Large-Family Mayors
Undermined Accountability in Italian Municipalities

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The Idea in One Slide

- **Motivation**: Politics is built on relationships. Family is the strongest.
- **RQ**: Do family ties affect politicians' performance and weaken electoral accountability?
- **Strategy**: RDD (+ TWFE).
- **Context**: Elections in Italian municipalities below 5,000 inhabitants, 2002–22. ▸ Map

Theory

- Family is a steady electoral base.

- Two reasons:
  1. *Valence advantage*.
     - Loyalty to relative (Tatalovich, 1975; Rice and Macht, 1987).
  2. *Clientelisic electoral strategies*.
     - Provision of goods (Cruz et al., 2017; Davidson et al., 2017).
     - Public employment (Gagliarducci and Manacorda, 2020).

- The stronger the support, the easier the (re-)election.

Hypothesis & Result

- Large-family mayors:

  H1: Have weaker incentives to perform well and put effort.

  H2: Perform even worse when they face no credible competitors.

  H3: Secure advantages for themselves and their relatives.

  H4: Face weaker accountability of their performance.

- RDD where possible, otherwise suggestive.

- Clear evidence for H1-H2-H4
- H3 harder to test due to conflict of interest law.

Contributions

1. Politicians' connections to members of civil society.
   (Amore and Bennedsen, 2013; Chaudhary and Rubin, 2016; Davidson et al., 2017; Bertrand et al., 2018; Brassiolo et al., 2020; Pulejo, 2022)

   Economic and policy consequences of family ties.

2. Dynastic politics.
   (Dal Bó et al., 2009; Geys, 2017; George and Ponattu, 2019; Folke et al., 2021)

   Beyond entry: family ties shape behavior in office.

3. Electoral accountability in local politics.
   (Chappell Jr and Keech, 1985; Trounstine, 2006; Berry and Howell, 2007; Rubenstein, 2007; Snyder and Strömberg, 2010; Pierson and Schickler, 2020)

   Social connections as a threat to accountability.

Overview

Setting: Small Italian municipalities

- Ideal case:
  1. Direct mayoral elections.
  2. Head of local executive and legislative power.
  3. Good degree of financial autonomy (Bellodi et al., 2023).

- Culturally:
  - Trust family (Alesina and Giuliano, 2014; Crocetti and Meeus, 2014)
  - Distrust outsiders (Banfield, 1958; Alesina and Giuliano, 2011)

- High external validity (e.g. Philippines, Latin America).

Three Measures of Economic Performance

1. **EU** Cohesion **Funds**
   - ▸ More on Cohesion Funds
2. **Debt repayment**: $\frac{\text{Disposed Liabilities}}{\text{Accumulated Liabilities}}$.
3. **Debt accumulation**: $\frac{\text{Current Liabilities}}{\text{Initial Liabilities}}$.
   - ▸ Debt in Italian Municipalities

Defining Large-Family Mayor

- Proxy for family ties: % residents sharing mayor's last name.
- Exploiting ancestry.com phone records.

▸ Distribution Proxied Relatives

- RDD cutoff: 95th percentile (8.3%) defines large-family candidates.
- 1,662 large-family mayors.

Are Last Names Problematic?

- Last names are patrilineal. We have:
  1. Type-1 error - No matrilinear or marital relationships.
     - Lower-bound results.
  2. Type-2 error - Including non-relatives.
     - Mitigated by focusing on small towns.
     - Robustness: weighting rare surnames more.
- Last names widely used in prior research as family identifier (Gagliarducci and Manacorda, 2020; Mirenda et al., 2022; Galletta and Giommoni, 2023).

Overview

H1 — Large-Family Mayors Perform Worse — TWFE

- Baseline correlations (TWFE), using:

$$\text{EconomicPerformance}_{i,t} = \beta(\text{Share Relatives})_{i,t} + \\ + \psi X'_{i,t} + \phi_i + \tau_t + \epsilon_{i,t}$$

	EU Funds p.c. (Log)	Debt Repayment	Debt Accumulated
Share Relatives of Mayor	-1.06	-1.72***	0.43
	(1.20)	(0.55)	(0.31)
Observations	11,764	12,813	13,122
Fixed Effects	YES	YES	YES
Controls	YES	YES	YES

▸ Summary Stats

H1 — Large-Family Mayors Perform Worse — Tail Effect

- Effect driven by the tail of the distribution.

	EU Funds p.c. (Log)		Debt Repayment		Debt Accumulated	
Share Relatives > 90th Percentile	-0.31**		-0.17**		0.05*	
	(0.12)		(0.07)		(0.03)	
Share Relatives > 95th Percentile		-0.34*		-0.20***		0.10**
		(0.18)		(0.07)		(0.04)
Observations	11,764	11,764	12,813	12,813	13,122	13,122
Fixed Effects	YES	YES	YES	YES	YES	YES
Controls	YES	YES	YES	YES	YES	YES

- 90th percentile: 5.6% of proxied relatives.
- 95th percentile: 8.3% of proxied relatives.

RDD with Close Elections

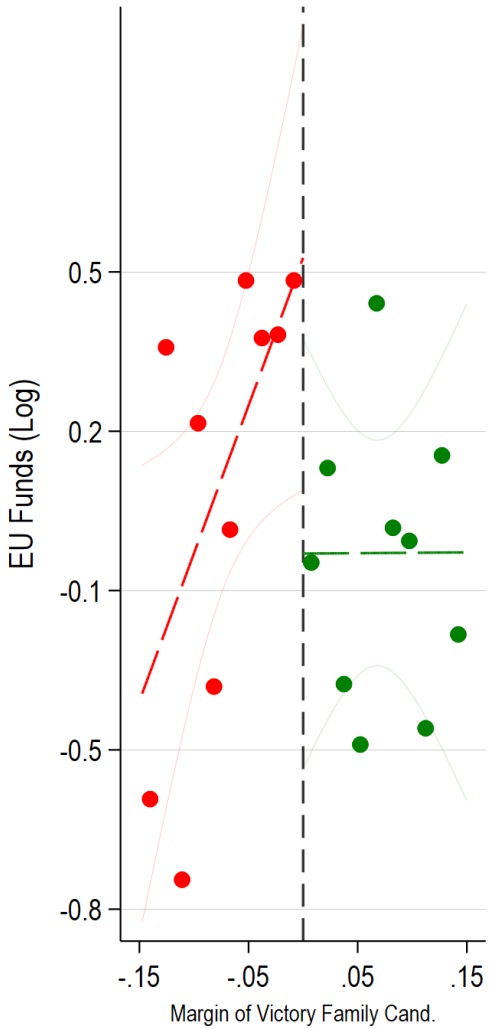
$$EconomicPerformance_{i,t} = \beta LrgFmlyMyr_{i,t} + \gamma f(FmlyMrgn)_{i,t} + \\ + \lambda(LrgFmlyMayor \times FmlyMrgn)_{i,t} + \theta X'_{i,t-1} + \phi_d + \epsilon_{i,t}$$

