

How do institutions emerge?

More precisely: How does a norm become an institution?

Laure Athias

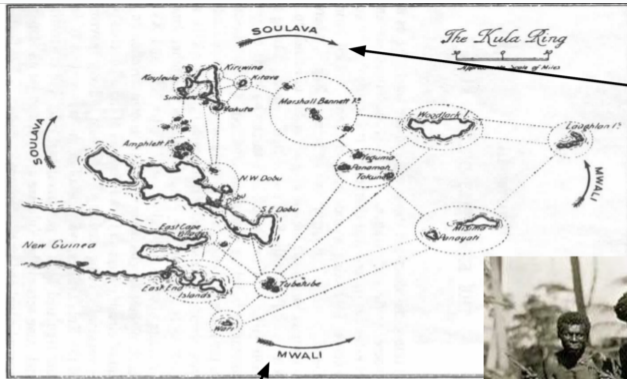
University of Lausanne

IOEA, April 7, 2026

Social norms in economics

- Social norms as equilibrium objects of strategic interaction
- Compliance through reputational concerns, self-image costs, and beliefs about others' behavior and expectations (Bénabou and Tirole 2003, 2011, 2026; Acemoglu and Jackson 2015; Bursztyn et al. 2020)
- In most accounts, norm change is gradual and driven by belief updating
- Normative content is taken as given
- Anthropology and political philosophy emphasize that institutions are not only functional; they also embody symbolic meanings and normative justifications that make them intelligible and legitimate

⇒ *My takeaway: If institutions embody norms, then choosing norms implies choosing institutions*



Long necklaces of red
Shell circulate clockwise

Bracelets of white shell
Circulate counter-clockwise



Malinowski, Bronislaw (1922) *Argonauts of the Western Pacific*, p. 82.



AN EPISODE IN THE INLAND *KULA*: OFFERING A NECKLACE (*SOULAVA*) TO A CHIEF.

KULA; THE CIRCULATING EXCHANGE OF VALUABLES IN THE
ARCHIPELAGOES OF EASTERN NEW GUINEA.

Charles I, King of England 1625-1649, performing the Royal Touch (which he did 92,000 times)



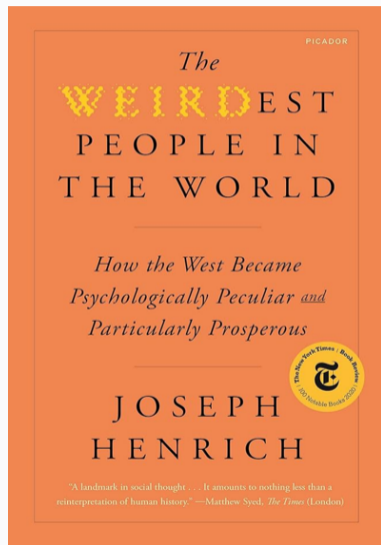
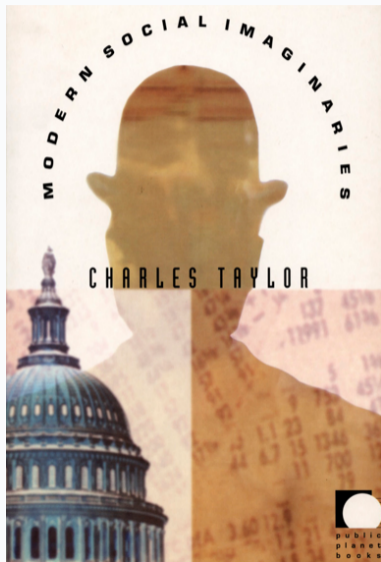
“They shall take up serpents; and if they drink any deadly thing, it shall not hurt them; they shall lay hands on the sick, and they shall recover.” Mark 16:18

The Divine Right of Kings

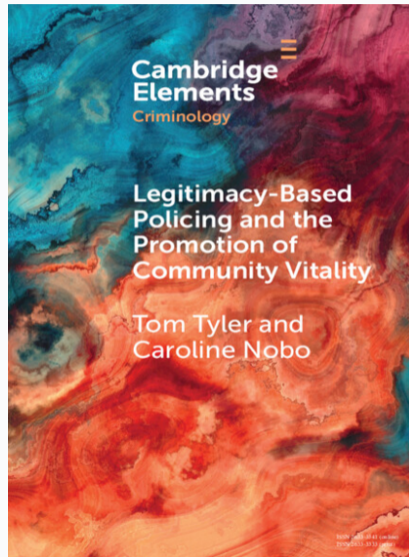
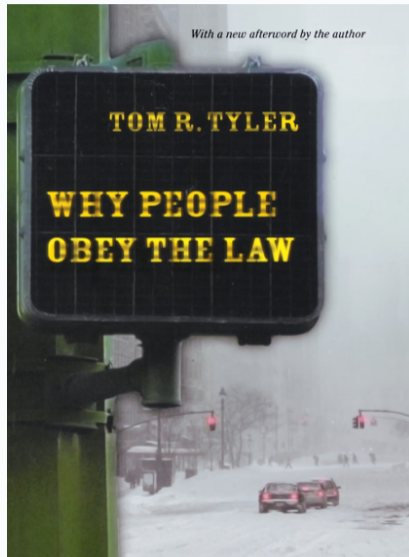
- Early 17th century philosopher Sir Robert Filmer argued in his book Patriarcha that in the Garden of Eden “I see not then how the children of Adam ... can be free from subjection to their parents. And this subjection of children is the only fountain of all regal authority, by the ordination of God himself” (p. 7).
- King James I, in developing his absolutist political project, proposed this patriarchal vision of monarchical authority. As he told Parliament in 1610, “As for the father of a family they had of old under the Law of Nature fatherly power, which was the power of life and death, over their children or family”.
- John Locke spent the whole of his First Treatise debunking Filmer's arguments and began the Second Treatise by stating boldly: “It having been shown in the following discourse, I. That Adam had not, either by natural right of fatherhood, or by positive donation from God, any such authority over his children, or dominion over the world, as is pretended” (Locke, 2003, p. 100).
- Popular sovereignty, as advocated by Locke, was a paradigm shift in terms of what constitutes legitimate political authority.

