<Alberti appendix>

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**Supplementary Material**

Table of Contents

Appendix A: Descriptive Statistics

Appendix B: Central Government Contribution to the FCM

Appendix C: Main Results Excluding Extreme Values (top 5% of the distribution)

Appendix D: Logit Models

Appendix E: Municipal Spending

**A. Descriptive Statistics**

**Table A1:** Descriptive Statistics

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  Variable |  Obs |  Mean |  Std. Dev. |  Min |  Max |
|  Incumbent Party Vote Share | 1005 | .47 | .164 | .006 | .953 |
|  Margin of Victory | 1028 | .185 | .154 | 0 | .835 |
|  Incumbent Party Reelection | 1030 | .58 | .494 | 0 | 1 |
|  FCM Nontax (ln) | 1030 | 3.675 | 1.792 | 0 | 8.277 |
|  FCM Nontax | 1030 | 123.174 | 293.116 | 0 | 3931.775 |
|  FCM Transfer (ln) | 1030 | 4.447 | .934 | 1.484 | 8.291 |
|  FCM Transfer | 1030 | 150.869 | 307.516 | 4.412 | 3989.594 |
|  Municipal Size (ln) | 1030 | 9.609 | 1.373 | 5.153 | 13.299 |
|  Municipal Size | 1030 | 36396.144 | 60159.432 | 173 | 596345.75 |
|  External Revenue (ln) | 1030 | 4.037 | .881 | 1.942 | 7.515 |
|  External Revenue | 1030 | 92.052 | 140.787 | 6.974 | 1835.197 |
|  Own Revenues (ln) | 1025 | 3.721 | .804 | 1.257 | 7.161 |
|  Own Revenues | 1025 | 62.53 | 94.681 | 3.513 | 1287.831 |
|  Mining Revenues (ln) | 1030 | .685 | 1.178 | 0 | 6.283 |
|  Mining Revenues | 1030 | 8.034 | 37.626 | 0 | 534.181 |
|  Poverty Rate | 1021 | 17.599 | 8.285 | 0 | 52.778 |
|  Tax Effort | 996 | 82.404 | 11.916 | 0 | 100 |
|  Net Contributor | 1030 | .135 | .342 | 0 | 1 |
|  Political Alignment | 1030 | .488 | .38 | 0 | 1 |
|  Incumbent Mayor Running | 1023 | .833 | .373 | 0 | 1 |
|  Public Employment pc | 1030 | 57.06 | 104.934 | 6.259 | 1671.469 |
|  Public Employment pc (ln) | 1030 | 3.65 | .717 | 1.834 | 7.421 |
|  Public Invesment pc | 1030 | 50.655 | 84.493 | 1.271 | 729.303 |
|  Public Invesment pc (ln) | 1030 | 3.299 | 1.039 | .234 | 6.593 |
|  Municipal Transfers to Education pc | 1030 | 23.691 | 40.52 | 0 | 538.683 |
|  Municipal Transfers to Education pc (ln) | 1030 | 2.599 | 1.057 | 0 | 6.291 |
|  Municipal Transfers to Health pc | 958 | 12.365 | 30.907 | 0 | 761.235 |
|  Municipal Transfers to Health pc (ln) | 958 | 1.932 | 1.071 | 0 | 6.636 |

**B. Central Government Contribution to the FCM**

**Figure B1:** Share of Central Government Contribution to the FCM



**C. Main results excluding extreme values**

**Figure C1:** Distribution of the FCM nontax by electoral period

**Notes:** The figure depicts the full distribution of the FCM nontax. All amounts are expressed in constant 2016 CLP (thousands).

