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A New East-West Divide? – Immigration and Anti-Immigrant Voting in the 2017 German Parliamentary Election

Kim Leonie Kellermann^a Simon Winter^b

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Very Preliminary Draft - Please Do Not Cite or Circulate

We empirically examine the relationship between shares of foreigners and shares of votes cast for the *Alternative für Deutschland* (AfD), the major anti-immigrant party in the 2017 German parliamentary election. The classic theory on the political economy of migration supposes that immigration fosters opposing sentiments among the natives due to fiercer competition for jobs, housing and public goods. Notably, the vote distribution in the 2017 election suggests that AfD vote shares are higher in districts with fewer foreign inhabitants. We exploit administrative data on election results and district-specific features to study a potentially different effect in West and East Germany. Our results for East Germany corroborate the Contact Theory, which states that more intensive exposure to immigration reduces the propensity to anti-immigrant voting. A 10 percentage point increase in the share of foreigners is associated with a 6.3 percentage point decrease in the AfD vote share. By contrast, the contact effect for West Germany is only weak. Additionally, we find evidence for economic competition with above-average unemployment adding to AfD support in both East and West Germany.

JEL classification: D72, D91, J15

Keywords: migration, anti-immigrant parties, contact theory, ethnic competition, economic competition

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1 Introduction

The 2017 parliamentary election in Germany marked a turning point in the political history of the country. Beforehand, due to the large and sudden inflow of asylum seekers between 2014 and 2016, the issue of immigration dominated the highly controversial and heated political debate. In the course of serious concerns about the federal government's ability to manage the so-called refugee crisis, the *Alternative für Deutschland* (AfD) achieved remarkable political successes. It was the first immigration-opposing party to enter the federal parliament in the post-war period. While the AfD obtained an overall vote share of 12.6% (about 5.9 million votes), support for the party substantially varied over constituencies. It received less than 5% of votes in the western part of Germany and up to 35% in the far eastern part. Right after the election, the notable geographical distribution of AfD votes aroused widespread interest. The substantially higher electoral support in East Germany went hand in hand with a higher vote shares in districts with a lower population share of foreigners.

We present a first analysis of a potentially causal impact of immigration on electoral support for the major anti-immigrant party in the 2017 German parliamentary election. Our dataset comprises official election results as well as social, economic and geographical characteristics of the 401 German administrative districts. Since the descriptive evidence suggests structurally distinct effects in West and East Germany (the former German Democratic Republic), we apply an OLS approach with interaction terms, allowing the impact of a higher population share of foreigners to vary between regions. We additionally include the percentage increase in the number of asylum seekers between 2014 and 2016 as an explanatory variable, hereby tackling unequal perception or treatment of immigrants with different cultural backgrounds and motives to leave their home country (Mendez & Cutillas 2014).

The related literature generally agrees on the fact that immigration can shape voting results, yet the direction of the effect is theoretically ambiguous. The classic theory on the political economy of migration suggests a positive relationship between the presence of immigrants and the advocacy for anti-immigrant parties. According to this theory, natives may perceive immigrants as an *ethnic competition*. The customs in the receiving country may lose importance or vanish if immigrants import their own culture and language (Golder 2003; Hatton 2016; Lucassen & Lubbers 2012; Rustenbach 2010; Werts, Scheepers & Lubbers 2012). Furthermore, a labor supply shock induced by immigration may reduce wages and employment prospects of the low-skilled native population.

Therefore, a higher vote share for anti-immigrant parties should be observed in areas with a constrained labor market (Borjas 2017; Borjas et al. 1997; Johnson 1980). By contrast, however, the Contact Theory supposes the opposite to be true. It assumes that the larger the foreign community, the more regularly personal interactions and cultural exchange between immigrants and natives occur. Prejudices are reduced so that the native population is less prone to electorally oppose immigration (Allport 1954; Golder 2003; Pettigrew & Tropp 2008; Rustenbach 2010).

The empirical evidence gained by testing these theories is fairly mixed. A small number of studies provide evidence for the Contact Theory (Bridges & Mateut 2014; Steinmayr 2016; van der Waal, de Koster & Achterberg 2013), yet the majority of studies finds a positive correlation between immigration and anti-immigrant voting among the natives. In particular, the fast-growing body of empirical research studying the effects of the refugee crisis in Europe finds immigration to be one cause for the recent rise of nationalist and right-wing parties there (Altindag & Kaushal 2017; Dustmann, Vasiljeva & Damm 2016; Gerdes & Wadensjö 2008; Hangartner et al. 2017; Harmon 2017; Mendez & Cutillas 2014; Sekeris & Vasilakis 2016).

The main issue empirical investigations have to deal with is the non-random distribution of immigrants throughout the receiving country. Larger migrant communities are expected to be found in urban areas with affordable housing, better economic conditions or a large pre-existing community of compatriots. Most of the recent related studies take this endogeneity into account, following various strategies to instrument the share of foreigners in a region (Altindag & Kaushal 2017; Bratti et al. 2017; Dustmann, Vasiljeva & Damm 2016; Hangartner et al. 2017; Harmon 2017; Mayda, Peri & Steingress 2016; Mendez & Cutillas 2014; Sekeris & Vasilakis 2016; Steinmayr 2016). Unlike these, this problem is not observable in our dataset. The historic division of Germany into a western and an eastern part provides a meaningful predictor of where immigrants historically settled, conditional on other district-specific features. Controlling for the division, empirical tests do not confirm that the share of foreigners in a district is significantly related to unobservables. Even so, in order to verify the reliability of our OLS results, we check the robustness by applying an IV approach, using historic shares of foreigners (1995), the inverse distance to the next larger international airport and the recent suspension of labor market priority of natives as instruments for the current share of foreigners.

Our estimation results support the Contact Theory argument for East Germany, where a 10 percentage point increase in the foreigner share is associated with a decline in

the AfD vote share of about 6.3 percentage points in our preferred full specification. The contact effect is less pronounced but still observable for West Germany. Yet, a 10 percentage point larger increase in the number of asylum seekers is associated with greater support for the anti-immigrant party of about 0.02 percentage points. While these results may seem contradictory, they can still be interpreted in a coherent way: regular personal contact with immigrants reduces the natives' propensity to generally oppose immigration. By contrast, greater AfD support due to a higher number of asylum seekers may be a sign of the general discontent with the incumbent political parties' management of the 2015 refugee crisis. Finally, unemployment is positively related to the AfD's election results corroborating the Economic Competition Theory: a 10 percentage point increase in unemployment is related to a roughly 3 percentage point increase in the AfD election result.

The remainder of this paper is organized as follows. Section 2 highlights the determinants of anti-immigrant voting as pointed out in the related literature and outlines the hypotheses to be tested. Section 3 operationalizes anti-immigrant sentiments by means of the AfD vote share and elaborates on our empirical strategy and data. Estimation results are presented in Section 4. Section 5 finally concludes.

2 Determinants of Anti-Immigrant Voting

Support for anti-immigrant parties has been on a steep rise throughout Western Europe over the past three decades. By the term *anti-immigrant parties*, we refer to political movements whose program includes or is solely based on a firm disapproval of foreigners permanently residing in their countries. This critical attitude towards foreign immigration is mostly found among parties classified as *nationalist* or *radical right-wing* (Polk et al. 2017; Volkens et al. 2017). Right after the Second World War, immigrants were overtly welcome in Germany and other Western European countries to satisfy the increasing labor demand. The situation started to change in the aftermath of the 1973 energy crisis, which caused growing unemployment. Further, after the fall of the Iron Curtain, which coincided with the rise of fundamentalistically motivated terror attacks on Western soil, and in reaction to increased migration flows to Germany in the 1990s, opposition against immigration has strongly grown. Ever since, political parties that firmly reject immigration – specifically from non-EU countries – have emerged and have registered increasing support within the electorate (Mudde 2004, 2013).

The scientific literature has extensively examined the factors that motivate voters to provide support for anti-immigrant parties. The causes are manifold and comprise individual as well as contextual factors. By and large, the literature distinguishes between economic, socio-cultural and psychological motives for holding an anti-immigrant attitude. With regard to the economic dimension, the *Economic Competition Theory* suggests a positive relationship between economic grievances and the opposition to immigration. According to this theory, the native population competes with immigrants for scarce resources, such as state transfers, housing and job opportunities. Further, a majority of migrants is usually considered to be a potential substitute for low-skilled native workers, meaning that these workers may be at higher risk for unemployment with increasing immigration (Borjas 2017; Borjas et al. 1997; Söllner 1999). Therefore, the low-skilled native workforce and the unemployed are expected to favor a more restrictive immigration policy (Bridges & Mateut 2014; Golder 2003; Mayda 2006; O’Rourke & Sinnott 2006; Rustenbach 2010). High-skilled workers and capital owners, by contrast, gain from a rise in immigrant labor supply, so that these groups of voters have a more open attitude toward immigrants (Johnson 1980; Söllner 1999, 2017).¹ From these considerations, we deduct our first hypothesis:

Hypothesis 1. *Economic Competition Theory.* *A higher level of unemployment in a region leads to a higher level of support for anti-immigrant parties due to fiercer labor market competition.*

Irrespective of economically motivated concerns, a sudden influx of foreigners may also cause reservations for social and cultural reasons. Anti-immigrant movements often refer to immigrants as a “threat” to the national identity and customs of the receiving country. Similar to the struggle for economic and material resources, the corresponding theory regarding social and cultural concerns is known as *Ethnic Competition Theory* (Golder 2003; Hatton 2016; Lucassen & Lubbers 2012; Rustenbach 2010; Werts, Scheepers & Lubbers 2012). When immigrants intend to permanently settle in their host country, they import many cultural habits and customs that are unknown to the native population. Some examples are differences in language, religion, physical appearance, moral values and rights, behavior in public and daily routines. Anti-immigrant parties often emphasize that the immigrants’ cultural values and the host country’s national identity are mutually exclusive (Golder 2003; Mudde 2004; Oesch 2008). According to them, the traditions and values of the home country may fade if more immigrants arrive who bring

¹ However, the effect on wages and employment levels of low-skilled workers crucially depends on the elasticity of substitution of native and foreign labor (Grossman 1982; Palivos, Xue & Yip 2011).

their own culture and do not adopt the lifestyle habits of the native population. The Ethnic Competition Theory is reflected in Hypothesis 2a.

