

IMMIGRATION AND VOTING FOR THE FAR RIGHT

Martin Halla

University of Innsbruck

Alexander F. Wagner

Swiss Finance Institute - University of
Zurich

Josef Zweimüller

University of Zurich

Abstract

Does the presence of immigrants in one's neighbourhood affect voting for far 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% in the early 1980s to 27% by the end of the 1990s and continued to attract more than 20% of voters in the 2013 national election. We find that the inflow of immigrants into a community has a significant impact on the increase in the community's voting share for the FPÖ, explaining roughly a tenth of the regional variation in vote changes. Our results suggest that voters worry about adverse labor market effects of immigration, as well as about the quality of their neighbourhood. In fact, we find evidence of a negative impact of immigration on "compositional amenities." In communities with larger immigration influx, Austrian children commute longer distances to school, and fewer daycare resources are provided. We do not find evidence that Austrians move out of communities with increasing immigrant presence. (JEL: P16, J61)

The editor in charge of this paper was M. Daniele Paserman.

Acknowledgments: We thank the Editor M. Daniele Paserman and four anonymous Referees for excellent comments that significantly improved the paper. 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 Ticchi, Andrea Weber, Rudolf Winter-Ebmer, and participants of several conferences, seminars, and workshops. 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. Previous versions of this paper were circulated under the titles "On the Political Implications of Immigration" and "Does Immigration into Their Neighborhoods Incline Voters Toward the Extreme Right? The Case of the Freedom Party of Austria." Halla is a Research Fellow at IZA; Wagner is a Research Fellow at CEPR and a Research Associate at ECGI; Zweimüller is a Research Fellow at CEPR, CESifo and IZA.

E-mail: martin.halla@uibk.ac.at (Halla); alexander.wagner@bf.uzh.ch (Wagner);
josef.zweimueller@econ.uzh.ch (Zweimüller)