

Divisive Policies and Their Electoral Consequences: Italy, 1863[°]

Antonio Accetturo,[♥] Matteo Bugamelli,[♥] and Andrea Lamorgese[♦]

This version: May 2013

Abstract

The aim of this paper is to analyze the electoral consequences of divisive policies, which are policies that generate a relevant gap in utility between winners and losers. We study the effects in terms of both turnout and electoral result. We first provide a simple model of political participation in which a policy determines a rift in the utility levels of supporters and opponents. The model predicts that divisive policies greatly raise the mobilization of citizens (higher turnout), but it is quite agnostic on the electoral result. We subsequently test the predictions by using an historical event of the XIX century Italy. The Pica law, established to fight Brigandage in Southern Italy, determined a strong tightening in civil rights, but also ensured more safety to wealthy people. The use of a spatial discontinuity technique compounded with a diff-in-diffs shows that Pica law areas observed a strong increase in turnout, but it did not impact on the electoral result.

JEL: D72, R5.

Keywords: Turnout, electoral results, spatial discontinuity.

[°] We wish to thank Vernon Henderson, Massimo Morelli, Henry Overman, Lucia Rizzica, Jacques Thisse, and the participants at the Bank of Italy workshop in Perugia for very helpful comments. We also thank Helios Herrera, Mike Ping, and Mariano Tommasi for early discussions on the topic. We are grateful to Giuseppe Albanese and Andrea Linarello for very useful advices in the management of the datasets. All remaining errors are ours. The views expressed in the paper are those of the authors and do not necessarily correspond to those of the Bank of Italy.

[♥] Bank of Italy, Structural Economic Analysis Dept.

[♥] Bank of Italy, Structural Economic Analysis Dept.

[♦] Corresponding author: Bank of Italy, Structural Economic Analysis Dept., Regional Analysis Division, via Nazionale 91, 00184, Rome (Italy). Email: andrea.lamorgese@bancaditalia.it Ph. ++39 06 4792 4169.

1. Introduction

Divisive policies are the politicians' daily bread. Many political choices, indeed, generate redistributive issues: examples range from pension reforms or regional transfers to liberalizations or deregulations. All these policies are characterized by the fact that they are likely to create a gap between "winners" and "losers" in the set of potential voters.

Political economy literature has mainly focused on the incentives by self-interested politicians to adopt certain (divisive) policies. Their implementation is made by weighting the rise in utility by winners with the loss in welfare by losers in a context in which the politician's main concern is reelection.

This paper concentrates on the consequences of those choices: once a divisive policy is adopted, what is going to happen on election day? Will there be a mobilization against the policy? How likely is a political upset?

We focus on two electoral outcomes: turnout (how many people go to vote) and electoral result (who is the winner). The reason why we concentrate on these two rests on the fact a divisive policy is expected to greatly raise (lower) the utility levels of winners (losers). In a context in which going to vote is an endogenous decision, this generates a *mobilization* effect (turnout). As party alignment is frequently predetermined to the policy, mobilization is likely to affect the balance of powers across parties and, hence, the probability of reelection by incumbent governments (electoral result).¹

The effects of divisiveness are investigated from an empirical point of view. However, in order to correctly frame the theoretical issues at stake we exploit a standard model of rational voting (Palfrey and Levine, 2007) to provide some theoretical insights. The model shows that the larger the gap between winners and losers, the higher the incentives to go to vote with the aim to preserve (for supporters) or change (for opponents) the policy at stake; the result in terms of electoral outcome is more complex: for homogeneous populations (i.e. with symmetric costs for voting) when gains and losses are similar the model predicts that higher mobilization does not generate a political upset; heterogeneity in terms of welfare effects, instead, may generate higher mobilization by certain groups, with the possibility of a political reversal.

The empirical part exploits a sharp historical event of the XIX century Italy. After the Italian unification (1861), an insurgency movement spread in the interior parts of the continental South; although the uprising had political origins, it was labeled (and it is still designed) as Brigandage. This was the expression of a fierce opposition to the new government and of the desire to restore the former King (of Two Sicilies). In 1863, the Italian government stroke back and issued a law that established the martial rule in some provinces of the South (the so-called Pica Law, named after its proponent, Giuseppe Pica).

The Pica Law started a period of tough enforcement of law in those provinces: military courts ruled on brigandage felonies, punishment was heavy, ranging from death penalty (that was ad hoc re-introduced in the Italian regulations), to being committed to forced labor or exiled; unemployed and vagabonds could be house arrested or jailed.

¹ Higher mobilization, however, does not always imply a political reversal. The 2004 US presidential elections, in a period of overheated debates on the War on Terror and the interventions in Iraq and Afghanistan, witnessed a rise by 5.4 p.p. (with respect to the 2000 round); 2008 elections, at the peak of the financial crisis, saw a rise by 1.4 p.p. in turnout and a defeat of the party that expressed the previous President.

This opened a rift between winners and losers. Peasants (the great majority of the population) generally suffered a lot: they lost the possibility to freely move across the country and experienced great limitations in the economic activity (access to woods, hunting etc.). Despite these facts, the Government had little incentives to care about them as the law limited the active electorate to the more affluent (and lettered) male citizens (2% of total population). However, even in this part of the citizenship the debate was hot. Many rich landowners took advantage of a safer context with less crime and lower probability to face a peasant revolt. Part of them, however, also suffered the disadvantages of heavy handed searches, disruptions in the agricultural activity, and (in some cases) pillages. In other words, even for those who met the requirements for voting, the Pica Law was a divisive rule, as the debate at the time showed (Belviglieri, 1867).

The empirics assesses the causal impact of such divisive policy on both turnout and electoral outcome. Causality is warranted by the use of spatial regression discontinuity compounded with difference-in-differences (diff-in-diffs) in which we compare treated and non-treated areas on the provincial borders.

Our results show that the rise in electoral turnout between 1861 and 1865 was 8 to 11 percentage points stronger in treated areas compared with non-treated ones. This is a sizable effect in a period in which the percentage of eligible voters that showed up at polls averaged around 55-57%. This result is confirmed even when we take into account local geographical or economic characteristics, distance to the frontier or the level of turnout in the initial period (1861). Placebo experiments that use fake treatment borders also confirm our result. Such mobilization, however, did not have statistically significant consequences on electoral results, as predicted by the theoretical model in cases in which welfare gain/losses are symmetric.

This paper contributes to two main streams of literature.

The first deals with the political economy of divisive issues. The field has mainly focused on the incentives by incumbent governments to operate a redistribution. The literature assumes that governments are self-interested and their main concern is reelection. Redistribution politics is generally distinguished between general-interest and special-interest politics (Persson and Tabellini, 2000). The difference rests on the size of the groups that interested the redistribution process. In the general-interest case, sizes are similar (e.g. pension systems or regional transfers); in the special-interest one, the gains (losses) of a tiny minority are generally much larger than the losses (gains) of the vast majority (e.g. liberalizations, deregulations etc.). For the first group, the most used tool of analysis is the median-voter framework: this implies that what really counts is the distribution of the individual characteristics according to which the policy operates (income for transfers, age for pensions etc.; Persson and Tabellini, 2000).² This result obviously rests on the idea that all voters are forced to express an opinion on the issues without heterogeneity in mobilization.³

The analysis of special-interests redistribution under the median voter framework would deliver trivial results: no policies are expected to exist, that is in stark contrast with real

² Other approaches use models of lobbying (Grossman and Helpman, 1998) or the political pressure function theorized by Becker (1983) (Mulligan and Sala-i-Martin, 1999).

