

Discussion **Antonio Spilimbergo (IMF)**

Legitimacy and Trust: Strengthening Government Institutions in the times of the Coronavirus
by **Stuti Khemani (WB)**

The Virus of Fear: The Political Impact of Ebola in the U.S.
by **Filipe Campante (JHU), Emilio Depetris-Chauvin(PUC-Chile), Ruben Durante (ICREA/UPF)**

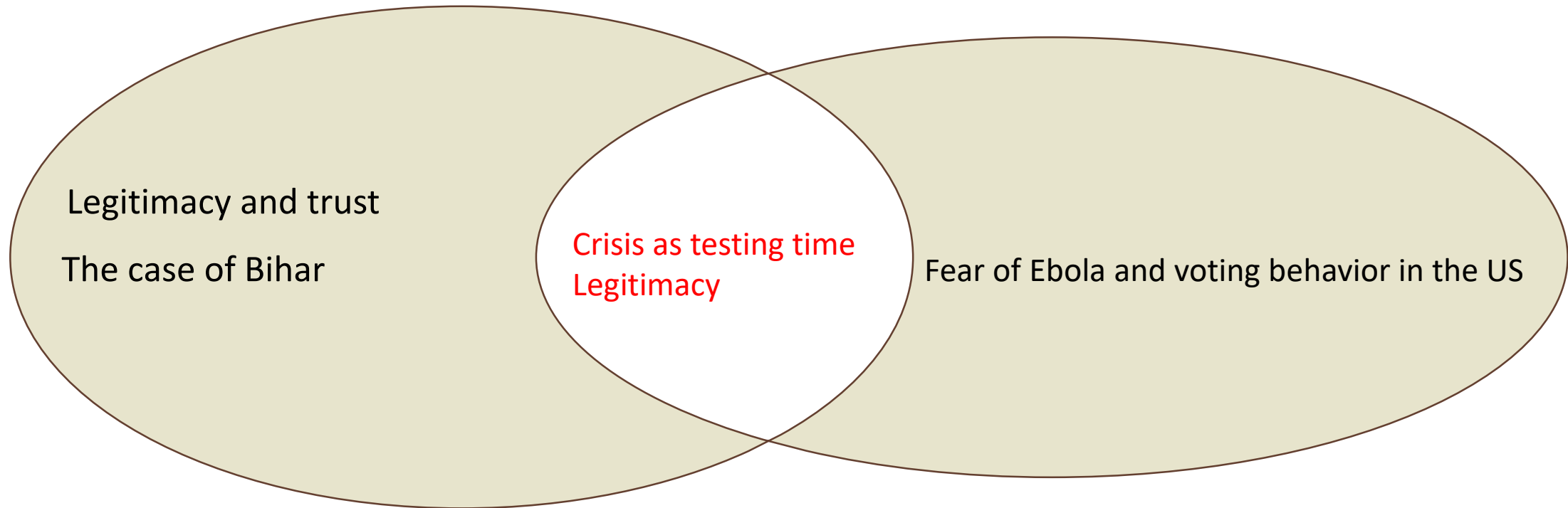
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Two very different papers?

