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NICEP

Nottingham Interdisciplinary Centre
for Economic and Political Research

NICEP Conference 2023 Conference Presenters, Titles, and Abstracts

Nottingham (UK)
May 15-16, 2023

Invited Sessions

Alessandra Voena – Stanford

Gendered Spheres of Learning and Household Decision Making over Fertility (with Nava Ashraf, Erica Field, and Roberta Ziparo)

Vincent Pons – Harvard Business School

Electoral Turnovers (joint with Benjamin Marx and Vincent Rollet)

Gilat Levy – London School of Economics

The Dynamics of Cohort Effects in Politics (with Ronny Razin)

Michela Giorcelli – University of California, Los Angeles

Industrial Policy and Economic Development: Evidence from US Intervention in Italy after WWII

Torun Dewan - London School of Economics

TBC

Parallel sessions

[Link to repository of papers](#)

Francesc Amat - University of Barcelona

Bank Failures and Elites Democratic Consent. An Exploration with Individual Panel Data

Abstract: Do economic shocks influence elites' democratic attitudes and commitment? Elites play a crucial role in shaping democratization processes and their consent is oftentimes thought of as a necessary condition to consolidate democratic political institutions. Canonical contributions by Acemoglu & Robinson (2003), or Boix (2003) have highlighted the importance of elites' economic interests, the perception of an economic threat or the types of assets in hands of elites to explain when and why elites accept democracy and commit to democratic procedures. Yet, this theory has never been tested at the micro-level with individual data. Here we use a novel individual-level dataset from the failure of a large bank in Catalonia in 1931 — so that for each individual depositor we know the amounts of their deposits in the failed bank. We match individual depositor data with electoral turnout data from individual voting roll calls for a very specific set of elections in which elites were divided. In the last elections before the outbreak of the Spanish Civil War, in April 1936, some relevant political parties boycotted the elections, and thus individual turnout among the elites can be

interpreted as de facto support for the democratic regime. This unique setting allows us to test whether economic interests are indeed influential on elites' democratic consent at the individual-level. The individual panel structure of the data allows the inclusion of individual FEs and a difference-in-difference identification strategy that exploits individuals' differential turnout rates across several elections at different points in time – January 1934, February 1936 and April 1936. Preliminary results of a pilot study indicate that, as expected, individuals exposed to financial losses because of the bank collapse were indeed less likely to turnout in the last presidential elections before the Spanish Civil War. We interpret this differential abstention rates among individuals exposed to the bank collapse as evidence of lack of democratic consent. To explore further the mechanism, we also match the individual depositors lists and the individual voting roll calls with individual registers of political associations and clubs. We show that the differential abstention rates among depositors exposed to the bank collapse are driven by individual members of associations and clubs that explicitly supported the boycott of the last democratic elections. Overall, we provide the first ever individual-level evidence from the interwar period that shows that individual elites' exposure to financial shocks during the 1930s caused the abandonment of individual democratic consent.

Ascension Andina-Diaz - Universidad de Málaga

Garbling an evaluation to retain an advantage

Abstract: We study the effects of introducing interpersonal comparisons on the decisions made by career concerned experts. We consider competition between two experts who may differ in their initial reputation. We obtain that whereas full transmission of the experts' private information is an equilibrium

when experts have the same initial reputation, this is not necessarily the case when they are heterogenous. In this case, we identify an incentive for the stronger expert to deliberately misreport her signal, aiming at garbling the evaluation of the principal to retain her advantage. In equilibrium, this expert may even completely contradict her signal and the other expert's decision. We discuss the implications of our results to different contexts, such as reaching consensus in a society, competition for attention, and misconception of the market's evaluation system.

Margot Belguise - University of Warwick

Red Herrings: A Theory of Bad Politicians Hijacking Media Attention

Abstract: Politicians are sometimes accused of sending “red herrings”, irrelevant information meant to distract their audience from other information. When do they succeed in fooling voters? How is this affected by the media? This paper proposes a model of election with red herring. An incumbent running for re-election may send an irrelevant “tale” to distract voters from a scandal. Some politicians may simply enjoy telling irrelevant tales, making it difficult for voters to recognize red herrings. Red herrings can thus be “successful” in that the incumbent is re-elected despite the scandal. Equilibrium characterization sheds light on two non-trivial results. First, the game sometimes has multiple equilibria: society may coordinate on equilibria with no or some successful red herring through a self-fulfilling social norm of tale-telling. However, high media attention to tales may discipline scandal-free politicians due to voter suspicion of tales, leaving a unique equilibrium with no successful red herring. A dynamic extension introduces feedbacks between the pool of politicians and media attention. Polar cases in which red herring is predicted to increase over time or on the contrary disappear are

highlighted. A second extension shows that voter polarization is predicted to have ambiguous effects on politician discipline and thereby on screening.

