THE NEED FOR ENEMIES

Leopoldo Fergusson
James A. Robinson
Ragnar Torvik
Juan F. Vargas

The Need for Enemies
Leopoldo Fergusson, James A. Robinson, Ragnar Torvik, and Juan F. Vargas
NBER Working Paper No. 18313
August 2012
JEL No. D72

ABSTRACT

We develop a political economy model where some politicians have a comparative advantage in undertaking a task and this gives them an electoral advantage. This creates an incentive to underperform in the task in order to maintain their advantage. We interpret the model in the context of fighting against insurgents in a civil war and derive two main empirical implications which we test using Colombian data during the presidency of Álvaro Uribe. First, as long as rents from power are sufficiently important, large defeats for the insurgents should reduce the probability that politicians with comparative advantage, President Uribe, will fight the insurgents. Second, this effect should be larger in electorally salient municipalities. We find that after the three largest victories against the FARC rebel group, the government reduced its efforts to eliminate the group and did so differentially in politically salient municipalities. Our results therefore support the notion that such politicians need enemies to maintain their political advantage and act so as to keep the enemy alive.

Leopoldo Fergusson
Universidad de los Andes
Department of Economics
Cra 1 No 18A - 12
Bogotá, Colombia
lfergusson@uniandes.edu.co

James A. Robinson
Harvard University
Department of Government
N309, 1737 Cambridge Street
Cambridge, MA 02138
and NBER
jrobinson@gov.harvard.edu

Ragnar Torvik
Norwegian University of Science and Technology
Department of Economics
N-7491 Trondheim
Norway
ragnar.torvik@svt.ntnu.no

Juan F. Vargas
Universidad del Rosario
Department of Economics
Cl 14 No 4 - 80
Bogotá, Colombia
juan.vargas@urosario.edu.co

1 Introduction

If an agent is hired by a principal to work until a particular task is completed, then by completing the task the agent is putting himself out of a job. This phenomenon may be particularly important in politics. It is often claimed that some politicians are elected because "they are the person for the job" perhaps because they have a particular skill or comparative advantage. Once the job is over this skill will be less valued and the politicians, even if they have successfully completed the job for which they were selected, may be replaced. A salient historical example may be Winston Churchill who, though not particularly successful as a peacetime politician, was thought to be the man for the job in 1940 to lead Britain to victory in the Second World War as prime minister. As soon as the war was won in 1945, British voters, instead of rewarding him, immediately removed him from office. A related example is Margaret Thatcher. She was selected as the Conservative leader in 1975 because she was known to be very anti-trade union, and after the Conservative government of Edward Heath had been effectively brought down by the unions in 1974 the Conservative Party was bent on revenge. Just as important, the median voter in Britain was swinging against the union movement so a rabidly anti-union leader gave the party a strong electoral advantage over the Labour Party. After being elected in 1979, Mrs. Thatcher passed a gamut of anti-union legislation and acted very toughly, particularly during the miner's strike of 1984-85, hence her catchphrase "this lady's not for turning". She destroyed the power of the union movement, with the private sector unionization rate falling from 57% in 1980 to 39% in 1990 (Visser, 2006), and was rewarded by being removed by the party as it's leader in 1990 and replaced by John Major.

In these cases Winston Churchill and Mrs. Thatcher did the job they were appointed to do because the stakes were high. Not defeating Hitler would have been a disaster for Britain and Churchill, and leaving the trade union movement unreformed would have been a huge setback for the Conservative Party and Mrs. Thatcher. Nevertheless, when the stakes are lower these examples suggest that other mechanisms may be important: if Mrs. Thatcher had been less successful at decimating the trade union movement, the Conservative Party would have needed her longer. Such a mechanism belongs to a class of examples which the social anthropologist Frederick Bailey (1998) described as "the need for enemies". Both Churchill and Thatcher were selected because they were thought to be particularly good at removing a particular threat, Nazi Germany and the trade union movement. But in both cases they needed the "enemies" they faced in order to maintain power themselves.

In this paper we develop a political economy model of this need for enemies, showing how a politician who is good at undertaking a particular task has an incentive not to complete it fully since he needs to keep the task alive in order to maintain his strategic advantage in an election. We focus on the particular case of an ongoing civil war where incumbent politicians have to make a decision about whether or not to fight the insur-

gents. There are two types of politicians, one of whom has a comparative advantage in fighting the insurgency in the sense that if he did so he would have a greater probability of defeating it. We show that such a politician's incentive to fight the insurgents is mitigated by the fact that if he did so he would destroy his electoral advantage. He needs to keep his enemy alive in order to sustain his political power.

The model generates two main testable implications which stem from the comparative statics of two key parameters. The first comes from the exogenous component of the probability that if the incumbent politician decided to fight the insurgents he will succeed. We show that (as long as rents from power are high enough)[1] the higher this is, the less likely the incumbent politician (with the comparative advantage in fighting the insurgency) will actually fight the insurgents. This is because the greater is the exogenous component of the probability, the higher is the chance that the insurgents will actually be eliminated, removing the strategic advantage of the incumbent in the upcoming election. The second testable result comes from the interaction between the exogenous component of the probability of defeating the insurgents and the sensitivity of voters to policy outcomes (captured in our probabilistic voting model by the density of swing voters). The model suggests that the effect of a higher value of the exogenous component of the probability is greater the more sensitive voters are to policy (the greater in the density of the distribution of valence terms).[2]

We test these implications of our model using data from Colombia. In 2002 Álvaro Uribe was elected president on an explicit platform to fight against the left-wing insurgent guerilla groups the *Fuerzas Armadas Revolucionarias de Colombia* (FARC) and *Ejército de Liberación Nacional* (ELN). Uribe, whose father was murdered by the FARC, was widely seen as having a major political advantage in his loathing for the groups, particularly relative to the traditional politicians who had a long history of trying to negotiate with them (see Kline, 2007, for the failure of the most recent attempt during the previous presidency of Andrés Pastrana). Thus Uribe was a politician for the job who intensified the fight against the guerilla. Moreover, this was a political environment where the stakes were not too high. There was no chance of the FARC capturing any large city such as Bogotá or Medellín, and Colombian politicians had happily coexisted for many years with non-state armed actors, including the FARC and ELN. In such a situation our model suggests that Uribe's incentive to attack the guerilla would have been mitigated by the fact that had he eliminated them, he would have removed his own electoral advantage. To the extent that Uribe valued rents from office as well as peace, this could have reduced his incentive to eliminate the FARC and ELN, just as our model predicts.

We can test the predictions of the model by identifying events in the Colombian civil

---

[1]Though in the case of Churchill and Thatcher the stakes for society were high, the rents for the politicians were not because of the well functioning system of accountability.

[2]In the model the fact that this exogenous component is realized after an election allows for citizens to rationally elect the more competent politician even though they know that in part of the parameter space he will not exert effort (and hence it would be better to have elected the less competent politicians who would always exert effort).

war which correspond to a high probability of defeating the guerilla. These include the release of information on May 24 2008 that the FARC's long standing leader Manuel Marulanda Vélez, known as *Tirofijo* ("Shureshot") had died from natural causes, the killing by the Colombian military of FARC's spokesman and Secretariat member Raúl Reyes in Ecuador on March 1 of the same year, and the rescue to long-time hostage and 2002 presidential candidate Ingrid Betancourt in 'Operación Jaque' on July 2 also of 2008. All three events were major positive shocks for the government in the sense that they signalled that if the government would try to eliminate the FARC, they would have a greater chance of success. In the case of *Tirofijo* and Reyes this was because of the central military role these leaders played and in the case of Betancourt it was because this was such a demoralizing defeat for the FARC which led to intensified defection by its members. As such they capture a positive shock in the exogenous component of the probability of defeating the FARC. Our model implies that such a situation would lead to a reduced incentive to fight the FARC. To test this, we study the pattern of government military activity against the guerrillas around these key events. We interpret more military activity as indicating greater attempts by the government to fight the FARC.

Our model further implies that this effect should be differentially strong in places which are politically salient in the sense that they contain a lot of swing voters. To distinguish such municipalities, we take advantage of another key component of Uribe's presidency: his weekly *Consejos Comunales* (Community Councils). The councils were held each weekend in a different municipality and broadcasted live on national television. Uribe's Consejos Comunales enable us to identify the municipalities where the president believed voters were most responsive.[3]

Examining these three events and sets of municipalities, we find evidence which is highly consistent with the predictions of our model. First, in our regressions for government military activity, the coefficient on a post–event dummy shows that such activity significantly decreases after each of the three major events. Of course, there are alternative plausible explanations for a decrease in government military activity after a major army achievement or guerrilla setback. Most obviously, it may take a while before a new major operation can be planned and executed, or the guerrilla may seek refuge in strategic safe havens right after a major setback. But the second major prediction in our model is harder to reconcile with alternative interpretations, and we find strong support for it: the decrease in government activity is more pronounced in places which are electorally salient, or empirically where Uribe had held a Consejo Comunal. Our estimates reveal that, after each one of the events, government military initiative dropped in places where Uribe had organized Consejos Comunales, relative to areas where he had not. (In other words, the coefficient on the interaction between a post-event dummy and a dummy variable that equals one if Uribe had organized a Consejo Comunal in the municipality is negative and significant). This result is robust to the inclusion of municipality-level

---

[3]Tribin (2010) provides a political economy analysis of the Consejos Comunales.

fixed effects and to controlling for differential trends, parametrized as functions of various observable baseline characteristics, suggesting that it is not driven by omitted variable bias. Also, we test the validity of our key identification assumption (namely, the existence of parallel trends between municipalities with and without Consejos Comunales before these key events) by replicating our main regression one year before the events actually took place. We find no significant effects in such regressions, assuaging concerns about preexisting differential trends.

Moreover, we perform a series of additional robustness checks to study alternative mechanisms that could be driving our results. A major potential objection to our interpretation is that the patterns of government activity after a major positive outcome are in fact not so much determined by the government's own initiative, but by reaction to the guerrilla's activity. It could be that after a major defeat the guerilla withdraws making it harder for the government to find and attack them. However, an examination of the behavior of guerrilla attacks reveals that they do not follow a similar pattern across different municipalities after the major setbacks. Specifically, though guerilla attacks do fall after these events they do not fall differentially in municipalities where Uribe held Consejos Comunales. This casts doubt on this alternative interpretation. It could also be that after a major success the army reduces its attacks because it needs time to re-build. To examine this hypothesis we also run regressions for alternative "placebo" events. In particular, we choose events that represented important army operations or attempts at offensive measures against the guerillas, but did not turn out to be successful. If time to undertake new operations (especially in some areas more than others) explain our results, then we should see an effect in these types of regressions. We do not. Note also that one of our key events, the death of *Tirofijo*, was from natural causes and not due to the army. Finally, even though we control for differential trends based on observable characteristics, we conduct an additional test to verify if our results are driven by other traits that are correlated with Consejos Comunales but have little to do with the electoral response of areas where Consejos were held. Specifically, we establish that the most important correlates of Consejo's Comunales are the municipality's total population, area, level of poverty, and distance to the department capital. If these correlates, and not the electoral responsiveness of the municipalities, were driving our results, then allowing for a differential trend in government activity for municipalities categorized according to these traits should render our main coefficients of interest insignificant. Again, we find that our main results are still typically significant with the expected sign, which is reassuring for the validity of our main conclusions.

