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Journal of Public Economics

journal homepage: www.elsevier.com/locate/jpube



Mr. Rossi, Mr. Hu and politics. The role of immigration in shaping natives' voting behavior☆



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ARTICLE INFO

Article history: Received 15 July 2014 Received in revised form 23 November 2015 Accepted 2 March 2016 Available online 14 March 2016

JEL classification: D72 P16 J61

Keywords: Immigration Voting Political economy

ABSTRACT

Using Italian municipality-level data on national elections and IV estimation strategy, we find that immigration generates a sizable causal increase in votes for the center-right coalition, which has a political platform less favorable to immigrants. Additional findings are: (i) the effect is heterogeneous across municipalities with different sizes; (ii) the gain in votes for the center-right coalition corresponds to a loss of votes for the center and center-left parties, a decrease in voter turnout, and a rise in protest votes; (iii) the relationship between immigration and electoral gains percolates to mayoral election at the municipality level; (iv) cultural diversity, competition in the labor market and for public services, and political competition are the most relevant channels at work.

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1. Introduction

International migration is a global phenomenon. According to the United Nations, in 2013 there were 136 million international migrants in developed countries with a sizeable increase between 2000 and 2010 (UN, 2013). The effects of immigration for the receiving countries have been extensively investigated. The literature has focused mainly on labor market aspects (see for instance Friedberg and Hunt, 1995; Card, 2001; Ottaviano and Peri, 2008), the cultural environment (Ottaviano and Peri, 2006), the crime rate (Moehling and Piehl, 2007; Bianchi et al., 2012), and the attitudes of natives (Card et al., 2012; Mayda, 2006). An important but less investigated issue concerns the role of immigration for the voting behavior of the natives, who often

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have strong views and prejudices on the issue. At the European institutional level the issue is even more important, since immigration policy is at the core of the debate on the future of the European Union. Interestingly, parties that are against the Euro area and that are proposing an exit strategy for their countries are often associated with protectionist views on immigration. The Front National in France, the Dutch Freedom Party, the United Kingdom Independence Party in the UK, and the Italian Lega Nord (Northern League) offer some examples of these combined political positions. This political divide at the European level has been exacerbated by the "refugee crisis" which occurred in the summer 2015, where right-wing parties have clearly shown their strong opposition to a political solution of the crisis. As a symbolic example, the decision of the Hungarian right-wing leader, Mr. Orban, to construct a massive fence along the country's border with Serbia to stop the refugee inflows.

This paper analyzes the role of immigration in shaping electoral outcomes in the thus far unexplored case of Italy, which – we argue – is particularly interesting for two reasons above all. First, immigration has been a recent and rapidly growing phenomenon, which means that the power of the empirical test we carry out is very high. In 1998 the share of immigrants over natives, according to Eurostat data, was as low as 1.7% (compared with 9% in Germany, 5.6% in France). Since 1998, however, the country has seen ample inflows, reaching 8% in

[★] We thank Olivier Bargain, Francesca Carta, Carlotta Berti Ceroni, Francesco D'Amuri, Sauro Mocetti, Henry Overman, Matthew Wakefield, and participants in the Italian Association of Labour Economists (AIEL), the Association of Italian Economists (SIE), the Brucchi-Luchino 2013, and the seminar held in GREQAM (Marseille), Luiss (Rome), Bologna and Bank of Italy (Rome). The views expressed in the paper are those of the authors and do not necessarily reflect those of the institutions they are affiliated with.

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2012, while in Germany and France, for instance, the share of immigrants has remained fairly constant. As reported by a national newspaper, ¹ of the first ten family names entered at the register office of Milan in 2012, three were originally from China, the second most recorded being the Chinese "Hu". The most frequently recorded name remains "Rossi", a typical Italian surname. Twenty-five years ago no foreign surname (among the first ten) was recorded at the same office. Second, in the last 20 years the Italian political scene has been dominated by Mr. Silvio Berlusconi and his center-right coalition: this has given rise to an international debate on Italian politics, given Mr. Berlusconi's media control (Durante and Knight, 2012; Barone et al., 2015) and his ambiguous adherence to the rule of law (Ginsborg, 2005; Lane, 2005; The Economist²).

We 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. Silvio Berlusconi. The election of 2006 was, instead, won by the center-left coalition, headed by Mr. Romano Prodi. With respect to immigration, the political platforms of the two coalitions were, consistently over the three elections, very different. In short, the centerleft 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, which has taken on the role of a nationalistic party opposed to immigration (Passarelli, 2013), and Alleanza Nazionale, the more moderate successor of the Movimento Sociale Italiano (MSI), the neo-fascist party in post-WWII Italy.

