

The Political Economy of Sovereignty Referendums*

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Abstract

Which political communities support integration or secession in sovereignty referendums? Existing research has identified communal heterogeneity as a key hurdle for integration and driver for secession. In this paper, I demonstrate that communal heterogeneity does not necessarily impede political integration. Using data on territorial consolidation referendums in 1,500 Swiss municipalities since the new millennium, I show that voters' support for consolidation is indeed lower when potential merger partners are relatively poor and relatively large. Yet, a positive interaction effect between relative wealth and relative size suggests that large communities are willing to trade wealth losses for political control gains by incorporating small and poor communities. The latter, by contrast, are willing to trade political control losses for wealth gains. These results have important implications for our understanding of the conditions under which territorial reforms are politically feasible.

Keywords: Amalgamation, Sovereignty, Political Behavior, Popular Vote, Polity Size, Self-determination

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1 Introduction

How and when political communities¹ decide to tie their fate to, or to separate from, other political communities has triggered a substantive amount of research in fields such as public economics, public administration, and political science (Dahl and Tufte 1974; Bolton and Roland 1997; Alesina and Spolaore 2003; Laponce 2004; Hooghe and Marks 2016). It has generally been observed that heterogeneity – e.g., linguistic, ethnic, or economic differences – impedes the political integration of jurisdictions and increases communities’ incentives for secession (Bolton and Roland 1997; Siroky 2011; Qvortrup 2014; Gehring and Schneider 2020). Arguably, this is because political communities are reluctant to pool decision-making authority with communities that are distinct from them, since this might hamper the full realization of their own preferences Alesina and Spolaore (2003).

In this paper, I propose to nuance this general finding by distinguishing between directional and non-directional forms of heterogeneity. Heterogeneity of features such as language, ethnicity, or religion is non-directional: heterogeneity in one of them impacts political communities equally. For instance, if two political communities with different languages decide to integrate into one joint jurisdiction, the (adverse or beneficial) consequences of language heterogeneity will be the same for both, e.g. that administrative documents need to be translated or that school curricula become multilingual. Heterogeneity of other features, such as a community’s wealth or population size, is directional: the two political communities integrating will not benefit in the same way from this arrangement. If a wealthy and a poor community engage in joint political decision-making, there will likely be a flow of resources from the richer to the poorer community. Hence, heterogeneity will be favorable for one of them, whereas it will be unfavorable for the other.

This distinction uncovers that, under certain circumstances, directional heterogene-

1. For the purposes of this paper I equate a political community with what Moore (2015, 50) defines as a ‘people’: collective agents that i.) “share a conception of themselves as a group”, ii.) “have the capacity to establish and maintain political institutions”, and iii.) “have a history of political cooperation together.” Note that this does not require a people to have its own jurisdiction (yet) where it can engage in self-determination. In this article, I discuss political communities which inhabit clearly defined territories.

ity may be conducive to the integration of political communities. When heterogeneity between communities is directional, differences that are unfavorable to a political community on one dimension – e.g. its relative wealth – can be offset by differences that are favorable on another dimension – e.g. its relative size – and vice versa. Consider two jurisdictions, inhabited by two political communities, one of them small and poor, the other one large and wealthy. They decide to merge – and hence pool their decision-making authority. As a result, the small one loses political control, because the large one could simply outvote it; but the small community also gains access to its large partner’s resources, which the latter has to share.

Existing studies show that the directionality of size and wealth heterogeneity indeed matters for political communities’ integration and secession preferences. For the case of EU enlargement, Hobolt (2014) shows that citizens’ fear of losing influence in the European Council as a result of EU enlargement has a much stronger negative effect on enlargement support in small than in big EU member states. Moreover, citizens in EU member countries that are net contributors to the EU budget are more skeptical of EU enlargement – because they fear that they would have to pay (even) more to the EU budget as a result of including more, potentially poor, countries in the EU. Further, in a recent study, Gehring and Schneider (2020) find a robust positive relationship between a region’s relative wealth (compared to the nation-state) on the vote share of secessionist parties. Using exogenous variation in regional wealth, they demonstrate that this relationship is indeed causal. These results are in line with the findings of a recent book by Dalle Mulle (2018). He shows that secessionist parties in relatively wealthy regions (Scotland, Catalonia, Flanders, and Northern Italy) employ an “economic victimization” discourse (2018) by complaining that their regions are being exploited by the rest of the state. It is probably no coincidence that all of these regions make up a minority of the respective countries’ population – except for Flanders. The relative wealth and the relative size of a political community thus matter for whether it is willing to share sovereignty or not and an unfavorable position on each of the two reduces the willingness to share political decision-making authority.

While these existing studies clearly demonstrate the importance of directional heterogeneity, and of size and wealth differences in particular, they study these factors in isolation. To test the argument put forward above – namely that an unfavorable position on one dimension can be offset by a favorable position on the other – I study the outcomes of referendums on municipal mergers in Switzerland. Since the year 2000, 1477 Swiss municipalities held local referendums on whether they want to merge with a particular set of other municipalities or not. Fifteen percent of them decided against merging. This large number of referendums on sovereignty reallocation allow to study my argument in a quantitative way with a set of cases that face similar political opportunity structures. I find, first, that both relative size and relative wealth significantly and robustly impact referendum outcomes in the expected direction. Second, I find a positive interaction effect between relative size and relative wealth. This means that the negative effect on merger support resulting from higher relative wealth decreases as the population share of a municipality in the merger coalition, and hence its political control, increases. Yet, this interaction effect is only present when the distance of a municipality’s wealth to the coalition minimum is considered. For the distance to the population-weighted coalition mean, the interaction effect is insignificant or even negative. This result is robust across a variety of model specifications and wealth operationalizations. It suggests that voters do not follow entirely rational criteria in sovereignty referendums – which would be to put more weight on the distance to the population-weighted coalition mean – but are to a certain extent reacting to the “loudest signal” – here the distance to the poorest municipality in the merger coalition. This result has implications for policy-makers when crafting territorial reform coalitions.

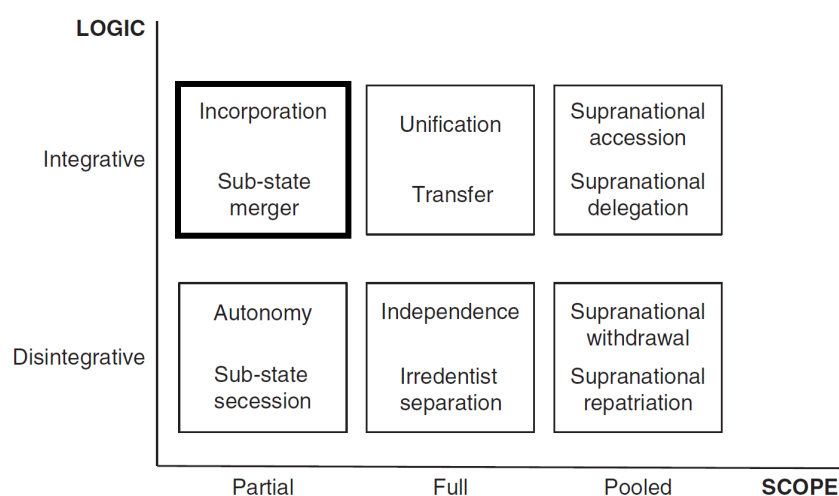
2 Local Sovereignty Referendums, Wealth, and Political Control

2.1 Local Sovereignty Referendums

The question of the territorial delimitation of a polity touches upon the core of what constitutes political jurisdictions. Boundary reforms are frequently decided on in so-called sovereignty referendums. In a recent article, Mendez and Germann (2018) define a sovereignty referendum as “a direct popular vote *on a reallocation of sovereignty between at least two territorial centres*” and they further define sovereignty broadly as “*the right to make authoritative political decisions within a territorial unit*” where “*core competencies of the state* are at stake” (2018, 145, emphasis in original).