One could argue that it was not just President Uribe who was extracting rents from maintaining the FARC but also the military. It could be that after a positive shock, such as the death of *Tirofijo*, the military was scared that the FARC would collapse and so they autonomously scaled back their activities.[4] This idea is made more plausible by

---

[4]Such a mechanism has been suggested elsewhere in the literature on civil wars as an explanation for why they persist, for instance in El Salvador (Schwartz, 1991). See Giustozzi, 2011, pp. 174-175 for

the fact that there is a lot of evidence of military autonomy in Colombia such as the "false positives" scandal where possibly 3,000 people were illegally executed by the army to get promotions, pay increases and extra vacations (Acemoglu, Fergusson, Robinson and Vargas, 2011). Though this theory could explain the fall in army attacks after big positive shocks it cannot in itself explain why this effect should be differentially large in politically salient municipalities. For this to be true, it must be that the army also wishes to keep President Uribe in power. This is possible, but in this case the model would be very close to the one we have now but with a different central mechanism. However, the degree of presidential dominance in Colombia and the enormous amount of evidence of President Uribe's power in many policy areas, not least the military strategy, makes it implausible that military autonomy can be the dominant mechanism generating our findings.[5]

Although we are not aware of any study that develops the same mechanism as our model, our paper is related to a number of previous political economy contributions. The most related paper is Bardhan and Mookherjee (2010) who show in West Bengal that left-wing politicians who favor land reform refrain from doing it in office because they are better able commit to do it in the future. This again is a case where a politicians refrains from doing something they prefer in order to manipulate future election results.[6] They also provide empirical evidence supporting this hypothesis. This paper is part of a larger literature developed by Aghion and Bolton (1990), Milesi-Ferretti (1995), Besley and Coate (1998), Biais and Perotti (2002) and Robinson and Torvik (2005, 2009). These papers all developed in different contexts the idea that incumbent politicians have an incentive to set policy inefficiently to increase the demand for their own services, thus inducing voters to support them. The mechanism through which this works is that current policy influences a state variable which helps to determine future voting intentions of citizens. For example, in Aghion and Bolton's paper a conservative government which dislikes taxing, borrowing and printing money, might be willing to create debt today so as to create a large stock of debt in the future. This could be advantageous electorally because the conservative government can then better commit to pay off the debt rather than inflate it away, thus encouraging voters who hold the debt to vote for it. These papers all differ in details and implications from the current analysis.

Though none of these papers discuss civil war, the case study literature on civil wars

---

other similar examples, for instance in Pakistan.

[5]Moreover, to directly test whether army members' incentives may be driving our results, we compare the military activity across army brigades which are led by different army officials. The motivation for this exercise is that colonels and generals have different incentives to sustain conflict against the guerrilla. More specifically, since colonels have yet to rise in the rank ladder, they typically have stronger incentives than generals. However, in our regressions for military activity, we show that the interaction of the colonel dummy with the post dummy is never significant.

[6]An informal variant of this argument is made in the literature on the politics of Zimbabwe. The delay is agrarian reform after independence in 1980 has been explained by the fact that President Mugabe wanted to keep the issue "up his sleeve" because he needed to be able to use it when he became less popular and he could credibly commit to do so. This explains why fast track land reform was only promoted after 2000 when Mugabe faced strong political opposition (Meredith, 2007).

has noted phenomena akin to those we study. For example, in Nepal it is commonly argued (see International Crisis Group, 2005) that after the civil war broke out in 1996 King Dipendra, who controlled the army, refrained from committing it to the war in order to make himself more indispensable to the democratic politicians with the aim of regaining some of the constitutional powers he had previously lost.

One can also think of our model as related to the political economy literature on the difficulty of making efficiency enhancing reforms, such as Fernandez and Rodrik (1991), Alesina and Drazen (1991) and Drazen and Grilli (1993), in the sense that if the incumbent is better able to reform the economy than the challenger the incumbent has the incentive to delay reform to sustain the demand for this services. Cuckierman and Tommasi (1998) also present a model where the politician who cares most about doing something is the least likely to do it but their argument rests on asymmetric information.

Finally there is also a large literature on social psychology on the notion of the need for enemies (see for example Volkan, 1985, 1994, Barash, 1994, Murray and Meyers, 1999, and Abecassis, 2003), but we develop very different non-behavioral ideas based on rational choice.

The rest of the paper is organized as follows. In Section 2 we set up a very simple model, and in Section 3 we solve the model and yield our main theoretical results. In Section 4 we test the main predictions from the model using data from Colombia. In Section 5 we conclude.

2 Model

2.1 Private agents

The society we consider has M municipalities, each populated by a continuum of citizens with measure normalized to unity, and thus the size of the total population is M. In addition to the citizens there are two national politicians (or parties), denoted by I and O respectively, and a guerilla group (the 'enemy') which has a local branch present in each municipality.

In period 1 a politician $i \in \{I, O\}$ holds power, and at the end of period 1 there is an election to decide who is in power in period 2. Private citizens derive utility from private income y in each period, and additional net utility $P > 0$ if there is peace in their municipality. There is peace if the guerilla group which is initially active is eradicated. Thus the utility of peace may alternatively be interpreted as hatred of the enemy. Denoting the probability of peace in municipality m in period t by $\Phi_{m,t}$, expected period t utility of income and peace for a private agent in municipality m is given by

$$y + \Phi_{m,t} P.$$

Agents also have preferences over ideology and other characteristics of politicians which we will term popularity (our model is a version of the probabilistic voting model of

Lindbeck and Weibull, 1987, and Persson and Tabellini, 2000). Each agent j has an ideological bias σ^j in favor of politician I. We assume that σ^j is constant over time and in a municipality m uniformly distributed on the interval $[-\frac{1}{2s_m}, \frac{1}{2s_m}]$ with density $s_m > 0$. We order the different municipalities according to the size of s_m, where $s_1 \geq s_2 \geq ... \geq s_M$.[7] The relative popularity of politician I in municipality m, which we denote ρ_m, can potentially be affected by political campaigning, and is given by

$$\rho_m = \rho + \lambda(C_m^I - C_m^O),$$

where ρ is stochastic and is governed by a uniform distribution with support on the interval $[-\frac{1}{2h}, \frac{1}{2h}]$ and with density $h > 0$.[8] If politician $i \in \{I, O\}$ campaign in municipality m then the indicator variable $C_m^i = 1$, while if he does not campaign then $C_m^i = 0$. $\lambda \geq 0$ thus measures the effectiveness of campaigning in boosting popularity. We assume that both politicians have the same time for campaigning at disposal, but that this time is too limited for politicians to campaign in all M municipalities. Thus they need to choose in which $N < M$ municipalities to campaign.

2.2 Politicians

Politicians value rents and peace. A politician $i \in \{I, O\}$ in political power in period t receives rents $R_t^i = R$ per period. If not in power the politician does not receive rents.

In each period $t \in \{1, 2\}$ the politician in power has to decide whether or not to try to eradicate the guerilla group in each municipality. The probability of success for a politician that attempts to eradicate the enemy depends on his own ability or effort, as well as exogenous factors outside the control of the politician. Thus let the probability of success if politician i attempts to eradicate the enemy be given by $\alpha q^i \leq 1$, where q^i represents the ability or effort of the politician and α is a stochastic variable representing exogenous factors affecting the possibility of eradication. α has mean $\bar{\alpha}$, and a cumulative density function $H(\alpha)$ with support on $\left(0, \frac{1}{q^I}\right)$.

The key assumption in our model is that the two politicians may differ in their preferences or in their ability when it comes to eradication of the enemy. To model this in the simplest possible way we can think of, let the politicians simply share the preferences of the private agents so that the per period net payoff of an eradicated enemy is P in each municipality, but in case politician I decides to try to eradicate the enemy he can do that with a probability that is higher than the politician O, i.e. $q^I \geq q^O$. Thus politician I has a greater chance of eradicating the enemy than politician O. An alternative interpretation is that the abilities of politicians are the same, but that politician I hates the enemy more than politician O (for instance in the Colombian case because FARC

---

[7]Thus, as in other models of probabilistic voting, s_m is a measure of voters' responsiveness to policy in each municipality. A high s_m implies a municipality in which policy that marginally increases the utility of voters will attract many additional votes because people care more about policy relative to ideology.

[8]This formulation follows closely from the work on lobbying by Baron (1994) and Grossman and Helpman (1996), see also Strömberg (2008).

murdered the father of Uribe). This more intense hate induces higher effort which, in turn, gives him a higher probability of success should he decide to try to eliminate the enemy. The exact interpretation of the possible asymmetry between politicians is not crucial for our analysis. However, if there is no asymmetry our mechanism is not present as will be seen below.

Since discounting does not matter for our mechanisms we assume that all agents value the future in the same way as the present. The expected net present value of utility of politician i at the start period 1 is then given by

$$U^i = E_1(R_1^i) + P\sum_{m=1}^{M}\Phi_{m,1} + E_1(R_2^i) + P\sum_{m=1}^{M}\Phi_{m,2}, \tag{1}$$

where $E_1(R_t^i)$ is period 1 expectation of rents in period t.

2.3 Timing of events and equilibrium

The timing of events in this society is as follows.

1. α is revealed and the politician $i \in \{I, O\}$ in power decides whether to try to eradicate the enemy or not in each municipality m. If he decides to attempt eradication of the enemy in municipality m the indicator variable A_m^i takes value one, while if he decides not to attempt eradication of the enemy in municipality m the indicator variable A_m^i takes value zero.

2. The outcome of the eradication decision is observed. If the enemy is eradicated in municipality m the indicator variable B_m takes value one, while if the enemy is not eradicated in municipality m the indicator variable B_m takes value zero.

3. First period payoffs are realized, politicians decide where to campaign, the popularity shock ρ is revealed and agents vote.

4. The politician $i \in \{I, O\}$ with most votes takes office in period 2.

5. If the enemy has not already been eradicated in municipality m, the politician in power decides whether to try to eradicate the enemy or not.

6. Second period payoffs are realized and the game ends.

As usual we look for the pure strategy subgame perfect equilibrium, and thus below we solve the model by backwards induction.[9]

---

[9]Note that we could have allowed a new drawing of the shock to α in period 2, by letting α be time dependent and given by $\alpha_{t+1} = \alpha_t + v$, where v is stochastic with expectation zero. This gives a solution to the model which is identical to the one we have.

3 Analysis

3.1 Period 2

Consider first the municipalities where the enemy has been eradicated in period 1. In these municipalities the politician in power in period 2 has no problem to solve. Consider next the municipalities where the enemy has not been eradicated in period 1. In these municipalities the politician in power in period 2 will attempt to eradicate the enemy, as both politicians have a positive net payoff of peace. Given that politician i is in power in period 2, the probability of second period peace in each of these municipalities is αq^i.

3.2 Period 1

Assume that politician $i \in \{I, O\}$ is in power, and denote the expected reelection probability of the incumbent politician i by Ω^i. In case politician i decides to try to eradicate the enemy in $\Sigma_{m=1}^M A_m^i \leq M$ municipalities, his probability of successful eradication is αq^i in each of them and thus his expected period 1 payoff is $R + \alpha q^i P \Sigma_{m=1}^M A_m^i$ as given by the first line in (2). The second and third lines in (2) show the expected period 2 payoff. In the $\alpha q^i \Sigma_{m=1}^M A_m^i$ municipalities where the enemy was eradicated in the first period, peace is maintained in period 2 giving a payoff of $\alpha q^i P \Sigma_{m=1}^M A_m^i$. In $\left(M - \alpha q^i \Sigma_{m=1}^M A_m^i\right)$ municipalities the enemy is still around in period 2. With probability Ω^i the incumbent politician i wins the election and enjoys rents R. If he wins the election there is a probability αq^i he succeeds in creating peace in each of the $\left(M - \alpha q^i \Sigma_{m=1}^M A_m^i\right)$ municipalities where the enemy has not been eradicated. With probability $1 - \Omega^i$ he loses the election, gets no rents, and a probability of peace given by the probability of success of the other politician (denoted by $-i$) αq^{-i} in each of the municipalities where the enemy is still around. Thus the expected net present value of utility of an incumbent politician i is given by

$$
\begin{aligned}
U^i &= R + \alpha q^i P \sum_{m=1}^M A_m^i \\
&\quad + \alpha q^i P \sum_{m=1}^M A_m^i + \Omega^i \left(R + \alpha q^i \left(M - \alpha q^i \sum_{m=1}^M A_m^i \right) P \right) \\
&\quad + (1 - \Omega^i) \alpha q^{-i} \left(M - \alpha q^i \sum_{m=1}^M A_m^i \right) P \\
&= (1 + \Omega^i) R + 2 \alpha q^i P \sum_{m=1}^M A_m^i \\
&\quad + \Omega^i \alpha (q^i - q^{-i}) \left(M - \alpha q^i \sum_{m=1}^M A_m^i \right) P + \alpha q^{-i} \left(M - \alpha q^i \sum_{m=1}^M A_m^i \right) P.
\end{aligned}
\tag{2}
$$

From (2) we note that the expected utility of an incumbent politician I is increasing in his probability of winning the election Ω^I. In the continuation we will also assume

that politician O prefers to win rather than to lose the election, i.e. that the utility given by (2) is decreasing in Ω^O.[10]

