Online Appendix of "**EU Money and Mayors: Does Cohesion Policy affect local electoral outcomes?**"

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Appendix B: variable definitions and descriptives statistics

Table B1: Variables definition and source

Variable	Description	Source
Panel A: Political variables		
Margin of victory	Margin of victory of the re-running mayor, which is positive if the mayor is elected at following elections or negative otherwise	Ministry of Interior
Victory	Re-election of incumbent mayor (dummy variable). Equal to one in case of re-election	Ministry of Interior
Gender	Indicator for male mayors (dummy variable) Equal to one in case of male mayors	Ministry of Interior
Age	Indicator for mayors' age	Ministry of Interior
Education	Educational level of mayors (ordinal variable). We distinguish between low, middle, and high level of education	Ministry of Interior
Previous job	Mayors' occupation before elected (ordinal variable). We distinguished between low, middle, high level of previous job and others (i.e., students, retired, armed force) in line with International Standard Classification of Occupations (ISCO)	Ministry of Interior
Turnout	Participation rate in the last municipal election. It ranges from 0 to 1	Ministry of Interior
Suspension	Indicator for legislatures suspended (dummy variable). The city council is substituted by nominated commissioners before the next electoral round. Collusion of local politicians with organised crime, strong violation of the law might lead to the city council suspension	Ministry of Interior
Dissolution	Indicator for legislatures dissolved (dummy variable). The city council is dissolved and novel elections are held. Absence of the political majority leads to city council dissolution	Ministry of Interior
Municipality birth	Indicator for the origin of the mayor (dummy variable). It is equal to one if the mayor is running in his/her municipality of birth	Ministry of Interior
Province birth	Indicator for the origin of the mayor (dummy variable). It is equal to one if the mayor is running in his/her province of birth	Ministry of Interior
Electoral system	Indicator for the electoral system (dummy variable). The dummy variable is equal to one in case of majoritarian electoral system	Ministry of Interior
Regional government	Indicator for political alignment between local and regional government (dummy variable)	Ministry of Interior
National government	Indicator for political alignment between local and national government (dummy variable)	Ministry of Interior
Panel B: EU funds variables		
All_projects	Logarithm of the total amount of EU investments obtained across the legislature in per capita terms.	Opencoesione
Started_projects	Logarithm of the amount of EU payment received only for the projects began in the legislature in per capita terms	Opencoesione
Ended_projects	Logarithm of the amount of EU payment received only for the projects ended in the legislature in per capita terms	Opencoesione
Lag_all_projects	Logarithm of the total amount of EU investments obtained across the previous legislature in per capita terms.	Opencoesione
Lag_started_projects	Logarithm of the amount of EU payment received only for the projects began in the previous legislature in per capita terms	Opencoesione
Lag_ended_projects	Logarithm of the amount of EU payment received only for the projects ended in the previous legislature in per capita terms	Opencoesione
Cofinancing funds	Logarithm of the total amount of co-financing from the Italian State and the private sector in per capita terms	Opencoesione
Panel C: Socioeconomics and demographic variables		
Population density	Population density	Istat
Dependence index	Logarithm of dependence index	Istat
Family dimension	Average number of family members	Istat
Foreigners	Percentage of foreigners on 100 residents	Istat
Compulsory education	Index of non-achievement of compulsory school (15-52 years)	Istat

University students	Percentage of resident university students out of the total population	Istat
Unemployment	Unemployment index	Istat
Growth	Growth in municipal per capita pre-taxable income from the previous to the current legislature	Ministry of Economics