Mattia Bertazzini - Oxford

The Negus and the monks: Monasteries, state formation and long-run development in Ethiopia, 1270-2020

Abstract: Is Africa's historical lack of stable indigenous institutions important in explaining her economic performance in the 20th and 21st centuries? This paper addresses this question by exploring the mechanics and the effect of early centralization Ethiopia, the only African state that enjoyed sufficient military and fiscal capacity to maintain its independence throughout the Middle Ages and the colonial era. In a flexible regression discontinuity design (RDD) at multiple historical boundaries, the paper shows that longer exposure to centralized institutions translates into people being richer and more likely to display ethnic, linguistic and religious traits related to the traditional Ethiopian cultural identity today. Ethiopian monarchs (Negus) relied heavily on the Ethiopian orthodox church to buttress their authority and to build state infrastructure. The analysis of the mechanisms suggests that the effects are stronger for periods and boundaries when the Ethiopian state used the church systematically, within a general programme of state expansion, to project power across its territory."

Apurav Bhatiya - University of Birmingham

The Saliency of Political Messages: Evidence from Soldier Deaths in India

Abstract: Leaders often send political messages to influence voters. But what makes their messages more or less salient? This paper studies how event exposure interacts with political messages to affect voter behaviour. We analyse the 2019 national election in India, where Prime Minister Modi focused on his aggressive response to deadly attacks on Indian soldiers in armed conflicts. We exploit the exogeneity in the home constituency of the dead soldiers as a shock to the saliency of Modi's messages. Using a difference-in-differences identification strategy, we find that the vote share of Modi's party increased by 11% in the constituencies exposed to soldier deaths. Vote share increased only for deaths from secessionist conflict but not from the left-wing extremist conflict. Text analysis of Modi's speeches reveals that the nationalistic content of his speeches rises only when soldiers die in the secessionist conflict. Higher media exposure and media coverage translate political messages into votes. Voters credit Modi over the armed forces for his response and are more concerned about nationalistic issues than national ones.

Johannes Boken - University of Essex

The Returns to Viral Media: The Case of US Campaign Contributions

Abstract: This paper provides estimates of the impact of social media attention on US campaign contributions. Our setting is a daily dataset of campaign contributions and Twitter activity for Members of Congress over the 2019-2020 period. Our average elasticity of 0.01 for the Contributions-Likes relationship is driven entirely by the top tail (90th percentile and above) of 'viral' Tweets. A

comparison with cables news coverage indicates that Twitter has a distinct channel of influence on donations and that our main effects cannot be conflated with the news cycle. Our results are confirmed by results from a `dyadic family' panel of Member's donations across states where we are able to instrument for the geographic pattern of Twitter usage using the adoption shock that arose from the 2007 South-by-SouthWest (SXSW) cultural festival.

Björn Brey - Universite Libre Bruxelles

Panic politics on the us west coast

Abstract: This study shows that military attacks — through fear and panic — can distort political behavior and create a "conservative shift" in subsequent elections. Using the distance to the Ellwood bombardment in 1942, a shelling of civilian installations on the US mainland during WW2 which caused minimal damage but that created a large wave of panic, we find that support for Republican candidates increased in subsequent Gubernatorial, Presidential and House elections in Californian counties in the vicinity of the incident. Interestingly, the effect appears to persist for a long time, even after WW2 ended. Using a large corpus of articles from Californian newspapers and text analysis, we provide evidence that the event led to a persistent shift in conservative beliefs of local communities. We conclude that attacks, through their psychological effects, might have long-run consequences through preference-shifting and changes in voting behaviors.

Irma Clots-Figueras - University of Kent

Climate Change and Political Participation: Evidence from India

Abstract: We study the effects of extreme temperature shocks on political participation using data from Indian elections between 2009 and 2017. Taking advantage of localized, high-frequency data on land surface temperatures, we find that areas with greater cumulative exposure to extreme temperatures experience an increase in voter turnout and a change in the composition of the pool of candidates who stand for election. As a consequence, electoral outcomes are affected. We provide evidence that our results are driven by the negative effect of climate change on agricultural productivity. First, we show that the results are strongest in areas with a larger rural population. Second, we show that there is a non-monotonic relationship between temperatures and turnout which closely mirrors the relationship between temperatures and agricultural productivity. We also find that, following temperature shocks, winning candidates are more likely to have an agricultural background. Finally, we show that politicians with an agricultural background invest more in irrigation, which mitigates the effects of high temperatures, on both agricultural production and on turnout. Our paper provides new evidence about the ways in which political agents in developing countries (including both voters and candidates) may respond to climate change via political channels.

Federico Curci - CUNEF Universidad

Factory Location: Resistance to Technology Adoption and Local Institutions

Abstract: This paper studies technology adoption and factory location in England during the Industrial Revolution. First, we document a negative relationship between industrialization in the 19th century and pre-industrial economic activities. Second, we show that while early representative institutions developed in commercially prominent cities, these cities failed to adopt the new industrial technologies during the 19th century. We argue that while representative institutions were complementary to early modern economic growth, these were detrimental to industrialization. Representative institutions contributed to creating local grass-rooted organizations that enabled workers threatened by labor mechanization to resist technology adoption. Higher resistance to technology adoption, in turn, resulted in the relocation of economic activities away from traditional centers of production.

Markus Eberhardt - University of Nottingham

How does democracy cause growth?

