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The Effects of Targeted Foreign Aid on Clientelism: The Case of the European Recovery
Program in Italy


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An abstract of
a thesis submitted to the Faculty of Emory College of Arts and Sciences
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Abstract

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This study evaluates the relationship between the targeted disbursement of foreign aid by domestic actors and clientelist outcomes. The theory is moderated by the clientelism and economic influence on the vote literature, which offer insights into how and why voters respond to distributable benefits. Two hypotheses – one focused on fluctuations in electoral outcomes, the other on monitoring mechanisms of clientelist exchanges – are tested in a case study of the Christian Democrats' disbursement of European Recovery Program (ERP) project funding between the 1948 and 1953 national elections. Sufficient evidence is found to negate both original hypotheses, with the author concluding that the disbursement of ERP funds generated higher expectations amongst voters, which ultimately harmed the Christian Democrats' subsequent electoral performance in 1953. The study is significant insofar as it tests quantitative hypotheses related to the expansion of clientelist ties, tests specific funding mechanisms on support for a mass political party, and investigates the efficacy of foreign aid in developing clientelist networks.

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**Table of Contents**

**Introduction**

With only six days left before Italy's momentous 1948 elections *The New York Times* declared,

"With the Communists shouting, 'Every vote for de Gasperi is a vote for Truman,' and the

Christian Democrats shouting in reply, 'Every vote for Togliatti is a vote for Stalin,' the

campaign is being fought more and more on questions of foreign policy."[1] Observers in Italy and

abroad believed that Italians were not only deciding the partisan makeup of the Italian

government at the polls, but also the country's side in the Cold War. Young Italian political

parties were seeking both mechanisms to secure votes from the electorate and funds from foreign

governments to support their efforts to win the Premiership. With the Communists relying on

funding from the Soviets and the Christian Democrats relying on early humanitarian and

economic support from the United States, a narrative of competing foreign alliances arises from

the complex postwar political scene. In order to understand the motivations and long-term

electoral effects of foreign aid to postwar Italy, the following research questions must be

addressed: Why and how does foreign aid influence clientelism at the domestic level? What are

the longer-term electoral effects of targeted foreign aid?

      The research questions seek to bridge two separate, ubiquitous topics in the international

relations and comparative politics literature – foreign aid and clientelism. The dispersion of

foreign aid provides a glimpse into foreign actors' strategies in facilitating their interests within

the domestic politics of a recipient country. An overlap in the ideological leanings of the donor

and recipient governments is often a necessary component to aid distribution, and the logistics of

aid dispersion spotlight the political maneuvering and strategic interests of the recipient and

donor countries. Clientelism, as the exchange of state resources that are distributable, divisible,

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[1] Quote from New York Times article "Millions in Italy at Party Rallies," published on April 12, 1948, and reported by Arnaldo Cortesi.

and particularistic for electoral votes, has its strength and directionality altered by the inflow of foreign aid. Clientelism may be a mechanism for vote-seeking available to only select political parties, whose ideological leanings are of strategic value or concern to donor countries. Foreign actors, aware of the clientelist mechanisms by which their aid will be distributed, can sway domestic politics within their own countries and that of the recipient via the type and conditions of the aid.

Understanding clientelism and the motivations of party officials and voters in its exchange is crucial to explaining the relationship between domestically-driven foreign aid distribution and subsequent changes in electoral outcomes. In political systems where clientelism is an established or expanding practice, parties will seek access to state resources so that they can provide particularistic benefits to voters and consequently grow their electoral base. Foreign aid, as a potential major shock to a domestic state's resources, can become a major source of divisible benefits to select voters and electorates. Which domestic actors control the disbursement of these funds, where they are targeted, and how voters respond can thus significantly affect electoral outcomes.

In keeping with the literature on clientelism and the economic influence on the vote, the research questions will be examined in an empirical case study of the implementation of the United States' European Recovery Program (ERP) in postwar Italy. Two hypotheses are tested in this case study – one focused on fluctuations in electoral outcomes, the other on monitoring mechanisms of clientelist exchanges. Evidence against each of the original hypotheses is discovered. The results indicate that the disbursement of ERP project funding harmed the level of electoral support for the Christian Democrats, the mass party that controlled the Italian government at the time of disbursement, and had mixed effects for the leftist parties, their main

political rival. These same results were found when solely buildings and public works projects were considered in the models. The results also show that ERP project funding had a negative and statistically significant effect on CISL trade union membership, implying that the development of clientelist networks did not facilitate the expected monitoring mechanisms necessary to audit the transactions of votes for distributable benefits.

After comparing the evidence for multiple competing stories to explain results which directly counter clientelism and economic influence on the vote theories, the ultimate conclusion is that the provision of particularistic services can backfire on mass political parties if the service provision generates political expectations that are unreasonable for the governing party/coalition to achieve or sustain. This study offers a generalizable investigation into the motivations and effects of foreign aid dispersion on clientelist outcomes in highly polarized, developing, and/or European contexts. And while the case study is historical in nature, it provides insights into the potential long-term effects of foreign electoral interference on domestic politics and vote-buying, which is a contemporary issue of the highest magnitude as foreign actors seek to influence elections by spreading disinformation.

In order to elucidate these results and conclusions, this paper will first analyze the theoretical underpinnings of the strategic incentives of foreign aid, clientelism, the economic influence on the vote, and foreign actors and clientelism. After fully explicating the link between foreign aid, clientelism, and electoral outcomes, the two hypotheses tested in this study will be stated and clarified. From there, the case study as a method and specific context will be defended, with particulars about the political incentives involved in the ERP's disbursement in Italy explained at length. The paper follows with thorough data and methodology, and results and discussion sections before concluding.

**Literature Review and Theory**

*The strategic incentives of foreign aid*

Foreign aid broadly encompasses the economic, humanitarian, and military resources provided from one government to another (Markovits, Strange, and Tingley 2019, 10-11). Foreign aid, given its ability to restore, maintain, or disrupt the status quo in the international system, is a strategic mechanism for the donor country's overall foreign policy goals (Markovits, Strange, and Tingley 2019, 11-12). There is a plethora of reasons for why a state would want to provide foreign aid to another country, but the laundry list of reasons boils down to either "interest-driven or ideology-based rationales" which advance the international agenda of the donor country (Strüver 2016, 2).

The interest-driven justifications for foreign aid disbursement include the importance of the recipient country as a commercial partner, controller of natural resource reserves, relatively strong military ally in the region, or trade partner (Strüver 2016, 15-16). The strategic relevance of the recipient country in fostering economic and military ties abroad thus motivates the donor country to contribute assistance such that their interests are promoted in the international realm and potentially aligned with the recipient government. The ideology-based justifications for providing foreign aid include an alignment in policy preferences or normative beliefs along the ideological continuum, overlapping historical legacies of socialist or anti-socialist leanings, and similar visions and attitudes towards the international system (Strüver 2016, 16). The bolstering of a government's ideological beliefs abroad can raise its credibility and standing within the international system. Thus, governments are incentivized to advance the interests of like-minded domestic actors in the recipient country, and interest-driven and ideology-based rationales for foreign aid disbursement are not mutually exclusive. By extension, governmental transitions to a

new party or regime affect the ideological preferences of a country's foreign policy position, and therefore its prioritized aid dispersion mechanisms, principal foreign beneficiaries, and willingness to provide foreign aid (Brech and Potrafke 2014; Faust and Koch 2014; Dietrich 2016).

The ideological leaning of the donor country prefaces whether or not they will provide aid, which partisan interests will benefit from the aid, and preferred partners in aid disbursement. This is most clearly exemplified by democracies' affinity to provide aid to other democracies, and autocracies' aid preferences for other autocratic regimes. Aid as a tool for democracy promotion is attractive to established democracies because the aid can foster democratic ideals abroad, while also offering sources of development (Carothers 1997, 110). Democratic peace theory is often applied to the aid and development story too, with scholars claiming that neorealist states want to promote democracy in the international system as much as possible in order to avoid potential and future wars (Bader, Grävingholt, and Kaestner 2010, 83). Autocracies should also prioritize giving aid to other autocracies, although for different reasons. Autocratic governments seek to provide distributional benefits to their small ruling coalition, and a predominance of other autocratic regimes can maximize the amount of private goods available to the autocratic regime. Additionally, the preexistence of other autocratic regimes can lead autocracies to support each other in order to maintain political stability. Targeted aid between autocratic actors can thus offer support to preferred autocratic partners and preserve the status quo (ibid, 87-90). The directionality of the relationship may also be reversed, with recipient authoritarian actors preferring an autocratic, as opposed to democratic, donor that will support their authoritarian rule. For example, the primary autocratic beneficiaries of China's Belt and

Road Initiative (BRI) are more likely to opt for Chinese development assistance, instead of US-backed aid in order to prevent threats to their power (Yu 2019, 191-192).

The strategic interests facing actors in the international realm are therefore always related back to ideological similarities or differences between potential partners or adversaries. Ideological concerns frame the viability of partners and allies in the international system and determine which foreign policy tools are most attractive to governmental leaders. As long as there is an ideological overlap between the party or parties controlling the donor government and the primary political beneficiaries of the aid, a strategic interest in providing foreign assistance, and a proven political timeline between the donor and recipient country, the major conditions are met to certify the aid as a result of the political interests of the donor and recipient countries' political actors.

*Clientelism*

Clientelism is the exchange of state resources for electoral votes which is non-programmatic and targeted at individuals (Stokes et al. 2013, 7). State resources include those which are distributable, divisible, particularistic (given for the benefit of a specific group), and/or used for welfare purposes. Clientelism's nature as an exchange between a patron and client implies that there are benefits and costs to each participant in the relationship (Hopkin and Mastropaolo 2001; Piattoni 2001). Yet this exchange is not static; the agents within clientelist relations change with developments in the party system. What begins as a dyadic relationship between individuals, namely individual clients and local notables, can develop into complex, widespread clientelist networks (Lemarchand 1981). Clientelism's ability to become endemic to an entire political system, non-programmatic nature (e.g. the criteria for the distribution of resources is not public or it is undermined by partisan criteria), and the fact it is targeted to individuals

distinguishes it from pork-barrel politics and programmatic distribution (Stokes et al. 2013, 7-10). Furthermore, the asymmetry between patrons and clients – later party officials and constituencies – and expected reciprocity on the part of voters underlies clientelism in its developing and established forms (Lemarchand 1981).

In delineating any plausible association between foreign aid and domestic clientelism, the incentives facing the parties and voters in clientelist exchanges must first be explicated. The overarching incentives facing parties are electoral success and power in government. The electoral success of a party is contingent upon multiple factors, including its position along the ideological spectrum and party size. When party systems first develop, the ideological similarities between parties and voters, as well as promises for spoils, have the greatest salience since voters cannot use previous records of parliamentary achievements or state resource distribution to determine party legitimacy (Warner 2001). Particularly in highly polarized contexts, such as the Cold War, voters can be mobilized in favor of their ideological preferences or against the ideological preferences of those with opposite beliefs. Party ideology can also generate organizational differences between parties, such as whether or not they attempt to unite regional policy and political strategies with the central state (Hopkin and Mastropaolo 2001). Since a party's platform and ideological leaning can attract a particular voter demographic, which may be more or less vulnerable to clientelist exchanges, the potential effectiveness of utilizing illegal voter mobilization tactics can be conditioned by the initial affinities of voters for certain parties. Thus, party ideology is an important consideration in determining which parties are more likely to engage in clientelism insofar as certain ideologies may attract voters that are more likely to depend upon clientelist networks for divisible benefits.

Party size is another crucial factor to the strategies and electoral success of political parties. Since clientelist systems transition from a vertical to horizontal structure over time, as individual relationships between voters and local officials develop into constituency-level dependencies on party elites, mass parties have an advantage in centralizing clientelist efforts. Before this transition from vertical to horizontal clientelist structures, parties depend upon the exchange of state resources for votes between local officials and individual voters. But as clientelist ties become clientelist networks, and the structures become horizontal in nature, party leaders instead rely on brokers to develop dependencies with constituency-wide electorates (Hopkin and Mastropaolo 2001). In building widespread clientelist exchanges into the party apparatus, parties can provide material and particularistic benefits to their most ardent supporters, while also distributing state resources to undecided voters such that they too are incentivized to turn out at the polls for their party (Stokes et al. 2013; Gherghina 2013; Gherghina and Volintiru 2017, 188). Parties must embrace both localism and particularistic tendencies in order to garner clientelist networks at the national level, giving mass parties an advantage in mobilizing their ardent supporters and indecisive voters (Hopkin and Mastropaolo 2001). And finally, building monitoring efforts into the party apparatus of clientelism can foster more effective clientelist networks, either through brokers or other party organizations, such as party-affiliated trade unions (Stokes et al. 2013; Warner 2001; Caciagli and Belloni 1981).

The monitoring of clientelist exchanges is one of the costliest components of a party's information-gathering as it seeks to expand clientelist networks (Stokes et al. 2013; Mares and Young 2016). The high cost of monitoring is one plausible reason for why widespread clientelist practices have died out in some democracies, forcing parties to either develop highly effective

monitoring processes or abandon clientelism entirely (Stokes et al. 2013).[2] Monitoring the

efficiency of brokers, instead of each individual exchange, is the most widely cited form of

clientelist monitoring. And monitoring brokers can prove crucial to electoral success. Larreguy

(2013) found evidence that Mexico's PRI party is able to use electoral data to monitor the

effectiveness of party brokers in some areas better than others. In areas where electoral data were

more widespread and available to the party, the PRI performed better in subsequent elections (by

as much as 1.5%), suggesting that the more efficiently a party monitors its brokers and their

performance, the larger their electoral gains become (ibid, 2-4). Party-affiliated trade unions are

one of very few monitoring mechanisms cited in the Italian clientelism literature, and thus

exploring their effectiveness as brokers could alter our understanding of how clientelist monitors

shape electoral outcomes (Hopkin and Mastropaolo 2001).

Finally, I consider the incentives facing voters in the clientelist exchange.[3] In the initial

clientlist exchanges, voters may have a unique opportunity to voice their concerns, demands, and

interests as they seek particularistic benefits from patrons. But as the party system grows and

concerns about "catching" the median voter are of heightened concern to political parties, parties

are more likely to adopt mass party strategies which align ideological and material benefit

considerations at the electoral district level. Clientelism can thus lose some of its qualities of

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[2] Stokes et al. (2013) give the U.S. and European countries as examples for political contexts in which the high costs of monitoring outweighed the benefits.

[3] Scholars of clientelism broadly agree that clientelism generates an unequal relationship between individual voters and patrons/party officials. While the asymmetry between political parties and voters is widely understood in the literature, whether or not the interests of voters or parties matter more in clientelism's developmental stage is still an area of debate. Scholars who support the proposition that the interest aggregation among voters structures later phases of clientelism defend the 'demand-side' theory. Those who argue that clientelism was structured when the preferences of parties were relatively unconstrained by any demand from voters (thus allowing parties to induce voters into their clientlist mobilization tactics) support the 'supply-side' theory. Shefter (1994) both introduced this dichotomy into the literature, and remains one of the most outspoken defenders for the supply-side proposition.

localism, while boosting the importance of party leaders in the exchange, as party systems solidify. (Piattoni 2001)

To clarify, while clientelism certainly provides material benefits to clients, the interest-aggregating mechanisms within clientelism become mute over time. The interest-aggregating mechanism that initially links voters and politicians only lasts until the clientelist exchange is legitimized. Afterwards, the politicians and patrons have no incentive to promote constituency interests, leading to the modern clientelist practices embedded in machine politics (Kitschelt 2000, 848-852). For example, local party leaders may appeal to voters' ideological leanings and promise material benefits if they support them in the early stages of clientelism. But as clientelist networks grow and expand, the local leader is less dependent upon each individual voter's electoral support and loses the incentive to voice constituents' concerns at the national level, which was a costly task. The local leader may continue to provide material benefits to earn votes, but he no longer acts as an interest aggregating mechanism for the electorate. Thus, a clientelist party system in its developmental stage may provide a mechanism for voters to hold politicians and parties accountable via interest aggregation, but as clientelist ties become clientelist networks, and parties become chiefly concerned with support across electoral districts, the incentives of the parties determine the outcomes of clientelism much more than the preferences of the voters. Parties maintain the upper-hand in both developmental and established clientelist systems, and as the local, singular ties between party officials and individual voters becomes less important to the party's success at the polls, the asymmetry between party officials and voters is enlarged. Resources can be distributed en masse to target constituencies, instead of relying on local ties (Roniger 1994).

Clientelism is ultimately defined by the asymmetry that exists between the patrons and clients (Roniger 1994). The inequality of power between the patrons and clients generates a dependency of the clients for particularistic benefits. As the backbone of local relations and even the apparatuses of national parties, clientelism structures political outcomes. It is not simply a cultural trace from a pre-modern era, but an understanding throughout the political system that clients and patrons must behave in a certain way to gain their desired outcome (Dudek 2005, 144-148). Hence, in instances of clientelism, I would expect to observe an unequal relationship and co-dependency between party officials and voters in electoral districts and exchanges of state resources for electoral votes. These two conditions for clientelism will be revisited in the hypotheses section.

*Economic influence on the vote*

Understanding the complexities of clientelism helps scholars to understand the strategic options available to voters, but other important factors also heavily affect voters' decisions. Chief among these external influences on the vote are economic conditions. Retrospective voting based on economic improvements or failures since the previous election is widely defended in the political economy literature (Healy and Malhotra 2013). Under retrospective voting, voters evaluate the effectiveness of incumbents, and in some instances the untested opponent, in order to sanction or reward economic trends that may financially affect them personally, or collectively as a nation (Healy and Malhotra 2013; Lewis-Beck 1988). Voters might also retrospectively evaluate incumbents to determine the quality of their service while in office, and what types of services they will provide if reelected (Healy and Malhotra 2013). And yet, prospective considerations about the economy as a whole (i.e. do voters expect the national economy to be better or worse

after the incumbent is re-elected) appear to outweigh retrospective considerations in individual voters' electoral decisions (Lewis-Beck 1988).

Voters are clearly cognizant of how electoral outcomes can affect their economic prospects, as is reaffirmed by the clientelism literature's discussion of rent-seeking by voters and party officials in the exchange. The economic influence on the vote also remains an important, constant contributor to voters' decision-making, regardless of whether political systems are undergoing party dealignment or sociodemographic changes as a result of globalization (Dassonneville and Lewis-Beck 2019). With the knowledge that economic realities significantly affect voters' decisions in mind, incumbent political parties and politicians are incentivized to influence fiscal policy in their favor.

The empirically-supported pattern of politicians raising targeted expenditures before elections, coupled with either a simultaneous decrease in other forms of spending or a decrease in fiscal spending after the election year, is referred to as political budget cycles (PBCs) (Drazen and Eslava 2006, 2-5). The basic PBC theory states that incumbents should raise expenditures on specialized programs or reduce tax rates in the lead-up to elections in order to demonstrate their competency, lower information asymmetries with voters, and/or demonstrate genuine policy preferences (de Haan and Klomp 2013; Drazen and Eslava 2006). Such strategies cater to the retrospective tendencies of voters.

Prominent case studies in the literature have also found that upticks in fiscal spending before elections are targeted to specific groups so that the net deficit remains approximately the same (Gonzalez 2002; Khemani 2004; Drazen and Eslava 2006), development and infrastructure projects are particularly effective in garnering electoral support (Brender 2003, 2201; Khemani 2004), and countries with more competitive elections are more susceptible to targeted spending

(Gonzalez 2002; Labonne 2013). Of particular interest to this study is the efficacy of development and investment projects to PBCs. Khemani (2004) reasoned in her literature review that public investment and development spending is a preferred resource in garnering PBCs because this type of spending can be targeted to pivotal groups better than other forms of expansionary fiscal policy (128). Developing countries and developing democracies, like Italy in the postwar period, may be particularly vulnerable to these spending adjustments and development projects because they likely have a lower share of informed voters, and incumbents in these contexts often gain higher rents from staying in power (Shi and Svensson 2006, 1375-1379).

Targeted fiscal spending can be used to support clientelist exchanges, and these economic measures can convince voters of the retrospective competency of their politicians/party leaders, or signal to voters that such benefits and spending will continue after the election. Targeted economic spending is also more likely to be directed towards swing districts and swing voters in an attempt to sway elections in favor of the incumbents (Dahlberg and Johansson 2002; Kwon 2005). Swing districts, as defined by Stokes et al. (2012), are "sub-national jurisdictions in which many indifferent voters reside (178)." Conceptually, swing districts can be thought of as those which have a larger proportion of voters that are not loyal to the major parties in the electoral contest. This is consistent with how Cox (2009) defines swing voters as those that are non-core, meaning that these voters are not guaranteed to support a given party. In understanding that swing districts are likely to be targeted by expansionary fiscal policies, and that voters consider both personal and collective economic realities when voting, targeted foreign aid becomes a clearer mechanism for influencing clientelism's development and persistence over time.

*Foreign actors and clientelism*

The pervasiveness of clientelism throughout certain domestic political systems makes it an important consideration to foreign actors which partner with domestic actors on issues of development assistance, political economy resources, and security. Donor countries may align their development assistance efforts with one particular domestic party to sway the electoral system towards a desired outcome, improve the distributional efficiency of the funds, or promote ideological similarities in party platforms. Foreign actors thus consider the intended effects of their aid and the potential consequences if the recipient actors use the aid to garner more electoral support. (Wild, Foresti, and Domingo 2011)

Foreign actors can also disrupt domestic clientelist ties via their interventions. For example, rents from natural resources are a crucial means for many competitive parties to amass short-term political benefits in developing democracies. The entrance of foreign actors into these fragile markets can have a large distortion effect on the resources available to a governing party at any given time, thereby providing foreign actors an opportunity to alter the economic advantages available to a leading domestic party. (Abdulai 2017)

Whether foreign actors support or undermine domestic clientelist networks is therefore determined by their attitudes towards the governing domestic party, the political incentives of their aid or resource provision, and the mechanisms by which state resources translate into votes and domestic support. These ideological and strategic interest considerations align with those underlying foreign aid, thereby directly relating the foreign aid literature to clientelism. And an overlap in ideological beliefs and strategic interests between the foreign and domestic actor, plus the provision of aid to the domestic actor, therefore acts as a causal mechanism for producing desired clientelist outcomes.