Table B2 - Descriptive statistics: dependent variable and controls

Variable	Observations	Mean	Std. Dev.	Minimum	Maximum
Dependent variable (Ministry of the Interior)					
Margin of victory	6957	0.32	0.39	-1	1
Victory	6957	0.78	0.42	0	1
EU funds variables (Opencoesione)					
All_projects	7061	3.27	2.41	0	9.51
Started_projects	7061	2.81	2.25	0	9.10
Ended_projects	7061	2.94	2.32	0	9.41
Cofinancing funds	7061	1.61	2.13	0	9.22
Lag_all_projects	3457	2.88	2.34	0	8.72
Lag_started_projects	3457	2.55	2.20	0	8.07
Lag_ended_projects	3457	2.62	2.26	0	8.60
Mayors' characteristics (Ministry of Interior)					
Gender	7012	0.87	0.34	0	1
Age	5785	48.28	10.14	19	86
Education	7012	1.31	0.69	0	2
Previous job	5569	2.48	0.65	0	3
Province birth	7012	0.77	0.42	0	1
Municipality birth	7012	0.37	0.48	0	1
Regional government	7012	0.12	0.33	0	1
National government	7012	0.04	0.20	0	1
Legislatures' characteristics (Ministry of Interior)					
Suspension	7012	0.01	0.08	0	1
Dissolution	7012	0.03	0.17	0	1
Turnout	6991	0.73	0.10	0.04	0.99
Electoral system	7012	0.15	0.36	0	1
Socio-economic and demographic controls (Istat)					
Population density	6983	4.73	1.28	0.69	9.42
University students	6809	0.02	0.01	0	0.28
Compulsory education	6983	10.82	4.02	0	42
Unemployment	6983	9.78	8.28	0	51
Foreigners	6983	2.08	1.92	0	24
Family dimension	6983	2.52	0.32	1.26	3.7
Dependence index	6983	54.84	13.16	27	192

Table description. *All_projects* is associated with the highest average amount of EU funds (€91 per capita per local legislature) followed by *ended_projects* (€62 per capita per local legislature) and *started_projects* (€53 per capita per local legislature).

The variable *Vote margin* measures the difference between the votes obtained by the first two candidates, at the first electoral round, as a percentage of the totality of votes. It ranges from 0 to 100% and its average value is 34.6%. Compared to other European countries, Italy has a high level of electoral participation, even at the local level. On average, the turnout is equal to 73% with a standard deviation of 9.8%. To verify the political stability and to account for cases of political corruption, we look at the legislatures' dissolutions and suspensions. Our sample contains 207 dissolution cases and 45 suspensions. We check the proportion of mayors elected in their province and municipality of birth.

Most of the Italian mayors run in the same province of birth (76.8%) and less than half in the same city of birth (36.52%).

Table B3: EU funds variables and lags - correlation matrix

	Started_projects	*Ended_projects*	*Cofinancing*	*Lag_All_projects*	*Lag_Started_projects*	*Lag_Ended_projects*
All_projects	0.915	0.933	0.435	0.652	0.606	0.585
Started_projects		0.882	0.390	0.557	0.514	0.512
Ended_projects	0.882			0.616	0.577	0.556

Note: the table reports a correlation matrix between all EU funds measures. The first three columns show the correlation among our three measures of EU funds while the other four columns show their correlation with the past inflow of EU investment and with the co-financing paid by the Italian authorities and the private sector.

Table description. All three variables demonstrate a high degree of correlation among themselves. As shown in Table B3, the correlation coefficients between *all_projects* and *started_projects*, as well as with *ended_projects*, are 0.915 and 0.933, respectively. Furthermore, our three measures of EU funds exhibit a strong and significant correlation with the co-financing provided by Italian authorities and the private sector, which on average contributes to one-third of the EU investments.

Appendix C: additional estimates

Table C1: Estimates without controlling for lagged EU funds

	(1)	(2)	(3)
Panel A: full sample			
All_projects	-0.0005		
	(0.0036)		
Started_projects		0.0025	
		(0.0035)	
Ended_projects			0.0002
			(0.0034)
Observations	4,533	4,533	4,533
R-squared	0.153	0.153	0.153
Panel B: less developed regions			
All_projects	0.0173**		
	(0.0069)		
Started_projects		0.0222***	
		(0.0066)	
Ended_projects			0.0109*
			(0.0060)
Observations	1,141	1,141	1,141
R-squared	0.128	0.134	0.126
Panel C: transition / more developed regions			
All_projects	-0.0032		
	(0.0042)		
Started_projects		-0.0023	
		(0.0041)	
Ended_projects			-0.0034
			(0.0040)
Observations	3,392	3,392	3,392
R-squared	0.153	0.153	0.153
M_{ijrt}	✓	✓	✓
L_{jrt}	✓	✓	✓
X_{jr}	✓	✓	✓
P_{jrt}	✓	✓	✓
Region FE	✓	✓	✓
Election year FE	✓	✓	✓

Note: clustered standard errors at the municipal level in parenthesis. *** p<0.01, ** p<0.05, *p<0.1. Panel A: full sample: Panel B: sample of municipalities from less developed regions (Basilicata, Calabria, Campania, Apulia); Panel C: all other regions. Dependent variable: margin of victory of the re-running mayor. *All_projects*: log per capita total amount of funds for projects initiated or completed during legislature; *started_projects*: log per capita total amount of funds for projects initiated during legislature; *ended_projects:* log per capita total amount of funds for projects completed during legislature.