Legitimacy and trust
The case of Bihar

Fear of Ebola and voting
behavior in the US

Papers looking at similar issue from different prospective

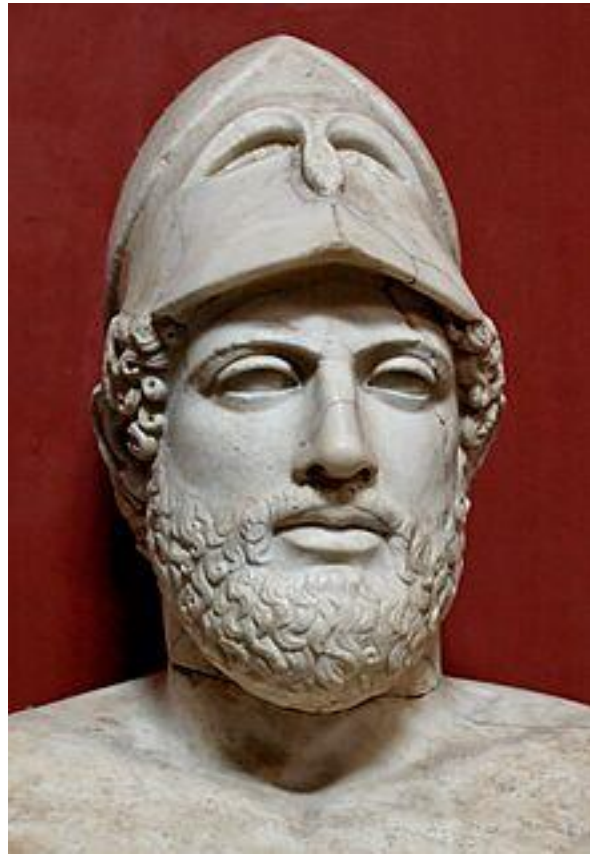


- The issue is very old. Worth looking at historical examples

Trust and Legitimacy – lessons from Thucydides

- In *History of the Peloponnesian war* Thucydides describes the political economy of an epidemic. His insights are still valid today
- In 430 BC an **epidemic** broke out and devastated Athens.
- The city's plight, caused by the epidemic, triggered a **new wave of public uproar**, and ...
- Pericles was forced to defend himself in **an emotional final speech**. He managed to tame the people's resentment and to ride out the storm, ...
- but his internal enemies' final bid to undermine him came off; they **managed to deprive him of the generalship** and to fine him.
- Nevertheless, within just a year, the Athenians forgave Pericles and **re-elected him** as “strategos.”

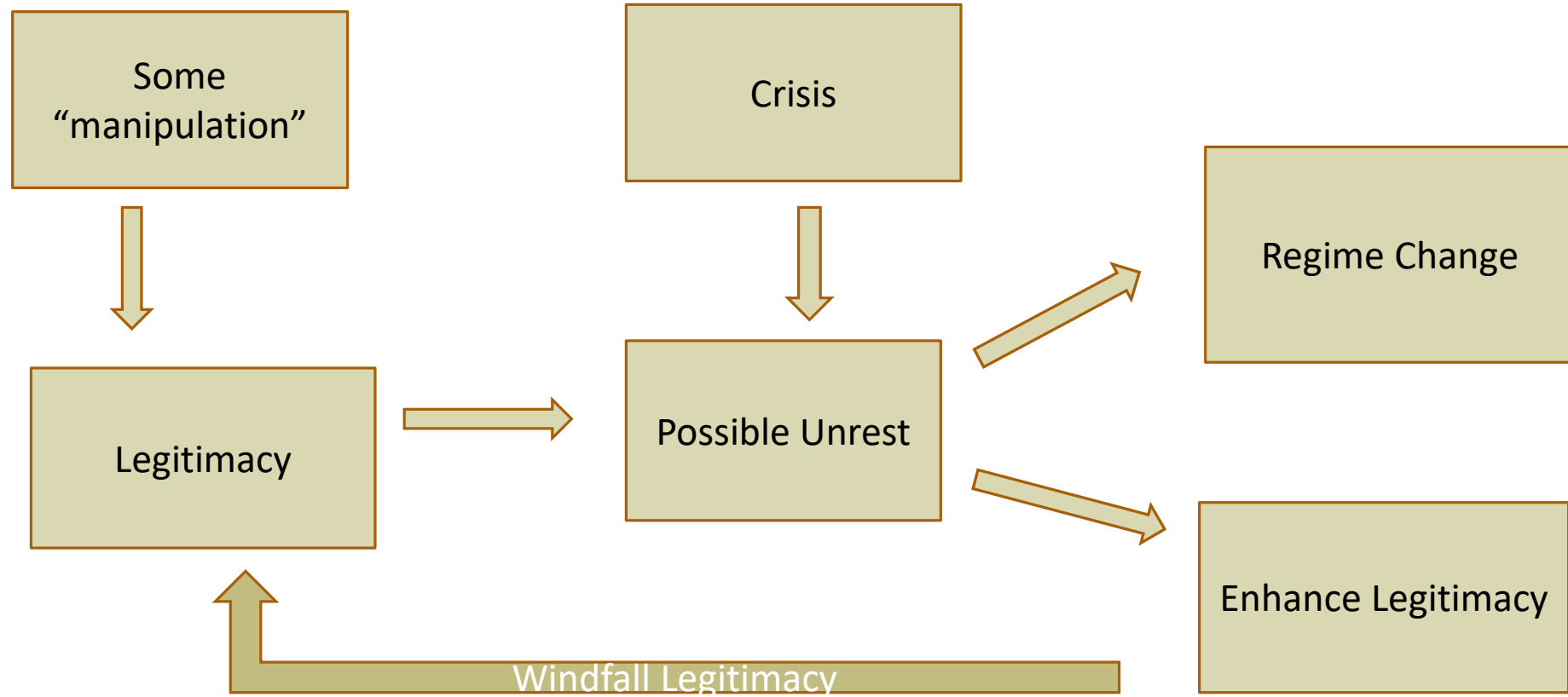
Trust and Legitimacy – lessons from Thucydides