**Hypotheses**

The theory generates two necessary conditions to prove that an observed disbursement of state resources is an occurrence of clientelism: 1) An unequal relationship and co-dependency between party officials and voters in electoral districts. And 2) exchanges of state resources for electoral votes. The chosen comparative methods will be critical to satisfying both conditions, along with historical journalistic articles that provide appropriate context for the quantitative results. The following two hypotheses were rigorously tested using the SUR method and OLS to establish a direct link between politically-driven ERP funds and changes in electoral and party support results.

*$H_1$: Electoral districts that received higher amounts of ERP project funding experienced a greater increase in the Christian Democrats' vote share AND a greater decrease in the leftist parties' vote shares between the 1948 and 1953 national elections.*

The first hypothesis links the quantity of aid received and anticipated changes in party support between national elections. In order to establish a clientelist exchange with the ERP aid funds, a significant increase in the electoral vote share for the party engaging in clientelism would have to be observed, along with a significant decrease in support for the other parties, as per the two necessary conditions outlined in the theory section. The simultaneous decrease in electoral support for the other major parties (the leftist parties in this instance) is an important component of this hypothesis. This condition of the hypothesis tests the asymmetrical relationship between the parties/party officials and voters. The observation that certain electoral districts received larger amounts of ERP funds and then provided greater support for the Christian Democrats only suggests that they viewed the Christian Democratic Party as responsible for these distributional benefits. The additional condition that support for the other major parties decreased demonstrates

that the Christian Democrats used the ERP funds to limit the viable party options available to voters in subsequent elections.

*H₂: Provinces that received more ERP project funding subsequently had higher Catholic trade union membership.*

This hypothesis seeks to link the quantity of ERP project funds supplied to party support in the form of trade union membership. As will be elaborated upon in the case study section, the Christian Democrats, who controlled the disbursement of ERP funds, could rely on localism, particularism, and asymmetrical relations between their party officials and voters in the northern regions because of the monitoring efforts by the trade unions (Warner 2001). Therefore, welfare and state resource provision should have been higher in areas that would later have greater Catholic trade union representation. Given the importance of trade unions in monitoring their unionists' voting behavior on behalf of party officials, provinces with a greater trade union presence should have had greater negotiating power in asking the party for spoils. This is consistent with the literature, specifically Gherghina (2013) and Stokes et al. (2013), that predicts strongholds of party support to receive distributable benefits, often at the behest of brokers in the clientelist exchange. And the causal pathway proceeds from the amount of ERP funds to the number of trade union members, because most of the funds were disbursed by 1950, which is the same year that Catholic trade unions had an official presence. While normally a monitoring hypothesis would test these variables in the opposite direction, with the relative scale or number of monitors influencing the amount of funds received, the last funds disbursed (at least for the projects analyzed in this study) were distributed in 1950, the same year that CISL, the Catholic trade union, was formed. Since the funds were mostly disbursed before CISL was formed, I anticipate that areas that received more ERP funds subsequently had a greater trade union

presence to monitor this exchange of resources for votes and expand clientelist ties. Observing a

decrease in trade union membership in provinces that received greater amounts of ERP funds,

even if it were not statistically significant, would counter the importance of monitoring

mechanisms and appendage party institutions in determining the relative size of spoils that each

area of local party support receives.

**Case Study**

*Why a case study?*

Case studies are valuable to comparative politics because they offer highly nuanced insights by

analyzing a particular topic in great detail in one country, and control for cultural and

environmental features specific to a country, thus allowing for greater comparability of political

phenomena over time (Lijphart 1971, 689-691). The clientelism literature in general is

dominated by case studies, many of which concentrate on countries in southern Europe and the

Mediterranean (Gellner and Waterbury 1977; Eisenstadt and Lemarchand 1981). Italy is

therefore a popular case study for clientelism, and it is a particularly useful case since postwar

party system developments, the development of new political parties in the beginning of the

"Second Republic," and alterations to EU political systems provide insightful intra-case

comparisons in clientelist structures and behaviors.

This study seeks to answer the questions "Why and how does foreign aid influence

clientelism at the domestic level?" and "What are the longer-term electoral effects of targeted

foreign aid?" through a case study of ERP aid distribution in post-war Italy. In addressing the

hypotheses, which seek to estimate the effect of ERP project funding on subsequent electoral

outcomes and Catholic trade union membership, postwar Italy is an ideal case. The developing,

dynamic nature of Italy's contemporary political system makes the electoral effects of foreign

aid interventions more apparent than would be visible in a political system in established equilibrium. And while scholars debate whether many political systems ought to be classified as clientelist systems, there is consensus that clientelism was rampant in postwar Italy. More trust can thus be placed in statistical findings that are reasoned to be evidence of clientelist practices from this case study, while its generalizability to other European states makes its findings important to the European politics and clientelism literature. Furthermore, the fact that the Christian Democrats remained the dominant party in control of government in the lead up to the 1948 election, during the disbursement of ERP project funds, and after the 1953 election controls for party transitions and permits changes in Christian Democratic electoral support to reflect a response to the disbursement of Christian Democrat-controlled ERP funds.

Inferences from this case study are generalizable to other European states with clientelist networks which received foreign aid and assistance in the postwar period. The postwar period was a time for the resurgence of old party systems and the development of new ones throughout Europe, and therefore this case study offers important insights into how and why party strength can solidify around clientelist mechanisms, particularly by utilizing additional resources of foreign aid. Since the ideological underpinnings of American, and later NATO, aid were driven by the polarization of the Cold War, a causal link between foreign aid distribution and an expansion in domestic clientelist networks should be applicable to other international events characterized by high ideological polarization and security risks. Examples of these instances include contemporary debates over whether countries in the Asia-Pacific region should prioritize Chinese or American-sponsored development assistance, or whether the EU should provide more aid to Eastern European countries to lessen Russia's geopolitical influence. Markovits, Strange, and Tingley (2019) also notes that studying and relating early contemporary instances of aid to

systemic politics is inherently valuable in its ability to shed light on accumulated aid incentives facing foreign actors in today's complicated international system. And in the minds of many scholars, the ERP started a new era of foreign development assistance and greatly influenced the modern international system (Markovits, String, and Tingley 2019).[4] Thus, understanding the effects of ERP aid disbursement on domestic political outcomes can be valuable in understanding modern and contemporary foreign aid and development assistance programs.

This case study is also unique in its testing of a quantitative hypothesis related to clientelism, which is usually explored through in-depth, qualitative case studies. By investigating the effects of a very specific funding source on clientelist outcomes, this study's methods resemble those of the economic influence on the vote literature while exploring questions proposed by the clientelism literature. The following two sections provide greater context for clientelism and ERP funding in Italy before I outline the data and methods used in this case study.

*Clientelism in Italy*

Italy is a popular case study in the clientelism literature because of clientelism's resurgence in the postwar period, regional variations, and fluctuations in structure over time. Since postwar Italy is widely perceived as a prime example of a clientelist political system, testing the effects of specific foreign aid disbursement on clientelist outcomes adds an international dimension to clientelism's narrative. The Christian Democratic Party, as the major, dominant party throughout the "First Republic" period from the mid-1940s to early 1990s, is the primary focus of Italian case studies (Forlenza 2010, 331).

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[4] While Markovits, Strange, and Tingley (2019) reiterate the importance of the Marshall Plan/ERP aid to the story and study of contemporary foreign aid disbursement, their paper focuses on the role that pre-ERP aid has on explaining and informing current understandings of foreign policy and the international system.

The Christian Democrats were able to build successful clientelist ties and networks into their party apparatus because of their ideological orientation, party organization, party size, and monitoring capacity. The appeal of a distinctly 'Catholic' ideology initially attracted voters to the Christian Democrats. Officially founded in 1943, the party could trace its roots to the pre-fascist Popular Party, a left-leaning party that appealed to the ideals of the Catholic faith. In the north, Catholicism was highly organized. Organized Catholicism created a political class that cut across social divisions, providing a mass base for the Christian Democrats as they expanded (Chubb 1982). And Catholic trade unions acted as the monitoring mechanism for party leaders in the northern regions, ensuring that their members supported the Christian Democrats (Warner 2001). In the south, the Christian Democrats instead had to rely on clientelist ties with local notables which had survived the fascist era and the war. These ties with local notables were the only sources of pre-organized associations that the party could co-opt (Chubb 1982). The trade unions in the north and ties to local notables in the south thus acted as important monitoring mechanisms that could lower information asymmetries between party officials and voters, thereby ensuring that clientelist mechanisms and incentives were effective at the polls. And lowering these information asymmetries through monitoring allows clientelism to have constant returns to scale such that a singular broker can have effective ties with individual voters (Stokes et al. 2013, 180).

The transition of clientelism in Italy from vertical to horizontal structures also conditioned the nature and expansion of clientelist networks. The Christian Democrats were able to transition from vertical relations between local notables and individual voters to constituency-wide dependencies on party officials due to *apparatichi* party officials. *Apparatichi* party officials substituted the need for monitoring the individual-level exchange of resources for votes,

which helped clientelist ties with local officials transform into constituency-wide clientelist networks. And the Christian Democrats' control of government, and by extension state resources, in the postwar period accelerated the development of clientelist networks via *apparatichi* officials. Up to sixty percent of municipality funding relied upon handouts from the national government (Warner 2001, 133). The provision of these distributable benefits allowed the party to generate more rigid, horizontal clientelist relations between party officials and constituencies, furthering their hold on power. (Caciagli and Belloni 1981; Hopkin and Mastropaolo 2001; Warner 2001)

The explicit relationship between the parties and policymaking should also be apparent in the discussion of clientelism. In Italy, the parties ultimately determined important policy decisions throughout the First Republic, often circumventing the formal proceedings in parliament. Thus, negotiations between party secretaries and party leaders determined policy outcomes (LaPalombara 1987). The implementation of government policy was also largely left to the parties, explaining how the growth of the welfare state, bureaucracy, and state resources benefitted the parties directly attached to the government (LaPalombara 1987; Warner 2001; Hopkin and Mastropaolo 2001). The importance of access to state resources in expanding clientelist networks also explains the PCI's relative exclusion from building clientelist networks of their own.

The PCI, or Communist Party, like the Christian Democrats, benefited from ties to local notables in the post-war period and worked to develop a mass party organization. Yet, the PCI's direct exclusion from government by the Christian Democrats meant that it was unable to provide particularistic benefits to its constituents. As was prefaced above in the theory section, parties must embrace both localism and particularistic tendencies in order to garner clientelist

networks at the national level (Hopkin and Mastropaolo 2001). Hence, the PCI's inability to provide particularistic benefits and siphon state resources to benefit its constituents both prevented it from developing clientelist networks throughout the country, and gaining governing power.[5]

The fact that clientelism existed in Italy, particularly in the immediate post-war period, is thus widely accepted by the literature. The extent to which clientelism provided explicit benefits to the electorate, and the role of foreign aid in the provision of distributable and particularistic benefits, is still a relevant and important topic worthy of investigation. This study thus provides insights into *how* early postwar parties established clientelist networks and electoral strongholds, *why* foreign actors can find domestic clientelist networks so useful to their foreign policy objectives, and *the degree to which* distributable returns boost the effective monitoring of clientelist voting.

*The ERP in Postwar Italy*

The European Recovery Program (ERP), otherwise known as the Marshall Plan, remains one of the largest economic development programs in contemporary history. Through the independent European Cooperation Administration (ECA), approximately $140 billion (in 2017 dollars) of aid was invested in sixteen Western European countries from 1948-1952 to help rebuild infrastructure after the war and strengthen fragile economies (Garrett 2018). Italy was one of the primary beneficiaries of the ERP, receiving $1.2 billion (in 2010 dollars) of aid via subsidies, loans, and grants (Bianchi and Giorcelli 2018). ERP funding began flowing into Italy via the

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[5] This was not for lack of trying to use clientelism to their own advantage. *The New York Times* reported an interview by C. L. Sulzberger on April 15, 1948, with Prof. Pierpaolo Luzzatto Fegiz, writing, "He said that his investigators had reported that the Communist propaganda was successful in areas of sharecropping and unfair land distribution. Party agents visit poor farms with maps of the region divided into lots and ask farmers which lot they desire after elections and to place orders now for farm equipment. They say as soon as 'you have voted for…the Communist[s]…distribution will take place.'"

ECA and Organization for European Economic Cooperation (OEEC) soon after Italy's 1948

elections (Miller 1983; Garrett 2018).

Background context for this election provides insights into why and how ERP funding

was related to subsequent electoral outcomes. Following the brief stint of the major socialist

party in government from June-November 1945, Alcide de Gasperi and the Christian Democratic

Party came to power (Raftopoulos 2009). De Gasperi retained the Premiership after the 1946

election, although the Christian Democrats were dependent upon a coalition of multiple parties,

having only won 35% of the vote (Einaudi 1948). The Christian Democrats were very concerned

about a potential PCI win in 1948, a threat which drew worry within the country and abroad.

The PCI, allied with the half of the socialist party that hadn't joined Unità Socialista[6],

received massive support from the Soviet Union and had a high predicted probability of winning

the 1948 election, prompting fears in the U.S. that a Communist win would accelerate the

expansion of communism to other Western European states and dissipate hopes for an anti-

Soviet bloc. The 1947 government controlled by the Christian Democrats received early U.S.

economic support. This emergency economic assistance proved crucial to the Christian

Democrats staying in power leading up to the 1948 election. Without this assistance, the

economic situation would likely have worsened, and a bad economy would only have helped the

leftist parties gain electoral support (Miller 1983).

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[6] A divide in the Italian Socialist Party, driven by prominent British socialists that were weary of a pact between Italian communists and socialists, split the party into pro-communist and anti-communist wings. The pro-communist faction joined the PCI in the 1948 election under the name "Democratic Popular Front," while the anti-communist party wing ran as Unità Socialista (Einaudi 1948, 347; Pedaliu 2003, 60-62). In the 1953 election, the Communist and Socialist ran separately as the PCI and PSI, respectively.

The provision of emergency economic assistance, coupled with propaganda campaigns by the U.S. and the Vatican[7], and promises that ERP funding would come to Italy were key to the Christian Democratic Party's success in 1948 (Miller 1983; Raftopoulos 2009). Indeed, U.S. officials did not only promise ERP funds to Italy, but made the political conditions of the aid quite clear. In the weeks leading up to the election, Marshall made public statements that the U.S. would renege on ERP funds to Italy if the PCI won the election (Raftopoulos 2009).[8]

On April 18, 1948, the Christian Democrats won 48.5% of the popular vote and enough parliamentary seats to govern alone, although they opted for a coalition government with smaller centrist parties (Einaudi 1948; Miller 1983). ERP funds entered Italy soon afterwards. The Italian government created its own unit to distribute ERP funds, as was the custom in recipient countries. Reports of expenditures in *lire* (the national currency) were made to the ECA office in Rome and compared to the country allotments set by the OEEC headquarters in Paris (Garrett 2018). And while U.S. and ECA officials made recommendations to their local counterparts, considerable autonomy in the dispersion of funds was given to each national government. For example, the Italian government was advised by U.S. officials to stabilize the *lira* and adopt a Keynesian approach to economic recovery and aid allocation. While the Christian Democratic government did adopt deflationary practices after the 1948 election, Giuseppe Pella, the Minister

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[7] The Vatican had their own reasons for fearing a Communist win. Cianfarra wrote in *The New York Times* on April 20, 1948, just after the election, that "Pope Pius XII expressed his 'profound joy' through the Vatican Secretariat of State for the high percentage of people who had voted and the calm that had characterized the Italian national elections. Vatican officials disclosed that Spain, Ireland and Canada had offered to give shelter to the Pontiff in the event that a Communist victory would make his presence in Italy precarious."

[8] While this precise statement could not be found, the following exchange occurred between Mr. Mansfield and Sec. Marshall at one of Sec. Marshall's congressional testimonies on January 12, 1948, "Mr. Mansfield: Mr. Secretary…if, during the life of this act, any of the 16 nations adopt a Communist form of government, what then would be our policy? Secretary Marshall: I would not attempt to prejudge that at the present time, but I think I am probably correct in saying that they could not really go through with their pledges on such a basis as that" (The George C. Marshall Foundation). This response eventually developed into the firm statement that Communist-run states would not receive ERP funding.

of the Treasury, instead adopted the strategy of reducing overall public expenditure, while using

ERP funds to expand local production levels throughout the country (Raftopoulos 2009). The

Christian Democrats' control of government thus also translated into control of American-

financed ERP funds.[9] In correlating ERP aid dispersion to different industries, geographic areas,

and electorates, clientelist outcomes in favor of the Christian Democrats can be empirically

tested.

**Data and Methodology**

*Dependent variables*

The dependent variables for the first hypothesis are changes in party vote shares between the

1948 and 1953 Chamber of Deputies elections for the Christian Democrats and leftist parties.

Two separate models were run for each regression, one for the change in electoral support for the

Christian Democrats and another for the change in electoral support for the leftist parties. The

PCI and PSI were the major Communist and Socialist challengers, respectively, to the Christian

Democrats in the 1953 elections, so I originally wanted to test changes in PCI and PSI support

between elections. But, as outlined in the case study section, the PSI drew electoral support from

what had been the Democratic Popular Front and Unità Socialista parties in such a way that it is

nearly impossible to estimate or replicate what individual PCI or PSI electoral support would

have been in the 1948 elections. Hence, I created a separate variable for change in support for the

leftist parties, meaning the Democratic Popular Front in 1948 and a combination of support for

the PCI and PSI in 1953, to compare the effects of ERP project funding on electoral support for

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[9] Donovan (1990) notes that the launch of the ERP in Italy can be directly related to actions taken by De Gasperi
and the Christian Democrats. He theorizes that it was De Gasperi's individual decision to tie anti-Communist
electioneering to pro-market economic arguments that ensured Truman's administration would provide the largest
support possible to the Christian Democrats (136). His analysis and estimation also defines the ERP's
implementation as the single most important factor in excluding the radical left/PCI from government for decades
(123).

the Christian Democrats and their rivals (the leftist parties).[10] Data on party vote share in the

1948 and 1953 national elections to the Chamber of Deputies were taken from the Istituto

Cattaneo's political elections archive. The electoral results for the Chamber of Deputies are

considered, instead of results for the Senate, because the Chamber of Deputies provides a closer

estimate for the aggregate electoral outcomes and relative party support (Einaudi 1948).

Additionally, the electoral results for the Senate were recorded at the regional level, providing

fewer observations since there were fewer than twenty regions, whereas there were thirty-one

electoral districts for the Chamber of Deputies' elections.[11]

The dependent variable for the second hypothesis is an estimate for Catholic trade union

membership per province. In July 1948, shortly after the April 1948 election, Catholic trade

unions in the northern regions split from their communist counterparts. They formed an official

organization called CISL in 1950, and were directly affiliated with the Christian Democrats

(CISL 2019). Since the precise number of CISL trade unionists per province was unavailable,

CISL trade union membership had to be approximated using the relative rate of trade union

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[10] The Christian Democrats actively campaigned against the Democratic Popular Front, making them the key rival leftist party in the 1948 elections. Of the historical articles, journalistic pieces, and biographical information sourced for this research, there was no evidence that Unità Socialista was perceived to be a major rival. All efforts were concentrated on combatting the Democratic Popular Front, making its electoral support in the elections the only source of data for what was categorized as "leftist parties" for that election. Conversely, the PCI and PSI were major rivals to the Christian Democrats in the 1953 elections, and thus the sum of their electoral support was categorized as the "leftist parties" for the 1953 elections.

[11] Technically, there were thirty-two electoral districts in the 1948 and 1953 Chamber of Deputies elections if Trieste is included. But, Trieste was an occupied territory of Allied and Soviet powers, and thus was ineligible to receive ERP funding or vote. Hence, there are effectively only thirty-one electoral districts that could be considered in this study. And while voting did take place in Aosta, the thirty-first electoral district, no votes were recorded for the leftist parties. This may mean that the leftist parties received no electoral support, or that they were ineligible to receive votes in Aosta's electoral district. In 1948, the Christian Democrats received 58.9% of the vote, and "other lists" (*altre liste*) received 41.1% of the vote (Istituto Cattaneo). In 1953, the Christian Democrats received 53.5% of the vote, the MSI received 4.4% of the vote, and "other lists" received 42.1% of the vote (Istituto Cattaneo). Again, it is unclear if "other lists" implies that Aosta had an independent, regional party that won the remainder of the electoral vote, or if the distribution of these votes to other parties went unrecorded. Aosta was excluded from the regressions as a precaution, and because there would be no change in leftist parties' electoral support between elections, bringing the total number of observations to thirty.

membership per province. The data for this estimate of CISL trade union membership were taken

from Graph 1 in *La sindacalizzazione tra ideologia e pratica: il caso italiano, 1950-1977* (1980)

by Guido Romagnoli.[12][13][14][15]

*Independent variable*

The independent variable of interest for both hypotheses is the total amount of ERP project funds

distributed in *lire*, Italy's national currency before it joined the European Monetary Union. The

*Missione Americana per L'ERP in Italia*, or U.S. ECA office in Rome, kept detailed records on

each grant, loan, and subsidy disbursed using ERP funds. Each grant or subsidy was recorded at

the *comune*, or town, level and was organized by province and then region. The projects were

funded and implemented either in the 1948-1949 or 1949-1950 timeframe.[16] These records were

published by the ECA in 1951 in a book titled *Tre Anni di ERP in Italia*. The records note the

type of subsidy or grant that was given, such as if it was for agricultural, public works, or

telecommunication projects. About 7,600 ERP projects were sourced from *Tre Anni di ERP in

Italia*, although there are likely thousands of other projects that were funded in Italy using ERP

aid that could not be accounted for in this study.[17] Raw data from *Tre Anni di ERP in Italia* were

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[12] Special thanks to Drs. O'Reilly and Palazzolo, along with other members of Emory University's Robert W. Woodruff Library staff, for helping me to source both volumes of this book from Yale University's library.

[13] Province names were abbreviated in the graph using old provincial postal codes. In order to ensure that I was correctly reading the graph and assigning values to the right province, I referenced Frank da Cruz's "Compulsive Guide to Postal Addresses" and consulted with Dr. Simona Muratore.

[14] A better measure in testing hypothesis two would have been tables 6.1.1-6.90.1 in the same book, which detailed the exact number of CISL trade union members per province. These tables unfortunately went unpublished and thus their data could not be utilized for this study. Special thanks to CISL archivist and librarian Mariarosaria Lo Re for checking CISL's Florence and Rome archives for these tables and statistics, and to Dr. Simona Muratore for helping the author contact CISL's Florence office.

