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Local Public Spending, Electoral Consensus, and Sustainable Structural Change

Abstract

This paper explores electoral consensus regarding local public spending as a way for policymakers, particularly in western democracies, to secure long-term electoral support to govern the sustainability of structural change. Public spending is perceived by local electoral constituencies as immediately affecting people's lives and thus strongly influences individual voting behaviour. Focusing on the case of Italy, this paper explores the electoral consensus–public spending nexus on the municipal level. The results show that, on average, an increase in local public spending is associated with a reduction in electoral consensus towards anti-system parties, whereas an increase in local public spending does not yield a significant raise in electoral consensus for pro-system parties. We find nevertheless heterogeneous effects across different geographical areas and spending categories for both anti-system and pro-system party consensus. The results yield insights for scholarly debate and implications for policymaking to garner the electoral consensus needed for sustainable structural change.

Keywords

Sustainable Structural Change; Electoral Consensus; Local Public Spending; Policymaking; Municipality

JEL codes

H7 State and Local Government; Intergovernmental Relations; H4 Publicly provided goods; H11 Structure, Scope, and Performance of Government; D72 Political Processes: Rent-Seeking, Lobbying, Elections, Legislatures, and Voting Behaviour; L88 Government policy; D7 Analysis of Collective Decision-Making

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1. Introduction

This paper explores the relationship between local public spending and electoral consensus for sustainable structural change in Italy. By electoral consensus, we mean the ability of political parties to gain and secure electoral support from voters. We proxy this consensus by changes in voting preferences for different types of political parties — namely, 'anti-system' and 'pro-system' parties — over two electoral periods.

From the perspective of political economy, the rationale behind our analysis is that electoral consensus regarding local public spending is a crucial mechanism for governing the continuous process of structural change affecting our ever-changing economies and societies. Specifically, structural change needs to be governed to guarantee its social and economic sustainability. Indeed, structural change is at the heart of economic development processes (Pasinetti, 1981,1993; Ocampo, 2020), which are characterised by shifts in the relative proportions of productive sectors, ultimately leading to a transformation of the socioeconomic system.

Current processes of structural change are triggered by forces mostly connected to increasing globalisation and the cross-country interdependence of economic, social, and political dynamics. Important examples include the reconfiguration of global value chains (GVCs), transformations in the international division of labour (Bianchi and Labory, 2019; Pietrobelli and Rabellotti, 2011), disruptive technological changes (such as consumption behaviours and the automation and digitalisation of production systems), and government policies affecting international industry and trade, such as commercial agreements or protectionist barriers.

Within such structural change dynamics, some sectors aim to expand and capture higher added value, profits, and market shares, while others seek to maintain their market positions or protect themselves from potential downsizing (Scazzieri, 2018; Cardinale and Scazzieri, 2018). However, structural change is neither a neutral process nor a zero-sum game: incompatible sector claims and interests in limited resources represent a significant source of conflict, whether between or within sectors, which might open new lines of disagreement or compromise in the socioeconomic realm or revive old cleavages. In view of this, conflictual relations and idiosyncratic interdependence between actors at various levels of production system aggregation contribute to accelerating, decelerating, encouraging, or hindering the structural transformation of sectors (Andreoni and Scazzieri, 2014; Cardinale, 2018; Cardinale and Scazzieri, 2019; Cardinale and Scazzieri, 2020).

Recent contributions highlight that conflictual interests and interdependence can be accommodated within the economic system only to a certain degree, beyond which the system's viability and sustainability are endangered and, eventually, seriously compromised (Lin, 2012, 2017;

Di Tommaso et al., 2020). An emerging branch of the literature assigns an explicit role to policy interventions with a dual aim: (i) to ensure the sustainability of structural transformations and (ii) to drive structural transformation towards normative development goals — such as inclusive growth and equal opportunities, poverty reduction, environmental protection, reduced inequality in the distribution of income and wealth, and universal access to fundamental goods and services such as health and education (Ferrannini et al., 2021; Sen, 2009, 2013; Myrdal, 1970).

In addition, particularly in democratic countries, government interventions aimed at advancing normative development goals and fostering the sustainability of the required structural transformation need to activate electoral consensus among the public. This means that policy actions need to be politically supported by the electorate in the long term (Di Tommaso, 2020). However, decision-making processes and policy actions might fail to open a debate in which development goals should be promoted or address the need for sustainability in structural change. This is particularly the case when government intervention is led and captured — or simply strongly influenced — by pressures from particular interests and *rent seekers*. In this case, the most influential groups are either unable or deliberately unwilling to reconcile their own interests, privileges, and prerogatives with normative development goals and sustainable trajectories of structural transformation that would benefit society as a whole (Hirschman, 1970; Di Tommaso et al., 2020).

Policy actions aimed at enhancing the sustainability of structural change are thus exposed to the risk of failure because of the contrast in interests between incumbents and newcomers, since the former might seek to defend their positions and the status quo (Cardinale, 2017). Therefore, the institutional framework of democratic countries requires governments to be able to incorporate the perspective of normative goals in public debate and marshal a broad electoral consensus by reconciling conflictual interests along a sustainable trajectory of structural transformation.

We presume that local public spending might be a crucial channel for policymakers to garner the electoral consensus necessary to achieve ambitious normative goals along a sustainable trajectory of structural change (Di Tommaso, 2020). Indeed, local public spending has an important influence on voting behaviour, since it is easily observed by the final beneficiaries and therefore perceived as immediately affecting people's lives (Bellani and Scervini, 2020, p. 9).

This paper thus explores whether local public spending might represent a channel through which governments may reconcile the conflicts of interest inherent to the process of structural change and build the electoral consensus needed to make a trajectory of structural transformation sustainable.

In the following analysis, we proxy electoral consensus using electoral support for anti-system parties. The rise of anti-system parties signals the opening of new cleavages within the socioeconomic system or the sharpening of old lines of conflict between socioeconomic players. In our view, the

more electoral consensus anti-system parties can marshal among the electorate, the greater the danger to structural transformation. Indeed, the emergence and electoral success of new anti-system parties (Mudde, 2014; Levite and Tarrow, 1983; Zulianello, 2018, 2019) signals not only that the degree of conflict within economies and societies is growing, but also that government actions so far have not appropriately addressed the sustainability of structural change dynamics. The existing literature on voting behaviour suggests framing the following research questions:

i. Does an increase in local public expenditure reduce electoral consensus in support of anti-system parties?
ii. Does spending in different categories heterogeneously affect this electoral consensus?

This paper addresses these questions from the point of view of the political conditions needed to ensure a sustainable trajectory towards normative development goals. We examine our research questions in the context of the paradigmatic case of Italy. Italy is an interesting case given the specifics of its structure of internal cleavages and the longstanding presence of anti-system parties in the national party system. The combination of several judicial 'earthquakes', combined with changes in social and living conditions due to the modernisation of the industrial structure (Poguntke and Scarrow, 1996), have undermined the stability of the traditional Italian bipolar party system. These developments have triggered the development of anti-system parties in the past decade, activating additional lines of conflict and increasing political polarisation.

This paper undertakes an econometric analysis of the relationship between local spending and electoral consensus on the municipal level. The outcome variable is electoral consensus, captured as the variation in votes for anti-system and pro-system parties in the 2013 and 2018 elections in Italy.

Overall, the contribution of this paper is twofold. First, from a theoretical perspective and in line with recent contributions, we acknowledge that government interventions should attempt to incorporate a normative perspective while promoting structural change in a way that guarantees social and economic sustainability (Di Tommaso et al., 2020; Ferrannini et al., 2021). We build upon this view to claim that in democratic countries in particular, the government needs to catalyse electoral consensus and thereby secure its own long-term electoral support (Di Tommaso, 2020) to implement sustainable structural change and achieve normative goals. Second, our empirical findings provide evidence for the role that local public spending might play in marshalling sufficient electoral consensus to achieve sustainable structural transformation towards ambitious normative goals. In particular, we find that increasing local public spending is associated with a reduction in electoral consensus towards anti-system parties, whose rise might threaten the sustainability of structural

change. In addition, for pro-system party consensus, we find heterogenous effects across different geographical areas and spending categories, suggesting that pro-system parties might not be fully capable of engaging with policy actions that are properly perceived by local electoral constituencies and able to garner electoral consensus.

The paper is structured into six sections. Section 2 introduces the topic, presenting the three strands of research on which this study is based: contributions on the relationship between public spending and voting behaviour; literature exploring the effects of cleavages and conflicting interests on structural transformation and its sustainability; and contributions addressing the relationship between public spending and sustainable structural change. Section 3 examines the situation in Italy and frames our research questions within the Italian context. Section 4 presents the data and methodology, while Section 5 presents the results of the econometric analysis. The discussion and conclusions follow in the final section.

2. Literature Review

2.1 Public spending and voting behaviour

Whether citizens can understand policy activities and the way in which the electorate responds to policy proposals are long-debated questions (Citrin, 1979; Wlezien, 1995; Mettler, 2010; Toder, 2000) with far-reaching implications for politics (Haselswerdt and Bartels, 2015). The early debate on this subject focused on the assumption that the '*political process runs from mass preference and demands through elected intermediaries to policy output*' (Mettler and Soss, 2004, p. 56). In this vein, the early literature established a linear causal relation between mass preferences over political configurations, expressed through the democratic process, and policy outcomes. The idea that politics plays a pivotal role in channelling public spending across different domains and electoral constituencies (Yeric and Todd, 1996), ultimately affecting how public policy is shaped and delivered, has long influenced theories of government choice over public spending. This is explicitly the case for public choice theory, which, resting on the assumptions of neoclassical economics, views individual political preferences to be a function of economic self-interest. Public choice theory, however, does not establish a clear connection between different patterns of redistribution preferences among the mass public and public expenditure allocation, predicting only that politicians' views on budget size and composition will eventually converge around the preferences of the median voter.

However, recent research has shown that the median voter theorem does not apply to several real-world cases (Alesina and Giuliano, 2010; Bellani and Ursprung, 2019). In addition to predicting inefficient levels of public spending and outcomes, the framework does not capture the voting behaviour of many individuals or the many rationales driving the redistribution activities carried out by governments. Moreover, a growing body of research has challenged the implications of policy choice theory, showing that redistribution preferences across individuals matter for public spending (Bellani and Scervini, 2020) and the ultimate provision of public goods (Alesina et al., 1999).