⇒ Institutions are always embedded in meanings; only the meanings change.

The MODERN moral order of Western societies: Universalism



Why it matters? Legitimacy and institutional performance



Autonomy

The Imaginary Institution of Society

Cornelius
Castoriadis

Communicative power

Moral Consciousness and Communicative Action

JÜRGEN HABERMAS

*Translated by
Christian Lenhardt and
Shierry Weber Nicholse*

Athias L. (2026): "Why and How: Public-Sphere
Persuasion and Institutional Legitimacy"

- Bayesian model of persuasion in the public sphere
 - ▶ Citizens exchange arguments about public matters
 - ▶ Endorsing an institutional norm is not the same as privately liking it
 - ▶ Persuasion is bundle-based
 - ▶ Senders are not abstract messengers but socially distinct and empirically observable channels, whose institutional roles shape the costs of producing precise reasons
 - ▶ Yields an equilibrium persuasion architecture: channels are substitutes or complements
 - ▶ The model's comparative statics discipline the empirical mechanism *despite unobserved arguments*
 - ▶ With endogenous exposure, some architectures generate tipping points: amplification risk
- Study of endorsement of institutional universalism in Switzerland
 - ▶ Operationalize each channel's effective precision with content-weighted exposure
 - ▶ Estimate how endorsement responds to marginal increases in channel-specific content-weighted exposures, separately and jointly
 - ▶ Show that the same comparative statics emerge across two identification strategies with orthogonal threats

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- 1 Model of institutional legitimacy formation through persuasion in the public sphere
- 2 Empirical Analysis
- 3 Mechanisms
- 4 Conclusion

- Encode essential features of public-sphere persuasion:
 - ▶ **Institutional endorsement** \neq **private approval**
Endorsement concerns *institutionalization* \rightarrow merit (why) + feasibility (how)
 - ▶ **Persuasion is costly**
Supplying precise, contestable reasons requires effort/information/deliberation
 - ▶ **Persuasion has instrumental value**
Endorsement affects institutional performance (compliance \uparrow , enforcement frictions \downarrow) \rightarrow incentives to supply reasons

Setup

- **Object:** an *institutional norm* with two latent attributes
 $m =$ merit (desirability), $h =$ feasibility (implementability)
- **Two persuasion channels:** peers P and state agents S
Channel $j \in \{P, S\}$ supplies noisy signals about (m, h)
- **Role-based comparative advantage (Weberian legal-rational bureaucracy):** S has lower marginal cost of feasibility precision $MC_S^h < MC_P^h$; merit symmetric
- **Bayesian learning: exposure scales precision**
 $Q_j^k = \pi_j^k E^j$, with $k \in \{m, h\}$: effective precision
(reach/exposure $E^j \times$ channel precision π_j^k)
- **Bundle-based:** persuasion strongest with matched (m, h)
- **Within-channel bundle arrival (Poisson):**
$$\Lambda_j = (1 - e^{-Q_j^m})(1 - e^{-Q_j^h})$$
- **Endorsement:** $s = u(\Lambda_S + \Lambda_P)$, with $u' > 0$, $u'' \leq 0$
- **Proposition 1:** holding the other channel fixed, endorsement is weakly increasing in each channel's exposure
- **Timing:** precision choice \rightarrow own-channel persuasiveness \rightarrow equilibrium persuasion architecture

Producer choice of precision

- **Channels choose precision.** Each $j \in \{S, P\}$ chooses effort $(e_j^m, e_j^h) \rightarrow$ precisions (π_j^m, π_j^h)

- **Benchmark: within-channel bundling.** Complete-bundle arrival intensity

$$\Lambda_j = (1 - e^{-\pi_j^m E^j})(1 - e^{-\pi_j^h E^j})$$

- **Objective.** Internalized legitimacy payoff minus convex costs

$$\max_{e_j^m, e_j^h} \beta_j Bu(\Lambda_S + \Lambda_P) - \sum_{k \in m, h} C_j^k(e_j^k)$$

- **FOC in Q-space.** Let $Q_j^k \equiv \pi_j^k E^j$. Holding $u'(\Lambda)$ and Q_j^l fixed,

$$MB(Q_j^k) \propto \beta_j E^j e^{-Q_j^k} (1 - e^{-Q_j^l})$$

- **Comparative statics 1: own-channel persuasiveness.**

Environments that shift E^j (*reach*), β (*internalization*), MC_j^k (*precision costs*) shift each channel's own persuasiveness

- **Bundling complementarity.** Higher precision in m raises the return to precision in h (and vice versa)

- **Two-step architecture. Benchmark** solves (π_j^m, π_j^h) under within-channel bundling; extension holds the induced mix (π_j^m, π_j^h) fixed to isolate **cross-channel fit** (substitutes vs complements in exposure).

Equilibrium architecture

- **Bundling benchmark:** complete (m, h) bundles arrive *within* a channel

- ▶ diminishing returns \Rightarrow exposures are **substitutes**

- **Specialization extension:** channels can be incomplete individually

- ▶ citizens assemble matched bundles **across channels**

- **Cross-channel bundle intensity:** $\Lambda_x = (1 - e^{-Q_S^m})(1 - e^{-Q_P^h}) + (1 - e^{-Q_S^h})(1 - e^{-Q_P^m})$

- **Cross-channel fit:**

$$\kappa \equiv \pi_S^m \pi_P^h + \pi_S^h \pi_P^m$$

High $\kappa \Leftrightarrow$ channels are **off-diagonal in content** (one supplies more “why,” the other more “how”)

- **Key prediction:** at low reach, higher κ makes the peer–state interaction less negative, and possibly positive \rightarrow increasing exposure to one channel raises the marginal value of exposure to the other
- **Comparative statics 2:** environments that shift κ shift the interaction term
- **Empirical diagnostic:** interaction term identifies **bundling vs completion**

Dynamics — endogenous exposure and tipping points

- **Feedback:** endorsement today increases future exposure/reach in the public sphere

$$E_{t+1}^j = E^j + g_j(s_t), \text{ with } g_j'(\cdot) > 0$$

- **Endorsement update:**

$$s_{t+1} = u(\Lambda_S(E_{t+1}) + \Lambda_P(E_{t+1}) + \Lambda_X(E_{t+1}))$$

- **Architecture matters:**

- ▶ **Bundling/substitution:** updates are **smooth and gradual**
- ▶ **Completion/high κ :** updates can become **S-shaped** → unstable thresholds & **tipping dynamics**

→ Completion makes exposure to one channel raise the marginal return to the other → feedback can "snowball".

