



POLITICAL DYNASTIES AND POVERTY: CHICKEN OR THE EGG?

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**Mendoza, Beja, Venida and Yap. 2012.
“Inequality in democracy: Insights from an
empirical analysis of political dynasties in
the 15th Philippine Congress”. *Philippine
Political Science Journal* 33(2):132-145.**

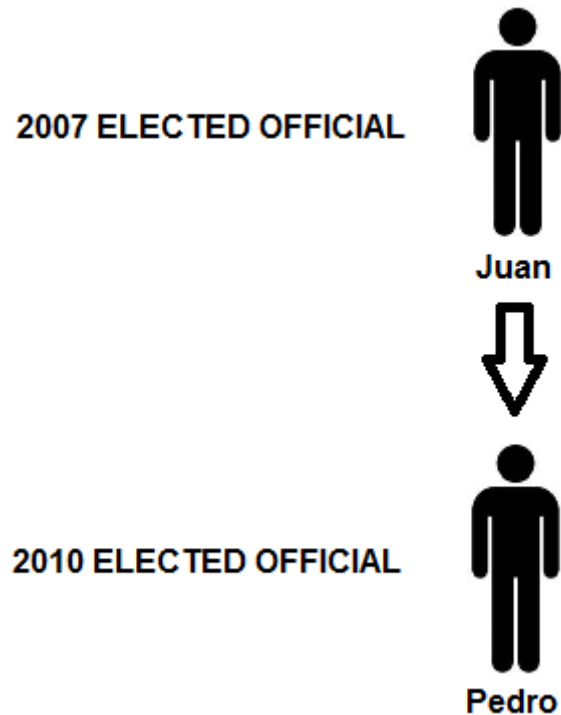
- ✓ 70% of the 15th Philippine Congress is dynastic; and dynasties dominate all of the major political parties.
- ✓ On average, there are more dynasties in regions with higher poverty and lower human development.
- ✓ Dynasties tend to be richer (higher SALNs) when one outlier is removed among present non-dynasties (MP).
- ✓ 80% of the youngest Congressmen (age 26-40) are from dynastic clans.

Innovations in this Study

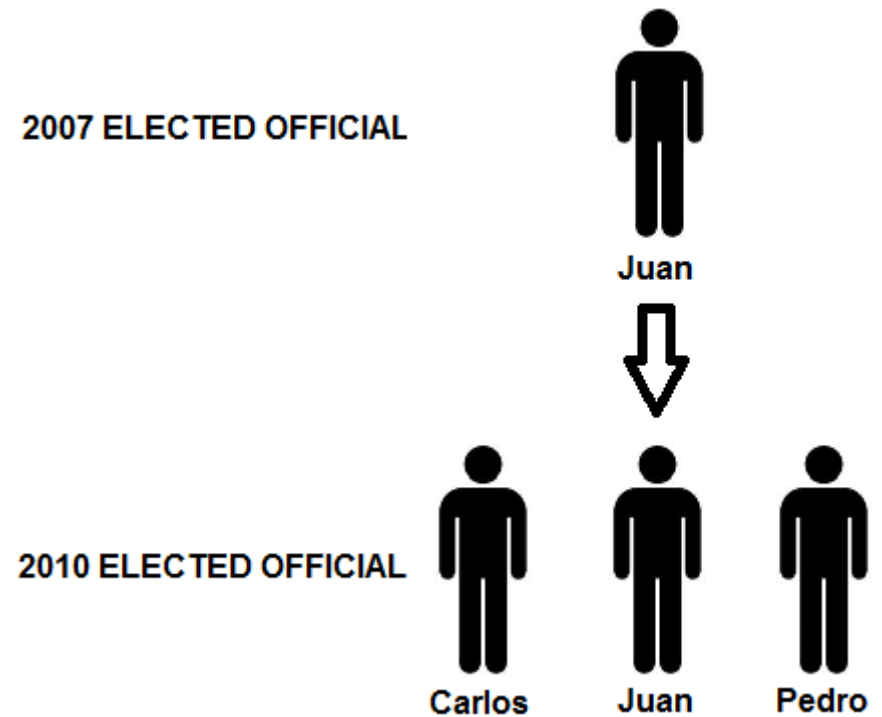
- We build on an initial analysis of correlations in Mendoza et al (2012), and this time we deploy instrumental variables (rainfall) to deal with endogeneity between poverty and dynasties.
- It empirically examines the factors that lead to distinct dynastic patterns (Does poverty lead to more dynasties? Can media and education level the playing field?)
- The study develops indicators to capture the difference between “fat” and “thin” dynasties.
 - All dynasties in our dataset have relatives in 2007 or 2010 in the elective positions under analysis (Governor, Vice Governor, Mayor, Vice Mayor, Congressmen, and Provincial Board Members)

Innovations in this Study

- THIN DYNASTY

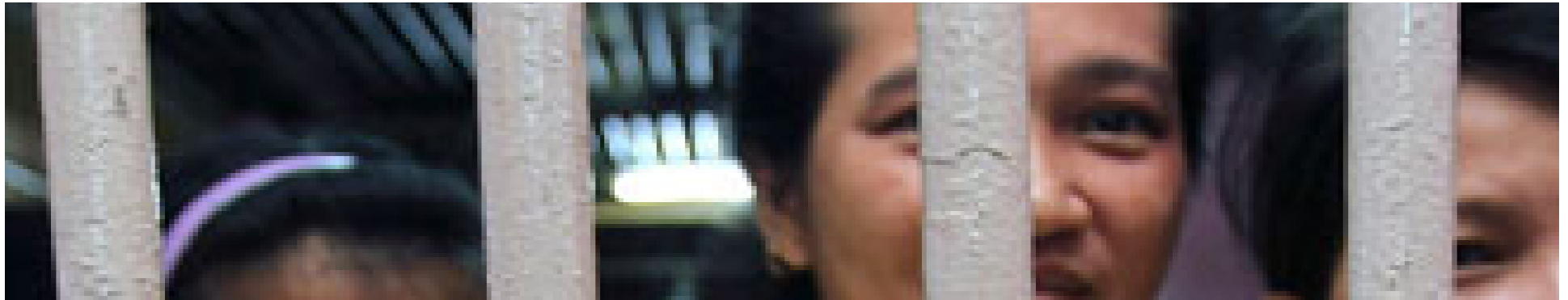


- FAT DYNASTY



Caveats of this study and areas for extension

- The empirical analysis focuses on dynasties identified using the 2010 and 2007 list of elected officials. We are presently expanding the dataset to cover 2004 and 2001 elected officials.
- The direction of causation examined is from poverty to dynasties, using different dynasty indicators. We are presently developing further empirical results to examine the other direction of causation (from dynasty to poverty).
- In our dynasty indicators, the different positions under analysis are unweighted. The explicit or implicit political and economic influence specific to each position is not yet reflected in the analysis.
- The identification of dynastic officials was done through last name matching.