Table C2: Full specification displaying controls' coefficients

	(1)	(2)	(3)	(4)	(5)	(6)
Gender	0.0635***	0.0635***	0.0635***	0.0772***	0.0766***	0.0775***
	(0.0165)	(0.0165)	(0.0165)	(0.0216)	(0.0216)	(0.0216)
Age	-0.0060***	-0.0060***	-0.0060***	-0.0056***	-0.0056***	-0.0056***
	(0.0006)	(0.0006)	(0.0006)	(0.0009)	(0.0009)	(0.0009)
Province birth	0.0214	0.0213	0.0213	0.0092	0.0095	0.0097
	(0.0136)	(0.0136)	(0.0136)	(0.0189)	(0.0189)	(0.0188)
Municipality birth	-0.0352***	-0.0356***	-0.0353***	-0.0392**	-0.0395**	-0.0394**
	(0.0126)	(0.0126)	(0.0126)	(0.0179)	(0.0179)	(0.0179)
Suspension	-0.237***	-0.233***	-0.237***	-0.226***	-0.220***	-0.229***
	(0.0452)	(0.0452)	(0.0451)	(0.0727)	(0.0723)	(0.0715)
Dissolution	-0.189***	-0.185***	-0.188***	-0.152***	-0.147***	-0.155***
	(0.0269)	(0.0270)	(0.0269)	(0.0452)	(0.0460)	(0.0454)
Turnout	0.116*	0.118*	0.116*	0.100	0.0915	0.103
	(0.0655)	(0.0654)	(0.0655)	(0.0920)	(0.0917)	(0.0921)
Electoral system	-0.0857***	-0.0870***	-0.0860***	-0.109***	-0.113***	-0.109***
	(0.0136)	(0.0136)	(0.0136)	(0.0178)	(0.0179)	(0.0179)
Population density	-0.0310***	-0.0313***	-0.0310***	-0.0263***	-0.0263***	-0.0261***
	(0.0068)	(0.0068)	(0.0068)	(0.0093)	(0.0093)	(0.0093)
University students	0.0720	0.0441	0.0666	0.715	0.520	0.762
	(0.715)	(0.715)	(0.714)	(1.030)	(1.036)	(1.032)
Compulsory education	0.0037**	0.0037**	0.0037**	0.0034	0.0036	0.0036
	(0.0018)	(0.0018)	(0.0018)	(0.0025)	(0.0025)	(0.0025)
Unemployment	-0.0006	-0.0006	-0.0006	-0.0016	-0.0017	-0.0016
	(0.0013)	(0.0013)	(0.0013)	(0.0018)	(0.0018)	(0.0018)
Foreigners	0.0020	0.0020	0.0020	-0.0013	-0.0010	-0.0018
	(0.0039)	(0.0039)	(0.0039)	(0.0052)	(0.0052)	(0.0052)
Family dimension	-0.0620*	-0.0606*	-0.0617*	-0.0116	-0.0091	-0.0148
	(0.0339)	(0.0339)	(0.0339)	(0.0479)	(0.0479)	(0.0481)
Dependence index	0.0004	0.0004	0.0004	0.0011	0.0012	0.0011
	(0.0007)	(0.0007)	(0.0007)	(0.0010)	(0.0010)	(0.0010)
Regional government	0.0170	0.0169	0.0169	0.0024	0.0003	0.0031
	(0.0160)	(0.0160)	(0.0160)	(0.0223)	(0.0223)	(0.0223)
National government	0.0098	0.0091	0.0097	0.0224	0.0233	0.0219
	(0.0213)	(0.0213)	(0.0213)	(0.0258)	(0.0259)	(0.0259)
1.Middle education	0.0040	0.0038	0.0040	0.0306	0.0308	0.0313
	(0.0239)	(0.0239)	(0.0239)	(0.0334)	(0.0332)	(0.0333)
2.High education	-0.0289	-0.0290	-0.0289	-0.0043	-0.0035	-0.0040
	(0.0247)	(0.0247)	(0.0247)	(0.0346)	(0.0345)	(0.0346)
1.Low-skill job	-0.0058	-0.0051	-0.0057	-0.0070	-0.0030	-0.0079
	(0.0537)	(0.0537)	(0.0537)	(0.0709)	(0.0703)	(0.0704)
2.Medium-skill job	0.0025	0.0028	0.0025	0.0040	0.0085	0.0041
	(0.0426)	(0.0427)	(0.0426)	(0.0529)	(0.0525)	(0.0525)
3.High-skill job	0.0045	0.0047	0.0045	0.0053	0.0100	0.0058
	(0.0426)	(0.0426)	(0.0426)	(0.0530)	(0.0526)	(0.0525)