[15] The data were taken from "Grafico 1: Tassi di sindacalizzazione Cisl e Cgil nelle province della zona rossa e della zona bianca. Sindacalizzazione totale, esclusi pensionati e disoccupati, 1951" (p. 112). Since the data were provided in a graph, each province's data point was estimated using measurements by hand.

[16] Seven regions – Lombardia, Veneto, Piemonte, Liguria, Emilia, Umbria, and Marche – only had public works projects financed between 1949-50.

[17] Bianchi and Giorcelli (2018) state that in-kind subsidies, which constituted 27% of the ERP aid they recorded, were located via *Missione Americana E.R.P. in Italia*. While *Missione Americana E.R.P. in Italia* was related to the

coded by the author, by hand at the *comune* level, and then tagged to the appropriate province, corresponding electoral district, and region. **Appendix A** details the process for how data on ERP project funding were gathered and aggregated by the author. The first hypothesis was tested with electoral districts as the unit of analysis due to the nature of the vote share data. And while ideally the second hypothesis could be tested at the *comune* level, the presence of data on the trade unions only at the provincial level made provinces the unit of analysis in models for the second hypothesis.[18]

As a robustness check, ERP project funding per capita is the main independent variable of interest in the models in **Appendix D**. This per capita variable is tested to determine if methodologically altering the measurement of ERP project funding changes the results on electoral outcomes. The unit of analysis for the ERP project funding per capita variable is the regions, so as to best aggregate ERP project funding, population, and electoral data at the same level.[19]

*Control variables*

Controls for the unemployment rate and tax tribute amounts were included in the SUR regression models that tested the effect of ERP project funding on changes in electoral support between the 1948 and 1953 national elections. Since the independent variable of interest and dependent

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Missione Americana per L'ERP in Italia, this source differs from *Tre Anni di ERP in Italia* – which was the primary data source for this study. Bianchi and Giorcelli (2018) also found 14,912 grants from "Mutual Security Agency" bulletins, and 1,101 loans made directly to Italian firms from the U.S. Government. The loans made directly to firms were recorded by the Istituto Mobiliare Italiano (IMI) (Bianchi and Giorcelli 2018, 7). Since the financial grants in *Tre Anni di ERP in Italia* were not in-kind subsidies, and better reflect Bianchi and Giorcelli's (2018) data from the "Mutual Security Agency" bulletins, it is unclear exactly how many ERP-funded projects are absent from this study based on Bianchi and Giorcelli's (2018) estimates.

[18] Veneto had two "projects" that held funds that were to be distributed in the future. Since the associated province was only listed as "various provinces," and the funds had not been disbursed as of 1951, these project amounts were excluded from the analysis in testing the second hypothesis (related to the trade unions).

[19] There were nineteen regions that were recognized in the *Annuario Statistico Italiano*'s between the 1948 and 1953 elections, excluding Trieste.

variable in these models represented a change over time, the control variables also needed to capture a change over time. Therefore, the control variables were the change in unemployment rate from 1949 to 1954 and changes in tax tribute amounts from 1949 to the 1953-1954 fiscal year.[20] The 1949-1950, 1951, and 1955 *Annuario Statistico Italiano*'s (ASIs), which were published by the Italian Republic's Central Institute of Statistics, were consulted to find the necessary data for each of these control variables.[21] The unemployment rate was calculated as the number of individuals receiving unemployment benefits per region divided by the regional population for each given year.[22] The tax tribute amounts, more explicitly the tribute for the land tax, buildings tax, and mobile wealth tax, were explicitly given in each ASI at the regional level. After collecting data for each of these control variables in 1949 and 1954/1953-1954, I calculated the change over time for these variables. Further details regarding data collection on these control variables are provided in **Appendix A**.

The unemployment rate is an important control variable to include because it reflects disparities in economic health across electoral districts, and thus controls for funding driven by economic productivity targets rather than political motivations. Similarly, the tax tribute amounts control for varying levels in economic health, economic productivity, and prices across electoral districts.

The basic regression equations are therefore:

*DC Vote Share$_{1953-1948}$ = ß$_0$ + ß$_1$ERP Funds + ß$_2$Change in Unemployment Rate + ß$_3$Change in Land Tax Tribute Amount + ß$_4$Change in Buildings Tax Tribute Amount + ß$_5$Change in Mobile Wealth Tax Tribute Amount*

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[20] The unemployment rate was measured as a percentage, while the tax tribute amounts were in millions of *lire*.

[21] These annual reports are cited in the **References** section under the name "Repubblica Italiana Istituto Centrale di Statistica," which is the original, Italian name for the Central Institute of Statistics.

[22] In calculating several of my variables, I needed to aggregate data "up" from the provincial level to the electoral district level. But, the control variables used in testing the first hypothesis only had the necessary data at the regional level, causing me to "infer downwards" from the regional level. Since multiple electoral districts may make up one region, a few electoral districts had the same data for the control variables.

*Leftists' Vote Share*$_{1953\text{-}1948}$ = ß$_0$ + ß$_1$*ERP Funds* + ß$_2$*Change in Unemployment Rate* + ß$_3$*Change in Land Tax Tribute Amount* + ß$_4$*Change in Buildings Tax Tribute Amount* + ß$_5$*Change in Mobile Wealth Tax Tribute Amount*

In later SUR regression models, additional controls are introduced to control for the degree to which targeted electoral districts were swing districts. The swing districts' control variables are included to estimate how electoral districts that are more characteristic of swing districts affect changes and outcomes in electoral support. Again, a swing district is defined by Stokes et al. (2012) as "sub-national jurisdictions in which many indifferent voters reside (178)." And as was discussed in the economic influence on the vote theory section, swing districts will be targeted because there is more potential to win these districts and sway the overall electoral outcome than in districts that are strongholds for rival parties. The non-squared swing districts' control variable is operationalized as the difference between the Christian Democrats' and leftist parties' vote share percentages in the 1948 national election. A larger difference between the Christian Democrats' and leftist parties' vote share percentages indicates that the electoral district had a lower propensity to be classified as a swing district and had a higher propensity to be classified as an electoral stronghold for the Christian Democrats. Since more loyal Christian Democratic voters resided in districts with a larger difference between the Christian Democrats' and leftist parties' vote shares, these districts would be classified as safe districts for the Christian Democrats.

A squared swing districts' control variable is also included in the regression models because more negative values of the non-squared swing districts' variable signal that the district is a stronghold for the leftist parties, and therefore the sign on this variable can indicate whether the relationship between the non-squared swing districts' variable and the dependent variable is concave or convex. The squared swing districts' control variable is operationalized as simply the

square of the difference between the Christian Democrats' and leftist parties' vote share

percentages in the 1948 national election.

The regression models testing the effect of ERP project funding on Catholic trade union

membership include a control for the population at the provincial level so that trade union

membership is relative to the population size of the unit of analysis. The 1949-1950 ASI

provided provincial level statistics on the Italian population as of December 31, 1949, which

acted as the population control in these regression models.

The basic regression equation in testing Hypothesis 2 is therefore:

*CISL Trade Union Membership Rate* $= \beta_0 + \beta_1 ERP\ Funds + \beta_2 Population_{1949}$

The second hypothesis was tested using OLS regression models, while the first

hypothesis was tested using the SUR method. The SUR, or seemingly unrelated regressions,

method is particularly useful in testing hypotheses that involve multiparty electoral data because

it correctly assumes that the error terms between regression equations are correlated because

parties' vote shares have some dependency upon each other. Furthermore, the SUR method is a

version of OLS that can account for the basic assumptions in electoral system hypothesis-testing

that total vote shares must fall between zero and one. Thus, given that my dependent variables

were changes in electoral vote shares, and that the error terms between regression equations are

correlated, the SUR method was the most appropriate model for testing the first hypothesis.

(Tomz et al. 2002)

*ERP Project Funding at Various Regional and Subsidy Type Levels*

In testing the first hypothesis, subsequent models will test the effect of ERP project funding on

electoral outcomes, when project funding is considered solely within certain regions and for

certain subsidy types. Potential subsidy type classifications include public works, agriculture,

buildings, railways, telecommunication, qualification courses, and construction site projects. I expect that public works, agriculture, and construction site projects, which are more particularistic services, are more likely to be used for clientelist ends. The coefficients for these subsidies, when they are the main independent variable of interest, should indicate that there was a larger positive effect of these specific ERP project funds on support for the Christian Democrats, and a larger negative effect on support for the leftist parties.

In terms of considering the effects of ERP project funding within specific Italian regions, Italy's National Institute of Statistics (ISTAT) classifies the twenty Italian regions as North-West, North-East, Center, South, and Islands (ISTAT 2019).[23][24] As I am interested in testing ERP project funding in the North, South, Center, and Red Belt regions, the North consist of those regions classified as North-West or North-East by ISTAT, the South consists of the southern regions and the islands, the Center consists of the same Center regions, and the Red Belt regions (or Communist strongholds) include Emilia-Romagna, Toscana, Marche, and Umbria.[25] Considering the effects of ERP project funding on electoral outcomes within specific regions will reveal whether patterns between ERP project funding and changes in electoral results are dependent on the economic, infrastructural, and developmental differences between the regions.

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[23] The North-West includes Piemonte, Valle d'Aosta, Liguria, and Lombardia. The North-East includes Trentino-Alto Adige, Bolzano, Trento, Veneto, Friuli-Venezia Giulia, and Emilia-Romagna. The Center includes Toscana, Umbria, Marche, and Lazio. The South includes Abruzzo, Molise, Campania, Puglia, Basilicata, and Calabria. And the two islands are Sicilia and Sardinia (ISTAT 2019, 3).

[24] ISTAT's full, unabbreviated name is *Istituto Nazionale di Statistica*.

[25] Location of the Red Belt, or traditional Communist stronghold regions, confirmed by Domenico (2002), p. 313.

**Results and Discussion**

*Testing Hypothesis 1*

**Map 1** summarizes the aggregate levels of ERP project funding by electoral district across

Italy.[26][27] As can be discerned from the legend, the maximum amount of total ERP project

funding that any given electoral district received was in the tens of billions of *lire*. ERP project

funding was concentrated on the southern regions, which needed more infrastructure and

economic support than the northern regions, but also offered considerable support to the

Christian Democrats. Electoral districts in and around Campania, whose capital is Naples, appear

to have benefitted the most from the disbursement of ERP project funds. Sicily and pockets of

districts in the northern regions also received significant funding.

To test the first hypothesis, **Table 1** displays the initial SUR regression models.[28] Model

One tested the regression equations for the change in electoral support between the 1948 and

1953 national elections, while Models Two and Three were run on the level of electoral support

that the Christian Democrats and leftist parties received in the 1953 election. Model Three

includes an estimate for the effect of swing districts on the vote shares. As seen in **Table 1**, the

ERP projects had a negative and statistically significant effect on the change in percentage of

electoral support and 1953 percentage of electoral support earned by the Christian Democrats.

The ERP projects had a positive effect on the change in percentage of electoral support earned by

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[26] The procedures used to replicate electoral district boundaries in the late 1940s and 1950s in the map are detailed in **Appendix B**. The steps outlined in **Appendix B** also apply to **Map 2**.

[27] Special thanks to Megan Slemons of the Emory Center for Digital Scholarship (ECDS) for helping the author to produce **Maps 1 and 2**.

[28] DC reg stands for the regression equation for electoral support for the Christian Democrats (*Democrazia Cristiana* in Italian). Leftists reg likewise stands for the regression equation for the electoral support for the leftist parties, as defined in the **Data and Methodology** section. The control variables in the models regarding 1953 election results are representative for the 1953-1954 (for the tax tribute rates) or 1954 (for the unemployment rate) timeframes, depending on the timeframe used by the Repubblica Italiana Istituto Centrale di Statistica in recording the data.

**Map 1**
Aggregate ERP Project Funding in Lire by Electoral District ca. 1951



ERP Project Funding in Lire by Electoral District

Lire by Electoral District
- 223,167,002 - 2,181,508,149
- 2,181,508,149 - 3,781,023,453
- 3,781,023,453 - 9,047,465,934
- 9,047,465,934 - 16,999,293,738
- 16,999,293,738 - 26,285,379,083

0    100    200 km
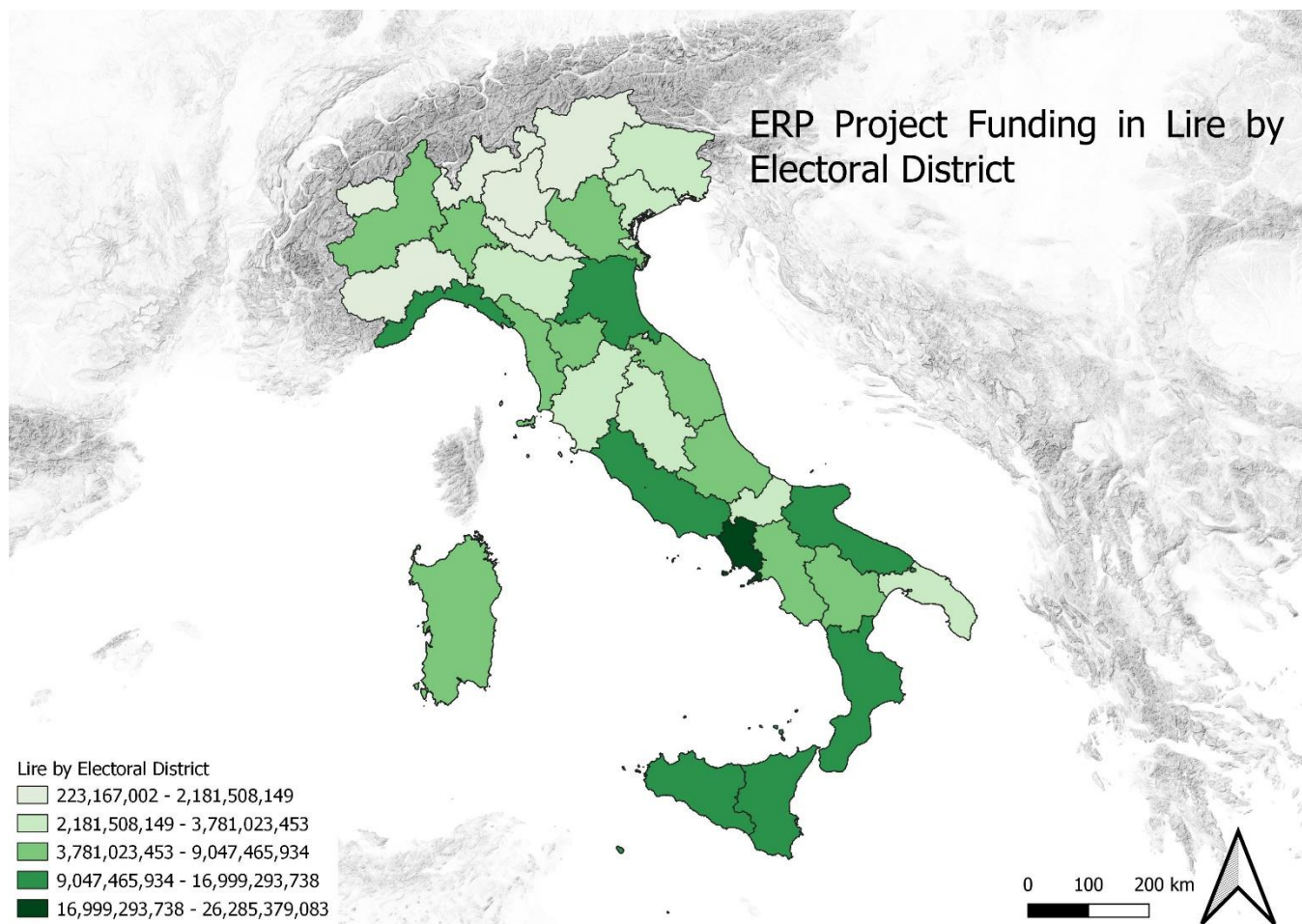
**Table 1**
Electoral Support by ERP Project Funding and Control Variables

| | Model 1 | Model 2 | Model 3 |
|---|---|---|---|
| DC reg: Intercept | -7.52*** | 38.43*** | 32.65*** |
| | (1.19) | (4.83) | (2.75) |
| DC reg: Total ERP Project Funding in Billions of Lire | -0.29** | -0.27 | -0.31* |
| | (0.10) | (0.26) | (0.14) |
| DC reg: Change in Unemployment Rate as a Percentage | -3.01** | | |
| | (0.93) | | |
| DC reg: Change in Land Tax Tribute in Millions of Lire | 0.00 | | |
| | (0.00) | | |
| DC reg: Change in Buildings Tax Tribute in Millions of Lire | 0.00 | | |
| | (0.00) | | |
| DC reg: Change in Mobile Wealth Tax Tribute in Millions of Lire | -0.00 | | |
| | (0.00) | | |
| DC reg: 1954 Unemployment Rate as a Percentage | | 3.85 | 2.58 |
| | | (2.32) | (1.33) |
| DC reg: 1954 Land Tax Tribute in Millions of Lire | | -0.00 | 0.00 |
| | | (0.00) | (0.00) |
| DC reg: 1954 Buildings Tax Tribute in Millions of Lire | | -0.01 | -0.00 |
| | | (0.01) | (0.00) |
| DC reg: 1954 Mobile Wealth Tax Tribute in Millions of Lire | | 0.00 | 0.00 |
| | | (0.00) | (0.00) |
| DC reg: Non-squared Swing Districts | | | 0.26*** |
| | | | (0.06) |
| DC reg: Squared Swing Districts | | | 0.00 |
| | | | (0.00) |
| Leftists reg: Intercept | 5.84*** | 34.71*** | 45.33*** |
| | (1.06) | (7.99) | (2.41) |
| Leftists reg: Total ERP Project Funding in Billions of Lire | 0.01 | -0.20 | -0.13 |
| | (0.08) | (0.43) | (0.12) |
| Leftists reg: Change in Unemployment Rate as a Percentage | 2.37** | | |
| | (0.83) | | |
| Leftists reg: Change in Land Tax Tribute in Millions of Lire | 0.00 | | |
| | (0.00) | | |
| Leftists reg: Change in Buildings Tax Tribute in Millions of Lire | 0.00 | | |
| | (0.00) | | |
| Leftists reg: Change in Mobile Wealth Tax Tribute in Millions of Lire | -0.00 | | |
| | (0.00) | | |
| Leftists reg: 1954 Unemployment Rate as a Percentage | | -3.78 | -1.28 |
| | | (3.84) | (1.17) |
| Leftists reg: 1954 Land Tax Tribute in Millions of Lire | | 0.00 | 0.00 |
| | | (0.00) | (0.00) |
| Leftists reg: 1954 Buildings Tax Tribute in Millions of Lire | | 0.01 | 0.00 |
| | | (0.01) | (0.00) |
| Leftists reg: 1954 Mobile Wealth Tax Tribute in Millions of Lire | | -0.00 | -0.00 |
| | | (0.00) | (0.00) |
| Leftists reg: Non-squared Swing Districts | | | -0.47*** |
| | | | (0.05) |
| Leftists reg: Squared Swing Districts | | | -0.00 |
| | | | (0.00) |
| DCreg: $R^2$ | 0.53 | 0.32 | 0.82 |
| Leftistsreg: $R^2$ | 0.36 | 0.12 | 0.93 |
| DCreg: Adj. $R^2$ | 0.43 | 0.18 | 0.76 |
| Leftistsreg: Adj. $R^2$ | 0.23 | -0.06 | 0.91 |
| Num. obs. (total) | 60 | 60 | 60 |

***$p < 0.001$, **$p < 0.01$, *$p < 0.05$

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the leftist parties, and a negative effect on the leftist parties' 1953 percentage of electoral support. None of the ERP project funding coefficients in the leftist parties' regression were statistically significant. These results directly counter the expectations of Hypothesis 1, which held that ERP project funding should have a statistically significant, positive effect on the change in party support for the Christian Democrats and a statistically significant, negative effect on the change in party support for the leftist parties.

Since Model Three includes the swing districts' control variables, it is worth elaborating on how these variables' coefficients ought to be interpreted. The fact that the squared term for the Christian Democrats' regression is zero implies that the non-squared coefficient can be interpreted as a linear relationship between the swing districts' effect and the Christian Democrats' vote share as a percentage. The positive, and statistically significant, sign of the non-squared term's coefficient for the Christian Democrats' regression means that as the difference between the Christian Democrats' and leftist parties' vote shares became larger (i.e. as electoral districts had a lower propensity to be classified as swing districts), the Christian Democrats received greater electoral support in the 1953 election. Again, the coefficient of zero for the non-squared swing districts' term in the leftist parties' regression suggests that there is a linear relationship between the swing districts' effect and the leftist parties' vote share as a percentage. And the negative, and once more statistically significant, sign of the non-squared term's coefficient for the leftist parties' indicates that the larger the difference between the Christian Democrats' and leftist parties' vote shares, the lower the level of electoral support received by the leftist parties in the 1953 election. This result implies that the more an electoral district represented a stronghold for the Christian Democrats, the leftist parties received lower levels of support in the 1953 election.

The results of the swing districts' control variables demonstrate that the Christian Democrats were unable to boost their electoral support within swing districts. This suggests that ERP funds were not successfully disbursed in a manner that targeted either loyal or undecided voters in districts that were not strongholds for the Christian Democrats or leftist parties. With the knowledge that smaller and niche parties, like the Monarchists, received more electoral support in the 1953 elections, I was curious as to whether the results that contradict Hypothesis 1 would hold if another control was introduced for electoral support for small parties.[29] The results of these regressions did not significantly change from those displayed in **Table 1**, except for the fact that fewer of the ERP project funding coefficients retained statistical significance in the Christian Democrats' regressions. The full results of Models One, Two, and Three with the added controls for small political parties are displayed and discussed in **Appendix C**.

As a robustness check for the results in **Table 1** and **Appendix C**, I ran the same regressions but with ERP project funding per capita as the main independent variable of interest.[30] This acts as a robustness check because estimating the effect of ERP project funding per capita elucidates whether ERP spending was population-driven instead of politically-driven. The results from these regressions are again not widely different from **Table 1**, thus eliminating a population-centered explanation for the null and contradictory results found thus far. A full discussion of these results is elaborated upon in **Appendix D**.