Recall that the indicator variable $B_m = 1$ if in municipality m the enemy is eradicated, while $B_m = 0$ if the enemy is not eradicated. Private agents vote for the candidate which gives them the highest expected utility. Then a private agent j in municipality m supports politician I in the election if

$$y + B_m P + (1 - B_m)\alpha q^I P + \sigma^j + \rho_m > y + B_m P + (1 - B_m)\alpha q^O P,$$

or alternatively if

$$\sigma^j > -(1 - B_m)\alpha(q^I - q^O)P - \rho - \lambda(C_m^I - C_m^O).$$

The number of voters from municipality m who supports politician I, S_m^I, is then given by

$$
\begin{aligned}
S_m^I &= \int_{-(1-B_m)\alpha(q^I - q^O)P - \rho - \lambda(C_m^I - C_m^O)}^{\frac{1}{2s_m}} s_m dj = \\
&\quad \frac{1}{2} + (1 - B_m)\alpha(q^I - q^O)Ps_m + \rho s_m + \lambda(C_m^I - C_m^O)s_m.
\end{aligned}
$$

Let Ω denote the election probability of politician I. (Thus if politician I is also the incumbent $\Omega = \Omega^I$). Ω is given by

$$\Omega = \Pr\left\{\sum_{m=1}^M S_m^I \geq \frac{1}{2}M\right\},$$

which is equivalent to

$$\Omega = \Pr\left\{\sum_{m=1}^M s_m(1 - B_m)\alpha(q^I - q^O)P + s_m\rho + \lambda s_m(C_m^I - C_m^O) \geq 0\right\}.$$

Denoting the average s_m by s, so that $\sum_{m=1}^M s_m = sM$, this can be simplified to

$$
\begin{aligned}
\Omega &= \Pr\left\{\rho \geq -\frac{1}{sM}\sum_{m=1}^M s_m(1 - B_m)\alpha(q^I - q^O)P + \lambda s_m(C_m^I - C_m^O)\right\} = \\
&\quad \frac{1}{2} + \frac{h}{sM}\sum_{m=1}^M s_m(1 - B_m)\alpha(q^I - q^O)P + \lambda s_m(C_m^I - C_m^O).
\end{aligned}
\tag{3}
$$

The election probability of politician O is given by $1 - \Omega$.

---

[10]As seen from (2) this will always be the case provided R is not too small. A higher reelection probability of politician O increases his expected rents, but decreases the probability of future peace because politician I is more likely to succeed in creating peace than politician O. In isolation, the latter effects pulls in the direction that politician O would like to lose the election. In such a case the model becomes uninteresting, and thus we focus on the case where both politicians compete in the election with the aim of winning.

Thus both politicians chose where to campaign so as to maximize their expected utility, subject to Ω being given by (3). The incumbent politician $i \in \{I, O\}$ also chooses where to attempt eradication of the enemy, subject to Ω being given by (3) and subject to the expectation of B_m being given by $\alpha q^i A_m^i$. Thus the solution to the maximization problem for an incumbent politician i consists of N campaign decisions C_m^i, and M decisions on eradication attempts A_m^i. The solution of the maximization problem for an opposition politician i consists of N campaign decisions C_m^i. As will be clear below a well defined solution to the maximization problem of both politicians always exists.

We start out with the solution for the campaign decisions. From (2) and (3) we note that the only effect on utility from campaigning is through its effect on the election probability. Thus since politician I aims to maximize Ω, while politician O aims to minimize Ω, both politicians choose to campaign in the N municipalities where voters are the most responsive, i.e. where s_m is the highest. More formally, we have the following proposition:

Proposition 1 $C_m^I = C_m^O = 1$ for $m \leq N$, $C_m^I = C_m^O = 0$ for $m > N$.

Proof. When politicians can campaign in N municipalities then from (3), irrespective of the campaigning decision politician O, politician I increases Ω the most by campaigning in the N municipalities where s_m is the highest. In the same way, irrespective of the campaigning decision of politician I, politician O decreases Ω the most by campaigning in the N municipalities where s_m is the highest. Thus for both politicians the dominant strategy is to campaign in the N municipalities where s_m is the highest, which due to our ordering of municipalities according to the size of s_m are those with $m \leq N$. ∎

Thus, rather intuitively, both politicians campaign where voters are the most responsive. Taking into account the campaigning decisions, the election probability for politician I reduces to

$$\Omega = \frac{1}{2} + \frac{h\alpha(q^I - q^O)P}{sM}\sum_{m=1}^{M} s_m(1 - B_m).$$

It is clear that since B_m in general depends on who is in power, the election probabilities will also do so. Recall that above we defined Ω^i as the *reelection* probability of politician i. Thus, given that politician I is in power, taking into account that in that case B_m has expectation $\alpha q^I A_m^I$, we can calculate his *expected* reelection probability as a function of his eradication decision variables A_m^I, to be

$$
\begin{aligned}
\Omega^I &= \frac{1}{2} + \frac{h\alpha(q^I - q^O)P}{sM}\sum_{m=1}^{M} s_m(1 - \alpha q^I A_m^I) \\
&= \frac{1}{2} + h\alpha(q^I - q^O)P\left(1 - \frac{\alpha q^I}{sM}\sum_{m=1}^{M} s_m A_m^I\right).
\end{aligned}
\tag{4}
$$

There are two noteworthy implications of this expression. First, the reelection probability is decreasing in A_m^I. Thus the more municipalities where eradication is attempted, the

lower is the expected reelection probability of the most able incumbent. The intuition for this is that the more municipalities that remain with an active guerilla, the more important is it for the voters that the most able politician holds future power. Second, the expected reduction in the reelection probability with an eradication attempt is stronger in municipalities where voters are more responsive, that is the higher is s_m. The intuition for this is that in municipalities where voters care much about political results relative to ideology, the expected gain in votes by keeping the enemy alive is higher.

In contrast, should the least able politician O hold power his reelection probability is increasing in A_m^O, as it is given by

$$\Omega^O = \frac{1}{2} - h\alpha(q^I - q^O)P\left(1 - \frac{\alpha q^O}{sM}\sum_{m=1}^{M} s_m A_m^O\right). \tag{5}$$

The least able politician has a disadvantage if there are many municipalities without peace, as voters realize he will be less likely to succeed in creating future peace.

To characterize the remaining part of the solution to the maximization problem, namely the M eradication decisions of the incumbent, we proceed in two steps. First, we look at a municipality and ask: for given eradication decisions in other municipalities, what is the optimal eradication decision in the municipality we are looking at. Second, we move to the full characterization of the solution to the maximization problem.

We start out with the following proposition:

Proposition 2 *Consider a municipality k for given eradication decisions in all other municipalities.*

(i) Let politician I be in power in period 1. Then in municipality k there may or may not be an attempt to eradicate the enemy.

(ii) Let politician O be in power in period 1. Then there will always be an attempt to eradicate the enemy.

Proof. Consider first the case where politician I holds power. Let all eradication decisions in all other municipalities than k be given. Denote by $U_{A_k=1}^I$ the total expected utility of the incumbent when attempting eradication in municipality k (for given eradication decisions in all other municipalities m) and by $U_{A_k=0}^I$ his total expected utility when not attempting eradication in municipality k (for given eradication decisions in all the other municipalities). A sufficient (but not necessary) condition for an eradication attempt, $A_k^I = 1$, is that $D_k^I = U_{A_k=1}^I - U_{A_k=0}^I > 0$ for all combinations of eradication decisions in other municipalities. A sufficient (but not necessary) condition for an eradication attempt not to be made, $A_k^I = 0$, is that $D_k^I = U_{A_k=1}^I - U_{A_k=0}^I < 0$ for all combinations of eradication decisions in other municipalities. Inserting for (4) in (2), and then inserting

for $A_k^I = 1$ when eradication is attempted and $A_k^I = 0$ when it is not, we find

$$
\begin{aligned}
D_k^I &= \left(2 - \alpha q^O - \frac{h\alpha^2 (q^I - q^O)^2 P s_k}{sM} \left(M - \alpha q^I \sum_{m=1}^{M} A_m^I \right) \right) \alpha q^I P \\
&\quad - \left(\frac{1}{2} + h\alpha (q^I - q^O) P \left(1 - \frac{\alpha q^I}{sM} \left(\sum_{m=1}^{M} s_m A_m^I + s_k \right) \right) \right) \alpha^2 q^I (q^I - q^O) P \quad (6) \\
&\quad - \frac{h\alpha^2 q^I (q^I - q^O) P s_k}{sM} R.
\end{aligned}
$$

Part (i) then follows from noting that (for all combinations of possible eradication decisions A_m in all other municipalities m) the sign of D_k^I in (6) may always be positive or may always be negative. (In particular it will always be negative for a sufficiently high R and always positive for a sufficiently low h).

Part (ii) follows straight forward from (5) in (2), since by this for all combinations of eradication attempts in the other municipalities an eradication attempt in municipality k both increase the probability of peace and also the reelection probability of politician O. ∎

Note that in this society all politicians and private agents agree that the per period net utility gain of eradicating the enemy in a municipality is $P > 0$. Despite of this, however, when the politician in power is the most able one he may choose not to try to eradicate the enemy. Per se there is no conflict of interest in the eradication of the enemy - everyone agrees that the enemy is a problem. The reason the able incumbent may choose not to eradicate is a commitment problem: voters cannot commit to vote for a politician independently of which problems remain unresolved. In turn, when the incumbent has a comparative advantage in solving the problem, this creates an incentive for him *not* to solve it. In particular we note from (6) that this incentive is stronger the higher the rents from holding office, since when these rents are high an increase in the reelection probability is more valuable.

When politician O is in power it follows from Proposition 2 that he will always attempt eradication in all municipalities. The interesting case that remains to fully analyze is thus when politician I holds power. In the remainder of the analysis we thus focus on this case.

To fully characterize the possible solutions to the maximization problem when politician I is the incumbent, it is useful to start with the following proposition:

Proposition 3 *Suppose politician I is in power, and consider a municipality k. The incentive for eradication is weaker the more responsive voters in the municipality are, that is the higher is s_k.*

Proof. From (6) we note that[11]

$$\frac{dD_k^I}{ds_k} = -\frac{h\alpha^2 q^I(q^I - q^O)P}{sM}\left(R + \alpha(q^I - q^O)P\left(M - \alpha q^I\left(1 + \sum_{m=1}^{M} A_m^I\right)\right)\right) < 0.$$

∎

Thus, *irrespective* of eradication decisions in other municipalities, it is always less attractive to eradicate the enemy in a municipality k the more responsive the voters in the municipality are. The reason for this is that not eradicating the enemy in a municipality increases the reelection probability of politician I by more, the more responsive voters in the municipality are. In turn, a large increase in the reelection probability of politician I has a stronger negative impact on the incentive for eradication for two reasons. First, a large increase in the reelection probability means that the expected increase in rents by avoiding eradication is higher. Second, a large increase in the reelection probability means a large increase in the probability that it will be the most able politician that will undertake future eradication attempts. Thus the increase in the expected future value of peace is higher the more the reelection probability of politician I increases.

We now have sufficient information to fully characterize the possible solutions for eradication decisions by politician I: if the rents of power R are sufficiently high there will not be eradication attempts in any municipality. For lower values of the rents of power R there may be eradication attempts in some or all municipalities. When there is an eradication attempt in less than all municipalities, say in $G < M$ municipalities, then there will only be an eradication attempt in the $G \geq 0$ municipalities with the least responsive voters. Thus $A_m^I = 0$ for $m \leq M - G$, $A_m^I = 1$ for $m > M - G$. Finally, it can be verified from (6) that when R and h are sufficiently low there will be an eradication attempt in all municipalities.[12]

---

[11]To avoid unnecessary notation we have here assumed that there are sufficiently many municipalities that a marginal increase in s_k does not affect the average s. Obviously the property that $\frac{dD_k^I}{ds_k} < 0$ is independent of this.