2.Hills	0.0170	0.0173	0.0171	0.0393*	0.0391*	0.0400*
	(0.0149)	(0.0149)	(0.0149)	(0.0204)	(0.0204)	(0.0204)
3.Lowland	-0.0159	-0.0158	-0.0159	0.00268	0.00382	0.00383
	(0.0188)	(0.0189)	(0.0188)	(0.0247)	(0.0247)	(0.0247)
All_projects	-0.0005			0.0102*		
	(0.0036)			(0.0060)		
Started_projects		0.0025			0.0114**	
		(0.0035)			(0.0056)	
Ended_projects			0.0002			0.0074
			(0.0034)			(0.0057)
Lag All_projects				-0.0182***		
				(0.0052)		
Lag Started_projects					-0.0158***	
					(0.0048)	
Lag Ended_projects						-0.0159***
						(0.0048)
Cofinancing funds				0.0015	0.0010	0.0013
				(0.0047)	(0.0048)	(0.0048)
Constant	0.586***	0.568***	0.582***	0.488**	0.491**	0.515**
	(0.147)	(0.146)	(0.146)	(0.207)	(0.206)	(0.205)
Region FE	✓	✓	✓	✓	✓	✓
Election year FE	✓	✓	✓	✓	✓	✓
Observations	4,533	4,533	4,533	2,355	2,355	2,355
R-squared	0.153	0.153	0.153	0.158	0.158	0.158

Note: clustered standard errors at the municipal level in parenthesis. *** p<0.01, ** p<0.05, *p<0.1. Models in columns 1-3 do not include C_{jrt} controls, related to co-financing and EU Cohesion Policy in the previous legislature. Models 4-6 include the full set of controls.

Table C3: EU funds and probability of re-election

	OLS	Probit	Logit	OLS	Probit	Logit	OLS	Probit	Logit
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Panel A: All Italian regions									
All_projects	0.0056	0.0048	0.0049						
	(0.0062)	(0.0061)	(0.0062)						
Started_projects				0.0124**	0.0122**	0.0117**			
				(0.0058)	(0.006)	(0.0058)			
Ended_projects							0.0050	0.0048	0.0047
							(0.0057)	(0.0056)	(0.0057)
Observations	2,360	2,358	2,358	2,360	2,358	2,358	2,360	2,358	2,358
R-squared	0.091			0.093			0.091		
Panel B: Less developed regions									
All_projects	0.0489***	0.0453***	0.0439***						
	(0.0171)	(0.0149)	(0.0148)						
Started_projects				0.0554***	0.0535***	0.0523***			
				(0.0145)	(0.0124)	(0.0126)			
Ended_projects							0.0303**	0.0299**	0.0296**
							(0.0146)	(0.0132)	(0.0132)
Observations	550	548	548	550	548	548	550	548	548
R-squared	0.145			0.157			0.137		
Panel C: *Transition / competitiveness regions*									
All_projects	-0.0019	-0.0021	-0.0023						

	(0.0064)	(0.0064)	(0.0065)						
Started_projects				0.0016	0.0019	0.0012			
				(0.0064)	(0.0063)	(0.0064)			
Ended_projects							-0.0002	-0.0001	-0.0005
							(0.0061)	(0.0061)	(0.0062)
Observations	1,810	1,807	1,807	1,810	1,807	1,807	1,810	1,807	1,807
R-squared	0.088			0.089			0.088		
M_{ijrt}	✓	✓	✓	✓	✓	✓	✓	✓	✓
L_{jrt}	✓	✓	✓	✓	✓	✓	✓	✓	✓
X_{jr}	✓	✓	✓	✓	✓	✓	✓	✓	✓
C_{jrt}	✓	✓	✓	✓	✓	✓	✓	✓	✓
Region FE	✓	✓	✓	✓	✓	✓	✓	✓	✓
Election year FE	✓	✓	✓	✓	✓	✓	✓	✓	✓

