

# WHEN POPULISTS DELIVER ON THEIR PROMISES: THE ELECTORAL EFFECTS OF A LARGE CASH TRANSFER PROGRAM IN POLAND

Jan Gromadzki (SGH Warsaw School of Economics and IBS), Katarzyna Sałach (University of Warsaw), Michał Brzeziński (University of Warsaw)

We estimate the effects of the introduction of large cash transfer on the support for the ruling populist party in Poland. We exploit the variation at the municipal level in the annual amount of received cash transfer per capita. We find that a \$100 per capita cash transfer translated into a nearly 2 percentage point increase in vote share for the ruling party. To a large extent, these effects were due to new voters coming off the sidelines.

## CONTRIBUTION OF THIS PAPER

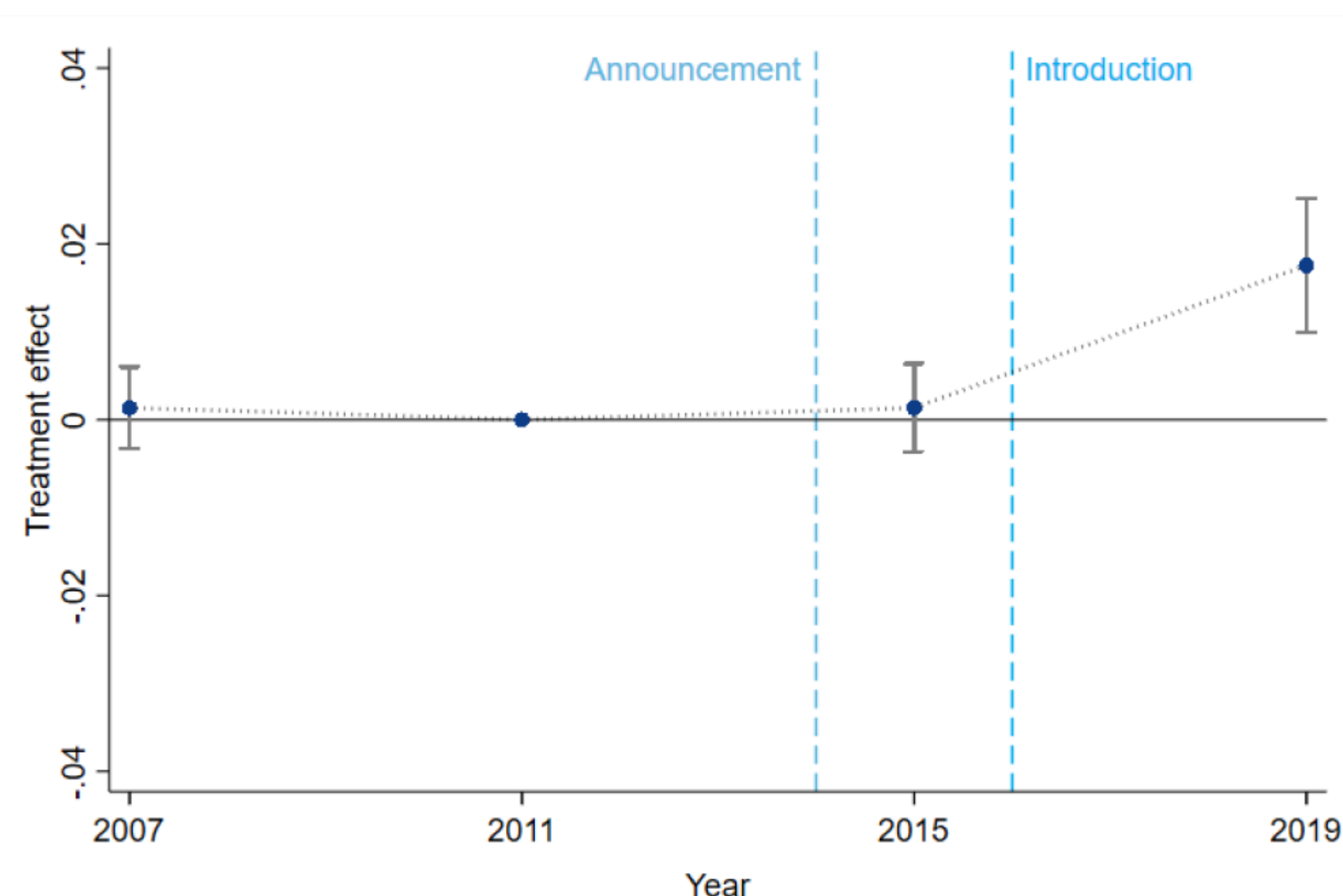
- ✓ Causal evidence on the effects of a rapidly introduced large cash transfer (1.2% of GDP) on the support for the ruling party in a developed country.
- ✓ Drivers of the support for a **populist** party in a developed country.
- ✓ Mechanisms: instrumental clientelism vs. voter reciprocity; effects on turnout vs. support for other parties.
- ✓ Revealed preferences administrative data + individual survey data.