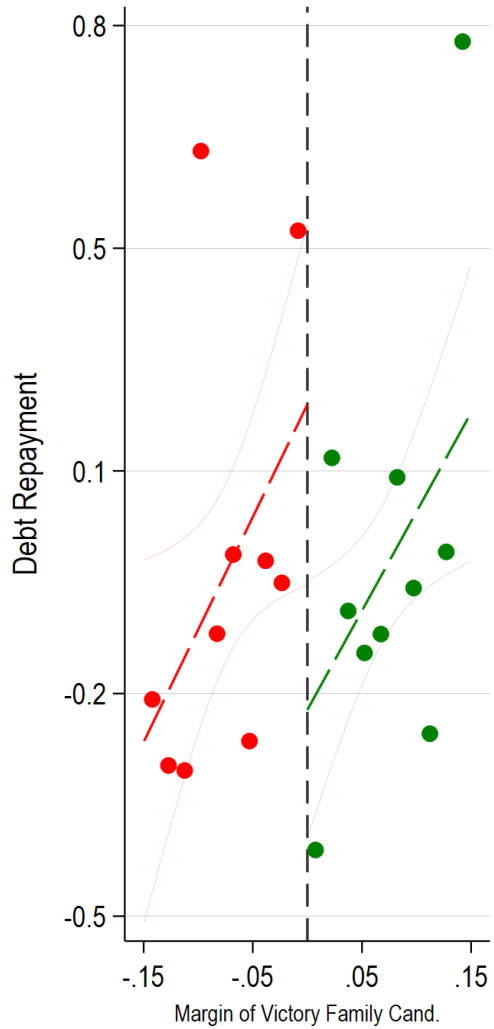
- Validity checks:
  - Tests of no-sorting assumption. Go
  - Balance of covariates at cutoff. Go
  - Compensating differentials (Marshall, 2022). Go

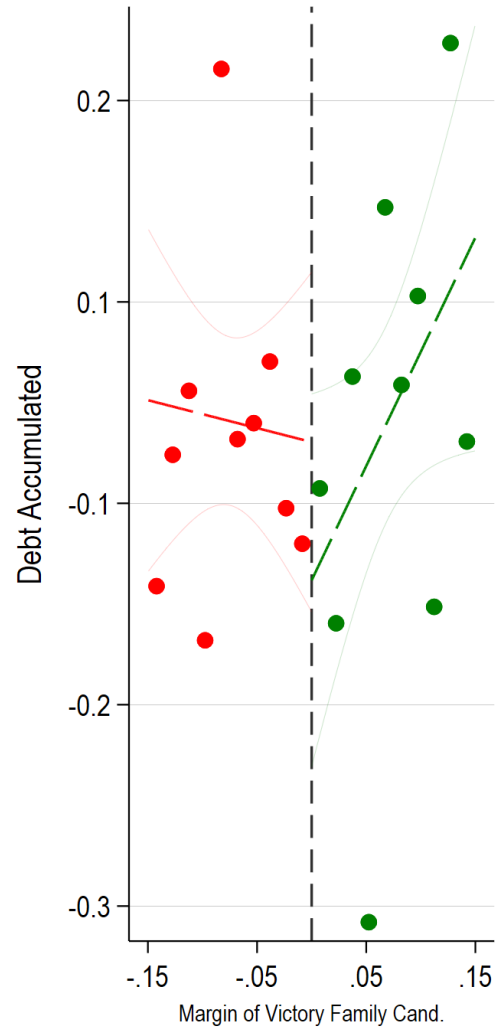
H1 — Large-Family Mayors Perform Worse — RDD Table

	EU Funds p.c. (Log)		Debt Repayment		Debt Accumulated	
Large-Family Mayor	-1.02***	-0.92***	-0.54**	-0.55**	-0.07	-0.08
	(0.39)	(0.39)	(0.23)	(0.25)	(0.08)	(0.08)
Observations	1,141	1,065	1,183	1,169	1,192	1,178
Effective Obs. (Left)	303	289	387	327	350	340
Effective Obs. (Right)	299	277	373	315	337	327
Bandwidth	.17	.17	.21	.17	.21	.2
Fixed Effects	YES	YES	YES	YES	YES	YES
Controls	NO	YES	NO	YES	NO	YES

H1 — Large-Family Mayors Perform Worse — RDD Graph







Placebo and Robustness Tests

1. *Robustness*: weighted last names. Go
2. *Robustness*: different large family candidate's cutoffs. Go
3. *Robustness*: different bandwidths. Go
4. *Robustness*: CER bandwidth choice. Go
5. *Robustness*: jackknife regions-election years. Go
6. *Robustness*: uniform kernel. Go
7. *Robustness*: polynomial degree. Go

8. *Placebo*: lagged dependent variables. Go
9. *Placebo*: irrelevant cutoffs. Go

Introducing *Family Power*

- Dominant families $\Rightarrow$ larger performance drop

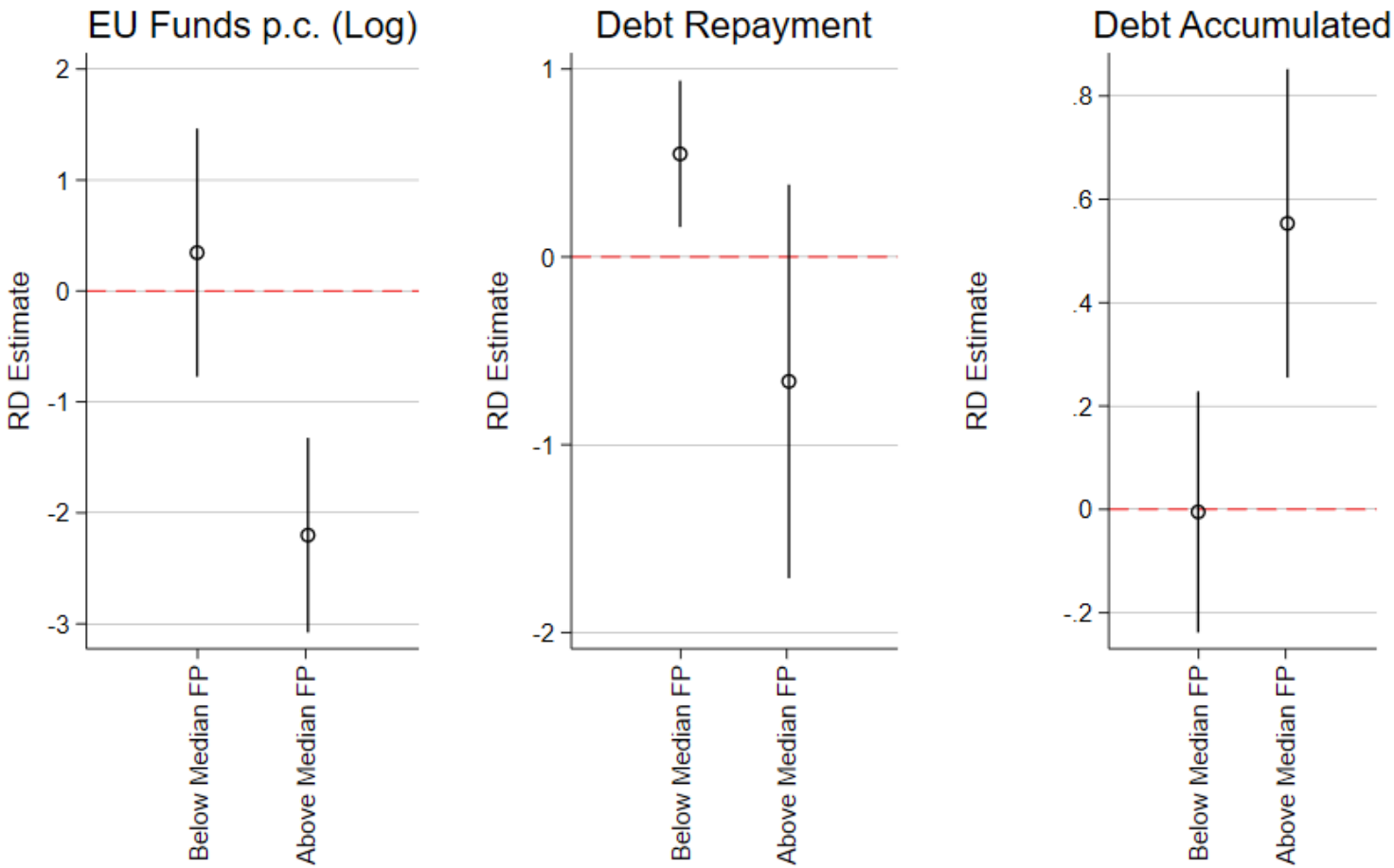
- *Family power* - a normalised *Herfindahl-Hirschman Index*.

$$\text{FamilyPower}_{i,m} = \frac{(ShareFamily_i)^2}{HHI_m}$$

- Captures family i's relative strength within municipality m.

