.

2.4 The role of local party branches

One of my assumptions when starting this work was that this clientelistic exchange was happening only at the local level, without the consent of the national party headquarters, possibly because of very weak party rule and organization. In the Western European countries analyzed by Müller, it appeared that local barons can nominate themselves (Müller 2007:270), thus suggesting a weak party organization. Furthermore, the example of Russia shows that local governors, tenants of clientelistic linkages with the regional electorate, tend to switch parties according to the offers they get, showing here a very weak party discipline (Hale 2007:231). However, empirical research in Bulgaria showed me that this assumption is not verified, and in many cases party headquarters seem to be well informed of the happenings in their local branches.

The fact that most of the agreements between parties and business are made at the local level was raised by Lazarova, an NGO activist who made an in-depth investigation about vote-buying practices in five cities near the sea. She explained that, for local elections, the cooperation between candidates and local businesses can take different forms. The main goal for informal business in these elections is to get people defending their interests elected to the Municipal Council. In order to achieve that, they can go to a political party and bargain in order to place one of their own candidates on the party list. Usually, the agreement is not that their candidate will be in the first place of the party list, but rather in the third or fourth place. In this case, the victory of the candidates on the top of the list will be conditioned to the victory of the business candidate. Business will use different means in order to get its candidate elected; the candidates further up on the list will thus be grateful to the business for their victory, and vote accordingly on the Municipal Council.

If one counts all the parties represented at the local level in Bulgaria, there are more than two hundred parties running lists in total. Lazarova explains that this is due to the fact that for local elections, candidates prefer to create their own party in order to be independent from the headquarters in Sofia and not to have the party's reputation attached to them – thus not being held responsible for the party's past mistakes. Lazarova mentioned in this respect a party running for local elections in one of the studied cities, called Bulgarian Communist Agricultural Union, ironically pointing out that “[f]irst of all, no one would go vote for the communists, second there is no agriculture in this city”. Anyhow, this local party obtained five or six seats in the city council, which lets us infer that they were engaged in clientelistic strategies in order to succeed in these elections.

The second option for business to integrate politics is to found its own party. This trend of “business parties” (Galabov 2010, Lazarova 2010) is noticed in several cities, particularly in those where an important factory is employing many inhabitants. This trend is now expanding beyond the border of local elections: NGO activists Galabov and Lazarova referred to the example of the party called LEADER, led by energy oligarch Andrey Kovachki, which was running for Parliamentary elections in spring 2009. According to Galabov, the part of the campaign budget set aside for vote-buying was 8 million leva (4 million Euros); moreover, evidence was provided that Kovachki put pressure on his employees to force them to vote for him (Galabov 2010). Although this party did not pass the threshold to enter Parliament, it is still very powerful at the local level, with many seats in the Municipal Councils of the cities where Kovachki has factories (Galabov 2010).

Furthermore, P explained that, apart from business parties, parties at the national level can bargain with local informal business figures. He gave the example of the Galevi brothers, two barons of the city of Dupnitsa, who bargained with the BSP in order to be candidates for this

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party for Parliamentary elections in spring 2009. The brothers wanted to become MPs in order to have political power and parliamentary immunity. Their deal with BSP, when this party was still in power was that the government keeps turning a blind eye to the Galevis' activities and supports them as majoritarian candidates, and in exchange the Galevis mobilize all the voters they keep under pressure in the favor of the socialists' proportional candidates (Interviewee "P", 2010). He added that this deal could not have been possible with another party structure than the headquarters.

Thus, the relationship between parties and informal business is not only a local one, as assumed, but relies also on the authorization of party headquarters in Sofia, and possibly even a pre-meditated strategy of the latter. Local party branches, if they are about to engage into vote-buying and cooperation with local informal business and their party headquarters do not support them, prefer to change their names and create local parties running for local elections. Contrary to my previous expectations, thus, a lack of party discipline is not to be accused for the prevalence of vote-buying. The interviewed scholars maintained that party rule in Bulgaria is quite strong, depending of course on the party, and that local branches would not opt for illegal actions without taking into account the opinion of their headquarters (Karasimeonov 2010, Smilov 2010). Indeed, the superposition of these testimonials refutes the assumption that party rule is weak and allows for vote-buying; strengthening party organization would not help to eradicate the phenomenon.

2.5 Party financing

Another important institutional feature that can possibly play a powerful role in allowing vote-buying linkages in Bulgaria is party financing. Advocates of the personal vote theory argue that a system where candidates have their own campaign funds will increase the

incentives for personal vote (Hicken, *How do Rules and Institutions Encourage Vote-Buying?* 2007). In Thailand, a study of the 1995 elections has stressed the problem of local campaign financing as a way for candidates to establish patronage relationships with local “personalities”, often from the local informal business. As Stokes notes, “[d]ecentralized, machine-like party organizations [...] have a greater capacity to efficiently deliver goods in exchange for votes [...]. Highly decentralized party organizations are crucial for vote-buying because organization is what allows parties to monitor voters and punish defectors” (Stokes 2007:85).