## METHOD: DIFF-IN-DIFF

$$\Delta Y_{m,2011-2019} = \gamma + \beta CT_{m,2016} + X'_m \rho + \varepsilon_m$$

- ✓ Main outcome is the change in support for the populist party (PiS) between 2011 and 2019 parliamentary elections,  $CT_{m,2016}$  is the per capita annual amount of child benefit received in municipality  $m$  in the year of the introduction of the program (2016), and  $X'_m$  is the set of control variables measured in 2011
- ✓ Two alternative outcomes to estimate leads of the effect, and the effects of the announcement of child benefit promise:  $\Delta Y_{m,2007-2011}$  and  $\Delta Y_{m,2011-2015}$
- ✓ More conservative than standard panel fixed effects: coefficients vary depending on the election year

## EFFECTS ON THE SUPPORT FOR THE RULING POPULIST PARTY



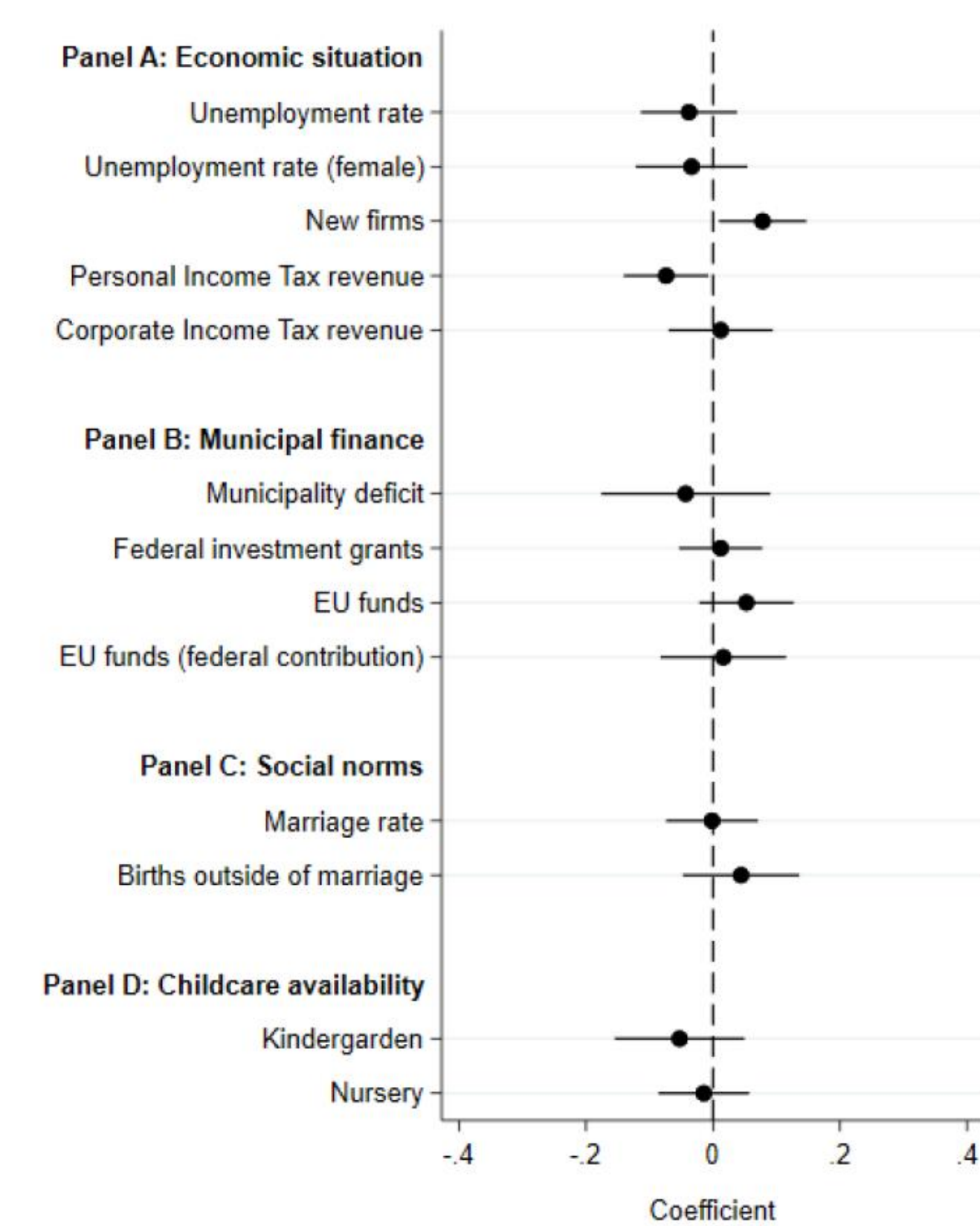
- ✓ The introduction of child benefit had a significant impact on the support for PiS. The announcement of child benefit promise had no significant effect.
- ✓ Similar results in all types of elections: parliamentary, presidential, European Parliament, suggesting that the effects are not simply due to instrumentalist motives (the European Parliament has no impact on the design of welfare programs).
- ✓ Particularly strong effects on the electoral outcomes of politicians responsible for the introduction of the program: consistent with voter reciprocity mechanism.