Note: clustered standard errors at the municipal level in parenthesis. *** p<0.01, ** p<0.05, *p<0.1. This table shows the relation between EU fundings on pro-incumbent voting considering different model estimations. Models in column 1,4,7 are estimated with probit, while models in columns 2,5,8 are estimated with logit. The dependent variable in these models is a dummy variable = 1 if mayor is elected at following elections, 0 otherwise. *All_projects*: log per capita total amount of funds for projects initiated or completed during legislature; *Started_projects*: log per capita total amount of funds for projects initiated during legislature; *Ended_projects:* log per capita total amount of funds for projects completed during legislature..

Table C4: Squared term of EU funds

	(1)	(2)	(3)	(4)	(5)	(6)
All_projects	-0.0374**			-0.0204		
	(0.0152)			(0.0182)		
All_projects²	0.0071***			0.0052**		
	(0.0019)			(0.0021)		
Started_projects		-0.0327**			-0.0166	
		(0.0147)			(0.0192)	
Started_projects²		0.0072***			0.0052**	
		(0.0021)			(0.0025)	
Ended_projects			-0.0377**			-0.0171
			(0.0146)			(0.0187)
Ended_projects²			0.0071***			0.0049**
			(0.0020)			(0.0023)
M_{ijrt}	✓	✓	✓	✓	✓	✓
L_{jrt}	✓	✓	✓	✓	✓	✓
X_{jr}	✓	✓	✓	✓	✓	✓
P_{jrt}	✓	✓	✓	✓	✓	✓
C_{jrt}	✓	✓	✓	✓	✓	✓
Region FE	✓	✓	✓	✓	✓	✓
Election year FE	✓	✓	✓	✓	✓	✓
Observations	2,355	2,355	2,355	2,232	2,137	2,163
R-squared	0.163	0.163	0.162	0.149	0.150	0.144

Note: clustered standard errors at the municipal level in parenthesis. *** p<0.01, ** p<0.05, *p<0.1. The models consider the quadratic effect of three treatments on pro-incumbent voting, including the squared term of each treatment. Columns 1-3: full sample. Models in columns 4-6 exclude legislatures receiving no EU funds.

Table C5: Sample split using different percentiles of EU funds

	(1)	(2)	(3)	(4)	(5)	(6)
Panel A: 50th percentile	*Below*			*Above*		
All_projects	-0.0019			0.0553***		
	(0.0126)			(0.0122)		
Started_projects		-0.0204			0.0344***	
		(0.0138)			(0.0111)	
Ended_projects			-0.0183			0.0418***
			(0.0132)			(0.0112)
Observations	1,016	1,034	1,021	1,339	1,321	1,334
R-squared	0.195	0.191	0.202	0.165	0.176	0.164
Panel B: 75th percentile	*Below*			*Above*		
All_projects	0.0029			0.0700***		
	(0.0077)			(0.0206)		
Started_projects		0.0062			0.0607***	
		(0.0078)			(0.0207)	
Ended_projects			-0.0032			0.0376*
			(0.0079)			(0.0222)
Observations	1,720	1,790	1,753	635	565	602
R-squared	0.173	0.162	0.167	0.173	0.198	0.192
Panel C: 90th percentile		*Below*			*Above*	
All_projects	0.0055			0.0844**		
	(0.0067)			(0.0424)		
Started_projects		0.0065			0.0770*	
		(0.0065)			(0.0466)	
Ended_projects			0.0074			0.106**
			(0.0066)			(0.0449)
Observations	2,075	2,117	2,092	280	238	263
R-squared	0.173	0.168	0.166	0.199	0.233	0.209
M_{ijrt}	✓	✓	✓	✓	✓	✓
L_{jrt}	✓	✓	✓	✓	✓	✓
X_{jr}	✓	✓	✓	✓	✓	✓
P_{jrt}	✓	✓	✓	✓	✓	✓
C_{jrt}	✓	✓	✓	✓	✓	✓
Region FE	✓	✓	✓	✓	✓	✓
Election year FE	✓	✓	✓	✓	✓	✓

Note: clustered standard errors at the municipal level in parenthesis. *** p<0.01, ** p<0.05, *p<0.1. Panel A: specifications 1-3 focus on the sample of legislatures receiving less than the 50th percentile value of each treatment. Specifications 4-6 focus on the sample of legislatures receiving more than the 50th percentile value of each treatment. Panel B: specifications 1-3 focus on the sample of legislatures receiving less than the 75th percentile value of each treatment. Specifications 4-6 focus on the sample of legislatures receiving more than the 75th percentile value of each treatment. Panel C: specifications 1-3 focus on the sample of legislatures receiving more than the 90th percentile value of each treatment. Specifications 4-6 focus on the sample of legislatures receiving less than the 90th percentile value of each treatment.