Based on this definition, the authors identify 602 popular vote decisions since 1776 that qualify as sovereignty referendums and which they classify according to two dimensions (see Figure 1): the logic and the scope of sovereignty referendums. The logic of sovereignty referendums can be either integrative or disintegrative – depending whether existing political jurisdictions unify or separate. The scope of a sovereignty referendum can be partial, full, or pooled. Partial sovereignty referendums concern the merger or split of substate jurisdictions within an existing sovereign state. Full sovereignty referendums mean that two states unify or that a part of a state becomes independent. Finally, pooled sovereignty referendums concern the combination or separation of states’ authority in supranational entities.

Figure 1: Typology of Sovereignty Referendums



Source: Mendez and Germann (2018, 148); Bold=Category to which municipal merger referendums belong.

Referendums on local government mergers can be included in the category of integrative-partial sovereignty referendums (bold cell in Figure 1). First, local government mergers are boundary reforms that follow an integrative logic. Second, local governments are political jurisdictions that enjoy partial sovereignty. They can make authoritative decisions regarding certain policies within their territory. Mendez and Germann (2018, 145) themselves explicitly exclude municipal authority referendums from their universe of cases because they do not touch upon “core competencies” of the state. Yet, in decentralized political systems, local governments clearly have decision-making authority and functions that concern core competencies of the state (Ladner et al. 2019). For instance, levying taxes and setting local tax rates is a competence local governments have in many countries – e.g. Denmark, Finland, Norway, Switzerland, or the US. Moreover, municipalities can have decision-making competencies that clearly touch upon the core competencies of the state. To name but one example, Swiss municipalities can make the final decision on naturalization and the attribution of citizenship rights – i.e who is included in the demos (Hainmueller, Hangartner, and Pietrantuono 2017). Therefore, I consider referendums on local territorial reforms as partial sovereignty referendums – at least when municipalities have significant decision-making authority and competencies.

Focusing on local territorial reforms allows to study influence of community-level factors on the outcomes of sovereignty referendums in a quantitative way. Indeed, quantitative research that assesses the outcomes of sovereignty referendums has often been concerned with explaining individual vote-choice in single, well-known, cases such as Scottish or Catalan independence referendums (Mendez and Germann 2018, 142). Comparative studies on sovereignty referendums either aim to explain their occurrence but not their outcomes (Qvortrup 2014, 12), they focus on features of the referendum process itself (Laponce 2004; Qvortrup 2016) or they focus on individuals’ decisions in sovereignty referendums (Hobolt 2009). While these are all important and informative research endeavors, they do not consider polity-level factors for explaining referendum outcomes. That such polity-level factors are rarely assessed might be due to the limited number of a specific type of sovereignty referendum. For example, Hobolt (2009) counts

43 referendums on European integration since 1970 that range from specific policy integration propositions to broad membership referendums. With such a limited number of cases, it is difficult to quantitatively assess the role of communal factors in referendum outcomes.

Yet, community-level factors – like the size or the socio-economic structure of a political community – are crucial to understand the outcomes of sovereignty referendums (Brink 2004; Miyazaki 2014; Lapointe 2018; Strebel 2019). Referendums on local government mergers provide a good setting to study the relevance of such polity-level factors for sovereignty referendum outcomes for three reasons. First, local government mergers all belong to the same type of sovereignty reallocation. They follow an integrative logic and have a partial sovereignty scope, as argued above. Second, municipal mergers rarely come alone. In the European context, higher government tiers, subnational or national governments, initiate large-scale territorial reforms of the local government landscape (Baldersheim and Rose 2010).² This means that local governments often cannot decide themselves whether they want to engage in a merger or not. Recently, the Danish local government reform of 2007 only left local governments the choice with whom, but not if they want to merge. Consequently, no local sovereignty referendums were held in this case (Bhatti and Hansen 2011). Yet, there are also higher tier governments, such as Swiss cantons, or the Japanese, the Finnish, and the Norwegian national government, which let local governments decide themselves whether, and if so with whom, they want to merge. In such cases, citizens often can indicate their acceptance or rejection of a specific merger proposal in, binding or consultative, referendums. Voluntary local government mergers thus provide a sufficiently large number of cases to study the association between community-level factors and the outcome of sovereignty referendums.

A third advantage of studying referendums on local government mergers to assess the relevance of community-level factors is that contextual conditions stay largely constant. Referendum decisions on supranational integration or on independence all take place in very different political systems that vary on various features. This complicates the identi-

2. In the African context, national governments, by contrast, decide to increase government fragmentation (Grossman, Pierskalla, and Boswell Dean 2017).

fication of relevant polity-level factors (see e.g. Hobolt 2009). And even for independence referendums, Harguindéguy, Sánchez Sánchez, and Sánchez Sánchez (2021, 4) state that the “main difficulty [for a quantitative study] lays in the great diversity of independence referendums.” Moreover, they also point to the problem of finding comparable indicators at the polity-level over long time periods. By contrast, a sufficiently large number of local governments hold sovereignty referendums on territorial reforms within the same national context and within a relatively short time span. While these cases might lack variation on certain factors that are often deemed relevant for the outcomes of sovereignty referendums – notably non-directional heterogeneity in language and ethnicity – it allows us to study other forms of directional heterogeneity – differences in political control and wealth – in a more controlled environment.

To sum up, local government mergers can be conceived as sovereignty referendums of the integrative-partial type in Mendez and Germann’s (2018, 148) typology. Their frequency and embeddedness in similar contexts display specific advantages for the study of what community-level factors relate to the outcomes of sovereignty referendums, compared to more ‘high-profile’ cases of sovereignty referendums. This allows to examine how community-level factors relate to the outcome of sovereignty referendums. In the next section, I discuss two community-level factors that figure prominently in the literature on sovereignty referendums and political integration and secession more generally: the relative size and the relative wealth of a political community.

2.2 Wealth and Political Control

Cross-communal heterogeneity in population size and in wealth are considered important for explaining the outcomes of integrative sovereignty referendums also at the local level. While the relative population size of a jurisdiction compared to other jurisdictions in a territorial reform coalition is positively linked to support for merging, the relative wealth of a jurisdiction is negatively linked to merger support in referendums (Hanes, Wikström, and Wångmar 2012; Miyazaki 2014; Bruns, Freier, and Schumann 2015; Strebel 2019).³

3. While Miyazaki (2014) finds that the relative wealth of Japanese municipality is negatively associated with support for mergers in local referendums, he also finds that a higher relative population

The postulated mechanisms for these relationships are rather straightforward. A jurisdiction’s relative size in a merger coalition is indicative of the political weight it carries in the hypothetical new municipality. In other words, the larger the population share of a municipality, the more it can influence political decisions that are made in the new jurisdiction. That this is and should be a relevant concern for political communities is shown by studies on political representation and public goods distribution after municipal mergers. Jakobsen and Kjaer (2016) as well as Saarimaa and Tukiainen (2016) demonstrate that voters residing in the smaller parts of a newly merged municipality tend to vote more based on a territorial principle. That is, they are more inclined to support candidates from their part of the municipality compared to voters residing in the bigger parts of the new municipality. That this territorial representation is relevant is further demonstrated by Harjunen, Saarimaa, and Tukiainen (2021). They show that the smaller and politically less represented parts of a new municipality suffer from job losses in local public administration as well as health and social care services. There is thus a good reason for relatively small municipalities to be more skeptical of integrative sovereignty referendums that lead to a merger. It might mean to lose control over political decision-making and ultimately suffer from losses in public goods provision. We can thus formulate a first hypothesis:

H₁: The larger a jurisdiction’s population share in a merger coalition, the more it is to support a merger.