[12]Note that the solution to the maximization problem of the incumbent is the combination of eradication decisions that yields the global maximum of U^I. This involves the investigation of all combinations of eradication decisions that has the properties stated in the text (but no other combinations of eradication decisions). Since this is a simultaneous problem a closed form solution cannot be derived. We have now found all properties of this solution that are necessary for our purpose. Nevertheless, it is also instructive to explain the intuition for the simultaneity in the solution procedure to the maximization problem of the incumbent: consider, for example, a situation where R and h are sufficiently low that an eradication attempt is undertaken in all municipalities, and then let R increase so that an eradication attempt is (viewed in isolation) no longer profitable in municipality 1. Then the utility of politician I increases if the attempt is not made. Moreover, not making the eradication attempt in municipality 1 reduces the incentive to make eradication attempts also in other municipalities, which can be verified by the fact that from (6) D_k^I is increasing in A_1^I. Thus it might be that utility is now higher also by avoiding eradication in for example municipality 2. In turn this just strengthens the reason for not undertaking the eradication attempt in municipality 1. It may also be that, given that an eradication attempt is not made in municipalities 1 and 2, it is not optimal in municipality 3 either, and so on. This means that any solution to the maximization problem must have the properties stated in the text, and also makes clear why the M equations given by (6) can only be used to present sufficient, but not necessary conditions, for a global optimum of the maximization problem.

We next investigate how better possibilities to eradicate the enemy affects the incentives of eradication. When exogenous factors make it more likely an attempt of eradication will be successful, that is when the draw of α is high, we get the following:

Proposition 4 *Suppose politician I is in power. A high α, i.e. a good opportunity to eradicate the enemy, may increase or decrease the incentive of eradication. When the rents of power R are sufficiently high the incentive to eradicate decreases.*

Proof. We use (6) to find after some calculations that

$$
\begin{aligned}
\frac{dD_k^I}{d\alpha} &= \left(2 - \alpha q^O - \alpha q^I\right) q^I P - 3h\alpha^2 q^I (q^I - q^O)^2 P^2 \\
&\quad + \frac{4h\alpha^3 (q^I)^2 (q^I - q^O)^2 P^2}{sM} \left(\sum_{m=1}^{M} s_m A_m^I + s_k\right) \\
&\quad - \frac{h\alpha^2 q^I (q^I - q^O)^2 P^2 s_k}{sM} \left(3M - 4\alpha q^I \sum_{m=1}^{M} A_m^I\right) \\
&\quad - \frac{2h\alpha q^I (q^I - q^O) P s_k}{sM} R.
\end{aligned}
\tag{7}
$$

We note that this may take any sign, but that if R is sufficiently high the incentive to eradicate will always decrease (for all combinations of eradication decisions). ■

Thus an exogenous increase in the probability that the enemy will be eradicated, should eradication be attempted, may actually make it less likely that the incumbent will aim to eradicate the enemy. The intuition for this result is on the one hand that when α increases, the expected payoff of trying to eradicate the enemy is higher simply because one is more likely to create peace. This pulls in the direction of making eradication more attractive. But on the other hand a higher α also makes the competitive edge that politician I gets by not attempting eradication larger, thus pulling in the direction of not trying to eradicate. If the rents of power are sufficiently high this effect will dominate.

3.3   Discussion and hypothesis

We have seen that the most able politician may decide not to attempt eradication of the enemy in period 1. For voters this, in isolation, is an argument against voting for the most able politician before period 1. On the other hand, the most able politician is also the most likely to create peace should he make an attempt. This is, in isolation, an argument in favor of voting for the most able politician. Thus before period 1 voters face a trade-off: electing the most able politician means a higher probability of successful eradication conditional on an eradication attempt being made, but a lower probability an eradication attempt is actually made. Thus even if voters realize that the most able politician is the least likely to attempt eradication, it may still be the case that expected eradication is higher with the most able politician.

Interpreting the model in the light of the Colombian situation it seems clear that Uribe built his popularity on being seen as more likely to eradicate the guerilla. Thus

under 'normal circumstances' in the sense of a close to expectation drawing of α, Uribe could have been expected to aim for eradication in most or all municipalities. However, circumstances did not become normal. Within a short time period in 2008 the guerillas faced unprecedented setbacks that produced a unique possibility to eradicate them. In the interpretation of the model; the drawing of α became unusually high. A remaining question is if it is possible that a president that under normal circumstances will aim at eradication in all municipalities, may in fact choose to not attempt eradication in some municipalities when the expected success of such eradication improves.[13] The following corollary answers this question:

Corollary 1 *There always exist a $h < h^*$ and a $R > R^*$ such that when $\alpha = \bar{\alpha}$ the most able politician I attempts to eradicate the guerilla in all municipalities, and when α increases then the incentive to eradicate the guerilla decreases (at least) in the municipalities where voters are the most responsive.*

Proof. See Appendix A. ∎

Thus even if Uribe was expected to be the man for the job under normal circumstances, it may be that, as found in Proposition 4, when the prospects of eradication improved this may in fact have produced an incentive not to eradicate. And moreover, because of Proposition 3, the model predicts that in such a case the incentive not to eradicate shall be particularly strong (or only present) in the municipalities where voters are the most responsive, that is in the municipalities where s_m is high (since as we have seen in Proposition 3 the incentives to eradicate is always lower in such municipalities). Finally, because of Proposition 1, the model predicts that this is the same municipalities where Uribe held Consejos Comunales (prior to the 2008 events).

We now aim to test if in fact it was the case that Uribe reduced military activity when the possibilities to eradicate the guerrilla improved and, more importantly, if such effects are more pronounced in municipalities where the voters are the most responsive.

4 Empirical Evidence

4.1 Background

Colombia has a long history of rebel activity. The roots of the current internal armed conflict can be traced back to at least the period known as *La Violencia* which began in the late 1940s. A brutal civil war between the Liberal and Conservative parties, this period finally ceased in 1958 when the parties signed a peace treaty and set up a system of power sharing institutions known as the National Front. The National Front ended the historical bipartisan conflict, but also excluded other political groups from power. Liberal and Communist guerillas of *La Violencia* transformed themselves into armed groups.

---

[13]The existence of a parameter space where this holds is not obvious, because those parameters that make it likely that $D_k^I > 0$ may also make it unlikely that $\frac{dD_k^I}{d\alpha} < 0$. Thus the existence of such a parameter space needs to be proven and cannot simply be assumed.

In particular, in 1964 the *Fuerzas Armadas Revolucionarias de Colombia* (FARC) and *Ejército de Liberación Nacional* (ELN) were formed. FARC and ELN survive to date and their armed opposition is active, especially in the case of FARC. These 'left-wing' guerilla groups were relatively small during the 1960s and 1970s, but began to expand rapidly in the 1980s. While they have increasingly been accused of being terrorists financed by illegal activities like drug traffic, both groups fight with the stated claim of wanting to take over political power.

In addition to the rebels and the government forces, the conflict has featured a third armed group since the late 1970s: the so called "paramilitary forces." These right-wing militias were originally created by local elites, landowners and drug lords to counter-act guerrilla extortion and ransom in the rural areas of Colombia. The paramilitaries were effectively private armies. By the mid 1990s these groups joined forces in order to boost their counterinsurgency effort under an umbrella organization (called *Autodefensas Unidas de Colombia*, AUC).

A major peace negotiation process with the FARC was launched by President Andrés Pastrana (1998-2002). Pastrana made contacts with the FARC in 1998 during the presidential campaign and, once in office, officially initiated the negotiation process in January of 1999. During this period, there was a growing perception that the government conceded too much without demanding anything. Among other things, the FARC enjoyed the demilitarization of 42,000 square kilometers, known as *Zona de Distensión* (demilitarized zone) and did not agree to a cease-fire during the negotiation period. Talks were tortuous and proceeded in stop-start fashion with the FARC's leader Tirofijo even snubbing President Pastrana by not showing up for the first day's negotiations (the term *la silla vacía* - the empty chair - has now become emblematic of the dysfunctionality of Colombian politics). The government accused the FARC of using the *Zona de Distensión* to rearm, prepare attacks and conduct drug trade and even the FARC's apologists, such as Leech (2011), argue that kidnappings fell after the collapse of the *Zona de Distensión* because the FARC did not have anywhere safe to keep their prisoners! In 2001, negotiations finally broke up a few hours after a plane was hijacked by the FARC.

The conflict with the FARC dominated the 2002 presidential electoral campaign. Though early polls gave little chances to Álvaro Uribe, he won the election. Traditionally a member of the Liberal Party, Uribe ran as an independent and his 'right-wing' speech of cracking down hard on rebel groups gained prominence as voters grew disillusioned with Pastrana's peace process. He ultimately obtained the first ever first-round presidential election victory since the introduction of the 1991 Constitution.

There is no doubt that Uribe was seen as the candidate with the better chance of eradicating the guerrilla. Not only did he emphasize a hard-line against the rebels early on in the campaign. His personal and political record also made him stand out among other candidates. As we noted, his father was killed by the FARC, and as Governor of Antioquia Uribe had been an important supporter of the CONVIVIR, a national program of neighborhood watch groups established in 1994 which facilitated the expansion of

paramilitary groups.

As President, Uribe's policy of so-called "Democratic Security" included an important growth of military expenditure to fight the guerrilla. Another major program was the dismantling of the AUC between 2003 and 2007, following a peace process with the government (though splinter paramilitary groups including former AUC fronts are still active in the country). The Democratic Security policy delivered a number of positive results in the fight against the FARC. The army obtained some major victories against the FARC, guerrilla attacks and kidnappings decreased, demobilizations of guerrilla members increased, the overall homicide rate fell, and the general public perception of security increased. However, the FARC remains an active group. For instance, it continues to hold hostages and recruiting fighters (see Echandía Castilla, 2011).

Another key component of Uribe's presidency, allegedly an important determinant of his overwhelming popularity together with his stance against the FARC, were the weekly Consejos Comunales. The councils were held each weekend in a different municipality and broadcasted live on national television. They showed Uribe exchanging directly with local authorities and cabinet members, publicly hearing and discussing various concerns.

Before 2006, the President of Colombia was elected for one four-year term with no possibility of re-election. But by the end of his first presidential period, Uribe took advantage of his popularity to change the Constitution and remove the one-term limit. He was reelected on a landslide, and led the country for an additional term, from 2006-2010.

Despite Uribe's popularity and achievements, his Presidency was marked by the outbreak of various scandals, many of them connected with his Democratic Security policy and stance against the illegal armed groups. These included: the "false positives" scandal we mentioned in the introduction; the "parapolitics" scandal, when Uribe's congressional supporters were found to be linked to paramilitary groups[14]; the "chuzadas" scandal, or illegal wiretapping (by Colombia's intelligence agency) of members of the judiciary and of the political opposition; and the "yidispolítica" scandal, or bribery of Congressmen in exchange for a vote for the political project that would have allowed Uribe's to be reelected again.

Another attempt by Uribe's supporters to change the Constitution once again and let Uribe run for a third period failed in 2010 when the Constitutional Court ruled it unconstitutional. Nonetheless, Uribe remained very popular, and his successor and former Defense Minister Juan Manuel Santos was elected largely on a platform that emphasized continuity with Uribe's Democratic Security policy, especially the commitment to beat the rebels.

---

[14]See Acemoglu, Robinson and Santos (2009) and López ed. (2010).

4.2 Data

We look empirically both at whether the military activities of the government falls after major victories against the FARC and also whether it responds differentially in municipalities formerly visited by president Uribe during his Consejos Comunales. That is, we focus on Proposition 4 and Corollary 1. Our main proxy for government military activity is the sum of the number of attacks by the army and the number of combats against the guerrillas.[15] In some of the robustness checks we also use the number of guerrilla attacks as the dependent variable.

Our Colombian-conflict data is an original event-based dataset that covers the period 2002-2009. For each conflict event we recorded the date, location, type, perpetrator, and victims involved in the incident. We distinguish whether the incident was an uncontested *attack*, carried out by an identified armed group against a specific military or civilian target, or a *clash*, which involves an exchange of fire between two or more groups. We also record whether attacks were carried out by the guerilla, the paramilitary or the government, and the groups involved in a clash. Finally, we coded the number of casualties separately for combatants and civilians. Our data updates the data of Restrepo, Spagat, and Vargas (2004), and relies on the same sources. In particular, we created our database using events listed in the periodical *Noche y Niebla* published quarterly by the Colombian NGO CINEP. The publication presents a detailed description of chronologically ordered violent events in Colombia, including date of occurrence, geographical location, the group, or groups, deemed responsible for causing an event, individuals killed and injured, and the group to which the victims are thought to belong. As primary sources, *Noche y Niebla* relies on press articles from more than 20 daily newspapers with both national and regional coverage, as well as reports gathered directly by members of human rights NGOs and other organizations on the ground such as local public ombudsmen and, particularly, the clergy. Since the Catholic Church is present even in the most remote areas of the country, we can be very confident of the coverage and accuracy of these data.