Table C6: EU projects featuring an active role of the city council

	(1)	(2)	(3)	(4)	(5)	(6)
Panel A: full sample						
All_projects	0.0030			0.0027		
	(0.0030)			(0.0049)		
Started_projects		0.0085***			0.0137***	
		(0.0031)			(0.0051)	
Ended_projects			0.0058**			0.0058
			(0.0029)			(0.0046)
Observations	4,533	4,533	4,533	2,345	2,345	2,345
R-squared	0.153	0.154	0.153	0.153	0.155	0.153
Panel B: less developed regions						
All_projects	0.0109**			0.0182**		
	(0.0047)			(0.0078)		
Started_projects		0.0177***			0.0242***	
		(0.0044)			(0.0070)	
Ended_projects			0.0115***			0.0155**
			(0.00438)			(0.00692)
Observations	1,141	1,141	1,141	540	540	540
R-squared	0.128	0.137	0.129	0.132	0.147	0.133
M_{ijrt}	✓	✓	✓	✓	✓	✓
L_{jrt}	✓	✓	✓	✓	✓	✓
X_{jr}	✓	✓	✓	✓	✓	✓
C_{jrt}				✓	✓	✓
Region FE	✓	✓	✓	✓	✓	✓
Election year FE	✓	✓	✓	✓	✓	✓

Note: clustered standard errors at the municipal level in parenthesis. *** p<0.01, ** p<0.05, *p<0.1. This table studies the effect of EU fundings considering only EU projects for which the city council was listed as the beneficiary. The dependent variable is the margin of victory of the re-running mayor which is positive if the mayor is elected at following elections or negative otherwise. *All_projects*: log per capita total amount of funds for projects initiated or completed during legislature; *Started_projects*: log per capita total amount of funds for projects initiated during legislature; *Ended_projects:* log per capita total amount of funds for projects completed during legislature. Panel A: full sample of municipalities across all Italian regions in sample; panel B: municipalities in less developed regions

Table C7: Probability of incumbent mayor to run for re-election

	(1)	(2)	(3)
Panel A: Full sample			
All_projects	-0.0002		
	(0.0033)		
Started_projects		-0.0002	
		(0.0031)	
Ended_projects			-0.0018
			(0.0031)
Observations	5,131	5,131	5,131
Panel B: Less developed regions			
All_projects	0.0103		
	(0.0099)		
Started_projects		0.0059	
		(0.0078)	
Ended_projects			-0.0051
			(0.0082)
Observations	1,059	1,059	1,059
M_{ijrt}	✓	✓	✓
L_{jrt}	✓	✓	✓
X_{jr}	✓	✓	✓
P_{jr}	✓	✓	✓
C_{jrt}	✓	✓	✓
Region FE	✓	✓	✓
Election year FE	✓	✓	✓

Note: Clustered standard errors at the municipal level in parenthesis. *** p<0.01, ** p<0.05, *p<0.1. The table investigates whether three types of EU aid influence the decision of the mayors to run for a second mandate. Dependent variable: dummy variable = 1 if the mayor is running for re-election, and 0 otherwise. All_projects: log per capita total amount of funds for projects initiated or completed during legislature; Started_projects: log per capita total amount of funds for projects initiated during legislature; Ended_projects: log per capita total amount of funds for projects completed during the legislature.