The rationale for why the relative wealth of a jurisdiction compared to its coalition partners is negatively related to support for merging is equally straightforward. A jurisdiction that is economically more well-off than its merger partners is likely to suffer adverse economic consequences as a result of a merger. Given that public service provision and its financing are aggregated in the new merger coalition and that the same standards should apply everywhere in the new jurisdiction, relatively well-off municipali-

share is *negatively* associated with merger support. However, this might be explained by the fact that he doesn’t account for the absolute size of a municipality. Yet, the latter is an important indicator for the possibility to benefit from scale economies (Alesina and Spolaore 2003) or for functional pressures to merge due to the costs of smallness (Strebel 2018). Not accounting for this factor might thus bias the result of the relative size indicator.

ties might either suffer from a decline of public service quality (if public service standards are lowered to the level of the other jurisdictions) or they might have to contribute more financially (to lift public service quality in other municipalities to their level).

The relative wealth of a jurisdiction does not only matter for sovereignty referendums that concern territorial integration. Studies analyzing disintegration reforms demonstrate that this logic also works the other way around. Brink (2004) and Lapointe (2018) show that wealthy parts of municipalities are more likely to secede in Sweden and that they are more likely to hold secession referendums in Quebec. Moreover, Gehring and Schneider (2020) find that secessionist movements are stronger in regions that are richer than the state they belong to. Complementary to Gehring and Schneider’s finding, Harguindéguy, Sánchez Sánchez, and Sánchez Sánchez (2021) show that central states are more likely to allow substates to hold secession referendums if the substate is relatively poorer than the central state. Based on these considerations, I formulate a second hypothesis:

H₂: The more well-off a jurisdiction is compared to its merger partners, the less likely it is to accept a merger.

2.3 Wealth $\times$ Political Control

Do the relative wealth and the relative size of a jurisdiction jointly affect the outcomes of sovereignty referendums? Put differently, can a disadvantage in relative wealth – i.e. being richer than the other jurisdictions in the coalition – be compensated by an advantage in political control – i.e. being a comparatively large member of the coalition – and vice versa?

We can expect this to be the case, since a community’s loss in economic well-being might be compensated by political control over other communities. As a result of an integrative territorial reform, such as a municipal merger, the resources of the participating jurisdictions are pooled. This means that some resources will effectively be redistributed from jurisdictions with more to jurisdictions with less resources in a merger coalition. Since the new jurisdiction is one political unit, and since residents in the same political unit should be treated equally, a certain redistribution across formerly independent

jurisdictions will take place.

At the same time, political decision-making authority is also combined after a merger reform. This means that – on average – voters in larger jurisdictions gain influence over those in smaller jurisdictions. If voting would follow strictly territorial lines and the former jurisdictions would vote as unified blocks – which is not completely unrealistic for questions such as the location of administrative buildings or public infrastructure such as schools – a jurisdiction that makes up more than 50 percent of the voters of the merger coalition could effectively run the new jurisdiction. In other words, such a majority would effectively have annexed the other jurisdictions and be able to dispose of their resources (Dur and Staal 2008).

The question is how these two considerations – relative wealth and political control – affect the outcomes of sovereignty referendums when they interact. Table 1 illustrates the theoretical expectations regarding this.

Table 1: Support for Integrative-Partial Sovereignty Referendums

		Political Control	
		Loss	Gain
Wealth	Loss	Low Support	Medium Support
	Gain	Medium Support	High Support

When a jurisdiction only makes up a small part of a merger coalition and is relatively wealthy – and would thus lose substantially in political control while having to redistribute resources to the other jurisdictions and suffer a wealth loss – I expect that popular support for territorial integration is lowest. Conversely, a large and relatively poor jurisdiction would gain from such a reform and I hence expect it to be in favor of a merger proposal. The interesting cells of Table 1 are the upper right and the lower left one, however. In these cases an unfavorable position on one dimension contrasts with a favorable position on the other. I expect that under these circumstances the losses on one dimension can to a certain extent be compensated by gains on the other and hence I would expect medium levels of popular support for integrative sovereignty referendums. Based in this argument, I thus expect that

H₃: The negative effect of relative wealth on the acceptance of a merger decreases as the relative size of a jurisdiction in the merger coalition increases and vice versa.

3 Territorial Reforms in Switzerland

3.1 Swiss Municipal Merger Referendums, 2000-2020

To test the proposed hypotheses I analyze data on municipal merger referendum outcomes in Switzerland. Unlike in many other countries – e.g. Denmark, Germany, or Sweden (Lassen and Serritzlew 2011; Hanes, Wikström, and Wångmar 2012; Bruns, Freier, and Schumann 2015) – municipal mergers in Switzerland are not decided top-down by higher government tiers, but bottom-up by the affected municipalities. Swiss cantons – the intermediate government tier in Switzerland – merely play a facilitating role. While they would have the constitutional right to re-organize local government structures within their respective territories and while there are no safeguards for local governments’ existence in the Swiss constitution⁴, Swiss cantons merely set incentives for municipal mergers.⁵ However, Kaiser (2014) shows that particularly the financial contributions some cantons grant for merging municipalities effectively function as a necessary condition for municipal mergers to take place in a canton.⁶ Empirically, bottom-up municipal mergers in Switzerland took place in fourteen different cantons between 1999 and 2020.⁷ While bottom-up municipal mergers are not as widespread as top-down ones, some countries such as Finland, Japan, or Norway, also recently saw significant merger activity on a voluntary basis that was triggered through higher-tier incentives (Miyazaki 2014; Saarimaa and Tukiainen 2014; Askim et al. 2020).

4. Article 50, paragraph 1 states that “the autonomy of the communes is guaranteed in accordance with cantonal law” ([Federal Constitution of the Swiss Confederation](#)). How local autonomy and competences are implemented is thus left to the discretion of the cantons.

5. A notable exception was a large-scale territorial reform in the Swiss canton of Glarus, where in 2007 cantonal voters decided that the formerly 27 municipalities would be merged into 3 by 2011 (Hofmann and Rother 2019).

6. Interestingly, however, Strebel (2018, 2019) shows that the *size* of the financial incentive does not impact a municipality’s probability to participate or decide in favor of a municipal merger. The financial incentive thus seems to function merely as a trigger for municipalities to start considering mergers, but not as a relevant factor for their decision to participate in or follow through with a territorial reform.

7. This concerns the following cantons: Aargau, Bern, Fribourg, Graubünden, Jura, Lucerne, Neuchâtel, St. Gallen, Schaffhausen, Solothurn, Ticino, Vaud, Valais, Zurich.

A second peculiarity of Swiss municipal mergers is that the final decision on their implementation is taken by the affected citizens at town hall meetings or, in most cases, in referendums at the ballot box. Citizens are asked to cast their ballot on the question of whether their jurisdiction should participate in a merger of a clearly defined set of jurisdictions. Between 1999 and 2020, 1,541 municipalities held popular votes on 443 municipal merger proposals. A merger proposal needs the approval of a majority of citizens in each of the involved jurisdictions to be implemented.⁸ 104 merger proposals failed to reach this requirement, due to 221 municipalities rejecting the merger. They were thus not implemented.

