



The effect of far right parties on the location choice of immigrants: Evidence from Lega Nord Mayors[☆]

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ABSTRACT

Immigration has increasingly taken centre-stage in the political landscape. Part of this has been a rise in far-right, anti-immigration parties in a range of countries. Existing evidence suggests that the presence of immigrants generates an advantage for parties with anti-immigration or nationalist platforms. This paper explores a closely related but overlooked issue: how immigrant behaviour is influenced by these parties. We focus on immigrant location decisions in Northern Italy, an area that has seen the rise of the anti-immigration party Lega Nord. We construct a dataset of mayoral elections in Italy for the years 2002–2014 and estimate the effect of electing a mayor belonging to, or supported by, Lega Nord. Exploiting close elections in a regression discontinuity framework we demonstrate that the election of a Lega Nord mayor discourages immigrants from moving into the municipality. We also provide suggestive evidence that the effect is driven primarily by the anti-immigration politics of Lega Nord insofar as it is absent in the period before their adoption of an explicitly anti-immigration platform and is concentrated in smaller, less educated, municipalities.

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1. Introduction

Immigration, and immigration policy, has increasingly taken centre stage in the global political landscape. This has manifested itself in a number of ways. Both the recent UK referendum on membership of the EU (so-called Brexit), and the Trump 2016 presidential campaign were punctuated by a range of inflammatory statements regarding immigration. Examples range from the then leader of UKIP Nigel Farage's infamous "Breaking Point" poster to Donald Trump's speech regarding Mexican rapists. More broadly, there has been a resurgence of political parties where a core element of their platform is restricting immigration. This has occurred across a range of countries, including

but not limited to Germany (*AfD*), Denmark (*Danish People's Party*), Norway (*Progress Party*) and Italy (*Lega Nord*). While these parties differ markedly in their initial platforms, all have converged towards an anti-immigration, and indeed, an anti-immigrant position. Again, this has often manifested itself in extreme public statements. For instance, in 2003, Umberto Bossi, the Lega Nord leader at the time, suggested that Italian authorities open fire on boats carrying migrants (interview to *Corriere della Sera*, 16th June 2003).

The potential explanations for these developments are numerous. For instance, there is a debate over the extent to which they reflect economic, broader social or institutional factors (Mayda, 2006; Arzheimer, 2009; Hatton, 2016). The existing literature almost exclusively focuses on how the presence of immigrants in a given area influences political views of the electorate. Most notably, a recent literature suggests that this is the case and demonstrates a positive relationship between the proportion of immigrants in a given area and the receipt of votes by anti-immigration parties (see, for instance, Otto and Steinhardt, 2014; Barone et al., 2016; Dinas et al., 2016; Sekeris and Vasilakis, 2016), with only Steinmayr (2016) finding opposite results. The mechanism explored in this literature is how immigrant inflows shape the attitudes between the proportion of immigrants in a given voting patterns of natives, for instance their tendency to vote for right wing parties with anti-

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immigration platforms. More generally, it has been demonstrated that immigrant inflows lead to an increase in anti-immigrant attitudes in a given location (Halla et al., 2017).

However, we know little about how the rise of anti-immigration parties influences immigration behaviour and patterns. One of the stated aims of these parties is to either legally restrict entry of immigrants or to deter them in other ways. This paper contributes to our understanding in this area by asking the question, does the presence of anti-immigration parties influence the location decisions of immigrants and/or ethnic minority groups? The previous literature treats the location choices of immigrants as a nuisance factor to be controlled for. For instance, a number of papers use the historical location of migrant networks as a source of exogenous variation in an attempt to hold immigrant sorting constant (Halla et al., 2017; Otto and Steinhardt, 2014; Barone et al., 2016), while recently Dustmann et al. (2016) relies on the randomisation of the location of new immigrants to Denmark. We adopt an alternative approach to the existing literature and examine this related, but less explored question.

It is important to understand the effect on immigrant location decisions given the wealth of evidence on the marked positive effects of immigration on local economic outcomes (Peri, 2012; Hong and McLaren, 2015; Nunn et al., 2017). The rise of anti-immigration parties might suggest that immigration produces at least short run costs to some groups. While a subject of long-standing debate, recent findings show null or even positive effects of immigrants on the wages of native low-skilled workers (Foged and Peri, 2016; Peri and Yasenov, 2018). In addition, immigration appears to produce large long-term economic benefits. For instance, Nunn et al. (2017), examining the causal impact of immigrants into the United States between 1850 and 1920 on economic and social outcomes 100 years later, show positive effects on income, educational attainment, urbanization, unemployment and poverty. Consistent with previous research, they do not find evidence that these long-run returns came at the expense of short-run costs.