Hypothesis 2a. *Ethnic Competition Theory.* *A higher level of immigration into a region leads to a higher level of support for anti-immigrant parties.*

Another strand of literature referring to cultural motives reverses the reasoning of the Ethnic Competition Theory. First brought forward by Allport (1954), the *Contact Theory* supposes the relationship between increasing immigration and anti-immigrant attitudes to be negative. The argumentation is based on the assumption that regular, direct contact between immigrants and natives forges personal relationships and helps both groups to acquire better knowledge about one another. By getting a deep insight into the immigrants' lifestyle and culture, the native population realizes that their own identity is not endangered by the presence of another ethnic group and they may even take pleasure in the exchange (Golder 2003; Pettigrew & Tropp 2008; Rustenbach 2010; van der Waal, de Koster & Achterberg 2013). The closer the personal contact is, the less inclined the natives are to support political movements harming the interests of immigrants. We accordingly formulate the following hypothesis:

Hypothesis 2b. *Contact Theory.* *A higher level of immigration in a region leads to a lower level of support for anti-immigrant parties.*

The literature finally examines a third group of driving forces, which comprise psychological motives and issue perception. First, voting for anti-immigration parties may, unsurprisingly, be a likely electoral choice for individuals with truly xenophobic attitudes (de Vries, Hakhverdian & Lancee 2013; Rydgren 2008; van der Brug, Fennema & Tillie 2000). There is consistent empirical evidence indicating that individual preferences for an anti-immigrant party can be accounted for by generally negative attitudes towards people of foreign origin. These attitudes are further shaped by the salience of migration. The propensity for anti-immigrant voting increases with the number of newly arriving migrants (Boomgarden & Vliegenthart 2009; Lubbers, Gijsberts & Scheepers 2002; Pardos-Prado, Lancee & Sagarzazu 2014), especially when there is extensive media coverage of immigration-related issues (Beyer & Weldon 2018; Schärudel 2016). A negative tone in immigration-related reporting adds to the corresponding negative attitude (Boomgarden & Vliegenthart 2009). Moreover, high real salience and high media salience of immigration interact to stimulate immigration-opposing voting behavior (Boomgarden & Vliegenthart 2009). The media plays a vital role in introducing radical

movements and their leaders to the public, both with respect to quality and quantity (Bos, van der Brug & de Vreese 2011; Lubbers, Gijsberts & Scheepers 2002; van der Brug, Fennema & Tillie 2000). We neglect this third line of argumentation regarding perception in our analysis, as perception is best scrutinized at the individual level; here, we intend to examine anti-immigrant voting at an aggregate level.

The latest empirical studies related to our question mostly find a positive correlation between immigration and support for anti-immigrant movements (Barone et al. 2016; Bridges & Mateut 2014; Dustmann, Vasiljeva & Damm 2016; Gerdes & Wadensjö 2008; Hangartner et al. 2017; Harmon 2017; Mayda, Peri & Steingress 2016; Mendez & Cutillas 2014; Meuleman, Davidov & Billiet 2009; Sekeris & Vasilakis 2016). Explicitly testing the Economic Competition Theory, the respective evidence corroborates the supposition that individuals with unsatisfactory labor market positions tend to hold hostile attitudes towards migrants and to sympathize with nationalist movements (Lubbers, Gijsberts & Scheepers 2002; Lubbers & Scheepers 2000; Lucassen & Lubbers 2012; Werts, Scheepers & Lubbers 2012). Immigration policies also appear to be more restrictive when immigration increases inequality (Timmer & Williams 1998).²

Current empirical evidence in favor of the Contact Theory, however, is rather scarce (Bridges & Mateut 2014; van der Waal, de Koster & Achterberg 2013). Of the studies that might support the theory, Steinmayr (2016) finds that support for the populist right-wing FPÖ in Upper Austria is greater in communities that accepted only few refugees during the latest crisis. Barone et al. (2016) find no effect of immigration on support for right-leaning movements in bigger Italian cities, which could be because natives and foreigners have more frequent contact there. Similarly, Gehrsitz & Ungerer (2017) find no evidence of an asylum influx being positively related to vote gains for the AfD in the 2017 German state elections. Yet, they attribute this finding to data shortcomings.

Strikingly, the related literature rarely mentions that different groups of migrants may be perceived differently by a native population. Mendez & Cutillas (2014) find evidence that cultural proximity of migrants to the native population matters for their impact on political outcomes in the host country. For example, in Spain, where Latin American immigrants tend to inspire feelings of solidarity among the Spanish, immigration from Africa is associated with higher vote shares for right-wing parties. Further, people who migrate for work or personal reasons may not evoke strong feelings in natives whereas

² Blau & Kahn (2015) provide an overview on the extant literature on the effects of immigration on the overall distribution of incomes.

asylum seekers, who are temporarily forced to rely on tax-based public expenditures, may cause a feeling of injustice among the natives.

The main challenge when designing an empirical strategy to test these hypotheses is to isolate the causal impact of higher immigration on voting behavior. Only a small number of related empirical studies is able to avoid endogeneity in their explanatory variable by exploiting the random assignment of asylum seekers to a region of living (Gehrsitz & Ungerer 2017; Gerdes & Wadensjö 2008). These studies assume the number of refugees in a region to be exogenous in order to capture the unbiased immigration impact on voting outcomes due to the exogenous assignment to a place of residence.

The alternative is to apply an IV strategy and instrument the explanatory variable. Previous studies using an IV approach can be grouped according to three approaches. First, one reasonable instrument is the historic distribution of immigrants, due to the tendency of new immigrants to follow the earlier settlement decisions of their compatriots (Card 2001). The idea has been transferred to the examination of election outcomes, normally in a more simplified fashion (Altindag & Kaushal 2017; Barone et al. 2016; Mendez & Cutillas 2014; Otto & Steinhardt 2014). Second, another popular instrument are housing options, captured either by the availability of group housing or rental homes, or by housing prices (Harmon 2017; Steinmayr 2016). Higher shares of immigrants can thus be expected in regions with lower housing prices and more apartment buildings. Third, various distance measures can be used to capture the likelihood of immigrants settling in the area. Considering Greece during the European refugee crisis, Sekeris & Vasilakis (2016) as well as Hangartner et al. (2017) instrument the number of refugees in a Greek island municipality by the inverse distance to the Turkish border. Mayda, Peri & Steingress (2016) employ a similar instrument for analyzing migration flows in the United States using the inverse distance of earlier settlers' final location to their home countries. In the following sections, we build on these IV strategies collecting historic settlement patterns of foreigners as well as distance measures as potential instruments in our robustness tests.

3 Methodology and Data

3.1 Operationalization of Anti-Immigrant Sentiments

Anti-immigrant sentiments can be measured in different ways, e.g. by surveys on the prevalence of racist or xenophobic prejudices, by studying how and to what extent

immigration is covered by the media and by politics (in particular with respect to the tone and used language) as well as by election results of parties with pro-immigrant or anti-immigrant manifestos. While the two former are directly and more exclusively linked to immigration-opposing attitudes, the use of election results comes with other practically relevant advantages. They are usually complete without any data gaps and can be analyzed at various geographical levels. A potential disadvantage is the fact that they only serve as a proxy of anti-immigrant attitudes: voters may have a number of motives to support a party, of which an anti-immigrant attitude may be only one. If a party, however, presents itself as explicitly opposing immigration, we can assume that its success can mainly be traced back to the expression of anti-immigrant sentiments among its voters. We focus on the evolution of anti-immigrant positions within the *Alternative für Deutschland* (AfD; English: *Alternative for Germany*) which was founded in 2013 and currently is the major anti-immigrant party in Germany.

As its name suggests, the party considers itself to be an alternative to mainstream parties and well-established political leaders. Initially, the AfD was a special-issue party, being highly critical of the EU policies providing financial support to indebted member states. The AfD proclaimed a liberal economic policy, called for a German withdrawal from the Eurozone and was characterized as “pro-European but anti-Euro” (Grimm 2015, p. 265). The party first ran in general elections in 2013 but failed to pass the required threshold of 5 % of votes. The early AfD, its positions, candidates and supporters have been analyzed at length in different qualitative and quantitative studies. Research finds that the early AfD could hardly be seen as a radical right-wing, extremist or populist party (Arzheimer 2015; Jankowski, Schneider & Tepe 2015) but as a party with populist tendencies that gradually began to emerge during the Federal Election campaign in 2013 already (Franzmann 2014; Schmitt-Beck 2014). This finding, along with the geographic division of the party between its ordoliberal and Eurosceptic founders in western Germany and their conservative and nationalist supporters in eastern Germany, led the AfD to gain support in regions where extreme right-wing parties (such as *NPD*, *Die Rechte* etc.) had traditionally been stronger (Jankowski, Schneider & Tepe 2015). Therefore, from the very beginning, the AfD served as a “functional equivalent for a right-wing populist party in a country where right-wing politics are strongly stigmatized” (Berbair, Lewandowsky & Siri 2015, p. 154).

In the aftermath of the 2013 federal election, support for the AfD kept growing while the party itself developed its political program towards a right-wing, nationalist agenda, demanding strict rules for immigration. In 2013, the AfD was recognized as an or-

doliberal, Euro-critical coalition made up especially of economists; however, criticism of the Euro – although common sense among large groups of economists – has traditionally been a topic of the far right in Germany, and many of the leaders after the right-wing populist backlash within the AfD were party members from the very beginning. This personnel continuity suggests that the AfD already had the potential to be an anti-immigrant party back in 2013. Its perception in public, however, only started to change during the so-called refugee crisis in 2015. While campaigning for the general election in 2017, the AfD harshly criticized the government’s management of the latest refugee inflow and called for more restrictive asylum laws as well as an immediate stop to accepting immigrants from non-EU countries (Hambauer & Mays 2018). The AfD nowadays makes use of typical populist rhetoric, referring to immigrants as a risk to the national identity and security in Germany and as a burden for the German welfare state. While the party had previously been compared to the British Conservatives in 2013-2015 (Arzheimer 2015; Berbuir, Lewandowsky & Siri 2015), lately it has become more similar to parties like *UKIP* in Great Britain, *Rassemblement National* (formerly known as *Front National*) in France or the Austrian *FPÖ* – not least because of its nationalist and xenophobic focus.