Abstract: Recent empirical work has established that 'democracy causes growth'. In this paper, we determine the underlying institutions which drive this relationship using data from the Varieties of Democracy project. We sketch how incentives and opportunities as well as the distribution of political power shaped by underlying institutions, in combination with the extent of the market, endogenously form an 'economic blueprint for growth', which likely differs across countries. We take our model to the data by adopting novel heterogeneous treatment effects estimators, which allow for non-parallel trends and selection into institutional change and run horse races between underlying institutions. We find that freedom of expression, clean elections, and legislative executive constraints are the foremost drivers of long-run development. Erosion of these institutions, as witnessed recently in many countries, may jeopardise the perpetual growth effect of becoming a liberal democracy we establish for the post-WWII period.

Teresa Esteban-Casanelles - King's College London

The Effects of Exposure to Political Advertising: Evidence from Spain

Abstract: I measure the effects of street-level political advertising on voting behavior. I use a novel dataset on ad location in a major Spanish city during elections for the national parliament as well as granular socio-economic and voting data. This set-up, where more than two parties are running for office and elections are very competitive, allows me to explore the heterogeneous effects of ads across parties as well as how parties' ads affect other parties' vote shares. To identify the effects of parties' ads, I exploit a legally mandated randomized assignment of ad location to parties across multiple years. I find that a party's own ads have a positive effect on its vote share, although the effects are heterogeneous across parties. A one standard deviation increase in the number of ads increases a party's vote share by 0.87 percentage points on average. Ads of parties with ideologically distant platforms consistently have a negative effect on a party's vote share. In contrast, ads of parties that are close competitors may act either as complements or substitutes.

Giovanni Facchini - University of Nottingham
Regional Inequality and Political Resentment

Abstract: Does economic inequality between regions shape attitudes towards the political system, and if so, why? There is a generalized consensus that economic globalization has resulted in sharp geographical disparities within nations. However, the consequences of territorial inequalities for political backlash are disputed. Observational analyses cannot isolate the causal effect of regional variables net of the geographical sorting of individuals with similar economic and cultural profiles. Moreover, the study of contextual causal mechanisms has been mostly ignored to date. We circumvent these challenges with a pre-registered survey experiment in Great Britain manipulating the saliency of household inequality, regional inequality, and their interaction. Results show that living in a deprived region increases anti-democratic preferences, distrust in government, and populist attitudes. The main mechanism is through decreased perceptions of social status. The effects are driven by subjective perceptions of inequality, which correlate highly with objective inequality but can trigger stronger emotional responses.

Jon H. Fiva - BI Norwegian Business School
Bound by Borders: Voter Mobilization through Social Networks

Abstract: Unlike previous studies of mobilization through social networks, we measure the drop-off in mobilizational impulses as they cross electoral district boundaries. Our analysis exploits individual-level panel data on the geographical location of voters and candidates in Norway. Considering three types of social network—families, co-workers, and immigrant communities—we show that a group member's candidacy sends a mobilizational impulse through the group's network. However, the impulse falls off dramatically as soon as the network crosses the candidate's district boundary. Our paper is the first we know that quantitatively assesses border effects, which have often been noted informally in the literature.

Olle Folke - Uppsala University
The Class Ceiling in Politics

Abstract: The working class is under-represented in political offices worldwide. We study factors that help workers enter and advance in politics by leveraging detailed microdata from Sweden, a best performer in this aspect of democracy. We document that workers in politics face a "class ceiling" in the form of a smaller likelihood to advance from lower to higher positions conditional on observable qualifications. While trade unions are important vehicles for workers' entry and advancement, even strong union ties do not fully compensate for the difference. We end with a broader discussion about factors that may have shifted segments of the working class from political mobilization into parties on the ideological left toward mobilization for the radical right.

Alessandra Foresta Foresta - University of Southampton

Impact of depenalization on drugs deaths in England and Wales. An instrumental variable approach.

Abstract: This article investigates the role of drug depenalization on drug related deaths in England and Wales. We use an instrumental variable approach, based on Police and Crime Commissioners elections and voters' left-wing preferences in the area. The first stage findings indicate that to an increase in voters left-wing preferences corresponds a decrease in drug-related arrests. The IV results indicate that a decrease in our instrumented variables generates an increase in deaths related to drug poisoning/drug misuse. Specifically, to a decrease of 1% in our instrumented variables corresponds to an increase between 0.04% and 0.07% in the drug poisoning/misuse deaths ratio. We replicate our analysis using different definitions of political preferences, lag specifications, dependent and independent variables and the findings are similar.

Caterina Gennaioli - Queen Mary University of London

Can Competition Reduce Conflict?