³ Stromberg (2006), for example, support the median voter approach by finding that the composition of social spending in Swedish cities is systematically related to the median age of citizens.

world. Modeling special-interest politics is based on several tools. The first is lobbying; the idea is that concentrated gains for certain portions of population induce the overcoming of Olson-type free-riding problems and the creation of lobbies (Rodrik, 1995). Interest groups contribute to the campaign of certain political parties with the aim to influence their policies. In equilibrium, organized groups and sections of population with more swing voters tend to be overrepresented in the political process. Redistribution to certain groups is also modeled in a legislative bargaining framework in which some representatives are more powerful than others on certain issues (heads of committees, agenda setters etc.), a power with relevant influence on the allocation of funds. Voters in majoritarian district-level elections always prefer to vote for the representative with the higher propensity to spend more.⁴

As it is clear in these papers, the issue of mobilization is never seriously considered. The only notable exception is Stromberg (2004) that shows that politicians prefer to allocate more funds to the groups with a higher propensity to vote. However, the paper treats turnout as exogenously determined by technological issues (the presence of the radio) and not as a result of the policy as we do in this study.

The second stream of literature is the analysis of turnout. This field aims at studying the determinants of the incentive by citizens to go to vote. From a rational theory perspective, turnout is a real puzzle: if all voters were perfectly rational and informed, no one obtained direct utility from the act of voting itself, and benefits were discounted by the probability of casting a pivotal vote (Downs, 1957), the share of population that show up at elections should be slightly higher than zero, which is far below the actual figures in all democratic countries.

Palfrey and Rosenthal (1983) provide a model with full information and show how the decision to go to vote is determined by two opposing forces: *free-riding* as a voter would not want to vote if she is not pivotal and *competition* as all voters want to ensure that their preferred candidate wins. For large populations, the model predicts extremely low turnout rates.

Several extensions have been proposed to overcome this issue. The first step was to introduce information asymmetries: this is sensible choice as, for example, when the electorate grows it is not reasonable to think that all voters know the size and the characteristics of the supporters of each party.

Palfrey and Rosenthal (1985) introduce heterogeneous costs of voting as private information that cannot be disclosed to the entire electorate. Population uncertainty (Myerson 1998a, 1998b, 2000), that is uncertainty on the size of potential voters, also helps in overcoming the Palfrey-Rosenthal predicted low turnout rates.

With these extensions, the rational voting theory has become the workhorse for many papers on turnout. Campbell (1999) deals with election upsets by showing that minority groups are likely to win the election if the electorate size is sufficiently large and if the minority is composed of agents with relatively low cost-benefit ratios. Krasa and Polborn (2009) analyze asymmetric groups and large electorates and show the potential benefits of

⁴ Other, more recent, contributions underline instead the politicians' incentives to pander, that is to concentrate their efforts on issues that voters think are in their interest (Canes-Wrone et al. 2001; Maskin and Tirole, 2004), or posture, that is exerting effort on actions with the maximal electoral benefit, rather than the greatest policy benefit (Fox, 2007). Morelli and van Weelden (2011) analyze the incentives of politicians facing re-elections in overproviding efforts on a divisive policy (posturing) instead of focusing on common values issues. Posturing occurs when politicians have to signal their ideological alignment with the majority of the electorate.

mandatory voting policies in terms of welfare. Goeree and Grosser (2007) and Taylor and Yildirim (2010a) examine the impact of releasing information about the distribution of political preferences through pre-election polls and political stock markets on equilibrium electoral outcomes and welfare. Herrera et al. (2012) analyze the impact of electoral rules and power sharing in a context of population uncertainty and show that majoritarian elections are likely to display lower turnout due to the lower probability for a voter to be pivotal. Taylor and Yildirim (2010b) provide a very general model with heterogeneous and asymmetric voting costs.⁵

To sum up, this paper operates a conjunction between these two fields and contributes to both. First, it complements political economy by assessing in a causal estimate the electoral consequences of divisive policies. This is an important issue as the field has mainly focused on the policy formation and has cared much less on elections, which are the politicians' main concerns. The paper also enriches the field by analyzing not only the electoral outcome but also voter mobilization. Second, this study also enriches the vast literature on voter turnout by analyzing the role of policies, that has been generally neglected before.⁶

The paper is organized as follows. Section 2 presents the theoretical model. Section 3 describes the historical and institutional setting. Section 4 shows the empirical specification and all the possible challenges in the identification of a causal effect. Section 5 presents the dataset and section 6 shows the results. Section 7 concludes.

2. Theoretical underpinnings

This section presents a very simple theoretical framework that allows to understand the relationship between divisive policies, turnout and electoral outcomes. It heavily borrows from Levine and Palfrey (2007) model with rational voting.

The polity is composed by N voters with heterogeneous preferences over two Government-provided goods: L (for liberties) and S (for security).

There are two groups of citizens. Type-A citizens care more about liberties and less about securities, while Type-B utility is more biased toward security.

In formula, given $U_A(S, L)$ and $U_B(S, L)$, $\frac{\partial U_A}{\partial L} > \frac{\partial U_B}{\partial L}$ and $\frac{\partial U_A}{\partial S} < \frac{\partial U_B}{\partial S}$ with $U_r(0,0) = 0$, $r=A, B$.

⁵ Besides rational voting theory, other explanations have been put forward in the literature. Dhillon and Peralta (2002) classify them into: A) Expressive theories that assume that voting gives utility to voters; B) Bounded rationality; C) Evolutionary theory that explain coordination among group of voters; D) Heterogeneous agents with imperfect information.

⁶ Geys (2006) surveys the determinants of voter turnout from an empirical point of view. He classifies determinants into: (i) socioeconomic variables (population size, concentration, growth, homogeneity, and previous turnout levels); (ii) political variables (closeness of the contest, campaign expenditure, political fragmentation); (iii) institutional variables (electoral system, registration requirement, and compulsory voting). He finds that larger turnout occurs when the electorate is comparatively small and stable over time ("social pressure"). Also previous turnout is a relevant predictor for turnout. As for the political variables, the only variable that really matters is closeness. Finally, Geys also shows that proportional elections and compulsory voting are associated with higher turnout rates.

There are N_A citizens of type-A and N_B of type-B, with $N_A + N_B = N$.

Suppose now that a Central Government decides to exogenously shift the amount of liberties and security provided to the citizens. We assume that this shift is completely unrelated with the local conditions.⁷ By this policy shift, the Government decides to grant $L_1 < L_0$ and $S_1 > S_0$, that is to ensure more security and less freedom to all citizens. All information regarding preferences and policy choices is common knowledge among citizens.

We now assume that general elections take place. Majoritarian rule applies and the elected candidate is the one that gains the majority of votes.

Two parties run for elections. The ‘‘Government’’ party (called G) that supports the policy shift and the ‘‘opposition’’ party (called M) that aims, instead, at restoring the previous policy (S_0, L_0) characterized by more freedom and less security. We assume that type-A (type-B) votes for the opposition (government) provided that she turns out at polls. This is also common knowledge.

Voting is costly and the voting cost for a citizen i is denoted by c_i . c_i is heterogeneous among voters and it is drawn by a distribution $f(c_i)$ that is always strictly positive and continuous over the support $(-\infty; +\infty)$. Individuals know their own cost and the distribution of $f(c_i)$, but they are not informed on the costs of each citizen.

A quasi-symmetric equilibrium of the voting game is a pair of turnout strategies (τ_A, τ_B) , where τ_A is the probability that a type-A individual goes to vote as a function of her voting cost. Quasi-symmetric equilibria are those in which all members of the same group use the same strategy. In order to characterize this equilibrium, we should find the critical cost level c_i^* such that voters with $c_i > c_i^*$ prefer to abstain, while $c_i \leq c_i^*$ go to vote for their preferred party. Hence, a quasi-symmetric equilibrium is characterized by a pair (c_A^*, c_B^*) corresponding to the cutpoint of type-A and type-B individuals. For each type of individuals, the share of voters that show up at polls on the election day is, therefore, equal to:

$$p_r^* = \int_{-\infty}^{+\infty} \tau(c) f(c) dc = \int_{-\infty}^{c_r^*} f(c) dc = F(c_r^*) \quad (1)$$

Where $F(c)$ is the cumulative distribution function of $f(c)$. The definition of an interior equilibrium implies that the voter with a cost equal to the cutpoint is indifferent between voting and abstaining. This indifference condition boils down to:

$$c_r^* = \frac{\Omega_r}{2} \pi_r^* \quad (2)$$

Where $\Omega_A = U_A(S_0, L_0) - U_A(S_1, L_1) > 0$ and $\Omega_B = U_B(S_1, L_1) - U_B(S_0, L_0) > 0$ represent the utility differential generated when the preferred party implements its policy. The larger is

⁷ This assumption is based on the fact that, in the estimation part, we concentrate on areas that were presumably unaffected by brigandage but were part of provinces where the Pica Law was enforced.