Although nationalism and right-wing radicalism are delicate issues in German politics and society, the AfD quickly achieved considerable electoral results. The party entered all 16 German state parliaments within five years and became the largest oppositional party in the federal parliament after the 2017 elections.³ The AfD is now generally perceived as a right-wing populist party (Decker 2016; Franzmann 2016; Lees 2018; Lewandowsky, Giebler & Wagner 2016) with the potential to become a lasting force in German politics (Art 2018; Dudášová 2017; Schwarzbözl & Fatke 2016). More recently, the AfD has also been discussed in the context of right-wing extremism and the so-called New Right (Salzborn 2016) as well as radical right-wing parties (Art 2018; Berning 2017; Dilling 2018). AfD vote shares in the 2017 parliamentary elections therefore seem to be a suitable indicator for anti-immigrant sentiments among the electorate.

3.2 Data and Descriptive Statistics

Our data base includes data from the German Federal Statistical Office (*Statistisches Bundesamt*), the Federal Institute for Research on Building, Urban Affairs and Spatial Development (*Bundesinstitut für Bau-, Stadt- und Raumforschung*) as well as the Fed-

³ The AfD furthermore has one representative in the European Parliament following the respective 2014 election.

eral Labor Office (*Bundesagentur für Arbeit*) and combines electoral results and socio-demographic features of the administrative districts.⁴ Our vote share measure refers to the second votes (*Zweitstimmen*) only, which determine the distribution of seats in the German parliament.⁵ The share of foreigners is the percentage share of non-German citizens relative to the whole population in a district at the beginning of the election year 2017. With regard to the control variables, we include the latest available data prior to the 2017 election.⁶

Table 1 displays summary statistics for the used variables. Electoral participation in German federal elections is traditionally high as shown by voter turnout rates of up to 84%. The mean AfD vote share exhibits a strong upward trend considering the last two elections. While in 2013 the party received less than the legally required 5% of total second votes to enter the parliament, in 2017 the AfD failed to clear this hurdle in only one of the 401 districts. The population share of foreigners varies widely across districts (between 1.9 and 39.7%). The extent of the refugee inflow between 2014 and 2016 becomes obvious in the average percentage increase in the number of asylum seekers, which was about 145%.

The right-hand panel of Figure 1 depicts the district distribution of AfD vote shares. There is a clear pattern, indicating that the AfD generally obtained higher vote shares in the eastern part of Germany than in the western part. It thus seems reasonable to control for a district's location in either West or East. The left-hand panel of Figure 1 depicts the district shares of foreigners. Another structural break is obvious here: lower foreigner shares are particularly found in the east of the country.

It thus results a negative correlation between population shares of foreigners and AfD voting, suggesting that the AfD vote share is higher in districts with fewer foreign inhabitants. The cross-correlation matrix in Table 2 supports this observation, reporting

⁴ Constituencies slightly differ from administrative districts, so election results have correspondingly been converted.

⁵ We ignore the *first vote*, which represents the majoritarian part of the mixed German electoral system. While voters support a party list with their second vote, the first vote is given to the preferred local candidate to represent the constituency. Because not every party nominates a local candidate in every constituency, data for the first vote may be limited. Moreover, other candidate-specific features may play a role in the first vote, e. g. local renownedness or personal relations.

⁶ The shares of females and young people as well as the population density and the indicator of rural areas refer to the beginning of the election year 2017. The shares of married, academics and christians are figures from the last census in 2011. The voter turnout rate of course refers to the 2017 election as well.

Table 1: Summary Statistics

| Variable | Obs | Mean | Std. Dev. | Min | Max |
|--|-----|--------|-----------|-------|-------|
| AfD Vote Share (%) | 401 | 13.39 | 5.33 | 4.94 | 35.47 |
| Share of Foreigners (%) | 401 | 10.116 | 5.69 | 1.86 | 39.74 |
| Share of Foreigners 1995 (%) | 401 | 7.43 | 4.96 | 0.1 | 26.3 |
| Priority Check Suspended (n/y) | 401 | 1.85 | 0.36 | 1 | 2 |
| Inverse Airport Distance (1/km) | 401 | 0.02 | 0.02 | 0.01 | 0.16 |
| Δ Asylum Seekers (%) | 401 | 145.13 | 78.74 | -29.8 | 908.1 |
| Unemployment Rate (%) | 401 | 5.77 | 2.60 | 1.4 | 14.7 |
| Lagged AfD Vote Share (%) | 401 | 4.71 | 1.09 | 2.23 | 8.68 |
| Voter Turnout (%) | 401 | 75.84 | 3.71 | 64.08 | 84.39 |
| Population Density (inhab./km ²) | 401 | 531.32 | 699.07 | 36 | 4,713 |
| Share of Females (%) | 401 | 50.62 | 0.65 | 48.35 | 52.70 |
| Share of Academics (%) | 401 | 5.77 | 2.76 | 2.07 | 17.38 |
| Share of Christians (%) | 401 | 62.28 | 21.65 | 5.93 | 91.90 |
| Share of Married (%) | 401 | 46.60 | 3.38 | 34.73 | 52.00 |
| Share of Youth (%) | 401 | 7.46 | 1.88 | 0.63 | 13.74 |
| Rural Area (n/y) | 401 | 1.49 | 0.50 | 1 | 2 |
| Federal State (cat.) | 401 | 7.98 | 3.80 | 1 | 16 |

Notes: *Share of Youth* refers to the population share of 18- to 24-year-olds. There is only one common foreigners' office in charge of the six districts in the state of Saarland. The same applies to Kassel city and the surrounding district Kassel as well as for the city of Cottbus and the Spree-Neiße district, respectively. Therefore, *Share of Foreigners* in 2016 takes the same value for all observations that are serviced by the same administrative unit.

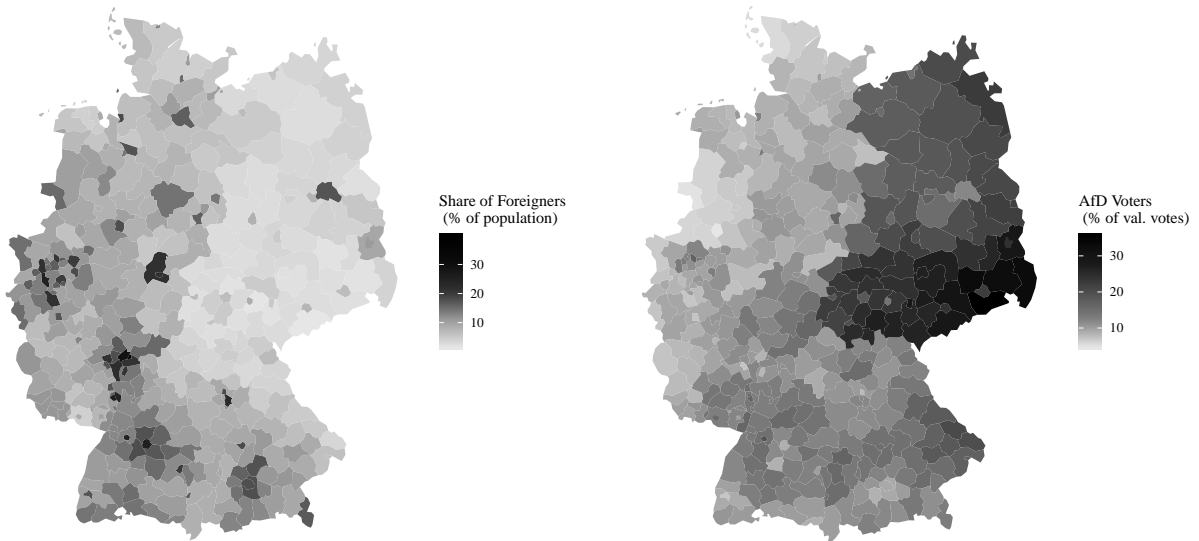


Figure 1: Share of Foreigners and AfD Vote Share in the 2017 German Federal Election

a correlation coefficient of -0.39 .⁷ The intriguing issue with regard to the regression

⁷ Furthermore, the AfD vote share was lower in districts with a larger share of women, youths, persons with academic education and Christians. The AfD had a larger 2017 vote share in areas

analysis is whether this negative relation between immigration and AfD voting is just a spurious correlation – which vanishes once controlling for East and West – or whether the correlation still persists when differentiating between the two regions. Figure 2 shows a scatterplot of the variables in question. These suggest a clearly negative relationship between immigration and AfD voting in East Germany, while the relationship is at best slightly negative in West Germany. We pursue this question in the upcoming analysis.

Table 2: Correlation Matrix

| | V1 | V2 | V3 | V4 | V5 |
|-------------------------------|-----------|------------|-----------|----------|-----------|
| AfD Vote Share (V1) | 1.000*** | | | | |
| Share of Foreigners (V2) | -0.392*** | 1.000*** | | | |
| Share of Foreigners 1995 (V3) | -0.437*** | 0.911*** | 1.000*** | | |
| Priority Check Suspended (V4) | 0.015 | -0.037 | -0.019 | 1.000 | |
| Inverse Airport Distance (V5) | -0.187*** | 0.420*** | 0.384*** | 0.041 | 1.000*** |
| Lagged AfD Vote Share | 0.616*** | -0.051 | -0.052 | 0.145** | 0.075 |
| Δ Asylum Seekers | 0.240*** | -0.1990*** | -0.258*** | -0.092 | -0.180*** |
| Unemployment Rate | 0.266*** | 0.0134 | -0.009 | -0.005 | 0.087 |
| Voter Turnout | -0.397*** | 0.025 | 0.084 | 0.004 | 0.096 |
| Population Density | -0.209*** | 0.6958*** | 0.658*** | -0.152** | 0.434*** |
| Share of Females | -0.114* | 0.151** | 0.159** | -0.132** | 0.098 |
| Share of Academics | -0.175*** | 0.421*** | 0.364*** | 0.009 | 0.299*** |
| Share of Christians | -0.628*** | 0.199*** | 0.269*** | -0.119* | -0.064 |
| Share of Married | 0.102* | -0.388*** | -0.290*** | 0.056 | -0.122* |
| Share of Youth | -0.589*** | 0.587*** | 0.501*** | -0.066 | 0.056 |

Significance levels: *** $p < 0.001$, ** $p < 0.01$, * $p < 0.05$.