NEW DYNASTY DATASET



A Snapshot of One Political Dynasty: “Fat –type”

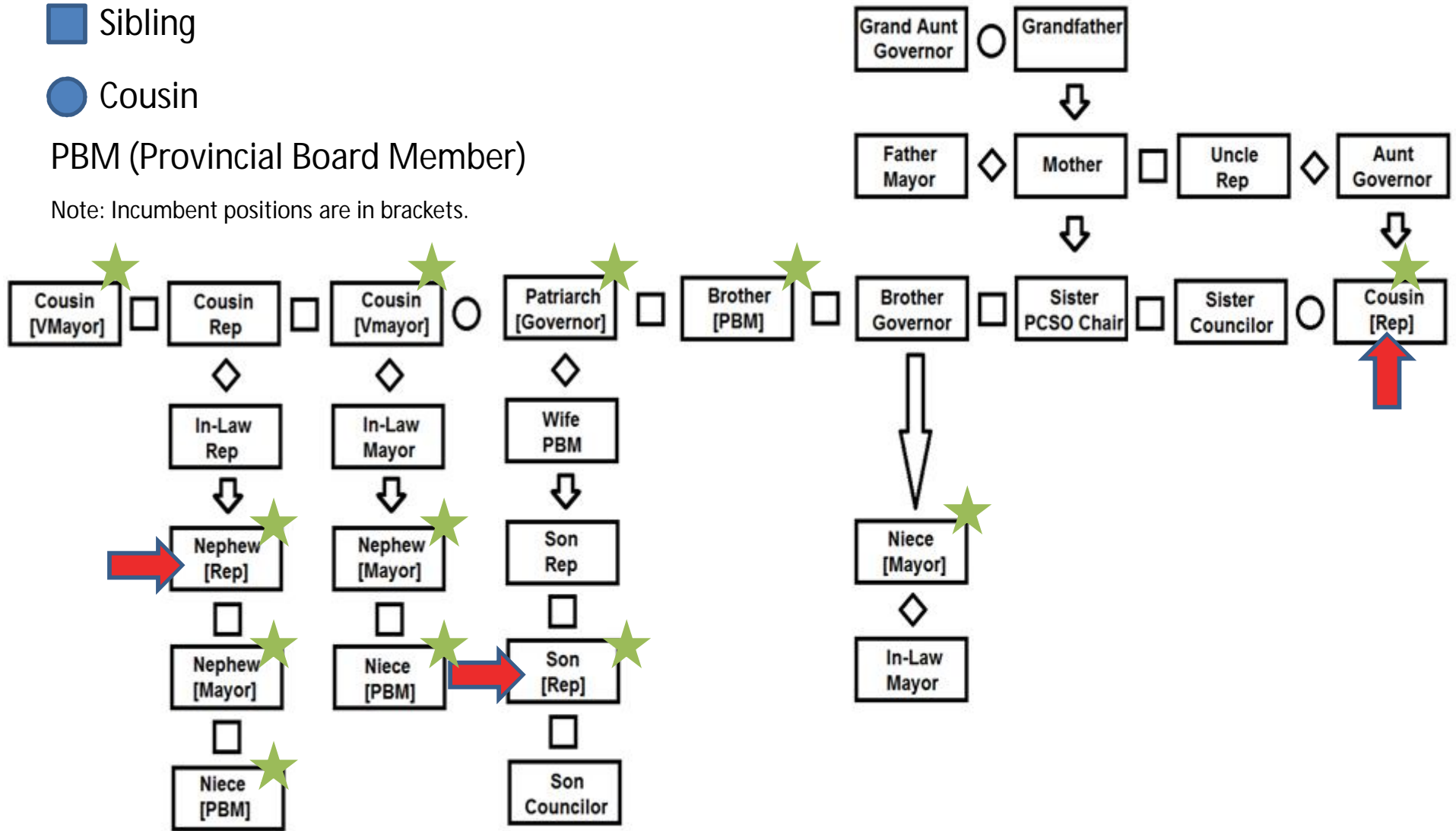
◆ Spouse

■ Sibling

● Cousin

PBM (Provincial Board Member)

Note: Incumbent positions are in brackets.



A Snapshot of One Political Dynasty: “Thin-type”

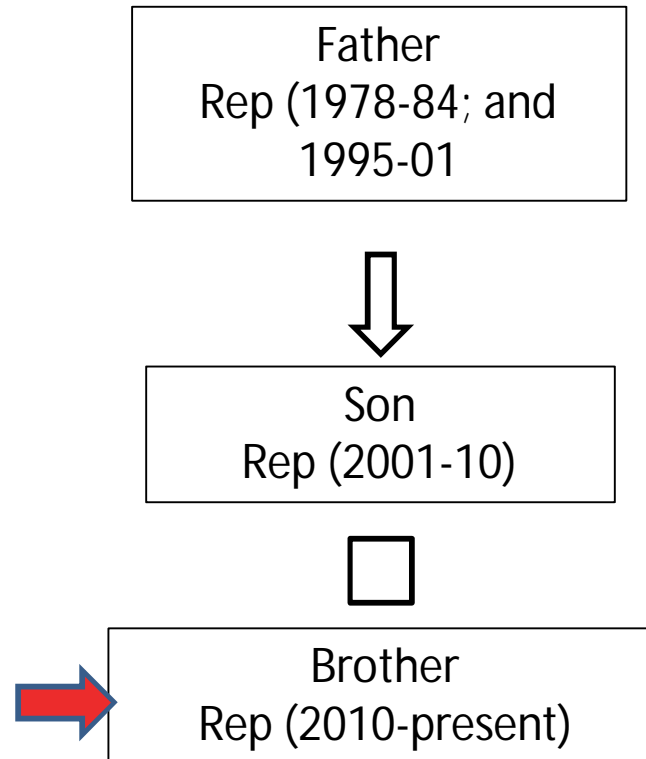
◆ Spouse

■ Sibling

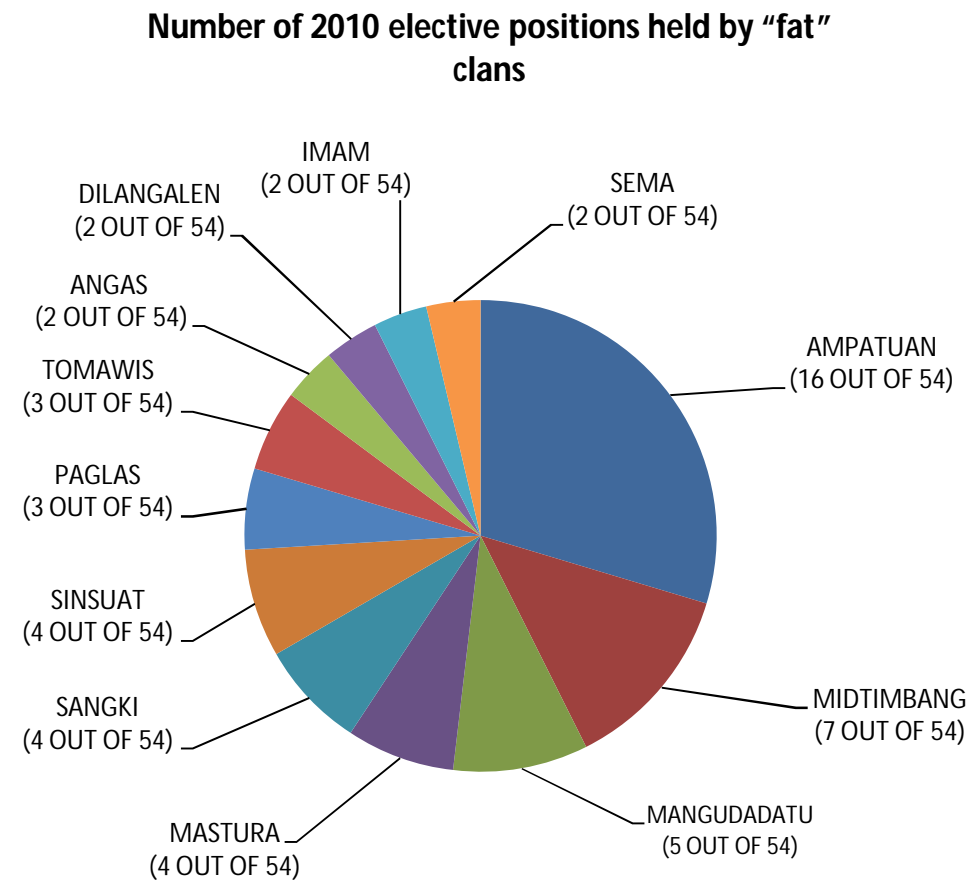
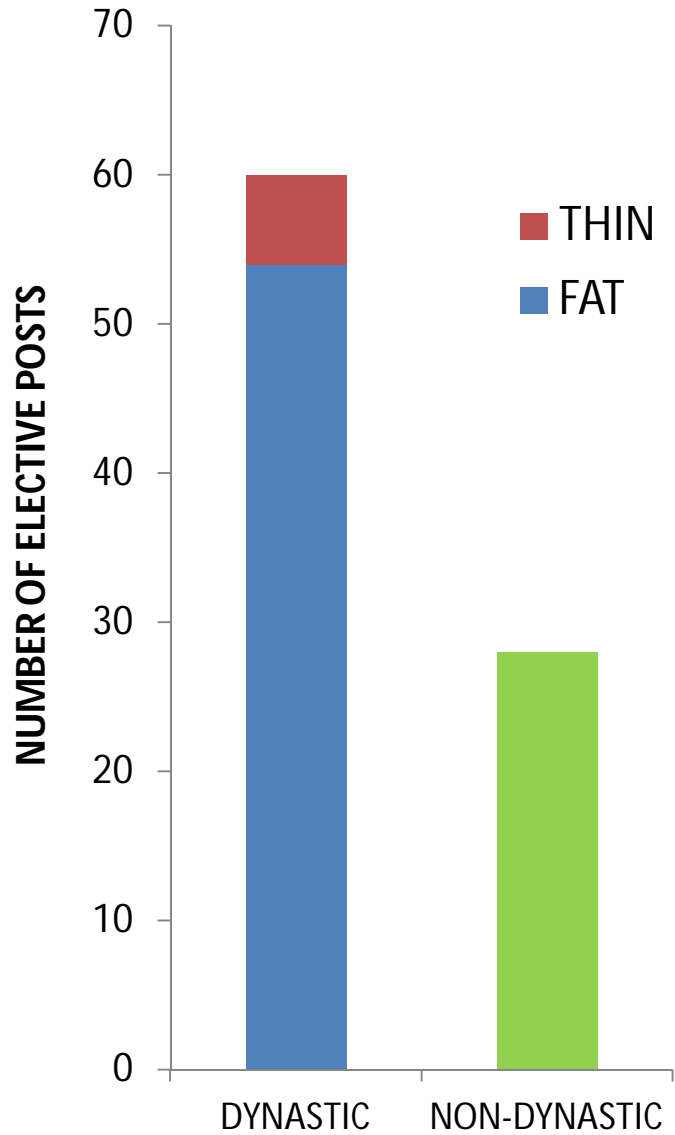
● Cousin