Ω_r , the more divisive is the policy as the larger is the rift in terms of utility levels created by the policy.

Another crucial parameter is π_A^* (π_B^*), that is the probability that a voter of type A (B) is pivotal in the election, that is whether her vote either grant the victory of her preferred party or generates a tie between the parties. This is a function of the total number of voters, the political support of each party and the share of voters for each type.

In formulas:

$$\pi_A^* = \sum_{k=0}^{N_A-1} \binom{N_A-1}{k} \binom{N_B}{k} (p_A^*)^k (1-p_A^*)^{N_A-1-k} (p_B^*)^k (1-p_B^*)^{N_B-k} + \sum_{k=0}^{N_A-1} \binom{N_A-1}{k} \binom{N_B}{k+1} (p_A^*)^k (1-p_A^*)^{N_A-1-k} (p_B^*)^{k+1} (1-p_B^*)^{N_B-1-k} \quad (3)$$

$$\pi_B^* = \sum_{k=0}^{N_A} \binom{N_A}{k} \binom{N_B}{k-1} (p_A^*)^k (1-p_A^*)^{N_A-k} (p_B^*)^k (1-p_B^*)^{N_B-1-k} + \sum_{k=1}^{N_A} \binom{N_A}{k} \binom{N_B}{k+1} (p_A^*)^k (1-p_A^*)^{N_A-k} (p_B^*)^{k-1} (1-p_B^*)^{N_B-k} \quad (4)$$

Total turnout can be defined therefore as:

$$T = p_A^* + p_B^* \quad (5)$$

Before deriving the core results on the effects of divisive policies, let us first discuss some of the characteristics of this model.

First of all, it assumes that the population is finite and this ensures the existence of non-negligible levels of turnout. Although this assumption may seem implausible in current democracies, it fits quite well the empirical setting. As explained in the next section, eligibility for active voting was limited to a very small portion of population (2%); this implies that constituencies were tiny and finite population properties may well apply.

The second characteristic relates to the symmetry in the cost function between type-A and type-B individuals. This assumption is not heroic for the empirical part as eligible voters were homogeneous for a social point of view. This assumption, however, cannot hold when the two populations are radically different as happened in the age of mass parties of the XX century.

Lemma 1:

The more divisive is a policy, the higher the expected turnout.

Proof:

The proof is quite straightforward. More divisiveness implies higher Ω_r . Equation (3) shows that the larger Ω_r , the higher the cutoff for each type. As $f(c_i)$ is continuous and

strictly positive, p_r^* monotonically increase with Ω_r (see equation (1)) and, as a consequence, total turnout increases as well (equation (5)).

Lemma 2:

Electoral result depends on the gain/loss function. If Ω_r are similar in size, the probability of a policy upset is low. If Ω_A (Ω_B) is large compared with Ω_B (Ω_A), A (B) has higher chances of victory.

Proof:

As Ω_r enters linearly in equation (2). If $\Omega_A \approx \Omega_B$ it is immediate (by equation (1)) that minority groups (either A or B) are not able to upset the results. If instead $\Omega_A \gg \Omega_B$ mobilization by group A is much higher than the one in group B, thus increasing the possibility of a tilt in the result.

Lemma 1 states that when divisiveness (Ω_r) is high either supporters or opponents (or both) of the new policy mobilize with the aim to maintain or revert it. It should be noted that this qualitative result holds when the gain and cost functions are asymmetric across the electorate. Lemma 2 shows instead that, despite mobilization, electoral results crucially depend on the symmetry assumptions of the gain/loss functions. If they are symmetric (as in the cases of general-interest policies) the probability of an upset is low. If they are asymmetric (as for the special-interest policies case) a change in the outcome is possible. These two lemmas will be tested in the empirical part.

3. The historical experiment: enforcement of law in Italian cities in 1863

3.1 The rise of Brigandage

John Seeley's famous quotation that "the British Empire was acquired in a fit of absence of mind" can be easily extended to the process of Italian unification. In 1859 a process of political consolidation started in the Center and North of the peninsula under the leadership of the Prime Minister (Count Cavour) of the Kingdom of Sardinia (that included the island of Sardinia and Piedmont, in the North-West); in Cavour's mind, however, the new Kingdom of Italy was not supposed to include the southern part of the peninsula (Kingdom of Two Sicilies). The annexation of the South, however, was forced by the Garibaldi's Thousands expedition (May, 1860) that easily defeated the weak Two Sicilies' army and entered in Naples (September, 1860).

The final union to the rest of Italy was achieved after the conquest of the last pockets of resistance (Gaeta, Civitella, and Messina) and the annexation plebiscites. On February 18th, 1861, the first Italian parliament convened and, on March 17th, 1861, the King of Sardinia (Victor Emmanuel II) was proclaimed as the first King of Italy.

In the aftermath of the annexation, different sections of the southern population began to express their discontent. There were several reasons for this. First, the majority of the

population observed a sudden worsening of the economic conditions due to a new and much heavier tax regime and to a number of new regulations of the agricultural market (Fortunato, 1911). Second, the purchase of public lands by landowners greatly damaged the most humble agricultural laborers, which were now forced to live as precarious laborers whereas in the past they could freely farm public lands. Third, mass conscription also meant the abstraction for several years (2 of the army, 5 for the navy) of young and very productive farm hands while the Two Sicilies army involved only few professional men. Last but not least, the annexation to the Kingdom of Italy was felt by the majority of the population with religious feelings as a threat to their Catholic faith and their own traditions. The process of unification was generally characterized by a strong anti-Catholic feeling mainly due to the opposition of the Pope, who feared the loss of his temporal powers.⁸ In rural areas, intensely anchored to a strong religious sense, the lower clergy reinforced the idea that liberals (that supported unification) were all “Masons and without God,” and they wanted to radically break down the “Holy Mother Church.” From the near Papal States, the former King provided aid and constant incitements to the armed struggle against the new state.

In this context, as an extreme form of protest, organized groups of peasants started engaging in criminal activities, which were generally aimed against the richest part of the population (that supported the unification) and the representatives of the new Government. These phenomena have passed into history under the name of *Brigandage*.

Rebellions interested almost all interior regions of the continental South, while they did not occur in the areas with comparatively better economic conditions, such as in urban and industrialized areas and the most productive agricultural regions. As the Parliamentary commission lead by Giuseppe Massari explained in 1863: “... In the province of Reggio Calabria, where the condition of the farmer is better, there are no brigands.” One of the core areas of operation was Basilicata (in particular the Vulture region) and, to a lesser extent, Abruzzo, Apulia, and Calabria.

3.2 Reaction to Brigandage: the Pica Law

Despite the political and economic origins of the revolt, reactions were merely military in nature. On July 1861, General Cialdini was provided with exceptional powers, that included mass arrests, destruction of houses and farms, and extensive actions against entire towns. Duggan (2007), for example, reports several cases of summary executions and some burnings of villages, like the cases of Casalduni and Pontelandolfo in August, 1861, in which the entire male population was killed and the towns was put to fire by sharpshooters, in retaliation after the massacre of more than 40 regular soldiers perpetrated by bandits with the support of the local population.

However, Brigands that were not immediately executed by the army were subsequently judged by civil courts. This was a relevant limitation to the repression as death penalty had been abolished by the Sardinia’s regulations since 1859 (Sardinia’s penal and civil Codes were automatically extended to the Kingdom of Italy after unification). Moreover, suspects for Brigandage could not be handled by the Army thus resulting in a relevant limitation of the repression.