Abstract: We examine the effect of inter-group fiscal competition on within-group violent conflict. Using a triple difference design, we exploit exogenous variation in the degree to which villages in sub-districts compete for public funds. We find that higher competition between villages reduces conflict but only up to moderate levels of competition. The conflict-reducing effects of competition are largest in the most ethnically fractionalized and segregated villages and exist regardless of the eventual outcome of the competition. Our results are consistent with external competition favoring coordination within otherwise divided communities and boosting village identity relative ethnic identity

Christian Ghiglino - University of Essex (visiting University of Cambridge)

The Dynamics of Social Identity, Inequality and Redistribution

Abstract: We provide a politico-economic theory of income redistribution with endogenous social identity. Voters are heterogeneous with respect to wages and may identify to the poor, the rich or all voters. Each social identity comes with an affective factor, the group's average consumption, and a centrality factor, how close the voter's consumption is to the group's average. In equilibrium, voters optimally choose their social identity and vote for the political candidate that proposes their preferred tax rate. We characterise the effect of changes in the wage distribution. First, we establish that the political equilibrium is invariant to uniform proportional shifts in wages, because they leave the perceived wage dispersion unchanged. Second, we then show that the equilibrium tax rate has a non-monotonic relationship with the wage dispersion: starting from an equilibrium where all voters identify universally, the equilibrium tax rate first increases in the wage dispersion but then falls to zero as the rich voters start to identify in-group. We then introduce ethnicity as an additional attribute that affects group centrality and evaluate its effect on the equilibrium analysis.

Eleonora Guarnieri - University of Exeter
Cultural Distance and Ethnic Civil Conflict

Abstract: Ethnically diverse countries are more prone to conflict, yet we lack an understanding of why some groups engage in conflict and others do not. In this paper, I argue that civil conflict is explained by ethnic groups' cultural distance to the central government: an increase in cultural distance increases an ethnicity's propensity to fight over government power. To identify this effect, I leverage within-ethnicity variation in cultural distance to the government resulting from power transitions between ethnic groups over time. I validate my findings in a triple difference-in-differences design and through a novel instrumental variables approach. As an instrument for cultural distance, I use differences in ethnic homelands' exposure to the route of the Bantu expansion, a prehistoric migration that shaped culture in sub-Saharan Africa. When exploring mechanisms, I provide evidence that the effects of cultural distance on conflict can be explained by differences in preferences over public goods. First, cultural distance triggers only conflict over government power, but not conflict over territory or resources. Second, using individual-level survey data, I find that respondents dislike the mix of public policies provided by a culturally distant government. By shedding light on which ethnic groups are more likely to rebel at a given point in time, these findings can inform strategies to target conflict prevention efforts.

Martin Hagen - CUNEF Universidad
Designing the optimal asylum system

Abstract: We study the optimal design of the asylum system, which tries to distinguish refugees from economic migrants. Currently, asylum is only granted after a costly verification process that checks whether the applicant is entitled to asylum or not. Although rejected applicants are subject to deportation, some manage to abscond and stay irregularly. Failed deportations create incentives for economic migrants to apply for asylum, even though they know they will be rejected. We propose a new asylum system that gives migrants a choice between applying for asylum (in which case their claims will be processed as usual) and participating in a "visa lottery" (which awards temporary residence permits with a certain probability). Migrants with no prospects of getting asylum will then self-select into the lottery. Since they are neither checked nor subject to deportation, the cost of running the asylum system decreases. In a simple model of mechanism design with costly verification, we show that the mechanism we propose is optimal for the government.

Azhar Hussain - LSE
Global Gains From a Green Energy Transition: Evidence on Coal-Fired Power and Air Quality Dissatisfaction

Abstract: Phasing out coal-fired power in favor of renewables is now a central plank of climate action. But, in contrast to many other policy actions, coal-fired power should have an immediate and perceptible benefit through improved air quality. If this is true, there is potential to harness local politics in combating a global problem. However, this line of argument is only valid if coal-fired power does

indeed lead to greater air quality dissatisfaction. This paper provides such evidence using geocoded survey data from 51 countries by demonstrating that people living within 40 km of coal-fired power stations are, on average, more dissatisfied with the ambient air quality. We then construct a willingness-to-pay measure to show that there are net benefits from replacing coal-fired power generation capacity with green technologies globally, solely based on air quality improvements.

Moritz Lubczyk - University of Zurich

The Causal Effects of Long-Term Exposure to Air Pollution: Evidence from Socialist East Germany

Abstract: This paper measures the causal effects of long-term exposure to air pollution on individuals. When the Soviet Union – main provider of fossil fuels to socialist East Germany after World War II – unexpectedly cut oil exports in 1982, East Germany had to rapidly substitute oil with highly-polluting lignite coal. We exploit the spatial distribution of lignite deposits within East Germany to show that the resulting increase in air pollution had large and persistent effects on individuals' health and labor market outcomes over the four decades after the shock. We leverage authoritarian restrictions on the freedom of movement and the non-competitive housing and labor markets of the country's command economy to identify long-term effects in an inverse movers design.

Diego Marino Fages - University of Nottingham

Migration and Trust: Evidence on Assimilation from Internal Migrants

Abstract: I study whether internal migrants assimilate culturally to the locals. Investigating this question with observational data has been challenging because it requires disentangling assimilation from sorting and because data on immigrants before migrating is typically not available. I overcome this challenge by studying the Swiss context, which provides an ideal setting for two reasons. First, as a result of its history, Switzerland presents substantial cultural differences between its regions. Second, the Swiss Household Panel tracks individuals for a long period before and after they move. I exploit these two features to compare early and late migrants in a difference-in-difference framework. I focus specifically on trust in strangers, one of the most important components of culture and which has been shown to predict growth and other desirable economic, social and political outcomes. I find a statistically and economically significant evidence on assimilation of migrants moving to higher and lower trust cantons, and this assimilation happens in the first few years. Finally, using the Sorted Effects Method, I find that assimilation is driven by the youngest immigrants, which is in line with the impressionable years hypothesis in psychology.