In this view, the pioneering work by Citrin (1979) about the influence of public opinion on national and local government spending diverges from the public choice approach. The author found that public opinion supports enhanced budgetary commitments in various domains such as health, education, urban problems, and environmental protection. These conventionally elicit widespread popular support that goes beyond the rational decisions of a self-interested individual. Indeed, although individual preferences for redistribution through public spending depend upon income and wealth levels (Meltzer and Richard, 1981), as neoclassical theories predict, they also contain noneconomic features (e.g. social background, cultural and demographic factors, political attitudes) (Costa-Font and Cowell, 2015; Gründler and Köllner, 2017), which condition individual political behaviour beyond the utility-maximising approach.

However, these studies treat policy as the culminating output of a political process (Easton, 1953) and only rarely as the cause of such forces. The seminal work by Schattschneider (1935), later built upon by Lowi (1964) and Wilson (1973), has argued that policies generate a pattern of political preferences and mobilisation between social groups (see also Adamany, 1972). According to Schattschneider (1935), new policies create new politics, such that neither the government nor political parties need to be as responsive to interest groups as they were traditionally.

Haselswerdst and Bartels (2015) built upon this line of research and discovered that other forces are involved regarding individual preferences over public spending. The authors state that preferences are also context specific and influenced by path dependency. Thus, the policy status quo (i.e. how services have conventionally been delivered, whether through tax breaks or direct public spending) structures how the public and citizens are likely to perceive the policy. Indeed, policy problems are approached differently by different governments; how a government policy has conventionally been delivered shapes '*the political environment by communicating to the public how different problems should be viewed and solved*' (Haselswerdst and Bartels, 2015, 609). In other words, under the assumption that citizens lack a detailed understanding of most public issues and suffer from information asymmetry, voters' behaviour is partly determined by prior experience. Therefore, the policy status quo and preferences for delivery mechanisms might mutually reinforce each other. This

framework suggests that it is a challenge to promote fundamental change (Mettler and Soss, 2004). Variations in preferences and voting behaviour do occur, attesting to the ability of the public to provide feedback to policymakers (Pierson, 1993). Variations in how the electorate perceives and responds to public spending (through voting behaviour) can primarily be attributed to awareness-raising campaigns and the disclosure of information on policy proposals from the political elite (Mettler and Guardino, 2011).

The informational content of public policies has drawn the attention of scholars. Studies have shown that when there is general ignorance or little information about the probable consequences of a change in the level of taxation and spending, misperceptions regarding personal costs and benefits are widespread, and people often fail to act in their own interest even if they intend to do so (Citrin, 1979). According to Stretton and Orchard (1994, p. 27), '*most people don't know how to vote for their own interest, and it would cost them too much to find out. Their ignorance has important [political] effects*'. Indeed, suppose the heterogeneity of preferences per se hinders political coordination regarding public spending, conditional on some standard of policy complexity. In this case, general ignorance and misinformation complicate the task of parties and politicians to infer individual and aggregate attitudes towards public spending. However, recent research (Soroka and Wlezien, 2010; Ellis and Faricy, 2011) has shown that the spread and rapid circulation of information in society (through the press, media, family, friends, political groups, and daily experience with government services) are increasingly enabling the electorate to judge the level and distribution of public spending across policy domains and provide feedback to policymakers. Specifically, Ellis and Faricy (2011) argue that the public understands the ideological differences related to various policy delivery mechanisms and reacts accordingly. In other words, the public associates political decisions that alter the balance of direct and indirect spending with a shift in the role of government towards more or less intervention, respectively.

Another issue worth considering is the crucial role of the proximity and visibility of policies to citizens in the outcome of interest. As Soss and Schram (2007) argue, the more proximate a policy is, the more pronounced is its likelihood of influencing interest development. This strand of literature has devoted considerable attention to whether personal proximity to a policy matters for public opinion regarding the policy. Soss and Schram's (2007) analysis reveals that the strategic use of public policy can be a tool for reshaping public opinion. Specifically, visibility regards the degree to which a policy is noteworthy to the mass public (Hacker, 2002), while proximity concerns how a policy exists as a tangible presence affecting people's lives in immediate and concrete ways (Soss and Schram, 2007)[1]. Proximity can relate to geography (as with some local policies), social relations (as with income-targeted policies), or time (as with policy effects that will arise in the short term).

Conversely, some types of foreign policies escaping public notice, relatively opaque domestic policies targeting small constituencies, or policies whose effects will occur only in the distant future (e.g. issues related to electric car battery disposal) are unlikely to influence mass opinion and thus policy change.

Looking at this framework through the lens of administrative geography, researchers have observed that the provision of collective goods and services on the local level strongly influences individuals' attitudes and political preferences (Bellani and Scervini, 2020). Local governments have a set of tasks and responsibilities covering various socioeconomic realms (e.g. social rights, social and pro-family policies). These are financed through both taxpayer revenues and grants and transfers from higher levels of government. While central governments might have a larger budget share to invest in policy initiatives, it is within local contexts that policies are most visible and proximate to the public, thus contributing to shaping public opinion. Consequently, it can be inferred that local public spending has a crucial role in forging consensus, and that different spending categories might heterogeneously affect such a consensus, depending upon their visibility and proximity to voters. However, this link has received little empirical investigation only found in recent contributions (Bellani and Scervini, 2020). Thus, we believe that the nexus of local public spending and electoral consensus is deserves further exploration and it is particularly relevant for the sustainability of structural change, as we argue in the next section.

2.2 Structural change, sustainability, and conflicting interests

Structural economic analysis uses the division of labour as a heuristic to highlight constraints and opportunities (Cardinale, 2018; Landesmann, 2018) that shape aggregations of stakeholders in a context of manifold interdependence between productive activities. The positioning of actors in the labor division structure conditions the formation of individual and aggregate interests, which can be conceived as by-products of context-specific production ties and organisational features of economic systems. However, the configuration of the sociopolitical realm (i.e. the map of interests) is not deterministically predicted; rather, several patterns of interest group affiliations are possible within the contingent interplay of economic interdependence among productive sectors (Quesnay, 1759 [1972]; Pasinetti, 1981)[2].

In the presence of structural change (that is, the open-ended adjustment of the economic system, characterised by shifts in the relative proportions of productive sectors and transformation of the underlying social features), changes in economic and societal dynamics spread across all system

components and open a range of possible reconfigurations of existing structures, the connections therein, and the map of interests.

Structural change means that some sectors might seek to expand and capture higher shares of added value, while others want to avoid potential downsizing (Scazzieri 2018; Cardinale and Scazzieri, 2018). This might activate novel lines of conflict between socioeconomic groups regarding resources and policy space and revive old ones. However, such conflicting interests between socioeconomic groups can be accommodated and borne by the economic system only to a certain degree, beyond which its viability is compromised, since damaged or declining sectors can negatively affect other sectors through interdependence. Therefore, the possibility of transformations or even disruptions in existing patterns of interdependence are not infinite, but must remain within the range of sector proportions required for the capacity of the system to reproduce itself (Cardinale 2015; Cardinale and Scazzieri, 2019). Inter-sector conflicts are thus systemically sustainable as long as each sector's pursuit of particular interests is conditioned on the shared interest in keeping the system viable (Cardinale and Landesmann, 2017, 2020).

This argument builds upon the Hawkins-Simon viability condition (1949): the system is sustainable to the extent that the investment in and maintenance of certain 'stocks' to reproduce the inputs used in production are ensured and a surplus is generated. In other words, conflicting interests amid economic interdependence are deemed sustainable to the extent to which the system demonstrates an ability to grow. However, this perspective approaches system sustainability mainly from an economic standpoint, although the economic dimension is not the only one that needs to be considered in evaluating the sustainability of structural change (Di Tommaso et al., 2020). The economic perspective is currently being enriched by contributions from scholars and international organisations that point out that a plurality of interconnected dynamics exists in the context of structural change, encompassing the social and ecological realms and equally conditioning the sustainability of the system.

Studies on ecological sustainability have identified conflicting interests between actors and groups over access to natural resources, the burden of pollution, and the societal distribution of environmental benefits and costs (Mi et al., 2017; Liu et al., 2018). From an ecological standpoint, the sustainability of structural change is threatened by intensive energy consumption in industrial processes and production-based carbon emissions, which are increasingly generating negative environmental externalities that might result in system collapse (Worm et al., 2006).

Recent contributions suggest that equal attention should be placed on the notion of social sustainability — broadly defined as a set of conditions that allow for improvements to the living conditions of current and future generations (Böstrom, 2012; Barbieri et al., 2020). It is undeniable

that transformations in productive structures, coupled with the worsening economic conditions after the recession and the imposition of austerity policies, have entailed radical changes to the living conditions and rights of individuals and the aggregate demand for goods and services in the communities to which people belong (Pianta and Gerbaudo, 2015). In this context, the collective mobilisation for social rights and the pursuit of decent work for all have drawn scholarly attention, given the capacity of these phenomena to alleviate social tension (Della Porta and Portos, 2020; Rodrik and Sabel, 2019). Accordingly, these topics have been the focus of international strategies targeting sources of inequality and economic exclusion (European Commission, 2010; UNIDO, 2017). Further exacerbation of dualism in the labour market and social conflicts might deteriorate the social fabric, which underpins the economic prosperity of a country in the long run.

Overall, considering a process of structural change from various perspectives (e.g. ecological, economic, and social) reveals the multifaceted nature of structural conflicts and the juxtaposed interests embedded in production ties, which in turn compound potential causes of system collapse. In this framework, recent studies have pointed to the crucial role that governments might play in reconfiguring the existing structures affected by structural transformation in a sustainable way for the economy and society, thus reducing the risk of system collapse.

Drawing on these strands of literature, we argue that the discussion is no longer about whether governments should promote structural change whose features are sustainable. Indeed, the idiosyncratic conflicts generated in the process of structural change by juxtaposed interests need to be adequately addressed and reconciled through policy actions; otherwise, such conflicts might compound each other and escalate, threatening the integrity of the system. However, we build upon this view to contend that to this end, governments need to build long-run electoral consensus among the mass public with respect to the major realms affected by structural change (e.g. the labour market, environment, inequality, and the provision of public goods) and that policy intervention is therefore needed to guarantee the sustainability of the system (Di Tommaso, 2020).

2.3 Electoral consensus regarding public spending: Why does it matter for sustainable structural change?

Structural economic analyses have only recently begun to account for political dynamics related to public policy. Recent contributions have attempted to bind the conditions for systemic sustainability to the configuration of the political realm. Specifically, these studies have conceptualised the structural cleavages around which the socioeconomic system is organised as a source of political competition (Flora et al., 1999; Cardinale and Coffman, 2014). Indeed, it has been shown that the

way in which conflicting interests are structured and positioned in economic systems influences the configuration of the political realm through the democratic process. In exploring the nexus between economic interdependence and political conflicts, these studies have maintained the condition of system viability, implying that political conflict between socioeconomic groups should be kept within a systemically sustainable level. One significant implication of this nexus directly relates to the economic policy domain. Policy initiatives should be implemented to prevent the exacerbation of current political and underlying socioeconomic cleavages to keep policy-making politically and systemically sustainable.

