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Effects of the Political Configuration of Local Governments on Subjective Well-Being

Abstract

Determining what makes a person happy is an extremely complicated task. The objective of this paper is to explore the effects of the composition and orientation of governance bodies in municipalities on individual subjective well-being. We connect the data from a large Spanish welfare survey to municipal data covering the aforementioned dimensions of political configuration. Unlike previous country-level studies, we find no significant effects of political orientation when applied to municipal data. In contrast, political alternation emerges as a relevant driver of SWB, especially when corrupt local governments are replaced. Furthermore, the fragmentation in the Spanish political landscape after the 2015 elections improved the level of political competition, which, in turn, exerted a positive effect on SWB.

Keywords: Good governance, Subjective well-being, Political competition, Local government, Spain

JEL Codes: H75, M41, I31, I38

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1. INTRODUCTION

Determining what makes a person happy is an extremely complicated task. Different people, even within the same cultural environment, react differently to similar living experiences. Happiness is a subjective feeling and, therefore, not completely determined by objective circumstances of life. However, the literature has consistently pointed to some regularities associated to genetic and environmental factors. As for genetic conditionings, we still have a long way to go in order to establish which genetic variants are associated to happiness

(Bouchard et al. 1990; Lykken and Telleguen, 1996; Okbay et al., 2016). In contrast, the identification of the environmental drivers of Subjective Well Being (SWB) is more advanced. These factors include socio-demographic, economic, and quality of life variables (Somarriba and Zarzosa, 2019; Arrondo et al., 2020). It must be noted that contextual factors are not completely exogenous, since many of them are affected by political choice. Indeed, with the turn of the century, the focus of policy-making shifted from material to social progress, i.e. from economic achievement to well-being attainment (Stiglitz et al, 2009; Atkinson and Joyce, 2011).

Within this framework, a legitimate goal of research on public administration is to examine which governance practices have higher impact on well-being (Altman et al., 2017). Academic efforts have focused on two different areas of governance: 1) Good governance (i.e., the quality of governance), and 2) Government configuration (including political orientation and government structure). Not surprisingly, research conducted at the national level of analysis has succeeded in establishing the positive effects of good governance on well-being (Kaufmann et al., 1999; Helliwell and Huang, 2008; Holmberg et al., 2009; Ott, 2010; Samani and Holmberg, 2010; Helliwell et al., 2014; Jakubow, 2014; Almatarneh and Emeagwali, 2019). Unfortunately, the within-country effects of good governance have received much less attention and usually do not zoom below the regional (state) level of analysis (Charron et al., 2015; Ferrara and Nisticò, 2019). This is particularly worrying, since the municipal level of analysis has been recognized as critical in driving social welfare (González et al., 2018; Goerlich and Reig, 2021). Only a few studies have made efforts to explore this sublevel of analysis in some depth (Cárcaba et al., 2017; Cárcaba et al., 2022). Regarding the second branch of research, the effects of the political configuration, studies have focused mainly on the protection that governments provide from market forces, which is known as government size or political orientation. The evidence at the national level of analysis points to a positive effect of government size on welfare in occidental countries (Álvarez-Díez et al., 2010; Ott 2010; Pacek et al., 2019), although the evidence is not totally conclusive (Kim and Kim, 2012). Again, due to data limitations, the bulk of research has concentrated on the national level of analysis, overlooking the local level.

Our aim in this paper is to contribute to this latter line of research by widening the lens of analysis to the local government level. We have already explored the effects of good local government on SWB in a previous research (Cárcaba et al., 2022). There we found that the quality of management and the absence of corruption both had positive effects on SWB. These results are similar to those reported in the literature at the national level of analysis. Surprisingly, though, we were not able to find a significant effect of transparency on well-being. In this paper, we have collected new data about political configuration of local governments in order to incorporate these potential drivers into the SWB model developed in Cárcaba et al. (2022). To the best of our knowledge, this is the first paper that attempts to explore this particular issue in local governments. Therefore, the results reported here may lay the first stone on this branch of the literature. The main problem in zooming to the municipal level is data availability. Our research team made a considerable effort in obtaining municipal data that can be used to econometrically test the effects of political configuration variables on individual SWB.

Our data set refers to Spanish municipalities. Spain is politically divided into seventeen broad regions, named Autonomous Communities (ACs). Most ACs then divide into a varying number of provinces, although a few of them are composed of just one single province (e.g., Madrid). Provinces, in turn, are subdivided into a large number of municipalities, which constitute the lowest level of the public administration. Different public competences are allocated across these political levels. While ACs concentrate important competences in areas of especial

relevance to quality of life, such as education or health, municipalities are critical in providing basic public services such as water supply, nurseries, safety, traffic organization, transportation, cultural promotion, protection of the environment, etc.