▸ Example

H2 — Performance Drop With Low Competition



Overview

Clientelistic Behaviour

- Large-family mayors may favor relatives — e.g., contracts or alderman roles.
- Conflict-of-interest laws forbid this.
- Indeed, no evidence in close elections.

▸ RDD Clientelistic Behaviour

- Points to subtler forms of clientelism.

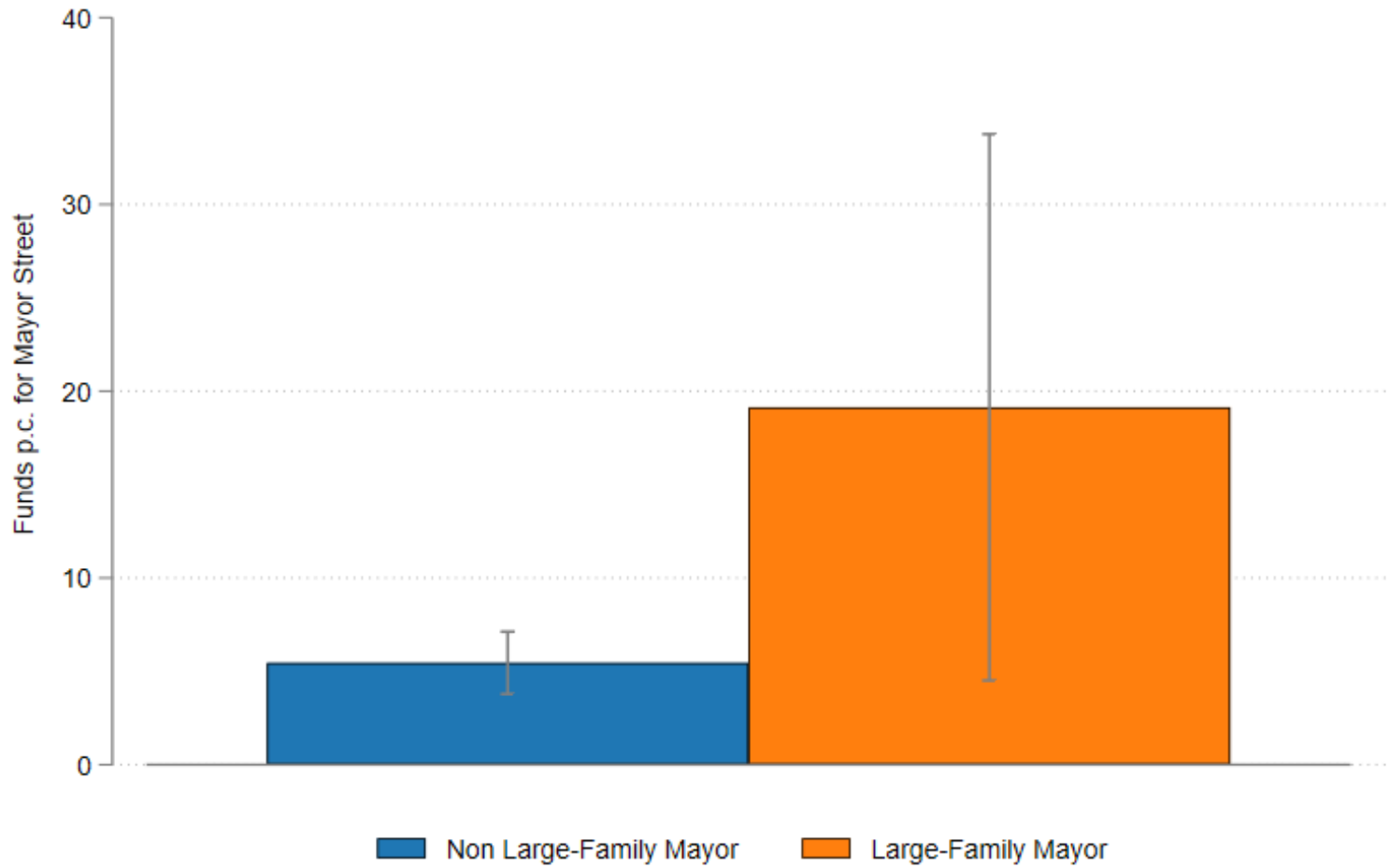
CV & Address Data

- Large-family mayors may divert public funds for maintaining the street they live on.
- Relatives likely live nearby $\Rightarrow$ positive spillovers.

- 1,299 addresses from *CV*s, matched to procurement data.

- Sample too small for RDD - descriptive only.

H3 — Privatized Management of Local Finances



Overview

Are Large-Family Mayors Punished by Voters?

- Vote share rises with family presence.

  ▸ TWFE

- Can large-family mayors hold their office?
- Two balancing forces that may offset in close elections:
  1. Support from family members.
  2. Worse performance.

H4 — Large-Family Mayors Are Not Punished by Voters

	Pr(Mayor Reelected)			
Share Relatives of Mayor	0.35***	0.57***		
	(0.14)	(0.21)		
Large-Family Mayor			0.09	0.07
			(0.08)	(0.08)
Observations	22,583	14,314	1,451	1,340
Effective Obs. (Left)			460	469
Effective Obs. (Right)			467	470
Bandwidth			.18	.24
Fixed Effects	YES	YES	YES	YES
Controls	NO	YES	NO	YES
Estimator	TWFE	TWFE	RDD	RDD

Overview

Summary

Take-away: Family ties shape politicians' behavior in office.

- Large-family mayors perform worse due to weaker incentives.
- Effect stronger when outsider competition is low.
- They divert public resources for personal gain.
- Yet, they retain an electoral edge despite poor performance.

Thank You!