⁸ The last King of Two Sicilies (Francis II) took refuge in Rome (that was still not part of the unified Italy) after being expelled by his former states.

In 1863, Giuseppe Pica, a Member of Parliament from Abruzzo, proposed a bill aimed at providing an organic set of rules for the repression of Brigandage.

The law was enacted on August 15th, 1863, (Law 1409/1863) and was presented with the aim of providing “temporary and exceptional means of defense” for public order. The law temporarily derogated the articles 24 and 71 of the Italy’s Constitution (Statuto Albertino).⁹

In practice, the Pica Law first identified a number of provinces “infested by Brigandage”. These were all the provinces where, at least in part, bands of brigands operated.¹⁰ As fig. 1 shows, Pica law was not enforced in the major urban center of the South (Naples) and in wealthier agricultural lands such as Terra di Bari and Terra d’Otranto in Apulia, Calabria Ulteriore I, and Abruzzo Ulteriore I where Brigandage was not spreading. Pica law provinces were, instead, mostly internal with geographic characteristics that made insurgency easier, like woods or high mountains.

In those provinces, military courts ruled on Brigandage felonies. The new regulation defined a brigand whoever was caught armed in a group of at least three persons. This actually made impossible activities like hunting or pasturing that were normal in rural areas. It was allowed to create militias for hunting brigands and set prizes to be granted for killing or arresting outlaws. Military courts’ penalties ranged from jailing, to executions, forced labor or exile. Unemployed people and vagabonds could be house arrested or jailed and all the provisions of the law were applied for felonies committed even before the issuing of it.

From a military point of view, the Pica Law was a success. With the deployment of more than 100,000 soldiers, the Italian Army succeeded in killing or arresting the most important leaders of the bands between 1863 and 1865. Italian historiography set in the year 1865 the end of the Brigandage although some sporadic uprisings still continued until 1867 (the year in which the Government of Two Sicilies in exile was dismissed). The Pica Law was revoked on December 31st, 1865.

3.3 Winners and losers: the electoral law

Rural population was the great loser of the repression of Brigandage. Besides the excesses of the army, peasants greatly suffered from an economic point of view. They lost the possibility to freely move across the country and this represented a major limitation for the share of population that lived on pasture. In many cases, strong restrictions were posed on hunting and access to several woods (that provided the main source of energy in an agricultural world) was denied several times.

However, the fate of peasantry was not ranking very high in the new Italian Government’s main concerns. For a newly born country, the military consolidation of a sudden (and mostly undesired) unification was first rate. Then, another main concern was the consolidation of the Government’s position in the Parliament.

Italy was a typical mid-XIX century liberal state. Despite having acquired the separation of powers (executive, legislative, and judiciary) that still characterize contemporary

⁹ Art. 24 stated that all inhabitants of the Kingdom were equal before the law. Art. 71 stated that no case can be decided by any judge other than that who is entitled to hear that case, according to the criteria which have been previously laid down by the law concerning jurisdiction, competence and assignments of cases. It was also impossible to create special courts or commissions.

¹⁰ Provinces were actually listed in a decree on August 20th, 1863: Abruzzo Citeriore, Abruzzo Ulteriore II, Basilicata, Benevento, Calabria Citeriore, Calabria Ulteriore II, Capitanata, Molise, Principato Ulteriore, Principato Citeriore, and Terra di Lavoro.

democracies, active electorate was limited to a really small portion of population. After the unification, indeed, the Sardinia's electoral rule was automatically extended to the entire country. The elections were based on a majoritarian system with a second round in cases in which none of the candidates reached 50% in the first round. According to the 1859 electoral law, eligible voters had to meet the following requirements:

- males older than 25,
- reading and writing skills,
- tax bill of at least 40 liras per year.

This meant that eligible voter were roughly 400,000 over a population of 22 millions in 1861 (2%). The share for males older than 25 (5.2 millions) was 8%. It should be noted that the tax bill requirement was not particularly stringent: 40 liras correspond to 180 euros at 2010 prices. Prices of consumption agricultural goods (at 2010 prices) also indicate that the census threshold was not very restrictive: cheese was sold at 8 euros per kilo, sugar at 5 euros, and pasta at 3 euros. What really impacted on the narrowness of the electorate was the reading and writing requirement, in a country in which the fraction of illiterates was 78% in 1861 and ranged from the 57-60% of Piedmont and Lombardy to the 90-91% of Calabria, Sicily, and the island of Sardinia.

Although we may take for granted the negative effect of the Pica law on the peasantry, its consequences on the eligible voters (2% of population) is less straightforward. Voters could be partitioned into two main social classes: landowners and petty bourgeois.

Landowners were generally aristocrats or, less frequently, agrarian bourgeoisies. They were shielded from the army's tight control and we may assume that they took advantage of a safer context characterized by less crime and a lower probability to face peasants' revolts. However, the general disruption of the agricultural activity may also have affected the value of their properties.

Petty bourgeois instead were more likely to suffer from the disadvantages of a military rule. Pica law gave army the rights to conduct heavy handed searches in the houses and pillages were not infrequent. Moreover, strong limitations to the rural activities also affected their supplies, especially in the provisions of woods.

Despite a great majority in the House of Representatives (only 33 deputies over 240 voted against), the Pica law was heavily criticized. According to the proponent (Giuseppe Pica), it was aimed at limiting the fields of intervention of the army by listing all circumstances for which military courts were in charge. Other observers (Belviglieri, 1868) pointed out that the law was attacking the symptoms but not the deep causes of the uprising. Better policies should have focused on raising the educational level of population, reduce the unequal distribution of land, and improve the state of infrastructure. Senator Giacomo Ricioppi stated that the Pica law "shifted the Southern provinces from the warranties of a free state to a blind and wrathful despotism; aimed at eliminating a scourge, it created new scourges of new nature" (Cinnella, 2010). Even the unification hero, Giuseppe Garibaldi wrote in 1869 that "The outrages suffered by Southern populations are immeasurable. I am convinced that I was not wrong, but I would not go today to the South, afraid of being stoned, since the Unity has caused only misery and hatred."

4. Identification strategy

The empirical part of the paper concentrates on the political consequences of the Pica law in terms of turnout and electoral outcomes. The identification of a causal effect that goes from the introduction of a very divisive law (that increased the police controls and limited individual liberties) to elections is not an easy task. As we have seen in the previous section, Pica law provinces were not randomly selected among the former Two Sicilies provinces. Treated areas were heavily “infested” by Brigandage and characterized by geographical and economic conditions that greatly favored the uprising. A simple regression that uses, as a regressor of interest, a dummy variable equal to one for Pica Law provinces would certainly give inconsistent estimates. For example, the rugged terrains of treated provinces are likely to increase the costs for voting and the circulation of information, thus affecting turnout and electoral results. The pervasive presence of crime may also increase the fear of wealthy people to go to vote on the election days.

In this paper, we cope with this problem by adopting a spatial discontinuity design compounded with a diff-in-diffs. The identification strategy consists in restricting the sample to observations which are located nearby a spatial discontinuity that is likely to affect the outcome variable. This is commonly used in urban economics and policy evaluation (see, among others, Black, 1999; Holmes, 1998, Duranton et al., 2011). We apply it to Italian municipalities exploiting the spatial discontinuity in the enforcement of Pica Law within the former Kingdom of Two Sicilies boundaries. In particular, we compare the change in the turnout and the probability of a policy upset across contiguous municipalities that are located on provincial borders: this allows to isolate the effects of the Pica Law as municipalities on opposite sides of provincial boundaries experience a discrete jump in the enforcement of law.

More practically, we identify a buffer around the provincial borders. Within those buffers, we estimate the following specification:

$$Y_j = \alpha + \beta T_m + \gamma X_m + \varepsilon_i \quad \forall m : dist_m \leq |h| \quad (6)$$

Where m and j index, respectively, the municipality and the constituency in which the municipality is located. Y_j is our dependent variable and, as it will be clearer in the section on data, it is defined at constituency level. T_m is a dummy equal to one if municipality m belongs to a Pica Law province and zero otherwise and X_m is a set of controls at city level. $dist_m$ represents the distance (in kilometers) between the town and the provincial border; h is the size of the buffer. In the regressions $h = 20, 30, 40, 50$. Figure 2 shows for example the municipalities included in the regressions for $h=20$ and $h=30$ on the Calabria border.