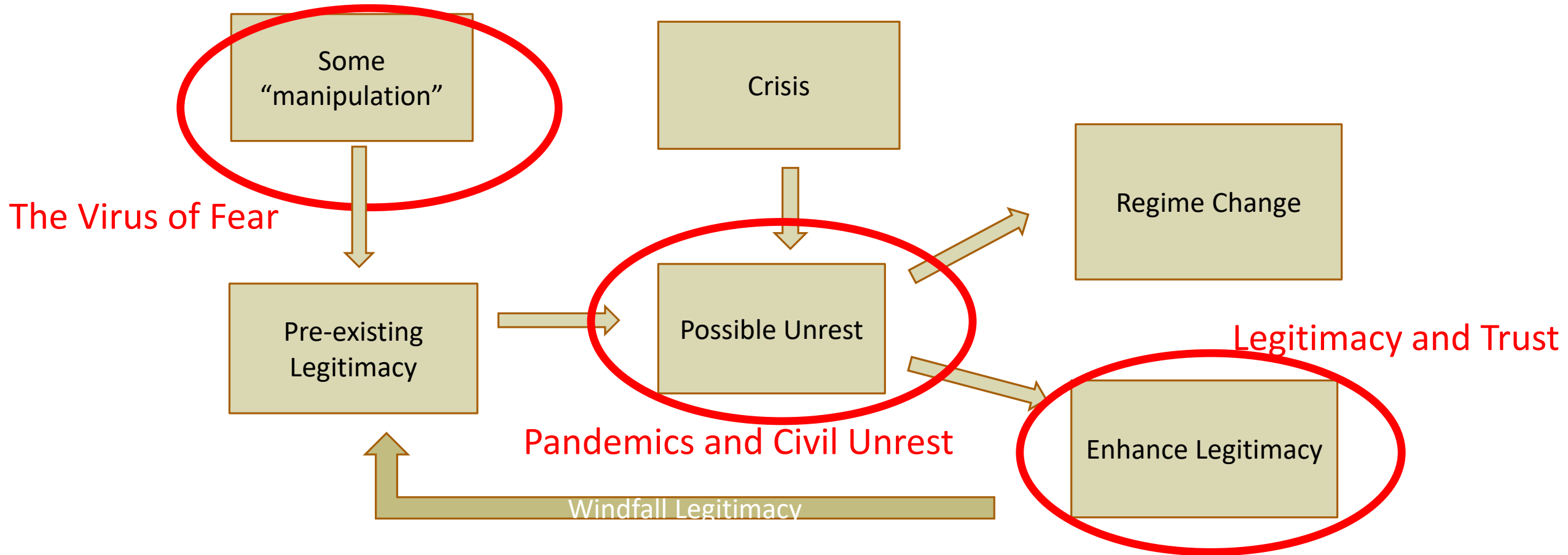
Trust and Legitimacy – lessons from Thucydides