PBM (Provincial Board Member)

Note: Incumbent positions are in brackets.

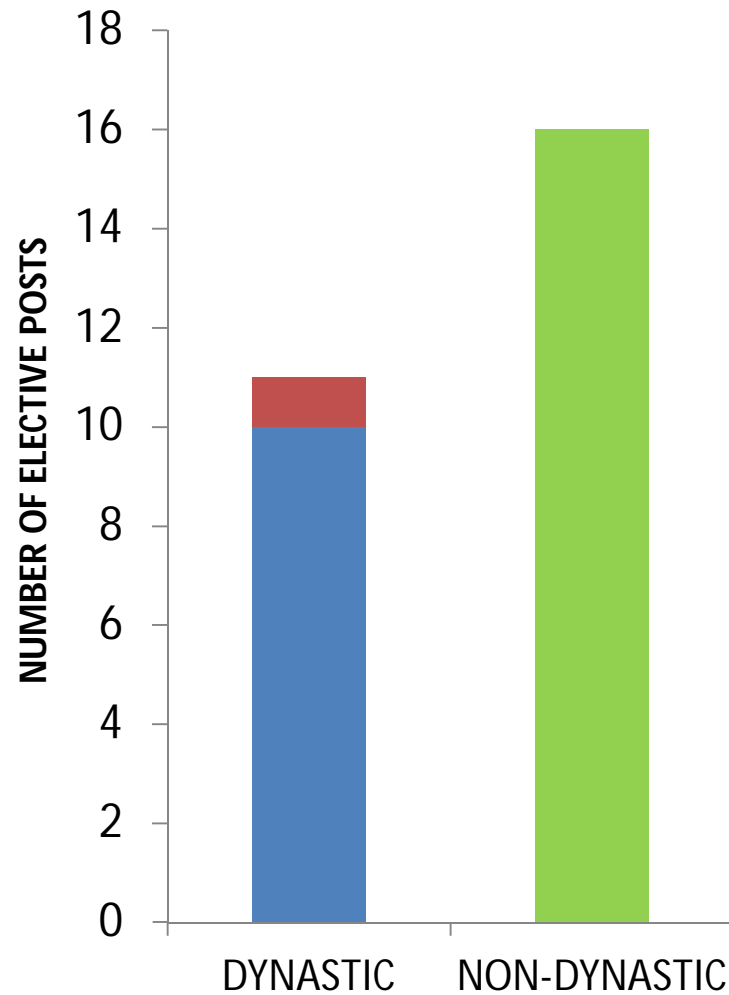


Dynastic and Non-Dynastic Elected Officials (2010): Maguindanao



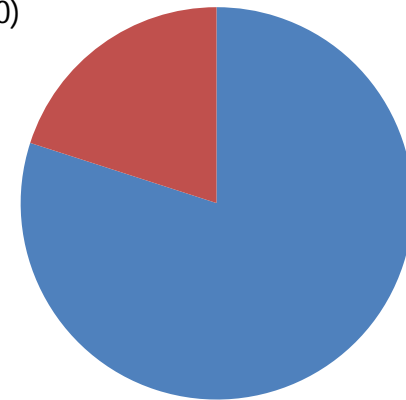
AMPATUAN
➤ 8 OUT OF 37 MAYORS

Dynastic and Non-Dynastic Elected Officials (2010): Dinagat Islands



Number of 2010 elective positions held by "fat" clans

LADAGA
(2 OUT OF
10)