In order to estimate the effect of Pica Law on mobilization, we use as dependent variable the change in turnout between 1861 and 1865 elections ($\Delta turn$).¹¹ For the specifications aimed at capturing the consequences in terms of electoral outcomes, we use two different indicators. The first is a dummy variable equal to one when the winning candidate in 1865 in constituency j belongs to the same party that won in 1861; in other words, it is an indicator of persistency and it is equal to zero when an upset occurred during the enforcement of the

¹¹ Elections took place on January 27th (first round) and February 3rd (second round), 1861 and on October 22nd (first round) and 29th (second round), 1865. All data refer to the first rounds of both elections.

Pica Law. The second indicator (DS65) is, instead, equal to one when the winning party in 1865 was the Government party (the so-called *Destra Storica*); by controlling for the same variable in 1861 (DS61), this is aimed at capturing whether Government party had an edge in the elections.

X_m includes a number of city-level controls that are likely to be correlated with turnout or electoral outcome after the enforcement of the Pica Law. They include geo-economic and population characteristics.

All regressions are weighted by the share of population that each municipality has within each constituency. Standard errors are clustered at constituency level.

The coefficient of interest is β that captures the effects of the Pica Law on the dependent variable. Its causal interpretation rests on two basic assumptions: (i) exclusion restriction and (ii) common trend pre-treatment.

The first condition states that β captures the effects of more enforcement on elections only if other determinants electoral results do not share the same discontinuity. This is actually fulfilled given the centralized nature of the newly formed Italian state at that time. According to the Sardinia's and Italian regulations, the main goal of provinces was the enforcement of law and the defense of public order, whereas other levels of government were entitled to provide other services (e.g. municipalities were in charge of education and infrastructures). The head of a province, called *Prefetto*, was not elected by population (as in the case of mayors) but was directly nominated by the Ministry of Interior and was responsible to him only. This implies that the *Prefetto*'s policies were not the expression of local preferences. Moreover, the areas of operation of brigands' bands were mostly the internal regions of Basilicata and, to a less extent, Abruzzo, Apulia and Calabria; this means that provincial borders under scrutiny did not coincide with different crime rates as Brigandage occurred several kilometers away from the boundaries.

The second condition is less trivial. The use of a dependent variable in first-differences allows us to control for time-invariant confounding factors at city level that might be correlated with the level of turnout or the electoral result. However, if the trends before the treatment between treated and controls were systematically different, our estimates would be inconsistent as well. For the sake of clarity, we cannot fully control for common trend before treatment due to lack of data. In order to cope with this issue, we concentrate only on borders within the former Kingdom Two Sicilies. This has the clear advantage of using territories that shared a long (700 years) common history and institutions; those institutions were characterized by a period of strong centralization even before the unification as the Two Sicilies reforms that started from '60s of the XVIII century greatly uniformed the administrative framework of the state. Moreover the fact that Two Sicilies was an absolutist state without an elected Parliamentary also imply that little room was left for political involvement before 1861 and interest in politics was comparatively low in the entire Kingdom.

Even by having those two conditions fulfilled, three other challenges to the identification should be addressed by looking at the possible endogeneity of provincial borders, census thresholds, and population sorting.

Whether provincial borders were cut in response to the Brigandage, exclusion restriction would be violated and estimates for β would be inconsistent. This is however not our case. Provincial borders in 1863 were the same of the former Kingdom of Two Sicilies that, in

turn, were designed by King Joseph Bonaparte in 1806, under completely different historical conditions. Likewise, whether the census threshold to be active voter was set in response to the Southern uprising the causal interpretation of β would be in jeopardy. This is not our case, as the Sardinia electoral law, that was automatically extended to the unified Italy, was issued in 1859 in a period in which Italian unification was still an unlikely option. Third, population sorting, that is the migration from treated to non-treated areas in response to the law, may also endanger the identification strategy. In order address this issue, we control, for some specification, for the variation of the number of eligible voters between 1861 and 1865.

Before showing the results, some discussion is needed on the interpretation of β . In the theoretical part, we model the Pica Law as an exogenous policy shift that provides citizens with less liberty and more security. However, our data tell us only that, under the provisions of the Pica Law, authorities had the possibility to restrict civil rights in the areas close to the border but not how many actual restrictions were implemented. More formally, we do not know whether β is an Average Treatment Effect on the Treated (ATT) or, more simply, an Intention to Treat (ITT) (Angrist and Pischke, 2009). From a computational point of view, this is not an issue since the ITT is just a lower bound of the ATT.¹² As for the interpretation of results and their external validity, the difference between an ATT and an ITT may matter. As data do not allow the disentangling of these two causal parameters the issue is forced to remain unanswered. However, the distinction may not be so relevant: as the reactions to the Patriot act (2001) show, many citizens consider the threat to revoke some liberties as important as the revocation itself.¹³ This implies that their reactions at polls may be similar for the cases of either a threatened or an actual restriction of civil rights.

5. Data

Our main data source is the dataset collected by the Istituto Carlo Cattaneo (ICC) on political elections in Italy from 1861 to 2008.

The ICC was founded in January, 1965 as the think tank of the publishing house *Il Mulino* and was officially recognized by the Italian state in 1986 as a research Foundation. Its main goal is to promote “research, studies and other activities aimed at deepening the knowledge on contemporary Italian society”, and in particular of its political system, public institutions, and forms of political participation. The ICC database collects data on electoral results at municipality level for all elections of the Kingdom and, then, Republic of Italy. For earlier election (until 1919), dataset contains the name of the elected member of Parliament, her political affiliation, the number of votes she received, the total number of eligible voters, and the overall turnout. For that period all data are available at constituency level; the database allows to trace which municipality belongs to each constituency. The 1861-1865 constituencies were comparatively small: the average number of cities within each

¹² The ATT is equal to the ratio between the ITT and the probability to be treated if eligible.

¹³ See, on this instance, the decision by the US Southern District of New York against the Attorney General John Ashcroft on September 28th, 2004 (http://www.aclu.org/FilesPDFs/nsl_decision.pdf).

constituency was three; fig. 3 shows the distribution of the size of the constituencies: the larger one contained 8 cities and the 85% of them had less than 6 municipalities.

ICC database is merged with the 1861 census: this provides the city-level population that is used to build regression weights.

The Italian Statistical Office dataset *Atlante Statistico dei Comuni* (ASC) provides data on the geographical characteristics of the city.

The merge among these three databases leave us with 560 observations that corresponds to the 30% of the total number of cities in continental South. This is due to the fact that many southern cities did not have any eligible voter at that time due to the severe limitations to the right for voting.

Table 1 shows some descriptive statistics. At the top panel, we report means, standard deviations and mean differences between treated and non-treated municipalities for the whole continental South. Turnout in Pica Law municipalities increased by 4 percentage points between 1861 and 1865, whereas it decreased by the same amount in the non-treated cities. The level of turnout in the initial year and the change in the number of eligible voters did not display any significant difference between the two groups. Geographical characteristics show instead relevant heterogeneities: Pica law municipalities had on average an altitude 275 meters higher than the rest of the South; the slope of the ground¹⁴ was steeper and the seismic hazard was lower. Electoral results, instead, were not particularly different. The 62% of the Pica law municipalities elected a *Destra Storica* representative in 1861, whereas the portion was 71 for non-treated (mean differences are not statistically significant). Four years later, *Destra Storica* halved their victories in both areas, still keeping the difference between the two groups not statistically different.

The bottom panel concentrates instead on a sample made by all municipalities within 20 km from the frontier between Pica law and non-Pica law. It is now apparent that most of the geographical differences are now smaller and, in many cases, not statistically significant (except for altitude). Other differences between the two groups relate to a change in the number of eligible voters and the share of victories of *Destra Storica* in 1861. For this reason, we use all these variables in a robustness check.