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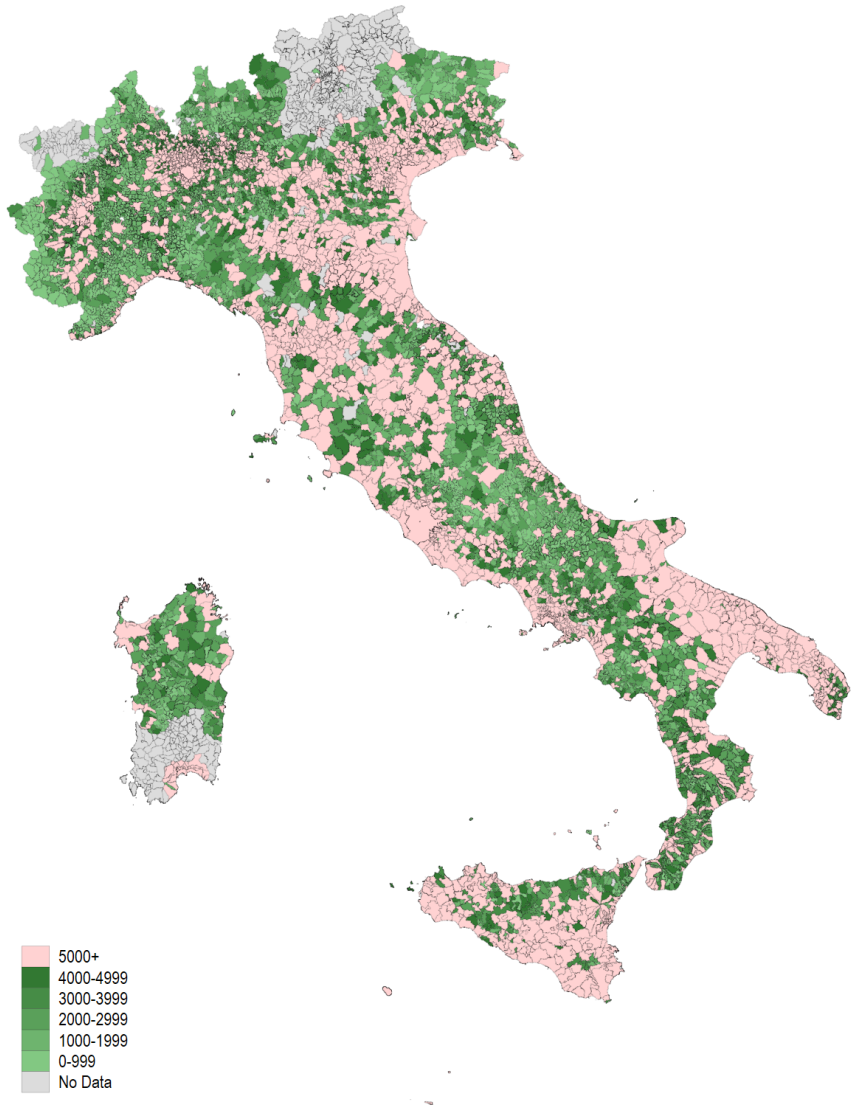
Map Relevant Municipality



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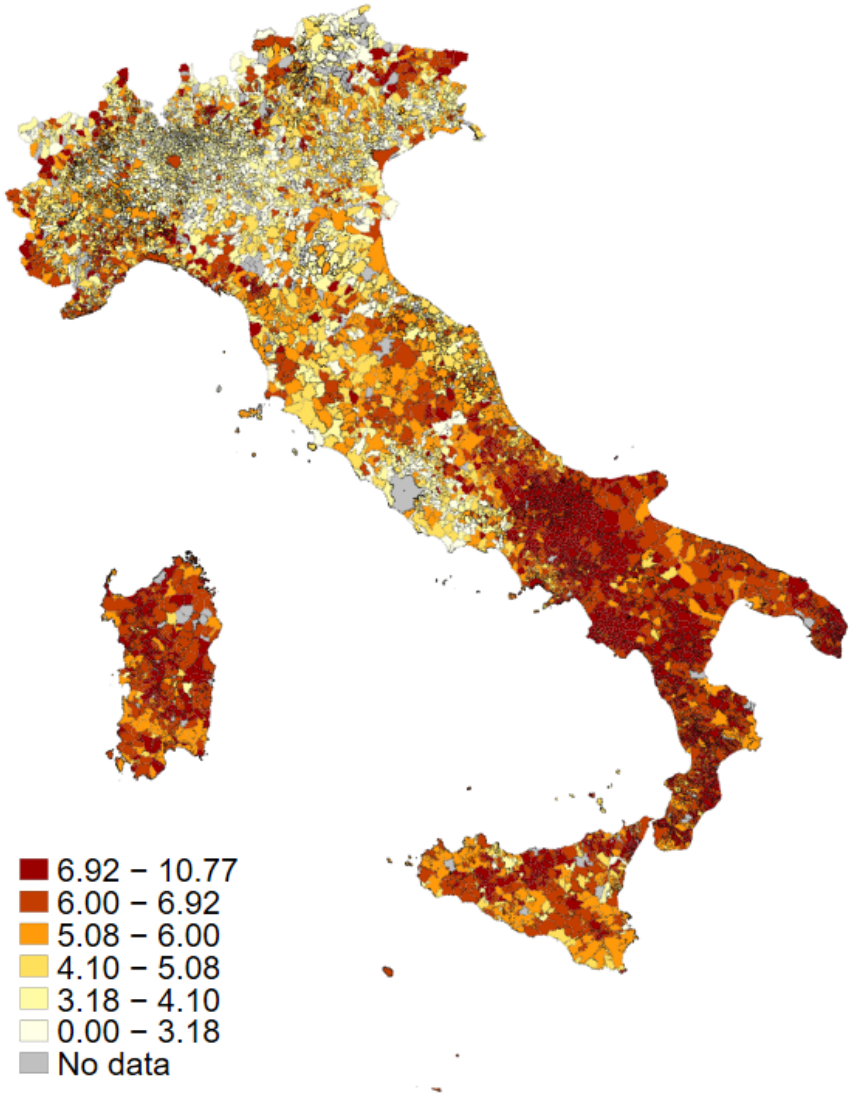
Map EU Funds



More on EU Funds

European Cohesion Funds aim to reduce regional gaps and promote sustainable development.

- Distributed via regional calls; municipalities apply for EU-aligned projects.

- Why use it to measure performance?
  1. Requires complex applications, compliance, and reporting.
  2. Signals capacity to attract external funding.

- Dataset: 75,164 funded projects.

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More on Debt in Italian Municipalities

- Municipal borrowing allowed only for investment, under strict limits.
- Since 1999, all municipalities are subject to the "Domestic Stability Pact" (DSP).
- DSP imposes evolving fiscal rules to contain the fiscal gap.
- New debt allowed to refinance old debt if it saves costs and funds investment (Law 311/2004).

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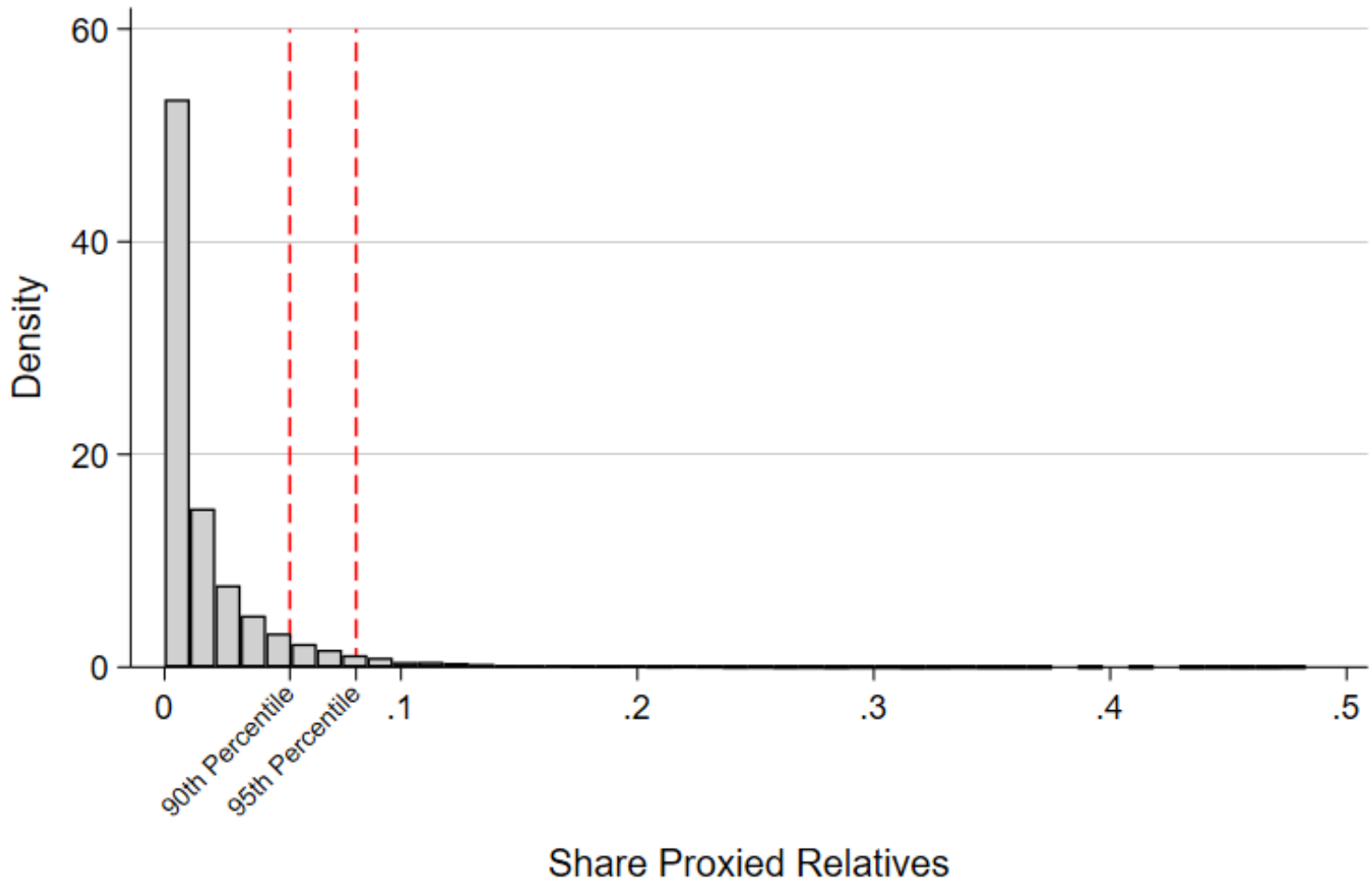
Distribution Share Relatives



