

The Dynamics of Devolution: Causal Effects of External Shocks

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This project aims at investigating the dynamics of constitutional change. What drives the demand for (more) devolution, or even secession? Do these attitudes lie on one and the same spectrum? While politically and historically-rooted factors matter in this respect, critical junctures in the form of large, external shocks surely have their part to play as well?

We focus on the latter and propose to run a large online survey experiment Scotland and England. We intend to use the Covid-19 pandemic to identify causal effects of economic and health crises on institutional attitudes. The experiment will rely on priming as a treatment technique. This means that respondents in the treatment group will be asked questions on their experience of the Covid-19 crisis, before answering the outcome questions measuring support for (more) devolution or independence. The control group will receive both blocks of questions in reverse order. This allows us to neatly identify the effect of activating crisis awareness.

The ongoing pandemic represents an extraordinary shock to national and regional governments. States are mobilizing unprecedented resources to limit the spread of COVID-19 (direct health effects) and to prevent an economic downturn (economic effects). On the other hand, citizens are simultaneously facing the risk of getting sick, of being restricted in terms of mobility or autonomy, and of bearing dramatic economic costs. People's mobility needs to be limited in order to curb the spread of the virus (an externality problem) and an unanticipated halt to most routine economic activities, both productive and commercial, imposing severe costs on national economies and employment markets and a strain on welfare systems. These costs will likely be distributed differently across regions, sectors and individuals.

Effective and timely responses to the crisis require strong state-capacity across all levels of government. Many people have advocated for common reactions and harmonised interventions and policies at local, as well as more central levels of government. Redistribution and stabilization across regions enables expansionary fiscal policies even in stressed economies, allowing to smooth consumption over time, to prevent losses of production capacity and ultimately to sustain demand. From a non-economic standpoint, many argue that a concerted response aligns with the spirit of cooperation and solidarity characteristic of any properly-functioning Union. Others, however, have voiced their skepticism and advocated instead for an increased role of regional governments in responding to the crisis with interventions tailored to the specificities of

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the regional socio-economic fabric. Finally, support for and trust in regional or central institutions can be driven by individuals' perceptions of how governments and citizens are dealing with and reacting to the COVID-19 crisis.

All of these dynamics might differentially affect the legitimacy, perceived accountability and hence support for devolved versus centralized government and even the appetite for secession. Our experimental design will allow us to weigh up their relative importance.

Given the current political debate, the United Kingdom seems the perfect testing ground for the effects of interest.

Experimental conditions

Our approach relies on a survey experiment, in which we use an "order of the questions" treatment (Alesina et al., 2018). Respondents are randomly exposed to a COVID-19 oriented block of questions before a second block eliciting their attitudes about the optimal degree of devolution and related issues (*COVIDFIRST* = 1 below), and vice versa. This strategy allows us to investigate the consequences of activating the COVID-19 crisis in the respondents' minds on their attitudes towards national/regional institutions and attitudes towards constitutional change.

When asked questions such as "How much do you trust your government?", people have many things in mind: their previous experience with bureaucracy, their political ideology, whether they received a fine that day for wrongly parking their car, etc. Our goal is to distinguish the effect of COVID-19 from all other aspects, hence the use of 'priming'. Our approach activates the dimensions we are interested in by placing them front and centre in the respondent's mind, such that their salience is increased at the moment of answering our outcome questions.

To investigate the differential impact of the economic and general health/everyday life components of the pandemic, we randomly divide our *COVIDFIRST* respondents into two subgroups. One group receives questions emphasizing the economic dimension of the crisis before proceeding to the outcome question block. The other group is instead exposed to questions emphasizing the general health/everyday life components of COVID-19 before proceeding to the outcome question block. After the outcome question block, each group receives the questions which were NOT received at the beginning (see Table 1).

This experimental design is summarised in Table 1.

Table 1: Summary of the experimental design with survey flow randomization

| Baseline | COVIDFIRST | |
|--|--|--|
| Background information | Health/everyday life first | Economics first |
| Political attitudes block (outcomes) | Covid-19 block 1: Health/everyday life | Covid-19 block 2: Economics |
| Covid-19 block 1: Health/everyday life | Political attitudes block (outcomes) | Political attitudes block (outcomes) |
| Covid-19 block 2: Economics | Covid-19 block 2: Economics | Covid-19 block 1: Health/everyday life |
| Further background information | Further background information | |

Statistical model

Most of our outcome variables of interest are 10-category Likert-type scales allowing respondents to place themselves between two extremes; for instance, ‘complete agreement’ or complete disagreement’ with a given statement.

We therefore rely primarily on OLS regressions for ease of interpretation of the results. We evaluate their appropriateness against ordered category nonlinear models (such as Ordered Probit or Logit) the output of which will be reported in an appendix.

We estimate the following model:

$$Y_q = \beta_0 + \beta_1(COVIDFIRST = 1) + \beta_2X + \beta_3W + \varepsilon, \quad (1)$$

where Y_q denotes the Likert-responses to question q in our survey, $COVIDFIRST$ denotes the ‘Covid-19-prime’ treatment as explained above, X is a vector of individual characteristics, W is a vector of regional controls. Standard errors are clustered at regional level.

We test $H_0: \beta_1 = 0$, the null hypothesis of there being no differential impact of activating crisis awareness on individuals' responses.

Further, to investigate whether the economic and everyday life aspects of the epidemic differently impact the individuals' responses, we estimate a model in which each of the two types of COVIDFIRST questions are evaluated against the baseline. Denote T a categorical variable taking values according to

$$T = \begin{cases} 0 & \text{if } Covidfirst = 0 \\ 1 & \text{if } Covidfirst = 1 \text{ and } Economic = 1 \\ 2 & \text{if } Covidfirst = 1 \text{ and } General Covid = 1. \end{cases}$$

Our equation then becomes

$$Y_q = \beta_0 + \beta_1 T + \beta_2 X + \beta_3 W + \varepsilon, \quad (2)$$

where we test whether either or both of the types of Covid-19 questions yield different outcomes from the baseline, and whether each other yield different outcomes.

We estimate equations (1) and (2) both on pooled English and Scottish samples and on the two samples separately.

Sample

We survey 3000 individuals in Scotland and 10000 in England. We restrict participation to adults above 17 years of age. Samples are representative by gender, age, and location of residence.²

Heterogeneity analysis

We will perform heterogeneity analyses along the income, education and political orientation dimension.

Bibliography

Alesina, A., Miano, A., Stantcheva, S., 2018. Immigration and Redistribution (Working Paper No. 24733). National Bureau of Economic Research. <https://doi.org/10.3386/w24733>

² Minimal detectable effects are MDE=0.12 and MDE=0.06 on standardized outcome measures at alpha=0.05 and power=0.8 in, respectively, Scottish and English within-country analyses.