6. Results

6.1 Effects on turnout

We first start evaluating the effects of the Pica Law on turnout. Table 2 shows the results of the estimates of equation (6) without controls for all the buffers of distance between the municipality and the provincial border. It shows that the enforcement of more restrictive policies induced a rise in turnout by 8 to 11 percentage points. This is not a small effect since the average turnout rate in 1861 was 60% for the estimation sample and 57% for the entire country. The effect seems to decline (without disappearing) by including municipalities further away from the border. This is not surprising since the further the city from its controls, the more likely the presence of confounding factors.

¹⁴ Measured as the difference between the highest and the lowest point in the municipal area.

As the sample does not balance across the border for some of the variables shown in Table 1, we check the robustness of these results by adding all controls in Table 3. The estimates for β are still positive and highly significant. The point estimates are now slightly smaller, although confidence intervals largely overlap. Among the controls, initial turnout, altitude, seismic hazard, and the change in number of eligible voters are significant. This is not surprising since some of them (initial turnout and the variation in the eligible active voters) are mathematically linked with the change in turnout.

Although these controls can capture determinants in the variation of turnout, they may not fully control for all remaining confounding factors. We assess the relative importance of unobservable omitted variables by analyzing the possible variation in the coefficient of interest with the inclusion of explanatory variables. If additional controls substantially attenuate the estimates, it is possible that inclusion of more controls would drive the estimated effect to zero. Conversely, if the inclusion of controls does not change in a relevant way the point estimate, we can more confidently claim the causal interpretation of the parameter.

Following Altonji et al. (2005), we measure of the relative strength that omitted variables should have relative to the observed controls to completely wash away the result. This is calculated as the ratio between the coefficient of interest with controls (for example, 9.663 for $h=20$) and the difference between the coefficient without controls (11.275, see table 2) and the coefficient with controls (9.663). Results for these calculations are reported in the last row of the table. If the set of observed controls is representative of all possible controls, then a large ratio suggests that it is implausible that omitted variable bias explains away the entire effect. For $h=20$, unobserved omitted variables should be 6 times stronger than observed controls to drive the coefficient to zero, which seems highly unlikely.¹⁵

In table 4, we further check the robustness of the result by controlling for the distance to the frontier and its interaction with the treatment dummy in the spirit of a classic regression discontinuity design (Lee, 2008). The point estimate is now larger and standard errors increase as well. All-in-all the baseline result seems to be confirmed.

The final test for the result on turnout relates to the exclusion restriction. Whether provincial borders matter for turnout, we should observe an effect also on other (placebo) borders. To do so, we consider some provincial borders and we analyze whether on those boundaries we observe effects on turnout. Faked treated and controls are depicted on figure 4. Given the characteristics of the enforcement of the Pica law, we are able only to estimate a placebo effect when both provinces were interested by the policy. Results are displayed on table 4. For all buffers, we are not able to find any significant effect. The size of the coefficients is now smaller and the sign changes when we pass from 20 to 30 km.

6.2 Electoral outcome

So far, we have obtained a striking result: Pica law municipalities experienced a relevant increase in turnout. In this section we now test whether this greater mobilization of the electorate had effects on the electoral outcome. We test, in particular, whether the probability of an electoral upset was stronger in treated areas compared with controls. We subsequently analyze the consequences for the Government party.

¹⁵ According to Altonji et al. (2005), every ratio greater than one is safe. In their paper, they obtain a ratio of 3.55.

Table 6 shows the results of the estimates of equation (6) without controls by using as a dependent variable a dummy equal to one when the victorious party in 1865 was the same as in 1861. A value of one thus indicates persistence. If β is negative, this means higher mobilization due to the Pica law generated an upset in the electoral result. Vice versa a positive coefficient indicates mobilization increased persistency. The estimated β tend to reject both hypotheses: higher mobilization by Pica law did not increase nor diminish the probability of a change. This confirms the theoretical prediction for the cases of symmetry in the gain/losses function.

Table 7 confirms this result by adding controls to the previous specification. The only significant coefficient is the dummy equal to one whether the winning party in 1861 was *Destra Storica*. This is not surprising since the winner in 1861 lost several seats in the subsequent election.

We finally test whether the Pica law had an effect on the electoral results of the Government party. We use as dependent variable a dummy equal to one whether *Destra Storica* won the seat in 1865. By controlling for the same variable in 1861, we are able to test whether the (national) incumbent party was able to win or loose seats in the treated areas. Table 8 confirms the fact that higher mobilization did not entail any change in terms of electoral outcome.

7. Conclusions

Every day a politician is forced to take some positions on a divisive issue. Divisiveness may generate great discontent, but even a large support by part of the citizenship.

The aim of this paper is to analyze the consequences of those choices on elections by analyzing both a measure of mobilization (turnout) and by directly analyzing the electoral result. To do so, we first provide a simple model when a policy determines a shift in the utility levels of citizens: it may lower the well-being of the opponents and raise the indirect utility of supporters. The model predicts that divisive policy generates an increase in the mobilization of citizens, while the effects on the electoral results depend on the symmetry of the gain/loss function.

We subsequently test the results by using an historical event taken by the Italian history of the XIX century. The Pica law, established to fight Brigandage in Southern Italy, determined a strong tightening in civil rights, but also ensured more safety to wealthy people. The use of a spatial differencing compounded with a diff-in-diffs framework ensures causality.

Results support the theoretical predictions. Pica law areas observed a great mobilization of the electorate, but it did not change, at the end, the electoral result.

From the politicians' point of view, this is a reassuring result. Several times Governments justify inaction on divisive policies with the fact that they have low returns on election days. What is feared is that divisive policies increase the incentives for the opposition to show up at polls, thus endangering the incumbent's position. This paper adds a new part to this story. Mobilization may be two-sided as long as the benefits of a policy for

some are comparable with the loss of the losers. In other words, higher mobilization does not necessarily entail an upset of results.