- **Normative bite:** internalization wedge + amplification risk: feasibility talk may amplify endorsement even when the merit case is weakly disciplined

Dynamics illustrated: two historical configurations

Interwar Germany: low public-sphere integration + feasibility specialization → tipping risk

- **Baseline:** nontrivial receptiveness to particularist narratives (closer to threshold)
- **State-agent channel:** strong legal-rational capacity → feasibility precision high (π_S^h)
- **Public sphere:** segmented subpublics → **low effective reach/weak common fora** (E^P, E^S) low
- **Shock:** mass persuasion technologies raise reach (radio, propaganda) → **steepens update map**
- **Mechanism:** cross-channel fit active → reach shock can **tip** endorsement into high-regime

French Revolution: broad reach + strong within-peer bundling + internalization shock

- **Peer discourse:** Enlightenment “useful knowledge” → bundled **why + how** ($\pi_P^m, \pi_P^h \uparrow$)
- **Reach expansion:** pamphlet/newspaper boom + salons/associations → $E^P \uparrow$
- **Institutional consequence:** Estates-General/Assembly → **internalization shock** ($\beta_P, \beta_S \uparrow$)
- **Mechanism:** regime change driven by **broad reach + incentives**, less by cross-fit tipping

Welfare: internalization wedge and amplification risk

- **Welfare: two wedges and guardrails**
- **Internalization wedge:** channels internalize only $\beta_j < 1$ of legitimacy benefits
→ underinvestment in precision (planner would raise overall m and h precision)
- **Amplification risk (composition wedge):** under strong specialization, **feasibility talk** can scale endorsement without disciplining merit (highest risk with low reach/weak common fora) → **content-agnostic amplifier**
- **Guardrails map to primitives**
 - ▶ **Reduce extreme feasibility-only specialization** (embed merit constraints/norms in state-facing discourse)
 - ▶ **Discipline merit discourse** (media plurality/verification capacity; civic deliberation)
 - ▶ **Strengthen common fora** (reduce fragmentation; raise cross-cutting reach)
- **Key implication:** raising institutional agency (e.g., direct-democratic rights) is **not unambiguously** welfare-improving

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Design 1: content-weighted exposures

- In the model, persuasion depends on **effective precision**:

$$Q_j^k = \pi_j^k E^j$$

- In the data, arguments (m, h) are not observed
- I operationalize this with **channel-specific content-weighted exposure**:

$$X_{ct}^j = E_c^j \times p_{ct}^j, j \in \{P, S\}$$

- p_{ct}^j : channel j 's universalist tilt in canton-year (c, t)
 - ▶ measured as the share of workers in channel j endorsing institutional universalism
 - ▶ computed **outside the outcome sample** (non-workers)
 - ▶ reduced-form summary of the universalism-relevant arguments carried by channel j in (c, t)
- E_c^j : predetermined reach proxy for channel j in canton c
 - ▶ state-agent channel: baseline public-employment share
 - ▶ peer channel: baseline association density
- State-agent channel = **public-sector workers**; peer channel = **private-sector workers**
- So the empirical object is not raw exposure and not raw discourse content, but **content transmitted through reach**

Design 1: identification strategy

- Estimate within-person response to channel-specific content-weighted exposures:

$$Y_{ict} = \theta_P X_{ct}^P + \theta_S X_{ct}^S + \theta_{SP} X_{ct}^P X_{ct}^S + \alpha_i + \lambda_t + \delta_c t + Z_{ct} + \varepsilon_{ict} \quad (1)$$

- **Sample:** non-workers, canton non-movers
- Identification comes from **differential pass-through**
 - ▶ canton-year shifts in channel tilt p_{ct}^j
 - ▶ transmitted through predetermined reach E_c^j
- Interpretation of the interaction:
 - ▶ $\theta_{SP} < 0$: substitution
 - ▶ $\theta_{SP} > 0$: complementarity
- Not a raw exposure shock:
 - ▶ a **theory-disciplined reduced form**
 - ▶ justified by the model: **exposure scales effective precision**
- Main threat: residual canton-year shocks correlated with tilt and endorsement
 - ▶ **Scope tests:** adjacent outcomes (ideology, trust, redistribution, etc.) show ~ 0 effects
 - ▶ Heterogeneity tests are **model-disciplined** (primitives \rightarrow coefficient shifts)

Design 2: sharper exposure shock

$$Y_{ict} = \eta State_{it} + \psi Fed_{it} + \alpha_i + \delta_{ct} + \varepsilon_{ict} \quad (2)$$

- Identification comes from **within-individual sector switches**
- $State_{it} = 1$: public employment; 0: private employment
- $Fed_{it} = 1$: federal administration
- α_i : individual fixed effects
- δ_{ct} : canton-by-year fixed effects
- η : effect of switching into **non-federal public employment**
- ψ : incremental effect of **federal vs. other public employment**

Why this design helps

- Holds the surrounding **canton-year discourse environment fixed**
- Isolates a change in **daily exposure to state agents**
- Less attenuated than canton-level reach proxies
- Does **not** identify the full persuasion architecture
- Instead: tests whether the model's comparative statics survive under cleaner exposure variation

Design 2 validity check: selection is by service-type, not by universalism in general

