Cross-Border Income Shocks and the Green Vote

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Switzerland seems placid...

Economic effects on elections

We know

- ► Economic performance influences support for incumbent parties, i.e., the economic vote (e.g., Duch & Stevenson 2008)
- ► The slow accumulation of wealth in societies leads to the emergence of postmaterial issues and green parties (e.g., Inglehart & Wenzel 2005)

We argue

- ► that specific parties should benefit/lose from the business cycle
- ► issue voting is influenced by the economy

The mechanism

(1) growth $\Rightarrow$ income $\Rightarrow$ material security

(2) material security $\Rightarrow$ prioritize non-material issues

(3) non-material emphasis $\Rightarrow$ post-material (i.e., Green) parties

Accelerated Inglehart

▶ over BC instead of generations

Greens archetypical but not alone

▶ "Luxury issue" and "luxury party" scales

What's new here?

Treatment:

- ▶ increased wages of skilled natives (Beerli et al., 2021)
- ▶ increased right-populist support (Alrababah et al., 2024)

Related:

- ▶ income is strong predictor of green vote (e.g., Schumacher 2014; Grant & Tilley, 2018)
- ▶ perceived good economy increases support for green-er parties in DK and DE (Abou-Chadi & Kayser 2017)

Contribution:

- ▶ short-run income change influences support for specific (green) parties, not just incumbents
- ▶ issue voting is not divorced from the economy

Data and design

:: DiD, matched DiD, synth DiD

$$y_{i,t} = \beta^{T}[post_t \times I(dur \leq 30)] + \alpha_i + \alpha_t + \gamma Controls_{i,t} + \epsilon_{i,t}$$

Municipalities

T: LAU bordering CH in AT, DE, FR and IT
C: Neighboring regions in the same country
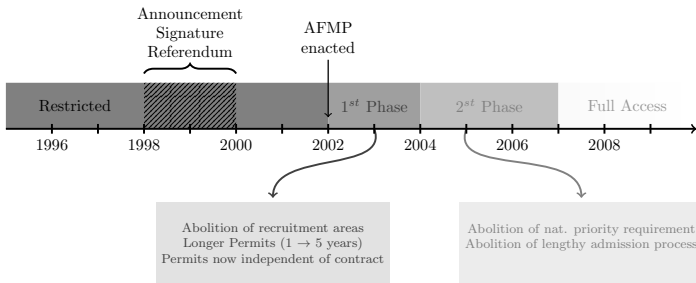O: Green party vote share

Individuals

T: Respondents in FR depts bordering CH
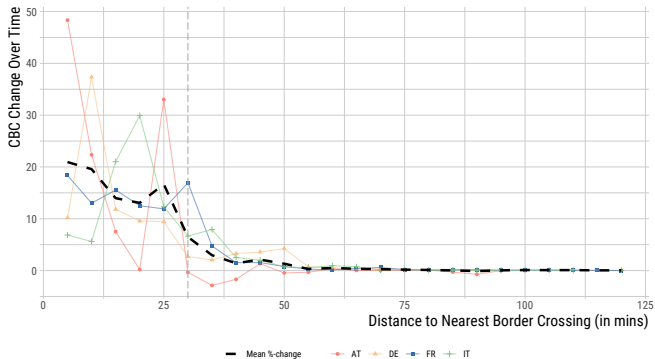C: R's in (a) bordering depts & (b) rest of France
O: "We need to support ecologist movements"

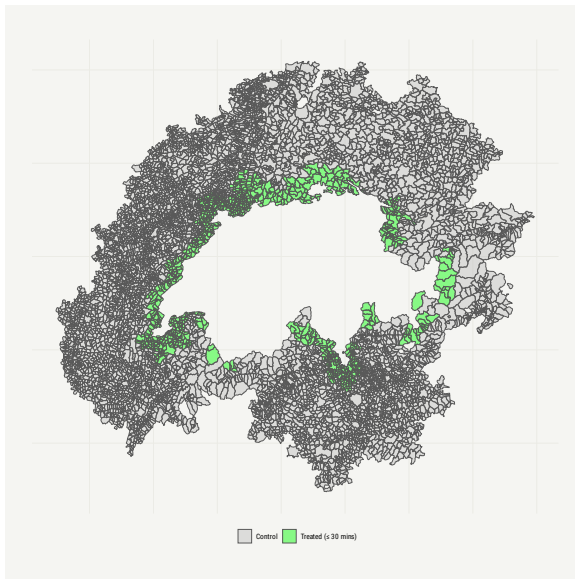· *Baromètre nucléaire*, 1992 to 2005, annually.