Our goal here is to explore the influence of the configuration of the political structure governing the different municipalities over the subjective well-being of their citizens. The variables studied refer to the political orientation of the government team, the level of political competition in the city halls and political alternation. We do this after controlling for the effects of the more traditional variables of good municipal governance, as developed in our previous research (Arrondo et al., 2020; Cárcaba et al., 2022). To these models, we add several indicators about the structure of the municipal government, which is the focus of this paper.

The paper is structured as follows. Section 2 reviews the literature on public governance and well-being and presents our theoretical model. The data and methodology are presented in Section 3. In turn, Section 4 contains the main results derived from the empirical model. Concluding remarks and proposals for future research are provided in a final section.

2. POLITICAL CONFIGURATION OF LOCAL GOVERNANCE AND WELL-BEING

As noted in the introduction, the literature that examines the effects of governance on SWB at the national level has stressed the favourable effects of government size (Alvarez et al., 2010) and those of the quality of governance (Ott, 2010). We take this as the starting point for our analysis of the potential effects of the political configuration of governments. While size is relatively easy to measure, quality is more problematic. A commonly accepted approximation is the World Bank Worldwide Governance Indicators (WGI) Project (Kraay et al., 2010). In order to apply this framework to the municipal level of analysis, Cárcaba et al. (2022) proposed a simplified adaptation of these indicators, which includes three elements: accountability, government effectiveness, and control of corruption. The relevance of these domains is supported by published evidence, which suggests that government effectiveness improves quality of life conditions in municipalities (Cárcaba et al., 2017; Malinowski and Smoluk-Sikorska, 2020), reduces well-being inequalities (Ferrara and Nisticò, 2019), and contributes to overall subjective well-being (Cárcaba et al., 2022). The evidence about accountability and control of corruption is not equally conclusive and is still scant. Cárcaba et al. (2017) found no effect of local government transparency (accountability) on municipal quality of life in Spain. The same finding was confirmed by Batista et al. (2020) for Brazil. As for corruption, Ferrara and Nistic (2019) reported a negative impact of corruption on well-being inequalities in Italy. In turn, Cárcaba et al. (2022) found a negative deferred impact of corruption on life satisfaction in Spanish municipalities.

The focus of this paper is on the effects of government configuration on SWB. These effects have not been researched in depth within existing literature. We use the term “political configuration” to refer to the set of variables that distinguish the nature and structure of *comparable* government bodies. Municipalities within a country are comparable government bodies, since all of them share the same basic political framework. Many variables may distinguish these political configurations. From these, we will concentrate on three dimensions we consider especially relevant in the municipal level of analysis: political orientation, political competition and political alternation.

The first dimension, the political orientation, has been subject of great interest at the national level of analysis. The importance of the welfare state is often measured by public social spending, the size of the public workforce or the colour of the party in the government. At the country level, Veenhoven (2000) was surprised at finding no effect of the size of the welfare state on well-being. However, Radcliff (2001) reported that life satisfaction is positively affected by the development of the welfare state and by the presence of social democratic parties in the government. We can find examples of papers reporting no effects of social spending on well-being (Bjornskov, Dreher, and Fischer, 2007) and others that report large positive effects (Álvarez et al., 2010; Pacek et al., 2019). Radcliff (2001; 2013) provides strong evidence of higher levels of happiness in countries with progressive public policies. Extending these effects at the local level of analysis is not straightforward. We could expect that those municipalities governed by progressive political forces (as opposed to conservative forces) would show higher levels of wellbeing. However, many of the policies that are related to the welfare state are decided and implemented at higher administrative levels (in the case of Spain the Autonomous Community and the Central Administration of the Country).

The second, and largely unexplored, potential driver of wellbeing is political or electoral competition. While the lack of competition (large majorities) may reflect higher consensus of the population about the policies to implement, it is also a signal of potential problems for effective control. In other words, when political competition is low, politicians may focus on particular interests without putting re-election at risk. When the political landscape is more fragmented, opposition is stronger and this reinforces the role of negotiation, consensus and control. There is always a threat of removal from office that acts as an electoral constraint on policy making (Skilling and Zeckhauser, 2002). This, in turn, may benefit a greater majority of the citizens. Smith and Fridkin (2008) showed that interparty competition increases the attention paid by governments to the demands of the citizens and Prado-Lorenzo et al. (2012) show that it favours sustainability. Ashworth et al. (2014) found that political competition in local governments significantly increases the efficiency in providing public goods from public spending. Therefore, we can expect that political competition will act to moderate political opportunism and, therefore, improve the well-being of the citizens.