Normally, popular votes on municipal mergers are held simultaneously in all municipalities. This which prevents a strategic timing of referendums across the involved jurisdictions – for example by letting those municipalities most favorable to a merger vote first and those least favorable last.⁹ Sequencing integrative sovereignty referendums in this way, might lead to a domino effect that puts pressure on reluctant citizens to approve of the reform, since other municipalities have accepted already.¹⁰

Popular vote decisions on municipal mergers in Switzerland thus offer the unique opportunity to study political communities' support for territorial reforms in sovereignty referendums. First, local governments can decide whether or not they want to be involved in municipal merger projects. Second, voters in each jurisdiction can decide whether or not their municipality should implement a proposed merger. I test the three hypotheses formulated above with two dependent variables: the binary outcome (yes-no) and the percentage of votes in favor of the municipal merger in the popular vote decision.

8. There are some exceptions to this however. Eleven mergers were implemented despite one or several municipalities rejecting the proposal. In these cases, only the municipalities accepting the merger followed through with it without holding another popular vote. In seven cases, municipalities whose citizens rejected a merger, were nevertheless forced to implement it. Five of these cases are located in the canton of Ticino, where the popular votes only have a consultative nature. Some of these were high-profile cases that triggered lawsuits against the cantons which the Swiss federal court had to rule on.

9. For 26 territorial reform projects, the popular votes did not take place on the same day, however.

10. Such practices and considerations were employed in the mid-1990s EU accession referendums in Austria, Sweden, Finland, and Norway. Austria, the most europhile country at the time voted first and Norway, the most eurosceptic voted last. Yet the desired outcome did not come into effect with Norwegian citizens voting against EU accession (Hobolt 2009, 11).

3.2 Operationalizing Political Control and Relative Wealth

To operationalize the two independent variables – political control and relative wealth – I rely on several indicators. As already outlined in the argument for H_1 and H_3 above, the relative population size of a municipality compared to a merger coalition is an appropriate way of capturing the gain or loss in terms of political control. More precisely, I expect that the larger a jurisdiction’s share at the total population of the merger coalition, the higher its control and influence in the newly merged municipality. Accordingly, I would expect that voters are more supportive of municipal merger proposals, the higher their jurisdiction’s population share at the total of the merger coalition is.

Operationalizing relative wealth is less straightforward. What constitutes a jurisdiction’s wealth and it can be measured is highly context dependent. For example, Gehring and Schneider (2020) use a region’s GDP as well as its wealth in natural resources as an indicator for the relative wealth of a region, Harguindéguy, Sánchez Sánchez, and Sánchez Sánchez (2021) equally use a dichotomous indicator for a region’s GDP, whereas Hobolt (2014) uses a dichotomous variable for whether a country is a net contributor or a net beneficiary to the EU. For my purposes here, I use the federal tax revenues per capita. Given that the federal tax rate is the same for all municipalities, federal tax revenues provide a good indication of the tax base that is available to a municipality. For each municipality, the total tax revenues from individuals and legal entities are summed up and divided by the total population. This indicator is a comparable measure of the resources that can be extracted from a particular community by the local public administration and is thus a good indicator for a community’s wealth. Moreover, using the available tax base as an indicator of a community’s wealth is relevant because the tax base directly affects a polity’s leeway in public service provision, and hence one of its core functions for its members. A certain drawback of this measure is that data is only available until the year 2017, newer data has not yet been published by the Swiss federal tax administration. Therefore, I will use two alternative wealth operationalizations as robustness checks (see results section).

The next question, of course, concerns the relevant point of comparison. What should

a political community in merger coalition with several other political communities take as a reference point when comparing its wealth to that of the others? From a purely rational perspective, we could expect that the difference between a municipality’s tax revenues and the population-weighted merger coalition mean is the relevant quantity, since the population-weighted mean tax base is likely to be close to the new municipality’s future tax base. Yet, making – or even communicating – such a calculation is a rather complex endeavor. Voters might rely on more simple heuristics. For opponents of a merger project, it might for example be easier to mobilize based on a municipality’s wealth difference to the one municipality in the merger coalition that has the lowest tax base – and hence is the most unattractive partner from an economic point of view. In what follows, I assess both the relevance of a jurisdiction’s tax revenue differences to the coalition mean as well as to the coalition minimum. To do so, I subtract the population-weighted mean or minimum from a municipality’s federal tax revenues per capita. Values that are below zero thus mean that a jurisdiction would benefit from a merger, whereas values above zero indicate potential wealth losses as a result of a merger. I would thus expect a lower acceptance of merger proposals for higher values of this variable.

3.3 Estimation

To test the three hypotheses, I rely on logistic regression models for the binary dependent variable “merger acceptance” and on OLS-regression models for the continuous dependent variable “% yes votes”. The unit of analysis is a municipality that voted on a municipal merger. That means that several municipalities in the analysis belong to the same merger coalition. In both regression models, I use clustered standard errors at the level of the merger coalition to account for unobserved coalition-level factors.

In the regression models, I also control for a number of other factors that might impact local constituencies decision to accept or reject a merger proposal. First, I include the (logarithmic) absolute population size and tax revenues per capita in addition to the relative one. The reason for this is that smaller municipalities and municipalities with lower tax revenues might face stronger functional pressures to merge, because they lack

the necessary resources to carry out their tasks (Steiner 2003).

In addition to functional pressures, previous studies have shown that local identity, as well as political ideology play a role in municipal merger processes. While it is difficult to operationalize the extent to which citizens identify with their municipality at the aggregate level without individual-level data, Strebel (2018) proposes to use population turnover to approximate this concept. A higher population turnover means that a smaller part of the citizens live in a municipality since a long time. This is relevant, because residence duration predicts local attachment and involvement at the individual level (Kasarda and Janowitz 1974; Vallbé and Magre Ferran 2017). At the communal level, a high population turnover impedes community building and hence renders the development of communal identity more difficult.

Political ideology can matter for territorial reform support as well. For three Swiss cantons, Strebel (2019) has shown that municipalities with a higher vote share of right-wing nationalist parties are more likely to reject municipal merger proposals, and in an individual-level analysis of citizens' perceptions of local cooperation and consolidation reforms in metropolitan areas, Strebel (2021) shows that left progressives are more and right-wing nationalists less supportive of such reforms. For the present analysis, I thus include the local-level vote share of right-wing nationalist parties as well as of left and progressive parties in the last national elections before the merger referendum.

Moreover, political homogeneity might matter for forging merger coalitions. Bhatti and Hansen (2011) and Bruns, Freier, and Schumann (2015) argue that a higher ideological difference between two municipalities makes a merger less likely, because the involved actors fear that their political preferences cannot be realized. Therefore, I include a municipality's difference to the population-weighted coalition mean in right-wing nationalist and left and progressive vote shares.

To account for institutional variation and merger legacy, I control for whether the popular vote decision was taken in a town hall meeting or at the ballot box, and whether a municipality has previously merged or attempted to merge. Finally, I include the municipality types developed by the Swiss Federal Office of Statistics, a variable capturing

different structural conditions of municipalities – e.g. urban center, agrarian, or rural commuter municipality.¹¹

In addition to these municipality-level indicators, I also include fixed effects for the different cantons and for the time period in which a merger proposal was voted on. Table [SI.1](#) gives an overview of the descriptive statistics of the different indicators.

4 Trading Wealth for Political Control

How do potential changes in a political community’s wealth and political control impact the outcomes of integrative-partial sovereignty referendums at the local level? And can the negative effects of wealth loss be attenuated by the positive effects of political control gains and vice versa? Above, I proposed that i.) a higher population share in a merger coalition increases voters’ support in a merger referendum (H_1), ii.) that a higher relative wealth of a jurisdiction – as measured through the tax revenue difference to its merger partners – has a negative effect on popular support for municipal mergers (H_2), and, most importantly, iii.) that the negative effects of relative wealth decrease as a jurisdiction’s relative size in a merger coalition – political control – increases and vice versa (H_3).

