

Economics of Migration

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Immigration and Politics

Introduction

- Perceptions (or misperceptions) of immigration, can imply voting behavior which is related to the overall aspect of the preferences over policies.
- The examples of policies we have already mentioned are i) preferences over immigration policies, which can be more or less restrictive, and ii) preferences over redistribution, which are typically referred to fiscal policies.

Immigration and Politics

Immigration and Voting for the Right

- Recent literature studied how immigration affects voting behavior.
- For example, Halla et al. (2017) study the case of voting for the extreme-right in Austria.
- A conjecture that can be formulated is the following. Far-right (and populist) parties often have a clear anti-immigration position.
- For this reason, it is possible that immigration increases the support for these parties, as long as part of the natives' population has concerns about immigration and the far-right parties benefit from these concerns in terms of electoral success.

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- Figure 1, from Halla et al. (2017) suggests that, indeed, in a cross-country analysis of the relationship between the share of immigrants and the support for far-right voting, a significant correlation exists across European Countries, supporting the conjecture.

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- The article by Halla et al. (2017) focuses on the *Freedom Party of Austria*, (FPO) whose popularity strongly increased under the leadership of Jorg Heider who became party leader in 1986 (he died in a car accident in 2008).
- In the 1990s, and up to recent times, the FPO became a major player in the Austrian political competition, and was characterized by a strong nationalist and anti-immigration position.
- The research question of the work by Halla et al. (2017) is simple: they want to assess if Austrians increase their support for the FPO if there are more immigrants in their neighborhood.

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- Halla et al. (2017, p. 10) utilize: “community-level data. In Austria, a community is part of a political district, which is in turn part of one of the nine federal states. The community is the lowest administrative level ... Austria encompassed 2,359 communities.” The average size of a community (excluding Vienna) is 2,800 inhabitants.
- Halla et al. (2017) consider “immigrants [as] residents without Austrian citizenship” and study the share of votes for FPO in political elections over the period 1979-2013.
- Immigrants (data from Austrian Census) are sorted by education levels (two levels: low/medium and high, depending on the degree completed) and by ethnic origins (Muslim, Turkish and Yugoslav).

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- Among the covariates, i.e. the other variables that can affect the votes share for FPO, Halla et al. (2017) include community-level variables such as population level, age-sex distribution (22 groups), natives' labor market status (share of unemployed, share of employed, students, etc).
- In addition, they consider indicators of the economic characteristics of the community, such as the employment sectoral share.

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- Before proceeding with their analysis, Halla et al. (2017) investigate the possibility of reverse causality, i.e. the possibility that immigration is driven by electoral results.
- The idea is that immigrants might tend to settle where there is not a strong anti-immigrant sentiment, which can be proxied by the share of votes for the extreme-right. In this case, the share of votes for the FPO should have a negative effect on the immigrants' share.
- Halla et al. (2017), however, do not find evidence that this is the case (they see that past vote shares for right-wing parties are not correlated to current shares of immigrants).

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- When they study the effect of the immigrant share on the share of votes of FPO, Halla et al. (2017) find that:
 - i) overall, it has a positive and significant effect;
 - ii) the effect is positive and bigger when the share of low-skill immigrants is considered;
 - iii) the effect is negative when the share of high-skill immigrants is considered.

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- In a more detailed analysis, in which the effects on the share of votes for FPO are estimated at different levels of the explanatory variables: unemployment rate, competition from immigrants in the labor market, skill level of the natives, share of immigrant children on Austrian children (i.e. the sample is split in subgroups with, e.g., low/medium/high unemployment levels, etc.), they find that:
- i) the higher the unemployment rate in the community, the stronger the (positive) effect of immigrants' shares on FPO voting shares;

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- ii) the higher the competition of immigrants and natives (measured by an index that takes into account how much the supply of a skill level in a local labor market is affected by an inflow of immigrants of a certain share. See Halla et al., 2017, p. 20 for details), the stronger the effect;
- iii) the higher the skill level of the natives, the stronger the support for FPO. This result seems counterintuitive since where there are many skilled natives, they should fear less the competition from immigrants.

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- According to Halla et al. (2017, p. 22), however, another effect can be at work: “high-skilled natives may particularly worry about the quality of schools and other compositional amenities.”
- iv) the higher the share of immigrants’ children with respect to Austrian children, the stronger the effect.
- These “findings are consistent with the labor-market competition channel. They are also consistent with the idea that Austrians worry about compositional amenities.” (Halla et al., 2017, p. 22)
- “Amenities” refer in general in qualitative characteristics of a neighborhood (or of a city, etc) that can make the locality appreciated by its inhabitants.