3.3 Identification Strategy

In order to test the hypotheses formulated in Section 2, we use the following regression model:

$$\begin{aligned}
 VoteShareAfD_{ij} = & \beta_0 + \beta_1 ForeignShare_{ij} + \beta_2 \Delta Asylum_{ij} \\
 & + \beta_3 Unemp_{ij} + \beta_4 VoteShareAfD2013_{ij} + \beta_5 X_{ij} + \lambda_j + u_{ij},
 \end{aligned} \tag{1}$$

where $VoteShareAfD_{ij}$ denotes the percentage of votes obtained by the AfD in district i located in federal state j in the 2017 parliamentary election. The variable $VoteShareAfD2013_{ij}$ denotes the vote share obtained in the same district in the previous parliamentary election held in 2013, hereby controlling for inertia in party preferences. Our main explanatory variable $ForeignShare_{ij}$ denotes the population share

with relatively high unemployment and those with an already high level of support for the AfD in 2013.

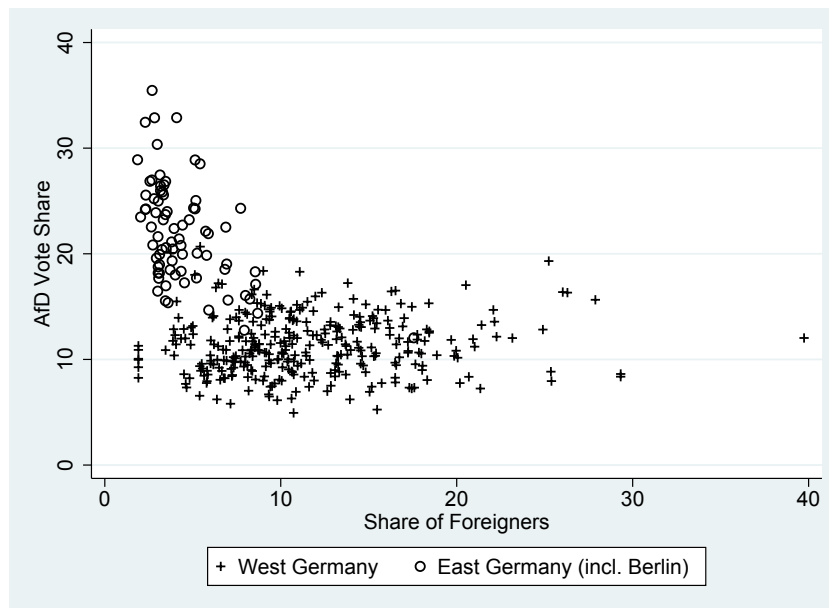


Figure 2: AfD Vote Share and Share of Foreigners across West and East Germany

of foreigners in district i in state j at the beginning of the election year 2017. In line with Hypothesis 2a, we should find that $\beta_1 > 0$. Likewise, in line with Hypothesis 2b, we should find $\beta_1 < 0$. We control for the percentage increase in the number of asylum seekers in the two years preceding the election (2014-2016) by $\Delta Asylum_i$.⁸ This allows us to isolate the impact of long-established foreigners from the impact of newly arriving immigrants. In doing so, we are able to distinguish different effects on electoral outcomes induced by multiple groups of migrants who left their home countries for various reasons. First, the level share of foreigners captures a familiarization effect with respect to a permanent exposure to people from foreign origin. Second, the *inflow* of asylum seekers allows to additionally examine the impact of a sudden shock in population composition.⁹

⁸ The number of asylum seekers is assumed to be sufficiently exogenous, conditional on the included district-specific demographics. Asylum applicants arriving in Germany are distributed according to allocation coefficients based on population size and economic performance of the administrative units. For a similar argumentation, see Gehrsitz & Ungerer (2017).

⁹ The available data for foreign residents refer to all groups of non-Germans, including asylum seekers. We yet consider the multicollinearity with respect to the percentage increase in the number of asylum seekers negligible for three reasons. First, we do not include the population share of asylum seekers, which may be a linear combination of the population share of foreigners, but the percentage increase in the number of asylum seekers. Second, the overall number of foreigners as a projection is based on population counts from 2011. It is highly questionable that this projection perfectly reflects the unexpected influx of asylum seekers between 2014 and 2016. Third, as the number of foreigners is a projection, it is subject to inaccuracies. Not every foreigner is legally required to subscribe to the National Register of Foreign Residents. The number of asylum seekers is therefore exact while the more general number of foreign residents is not and the number of

As a third variable of major interest, $Unemp_{ij}$ denotes the average unemployment rate in the pre-election year 2016. In order not to reject Hypothesis 1, we should find that $\beta_3 > 0$. X_{ij} denotes a vector of district-specific control variables. Among these are the proportions of females, married people, academics, Christians and 18- to 24-year-olds. We furthermore include the population density and a dummy variable categorizing a district as rural. As an additional political variable, we control for voter turnout in the 2017 elections. Finally, λ_j is a vector of federal-state dummies.

Following our earlier considerations, we allow the effect of $ForeignShare_{ij}$ to vary between districts in the West of Germany and districts in the East. Hence, we interact the indicator variable $East_{ij}$, which takes up a value of 1 if a district is located in the East and 0 otherwise, with the share of foreigners. Because labor market conditions in the two parts still differ systematically as well, we also allow the effect of $Unemp_{ij}$ to vary with $East_{ij}$. This way, we can test our hypotheses separately for East and West. Our baseline model including interaction effects is

$$\begin{aligned}
VoteShareAfD_{ij} = & \beta_0 + \beta_1 ForeignShare_{ij} + \beta_2 ForeignShare_{ij} \times East_{ij} \\
& + \beta_3 \Delta Asylum_{ij} + \beta_4 Unemp_{ij} + \beta_5 Unemp_{ij} \times East_{ij} \\
& + \beta_6 East_{ij} + \beta_7 VoteShareAfD2013_{ij} + \beta_8 X_{ij} + \lambda_j + u_{ij}.
\end{aligned} \tag{2}$$

However, the estimation of Eq. (1) and (2) may yield biased estimates due to endogeneity of the share of foreigners. We attempt to address these concerns by designing an appropriate IV strategy. Historic settlement patterns appear to be the most suitable instrument for the foreign population share in the German case. Relevance for the current share of foreigners is obvious (see e. g. Beine, Docquier & Özden 2011). During the time of guest worker recruitment in the 1960s and 1970s, workers did not choose their region of living and working themselves but were assigned to a company in need of labor supply. The distribution of immigrants back then can therefore be assumed to be sufficiently exogenous. However, the oldest available figures referring to the current district structure are from 1995, so slightly more than 20 years old at the time of the last federal election. As they do not date back to the times when the first immigrants came to West Germany after World War II, we cannot fully ensure exogeneity of this instrument. Because Germany was divided at this time, data for the former German Democratic Republic are either unavailable or their quality is highly questionable. We therefore have stick with the shares of foreigners in 1995 as a potential instrument.

non-asylum seekers cannot be calculated by simply subtracting the number of asylum seekers from the total number of foreigners.

Adding exogenous cross-sectional variance, we combine this instrument with a recent labor market policy shock.¹⁰ As a reaction to the large immigrant influxes during the *refugee crisis*, the German parliament passed the *integration law* by the end of July 2016. Effective August 6, 2016, it implies – among other regulations – the suspension of the so-called *priority check* in 133 out of 156 labor office districts. The priority check is a policy ensuring that the qualifications and aptitudes of native German job seekers are examined first before a foreign citizen can fill a vacancy in Germany. In order to check whether there is an unemployed prioritized German, who is able to do the same job at least as good as the foreign applicant, the Federal Labor Office sends a number of German candidates to the employer for a period of trial work. If, after a time of normally six to eight weeks, the foreign candidate still proves most able to fill the vacancy, he or she can be granted a working permit. The suspension of the priority check allows immigrants to apply for a job and, provided that they are offered an employment contract, to obtain a working permit without institutionalized competition with native job seekers first.¹¹

Transferring this policy measure to the level of administrative districts, the priority check is suspended in 340 districts in Germany. In the remaining 61, the check has been kept in effect. We construct an indicator variable which equals 2 if the priority check has been suspended in a district and 1 if not. This indicator serves as a second instrument in our estimation. It is relevant because we expect the share of foreign residents to be higher in districts where the priority check is not in effect. With a greater likelihood of finding a job, the settlement probability increases. The instrument is likely exogenous because the suspension comes as part of a federal law so that decisional power of state and district governments is limited. The regulation should therefore be orthogonal to district-specific characteristics, in particular, to unobserved ones. The AfD did not have seats in the German parliament at that time so that their electoral success could not impact on the suspension regulation, which would reverse causality. Bringing these two

¹⁰ For an explanation why the LS estimate of an interaction between a (potentially) endogenous and an exogenous variable is consistent, see Nizalova & Murtazashvili (2016). For an application, see Nunn & Qian (2014).

¹¹ With respect to our research question, this combination comes with two more interesting features: Applying for a working permit is necessary only for foreign residents of non-EU origin. Therefore, with this instrument, we are able to focus on migrants of a different cultural and/or ethnic background, and these groups may particularly be perceived as being foreigners, in line with the above-presented theory. Furthermore, it specifically captures foreigners intending to permanently settle in Germany, indicated by their search for work and the fact of being attracted by an earlier migrant community. This appears to be a necessary condition for the effects proposed by the Contact Theory to manifest.

variables together, we use the interaction term of the historic share of foreigners and the indicator of priority check suspension as our main instrument.