Table [2](#) shows the results of logistic regression models for the dependent variable merger acceptance and Table [3](#) the results of the OLS-regressions for the percentage of yes votes in a merger referendum. Both tables include results for the tax revenue difference to the coalition mean and to the coalition minimum. Across all the different specifications, there is a highly significant and substantial positive effect of relative size. The higher the population share of a municipality in the merger coalition, the more likely a jurisdiction is to accept a merger and the higher the associated percentage of favorable votes is. In the full models (4), a one standard deviation increase in relative size is associated with an increase in the yes vote of 10 percentage points for the coalition mean models and of 7 percentage points in the coalition minimum models. This clearly corroborates hypothesis H_1 .¹²

11. More information on the construction of this typology is available at the website of the [Federal Statistical Office](#) (German or French only).

12. Note that the effect of relative size is much smaller in model 1 across all specifications. This is

Similarly, I find a consistent and significant negative effect of relative wealth. The higher a jurisdiction's tax base per capita is compared to the coalition mean and compared to the municipality with the lowest tax base in the merger coalition, the less likely it is to accept a merger and the lower the percentage of yes votes for the merger is. A one standard deviation increase ($\approx 1,700\$$) in the full model (4) for the tax revenue difference to the coalition mean is associated with a decrease of 9 percentage points in the yes vote percentage. The same change in the tax base difference to the coalition minimum is even associated with a decrease of 12 percentage points in yes vote percentage. Again, this clearly corroborates my second hypothesis H_2 .

The empirical evidence is somewhat less clear for the interaction between relative size and relative wealth. Hypothesis H_3 posits a positive interaction effect between relative size and relative wealth, based in the idea that gains in one dimension can offset the negative impact of losses on the other. The results from Tables 2 and 3 only partially support this hypothesis. For the dependent variable merger acceptance (Table 2), I find a consistent *negative*, but statistically insignificant, interaction effect between relative wealth and relative size, when relative wealth is operationalized as the tax revenue difference to the coalition mean. Yet, when relative wealth is operationalized as the tax revenue difference to the coalition minimum, I find the expected positive interaction effect – albeit with a large error margin (90% confidence). Things are somewhat different for the second dependent variable, percentage of yes votes (Table 3). Here, I find a significant negative interaction effect for the tax revenue different to the coalition mean, which vanishes when control variables are included. By contrast, for the models that use the tax revenue difference to the coalition minimum, there is a consistent, statistically significant, positive interaction effect between the tax revenue difference and relative size in all four models.

Figures 2 and 3 display the interaction effects graphically for the results from the full models (4). The figures depict the change in the effect size of the tax revenue difference

because this model does not include the absolute population size. Yet, this variable has a significant *negative* effect on both the probability to accept a merger and on the yes vote percentage – confirming its postulated role as an indicator for the functional pressures small municipalities face to merge. When it is not included in the model, part of its effect is picked up by the relative size measure. Since I expect relatively larger municipalities to be more favorable towards mergers, the absence of the absolute size measure depresses the effect size of this variable.

Table 2: Merger Acceptance, Political Control and Wealth

	Tax Revenues to Coalition Mean				Tax Revenues to Coalition Minimum			
	(1)	(2)	(3)	(4)	(1)	(2)	(3)	(4)
Size/Coalition Size	1.397*** (0.000)	5.342*** (0.000)	5.818*** (0.000)	5.796*** (0.000)	0.896** (0.008)	3.742*** (0.000)	4.410*** (0.000)	4.340*** (0.000)
Δ Tax Revenues (1,000 CHF)	-0.576* (0.024)	-1.338** (0.001)	-1.313** (0.004)	-1.307** (0.003)	-0.615** (0.007)	-1.731** (0.003)	-1.316* (0.012)	-1.357* (0.011)
Size/Coalition Size $\times$	-0.591	-1.911	-1.892	-1.906	0.607 ⁺	1.128*	0.900 ⁺	0.885 ⁺
Δ Tax Revenues (1,000 CHF)	(0.465)	(0.182)	(0.231)	(0.224)	(0.069)	(0.019)	(0.060)	(0.065)
Municipality Controls	✓	✓	✓	✓	✓	✓	✓	✓
Canton FEs			✓	✓			✓	✓
Time Period FEs				✓				✓
N	1078	1015	1007	1007	1078	1015	1007	1007
Merger Coalitions	372	351	346	346	372	351	346	346
Pseudo-R ²	0.04	0.20	0.24	0.24	0.03	0.16	0.21	0.21
LR χ^2	26.54	92.85	128.52	129.98	19.83	72.82	118.50	122.99
$p > \chi^2$	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
AIC	969	798	775	779	981	832	810	813
BIC	989	906	942	956	1001	941	977	990

Note. ⁺ $p < .1$ * $p < .05$ ** $p < .01$ *** $p < .001$. Cell entries are unstandardized coefficients obtained through -logit- command in Stata. p-values in parentheses. Standard errors clustered by merger coalition.

Table 3: % Yes Votes, Political Control and Wealth

	Tax Revenues to Coalition Mean				Tax Revenues to Coalition Minimum			
	(1)	(2)	(3)	(4)	(1)	(2)	(3)	(4)
Size/Coalition Size	16.566*** (0.000)	38.155*** (0.000)	38.314*** (0.000)	36.890*** (0.000)	13.911*** (0.000)	31.598*** (0.000)	32.350*** (0.000)	30.790*** (0.000)
Δ Tax Revenues (1,000 CHF)	-0.127 (0.798)	-5.666*** (0.000)	-5.703*** (0.001)	-5.536*** (0.000)	-6.618*** (0.000)	-8.421*** (0.000)	-7.702*** (0.000)	-7.876*** (0.000)
Size/Coalition Size $\times$	-6.222***	-0.241	0.699	0.086	7.159**	6.482***	6.093***	5.861**
Δ Tax Revenues (1,000 CHF)	(0.000)	(0.960)	(0.887)	(0.986)	(0.003)	(0.001)	(0.001)	(0.002)
Municipality Controls	✓		✓	✓		✓	✓	✓
Canton FEs			✓	✓			✓	✓
Time Period FEs				✓				✓
N	1006	970	970	970	1006	970	970	970
Merger Coalitions	351	340	340	340	351	340	340	340
Adjusted-R ²	0.06	0.26	0.29	0.30	0.07	0.24	0.27	0.28
F	22.76	13.98	11.28	11.61	19.32	11.95	10.90	11.40
p > F	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
AIC	8842	8289	8265	8259	8825	8314	8291	8284
BIC	8861	8396	8436	8439	8844	8421	8462	8464

Note. *p<.05 **p<.01 ***p<.001. Cell entries are unstandardized coefficients obtained through -regress- command in Stata. p-values in parentheses. Standard errors clustered by merger coalition.

(y-axis) as a function of relative size (x-axis) for both the dependent variable merger acceptance (panels a) and percentage of yes votes (panels b). Figure 2a shows that as the relative size of a municipality increases, the effect of the tax revenue difference on merger acceptance first becomes slightly more negative, but then less negative, as expected. In panel b, the tax revenue difference's effect on the percentage of yes votes does not change as a function of the relative size of a municipality. While there is a slight indication for a positive interaction effect in panel a, these results do not support H_3 .

