Voters’ Response to Public Policies:
Evidence from a Natural Experiment*

Francesco Drago† Roberto Galbiati‡ Francesco Sobbrio§

June, 2015

PRELIMINARY AND INCOMPLETE
— Please do not circulate —

Abstract

This paper analyzes the voters’ response to a public policy by exploiting a natural experiment arising from the 2006 Collective Clemency Bill in Italy. The design of the Bill created idiosyncratic incentives to recidivate across pardoned individuals. Our results show that these individual incentives created different policy effects across municipalities. Cities where the incentives to recidivate of pardoned individuals resident in that municipality were higher, experienced a higher recidivism rate. At the same time, a higher incentive to recidivate at the municipal level lead to: a) newspapers reporting more crime news relative to the pre-pardon period (as well as more crime news involving pardoned individuals); b) voters holding worse beliefs on the incumbent government’s crime control policies. Finally, the incumbent government’s experienced a worse electoral performance in the April 2008 elections relative to the opposition coalition in municipalities where pardoned individuals had a higher incentive to recidivate. Overall, we provide direct empirical evidence showing that voters receive private signals consistent with the effects of public policies. In turn, they use these information to form their posterior beliefs on the quality of the incumbent government’s policies. Ultimately, voters keep the incumbent government accountable by conditioning their vote on their posterior beliefs.

Keywords: Accountability, Voting, Randomized Natural Experiment, Crime, Recidivism.

JEL Classification:

*We thank Luca Riva for outstanding research assistance.
†University of Naples, Federico II and CSEF, francesco.drago@unina.it
‡CNRS-OSC, Sciences Po, galbiatiir@gmail.com
§Catholic University of Milan, francesco.sobbrio@unicatt.it