Before moving on to the results when controlled for Italy's regions and subsidy type variations, it is important to explicate how the comparative analysis differs depending on if the

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[29] Small parties are classified as any parties that were not the Christian Democrats, leftist parties, or Unità Socialista. The small parties therefore included BN, PNM, PRI, MSI, SVP, PaCol, PCS, PSA, MNDS, UMF, PSDI, PLI, USI, UP, ADN, and other miscellaneous votes.

[30] The unit of analysis was the regional level in these regressions, as was discussed in the **Data and Methodology** section.

dependent variable of interest represents a change in vote shares between elections or the static vote share in one election. The factors which contribute to differences in party shares in one election can differ from those that compare changes in electoral support between elections. While political parties react to the same domestic and international events, the importance of certain events to their platforms, supporters, and reputation is unique. Given that the 1953 political campaigns were fought less directly on communist v. anti-communist messaging, which was affected by the sudden rise in support for right and far-right parties, the meaning behind a vote for the Christian Democrats or leftist parties in the 1948 and 1953 elections differed (Del Pero 2001, 1311). For example, a vote for the leftist parties in 1948 may have signaled pro-Communist leanings, while in 1953 a vote for the same party might instead reflect dissatisfaction with the Christian Democrats' social reforms. Therefore, a causal relationship between the main independent variable of interest, the amount of ERP project funds disbursed, and a change in vote shares between elections *or* the subsequent vote shares in a singular election carries separate implications and inferences.

For the change in party vote shares, this relationship implies that given initial levels of party support in 1948, before ERP funds were disbursed, the allocation of ERP funds resulted in relative increases or decreases of electoral support for each party. The change in vote shares thus represents both a) how voters reacted to the disbursement of ERP aid and b) their evaluation of the Christian Democrat-led coalition in power from 1948-1953, as follows from the retrospective voting tendencies outlined in the theory section. Since the change in the electoral vote shares are dependent upon the 1948 vote shares, distinguishing whether a correlation between ERP project funding and these changes is direct or due to external factors is difficult. The simple 1953 party vote shares, on the other hand, are easier to interpret in this relationship. ERP project funding is

the treatment in this study, and therefore the 1953 election results are the post-treatment

outcome, irrespective of the 1948 election results. Thus, statistically significant results in the

models that test 1953 levels of electoral support as the dependent variable are more persuasive

than those which test the change in electoral vote shares between the 1948 and 1953 national

elections as the dependent variable, since the change in electoral vote shares is dependent upon

vote shares before the treatment had an effect. That being said, the models with a change in a

party's percentage of the vote share between elections as the dependent variable are still useful in

understanding whether ERP project funding was useful in expanding clientelist networks. Parties

which are successfully expanding clientelist networks should make relative gains between

elections, making both of these dependent variables important to this study, but for different

reasons.

*Results Based on ERP Project Funding by Region*

**Appendix E** includes tables with the results of the SUR regression models when controlled for

the fixed effects of the North, South, and Center regions, which were controlled for via dummy

variables. The results were not significantly changed from those found in **Table 1**, which is why

a longer discussion of the results are detailed in **Appendix E**. For all models, there is still a

negative correlation between ERP project funding and the Christian Democrats' electoral

support. Of greater interest is the results of the SUR regression models when they are run on

observations solely within the North, South, Center, and Red Belt regions.

ERP project funding does not have a statistically significant effect on either the changes

in electoral support between elections or 1953 levels of electoral support for the Christian

Democrats and leftist parties when considered in the major Italian regions. Moreover, ERP

project funding continues to have a negative correlation with the electoral outcome variables in

most of the Christian Democrats' regressions. There are only two exceptions: ERP project

funding on the change in electoral support for the Christian Democrats in the northern regions,

and ERP project funding on the Christian Democrats' 1953 percentage of vote share in the

central regions. Regardless of the lack of statistical significance in these results, these results are

unimpressive since a negative coefficient on the ERP project funding is within the standard

deviation for the regressions directly run on the North regions in **Table 2**, and the model

estimates on the central regions in **Table 3** are only based on six observations.[31]

Running the model estimates when the regions were controlled for was also unhelpful in

clarifying the effect of ERP project funding on the leftist parties' electoral support. ERP project

funding has a negative correlation with the change in electoral support for the leftist parties

between elections across the North, South, and Red Belt regions. Yet, ERP project funding has a

positive effect on the leftist parties' 1953 vote share in the North and South regions, but not in

the Center and Red Belt regions.[32] On face value it appears that ERP project funding has the

opposite effect on the change in the leftist parties' electoral support between elections and 1953

levels of electoral support in the North and South regions. But the lack of statistical significance

combined with a small number of observations in each model makes these results unconvincing.

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[31] There was collinearity between the independent variables when the same regressions run in **Table 2** were
attempted for the Center region. Therefore, the results for the Center region could not be generated, and only
separate results conditioned on the North, South, and Red Belt regions are reported in **Table 2**. And n=12 in Model
Three in **Table 3**, because there were six electoral districts in the Center regions, with each district observed once in
the Christian Democrats' regression, and once in the leftist parties' regression.

[32] ERP project funding in Rieti, a province in Lazio (which is not a Red Belt region), was included in ERP project
funding estimates for the eighteenth electoral district, since the other two provinces in this district (Perugia and
Terni) are in a Red Belt region (Umbria). This means that ERP project funding in Rieti, which was technically not a
Red Belt province, were included in ERP project funding estimates for the Red Belt regions since it was part of the
electoral district with Umbria's provinces.

**Table 2**

Changes in Electoral Support by ERP Project Funding and Control Variables, Controlled for the North, South, and Red Belt Regions

| | Model 1 | Model 2 | Model 3 |
|---|---|---|---|
| DC reg: Intercept | -7.60*** | -6.65* | -3.55 |
| | (1.27) | (1.92) | |
| DC reg: Total ERP Project Funding in Billions of Lire | 0.03 | -0.12 | -0.05 |
| | (0.13) | (0.14) | (0.28) |
| DC reg: Change in Unemployment Rate as a Percentage | 3.15 | 2.17 | 3.16 |
| | (2.32) | (3.04) | |
| DC reg: Change in Land Tax Tribute in Millions of Lire | 0.00 | -0.00 | 0.00 |
| | (0.00) | (0.00) | |
| DC reg: Change in Building Tax Tribute in Millions of Lire | 0.00 | -0.01 | 0.00 |
| | (0.00) | (0.00) | |
| DC reg: Change in Mobile Wealth Tax Tribute in Millions of Lire | -0.00 | 0.00 | -0.00 |
| | (0.00) | (0.00) | |
| Leftists reg: Intercept | 5.18** | 8.90*** | 6.12 |
| | (1.24) | (1.00) | |
| Leftists reg: Total ERP Project Funding in Billions of Lire | -0.15 | -0.11 | -0.04 |
| | (0.12) | (0.07) | (0.15) |
| Leftists reg: Change in Unemployment Rate as a Percentage | -5.37* | 4.23* | -2.21 |
| | (2.27) | (1.58) | |
| Leftists reg: Change in Land Tax Tribute in Millions of Lire | -0.00* | -0.00* | -0.00 |
| | (0.00) | (0.00) | |
| Leftists reg: Change in Buildings Tax Tribute in Millions of Lire | 0.00 | -0.01* | -0.00 |
| | (0.00) | (0.00) | |
| Leftists reg: Change in Mobile Wealth Tax Tribute in Millions of Lire | -0.00 | 0.00** | 0.00 |
| | (0.00) | (0.00) | |
| DCreg: $R^2$ | 0.57 | 0.63 | 0.66 |
| Leftistsreg: $R^2$ | 0.64 | 0.83 | 0.93 |
| DCreg: Adj. $R^2$ | 0.26 | 0.27 | -1.02 |
| Leftistsreg: Adj. $R^2$ | 0.39 | 0.67 | 0.56 |
| Num. obs. (total) | 26 | 22 | 14 |

***$p < 0.001$, **$p < 0.01$, *$p < 0.05$

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**Table 3**
1953 Electoral Support by ERP Project Funding and Control Variables, Controlled for the North, South, Center, and Red Belt Regions

| | Model 1 | Model 2 | Model 3 | Model 4 |
|---|---|---|---|---|
| DC reg: Intercept | 31.26 | 45.65* | 44.68 | 42.99 |
| | (22.77) | (8.65) | (0.00) | |
| DC reg: Total ERP Project Funding in Billions of Lire | -0.03 | -0.09 | 0.20 | -0.25 |
| | (0.32) | (0.11) | (0.00) | (0.00) |
| DC reg: 1954 Unemployment Rate as a Percentage | -0.22 | -0.79 | -12.95 | -1.33 |
| | (9.44) | (2.60) | | |
| DC reg: 1954 Land Tax Tribute in Millions of Lire | 0.00 | -0.00 | 0.00 | 0.00 |
| | (0.00) | (0.00) | (0.00) | |
| DC reg: 1954 Buildings Tax Tribute in Millions of Lire | -0.00 | 0.00 | 0.01 | 0.01 |
| | (0.05) | (0.01) | (0.00) | |
| DC reg: 1954 Mobile Wealth Tax Tribute in Millions of Lire | 0.00 | -0.00 | -0.00 | -0.00 |
| | (0.00) | (0.00) | (0.00) | |
| DC reg: Non-squared Swing Districts | 0.41 | -0.29 | 0.21 | 0.16 |
| | (0.22) | (0.58) | (0.00) | (0.00) |
| DC reg: Squared Swing Districts | 0.00 | 0.01 | -0.00 | -0.01 |
| | (0.01) | (0.01) | (0.00) | (0.00) |
| Leftists reg: Intercept | 34.81 | 34.31* | 94.27 | 44.17 |
| | (28.54) | (7.76) | | (0.00) |
| Leftists reg: Total ERP Project Funding in Billions of Lire | 0.12 | 0.14 | -1.08 | -0.14 |
| | (0.40) | (0.10) | (0.00) | (0.00) |
| Leftists reg: 1954 Unemployment Rate as a Percentage | 0.43 | 5.04 | -85.31 | 9.57 |
| | (11.84) | (2.33) | (0.00) | (0.00) |
| Leftists reg: 1954 Land Tax Tribute in Millions of Lire | 0.00 | -0.00 | 0.03 | -0.00 |
| | (0.01) | (0.00) | (0.00) | (0.00) |
| Leftists reg: 1954 Buildings Tax Tribute in Millions of Lire | -0.02 | -0.02 | 0.01 | -0.00 |
| | (0.06) | (0.01) | | (0.00) |
| Leftists reg: 1954 Mobile Wealth Tax Tribute in Millions of Lire | 0.00 | 0.00 | -0.00 | -0.00 |
| | (0.00) | (0.00) | | (0.00) |
| Leftists reg: Non-squared Swing Districts | -0.29 | -0.08 | -0.81 | -0.70 |
| | (0.28) | (0.52) | (0.00) | (0.00) |
| Leftists reg: Squared Swing Districts | -0.00 | -0.01 | -0.02 | -0.01 |
| | (0.01) | (0.01) | (0.00) | (0.00) |
| DCreg: $R^2$ | 0.93 | 0.94 | 1.00 | 1.00 |
| Leftistsreg: $R^2$ | 0.93 | 0.98 | 1.00 | 1.00 |
| DCreg: Adj. $R^2$ | 0.84 | 0.79 | 1.00 | 1.00 |
| Leftistsreg: Adj. $R^2$ | 0.83 | 0.92 | 1.00 | 1.00 |
| Num. obs. (total) | 26 | 22 | 12 | 14 |

***$p < 0.001$, **$p < 0.01$, *$p < 0.05$

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*Results Based on ERP Project Funding by Subsidy Type*

Buildings and public works projects financed via ERP funds have a statistically significant, negative effect on the change in the Christian Democrat's percentage of the vote share, as is visible in **Table 4**. These results indicate, again, the opposite of the hypothesized positive relationship between ERP project funding and the change in the Christian Democrats' electoral support between the 1948 and 1953 elections. These results also counter Hypothesis 1 because public works, a particularistic service, should have had a more perceptible, positive effect on the Christian Democrats' changes in the vote share between elections. Instead, the provision of public works as a particularistic service appears to have backfired on the Christian Democrats, at least in terms of their change in their percentage of the vote share between elections. The size of these coefficients are also large, indicating that the Christian Democrats lost 1.24% between elections for every billion *lire* invested in buildings projects, and they decreased their vote share between elections by 1.19% for every billion *lire* invested in public works projects. Testing the effect of specific grant and subsidy types funded through ERP aid on the 1953 levels of electoral support won by the Christian Democrats provides more support against Hypothesis 1. As seen in **Table 5**, only buildings projects had a statistically significant effect on the Christian Democrats' 1953 percentage of the vote share, and this effect was negative.

There are no statistically significant results for ERP project funding on the leftist parties' electoral outcomes when different types of subsidies and grants are controlled for. These results are also mixed with negative associations between ERP project funding for construction, railways, and public works projects on the leftist parties' change in percentage of the vote share, but a positive association for this same relationship when controlled for buildings and agricultural projects. The association between specific subsidy funding and the leftist parties'

**Table 4**

Changes in Electoral Support by ERP Project Funding and Control Variables, Controlled for Construction, Buildings, Railways, Public Works, and Agriculture Projects

| | Model 1 | Model 2 | Model 3 | Model 4 | Model 5 |
|---|---|---|---|---|---|
| DC reg: Intercept | -8.70*** | -7.23*** | -9.00*** | -7.13*** | -8.88*** |
| | (1.39) | (1.06) | (1.13) | (1.31) | (1.81) |
| DC reg: Construction Project Funding in Billions of Lire | -3.64 | | | | |
| | (3.64) | | | | |
| DC reg: Buildings Project Funding in Billions of Lire | | -1.24*** | | | |
| | | (0.31) | | | |
| DC reg: Railways Project Funding in Billions of Lire | | | -0.39 | | |
| | | | (0.23) | | |
| DC reg: Public Works Project Funding in Billions of Lire | | | | -1.19** | |
| | | | | (0.42) | |
| DC reg: Agriculture Project Funding in Billions of Lire | | | | | -0.54 |
| | | | | | (0.64) |
| DC reg: Change in Unemployment Rate as a Percentage | -3.71** | -2.86** | -3.58** | -3.20** | -2.98* |
| | (1.06) | (0.85) | (1.01) | (0.94) | (1.32) |
| DC reg: Change in Land Tax Tribute in Millions of Lire | -0.00 | 0.00 | -0.00 | -0.00 | -0.00 |
| | (0.00) | (0.00) | (0.00) | (0.00) | (0.00) |
| DC reg: Change in Buildings Tax Tribute in Millions of Lire | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| | (0.00) | (0.00) | (0.00) | (0.00) | (0.00) |
| DC reg: Change in Mobile Wealth Tax Tribute in Millions of Lire | -0.00 | -0.00 | -0.00 | -0.00 | -0.00 |
| | (0.00) | (0.00) | (0.00) | (0.00) | (0.00) |
| Leftists reg: Intercept | 6.22*** | 5.72*** | 6.00*** | 5.89*** | 6.00*** |
| | (1.07) | (1.04) | (0.90) | (1.15) | (1.30) |
| Leftists reg: Construction Project Funding in Billions of Lire | -1.57 | | | | |
| | (2.80) | | | | |
| Leftists reg: Buildings Project Funding in Billions of Lire | | 0.08 | | | |
| | | (0.30) | | | |
| Leftists reg: Railways Project Funding in Billions of Lire | | | -0.10 | | |
| | | | (0.18) | | |
| Leftists reg: Public Works Project Funding in Billions of Lire | | | | -0.01 | |
| | | | | (0.37) | |
| Leftists reg: Agriculture Project Funding in Billions of Lire | | | | | 0.38 |
| | | | | | (0.46) |
| Leftists reg: Change in Unemployment Rate as a Percentage | 2.32** | 2.33** | 2.38** | 2.38** | 1.83 |
| | (0.81) | (0.83) | (0.81) | (0.82) | (0.95) |
| Leftists reg: Change in Land Tax Tribute in Millions of Lire | 0.00 | 0.00 | 0.00 | 0.00 | -0.00 |
| | (0.00) | (0.00) | (0.00) | (0.00) | (0.00) |
| Leftists reg: Change in Buildings Tax Tribute in Millions of Lire | 0.00 | 0.00 | 0.00 | 0.00 | -0.00 |
| | (0.00) | (0.00) | (0.00) | (0.00) | (0.00) |
| Leftists reg: Change in Mobile Wealth Tax Tribute in Millions of Lire | -0.00 | -0.00 | -0.00 | -0.00 | 0.00 |
| | (0.00) | (0.00) | (0.00) | (0.00) | (0.00) |
| DCreg: $R^2$ | 0.38 | 0.62 | 0.42 | 0.51 | 0.38 |
| Leftistsreg: $R^2$ | 0.37 | 0.36 | 0.37 | 0.36 | 0.42 |
| DCreg: Adj. $R^2$ | 0.25 | 0.54 | 0.30 | 0.41 | 0.23 |
| Leftistsreg: Adj. $R^2$ | 0.24 | 0.23 | 0.24 | 0.23 | 0.27 |
| Num. obs. (total) | 60 | 60 | 60 | 60 | 52 |

***$p < 0.001$, **$p < 0.01$, *$p < 0.05$

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**Table 5**
1953 Electoral Support by ERP Project Funding and Control Variables, Conditioned on
Construction, Buildings, Railways, Public Works, and Agriculture Projects

| | Model 1 | Model 2 | Model 3 | Model 4 | Model 5 |
|---|---|---|---|---|---|
| DC reg: Intercept | 26.17*** | 32.73*** | 30.43*** | 33.62*** | 32.04*** |
| | (3.17) | (2.63) | (2.55) | (3.11) | (3.29) |
| DC reg: Construction Project Funding in Billions of Lire | 8.33 | | | | |
| | (5.12) | | | | |
| DC reg: Buildings Project Funding in Billions of Lire | | -1.28* | | | |
| | | (0.52) | | | |
| DC reg: Railways Project Funding in Billions of Lire | | | -0.44 | | |
| | | | (0.30) | | |
| DC reg: Public Works Funding in Billions of Lire | | | | -1.42 | |
| | | | | (0.69) | |
| DC reg: Agriculture Project Funding in Billions of Lire | | | | | -0.91 |
| | | | | | (0.75) |
| DC reg: 1954 Unemployment Rate as a Percentage | 4.70** | 2.35 | 3.31* | 2.51 | 3.52* |
| | (1.47) | (1.31) | (1.33) | (1.37) | (1.49) |
| DC reg: 1954 Land Tax Tribute in Millions of Lire | -0.00 | 0.00 | -0.00 | -0.00 | -0.00 |
| | (0.00) | (0.00) | (0.00) | (0.00) | (0.00) |
| DC reg: 1954 Buildings Tax Tribute in Millions of Lire | -0.00 | 0.00 | -0.00 | -0.00 | -0.00 |
| | (0.00) | (0.00) | (0.00) | (0.00) | (0.00) |
| DC reg: 1954 Mobile Wealth Tax Tribute in Millions of Lire | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| | (0.00) | (0.00) | (0.00) | (0.00) | (0.00) |
| DC reg: Non-squared Swing Districts | 0.27*** | 0.28*** | 0.24** | 0.27*** | 0.28** |
| | (0.07) | (0.06) | (0.07) | (0.06) | (0.07) |
| DC reg: Squared Swing Districts | 0.00 | 0.00 | 0.00 | -0.00 | -0.00 |
| | (0.00) | (0.00) | (0.00) | (0.00) | (0.00) |
| Leftists reg: Intercept | 43.22*** | 45.43*** | 44.45*** | 46.16*** | 44.97*** |
| | (2.72) | (2.34) | (2.14) | (2.67) | (2.63) |
| Leftists reg: Construction Project Funding in Billions of Lire | 1.96 | | | | |
| | (4.39) | | | | |
| Leftists reg: Buildings Project Funding in Billions of Lire | | -0.57 | | | |
| | | (0.46) | | | |
| Leftists reg: Railways Project Funding in Billions of Lire | | | -0.21 | | |
| | | | (0.25) | | |
| Leftists reg: Public Works Funding in Billions of Lire | | | | -0.74 | |
| | | | | (0.59) | |
| Leftists reg: Agriculture Project Funding in Billions of Lire | | | | | -0.24 |
| | | | | | (0.60) |
| Leftists reg: 1954 Unemployment Rate as a Percentage | -0.60 | -1.41 | -0.99 | -1.42 | -0.77 |
| | (1.26) | (1.17) | (1.11) | (1.17) | (1.20) |
| Leftists reg: 1954 Land Tax Tribute in Millions of Lire | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| | (0.00) | (0.00) | (0.00) | (0.00) | (0.00) |
| Leftists reg: 1954 Buildings Tax Tribute in Millions of Lire | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| | (0.00) | (0.00) | (0.00) | (0.00) | (0.00) |
| Leftists reg: 1954 Mobile Wealth Tax Tribute in Millions of Lire | -0.00 | -0.00 | -0.00 | -0.00 | -0.00 |
| | (0.00) | (0.00) | (0.00) | (0.00) | (0.00) |
| Leftists reg: Non-squared Swing Districts | -0.47*** | -0.46*** | -0.48*** | -0.46*** | -0.45*** |
| | (0.06) | (0.06) | (0.05) | (0.05) | (0.06) |
| Leftists reg: Squared Swing Districts | -0.00 | -0.00 | -0.00 | -0.00 | -0.00 |
| | (0.00) | (0.00) | (0.00) | (0.00) | (0.00) |
| DCreg: $R^2$ | 0.80 | 0.83 | 0.80 | 0.81 | 0.75 |
| Leftistsreg: $R^2$ | 0.93 | 0.93 | 0.93 | 0.93 | 0.94 |
| DCreg: Adj. $R^2$ | 0.74 | 0.77 | 0.73 | 0.75 | 0.66 |
| Leftistsreg: Adj. $R^2$ | 0.91 | 0.91 | 0.91 | 0.91 | 0.92 |
| Num. obs. (total) | 60 | 60 | 60 | 60 | 52 |

***$p < 0.001$, **$p < 0.01$, *$p < 0.05$

Statistical models

1953 percentage of the vote share is negative for the buildings, railways, public works, and agricultural projects, but positive when the construction project funding is the main independent variable of interest. If the negative associations between construction, public works, and agricultural project funding and the leftist parties' electoral outcomes had been statistically significant, then these results would have offered support in favor of Hypothesis 1, and the application that particularistic services are notably useful in expanding clientelist networks and undermining support for rival political parties.