Figure 2: Coalition Mean: $\text{Size/Coalition Size} \times \Delta \text{Federal Tax Revenues/Capita}$
(a) Merger Acceptance **(b) % Yes Votes**

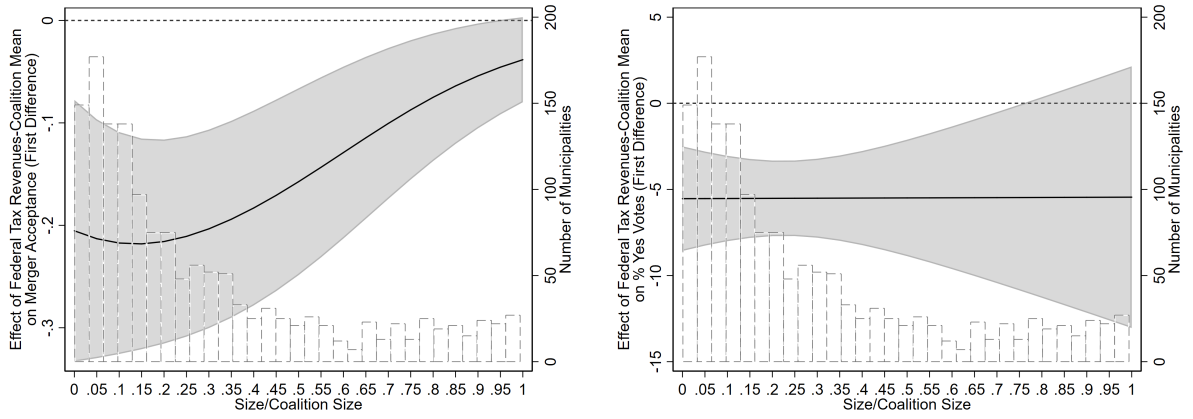
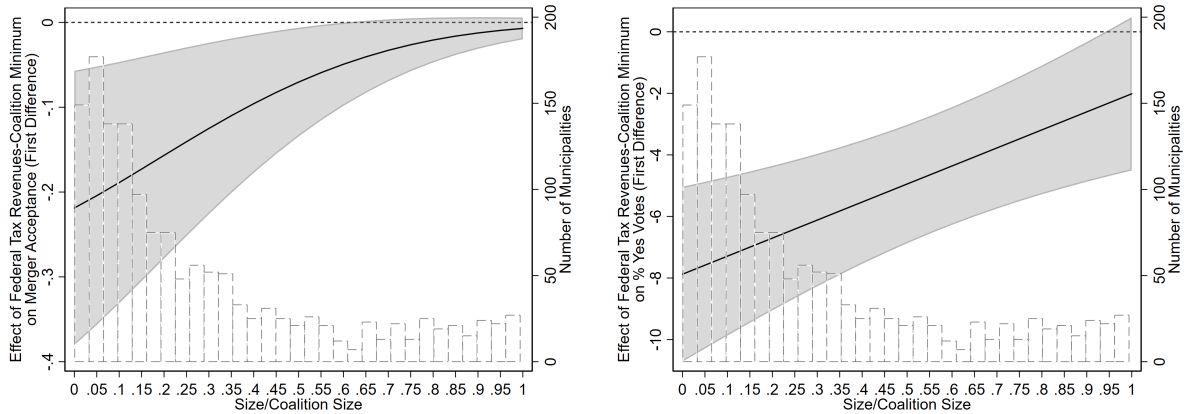


Figure 3: Coalition Minimum: $\text{Size/Coalition Size} \times \Delta \text{Federal Tax Revenues/Capita}$
(a) Merger Acceptance **(b) % Yes Votes**



The results are much clearer for the models which use the tax revenue difference to the coalition minimum, i.e. the coalition member with the lowest tax revenues. Figure 3 shows that the negative effect of the tax revenue difference decreases as relative size increases. This is the case for both dependent variables. Moreover, when relative size

approaches its maximum, i.e. when a municipality accounts for almost the totality of the population of a merger coalition, the negative effect of tax revenue difference becomes insignificant. Substantively, this means that relative wealth losses do not matter anymore, when a municipality makes up a sufficiently large part of a merger coalition – and hence can politically control its merger partners in the future municipality.

What do these findings mean for hypothesis H_3 ? First, they suggest that there is not a straightforward compensation mechanism between relative wealth and relative size. Second, however, they shed light on the potential considerations voters make when voting in sovereignty referendums. It seems clear from these results that voters do not engage in a purely rational calculus. If this was the case, there should be a positive interaction effect between relative size and relative wealth when the latter is operationalized as a jurisdiction’s difference to the population-weighted coalition mean but not when it is operationalized as the difference to the coalition minimum. This quantity probably best reflects the wealth gains and losses that are to be expected from a merger. Based on the results for the coalition mean, H_3 thus not receive support.

Yet, in the case at hand, I still find that voters clearly compare benefits in political control to losses in relative wealth, but they compare their relative wealth to the jurisdiction that is the least well-off in the merger coalition. This suggests that the symbolic strength or the “signal” of the most extreme comparison point is more important for voters’ decisions in sovereignty referendums than purely rational calculus. The results for the coalition minimum comparison thus yield support for H_3 .

4.1 Robustness

To further assess the validity of these findings, I use two different operationalizations of the wealth indicator: i.) a municipality’s local tax rate, ii.) a municipality’s net debt per capita. For these two indicators, I equally calculate a jurisdiction’s difference to the coalition mean and to the coalition maximum to capture the difference to the least well-off municipality in the merger coalition. Unlike tax revenues, higher debt and higher tax rates are indicative of lower wealth, not higher wealth. While local tax rates are

not only measuring the economic well-being of a municipality, but also the preferences of local voters to some extent, I provide results for this measure for two reasons. First, tax rate differences are a very salient issue in Swiss municipal merger decisions (cf. Wicki et al. 2019, 146). Since local governments in Switzerland can set their own local tax rate, municipalities use local tax rates to compete for wealthy individuals and companies. Hence, “voting with one’s feet” is not uncommon among wealthy Swiss residents. Municipalities with lower tax rates thus generally have residents with higher income levels. Moreover, municipal mergers regularly get rejected at the ballot box, because voters of low-tax municipalities fear that they have to pay higher taxes after a merger – and hence might lose their high net-worth tax payers which would move to another, cheaper, municipality. To facilitate the comparison with the results above, in both cases, the differences are coded so that positive values represent higher relative wealth than the partners, i.e. an increase in the relative wealth variable should be associated with a decrease in support for a merger.

The results of these alternative wealth operationalizations can be found in Supplementary Materials B.1, and B.2. They corroborate the findings reported above. Throughout the different models, there is a negative effect of relative wealth on merger acceptance and percentage of yes votes. Moreover, the interaction effects exhibit the same pattern as in the main analysis: the interaction effects are clear and positive for the comparison of relative wealth to the poorest merger partner, whereas results are more mixed for the comparison to the population-weighted coalition mean. This corroborates the interpretation that voters base their decisions more on the symbolic force of a strong signal, i.e. the comparison with the most extreme comparison point, than on purely rational calculus, when voting in local sovereignty referendums.

In sum, I find strong support for hypotheses H_1 , that increases in relative jurisdiction size are positively related to support for territorial integration reforms. I also find rather clear support for hypothesis H_2 , that increases in relative wealth depress support for territorial consolidation. The findings for a compensation mechanism between gains in relative size and losses in relative wealth and vice versa are somewhat more mixed. Here,

I find robust evidence for the predicted positive interaction for the wealth difference to the poorest coalition member, but not for the difference to the coalition mean. This only partially supports hypothesis H_3 and suggests that voters do not engage in purely rational calculus when deciding in sovereignty referendums – even when looking at factors such as wealth, where one might expect such behavior. Rather, voters seem to attribute more importance to certain strong signals, such as the wealth of the poorest coalition member. This might of course be the result of successful campaigning by the opponents to merger propositions. A “loss of wealth” is a clear and simple message that can mobilize voters – especially when one can point to a ‘culprit’, namely a poor coalition member.