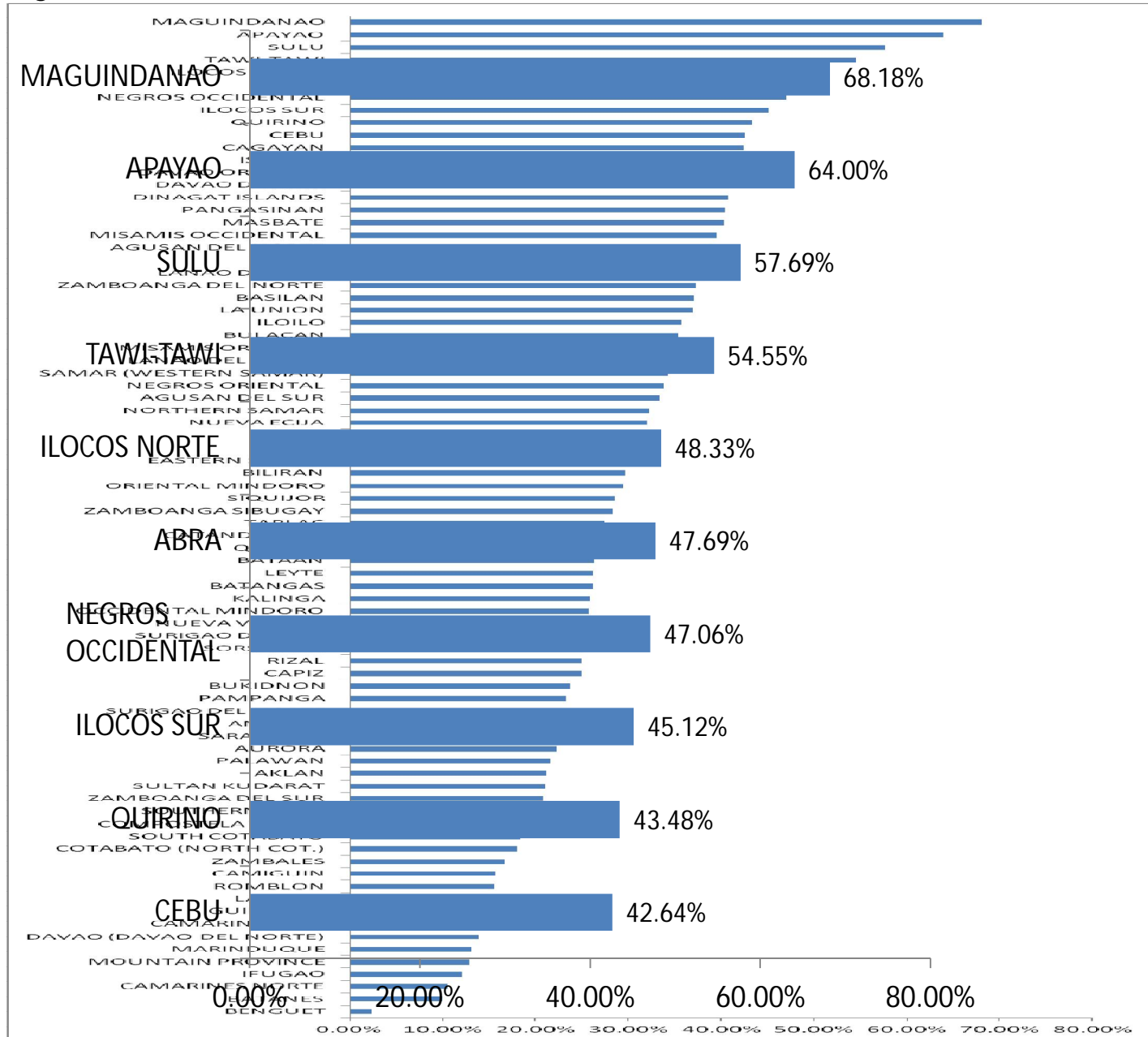


ECLEO
(8 OUT OF
10)

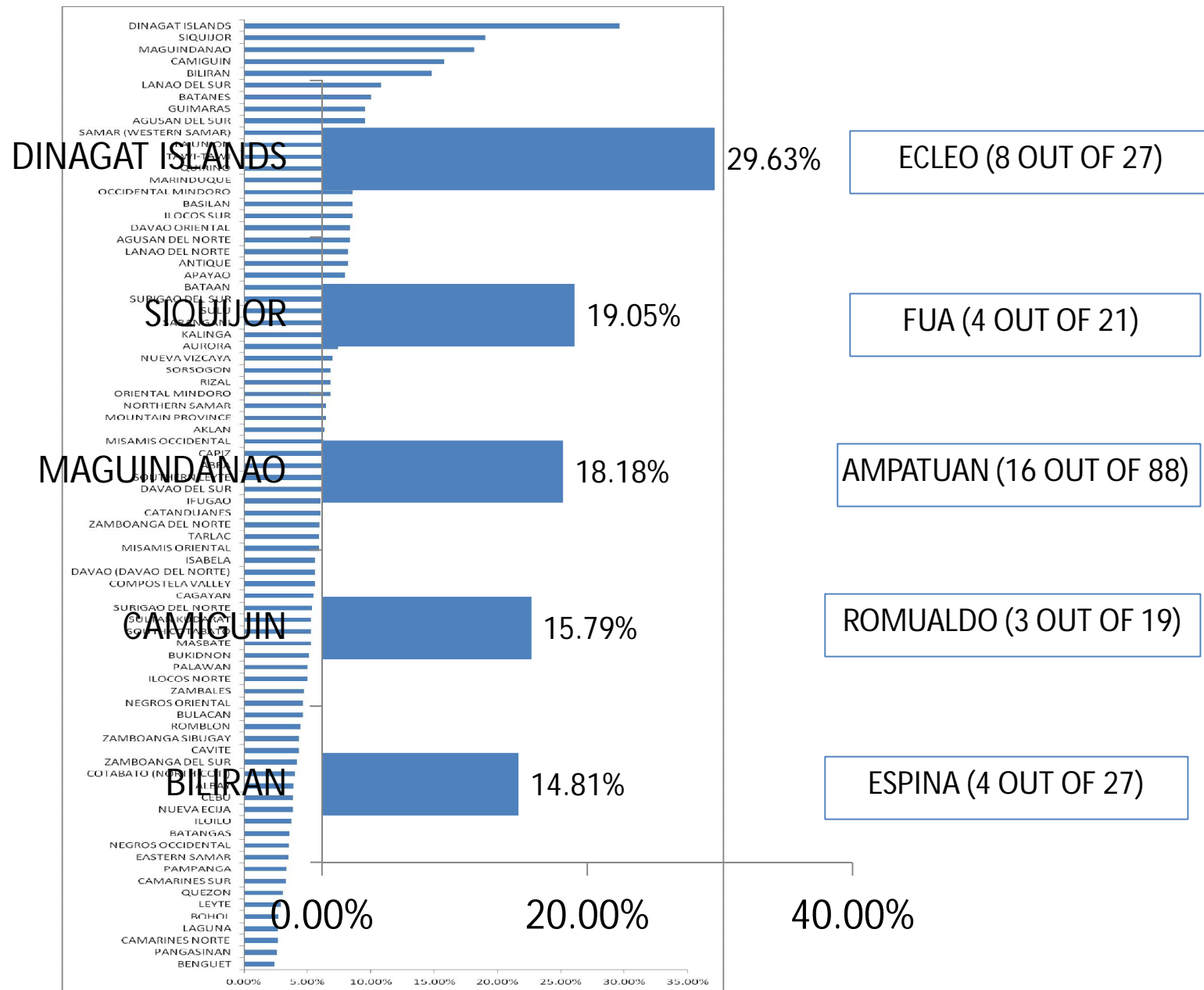
ECLEO

- 1 OUT OF 1 GOVERNOR
- 1 OUT OF 1 CONGRESSMAN
- 3 OUT OF 7 MAYORS

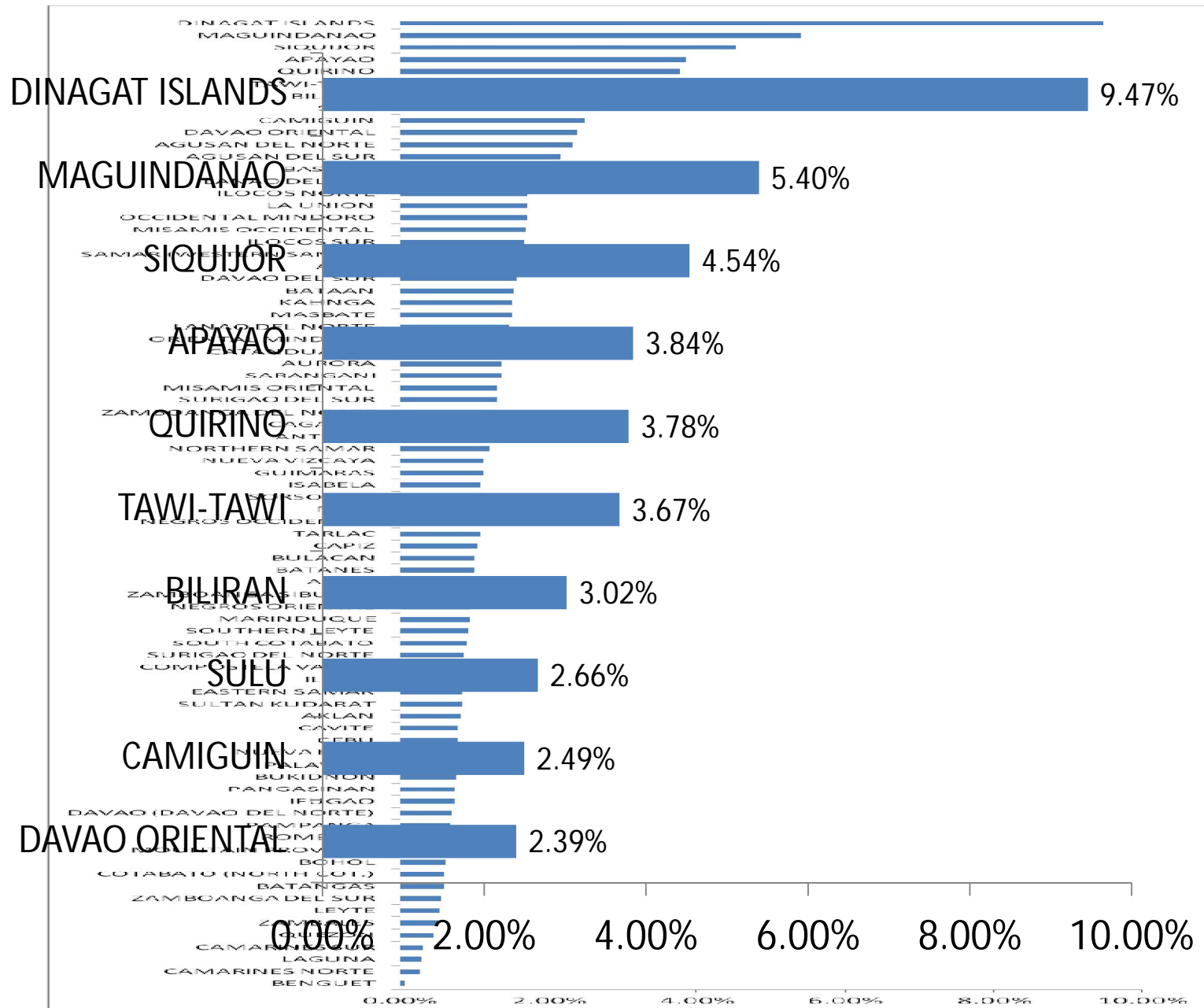
Dynastic Share (2007 and 2010 Positions), Per Province



