

Immigration and Voting for the Extreme Right^{*}

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November 12, 2014

Does the presence of immigrants in one's neighborhood affect voting for extreme right-wing parties? We study the case of the Freedom Party of Austria (FPÖ) which, under the leadership of Jörg Haider, increased its vote share from less than 5 percent in the early 1980s to 27 percent by the end of the 1990s. To identify the causal impact of immigration on voting for the extreme right, we exploit Austria's immigration inflow in the 1960s and the resulting settlement patterns, which provide a source of exogenous variation in the spatial distribution of more recent immigrants. We find that the percentage immigrants in a community has a significant and quantitatively important impact on the community's voting share for the FPÖ, explaining roughly a sixth of its regional variation. Our results suggest that voters worry about a changing ethnic and cultural composition in their neighborhoods and schools, thus pointing to the importance of "compositional amenities." The evidence is less conclusive as to whether labor market effects of immigration drive voting outcomes.

JEL Classification: P16, J61.

Keywords: Immigration, political economy, voting.

^{*}We thank Statistics Austria for providing the census data. For helpful discussions and comments we thank Stefan Bauernschuster, David Card, Albrecht Glitz, Michel Habib, Hannes Winner, Helmut Rainer, Friedrich Schneider, Davide Ticci, Andrea Weber, Rudolf Winter-Ebmer, and participants at the European Society for Population Economics 2010 in Essen, the Annual Conferences of the European Public Choice Society 2013 in Zurich, at the Workshop Applied Labor Economics of the ifo Institut in Bischofswiesen, and in several seminars. This paper was partly written during Martin Halla's visiting scholarship at the Center for Labor Economics at the University of California at Berkeley. He is grateful for the stimulating academic environment and hospitality there. We thank Thomas Schober for excellent research assistance. This research was funded by the Austrian Science Fund (FWF): National Research Network S103, The Austrian Center for Labor Economics and the Analysis of the Welfare State; the NCCR FINRISK and the UHZ RPP Finance and Financial Markets. A previous version of this paper was circulated under the title "On the Political Implications of Immigration."

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