

Is populism reversible?

Evidence from Italian local elections during the pandemic

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Populism, Voting Behaviour and Public Policy

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Motivation

- Various democratic countries have experienced the following electoral trends in recent years:
 - ▶ Success of anti-establishment and populist parties (Algan et al., 2017).
 - ▶ Huge electoral losses for mainstream and traditional parties.
- Possible explanation: failure of mainstream parties to deal with **economic insecurity** during periods of crisis (e.g. the “forgotten man” in the USA). In EMU countries aggravated by lack of fiscal and monetary autonomy (Guiso et al., 2019).
- Would voters react similarly if governments managed to respond appropriately?
 - ▶ Analysis of electoral effect of economic insecurity due to the Covid-19 economic lockdown.
 - ▶ Governments worldwide responded to compensate for this increased level of insecurity.

The Italian context

Focus on economic lockdown imposed by Italian government in March-May 2020.

- 1 Local elections in September 2020, few months after the economic lockdown.
- 2 Particular political scenario:
 - ▶ Government coalition formed by both mainstream (Democratic Party) and populist (Five Stars Movement) parties.
 - ▶ Opposition formed by right-wing parties: moderate (Forward Italy) and extreme/populist (League and Brothers of Italy).
- 3 Exogenous variation in intensity of lockdown-induced **economic insecurity**:
 - ▶ Government imposed the closing of non-essential economic activities
 - ▶ Heterogenous pre-Covid geographical distribution of non-essential activities
 - ▶ Variation across municipalities in share of inactive workers (Borri et al., 2020)
 - ▶ Use this in *difference-in-differences* analysis

What Do We Do?

1 Electoral data analysis:

- Based on Italian electoral municipal data.
- Difference-in-differences analysis on the electoral outcomes of the 2020 local elections.

2 Survey data analysis:

- Based on 2020 IPSOS Italian survey data.
- Presentation of salient descriptive evidence.
- Difference-in-differences analysis on the 2020 voting intentions.

General Findings

Electoral effect of **economic insecurity**:

- Positive center-left.
- Negative center-right.
- No effect Five Stars Movement (5SM), Civic Lists, and Turnout

Key role played by the measures introduced to compensate economic insecurity:

- Effect driven by % of inactive in services, for whom these compensatory measures did not exist before
- No impact % inactive in industry, already covered before Covid

Interpretation:

- ↑ demand government protection
- Reward center-left parties responsible for introducing the measures
- Reward pro-EU parties, given important role EU
- No rally “round the flag” effect: no effect for 5SM and for incumbent mayors.

Contribution to the literature

1 Effects of economic insecurity on electoral outcomes:

- ▶ Support for populist and anti-establishment forces (Algan et al., 2017).
- ▶ Support for radical-right parties (Dehdari, 2022).
- ▶ Due to low fiscal space (Guiso et al., 2021).
- ▶ Governments fail to tackle the economic insecurity (Guiso et al., 2019).

⇒ We find the opposite when governments introduce compensatory measures.

2 Political impact of the Covid-19 crisis:

- ▶ Electoral turnout (Picchio and Santolini 2021).
- ▶ Support for nationalist parties (Fernandez-Navia et al., 2021).
- ▶ Support for incumbent politicians (Giommoni and Loumeau, 2020).
- ▶ Impact of elections on the pandemic diffusion (Cipullo and Le Moglie, 2022).
- ▶ Local politicians facing elections support more compliance with national policies (Alabrese et al. 2022).

⇒ We focus on political consequences of Covid-19 economic insecurity.

Institutional background

The Covid-19 in Italy

- **Economic lockdown** to stop the spread of the pandemic:
 - ▶ Suspension of non-essential economic activities.
 - ▶ From the 22nd of March to the 3rd of May.

- **Extraordinary economic measures** in support to the economy:
 - ▶ Allocation of more than €100 billion.
 - ▶ Innovative measures in support of workers of the services sector.
 - ▶ **FOCUS**

- Fundamental support from the **European Union**:
 - ▶ The ECB wide purchase of Italian public bonds.
 - ▶ The SURE program of the European Commission.
 - ▶ The launch of the Next Generation EU.

Institutional background

2020 municipal elections in Italy

- Municipal elections on the 20th and 21st of September of 2020
 - ▶ Few months after the greater economic lockdown.
 - ▶ Before the second pandemic wave.
- They involved 1178 municipalities:
 - ▶ 608 in ordinary statute regions.
 - ▶ 570 in special statute regions.