In terms of our main independent variable of interest, we downloaded from the website of the Colombian presidency information on each one of 305 *Consejos Comunales* held by president Uribe during his eight-year term. Specifically, by recording the exact date and location of each one of the visits, we were able to construct dummies pertaining to the municipalities visited by the president up to the moment when the events under consideration occurred.

We also have a rich set of municipal-specific controls that include: (the log of) rural population (from DANE, the National Statistics office), geographical and distance controls (from IDEAM, the National Climate office, and IGAC, the Geographic Institute), and the *unmet basic need* proxy of poverty (also from DANE) which gives the proportion of the population of each municipality with unmet basic needs.

---

[15]Our results are robust to using the number of combats only. The frequency of government unilateral attacks (mostly bombing of enemy camps and anti-kidnapping operations) is however extremely low and hence we cannot use the attacks variables alone.

Descriptive statistics for our main dependent variables, government military activity and guerrilla attacks at the municipality level, as well as for our main set of control variables are presented in Table 1. In the case of government and guerrilla attacks, we present summary statistics for the 12-month period before and after the major victories of the government against the guerrilla since, as we detail next, this is key in our empirical approach. One feature of potential interest is the raw data in rows 3-6. Here we first report the average of government activity before and after major events in municipalities where there was a Consejo Communal. One can see that this drops from 0.00421 to 0.00152, a fall of 74%. In the next two rows we reports the raw data for municipalities where there were no Consejos. Prior to the major events the mean here is lower, 0.00187 and it again falls by a similar amount (75%) to 0.00065. Thus the raw data does not show the main pattern of interest which is perhaps not surprising given the number of potentially conflating factors, such as unobservable differences across municipalities.

4.3 Empirical approach

Our main empirical specification takes advantage of the most important victories of the government over the guerrillas during Uribe's presidency. These are: the death of Manuel Marulanda, a.k.a *Tirofijo* ("Sureshot"), FARC's founder and chief; the bombing-to-death in Ecuador of Raúl Reyes, FARC's deputy chief during so-called "Operation Fenix"; and the rescue of Ingrid Betancourt and other political prisoners in the so-called "Operación Jaque" (Operation Check Mate). There is no doubt that the three events we selected are the most major setbacks for the FARC during Uribe's presidency. This can be clearly verified in Table 2, which shows the results from a newswire search of press coverage of recent guerrilla setbacks. We counted around 13 thousand, 8 thousand, and 1.5 thousand hits for the rescue of Ingrid Betancourt, the killing of Reyes, and *Tirofijo's* death, respectively. Following these events, the next most noteworthy event, the escape of politician Fernando Araujo (later Minister of Foreign Affairs) after six years' captivity has just around one hundred hits. Hence, these three dates arguably represent the most important positive opportunity shocks (increases in α in our model).

We study the pattern of government activity against the guerrillas around these key dates and across different types of municipalities. Indeed, Corollary 1 of Proposition 4 suggests that it is more important for the president not to eradicate the guerilla the more responsive voters are (measured by the density of the valence term in the model). In turn, Proposition 1 states that the president will target his attention (and thus will most likely visit) such municipalities (as in Strömberg, 2008). Hence, we use Uribe's Consejos Comunales to identify the municipalities where the president views voters as most responsive. Notice that in our context the data on where the president went is a more natural proxy of which municipalities (the president believes) have the most responsive voters than other measures of "swing" voters commonly used in the literature. For example, going to "swing" municipalities in the sense that they are around 50% in

support for Uribe is irrelevant in national presidential elections where the only relevant thing is the national number of votes (see Ansolabehere and Snyder, 2006, for discussion).

With this in mind, we estimate the following model specification for municipality m at time t:

$$Y_{m,t} = \beta_1 + \beta_2 post.event_t + \beta_3 (CC_m \times post.event_t) + \beta_4 (X_m \times post.event_t) + \delta_m + \varepsilon_{m,t} \quad (8)$$

where $Y_{m,t}$ is the outcome (typically government military activity except for placebo regressions in which we use guerrilla attacks), $post.event_t$ is a dummy variable that equals 1 after the main event (Sureshot's death, Operation Fenix, and Operation Check Mate), and CC_m is a dummy variable that equals 1 if Uribe hosted a Consejo Comunal in municipality m *before* the event. All our specifications include a full set municipality fixed effects δ_m, to absorb any time-invariant characteristics of municipalities that could be correlated with the level of military activity (such as size, population, geographical characteristics, level of development). Note, also, that for this reason we do not include the direct effect of CC_m in (8) as it is absorbed by the fixed effect. $\varepsilon_{m,t}$ is the error term. Throughout, we consider just two time periods: before and after the event. The dependent variable, $Y_{m,t}$ is simply computed as the average of Y over different time-windows before and after the event. Our benchmark regressions have a 12-month before-after window, and we exclude the month around the event (the 15 days before and after the event). We show below that our results are robust to different time-windows.

The main potential threat to our strategy would be that the estimated β_3 is truly capturing differential trends between municipalities with or without consejos comunales. Since these potential differential trends may depend on unobservable characteristics, the threat is ultimately untestable. However, we perform a number of robustness checks that lend credibility to the results. First, we run regression as in equation (8) in periods preceding the major blows to the FARC in search for preexisting differential trends. We find no significant effects for β_2 and, most importantly, β_3 in such regressions. Second, we examine the robustness of our results to the inclusion of differential trends, parametrized as functions of various observable baseline characteristics. If differential trends due to observables do not change our results, we are more confident about our identification strategy. To verify this, the interaction term $(X_m \times post.event_t)$, where X_m are observable municipality characteristics, is included in our robustness checks.

We emphasize that CC_m equals 1 only if Uribe visited the municipality in a community council before the event, as later visits could in fact be endogenous to the event (for instance if the army offensive measures improved security allowing Uribe to visit the municipality).[16] Also, notice that the three main blows to the FARC are relatively close to each other, occurring within a window of 5 months in 2008: Fenix (March 1), Sureshot (May 24), and Jaque (July 2). Thus, in an additional exercise we lump together the events, and let $post.event_t = 0$ before Fenix and $post.event_t = 1$ after Jaque, excluding

---

[16]As it turns out, results are not sensitive to coding CC_m equal to 1 without making such a distinction, yet we stick to this more reasonable coding procedure throughout.

the dates in between.

This specification tests the implications of Proposition 4 and its corollary. In particular, the theory suggests that if rents from power are sufficiently high, government military activity decreases when there is an opportunity to eradicate the guerrilla. If this is the case we should observe a decrease in government activity after a major army hit or guerrilla setback ($\beta_2 < 0$). Notice from Table 1 that during the 12-month period preceding the three main adverse events for the guerrilla, there were on average 0.00211 government actions against the guerrilla per day, and that these fell quite markedly after the three main blows (down to 0.00074). That is, government activity fell to about a third of its previous level. Of course, a limitation of this test is that there are alternative plausible explanations for a potential decrease in government military activity after a major army achievement. For example, it may take a while before a major operation can be planned and executed, or the guerrilla may seek refuge in strategic safe havens that are harder to reach for the army right after a major setback. Indeed, Table 1 also reveals a fall in guerrilla activity after the major hits took place (albeit smaller than the fall in government activity, since guerrilla attacks fell from a daily average of 0.00075 per municipality in the year preceding the attack to a bit over half this amount in the following year). But more importantly, the corollary suggests an additional prediction which is harder to reconcile with alternative hypotheses. In particular, Corollary 1 identifies conditions under which the decrease in government activity should be more pronounced in electorally relevant places ($\beta_3 < 0$). As we will show below, the fall in government activity is concentrated in places that President Uribe chose to visit, which according to our model are the electorally salient municipalities. We next use our data to examine these predictions and explore the robustness of the results to a variety of additional checks.

4.4 Main results and robustness

We now look at the military activity of the government after each of the main positive victories against the guerrilla, comparing the areas visited by president Uribe with those he did not. Table 3 is divided in four panels. There is one panel for each one of the events considered, plus a fourth panel that lumps the three events together. In each panel we report the coefficient associated with $post.event_t$ and the interaction term.

The first column of Table 3 reports the baseline *difference-in-differences* specification with no controls though all specifications control for municipality fixed effects. In all the specifications the coefficient on $post.event_t$, β_2, is negative and statistically significant, as predicted by the theory for high rents from power. For example in column 1, panel A, $\beta_2 = -0.00104$ with a standard error of 0.000123 and so is highly significant. Looking at panels B, C and D we also see that the coefficient estimate on $post.event_t$ is very similar for these different events.

As we noted however, there are other plausible interpretations of $\beta_2 < 0$. Hence the estimated coefficient which may be of more interest is that pertaining to the interaction

between CC_m and $post.event_t$. In all panels of column 1 this is negative and significant and this is so across all three events as well as in Panel D where all the major guerrilla setbacks are lumped together. This implies that the government military initiative dropped in CC_m areas relative to other municipalities after each one of the events took place. In particular, the killing of Raúl Reyes was followed by a relative reduction in army involvement in offensive military operations and conflicts in areas previously visited by the president, and the same happened after the death of Sureshot and the rescue of Ingrid Betancourt.

In columns 2 and 3 we show that this result is robust to controlling for differential trends parametrized as functions of a number of observable municipality-specific characteristics. Column 2 includes the interaction of a number of geographical variables with the $post.event_t$ dummy, namely: altitude, soil quality and soil erosion, distance to departmental capital, and average rainfall. Column 3 adds, in addition, the interaction department fixed effects with this post dummy.[17] The interaction coefficient of interest survives the inclusion of all the control sets. Moreover the coefficient does not change much in magnitude across specifications, which further points to the robustness of the finding. This is very reassuring evidence that the results for the coefficient of interest are unlikely to be driven by other differential trends across municipalities with and without Consejos Comunales. We will return to this issue below and provide further evidence along these lines, when we examine the most important correlates of Uribe's visits.

It is interesting that in all of the specifications in columns 2 and 3, once we add the covariates the direct effect of the $post.event_t$ dummy becomes statistically insignificant. This suggests that after the big victories which the military secured against the guerilla, the only places in which army military activity fell was in those which were electorally important for President Uribe. To gauge the size of the effects, take the case when considering all events together as in Panel D. The estimated coefficient with full controls in column 3, of about -0.00159, implies that following the major drawbacks for the guerrilla, attacks by the government fell to about a fourth of their preexisting average in the year before the event (0.0021, recall Table 1) and that this fall occurred only in places that Uribe visited.

While column 3 in Table 3 already suggests that our results are not driven by other differential trends between municipalities with and without consejos comunales, Table 4 presents an additional exercise to assuage these concerns. In particular, it repeats our baseline regressions but moving the $post.event_t$ dummies one year before. Hence, this table tests for the existing of preexisting differential trends for municipalities that President Uribe visited one year before each actual major hit to the guerrilla took place. The results are very supportive of our strategy. Both β_2 and, most importantly, the interaction term β_3 are statistically insignificant when the regression is replicated one year prior to each one of the events and to all the events considered together (in columns

---

[17]In Colombia's political division, the about 1,000 Colombian municipalities are equivalent to US counties and the 33 departments are equivalent to US states.

1 to 4, respectively). Hence, we conclude that our results are not driven by preexisting non-parallel trends or by differential trends based on municipality characteristics other than their electoral responsiveness.

An additional robustness check concerns the estimation window around the event. As noted above our benchmark regressions have a 12-month before-after window, and we exclude the month around the event (the 15 days before and after the event). In Figure 1, we show that we would have obtained similar results for our main interaction coefficient of interest had we considered any estimation window from 6 to 24 months. This Figure plots the interaction coefficient and confidence bands for regressions with estimation windows varying from 1 to 24 months. Given the low frequency of civil war events, it is unsurprising that when few months of activity are included (windows from 1 to 5 months) we fail to find a significant effects and there is a large uncertainty around the point estimate. But, as noted, starting with a window of about 6 months, the point estimate becomes very stable and typically significantly different from zero. With this in mind, we continue to present results for a 12-month estimation window in what follows. In the next subsection we discuss further robustness checks.