As an alternative instrument, we use the inverse distance to the next airport with more than 10 million international passengers in 2016.¹² Immigrants from countries outside Western Europe may choose to settle next to an international airport in order to be able to go back to their home countries and visit family and friends. Therefore, the closer the next airport, i. e. the higher the inverse distance, the higher should be the share of foreigners (see Figure A.1). Since the construction of an airport is mainly determined by observable district features (such as economic circumstances or settlement structures), we expect the conditional inverse distance to be orthogonal to unobservables. Additionally, all of these airports have been in service before the AfD was founded so that distance to the next airport is exogenous. Just like above, we are able to interact the inverse airport distance with the policy indicator of a suspended priority check to add exogenous variance.¹³

We then apply a 2SLS approach of which the first stage reads

$$\begin{aligned} ForeignShare_{ij} = & \delta_0 + \delta_1 Z_{ij} + \delta_2 ForeignShare_{ij} \times East_{ij} \\ & + \delta_3 \Delta Asylum_{ij} + \delta_4 Unemp_{ij} + \delta_5 Unemp_{ij} \times East_{ij} + \delta_6 East_{ij} \quad (3) \\ & + \delta_7 VoteShareAfD2013_{ij} + \delta_8 X_{ij} + \mu_j + e_{ij}, \end{aligned}$$

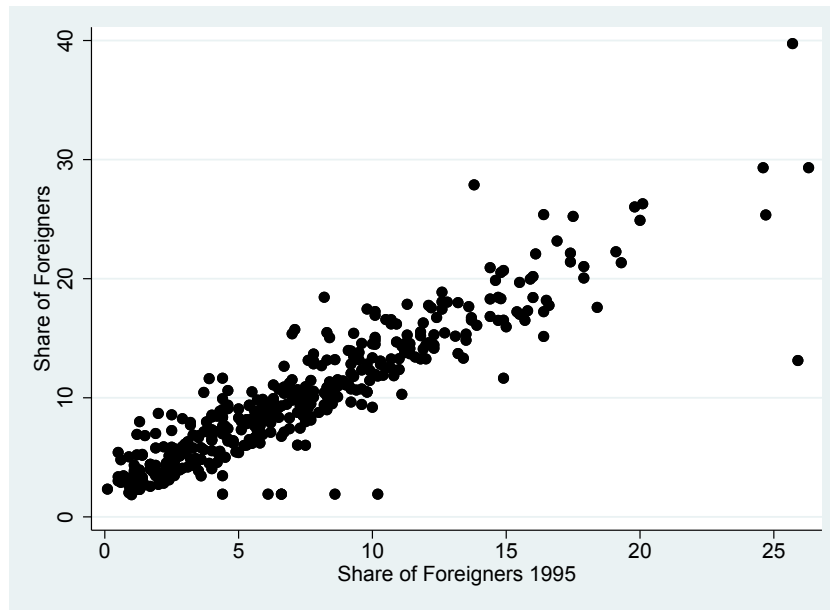
where Z_{ij} is an instrument. Fitted values are then used in the second-stage estimation:

$$\begin{aligned} VoteShareAfD_{ij} = & \beta_0 + \beta_1 \widehat{ForeignShare}_{ij} + \beta_2 \widehat{ForeignShare}_{ij} \times East_{ij} \\ & + \beta_3 \Delta Asylum_{ij} + \beta_4 Unemp_{ij} + \beta_5 Unemp_{ij} \times East_{ij} \quad (4) \\ & + \beta_6 East_{ij} + \beta_7 VoteShareAfD2013_{ij} + \beta_8 X_{ij} + \lambda_j + u_{ij}. \end{aligned}$$

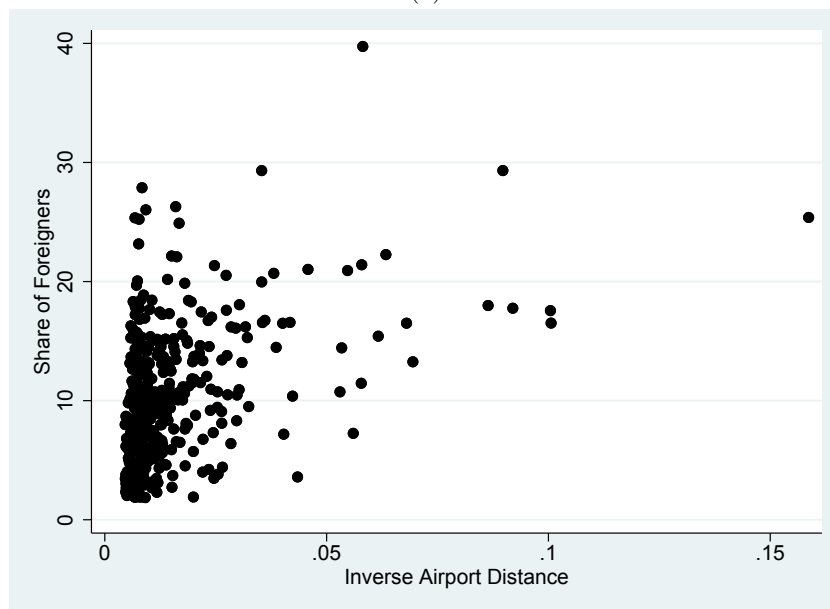
Figure 2 visualizes the relationship between the potentially endogenous share of foreigners and the historic share of foreigners or inverse airport distance, respectively. The relations are both apparently positive which is confirmed by the correlation coefficients reported in Table 2. As supposed, the indicator of priority check suspension is unrelated to most other variables. Particularly, the correlation between the suspension indicator

¹² This definition applies to the German airports in Hamburg, Berlin-Tegel, Berlin-Schönefeld, Düsseldorf, Frankfurt/Main and München. The airports in Zürich (Switzerland) and Praha (Czech Republic) are the closest big airports for residents in some districts in the south and south-east of Germany. We additionally include these two as there are no institutional barriers or visa requirements for persons with a valid residence permit in Germany in order to enter the airport.

¹³ We additionally run regressions including the simple effects of the two interacted variables as further instruments. Results will be reported in the appendix.



(a)



(b)

Figure 3: Comparison Share of Foreigners and Instruments

and the AfD vote share in 2017 is insignificant and close to zero. Consequently, the policy measure does not seem to have driven electoral decisions in the federal election that followed.

4 Estimation Results

Table 3 displays the estimation results for our basic specification as displayed in Eq. 1. Column (1) presents the OLS estimation using the share of foreigners, the unemployment rate and the lagged dependent variable as the only explanatories. The increase in the number of asylum seekers is added in column (2). Control variables are added in column (3), east-fixed effects in column (4) and federal state-fixed effects are added in column (5).

Considering column (1), the estimate for the share of foreigners is significantly negative (at a 5% level). The relationship between immigration and anti-immigrant voting is as suggested by Hypothesis 2b, favoring the Contact Theory argument. Here, a 10 percentage point increase in the share of foreigners is associated with a rough 3.4 percentage point decrease in the AfD vote share. At the same time, the estimate for the unemployment rate is significantly positive, supporting the Economic Competition Theory. The percentage increase in the number of asylum seekers in columns (2)-(5) exhibits a significantly positive, yet small relationship with anti-immigrant voting. In column (5), we provide the most extensive specification with a full set of control variables and federal state-fixed effects. The latter control for unobserved heterogeneity at the state level and serve the same purpose as the East-fixed effect in column (4). The results still indicate a negative relationship between the presence of foreigners and the advocacy for the major anti-immigrant party, yet the impact is reduced substantially to about a quarter. According to this last estimation, a 10 ppt. increase in the share of foreigners is associated with a decrease in the AfD vote share by about 1 ppt.

In order to investigate whether this negative correlation is prevalent when differentiating between East and West Germany, we estimate the baseline model as illustrated in Eq. 2. In order to ensure interpretability of the coefficients for the interaction terms, we demean both the share of foreigners and the unemployment rate. Table 4 reports the results. For West Germany, the effect of an above-average share of foreigners is only significant at a 5% level in the full specification in column (4). Districts with a share of foreigners which is 10 percentage points higher than the sample mean exhibit a roughly 0.9 percentage point lower vote share for the AfD. For East Germany, all specifications in columns (1) to (4) point to a significantly negative and clearly larger correlation between the variables of interest. Increasing the share of foreigners by 10 percentage points above the mean is linked to an overall 6 percentage points decrease of the AfD vote share in

Table 3: OLS Results

| DV: AfD Vote Share | (1) OLS | (2) OLS | (3) OLS | (4) OLS | (5) OLS |
|-------------------------|-----------------------|------------------------|--------------------------|-------------------------|------------------------|
| Share of Foreigners | -0.342*** (0.0824) | -0.314*** (0.0768) | -0.235*** (0.0600) | 0.0360 (0.0485) | -0.0924** (0.0396) |
| Δ Asylum Seekers | | 0.0102*** (0.00312) | 0.00687** (0.00265) | 0.00431* (0.00222) | 0.00234* (0.00117) |
| Unemployment Rate | 0.426** (0.186) | 0.435** (0.178) | -0.433 (0.253) | -0.174 (0.195) | 0.329** (0.126) |
| Lagged AfD Vote Share | 2.815*** (0.591) | 2.784*** (0.547) | 2.238*** (0.414) | 1.975*** (0.319) | 1.433*** (0.236) |
| Voter Turnout | | | -0.405** (0.181) | -0.226 (0.147) | -0.256 (0.160) |
| Population Density | | | 0.00145*** (0.000451) | 0.00101** (0.000421) | 0.000212 (0.000299) |
| Share of Females | | | -0.921** (0.341) | -0.271 (0.316) | -0.693* (0.360) |
| Share of Academics | | | -0.263 (0.214) | -0.342** (0.137) | -0.166 (0.155) |
| Share of Christians | | | -0.0977*** (0.0301) | 0.0657 (0.0436) | -0.0227 (0.0280) |
| Share of Married | | | 0.0962 (0.125) | 0.154* (0.0809) | 0.186* (0.0988) |
| Share of Youth | | | 0.0212 (0.279) | 0.256* (0.122) | -0.0222 (0.154) |
| Rural Area | | | 1.009* (0.561) | 0.636 (0.497) | 0.287 (0.433) |
| East Germany | | | | 12.14*** (2.435) | |
| Constant | 1.161 (3.532) | -0.516 (3.805) | 85.78*** (29.08) | 20.56 (26.35) | 48.20* (26.49) |
| Observations | 401 | 401 | 401 | 401 | 401 |
| R-squared | 0.553 | 0.575 | 0.737 | 0.811 | 0.896 |
| State FE | N | N | N | N | Y |

Notes: Level of analysis: districts (*Kreise/Landkreise/kreisfreie Städte*). Vote shares refer to the second votes (*Zweitstimmen*) in German federal elections only. Standard errors are clustered at the federal state level and reported in parentheses; *** p<0.01, ** p<0.05, * p<0.1.

column (4)¹⁴. While this part of Germany shows a generally higher average propensity to vote AfD, eastern districts with an above-average migrant community are associated with lower AfD support compared to eastern districts with a mean share of foreigners. As a result, we find empirical support for Hypothesis 2b in both parts of the country while, interestingly, it is stronger in the East.

¹⁴ Note that overall effect for East Germany equals $(-0.0934)+(-0.542)=(-0.6354)$.