ELECTORAL DATA ANALYSIS

Empirical strategy

- We run the following difference-in-differences model:

$$Y_{i,t} = \beta_0 + \beta_1 \cdot \% \text{ inactive}_i \cdot \text{post}_t + \delta_i + \lambda_t + \xi_{i,t} \quad (1)$$

- Where:

- ▶ The dep. var. $Y_{i,t}$ captures electoral outcomes in municipality i in year t .
- ▶ The cont. var. $\% \text{ inactive}_i$ is the share of inactive workers in municipality i .
- ▶ The dummy variable post_t is equal to 1 for the 2020 municipal elections.
- ▶ Municipal (δ_i) and year of election (λ_t) FEs.
- ▶ The coefficient of interest is β_1 .

- We control also for the presence of pre-treatment trends, employing the results of the two previous local elections.

Data

Sample & Dependent variables

- The analysis is based on Italian municipal data taken from:
 - ▶ The Italian National Institute of Statistics (ISTAT).
 - ▶ The Ministry of Interior.
- The sample is composed from 575 municipalities that voted in 2020:
 - ▶ Ordinary statute region [Map](#).
 - ▶ Panel data-set with the results two previous elections.
- Dependent variables:
 - ▶ Vote shares of different political forces [Full list](#):
 - ★ Center-Left: the Democratic Party + minor leftist parties.
 - ★ Center-Right: Forward Italy, the League, Brothers of Italy.
 - ★ Five Stars Movement.
 - ★ Civic Lists (undefined partisan affiliation).
 - ▶ Turnout.

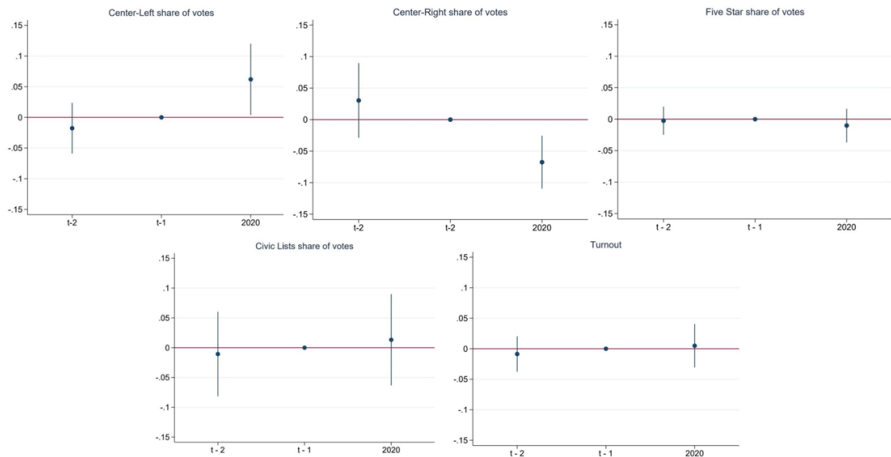
Data

The treatment variables and the covariates

- *Share Inactive Workers* (Borri et al., 2020).
 - ▶ Number of people not allowed to work over the total number of workers.
 - ▶ Built on:
 - ★ 2017 municipality-based classification of economic activities.
 - ★ List of economic activities suspended due to the lockdown.
 - ▶ Captures lockdown-induced **economic insecurity**.
 - ▶ *Share Inactive Industry Workers & Share Inactive Services Workers*.
 - ▶ **SUSPENDED ACTIVITIES**
- *Tourism Relevance Index*.
- *Elderly Excess Mortality*.
- Control variables based on geographical, economic and social characteristics.

Results

The effect of lockdown-induced economic insecurity on electoral outcomes



Results

The effect of lockdown-induced economic insecurity on electoral outcomes

- Positive impact on Center-Left parties: Left
- Negative impact on Center-Right parties: Right
- No effects on the Five Stars Movement: 5SM
- No effects on Civic Lists: Civic
- No effects on the electoral participation: Turnout

ROBUSTNESS

- Additional pre-trends: Pre-trends II
- Concurrent Regional Elections: Robustness I
- Missing parties/not competing at elections: Robustness II
- Probability of competing at elections: Robustness III
- Labour district level S.E.: Robustness IV
- No rally “round the flag” effect for mayors: Robustness V

Main mechanism

- We split our treatment into two separate treatment variables:
 - ▶ The share of inactive workers in the services sector.
 - ▶ The share of inactive workers in the industry sector.
- The central government adopted economic measures to protect workers:
 - ▶ The tools used to compensate workers in industry sectors were pre-existing (CIG).
 - ▶ Workers in the services sector were the major recipient of the new measures (REM, CIG Covid, various bonuses).
- The share of inactive workers in the service sector drives our main results.