A second implication, closely entwined with the first, relates to the political consequences of such conflicts for the established party system. Considerable evidence from several western democracies links the inability of established political parties to aggregate conflicts around policy initiatives to the rise of new parties that delegitimise the regime (Dijkstra et al., 2020). Yet with very few exceptions (Cardinale and Coffman, 2014), structural economic analyses have neglected both implications, although they represent a crucial topic for enabling the sustainability of structural change. They have been studied in other fields, however, which offer fascinating insights that might enrich structural economic analysis.

The literature in political science, political economy, and economics (see, among others, Lipset and Rokkan, 1967; Hirschman, 1968; Rae and Taylor, 1970; Svallfors, 2007; Cardinale and Landesmann, 2017, 2020) has long established a connection between the rise of new parties in the political arena and the systemic presence of cleavages over certain crucial socioeconomic features. Conventional cleavages in western democracies mainly relate to the opposition between urban and rural contexts, owners and employees, the state and the church, and the centre and the periphery. Specifically, this literature has shown that it is crucial to understand cleavage patterns (i.e. whether cleavages reflected by new parties overlap, reinforce each other, or add up to new conflictual dimensions). Indeed, the configuration of the cleavage conditions the degree of polarisation of conflict in a system. Specifically, cleavages reinforcing each other and those presenting new lines of conflict tend to aggravate such polarisation. Conversely, the degree of overlap between cleavages entails a partial cementation of interests corresponding to both incumbent and new parties; therefore, cleavages that only partially overlap might contribute to increased social cohesion and thus lead to moderate polarisation (Coser, 1956; Lijphart 1969; Lijphart 1975 [1968]; Pabst and Scazzieri, 2012, 2016; Cardinale et al. 2017). In this sense, established parties can minimise conflicts that open or reduce the political space available for the emergence of new challenges.

This approach has recently been used to investigate how cleavages encourage anti-establishment sentiment among interest groups, conditioning their voting behaviour. Studies have revealed that such

cleavages might nurture the rise of populist political movements, benefit parties located in more extreme positions on the ideological spectrum, and weaken support for democracy (Mudde, 2014; Zulianello, 2019; Colantone and Staing, 2018). In particular, Zulianello (2014, 2018, 2019) has employed the cleavages framework to define a modern understanding of anti-system parties. The author departs from the conventional conceptualisation of anti-system parties offered by Sartori (1976), which are centred around ideological extremism and anti-democratic orientations, instead framing parties' anti-system orientation in terms of systemic and relational properties (e.g. parties' location along the country-specific constellation of cleavages).

On the one hand, there are *pro-system* parties whose orientations are channelled through the structure of cleavages that have historically contributed to establishing the country-specific pattern of political competition and are usually part of government coalitions. On the other hand, new *anti-system* parties give voice to controversial issues that do not fit the existing country-specific cleavage structure. Anti-system parties may activate additional lines of conflict or reactivate old cleavages. In both cases, they increase systemic social and political polarisation (Zulianello, 2014).

Overall, the anti-system orientation of such parties primarily addresses changes in the values system and the resulting inability of established parties to introduce new issues, for instance, ethnographic questions or environmental issues, in the public realm (Ignazi, 1996). In this view, anti-system parties highlight conflicts and interests over new issues and cleavages that '*are not covered by the existing parties, nor related to the existing cleavage structures*' of a country (Hino, 2011, p. 8). If such parties attract a considerable electoral base that shares their transformative aspirations for the socioeconomic system, they could alter the configuration of the established party system.

These studies have seldom crossed the path of structural economic analyses. However, such papers show that the extent to which systemic conflicts across socioeconomic cleavages are mitigated through public spending can be observed and assessed in the political realm. Indeed, the emergence and affirmation of new anti-system parties through the democratic process (Zulianello, 2014) signal the degree of conflict among economic actors with individuals and policymakers and the extent to which the sustainability of structural change dynamics (and the political system as a whole) is ensured or threatened.

Overall, we combine insights from political science with the structural economic literature to argue that juxtaposed sector and societal interests might multiply in the presence of structural change dynamics. If not appropriately prevented or addressed through public spending initiatives on various levels and across multiple domains, this proliferation of conflicting interests could eventually intensify and hinder the sustainability of structural change and the integrity of the established political system. Considering this, we contend that structural change dynamics is sustainable to the extent to

which conflicting interests between socioeconomic groups are reconciled. To achieve this aim, we believe that local public spending initiatives across the economic, social, and environmental domains play a crucial role in mitigating conflicts over significant areas affected by structural transformation, thus catalysing the consensus that policymakers need to govern such change.

3. The Case of Italy

Italy is a paradigmatic case of the historical connection between a country-specific cleavage structure and the rise of anti-system parties. Starting in the second half of the nineteenth century, which corresponds to the postwar nation-building phase, the structure of Italian cleavages and the corresponding political party system were primarily organized along two lines of conflict — the labour movement, characterised by a deep split between owners and workers, and state–church opposition — accompanied by other minor dichotomies such as centre–periphery, land–industry, and popular–élite (Sartori, 1978). In this context, the increasing presence of the state in driving national economic growth elevated the emerging party system to a leading role in the society of the time, which lent the established parties, i.e. the Christian Democrat and Communist parties, increasing power (Ignazi, 1996). Such traditional parties have long represented the backbone of Italy's party system status quo, basically serving as the glue supporting context-specific cleavages.

Nonetheless, early anti-system parties started to arise in the 1960s, activating new cleavages over several issues: sexual liberation, anti-militarism, ecology, civil rights, divorce, abortion, legalisation of light drugs, referenda, and direct democracy (Panebianco, 1988). This political configuration continued and gained force during the eighties and nineties, in which the Italian postwar political spectrum solidified.

The Italian 'partitocracy', i.e. the consolidated bipartisan structure of political competition among established (i.e. pro-system) parties, was long perceived as safeguarding the principles of democracy, welfare, and solidarity that represented the pillars of the so-called First Republic (Bardi, 1996). However, in the 1990s, the combination of social changes due to modernisation (Poguntke and Scarrow, 1996) and a series of judicial earthquakes triggered by inquiries into the illegal financing of parties (the 'Tangentopoli') undermined the stability of traditional parties and laid the grounds for a new political order (Waters, 1994), where further emerging anti-system parties gradually entered the scene.

Anti-system parties presented themselves as new political players completely unrelated to the traditional parties, exacerbating classical cornerstones of populist rhetoric such as big vs. small and

intellectual vs. common (Ignazi, 1996, p. 293). The anti-system attitude resulted from public disaffection with the political establishment (Betz, 1994) and demands from the mass public for structural change encompassing economic, institutional, and electoral reforms.

The beginning of the so-called Second Republic in 1992 permanently changed the traditional relationship between party choice and socioeconomic conflict in Italy, as reflected in the rise of new anti-system political players. At that time, it was already clear that some would become more system and party-like, while others would retain their populist, anti-system posture, warding off the siren call of mainstream politics (Bardi, 1996).

Indeed, the parties that represented anti-system politics at the beginning of the Second Republic have followed different paths. For instance, while Forza Italia embraced the moderate right-wing of the liberal democrats, the former Lega Nord (the Northern League, now the Lega) has roughly held its anti-system, populist stance, achieving key electoral wins in the parliamentary elections of 2018 and the European elections of 2019 in the wake of the renewed populist moment in Europe, the UK, and the USA (Mouffle, 2019). The Northern League attracts extensive support from lower-educated, high-income workers, especially in the northern regions of Italy (Bauluz et al., 2021).

The former Alleanza Nazionale, which evolved into Fratelli d'Italia after the end of the right-wing party Popolo della Libertà (which lasted from 2008 to 2013), never relaxed its conservative, identity-building posture and is perhaps the highest expression of anti-system party politics in Italy today. On the other hand, the Partito Democratico (Democratic Party) has continued the legacy of some moderate left-wing parties and Socialists and Christian Democrats from the First Republic, now representing the left pole and being the party most closely aligned with the pluralist and systemic principles of the EU. The Partito Democratico is the dominant party among higher-educated, low-income individuals (Bauluz et al., 2021).

In 2009, a new political actor, the Movimento Cinque Stelle (Five Star Movement), appeared in the political arena. It originally embodied the utmost expression of anti-system sentiment, marshalling strong consensus among disenchanted people suffering from the renewed dichotomies that tended to be amplified in times of crisis (Ferrante and Pontarollo, 2019) (e.g. cosmopolitanism–localism [Gordon, 2018] and sovereignty–pluralism [Ivaldi and Mazzoleni 2020]). It gained support mainly in the south and islands, attracting both middle-educated and high-income voters. Nevertheless, it did not take long to show the chameleon-like, ever-evolving character typical of anti-system parties (Mosca and Tronconi, 2019), often changing positions on multiple issues such as economic policy, immigration, and public investment.

The year 2013 marked another definitive turning point in the Italian party system, whose transformation culminated in the 2018 elections (Bauluz et al., 2021). The enduring economic impact

of the great recession, coupled with national austerity measures implemented to address the sovereign debt crisis, contributed to the electoral rise of Movimento Cinque Stelle in the 2013 general elections. Later, in 2018, Movimento Cinque Stelle won with 33% of the popular vote. On the other hand, the far-right regionalist Lega Nord became the party with the most votes within the right-wing coalition. An agreement was reached between Movimento Cinque Stelle and Lega Nord, and for the first time, 'the government was not led by a mainstream party' (Bauluz et al. 2021, p. 7). However, the agreement did not survive the tensions between the ruling parties for longer than a year, and a new government between Movimento Cinque Stelle and Partito Democratico soon arose.

Thus, the Italian party system has currently departed from its conventional bipolar configuration to embrace a multi-élite profile in which new cleavages and lines of conflict have been added to traditional ones.

3.1 Public spending and the institutional framework in Italy

Italy has four administrative levels of government, i.e. the central government, regions, provinces, and municipalities. The latter represent the lowest level of jurisdiction and thus correspond to the level of administration of public spending closest to the final beneficiaries. For this reason, the municipality is the unit of analysis in the present study. The municipal level of government includes over 8,000 authorities, although enormous heterogeneity exists in terms of population size (the average population is approximately 7,000 inhabitants). Only Milan and Rome have more than a million residents and only 40 cities have more than 100,000 inhabitants, while more than half of municipalities have fewer than 3,000 residents.