Table 4: OLS Results with Interactions

| DV: AfD Vote Share | (1) OLS | (2) OLS | (3) OLS | (4) OLS |
|---------------------------------|----------------------|------------------------|-----------------------|-----------------------|
| Share of Foreigners (dm) | -0.0181 (0.0522) | -0.00985 (0.0549) | 0.0258 (0.0458) | -0.0934** (0.0413) |
| Share of Foreigners (dm) × East | -0.923*** (0.172) | -0.877*** (0.161) | -0.762*** (0.199) | -0.542** (0.216) |
| Δ Asylum Seekers | | 0.00650** (0.00253) | 0.00395* (0.00186) | 0.00218* (0.00110) |
| Unemployment Rate (dm) | -0.125 (0.194) | -0.102 (0.191) | -0.242 (0.200) | 0.295* (0.140) |
| Unemployment Rate (dm) × East | 0.194 (0.246) | 0.173 (0.236) | 0.318 (0.203) | 0.0692 (0.118) |
| Lagged AfD Vote Share | 1.497*** (0.454) | 1.513*** (0.427) | 1.938*** (0.268) | 1.391*** (0.221) |
| Constant | 4.626* (2.400) | 3.656 (2.512) | 16.92 (26.36) | 45.58 (28.33) |
| Observations | 401 | 401 | 401 | 401 |
| R-squared | 0.734 | 0.742 | 0.826 | 0.900 |
| Controls | N | N | Y | Y |
| East FE | Y | Y | Y | Y |
| State FE | N | N | Y | Y |

Notes: Level of analysis: districts (*Kreise/Landkreise/kreisfreie Städte*). Vote shares refer to the second votes (*Zweitstimmen*) in German federal elections only. Standard errors are clustered at the federal state level and reported in parentheses; *** p<0.01, ** p<0.05, * p<0.1.

The estimates for the share of foreigners and the increase in the number of asylum seekers still significantly differ in sign. Relying on the sufficiently exogenous assignment of asylum applicants to regions, the results appear to support both the Contact Theory and the Ethnic Competition Theory at the same time. We provide three arguments to explain this result. First, from the point of view of social policy, natives may consider asylum seekers as stronger competitors for public goods and social transfers than foreigners who migrate for reasons other than asylum. Most asylum applicants have to subsist on state benefits when they arrive, and some natives may disfavor public funds being spent on this issue. Second, the share of foreigners captures those immigrants who have lived in Germany for at least a few years, so that they were likely able to integrate into society. The newly arriving asylum seekers may still be perceived as representatives of an unknown cultural space. Third, the positive coefficient for the increase in asylum seekers could also be interpreted as a sign of discontent with political management of the immigration issue. An exogenous shock such as the 2015 “refugee crisis” may also

be taken as a welcome opportunity to simply voice political discontent induced by other socio-economic grievances.¹⁵

Taking a look at the coefficients for the unemployment rate, we find a positive effect, which is significant at a 10% level and does not differ between East and West Germany. Thus, our results support the Economic Competition Theory as formulated in Hypothesis 1. In the full specification, a 10 percentage point increase of unemployment is associated with a 3 percentage point increase in the AfD vote share.

Referring to our endogeneity concerns, we re-estimate our model, applying our above-outlined IV strategies. We start by using the historic share of foreigners in 1995 as an instrument for the current share of foreigners. 2SLS results are displayed in Table 5.

In line with the baseline results, the coefficients for the share of foreigners show the same pattern. The effect for West Germany is again insignificant in specifications (1)-(3) but significantly negative in the full specification in column (4). All specifications yield a significantly negative estimate for the interaction term of share of foreigners and East Germany. The size of effects is fairly comparable to the baseline estimation. Thus, the IV results still provide conclusive evidence of a contact effect. All other estimates are comparably similar in signs, size and significance to those obtained in the baseline estimation.

Nevertheless, we interpret these results with a fair amount of caution for several reasons. First, the reduced-form estimates shown in Panel B of Table 5 do not indicate a significant effect of the explanatory variable in a reduced-form regression. What is more, at the bottom of Table 5, the p-values of the exogeneity C-test do not suggest that the null hypothesis of no endogeneity can be rejected. Obviously, there is no endogeneity problem as described in the literature. Nonetheless, we attempt to rule out that this finding results from a poor IV we have chosen. In Table B.1, we repeat the estimation using the interaction term of the historic share of foreigners and the indicator of priority-check suspension as an instrument. The qualitative results remain unchanged and again, the exogeneity test does not urge us to necessarily apply an IV strategy. As a final check, we employ the inverse airport distance as an instrument, both uninteracted and interacted with the policy measure (see Tables B.2 and B.3). While the hypothesis of no endogeneity can be rejected in the simple specifications in columns (1) and (2), endogeneity concerns seem to vanish once adding control variables and state-fixed effects. We conclude that a possible endogeneity problem manifests in

¹⁵ A factor reinforcing this behavior may be the intensity and type of media coverage of immigration issues, which cannot be captured in our framework.

Table 5: IV Results 1: Share of Foreigners 1995

| DV: AfD Vote Share 2017 | (1) 2SLS | (2) 2SLS | (3) 2SLS | (4) 2SLS |
|--|----------------------|-------------------------|------------------------|------------------------|
| <i>Panel A: 2SLS Estimates</i> | | | | |
| Share of Foreigners (dm) | -0.0522 (0.0666) | -0.0323 (0.0698) | 0.0274 (0.0992) | -0.156* (0.0913) |
| Share of Foreigners (dm) × East | -0.887*** (0.168) | -0.854*** (0.158) | -0.761*** (0.187) | -0.543*** (0.201) |
| Δ Asylum Seekers | | 0.00641*** (0.00236) | 0.00394** (0.00170) | 0.00239** (0.00103) |
| Unemployment Rate (dm) | -0.0991 (0.179) | -0.0860 (0.178) | -0.241 (0.221) | 0.278* (0.142) |
| Unemployment Rate (dm) × East | 0.176 (0.235) | 0.161 (0.225) | 0.318 (0.201) | 0.0596 (0.105) |
| Lagged AfD Vote Share | 1.546*** (0.411) | 1.544*** (0.391) | 1.936*** (0.240) | 1.405*** (0.206) |
| Constant | 5.572* (3.334) | 4.393 (3.509) | | |
| R-squared | 0.733 | 0.742 | 0.807 | 0.746 |
| <i>Panel B: Reduced-Form Estimates</i> | | | | |
| Share of Foreigners (dm) | 0.0734 (0.0772) | 0.0510 (0.0667) | 0.0245 (0.0657) | -0.0553 (0.0397) |
| Share of Foreigners 1995 (dm) | -0.131 (0.123) | -0.0877 (0.115) | 0.00223 (0.108) | -0.0741 (0.0886) |
| <i>Panel C: First-Stage Estimates</i> | | | | |
| Share of Foreigners 1995 (dm) | 1.042*** (0.0951) | 1.053*** (0.101) | 0.745*** (0.129) | 0.735*** (0.162) |
| Observations | 401 | 401 | 401 | 401 |
| Controls | N | N | Y | Y |
| East FE | Y | Y | Y | Y |
| State FE | N | N | N | Y |
| Kleibergen-Paap <i>F</i> Stat | 120.1 | 109.2 | 33.25 | 20.69 |
| Exogeneity Test (p-val) | 0.324 | 0.460 | 0.983 | 0.395 |

Notes: Level of analysis: districts (*Kreise/Landkreise/kreisfreie Städte*). Vote shares refer to the second votes (*Zweitstimmen*) in German federal elections only. dm = demeaned. Instrument: Share of Foreigners 1995. H_0 of exogeneity test: no endogeneity. Standard errors are clustered at the federal state level and reported in parentheses; *** p<0.01, ** p<0.05, * p<0.1.

terms of an omitted-variable bias when not taking account of observable district-specific features and the (historic) division of Germany at the subnational level. Furthermore, heterogeneity determining the distribution of immigrants appears to manifest at the state level. This does not come as surprising, considering the fact that most pulling factors which foster immigration are socio-economic in areas such as education, local

labor markets or infrastructure for which responsibility is at the federal or state level. We therefore argue that we do not need to apply an IV approach in our preferred full specification but observe consistent and efficient effects in a basic OLS estimation.

Our argumentation throughout the paper is based on the AfD's characterization as an immigration-opposing party. For this reason, we assume the presence of foreigners to play a role when deciding to vote for the AfD or not. However, a valid objection against the interpretation of our results may be that we just find a contact effect by chance. Voting results may be randomly correlated with demographic features and the observed correlation may not be necessarily in line with party platforms. In order to further underpin our interpretation, we repeat our preferred OLS estimation using the vote shares of all other five big parties¹⁶ which entered the federal parliament after the 2017 elections as dependent variables in order to examine whether the estimates are consistent with the proposed party lines.

The results in Table 6 support our argumentation. The estimates for West Germany show that the population share of foreigners seems to be unrelated to voting for the CDU/CSU (Conservatives), the SPD (Social-Democrats) as well as the FDP (Liberals). There is a significantly positive effect for the Grüne (Greens), which is perfectly in line with the party's program as green-leftist, postmaterialist and pro-immigration. For the Linke (Left), there is a negative effect, which is significant on a 10% level.

The observations for East Germany point to a shift to the middle of the political spectrum. While there is less support for the AfD in districts with greater shares of foreign residents, there is also less support for the pro-immigration Grüne. Instead, higher immigration is related to voting parties with a clear focus on social policies and redistribution, here SPD and Linke. What should be kept in mind when interpreting these results is the fact that support for left-wing parties, in particular the Linke, is traditionally higher in East Germany while the Grüne do not have a very strong base here. This general voting behavior may impact on the correlations estimated here.

Considering the coefficient of the percentage increase in the number of asylum seekers yields another supportive finding. The effect is significantly positive for the AfD, yet significantly negative for the immigration-friendly Grüne as well as for CDU/CSU and the SPD. The two latter parties formed the government coalition during the refugee crisis starting 2015, and they obviously suffered electoral losses in districts with a relatively large influx of asylum seekers. The other non-governing parties, which did not claim

¹⁶ The two conservative parties CDU and CSU are treated as one party. The CSU is the CDU counterpart in Bayern and is not up for election in any other German state. At the federal level, the two sister parties form one fraction, calling themselves the *Union*.

a specific expertise in immigration policy, seem to have been unaffected by the inflow of asylum seekers. This observation also reinforces the above-outlined interpretation: the rise in AfD support when facing sudden immigration may not necessarily be the expression of a profound hostility towards foreigners but an act of political blaming. The incumbent parties were being electorally punished for their political actions. By contrast, a newly emerging, unestablished party, which openly called out the perceived mismanagement, gained from an atmosphere of upheaval triggered by an exogenous shock.