Main mechanism

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Dependent var.	Center-left vote shares				Center-right vote shares			
Covariates	No	No	No	No	No	No	No	No
Municipal FE	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Elect. Year FE	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
<i>post</i> ·% <i>inactive</i>	0.071** (0.033)				-0.082*** (0.031)			
<i>post</i> ·% <i>inactive services</i>		0.085** (0.037)		0.083** (0.039)		-0.070** (0.033)		-0.065* (0.033)
<i>post</i> ·% <i>inactive industry</i>			0.014 (0.024)	0.005 (0.026)			-0.026 (0.018)	-0.019 (0.019)
Observations	1,725	1,725	1,725	1,725	1,725	1,725	1,725	1,725
R-squared	0.788	0.789	0.787	0.789	0.795	0.795	0.794	0.795

Robust standard errors in parentheses

*** $p < 0.01$, ** $p < 0.05$, * $p < 0.1$

ADDITIONAL EVIDENCE: SELF-EMPLOYED BONUS

Alternative stories

- We control for two alternative stories that could explain our results.
- *Tourism Relevance Index*.
 - ▶ A proxy of the economic recovery experienced during the summer of 2020.
- *Elderly Excess Mortality*.
 - ▶ As a measure of the health consequences of the Covid-19.
 - ▶ This might affect turnout and hence political outcomes (Picchio and Santolini, 2021).
- The main coefficients do not change.

Alternative stories

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Dependent var.	Center-left vote shares				Center-right vote shares			
Covariates	No	No	No	No	No	No	No	No
Municipal FE	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Elect. Year FE	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
<i>post · % inact.</i>	0.071** (0.033)	0.077** (0.033)	0.068** (0.034)	0.075** (0.033)	-0.082*** (0.031)	-0.082*** (0.031)	-0.093*** (0.032)	-0.093*** (0.032)
<i>post · tourism</i>		-0.021* (0.012)		-0.020* (0.012)		-0.001 (0.014)		-0.000 (0.014)
<i>post · EM</i>		(0.012)	(0.008)	(0.012)		(0.014)	(0.011)	(0.011)
Observations	1,725	1,725	1,725	1,725	1,725	1,725	1,725	1,725
R-squared	0.788	0.789	0.789	0.789	0.795	0.795	0.796	0.796

Robust standard errors in parentheses

*** $p < 0.01$, ** $p < 0.05$, * $p < 0.1$

SURVEY DATA ANALYSIS

- Elaborated by IPSOS in Italy between March and October 2020.
- Containing personal, professional, political and geographical information.
- Weekly frequency of 800 interviews conducted with a CAWI methodology.
- Between March to May information also on the working condition related to the economic lockdown:
 - ▶ Active worker.
 - ▶ Inactive worker.

- Construction of an **individual** based panel data-set, based on declared party preferences for:
 - ▶ the current (2020) intention of vote.
 - ▶ the vote expressed in the 2019 European election.
 - ▶ the vote expressed in the 2018 parliamentary election.
- Construction of a dummy variable regarding that employment status for the entire covered period:
 - ▶ Equal to one for people who were forced stop their working activity.
 - ▶ Based on the declared working condition between March and May.
 - ▶ Based on the prediction built on the interviewees' individual (personal and municipal) characteristics for the subsequent months. Shares Declare VS Predicted

Descriptive Evidence - Monthly Data Aggregation

- Comparison between two priorities: HEALTH CONCERNS VS INCOME CONCERNS
- Approval rates of the different political institutions: APPROVAL RATES
- Consensus in favour of political forces: AVERAGE CONSENSUS
- Voting intention in favour of political forces: VOTING INTENTION

Empirical strategy

- We run the following difference-in-differences model:

$$Y_{i,t} = \alpha_0 + \alpha_1 \cdot inactive_i \cdot post_t + \gamma_i + \tau_t + \epsilon_{i,t} \quad (2)$$

- Where:

- ▶ The dep. var. $Y_{i,t}$ captures the voting intention for a party/coalition of individual i in year t with $t \in [2018, 2020]$.
- ▶ The treatment dummy variable $inactive_i$ represents the employment status of individual i , which is equal to 1 when inactive.
- ▶ The dummy variable $post_t$ is equal to 1 for when the year is 2020.
- ▶ Individual (γ_i) and year of election (τ_t) FEs.
- ▶ The coefficient of interest is α_1 .

- Focus on a time interval just before the Italian local elections:

- ▶ Survey sessions from late August up to mid September.
- ▶ Period closest to the electoral competition.

