

# Evaluating the Socioeconomic and Political Impact of Re-Population Policies

Pedro Martín Cadenas\*

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## Abstract

In response to the socioeconomic disruptions leading to current polarized political geographies, European governments have introduced policies to address spatial inequality and depopulation trends. However, we still know little about how effective these policies are at reversing economic trends and political polarization. To study this question, the present study leverages a targeted policy for rural and depopulated municipalities in Spain that incorporates a population threshold to determine eligibility to fund infrastructure projects. These projects have potential political implications due to their direct economic impact and their high visibility for the local population. I implement a regression discontinuity design to observe potential demographic, economic, and political changes across eligible municipalities. Contrary to expectations, preliminary results suggest the funds have minimal impact on eligible municipalities' economic and demographic trends. However, municipalities eligible for the funds slightly increase their support for the incumbent party. The absence of socioeconomic short-term effects may explain these seemingly conflicting findings –as the policy started to be effective in 2021- while the visibility of the projects may have a short-term political impact. The article discusses the significance of these findings for other countries implementing similar policies to improve regional cohesion.

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\*Department of Political and Social Sciences, European University Institute. [pedro.martin@eui.eu](mailto:pedro.martin@eui.eu)