We focus on the case of municipal elections in Northern Italy. This region has seen the ascent of a party with a core anti-immigration political platform, Lega Nord (the 'Northern League').¹ We construct a dataset of municipal mayoral elections in Italy for the years 2002–2014. Our chief interest is in how anti-immigrant feelings and the ascent of anti-immigrant political parties influence immigrant location decisions. Our approach to disentangling the effect of immigration and local anti-immigrant feeling is to focus on the effect of electing a mayor belonging to or supported by the anti-immigration party Lega Nord on the location decisions of immigrants. We focus on narrow points of comparison between municipalities in a Regression Discontinuity Design (RDD): by comparing municipalities where Lega Nord mayoral candidates won or lost by small margins of victory, we argue that we uncover credibly causal effects of anti-immigrant parties on inflows and outflows of immigrants.

To summarise our results, we find that the election of a Lega Nord mayor leads to a reduction in the net flow of immigrant in the municipality. These effects are large, in the order of a 10–12% reduction in annual immigrant net flows into a municipality. This appears to be driven by a reduction in inflows into these municipalities, generated by a mixture of immigrants already resident in Italy and newly registered immigrants. These effects are concentrated in smaller municipalities and areas with lower average levels of education. Furthermore, Lega Nord mayoral victories appear to have no effect on immigrant mobility in periods before Lega Nord adoption of an explicitly anti-immigration platform. Together this suggests that it is the anti-immigration stance of Lega Nord driving these effects, and that this gains more traction in areas where immigrants may be more visible and/or there is more underlying hostility towards them. This evidence highlights the potential for marked changes in immigrants' behaviour

as a result of political events such as the Brexit vote, Trump presidential victory and the current Italian government (which includes Lega Nord as one of the two coalition partners), where anti-immigration policies were at the forefront. This is likely to have economically important effects on local and national economies.

The remainder of the paper is organised as follows. The next section provides institutional background and describes the data sources. Section 3 sets out the empirical methodology. This is followed by Section 4 focusing, respectively, on the main results, validation checks, robustness, and a discussion of potential mechanisms. The final section concludes and discusses avenues for further research.

2. Background and data

2.1. The institutional system

There are over 8000 municipalities in Italy. Municipal administrations are responsible for a range of public services, such as the management of public utilities (local roads, water, sewage, garbage collection etc.), local police, traffic enforcement, the provision of public housing and transportation, nursery schools, and assistance to elderly people. Within the administration, Municipal Councils (Consiglio Comunale) are endowed with legislative power, while executive authority is assigned to a Mayor (Sindaco) who heads an Executive Committee (Giunta Comunale). Municipal governments are responsible for a number of very important services that have a great impact on citizens' daily lives, and voters are typically highly interested in their composition and performance. This is reflected in high average voter turnout at municipal elections (for instance 73% of eligible voters turned out at the 2009 municipal elections).

Municipal elections in Italy are held every 5 years.² There is variation in the timing of the electoral cycles such that each year a large, but different, subset of municipalities have elections. Elections typically occur in Spring. The electoral system for municipalities was changed substantially in 1993. This included the introduction of direct elections of the mayor, along with a different electoral mechanism for smaller (<15,000 inhabitants) or larger municipalities (greater or equal to 15,000 inhabitants).³ In small municipalities, mayors are elected through a first-past-the-post system, while there is a runoff system in large municipalities. City Councils are elected *at-large* through an open-list proportional representation system. Each mayoral candidate is linked to a number of city-council lists (only one for *small* municipalities). The list(s) linked to the winning mayor are automatically awarded the majority of seats in the Council: 60% for *large* municipalities, two-thirds for *small* municipalities. This implies that mayoral candidates of larger municipalities are often endorsed by visible multi-party coalitions, while in smaller municipalities coalitions tend to be grouped within ad-hoc unitary lists. These endorsements happen before the elections are clearly signalled during campaign and on the ballot paper. Importantly, no reconfigurations of coalitions are possible after the election. The vast majority of municipalities are *small*, while only 9% have >15,000 inhabitants; note though that the majority of the population (59%) lives in these *larger* municipalities.

Lega Nord (or the Northern League) is a political party that was founded by Umberto Bossi at the end of the Eighties as a federation of several regional parties of Northern Italy. Lega Nord's support base is rooted in regions of Northern Italy (in particular in Lombardia and Veneto). At the 2009 European Parliament Elections they received between 10% and 28% of the votes in the regions in our sample, finishing consistently in the top three by vote share, together with the two main left-wing (Partito Democratico) and right-wing (Popolo della Libertà)

² In certain circumstances, the legislature may not survive until the end of its legislative term, e.g. because of a mayor's early resignation or death.

³ Henceforth we define small and large municipalities accordingly.

¹ Now simply *Lega*.

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