Results

The effect of lockdown-induced economic insecurity on the voting preferences

	(1)	(2)	(3)
Dependent var.	Center-left	Center-right	Five Star
Covariates	No	No	No
Individual FE	Yes	Yes	Yes
Year FE	Yes	Yes	Yes
<i>post-inactive</i>	0.047** (0.023)	-0.069** (0.028)	0.011 (0.028)
Observations	9,594	9,594	9,594
R-squared	0.810	0.840	0.802

Robust standard errors in parentheses

*** $p < 0.01$, ** $p < 0.05$, * $p < 0.1$

Conclusions

- We study the political impact of lockdown-induced **economic insecurity**:
 - ▶ Benefit for center-left and pro-EU political parties.
 - ▶ No effects for populist and euro-skeptic 5SM.
 - ▶ Negative effect for conservative and far-right populist parties at the opposition.
- Evidence on role played by the extraordinary measures introduced by the central government in inducing these results.
- The forgotten man felt less forgotten.
- The electoral effect of economic insecurity can go in the opposite direction than that suggested by the existing literature.
- Two competing explanations:
 - ▶ Just a temporary reward for economic support.
 - ▶ A more permanent shock-induced shift in preferences for more insurance and redistribution, favoring center-left parties.

Appendix

Municipalities from ordinary and special statute regions that voted in 2020

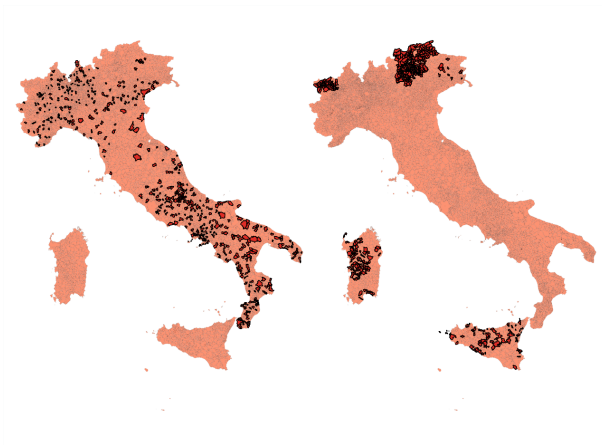


Figure: Municipalities from ordinary (on the left) and special (on the right) statute regions that voted in 2020

Extraordinary economic measures

- Legislative measures:
 - ▶ The “Care Italy” decree (17th of March), allocating €25 billion.
 - ▶ The “Liquidity” decree (8th of April), allocating €30 billion.
 - ▶ The “Recovery” decree (19th of May), allocating €55 billion.
 - ▶ The “August” decree (14th of August), allocating €25 billion.
- Measures specifically dedicated to workers’ protection:
 - ▶ Extension - to all employees of every productive sector – of a special “Covid-19” redundancy pay.
 - ▶ **Compensations (a €600 or €1.000 benefit) recognised to a broad audience of self-employed, freelance or seasonal workers (INPS data).**
 - ▶ Institution of the Emergency Income (REM).
 - ▶ Prorogation of the ordinary unemployment benefits.
 - ▶ Suspension of dismissal procedures, in force from the 23rd of February 2020.