Largest Dynastic Clan (2010 Positions), Per Province



Dynastic Competition-Herfindahl (2010 Positions), Per Province



Top 10 Provinces in terms of the following dynastic indicators:

	DYNASTIC SHARE	LARGEST DYNASTIC CLAN (SHARE OF TOTAL POSITIONS)	DYNASTIC COMPETITION- HERFINDAHL
TOP 1	MAGUINDANAO	DINAGAT ISLANDS	DINAGAT ISLANDS
TOP 2	APAYAO	SIQUIJOR	MAGUINDANAO
TOP 3	SULU	MAGUINDANAO	SIQUIJOR
TOP 4	TAWI-TAWI	CAMIGUIN	APAYAO
TOP 5	ILOCOS NORTE	BILIRAN	QUIRINO
TOP 6	ABRA	LANAO DEL SUR	TAWI-TAWI
TOP 7	NEGROS OCCIDENTAL	BATANES	BILIRAN
TOP 8	ILOCOS SUR	GUIMARAS	SULU
TOP 9	QUIRINO	AGUSAN DEL SUR	CAMIGUIN
TOP 10	CEBU	SAMAR (WESTERN SAMAR)	DAVAO ORIENTAL



REGRESSION RESULTS



Dependent Variables

- ✓ The study evaluates the impact of socioeconomic conditions on three different measures of dynastic prevalence, focusing on key political positions in each province (i.e. Gov/V-Gov, Mayor/V-Mayor, Congressmen, Provincial Board Members):
 1. Dynastic Share
 2. Largest Dynastic Clan
 3. Dynastic Competition-Herfindahl

- ✓ An elected government official is considered dynastic if he or she shares his or her **last name** with another official in the 2007 or 2010 list of officials for the positions under analysis.

- ✓ In other words, an elected official is dynastic if he or she has a relative in the 2010 LGU/Congressmen or the 2007 LGU/Congressmen of his or her province.

Independent Variables

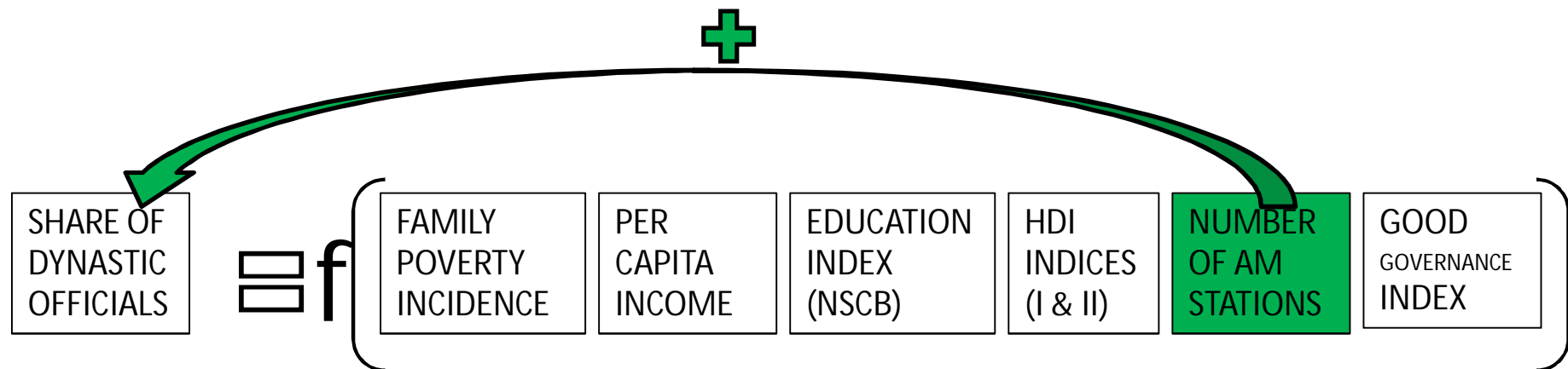
- The 2009 **FAMILY POVERTY INCIDENCE** (FAMPOVINC09) represents the proportion of households that fell below the poverty line in 2009. The poverty line varies from province to province. The dataset was obtained from the NSCB
- 2006 **PER CAPITA INCOME** (PCI06) represents the provincial per capita income in 2006. The dataset was obtained from the HDN.
- The 2006 **HUMAN DEVELOPMENT INDEX – I** (HDI1) is an aggregation of the following provincial measures:
 - Health: Life Expectancy
 - Education: Functional Literacy and Enrolment
 - Income: Per Capita Income

Independent Variables (continued...)

- The 2008 **GOVERNANCE INDEX** is reported by the NSCB and is an aggregation of the following indices:
 - Economic Governance Index (Poverty and Income)
 - Political Governance Index (Crime Solution, Voter Turnout, Elimination of Graft Index)
 - Administrative Governance Index (Education Index, Health Index, Power Index, Telephone Density)
- The **AM STATIONS** (AMS) variable represents the number of AM Stations in a province. The dataset was compiled from data from the NTC.
- The 2008 **EDUCATION INDEX** (EDUC08) is an aggregation of the following indices:
 - Elementary and High School Teacher to Pupil Ratio Index
 - Number of Public Elementary and High Schools Per 1000 Population Index
 - Total Enrolment in Government Elementary and High Schools Per 1000 Population Index
 - Elementary and High School Pupil-Classroom Ratio Index

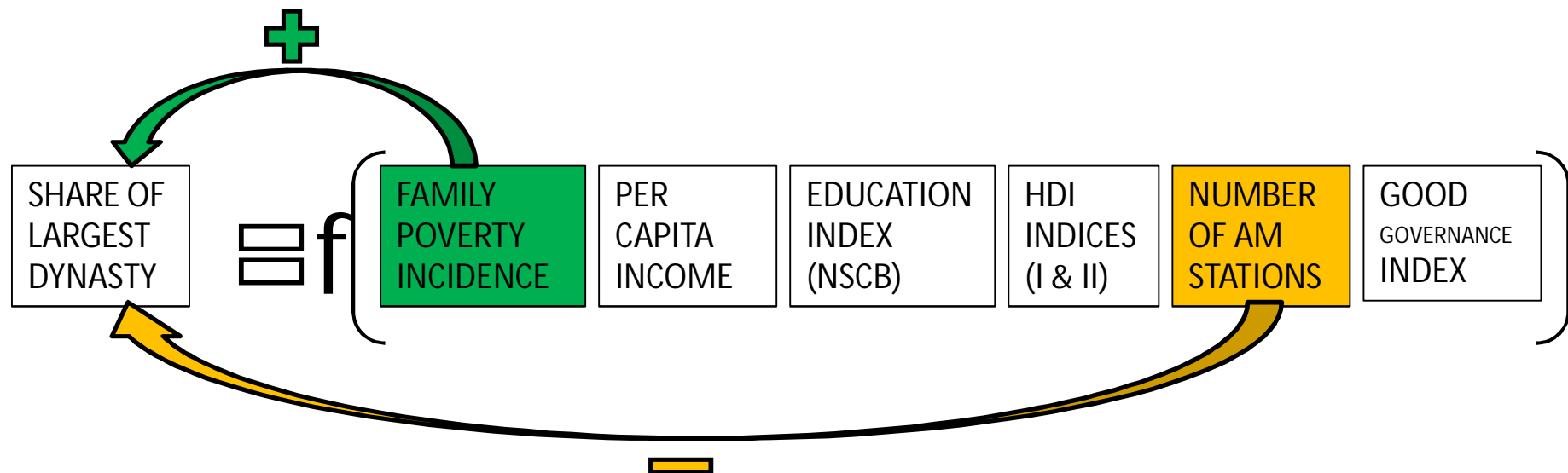
Dependent Variable: Dynastic Share

- **Increases in the number of AM Radio Stations** correspond to ***increases*** in the Share of Dynastic Officials.