The third factor, political alternation, is closely related to political competition. The possibility of alternation is indeed absent if political competition is low. Since the potential positive effects of political competition are based primarily on the threat of removal, it is reasonable to expect that removal may be associated to equally positive effects. Alternation can be seen as a dynamic form of political competition. Governments with strong majorities and long periods exercising power may become less responsive to citizen demands. Competition, both real time political competition, with a fragmented parliament, and dynamic, through real possibilities of alternation, may moderate these negative trends and stimulate responsiveness to constituents. Horowitz et al. (2009) distinguish between two types of alternation: leadership turnover (change in the rulers) and ideological alternation (change in the ruler's ideology). Our empirical application will explore the effects of both types of alternation. There is some evidence that alternation has a positive effect on well-being. Carbone and Pellegata (2017) explored alternation in Sub-Saharian countries, finding a positive impact on social welfare.

To sum up, we will focus on three variables that delineate the political configuration of the local government: the political orientation (PO), the level of political competition (PC) and political alternation (PA), both in leadership or ideology. Our model will also control for well-known socio-demographic and quality of life variables and for the good governance indicators

developed in past research: accountability (AC), government effectiveness (GE) and control of corruption (CC).

3. DATA AND METHODS

3.1. Subjective Well-Being and personal characteristics

We use a large survey about living conditions in Spain, elaborated by the Spanish National Statistics Office (INE), which covers around 35000 individuals annually. Quality of life and SWB data were included in a special module included only in the 2013 and 2018 editions of this survey. We will use 2013 as the base period for the analysis and 2018 to test for the existence of dynamic effects of governance on well-being. Local governments' data refer to municipalities with more than 20000 citizens. This reduces the sample of individuals to 10860 in 2013 and 11039 in 2018. These individuals are not the same across years, and therefore we do not have a panel of data[1].

The dependent variable (SWB) is the classic satisfaction with life scale, which ranges from 0 (not satisfied at all) to 10 (completely satisfied). We must take into account that the living conditions of the individual are critical drivers of life satisfaction. In previous studies, we examined these drivers in full detail (Arrondo et al., 2020), and concluded that four dimensions capture the largest variation in individual levels of SWB: Income and wealth, Housing, Health status, and Social connections. For this reason, we include here these four variables as individual drivers of SWB[2]:

Material Conditions:

- Income and wealth (IW): annual disposable income
- Housing (H): estimated value of the dwelling relative to the cost of living

Quality of Life:

- Health status (HS): perception of own health (0-10 scale)
- Social connections (SC): satisfaction with personal relations (0-10 scale)

Additionally, the literature strongly points to a number of relevant socio-demographic variables we need to control in our empirical model:

Socio-demographic:

- Gender (G): 0-men, 1-women
- Age (A): in years
- Cohabiting (CH): 0-single, 1-married or cohabiting
- Immigrant (I): 0-Spanish, 1-foreign

3.2. Good Local Governance

For reasons of data availability, our sample of municipalities includes only those with population over 20000, a total of 394 cities[3]. Although there are more than 8000 municipalities in Spain,

our sample covers about three quarters of the total Spanish population, which can be considered as sufficiently representative. A large volume of data was collected in order to approximate the three dimensions of good governance indicated in Section 2. We briefly explain these indicators in the following lines. For complete details, see Cárcaba et al. (2022).

Accountability (AC)

Since accountability is closely related to transparency (Kim et al., 2005; Bahur and Grimes, 2014), we employ an index of local government online transparency. For this purpose, we rely on the Dynamic Transparency Index, elaborated by DYNTRA, which evaluates whether a number of information items are readily available in the municipal website. The information refers to institutional transparency (government team, municipal laws, organizational structure, planning and heritage), participation, and civic engagement, financial transparency, service provision and contracting, town planning and open data. All these dimensions are aligned with Meijer's et al. (2018) concept of administrative transparency, which relates to quality decision making and, therefore, to good governance. Unfortunately, the information needed to evaluate all these items was not available in the DYNTRA database for all the municipalities of our sample. We gathered the remaining data by individual exploration of each of their websites.