The non-squared swing districts' control variables are statistically significant in **Table 5**. The positive coefficient on this variable for the Christian Democrats, and negative coefficient on this variable for the leftist parties suggest, as was seen in **Table 1**, that both major parties received more electoral support in the 1953 national election in districts that were their own electoral strongholds than they did in swing districts. The Christian Democrats were therefore unsuccessful in using specific subsidy grants in swing districts to boost their electoral support. And since the squared swing districts' control variable is still indistinguishable from zero, the estimated relationship between the propensity for a district to be a swing district and corresponding levels of the 1953 vote share are linear.

*Explaining the Results from Testing Hypothesis 1*

All in all, the results from testing the effect of ERP project funding on various electoral outcomes provided little evidence in support of my initial hypothesis that ERP project funding would boost the Christian Democrats' and lower the leftist parties' respective vote shares. If anything, the evidence suggests the opposite and that ERP project funding backfired on the Christian Democrats, especially for public works projects, which represent a particularistic service. There are three tenable explanations for this. 1) The Christian Democrats, instead of

targeting swing districts, rewarded their electoral strongholds in order to solidify their electoral

hold over the major leftist parties in subsequent local, regional, and national elections. Due to the

rise of smaller parties, a lack of government reform, and an electorate that was driven less by

communist vs. anti-communist rallying cries in 1953, the Christian Democrats underperformed

in the 1953 elections. ERP project funding sometimes appeared to harm and other times

appeared to help the leftist parties. This depended on where the Christian Democrats lost more

electoral support, which could have been a reaction to a wide range of new postwar policies. 2)

The Christian Democrats' provision of particularistic services and benefits to constituents and

supporters genuinely hurt their electoral support. While this conclusion would go against

conventional wisdom, if the provision of widespread particularistic benefits after the 1948

election generated higher expectations for a Christian Democrat-led government across the

Italian populace, shortcomings in social reforms and land redistribution policies may have been

interpreted by voters as larger failures than they were in actuality. Due to these shortcomings, the

leftist parties were able to expand their support in some areas, but not in others. 3) ERP project

funding was disbursed without regard to political motivations, and as such any statistically

significant relationship between the total amount of ERP project funding and changes in

percentages of the vote share or the 1953 electoral outcomes are merely coincidence.

The first of these alternative stories is the most convincing at face value, if for no other

reason than it aligns with the theory more than presuming that the provision of particularistic

services harmed the Christian Democrats' electoral prospects, or viewing the statistical results as

flukes. In search of evidence to support the first of these three rival conclusions, I estimated the

coefficient of determination (or R-squared value) between the total amount of ERP project

funding and 1948 levels of Christian Democratic support. I expected the coefficient of

determination to be high, or nearly close to one, because this would indicate that project funding allocation was highly correlated with 1948 party strongholds, where the Christian Democrats wrongly suspected that they could elevate their party membership. The actual R-squared value is 0.04209, which is an incredibly low coefficient of determination. This value means that only 4.21% of ERP project funding can be explained by 1948 levels of electoral support for the Christian Democrats. Thus, the Christian Democrats did not target areas where they had higher levels of electoral support in the 1948 election. This directly counters the narrative of the first potential explanation for the negative findings in this study that the Christian Democrats targeted their electoral strongholds.
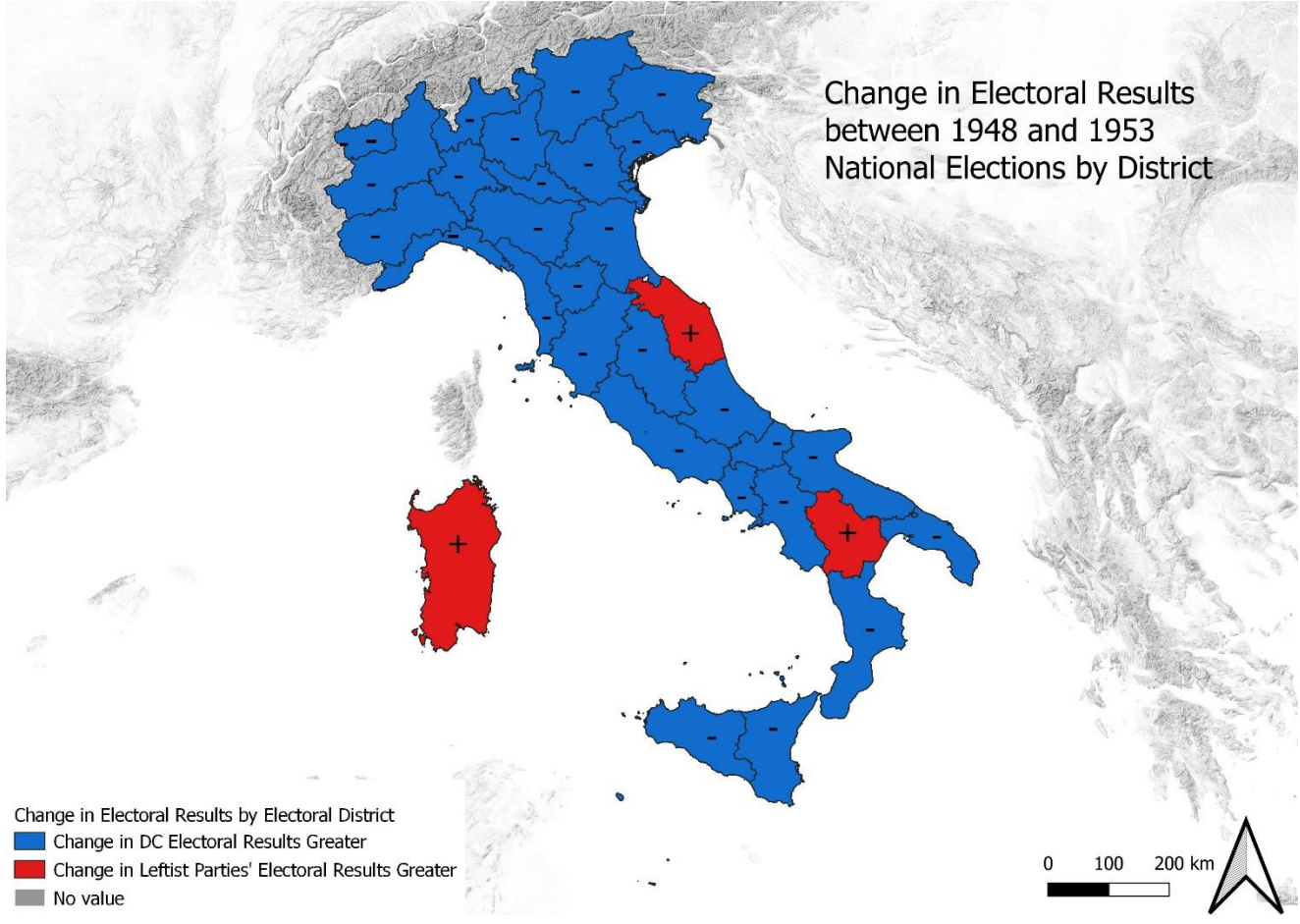
**Map 2** is another important consideration in determining which plausible explanation for the unexpected quantitative results is correct.[33] **Map 2** shows the net electoral changes between the 1948 and 1953 election by electoral district.[34] Other than the seventeenth (Marche), twenty-sixth (Basilicata), and thirtieth (Sardegna) electoral districts, all the other electoral districts saw a greater *absolute value* change in electoral support for the Christian Democrats than leftist parties, even though these changes in support were all negative for the Christian Democrats. To reiterate, the Christian Democrats lost support in every electoral district between the two elections, and this percentage of a drop ranged from 2.18% in the 16th electoral district (in Tuscany, which is a Red Belt region) to 14.97% in the nineteenth electoral district (in Lazio, the capital of which is Rome). Conversely, the leftist parties made gains in each electoral district between the 1948 and

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[33] A table of the data used to create **Map 2** can be found in **Appendix F**. The electoral data were again sourced from Istituto Cattaneo.

[34] Regardless of *the sign* of the change between the 1948 and 1953 elections, an electoral district was shaded blue if the change for the Christian Democrats was greater than the change for the leftist parties, and was shaded red if the change for the leftist parties was greater than that of the Christian Democrats. In other words, if the absolute value of the Christian Democrats' change in percentage of the vote share was greater than the absolute value of the leftist parties' change in the percentage of the vote share, then the district was shaded blue. In the opposite case, it was shaded red. Trieste is shaded gray because no electoral data were collected in that district.

**Map 2**
Net Change in Electoral Results between the 1948 and 1953 National Elections by Electoral District



Change in Electoral Results
between 1948 and 1953
National Elections by District

Change in Electoral Results by Electoral District
■ Change in DC Electoral Results Greater
■ Change in Leftist Parties' Electoral Results Greater
■ No value

0    100   200 km

1953 elections, except for their 0.58% decrease in support in the twelfth electoral district (in

Emilia-Romagna, another Red Belt region).

**Map 2** is useful insofar as it visually demonstrates how significant the Christian

Democrats' losses were between the 1948 and 1953 elections. Granted that the Christian

Democrats lost voters irrespective of ERP project funding, I have more confidence in the results

that involve the static 1953 election results as the dependent variable, than those which analyzed

the effect of certain variables on the change in values over time. The results gathered by running

the regressions on the 1953 electoral outcomes still point to a statistically significant negative

effect of the total amount of ERP project funding on the Christian Democrats' vote share, and

have mixed results for the leftist parties' vote share. In further delineating how these results

should be interpreted in terms of the theory and literature on clientelism and the economic

influence on the vote, I turn to historical writings from the era.

In early 1948, when whispers of the ERP's potential implementation in Italy began to

grow leading up to the April election, newspapers that favored the Christian Democrats and

leftist parties reacted very differently. For example, Augusto Guerriero wrote in *Il nuovo*

*Corriere della Sera*, which leaned anti-Communist and pro-America at the time (Liberati 2011),

a defense of the United States' potential decision to send widespread aid to Italy. He countered

skeptics who thought it represented imperialistic American interests, or would lead to American

control of the European economy. Guerriero reiterated Pres. Truman's statements that the

purpose of the ERP funds is to rebuild the European and world economy for the sake of stability

and to produce a healthy export economy for American goods and products (Guerriero 1948).

Guerriero's remarks therefore reflect the perspective that ERP aid would bring prosperity,

reconstruction, and economic growth to Italy; all of which are positive economic shocks that political economy theory would predict voters would reward parties for.

The major socialist newspaper of the era *Avanti* took the opposite position in May of 1948 when the first humanitarian aid packages began to flood into Italy from the United States. Bruno Economi highlighted the wide range of goods and food products that the U.S. sent to Italy, but criticized how long those goods and products were left inaccessible in warehouses. From his perspective and that of *Avanti*, those in control of the ECA were taking too long trying to plan instead of getting on with reconstruction efforts. He argued that the Italian government should go to the extreme measure of building houses for citizens because of the lackluster state of the economy. Economi goes as far as to blame the 1948 election on the poor implementation of the ERP aid and funds. He claims that the timing of the election broke up ERP planning by governmental leaders, and that the political reordering of the parties after the election caused a delay in economic recovery and the deliverance of much-needed goods to citizens (Economi 1948).

These two historical articles provide considerable insights into the thinking of the major political parties and their supporters at the time. The Christian Democrats felt the need to defend the United States' intentions in granting massive sources of aid and funding, while the socialists criticized the project's implementation. By calling for further state intervention in the economy, the leftist parties tried to push their agenda points and draw attention to the inadequacy of the government's reconstruction efforts. If a reader were granted solely this window into Italy's 1948 politics, one would expect that areas that did successfully receive ERP-funded projects and goods would reward the Christian Democrat-led government for their competence, while those

disappointed by the aid disbursement's implementation would turn to the leftist parties for further government intervention.

Therefore, based off of the models tested, **Map 2**, and the qualitative sources, I find the second explanation for the aggregate results to be the most plausible and reasonable. Since the coefficient of determination for the total amount of ERP funds and 1948 level of electoral support for the Christian Democrats was incredibly low, and **Map 2** shows that the Christian Democrats severely lost support across electoral districts, I am unconvinced by the argument that the Christian Democrats targeted electoral strongholds with ERP funds, or that these efforts were successful in developing clientelist networks. I am also unpersuaded by the suggestion that the statistically significant results that show a negative relationship between the total amount of ERP project funding and the Christian Democrats percentage of the vote share are merely chance occurrences. This leaves my second explanation that the expectations generated by the disbursement of ERP funds backfired on the Christian Democrats, particularly given the country was going through a period of deep reconstruction, modernization, and economic recovery. The leftist parties made gains from those disillusioned by a Christian Democrat-led government, while small parties had major growth and made demands on the political system between the two elections. The qualitative sources above would support this story, as the Christian Democrats' may have successfully defended the need for ERP aid to humanitarian and economic development, but may not have succeeded in reaching the expectations of their own supporters in the program's implementation and other social/economic reforms. While I cannot claim with certainty that this is the full political story behind the ERP's implementation in Italy, the fact that I find it to be the only plausible story resulting from this thread of evidence is impactful insofar as it directly counters expectations in the vote-buying literature, namely that efforts to do so are

successful. The evidence presented in testing the first hypothesis suggests that there may be a ceiling to how helpful clientelist strategies are to political parties, and that if they generate impossible expectations for governing parties, then those parties should expect relative losses in the next elections.

*Testing Hypothesis 2*

The results from testing hypothesis two are also crucial to interpreting the narrative behind ERP project funding and subsequent electoral outcomes. **Table 6** shows the results for an OLS regression on the CISL trade union membership rate by ERP project funding. A control for provincial population levels in 1949 was included since I would expect more populous areas to have higher CISL trade union membership. The results, as is true for those which tested hypothesis one, counter my expectation that targeted ERP project funding increased CISL trade union membership. The total amount of ERP project funding has a negative and statistically significant effect on the rate of CISL trade union membership. The result indicates that the trade union membership rate decreases by 1.5 units per every billion *lire* invested in a province. Since the trade union membership rates only vary from 3.5 to 22.75 units, this represents a significant drop in trade union membership. I can infer from this evidence that ERP project funding did not help the Christian Democrats turn party support into CISL trade union membership, and it undermines any direct link between trade union membership acting as an effective monitoring mechanism – at least in the exchange of ERP project funding for electoral votes.

Future studies on this same topic should consider if the directionality may be reversed. If trade union membership is a genuinely effective tool for monitoring clientelist exchanges, then there may be a clearer link between areas with higher CISL trade union membership receiving

**Table 6**
CISL Trade Union Membership Rate by ERP Project Funding and 1949 Population at the
Provincial Level

|                                              | Model 1      |
| -------------------------------------------- | ------------ |
| Intercept                                    | 11.74***     |
|                                              | (1.55)       |
| Total ERP Project Funding in Billions of Lire | -1.50*       |
|                                              | (0.56)       |
| 1949 Population                              | 0.00         |
|                                              | (0.00)       |
| $R^2$                                        | 0.19         |
| Adj. $R^2$                                   | 0.14         |
| Num. obs.                                    | 35           |
| RMSE                                         | 3.97         |

***$p < 0.001$, **$p < 0.01$, *$p < 0.05$

Statistical models

more particularistic benefits and services, since local party officials know they can monitor the exchange of resources for votes.

**Conclusion**

This study is important for a number of reasons. Most centrally, it attempts to test quantitative hypotheses related to the expansion of clientelist ties, which is rare in the clientelism literature. It is also significant in that it tests a specific funding mechanisms (ERP project funding) on support for a mass political party (the Christian Democrats) that is widely studied in the clientelism literature, and investigates the efficacy of foreign aid in developing clientelist networks. In finding that ERP project funding had a negative effect on the Christian Democrats' electoral outcomes and CISL trade union membership, both proposed hypotheses were disproven, which leaves more questions than answers. Yet, in rivaling a widely held belief in the literature that the provision of particularistic services can only be of benefit to incumbent parties and officials, the results of this study are unique in advancing contrary evidence.

The literature review and theory sections of the paper are also intrinsically valuable. By directly connecting foreign aid mechanisms to the expansion of a domestic state's resources that can be used to carry out clientelist activities, the foreign aid and clientelism literature have been directly connected in this study. Understanding foreign aid as a resource for providing divisible benefits to select voters and electorates within a recipient country opens up new and intriguing avenues for comparative politics and clientelism experts to evaluate how, where, when, and why political parties seek funding from specific actors, and how these resources are then used to satisfy loyal or indifferent/swing voters.

ERP aid, as the perceived starting point of the modern foreign aid era, is an exceptional case to study in elucidating connections between foreign aid and clientelist outcomes (Markovits,

Strange, and Tingley 2019). And outside of its historical significance, this case study is useful insofar as it can provide insights into the contemporary issue of foreign electoral interference via the spread of disinformation. While foreign aid was the hypothesized mechanism for alterations in domestic electoral outcomes in this study, contemporary studies of electoral interference might consider how the targeted spread of disinformation by foreign actors can inhibit or enhance domestic clientelism and other forms of vote-buying, or otherwise affect electoral outcomes. Moreover, this study is unique in demonstrating that foreign aid can be used to help a party come to power, instead of strengthening a preexisting regime, although further research is needed.

Future studies have much work to do to parse through alternative theories and explanations related to the complexities behind ERP funding to western European states, and the effects of foreign aid and domestic resource dispersal on subsequent electoral outcomes more broadly. Hypothesis-testing quantitative studies that investigate the effects of clientelist mechanisms on local and regional election results may be particularly effective at delineating between competing theories, and establishing if there is a ceiling to the level of political support a party can hope to achieve through clientelist means. The original data set collected by hand for this study offers a good start for future research. While currently unavailable, if the 1951 and 1952 local, provincial, and regional Italian election results are discovered, these results may prove more useful in determining the immediate effect of ERP project funding on electoral support for the Christian Democrats and leftist parties. Future studies on this specific case could also examine whether ERP project funds were used by the Christian Democrats to mitigate losses in the 1953 election, instead of to boost electoral support. Finally, researchers could also replicate this study's methodology to the fifteen other European states that received ERP

funding, and test hypotheses related to clientelism (if applicable) or other political phenomena,

such as political monitoring, constituency service provision, and comparative welfare states.

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**Appendix A**
**Data Entry Guidelines – ERP Projects Data**
Sourced from *Tre Anni di ERP in Italia*, published by the U.S. Economic Cooperation
Administration[35]

**Lavori Pubblici**
*Lavori pubblici*, or public works, make up the vast majority of the ERP projects in Italy from
1948-1951. This type of ERP project covers everything from work on roads (*strade*), sanitation
projects (*impianti sanitari*), public buildings (*edifici pubblici*), maritime works (*opere
marittime*), and beyond.

For each Italian region, the public works were one section, divided into two parts depending on if
the project was financed between 1948-49 or 1949-50. Seven regions – Lombardia, Veneto,
Piemonte, Liguria, Emilia, Umbria, and Marche – only had public works projects financed
between 1949-50. The 1948-49 projects were separated by the categories *strade*, *impianti
sanitari*, *edifici pubblici*, or *opere marittime*. The 1949-50 categories were not listed or noted by
these categories, and so their "Subsidy Category" column was left blank. Regardless of the year
in which the project was financed, it was listed by its *comune* (or town) name, description, and
finally the amount of *lire* financed. The projects were also separated by the province where the
town is located. Thus, the respective *comune*, province, region, description, and *lire* amount for
each project was recorded, along with the years it was financed and a subsidy category, as was
relevant for the projects financed between 1948-49.

The total amount of *lire* financed for the region were given after the complete list of projects
financed between 1948-49. I took the sum of all of the projects financed in these years for the
region in the excel spreadsheet to verify that there weren't any errors in the data entry, and that
this sum aligned with the amount given in *Tre Anni di ERP in Italia*. For the projects financed
between 1949-50, a total amount of *lire* financed was given for each province. These provincial
quantities were then used to double-check the accuracy of data entry.

In some instances, it appeared that the original ECA officials might have recorded the *lire*
amount for individual projects incorrectly. For example, the "*Ricostruzione Municipio – 1st lotto*"
project in Recco, a *comune* in Genova, corresponded to the *lire* amount 30.00.000. This, at its
face value, should translate to 3,000,000, but because of the period placement and the necessary
grand total for the province, it was deduced that this amount was meant to be 30,000,000. This
final value of 30,000,000 was the value recorded in the data entry process, because only this
amount generated the verifiable provincial total of 828,180,000 *lire* for Genova. Whenever a
value appeared to have been recorded incorrectly by the ECA, the same process was followed,
originally entering the face value and correcting it if this generated the perfect provincial or
regional sum of *lire*.

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**Agricoltura**

In most regions, the agricultural works projects made up a very small proportion of the total number of financed projects.[36] Yet, the agricultural projects were also some of the most expensive to fund, making them an important type of ERP subsidies or grants.

Unlike the public works projects, the agricultural projects were often only listed by the valley, mountainous area, or river/stream that was affected or restructured by the project. Many of these natural resources cover more than one province, and thus there was oftentimes more than one electoral district affected by the project, or it was very difficult to specifically locate the affected area within the region. Therefore, in cases where the location of the agricultural project was unclear or unspecified, no province was tagged, and thus no electoral district was tagged. Descriptions for the projects were also rarely provided, making it even more difficult to parse out which provinces and electoral districts were affected by the funds.

When a province for each agricultural project *could be identified*, it was determined via one of three possible methods. The first method was used when the project was listed under a town or *comune* name. So long as this *comune* had already been identified with a province in the *Lavori pubblici* section, it was tagged under that same province from its corresponding public works section. If the *comune* name was new, or the project was listed under a natural resource, then I used the google search "*X name* comune Italia" to view the web results for the affiliated province. Most towns had an automatic Wikipedia description pop up, with a tagged province identification and the town's website. In other instances, I used highlighted descriptions in publications that were shown on Google's first few display pages that listed the corresponding province.[37] The third method was used if the project involved a river, stream, river valley, or another natural resources that spanned across provinces. With this method, I would use Google Maps to follow the length of the river, or look at google images of "*X name region name* mappa" to determine which provinces benefitted from the project and funding. If all these methods failed, were unclear, or were conflicted by other online entries, then I did not list a corresponding province for the project, and it was not tagged to an electoral district. However, if an entire region was in one electoral district (e.g. Calabria was entirely in the 27th electoral district), then all of the agricultural projects for that region were tagged with the proper electoral district, since the corresponding province was irrelevant.

In a few cases, two or more *lire* amounts were listed for the same project – i.e. there was only one name listed, but two or more corresponding *lire* amounts were listed on top of one another. For these cases, each *lire* amount was entered as a separate project or subsidy, as these projects were most likely separate initiatives at the time.