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Summary Statistics

	Whole Sample		Effective Sample	
Variable	*Mean*	*SD*	*Mean*	*SD*
Outcomes				
EU Funds p.c. (Log)	2.697	2.550	3.260	2.850
Debt Repayment	1.123	1.175	1.234	0.989
Debt Accumulated	0.642	0.576	0.663	0.620
Money to Relatives (Log)	0.028	0.563	0.380	2.036
Cabinet Member Relatives	0.006	0.075	0.079	0.270
Funds p.c. for Mayor Street	6.857	41.869	14.183	72.564
Pr(Mayor Reelected)	0.372	0.483	0.389	0.488
Mayor Characteristics				
Sex	0.106	0.308	0.093	0.290
Age	49.170	10.544	48.970	10.912
Education	0.376	0.484	0.341	0.474
White Collar	0.557	0.497	0.523	0.500
Native	0.432	0.495	0.512	0.500
Dynastic	0.057	0.232	0.126	0.331
Shares of Votes	0.633	0.178	0.659	0.183
Municipality Characteristics				
Population (Log)	7.223	0.867	6.548	0.916
Surface (Log, Km^2)	2.892	0.925	2.756	0.844
Latitude	43.415	2.434	43.262	2.424
Longitude	11.265	2.841	11.562	2.892

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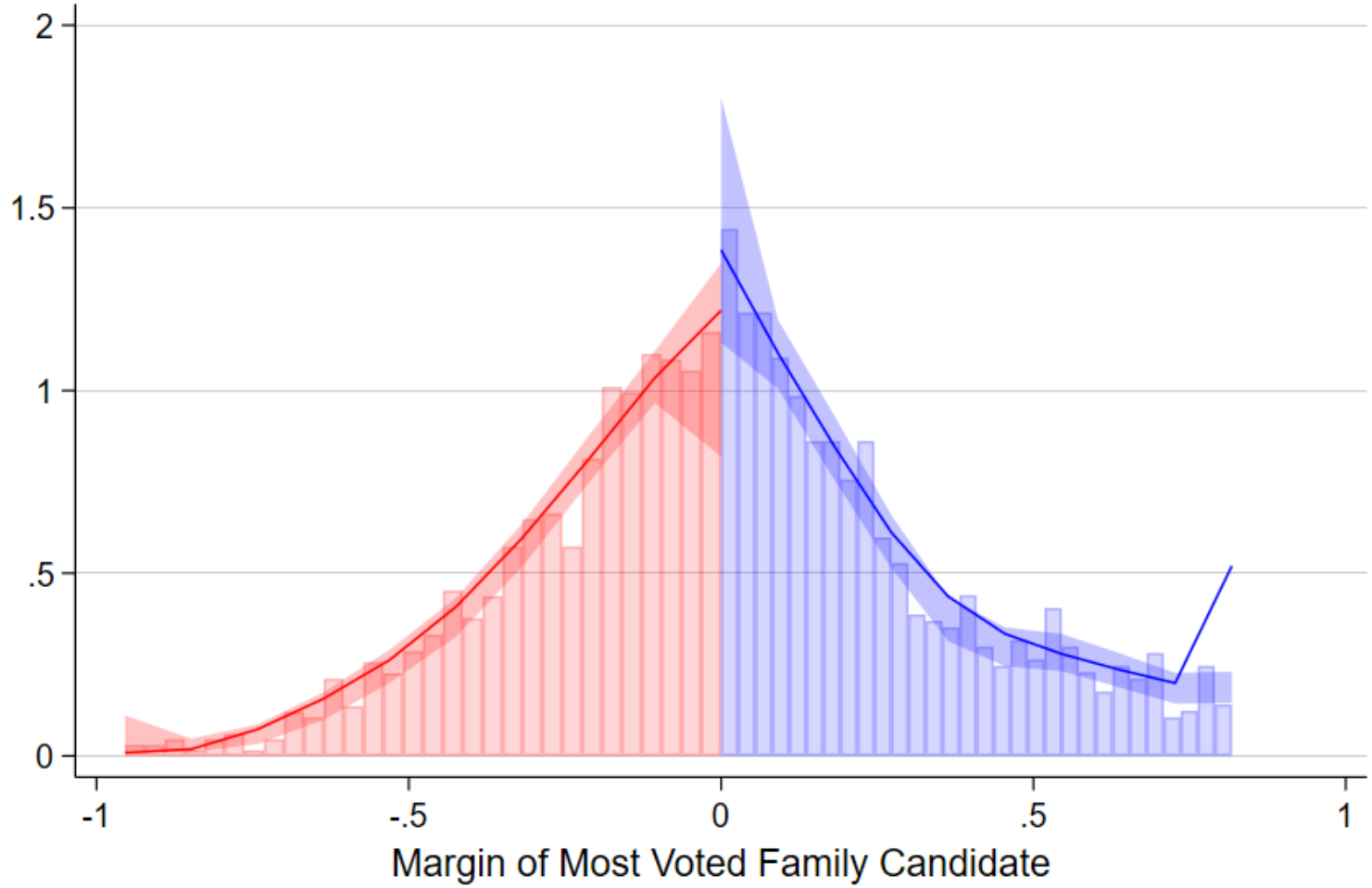
Manipulation Test