Government Effectiveness (GE)

This indicator measures how good the government is in mobilizing resources and using those resources for covering the needs of the citizenship. In order to construct this indicator, we collected a large amount of raw financial data for each municipality in the sample. The data came from different sources, such as the website *Rendición de Cuentas*[4], the Spanish Ministry of Finance (*Ministerio de Hacienda),* and the *Spanish Statistical Office* (INE). Additionally, some data were kindly provided by the local authorities, upon request from the authors. With all this information, we elaborated 16 partial indicators of government effectiveness and, then, a composite global indicator was constructed (see Cárcaba et al. (2022) for details).

Control of Corruption (CC)

While there are indexes of perceived corruption readily available for cross-country studies (e.g., the Corruption Perception Index), there is nothing similar for the local level of the administration in Spain. Our approach was to examine, one by one, all the public information available about "confirmed" cases of corruption in the municipalities of our sample. Under this methodology, it would be risky to assess the relative importance of each case, since that would require quantitative information that is only available for very few cases. Instead, we preferred to register the cases with a dummy variable taking the value 0 when at least 1 member of the government team was legally found guilty in a case of corruption during the period 2008-2013 (the period previous to our base year). In any other case, we considered that the policies to monitor and control corruption were effective, and the variable CC was assigned a value of 1.

3.3. Political Configuration of the Local Government

Our model is completed with four dimensions related to the political configuration of the local government. Specifically, we included variables representing the political orientation, competition, and alternation in the government team.

Political Orientation (PO)

The political spectrum in Spain, which is similar to most occidental democracies, is dominated by two major ideological positions. We can refer to them as left/right, progressive/conservative, or social/liberal. Left parties advocate for a strong presence of the public administration in providing public services (such as education, health, social services, etc.), while parties on the right emphasize the free functioning of the market economy, advocating for containment in public spending. The leading left party in Spain is Partido Socialista Obrero Español (PSOE) and the leading right party is Partido Popular (PP). However, there are many other important players in the political landscape. To the left of PSOE, we find Unidas Podemos (UP), Izquierda Unida (IU), and some leftist regionalist parties, such as Bildu (Basque Country) and Esquerra Republicana (Catalonia). In the right side of the spectrum, we find Ciudadanos (Cs), the extreme right Vox, and some regionalist parties such as PNV (Basque Country) and JxCat (Catalonia). Of course, there are all sorts of nuances across them regarding social issues. In this study, we approximate the political orientation of the local government with a dummy variable that takes the value 0 for right parties and 1 for left parties.

Political Competition (PC)

This variable aims at measuring the political pressure that the government team of the municipality has to face during the exercise of power. Large majorities imply an easier governing, but may lead governments to pay less attention to the demands of the citizenship. A strong opposition may exert effective pressure on governments, just as market competition puts pressure on firms, which, in turn, fosters efficiency. In order to approximate this variable, we computed the degree of concentration of the vote with the Herfindahl-Hirschman Index (HHI), an index extensively employed in the measurement of market concentration. This index is defined as the sum of vote share squares of the political parties operating in the municipality. The index takes values between 0 (complete fragmentation of votes across many political parties) and 1 (a single party concentrates 100% of votes). Since this is an index of political concentration, we take the inverse 1-HHI as an index of political competition (PC). High values reflect a large number of political parties and an even distribution of votes across them.

Political Alternation (PA)

Political competition is an important pressure on governments that helps maintaining them close to the demands of the citizenship. However, if competition for votes results ineffective in changing the colour of the government, those pressures may falter and end up being equally ineffective. The perception of a real threat of replacement may be more effective than the political control and pressure exerted from the opposition. In order to measure this effect, we included a variable of political alternation, as a dummy variable indicating if the political party leading the government in 2018 (i.e., after the elections of 2015) was the same one as in 2013 (value 0) or had changed (value 1). This variable would approximate the Horowitz et al. (2009) concept of leadership turnover. In the case of alternation, we also registered information about the direction of the change (ideological turnover), with value 0 if the new government is located on the same side of the spectrum and 1 if it moved to the opposite side. It can be interesting to test whether the effect of political alternation increases in the case of replacing corrupt governments. There is some evidence that alternation can constrain corruption at the country

(Pellegata, 2010) and region levels (Soto Zazueta and Cortez, 2015). To our knowledge, however, there is no past evidence of the interaction between alternation and corruption on welfare. Our expectation is that corruption may indeed enhance the effects of alternation.