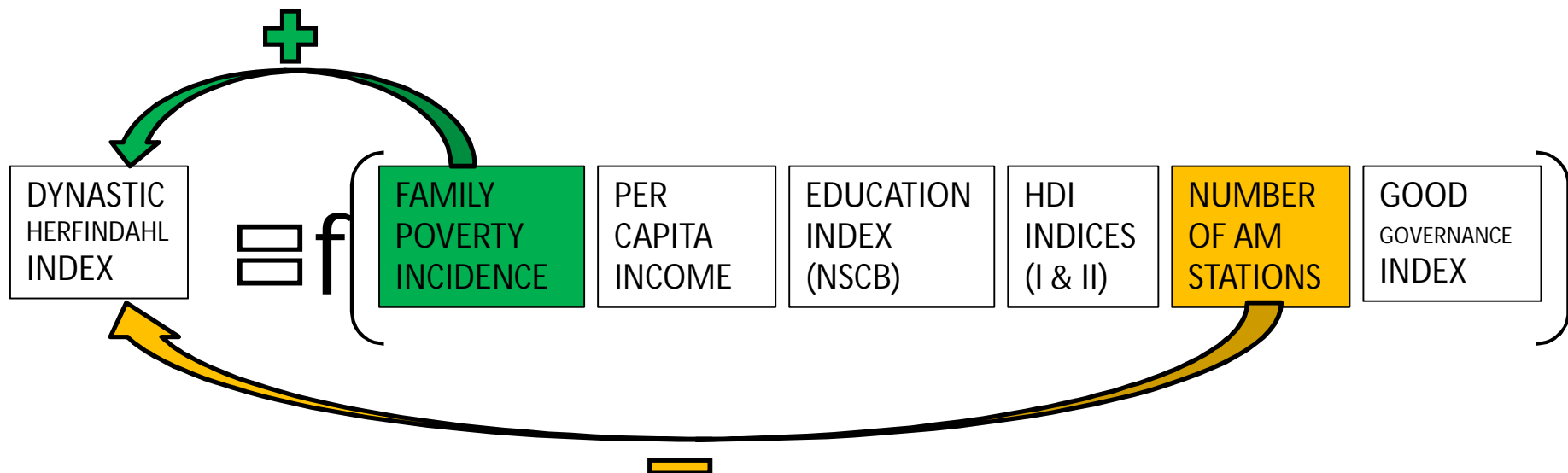
Dependent Variable: Largest Dynastic Clan's Share

- **Increases in poverty incidence** correspond to **increases** in the share of the Largest Dynastic Clan
- **Increases in the number of AM Radio Stations** correspond to **decreases** in the share of the Largest Dynastic Clan.



Dependent Variable: Dynastic Herfindahl Index

- **Increases in poverty incidence** correspond to **increases** in the share of the Dynastic Herfindahl Index
- **Increases in the number of AM Radio Stations** correspond to **decreases** in the Dynastic Herfindahl Index



Main Observations

There is evidence suggesting that:

- Higher poverty incidence increases the chance for dynasties to grow (become “fat”) and dominate the political positions under analysis.
- There is weak evidence that suggests that the level of education is negatively associated with the share of political dynasties in the total positions under analysis.
- Media (proxied by more AM radio stations) increases the share of dynasties in total positions, but it reduces “fat” dynasties.
(Interpretation: Media levels the playing field, but it is still dominated by dynasties or would-be dynasties)

Directions for policy implications: Promoting a more inclusive democratic leadership

Demand:

1. Higher quality education
2. Platforms for active citizenship (e.g. Participatory approaches to public policy formulation and implementation).
3. Development of alternative leaders.
4. Development of policy-platform-based political parties (e.g. Campaign finance and political party reforms).
5. Broader access to information on the public sector (e.g. FOI); protection of the media and promotion of an independent media.

Supply:

1. Limiting the ability of dynasties to expand, over-stay, or penetrate into new areas/provinces.

DEMOCRACY AND INCLUSIVE GROWTH

AIM Policy Center / <http://Policy.aim.edu>



This presentation builds on: Mendoza, R.U., E.Beja, V.Venida and D.Yap. 2012. "An Empirical Analysis of Political Dynasties in the 15th Congress." *Philippine Political Science Journal* 33(2):132-145. This study is conducted with the support of the Asian Institute of Management Scientific Research Foundation and the Konrad Adenauer Foundation. The views expressed in this study and presentation are the authors' and these do not necessarily reflect the views and policies of the Asian Institute of Management, and the Konrad Adenauer Foundation. The authors acknowledge the excellent research assistance of Bea Tanjangco, Charles Siriban and Jean Labios.

Political Dynasties and Poverty/Inequality

Empirical link between political dynasties and poverty/inequality:

- PREDATORY VIEW:** Dynasties increase P/I -- If dynasties are associated with rent-seeking and state capture, corruption and ineffective and poorly designed policies (e.g. Proud'homme, 1995; Hutchcroft and Rocamora, 2003).
- STATIONARY BANDIT:** Dynasties reduce P/I -- If dynasties have longer "runways" for reform and are more firmly associated with socio-economic outcomes (e.g. Olson, 2003; Solon et al, 2009; Dal Bo and Rossi, 2009).