4.5   Additional robustness checks

The evidence in Table 3 is very supportive of our theory. However, there are alternative hypotheses that could be consistent with these patterns. Perhaps the most obvious objection is that the patterns of government activity after a major blow are in fact not so much determined by the government's own initiative, but by reaction to the guerrilla's activity given the way we have measured the dependent variable. Thus, for instance, a weakened guerrilla may reduce its activity after major blows, and this would be reflected in the government's operations and a reduced number of clashes between the army and the guerillas. This could explain $\beta_2 < 0$ in our estimations of equation (8). While it is harder to think of reasons why this would also explain why $\beta_3 < 0$, we can investigate this alternative hypothesis further by estimating (8) again with guerrilla attacks, and not government activity, as the dependent variable. The results are presented in Table 5. Indeed, while we find that $\beta_2 < 0$ as expected, β_3 is not significantly different from zero (and the estimated coefficient is very small).

A second alternative hypothesis is that these patterns are explained by the incentives of army members, and not by those of democratically elected officials (in this case, the president). Indeed, it could be argued that army members derive rents from the persistence of the internal conflict, and hence they will try to avoid eradicating the guerrilla when the opportunity is ripe. While this is a reasonable hypothesis, it cannot explain why one would observe a differential pattern depending on how electorally salient a municipality is. For this to arise, the argument would have to be somewhat more involved. For example, army members would need to be aware of which municipalities are more electorally salient, and which politician is more likely to benefit from the "need for en-

24

emies." If so, they may have an incentive to reduce military actions after a big blow to the rebels, especially in electorally salient municipalities, so as to favor the politician who holds a comparative advantage in the fight against the rebels. Note also, that for this story to make sense, army members should expect greater rents when such a politician is in power (perhaps a reasonable assumption given the politician's emphasis on fighting the rebels).

To test whether army members' incentives may be driving our results, in Table 6 we compare the military activity across army brigades which are led by different army officials. In particular, we run a specification similar to our baseline regression were the dependent variable is government military activity, but where instead of a dummy variable for electorally salient municipalities, our main independent variable of interest is a dummy that equals 1 for municipalities in the jurisdiction of army brigades commanded by colonels (and zero if the leader is a general). The specification includes our standard *Post* dummy, and its interaction with the colonel dummy. The motivation for this specification is that colonels and generals have different incentives to sustain conflict against the guerrilla. More specifically, since colonels have yet to rise in the rank ladder, they typically have stronger incentives than generals.[18] However, as columns 1 to 4 in Table 6 show (for each of the three events and the events lumped together, respectively), the interaction of the colonel dummy with the post dummy is never significant. Moreover, the estimated coefficients are very small[19]. Hence, we take these results as evidence that our main conclusions are in fact not driven by army members' incentives.

As an additional exercise to assuage concerns regarding our key dates, we can run regressions for alternative, "placebo" dates. In particular, we can choose events that represented important army operations or offensive attempts against the guerrilla, but did not turn out to be a major blow to the FARC. For example, if the time it takes to build new operations (especially in some areas more than others) explain the patterns above, then we should see an effect in these types of regressions as well. The first two columns of Table 7 explore this. In particular, in column 1 we use the failed rescue of governor of Antioquia Guillermo Gaviria and former Defense Ministry, Gilberto Echeverri in May 5 2003 as a "placebo event." The FARC had kidnapped Gaviria and Echeverri a year earlier during a peace march, and upon a failed rescue attempt by the government, these politicians were assassinated together with 8 soldiers. Along the same spirit, in column 2 we use the failed attempt of the army, in July of 2003, to rescue Ingrid Betancourt with support of the French government. In both cases β_3 is not distinguishable from zero.

Along these lines, as additional robustness, columns 3 to 5 consider an alternative group of "placebo events." Instead of major hits to the guerrilla, we run our main specifi-

---

[18]Indeed, in ongoing research (Acemoglu, Fergusson, Robinson and Vargas, 2011), we have found that army brigades led by colonels are more likely to produce the 'false positives' we referred to before (killings of civilians to be presented as rebel members killed in combat in search of monetary rewards and promotion).

[19]Also, in non-reported specifications in which we dropped the municipality fixed effects and included the direct effect of the colonel dummy, we did not find a direct significant effect either.

cation where the relevant $post.event_t$ is defined relative to important hits by the guerrilla. These include: the announcement by the FARC, in February of 2003, that they held hostage three Americans (who were conducting antinarcotics operations for the US when their plane went down over FARC-controlled territory); the kidnapping, in September of 2003, of eight foreign tourists in "Ciudad Perdida" (Lost City), an ancient ruin on a jungle-covered mountain (the Sierra Nevada de Santa Marta); and the killing of 25 Colombian troops in an ambush by the FARC on June 2005, which constituted the worst death toll from a single operation since Uribe was in power. These were all important developments in the civil war, but it is hard to argue that they changed the likelihood that the guerrilla could be eliminated. If they did, one could arguably expect a symmetric, positive effect in our interaction term. However, the interaction term is negative and not significant. This shows that it is not just important events that matter, only those that make it more likely that the guerrilla looses.

Finally, as emphasized before it is important to verify that our results are not driven by other characteristics of municipalities, correlated with Uribe's Consejos Comunales, but not really related to the electoral response of these areas. Our tests in Table 3 for differential trends depending on geographical characteristics and allowing for a different trend for each of 33 departments are already indicative that this is unlikely. But to test this possibility more fully, we now proceed in two steps. First, we run a simple OLS regression in which we seek to establish which are the major observable determinants of Consejos Comunales occurring in a given municipality. Table 8 presents the results. In column 1, we run a regression for the CC_m dummy relative to the killing of Reyes (Operation Fenix). That is, CC_m equals 1 if Uribe visited municipality m before the killing of Reyes, and zero otherwise. Columns 2 and 3, on the other hand, define the CC_m dummy relative to the death of Sureshot and Operation Jaque (Betancourt's rescue). Finally, in column 4 the dependent variable is a dummy that equals 1 if Uribe organized a Consejo Comunal, regardless of whether it occurred before any of the major events. In all cases, we find some observable characteristics that more strongly correlate with Uribe's Consejos. These are: population, size (area of the municipality), a poverty index, and distance to the department capital. That population correlates positively with Uribe's visits is quite telling, as places with many people are places with many voters, in line with our hypothesis. Finally, the presence of paramilitary attacks, with a negative coefficient, is also important in the regressions for Consejos Comunales before the main events. Guerrilla attacks, however, are not significant correlates of Uribe's visit.

One result from Table 8 deserves special mention: the lack of significance of government prior military attacks as a correlate of Uribe's visits. This results tellingly suggests that one obvious alternative hypothesis lacks support in the data. This alternative is that Uribe visited places were he had a lot to show off in terms of the fight against the guerrilla, and that government attacks in those places would naturally fall after his visit since most of the work had been done before his Consejo (a sort of mean reversion). However, in all the regressions for determinants of Uribe's visits, previous government

offensive attacks in the municipality show a small an insignificant coefficient, giving little credence to this hypothesis.

Returning to our test on the role of other Consejos Comunales determinants, in a second step we use the information on the most significant correlates of Consejos from Table 8 to verify that they are not explaining our main results. In particular, in Table 9 we estimate the following version of our main regression,

$$
\begin{aligned}
Y_{m,t} \ = \ & \beta_1 + \beta_2 post.event_t + \beta_3 (CC_m \times post.event_t) \\
& + \beta_4 (Det_m \times post.event_t) + \delta_m + \varepsilon_{m,t}
\end{aligned}
$$

where all variables are defined as before and Det_m is either a dummy variable that categorizes municipalities in terms of one of the four observable significant determinants of Consejos Comunales identified (Panels A to D), or the measure of paramilitary presence which was also found to be important (Panel E). Thus, in Panel A Det_m equals 1 if municipality m is above the median in terms of its population, in Panel B it equals 1 if the municipality is above the median size, in Panel C if it is above median poverty, and in Panel D if the distance to the department capital is above the median. In Panel E, Det_m we use the measure of right-wing paramilitaries in each municipality suggested in Acemoglu, Robinson, and Santos (2009).[20] Results are very similar if, instead of the continuous measure of attacks, we take categories for above or below the median, but since many places in Colombia have no guerrilla and (especially) no paramilitary attacks, we prefer the specification with the continuous variable in this case.

If these correlates, and not the electoral responsiveness of the municipalities (that Uribe can measure better than us!), are driving the results, then their inclusion in the regression together with the interaction with the post-event dummy should render our main coefficient of interest (β_3) insignificant. In general, we find that β_3 is still significant with the expected sign. All regressions include municipality fixed effects, and the results generally hold for each of the three key events and when we lump them together as a single major positive outcome for the government. Hence, these results are very reassuring of our main conclusions. An exception is in regressions where we add the categories according to population and area, where β_3 is not significant anymore for Betancourt's rescue; but for Reyes and Sureshot, and lumping the events together, the main prediction still holds. Moreover, it is unsurprising that these determinants which capture the scale of the municipality, especially population, compete most with CC_m as a proxy of the responsiveness of voters. Indeed, large municipalities may in fact be responding differently precisely because of our theory regarding their greater electoral responsiveness.

---

[20]Paramilitary presence is measured as total paramilitary attacks between 1997 and 2005 in each municipality per 1000 inhabitants, where the population measure is the average population between the 1993 and 2005 censuses. A similar measure captures guerrilla presence. Also, even though guerrilla attacks are not significantly correlated with Consejos, we checked that results are very similar when using guerrilla attacks as Det_m.

5 Concluding remarks

In this paper, we argue that an incumbent politician who is good at undertaking a particular task has an incentive not to complete it fully to maintain his strategic advantage when facing reelection. We examine this idea in a simple model of electoral competition in the context of civil war. In our set up the incumbent politician has a comparative advantage in fighting a rebel group while his opponent in an upcoming election does not. Our model generates two testable implications which we take to the data. First, if politicians value rents from power sufficiently, then when opportunities to eradicate the guerilla improve, it is less likely that the incumbent currently attempts to eradicate the guerilla. Second, the incentive to eradicate the guerilla decreases more in places in which voters are more responsive, as captured by the ideology density parameter of our probabilistic voting model.

Evidence from Colombia, where President Álvaro Uribe (2002-2010) was elected (and reelected) on an explicit platform to fight against the left-wing insurgent guerilla groups and was widely regarded as "the man for the job" lends strong support to both predictions. We identify events in the Colombian civil war which correspond to a high probability of defeating the guerilla, and municipalities where the president believed voters were most responsive. The patterns of government military activity reveal that such activity significantly decreases after each of the major events. Second, and more importantly, the decrease in government activity is more pronounced in electorally relevant places. This second result is harder to reconcile with alternative hypotheses, and is robust to controlling for differential trends parametrized as functions of municipality-specific characteristics, including those that are correlated with the electoral responsiveness of places, suggesting that it is not driven by omitted variable bias. Moreover, we offer evidence that it is not driven by a reaction to guerrilla activity, by time to build up new military operations, or by army members' incentives. Overall, we believe that our results provide compelling evidence in favor of our suggested mechanism.

References

Abecassis, Maurissa (2003) "I Hate you just the way you are: Exploring the Formation, Maintenance, and Need for Enemies," *Family and Child Studies*, 102, 5-22.

Acemoglu, Daron, Leopoldo Fregusson, James A. Robinson and Juan F. Vargas (2011) "High-Powered Incentives when Institutions are Weak: The case of the Colombian "False positives"', work in progress.

Acemoglu, Daron, James A. Robinson and Rafael J. Santos (2009) "The Monopoly of Violence: Evidence from Colombia," forthcoming in the *Journal of the European Economic Association*.

Aghion, Philippe and Patrick Bolton (1990) "Government Domestic Debt and the Risk of Default: A Political-Economic Model of the Strategic Role of Government Debt," in Rudiger Dornbusch and Mario Draghi eds. *Public Debt Management: Theory and History*, New York: Cambridge University Press.

Alesina, Alberto and Allan Drazen (1991) "Why are Stabilizations Delayed?," *American Economic Review*, 81, 1170-1188.

Ansolabehere Stephen and James M. Snyder (2006) "Party Control of State Government and the Distribution of Public Expenditures," *Scandinavian Journal of Economics*, 108(4): 547-569.

Bailey, Frederick G. (1998) *The Need for Enemies: a bestiary of political forms*, Ithaca: Cornell University Press.

Barash, David P. (1994) *Beloved enemies: Our need for opponents*, Amherst: Prometheus Books.

