

**Supplementary Appendix:**  
Who is the Distributor? Explaining Variation in  
Transfers to Local Governments

Giancarlo Visconti\*

Purdue University

November 26, 2018

---

\*Assistant Professor, Department of Political Science, Purdue University, West Lafayette, IN 47907, email: [gviscont@purdue.edu](mailto:gviscont@purdue.edu).

# Contents

<b>1</b>	<b>Appendix A: Placebo covariates</b>	<b>3</b>
<b>2</b>	<b>Appendix B: Density plots</b>	<b>4</b>
<b>3</b>	<b>Appendix C: Main results using multiple bandwidths</b>	<b>5</b>
<b>4</b>	<b>Appendix D Standardized outcome</b>	<b>8</b>
<b>5</b>	<b>Appendix E: Logged outcome</b>	<b>9</b>

# 1 Appendix A: Placebo covariates

I check whether the treatment (above the cutoff) affects different placebo covariates (i.e. municipalities' characteristics that should not be affected by the treatment) such as the distance to the capital city (in *km*), area of the municipality (in *km*<sup>2</sup>), and the number of the province the municipality is located. I use the `rdrrobust` package in R (Calonico, Cattaneo and Titiunik, 2015) and a 10 percentage points bandwidth.

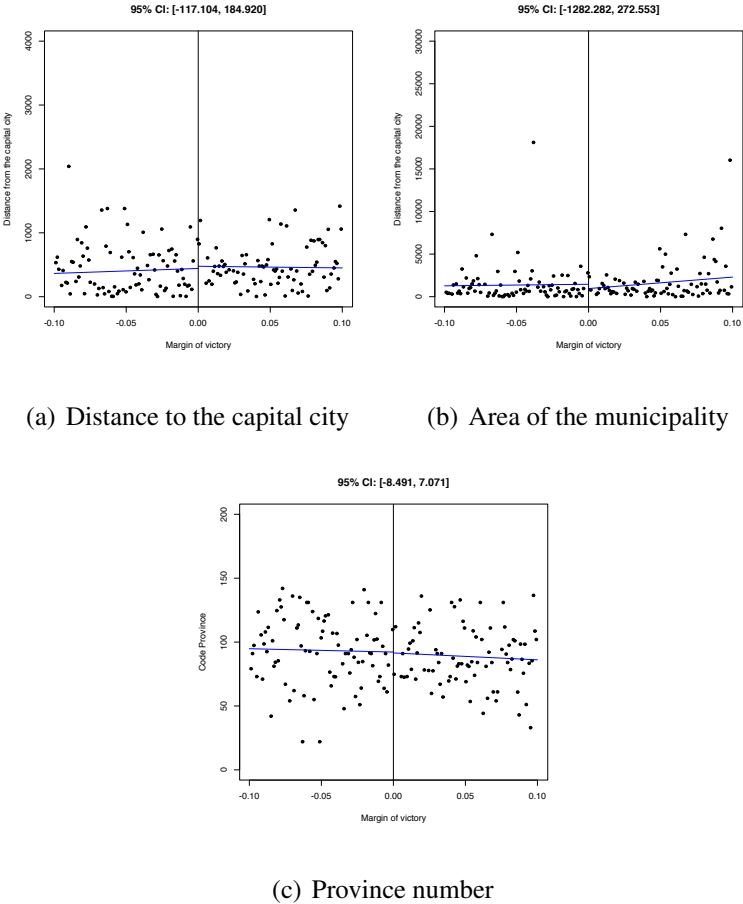


Figure A1: Placebo covariates

There is no evidence that mayors from the ruling coalition are located in particular geographic areas of the country.

## 2 Appendix B: Density plots

An RDD assumes that individuals cannot manipulate the values of the score (the margin of victory). Therefore, the number of observations below and above the cutoff should be similar. I implement a [McCrary \(2008\)](#) sorting test using the `rdd` package in R ([Dimmery, 2016](#)) to rule out the manipulation of the running variable.