4. **RESULTS**

A brief description of the data is displayed in Table 1. As we can observe, both genders are almost equally represented in the sample, with the age of the average individual around 44. The representation of immigrants varies from 10% in 2013 to 14% in 2018, and about 60% of the individuals share their lives with some partner. The average levels of SWB increased from 6.97 in 2013 to 7.43 in 2018, a result that may reflect the fast recovery of the Spanish economy during the period examined. Looking inside the Material Conditions we can confirm this conclusion, since average income and wealth improved from 37.86 to 41.25, respectively (deflated data expressed in € thousands). In contrast, the housing variable remained unchanged. The Quality of Life variables (social connections and health status) obtain good evaluations, especially in 2018, confirming the positive trend observed in material conditions.

The variables of Good Governance were only observed for 2013. Accountability average levels are high at around 0.6 and average government effectiveness is around 0.5 (these variables vary between a minimum of 0 and a maximum of 1). Control of corruption has an average of 0.52, which is a big concern, since it means that 48% of municipalities in the sample were exposed to confirmed cases of corruption in the years before 2013. The Political Configuration variables reveal very interesting figures. First, the number of municipalities governed by left parties increased from 0.21 in 2013 to 0.64 in 2018 (political orientation variable). This implies large-scale changes in the 2015 election. The political alternation variable confirms this view, since 58% of municipalities removed the party at government. The replacement took the left direction massively, being this the case for 50% of the municipalities that removed the previous governing party. Only 3% changed from left to right, while the remaining 47% replaced the government with a different party within the same political orientation. Another noteworthy fact is the increase in political competition from 0.68 to 0.77. This is mainly due to the strong irruption of two parties (Podemos, to the left of PSOE; Cs close to PP positions) which had very good results in these elections. It is often said that these new political parties ended with the bipartisanship prevalent in Spain since the start of the democratic period[5]. Political competition implies fragmentation and, consequently, deep changes in local governments.

Table 1. Descriptive statistics*

Variable	Average 2013	Average 2018	Min	Max
SWB				

Satisfaction with life	6.97 (1.98)	7.43 (1.75)	0	10
Socio-demographic				
Age	43.14 (13.06)	44.27 (13.28)	18	65
Immigrant	0.10 (0.30)	0.14 (0.34)	0	1
Gender (female)	0.52 (0.49)	0.51 (0.49)	0	1
Cohabiting	0.62 (0.48)	0.60 (0.49)	0	1
Material conditions				
Income and wealth	37.86 (24.34)	41.25 (26.60)	0	314.63
Housing	0.78 (0.43)	0.77 (0.48)	0.035	6.25
Quality of Life				
Health status	7.39 (1.94)	7.56 (1.95)	0	10
Social connections	7.81 (1.70)	8.26 (1.47)	0	10
Good Governance				
Accountability	0.59 (0.22)	-	0.02	0.93
Government efficiency	0.51 (0.29)	-	0	1
Control of corruption	0.52 (0.40)	-	0	1
Gov. Configuration				
Pol. Orientation	0.21 (0.41)	0.64 (0.48)	0	1
Pol. Competition	0.68 (0.07)	0.77 (0.06)	0	1
Pol. Alternation	-	0.58 (0.49)	0	1
Left to right	-	0.03	0	1
Rigt to left	-	0.50	0	1
Same orientation	-	0.47	0	1
N	10860	11039		

* Standard deviations in brackets.

In order to estimate the empirical model proposed above, we used first the data of 2013. It must be noted that, given the structure of the data, the individuals in the sample are not independent and identically distributed. It is often the case that several individuals from the same household will enter the sample. For this reason, a clustered error regression model, in which the households are the clusters, was employed for consistent estimation. The results, shown in Table 2, are in line with the expectations, regarding sociodemographic, material conditions and quality of life variables. The quadratic U-shaped effect of ageing on SWB, documented extensively in the literature (Clark and Oswald, 1994; Ferrer-i-Carbonell and Gowdy, 2007; Blanchflower and Oswald, 2008; Sujarwoto et al., 2018) is also found in our dataset. We also

confirm the lower SWB levels of immigrants, as reported in Shen and Takeuchi (2001), Vieno et al. (2009) or Safi (2010). In accordance with Zweig (2015), women score higher in SWB and, as shown previously by Argyle and Furnham (1983) and Brown (2000), cohabitation brings a SWB premium.

Material conditions and quality of life variables also have the expected signs and all of them are statistically significant drivers of SWB. Interestingly, the QoL variables present the highest Beta coefficients. From this, we can conclude that they exert a larger effect on perceived SWB than material conditions. The beta coefficient of social connections is especially large, doubling the coefficient of health and tripling the one of income and wealth.