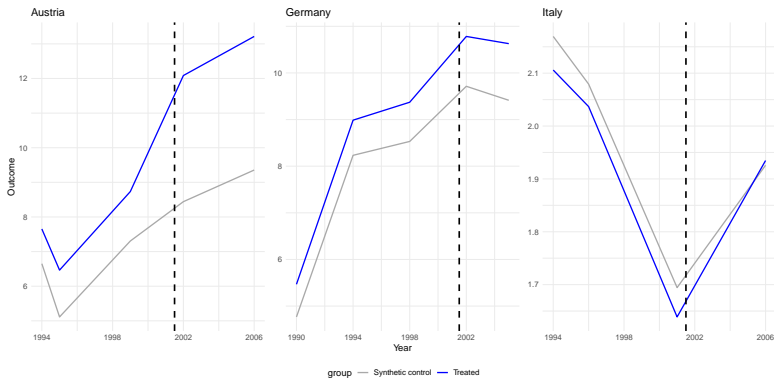# Treatment event: the AFMP

Change in CBC over time

Municipalities w/in 30 minute drive

Control   Treated (≤ 30 mins)

Naive parallel trends?

Parallel trends with synthetic control

Naive DiD results

	DV: Green Party (%)							
	Austria		France		Germany		Italy	
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Treat x Post 2002	3.06	1.27	0.24	0.96	0.20	0.39	0.15	0.13
	[2.35, 3.77]	[0.50, 2.04]	[0.01, 0.47]	[0.27, 1.64]	[0.13, 0.53]	[0.75, 0.03]	[0.06, 0.24]	[0.27, 0.53]
Covariates	X	X	X	X	X	X	X	X
FE: Year	X	X	X	X	X	X	X	X
FE: Muni	X	X	X	X	X	X	X	X
FE: Muni x Year		X		X		X		X
N	1632	1632	13663	13663	6815	6815	8212	8212
R^2	0.81	0.88	0.49	0.43	0.87	0.91	0.39	0.55
R^2 Within	0.16	0.01	0.00	0.02	0.08	0.07	0.01	0.01
RMSE	1.66	1.18	1.55	1.18	1.22	0.91	0.80	0.55

Point estimates: synthetic DiD
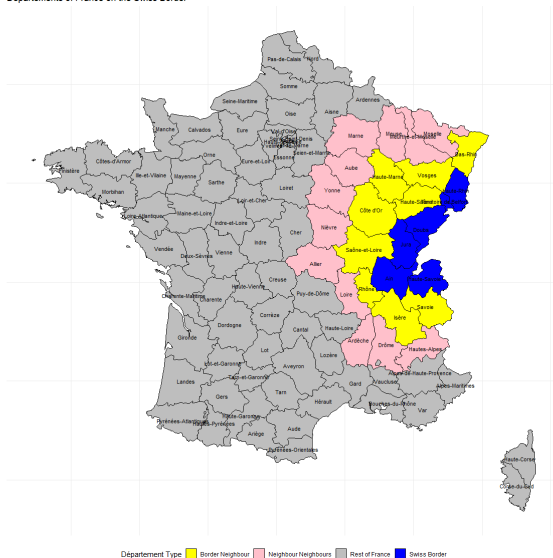

Effect of CBC Reform on Green Party Vote
Synthetic DiD
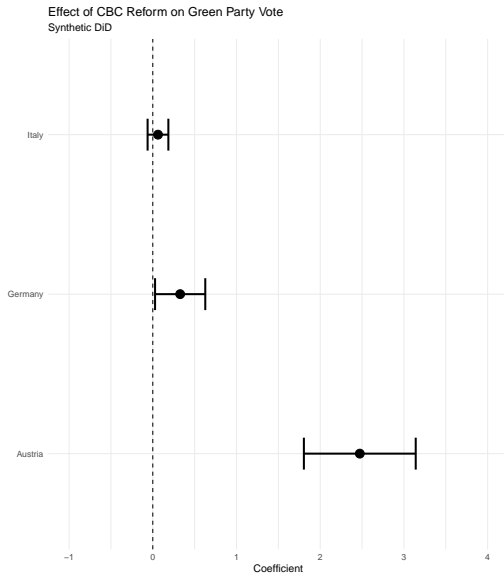
Individuals in France

Treatment areas (Nuclear Barometer Survey)

Départements of France on the Swiss Border

Département Type ▢ Border Neighbour ▢ Neighbour Neighbours ▢ Rest of France ▢ Swiss Border