Table 6: OLS Results for Other Parties

| DV: AfD Vote Share | (1) CDU/CSU | (2) SPD | (3) Grüne | (4) FDP | (5) Linke |
|------------------------------------|--------------------------|---------------------------|--------------------------|-------------------------|-----------------------|
| Share of Foreigners (dm) | 0.0272 (0.0339) | 0.0371 (0.0255) | 0.0353** (0.0154) | 0.0222 (0.0318) | -0.0252* (0.0138) |
| Share of Foreigners (dm) × East | 0.0119 (0.106) | 0.144** (0.0526) | -0.158*** (0.0482) | 0.171*** (0.0559) | 0.217** (0.100) |
| Δ Asylum Seekers | -0.00124** (0.000572) | -0.00118*** (0.000333) | -0.000577* (0.000287) | -0.000429 (0.000245) | 0.00105 (0.000673) |
| Unemployment Rate (dm) | -0.186 (0.115) | 0.0626 (0.0624) | -0.0974** (0.0381) | -0.115** (0.0417) | -0.0177 (0.0519) |
| Unemployment Rate (dm) × East | 0.0750 (0.152) | 0.0195 (0.0853) | 0.0892** (0.0343) | 0.0532 (0.0439) | -0.0535 (0.0582) |
| Lagged Vote Share | 0.662*** (0.0589) | 0.783*** (0.0279) | 0.901*** (0.0398) | 1.405*** (0.0632) | 0.699*** (0.0786) |
| Constant | -16.79 (20.06) | 4.711 (5.143) | -4.051 (3.242) | 10.49** (4.041) | 2.193 (3.611) |
| Observations | 401 | 401 | 401 | 401 | 401 |
| R-squared | 0.953 | 0.984 | 0.982 | 0.930 | 0.982 |
| Controls | Y | Y | Y | Y | Y |
| East FE | Y | Y | Y | Y | Y |
| State FE | Y | Y | Y | Y | Y |

Notes: Level of analysis: districts (*Kreise/Landkreise/kreisfreie Städte*). Vote shares refer to the second votes (*Zweitstimmen*) in German federal elections only. Standard errors are clustered at the federal state level and reported in parentheses; *** p<0.01, ** p<0.05, * p<0.1.

The overall results consequently match with the examined parties' programs and still yield reasonable evidence in favor of the Contact Theory. Although we are generally confident to report reliable effects of immigration on anti-immigrant voting in a statistical sense, we explicitly refrain from interpreting an increase in immigration as a meaningful tool to counteract immigration-opposing attitudes. The results presented here should not be simplified in the sense that immigrant communities should exogenously be expanded in less open districts in order to promptly change natives' positions. We deem the

duration and the intensity of the cultural exchange to be crucial determinants of a contact effect.

5 Conclusion

We investigate the effect of local shares of foreigners on electoral support for the AfD, the major anti-immigrant party, in the 2017 German parliamentary elections. The AfD has achieved greater electoral success in the eastern part of Germany where population shares of foreigners are lower than in West Germany. This negative correlation has aroused widespread societal interest, initiating a discussion of a potential underlying causality. We apply an OLS approach with separate effects for East and West Germany in order to test if the correlation is spurious or persists at the subnational level. Furthermore, we include the increase in the number of asylum seekers as an exogenous migration shock, thereby disentangling effects of different groups of foreign residents. Finally, we add unemployment rates in order to test whether AfD results are driven by a sort of economic competition. We check the robustness of our results using an IV strategy in order to account for the potentially endogenous location choices of immigrants.

Our results support the argumentation of the Contact Theory as districts with a relatively larger share of the foreign population exhibit significantly lower support for the major anti-immigrant party. We observe this effect to manifest in both East and West Germany while, interestingly, it is stronger and more robust in the East where the AfD on average registered larger electoral support. However, we find the increase in the number of asylum seekers to be positively associated with the AfD vote share. While daily contact with longer-established immigrants promotes cultural exchange and fosters pro-immigration stances, it seems that the influx of asylum seekers does not. The evidence suggesting a refugee-opposing voting behavior in districts with a large increase in the number of asylum seekers can be explained in two ways: First, in line with the Ethnic Competition Theory, the group of asylum seekers from mainly different, unknown cultures may evoke initial scepticism or rejection among the natives. Second, the “refugee crisis”, which was a fairly unexpected political shock, may have provided an opportunity to electorally criticize the government’s management of immigration or other unrelated political issues. The latter interpretation is underpinned by the observation that the incumbent parties suffered electoral losses in districts with a greater refugee influx. Regarding unemployment, we find empirical evidence in favor of the Economic Competition Theory. A tighter labor market appears to be associated with a higher

vote share for the AfD. This corroborates the hypothesis that voting for anti-immigrant parties may be traced back to natives' perception to compete with immigrants for scarce resources.

Not only do we contribute to the literature on the consequences of migration, our findings also add to the research on the root causes of populist and radical right-wing voting. An interesting starting point for further research could be to examine the use of unrelated events as opportunities to express a more general discontent with politics. Furthermore, future research may put more emphasis on the idea that immigrants with distinct cultural and social backgrounds as well as migration motives induce different and even conflicting reactions in the native population. Differentiating between immigrant groups and circumstances may explain the ambiguous findings regarding the impact of immigration on voting in the literature and allow for deeper insights into the actually underlying determinants. Finally, we see particular potential in an internationally comparative analysis. Parliamentary elections were held in 2017 not only in Germany but also in Austria, France and the Netherlands. As these countries are comparable with respect to culture, economic situation and being affected by the large refugee inflow, analyzing them together may constitute a promising starting point for research on general and country-specific political effects of immigration.

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Appendix A: Distance to the Next Big Airport

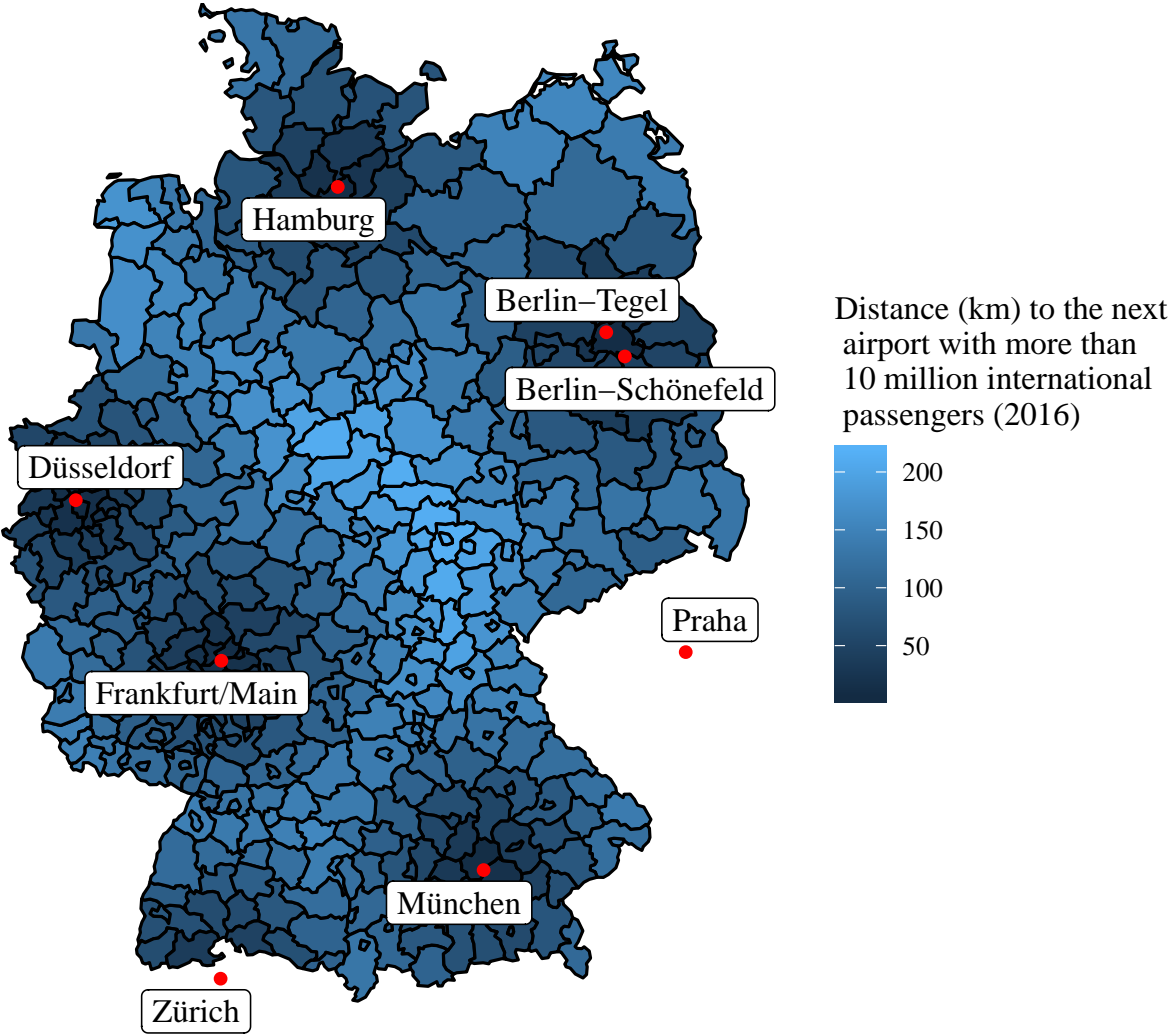


Figure A.1: Distance of districts to the next larger international airport

Appendix B: IV Results

Table B.1: IV Results 2 – Share of Foreigners 1995 \times Priority Check Suspended

| DV: AfD Vote Share 2017 | (1) 2SLS | (2) 2SLS | (3) 2SLS | (4) 2SLS |
|--|----------------------|-------------------------|------------------------|-------------------------|
| <i>Panel A: 2SLS Estimates</i> | | | | |
| Share of Foreigners (dm) | -0.0670 (0.0726) | -0.0417 (0.0722) | 0.0230 (0.101) | -0.120 (0.0867) |
| Share of Foreigners (dm) \times East | -0.871*** (0.170) | -0.845*** (0.161) | -0.762*** (0.188) | -0.543*** (0.201) |
| Δ Asylum Seekers | | 0.00637*** (0.00228) | 0.00396** (0.00176) | 0.00227** (0.000985) |
| Unemployment Rate (dm) | -0.0880 (0.188) | -0.0792 (0.187) | -0.244 (0.212) | 0.288** (0.140) |
| Unemployment Rate (dm) \times East | 0.168 (0.243) | 0.156 (0.233) | 0.319 (0.195) | 0.0651 (0.106) |
| Lagged AfD Vote Share | 1.567*** (0.422) | 1.557*** (0.403) | 1.941*** (0.252) | 1.397*** (0.205) |
| Constant | 4.402** (2.238) | 3.531 (2.350) | | |
| R-squared | 0.732 | 0.742 | 0.807 | 0.557 |
| <i>Panel B: Reduced-Form Estimates</i> | | | | |
| Share of Foreigners (dm) | 0.0692 (0.0563) | 0.0479 (0.0587) | 0.0274 (0.0558) | -0.0829** (0.0344) |
| Share of Foreigners 1995 (dm) \times Priority Check Suspended | -0.0702 (0.0492) | -0.0470 (0.0469) | -0.00142 (0.0420) | -0.0113 (0.0267) |
| <i>Panel C: First-Stage Estimates</i> | | | | |
| Share of Foreigners 1995 (dm) \times Priority Check Suspended | 0.515*** (0.0560) | 0.524*** (0.0610) | 0.319*** (0.0476) | 0.306*** (0.0663) |
| Observations | 401 | 401 | 401 | 401 |
| Controls | N | N | Y | Y |
| East FE | Y | Y | Y | Y |
| State FE | N | N | N | N |
| Kleibergen-Paap F Stat | 84.77 | 73.84 | 44.90 | 21.23 |
| Exogeneity Test (p-val) | 0.199 | 0.339 | 0.972 | 0.664 |