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[36] In the case of Piemonte and Liguria, there were no *agricoltura* projects at all.

[37] The publication *Archivio veneto, Volumes 25-26* (1883) was used to tag Monte S. Michele Egna and San Michele Sacco to the provinces of Trento and Bolzano (p. 332). *Dei Consorzi d'acque del regno lombardo-veneto, della loro istituzione, organizzazione ed amministrazione; della competenza delle autorità, e della procedura relativa* (1855) was used to tag Campagna Vecchia Superiore and Inferiore to Rovigo (p. 197). I used *L'Italia fine Ottocento: Veneto, Trento, Friuli, Venezia Giulia da "Le Cento città d'Italia"* (1887) to tag Valli Andria e Amolara to the province of Rovigo (p. 137). *The Regions of Italy: A Reference Guide to History and Culture* (2002) was used to tag Lodi to the province of Milan (its old province before it became its own in the 1990s; p.196). The Hudson Institute of Mineralogy (2020) was used to tag Salito to the province of Caltanissetta. Italian Wine Guide (2020) was utilized to tag Delia Nivolelli to the province of Trapani. Agenzia Nazionale Turismo (2020) was used to verify that agricultural areas that are currently a part of the province of Crotone would have been classified under Catanzaro in the 1940s and 1950s. Formal documents revised by Fallanca Antonino were used to verify that Casello Zillastro – Piani della Milea are a part of Reggio Calabria. *Schooling in Modernity: The Politics of Sponsored Films in Postwar Italy* (2014) was used to tag Fossa Premurgiana to the province of Bari (p. 262).

**Edilizia**

The *edilizia* projects were designed to construct new or replacement houses. The *edilizia* subsidy type was divided into four separate plans or projects: the FANFANI-INA Case plan, the construction of houses for the homeless, the repair and reconstruction of houses damaged by wartime events, and the ERP-Case Program.

The FANFANI-INA Case plan was implemented in the first two years of the ERP, and *lire* amounts were given for each year. Thus, *edilizia* projects in this sub-section had their *lire* amounts listed in the separate columns "First Year Lire" and "Second Year Lire." The sum of these two columns was then entered into the "Lire" column so that the *edilizia* values would be considered in the total ERP project funding variable. The FANFANI-INA Case projects and subsidies were only given for each province, and so no *comune* or town name was associated with the entries. The exception was Lazio, which did classify these *edilizia* projects at the *comune*-level, and so they were recorded appropriately. The FANFANI-INA Case plan was given as the description for these entries.

The projects which constructed houses for the homeless were implemented between 1948-49. Some of the regions had this sub-section sorted by province, with amounts divided between their respective *comuni* or towns that received funds, but other regions only gave the amount for the province. If individual *comune* or towns were listed, then the entries were recorded appropriately, with each *comune* having a separate row. But if only provincial amounts were given, then entries were only given for the province, as was done with the FANFANI-INA Case plan. Projects which constructed houses for the homeless were given as the description for these entries.

The projects which repaired and reconstructed houses damaged by wartime events were implemented between 1949-50. Most of the regions gave the *lire* amounts only at the provincial level, but in a few rare cases the *lire* amounts were divided between towns or detailed projects that were clearly different and required separate funding. If individual towns or sub-projects were listed, then the entries were recorded appropriately, with each town or sub-project having a separate row. But if only provincial amounts were given, as happened most frequently, then entries were only given for the province, as was done with the FANFANI-INA Case plan. Projects which repaired and reconstructed houses damaged by wartime events were given as the description for these entries.

Finally, the ERP-Case Program gave *lire* amounts at the provincial level, except for a few outliers that specified the singular town within a certain province that benefitted from the program. As occurred with the other entries, each row was given at the provincial level, unless the town was specified, and the description for these entries was given as the ERP-Case Program.

Total *lire* sums given for each plan or program were used to certify correct data entry for this subsidy/grant type.

**Ferrovie**
The subsidies and grants related to railways were some of the most complicated to enter. The railways projects were given an implementation time frame, which was either 1948-49 or 1949-50. For some of the regions, the *ferrovie* were categorized by labels such as *impianti fissi* (fixed installations) or *opere* (works). If a sub-category for *ferrovie* was given, then it was recorded as such, otherwise the sub-category was recorded as *ferroviaria*.

Most often, the work on a railway station or line was associated with a particular town. As with *agricoltura*, if the *comune* or town name had already been listed and tagged to a province, then this same provincial association was applied to the *ferrovie* entries. But if the correct province was unknown, then the google search "*X name* comune Italia" was used to try and find a clear identification of the correct province.

In some instances, the *ferrovie* projects required work on a line that spanned multiple regions. This could mean that the *ferrovie* work in that region was in between the two final destination regions, or that the region included one of the destinations. More often than not these projects were listed only for one region. It can be surmised that the data on these projects were recorded under the region that was most affected by or worked on the project. For example, work on two arches on the line between Milan and Venice was only recorded for Lombardia, and not also for Veneto. Since this work took place at a very specific point on the railway between the two destinations, the work likely took place only in Lombardia's territory.

But if there were instances where the project was recorded for both regions, the corresponding *lire* amounts should and were recorded for both regions because the funding would have affected the towns and people in both regions.

To clarify how the *comune* name was recorded for these entries, it was explicitly given by each project's description. If the only relevant description was a railway between two cities, then only the name of the town/city in the region of interest was recorded. However, if both of the destination towns are within the same region, then both *comune* names are recorded with a hyphen between the two names. If these towns are in separate provinces, then likewise both province names are recorded with a hyphen between the two. If these provinces were located in separate electoral districts, then the project was entered as two separate rows. The project-specific values (like *comune*, province, subsidy type, subsidy description, etc.) were entered the same for both rows. The *lire* value for the project was divided by two and entered for each project, thus signifying an even-split between districts, and therefore acting as a close approximation for how each electoral district benefitted monetarily from the project.

The full project description was always recorded, so if there is ever any question surrounding which railway line was altered under the project, a scholar only needs to look there.

Total *lire* amounts for projects financed between 1948-49 and 1949-50 were used to verify correct data entry.

**Corsi di qualificazione**
The projects related to qualification courses were some of the most straightforward to enter. Three separate columns listed the number of courses, the number of students, and finally the total amount of *lire* funded. This information was all given at the provincial level, and so the data were entered as such (leaving the *comune* column blank). For these entries, no description was recorded, but the number of courses and students was – data which are irrelevant for all the other types of projects.

*Corsi e allievi*, which translates to courses and students, was listed as the "subsidy category" unless the project had a description, such as Toscana's "funds for future construction sites." In the case of these extraordinary, and sometimes confusing, descriptions that were given instead of the province name, the description was left as the project's category.

Total *lire* amounts, numbers of courses, and students for the entire region were used to certify correct data entry.

**Cantieri**
The construction site projects were inclusive of three categories: *Sistemazione montana* (mountain settlements), *rimboschimento* (reforestation), and *cantieri di lavoro* (construction sites). These categories were recorded in the "subsidy category" column. The data for the *cantieri* projects were given at the provincial level, and so was the information about the number of workers (*operai*) and the total *lire* amount for each category per province.

To clarify, for each region's *cantieri* section, *Tre Anni di ERP in Italia* included information for each category (*Sist. Montana, Rimboschimento, Cant. Lavoro)* and the corresponding number of workers (*operai*) and total *lire* amount. This information was always recorded, unless the province had no workers or *lire* funds for the specific *cantieri* category. For example, the province of Matera in Abruzzo e Molise had 239 workers and 11,645,010 *lire* for mountain settlements, but no workers or *lire* funds for reforestation or construction sites. Therefore, only its values for the mountain settlements were recorded in the data entry. If a province does not have a given *cantieri* category recorded, then it is right to assume that there were no workers or *lire* funds disbursed to that province for that category.

Total *lire* amounts and numbers or workers for the entire region were used to verify correct data entry.

**Telecomunicazioni**
Telecommunications projects were expansive across the Italian peninsula, but made up very few of the ERP-funded projects. Instead of being listed by town, they were given by a project description, which most frequently defined the cities that certain telegraph or telephone lines went between. One of these cities had to be located in the region, and it was therefore recorded as the *comune* for the project. It's affiliated province was recorded using its placement among the *Lavori pubblici* projects, or using the google search "*X name* comune Italia" in the very small number of instances where its designated province hadn't already been specified.

The project description itself was recorded in the "Subsidy Description" column. Some project descriptions included information about the number of *giornate lavorative*, or working days, that were required to complete the project. The number of *giornate lavorative*, if specified, was included in a separate column.

Total *lire* amounts for the entire region were used to certify correct data entry.

**Split Entries**
Some project descriptions, especially for the railway and telecommunications projects, and occasionally other subsidy types, affected or benefitted multiple provinces which were in separate, distinct electoral districts. If this were the case, then the project was entered in multiple rows. The number of rows each project was entered in depended upon the number of electoral districts affected by the funds. For example, funding to the railway line between Napoli and Benevento was technically only one project, but it benefitted both the 22nd and 23rd electoral districts. Hence, the project was entered in two separate rows, one for the 22nd electoral district and one for the 23rd, and the total *lire* amount was split into two and entered as the *lire* value in each row. But for projects that influenced more than two districts, like the construction projects to be distributed in Lombardia that affected all four of that region's electoral districts, the project was split into more rows, and the total *lire* amount was likewise distributed evenly across these rows. If these projects had other associated values, like the number of workers or working days, then these values were also split evenly across the rows.

**Tagging to Electoral Districts**
All the electoral data used in this study were sourced from Istituto Cattaneo's political elections archive. The electoral districts at the time of each election were specified in these archives. Since each electoral district was made up of one or more provinces, I used the Istituto Cattaneo's defining boundaries for each electoral district to essentially match the provinces to each electoral district. Thus, since each project had already been assigned to a province using the classifications in *Tre Anni di ERP in Italia*, I only had to go one step further and connect these provincial designations to a given electoral district. Technically there were thirty-two electoral districts in the 1948 and 1953 Chamber of Deputies elections, but Trieste, the thirty-second district, was an occupied territory of the Allied and Soviet powers and therefore received no formal ERP funds and was ineligible to vote in elections. Because of this technicality, there were thirty-one possible electoral districts that any given province was assigned to.

**Unentered Data**
Some of the data available for each region in *Tre Anni di ERP in Italia* went unrecorded. These data included summary statistics for each region, with total amounts dedicated to specific provinces, loans given to companies, and scientific equipment. The total amounts dedicated to specific provinces were not recorded because the sum of grants per electoral district was the main unit of analysis. The loans given to companies and funds used for scientific equipment were also not recorded because their amounts were given in U.S. dollars, which could not be adjusted to lire amounts. In total 1,024 grants were made to companies and 31 institutes and universities benefitted from funds set aside for scientific equipment across all the regions.[38]

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[38] In Abruzzi e Molise, there were nine IPs (or loans made to companies). In Calabria there were three IPs. In Campania there were forty-eight IPs and four AS's (grants for scientific equipment). In Emilia, there were sixty-nine IPs and three AS's. In Lazio, there were 135 IPs and nine AS's.

**Control variables**

Several control variables were used in the regression analyses, including the 1954 unemployment rate, the change in unemployment rate between 1949 and 1954, 1953-1954 tribute for land tax, 1953-1954 tribute for buildings tax, 1953-1954 tribute for mobile wealth tax, and change in tax tribute amounts between 1949 and 1953-1954 for each region.

While the 1948 and 1953 unemployment rates would have been optimal controls because these dates would have aligned with the election years, population data, which was used to calculate the unemployment rates, were only available for 1949 and 1954. While imperfect, the values for 1954 provide an approximate look at the economic state of each region in the subsequent election year (1953), and the changes in values between 1949 and 1954 provides an estimate for fluctuations in the values of interest between the 1948 and 1953 elections.

The 1951 *Annuario Statistico Italiano* provided the data on the number of individuals receiving unemployment benefits per region in 1949. And the 1949-1950 *Annuario Statistico Italiano* provided the data on the total population for the region as of December 31, 1949. In calculating the 1954 unemployment rate, I used the regional population statistics as of December 31, 1954, and the number of individuals receiving unemployment benefits per region in 1954. These 1954 statistics were found in the 1955 *Annuario Statistico Italiano*. The regional population amount was given in thousands. To find the respective unemployment rate for each region, I divided the number of persons receiving unemployment benefits by the total regional population. While the unemployment rate is typically considered in terms of the number of eligible workers in a region, this statistic is unavailable and therefore it will have to be assumed that the percentage of eligible workers was fairly equal across regions. I also had to assume that the number of individuals receiving unemployment benefits was synonymous to the number of unemployed persons, since the annual statistical reports only provide a measure for unemployment in this way.

Since each region is made up of one or more electoral districts, there were limited issues with assigning unemployment rates across districts, albeit for the fact that "inferring" down to a unit of analysis is a methodological problem (see footnote 22). But, entering unemployment rates for the Veneto region proved to be difficult, because Trentino-Alto Adige and Friuli-Venezia Giulia were assigned different unemployment and population statistics in the *Annuario Statistico Italiano*, but were treated as being a part of Veneto in *Tre Anni di ERP in Italia*. The Trento and Bolzano provinces (which encompass Trentino-Alto Adige) comprise the eighth electoral district, so I found the unemployment rate for the eight electoral district specifically, and likewise assigned this statistic to projects in that electoral district. But, Friuli-Venezia Giulia's Gorizia and Udine province made up one half of the eleventh electoral district, making data entry for these provinces more challenging. I went project by project through the Veneto data, and assigned projects in the Gorizia and Udine district to the unemployment rate for Friuli-Venezia Giulia. The projects in Belluno and Pordenone (which made up the other half of the eleventh electoral district) were assigned the unemployment statistic for the Veneto region. In instances where projects crossed into autonomous regions, such as those between Udine and Pordenone,

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In Liguria, there were forty-two IPs and nine AS's. In Lombardia, there were 344 IPs. In Lucania, there were two IPs. In Marche, there were twenty-five IPs. In Piemonte, there were 147 IPs and four AS's. In Puglia, there were forty-three IPs. In Sardegna, there were seven IPs and two AS's. In Sicilia, there were twenty-one IPs and three AS's. In Umbria, there were twenty-one IPs and one AS. In Veneto, there were 108 IPs and four AS's.

Udine and Belluno, Venezia and Udine, Verona and Bolzano, or Verona and Trento; I took the average of the unemployment rate between the two regions.

A similar procedure was followed in finding the data on the various tax tribute amounts. The 1951 *Annuario Statistico Italiano* was again consulted for the regional values of the 1949 tributes for land tax (*imposta sui terreni*), buildings tax (*imposta sui fabbricati*), and mobile wealth tax (*imposta sui redditi di Ricchezza Mobile*), and the 1955 *Annuario Statistico Italiano* was consulted for the 1953-1954 tax tribute amounts. While 1948 tribute amounts could have been used, as they were provided in the 1949-1950 *Annuario Statistico Italiano*, the 1949 tribute amounts were used to provide consistency across control variables. The amount entered for each of these values was considered the "total" tribute, implying that it encompassed the basic tax, provincial surtax, *comune* surtax, and additional amount filed by the ECA. For the mobile wealth tax, the 1951 *Annuario Statistico Italiano* explicitly states that the additional amount filed by the ECA was 2%. The amounts for both fiscal years were also given in millions of *lire*. While I was initially concerned that the 1955 *Annuario Statistico Italiano*'s provision of the 1953-1954 tax tribute amounts meant that it covered two years, and thus wasn't directly comparable to the 1949 amounts, based upon the tax tribute amounts provided and the formatting of the other chapters, I can assume with confidence that 1953-1954 covers one fiscal year.

And as with the unemployment rate, there were some issues in assigning tax tribute amounts across electoral districts. Again, separate tax tribute amounts were assigned to districts in Friuli-Venezia Giulia and Trentino Alto-Adige because the annual statistical reports provided separate data for these autonomous regions. I followed the procedures listed above for these variables, including taking the average between two regions if a project crossed into an autonomous region.

**Miscellaneous – Part I**
Because of the historical and complicated nature of the data found in *Tre Anni di ERP in Italia*, assigning projects to correct provinces and electoral districts was difficult and required extraordinary procedures.

Generally, there were three broad miscellaneous cases that required special geo-referencing instructions. The rows for each of these special cases were highlighted a different color, so that future scholars can identify potential sources of error. The first such case was highlighted purple, and entailed instances in which the specific location of a project was unclear. These projects could therefore not be matched with an electoral district, and their *lire* values did not affect the final data results. For example, the location of the Sagittario hydraulic plant in the Lazio region is unclear using internet searches, google mapping, and other means of information sourcing. Since the precise provincial location is unclear, this entry was highlighted purple and was not matched to an electoral district.

The second miscellaneous case was entries that appeared to have been categorized under the incorrect region, and could not plausibly have benefitted the region under which they were originally recorded. The correct province and electoral district for these projects was entered, not the incorrect regional association provided in the book. These projects were highlighted light blue. An example of this situation was the project for repairs to the Formia-Gaeta railway line in Lazio, which was accidentally recorded by the ECA under Campania in *Tre Anni di ERP in*

*Italia*. Since this railway line could only stretch from one end to the other of the 19th electoral district, it could not have benefitted Campania's 22nd or 23rd electoral districts. As one other final example of this case, the Sapri train station, located in the Salerno province of Campania, was listed as an ERP beneficiary in Calabria. Since the train station is in fact located in Campania, this projected was matched with Campania's 23rd electoral district, instead of Calabria's 27th electoral district.

And the third miscellaneous case included entries which likely benefitted multiple electoral districts or the entire region, and thus had to be split between electoral districts. Examples include the "Po," which could refer to the Po River or Po Valley, listed as the name and description for multiple agricultural projects in Lombardia. Since the Po River and/or Valley touches each of the four electoral districts in Lombardia, the total *lire* value for each of these projects was divided by four, and recorded as a separate entry for each electoral district. Therefore, I had to assume that each electoral district benefitted equally from these projects, since no elaboration or details about these projects were provided. Other examples for these types of cases include *lire* amounts and funds that were yet to be distributed throughout the region, agricultural work provided for "mountain basins" (which was too generic to tie to a specific electoral district), funded project reserves, and antimalarial efforts. These entries were highlighted light green.

**Miscellaneous – Part II**
While I've described at length how I attempted to systematically deal with extraordinary cases, there were some scenarios that were so unique that they fit no pattern, and thus will be recorded here on an individual basis.

One of these stipulations is that the province names had to be kept consistent, even if there were multiple different recordings of the same province name. Reggio nell'Emilia, Forlì, and Massa-Carrara are examples of this. Reggio Emilia was also written Reggio nell'Emilia throughout the Emilia region recordings, but was simply recorded as Reggio Emilia for consistency. Likewise, Forli' was also written as Forlì in Emilia project recordings, but I decided to consistently record this *comune* as Forli'. And Massa-Carrara was sometimes recorded as Massa, but this province was consistently recorded as Massa-Carrara in my data collection.

The *lavori pubblici* provincial sum for Ferrara in the Emilia region is off. This sum was listed as 474,080,800 lire in *Tre Anni di ERP in Italia*, but it was actually 472,450,800. After checking the entered lire values and summation function at least four times, I left the values as-is with the provincial sum of 472,450,800 lire.

The sum of all the *cantieri* projects in Emilia were also supposed to sum to 368,731,341 lire, but actually sums to 369,737,343. I double-checked these entries multiple times, only to keep getting the sum of 369,737,343 lire. The entries for the *cantieri* projects in Emilia were left as they were recorded in *Tre Anni di ERP in Italia*.

The Emilia region was also unique because it gave the hectares of land affected by the *agricoltura* projects. A separate column was created for hectares (*ettari*), but these values could only be entered for this region, since this information was not provided for any other region.

The Fertilia – Nurra *agricoltura* funding in Sassari is an irregularity. The *lire* amount for this province was listed as 50.750.0000 in *Tre Anni di ERP in Italia*. I entered this amount as 507,500,000 because there was no total *lire* amount for all of Sardegna's *agricoltura* projects, and thus I had to assume either that the period placement was correct and the value was truly 50,750,000, or that the administrators had recorded the correct amount of zeros, in which case the true value was 507,500,000. I went with the latter.

Under Calabria's *Corsi di qualificazione*, the total number of courses provided across provinces was listed as 192 in *Tre Anni di ERP in Italia*, but the actual amount across provinces added up to 193. Or, in other words, the aggregate sum across the region was supposed to be 192, but when I added up the individual quantity of courses per province across Calabria, the sum was 193. I assumed each province's individual amount for the number of courses was correct, and that the regional sum was off by one course.

A misalignment between the *comune*/project names and *lire* amounts for Sicilia's *agricoltura* projects from Alto e medio Belice to Giuliano resulted in a complicated process (mostly back-tracking from later project names and *lire* amounts that were clear) of properly assigning a *comune* and province to each *lire* amount given. Since neighboring projects tended to be listed in neighboring districts in the *agricoltura* section, there is low risk that the *lire* amounts were wrongly assigned to a given electoral district. The only major amount in dispute was the "487500000" *lire* amount, which could have gone to either Caltagirone or Catania, both of which are in the 28th electoral district. Ultimately, I assigned that amount to Caltagirone. But to reiterate, the electoral district assignment far outweighs the *comune* assignment because of my unit of analysis, implying that this misalignment between the text names and numerical values is of little risk to the accuracy of my data collection efforts.

Mortara and Vigevano are two *comuni* that received *ferrovie* funding, each of which were listed under the Piemonte region. Today, both Mortara and Vigevano are in the province of Pavia, located in Lombardia, which made determining their correct province in Piemonte in the early 1950s difficult to determine. Using Google Maps, I determined that the province in Piemonte closest to both of these towns was Vercelli, and so I tagged these two projects to the Vercelli province, and therefore also the first electoral district.

Lazio had several telecommunications projects listed, which were in actuality funds to be distributed throughout Italy. While these funds may have eventually benefitted other parts of Italy, since they were specifically listed for Lazio and there is no guarantee how or where they were ultimately disbursed, these funds were solely entered for the Lazio region, and thus split between the 18th and 19th electoral districts.

**Appendix B**
Image File Data Entry Guidelines

In creating the maps, which are a graduated map of Italian electoral districts by aggregated lire amounts and a map of the absolute value change in party support between elections, the political boundaries shape file of Italy had to be edited so that it was bounded by the thirty-one electoral districts used in the 1948 and 1953 elections. The original shape file and corresponding shape file data of Italy was downloaded from the Database of Global Administrative Areas (GADM), which has its data hosted by the Center for Spatial Sciences at the University of California, Davis.