Back

Complete index of parties and lists

Center-Right Parties	Center-Right Civic Lists	Center-Left Parties	Center-Left Civic Lists
Alleanza Di Centro Alleanza Nazionale Alternativa Popolare Area Popolare Cambiamo! Conservatori E Riformisti Forza Italia Fratelli D'Italia Futuro E Libertà Il Popolo Della Libertà La Destra Lega Nord Lega Per Salvini Premier Noi Con L'Italia Noi Con Salvini Nuovo Centro Destra Oltre Con Fitto Unione Italiana Centrodestra	Alleanza Frattese Alleanza Per Bracciano Centro Destra Ame Avigliano Libera Baranzate Riparte Dal Centrodestra Biodega Sindaco Destra Per Lecco Bogogno Un Paese Per Tutti Carranzì Noi Per Voi Cava Per La Libertà Centro Destra Arcisate Centro Destra Cernusco Centro Destra Cernusco Centro Destra Finalese Centro Destra Per Bagnacavallo Centro Destra Per Chivignano Centro Destra Per Cotignola Centro Destra Per Cupello Centro Destra Per Figino Centro Destra Per Tartarini Centro Destra Per Verola Centro Destra Pietralunga Centro Destra Rovato Centro Destra Uniti Per Pegli Centro Destra Unito Con Onori Centrodestra Baronissi Centrodestra Per Castelfranco Centrodestra Per Castelvetro Centrodestra Per L'alternativa Centrodestra Per Luzzara Centrodestra Per Montefiascone Centrodestra Per Montopoli Centrodestra Per Sordani Centrodestra Per Valleggia Centrodestra Per Vecchiano Circolo Della Libertà Destra Liberale Destra Per Rovigo Due Carrare Per Il Futuro Forza Avezzano Forza Casorate Forza Chieti Forza Lonato Forza Matera Forza Paganò Forza Pomigliano Idea Soragiu Il Centrodestra Per Capri Il Centrodestra Per San Costanzo Il Popolo Del Centro Destra Per Bosa Il Popolo Di Veroli Con La Destra Immagina Verucchio Centro Destra Indipendenti Di Centrodestra Per Tallone Insieme Alla Gente Centrodestra Insieme Per Fermana Insieme Per Treviolo Centrodestra L'arca Origgio Lavoriamo Per Bogogno Lista Civica Avigliano Movimento Di Destra Per Montichiari Noi Con Ricchi Sindaco Noi Felizzano Insieme Per Il Centrodestra Per Due Carrare Per Levanto Per Torre Di Mosto Più San Bonifacio Centro Destra Pontenure Per Te Centro Destra Civico Pontremoli A Destra Popolo Di Levanto Premana Centrodestra Prima I Cittadini Alleanza Di Centro Destra Progetto Sociale Di Destra Per Cesate Rinnovamento Di Destra Tutti Per Calco Uniti Per Lonato Uniti Per Zuccarello Viva San Cesario Centro Destra Viviamo Bogogno	Articolo Uno Centrosinistra Coalizione Progressista Comunisti Italiani Con Emiliano Democratici E Progressisti Emiliano Sindaco Di Puglia Giovani Democratici I Democratici Italia Dei Valori Liberi E Uguali L'Ulivo Partito Democratico Partito Socialista Italiano Rifondazione Comunista Sinistra Democratica Sinistra Ecologia Libertà Sinistra Italiana Socialisti E Democratici	Alignano Democratica Cardito Democratica Casorate Democratica Colongo Solidale E Democratica Cuggiono Democratica Democratici Insieme Democratici Per Ariano Democratici Per Castelfranco Democratici Per Ceccano Democratici Per Lonigo Democratici Per Mistranise Democratici Per San Nicola Democratici Per Travagliato Democratici Per Turate Democratici Per Uzzano Democratici Per Venaria Rifattamaggiore Democratica Gd Gemonio Democratico Genzano Democratica Insieme Per Almb Insieme Per Arcade Insieme Per Briosi Insieme Per Cascinette Insieme Per Cervinara Insieme Per Due Carrare Insieme Per Fara In Sabina Insieme Per Il Paese Santo Stefano Belbo Insieme Per Legnano Insieme Per Monteliano Insieme Per Parabiago Insieme Per Ripartire Insieme Per Roncadelle Insieme Per Vicoforte Insieme Per Vistrorio Insieme Per Voghera Lonigo Democratica E Solidale Riparte Marxianse Democratica Orcinio Democratica Pattada Democratica Pomigliano Democratica Quarta Democratica E Solidale Rocchetta Democratica Settimo Progressista Soragna Democratica Terzigno Democratica Unione E Progresso Pont Unità Per Curtatone Unità Popolare Avigliano Uniti Per Avigliano Uniti Per Bollate Uniti Per Canossa Uniti Per Cacciano Uniti Per Cervinara Uniti Per Corico Uniti Per Fontevivo Uniti Per Malo Uniti Per Montefortino Uniti Per Pont Uniti Per Rocca Di Papa Uniti Per Roncadelle Uniti Per S. Demetrio Uniti Per Sant'Angelo Uniti Per Turate Uniti Per Vistrorio Vadana Democratica Viareggio Democratica

Appendix

Center-Left vote shares

	(1)	(2)	(3)	(4)
Dependent var.	Vote shares of center-left parties			
Covariates	No	Yes	No	No
Municipal FE	No	No	Yes	Yes
Election Year FE	No	No	Yes	Yes
<i>post</i> ·% <i>inactive</i>	0.076*** (0.027)	0.076*** (0.027)	0.071** (0.033)	0.062* (0.035)
<i>post</i>	-0.063*** (0.015)	-0.063*** (0.015)		
% <i>inactive</i>	-0.106** (0.045)	-0.060 (0.041)		
<i>pre</i> ·% <i>inactive</i>				-0.018 (0.025)
Observations	1,725	1,725	1,725	1,725
R-squared	0.016	0.215	0.788	0.789

Robust standard errors in parentheses

*** $p < 0.01$, ** $p < 0.05$, * $p < 0.1$

Appendix

Center-Right vote shares

	(1)	(2)	(3)	(4)
Dependent variable	Vote shares of center-right parties			
Covariates	No	Yes	No	No
Municipal FE	No	No	Yes	Yes
Election Year FE	No	No	Yes	Yes
<i>post</i> · % <i>inactive</i>	-0.077*** (0.025)	-0.077*** (0.025)	-0.082*** (0.031)	-0.068*** (0.025)
<i>post</i>	0.028** (0.012)	0.028** (0.012)		
% <i>inactive</i>	0.100** (0.043)	0.041 (0.038)		
<i>pre</i> · % <i>inactive</i>				0.030 (0.036)
Observations	1,725	1,725	1,725	1,725
R-squared	0.006	0.262	0.795	0.795