Naive parallel trends

Proportion of survey respondents who support green movements
in Border versus Non-border Départements
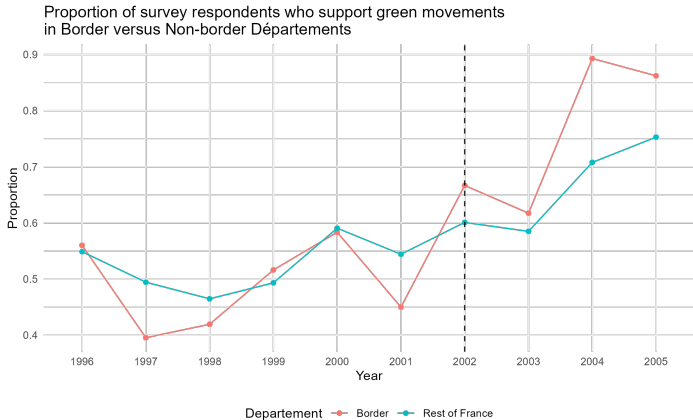
Synthetic DiD (border/rest of France)

Synthetic Control Difference in Difference
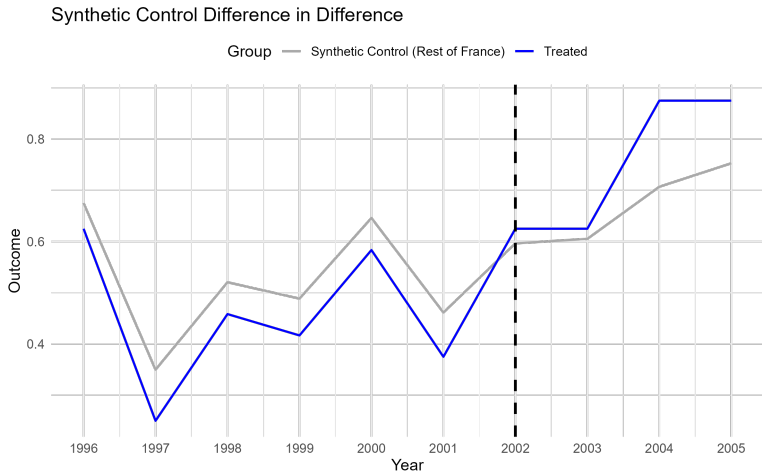
Results table (LPM)

	DV: Support for Green Movement		
	Simple DiD	Interacted DiD	Synthetic DiD
	(1)	(2)	(3)
Treat x Post 2002	**0.13**	**0.12**	**0.16**
	[0.09, 0.16]	[0.09, 0.14]	[0.04, 0.28]
N	12798	12798	8620
R^2	0.03	0.04	-
R^2 Within	0.00	0.00	-
RMSE	0.49	0.48	-
FE: Year	X	X	
FE: Region	X	X	
FE: Region x Year		X	

Coefficient plots

Effect of being in Border Departement after 2002 on support for green movements
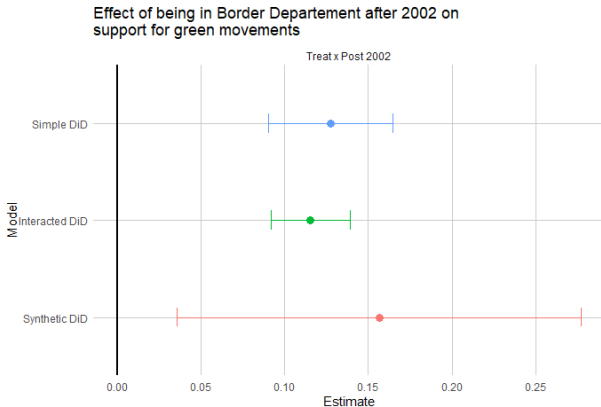
Conclusion

Results

- ▶ Positive, significant and causal relationship between income shocks and green vote share in AT and DE municipalities (need to extend FR data)

- ▶ Positive, significant and causal relationship between income shocks and support for environmental movements in France

Implications

- ▶ Green support may covary with the business cycle
- ▶ Issue voting is not divorced from the economy
- ▶ Economy matters for specific party types, not just incumbents.

Concerns & next steps

- ▶ Measure income shock in treatment areas

- ▶ Extend municipal time series, esp. for France

- ▶ Confounded treatment events?
  - ▶ Swiss EU accession referendum, March 2001?
  - ▶ Vorarlberg coefficient

- ▶ Small treatment sample
  - ▶ 24 R's in T in each survey b/c need balanced panel
  - ▶ 838 R's in C (rest of France)