5 Conclusion

Which conditions lead political communities to support or oppose territorial reforms in sovereignty referendums? In this paper, I have demonstrated that communal heterogeneity – i.e. differences in communities’ attributes – does not necessarily hamper integration or staying united, because an unfavorable position on one attribute can be offset by a favorable position on another. Using data from local sovereignty referendums in Switzerland, I have shown that relatively wealthy and relatively small jurisdictions are more opposed to municipal mergers, but that the negative effect of higher wealth can be attenuated by a positive effect of larger relative size and vice versa. Yet, this applies only when a jurisdiction’s wealth is compared to the poorest jurisdiction in the merger coalition, not when it is compared to the population-weighted coalition mean.

This raises a question that concerns the mechanism behind this interaction. A clear limitation of this analysis is that it assesses correlations at the aggregate level only. We do not know how a certain collective of voters ends up behaving the way it does. Do voters follow local political elites’ cues about how to vote in merger referendums? Yet, then we would rather expect that the population-weighted coalition mean would be the decisive feature for the trade-off assessment, since we can expect political elites – who were usually involved in forging the merger coalitions in the first place – to engage in

somewhat more elaborate calculus. Are voters mobilized by merger opponents? Such groups might rely on more easily conveyable messages such as putting the blame to specific jurisdictions in a merger coalition as a reason against merging. Finally, it is of course also possible that voters are not influenced by incumbent nor opposing elites and make trade-off considerations for themselves. Future research should try to study these individual-level mechanisms and assess which of them are at play.

This paper also has implications for research on boundary reforms more generally. The distinction between non-directional and directional heterogeneity proposed in the introduction has proven useful. It allows for a refined assessment and theorizing of the role communal heterogeneity plays for boundary reforms. Future studies on the outcomes of sovereignty referendums could for example examine whether gains in political control can also mitigate the adverse effects of non-directional communal heterogeneity such as language and ethnicity. A testable hypothesis in this regard could be that political communities might be more willing to accept language or ethnic diversity, if they are the ones in control.¹³

Finally, this study also has implications for policy-makers that engage in boundary reforms. It points to possibilities for forging “win-win” coalitions between political communities that are supposed to be integrated. The analysis at the level of the merger coalitions suggests that voters are more likely to accept integrative boundary reforms when directional heterogeneity is high on two different attributes and this acceptance is even higher than when they are confronted with merger coalitions where heterogeneity is generally low.

13. A first preliminary test of this hypothesis for the case at hand – an interaction between relative size and political homogeneity (the difference in the vote share of certain parties to the coalition mean, see subsection 3.3) – did not yield any significant results, however.

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Supplementary Information

A Descriptive Statistics

Table SI.1: Descriptive Statistics

	N	Full		Acceptance		Rejection	
		Mean	SD	Mean	SD	Mean	SD
Merger Acceptance (=1)	1541	.85	.36	1	0	0	0
% Yes Votes	1439	71.16	20.03	77.39	14.12	37.72	12.56
log(Population)	1481	6.31	1.37	6.22	1.37	6.85	1.23
Size/Coalition Size	1481	.28	.27	.29	.28	.25	.21
Federal Tax Revenues/ Capita (1,000 CHF)	1078	.94	1.52	.87	.92	1.22	3.01
Δ Mean Tax Revenues/ Capita (1,000 CHF)	1078	-.19	1.63	-.25	1.73	.12	1.06
Δ Lowest Tax Revenues/ Capita (1,000 CHF)	1078	.37	1.39	.3	.68	.7	2.95
Tax Rate (% Cantonal Tax)	1497	117.06	44.56	116.14	42.91	122.12	52.56
Δ Mean Tax Rate	1458	-2.43	10.81	-3.16	10.43	1.64	11.98
Δ Highest Tax Rate	1497	8.28	11.8	7.25	10.55	13.99	16.02
Debt/Capita (1,000 CHF)	1288	1.09	7.52	1.02	7.78	1.48	5.83
Δ Mean Debt/Capita	1280	-.03	5.79	-.07	5.97	.2	4.67
Δ Highest Debt/Capita	1288	5.1	7.8	5.04	7.93	5.43	7.04
% Right-wing Populist	1400	28.86	14.34	28.82	14.7	29.07	12.18
Difference % Right-wing Populist	1392	5.27	6.27	5.44	6.58	4.34	4.05
% Social Democrats	1400	17.79	8.55	17.64	8.63	18.66	8.02
Difference % Social Democrats	1392	4.14	4.48	4.27	4.64	3.41	3.35
% Population Turnover	1481	14.26	5.71	14.22	5.96	14.45	4.06
Merger Decision Taken at Municipal Assembly (=1) Previous Merger	1461	.31	.46	.32	.47	.24	.43
None	1541	.83	.38	.81	.39	.91	.29
Failed	1541	.13	.33	.14	.35	.03	.18
Succeeded	1541	.05	.22	.05	.21	.06	.24
Municipality Type							
Centre	1476	.02	.15	.02	.15	.03	.17
Suburban	1476	.07	.25	.06	.23	.11	.32
High Income	1476	.01	.09	.01	.09	.01	.12
Periurban	1476	.13	.34	.12	.33	.17	.37
Touristic	1476	.06	.24	.06	.24	.06	.24
Industrial/Tertiary	1476	.13	.33	.13	.33	.13	.34
Rural Commuter	1476	.25	.43	.25	.43	.23	.42

Continued on next page

Table SI.1 – *Continued*

		Full			Acceptance		Rejection	
		N	Mean	SD	Mean	SD	Mean	SD
Time Period	Agrarian-Mixed	1476	.19	.39	.19	.39	.17	.38
	Agrarian	1476	.15	.35	.16	.36	.08	.27
	1999-2005	1541	.22	.42	.23	.42	.18	.38
	2006-2012	1541	.44	.5	.44	.5	.41	.49
	2013-2019	1541	.34	.47	.32	.47	.42	.49
Canton	AG	1541	.06	.23	.06	.23	.06	.24
	BE	1541	.11	.32	.11	.31	.16	.37
	FR	1541	.17	.37	.17	.38	.12	.33
	GR	1541	.12	.32	.13	.33	.06	.23
	JU	1541	.04	.21	.04	.19	.09	.29
	LU	1541	.04	.2	.04	.2	.05	.21
	NE	1541	.05	.21	.05	.22	.03	.17
	SG	1541	.02	.14	.02	.14	.02	.13
	SH	1541	.01	.1	.01	.1	.01	.09
	SO	1541	.03	.16	.02	.15	.05	.21
	TI	1541	.17	.38	.16	.37	.22	.41
	VD	1541	.12	.33	.12	.33	.1	.3
	VS	1541	.05	.21	.05	.22	.02	.13
	ZH	1541	.02	.13	.01	.12	.03	.17

