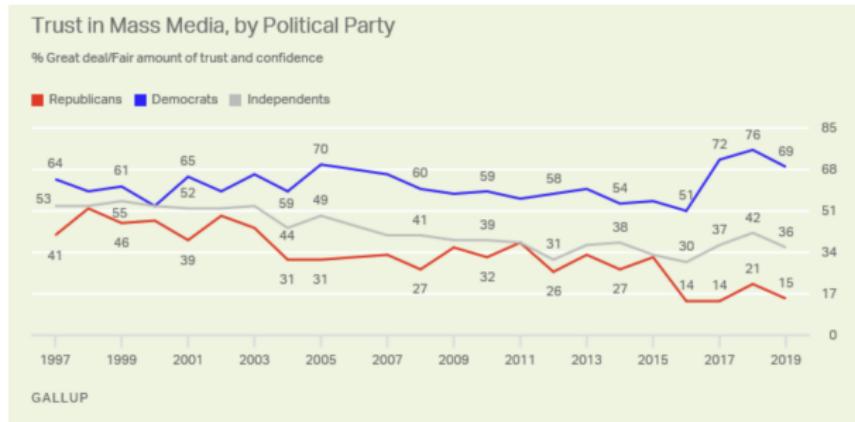


Trust, Voting Institutions, and Political Polarization: Italian Local Elections

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Introduction and Motivation



Questions:

- ▶ **Do voting institutions matter?**
- ▶ Is it an erosion of all types trust? Is it just media?
- ▶ What channels? Social capital? Polarization?
- ▶ Everything is endogenous! Can we disentangle effects?

Essential Literature

Many different strands:

- ▶ Effects of Internet and Social Networks: **Epstein and Robertson (2015)**, Boxell et al. (2017), Allcott and Gentzkow (2017)
- ▶ Misinformation, Eco Chambers, etc: Allcott et al. (2019), Flaxman et al. (2016))
- ▶ Voter Polarization: Gentzkow (2016), Abramowitz and Saunders (2008)
- ▶ Identification strategy and Italian Case: Bordignon et al. (2015), **Bordignon et al. (2016)**

Historical Context: US vs Italian Politics

Profound differences. In Italy:

- ▶ Plural system based on proportional representation
- ▶ Gov't is elected by Chambers (not directly by voters)
- ▶ Very short lived governments (avg. duration about 14 months)
- ▶ Stable system until HUGE SHOCK in 1992 (Tangentopoli)
 - ▶ 1947-1992 "Prima Repubblica" (DC vs PSI vs PCI)
 - ▶ 1992-2008 "Seconda Repubblica" (Berlusconi vs Ulivo)
- ▶ Big electoral reform in 1993

Why do we care?

- ▶ Identification (a lot was going on in early '90s)
- ▶ External validity

Historical Context: 1993 Reform (1/2)

Election of mayor for municipalities < 15000 inhabitants:¹

1. Parties form coalition
2. Each coalition has one candidate
3. Voter choose a coalition for both council and mayor
4. Winner according to plurality rule²

¹Original law is Legge 81/1993. Now moved to CAPO III del T.U. sull'ordinamento degli enti locali D.Lgs.267 del 2000. Nothing relevant changed. Consult Bordignon et al. (2016) for formal modeling.

²Actually, there is the possibility of runoff only if two candidates get exactly the same number of votes.

Historical Context: 1993 Reform (2/2)

Election of mayor for municipalities > 15000 inhabitants:

1. Parties form coalition and name candidates
2. Each coalition declares support for a candidate
3. Voter choose a candidate (and a coalition for city council)
4. Step 1: simple majority rule ($50\% + 1$ of votes)
5. (if no winner in Step 1) Step 2: best two go for run-off

⇒ more candidates and more parties

⇒ strong competition in second round

⇒ less need for political compromise

Q: Does fiercer political competition affect voters?

Data

Multiple sources:

- ▶ **Census** 1991: municipality population
- ▶ ANCI: municipality level covariates (area, altitude,)
- ▶ Interior Ministry: electoral outcomes and dates
- ▶ **ITANES**: 2001 survey of voting behavior
 - ▶ Small sample ($N = 3210$)
 - ▶ BUT very comprehensive in-person interviews (1hr each)
 - ▶ used for outcome variables and individual level covariates

Final dataset:

- ▶ individual level survey data ($N = 567$)
- ▶ only people in municipalities s.t. $10000 < POP < 20000$

Empirical Strategy

Adapt the sharp-RDD approach by Bordignon et al. (2016):

$$Y_i = \delta T_{m(i)} + f(POP_{m(i)}, T_{m(i)}, k) + \beta' X_{m(i)} + \gamma Z_i + \varepsilon_i \quad (1)$$

Where:

- ▶ $m(\cdot)$ maps individual to their municipality
- ▶ $POP_{m(i)}$ is normalized municipality population in 1991
- ▶ $T_{m(i)} = 1(POP_{m(i)} > 0)$ is treatment dummy
- ▶ $f(POP_{m(i)}, T_{m(i)}, k)$ is k-th degree polynomial with
- ▶ $X_{m(i)}$ vector of municipality-level controls
- ▶ Z_i vector of individual-level controls

Results: Trust in News Sources

Results from fitting 3rd degree polynomial LPM (binary dep. variables):

	(1) Newspapers	(2) Nat. TV	(3) Priv. TV
T	-0.353** (0.164)	-0.453** (0.211)	-0.139 (0.157)
Ind. Controls	Yes	Yes	Yes
Mun. Controls	Yes	Yes	Yes
N	566	566	566

Robust SE in clustered at municipality parentheses.