Table 2. Drivers of Subjective Well-Being (2013)

	Coefficient	Beta	t-test
Intercept	1.70		(6.0)***
Socio-demographic			
Age	-0.048	-0.320	(-5.7)***
Age^2	0.001	0.255	(4.6)***
Immigrant	-0.222	-0.034	(-3.2)***
Gender (female)	0.119	0.030	(4.2)***
Cohabiting	0.465	0.114	(10.3)***
Material conditions			
Income and wealth	0.011	0.138	(14.2)***
Housing	0.257	0.021	(2.3)**
Quality of Life			
Health status	0.224	0.219	(19.9)***
Social connections	0.467	0.400	(36.2)***
Good Governance			
Accountability	0.034	0.004	(0.3)
Government efficiency	0.191	0.029	(2.7)***
Control of corruption	0.056	0.014	(1.3)
Gov. Configuration			
Pol. orientation	-0.067	-0.013	(-1.3)
Pol. competition	0.030	0.003	(0.1)
R^2	0.315		

*Significance level 0.1 ; ** Significance level 0.05 ; ***Significance level 0.01

The interest of this paper, however, is not on the sociodemographic, material conditions or quality of life variables. Our concern is with the effects of good governance and, especially, with the political configuration of the local governments. It is no surprise to find that government

effectiveness has a large positive impact on SWB levels. Well-managed cities are able to make their citizenship happier. In contrast, accountability does not produce a statistically significant effect. This result contrasts with the insistence of academics, politicians, and the media in the need of fostering transparency in public government. Disappointingly, the effects of corruption are equally insignificant. Corruption cases seem to leave the perception of SWB unaffected in the short run. As pointed by Cárcaba et al. (2022), there may be several explanations for this counterintuitive result. First, it may sometimes be the case that there are perceived links between municipal corruption and economic growth, not because corruption creates growth, but because economic growth opens opportunities for corrupt officers' misbehaviour. Second, the effects of corruption on SWB may need some time to unfold and, therefore, affect future SWB levels. Finally, the results regarding the political configuration of governments is equally elusive. None of the variables included in the model exerts a significant effect on SWB.

In order to re-examine these results and to introduce dynamic effects in the model, we repeated the analysis using the 2018 SWB data. This allows testing the existence of lagged effects on SWB and also the impact of political alternation, since the municipal elections of 2015 brought important changes in the local governments landscape, as shown above. Table 3 contains the results. Three models are included in the table. While Model 1 contains the main variables of interest, Models 2 and 3 include additional variables related to the specific circumstances of alternation in local governments. Particularly, we explore whether there is an interaction between alternation and corruption, or whether the political orientation of alternation (to the left or to the right) has any additional effect. As previously discussed, we expect a positive effect of the interaction between corruption and alternation, since this would indicate that there is more gain in replacing a corrupt government. With respect to the main variables of interest, there are no important differences in sign or significance between the three models.

Table 3. Drivers of Subjective Well-Being (2018)

	Model 1			Model 2			Model 3		
	Coeff.	Beta	t-test	Coeff.	Beta	t-test	Coeff.	Beta	t-test
Intercept	1.26		3.8***	1.32		4.0***	1.31		4.0***
Socio-demographic									
Age	-0.044	-0.333	-5.7***	-0.044	-0.334	-5.7***	-0.044	-0.334	-5.7***
Age^2	0.001	0.278	4.9***	0.001	0.276	4.8***	0.001	0.276	4.8***
Immigrant	0.030	0.005	0.6	0.033	0.005	0.6	0.030	0.005	0.6
Gender	0.023	0.006	0.9	0.022	0.005	0.9	0.022	0.005	0.9
Cohabiting	0.489	0.137	12.0***	0.487	0.136	12.0***	0.487	0.136	12.0***
Material conditions									