Table C8: Additional fixed effects

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
Panel A: full sample												
All_projects	0.0112*			0.0094			0.0095			0.0077		
	(0.0061)			(0.0060)			(0.0062)			(0.0068)		
Started_projects		0.0127**			0.0103*			0.0114*			0.00722	
		(0.0059)			(0.0057)			(0.0058)			(0.0063)	
Ended_projects			0.0065			0.0059			0.0070			0.0040
			(0.0059)			(0.0058)			(0.0060)			(0.0064)
Observations	2,355	2,355	2,355	2,355	2,355	2,355	2,355	2,355	2,355	2,355	2,355	2,355
R-squared	0.184	0.184	0.183	0.162	0.161	0.161	0.196	0.196	0.195	0.348	0.347	0.348
Panel B: less developed regions												
All_projects	0.0463***			0.0450***			0.0407***			0.0384***		
	(0.0104)			(0.0101)			(0.0106)			(0.0137)		
Started_projects		0.0455***			0.0442***			0.0434***			0.0418***	
		(0.0113)			(0.0109)			(0.0109)			(0.0132)	
Ended_projects			0.0304**			0.0305**			0.0269**			0.0252*
			(0.0123)			(0.0122)			(0.0131)			(0.0136)
Observations	547	547	547	547	547	547	547	547	547	547	547	547
R-squared	0.165	0.178	0.157	0.153	0.166	0.145	0.163	0.176	0.155	0.342	0.350	0.334
Election year FE	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Region × election year FE	✓	✓	✓									
Region-specific quadratic time trend				✓	✓	✓						
Province FE							✓	✓	✓			
LLM FE										✓	✓	✓

Note: clustered standard errors at the municipal level in parenthesis. *** p<0.01, ** p<0.05, *p<0.1. The table investigates the effect of EU fundings on pro-incumbent voting controlling for specific region-year linear and quadratic trends (columns 1-3 and 4-6) and for time-invariant province-specific (columns 7-9) and Local Labour Market (LLM)-specific characteristics (columns 10-12). Dependent variable: margin of victory which assumes positive value in case of mayoral re-election and zero otherwise. Panel A: full sample of municipalities across all Italian regions in sample; panel B: municipalities in less developed regions.

Table C9: Coarsened Exact Matching

	Above 50th percentile			*Above 75th percentile*			*Above 90th percentile*		
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Dummy_all_projects	-0.0136			0.0563**			0.0443		
	(0.0191)			(0.0246)			(0.0313)		
Dummy_started_projects		0.0327*			0.0419*			0.0969***	
		(0.0181)			(0.0225)			(0.0312)	
Dummy_ended_projects			-0.0002			0.0202			0.0287
			(0.0180)			(0.0226)			(0.0304)
M_{ijrt}	✓	✓	✓	✓	✓	✓	✓	✓	✓
L_{jrt}	✓	✓	✓	✓	✓	✓	✓	✓	✓
X_{jr}	✓	✓	✓	✓	✓	✓	✓	✓	✓
P_{jr}	✓	✓	✓	✓	✓	✓	✓	✓	✓
C_{jrt}	✓	✓	✓	✓	✓	✓	✓	✓	✓
Region FE	✓	✓	✓	✓	✓	✓	✓	✓	✓
Election year FE	✓	✓	✓	✓	✓	✓	✓	✓	✓
Observations	2,897	2,899	2,899	2,901	2,905	2,915	2,882	2,866	2,894
R-squared	0.101	0.102	0.101	0.103	0.103	0.101	0.102	0.106	0.102

Note: Clustered standard errors at the municipal level are in parentheses. *** p<0.01, ** p<0.05, * p<0.1. This table investigates the relationship between EU funds and pro-incumbent voting, relying on mayors' margin of victory. The three dummies are equal to one when the EU investments are larger than the 50th, 75th, and 90th percentiles. The sample is created using Coarsened Exact Matching (CEM) and balances the main sources of endogeneity in the distribution of EU funds: the quality of the mayor (proxied by education and previous job), the localism of the mayor (proxied by place of birth), and whether the municipality is in less developed regions.

Table C10: Main results controlling for economic growth

	(1)	(2)	(3)
Panel A: full sample			
All_projects	0.0095		
	(0.0064)		
Started_projects		0.0109*	
		(0.0062)	
Ended_projects			0.0084
			(0.0062)
Growth	0.409**	0.402**	0.421**
	(0.193)	(0.193)	(0.194)
Observations	2,060	2,060	2,060
R-squared	0.172	0.173	0.171
Panel B: less developed regions			
All_projects	0.0432***		
	(0.0116)		
Started_projects		0.0382***	
		(0.0124)	
Ended_projects			0.0264**
			(0.0130)
Growth	0.285	0.311	0.373
	(0.419)	(0.418)	(0.430)
Observations	459	459	459
R-squared	0.153	0.157	0.144
M_{ijrt}	✓	✓	✓
L_{jrt}	✓	✓	✓
X_{jr}	✓	✓	✓
P_{jrt}	✓	✓	✓
Region FE	✓	✓	✓
Election year FE	✓	✓	✓

Note: Clustered standard errors at the municipal level in parenthesis. *** p<0.01, ** p<0.05, *p<0.1. The dependent variable is the margin of victory of the re-running mayor which is positive if the mayor is elected at following elections or negative otherwise. Panel A focuses on all Italian municipalities while Panel B considers the sample of municipalities from less developed regions (Basilicata, Calabria, Campania, Apulia).