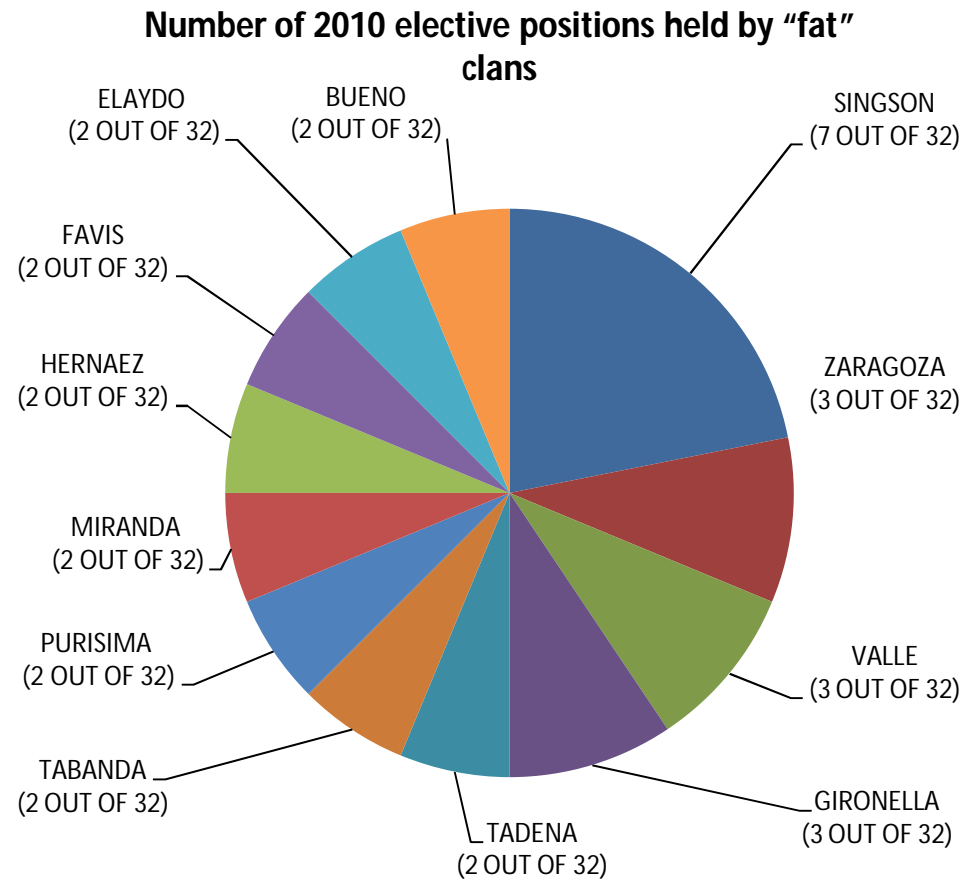
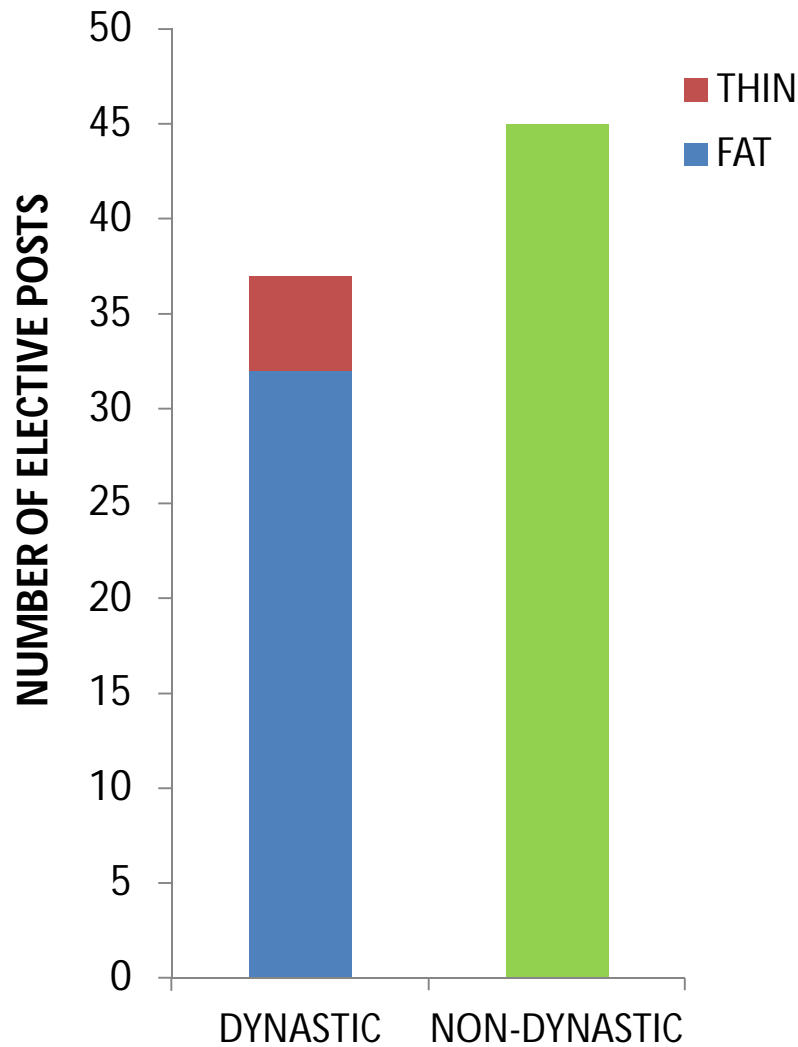
Additional complexity:

- PATRONAGE:** High P/I tends to increase dynastic prevalence: the poor vote for dynasties as long as these are able to directly provide support during elections or in times of income shocks (e.g. Coronel, 1998; Manacsá and Tan, 2005).
- SELF-PERPETUATION:** Politicians are capable of developing dynasties: being in public office affords politicians the opportunity and means to keep on winning or to increase their heirs' chances of winning (e.g. Dal Bo et al, 2009; Querrubin 2010).

What's wrong with political dynasties?

- ESTRADA:** “The people are the final judge....As long as they are doing their job and they will do their job well and they are not using guns, goons and gold or the so-called three Gs, then **let the people decide.**”
- ANGARA:** “In my talks with people, *hindi issue sa kanila yun. Kung magaling ang tatay o asawa, may tatak yun at makatutulong sa tatakbo...* I think it's **an issue for the elite, but not for the masa...**”
- DAVID:** “...our political parties have become no more than **family-owned franchises** ...Bereft of ideological commitment, they have no distinct identity to preserve, and no world view to pass on to a younger generation. Rather than recruit and groom young leaders from a wide pool of talent, these parties have been content to nurture scions of the old political clans and to assimilate celebrities spawned by the mass media. ”
- DE DIOS:** “Philippine politics, in short, is not broken because dynasties are strong; rather, dynasties are strong because **politics is broken.**”
- CURATO:** “What's wrong with political dynasties is that instead of working towards the creation of equitable political structures, they have further strengthened the **barriers to political inclusion** of traditionally disenfranchised citizens...”
- ALBA:** “The poor long-term economic performance of the Philippines is due to the **stranglehold of oligarchic families** (latter day ilustrados?) on the formal political institutions and the distribution of resources....”

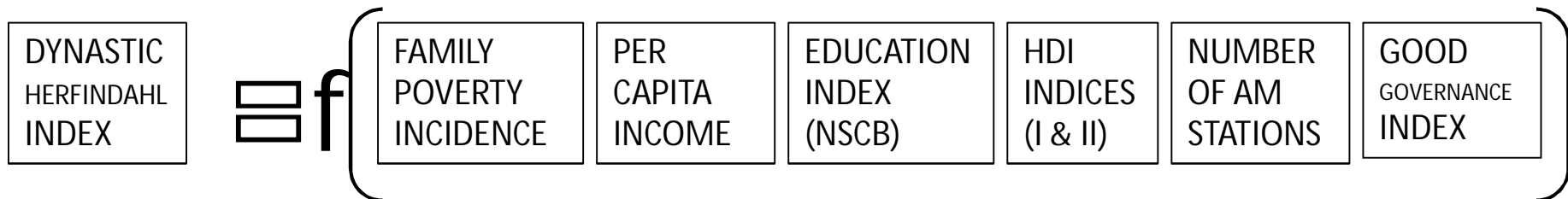
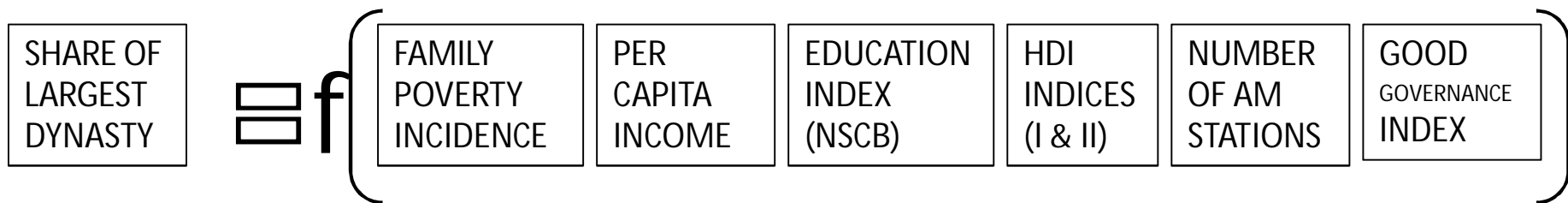
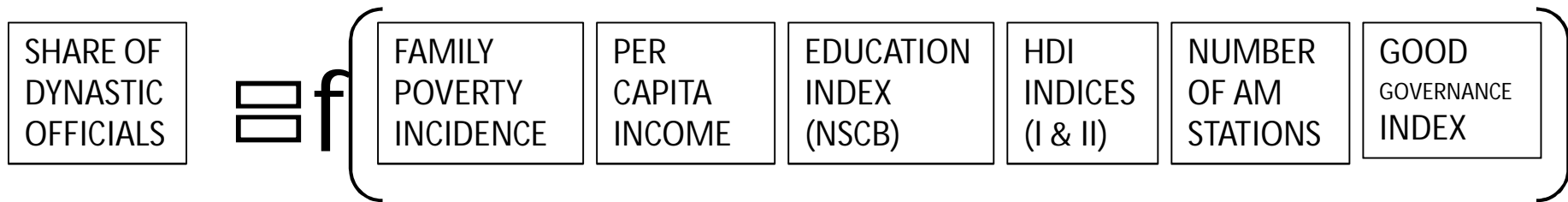
Dynastic and Non-Dynastic Elected Officials (2010): Ilocos Sur