B Robustness Checks

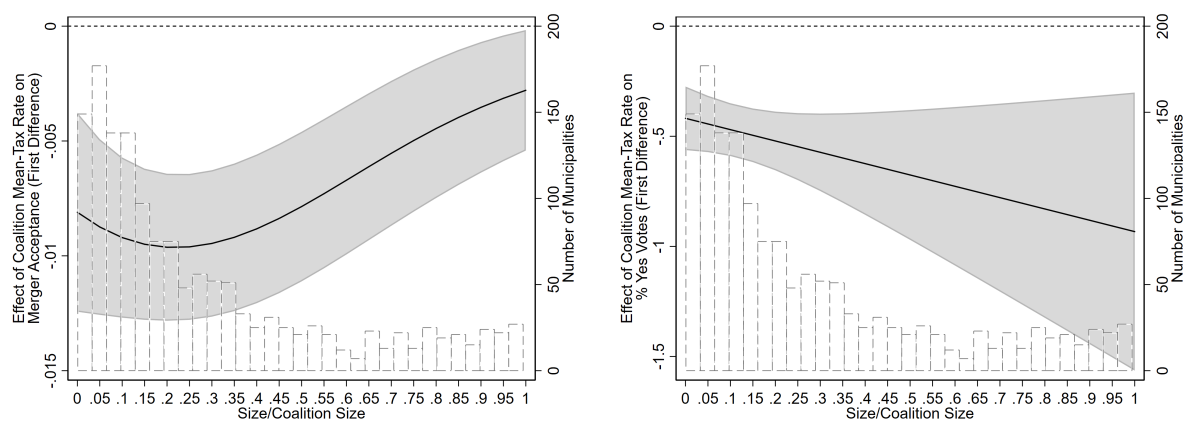
B.1 Alternative Wealth Measure I: Δ Tax Rate

Table SI.2: Tax Rate Difference

	Merger Acceptance		% Yes Votes	
	Mean	Highest	Mean	Highest
Size/Coalition Size	5.359*** (0.000)	3.662*** (0.000)	36.809*** (0.000)	26.577*** (0.000)
Δ Tax Rate	-0.053*** (0.000)	-0.068*** (0.000)	-0.418*** (0.000)	-0.529*** (0.000)
Size/Coalition Size $\times$ Δ Tax Rate	-0.150* (0.015)	0.048 ⁺ (0.055)	-0.515 (0.150)	0.474** (0.002)
N	1279	1279	1229	1229
F			17.56	16.99
LR χ^2	153.05	130.35		
p > χ^2	0.00	0.00	0.00	0.00
AIC	915	928	10435	10449
BIC	1100	1113	10624	10638

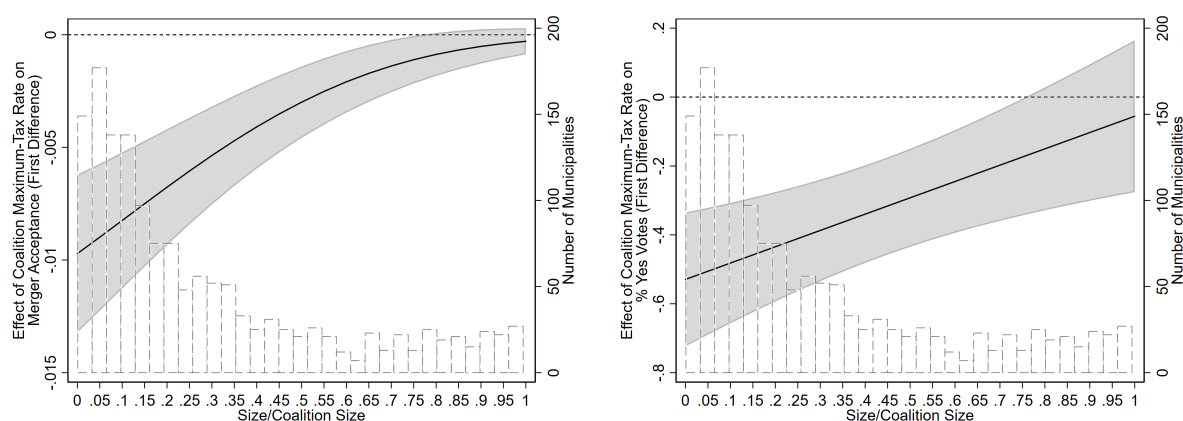
Note. ⁺p<.1 *p<.05 **p<.01 ***p<.001. Cell entries are unstandardized coefficients obtained through -logit- and -regress- command in Stata. p-values in parentheses. All models include control variables, canton, and time period fixed effects. Standard errors clustered by merger coalition.

Figure SI.1: Coalition Mean: Size/Coalition Size $\times \Delta$ Tax Rate
(a) Merger Acceptance **(b) % Yes Votes**



Note. Grey areas represent 95% confidence intervals.

Figure SI.2: Coalition Maximum: Size/Coalition Size $\times \Delta$ Tax Rate
(a) Merger Acceptance **(b) % Yes Votes**



Note. Grey areas represent 95% confidence intervals.

B.2 Alternative Wealth Measure II: Δ Debt/Capita

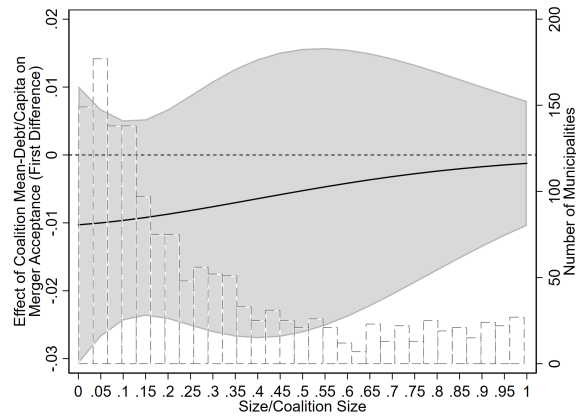
Table SI.3: Debt/Capita Differences

	Merger Acceptance		% Yes Votes	
	Mean	Highest	Mean	Highest
Size/Coalition Size	4.026*** (0.000)	3.629*** (0.000)	28.791*** (0.000)	26.741*** (0.000)
Δ Debt/Capita (1,000 CHF)	-0.070 (0.299)	-0.049 ⁺ (0.078)	-0.478* (0.042)	-0.298 ⁺ (0.095)
Size/Coalition Size $\times$ Δ Debt/Capita (1,000 CHF)	-0.012 (0.974)	0.105 ⁺ (0.073)	0.605 (0.537)	0.629* (0.047)
N	1160	1160	1120	1120
F			11.43	11.04
LR χ^2	112.03	118.93		
$p > \chi^2$	0.00	0.00	0.00	0.00
AIC	895	891	9646	9644
BIC	1072	1068	9826	9825

Note. ⁺ $p < .1$ * $p < .05$ ** $p < .01$ *** $p < .001$. Cell entries are unstandardized coefficients obtained through -logit- and -regress- command in Stata. p-values in parentheses. All models include control variables, canton, and time period fixed effects. Standard errors clustered by merger coalition.

Figure SI.3: Coalition Mean: Size/Coalition Size $\times$ Δ Debt/Capita

(a) Merger Acceptance



(b) % Yes Votes

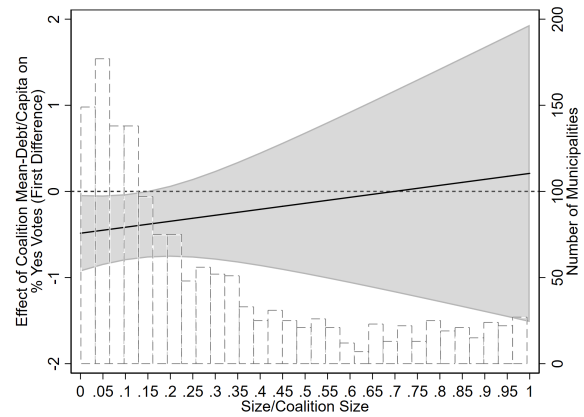


Figure SI.4: Coalition Maximum: $\text{Size}/\text{Coalition Size} \times \Delta \text{Debt}/\text{Capita}$
(a) Merger Acceptance **(b)** % Yes Votes