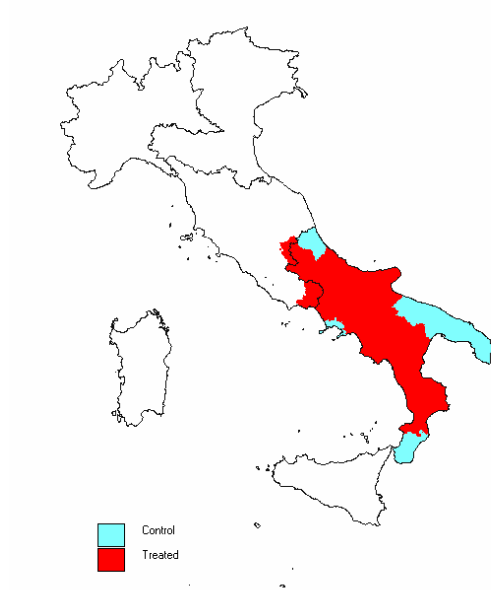
References

- Altonji J.G., Elder T., Taber C. (2005). "Selection on observed and unobserved variables: assessing the effectiveness of catholic schools", *Journal of Political Economy*, 113 (1) (2005), pp. 151–184.
- Becker G. (1983). A theory of competition among pressure groups for political influence. *Quarterly Journal of Economics*, vol. 98, pp. 371-400.
- Belviglieri C. (1867). *Storia d'Italia dal 1804 al 1866*. Corona e Caimi Editori, Milano, Italy.
- Black, Sandra E. (1999). Do better schools matter? Parental valuation of elementary education. *Quarterly Journal of Economics* 114(2):587-599.
- Campbell, C. (1999). Large electorates and decisive minorities. *Journal of Political Economy*, vol. 107, pp. 1199-1217.
- Canes-Wrone, Brandice, Michael Herron, and Kenneth Shotts. (2001). Leadership and Pandering: A Theory of Executive Policymaking. *American Journal of Political Science*, 45, 3, 532-550.
- Cinnella E. (2010). Carmine Crocco. Un brigante nella grande storia, Pisa - Cagliari, Della Porta Editori.
- Dhillon, A., Peralta, S., 2002. Economic theories of voter turnout. *The Economic Journal*. 112, F332eF352.
- Downs, A. (1957). *An Economic Theory of Democracy*, New York: Harper.
- Duggan, C. (2007). *The Force of Destiny. A History of Italy since 1796*. Allen Lane.
- Duranton G., Overman H.G., Gobillon L., (2011). Assessing the effects of local taxation using microgeographic data. *Economic Journal*, vol. 121(555), pp. 1017-1046.
- Fox, J. (2007). Government Transparency and Policymaking. *Public Choice*, 131, 1-2, 23-44.
- Geys B. (2006). Explaining voter turnout: a review of aggregate-level research. *Electoral Studies*, vol. 25, pp. 637-663.
- Goeree, J., Grosser, J. (2007). Welfare reducing polls. *Econ. Theory* 31(1), 51-68.
- Grossman G. and E. Helpman (1998). Intergenerational redistribution with short-lived Governments. *Economic Journal*, vol. 108, pp. 1299-1239.
- Herrera, H. and Morelli, M. and T. Palfrey (2012) Turnout and Power Sharing, mimeo.
- Holmes, T. J. (1998). The effect of state policies on the location of manufacturing: evidence from state borders. *Journal of Political Economy* 106(4):667_705.

- Krasa, S. and M. Polborn (2009). Is mandatory voting better than voluntary voting? *Games Econ. Behav.* 66, 275-291.
- Lee, D.S., (2008). Randomized experiments from non-random selection in U.S. House elections. *Journal of Econometrics*, 142(2), pp.675-697.
- Levine D. and T. Palfrey (2007). The Paradox of Voter Participation? A Laboratory Study. *American Political Science Review*, vol. 101, n. 1.
- Maskin, Eric and Jean Tirole (2004). The Politician and the Judge. *American Economic Review*, 94, 4, 1034-1054.
- Morelli, M. and R. Van Weelden (2011). Divisiveness and Information as Determinants of Policy Choices. Working Paper.
- Mulligan C. and X. Sala-i-Martin (1999). Social security in theory and practice (II): Efficiency theories, narrative theories and implications for reform. Economics Working Papers 385, Department of Economics and Business, Universitat Pompeu Fabra.
- Myerson, R. (1998a). Extended Poisson games and the Condorcet jury theorem. *Games and Economic Behaviour*, vol. 25, pp. 111-31.
- Myerson, R. (1998b). Population uncertainty and Poisson games. *International Journal of Game Theory*, vol. 27, pp. 375-392.
- Myerson, R. (2000). Large Poisson games. *Journal of Economic Theory*, vol. 94, pp. 7-45.
- Palfrey, T. and Rosenthal, H. (1983). A strategic calculus of voting. *Public Choice* vol. 41, pp. 7-53.
- Palfrey, T. and Rosenthal, H. (1985). Voter participation and strategic uncertainty. *American Political Science Review*, vol. 79, pp. 62-78.
- Persson T and G. Tabellini (2000). Political Economics. Explaining Economic Policy. The MIT Press, Cambridge, US.
- Rodrik, D. (1995). Political economy of trade policy. Handbook of International Economics, in: G. M. Grossman & K. Rogoff (ed.), Handbook of International Economics, edition 1, volume 3, chapter 28, pages 1457-1494 Elsevier.
- Strömberg D. (2004). Radio's Impact on Public Spending. *Quarterly Journal of Economics*, vol. 119, n. 1.
- Strömberg D. (2006). Demography, voting, and public expenditures: theory and evidence from Swedish municipalities. IIES mimeo.
- Taylor, C., Yildirim, H. (2010a). Public information and electoral bias. *Games Econ. Behav.* 68, 353-375.
- Taylor, C.R. and Yildirim, H. (2010b), A unified analysis of rational voting with private values and group-specific costs, *Games and Economic Behavior* 70 (2), 457-471

Figure 1

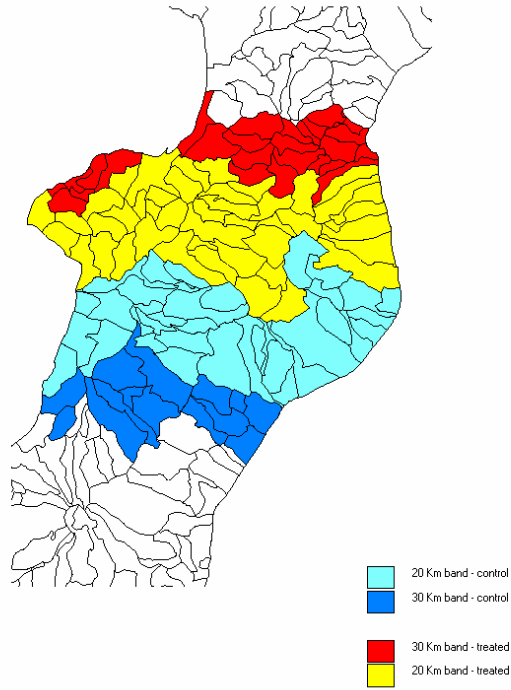
THE ENFORCEMENT OF PICA LAW



Source: List of Pica Law provinces.

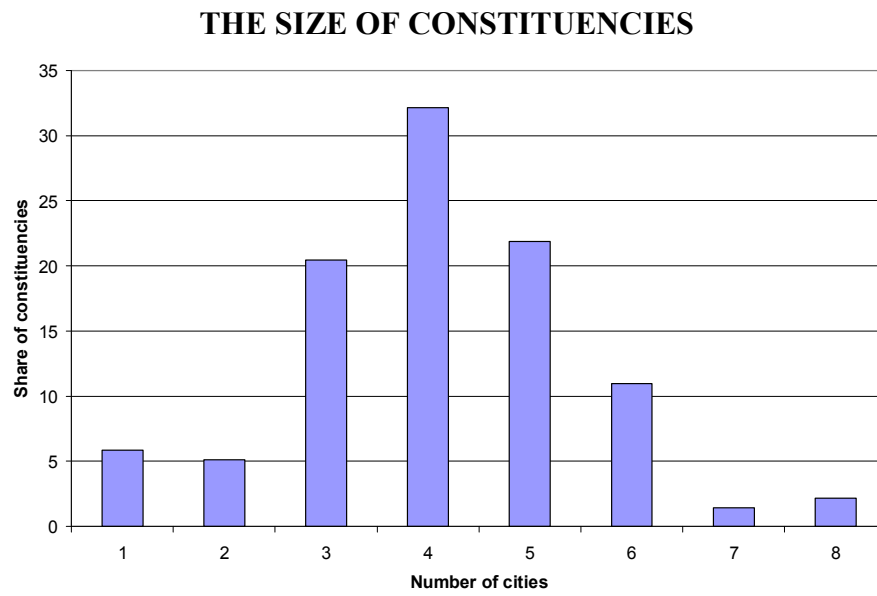
Figure 2

**TREATED AND NON TREATED CITIES
IN A SPATIAL REGRESSION DISCONTINUITY**



Source: List of Pica Law provinces.

Figure 3



Source: ICC database.

Figure 4

PLACEBO



Source: List of Pica Law provinces.