Pre-switch selection test

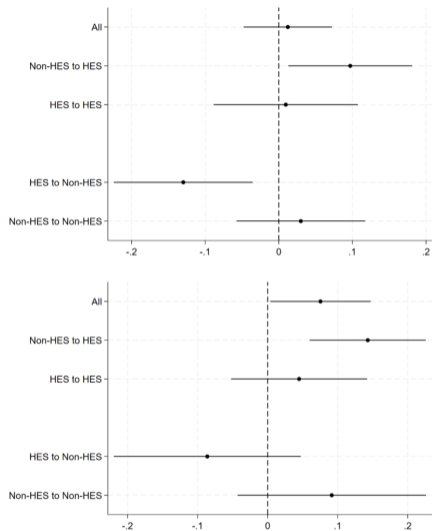
$$Y_{ict}^{Priv} = \phi Switch_i^{pub} + \delta_{ct} + Z_{it}'\gamma + u_{it} \quad (3)$$

- Outcome measured **while the individual still in the private sector**
- $Switch_i^{pub} = 1$ if the individual later switches into public employment
- δ_{ct} : canton-year fixed effects
- Z_{it} : individual controls

Key result

- Future switchers into **public HES** already exhibit higher endorsement
- Future switchers into **public non-HES** do **not**
- Therefore, the causal design focuses on **private-to-public switches within non-HES industries**

Figure A4: Self-selection based on endorsement of institutional universalism across industries



Notes: The figure summarizes regression coefficients of the switching indicators, capturing systematic differences in the universalism institutional norm between those who stay and those who switch at some future point. The above figure considers all switches while the figure below excludes switches at the federal level. See the text for further details. The 90% confidence intervals are based on standard errors clustered at the individual level.

Table A4: Switchers to *vs.* stayers in the public non-HES sector

Variable	(1) Switchers	(2) Stayers	(3) Difference
Share of female	0.429 (0.497)	0.351 (0.478)	0.077 (0.054)
Share of married	0.623 (0.487)	0.676 (0.469)	-0.053 (0.053)
Number of children	1.388 (1.289)	1.584 (1.310)	-0.197 (0.141)
Age	38.714 (9.467)	40.512 (8.666)	-1.798* (1.021)
Share of Educ.: college level	0.143 (0.352)	0.242 (0.428)	-0.099** (0.040)
Share of living in urban area	0.612 (0.490)	0.574 (0.495)	0.038 (0.053)
Ln yearly income	10.924 (0.612)	11.051 (0.602)	-0.127* (0.070)
State Universalism	0.679 (0.470)	0.729 (0.445)	-0.050 (0.056)
Ideology	4.273 (2.263)	4.540 (2.107)	-0.268 (0.258)

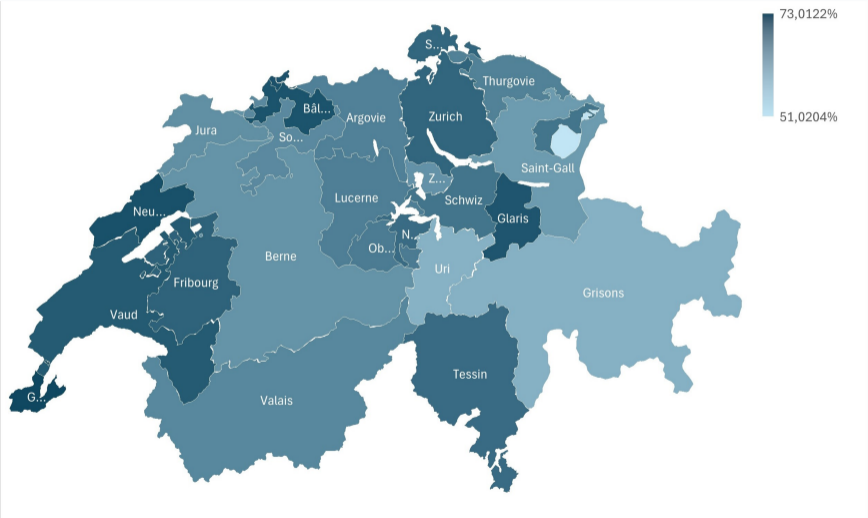
Notes: The table displays socio-demographic characteristics of switchers from the private into the public sector and stayers in the public sector within non-HES industries. The last column presents the difference in the mean value of each variable between the two sectors. Columns (1) and (2) standard deviation in parentheses. Columns (3) robust standard errors in parentheses. * $p < 0.10$, ** $p < 0.05$, *** $p < 0.01$.

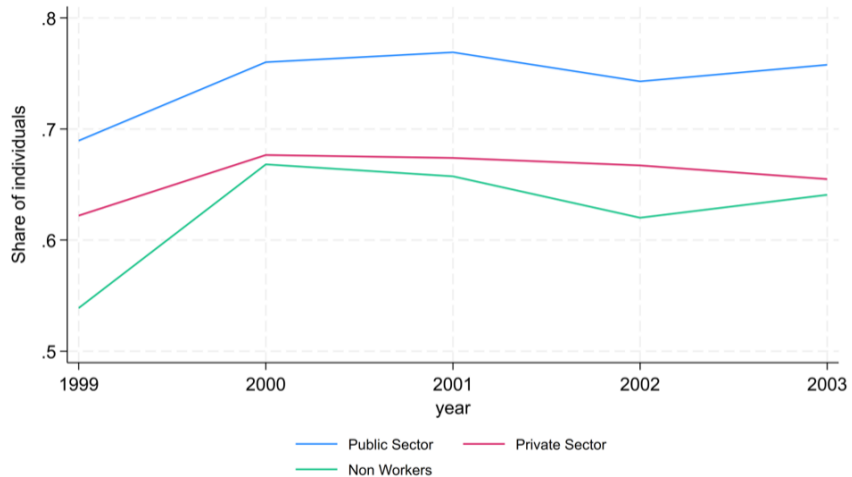
Two samples, two designs

- **Baseline exposures (non-workers):** persuasion via *local public-sphere environment* → avoids own workplace mechanically entering exposure
- **Workplace switches (workers):** discrete shock to **state-agent contact** via employment → holds local discourse fixed with $\text{canton} \times \text{year}$ FE
- **Common outcome:** endorsement of **institutional universalism** (panel)