Table C11: Results by level of economic growth, controlling for LMAs fixed effects

	Low economic growth			Medium economic growth			High economic growth		
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
All_projects	-0.0032			-0.0032			0.0364*		
	(0.0137)			(0.0181)			(0.0204)		
Started_projects		-0.0062			-0.0041			0.0160	
		(0.0130)			(0.0165)			(0.0183)	
Ended_projects			-0.0134			0.0010			0.0431**
			(0.0133)			(0.0168)			(0.0183)
M_{ijrt}	✓	✓	✓	✓	✓	✓	✓	✓	✓
L_{jrt}	✓	✓	✓	✓	✓	✓	✓	✓	✓
X_{jr}	✓	✓	✓	✓	✓	✓	✓	✓	✓
P_{jr}	✓	✓	✓	✓	✓	✓	✓	✓	✓
C_{jrt}	✓	✓	✓	✓	✓	✓	✓	✓	✓
LMAs FE	✓	✓	✓	✓	✓	✓	✓	✓	✓
Election year FE	✓	✓	✓	✓	✓	✓	✓	✓	✓
Observations	732	732	732	731	731	731	597	597	597
R-squared	0.559	0.556	0.557	0.571	0.568	0.570	0.645	0.640	0.649

Note: Clustered standard errors at the municipal level in parenthesis. *** p<0.01, ** p<0.05, *p<0.1. This table investigates whether three specific types of EU aids are effective in shaping local electoral outcomes based on three different economic growth levels. The dependent variable is the margin of victory of the re-running mayor which is positive if the mayor is elected at following elections or negative otherwise. All_projects: log per capita total amount of funds for projects initiated or completed during legislature; Started_projects: log per capita total amount of funds for projects initiated during legislature; Ended_projects: log per capita total amount of funds for projects completed during legislature. Model 1-3 report result for low economic growth (values ranging from -0.22 to 0.06), , Model 4-6 for medium economic growth (0.06 to 0.09) and Model 7-9 for high economic growth (0.09 to 0.63).

Table C12: EU funds by thematic objective

	(1)	(2)	(3)	(4)	(5)	(6)
Panel: full sample						
Started_Services_projects	-0.0013			0.0034		
	(0.0021)			(0.0035)		
Started_Business_projects		0.0006			0.0022	
		(0.0022)			(0.0036)	
Started_Infrastructure_projects			0.0031*			0.0028
			(0.0019)			(0.0031)
Observations	4,533	4,533	4,533	2,355	2,355	2,355
R-squared	0.153	0.153	0.153	0.154	0.153	0.154
Panel B: less developed regions						
Started_Services_projects	0.0074***			0.0130***		
	(0.0027)			(0.0047)		
Started_Business_projects		-0.0005			-0.0065	
		(0.0033)			(0.0058)	
Started_Infrastructure_projects			0.0051**			0.0068*
			(0.0026)			(0.0040)
Observations	1,141	1,141	1,141	547	547	547
R-squared	0.129	0.123	0.127	0.140	0.130	0.131
M_{ijrt}	✓	✓	✓	✓	✓	✓
L_{jrt}	✓	✓	✓	✓	✓	✓
X_{jr}	✓	✓	✓	✓	✓	✓
P_{jr}	✓	✓	✓	✓	✓	✓
C_{jrt}				✓	✓	✓
Region FE	✓	✓	✓	✓	✓	✓
Election year FE	✓	✓	✓	✓	✓	✓

Note: clustered standard errors at the municipal level in parenthesis. *** p<0.01, ** p<0.05, *p<0.1. This table shows how the different EU funds associated with starting projects (devoted to service, business, and infrastructure) influence the electoral support of incumbent mayors. Panel A considers the full sample while Panel B focuses only on legislatures located in less-developed regions. Columns 1-3 do not control for C_{jrt} , columns 4-6 control for lagged EU funds and for co-financing.