Robust standard errors in parentheses

*** $p < 0.01$, ** $p < 0.05$, * $p < 0.1$

Appendix

Five Star Movement vote shares

	(1)	(2)	(3)	(4)
Dependent var.	Vote shares of Five Stars Movement			
Covariates	No	Yes	No	No
Municipal FE	No	No	Yes	Yes
Election Year FE	No	No	Yes	Yes
<i>post</i> ·% <i>inactive</i>	-0.011 (0.009)	-0.011 (0.009)	-0.009 (0.010)	-0.010 (0.016)
<i>post</i>	-0.001 (0.004)	-0.001 (0.004)		
% <i>inactive</i>	0.001 (0.009)	0.012 (0.008)		
<i>pre</i> ·% <i>inactive</i>				-0.002 (0.014)
Observations	1,725	1,725	1,725	1,725
R-squared	0.006	0.166	0.550	0.550

Robust standard errors in parentheses

*** $p < 0.01$, ** $p < 0.05$, * $p < 0.1$

Appendix

Civic Lists vote shares

	(1)	(2)	(3)	(4)
Dependent var.	Civic Lists vote shares			
Covariates	No	Yes	No	No
Municipal FE	No	No	Yes	Yes
Election Year FE	No	No	Yes	Yes
<i>post</i> .% <i>inactive</i>	0.010 (0.039)	0.010 (0.039)	0.018 (0.048)	0.013 (0.046)
<i>post</i>	0.042** (0.020)	0.042** (0.020)		
% <i>inactive</i>	0.016 (0.072)	-0.001 (0.060)		
<i>pre</i> -% <i>inactive</i>				-0.011 (0.043)
Observations	1,725	1,725	1,725	1,725
R-squared	0.007	0.375	0.859	0.859

Robust standard errors in parentheses

*** $p < 0.01$, ** $p < 0.05$, * $p < 0.1$

Appendix

Turnout

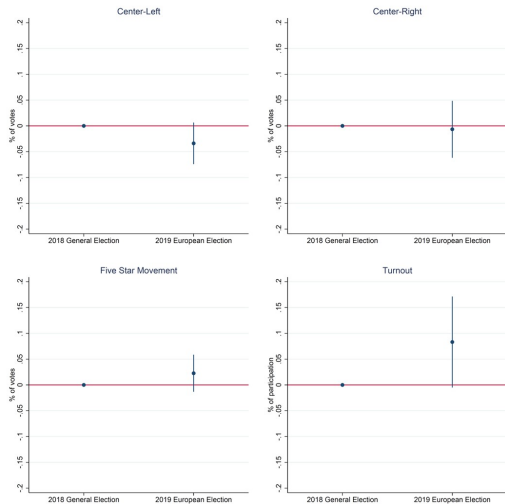
	(1)	(2)	(3)	(4)
Dependent var.	Turnout			
Covariates	No	Yes	No	No
Municipal FE	No	No	Yes	Yes
Election Year FE	No	No	Yes	Yes
<i>post</i> · % <i>inactive</i>	0.011 (0.018)	0.011 (0.018)	0.009 (0.021)	0.005 (0.022)
<i>post</i>	-0.042*** (0.008)	-0.042*** (0.008)		
% <i>inactive</i>	0.008 (0.034)	-0.018 (0.031)		
<i>pre</i> · % <i>inactive</i>				-0.009 (0.018)
Observations	1,725	1,725	1,725	1,725
R-squared	0.025	0.194	0.906	0.906

Robust standard errors in parentheses

*** $p < 0.01$, ** $p < 0.05$, * $p < 0.1$

Appendix

2018 General Elections & 2019 European Elections



Appendix

Robustness I: Concurrent Regional Elections

Dependent var.	(1)	(2)	(3)	(4)	(5)
Covariates	No	No	No	No	No
Municipal FE	Yes	Yes	Yes	Yes	Yes
Election Year FE	Yes	Yes	Yes	Yes	Yes
<i>post % inactive</i>	0.071** (0.033)	-0.079*** (0.030)	-0.009 (0.010)	0.015 (0.047)	0.008 (0.021)
<i>Concurrent</i>	-0.002 (0.009)	-0.031** (0.012)	0.001 (0.003)	0.032** (0.015)	0.016*** (0.005)
Observations	1,725	1,725	1,725	1,725	1,725
R-squared	0.789	0.797	0.550	0.860	0.908