**Table C1: Fiscal Rents and Electoral Contestation (excluding the top 5% of the distribution)**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  | (1)  | (2)  | (3)  | (4)  | (5) | (6) |
|  | Incumbent Party Vote Share | Incumbent Party Vote Share | Incumbent Party Reelection | Incumbent Party Reelection | Margin of Victory  | Margin of Victory  |
| FCM Nontax (ln)  | 0.06\*  |  | 0.15  |  | 0.05  |  |
|  | (0.025)  |  | (0.079)  |  | (0.027)  |  |
| FCM Transfer (ln) |  | 0.17\*\*  |  | 0.42\*  |  | 0.13\*  |
|  |  | (0.056)  |  | (0.176)  |  | (0.055)  |
| Municipal Size (ln)  | 0.12  | 0.25  | 0.42  | 0.73\*  | 0.24\*\*  | 0.33\*\*  |
|  | (0.122)  | (0.135)  | (0.306)  | (0.362)  | (0.088)  | (0.108)  |
| Poverty Rate  | -0.00  | 0.00  | -0.00  | -0.00  | 0.00  | 0.00  |
|  | (0.002)  | (0.002)  | (0.005)  | (0.005)  | (0.002)  | (0.002)  |
| External Revenue pc (ln) | -0.00  | -0.00  | 0.01  | 0.00  | 0.04\*  | 0.03\*  |
|  | (0.017)  | (0.016)  | (0.053)  | (0.052)  | (0.016)  | (0.016)  |
| Own Revenues pc (ln) | 0.02  | -0.00  | 0.18  | 0.12  | 0.07  | 0.05  |
|  | (0.045)  | (0.044)  | (0.131)  | (0.130)  | (0.043)  | (0.042)  |
| Mining Revenues pc (ln) | 0.03  | 0.03  | 0.11  | 0.12  | 0.04  | 0.05  |
|  | (0.036)  | (0.036)  | (0.106)  | (0.106)  | (0.030)  | (0.031)  |
| Tax Effort  | 0.00  | 0.00  | 0.00  | 0.00  | -0.00  | -0.00  |
|  | (0.001)  | (0.001)  | (0.002)  | (0.002)  | (0.001)  | (0.001)  |
| Net Contributor | 0.00  | -0.01  | -0.14  | -0.16  | 0.02  | 0.01  |
|  | (0.045)  | (0.052)  | (0.131)  | (0.150)  | (0.052)  | (0.050)  |
| Political Alignment  | -0.02  | -0.02  | -0.07  | -0.07  | -0.02  | -0.02  |
|  | (0.015)  | (0.014)  | (0.048)  | (0.047)  | (0.015)  | (0.015)  |
| Incumbent Mayor  | 0.12\*\*\* | 0.12\*\*\* | 0.24\*\*\* | 0.24\*\*\* | 0.02  | 0.02  |
|  | (0.016)  | (0.016)  | (0.043)  | (0.043)  | (0.015)  | (0.016)  |
| Constant  | -1.18  | -2.92  | -5.14  | -9.23\*  | -2.69\*\*  | -3.86\*\*  |
|  | (1.302)  | (1.537)  | (3.292)  | (4.239)  | (0.982)  | (1.273)  |
| Observations  | 906  | 906  | 930  | 930  | 928  | 928  |
| R Squared (within)  | 0.12  | 0.12  | 0.06  | 0.07  | 0.04  | 0.04  |
| Municipal FE  | Yes  | Yes  | Yes  | Yes  | Yes  | Yes  |
| Election FE  | Yes  | Yes  | Yes  | Yes  | Yes  | Yes  |

Cluster-robust standard errors are in parentheses. \* p < 0.05, \*\* p < 0.01, \*\*\* p < 0.001

**D. Logit Models**

Table D1 shows logit coefficients of our replication of models 5 and 6 in Table 2. Please note that one problem of logit models when using fixed-effects is that they do not consider observations for which there is no within variability in outcomes in the estimation. Therefore, the models below drop 123 municipalities (337 observations), as incumbent parties were always reelected (or not) over the three electoral periods we study.

**Table D1:** Fiscal Rents and Electoral Contestation

|  |  |  |
| --- | --- | --- |
|  | (1)  | (2)  |
|  | Incumbent Party Reelection | Incumbent Party Reelection |
| FCM Nontax (ln) | 0.61  |  |
|  | (0.454)  |  |
| FCM Transfer (ln) |  | 2.24\*  |
|  |  | (0.885)  |
| Municipal Size (ln) | 2.47  | 4.32\*  |
|  | (1.312)  | (1.691)  |
| Poverty Rate | -0.01  | -0.01  |
|  | (0.026)  | (0.026)  |
| External Revenue pc (ln) | -0.11  | -0.16  |
|  | (0.251)  | (0.248)  |
| Own Revenues pc (ln) | 0.90  | 0.67 |
|  | (0.539)  | (0.529)  |
| Mining Revenues pc (ln) | 0.09  | 0.14  |
|  | (0.401)  | (0.406)  |
| Tax Effort  | 0.02  | 0.02  |
|  | (0.013)  | (0.013)  |
| Net Contributor  | -13.43\*\*\* | -13.78\*\*\* |
|  | (0.817)  | (0.709)  |
| Political Alignment  | -0.32  | -0.32  |
|  | (0.226)  | (0.223)  |
| Incumbent Mayor  | 1.50\*\*\* | 1.50\*\*\* |
|  | (0.284)  | (0.282)  |
| Observations  | 642  | 642  |
| Pseudo R Squared  | 0.14  | 0.15  |
| Municipal FE  | Yes  | Yes  |
| Election FE  | Yes  | Yes  |

Cluster-robust standard errors are in parentheses. \* p < 0.05, \*\* p < 0.01, \*\*\* p < 0.001