* $p < 0.10$, ** $p < 0.05$, *** $p < 0.01$

Results: "Social Capital"

Results from fitting 3rd degree polynomial LPM (binary dep. variables):

	(1) Informed	(2) Active Participant	(3) Voted in 2001 N.E.
T	-0.347** (0.170)	0.0386 (0.238)	-0.0542 (0.0805)
Ind. Controls	Yes	Yes	Yes
Mun. Controls	Yes	Yes	Yes
N	566	566	566

Robust SE in clustered at municipality parentheses.

* $p < 0.10$, ** $p < 0.05$, *** $p < 0.01$

Results: Political Extremism

Results from fitting 3rd degree polynomial LPM (binary dep. variables):

	(1) Extremist	(2) Party Supporter
T	-0.0700 (0.197)	0.0728 (0.165)
Ind. Controls	Yes	Yes
Mun. Controls	Yes	Yes
N	566	566

Robust SE in clustered at municipality parentheses.

* $p < 0.10$, ** $p < 0.05$, *** $p < 0.01$

Remark: political identity is self reported.

Robustness: Polynomials, Splines, and Donuts 1/2

Dep. Var.	2nd Poly.	3rd Poly.	4th Poly.
Newspapers	-.199 (.148)	-.356 (.164)	-.266 (.231)
Nat. TV	-.279 (.163)	-.446 (.217)	-.459 (.290)
Priv. TV	-.148 (.156)	-.136 (.165)	-.260 (.269)
N	566	566	566

Robustness across different speciations. Each cell reports estimate of δ from equation (1) using corresponding dependent variable and specification. **k-th Poly.** indicates full sample fit with k-th order polynomial, fully interacted with treatment indicator. SE clustered at municipality level throughout.

Robustness: Polynomials, Splines, and Donuts 2/2

Dep. Var.	Spline-1	Spline-2	Spline-3	Donut
Newspapers	-.340 (.142)	-.300 (.141)	.131 (.149)	-.588 (.298)
Nat. TV	-.289 (.152)	-.338 (.168)	-.095 (.209)	-.273 (.289)
Priv. TV	-.235 (.144)	-.273 (.14)	.033 (.162)	-.417 (.319)
N	257	216	114	179

Robustness across different speciations. Each cell reports estimate of δ from equation (1) using corresponding dependent variable and specification. **Spline-1** is spline limiting to only observations s.t. $12000 < POP < 18000$. **Spline-2** is spline on obs. s.t. $13000 < POP < 17000$. **Spline-3** is spline on obs. s.t. $14000 < POP < 16000$. **Donut** is fits a spline using only obs s.t. $12000 < POP < 14500$ or $155000 < POP < 18000$. SE clustered at municipality level throughout.

Robustness: Manipulation at Threshold (1/2)

Variable	δ	Variable	δ
Gender	.022 (.04)	Family Size	.287 (.183)
Employed	-.047 (.087)	Avg. Income	-4192.564 (4879.499)
High School Dip	-.007 (.054)	Elderly Index	.002 (.537)
Uni. Degree	-.035 (.133)	Active/Tot. pop.	-.009 (.044)

Regressed using 3rd degree polynomial with interaction terms. Left column reports covariates for individual level covariates (source: ITANES), right column reports results for municipality level covariates (source: ANCI). SE clustered at municipality level throughout.

Robustness: Manipulation at Threshold (2/2)

- ▶ Perform McCrary test (McCrary (2008))
- ▶ HO: no manipulation at $POP = 15000$
- ▶ STATA command `rddensity` (Cattaneo et al. (2018))
- ▶ $P - Value = 0.1269$
- ▶ Q for audience: why do I get different pvals if I use
standardized pop (i.e. `pop.-cutoff`) vs non-standardized (i.e.
just `pop.`)?

Conclusion

Possible mechanism:

1. different voting institutions
2. \implies exposure to fiercer political competition
3. \implies no-compromise rhetoric
4. \implies internalized by voters
5. \implies less trust in media and worse information

However:

1. run-off system perform better in many ways (e.g. easier to govern and less obstructionism)
2. no need to appease extreme members of coalition (so opposite story is also not implausible)
3. municipality=very local elections, are we sure we can generalize?

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