- Swiss Household Panel (SHP), 1999–2003
- Annual individual panel with canton-year location
- Outcome: endorsement of institutional universalism
 - “Are you in favour of Switzerland offering foreigners the same opportunities as those offered to Swiss citizens, or in favour of Switzerland offering Swiss citizens better opportunities?”
- Interpretation: endorsement of a rule of treatment
 - ▶ equal opportunities for foreigners vs citizen preference
 - ▶ Institutional counterpart to standard universalism measures (e.g. Enke et al. 2022)
- Individual outcomes matched to canton-year discourse environment

Substantial within-country heterogeneity



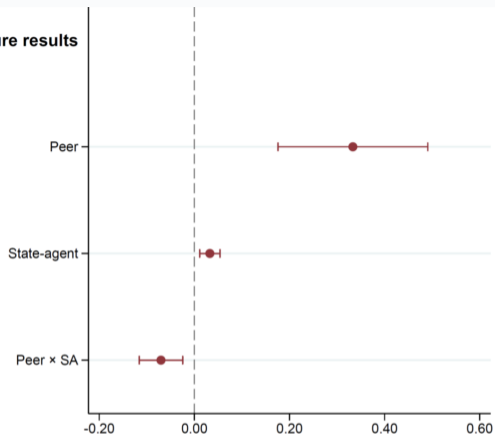


Baseline exposure results

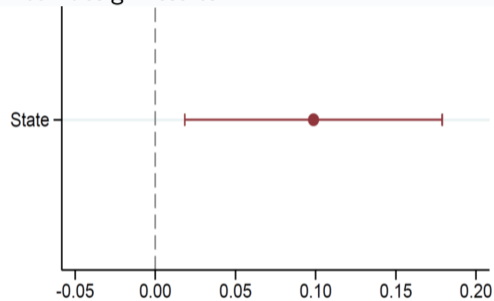
Y_{ict}	(1)	(2)	(3)	(4)	(5)
	Endorsement of institutional universalism				
Peer c.w. exposure (X_{ct}^P)	0.239*** (0.0735)	0.231** (0.0850)	0.333*** (0.0915)	0.331*** (0.094)	0.300** (0.123)
State-agent c.w. exposure (X_{ct}^S)	0.025* (0.012)	0.027** (0.011)	0.0326** (0.0125)	0.0325** (0.0123)	0.041** (0.0149)
Peer × state-agent interaction ($X_{ct}^P \times X_{ct}^S$)	-0.0395* (0.0224)	-0.0352* (0.0191)	-0.0702** (0.0265)	-0.0685** (0.0268)	-0.108*** (0.0345)
Observations	8,426	8,349	8,349	8,341	8,349
Individual fixed effects	Yes	Yes	Yes	Yes	Yes
Canton fixed effects	Yes	Yes	Yes	Yes	Yes
Year fixed effects	Yes	Yes	Yes	Yes	Yes
Contemporaneous canton controls	No	Yes	Yes	Yes	No
Canton-specific linear trends	No	No	Yes	Yes	Yes
Time-varying individual controls	No	No	No	Yes	No
Lagged canton controls					Yes

Notes: The dependent variable Y_{ict} is a binary indicator equal to one if respondent i endorses institutional universalism in canton c and year t . Sample: Swiss respondents aged 18+; non-workers; canton non-movers. All specifications estimate equation (4) by OLS with individual, canton, and year fixed effects; standard errors are clustered at the canton level. The peer and state-agent content-weighted (c.w.) exposures, X_{ct}^P and X_{ct}^S , are mean-centered in the estimation sample so that the main-effect coefficients are evaluated at the mean of the other channel's exposure. *Contemporaneous canton controls* include: (i) the weighted-average left-right ideology of the cantonal executive (constructed by mapping parties' cabinet shares onto a 1–4 scale using party positions from Vatter et al. (2024)); (ii) foreign population share; (iii) number of referenda; (iv) unemployment rate; and (v) taxable income per capita (cantonal average). *Lagged canton controls* replace (ii)–(v) by their one-year lag (while keeping the electoral calendar contemporaneous). *Time-varying individual controls* include marital-status indicators, number of children, and an indicator for health limitations in daily activities. Column (3) is the preferred specification; Columns (4)–(5) provide robustness to adding individual controls and to using lagged canton covariates. Significance: *** $p < 0.01$, ** $p < 0.05$, * $p < 0.10$.

Baseline exposure results



Switch-design results



A 1σ increase in peer exposure raises endorsement by about 5.5 pp, and a 1σ increase in state-agent exposure by about 4.4 pp, both evaluated at the mean of the other channel's exposure. The switch estimate of 9.9 pp is therefore about 2.25 times the 1σ state-agent effect.

Table: Shift in Exposure to State Agents and Endorsement of Institutional Universalism

Y_{ict}	(1) Private to public within non-HES	(2) Public to private within non-HES	(3) Private to public within non-HES
$State_{it}$	0.0987** (0.0488)		0.103* (0.056)
$State_{it}$: Federal	-0.122* (0.0687)		-0.133* (0.078)
Private sector		-0.0274 (0.0427)	
Ln yearly income			0.002 (0.025)
Job atmosphere			-0.003 (0.006)
Job security			0.004 (0.011)
Observations	4,531	1,084	3,906
Number of individuals	1,960	441	1,805

Notes: The dependent variable is an indicator equal to one if respondent i endorses institutional universalism in year t . $State_{it}$ equals one when i is employed in the public sector (communal/cantonal or federal) and zero when employed in the private sector (for-profit or non-profit). Fed_{it} equals one when i is employed by the federal administration. The coefficient on $State_{it}$ therefore compares non-federal public employment to private employment; $State:Federal_{it}$ is the incremental effect of federal (relative to non-federal) public employment. All specifications include individual fixed effects and canton \times year fixed effects. Standard errors are clustered at the individual level. Column (2) restricts to public-to-private switchers within non-HES and uses a private-employment indicator; the reported coefficient therefore captures the within-person change upon moving from public to private. * $p < 0.10$, ** $p < 0.05$, *** $p < 0.01$.