Municipalities are tasked with a wide range of public functions, such as providing public transportation and other infrastructure spending; sports, culture, and other leisure activities; public security services; and educational services for children. Municipalities rely mainly on revenue from upper levels of government (transferred both from the central government and from the regions). Furthermore, municipalities collect revenue from municipal taxes paid yearly by real-estate owners and a share of the personal income tax (Agasisti et al., 2020). Another municipal revenue source is '*duties due for waste collection as well as several type of fees, such as parking permits and occupation of public areas*' (Agasisti et al., 2020, p. 6).

On the municipal level, public spending in Italy has undergone different waves that somewhat reflect the economic situation. For instance, periods of economic growth may generate unforeseen revenue which is often used to boost local spending, particularly by municipalities with lower levels of electoral consensus. Such expansions, nevertheless, may easily give way to sharp spending cuts

and tax increases when economic crises emerge (Solé-Ollé and Viladecans-Marsal, 2019). Conversely, adverse economic periods may require large cuts to local government spending and general austerity, although these trends may also reflect disempowerment of the local state and an increase in inequality among territories (Gray and Barford, 2018). The latter is, by and large, what has happened in the last twenty years of Italian politics, where the first decade of the 2000s featured relative economic prosperity and a consequent higher spending capacity. Nevertheless, concomitant with the great recession, several cuts were required to address the crisis, and structural reforms hit various sectors of public spending, particularly the pension system, education, and health care.

Within this framework, the joint discussion of the literature review and the paradigmatic experience of Italy allows us to pose the following empirical research questions:

1) ERQ_1: Does growth in local public expenditure reduce electoral consensus in support of anti-system parties?
2) ERQ_2: Do different spending categories heterogeneously affect this electoral consensus?

The empirical analysis described in the following sections allows us to answer these questions.

4. Research Design: Data Description and Methodology

Two outcome variables were selected to evaluate the effects on electoral consensus of heterogeneity in public expenditure on the municipal (LAU 2) level, namely, support for anti-system parties (ASPs) and pro-system parties (SPs) in Italy.

In contrast to the common approach focusing on disenchanted people and places that use the ballot box to express their discontent (through votes that usually correspond to ASPs), we believe it is also appropriate to measure the magnitude of the effect of public spending on these voters' counterparts (those whose votes express progressivism and adherence to the EU identity and principles in general). This approach offers a triple advantage: (i) it enables us to understand whether public spending can generate consensus in the 'positive' sense of revealed vote preferences (for SPs); (ii) it allows us to overcome the traditional problem of left-wing/right-wing party classification; and (iii) it represents an appropriate measure for answering the two main research questions framed above.

Our dataset takes the shape of a cross-section, where the geographical scale of reference is municipal (LAU 2). All available municipalities, i.e. those where parliamentary elections took place both in 2013 and in 2018, were included into the analysis. This results in just under 8,000

municipalities; however, it should be noted that the effective number, N, of proposed regressions averages around 7,500 municipalities due to some missing values, both in the dependent variables, and in the covariates. Our data sources were varied:

- election data are drawn from the archives of Italian parliamentary elections provided by the open data platform of the Italian Ministry of Interior ('Eligendo', which is available at https://elezioni.interno.gov.it/);
- the Chapel Hill Expert Survey (CHES), which provides information on the degree of openness of parties on a series of structural issues (such as national and international economic policy, migration and European integration, international relations, and so forth) provided in the form of scores attributed to each party. These scores are provided by a panel of political science experts and are useful for identifying the orientation of a party on the scale of far-right/far-left. Details about the issues addressed and categorised by the CHES are available at https://www.chesdata.eu/ches-europe. We first averaged the values of all variables provided by the CHES into a single weight per each party and then crossed these scores with the raw number of votes for each party on the municipal level to provide a more effective measure of what can be considered anti-system and pro-system parties. In this way, we avoid an arbitrary interpretation of the parties' orientation and we provide a weighted measure of consensus; the mechanism for building the dependent variables weighted by CHES score are described in Section 4.1;
- the main covariates of interest consist in the amount of expenditure per municipality regarding axes — selected from among all expenditure categories — that we consider very close to the citizens' perceptions. In this way, we test the selected categories (later described in Section 4.2) one by one against the weighted consensus, which allows us to identify eventual associations and their significance. Each variable is normalised by municipal gross income (roughly identified with the local gross domestic product) to control for size effects, given the heterogeneity of the municipalities involved into the analysis. The variables are taken from the OpenBilanci platform (https://openbilanci.it/), where open data on municipal public spending are provided;
- the regressions are completed with a series of long-term control variables taken from the ten-year censuses between 2011 and 1991, provided by the Italian Institute of Statistics (ISTAT). These variables are computed as a delta variation between the last period available (2011) and the first period available (1991). Such controls are useful for capturing eventual long-term structural variations that might influence vote preferences regardless of public spending

intensity. The list of control variables and the overall descriptive statistics are provided in Section 4.3.

4.1 Dependent variables

The two types of electoral outcome variables are built upon vote preferences[3] for the five main Italian parties during the national elections of 2013 and 2018. The parties are the Lega, Fratelli d'Italia (FDI — *Brothers of Italy*), Forza Italia (FI — *Forward Italy*), Movimento Cinque Stelle (M5S — *Five Star Movement*), and Partito Democratico (PD — *Democratic Party*). In line with Dijkstra et al. (2020), we make use of the Chapel Hill Expert Survey (CHES)[4] to classify parties (Bakker et al., 2020), and individual vote preferences on the party level are grouped into two main classes:

- Anti-system parties (ASPs), i.e. those that are vehemently opposed, opposed, or moderately opposed to EU integration (where scores range between 1 and 4; this group includes Lega, FDI, and M5D); and
- Pro-system parties (SPs), i.e. those moderately or strongly in favour of EU integration (where scores range between 4 and 7; the group includes FI and PD).

This partition follows one of the main themes addressed by the CHES (i.e. the European integration): parties' orientations towards the European integration are assessed using a seven-point a scale ranging from 1 to 7 (where 1 = vehemently opposed and 7 = strongly in favour). Parties scoring less than 4 are considered anti-systemic, parties over the value 4 are considered pro-systemic. The full list of variables provided by the CHES and used to compute the weight is listed the endnote n. 5, specifically: "EU integration", "EU policy questions", "ideological questions", "policy dimensions" and "party characteristics". We used, respectively, the CHES versions corresponding to the two years of elections considered (2013 and 2018), in order to have a correspondence with the party orientation in that specific moment: this is because, as shown in literature, some parties can be considered as 'chameleonic' (this is especially true in case of 'populist' parties) and therefore certain party positions may differ over times.

As previously mentioned in the data source description, the dummies for each of the two groups interact with a score σ which includes the average value of all available parameters in the CHES that relate to the dimensions assessed in the survey[5]:

$$\omega Cons_{o,f;m} = \sigma_{g,y} \times \Sigma vote\ groups_{p,m,y}$$

where $\omega Cons$ is the weighted consensus, *o* indicates the group of votes for the ASP, *f* indicates the group of votes for the SP, *m* indicates the municipal level, $\sigma_{p,y}$is the score computed for each of the two groups, *g* (ASP, SP), in year *y* (2013, 2018), and $\Sigma votegroups_{p,m,y}$ is the sum of the votes for the two groups on the party level (*p*), on the municipal base (*m*), for each of the two election periods of observation (*y*).

According to similar studies (Albanese et al., 2021; Di Matteo and Mariotti, 2021), this interaction enables a more accurate measurement of the outcome variable than the simple sum of votes for the parties of interest. Once the weighted variables are built, the delta variation between the national elections of 2018 and 2013 is computed as follows:

$$\omega Cons_{o,f;m}{}^{2018}_{2013} = \left(\frac{\omega Cons_{o,f;m2018} - \omega Cons_{o,f;m2013}}{\omega Cons_{o,f;m2013}}\right)$$

Assessing the delta variation between the two election periods may be helpful for avoiding staticity: the results of a single election can offer a snapshot of a specific period but may ignore dynamics in party preferences that may arise even over short periods. Moreover, the research highlights that between different electoral polls, endogenous or exogenous shocks[6] may occur, disrupting or increasing a party's voter base; this is particularly frequent in the case of chameleon-like radical left- or right-wing parties (van Kessel, 2015; Mosca and Tronconi, 2019).

4.2 Public spending variables (main covariates)

Data on public expenditure are retrieved from the OpenBilanci platform[7], an open data source on the financial accounts of Italian municipalities. Data on local public spending are provided based on the public accounting and financial system reform, which profoundly changed the accounting rules applicable to local authorities. In particular, based on Law 196 of 2009 concerning the public accounting reform, Legislative Decree 118 of 2011 established the criteria for harmonising the public accounting of Italian local and national authorities according to the principles of transparency and openness required on the European level. In this way, the accounting systems have been reformed and expenditures re-categorised into 'missions' and 'programmes' (instead of the previous 'titles' and 'functions'). This categorisation allows us to explain individual items not only in terms of cost items, but also with respect to the specific mission to which each expenditure item is assigned, with the aim of clearly identifying the objective and the purpose of the expenditure.

We use public spending data from 2017 because it represents a one-year lag between the expenditure finalised by the municipality and the election in 2018, which is the final year upon which the delta variation is computed. This lag is considered appropriate for capturing vote sensitivity to publicly funded interventions that relate to current spending.

The main covariates are built by adding two budget items, i.e. current expenditure (expenses) and capital expenditure (investments), which are contained in the final balance (not the forecast balance) for the respective year.

Based on previous literature, we extract data on the principal kinds of public spending that cover the majority of public interventions, and we select ten main covariates of interest relating to the following:

a. Transport and mobility (including sub-assets of rail transport, local public transport, water transport, viaducts, and road infrastructure).
b. Health care (this is mainly handled on the regional NUTS 2 level, and such LAU 2 expenditures only consist of additional spending in excess of the regional health service budget).
c. Education (including the sub-assets of preschool, primary, and secondary school education, university and higher technical education, and ancillary educational services).
d. Employment and vocational training policies (including the sub-assets of services for developing the labour market and employment support).
e. Spatial planning and housing (including the sub-assets of urban and territorial planning, residential building, social housing, public lighting, and ancillary services).
f. Social rights, social and pro-family policies (including the sub-assets of services for children, people with disabilities, elderly people, and individuals at risk of social marginalisation; the social and social health service network; associations and cooperation; and cemetery and post-mortem services).
g. Protection and enhancement of cultural heritage and activities (including the sub-assets of historical artefacts, cultural activities, and other activities in the cultural sector).
h. Youth policies, sport, and leisure (including the sub-assets of municipal swimming pools and stadiums, sports palaces, and other sport facilities).
i. Sustainable development and territorial and environmental safeguards (including the sub-assets of soil conservation; environmental protection, enhancement, and restoration; waste; integrated water services; protected areas, natural parks; protection of nature and forestation; safeguarding and enhancement of water resources; sustainable development of small mountain municipalities; and air quality and pollution reduction).