The shape file from GADM allowed me to view and edit a map of Italy's 110 currently-recognized provinces. While provincial boundaries have slightly changed and shifted since the 1940s and 1950s, the fact that the old electoral districts were bounded perfectly along provincial boundaries makes this map a very close approximation of the true electoral boundaries. And given that a direct shape file of provincial boundaries in the 1940s and 1950s was unavailable, simulating the old electoral district boundaries with the modern provinces was the most appropriate method for creating this summary figure. Additionally, while there were technically thirty-two electoral districts in these elections, with Trieste being the thirty-second district, citizens in Trieste were ineligible to vote and the district did not receive ERP funds, so only the thirty-one electorally-active districts were included in these maps.

At least fifteen new provinces were established after *Tre Anni di ERP in Italia* was published at the end of 1951. I had three different methods for determining the appropriate electoral district tag for these new provinces. The first method was utilized when the new provinces had been listed as *comune* underneath a long-established province in *Tre Anni di ERP in Italia*, in which case these new provinces were tagged to the electoral district of their old province designation. Using this method, I was able to tag Lecco to the fifth electoral district (because its older provincial designation of Como was in the fifth electoral district), Fermo to the seventeenth electoral district (since its older provincial designation of Ascoli Piceno was in the seventeenth electoral district), Prato to the fourteenth electoral district (because its older provincial designation of Firenze was in the fourteenth electoral district), and Rimini to the twelfth electoral district (because its older provincial designation was Forli', which was in the twelfth electoral district).

The second method required me to view the historical information on the newer provinces in their Wikipedia profile. If information was provided about their previous provincial designation, then I followed the citations and footnotes to find more reputable sources to support their tagged electoral district. Using this method, I determined that Barletta-Andria-Trani used to be a part of the Bari and Foggia provinces in the twenty-fourth electoral district (La Redazione 2010), Crotone used to be a part of Catanzaro in the twenty-seventh electoral district (Agenzia Nazionale Turismo 2020), Vibo Valentina used to be a part of Catanzaro in the twenty-seventh electoral district (CalabrianGenealogy.com 2015), Monza and Brianza used to be a part of Milano in the fourth electoral district (La Provincia MB 2010), Medio Campidano used to be a part of Cagliari in the thirtieth electoral district (Tuttitalia 2020), Ogliastra used to be a part of

Nuoro and Cagliari in the thirtieth electoral district (Tuttitalia 2020), and Olbia-Tempio used to be a part of Nuoro and Sassari in the thirtieth electoral district (Tuttitalia 2020).

The third method entailed referencing Roy Palmer Domenico's (2002) *The Regions of Italy: A Reference Guide to History and Culture*. Since his publication provides provincial profiles, I could determine from which older, more well-established provinces the new ones were formed. Using Domenico's book, I was able to tag Lodi (formerly a part of Milano) to the fourth electoral district, Biella (formerly a part of Vercelli) to the first electoral district, Verbano-Cuso-Ossola (formerly a part of Novara) to the first electoral district, and Carbonia-Iglesias (a part of Cagliari) to the thirtieth electoral district.

**Appendix C**
Models including Small Parties' Control Variable

The results shown in the **Appendix C Table** provide no new, major insights. The ERP funds have a negative correlation with both the change in vote share percentage and the 1953 vote share for the Christian Democrats. The coefficient for the non-squared swing districts' control variable is positive for the regression on the Christian Democrats' percentage vote share in 1953, while it is negative for the leftist parties' regression. The coefficient for the squared swing districts' control variable is still statistically indistinguishable from zero in both regression equations, which implies that any relationship between the difference in 1948 levels of party support, and resulting 1953 vote shares, is linear.

The ERP project funds have a positive, but not statistically significant, correlation with the change in percentage of the vote share won by the leftist parties between elections, as was also true in **Table 1**. The results of **Appendix C** differ from **Table 1** insofar as the coefficient for the total amount of ERP project funds dispersed is positive, albeit not statistically significant, in the regression models for the 1953 vote share earned by the leftist parties.

The signs and statistical significance of the coefficients on the small parties control variable is of great interest. For the leftist parties, an increase in the small parties' support decreased the leftists' vote share in 1953, as much as by over one percent when the controls for the swing districts are excluded. Interpreting the results of the same variable on the Christian Democrats' regression models is more challenging. The coefficient on this variable is negative in Models One and Three, and positive in Model Two. Considering that the coefficient is only statistically significant in Model Three, I am confident that the success of the small parties hurt the Christian Democrats' vote share in the 1953 election, especially when the swing districts' effect is accounted for. A negative correlation between the success of the smaller political parties and the Christian Democrats' and leftist parties' vote shares in 1953 is not only plausible, but expected. While the PCI – Italy's major communist party – increased the percentage of their vote share between 1948 and local elections held in 1951, the rising success of smaller and right-leaning parties created a ceiling for the leftist parties and reduced the Christian Democrats' political base (Del Pero 2001, 1311).

**Appendix C Table**

Electoral Support by ERP Project Funding with Small Parties' Control Variable

| | Model 1 | Model 2 | Model 3 |
|---|---|---|---|
| DC reg: Intercept | -5.62** | 34.96*** | 44.49*** |
| | (1.80) | (6.78) | (1.26) |
| DC reg: Total ERP Project Funding in Billions of Lire | -0.25* | -0.33 | -0.07 |
| | (0.10) | (0.27) | (0.05) |
| DC reg: Change in Unemployment Rate as a Percentage | -3.47** | | |
| | (0.97) | | |
| DC reg: Change in Land Tax Tribute in Millions of Lire | 0.00 | | |
| | (0.00) | | |
| DC reg: Change in Buildings Tax Tribute in Millions of Lire | -0.00 | | |
| | (0.00) | | |
| DC reg: Change in Mobile Wealth Tax Tribute in Millions of Lire | 0.00 | | |
| | (0.00) | | |
| DC reg: Change in Electoral Support for Small Parties | -0.23 | | |
| | (0.17) | | |
| DC reg: 1954 Unemployment Rate as a Percentage | | 3.86 | 1.88*** |
| | | (2.34) | (0.44) |
| DC reg: 1954 Land Tax Tribute in Millions of Lire | | -0.00 | -0.00 |
| | | (0.00) | (0.00) |
| DC reg: 1954 Buildings Tax Tribute in Millions of Lire | | -0.00 | -0.00 |
| | | (0.01) | (0.00) |
| DC reg: 1954 Mobile Wealth Tax Tribute in Millions of Lire | | 0.00 | 0.00 |
| | | (0.00) | (0.00) |
| DC reg: Electoral Support for Small Parties in 1953 Election | | 0.13 | -0.54*** |
| | | (0.18) | (0.04) |
| DC reg: Non-squared Swing Districts | | | 0.37*** |
| | | | (0.02) |
| DC reg: Squared Swing Districts | | | 0.00 |
| | | | (0.00) |
| Leftists reg: Intercept | 7.27*** | 65.04*** | 55.51*** |
| | (1.62) | (6.78) | (1.26) |
| Leftists reg: Total ERP Project Funding in Billions of Lire | 0.03 | 0.33 | 0.07 |
| | (0.09) | (0.27) | (0.05) |
| Leftists reg: Change in Unemployment Rate as a Percentage | 2.03* | | |
| | (0.88) | | |
| Leftists reg: Change in Land Tax Tribute in Millions of Lire | 0.00 | | |
| | (0.00) | | |
| Leftists reg: Change in Buildings Tax Tribute in Millions of Lire | -0.00 | | |
| | (0.00) | | |
| Leftists reg: Change in Mobile Wealth Tax Tribute in Millions of Lire | 0.00 | | |
| | (0.00) | | |
| Leftists reg: Change in Electoral Support for Small Parties | -0.17 | | |
| | (0.15) | | |
| Leftists reg: 1954 Unemployment Rate as a Percentage | | -3.86 | -1.88*** |
| | | (2.34) | (0.44) |
| Leftists reg: 1954 Land Tax Tribute in Millions of Lire | | 0.00 | 0.00 |
| | | (0.00) | (0.00) |
| Leftists reg: 1954 Buildings Tax Tribute in Millions of Lire | | 0.00 | 0.00 |
| | | (0.01) | (0.00) |
| Leftists reg: 1954 Mobile Wealth Tax Tribute in Millions of Lire | | -0.00 | -0.00 |
| | | (0.00) | (0.00) |
| Leftists reg: Electoral Support for Small Parties in 1953 Election | | -1.13*** | -0.46*** |
| | | (0.18) | (0.04) |
| Leftists reg: Non-squared Swing Districts | | | -0.37*** |
| | | | (0.02) |
| Leftists reg: Squared Swing Districts | | | -0.00 |
| | | | (0.00) |
| DCreg: $R^2$ | 0.57 | 0.34 | 0.98 |
| Leftistsreg: $R^2$ | 0.40 | 0.69 | 0.99 |
| DCreg: Adj. $R^2$ | 0.45 | 0.16 | 0.97 |
| Leftistsreg: Adj. $R^2$ | 0.24 | 0.60 | 0.99 |
| Num. obs. (total) | 60 | 60 | 60 |

***$p < 0.001$, **$p < 0.01$, *$p < 0.05$

Statistical models

**Appendix D**
ERP Project Funding Per Capita Models

As a robustness check, regressions were run with ERP project funding per capita as the main independent variable of interest. In order to feasibly produce this new variable, ERP project funding had to be aggregated at the regional level, with each region as the unit of analysis. There were twenty regions associated with electoral districts at the time.[39] It should be noted that the provincial and regional population values for 1954 are not perfect equivalents. The 1955 *Annuario Statistico Italiano* lists the population value for Emilia-Romagna on December 31, 1954 as 3,586,339[40], but if you add up the population values for Emilia-Romagna's provinces[41], then the regional population is 3,536,339. The total sum of the provincial populations in Italy (48,610,684) is therefore 50,000 lower than the total sum of the regional populations (48,660,684). It is also important to note that the table which gave provincial population values also listed the total sum in Italy as 48,660,684, even though if you add up the provincial values by hand or using excel, the value is 48,610,684. Thus, there was no way for me to know which province in Emilia-Romagna had its value recorded 50,000 short, and the provincial values remained unchanged in the CISL trade union membership rate regressions, and the regional values remained unchanged in the ERP project funding per capita regressions.

Other measurement issues arose from creating an ERP project funding per capita variable. As was discussed in **Appendix A**, there are overlaps in electoral districts between Veneto and Friuli-Venezia Giulia. Since Veneto has provinces in the ninth, tenth, and eleventh electoral districts, and Friuli-Venezia Giulia encompasses half of the eleventh electoral district, ERP project funding that had already been aggregated at the electoral district level had to be creatively allocated to these regions. There are also overlaps in electoral districts between Lazio and Umbria, since Umbria's Perugia and Terni provinces are in the 18th electoral district, as is Lazio's Rieti. In the end, total ERP project funding amounts were aggregated to the total for each of the regions, implying that the aggregate funding for the eleventh electoral district was applied to both Veneto and Friuli-Venezia Giulia's totals, and that aggregate funding for the eighteenth electoral district was applied to both Lazio and Umbria's totals.[42] Regional values for the unemployment rate, tax tribute amounts, and population were provided by the various *Annuario Statistico Italiano*'s, as detailed in **Appendix A**, and were utilized in regressions involving ERP project funding per capita as the main independent variable of interest.

The electoral variables in the regressions for ERP project funding per capita were calculated by adding up the total number of votes for certain parties within the region (with each region made up of electoral districts), and dividing this value by the total number of valid votes in the

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[39] These regions do not perfectly overlap with Italy's current twenty regions.

[40] Provided in Table 22 of the 1955 *Annuario Statistico Italiano*.

[41] Provided in Table 23 of the 1955 *Annuario Statistico Italiano*

[42] Thank you to Dr. Rob O'Reilly at Emory University's ECDS for this very helpful solution to the regional ERP project funding measurement issue.

region.[43] Since the electoral data were given at the electoral district level, the electoral districts had to be assigned to their respective regions.

**Appendix D Table 1** shows that the coefficients for ERP project funding per capita are not statistically significant in the Christian Democrats' or leftist parties' regressions. The results are therefore null, especially considering the low number of observations (n=36, considering there are two equations, each with eighteen observations).[44] If the results were statistically significant, they would indicate that ERP project funding per capita has a negative effect on the Christian Democrats' electoral outcomes (when the swing districts' control variables are excluded), while they have a positive effect on the leftist parties' electoral outcomes. These results would, once again, contradict the expectations laid out in Hypothesis 1.

**Appendix D Table 2** offers nearly the same results, except that these results represent the effect of the ERP project funding per capita with the added small parties' control variables. The statistically significant small parties' control variables all indicate that the better the small parties performed in an electoral district, the lower the Christian Democrats' and leftist parties' percentages of the vote share were in the 1953 national election.

Neither table is able to offer an alternative story for the null and negative results found in this study, and no support is found for the methodological explanation that ERP project funding was targeted based on population size instead of political motivations.

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[43] Votes within the eleventh electoral district were counted for both the Veneto and Friuli-Venezia Giulia regions, and votes within the eighteenth electoral district were counted for both the Lazio and Umbria regions, as was done with aggregating total ERP project funding for these districts.

[44] Valle d'Aosta was again excluded because there were no data on the percentage of the vote share won by the leftist parties. The leftist parties likely received zero support at the polls, but Aosta was excluded as a precaution and because there was no change in the leftist parties' electoral support between elections.

**Appendix D Table 1**

Electoral Support by ERP Project Funding Per Capita and Control Variables at the Regional Level

| | Model 1 | Model 2 | Model 3 |
|---|---|---|---|
| DC reg: Intercept | -6.77* | 35.42** | 29.94*** |
| | (2.72) | (8.28) | (6.11) |
| DC reg: Total ERP Project Funding Per Capita in Thousands of Lire | -0.37 | -0.05 | 0.03 |
| | (0.42) | (0.94) | (0.64) |
| DC reg: Change in Unemployment Rate as a Percentage | -2.72 | | |
| | (1.31) | | |
| DC reg: Change in Land Tax Tribute in Millions of Lire | -0.00 | | |
| | (0.00) | | |
| DC reg: Change in Buildings Tax Tribute in Millions of Lire | -0.00 | | |
| | (0.00) | | |
| DC reg: Change in Mobile Wealth Tax Tribute in Millions of Lire | -0.00 | | |
| | (0.00) | | |
| DC reg: 1954 Unemployment Rate as a Percentage | | 4.26 | 4.04 |
| | | (2.31) | (2.23) |
| DC reg: 1954 Land Tax Tribute in Millions of Lire | | -0.00 | -0.00 |
| | | (0.00) | (0.00) |
| DC reg: 1954 Buildings Tax Tribute in Millions of Lire | | -0.00 | -0.00 |
| | | (0.01) | (0.01) |
| DC reg: 1954 Mobile Wealth Tax Tribute in Millions of Lire | | 0.00 | 0.00 |
| | | (0.00) | (0.00) |
| DC reg: Non-squared Swing Districts | | | 0.31* |
| | | | (0.14) |
| DC reg: Squared Swing Districts | | | -0.00 |
| | | | (0.01) |
| Leftists reg: Intercept | 4.47 | 35.57* | 42.83*** |
| | (2.31) | (15.25) | (5.76) |
| Leftists reg: Total ERP Project Funding Per Capita in Thousands of Lire | 0.27 | 0.24 | 0.24 |
| | (0.35) | (1.74) | (0.61) |
| Leftists reg: Change in Unemployment Rate as a Percentage | 1.47 | | |
| | (1.11) | | |
| Leftists reg: Change in Land Tax Tribute in Millions of Lire | -0.00 | | |
| | (0.00) | | |
| Leftists reg: Change in Buildings Tax Tribute in Millions of Lire | 0.00 | | |
| | (0.00) | | |
| Leftists reg: Change in Mobile Wealth Tax Tribute in Millions of Lire | -0.00 | | |
| | (0.00) | | |
| Leftists reg: 1954 Unemployment Rate as a Percentage | | -3.73 | 0.31 |
| | | (4.25) | (2.10) |
| Leftists reg: 1954 Land Tax Tribute in Millions of Lire | | 0.00 | 0.00 |
| | | (0.00) | (0.00) |
| Leftists reg: 1954 Buildings Tax Tribute in Millions of Lire | | -0.00 | 0.00 |
| | | (0.01) | (0.01) |
| Leftists reg: 1954 Mobile Wealth Tax Tribute in Millions of Lire | | 0.00 | -0.00 |
| | | (0.00) | (0.00) |
| Leftists reg: Non-squared Swing Districts | | | -0.42** |
| | | | (0.13) |
| Leftists reg: Squared Swing Districts | | | -0.01 |
| | | | (0.01) |
| DCreg: $R^2$ | 0.34 | 0.34 | 0.75 |
| Leftistsreg: $R^2$ | 0.31 | 0.16 | 0.92 |
| DCreg: Adj. $R^2$ | 0.07 | 0.07 | 0.57 |
| Leftistsreg: Adj. $R^2$ | 0.02 | -0.19 | 0.86 |
| Num. obs. (total) | 36 | 36 | 36 |

***$p < 0.001$, **$p < 0.01$, *$p < 0.05$

Statistical models

**Appendix D Table 2**

Electoral Support by ERP Project Funding Per Capita with Small Parties' Control Variable at the Regional Level

| | Model 1 | Model 2 | Model 3 |
|---|---|---|---|
| DC reg: Intercept | -5.23 | 34.22** | 44.03*** |
| | (4.10) | (10.44) | (3.26) |
| DC reg: Total ERP Project Funding Per Capita in Thousands of Lire | -0.42 | -0.04 | -0.11 |
| | (0.44) | (0.98) | (0.27) |
| DC reg: Change in Unemployment Rate as a Percentage | -2.89 | | |
| | (1.40) | | |
| DC reg: Change in Land Tax Tribute in Millions of Lire | -0.00 | | |
| | (0.00) | | |
| DC reg: Change in Buildings Tax Tribute in Millions of Lire | -0.00 | | |
| | (0.00) | | |
| DC reg: Change in Mobile Wealth Tax Tribute in Millions of Lire | 0.00 | | |
| | (0.00) | | |
| DC reg: Change in Electoral Support for Small Parties | -0.14 | | |
| | (0.28) | | |
| DC reg: 1954 Unemployment Rate as a Percentage | | 4.29 | 1.79 |
| | | (2.41) | (0.99) |
| DC reg: 1954 Land Tax Tribute in Millions of Lire | | -0.00 | -0.00 |
| | | (0.00) | (0.00) |
| DC reg: 1954 Buildings Tax Tribute in Millions of Lire | | -0.00 | -0.00 |
| | | (0.01) | (0.00) |
| Dc reg: 1954 Mobile Wealth Tax Tribute in Millions of Lire | | 0.00 | 0.00 |
| | | (0.00) | (0.00) |
| DC reg: Electoral Support for Small Parties in 1953 Election | | 0.04 | -0.52*** |
| | | (0.20) | (0.07) |
| DC reg: Non-squared Swing Districts | | | 0.37*** |
| | | | (0.06) |
| DC reg: Squared Swing Districts | | | 0.00 |
| | | | (0.00) |
| Leftists reg: Intercept | 6.83 | 65.78*** | 55.97*** |
| | (3.39) | (10.44) | (3.26) |
| Leftists reg: Total ERP Project Funding Per Capita in Thousands of Lire | 0.21 | 0.04 | 0.11 |
| | (0.36) | (0.98) | (0.27) |
| Leftists reg: Change in Unemployment Rate as a Percentage | 1.21 | | |
| | (1.15) | | |
| Leftists reg: Change in Land Tax Tribute in Millions of Lire | -0.00 | | |
| | (0.00) | | |
| Leftists reg: Change in Buildings Tax Tribute in Millions of Lire | -0.00 | | |
| | (0.00) | | |
| Leftists reg: Change in Mobile Wealth Tax Tribute in Millions of Lire | -0.00 | | |
| | (0.00) | | |
| Leftists reg: Change in Electoral Support for Small Parties | -0.22 | | |
| | (0.23) | | |
| Leftists reg: 1954 Unemployment Rate as a Percentage | | -4.29 | -1.79 |
| | | (2.41) | (0.99) |
| Leftists reg: 1954 Land Tax Tribute in Millions of Lire | | 0.00 | 0.00 |
| | | (0.00) | (0.00) |
| Leftists reg: 1954 Buildings Tax Tribute in Millions of Lire | | 0.00 | 0.00 |
| | | (0.01) | (0.00) |
| Leftists reg: 1954 Mobile Wealth Tax Tribute in Millions of Lire | | -0.00 | -0.00 |
| | | (0.00) | (0.00) |
| Leftists reg: Electoral Support for Small Parties in 1953 Election | | -1.04*** | -0.48*** |
| | | (0.20) | (0.07) |
| Leftists reg: Non-squared Swing Districts | | | -0.37*** |
| | | | (0.06) |
| Leftists reg: Squared Swing Districts | | | -0.00 |
| | | | (0.00) |
| DCreg: $R^2$ | 0.36 | 0.35 | 0.96 |
| Leftistsreg: $R^2$ | 0.36 | 0.75 | 0.99 |
| DCreg: Adj. $R^2$ | 0.01 | -0.01 | 0.93 |
| Leftistsreg: Adj. $R^2$ | 0.01 | 0.62 | 0.97 |
| Num. obs. (total) | 36 | 36 | 36 |

***$p < 0.001$, **$p < 0.01$, *$p < 0.05$

Statistical models

**Appendix E**
Models including Fixed Effects for the Regions

**Appendix E Tables 1 and 2** display regression models on the change in electoral support between elections and electoral support in 1953 by the total amount of ERP project funding and fixed effects estimates for the North, South, and Center regions. A fixed effects estimation was included for the regions, because cultural, historical, and socioeconomic differences between these three major Italian regions, and particularly the North and South, may have unduly influenced the association between ERP project funding and electoral outcomes. And running the SUR method regressions with fixed effects estimators for each of the regions can lend useful insights into whether the earlier results depend upon regional variations.

The models should be interpreted as follows. Model One in **Appendix E Tables 1 and 2** includes dummy variables for the South and Center regions, therefore holding constant regional effects relative to the northern regions. Model Two includes dummy variables for the North and Center regions, therefore holding constant regional effects relative to the southern regions. And Model Three includes dummy variables for the North and South regions, therefore holding constant regional effects relative to the central regions.