Scope tests, Design 1

	(1) Welfare	(2) Redistri.	(3) Army	(4) Env. vs growth	(5) Join EU	(6) Ideology	(7) Sat. Dem.	(8) Trust fed. gov.
Peer c.w. exposure	-0.275** (0.105)	0.184 (0.161)	0.162 (0.128)	0.0711 (0.145)	0.00605 (0.0971)	0.147 (0.297)	0.330 (0.403)	0.294 (0.382)
State-agent c.w. exposure	-0.00504 (0.0161)	0.00720 (0.0192)	-0.00787 (0.0190)	0.00838 (0.0142)	0.00523 (0.0137)	-0.00975 (0.0456)	-0.00277 (0.0442)	-0.0261 (0.0362)
Peer × state-agent interaction	0.0690 (0.0436)	-0.0156 (0.0369)	-0.0376 (0.0462)	0.00938 (0.0502)	-0.00852 (0.0257)	0.0843 (0.113)	0.196* (0.0983)	0.0184 (0.0946)
Observations	9,494	9,604	9,732	9,707	8,497	8,528	9,781	9,819

Notes: Scope tests are estimated on the same outcome sample as the baseline specification: Swiss respondents aged 18+; non-workers; canton non-movers. The peer and state-agent content-weighted (c.w.) exposures X_{ct}^P and X_{ct}^S are mean-centered in the estimation sample so that main effects are evaluated at the mean of the other channel's exposure. OLS models with individual, canton, and year fixed effects, canton-specific linear trends, time-varying canton controls, and clustering at the canton level, as in column (3) of Table 2. Significance: *** $p < 0.01$, ** $p < 0.05$, * $p < 0.10$.

Scope tests, Design 2

	(1) Welfare	(2) Redistri.	(3) Environment	(4) Army	(5) Pol. ideology	(6) Trust fed. gov.	(7) Sat. with democracy
State	-0.105 (0.107)	0.0289 (0.122)	-0.0357 (0.0803)	-0.0486 (0.115)	-0.0905 (0.209)	-0.300 (0.263)	-0.380* (0.226)
State: Federal	0.167 (0.171)	-0.0518 (0.153)	0.183 (0.116)	0.127 (0.139)	0.117 (0.337)	0.234 (0.326)	0.191 (0.311)
Observations	4,980	5,036	2,988	5,031	4,451	5,091	5,046
Number of individuals	2,030	2,040	1,559	2,036	1,898	2,052	2,039

Notes: Sample restricted to switches across institutional sectors within non-HES industries. All specifications include individual fixed effects and $\text{canton} \times \text{year}$ fixed effects. Standard errors are clustered at the individual level. * $p < 0.10$, ** $p < 0.05$, *** $p < 0.01$.

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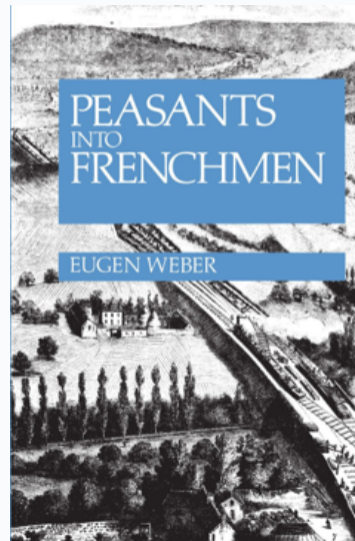
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Mechanisms: what shifts own-channel persuasiveness and the equilibrium persuasion architecture?

- **Role-based spillovers:** bureaucratic practice shapes the kinds of reasons state agents supply
 - ▶ shifts the state-agent **content mix** (merit vs feasibility; $\frac{\pi_S^h}{\pi_S^m}$)
- **Institutional shifters:** environments move three model primitives
 - ▶ internalization of legitimacy payoffs
 - ▶ costs of producing precise reasons
 - ▶ reach
- These mechanisms shift:
 - ▶ **within-channel bundling**
 - ▶ **cross-channel completion**

Mechanism 1: bureaucratic practice spills over into public reasoning

- **French administrative tradition (Weber 1976)**
 - ▶ administration tied more directly to substantive nation-building ends
 - ▶ state-agent discourse embeds more **merit** (“why”)
- Athias and Wicht (2025) provide evidence that administrative-style differences persist across Swiss language regions despite common formal institutions
- Therefore, predetermined administrative style shifts the state-agent channel’s **content mix**
- **Prediction:**
 - ▶ more internally bundled state discourse → larger direct state-agent effect, weaker completion
 - ▶ more feasibility-specialized state discourse → smaller direct state-agent effect, stronger completion

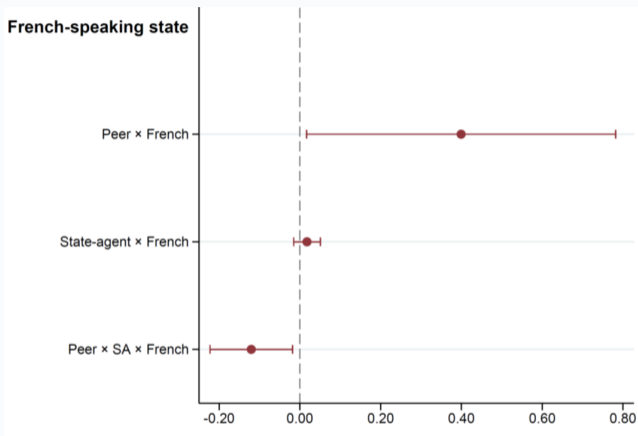


"Esprit Romand"