Bardhan, Pranab K. and Dilip Mookherjee (2010) "Determinants of Redistributive Politics: An Empirical Analysis of Land Reforms in West Bengal, India," *American Economic Review*, 100:4, 1572-1600.

Baron, David P. (1994) "Electoral competition with informed and uninformed voters," *American Political Science Review*, 88, 33-47.

Besley, Timothy and Stephen Coate (1998) "Sources of Inefficiency in a Representative Democracy: A Dynamic Analysis," *American Economic Review*, 88:1, 139-156.

Biais Bruno and Enrico Perotti (2002) "Machiavellian Privatization," *American Economic Review*, 92:1, 240-258.

Cukierman, Alex and Mariano Tommasi (1998) "When Does It Take a Nixon to Go to China?," *American Economic Review*, 88, 180-197.

Drazen, Allan and Vittorio Grilli (1993) "The Benefit of Crisis for Economic Reforms," *American Economic Review*, 83, 598-607.

Echandía Castilla, Camilo (2011) "Situación actual de las FARC: Un análisis de los cambios en las estrategias y la territorialidad (1990-2011)," Fundación Ideas para La Paz, Serie Informes No. 13.http://www.ideaspaz.org/portal/index.php

Fernandez, Raquel and Dani Rodrik (1991) "Resistance to Reform: Status Quo Bias in the Presence of Individual-Specific Uncertainty," *American Economic Review*, 81,

1146-1155.

Giustozzi, Antonio, (2011) *The Art of Coercion*, New York: Columbia University Press.

Grossman, Gene M. and Elhanan Helpman (1996) "Electoral Competition and Special Interest Politics," *Review of Economic Studies*, 63(2), 265-286.

International Crisis Group (2005) "Nepal: Beyond Royal Rule," Asia Briefing N°41, 15 September 2005.

Kline, Harvey F. (2007) *Chronicle of a Failure Foretold: The Peace Process of Colombian President Andrés Pastrana*, Tuscaloosa: The University of Alabama Press.

Leech, Garry (2011) *The FARC: The Longest Insurgency*, London: Zed Books.

Lindbeck, Assar and Jørgen Weibull (1987) "Balanced-budget Redistribution as the Outcome of Political Competition," *Public Choice*, 52, 273-297.

López, Claudia ed. (2010) *Y Refundaron la Patria.. de cómo mafiosos y políticos reconfiguraron el Estado Colombiano*, Bogotá: Corporación Nuevo Arco Iris: Intermedio.

Meredith, Martin (2007) *Mugabe: Power, Plunder, and the Struggle for Zimbabwe's Future*, New York: Public Affairs Press.

Milesi-Ferretti, Gian Maria (1995) "Do Good or Do Well? Public Debt Management in a Two-Party Economy," *Economics & Politics*, 7, 59-78.

Murray, Shoon Kathleen and Jason Meyers (1999) "Do People Need Foreign Enemies? American Leaders' Beliefs after the Soviet Demise," *Journal of Conflict Resolution*, 43:5, 555-569.

Persson, Torsten and Guido Tabellini (2000) *Political Economics: Explaining Economic Policy*, Cambridge: MIT Press.

Restrepo, Jorge, Michael Spagat, and Juan F. Vargas (2004) "The Dynamics of the Colombian Civil Conflict: A New Data Set," *Homo Oeconomicus*, 21, 396-428.

Robinson, James A. and Ragnar Torvik (2005) "White Elephants," *Journal of Public Economics*, 89, 197-210.

Robinson, James A. and Ragnar Torvik (2009) "A Political Economy Theory of The Soft Budget Constraint," *European Economic Review*, 53, 786-798.

Ross, Michael L. (2004) "What Do We Know About Natural Resources and Civil War?," *Journal of Peace Research*, 41, 337-356.

Schwartz, Benjamin C. (1991) *American counterinsurgency doctrine and El Salvador*, Santa Monica: Rand Corporation.

Strömberg, David (2008) "How the Electoral College Influences Campaigns and Policy: The Probability of Being Florida," *American Economic Review*, 98:3, 769-807.

Tribin, Ana María (2010) "Communal councils around Colombia: a political tool to remain in power?" Unpublished, Department of Economics, Brown University.

Visser, Jelle (2006) "Union membership statistics in 24 countries," *Monthly Labor Review*, 129 (1), 38–49.

Volkan, Vamik D. (1985) "The need to have enemies and allies: A developmental approach," *Political Psychology*, 6:2, 219-247.

Volkan, Vamik D. (1994) *The need to have enemies and allies: from clinical practice to international relationships*, Northvale: J. Aronson.

Appendix A

In this appendix we show the proof of Corollary 1. Starting with (6) and $\alpha = \bar{\alpha}$, we find that in the municipality with the most responsive voters, municipality 1, $D_1^I > 0$ when

$$h < \frac{2 - \bar{\alpha}q^O - \frac{1}{2}\bar{\alpha}(q^I - q^O)}{\bar{\alpha}(q^I - q^O)\left(\bar{\alpha}(q^I - q^O)P\left(1 - \frac{\bar{\alpha}q^I}{sM}\left(\sum_{m=2}^{M} s_m A_m^I + s_1\right) + \frac{s_1}{sM}\left(M - \bar{\alpha}q^I\sum_{m=2}^{M} A_m^I\right)\right) + \frac{s_1}{sM}R\right)}. \tag{A-1}$$

The right hand side of this expression is increasing in the number of eradication attempts in other municipalities, A_m^I. Thus a sufficient condition for an eradication attempt to be made in municipality 1 is that $D_1^I > 0$ even in the (hypothetical) case where there are no eradication attempts in other municipalities. Thus a sufficient condition for an eradication attempt to be made in all municipalities when $\alpha = \bar{\alpha}$ is that $h < h^*$, with h^* defined by

$$h^* \equiv \frac{2 - \bar{\alpha}q^O - \frac{1}{2}\bar{\alpha}(q^I - q^O)}{\bar{\alpha}(q^I - q^O)\left(\bar{\alpha}(q^I - q^O)P\left(1 - \frac{\bar{\alpha}q^I}{sM} + \frac{s_1}{s}\right) + \frac{s_1}{sM}R\right)}. \tag{A-2}$$

As the numerator and denominator are both positive, it can easily be verified that $h^* > 0$.

From (7) and $\alpha = \bar{\alpha}$ we find that $dD_1^I/d\alpha < 0$ when

$$R > \frac{sM}{2s_1 h\bar{\alpha}(q^I - q^O)P}\left(2 - \bar{\alpha}q^O - \bar{\alpha}q^I\right) + \frac{4\bar{\alpha}^2 q^I(q^I - q^O)P}{2s_1}\left(\sum_{m=2}^{M} s_m A_m^I + s_1\right) -$$

$$\frac{3sM\bar{\alpha}(q^I - q^O)P}{2s_1} - \frac{\bar{\alpha}(q^I - q^O)Ps_k}{2s_1}\left(3M - 4\bar{\alpha}q^I\sum_{m=2}^{M} A_m^I\right). \tag{A-3}$$

Thus for any combination of eradication attempts in other municipalities, when the rents of power R are sufficiently high, a larger probability of eradicating the guerilla will always weaken the incentives to eradicate. Now let R^* be defined as the R that solves (A-3) with equality for the combination of eradication attempts in other municipalities that maximizes the right hand side of (A-3). Then a sufficient condition for $dD_1^I/d\alpha < 0$ is that $R > R^*$.

Note however that since h^* is a function of R, and R^* is a function of h, we must also prove existence, that is we must show that $h < h^*$ and $R > R^*$ can always hold simultaneously. To prove existence we first insert for $h = h^*$ in (7) with $\alpha = \bar{\alpha}$. A sufficient condition for existence is then that $dD_1^I/d\alpha < 0$ for a sufficiently high R. Using (7) and (A-3) the condition for this reduces after some calculation to

$$2 - \bar{\alpha}q^I > 0.$$

This condition is always fulfilled, and the corollary follows. (Finally note that we have here proved the corollary with sufficient conditions. Thus the corollary may hold even in cases with $h > h^*$ and/or $R < R^*$).

Figure 1: Coefficient of CC x Post for the regression of *all events* using different before-after window lengths
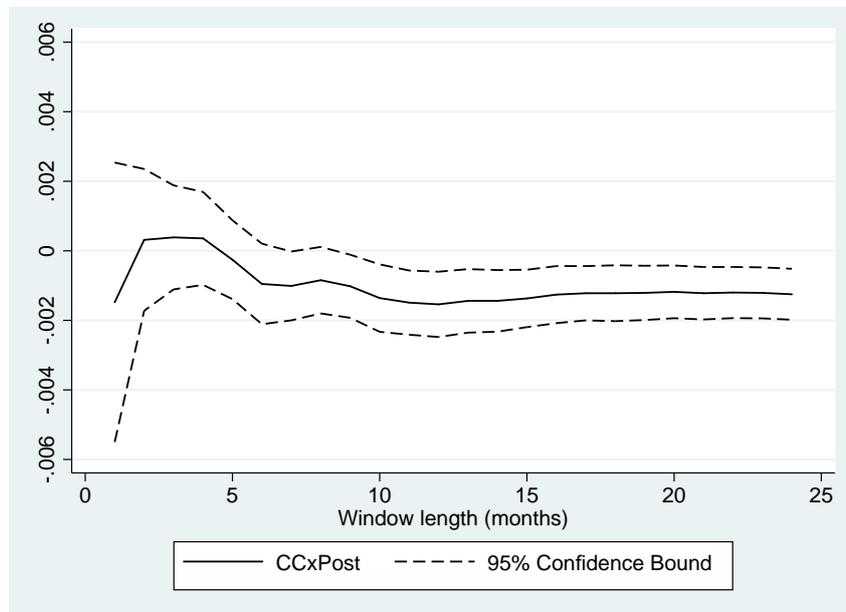
Table 1: Descriptive Statistics

Variable	Mean	Std. Dev.	Min.	Max.	N. obs
Gov. Military Activity (before major hits)	0.00211	0.00479	0	0.04167	917
Gov. Military Activity (after major hits)	0.00074	0.00235	0	0.025	917
Gov. Military Activity (before hits & CC=1)	0.00421	0.00656	0	0.02778	95
Gov. Military Activity (after hits & CC=1)	0.00152	0.00382	0	0.01944	95
Gov. Military Activity (before hits & CC=0)	0.00187	0.00448	0	0.04167	822
Gov. Military Activity (after hits & CC=0)	0.00065	0.00211	0	0.025	822
Guerrilla Attacks (before major hits)	0.00075	0.00246	0	0.025	917
Guerrilla Attacks (after major hits)	0.00039	0.00164	0	0.01667	917
Guerrilla Attacks (before hits & CC=1)	0.0019	0.00427	0	0.025	95
Guerrilla Attacks (after hits & CC=1)	0.00114	0.0034	0	0.01667	95
Guerrilla Attacks (before hits & CC=0)	0.00062	0.00212	0	0.025	822
Guerrilla Attacks (after hits & CC=0)	0.0003	0.00126	0	0.01389	822
Consejo Comunal Dummy (CC)[a]	0.1036	0.30491	0	1	917
Altitude (meters)	1128.7	1169.34	2	25221	917
Soil erosion index	1.96	1.03	0	5	917
Soil quality index	2.66	1.22	0	8	917
Distancia to capital (km)	131.92	107.01	0	790	917
Average yearly rainfall	1984.18	1068.77	160	9200	917
Poverty Index (Unmet Basic Needs)	46.42	22.09	7.22	104.53	917
Log of population (2002)	9.75	1.07	7	15.72	917
Guerrilla presence index[b]	1.23	2.2	0	26.45	917
Paramilitary presence index[b]	0.14	0.3	0	3.62	917
Colonel Dummy[c]	0.33	0.47	0	1	873

Notes: Government military activity and guerrilla attacks are summarized for the (plus and minus) one-year estimation window before and after the three main events presented in Table 2. [a]The Consejo Comunal Dummy equals 1 if Uribe held a Consejo prior to March 1 of 2008, the first of our set of three main hist against the FARC. [b]Paramilitary and guerrilla presence are measured as in Acemoglu, Robinson, and Santos (2009), that is, total paramilitary (and guerrilla) attacks between 1997 and 2005 in municipality m per 1000 inhabitants where the population measure is the average population between the 1993 and 2005 censuses. [c] The Colonel Dummy equals 1 if the municipality is under the jurisdiction of a Brigade led by a colonel during 2007.