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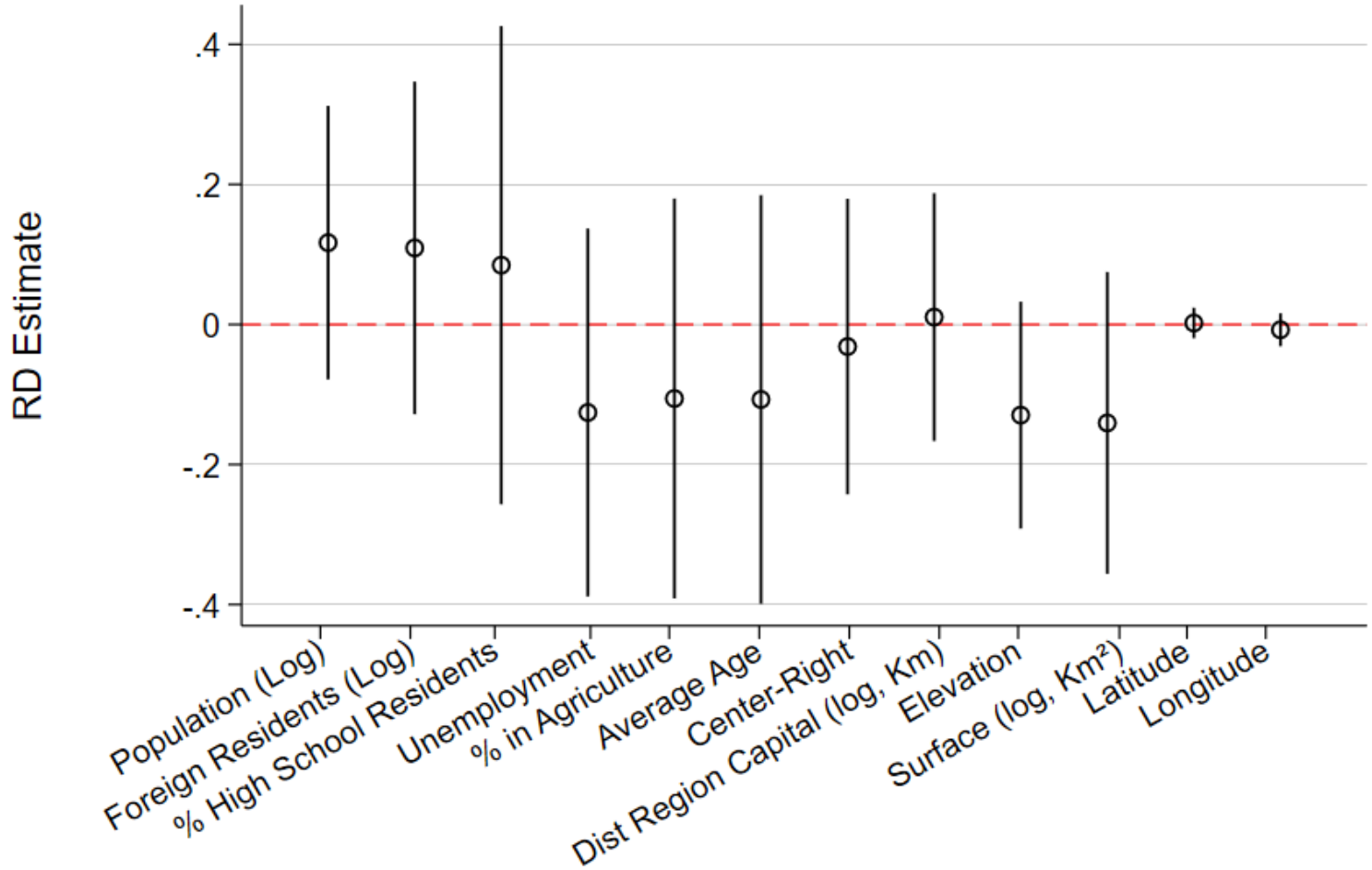
Balance of Covariates at Cutoff



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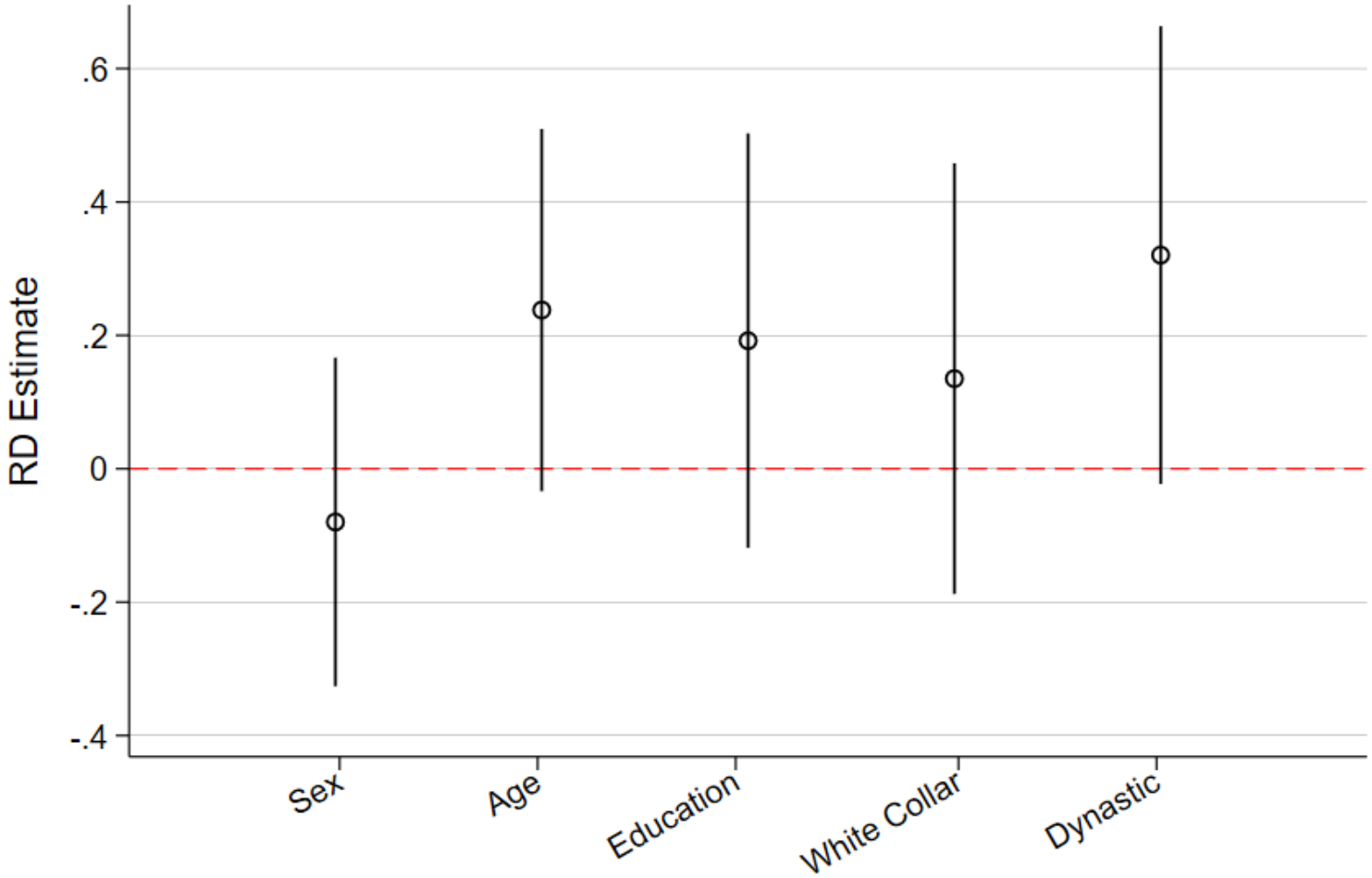
Family Size Not a Compound Treatment



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Robustness to Weighted Last Names

	EU Funds p.c. (Log)		Debt Repayment	
Large-Family Mayor	-0.62	-1.19*	-0.46***	-0.49***
	(0.70)	(0.64)	(0.12)	(0.13)
Observations	1,132	1,057	1,172	1,158
Effective Obs. (Left)	246	200	370	353
Effective Obs. (Right)	249	205	345	329
Bandwidth	.15	.13	.15	.16
Fixed Effects	YES	YES	YES	YES
Controls	NO	YES	NO	NO