## EFFECTS ON TURNOUT

	(1)	(2)	(3)	(4)	(5)
Child benefit p.c.	0.024*** (0.002)	0.023*** (0.003)	0.016*** (0.004)	0.021*** (0.004)	0.014*** (0.004)
Political controls	no	yes	yes	yes	yes
Geographic controls	no	yes	yes	yes	yes
Demographic controls	no	no	yes	yes	yes
Economic controls	no	no	no	yes	yes
Electoral district FE	no	no	no	no	yes
Adj. R-Squared	0.14	0.39	0.44	0.47	0.57
Mean of outcome	15.62	15.62	15.62	15.62	15.62
Mean of child benefit p.c.	149.36	149.36	149.36	149.36	149.36
N	2473	2473	2473	2473	2473

- ✓ Strong positive effects on voter turnout
- ✓ Gains of PiS mostly due to new voters coming off the sidelines
- ✓ Evidence that effects not driven by mobilization of childless voters

## ALTERNATIVE MECHANISMS



- ✓ Effects not explained by economic effects of the program, cultural change, political polarization, changes in public goods provision, other government programs, and pre-treatment trends in economic and demographic outcomes.

## CONCLUSIONS

- ✓ Significant positive effects of the transfer: without it, all else being equal. PiS would lose majority in the parliament after the 2019 elections.
- ✓ Effects at least to some extent driven by voter reciprocity.
- ✓ Findings relevant for other countries with high levels of income inequality and low levels of redistribution, not necessarily limited to populist parties.