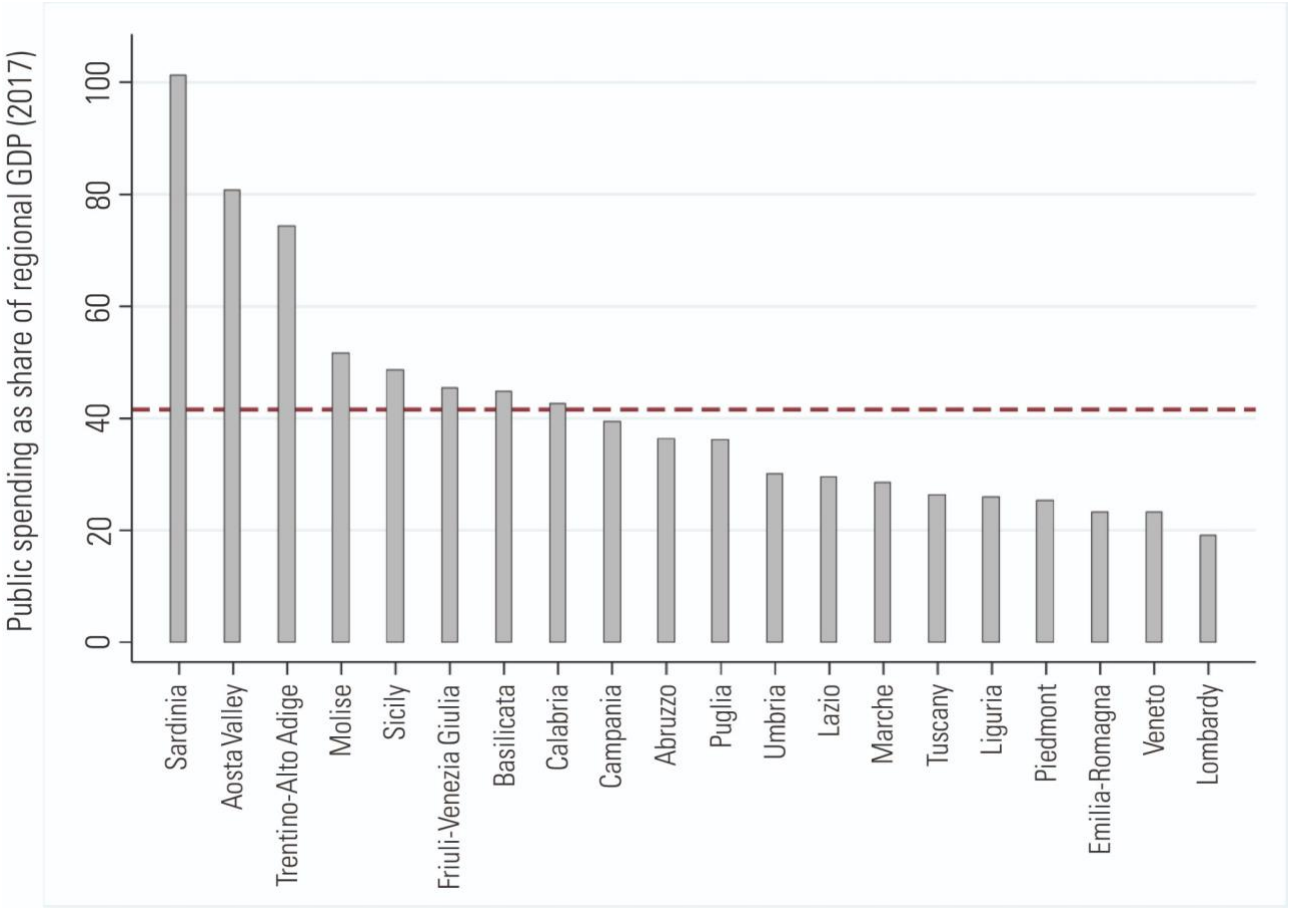
j. Public order and security (including the sub-assets of local, commercial, and administrative police and integrated urban security systems).

Each sub-asset is combined to create the respective aggregate variable, and overall spending per axis is computed as the share of municipal gross income (GI), given by the sum of all types of income per resident on the municipal level[8]. This controls for possible size effects, since the municipalities in the dataset are extremely heterogenous, ranging from small municipalities with less than 1,000 inhabitants to large metropolitan cities with two or three million inhabitants (thus reflecting a clear difference in public spending intensity). The normalisation of public spending per axis on the GI (roughly equivalent to the local gross domestic product) is computed as follows:

$$\underline{\chi} = \frac{(x_{a\ldots j})_{2017}}{GI_{2017}} \times 100$$

where $\underline{\chi}$ is the set of $(x_{a,\ldots j})$ main covariates described above, all in percentage shares of municipal GI considered in the same reference year (2017). Figure 1 shows public spending (aggregate) levels on a regional NUTS 2 basis in Italy for the year in question (2017).

Figure 1. Public spending as a share of gross domestic product at NUTS 2 (2017)



Source: Authors' calculations. Note: The dotted line indicates the regional average aggregate spending (NUTS 2) as a share of gross domestic product, which is equal to 41.53%

4.3 Control variables

Other variables are included in the model(s) to control for possible long-term structural changes. These refer to changes in: demographics, employment, economic situation, education, and, finally, age dependency. The demographic change consists in the variation of resident population on 1 January for the periods considered (2011 and 1991); employment change is the variation in the number of working-age people employed among the two periods; education change is the variation in the number of graduates; age dependency change is the variation in the ratio of working age people (15-64 years old) and the over-65 population (retired, or in general, economically inactive). All the variables are on the municipal scale and all are computed as the long-term delta variations for the period 2011/1991, that is, before the first election period considered here (2013). The choice to use census data from 2011 and 1991 is to provide a measure which is unable to affect the dependent variable(s) in the election periods considered. An exception is economic change, which corresponds to the medium-term delta variation (2017/2012), because recent economic performance is more likely

to be taken into account at the ballot box. Moreover, we include regional fixed effects in all estimations. The summary descriptive statistics of all the variables are provided in the following table.

Table 1. Descriptive statistics

Code	Variable	Source	Mean	Std. Err.	Min	Max	Obs.
Outcome variables, elections							
y_1	weighted consensus, anti-system parties	Italian Ministry of Interior	0.814	0.539	-1	16.45	7,792
y_2	weighted consensus, pro-system parties		-0.413	0.123	-1	0.977	7,792
Main covariates, public spending as share of GI							
x	aggregate spending	OpenBilanci	12.53	19.82	0.018	642.0	7,649
x_0	$\text{expenditure}_{2017}$ (sum a-j)		7.130	12.68	0	448.0	7,868
x_1	mobility and transport		1.289	2.458	0	89.35	7,868
x_2	health care		0.353	7.948	0	324.9	7,868
x_3	labour market		0.022	0.265	0	11.01	7,868
x_4	education		0.887	1.160	0	50.33	7,868
x_5	urban		0.632	3.108	0	173.0	7,868
x_6	social rights		1.060	2.177	0	76.47	7,868
x_7	culture		0.286	2.674	0	223.6	7,868
x_8	youth policies		0.235	0.938	0	33.56	7,868
x_9	sustainable development		2.047	2.845	0	65.16	7,868
x_{10}	public order		0.315	0.488	0	21.52	7,868
Control variables							
x_{11}	economic change	MEF	3.588	5.586	-36.70	65.29	7,865
x_{12}	$\text{gross incomes}_{2017}$	MEF	1.01e+08	7.34e+08	376,343	4.84e+10	7,868
x_{13}	population_{2017}	ISTAT	7590.459	42951.07	30	2,873,494	7,939
x_{14}	demographic change	8000Census	5.813	23.54	-57.95	478.5	8,036
x_{15}	employment change		11.71	14.23	-46.23	131.7	8,036
x_{16}	education change		1.240	0.966	-0.516	22.29	8,031
x_{17}	aged dependency change		35.93	33.68	-69.80	269.6	8,036

Note: The number of observations varies since several territorial regroupings occurred among Italian municipalities over the years. Observations regarding some municipalities were excluded from the analysis since their electoral district did not correspond between 2013 and 2018 elections.

For the maximum values, the percentage of the expenditure item in some cases exceeds the share of GI because some categories are partially financed by higher-level institutional bodies, such as regional and/or national governments. The Appendix (Table A1) contains a correlation matrix for all the variables used in the analysis. From this, it is clear that in most cases, the values are well below the cut-off value of 0.5; nevertheless, the highest correlations are found — as expected — among the variables indicating the public spending categories (highlighted in light grey). This does not affect our results, however, since in our models we take each spending axis and the control variables against the dependent variable(s) individually. This is clarified at the beginning of Section 5.1.

4.4 Model

We use linear regression models to verify the previous assumptions, where the outcome variable is regressed over the public spending predictors. We start by defining the baseline model, which is as follows:

$$y = \beta_0 + \beta_1 \chi_{x1\dots xn} + \Sigma \beta_n X_n + \varepsilon_i,$$

where y is the outcome variable, $\beta_0$is the slope of the intercept, $\beta_1 \chi_{x1\dots xn}$ is the set of the main covariates of interest, $\Sigma \beta_n X_n$ is the pool of long- and medium-term control variables, and $\varepsilon_i$is a stochastic error term. Given the set of variables collected for the analysis, we can rewrite the model with some specifications, namely,

$$\omega Cons_{o,f;m}{}^{2018}_{2013} = \alpha + \beta_{1;m,y} \chi_{x1\dots x10} + \gamma \underline{X}_{m,\delta} controls + v_r + \varepsilon_i,$$

where $\omega Cons$is the dependent variable described above, i.e. the delta variation of votes in the 2018 and 2013 national elections on the municipal level (m) for ASPs (o) and SPs (f), α is the constant term absorbing the bias of the regression model, $\beta_{1;m,y} \chi_{x1\dots x10}$ is the coefficient of the ten selected public spending covariates in a given year (y), $\gamma \underline{X}_{m,\delta}$ is the set of control variables representing structural change over time in multiple socioeconomic dimensions, and v_r represents the regional fixed effects.

Moreover, all estimations are weighted by the resident population in 2017, and the $\underline{\chi}$ covariates are tested individually through multiple models because the public spending items show correlations among each other in the preliminary descriptions.