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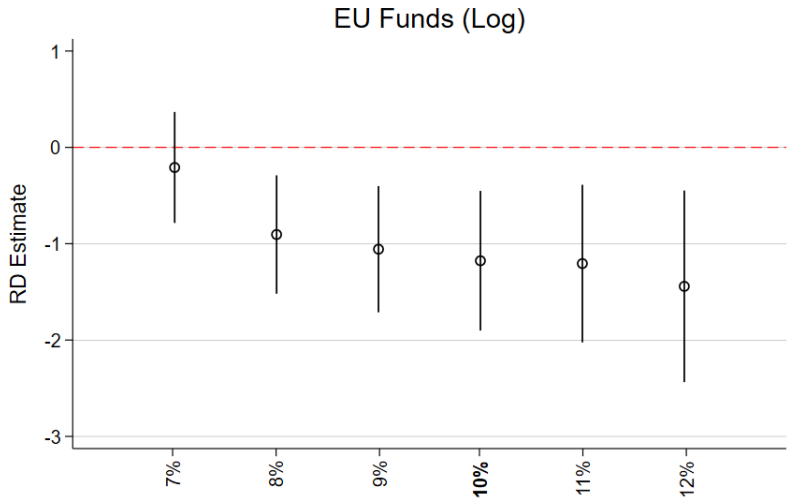
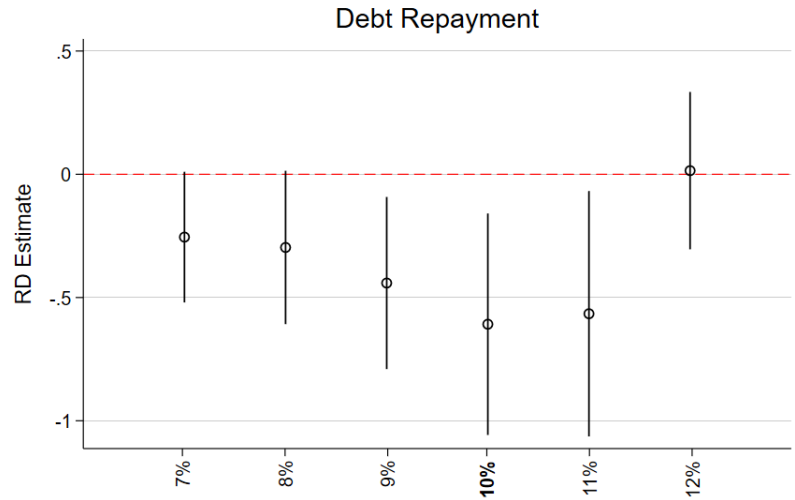
Robustness to Alternative Definitions of Large-Family Mayor



(a) EU Funds p.c.



(b) Debt Repayment

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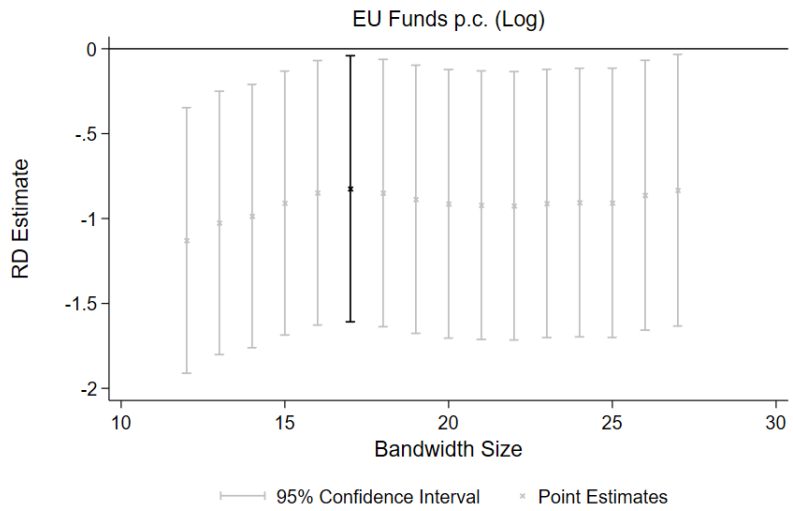
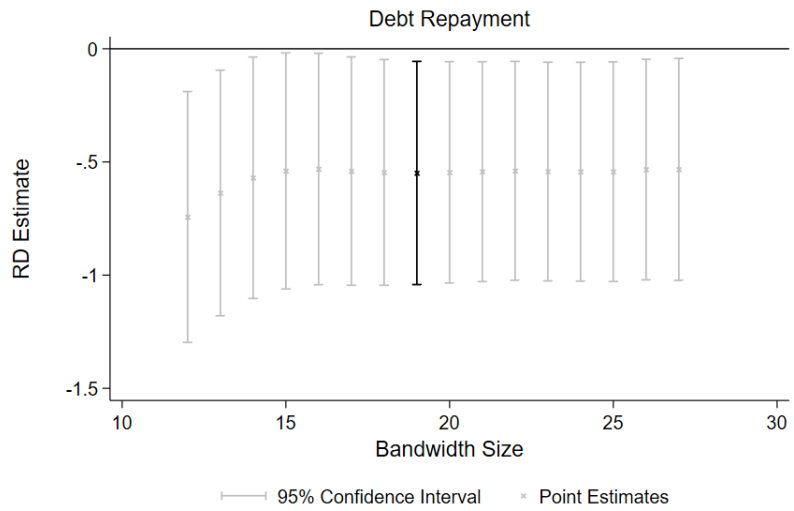
Robustness to Alternative Bandwidths



(a) EU Funds p.c.



(b) Debt Repayment

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Robustness to CER Bandwidths

	EU Funds p.c. (Log)		Debt Repayment		Debt Accumulated	
Large-Family Mayor	-1.06***	-0.95**	-0.56**	-0.57**	-0.05	-0.03
	(0.38)	(0.39)	(0.26)	(0.27)	(0.08)	(0.08)
Observations	1,141	1,065	1,183	1,169	1,192	1,178
Effective Obs. (Left)	303	289	387	327	350	340
Effective Obs. (Right)	299	277	373	315	337	327
Bandwidth	.12	.13	.15	.12	.15	.15
Fixed Effects	YES	YES	YES	YES	YES	YES
Controls	NO	YES	NO	YES	NO	YES

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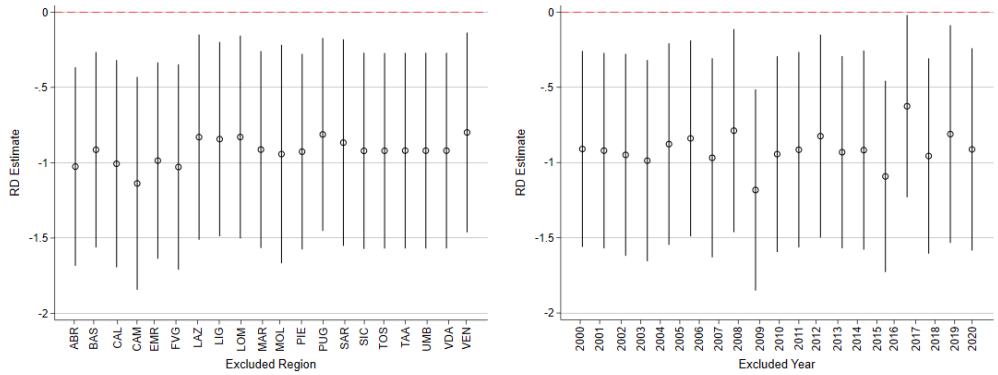
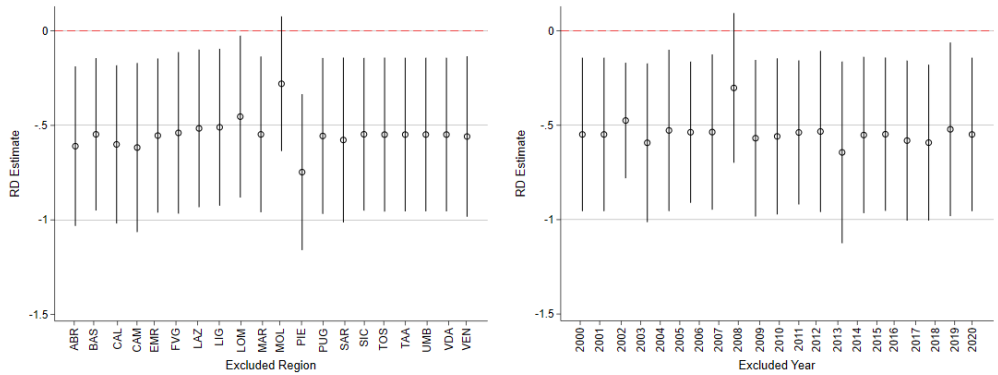
Not Driven by a Single Province/Year — Jackknife



(a) EU Funds p.c.