We investigate the impact of immigrants on the political choices of natives at the national political elections by comparing the voting pattern in about 8000 municipalities differently exposed to migration flows. Focusing on small territorial units delivers substantial benefits in the empirical strategy, as attitudes to migration depend mainly on the proximity between natives and immigrants, for instance, because there could be competition for the public services provided locally and for jobs in the local labor market. To deal with endogeneity issues we use the well-known instrument proposed by Card (2001), as slightly modified by Cortes and Pan (2015), which exploits the fact that immigrants tend to move to an area where a group of immigrants of the same ethnicity is already present. The identifying assumption is that local economic shocks that attracted immigrants in the past (in 1991) are uncorrelated with current political preferences, conditional on the full set of controls. We claim that this instrument is extremely convincing for our empirical application, because of the sharp discontinuity that occurred in Italian politics after the so-called 'Mani Pulite' scandal (1992-1994). One of its effects was the disappearance of the Democrazia Cristiana and the Partito Socialista, the two main parties that governed the country in the previous decades. Two issues are crucial for our analysis. First, the two parties that disappeared in 1992-94 did not have any specific stance against immigration, which was still a minor phenomenon at that time. Second, new parties joined the political arena after 1992–1994. Silvio Berlusconi's party was founded in January 1994. Further, the two main parties included in the center-right coalition with a more explicit anti-immigration stance (Lega Nord and Alleanza Nazionale) started participating in the Italian national elections after 1991, the year used to derive our instrument. This ensures that the location choices of the first wave of immigrants in 1991 were not affected by the political local strength of Silvio Berlusconi's coalition and of related parties.

Our results are as follows. In our preferred specification, i.e. controlling for endogeneity and municipality unobserved heterogeneity, we 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.

We carry out two main sets of robustness checks. The first one lies in addressing the issue of possible spillover effects due to the fact that immigration flows in a single municipality might also affect the surrounding municipalities, invalidating the SUTVA assumption. The second robustness check regards the change in the national electoral system in 2005 that applied to elections in 2006 and 2008, as in principle the impact of immigration on electoral outcomes might be affected by how votes are translated into seats. Both sets of robustness checks provide evidence confirming our baseline estimates.

Compared to the existing literature (see Section 2), we also derive several original additional findings in the paper. First, we find significant heterogeneity across municipality size: results are driven by municipalities in the middle of the municipality size distribution, while no effects are detected for the tails. We also discuss the explanations underlying such findings.

Second, we show that the gain in votes for the center-right coalition is associated with a loss of votes for all the other coalitions of center and left. Furthermore, we highlight that the increase in immigration causes a decrease in voter turnout, and a rise in protest votes, i.e. blank and invalid ballot papers. The latter finding suggests that the recent trends in immigration have contributed to a surge of disaffection toward political participation.

Third, we investigate the impact of immigration on outcomes in mayoral elections at the municipality level, to carry out a comparison with the impact derived at the National elections. The evidence suggests that the relationship between immigration and electoral gains percolates to mayoral elections, and that the magnitudes of the effects are comparable.

The final contribution of the paper concerns the channels along which the impact of immigration on votes for the center-right coalition occurs. Broadly speaking, one might think about two main categories of mechanisms. The first one regards the voters' side, i.e., how voters change preferences and voting behavior as a reaction to immigration inflows. The second one concerns the political parties' side, i.e., how parties change their strategies when immigration inflows increase. We show that cultural diversity (in terms of religious diversity), competition in the labor market and competition for public services all play an important and statistically significant role in affecting changes in voters' preferences, while political competition might be a driver in the political parties' side.

The paper is structured as follows. Section 2 briefly summarizes the literature on the subject. Section 3 illustrates for Italy the trends in immigration and how it is regulated, together with the political platforms of the two main coalitions. Section 4 introduces the data while Section 5 focuses on the empirical strategy. In Section 6 we present our baseline results and the robustness checks. Section 7 provides some additional findings while Section 8 describes potential channels along which the effect of immigration on voting patterns percolates. Section 9 concludes.

2. Related literature

The literature on the impact of immigration on electoral outcomes is very recent and rather scant.

Mendez and Cutillas (2014) investigate whether the immigration to Spain affected the outcome of the national elections held in the 1996–2011 period, when the immigrant share rose sharply. They use 48 provinces observed in five election years as units of analysis. Using province-level fixed effects and instrumental variable analysis (following Card, 2001) they find that immigration inflow has no robust effect on support for anti-immigration coalitions. When they split the immigrant incidence according to nationality, a positive impact on

¹ See: http://milano.repubblica.it/cronaca/2012/04/15/news/fra_i_cognomi_pi_diffusi_a_milano_il_cinese_hu_scalza_sciur_brambilla-33351789/

² http://www.economist.com/topics/silvio-berlusconi.

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