Alejandra Agustina Martinez - Universidad Carlos III de Madrid

Raise your voice! Activism and peer effects in online social networks.

Abstract: Do peers influence individuals' involvement in political activism? To provide a quantitative answer, I study Argentina's abortion rights debate through Twitter - the social media platform. Pro-

choice and pro-life activists coexisted online, and the evidence suggests peer groups were not too polarized. I develop a model of strategic interactions in a network - allowing for heterogeneous peer effects. Next, I estimate peer effects and test whether online activism exhibits strategic substitutability or complementarity. I create a novel panel dataset - where links and actions are observable - by combining tweets' and users' information. I provide a reduced-form analysis by proposing a network-based instrumental variable. The results indicate strategic complementarity in online activism, both from aligned and opposing peers. Notably, the evidence suggests homophily in the formation of Twitter's network, but it does not support the hypothesis of an echo-chamber effect.

Nicola Mastrorocco - Bologna

State Capacity as an Organizational Problem. Evidence from the Growth of the U.S. State Over 100 Years

Abstract: We study how the organization of the state evolves over the process of development, using a new dataset on the internal organization of the U.S. federal bureaucracy over 1817-1905. We first establish three sets of descriptive facts on the growth and organization of the U.S. state. First, there was a low growth in state capacity until the 1850s, with a rapid growth thereafter, driven mainly by the state reaching more locations. Second, economic growth is positively associated with state presence, but distance from the headquarter (DC) limits state presence. Third, the state organization changes after the 1850s, with a lower reliance on employee turnover, a less tight link between the career of workers and that of their supervisors, and greater delegation of power outside DC. We hypothesize that technological innovations that reduce communication and transportation costs, and thus increase the government's monitoring capacity, are an important driver of these facts. To test this hypothesis, we exploit the staggered expansion of the railroad and telegraph networks across time and space, which decreased monitoring costs between DC and different locations. We show that locations that become better connected to DC experience an increase in state presence, an increase in delegation of power, a decrease in employee turnover, and a decrease in reliance on trust as a way to staff the bureaucracy. The results suggest that high monitoring costs go hand in hand with a small, personalistic state organization based on networks of trust, while technological shocks lowering these costs are conducive to the emergence of modern bureaucratic states.

Konstantinos Matakos - King's College London

Silence Kills! Victim-blaming Social Norms and Violence Against Women

Abstract: Despite its huge social, psychological and economic costs, gender-based, intimate partner violence (IPV) is a phenomenon that persists in many countries. IPV is often not actively contested by society the persistence of victim-blaming norms might increase its social acceptability and thus hinder policy and behavior change. Are persisting victim-blaming attitudes and lack of action/policy support because of differences in own values or social norms? This paper examines the role of patriarchy values and victim-blaming social norms on gender attitudes towards and (incentivized) action/support for policies to combat intimate partner violence. We conducted an online survey experiment in which a sample of 4,000 respondents in Turkey --a country with the highest IPV prevalence among OECD members-- was randomly assigned to receive hypothetical IPV scenario treatment with or without

invocation of social norms, or control. Simply making the existence of a social norm salient (by eliciting respondents' incentivized beliefs on what the majority/others think) increased support for policies to combat IPV by 3 to 4 percentage points compared to the control group. Our results suggest that while patriarchal values are rather immovable and better at predicting own attitudes towards gender-based IPV, social norms do a much better job at changing policy preferences and (incentivized) behavior. Thus, policy change is possible even if individual values are relatively stable. These findings highlight the need to consider the role of social norms when designing policies to tackle IPV. By exploiting our dynamic information-updating design, we also find strong convergence of individuals' attitudes (on gender-based violence) to the elicited social norms.

Eric Melander - University of Birmingham

Brexit and the Blitz: Conflict, Collective Memory and Euroscepticism

Abstract: On 23 June 2016, the electorate of the United Kingdom voted to leave the European Union. Britain's relationship with the European project has a long history, and deep historical factors may have played a role in shaping the outcome of the referendum. I show that the experience (and collective memory) of bombing during the Second World War is one such factor. Combining geo-referenced data from wartime intelligence reports and district-level results of the EU Referendum, I show that districts with a greater number of bombing events exhibited higher Leave vote shares. This pattern is robust to controlling for other salient predictors of support for Leave and to using technical details of Luftwaffe technology to instrument for bombing. Collective memory is an important moderator; bombing predicts Leave vote shares only in districts where war graves from the Second World War are most prevalent. The same is not the case for war graves from the First World War. Lastly, evidence from individual-level surveys reveals that WWII-rooted Leave rhetoric was effective in swaying voters in high bombing intensity areas.