5. Local spending and voting behaviour: The evidence

5.1 Baseline results

Table 2 shows the results for all Italian municipalities included in the estimations. For ease of presentation, we show only the coefficients of the public spending covariates and the related p values, since they derive from multiple regressions for the above-mentioned reasons. Before proceeding with the results, we clarify that the main covariates of interest related to the public spending axes are not taken together in the regression; instead, they are taken individually since such spending categories show correlation among each other in some cases. The columns of the regressions shown in Table 2 (and later in Table 3) are the vertical transposition of an oblique line of coefficients, which is why diagnostics and other details of the regressions (such as R^2 and the F test) are hidden. The full version of Table 2 is provided in the Appendix with Tables A2 and A3, where we use the anti-system consensus and the pro-system consensus respectively as dependent variable(s). Table 2 is thus a synthetic visualisation of 24 individual regressions, where each spending axis (plus the two types of spending aggregations) are taken individually with respect to the dependent variable(s). The same is true of Table 3, where we also show only the coefficients of the main covariates of interest with respect to the dependent variable(s) following the same scheme. Table 3 synthesises the results of 96 individual regressions in a single table. This is to facilitate reading of the main results by using simplified tables.

We observe that once the major long- and short-term structural changes were controlled for, the change in weighted consensus supporting ASPs was generally negatively associated with most municipal spending categories, considering aggregate spending and sum of the 10 selected covariates as a whole. This means that where public spending was lower, people expressed more scepticism towards European institutions and principles and were more likely to favour parties driven by general populist programmes.

When we look at individual spending categories, we see that eight of the ten coefficients are negatively associated with the weighted consensus in support of ASPs, while two are not significant. In particular, the coefficients for spending on mobility and transport (a), health care (b), employment support and vocational training (d), sustainable development, and territorial and environmental safeguards (i) are statistically significant and negative. Consistently negative but less so are the coefficients related to spending on social rights and pro-family policies (f), protection and enhancement of cultural heritage and activities (g), and public order and security (j). In contrast, the

coefficient for education expenditure, albeit negative, is barely significant. Public spending on spatial planning and housing (e) and youth policies, sports, and leisure (h) are not significantly related to the change in the weighted electoral consensus in support of ASPs.

Table 2. Public spending and electoral consensus

parties' groups/ public spending axes	change in weighted consensus	
	anti-system parties	pro-system parties
aggregate spending	-0.00051***	0.00003
	0.000	*0.390*
expenditure (sum a-j)	-0.00069***	0.00004
	0.000	*0.449*
(a) mobility and transport	-0.01117***	0.00076
	0.000	*0.282*
(b) health care	-0.00081***	0.00005
	0.000	*0.417*
(c) education	-0.00922*	0.00029
	0.099	*0.913*
(d) labour market	-0.03172***	0.00272
	0.000	*0.371*
(e) urban	-0.01039	0.00020
	0.173	*0.889*
(f) social rights	-0.01087**	-0.00049
	0.028	*0.815*
(g) culture	-0.02841**	0.00326
	0.047	*0.362*
(h) youth policies	-0.03838	-0.00202
	0.122	*0.748*
(i) sustainable development	-0.00635***	0.00004
	0.001	*0.922*
(j) public order	-0.03804**	0.01717***
	0.027	*0.002*

Note: Coefficients and p values (in italics) are reported. Other regression details (numbers of observations, R-squared values, F statistics) are showed in the Appendix in Tables A2 and A3. Standard errors are robust. Control variables and

regional fixed effects are included. Regressions are weighted by the resident population in 2017. Significance levels: *** p value <0.01; ** p value <0.05; * p value <0.10.

With respect to the results for anti-system voters' counterparts (i.e. SP), we notice that whether we consider aggregate spending level or the 10 covariates as a whole, there are no significant associations with support for SPs. The same holds when the results for the ten spending categories are disaggregated, except for public order, the coefficient which — rather surprisingly — is significantly and positively associated with the dependent variable.

In general, ASPs tend to claim consensus based on political programmes that are — at least in principle — aimed at increasing local and national security. Instead, we see that public spending in this category has positive implications for SPs, which somewhat subverts a cliché. However, although we do not find significant results in any of the other expense categories on the national level, the scenario differs in some respects when geographical heterogeneities are explored, as is done below.

5.2 Geographical heterogeneity

We are interested in exploring heterogeneities in outcomes by geographically decomposing the data. To do so, we apply a NUTS 1 restrictor to the models to visualise differences in the macro area. The previous equation then becomes

$$\omega Cons_{o,f;m}{}_{2013}^{2018} = \alpha + \left(\beta_{1;m,y}\chi_{x1\dots x10} + \gamma \underline{X}_{m,\delta} controls + v_r\right) \times NUTS1_m + \varepsilon_i$$

where $NUTS1_m$is a categorical variable identifying the Italian macro areas (northwest, northeast, centre, south, and islands)[9]. We again simplify the visualisation of the results by showing only the coefficients of the public spending variables and the related p values (Table 3).

The results related to geographical heterogeneities are multifaceted. Overall, public spending shows statistically significant associations mainly in the northwest and central regions, while for the northeast and southern regions, only a few spending categories explain the change in weighted consensus in support of the two electoral groups.

Above all, the northwest area confirms the main assumptions of the study because the coefficients of the spending items are mostly negative and significant with respect to the vote change for ASPs, but positive in relation to SPs. In particular, we note the strong negative significance of categories (a), (b), (c), (d), (g), and (j) and the barely negative significance of (e) when ASPs are considered. At the same time, all spending items are positively and significantly associated with support for SPs,

where only (f) and (h) fall below statistical significance at 99%. In sum, municipalities in the northwest where public spending was low showed higher changes in their votes for ASPs, while the consensus for mainstream parties (SPs) in municipalities with higher spending was more significant.

The case of the northeast region is a different matter. Items (a), (b), and (f) are somewhat negatively associated with ASP support, while only item (j) explains consensus supporting SPs. We believe these results reflect a general issue of the territorial composition of NUTS 1 macro areas, since the northeast covers two regions, Veneto and Emilia-Romagna, with radically different political legacies. While a far-right electoral consensus remained in Veneto after the dissolution of the Christian Democratic party in 1994, Emilia-Romagna has been ruled uninterruptedly by left-wing parties since its establishment in 1970.

In the central regions, some significant coefficients confirm the main hypotheses and some unexpected results when ASPs are considered. In particular, the coefficients of spending items (f) and (i) are negative and highly significant with respect to the dependent variable, and those of items (a), (b), (c), (d), and (g) are likewise negative and somewhat significant. In contrast, items (e) and (h) show positive and significant coefficients with respect to the changing votes for anti-system parties. This means that in central regions where such spending and investments were higher, the change in votes for misaligned parties was larger, somewhat in contrast with the general assumptions. We explain this point later in the discussion. Regarding the change in consensus supporting SPs, a significant and positive association with items (a), (c), (d), (f), and (g) emerges, while (b) and (i) are likewise positive but only at the 95% significance level. Items (e), (h), and (j) are not significant.

In the southern Italian regions, a few public spending items explain the change in consensus favouring ASPs, where item (d) is negatively associated with the dependent variable, items (a) and (i) are likewise negative but with lower significance, and items (b) and (c) are only barely significant in relation to the outcome variable. With regard to the counterparts of anti-system voters, none of the public spending items show a statistically significant relationship with the change in votes for SPs.

Table 3. Public spending and electoral consensus by geographical heterogeneity

	change in weighted consensus							
	Anti-system parties				Pro-system parties			
parties' groups/ public spending axes	Northwest	Northeast	Centre	South	Northwest	Northeast	Centre	South
aggregate spending	-0.00126***	-0.00063*	-0.00057**	-0.00031*	0.00072***	-0.00010	0.00037***	0.00003
	0.000	*0.096*	*0.015*	*0.086*	*0.000*	*0.474*	*0.007*	*0.302*
expenditure (sum a-j)	-0.00137***	-0.00075*	-0.00063**	-0.00047*	0.00077***	-0.00015	0.00040***	0.0003
	0.000	*0.066*	*0.016*	*0.050*	*0.000*	*0.287*	*0.007*	*0.449*
(a) mobility and transport	-0.01341***	-0.01478*	-0.01143**	-0.00784**	0.00776***	-0.00329	0.00661***	0.00020
	0.000	*0.066*	*0.020*	*0.026*	*0.000*	*0.158*	*0.000*	*0.681*

(b) health care	-0.00159***	-0.00068**	-0.00070**	-0.00060*	0.00088***	-0.00014	0.00044**	0.00004
	0.000	*0.022*	*0.019*	*0.066*	*0.000*	*0.193*	*0.016*	*0.429*
(c) education	-0.06305***	-0.01242	-0.07402**	-0.02462***	0.02277***	0.00316	0.03071***	0.00105
	0.000	*0.429*	*0.016*	*0.003*	*0.000*	*0.759*	*0.009*	*0.600*
(d) labour market	-0.04587***	-0.00858	-0.01507*	-0.00873*	0.02618***	-0.00109	0.01673***	0.00154
	0.000	0.177	*0.066*	*0.081*	*0.000*	*0.695*	*0.000*	*0.233*
(e) urban	-0.01789*	-0.04593	0.03419**	-0.00556	0.02026***	-0.01571	0.00909	0.00117
	0.098	*0.207*	*0.032*	*0.397*	*0.008*	*0.139*	*0.206*	*0.339*
(f) social rights	-0.00789	-0.01695**	-0.03136***	-0.00272	0.00561**	-0.00353	0.01300***	0.00024
	0.153	*0.035*	*0.004*	*0.375*	*0.049*	*0.312*	*0.008*	*0.764*
(g) culture	-0.08019***	-0.05044	-0.06292**	-0.01702	0.04544***	-0.00037	0.05246***	0.00061
	0.004	*0.179*	*0.020*	*0.124*	*0.000*	*0.980*	*0.000*	*0.704*
(h) youth policies	-0.01882	-0.06508	0.08955**	-0.03633	0.01934**	-0.03032	0.01113	0.00579
	0.129	*0.329*	0.034	0.130	*0.024*	*0.111*	*0.480*	*0.249*
(i) sustainable dev.	-0.00305	-0.01013	-0.02450***	-0.00409**	0.00467***	-0.00262	0.00769**	0.00015
	0.374	*0.215*	*0.004*	*0.013*	*0.003*	*0.550*	*0.024*	*0.716*
(j) public order	-0.07675***	0.02519	-0.01179	-0.02755	0.04376***	0.02171	0.01818	0.00142
	0.002	*0.224*	*0.580*	*0.475*	*0.001*	*0.012*	*0.134*	*0.839*

Note: Coefficients and p values (in italics) are reported. Other regression details (numbers of observations, R-squared values, F statistics) are omitted but available upon request. Standard errors are robust. Control variables and regional fixed effects are included. Regressions are weighted by the resident population in 2017. Significance levels: *** p value <0.01; ** p value <0.05; * p value <0.10.