(b) Debt Repayment

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Robustness to Uniform Kernel

	EU Funds p.c. (Log)		Debt Repayment		Debt Accumulated	
Large-Family Mayor	-0.92**	-0.73	-0.52**	-0.39	-0.09	-0.12
	(0.45)	(0.45)	(0.26)	(0.25)	(0.10)	(0.09)
Observations	1,141	1,065	1,183	1,169	1,192	1,178
Effective Obs. (Left)	265	255	310	295	320	357
Effective Obs. (Right)	268	251	297	293	315	337
Bandwidth	.12	.12	.12	.12	.15	.18
Fixed Effects	YES	YES	YES	YES	YES	YES
Controls	NO	YES	NO	YES	NO	YES

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Robustness to Polynomial Degree

	EU Funds p.c. (Log)		Debt Repayment		Debt Accumulated	
Large-Family Mayor	-1.05**	-0.91*	-0.67**	-0.64**	-0.06	-0.06
	(0.47)	(0.47)	(0.30)	(0.28)	(0.09)	(0.09)
Observations	1,141	1,065	1,183	1,169	1,192	1,178
Effective Obs. (Left)	353	339	397	400	364	366
Effective Obs. (Right)	328	307	376	374	344	342
Bandwidth	.26	.26	.31	.29	.25	.25
Fixed Effects	YES	YES	YES	YES	YES	YES
Controls	NO	YES	NO	YES	NO	YES
Polynomial	2	2	2	2	2	2

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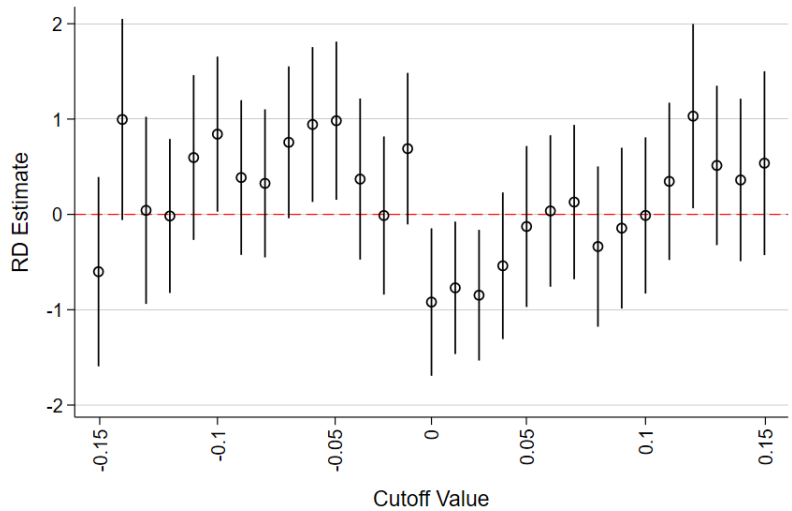
Placebo — Lagged Dependent Variable

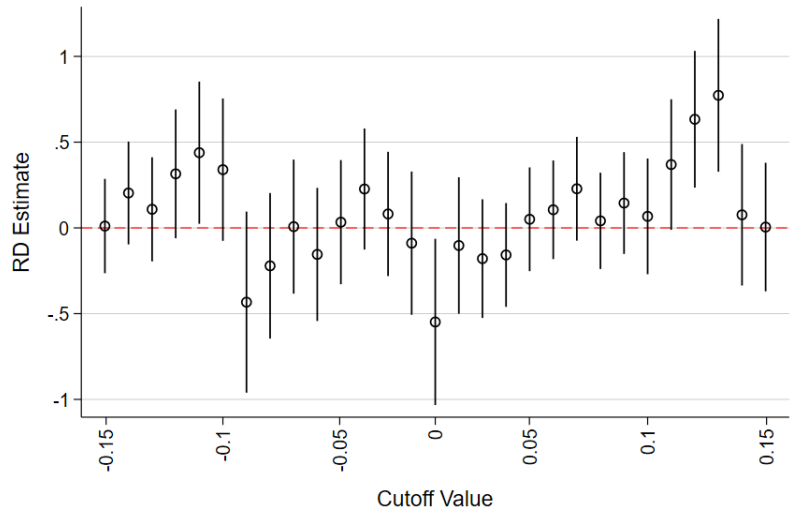
	EU Funds p.c. (Log) Lag		Debt Repayment Lag		Debt Accumulated Lag	
Large-Family Mayor	0.44	0.59	-0.31	-0.26	-0.03	-0.04
	(0.56)	(0.58)	(0.27)	(0.27)	(0.07)	(0.07)
Observations	684	627	791	732	904	832
Effective Obs. (Left)	207	194	275	257	279	265
Effective Obs. (Right)	190	171	254	232	275	259
Bandwidth	.19	.19	.26	.26	.24	.25
Fixed Effects	YES	YES	YES	YES	YES	YES
Controls	NO	YES	NO	YES	NO	YES

▸ Back

Placebo — Irrelevant Cutoffs



(a) EU Funds p.c.



(b) Debt Repayment

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Example *Family Power* Index

Last Names	Share Cognome	HHI	Family Power
Rossi	**0.127**		**0.465**
Pignatiello	0.050		0.071
Miranda	0.044	347.059	0.056
Forni	0.044		0.056
Parrella	0.039		0.043

Acquaviva d'Isernia (IS)

Last Names	Share Cognome	HHI	Family Power
Petrocelli	0.211		0.363
Ciummo	0.184		0.277
Rossi	**0.132**	1222.299	**0.142**
Proni	0.092		0.069
Tartaglione	0.079		0.051

Arpaise (BN)

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No Evidence of Standard Clientelistic Behaviour

	Money to Relatives (Log)		Cabinet Member Relatives	
Large-Family Mayor	-0.62*	-0.76**	-0.04	-0.04
	(0.35)	(0.36)	(0.04)	(0.04)
Observations	944	872	2,086	1,909
Effective Obs. (Left)	237	215	581	528
Effective Obs. (Right)	234	214	592	541
Bandwidth	.17	.17	.17	.17
Fixed Effects	YES	YES	YES	YES
Controls	NO	YES	NO	YES

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Voting Behaviour

- Votes are positively correlated with the share of relatives.

$$\text{VoteShare}_{i,t} = \beta \text{Share Relatives}_{i,t} + \psi X'_{i,t} + \phi_i + \tau_t + \epsilon_{i,t}$$

	Vote Share		
	(1)	(2)	(3)
Share Relatives of Candidate	0.98***	0.97***	0.94***
	(0.04)	(0.05)	(0.05)
Observations	71,558	71,489	71,489
Controls	NO	NO	YES
Fixed Effects	NO	YES	YES

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