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- The question then becomes whether: “immigration in fact worsens labor market opportunities for natives or reduces the quality of schooling or the quality of other amenities”. (Halla et al., 2017, p. 22). Is it actually the case?
- The available evidence suggests that there are no significant effects of immigration on the wages of Austrian workers but, as Halla et al. (2017, p. 23) point out, “it is perceived rather than actual threat by immigrants that matters for voting behavior of natives” as survey-based evidence suggests in the case of Austrian citizens.

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- Halla et al. (2017) consider different proxies for local amenities that can be affected by immigration.
- One possibility is that a higher share of immigrants has an effect on school quality. For example, in high-immigration communities, public spending for schools is reduced because a higher share of public spending is allocated to immigrants' support. How to measure (perceived?) changes in school quality related to the shares of immigrants?
- Halla et al. (2017) find that a higher share of immigrants increases the shares of children that commute to schools in another community, assuming that this represents a perceived worsening of school quality in own communities.

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- They also find that in high-immigration communities there are less child-care facilities (i.e. day-care for children less than 3, afternoon school child-care) suggesting that: “policy makers may be more strongly focused on the voting population and hence may allocate fewer funds to communities with a stronger increase in immigration.” (Halla et al., 2017, p. 25)
- To control for endogeneity and to make stronger claims on causality, Halla et al. (2017) also perform an IV estimation (with instruments based on past shares of immigrants).

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- IV results: the most important results are confirmed, in particular, the effect of the share of votes for NPO is higher the higher is the community unemployment rate, the higher the competition in the labor market between immigrants and natives, the higher the share of skilled natives. The evidence of the negative effect of skilled immigration is not confirmed.
- As for the effect on amenities, the effect on child-care facilities is confirmed, while the result on the propensity of Austrian children to commute to other communities' schools is not.

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- The same issues have been studied for the case of Italy by Barone et al. (2016), with a slightly different focus.
- Barone et al. (2016), in particular, study the effect of immigration on the share of votes for the center-right coalition. Although this does not correspond to the extreme-right voting as in the case of Austria studied by Halla et al. (2017), the platform on immigration issues was more restrictive than the one proposed by the competing centre-left coalition.
- In particular, Barone et al. (2016, p. 2): “focus on the parliamentary national elections of 2001, 2006, and 2008. Two of them (2001 and 2008) were won by the center-right coalition, headed by Mr. Berlusconi. The election of 2006 was, instead, won by the center-left coalition, headed by Mr. Prodi.”

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- Following Barone et al. (2016, p. 2): “the center-left alliance had a more open stance, stressing the importance of the immigrants for the prospects of the domestic economy, the duty of solidarity for a high-income country, and the benefits of a multi-ethnic society...
- ... On the other hand, the political program of the center-right coalition had a less liberal stance: the emphasis was more on the social problems (e.g. crime and lack of jobs) related to immigration and the threat that people with different backgrounds could pose for the domestic way of life. Moreover, in all the elections the center-right coalition included the Lega Nord party ... and Alleanza Nazionale.”

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- Barone et al. (2016) study 8000 municipalities differently exposed to migration flows, they find that: “a 1 percentage point (p.p.) increase in the share of immigrants in a municipality entails a 0.86 p.p. increase in the share of voting going to the center-right coalition.”
- Interestingly, Barone et al. (2016) find that their results do not hold for the largest cities.
- This can be explained in the following way: “in big cities it is easier to have segmented neighborhoods, i.e., natives and immigrants might be located at a certain distance from each other ... people living in big cities are on average more skilled ... immigration in big cities may have started sooner than in smaller municipalities” (Barone et al., 2016, p. 7)

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- In addition, when they disentangle the vote for the “extreme-right component” (i.e. Lega Nord and AN), they find that the effect is positive but smaller. The highest contribution comes from the “moderate” part of the centre-right coalition. No effects of immigration are detected on the centre-left or extreme-left voting.
- As for the channels, Barone et al. (2016) find that the voting for the centre-right coalition is correlated with a variable (coming from a specific survey) about “concern for immigration”.
- That is, the citizens expressing concern for immigration are those more prone to vote for a center-right coalition.