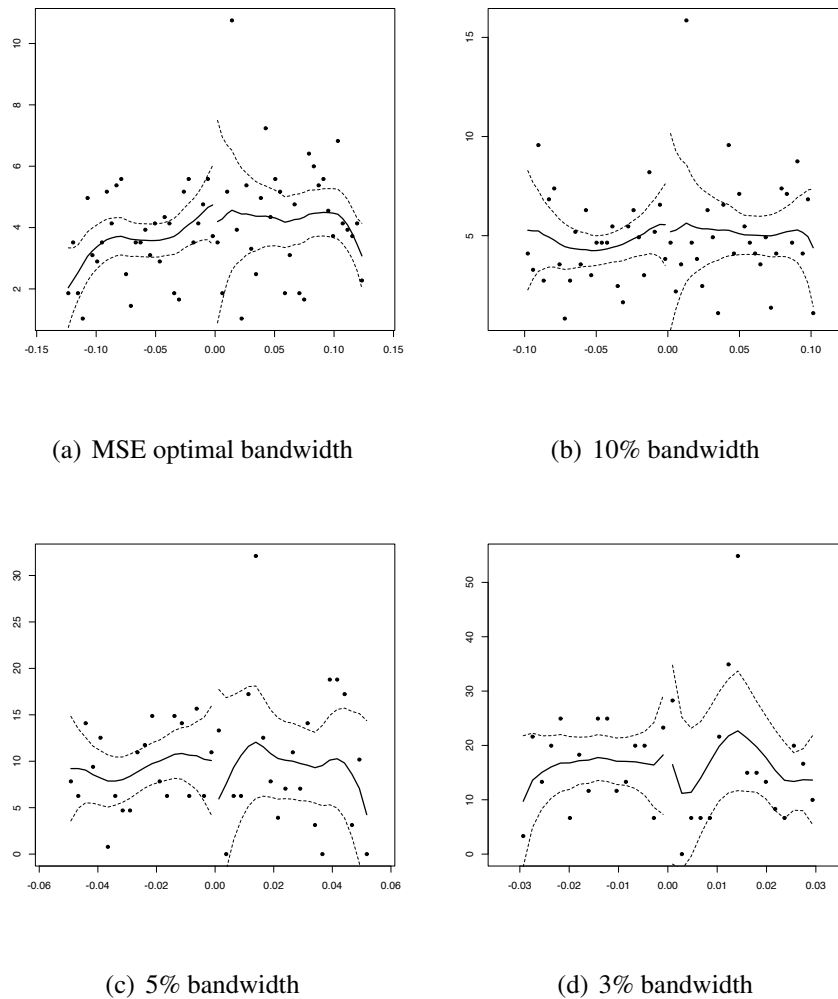


Figure A2: Density plots

The plots provide no evidence that there was a manipulation of the running variable.

### 3 Appendix C: Main results using multiple bandwidths

Main results are consistent across multiple bandwidths (MSE-optimal, 5, and 3 percentage points).

Table A1: Regression results MSE-optimal bandwidth (12.3 percentage points)

	Resources Distributed (in millions of pesos)		
	(1)	(2)	(3)
Ruling coalition winner	44.58*** (9.94)	36.31*** (10.22)	38.22*** (11.37)
Ruling coalition winner*Alignment with undersecretary's party		27.64* (15.40)	
Ruling coalition winner*Alignment with president's party			20.02 (14.42)
Observations	1195	1195	1195

Variables not shown: margin of victory, interaction ruling and margin, alignment, and year fixed effects.

Standard errors clustered by municipality-term in parentheses. \*p<0.1; \*\*p<0.05; \*\*\*p<0.01

Table A2: Regression results 5 percentage points bandwidth

	Resources Distributed (in millions of pesos)		
	(1)	(2)	(3)
Ruling coalition winner	43.66*** (14.77)	33.03** (15.01)	48.64*** (15.13)
Ruling coalition winner*Alignment with undersecretary's party		40.52* (22.84)	
Ruling coalition winner*Alignment with president's party			-11.01 (18.65)
Observations	506	506	506

Variables not shown: margin of victory, interaction ruling and margin, alignment, and year fixed effects.

Standard errors clustered by municipality-term in parentheses. \*p<0.1; \*\*p<0.05; \*\*\*p<0.01

Table A3: Regression results 3 percentage points bandwidth

	Resources Distributed (in millions of pesos)		
	(1)	(2)	(3)
Ruling coalition winner	28.61 (20.98)	13.57 (20.24)	32.53 (24.73)
Ruling coalition winner*Alignment with undersecretary's party		50.54* (29.02)	
Ruling coalition winner*Alignment with president's party			-10.20 (24.49)
Observations	318	318	318

Variables not shown: margin of victory, interaction ruling and margin, alignment, and year fixed effects.

Standard errors clustered by municipality-term in parentheses. \*p<0.1; \*\*p<0.05; \*\*\*p<0.01

## 4 Appendix D Standardized outcome

Here I provide evidence using a standardized outcome, which shows that alignment with the ruling coalition but not with the distributor's party increases the number of discretionary resources by 0.26 standard deviation units, and that alignment with the distributor increases that effect by 0.25 standard deviation units (column 2).

Table A4: Regression results 10 percentage points bandwidth

	Resources Distributed (in millions of pesos)		
	(1)	(2)	(3)
Ruling coalition winner	0.3290*** (0.0852)	0.2595*** (0.0835)	0.2866*** (0.1001)
Ruling coalition winner*Alignment with undersecretary's party		0.2486* (0.1315)	
Ruling coalition winner*Alignment with president's party			0.1205 (0.1224)
Observations	991	991	991

Variables not shown: margin of victory, interaction ruling and margin, alignment, and year fixed effects.

Standard errors clustered by municipality-term in parentheses. \*p<0.1; \*\*p<0.05; \*\*\*p<0.01



## 5 Appendix E: Logged outcome

I also report the results using a logarithmic transformation of the outcome in case we do not want to assume a linear relationship. These results show that alignment with the ruling coalition but not with the distributor's party increases the resources by 78% and that alignment with the distributor increases that previous effect by 54% (column 2).

Table A5: Regression results 10 percentage points bandwidth

	Resources Distributed (in millions of pesos)		
	(1)	(2)	(3)
Ruling coalition winner	0.9393*** (0.2710)	0.7842*** (0.2853)	0.9059*** (0.2870)
Ruling coalition winner*Alignment with undersecretary's party		0.5382* (0.3159)	
Ruling coalition winner*Alignment with president's party			0.0966 (0.3080)
Observations	991	991	991

Variables not shown: margin of victory, interaction ruling and margin, alignment, and year fixed effects.

Standard errors clustered by municipality-term in parentheses. \*p<0.1; \*\*p<0.05; \*\*\*p<0.01

## References

- Calonico, Sebastian, Matias D Cattaneo and Rocio Titiunik. 2015. “rdrbust: An r package for robust nonparametric inference in regression-discontinuity designs.” *R Journal* 7(1):38–51.
- Dimmery, Drew. 2016. “Package ‘rdd’.” *Manual for the statistical software ‘R’*.
- McCrary, Justin. 2008. “Manipulation of the running variable in the regression discontinuity design: A density test.” *Journal of econometrics* 142(2):698–714.