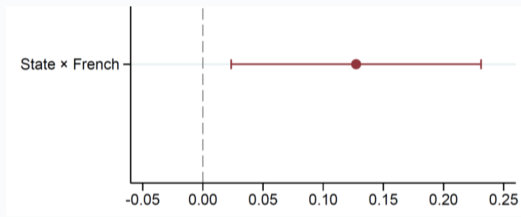


Chapatte, *Le Temps*, August 23, 2016, p.1

Content-weighted exposures

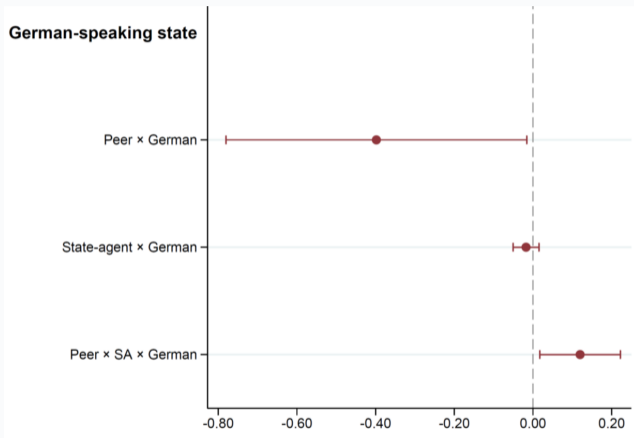


Exposure shock

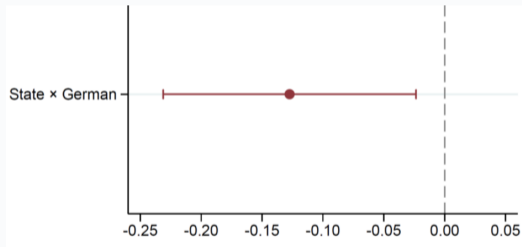


⇒ Where the state-agent channel looks more internally bundled in one design, it also looks less reliant on cross-channel completion in the other design.

Content-weighted exposures



Exposure shock



Mechanism 1 evidence: cross-design coherence by language region

Switch design

- Public-sector entry effect is **much larger** for French-speaking workers

Baseline design

- Cross-channel complementarity is **weaker** in French-speaking cantons
- Peer effect is **stronger** in French-speaking cantons

Interpretation

- French-speaking areas: state-agent discourse bundles more merit internally
- German-speaking areas: state-agent discourse is more feasibility-tilted, so completion across channels matters more

Mechanism 2: institutional shifters of legitimacy payoffs

Idea: institutions shift the returns to reason supply, and through that they shift whether persuasion is more internally bundled or more reliant on completion.

- **Direct-democratic rights**

- ▶ raise peer-side internalization ($\beta_P \uparrow$)
- ▶ **Prediction:** stronger within-peer bundling
- ▶ Empirically: peer effect \uparrow

- **Militia politics**

- ▶ lower peer-side internalization ($\beta_P \downarrow$) and state-agent discourse becomes more h -heavy ($\frac{\pi_S^h}{\pi_S^m} \uparrow$)
- ▶ **Prediction:** weaker within-peer bundling & stronger off-diagonality
- ▶ Empirically: peer effect \downarrow & interaction \uparrow

- **Executive collegiality**

- ▶ lower state-agent internalization ($\beta_S \downarrow$)
- ▶ **Prediction:** weaker within state-agent bundling
- ▶ Empirically: state-agent effect \downarrow

Direct democracy

Peer × Dir Dem
State-agent × Dir Dem
Peer × SA × Dir Dem

Militia

Peer × Militia
State-agent × Militia
Peer × SA × Militia

Collegiality

Peer × Collegiality
State-agent × Collegiality
Peer × SA × Collegiality

-0.40 -0.20 0.00 0.20 0.40

Mechanism 3: institutional shifters of precision costs

Idea: some environments make it easier, or harder, for peers to produce complete persuasive cases on their own.

- **Local autonomy**

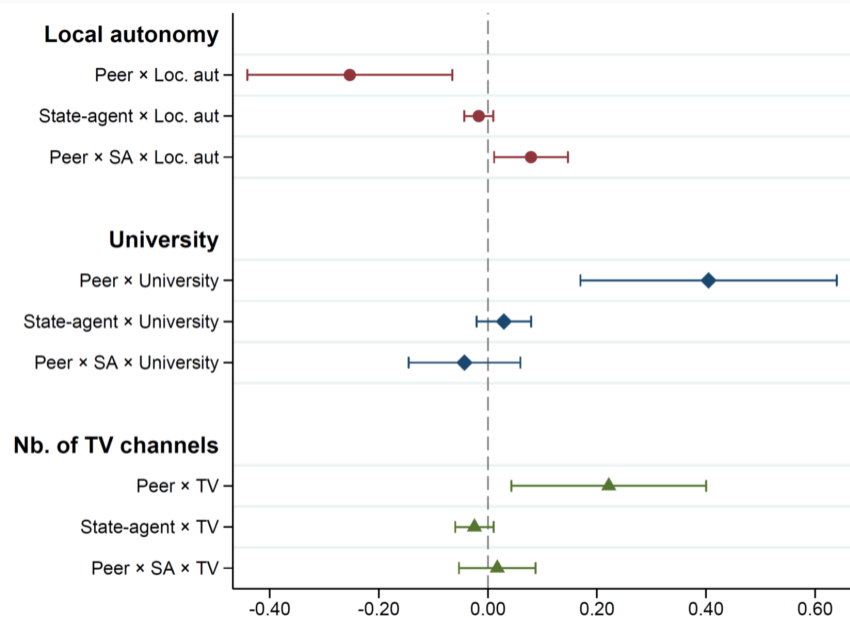
- ▶ raises the peer-side cost of feasibility reasoning ($MC_P^h \uparrow$)
- ▶ **Prediction 1:** peers less able to supply complete bundles on their own
- ▶ **Prediction 2:** given state agents' comparative advantage in h , completion across channels becomes more valuable
- ▶ Empirically: peer effect \downarrow & interaction \uparrow

- **University presence**

- ▶ lowers peer-side costs of precise reasoning ($MC_P^h \downarrow, (MC_P^m \downarrow)$)
- ▶ **Prediction:** stronger within-peer bundling
- ▶ Empirically: peer effect \uparrow

