

Do Democratic Policies Make Democratic Citizens?

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Motivation

Redistribution and Political Participation

A big question in the policy feedbacks literature is whether social welfare policies have an independent effect on political participation. This is hard to answer since policies are not implemented randomly and the types of people who participate in these programs are likely very different from those who do not. One program that has received a lot of scholarly and media attention is Medicare. Existing studies relying on selection-on-observables assumptions suggest that Medicare causes more political participation. I contribute to this literature by providing a more compelling identification strategy using a regression discontinuity design.

Identification Strategy

Sharp Discontinuity

$$\Rightarrow \tau = \lim_{x \rightarrow c^+} \mathbb{E}[Y_i | X_i = c] - \lim_{x \rightarrow c^-} \mathbb{E}[Y_i | X_i = c]$$

Estimate the Intent-to-Treat effect (the effect of Medicare among those who are eligible for it).

- τ : ATE of Medicare at the eligibility cutoff $c = 65$
- $\mathbb{E}[Y_i | X_i = c]$: conditional expectation of observed outcome
- $\mathbb{E}[Y_i(d) | X_i = c]$: conditional expectation of potential outcome, which we assume is continuous around c

Fuzzy Discontinuity

Estimate the LATE among compliers of Medicare instead of the ITT. Needs same assumptions for the sharp RDD with extra instrumental variables assumptions added on top.

- Continuity of potential outcomes
- Monotonicity
- Exclusion restriction

Data

Use individual-level data from the 2010 and 2012 Co-operative Congressional Election Survey.

- Y_i : indicators for voter registration, working on campaign, donating to campaign, yard sign, and attending political meetings
- X_i : respondent's age
- $Eligibility$: indicator for whether respondent's age is ≥ 65

Estimation

Sharp Discontinuity

Estimate equations of the following form using local linear regression and IK optimal bandwidth:

$$Y_i = \tau Eligibility + \beta Age + \gamma Age * Eligibility + \epsilon_i$$

Fuzzy Discontinuity

Estimate equations of the following form using two-stage least squares and IK optimal bandwidth:

$$\widehat{Medicare}_i = \lambda Eligibility + \beta Age + \gamma Age * Eligibility + \eta_i$$

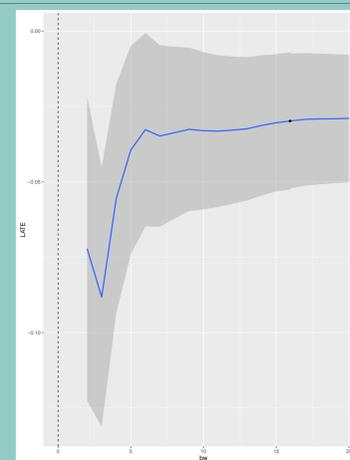
$$Y_i = \widehat{Medicare}_i + \beta Age + \gamma Age * Eligibility + \epsilon_i$$

Results: Sharp RDD

Voter Registration

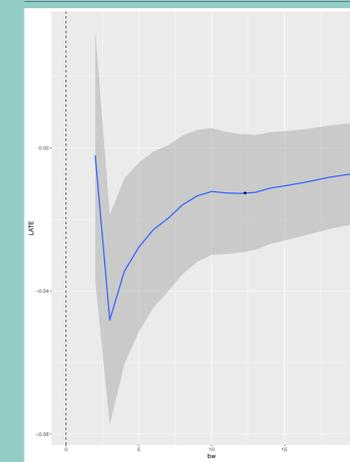


Donate Money

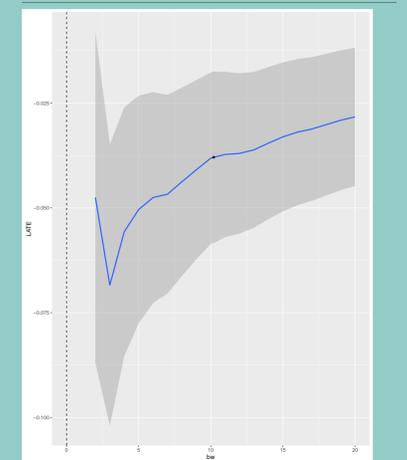


Results Continued

Work on Campaign



Attend Political Meetings



Model

Results demonstrate a *negative* effect of receiving Medicare on political participation as measured across a variety of dimensions. These findings run counter to the vast majority of the literature that finds that social welfare policies tend to mobilize publics rather than demobilize them.

Model Primitives

- N individuals i live two periods $t \in \{0, 1\}$
- i realizes income $y_{i,t}$, pays $y_{i,t}\tau$ tax in period 0, and receives $\bar{\tau}$ in period 1
- pay $p > 0$ to engage in politics to ensure transfer $\bar{\tau}$ in period 1
- each i solves $\max \sum_t y_i$ given τ, p

Conclusion

Used a regression discontinuity design to identify the impact of social welfare programs on political participation.

- Negative effect of receiving social welfare benefits on political participation
- Consistent with a two-period model of rational political engagement

Thanks for your feedback and thanks to Yuhua and Jon for organizing this!