Income and wealth	0.009	0.135	12.0***	0.009	0.135	12.1***	0.009	0.135	12.0***
Housing	0.163	0.018	1.7*	0.172	0.021	1.8*	0.171	0.021	1.8*
Quality of Life									
Health status	0.248	0.276	23.6***	0.248	0.276	23.6***	0.248	0.276	23.6***
Social connections	0.445	0.374	33.9***	0.445	0.375	34.0***	0.445	0.375	34.0***
Good Local Governance									
Accountability	0.005	0.005	0.6	-0.002	-0.001	-0.03	-0.012	-0.003	-0.2
Government efficiency	0.116	0.019	1.9**	0.121	0.019	1.9**	0.129	0.020	1.9**
Control of corruption	0.120	0.37	2.3**	0.145	0.045	2.7***	0.168	0.049	3.1***
Gov. Configuration									
Pol. orientation	-0.072	-0.018	-1.6	-0.088	-0.023	-1.6	-0.081	-0.021	-1.5
Pol. competition	1.17	0.038	3.5***	1.13	0.035	3.3***	1.16	0.037	3.4***
Pol. alternation	0.171	0.049	2.2**	0.289	0.068	2.5**	0.219	0.062	1.9**
Alternation*corruption	-	-	-	-	-	-	0.131	0.034	1.8*
Alternation to the left	-	-	-	-0.163	-0.054	-1.4	-0.158	-0.049	-1.3
Alternation to the right	-	-	-	-0.411	-0.039	-3.1***	-0.389	-0.038	-2.9***
R^2	0.336			0.337			0.338		

As compared with Table 1 results, the effects of the sociodemographic variables remain unchanged, but the coefficients of immigrants and gender lost the statistical significance. Material conditions and quality of life variables remain positive and significant in the 2018 model. The only important variation is the notable increase in the beta coefficient of health. Regarding the variables of good governance, we must stress that they enter this model with a time lag, since they refer to 2013. Accountability is still insignificant as a driver of SWB. This is the only variable that changes sign between Model 1 and Models 2 and 3, but it remains statistically insignificant, so we cannot reject the hypothesis of a null effect on SWB. Government effectiveness maintains its positive and significant effect, although the beta coefficient is slightly lower than in the previous estimation for 2013. It is interesting that effective management still exerts a positive effect on SWB 5 years after. However, the most notable difference with the results of 2013 is the high and significant effect of corruption. We interpret this result as confirming the hypothesis that the effects of corruption on the individual perception of SWB are not immediate. It takes some time to realize that corruption practices of the past have an effect in the present. An effect that may imply worse public services, higher taxes, financial pressures, etc. In other words, past corruption does not affect past SWB but significantly worsens today's SWB.

The table also shows very important findings regarding the political configuration of the local governments. The political orientation of the party that configures the government has a negative effect, although it is insignificant. Therefore, unlike existing evidence at the country level, we cannot conclude that any particular political orientation generates a higher perception of SWB at the municipal level. This does not exclude the possibility that different orientations may have other effects on material conditions or quality of life variables and, therefore, indirectly on SWB. Contrasting with the results reported for 2013, political competition appears as a very significant variable in 2018. As discussed above, after the elections of 2015 the political

landscape in Spain changed dramatically, from a scenario of bipartisanship to a new one of high fragmentation. Of course, the change did not affect equally all the territories or municipalities. Our results point to the idea that those local governments in which political competition increased more obtained benefits in terms of perceived SWB. Taken together, these results point to the importance of political competition after a certain threshold of this variable is attained. When vote is highly concentrated (bipartisanship), small differences in political competition do not alter the action of government. In contrast, when vote is more fragmented, political competition trespasses this threshold and exerts a positive effect on governance and on SWB.

Consistent with this explanation, our results show a direct positive and significant effect of political alternation on SWB. In Models 2 and 3 we added some variables that capture the circumstances in which alternation takes place. In Model 2 we examine whether the direction of political alternation is relevant or not. We find that when alternation is from right to left parties, the effect on SWB is negative but insignificant in statistical terms. In contrast, if the movement is from left to right parties (a very infrequent movement in 2015, as shown in Table 1), then the effect is equally negative but significant. Model 3 adds the interaction between corruption and alternation. In line with our expectations, if alternation occurs in a municipality with a past record of political corruption, then the effect of alternation is larger (about 50% larger). Taken together, these results imply that alternation is good, and is even better (more necessary) when the previous government was involved in corrupt practices. Our results also confirm that the citizens are more satisfied when they replace the previous government with another one that shares the same political orientation (especially in those municipalities previously governed by left parties).

5. CONCLUDING REMARKS

The first two decades of this century have seen an increase in the interest of academic research on the elements that drive individual SWB. Many factors have been identified at the individual level, such as health status (Ngamaba et al., 2017), trustworthiness in state agencies (Mueller, 2009), social connections (Arrondo et al., 2021), or income and wealth (Plouffe and Tremblay, 2017). At the country level, SWB has been found to be related to economic development (Bjørnskov, 2003), democracy (Inglehart and Klingemann, 2000), institutional quality (Bennett et al., 2016), unemployment (Gallie and Russell, 1998), or life expectancy (Veenhoven, 1996). Lower attention has been paid to intermediate levels of analysis, such as regional or municipal. By zooming the lens to the municipal level, Cárcaba et al. (2022) found that good governance had a significant impact on individual SWB levels. In this paper, we have enlarged the dataset used by Cárcaba et al. (2022) to allow for an exploration of the effects of the political configuration of local governments.