Thus, decentralized campaign financing would give more incentives to candidates to practice clientelism (Callahan 1996). In this respect, the case study of Great Britain in the 19th century provides a clear example of the influence of party reforms on the eradication of vote-buying practices. As Orr demonstrates, a systematic crackdown on campaign expenditures and costs, associated with the rise of nationally centralized and professionalized political parties, in order to “separate” the candidate from her constituency, have played an important role in the eradication of the phenomenon of vote-buying (Orr 2006). Finally, scholars such as Hicken argue in favor of strict campaign finance regulations and reporting requirements as a condition to contain vote buying (Hicken 2007:147).

In the case of Bulgaria, as I have argued previously when assessing politicians’ and informal business’ incentives to opt for vote buying, campaign financing is a key factor linking the two actors together. Oligarchs’ illegal campaign financing of politicians encourages the use of vote buying. Furthermore, in order to avoid the discovery of this system, politicians and oligarchs use intermediary structures: official support groups, in charge of collecting the money from the business side and redistributing it to political brokers who effectively buy the votes (Lazarova 2010). Evidence was provided for the existence of such structures during

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Lazarova's research. These structures make the transparency of campaign financing impossible, and are not completely illegal as long as no one knows that campaign money is transiting through it. This is why, according to Galabov, who developed an index for Transparency International in order to evaluate party finance transparency since 2000, for approximately eight years campaign finance transparency has been decreasing (Galabov 2010).

Although campaign financing seems to be a powerful factor in giving incentives to politicians and business to buy votes, it seems that there is no 'miraculous' solution for reforming it in order to avoid illegal financing. NGOs such as Risk Monitor advocate the implementation of a rule obliging politicians to have a unique bank account through which all the money received and spent during the campaign will be transferred (Lazarova 2010). However, if politicians use intermediary structures in order to manage illegal funds, the creation of a unique bank account will not help eradicate these structures and illegal funds will still serve, and give incentives, to buy votes.

I think what can be studied is the possible increase of the threshold of money that a sponsor can legally donate to a party. On the one hand, there is a risk that oligarchs would use large party financing in order to launder money. But on the other hand, there would be many advantages that we can speculate on. First, having more reported funds would encourage politicians to spend it on legal activities linked to programmatic strategies, such as town meetings, advertising, etc..., since they will have to report how they spent the money they received. In this case, they will be unable to spend the fund in buying votes because they would have to provide legal evidence of their expenditures.

Second, we can speculate that the possibility to get more financing could give the incentives to other businesses, more legal, to finance political campaigns as well. Indeed, if legal businesses were previously allowed to fund a minor part of the campaign and did not want to engage into legal activities, while oligarchs could illegally provide parties with more funds, parties would be more dependent on oligarchs and legal businesses would not be interested in funding them at all. But in the case where the threshold is increased, both informal and legal businesses could fund a party's campaign and compete for influence on the party's candidates. This could decrease the candidates' dependency on oligarchs and avoid the choice of practices such as vote buying in order to satisfy informal business needs.

In a nutshell, speculations about possible institutional reforms containing vote buying led me to suggesting two main areas of reform. The first one concerns the judiciary. Having straight law enforcement institutions inside the polling stations would make it more difficult for vote buyers to monitor voters' behavior. Furthermore, the presence of a powerful independent body in charge of prosecuting vote traders and effectively condemn them would raise the risk of being prosecuted and increase the costs of vote buying for politicians and informal business. The second area of reform concerns party financing. Although my basic assumptions concerning decentralization of campaign financing were not verified, my findings led me to speculate on the possibility of a reform of the funding threshold. A serious increase of this threshold could provide incentives for politicians to opt for programmatic strategies and for legal businesses to enter into the political game.

Conclusion

The findings of this research are twofold. On the one hand, in order to answer the question raised in the title of this thesis, I showed that vote buying in the current Bulgarian situation is a cost-efficient strategy for all the actors involved. Preferring clientelistic to programmatic exchange seems to provide voters with tangible benefits at affordable cost. The fact that most of the vote sellers are among poor and marginalized populations shows that they may have genuine material benefits out of this vote. The likely circumstance that they would not otherwise vote or that they do not care about the election outcome because of a disenchantment towards democracy and a perception that everyone is corrupted adds to their benefits in selling their vote. Finally, some vote sellers do not take this decision in an autonomous way but under conditions of threat or dependency.