Jan Meyer-Sahling - UoN

Does training public employees enhance integrity in government? Evidence from a field experiment in Bangladesh

Abstract: Governments around the world conduct ethics trainings with public employees to enhance public integrity. Yet, causal evidence on the effectiveness of ethics trainings to enhance integrity in government remains close to non-existent. We address this gap through a field experiment with 1,400 police officers in Bangladesh. In collaboration with one police district in Bangladesh, we randomly assign half of the district's police officers to a state-of-the-art ethics training. Our training trains and primes each participating police officer to be an ethical leader in the police district. Through a panel of survey data and incentivized honesty game data, we assess the effect of the ethics training on shifts in the integrity-related attitudes, values, beliefs, and behaviors of police officers. Our findings have important implications for our understanding of the efficacy of ethics trainings as a tool to enhance integrity in government, and the malleability of integrity-related attitudes, beliefs, and behaviors in government.

Sergei Mikhailishchev - Durham University
It's Simple. Why Is Stability Bad for Voters?

Abstract: Many political leaders promise stability during their election campaigns. Several explanations have been offered for the increased support for such politicians, but less is known about future development once they are in office. We develop a model with rationally inattentive voters and investigate how an office-seeking politician designs a political platform in the presence of an incumbent who offers a simple stability policy. We show that this policy, while not in the best interest of the electorate, also creates negative externalities by encouraging the challenger to propose a more moderate platform, which is sub-optimal. Moreover, the model explains why popular incumbents could benefit from and prefer the high uncertainty and high cost of information.

Clement Minaudier - City, University of London
Political Accountability during Crises: Evidence from 40 years of Financial Policies

Abstract: We show that politicians facing a binding term limit are more likely to engage in financial de-liberalisation than those facing re-election, but only in the wake of a financial crisis. In particular, they implement policies that tend to favour incumbent financial institutions over the general population, such as increasing barriers to entry in the banking sector. We rationalise this behaviour with a theory of political accountability in which crises generate two opposite effects: they increase the salience of financial policies to voters but also create a window of opportunity for politicians captured by the financial industry to push potentially harmful reforms. We present evidence that revolving doors between the government and private banks are important in explaining the differences in policy behaviour with regards to the banking sector. Finally, we confirm that the policies pushed by term-limited politicians are harmful to the general population by showing that financial instability is higher in the aftermath of crises when these politicians are in power.

Samuel Obeng - University of Warwick
Rewarding Allegiance: Political Alignment and Fiscal Outcomes in Local Government

Abstract: We examine how local governments' political alignment with central government affects subnational fiscal outcomes. In theory, alignment could be rewarded for example with more intergovernmental transfers, or swing voters in unaligned constituencies could be targeted instead. We analyze data from Ghana, which has a complex decentralized system that seeks to preclude political alignment effects. District Chief Executives (DCEs) are centrally appointed local administrators loyal to the ruling party, while district Members of Parliament (MPs) may belong to another party. A formula for central transfer distribution aims to limit the influence of party politics. Using a new dataset for 1994-2018 and a close election regression discontinuity design we find that despite this system, there is evidence of politically-motivated local fiscal outcomes. Aligned districts receive lower transfers and have lower district expenditure and internally generated funds, indicating

swing-voter targeting. Results suggest that district fragmentations have weakened these effects. We also show strong electoral cycle effects, with mid-term peaks in fiscal outcomes.

Javier Ortega - Kingston University London
Political Correctness and Elite Prestige

Abstract: Consider a society where the prestige of orthodox views is linked to the prestige of the elite. Heterodox individuals are less likely to express their views if other peers refrain from doing so and if the elite is prestigious. In turn, corruption by the elite is less easily detected if orthodox views dominate. We characterize equilibrium self-denial and corruption and show that an exogenous increase in the range of orthodox views may result in a decrease in the total number of individuals truthfully expressing their views. Some features of the model are shown to be compatible with U.S. data.

João Pereira dos Santos - ISEG - University of Lisbon, RWI, IZA

The electoral impact of a large return migration shock in a nascent democracy

Abstract: We study the causal impact of a large and unexpected return migration episode on political outcomes during a democratic transition that was characterized by severe political and economic instability. We analyse how the forced displacement of close to half a million settlers from Portuguese speaking African countries, motivated by the eruption of civil wars in these territories, influenced election outcomes after the 1974 Carnation Revolution in Portugal. We apply a difference-in-differences with a continuous treatment assignment based on the share of repatriates per municipality. To deal with potential endogeneity issues, we instrument this with two shift-share variables that rely on very detailed census data covering the universe of repatriates and including information on their regions of birth. We find that repatriates significantly increased voting for right-wing parties in the ten years after the Revolution

Max Posch - University of Exeter

The Political Economy of Propaganda: Evidence from US Newspapers

Abstract: We study the impact of the first American party committed to redistribution from rich to poor on anti-Black media content in the 1890s. The Populist Party sought support among poor farmers, regardless of race, providing the segregationist Democratic establishment in the South with an incentive to fan racial outrage to alienate white voters from the Populists. Using text data from local newspapers and two estimation strategies (difference-in-differences and triple-difference), we find that stories of sexual assaults by Black men on white women became more prevalent in counties where the Populists threatened the Democratic dominance, and in Democratic newspapers only.