5.3 Robustness check

To provide a robustness check of the main findings, we substitute the dependent variable from the previous model with a binary variable and rerun the equation in a probit model. Specifically, given the sum of votes for the ASP and SP groups in the 2018 election, the variable takes the value 1 when the ASP vote is prevalent in municipality *m* and 0 otherwise. In this case, we take the value 0 (corresponding to SPs) as the reference category, so the probit model shows the coefficient only for ASPs. We also reverse the dependent variable by assigning a value of 1 to municipalities where the SP vote was prevalent in 2018 and 0 otherwise. Here, we take the value 0 (corresponding to ASPs) as the reference category, which allows us to exhibit the coefficient for SPs in the model results. The main covariate of interest is aggregate spending in 2017 (*x*), and the rest of the equation is as before, including long-term control variables and regional fixed effects.

Table 4. Robustness check with alternative dependent variable

	ASP_{2018}	SP_{2018}
$aggregate\ spending_{2017}$	-0.00238** (0.00104)	0.00258** (0.00102)
Controls		

economic change	-0.00878 (0.00659)	0.00875 (0.00705)
demographic change	0.01814*** (0.00203)	-0.01790*** (0.00251)
employment change	-0.00209 (0.00185)	0.00086 (0.00183)
education change	0.01306 (0.03957)	-0.02361 (0.03203)
aged dependency change	-0.00008 (0.00111)	-0.00006 (0.00114)
Reference category	pro-system parties	anti-system parties
Pseudo R^2	0.2381	0.2390
Observations	7,127	7,127
Regional fixed effect	Y	Y
Goodness of fit		
Pearson χ^2 ($p > \chi^2$)	6940.46 (0.9158)	6889.11 (0.9653)

Source: Authors' calculations. Note: Bootstrap standard errors in parentheses (25 repetitions); significance levels: *** p value <0.01; ** p value <0.05; * p value <0.10; estimations are run using probit regression models.

In Table 4, we see that even when we replace the dependent variable, the baseline coefficients for aggregate spending do not vary with respect to the votes for ASPs and SPs. Moreover, the non-significance of the Pearson χ^2 in the post-estimation tests for the general goodness of fit imply a good adaptability of the model to the proposed data.

In particular, when ASPs are considered as prevailing in the municipality with value one (SP is the reference category), the coefficient is negative and statistically significant, thus confirming the results in Table 2. Conversely, when SPs are set as predominant in the municipality (ASP is the reference category), the coefficient is positive. However, in contrast to the results in Table 2, the coefficient of aggregate spending becomes significant at 95%. Among the control variables, we see that demographic change shows a statistical significance in relation to the dependent variable: higher levels of demographic change are positively associated with ASPs, while lower levels of demographic changes are mainly associated with SPs. This might appear surprising if we were to assume that in most cases, anti-system parties marshal consensus in small, remote places experiencing long-term population decline, but recent literature has shown that ASPs are now also rising in medium-sized cities experiencing decline relative to their prosperous pasts (Rodriguez-Pose, 2018; Dijkstra et al., 2020).

We take these results as robust proof of the baseline results — namely, where local spending on the LAU 2 level is lower, there is a greater association with ASP dominance. In contrast, higher levels of local spending are more associated with SP dominance.

6. Discussion and conclusion

The present paper empirically established a relationship between local public spending and electoral consensus in favour of anti-system parties in Italy. In particular, we find that increasing local public spending, both on the aggregate level and across some specific categories, is associated with a reduction in anti-system party consensus. We contend that this nexus is relevant for helping policymakers sustainably govern structural change for economies and societies.

Moreover, we suggest that the same nexus is also crucial for policies genuinely interested in opening a discussion on a plurality of possible normative objectives. In other words, our exercise is also relevant to the more general debate on the relationship between promoting normative societal goals (Myrdal, 1970; Arndt, 1989; Sen, 1992; Haq 1995) and the need to make structural change sustainable (Cardinale et al., 2017; Cardinale and Scazzieri 2018; Ferrannini et al., 2021; Ngo et al., 2021). Indeed, the rise of new anti-system parties in democratic countries signals the opening of new cleavages within the process of structural change or the revival of old ones. Thus, the more electoral consensus anti-system parties can marshal among the electorate, the more the sustainability of structural change is threatened, posing the risk of stifling debate on ambitious normative goals.

Therefore, we argue that local public spending represents a channel that pro-system parties might consider using to build the long-term electoral consensus that they need from the electorate to promote sustainable structural change (Di Tommaso, 2020) and effectively achieve complex normative societal goals. Indeed, given its proximity and visibility to the final beneficiaries, local public spending is a channel to directly influence voting behaviour and build electoral consensus.

This is why this paper empirically investigated the relationship between local spending and voting behaviour in Italy. In particular, our analysis answers the exploratory research questions and suggests several conceptual insights for scholarly debate and implications for policy-making.

First, in line with previous literature (see Section 2.1), we observe that a growth in local public spending influences individual voting behaviour. In particular, the case analysed here shows that an increase in public spending on the local level negatively affects electoral consensus in support of anti-system parties, ceteris paribus (ERQ_1). This finding is supported by the ordinary least squares (OLS) estimation and further robustness checks (using a probit model). This suggests that resources channelled on the local level mitigate the probability of a rise in consensus favouring anti-system parties. However, while these results align with our expectations, we find that the relationship between aggregate local spending and pro-system party consensus appears positive but not statistically significant in the baseline estimations. Nevertheless, when we observe the results of the sensitivity analysis in Table 4, the expected significant positive relationship between local public

spending and consensus for pro-system parties appears in some cases. In other words, increasing public spending mitigates anti-system party support and may therefore prevent the exacerbation of the socioeconomic cleavages embedded in the process of structural change; however, the weak relationship between local public spending and consensus for pro-system parties seems to suggest that pro-system parties are not fully capable of engaging citizens with initiatives and policy actions that are properly perceived or visible across electoral constituencies. From this perspective, since the opening of a public debate around ambitious socioeconomic normative goals requires electoral support, these results are only partially encouraging. While a reduction in support for anti-system parties might favour the development of such a debate, the weak relationship between local public spending and support for pro-system parties might inhibit it.

Second, we looked at local public spending from the fine-grained perspective of spending categories (ERQ_2). Interestingly, the negative impact on anti-system party consensus is consistent across all spending categories. However, the magnitude of the coefficients is quite heterogeneous: increasing spending in the categories of mobility and transportation, education, culture, and public order are the most effective for reducing anti-system consensus, while social rights, sustainable development, labour market, and healthcare spending also contribute, but to a lesser extent. Finally, urban and youth policies are not statistically significant.

Some of these variations may be due to the inherent appeal of certain interventions (namely, spending on mobility and transportation, education, culture, and public order), which are perceived by the electorate as tangible output concretely affecting their lives, and are thus more proximate than other types of spending in terms of both geography and time to results (Soss and Schram, 2007). From this perspective, the electorate might perceive spending on sustainable development, social rights, and labour market goals as more obscure. Specifically, the boundaries of these spending categories might be perceived as blurred, their constituencies might overlap, and their outcomes are usually distant in time and thus less effective in influencing mass opinion.

However, some caution should be used to interpret the findings related to ERQ_1 and ERQ_2 because regional forces running in opposite directions might be at work. We followed up on this intuition and conducted an empirical analysis of anti-system/pro-system party votes across geographical macro areas (NUTS 1 level). The empirical evidence for the Italian macro areas shows quite divergent patterns, confirming our intuition. On the one hand, north-western and central Italy display a vertical reduction in anti-system party consensus corresponding to a statistically significant increase in pro-system parties across most spending categories. On the other hand, minor effects are registered for north-eastern and southern Italy in terms of the reduction in anti-system party consensus at both the

aggregate and spending category levels. Interestingly, increasing public spending does not affect support for pro-system parties in these macro areas.

It is worth briefly commenting on this result with reference to the north-eastern area, which includes Emilia Romagna, Trentino Alto Adige, Friuli-Venezia Giulia, and Veneto. All these regions traditionally display the highest per capita income among Italian and European regions based on their dynamic and innovative manufacturing industries. Additionally, these areas feature widespread prosperity, good quality of life, and efficient local governments and welfare systems (ISTAT, 2019[10]; European Social Progress Index, 2020[11]; Nifo and Vecchione, 2014; Bianchi et al., 2021). However, while these regions are quite homogenous in terms of (good) socioeconomic performance, they have followed quite different political trajectories over the past three decades. Only the Emilia Romagna region has been steadily and continuously governed by progressive centre-left parties (i.e. pro-system). This particular aspect deserves further research because it suggests that electoral consensus might in some cases take regional wealth for granted. In other words, it might be that the achieved level of wellbeing has become an embedded characteristic of the socioeconomic system, and citizens might thus perceive it as a sort of *genius loci,* rather than the virtuous outcome of local government policies. From this perspective, we believe that this hypothesis is a promising path for research, beyond the specificity of the situation in Italy.

Overall, ERQ_1 and ERQ_2 are also confirmed through the lens of geography. In particular, we find that the reduction in anti-system party consensus is not homogeneous across macro areas. Specifically, while some socioeconomic conflicts seem to uniformly affect all geographical macro areas (so that public spending on education, public transport, public order, and cultural events helps mitigate support for anti-system parties, as our results suggest), other cleavages seem to be more context specific, embedded in particular institutional frameworks and production interdependencies and thus shaped by the particular structure of interests within a given community. For instance, Italian areas differ in the presence or absence of intermediate institutions — such as trade unions, non-profit organisations, and welfare institutions — that have emerged because of the different regional industrial specialisations and civic traditions characterising the country (Leonardi et al., 2001; Becattini, 1992). The existence of context-specific cleavages is signalled by the ineffectiveness of some spending categories (social rights, labour markets policies, sustainable development, and youth policies) in either mitigating consensus favouring anti-system parties or capturing support for pro-system parties. This topic deserves further attention in research that intersects the established literature on regional differences and disparities with political science studies that, with few exceptions (Knutsen 2010; Martínez-Toledano and Sodano, 2021), have overlooked the regional dimensions of socioeconomic cleavages.

In sum, our analysis of the evidence suggests that pro-system parties should acknowledge the consequences for the sustainability of structural change that might arise from the weak relationship between electoral consensus and local public spending initiatives (on both the aggregate and disaggregated levels). On the other hand, they should intervene to fix this link to secure themselves an electoral foundation that is cohesive and whose interests are expressed and reconciled through decision-making processes.