- The epidemic. The crisis
- The emotional final speech. Trying to regain Trust/Legitimacy
- Deprived him of the generalship. Short-term uproar
- Re-elected him as “strategos”. Long-term enhancement of Legitimacy

Legitimacy-crisis-legitimacy cycle

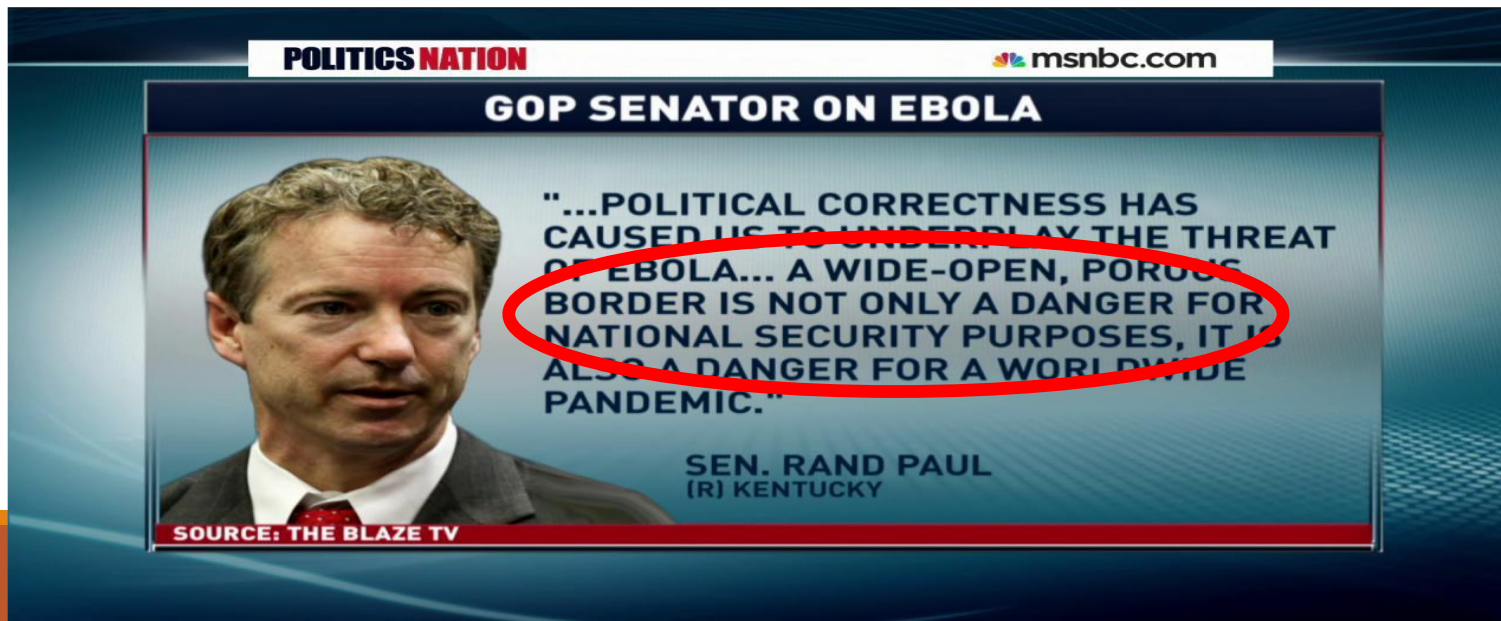


Research on the Legitimacy-crisis-legitimacy cycle



Manipulation: a detour in pragmatics/linguistics

- Theory of implicature by Herbert Grice
 - I slept on a boat yesterday. +> The boat was not mine
 - Antonio is Italian but he is nice +>
 - This soap is not only good for your skin but also ..
- Some confirmation of the neuropsychological basis for implicature
- Implicature works better if irrationality (e.g. fear) is involved
- Implicature is often used in advertisement and in political messaging



Do Epidemics Cause Civil Unrest?