Table 2: Newswire search of press coverage of recent guerrilla setbacks

Recent FARC blows:	Date	No. of news hits
Rescue of Ingrid Betancourt	July 7, 2008	13,200
Killing of Raul Reyes	March 1, 2008	8,140
Death of *Tirofijo*	May 25, 2008	1,570
Escape of politician Fernando Araujo	January 5, 2007	103
Escape of policeman John Pinchao	May 15, 2007	96
Killing of guerrilla *Negro Acacio*	September 1, 2007	72
Capture of guerrilla *Rodrigo Granda*	December 12, 2004	28
Capture of guerrilla *Martin Caballero*	October 25, 2007	28
Capture of guerrilla *Sonia*	February 10, 2004	21

Table 3: Benchmark results: Major guerrilla setbacks and government military reaction

Dependent variable: Government military activity (All regressions include municipality fixed effects)			
	(1)	(2)	(3)
Panel A: Killing of Raul Reyes			
Post	-0.00104***	-0.000259	0.00107
	(0.000123)	(0.000649)	(0.000814)
CC x Post	-0.00121**	-0.00139***	-0.00132***
	(0.000474)	(0.000472)	(0.000462)
R-squared	0.787	0.790	0.809
Panel B: Death of Sureshot			
Post	-0.00105***	-0.000299	0.000299
	(0.000116)	(0.000426)	(0.000627)
CC x Post	-0.000758*	-0.000851**	-0.000732*
	(0.000420)	(0.000420)	(0.000405)
R-squared	0.769	0.771	0.795
Panel C: Rescue of Ingrid Betancourt			
Post	-0.00100***	-0.000102	0.000353
	(0.000115)	(0.000417)	(0.000647)
CC x Post	-0.000735*	-0.000862**	-0.000749*
	(0.000435)	(0.000436)	(0.000421)
R-squared	0.755	0.757	0.781
Panel D: All events			
Post	-0.00121***	-0.000360	0.00103
	(0.000131)	(0.000653)	(0.000853)
CC x Post	-0.00148***	-0.00169***	-0.00159***
	(0.000515)	(0.000508)	(0.000488)
R-squared	0.743	0.748	0.774
Controls for differential trends			
Geography		x	x
Department			x
Observations	1,834	1,834	1,834

Notes: Robust standard errors in parentheses. All regressions include municipality fixed effects. CC is a dummy that equals 1 for the municipalities that president Uribe visited prior to the event of each one of the panels. Post is a dummy that equals one for the months after each event took place. Column 2 includes the interaction of Post with the following geographical variables: altitude, soil quality and soil erosion, distance to departmental capital, and average rainfall. Column 3 adds, in addition, the interaction department fixed effects with this post dummy. * is significant at the 10% level, ** is significant at the 5% level, *** is significant at the 1% level.

Table 4: Testing for Parallel trends: One year before major guerrilla setbacks and government military reaction

Dependent variable: Government military activity (All regressions include municipality fixed effects)				
	(1)	(2)	(3)	(4)
	Killing of Raul Reyes	Death of Sureshot	Rescue of Ingrid Betancourt	All events
Post	0.000182	8.16e-05	-0.000116	0.000184
	(0.000138)	(0.000129)	(0.000130)	(0.000138)
CC x Post	0.000695	-0.000387	-0.000258	0.000594
	(0.000539)	(0.000486)	(0.000531)	(0.000519)
R-squared	0.785	0.803	0.800	0.784
Observations	1,834	1,834	1,834	1,834

Notes: Robust standard errors in parentheses. All regressions include municipality fixed effects. CC is a dummy that equals 1 for the municipalities that president Uribe visited prior to the event of each one of the columns. Post is a dummy that equals 1 for the year *before* each of the events took place and 0 one year earlier (hence, two years before the event). * is significant at the 10% level, ** is significant at the 5% level, *** is significant at the 1% level.

Table 5: Alternative hypothesis 1: Guerrilla reaction to major setbacks

Dependent variable: Guerrilla attacks (All regressions include municipality fixed effects)				
	Reyes	Sureshot	Betancourt	All
Post	-0.000372***	-0.000180***	-0.000147**	-0.000318***
	(7.34e-05)	(6.33e-05)	(6.46e-05)	(7.42e-05)
CC x Post	-0.000505	-9.76e-05	-0.000174	-0.000443
	(0.000378)	(0.000284)	(0.000249)	(0.000390)
Observations	1,834	1,834	1,834	1,834
R-squared	0.662	0.720	0.714	0.688

Notes: Robust standard errors in parentheses. All regressions include municipality fixed effects. CC is a dummy that equals 1 for the municipalities that president Uribe visited prior to the event of each one of the columns. Post is a dummy that equals one for the months after each event took place. * is significant at the 10% level, ** is significant at the 5% level, *** is significant at the 1% level.

Table 6: Alternative hypothesis 2: Reaction of colonel-led army brigades to major guerrilla setbacks

Dependent variable: Government military activity (All regressions include municipality fixed effects)				
	Reyes	Sureshot	Betancourt	All
Post	-0.00108***	-0.00114***	-0.00111***	-0.00129***
	(0.000138)	(0.000147)	(0.000138)	(0.000152)
Colonel x Post	-3.98e-05	-3.07e-06	-5.56e-05	-0.000156
	(0.000256)	(0.000271)	(0.000255)	(0.000298)
Observations	1,746	1,746	1,746	1,746
R-squared	0.755	0.789	0.770	0.746

Notes: Robust standard errors in parentheses. All regressions include municipality fixed effects. Colonel is a dummy that equals 1 for the municipalities in the jurisdiction of army brigades commanded by colonels in 2007. Post is a dummy that equals one for the months after each event took place. * is significant at the 10% level, ** is significant at the 5% level, *** is significant at the 1% level.

Table 7: Robustness check: Military reaction to placebo government hits and to guerrilla hits

Dependent variable: Government military activity (All regressions include municipality fixed effects)				
	Failed government hits		Guerrilla hits	
	Failed rescue of governor and minister	Failed rescue of Betancourt	Kidnap of American citizens	Kidnap of 8 foreign tourists	Ambush and killing of 25 army members
Post	-0.000159	-0.000479***	0.000209	-0.000695***	-0.000669***
	(0.000186)	(0.000176)	(0.000228)	(0.000180)	(0.000148)
CC x Post	0.000344	0.000744	-0.00214	-0.000508	-0.00139
	(0.00122)	(0.00111)	(0.00150)	(0.00106)	(0.000905)
Observations	1,834	1,834	1,834	1,834	1,834
R-squared	0.793	0.807	0.734	0.791	0.750

Notes: Robust standard errors in parentheses. ll regressions include municipality fixed effects. CC is a dummy that equals 1 for the municipalities that president Uribe visited prior to the event of each one of the columns. Post is a dummy that equals one for the months after each event took place. * is significant at the 10% level, ** is significant at the 5% level, *** is significant at the 1% level.

Table 8: Determinants of Uribe visits to Consejos Comunales before each event

Dependent variable: Dummy for municipality visited by Uribe previous to each event

	CC pre Reyes	CC pre Sureshot	CC pre Betancourt	All CC
Log of population	0.115***	0.116***	0.118***	0.137***
	(0.0124)	(0.0124)	(0.0124)	(0.0124)
Poverty Index	-0.00208***	-0.00203***	-0.00205***	-0.00246***
	(0.000496)	(0.000531)	(0.000539)	(0.000611)
Surface Area	2.07e-05***	1.89e-05***	1.88e-05***	1.41e-05**
	(6.66e-06)	(6.58e-06)	(6.59e-06)	(6.48e-06)
Altitude	-4.43e-06	-6.19e-06	-6.48e-06	-8.38e-06
	(5.89e-06)	(5.96e-06)	(5.98e-06)	(6.49e-06)
Soil erosion	0.00199	-0.000430	-0.000653	0.00553
	(0.00882)	(0.00896)	(0.00904)	(0.00996)
Soil quality	-0.00161	-0.000158	0.00123	-0.00981
	(0.00787)	(0.00817)	(0.00831)	(0.00877)
Dist. to capital	-0.000144*	-0.000164*	-0.000168*	-0.000205**
	(8.72e-05)	(8.93e-05)	(8.95e-05)	(9.79e-05)
Dist. to major market	0.000101	0.000103	9.44e-05	0.000200**
	(8.96e-05)	(9.16e-05)	(9.19e-05)	(9.92e-05)
Average yearly rainfall	1.37e-05	1.30e-05	1.19e-05	1.82e-05*
	(9.21e-06)	(9.56e-06)	(9.56e-06)	(1.09e-05)
Guer. attacks 97-05	0.00464	0.00310	0.00309	0.00819
	(0.00320)	(0.00335)	(0.00337)	(0.00693)
Param. attacks 97-05	-0.0378**	-0.0433**	-0.0427**	-0.0299
	(0.0174)	(0.0175)	(0.0181)	(0.0274)
Prev. gov. offensive	0.000822	0.00215	0.00204	0.00169
	(0.00186)	(0.00188)	(0.00187)	(0.00177)
Observations	917	917	917	917
R-squared	0.237	0.241	0.238	0.238

Notes: Robust standard errors in parentheses. Dependent variable (in column headings) is a dummy that equals 1 for the municipalities that president Uribe visited prior to each event. * is significant at the 10% level, ** is significant at the 5% level, *** is significant at the 1% level.

Table 9: Additional robustness checks: Controlling for main correlates of Uribe visits interacted with the *Post* dummy

Dependent variable: Government military activity			
	Reyes	Sureshot	Betancourt	All

Panel A: Controlling for mun. with population above the median

(All regressions include municipality fixed effects)

	Reyes	Sureshot	Betancourt	All
CC x Post	-0.000353	-0.000844*	-0.000349	-0.00103**
	(0.000446)	(0.000480)	(0.000431)	(0.000521)
Population x Post	-0.000989***	-0.000965***	-0.00105***	-0.00118***
	(0.000216)	(0.000234)	(0.000218)	(0.000248)
R-squared	0.759	0.790	0.774	0.748

Panel B: Controlling for municipalities with surface above the median

	Reyes	Sureshot	Betancourt	All
CC x Post	-0.000484	-0.000951**	-0.000511	-0.00118**
	(0.000428)	(0.000459)	(0.000409)	(0.000496)
Area x Post	-0.00136***	-0.00160***	-0.00144***	-0.00180***
	(0.000205)	(0.000219)	(0.000206)	(0.000233)
R-squared	0.764	0.797	0.779	0.756

Panel C: Controlling for municipalities with poverty above the median

	Reyes	Sureshot	Betancourt	All
CC x Post	-0.000852*	-0.00137***	-0.000888**	-0.00167***
	(0.000438)	(0.000476)	(0.000423)	(0.000518)
Poverty x Post	-0.000839***	-0.000952***	-0.000902***	-0.00116***
	(0.000219)	(0.000234)	(0.000219)	(0.000250)
R-squared	0.758	0.790	0.773	0.749

Panel D: Controlling for mun. with dist. to capital above the median

	Reyes	Sureshot	Betancourt	All
CC x Post	-0.000779*	-0.00130***	-0.000801*	-0.00158***
	(0.000437)	(0.000473)	(0.000421)	(0.000512)
Dist. Capital x Post	-0.000302	-0.000542**	-0.000282	-0.000687***
	(0.000223)	(0.000239)	(0.000223)	(0.000254)
R-squared	0.755	0.788	0.769	0.745

Panel E: Controlling for paramilitary attacks

	Reyes	Sureshot	Betancourt	All
CC x Post	-0.000744*	-0.00122**	-0.000764*	-0.00149***
	(0.000435)	(0.000474)	(0.000420)	(0.000514)
par_9705 x Post	-0.000216	-0.000228	-0.000124	-0.000368
	(0.000281)	(0.000265)	(0.000279)	(0.000314)
R-squared	0.755	0.787	0.769	0.743
Observations	1,834	1,834	1,834	1,834

Notes: Robust standard errors in parentheses. All regressions include municipality fixed effects. CC is a dummy that equals 1 for the municipalities that president Uribe visited prior to the event of each one of the columns. Post is a dummy that equals one for the months after each event took place. * is significant at the 10% level, ** is significant at the 5% level, *** is significant at the 1% level.