Kilian Rieder - Oesterreichische Nationalbank (Eurosystem) & CEPR
Central Bank Communication by ??? The Economics of Public Policy Leaks

Abstract: Leaks of confidential information emanating from public institutions have been the focus of a long-standing line of research. Yet, their determinants as well as their potential impact on public expectations and on policy effectiveness remain elusive. We construct a database of anonymous monetary policy leaks in the euro area as reported by newswires. We provide evidence that many of these leaks do not represent accidents, but are intentionally placed - not by the institution, but by individual insiders. Central banks offer a unique setting to study the effects of leaks because associated changes in public expectations are instantaneously reflected in financial markets. While we find that leaks shape public expectations and weaken official policy announcements, the evidence also suggests that leaks do not lock in decision-makers, and that attributed communication can mitigate some of their effects.

Valeria Rueda - University of Nottingham

Leading by Example: How Marching Suffragists in England Facilitated the Women's Electoral Participation.

Abstract: Can women's political activism spur women's political participation? Women's under-representation in politics creates a prior that politics is not for them, reducing their interest in politics. Previous research identified that women politicians facilitated other women's political participation and mobilization. Through the study of the British suffragists, we argue that women activists paved the way for other women's political participation at the time when women were virtually absent from formal politics. Constructing a novel micro-level dataset of geocoded women's registration, we employ a differences-in-differences that compares parishes based on proximity to the 1913 Women's Suffrage Pilgrimage across England. We show that 'exposure' to the suffragists marching for parliamentary suffrage significantly increased propertied women's registration in local elections. Exploiting contemporary news articles, we document the pathways through which marching suffragists incited other women's political interest and therefore also electoral participation.

Nelson Ruiz - Essex

Mind and machine: rooting out corrupt politicians

Abstract: Corruption is pervasive across the world, yet voters keep electing corrupt politicians. One common explanation is that voters simply lack information on whether candidates are corrupt, yet studies that deliberately provide such information find electoral accountability is weak at best or non-existent at worst. So can we root out corrupt politicians? We approach the problem taking a different approach: rather than disclosing corruption itself, we explore what kind of readily available information allows voters to identify and not vote for corrupt politicians. Based on a dataset of politicians in Colombia, we use a novel approach: first, we employ machine learning techniques to identify political and personal characteristics that are predictive of corrupt practices. We then design an experiment

that randomises the provision of this information to evaluate what candidate information enables voters to discriminate corrupt from non-corrupt politicians. Our study aims to contribute to the policy push for greater information disclosure about candidates for public office by refining exactly what information leads to better voter choices. Preliminary results indicate that the presence of candidates' images and information on candidates' political experience increases the likelihood of choosing a corrupt politician.

Santiago Sanchez-Pages - King's College London

Identity and Corruption: A Laboratory Experiment

Abstract: This paper explores the role of identity in voters' decision to retain corrupt politicians. We build up a model of electoral accountability with pure moral hazard and bring it to the lab. Politicians must decide whether to invest in a public project with uncertain returns or to keep the funds for themselves. Voters observe the outcome of the project but not the action of the politician; if the project is unsuccessful, they do not know whether it was because of bad luck or because the politician embezzled the funds. We run two treatments; a control treatment and a treatment where subjects are assigned an identity using the minimal group paradigm. Our main result is that, upon observing a failed project, voters approve politicians of their same identity group significantly more often than in the control and compared to politicians of a different group. This is partially driven by a belief on same-identity politicians being more honest. We also observe that subjects acting as politicians are much more honest than expected by the equilibrium prediction.

Wayne Sandholtz - Nova School of Business and Economics

The politics of policy reform: Experimental evidence from Liberia

Abstract: Public service reform often entails broad benefits for society and concentrated costs for interest groups. Do the electoral benefits outweigh the costs for politicians who implement reform? This paper examines the electoral effects of a randomized Liberian school reform which increased student learning but antagonized teachers. The policy reduced ruling party vote share by 3 percentage points (10%). It also reduced teachers' job satisfaction by 0.18σ and political involvement by 0.22σ . I use the evaluation's pairwise randomization to show that the effect on vote share was positively correlated with student learning, and negatively correlated with teacher political disengagement.

Sartre Sartre - Brown University

The Increase in Partisan Segregation in the United States

Abstract: This paper provides novel evidence on trends in geographic partisan segregation. Using two individual-level panel datasets covering the near universe of the U.S. population between 2008 and 2020, we leverage information on individuals' party affiliation to construct two key indicators: i) the fraction of Democrats among voters affiliated with either major party, which reveals that partisan

segregation has increased across geographical units, at the tract, county, and congressional district levels; ii) The dissimilarity index, which measures differences in the partisan mix across distinct sub-units and highlights that partisan segregation has also increased within geographical units. Tracking individuals across election years, we decompose changes in partisan segregation into different sources: voter migration, generational change, older voters entering the electorate, and voters changing their partisanship or their registration status. The rise in partisan segregation is mostly driven by the generational change in Democratic-leaning areas, and by the increasing ideological conformity of stayers, in Republican-leaning areas.