Table 1

DESCRIPTIVE STATISTICS

	Treated	Non-treated	Mean differences
<i>Full sample</i>			
Δ turn	4.380 [16.498]	-4.453 [20.326]	8.833*** (3.401)
Turnout – 1861	60.545 [14.072]	62.027 [17.364]	-1.481 (2.879)
Δ eligible	-62.884 [209.414]	-17.203 [368.880]	-45.681 (58.624)
Slope	838.223 [470.203]	481.660 [444.162]	356.562*** (67.089)
Altitude	409.997 [277.013]	135.144 [162.567]	274.852*** (31.183)
Seismic hazard	1.734 [0.598]	2.517 [0.950]	-0.782*** (0.144)
DS61	0.621 [0.485]	0.714 [0.452]	-0.092 (0.082)
DS65	0.333 [0.472]	0.366 [0.483]	-0.033 (0.084)
<i>h=20</i>			
Δ turn	3.120 [15.232]	-8.155 [20.987]	11.275** (5.280)
Turnout – 1861	62.531 [12.642]	57.196 [19.937]	5.335 (4.778)
Δ eligible	-58.756 [181.734]	111.011 [399.629]	-169.768* (91.470)
Slope	615.184 [449.309]	528.779 [374.993]	86.405 (98.445)
Altitude	193.186 [214.418]	103.291 [145.977]	89.894* (45.303)
Seismic hazard	1.976 [0.527]	2.042 [0.430]	-0.066 (0.123)
DS61	0.476 [0.503]	0.790 [0.409]	-0.314** (0.133)
DS65	0.274 [0.449]	0.367 [0.485]	-0.092 (0.134)

Source: Author's calculations on ICC data and lstat.

Standard deviations in squared brackets. Clustered standard errors in parenthesis at constituency level. * significant at 10%, ** significant at 5%, *** significant at 1%.

Table 2

BASELINE RESULTS				
Dependent variable: $\Delta turn$	<i>h=20</i>	<i>h=30</i>	<i>h=40</i>	<i>h=50</i>
β	11.275** (5.280)	11.368** (4.779)	8.927** (4.266)	8.151** (4.017)
Constant	-8.155* (4.330)	-7.330* (3.820)	-5.712 (3.472)	-4.495 (3.399)
No. Obs.	131	180	233	290
R ²	0.084	0.092	0.060	0.050
Number of clusters	55	63	77	89

Source: Author's calculations on ICC data and Istat.
 OLS estimates. Clustered standard errors in parenthesis at constituency level. * significant at 10%, ** significant at 5%, *** significant at 1%.

Table 3

BASELINE WITH CONTROLS				
Dependent variable: Δ turn	<i>h=20</i>	<i>h=30</i>	<i>h=40</i>	<i>h=50</i>
β	9.663** (4.150)	7.717** (3.552)	6.513** (3.075)	6.608** (2.951)
Turnout – 1861	-0.613*** (0.122)	-0.615*** (0.110)	-0.655*** (0.102)	-0.710*** (0.101)
Slope	0.000 (0.003)	0.001 (0.002)	0.001 (0.002)	0.001 (0.002)
Altitude	0.021** (0.009)	0.013* (0.006)	0.011** (0.005)	0.011** (0.005)
Seismic hazard	8.086** (3.481)	5.068* (2.569)	5.442** (2.099)	5.291*** (1.938)
Δ eligible	-0.014** (0.006)	-0.014** (0.005)	-0.014** (0.005)	-0.010* (0.005)
DS61	-0.353 (3.841)	-0.249 (3.247)	-0.426 (2.683)	1.520 (2.626)
Constant	9.755 (12.784)	17.491* (10.043)	20.836** (9.088)	23.807*** (8.909)
No. Obs.	112	154	201	251
R ²	0.57	0.53	0.51	0.51
Number of clusters	52	62	77	88
$\beta/(\beta[\text{no controls}] - \beta)$	5.998	2.114	2.699	4.285

Source: Author's calculations on ICC data and Istat.
 OLS estimates. Clustered standard errors in parenthesis at constituency level. * significant at 10%, ** significant at 5%, *** significant at 1%.

Table 4

CONTROLLING FOR DISTANCE				
Dependent variable: $\Delta turn$	<i>h=20</i>	<i>h=30</i>	<i>h=40</i>	<i>h=50</i>
β	22.506* (12.230)	17.639* (8.926)	18.924** (7.742)	16.346** (7.199)
Distance to frontier	-0.725 (0.873)	-0.453 (0.426)	-0.495* (0.257)	-0.410* (0.232)
Distance to frontier*treatment	0.423 (1.005)	0.427 (0.522)	0.393 (0.325)	0.405 (0.270)
Constant	-16.061 (10.416)	-13.207* (7.417)	-13.716** (6.231)	-12.573** (5.879)
No. Obs.	131	180	233	290
R ²	0.099	0.103	0.094	0.088
Number of clusters	55	63	77	89

Source: Author's calculations on ICC data and Istat.
 OLS estimates. Clustered standard errors in parenthesis at constituency level. * significant at 10%, ** significant at 5%, *** significant at 1%.

Table 5

PLACEBO BORDERS				
Dependent variable: $\Delta turn$	<i>h=20</i>	<i>h=30</i>	<i>h=40</i>	<i>h=50</i>
β	-3.519 (5.344)	5.262 (4.384)	4.432 (4.024)	4.468 (3.768)
Constant	9.828*** (3.374)	0.433 (3.056)	0.636 (2.685)	0.468 (2.438)
No. Obs.	170	270	323	363
R ²	0.01	0.01	0.01	0.01
Number of clusters	58	83	98	103

Source: Author's calculations on ICC data and Istat.
 OLS estimates. Clustered standard errors in parenthesis at constituency level. * significant at 10%, ** significant at 5%, *** significant at 1%.

Table 6

ELECTORAL OUTCOME				
Dependent variable: <i>Victory in 1865 of the 1861-winner</i>	<i>h=20</i>	<i>h=30</i>	<i>h=40</i>	<i>h=50</i>
β	0.219 (0.135)	0.112 (0.127)	0.072 (0.1142)	0.032 (0.107)
Constant	0.505*** (0.103)	0.538*** (0.094)	0.590*** (0.086)	0.583*** (0.082)
No. Obs.	131	180	233	290
R ²	0.05	0.01	0.01	0.00
Number of clusters	55	63	77	89

Source: Author's calculations on ICC data and Istat.
 OLS estimates. Clustered standard errors in parenthesis at constituency level. * significant at 10%, ** significant at 5%, *** significant at 1%.

Table 7

ELECTORAL OUTCOME WITH CONTROLS				
Dependent variable: <i>Change of the winning party</i>	<i>h=20</i>	<i>h=30</i>	<i>h=40</i>	<i>h=50</i>
β	0.088 [0.139]	0.011 [0.131]	0.010 [0.120]	-0.014 [0.115]
DS61	-0.401*** [0.134]	-0.387*** [0.124]	-0.341*** [0.105]	-0.272** [0.104]
Slope	0.000 [0.000]	0.000 [0.000]	0.000 [0.000]	0.000 [0.000]
Altitude	0.000 [0.000]	0.000 [0.000]	0.000 [0.000]	0.000 [0.000]
Seismic hazard	-0.053 [0.198]	0.006 [0.197]	-0.08 [0.179]	-0.131 [0.166]
Constant	0.197* [0.111]	0.100 [0.099]	0.039 [0.082]	0.004 [0.077]
No. Obs.	131	180	233	290
R ²	0.219	0.159	0.121	0.076
Number of clusters	55	63	77	89

Source: Author's calculations on ICC data and Istat.
 OLS estimates. Clustered standard errors in parenthesis at constituency level. * significant at 10%, ** significant at 5%, *** significant at 1%.

Table 8

VICTORY OF THE GOVERNMENT PARTY				
Dependent variable: <i>Victory in 1865 of Government party</i>	<i>h=20</i>	<i>h=30</i>	<i>h=40</i>	<i>h=50</i>
β	0.015 (0.142)	-0.021 (0.127)	0.003 (0.110)	0.026 (0.105)
DS61	0.335** (0.137)	0.305** (0.120)	0.365*** (0.104)	0.288*** (0.102)
Constant	0.114 (0.139)	0.164 (0.126)	0.144 (0.102)	0.207** (0.100)
No. Obs.	131	180	233	290
R ²	0.11	0.10	0.13	0.08
Number of clusters	55	63	77	89

Source: Author's calculations on ICC data and Istat.
 OLS estimates. Clustered standard errors in parenthesis at constituency level. * significant at 10%, ** significant at 5%, *** significant at 1%.