In terms of policy implications, our analysis suggests that pro-system parties should avoid relying on short-term political support from sector interests to preserve the status quo instead of ensuring a sustainable trajectory of structural transformation. Indeed, such behaviour may open additional cleavages in society, leading to further political polarisation. To this end, effective communication of policy initiatives and their outcomes is a strategic tool for government action. It enables public awareness of government action, which may strengthen policy effectiveness. Moreover, government accountability for public spending through effective communication with the public is an important source of legitimacy and a vehicle for encouraging 'voiceless' stakeholder participation, reinforcing electoral consensus for sustainable structural change to achieve normative goals (Di Tommaso, 2020; Crozier, 2007; Hood, 2008; Esmark, 2019).

Our interpretation falls in line with prior studies (van Heerden and van der Brig, 2017) showing that pro-system parties often react to the rise of anti-system parties by 'demonising' their existence, e.g. pursuing a strategy of exclusion and delegitimisation. In addition to being ineffective over time, such a strategy may produce a boomerang effect. It may induce disengagement from mainstream parties in public life, generating unintended consequences and leading to the further polarisation of society.

Finally, our results suggest avenues for future research. Since our study explored the electoral consensus–public spending nexus by focusing on Italy, future studies may investigate other regional and national experiences to discuss and compare cross-country differences and similarities. Furthermore, future studies might focus on the emerging of novel socio-economic cleavages (e.g., environmental degradation) that might potentially fuel the rise of anti-system parties. In this view, exploring the relationship between emerging cleavages and pro-and-anti-system consensus at municipal level might be a natural *consecutio* of this analysis. Eventually, given that this paper focused on policy inputs (local public spending in mobility, health care, cultural activities, etc.), it will be important in future work to focus on the living conditions of citizens in select crucial fields (e.g. quality and access to education, health, jobs, culture, and environment) to evaluate how these might affect electoral consensus and thus the sustainability of structural change.

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Appendix

Table A1. Correlation matrix of the variables

Code	Variable	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19
Outcome variables, elections																				
1	weighted consensus, anti-system parties	1																		
2	weighted consensus, pro-system parties	-0.088	1																	
Main covariates, public spending as share of GI																				
3	aggregate spending	0.098	-0.016	1																
4	expenditure$_{2017}$ (sum a-j)	0.091	-0.014	0.841	1															
5	mobility and transport	-0.010	-0.006	0.645	0.818	1														
6	health care	0.039	-0.018	0.502	0.519	0.299	1													
7	labour market	0.023	-0.006	0.542	0.664	0.727	0.253	1												
8	education	0.067	-0.015	0.329	0.357	0.223	0.143	0.268	1											
9	urban	0.092	0.003	0.273	0.338	0.034	0.076	0.067	0.038	1										
10	social rights	0.092	-0.057	0.350	0.390	0.141	0.131	0.171	0.232	0.100	1									
11	culture	0.023	-0.010	0.233	0.267	0.026	0.040	0.046	0.034	0.020	0.053	1								
12	youth policies	0.068	-0.026	0.178	0.180	0.015	0.148	0.020	0.075	0.078	0.096	0.018	1							
13	sustainable development	0.147	0.033	0.448	0.499	0.225	0.249	0.226	0.125	0.095	0.165	0.042	0.111	1						
14	public order	0.118	0.020	0.174	0.158	0.025	0.062	0.034	0.083	0.061	0.104	0.018	0.048	0.200	1					
Control variables																				
15	demographic change	-0.196	0.013	-0.247	-0.191	-0.023	-0.222	-0.050	-0.074	-0.144	-0.136	-0.054	-0.064	-0.214	-0.114	1				
16	employment change	0.166	-0.046	0.158	0.090	-0.006	0.044	0.024	0.027	0.129	0.060	0.042	0.028	0.119	0.100	-0.057	1			
17	education change	-0.043	-0.042	0.100	0.008	-0.020	0.113	-0.005	0.006	0.031	-0.048	0.0004	0.049	-0.010	-0.063	0.080	0.098	1		
18	economic change	-0.005	-0.010	-0.071	-0.062	-0.041	0.025	-0.037	-0.026	-0.026	-0.093	0.034	0.024	-0.094	-0.098	0.007	-0.150	0.105	1	
19	aged dependency change	-0.001	0.069	-0.037	0.020	0.038	-0.008	0.034	-0.003	-0.043	0.059	-0.016	0.021	-0.007	0.029	-0.074	-0.347	-0.046	0.023	1

Table A2. Extended version of Table 2 with anti-system parties as the dependent variable

	change in weighted consensus for anti-system parties (left column of Table 2)											
public spending axes	OLS (1)	OLS (2)	OLS (3)	OLS (4)	OLS (5)	OLS (6)	OLS (7)	OLS (8)	OLS (9)	OLS (10)	OLS (11)	OLS (12)
aggregate spending	-0.00051*** (0.00014)											
expenditure (sum a-j)		-0.00069*** (0.00017)										
(a) mobility and transport			-0.01117*** (0.00260)									
(b) health care				-0.00081*** (0.00021)								
(c) education					-0.00922* (0.00558)							
(d) labour market						-0.03172*** (0.00729)						
(e) urban							-0.01039 (0.00762)					
(f) social rights								-0.01087** (0.00493)				
(g) culture									-0.02841** (0.01430)			
(h) youth policies										-0.03838 (0.02479)		
(i) sustainable development											-0.00635*** (0.00183)	
(j) public order												-0.03804** (0.01719)
Control variables	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y
Regional fixed effects	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y
R^2	0.514	0.514	0.5177	0.5134	0.5112	0.5129	0.5082	0.5109	0.5099	0.5082	0.5104	0.5081
F (P>F)	81.75 (0.000)	87.48 (0.000)	97.47 (0.000)	88.39 (0.000)	83.29 (0.000)	92.33 (0.000)	79.55 (0.000)	74.97 (0.000)	75.23 (0.000)	79.52 (0.000)	83.02 (0.000)	84.18 (0.000)
Observations	7,571	7,767	7,767	7,767	7,767	7,767	7,767	7,767	7,767	7,767	7,767	7,767

Note: Robust standard error in parentheses. Regressions are weighted by the resident population in 2017 to control for size effects in municipalities with resident populations over the vote share. Significance levels: *** p value <0.01; ** p value <0.05; * p value <0.10.

Table A3. Extended version of Table 2 with pro-system parties as the dependent variable

	change in weighted consensus for anti-system parties (right column of Table 2)											
public spending axes	OLS (13)	OLS (14)	OLS (15)	OLS (16)	OLS (17)	OLS (18)	OLS (19)	OLS (20)	OLS (21)	OLS (22)	OLS (23)	OLS (24)
aggregate spending	0.00003 (0.00004)											
expenditure (sum a-j)		0.00004 (0.00005)										
(a) mobility and transport			0.00076 (0.00071)									
(b) health care				0.00005 (0.00006)								
(c) education					0.00029 (0.00266)							
(d) labour market						0.00272 (0.00304)						
(e) urban							0.00020 (0.00148)					
(f) social rights								-0.00049 (0.00209)				
(g) culture									0.00326 (0.00358)			
(h) youth policies										-0.00202 (0.00631)		
(i) sustainable development											0.00004 (.00042)	
(j) public order												0.01717*** (0.00547)
Control variables	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y
Regional fixed effects	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y
R^2	0.286	0.282	0.283	0.282	0.282	0.283	0.282	0.282	0.282	0.282	0.282	0.284
F (P>F)	27.51 (0.000)	28.29 (0.000)	28.83 (0.000)	28.51 (0.000)	28.83 (0.000)	27.64 (0.000)	27.98 (0.000)	28.06 (0.000)	28.22 (0.000)	27.98 (0.000)	28.03 (0.000)	29.51 (0.000)
Observations	7,571	7,767	7,767	7,767	7,767	7,767	7,767	7,767	7,767	7,767	7,767	7,767

Note: Robust standard error in parentheses. Regressions are weighted by the resident population in 2017 to control for size effects in municipalities with resident populations over the vote share. Significance levels: *** p value <0.01; ** p value <0.05; * p value <0.10.

[1] According to Dewey (1927), the proximity dimension has long been central to pragmatist and symbolic interactionist theories of democracy.

[2] Specifically, many levels of aggregation and representations of the division of labour can be used, for example, industrial sectors, which are at the heart of most structural economic analyses, but also circular flows, subsystems (Sraffa, 1960), or vertically integrated production ties. In other words, given the various representations of the division of labour, different possible socioeconomic aggregations can arise, so it is necessary to understand which one is relevant in any given situation (Cardinale, 2019) to understand the configuration of the salient interests at play.

[3] Only valid votes for the Chamber of Deputies are considered because votes for Senate are limited to individuals who are over 25 years old.

[4] The scores are selected depending on the election year, i.e. votes for the 2013 election are weighted with scores for 2013, while votes for the 2018 election are weighted with scores for 2018.

[5] The dimensions consist of general questions on 'EU integration', 'EU policy questions', 'ideological questions', 'policy dimensions', and 'party characteristics'. Only items whose scores are available both in 2013 and in 2018 are used to build the overall weighted score.

[6] For instance, an internal party crisis or pandemic event such as the COVID-19 emergency.

[7] https://openbilanci.it/

[8] These data were retrieved from the open platform of the Ministry of Economy and Finance (MEF) https://www1.finanze.gov.it/finanze/pagina_dichiarazioni/public/dichiarazioni.php, provided by the Department of Finance. Data are collected based on taxpayer tax returns (the *Irpef* declaration, namely, the *Imposta sul Reddito delle Persone Fisiche*), where the overall income includes the following types: income from buildings, income from employees and assimilated work, income from pensions, income from self-employment, income from ordinary entrepreneurship, income from simplified entrepreneurship, and income from shareholding. The sum of all income items gives the sum of incomes for each municipality, considered in 2017.

[9] Each macro area includes multiple NUTS 2 regions. In particular, the northwest includes Piedmont, Aosta Valley, Lombardy, and Liguria; the northeast includes Trentino-Alto Adige/Südtirol, Veneto, Friuli-Venezia Giulia, and Emilia Romagna; the centre includes Tuscany, Umbria, Marche, and Lazio; the south and the islands include Abruzzo, Molise, Campania, Puglia, Calabria, Basilicata, Sicily, and Sardinia.

[10] Details are available at https://www.istat.it/it/files//2021/01/Regional_accounts_2019.pdf.

[11] Details are available at: https://ec.europa.eu/regional_policy/en/information/maps/social_progress2020/#:~:text=The%20EU%20Social%20Progress%20Index,beyond%20the%20Gross%20Domestic%20Product.&text=The%202020%20results%20show%20that,different%20aspects%20of%20social%20progress.