

LOCAL POLITICAL ECONOMY ONLINE WORKSHOP

24 FEBRUARY 2022
5:00-7:30PM (CET)
WEBINAR

Behavior of policy makers and voters in a polity may depend on the characteristics, size, geography, density of interactions within the polity and with the neighbouring ones. Hence it is useful to zoom on these "local" effects. The three invited speakers will provide us with the most recent evidence on the local political economy effects, which we should take into account when evaluating potential reforms on the jurisdiction of municipalities, provinces and regions.

The abstracts below provide more details on the scope of the discussion to which PERICLES invites you!

ONLINE REGISTRATION
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5:00PM (CET)

INTRODUCTION

MASSIMO MORELLI

PERICLES Unit director, BAFFI CAREFIN, Bocconi University

5:05PM (CET)

THE POLICY HUNGRY AND THE POLICY ADJACENT: HOW AFFORDABLE HOUSING GENERATES POLICY FEEDBACK AMONG NEIGHBORING RESIDENTS

ASYA MAGAZINNIK

MIT

5:50PM (CET)

POLITICS OF ISOLATION: POPULIST RADICAL RIGHT SUPPORT & PUBLIC SERVICE PROVISION IN ITALY

CATHERINE DE VRIES, SIMONE CREMASCHI, PAULA RETTL

Bocconi University

6:35PM (CET)

BETTER ALONE? EVIDENCE ON THE COSTS OF INTERMUNICIPAL COOPERATION

CLEMENCE TRICAUD

UCLA Anderson School of Management

7:20PM (CET)

Q&A



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BAFFI CAREFIN
Centre for Applied Research
on International Markets, Banking,
Finance, and Regulation

ORGANIZED BY
Research Unit PERICLES Political Economics of Reforms, Institutional Complexity, and Legislative
Evaluation Studies, Bocconi University

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ABSTRACTS

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THE POLICY HUNGRY AND THE POLICY ADJACENT: HOW AFFORDABLE HOUSING GENERATES POLICY FEEDBACK AMONG NEIGHBORING RESIDENTS **ASYA MAGAZINNIK MIT**

Many local public goods — from housing to parks to homeless shelters — are by their very nature tethered to a location in physical space. Accordingly, citizens have preferences not only about the overall provision of those goods, but about their geographic distribution. This truly “spatial” dimension of political preferences interacts in important but understudied ways with the scale of representation on city councils: whether citizens elect representatives of their local neighborhood (“by-district”) or the city as a whole (“at-large”). We propose a formal model to study the equilibrium provision of locally desirable and undesirable public goods under the two alternatives, with implications for local institutional reform and NIMBY politics.

POLITICS OF ISOLATION: POPULIST RADICAL RIGHT SUPPORT & PUBLIC SERVICE PROVISION IN ITALY

CATHERINE DE VRIES, SIMONE CREMASCHI, PAULA RETTL Bocconi University
Electoral support for populist radical right parties is usually higher in rural areas compared to urban ones. Yet, the mechanisms driving these geographical patterns are rather poorly understood. By focusing on Italy and relying on an integrative research design, we develop an argument based on local variation in the provision of public goods. Specifically, we suggest that low supply and accessibility of local public services feed into people’s feelings of abandonment by the state, a sentiment that populist radical right parties successfully harness to grow their support. We empirically substantiate our argument in three specific steps. First, we introduce a fine-grained measure of local provision of public service and demonstrate that it is strongly associated with geographic variation in populist radical right support. Second, we exploit a national reform, forcing municipalities below a certain population threshold to jointly manage public services, to test the causal link between populist radical right support and local public service provision. Finally, we plan to focus groups to explore the mechanism that we propose is driving our results. The focus on local public service provision and the meaning that voters attach to it helps us to make sense of why populist radical right parties succeed in some rural and urban areas and not others.

BETTER ALONE? EVIDENCE ON THE COSTS OF INTERMUNICIPAL COOPERATION

CLEMENCE TRICAUD UCLA Anderson School of Management
This paper provides new evidence on why municipalities are often reluctant to integrate. Exploiting a French reform that made intermunicipal cooperation mandatory, I find that urban municipalities forced to integrate experienced a large increase in construction, consistent with NIMBYism explaining their resistance, while rural municipalities ended up with fewer local public services. I do not find the same effects for municipalities that had voluntarily integrated prior to the law, while both types of municipality enjoyed similar benefits in terms of public transport and fiscal revenues. These findings support the fact that municipalities resisted to avoid the local costs of integration.



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