Politicians have strong incentives to engage in vote buying, be it independently or conditioned by the choice of other actors and the features of the system they evolve in. They can reward their own supporters by providing them with private goods, mobilize passive voters, deter voter exit and diminish electoral risks by providing their secured electorate with secured goods. Once they engage into vote buying, it is difficult to drop the practice because of competition risks: other politicians might use it, and being the only one to defect will just bring them less supporters and a unsecured victory. Furthermore, as vote buying is a self-reinforcing mechanism, iteration is important and politicians should better continue this practice, since they are becoming better and better in doing it. In the case of Bulgaria, local politicians can find their own campaign sponsors at the local level, although parties at the national level find the same types of sponsorship through grey economy networks.

Politicians' conditional incentives towards vote sellers is to make sure that they will not defect; they do it through highly elaborated monitoring techniques. Towards the institutional

system, they avoid the risk of prosecution thanks to the willing compliance of judges and the disillusion of police officers. Finally, they are closely linked to informal business which provides them with the funds necessary to launch a vote buying campaign.

The case of Bulgaria shows clearly the need for the introduction into the game and assessment of a third actor equally important to the others, namely the informal business. This actor has incentives to enter into politics because it offers the promise of a greater market share, better access to EU and state funding, as well as influence on decision-makers in areas related to its business field. It usually uses networks of pressure and dependence to make sure voters will not defect. They are not all related to direct vote buying, and some do not involve any real exchange. One could wonder why business would spend money on buying votes if it can have costless votes through pressures. I think that the money laundering argument is still valid in this respect: they have a need to invest money into politics, and show politicians how much they spent on their campaign in order to impress them and have them docile. It is difficult to assess how much pressures worked, but easier to count the amount of cash spent for buying votes. Furthermore, one can infer that vote buying is a less violent strategy than controlling votes through pressure, hence it might encounter more compliance from the side of the voters. In any case, vote buying appears as a costless and easy strategy for informal business to enter politics.

This study of the costs and benefits of all the actors involved – voters, politicians and oligarchs – shows that vote buying is a cost-efficient strategy for all of them, with the particularity that voters and politicians are clearly dependent on oligarchs. The introduction of the informal business as a third actor equally important to the others – voters and politicians – is new in the field and challenges the single principal-agent linkages usually used for assessing vote buying. This reshaped framework should open new opportunities for research

Conclusion

on the role of informal business in politics and the means of influence oligarchs can have while intervening directly into the political game. The fact that, here, the informal business is not a passive actor anymore but became an entirely active one, reshapes the logic of business intervention into politics and opens new areas to be investigated.

On the other hand, once this framework is taken into account, a focus on the different institutions allowing for vote buying shows interesting findings. First of all, there is no real evidence that the electoral system, although widely studied in the literature, has any impact on vote buying in the case of Bulgaria. Second of all, the importance of a reform in the judiciary, as shown previously in the case of Great Britain (Orr 2006), was raised also in the Bulgarian case, notably the need for the implementation of an independent body in charge of electoral matters, capable of investigation and prosecution. A second solution raised in this respect was the presence, in each polling station, of highly paid professional layers, risking their license if they accept corruption. Finally, the third area of study was the role of party rule, organization and financing. Findings indicated that, to the contrary to my previous expectations, party rule and organization do not have much effect on vote buying. However, party financing is, I argued, a key feature allowing business and politicians to opt for vote buying. In this respect, my suggestion is to increase the threshold of campaign funds allowed to be donated from the business to political parties.

As for the generalization of my findings, I think I can rely on Hale's use of the framework established by Kitschelt et al. (1999) about indirect legacies (Cited in Hale 2007:247). In order to generalize his findings about Russia, Hale argues that patrimonial communism, which adopted institutions favoring incumbents, had less interest in economic reforms during transition, preserved the state-dependent population such as the farmers or the pensioners, tend to produce higher level patronage-based competition (Hale 2007:248). In this respect,

Bulgaria's communist legacy is also considered as a patrimonial one, and I have shown that the current situation of the Bulgarian informal business is closely related to Bulgaria's transition to democracy and market economy. I also have argued that state dependent populations, such as minorities, are more vulnerable to be targeted by vote buyers.

For further research, the contributions of this thesis should be investigated, for example through a comparative study with other post-communist countries sharing the same features. I think that the case of Romania should be relevant in this respect. One can also start an investigation about the possibility to implement the suggested reforms and evaluate their efficiency in the case of Bulgaria and other countries potentially sharing the same features. Finally, as for quantitative analysis on vote buying, I suggest that there is a possibility to conduct surveys in Bulgaria, because as I perceived it during my research, the phenomenon is not hidden; in fact it is quite public. It is common knowledge to be able to name important oligarchs; although they are supposed to hold underground activities, they are rather public figures. Furthermore, as Lazarova states, there are constant battles and denunciations between political parties, as well as between oligarchs; thus, the information comes out in the press quite often and allows for content-analysis (Lazarova 2010). In this respect, I think that the Bulgarian case can be further investigated through quantitative research.

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