Robust standard errors in parentheses

*** $p < 0.01$, ** $p < 0.05$, * $p < 0.1$

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Appendix

Robustness II: Party not competing at elections

	(1)	(2)	(3)	(4)
Dependent var.	Center-Left	Center-Right	Five Star M.	Civic Lists
Covariates	No	No	No	No
Municipal FE	Yes	Yes	Yes	Yes
Election Year FE	Yes	Yes	Yes	Yes
<i>post</i> % inactive	0.060** (0.027)	-0.024 (0.024)	-0.001 (0.008)	0.024 (0.042)
<i>Center-Left Missing</i>	-0.279*** (0.026)			
<i>Center-Right Missing</i>		-0.262*** (0.025)		
<i>Five Star Missing</i>			-0.085*** (0.007)	
<i>Civic Lists Missing</i>				-0.402*** (0.046)
Observations	1,725	1,725	1,725	1,725
R-squared	0.890	0.875	0.760	0.869

Robust standard errors in parentheses

*** $p < 0.01$, ** $p < 0.05$, * $p < 0.1$

Appendix

Robustness III: Probability of competing at elections

	(1)	(2)	(3)	(4)
Dependent var.	Center-Left	Center-Right	Five Star M.	Civic Lists
Covariates	No	No	No	No
Municipal FE	Yes	Yes	Yes	Yes
Election Year FE	Yes	Yes	Yes	Yes
<i>post .% inactive</i>	0.039 (0.065)	-0.209** (0.083)	-0.089 (0.064)	-0.013 (0.039)
Observations	1,725	1,725	1,725	1,725
R-squared	0.845	0.832	0.640	0.510

Robust standard errors in parentheses

*** $p < 0.01$, ** $p < 0.05$, * $p < 0.1$

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Appendix

Robust standard errors clustered at the labour district level

	(1)	(2)	(3)	(4)	(5)
Dependent var.	Center-Left	Center-Right	Five Star M.	Civic Lists	Turnout
Covariates	No	No	No	No	No
Municipal FE	Yes	Yes	Yes	Yes	Yes
Election Year FE	Yes	Yes	Yes	Yes	Yes
<i>post</i> ·% <i>inactive</i>	0.071** (0.032)	-0.082** (0.039)	-0.009 (0.010)	0.018 (0.053)	0.009 (0.023)
Observations	1,725	1,725	1,725	1,725	1,725
R-squared	0.788	0.795	0.550	0.859	0.906

Robust standard errors in parentheses

*** $p < 0.01$, ** $p < 0.05$, * $p < 0.1$

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Appendix

Re-election probability for incumbent mayors

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Dependent var.	Mayor				Mayor and/or Board			
Covariates	No	Yes	No	No	No	Yes	No	No
Municipal FE	No	No	Yes	Yes	No	No	Yes	Yes
Election Year FE	No	No	Yes	Yes	No	No	Yes	Yes
<i>post</i> · % inactive	-0.137 (0.152)	-0.035 (0.188)	0.007 (0.237)	0.081 (0.247)	0.075 (0.141)	0.041 (0.172)	0.134 (0.209)	0.060 (0.231)
<i>post</i>	0.176** (0.079)	0.130 (0.096)			0.111 (0.074)	0.127 (0.088)		
% inactive		-0.158 (0.112)				-0.051 (0.097)		
<i>pre</i> · % inactive				0.165 (0.232)				-0.153 (0.196)
Observations	1,410	1,410	1,410	1,410	1,725	1,725	1,725	1,725
R-squared	0.011	0.032	0.458	0.459	0.020	0.042	0.352	0.353

Robust standard errors in parentheses

*** $p < 0.01$, ** $p < 0.05$, * $p < 0.1$

Appendix

Classification of the economic activities during the economic lockdown

SUSPENDED ACTIVITIES	
INDUSTRY SECTOR	SERVICES SECTOR
Rubber industry	Wholesale trade
Packaging industry	Retail trade
Textile and leather industry	Real estate activities
Wood industry	Rental services
Metallurgical industry	Travel agencies
Electronics industry	Business support services
Vehicles industry	Artistic and cultural activities
Private construction industry	Sports and entertainment activities

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Additional Evidence

Self-Employed Bonus using INPS data

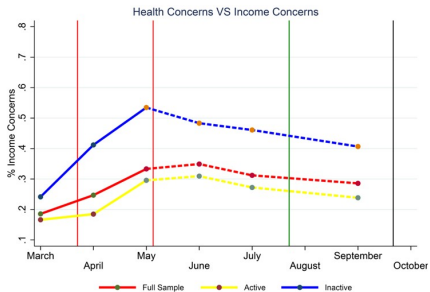
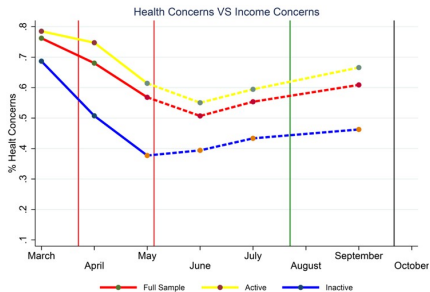
	(1)	(2)	(3)	(4)
Dependent var.	Vote shares of center-left parties		Vote shares of center-right parties	
Covariates	No	No	No	No
Municipal FE	Yes	Yes	Yes	Yes
Election Year FE	Yes	Yes	Yes	Yes
<i>post</i> ·% bonus	0.013** (0.006)	0.012* (0.007)	-0.008 (0.010)	-0.016* (0.009)
<i>pre</i> ·% bonus		-0.001 (0.008)		-0.015 (0.011)
Observations	1,722	1,722	1,722	1,722
R-squared	0.788	0.788	0.794	0.794