The results in all three models were not significantly changed from those found in **Tables 1 and 2,** as there is still a negative association between ERP project funding and the Christian Democrats' electoral support. This negative correlation is statistically significant in the Christian Democrats' regression equations in **Appendix E Table 1**. The sign for the correlation between ERP project funding and the leftist parties' electoral support in the 1953 election is mixed in **Appendix E Table 2**, while the correlation between ERP project funding and the change in the leftist parties' electoral support between elections is negative in **Appendix E Table 1**. None of the coefficients for the total amount of ERP project funding in the leftist parties' regressions are statistically significant in either of the tables, once again solidifying that few conclusions can be drawn about the effects of ERP aid disbursement on changes in leftist parties' support or their 1953 percentage of the vote share.

**Appendix E Table 1**

Changes in Electoral Support by ERP Project Funding with Fixed Effects for North, South, and Center Regions

| | Model 1 | Model 2 | Model 3 |
|---|---|---|---|
| DC reg: Intercept | -6.12*** | -8.06*** | -6.16*** |
| | (1.49) | (1.66) | (1.51) |
| DC reg: Total ERP Project Funding in Billions of Lire | -0.25* | -0.27* | -0.26* |
| | (0.10) | (0.11) | (0.10) |
| DC reg: Change in Unemployment Rate as a Percentage | -1.24 | -2.63* | -1.22 |
| | (1.37) | (1.25) | (1.37) |
| DC reg: Change in Land Tax Tribute in Millions of Lire | 0.00 | 0.00 | 0.00 |
| | (0.00) | (0.00) | (0.00) |
| DC reg: Change in Buildings Tax Tribute in Millions of Lire | 0.00 | 0.00 | 0.00 |
| | (0.00) | (0.00) | (0.00) |
| DC reg: Change in Mobile Wealth Tax Tribute in Millions of Lire | -0.00 | -0.00 | -0.00 |
| | (0.00) | (0.00) | (0.00) |
| DC reg: factor(North) TRUE | | 0.83 | -0.35 |
| | | (1.91) | (1.43) |
| DC reg: factor(Center) TRUE | -0.45 | 0.82 | |
| | (1.42) | (1.86) | |
| DC reg: factor(South) TRUE | -3.25 | | -3.19 |
| | (1.83) | | (1.81) |
| Leftists reg: Intercept | 5.46*** | 6.88*** | 5.58*** |
| | (1.40) | (1.45) | (1.41) |
| Leftists reg: Total ERP Project Funding in Billions of Lire | -0.01 | -0.03 | -0.02 |
| | (0.09) | (0.10) | (0.09) |
| Leftists reg: Change in Unemployment Rate as a Percentage | 1.64 | 1.65 | 1.66 |
| | (1.28) | (1.09) | (1.28) |
| Leftists reg: Change in Land Tax Tribute in Millions of Lire | -0.00 | -0.00 | 0.00 |
| | (0.00) | (0.00) | (0.00) |
| Leftists reg: Change in Buildings Tax Tribute in Millions of Lire | 0.00 | 0.00 | 0.00 |
| | (0.00) | (0.00) | (0.00) |
| Leftists reg: Change in Mobile Wealth Tax Tribute in Millions of Lire | -0.00 | -0.00 | -0.00 |
| | (0.00) | (0.00) | (0.00) |
| Leftists reg: factor(North) TRUE | | -1.66 | -0.46 |
| | | (1.66) | (1.34) |
| Leftists reg: factor(Center) TRUE | -0.21 | -1.50 | |
| | (1.33) | (1.62) | |
| Leftists reg: factor(South) TRUE | 1.15 | | 1.08 |
| | (1.72) | | (1.69) |
| DCreg: $R^2$ | 0.59 | 0.53 | 0.59 |
| Leftistsreg: $R^2$ | 0.38 | 0.39 | 0.38 |
| DCreg: Adj. $R^2$ | 0.46 | 0.39 | 0.46 |
| Leftistsreg: Adj. $R^2$ | 0.18 | 0.20 | 0.18 |
| Num. obs. (total) | 60 | 60 | 60 |

***$p < 0.001$, **$p < 0.01$, *$p < 0.05$

Statistical models

**Appendix E Table 2**

1953 Electoral Support by ERP Project Funding with Fixed Effects for North, South, and Center Regions

| | Model 1 | Model 2 | Model 3 |
|---|---|---|---|
| DC reg: Intercept | 42.90*** | 43.50*** | 36.95*** |
| | (7.32) | (5.36) | (4.94) |
| DC reg: Total ERP Project Funding in Billions of Lire | -0.41 | -0.36 | -0.29 |
| | (0.27) | (0.27) | (0.25) |
| DC reg: 1954 Unemployment Rate as a Percentage | 2.00 | 0.36 | 1.51 |
| | (3.15) | (3.00) | (2.88) |
| DC reg: 1954 Land Tax Tribute in Millions of Lire | -0.00 | -0.00 | -0.00 |
| | (0.00) | (0.00) | (0.00) |
| DC reg: 1954 Buildings Tax Tribute in Millions of Lire | 0.00 | 0.00 | -0.00 |
| | (0.01) | (0.01) | (0.01) |
| DC reg: 1954 Mobile Wealth Tax Tribute in Millions of Lire | 0.00 | -0.00 | 0.00 |
| | (0.00) | (0.00) | (0.00) |
| DC reg: factor(North) TRUE | | 4.06 | 8.00 |
| | | (4.37) | (4.47) |
| DC reg: factor(Center) TRUE | -6.40 | -5.80 | |
| | (5.05) | (3.78) | |
| DC reg: factor(South) TRUE | 0.14 | | 5.42 |
| | (4.07) | | (3.12) |
| Leftists reg: Intercept | 29.51** | 21.81* | 41.78*** |
| | (10.22) | (7.84) | (7.11) |
| Leftists reg: Total ERP Project Funding in Billions of Lire | 0.18 | 0.19 | -0.05 |
| | (0.37) | (0.39) | (0.36) |
| Leftists reg: 1954 Unemployment Rate as a Percentage | -1.40 | 1.55 | -2.02 |
| | (4.39) | (4.40) | (4.14) |
| Leftists reg: 1954 Land Tax Tribute in Millions of Lire | 0.00 | 0.00 | 0.00 |
| | (0.00) | (0.00) | (0.00) |
| Leftists reg: 1954 Buildings Tax Tribute in Millions of Lire | -0.00 | -0.01 | 0.00 |
| | (0.01) | (0.01) | (0.01) |
| Leftists reg: 1954 Mobile Wealth Tax Tribute in Millions of Lire | 0.00 | 0.00 | -0.00 |
| | (0.00) | (0.00) | (0.00) |
| Leftists reg: factor(North) TRUE | | -0.02 | -11.88 |
| | | (6.39) | (6.43) |
| Leftists reg: factor(Center) TRUE | 12.80 | 18.08** | |
| | (7.05) | (5.53) | |
| Leftists reg: factor(South) TRUE | -6.39 | | -16.01** |
| | (5.68) | | (4.48) |
| DCreg: $R^2$ | 0.40 | 0.42 | 0.44 |
| Leftistsreg: $R^2$ | 0.45 | 0.42 | 0.45 |
| DCreg: Adj. $R^2$ | 0.21 | 0.24 | 0.26 |
| Leftistsreg: Adj. $R^2$ | 0.27 | 0.23 | 0.27 |
| Num. obs. (total) | 60 | 60 | 60 |

***$p < 0.001$, **$p < 0.01$, *$p < 0.05$

Statistical models

**Appendix F**
Data Used to Generate **Map 2**

| Electoral District | Change in DC Percentage of the Vote Share between 1948 and 1953 National Elections | Change in Leftist Parties' Percentage of the Vote Share between 1948 and 1953 National Elections | Sign of the Change |
|---|---|---|---|
| 1 | -8.093672196 | 2.277316521 | - |
| 2 | -8.365102933 | 3.33666021 | - |
| 3 | -7.293109015 | 2.883640276 | - |
| 4 | -6.870161283 | 1.523339713 | - |
| 5 | -6.385618364 | 4.695248545 | - |
| 6 | -7.690021183 | 4.768290541 | - |
| 7 | -4.309368961 | 1.116184113 | - |
| 8 | -5.360360555 | 2.537340504 | - |
| 9 | -7.0958507 | 4.109119099 | - |
| 10 | -6.997297599 | 6.018066055 | - |
| 11 | -6.994330109 | 6.165400125 | - |
| 12 | -2.406660938 | -0.578808807 | - |
| 13 | -2.50266139 | 0.251551551 | - |
| 14 | -5.370592692 | 2.216463982 | - |
| 15 | -5.827074294 | 3.351211415 | - |
| 16 | -2.175487998 | 1.393063102 | - |
| 17 | -5.168082521 | 5.433237323 | + |
| 18 | -6.980180981 | 4.542366761 | - |
| 19 | -14.97251255 | 4.879477648 | - |
| 20 | -12.37442969 | 5.148791195 | - |
| 21 | -10.09316521 | 6.065815007 | - |
| 22 | -15.50085987 | 7.038667938 | - |
| 23 | -12.36244068 | 7.722796681 | - |
| 24 | -10.83592666 | 5.579665348 | - |
| 25 | -9.248596331 | 6.880157608 | - |
| 26 | -7.081480052 | 7.143937755 | + |
| 27 | -8.131628474 | 2.55911828 | - |
| 28 | -13.9151828 | 8.737099474 | - |
| 29 | -8.817790777 | 7.945266568 | - |
| 30 | -9.455054205 | 9.991694303 | + |
| 31 | -5.441749577 | 0[45] | - |

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[45] No values for leftist parties' electoral support in Aosta were recorded. This may mean that the leftist parties received no electoral support in either of the national elections, which is plausible since "other lists" (*altre liste*) received significant support, or that the leftist parties were ineligible in Aosta's electoral district. The exact meaning of *altre liste* is unclear, making it difficult to determine what the unrecorded values for the leftist parties mean.

**Appendix G**
Descriptive Statistics Tables

**Appendix G Table 1**
Descriptive Statistics Inclusive of All Italian Regions – Hypothesis 1

| Statistic | N | Min | Max | Mean | Median | St. Dev. |
|---|---|---|---|---|---|---|
| Total ERP Project Funding in Billions of Lire | 30 | 1.37 | 26.29 | 7.43 | 6.35 | 5.51 |
| Construction Project Funding in Billions of Lire | 30 | 0.004 | 0.68 | 0.18 | 0.13 | 0.16 |
| Buildings Project Funding in Billions of Lire | 30 | 0.28 | 6.57 | 2.15 | 1.80 | 1.50 |
| Railways Project Funding in Billions of Lire | 30 | 0.02 | 10.82 | 2.00 | 1.16 | 2.48 |
| Public Works Project Funding in Billions of Lire | 30 | 0.13 | 5.67 | 1.65 | 1.52 | 1.22 |
| Agriculture Projects Funding in Billions of Lire | 26 | 0.04 | 4.99 | 1.33 | 0.84 | 1.28 |
| Change in Unemployment Rate as a Percentage | 30 | -1.70 | 0.49 | -0.60 | -0.61 | 0.61 |
| Change in Land Tax Tribute in Millions of Lire | 30 | 24 | 4,226 | 1,472.15 | 902.5 | 1,229.58 |
| Change in Buildings Tax Tribute in Millions of Lire | 30 | 89 | 3,655 | 1,174.15 | 1,003 | 1,066.00 |
| Change in Mobile Wealth Tax Tribute in Millions of Lire | 30 | 51 | 43,392 | 11,371.46 | 5,772 | 14,082.35 |
| Change in Christian Democrats' Electoral Support between 1948 and 1953 Elections | 30 | -15.50 | -2.18 | -7.95 | -7.19 | 3.42 |
| Change in Leftist parties' Electoral Support between 1948 and 1953 Elections | 30 | -0.58 | 9.99 | 4.53 | 4.73 | 2.60 |
| Change in Small Parties' Electoral Support between 1948 and 1953 Elections | 30 | 3.17 | 17.80 | 10.29 | 10.87 | 3.67 |
| 1954 Unemployment Rate as a Percentage | 30 | 0.01 | 0.03 | 0.02 | 0.02 | 0.01 |
| 1954 Land Tax Tribute in Millions of Lire | 30 | 366 | 8,451 | 4,200.87 | 3,662 | 2,370.98 |
| 1954 Buildings Tax Tribute in Millions of Lire | 30 | 94 | 3,996 | 1,306.73 | 1,142 | 1,162.96 |
| 1954 Mobile Wealth Tax Tribute in Millions of Lire | 30 | 355 | 86,169 | 21,305.60 | 12,801 | 27,497.89 |
| Electoral Support for Christian Democrats in 1953 Election | 30 | 27.15 | 59.10 | 40.59 | 39.46 | 7.21 |
| Electoral Support for Leftist Parties in 1953 Election | 30 | 12.10 | 56.53 | 34.91 | 31.98 | 10.46 |
| Electoral Support for Small Parties in 1953 Election | 30 | 13.40 | 42.80 | 24.49 | 23.07 | 8.29 |
| Swing Districts Non-Squared | 30 | -23.77 | 44.85 | 18.16 | 24.09 | 19.24 |
| Swing Districts Squared | 30 | 1.16 | 2,011.96 | 687.64 | 586.55 | 572.61 |

**Appendix G Table 2**
Descriptive Statistics Controlled for Northern Regions – Hypothesis 1

| Statistic | N | Min | Max | Mean | Median | St. Dev. |
|---|---|---|---|---|---|---|
| Total ERP Project Funding in Billions of Lire | 13 | 1.37 | 17.00 | 5.40 | 3.60 | 4.64 |
| Change in Unemployment Rate as a Percentage | 13 | -1.70 | 0.34 | -0.97 | -1.05 | 0.55 |
| Change in Land Tax Tribute in Millions of Lire | 13 | 24 | 4,226 | 1,524.85 | 794 | 1,436.35 |
| Change in Buildings Tax Tribute in Millions of Lire | 13 | 306 | 3,655 | 1,801.95 | 1,124.0 | 1,322.42 |
| Change in Mobile Wealth Tax Tribute in Millions of Lire | 13 | 1,771 | 43,392 | 20,308.25 | 14,893 | 17,138.10 |
| Change in Christian Democrats' Electoral Support between 1948 and 1953 Elections | 13 | -8.37 | -2.41 | -6.18 | -6.99 | 1.97 |
| Change in Leftist parties' Electoral Support between 1948 and 1953 Elections | 13 | -0.58 | 6.17 | 3.01 | 2.88 | 2.11 |
| 1954 Unemployment Rate as a Percentage | 13 | 0.02 | 0.03 | 0.02 | 0.02 | 0.004 |
| 1954 Land Tax Tribute in Millions of Lire | 13 | 366 | 8,451 | 5,105.44 | 5,840 | 2,526.35 |
| 1954 Buildings Tax Tribute in Millions of Lire | 13 | 337 | 3,996 | 1,988.05 | 1,203.8 | 1,437.76 |
| 1954 Mobile Wealth Tax Tribute in Millions of Lire | 13 | 2,996 | 86,169 | 38,525.93 | 22,304 | 34,298.30 |
| Electoral Support for Christian Democrats in 1953 Election | 13 | 27.15 | 59.10 | 44.00 | 43.51 | 9.02 |
| Electoral Support for Leftist Parties in 1953 Election | 13 | 12.10 | 51.42 | 34.89 | 31.61 | 11.27 |
| Swing Districts Non-Squared | 13 | -22.45 | 44.85 | 18.29 | 26.76 | 21.97 |
| Swing Districts Squared | 13 | 9.43 | 2,011.96 | 780.27 | 715.88 | 693.31 |

**Appendix G Table 3**
Descriptive Statistics Controlled for Southern Regions – Hypothesis 1

| Statistic | N | Min | Max | Mean | Median | St. Dev. |
|---|---|---|---|---|---|---|
| Total ERP Project Funding in Billions of Lire | 11 | 3.19 | 26.29 | 10.23 | 8.58 | 6.35 |
| Change in Unemployment Rate as a Percentage | 11 | -0.36 | 0.49 | -0.02 | -0.15 | 0.31 |
| Change in Land Tax Tribute in Millions of Lire | 11 | 239 | 3,692 | 1,773.68 | 1,573 | 1,221.39 |
| Change in Buildings Tax Tribute in Millions of Lire | 11 | 89 | 1,076 | 513.85 | 496 | 327.96 |
| Change in Mobile Wealth Tax Tribute in Millions of Lire | 11 | 51 | 4,557 | 2,170.24 | 1,323 | 1,826.35 |
| Change in Christian Democrats' Electoral Support between 1948 and 1953 Elections | 11 | -15.50 | -7.08 | -10.71 | -10.09 | 2.58 |
| Change in Leftist parties' Electoral Support between 1948 and 1953 Elections | 11 | 2.56 | 9.99 | 6.80 | 7.04 | 1.98 |
| 1954 Unemployment Rate as a Percentage | 11 | 0.01 | 0.02 | 0.01 | 0.01 | 0.004 |
| 1954 Land Tax Tribute in Millions of Lire | 11 | 815 | 7,644 | 3,807.72 | 3,662 | 2,508.12 |
| 1954 Buildings Tax Tribute in Millions of Lire | 11 | 94 | 1,221 | 584.58 | 595 | 376.93 |
| 1954 Mobile Wealth Tax Tribute in Millions of Lire | 11 | 355 | 9,774 | 4,350.07 | 3,393 | 3,392.48 |
| Electoral Support for Christian Democrats in 1953 Election | 11 | 35.34 | 46.02 | 39.47 | 40.13 | 3.21 |
| Electoral Support for Leftist Parties in 1953 Election | 11 | 19.02 | 35.88 | 29.11 | 30.28 | 4.63 |
| Swing Districts Non-Squared | 11 | 17.76 | 43.12 | 27.86 | 27.79 | 7.14 |
| Swing Districts Squared | 11 | 315.39 | 1,858.97 | 822.56 | 772.01 | 429.82 |

**Appendix G Table 4**
Descriptive Statistics Controlled for Center Regions – Hypothesis 1

| Statistic | N | Min | Max | Mean | Median | St. Dev. |
|---|---|---|---|---|---|---|
| Total ERP Project Funding in Billions of Lire | 6 | 3.13 | 14.07 | 6.69 | 6.23 | 3.92 |
| 1954 Unemployment Rate as a Percentage | 6 | 0.01 | 0.02 | 0.01 | 0.02 | 0.005 |
| 1954 Land Tax Tribute in Millions of Lire | 6 | 1,820 | 3,410 | 2,961.75 | 3,215.5 | 629.21 |
| 1954 Buildings Tax Tribute in Millions of Lire | 6 | 360 | 1,638 | 1,154.46 | 1,360 | 465.87 |
| 1954 Mobile Wealth Tax Tribute in Millions of Lire | 6 | 2,420 | 31,833 | 15,080.01 | 13,736 | 9,448.40 |
| Electoral Support for Christian Democrats in 1953 Election | 6 | 29.20 | 41.55 | 35.29 | 35.87 | 4.33 |
| Electoral Support for Leftist Parties in 1953 Election | 6 | 32.08 | 56.53 | 45.59 | 46.93 | 8.73 |
| Swing Districts Non-Squared | 6 | -23.77 | 24.66 | 0.10 | -1.91 | 16.95 |
| Swing Districts Squared | 6 | 1.16 | 608.11 | 239.57 | 119.59 | 274.50 |

**Appendix G Table 5**
Descriptive Statistics Controlled for Red Belt Regions – Hypothesis 1

| Statistic | N | Min | Max | Mean | Median | St. Dev. |
|---|---|---|---|---|---|---|
| Total ERP Project Funding in Billions of Lire | 7 | 3.13 | 17.00 | 6.67 | 6.03 | 4.80 |
| Change in Unemployment Rate as a Percentage | 7 | -1.70 | -0.75 | -1.15 | -0.91 | 0.40 |
| Change in Land Tax Tribute in Millions of Lire | 7 | 404 | 4,226 | 1,814.57 | 848 | 1,667.59 |
| Change in Buildings Tax Tribute in Millions of Lire | 7 | 328 | 1,234 | 966.12 | 1,003 | 337.25 |
| Change in Mobile Wealth Tax Tribute in Millions of Lire | 7 | 1,130 | 9,288 | 6,415.14 | 7,648 | 2,632.27 |
| Change in Christian Democrats' Electoral Support between 1948 and 1953 Elections | 7 | -6.98 | -2.18 | -4.35 | -5.17 | 1.95 |
| Change in Leftist parties' Electoral Support between 1948 and 1953 Elections | 7 | -0.58 | 5.43 | 2.39 | 2.22 | 2.22 |
| 1954 Unemployment Rate as a Percentage | 7 | 0.01 | 0.02 | 0.02 | 0.02 | 0.005 |
| 1954 Land Tax Tribute in Millions of Lire | 7 | 1,820 | 8,451 | 4,567.50 | 3,410 | 2,711.88 |
| 1954 Buildings Tax Tribute in Millions of Lire | 7 | 360 | 1,360 | 1,081.82 | 1,142 | 368.50 |
| 1954 Mobile Wealth Tax Tribute in Millions of Lire | 7 | 2,420 | 15,019 | 12,035.58 | 13,736 | 4,305.16 |
| Electoral Support for Christian Democrats in 1953 Election | 7 | 27.15 | 41.55 | 33.81 | 34.67 | 4.87 |
| Electoral Support for Leftist Parties in 1953 Election | 7 | 39.60 | 56.53 | 49.07 | 50.59 | 5.37 |
| Swing Districts Non-Squared | 7 | -23.77 | 12.56 | -8.52 | -9.03 | 12.90 |
| Swing Districts Squared | 7 | 1.16 | 564.99 | 215.22 | 157.73 | 227.72 |

**Appendix G Table 6**
Descriptive Statistics for Testing Hypothesis Two

| Statistic | N | Min | Max | Mean | Median | St. Dev. |
|---|---|---|---|---|---|---|
| Total ERP Project Funding in Billions of Lire | 96 | 0.03 | 22.00 | 2.26 | 1.32 | 2.77 |
| CISL Trade Union Membership Rate | 36 | 3.50 | 22.75 | 11.67 | 10.68 | 4.22 |
| 1949 Provincial Population | 90 | 138,000 | 2,400,000 | 511,422.20 | 401,000 | 389,727.30 |