**E. Municipal Spending**

**Table E1**: Fiscal Rents and Municipal Spending

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | Public Invesment pc (ln) | Public Employment pc (ln) | Municipal Transfers to Education pc (ln) | Municipal Transfers to Health pc (ln) |
|  | (1) | (2) | (3)  | (4)  | (5) | (6) | (7) | (8) |
|  |
| FCM Nontax (ln)  | 0.15\*  |  | 0.05\*\*\* |  | 0.09  |  | -0.02  |  |
|  | (0.073)  |  | (0.015)  |  | (0.071)  |  | (0.074)  |  |
|   |
| FCM Transfer (ln) |  | 0.28  |  | 0.11\*\*  |  | 0.60\*\*\* |  | 0.36\*  |
|  |  | (0.152)  |  | (0.034)  |  | (0.156)  |  | (0.181)  |
|   |
| Municipal Size (ln)  | -0.54\*  | -0.40  | -0.93\*\*\* | -0.86\*\*\* | -0.74\*\*  | -0.15  | -0.84\*\*\*  | -0.40  |
|  | (0.253)  | (0.298)  | (0.042)  | (0.055)  | (0.224)  | (0.280)  | (0.252)  | (0.325)  |
|   |
| Poverty Rate  | -0.00  | -0.00  | 0.00  | 0.00  | -0.00  | -0.00  | 0.00  | 0.00  |
|  | (0.004)  | (0.004)  | (0.001)  | (0.001)  | (0.004)  | (0.004)  | (0.006)  | (0.006)  |
|   |
| External Revenue (ln) | 0.63\*\*\* | 0.62\*\*\* | -0.01  | -0.01  | 0.07  | 0.06  | 0.08  | 0.08  |
|  | (0.055)  | (0.055)  | (0.009)  | (0.009)  | (0.038)  | (0.037)  | (0.064)  | (0.064)  |
|   |
| Own Revenues (ln) | 0.29\*\*  | 0.25\*  | 0.11\*\*\* | 0.10\*\*\* | 0.22\*\*  | 0.20\*  | -0.05  | -0.06  |
|  | (0.102)  | (0.100)  | (0.020)  | (0.020)  | (0.082)  | (0.077)  | (0.129)  | (0.124)  |
|   |
| Mining Revenues (ln) | 0.03  | 0.03  | 0.02  | 0.03  | 0.10  | 0.11  | 0.03  | 0.04  |
|  | (0.062)  | (0.062)  | (0.014)  | (0.015)  | (0.071)  | (0.072)  | (0.078)  | (0.077)  |
|   |
| Tax Effort  | 0.00  | 0.00  | 0.00  | 0.00  | -0.00  | -0.00  | -0.00  | -0.00  |
|  | (0.002)  | (0.002)  | (0.000)  | (0.000)  | (0.002)  | (0.002)  | (0.002)  | (0.002)  |
|   |
| Net Contributor | -0.21\*  | -0.26\*\*\* | 0.04  | 0.02  | 0.04  | 0.11  | 0.24  | 0.33  |
|  | (0.089)  | (0.069)  | (0.028)  | (0.024)  | (0.138)  | (0.112)  | (0.181)  | (0.182)  |
|   |
| Political Alignment  | 0.01  | 0.01  | -0.01  | -0.01  | 0.09\*  | 0.09\*  | 0.07  | 0.07  |
|  | (0.039)  | (0.039)  | (0.009)  | (0.009)  | (0.037)  | (0.036)  | (0.047)  | (0.048)  |
|   |
| Incumbent Mayor Running | 0.12\*\*  | 0.12\*\*  | 0.01  | 0.01  | 0.05  | 0.04  | 0.07  | 0.06  |
|  | (0.041)  | (0.041)  | (0.008)  | (0.008)  | (0.032)  | (0.032)  | (0.044)  | (0.044)  |
|   |
| Constant  | 4.07  | 2.11  | 11.95\*\*\* | 11.05\*\*\* | 8.35\*\*\*  | 0.45  | 9.96\*\*\* | 4.06  |
|  | (2.753)  | (3.423)  | (0.473)  | (0.657)  | (2.460)  | (3.347)  | (2.862)  | (3.956)  |
|  |
| Observations  | 977  | 977  | 977  | 977  | 977  | 977  | 911  | 911  |
| R Squared (within)  | 0.35  | 0.34  | 0.56  | 0.55  | 0.09  | 0.11  | 0.04  | 0.04  |
| Municipal FE  | Yes  | Yes  | Yes  | Yes  | Yes  | Yes  | Yes  | Yes  |
| Election FE  | Yes  | Yes  | Yes  | Yes  | Yes  | Yes  | Yes  | Yes  |
|  |
|  |

Cluster-robust standard errors are in parentheses. \* p < 0.05, \*\* p < 0.01, \*\*\* p < 0.001