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- But what are the drivers of the concern for immigration? The survey considers four cases: “immigrants are a threat to culture”; “immigrants are a threat to jobs”; “having children” (i.e. concern for competition from foreign children for public services such as schools) and “immigrants are a threat in terms of crime”.
- They find that: where “religious/cultural diversity is greater the impact is stronger”, where the unskilled population is higher, the impact is stronger (suggesting an effect from perceived competition in the labor market); it is also stronger where the share of immigrants’ children is higher (suggesting fear of competition for public services).
- There is no evidence that fear of crime drives the effect of immigration on the share of votes for the centre-right.

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Refugees and Voting

- An interesting case refers to the effect of the presence of refugees on electoral outcomes.
- Given the feature of being forcefully displaced, one can wonder if the effects on perceptions, attitudes and electoral behavior is different from the one detected for immigration flows.
- In addition, the dynamics of the choice of location by refugees is somewhat different from the one of “economic migrants”.
- Some recent papers dealt with this issue.

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- Dustmann et al. (2019) study the case of Denmark for the period 1986-1998. They exploit a quasi-random allocation of refugees to Danish municipalities. This dispersal policy was only based on the size of the municipalities, i.e. a certain share of refugees was allocated on the basis on the size of the municipalities only (i.e. no relevance of socio-economic conditions of the municipalities).
- They find that: “a one percentage point increase in the refugee share of the municipal population between electoral cycles increases the vote share for anti-immigration parties by 1.34 in parliamentary and 2.32 percentage points in municipal elections.” (Dustmann et al., 2019, p. 2)
- The effect is similar for “centre-right” parties, although somewhat smaller.

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- However, they find that this effect does not hold for the largest municipalities, a result similar to the one found by Barone et al. (2016) in the case of Italy, suggesting that there might be a difference in the perception of immigration (or of the presence of refugees in this case) between a “urban” and a “rural” setting.
- Focusing on “natives’ attitudes, preferences, and behavior”, Hangartner et al. (2019) study the effect of refugee flows on Greek islands which, in recent years (in particular between 2015 and 2016), became an entry point to continental Europe for many Syrian and Afghan refugees.

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- To establish causal effects, they consider the distance from the Turkish coast.
- Islands closer to the coast received large flows of immigrants, islands further away receive almost none. In this case, the reception of refugees is almost fully exogenous and merely depends on the geographical distance from Turkey.
- In this case, the islands receiving the refugees are the “treated group”, while the island not receiving the refugees are the “control group”.

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- The results of Hangartner et al. (2019) show that in the “treated” islands, on the basis of a survey conducted in 2017, the refugee flows caused a strong increase in anti-immigrant, and anti-Muslim attitudes, of support for a ban from schools for asylum seekers’ children and a reduction in the propensity to donate to organizations such UNHCR.
- This case is interesting because the refugees’ permanence on the islands was very short (typically around 24h).
- For this reason the effects detected should be interpreted as referring to “exposure” to refugees, and not to contact.

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- On the other hand, a short permanence makes the arguments about, for example, concern for competition in the labor market or for immigration-induced crimes, less compelling.
- “Our finding that hostility prevails in the Greek Aegean islands suggests that mere exposure to the chaos of the refugee crisis generates a feeling of threat that can activate latent predispositions against immigrants and mobilize support for exclusionary policies.” (Hangartner et al., 2019, p. 444)

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- Indeed, Dinas et al. (2019) find that exposure to refugees in the “treated” Greek Islands also increased the support for the extreme-right Greek party Golden Dawn.
- This suggests that mere exposure can also have effects on voting behavior.
- The difference between exposure to refugees and contact with refugees is studied by Steinmayr (2020), who focuses on Upper Austria for the local and state elections of 2015.

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- In this part of the country, some refugees transited across municipalities to reach the German border, while other were allocated to municipalities on the basis of the Austrian re-settlement policy.
- This setting allows to distinguish between municipalities that were exposed to refugees, and those in which contact between the natives and the refugees was more likely to take place.
- “[T]he setting provides an opportunity to study in a single context how different forms of exposure to refugees affect far-right support”. (Steinmayr, 2020, p. 2)

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- The results of Steinmayr (2020) show that: in municipalities which hosted refugees, the support for the extreme-right (i.e. the FPO party) decreased, in favor of increases in votes for the centre-right parties, supporting the idea of positive effect of inter-group contact.
- Differently, in municipalities which experience a transit of refugees, in a similar way to the Greek islands studied by Hangartner et al. (2019), the support for the extreme right increased.
- Taken together, these results suggest that the link between presence of immigrants, their perception and the attitudes that are subsequently developed (including voting behavior) are quite complex and clear-cut conclusions are (so far) difficult to derive.

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