Daniel Seidmann - University of Nottingham

The mysteries of apology laws (with Luis Edson Frones)

Abstract: Apology laws, which render doctors' pre-trial apologies inadmissible in court, were promoted by patient groups and by insurance companies on the supposition that they would reduce litigation. However, recent evidence demonstrates that these laws increase litigation because fewer cases were dropped before trial. We resolve this mystery by presenting a game whose equilibria explain the evidence. However, the requisite conditions imply that all parties (including the judge/jury) may then be ex ante better off absent an apology law: so the pattern of lobbying is another mystery.

Cecilia Testa – University of Nottingham

Black Empowerment and Whites' Counter-Mobilization: The Effect of the Voting Rights Act

Abstract: The 1965 Voting Rights Act (VRA) dismantled the institutional barriers that had suppressed political participation of African Americans in the U.S. South since the end of Reconstruction. How did the VRA affect whites' voting behavior in the racially conservative South? In this paper, we study this question using a novel dataset on county-level voter registration rates by race. Using a triple-difference design that exploits variation induced by a special provision of the VRA ("coverage"), we find that covered counties with higher shares of African Americans experienced a larger increase in Black and white registration rates between 1960 and 1980. Consistent with the VRA triggering white mobilization, the surge in white registration rates was concentrated in counties where Black empowerment represented a political threat to the white majority. Alternative channels, such as the mechanical re-enfranchisement of illiterate whites, selected white migration, or the occurrence of race riots, are unlikely to explain our findings. Additional analysis indicates that the VRA had long-lasting negative effects on whites' racial attitudes that are still evident today.

Dario Tortarolo - University of Nottingham

Can VAT Cuts Dampen the Effects of Food Price Inflation?

Abstract: This paper shows that governments can use VAT cuts and tax incidence mandates to mitigate the effects of inflation on purchasing power. To do so, we use high-frequency retail scanner data from

Argentina, along with a temporary 21 percentage point VAT cut on essential food whose pass-through to prices was encouraged by the government to be 100% for the VAT cut and mandated to be no more than 33% for some products after the VAT increase. We implement a difference-in-differences approach comparing goods that are subject to the VAT cut and/or to the pass-through mandates to those that are not. First, we find that ~60% of the VAT cut is passed through to prices, in contrast to recent empirical findings that the pass-through of VAT cuts tends to be very limited. Second, we show that the tax incidence mandates were successful at ensuring gradual price increases when the VAT cut was repealed. Third, we assess the distributional effects of this policy. While its goal was to guarantee access to necessities for low-income households in a period of high inflation, we find that the pass-through rate of the VAT cut in chain supermarkets was double that of independent supermarkets where, we show, low-income households are more likely to shop at. Therefore, while the government was successful at engineering a price decrease using the VAT cut, it partially failed to reach the target population.

Andrea Tulli - University of Tübingen

Abstract: We exploit tax holidays in response to the invasion of Ukraine to study how the pass-through of gasoline taxes varies with market power. We are able to observe both the number of competitors faced by a gas station and its markup over marginal cost. Our findings are consistent with a model in which multiple equilibria are sustained in markets with a low concentration of gas stations, leading to more heterogeneity in pass-through, while only a competitive equilibrium is sustained in markets with many competitors. We present evidence that those gas stations that are able to collude, and charge high markups, only passed about 60% of the tax cut on to consumer prices. Gas stations with low markups, instead, passed on virtually the entirety of the tax cut.

Camille Urvoy - University of Mannheim

Hosting Media Bias: Evidence from the Universe of French Broadcasts, 2002-2020

Abstract: Democracies need informed voters – voters who are exposed to a diverse range of views. News media take an active role in the process of informing voters; yet, they vary in their coverage of political parties. In this paper, we explore whether differences in political coverage are mainly driven by the editorial choices of (a few) owners, or by the preferences of diverse journalists, provided that they have some agency. To do so, we build a novel dataset on millions of French television and radio shows over 20 years, with information on the identity of hosts, guests, and guests' political leaning. We estimate a two-way fixed effects model identified thanks to the many hosts that we observe working on multiple channels. We show that hosts largely comply with outlet-level decisions, which account for 85% of cross-channel differences in political representation. Complementing these results, we study how hosts adapted to a major ownership-driven change in editorial line, and find that the hosts who stayed after the takeover complied with the new owner's preferences.

Athira Vinod - University of Nottingham

Elected representative characteristics and economic development: causal evidence from reserved constituencies

Abstract: We provide new evidence on the causal impact of elected representatives on economic development in India. Using data on candidates in all state assembly elections from 1974 to 2013, we exploit a discontinuity in the reservation of constituencies for Scheduled Castes (SCs). The effect of reservation is not merely to increase the likelihood of a representative being SC, but also increases the probability that a representative is female, reduces their age and political experience and increases their affiliation with national political parties. To measure economic development at the constituency level, we use both nightlight intensity and census data. We find that SC constituency reservation, with its accompanying effect on representative characteristics, had a positive impact on poverty reduction, agricultural employment, literacy, and power supply, with a corresponding increase in nightlight intensity.