- Part of the “Popular wisdom”
- But no evidence from preliminary analysis using **Reported Social Unrest Index** (monthly, country-specific measure of unrest based on media reports using unrest-related keywords)

No relationship between pandemics and unrest

Table 3 Dynamic regressions: Epidemics

Conditional probabilities of social unrest following epidemics.							
	Dependent variable: Social unrest event						
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
Epidemic, current month			-0.003 (0.003)	-0.006** (0.003)	0.0003 (0.003)	0.002 (0.004)	0.003 (0.005)
Epidemic, last 2-3 months			-0.003 (0.003)	-0.006* (0.003)	-0.001 (0.003)	-0.001 (0.005)	-0.003 (0.005)
Epidemic, last 4-6 months			-0.005* (0.003)	-0.009*** (0.003)	-0.003 (0.003)	-0.003 (0.004)	-0.003 (0.005)
Epidemic, last 7-9 months			-0.002 (0.003)	-0.005 (0.003)	0.001 (0.004)	0.001 (0.005)	0.001 (0.006)
Epidemic, last 10-12 months			0.003 (0.004)	0.0003 (0.004)	0.006 (0.004)	0.008 (0.006)	0.012* (0.008)
Epidemic, last 13-24 months			-0.005** (0.002)	-0.007*** (0.002)	-0.002 (0.003)	-0.001 (0.004)	-0.002 (0.004)
Months since last social unrest event						0.00000 (0.00002)	-0.00000 (0.00003)
Months since last social unrest event, neighboring country							0.00002 (0.00003)
Constant	0.012*** (0.001)	0.014*** (0.001)	0.015*** (0.001)				
Fixed effects	None	None	None	Country	Twoways	Twoways	Twoways
Normalized AIC	-1.63	-1.432	-1.432	-1.437	-1.454	-1.214	-1.151
Naive R2	0.012	0.014	0.015	0.019	0.036	0.044	0.049
Observations	46,208	27,223	27,223	27,223	27,223	17,893	14,952
R ²			0.0004	0.001	0.0002	0.0002	0.0004
Adjusted R ²			0.0001	-0.003	-0.017	-0.025	-0.029

Note:

*p<0.1; **p<0.05; ***p<0.01

Double-clustered standard errors shown in parenthesis.

Preliminary takeaway: **No obvious immediate relationship** between outbreak of pandemics and unrest

(ongoing work by Barrett, Chen, Chivakul, Igan)

Caveats:

- Some counter example: Ebola riots in Liberia 2014. Are there any more?
- How do we disentangle epidemics from correlated third factors (quality of public services, institution strength, government competence)?

Do Epidemics have long-term political effects ?

- **Yes** if they erode legitimacy (the opposite of the legitimacy windfall)
- But **it takes time** and econometrically complicated to capture
- Some examples
 - **Chernobyl in 1986** and the (beginning of the) end of the Soviet regime
 - **Mexico City earthquake in 1985** and the (beginning of the) end of the PRI dominance in Mexico

What have we learned?

- Legitimacy is key during crises
- Trust/Legitimacy can be boosted/decreased during crises (Thucydides' funeral oration or 2014 congressional campaign and Ebola)
- No evidence that epidemics cause unrest (contrary to Thucydides' claim)
- But good evidence that how well/bad a crisis is managed has long-term political implications
- Positive cycle (legitimacy windfall)
- Negative cycle (the delegitimization of regimes)