Robust standard errors in parentheses

*** $p < 0.01$, ** $p < 0.05$, * $p < 0.1$

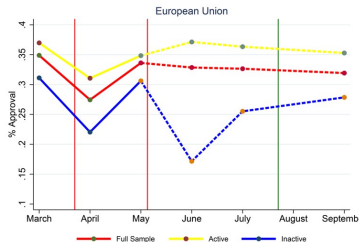
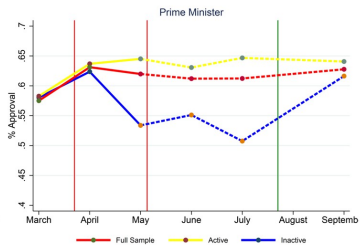
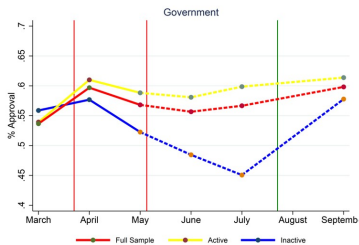
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Health Concerns VS Income Concerns

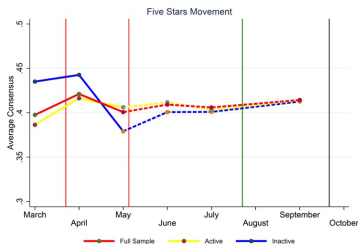
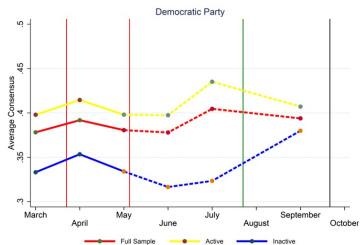
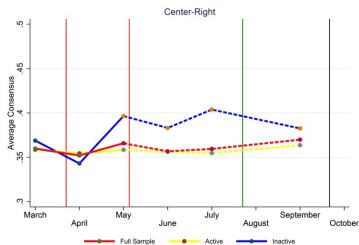


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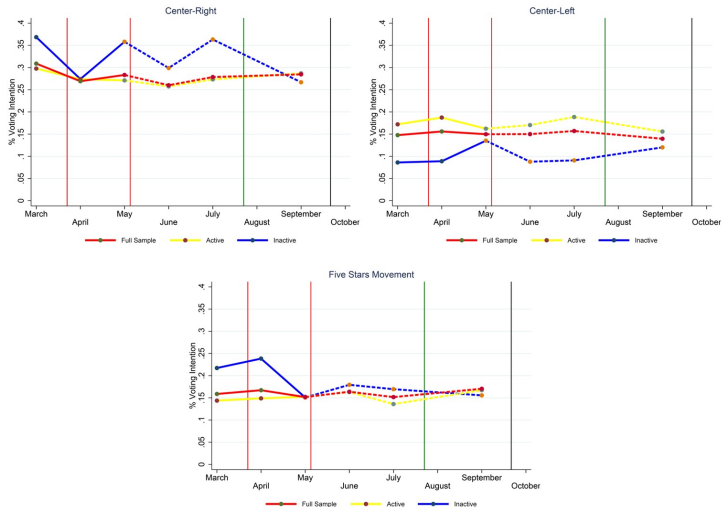
Approval Shares



Average Consensus of Political Forces



Voting Intention for Political Forces



Survey data: active and inactive workers

	Active Workers		Inactive Workers		Others		Total	
	Obs.	Share	Obs.	Share	Obs.	Share	Observations	Share
March	2352	76%	410	13%	348	11%	3110	100%
April	3013	72%	678	16%	503	12%	4194	100%
May	2446	76%	354	11%	401	13%	3201	100%
June	2451	75%	416	13%	383	12%	3250	100%
July	2956	73%	594	15%	506	12%	4056	100%
September	2955	74%	588	15%	456	11%	3999	100%
October	2974	74%	562	14%	460	12%	3996	100%
Total	19147	74%	3602	14%	3057	12%	25806	100%

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Active & Inactive workers

Comparison between predicted and declared working conditions

	Predicted Active W.	Predicted Inactive W.	Total
Decalred Active W.	1317	261	1578
Decalred Inactive W.	404	444	848
Total	1721	705	2426

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