While good municipal governance refers to the combination of accountability, government effectiveness, and control of corruption, its political configuration refers to the way in which the government bodies are structured. In this paper, we looked at three dimensions of the political configuration: 1) the political orientation of the governing party, 2) the degree of political competition among parties, and 3) the likelihood of political alternation. Measuring these dimensions required hard fieldwork, since there is no public database containing information on these aspects at the municipal level in Spain.

The empirical model confirms the well-known effects of variables such as ageing, cohabitation, social connections, health, housing, and income and wealth on individual SWB. Regarding, good governance, the results point to an important positive effect of government effectiveness and a deferred negative effect of corruption on perceived levels of SWB. In contrast, no significant effect was found for accountability.

As for the political configuration of local governments, we report several interesting findings. First, there is no significant effect of the political orientation of the local government. This result contrasts sharply with some findings in the literature that has studied this relationship at the country level. Although the literature is not conclusive, most papers point to the existence of a positive relationship between left parties in government and well-being (Pacek et al., 2019). The theoretical argument behind this connection is the intensity with which left parties promote social spending, creating a stronger welfare state (health, education, pension system) and protecting citizens from negative externalities of market economies, such as unemployment (Okulicz-Kozaryn et al., 2014). A plausible explanation for the absence of an effect of political orientation in our paper is that the previous arguments apply more intensely at the country and regional levels. In contrast, the responsibility of local governments in deciding the "size" of the welfare state is minimum. Indeed, in Spain, public health coverage and public education are regional responsibilities, coordinated at the national level. The public pension system and unemployment protection are also nationally established. The effect of local governments on welfare is more linked to the quality of public management (i.e., efficient provision of local public services), rather than with ambitious expansions of the welfare state.

This explanation is consistent with the finding of positive effects of political competition and political alternation. Political competition comes from political fragmentation and operates in the opposite direction of monolithic governments with large majorities. Without the pressure of a strong opposition, it would be natural for such governments to slack off. However, this positive incentive can be reinforced with the real threat of political alternation, which, in turn, may bring fresh air and put more pressure on ineffective incumbent governments. We find that alternation is more effective when replacing corrupt governments, which makes a lot of sense. Interestingly, we also find that alternation is more effective (in terms of well-being) when the new government has the same political orientation of the government replaced.

We must clarify, that our analysis of the effects of governance on SWB kept material conditions and quality of life variables controlled for the individual. In other words, the effects are estimated *ceteris paribus* the levels of income and health of the individual. It is clear that public policy may also have some effects on these variables, effects that this paper has overlooked. Future research should make an effort in exploring the effects of local governance on material conditions and quality of life variables and, therefore, indirectly on SWB. This indirect connection would be consistent with Veenhoven's (2008) livability theory, which prescribes that improvements in living conditions lead to greater well-being.

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[1] The survey is conducted on an annual basis, and 25% of the individuals in the sample are replaced with new respondents every year. Therefore, every 4 years the sample is completely renewed.

[2] The material conditions variables (income and wealth and housing) are not identical to the variables used in Arrondo et al. (2020). The reason is that we wanted to use exactly the same variables in 2013 and 2018, but some of the indicators were not included by the INE in the 2019 survey. Fortunately, the surveys include two variables which are appropriate to measure these dimensions..

[3] The SWB INE's survey does not identify the municipality of the individual for reasons of statistical confidentiality. For the purpose of this research, the INE linked the individual SWB data to our municipal database, so that each individual is associated with the governance data that corresponds to the municipality of residence.

[4] This website is an initiative of the Spanish supervision bodies (the national *Tribunal de Cuentas* and the regional external control agencies). In the case of the municipalities from the Basque Country and Navarra, their supervisory bodies do not report to the cited website and the information was obtained from their regional websites. We also had to check most of the local governments' web sites in these two ACs.

[5] We must note, however, that Ciudadanos has almost disappeared in 2023 and Podemos has lost much support after being part of a national coalition government. However, the electoral landscape is equally fragmented with the raise of the far-right Vox and the far-left platform Sumar.