- **Local broadcast plurality**

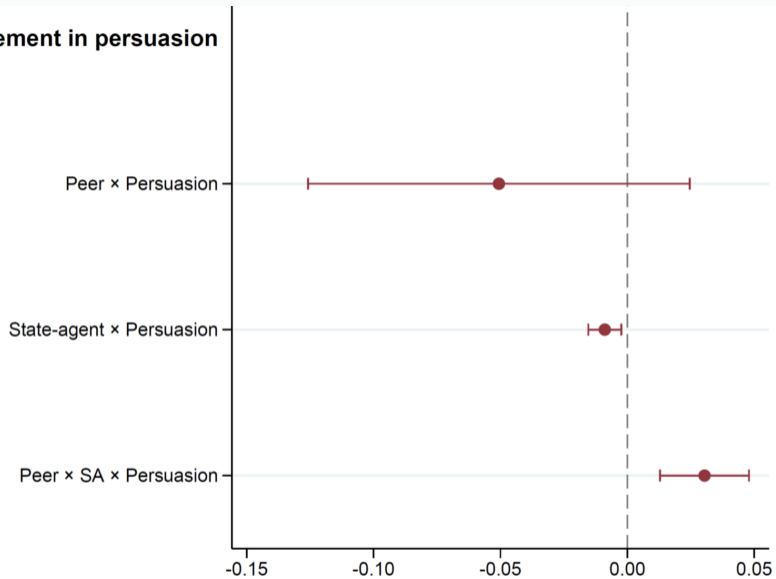
- ▶ lowers peer-side costs of precise reasoning ($MC_P^h \downarrow, (MC_P^m \downarrow)$)
- ▶ **Prediction:** stronger within-peer bundling
- ▶ Empirically: peer effect \uparrow



Mechanism 4: individual engagement as a merit-attention shifter

- Predetermined engagement in political persuasion (how often the respondent reports trying to convince others politically)
- Interpreted as sensitivity to **merit-oriented justification**
- **Prediction if *h-tilted state discourse***: state-agent effect ↓ & cross-channel completion ↑

Engagement in persuasion



Mechanisms: takeaway

- Channels behave as if they invest in producing public reasons
- I do not observe that investment directly, but the comparative statics line up: environments shift own-channel persuasiveness and cross-channel completion exactly as the model predicts
- Public reasons are not free; their effective precision is endogenous
- Discourse quality varies systematically across environments
- Environments that make S-shape more likely: 1/ Weberian administration; 2/ local autonomy; 3/ Militia politics

⇒ **Institutional legitimacy is therefore not an exogenous background condition; it is endogenized through public reasoning, more strongly in some environments than in others.**

Table of Contents

- 1 Model of institutional legitimacy formation through persuasion in the public sphere
- 2 Empirical Analysis
- 3 Mechanisms
- 4 Conclusion

External validity and scope conditions

- The core mechanism is not Switzerland-specific
- Three ingredients: contestability, public-reason networks, legitimacy payoffs
- First scope condition: whether contestation runs through integrated common fora or segmented publics (reach)
 - ▶ Switzerland combines direct democracy with modest participation, linguistic segmentation, and decentralization
 - ▶ This makes contestation more likely to occur through heterogeneous local publics than through a single thick national forum
 - ▶ In the model, this raises the salience of segmented endorsement dynamics
- Second scope condition: credibility and specialization of state agents
 - ▶ Low trust weakens the effective precision of the state-agent channel
 - ▶ Switzerland combines relatively segmented publics with relatively high institutional credibility (OECD 2024)
 - ▶ Majority Weberian legal-rational administrative tradition
- Overall: segmentation attenuates average exposure effects, but high credibility preserves the effective precision of the state-agent channel → scope for specialization-driven amplification risks

FIGURE 1.—TRENDS IN AFFECTIVE POLARIZATION BY COUNTRY

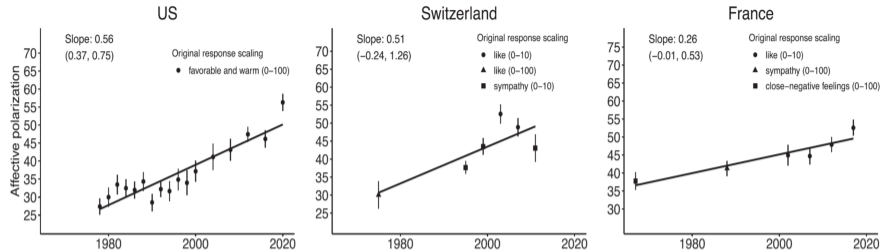
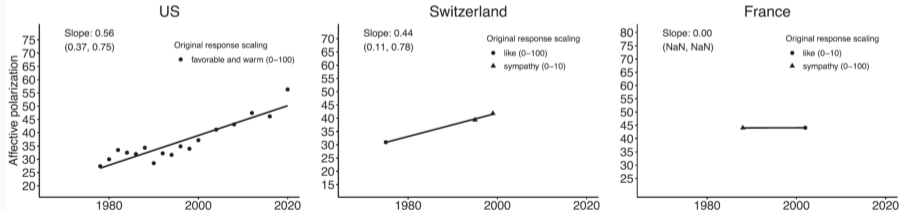


FIGURE 2.—TRENDS IN AFFECTIVE POLARIZATION BY COUNTRY – TOP TWO PARTIES



Source: Levi Boxell, Matthew Gentzkow, and Jesse M. Shapiro (2024), «Cross-country Trends in Affective Polarization», *The Review of Economics and Statistics*, 106(2): 557–565

Broader implication: institutions, legitimacy, and sustainability

- Legitimacy, institutional performance, and long-run prosperity
- Materially similar institutions need not have the same legitimacy across environments
- Institutional functionality does not guarantee political sustainability
- Reforms can fail when they misread local justificatory logics
- One mechanism for sustainability: persuasion-driven endorsement of institutional norms in the public sphere

Inclusive institutions may need not only the right design, but also the right justificatory environment.

Thank You!