SINGSON

- 1 OUT OF 1 GOVERNOR
- 2 OUT OF 2 CONGRESSMEN
- 1 MAYOR

Econometric Models



Dependent Variable: Dynastic Share

(Share of dynasties in total positions per region, including Governor, V-Gov, Mayor, V-Mayor, Congressmen, Provincial Board Members)

VARIABLES	1	2	3	4	5	6	7	8	9	10	11
	DYNSHA	DYNSHA	DYNSHA	DYNSHA	DYNSHA	DYNSHA	DYNSHA	DYNSHA	DYNSHA	DYNSHA	DYNSHA
FAMPOVINC09	0.00103 [0.00254]	0.00065 [0.00246]	0 [0.00238]	0.00002 [0.00238]	0.00102 [0.00305]	0.00059 [0.00294]	-0.00077 [0.00289]	-0.0008 [0.00286]	0.0018 [0.00168]	0.00161 [0.00163]	0.00168 [0.00188]
PCI06	0 [0.00000]	0 [0.00000]	-0.00001 [0.00000]	-0.00001* [0.00000]							
EDUC08		-0.001 [0.00077]	-0.00068 [0.00077]	-0.0009 [0.00082]		-0.00095 [0.00078]	-0.00051 [0.00078]	-0.00067 [0.00084]	-0.0011 [0.00077]	-0.00086 [0.00078]	-0.001 [0.00086]
AMS			0.00556* [0.00299]	0.00659** [0.00327]			0.00681** [0.00310]	0.00773** [0.00334]		0.00479 [0.00306]	
GG08				0.00059 [0.00077]				0.00048 [0.00078]			-0.00021 [0.00078]
HDI1					-0.27874 [0.35382]	-0.30528 [0.34553]	-0.54529 [0.34843]	-0.60324* [0.32792]			
Constant	0.36235** [0.16063]	0.49405*** [0.16951]	0.48670*** [0.16606]	0.45510** [0.17940]	0.43194 [0.27726]	0.56623** [0.27073]	0.65806** [0.26408]	0.64778** [0.26953]	0.37588*** [0.10001]	0.33085*** [0.10552]	0.39285*** [0.12703]
Observations	78	78	78	78	77	77	77	77	78	78	78
R-squared	0.05514	0.08036	0.12315	0.13026	0.05788	0.08048	0.13734	0.1421	0.04733	0.07755	0.04896
Standard errors in brackets											
*** p<0.01, ** p<0.05, * p<0.1											

- **The number of AM Stations** is positively linked to the share of dynasties in the total positions under analysis.

Dependent Variable: Dynastic Competition-Herfindahl

(Sum of squared shares of each dynastic clan of the total positions under analysis,
per region)

	1	2	3	4	5	6	7	8	9	10	11
VARIABLES	DYNHERF	DYNHERF	DYNHERF	DYNHERF	DYNHERF	DYNHERF	DYNHERF	DYNHERF	DYNHERF	DYNHERF	DYNHERF
FAMPOVINC09	0.00028 [0.00020]	0.00028 [0.00020]	0.00034* [0.00019]	0.00034* [0.00019]	0.0002 [0.00023]	0.00021 [0.00023]	0.0003 [0.00023]	0.00029 [0.00022]	0.00027** [0.00013]	0.00029** [0.00013]	0.00036** [0.00014]
PCI06	0 [0.00000]	0 [0.00000]	0 [0.00000]	0 [0.00000]							
EDUC08		0 [0.00006]	-0.00003 [0.00006]	-0.00008 [0.00006]		0.00001 [0.00006]	-0.00001 [0.00006]	-0.00007 [0.00006]	0 [0.00006]	-0.00002 [0.00006]	-0.00007 [0.00007]
AMS			-0.00049** [0.00024]	-0.00026 [0.00026]			-0.00044* [0.00025]	-0.00015 [0.00026]		-0.00047** [0.00024]	
GG08				0.00014** [0.00006]				0.00015** [0.00006]			0.00015** [0.00006]
HDI1					-0.01931 [0.02713]	-0.0189 [0.02684]	-0.00337 [0.02795]	-0.02148 [0.02516]			
Constant	0.00544 [0.01266]	0.00507 [0.01354]	0.00573 [0.01339]	-0.00149 [0.01406]	0.0191 [0.02126]	0.01703 [0.02103]	0.01109 [0.02119]	0.00788 [0.02068]	0.00569 [0.00784]	0.01013 [0.00823]	-0.00644 [0.00963]
Observations	78	78	78	78	77	77	77	77	78	78	78
R-squared	0.02055	0.02021	0.04822	0.10792	0.07562	0.07384	0.07322	0.15732	0.02222	0.06335	0.08826
Standard errors in brackets											
*** p<0.01, ** p<0.05, * p<0.1											

- **The number of AM radio stations** is negatively linked to dynastic clans dominating the political positions under analysis.

- **The level of Poverty incidence** is positively linked to dynastic clans dominating the political positions under analysis.

Dependent Variable: Largest Dynastic Clan

(Of the share of each dynastic clan of the total positions under analysis, the largest value, per region)

VARIABLES	1	2	3	4	5	6	7	8	9	10	11
	DYNLAR	DYNLAR	DYNLAR	DYNLAR	DYNLAR	DYNLAR	DYNLAR	DYNLAR	DYNLAR	DYNLAR	DYNLAR
FAMPOVINC09	0.00133** [0.00067]	0.00138** [0.00066]	0.00166*** [0.00063]	0.00168*** [0.00062]	0.0012 [0.00081]	0.00127 [0.00079]	0.00176** [0.00079]	0.00173** [0.00075]	0.00109** [0.00044]	0.00118*** [0.00042]	0.00142*** [0.00047]
PCI06	0 [0.00000]	0 [0.00000]	0 [0.00000]	0 [0.00000]							
EDUC08		0.00013 [0.00021]	-0.00001 [0.00020]	-0.00017 [0.00021]		0.00016 [0.00021]	0 [0.00021]	-0.00017 [0.00022]	0.00015 [0.00020]	0.00004 [0.00020]	-0.00014 [0.00022]
AMS			-0.00238*** [0.00080]	-0.00164* [0.00085]			-0.00245*** [0.00085]	-0.00149* [0.00088]		-0.00215*** [0.00078]	
GG08				0.00043** [0.00020]				0.00050** [0.00020]			0.00059*** [0.00019]
HDI1					0.0179 [0.09360]	0.0223 [0.09267]	0.10878 [0.09571]	0.04824 [0.08623]			
Constant	0.00554 [0.04257]	-0.01115 [0.04557]	-0.008 [0.04426]	-0.03094 [0.04663]	0.02251 [0.07334]	0.00024 [0.07261]	-0.03285 [0.07254]	-0.04358 [0.07088]	0.01807 [0.02617]	0.03831 [0.02694]	-0.03043 [0.03178]
Observations	78	78	78	78	77	77	77	77	78	78	78
R-squared			0.05205	0.10584			0.01158	0.09929	0.00761	0.08482	0.09441
Standard errors in brackets											
*** p<0.01, ** p<0.05, * p<0.1											

- **The Number of AM radio stations** is negatively linked to the size of the largest dynastic clan.
- **The Level of Poverty incidence** is positively linked to the size of the largest dynastic clan.