Notes: Level of analysis: districts (*Kreise/Landkreise/kreisfreie Städte*). Vote shares refer to the second votes (*Zweitstimmen*) in German federal elections only. dm = demeaned. Instrument: Share of Foreigners 1995. H_0 of exogeneity test: no endogeneity. Standard errors are clustered at the federal state level and reported in parentheses; *** p<0.01, ** p<0.05, * p<0.1.

Table B.2: IV Results 3 – Inverse Airport Distance

| DV: AfD Vote Share 2017 | (1) 2SLS | (2) 2SLS | (3) 2SLS | (4) 2SLS |
|--|----------------------|------------------------|------------------------|------------------------|
| <i>Panel A: 2SLS Estimates</i> | | | | |
| Share of Foreigners (dm) | −0.336*** (0.119) | −0.302** (0.122) | −0.506 (0.462) | −0.298 (0.277) |
| Share of Foreigners (dm) × East | −0.585*** (0.182) | −0.577*** (0.174) | −0.809*** (0.208) | −0.544*** (0.202) |
| Δ Asylum Seekers | | 0.00528** (0.00224) | 0.00551** (0.00216) | 0.00288** (0.00136) |
| Unemployment Rate (dm) | 0.114 (0.233) | 0.111 (0.230) | −0.581*** (0.184) | 0.239*** (0.0800) |
| Unemployment Rate (dm) × East | 0.0266 (0.255) | 0.0239 (0.248) | 0.458** (0.228) | 0.0377 (0.142) |
| Lagged AfD Vote Share | 1.950*** (0.489) | 1.924*** (0.480) | 2.469*** (0.644) | 1.437*** (0.253) |
| Constant | 3.172 (2.416) | 2.509 (2.292) | | |
| R-squared | 0.665 | 0.684 | 0.737 | 0.525 |
| <i>Panel B: Reduced-Form Estimates</i> | | | | |
| Share of Foreigners (dm) | 0.0200 (0.0567) | 0.0238 (0.0604) | 0.0416 (0.0468) | −0.0841 (0.0514) |
| Inverse Airport Distance (dm) | −34.28*** (11.42) | −30.97** (11.34) | −18.23 (14.35) | −8.833 (13.76) |
| <i>Panel C: First-Stage Estimates</i> | | | | |
| Inverse Airport Distance (dm) | 96.18*** (30.66) | 94.99*** (31.37) | 33.30** (16.08) | 41.36** (17.34) |
| Observations | 401 | 401 | 401 | 401 |
| Controls | N | N | Y | Y |
| East FE | Y | Y | Y | Y |
| State FE | N | N | N | Y |
| Kleibergen-Paap F Stat | 9.841 | 9.170 | 4.289 | 5.688 |
| Exogeneity Test (p-val) | 0.0145 | 0.0176 | 0.153 | 0.444 |

Notes: Level of analysis: districts (*Kreise/Landkreise/kreisfreie Städte*). Vote shares refer to the second votes (*Zweitstimmen*) in German federal elections only. dm = demeaned. Instrument: Share of Foreigners 1995. H_0 of exogeneity test: no endogeneity. Standard errors are clustered at the federal state level and reported in parentheses; *** p<0.01, ** p<0.05, * p<0.1.

Table B.3: IV Results 4 – Inverse Airport Distance \times Priority Check Suspended

| DV: AfD Vote Share 2017 | (1) 2SLS | (2) 2SLS | (3) 2SLS | (4) 2SLS |
|--|----------------------|-----------------------|-------------------------|------------------------|
| <i>Panel A: 2SLS Estimates</i> | | | | |
| Share of Foreigners (dm) | -0.415*** (0.145) | -0.378** (0.148) | -0.585 (0.435) | -0.287 (0.256) |
| Share of Foreigners (dm) \times East | -0.501** (0.198) | -0.499*** (0.191) | -0.816*** (0.206) | -0.544*** (0.202) |
| Δ Asylum Seekers | | 0.00496* (0.00255) | 0.00575*** (0.00220) | 0.00285** (0.00132) |
| Unemployment Rate (dm) | 0.172 (0.237) | 0.166 (0.236) | -0.632*** (0.191) | 0.242*** (0.0843) |
| Unemployment Rate (dm) \times East | -0.0145 (0.256) | -0.0147 (0.252) | 0.479** (0.240) | 0.0393 (0.139) |
| Lagged AfD Vote Share | 2.062*** (0.494) | 2.031*** (0.490) | 2.548*** (0.611) | 1.434*** (0.249) |
| Constant | 2.814 (2.391) | 2.211 (2.228) | | |
| R-squared | 0.626 | 0.650 | 0.714 | 0.528 |
| <i>Panel B: Reduced-Form Estimates</i> | | | | |
| Share of Foreigners (dm) | 0.0221 (0.0566) | 0.0259 (0.0607) | 0.0433 (0.0465) | -0.0835 (0.0520) |
| Inverse Airport Distance (dm) \times Priority Check Suspended | -19.67*** (5.275) | -17.93*** (5.343) | -10.12 (6.506) | -4.414 (6.908) |
| <i>Panel C: First-Stage Estimates</i> | | | | |
| Inverse Airport Distance (dm) \times Priority Check Suspended | 45.01*** (15.19) | 44.36*** (15.17) | 16.10** (7.725) | 21.64** (8.548) |
| Observations | 401 | 401 | 401 | 401 |
| Controls | N | N | Y | Y |
| East FE | Y | Y | Y | Y |
| State FE | N | N | N | N |
| Kleibergen-Paap F Stat | 8.779 | 8.547 | 4.342 | 6.411 |
| Exogeneity Test (p-val) | 0.0180 | 0.0205 | 0.101 | 0.454 |

Notes: Level of analysis: districts (*Kreise/Landkreise/kreisfreie Städte*). Vote shares refer to the second votes (*Zweitstimmen*) in German federal elections only. dm = demeaned. Instrument: Share of Foreigners 1995. H_0 of exogeneity test: no endogeneity. Standard errors are clustered at the federal state level and reported in parentheses; *** $p < 0.01$, ** $p < 0.05$, * $p < 0.1$.

Table B.4: IV Results 5 – Share of Foreigners 1995 × Priority Check Suspended (Incl. Simple Effects)

| | (1) | (2) | (3) | (4) |
|---|-----------------------|-------------------------|------------------------|------------------------|
| DV: AfD Vote Share 2017 | 2SLS | 2SLS | 2SLS | 2SLS |
| <i>Panel A: 2SLS Estimates</i> | | | | |
| Share of Foreigners (dm) -0.0441 | -0.0273 (0.0659) | 0.0310 (0.0703) | -0.161* (0.101) | (0.0887) |
| Share of Foreigners (dm) × East | -0.895*** (0.168) | -0.859*** (0.158) | -0.761*** (0.187) | -0.543*** (0.201) |
| Δ Asylum Seekers | | 0.00643*** (0.00240) | 0.00393** (0.00169) | 0.00241** (0.00104) |
| Unemployment Rate (dm) | 0.180 (0.232) | 0.164 (0.223) | 0.317 (0.203) | 0.0588 (0.106) |
| Unemployment Rate (dm) × East | -0.0145 (0.256) | -0.0147 (0.252) | 0.479** (0.240) | 0.0393 (0.139) |
| Lagged AfD Vote Share | 1.534*** (0.407) | 1.537*** (0.387) | 1.933*** (0.239) | 1.406*** (0.207) |
| Constant | 4.507** (2.198) | 3.587 (2.317) | | |
| R-squared | 0.733 | 0.742 | 0.528 | 0.554 |
| <i>Panel B: Reduced-Form Estimates</i> | | | | |
| Share of Foreigners (dm) | 0.0549 (0.0871) | 0.0392 (0.0753) | 0.0214 (0.0678) | -0.0502 (0.0426) |
| Share of Foreigners 1995 (dm) | 0.0298 (0.465) | 0.0126 (0.422) | 0.0383 (0.316) | -0.237* (0.135) |
| Share of Foreigners 1995 (dm) × Priority Check Suspended | -0.0782 (0.202) | -0.0500 (0.184) | -0.0164 (0.130) | 0.0794* (0.0444) |
| Priority Check Suspended | -1.057 (0.709) | -0.943 (0.700) | -0.470 (0.613) | 0.389 (0.358) |
| <i>Panel C: First-Stage Estimates</i> | | | | |
| Share of Foreigners 1995 (dm) | 1.438*** (0.140) | 1.419*** (0.127) | 0.949*** (0.180) | 1.010*** (0.153) |
| Share of Foreigners 1995 (dm) × Priority Check Suspended | -0.216*** (0.0746) | -0.202*** (0.0683) | -0.103 (0.0662) | -0.147*** (0.0505) |
| Priority Check Suspended | -0.269 (0.295) | -0.214 (0.372) | -0.141 (0.225) | 0.502** (0.216) |
| Observations | 401 | 401 | 401 | 401 |
| Controls | N | N | Y | Y |
| East FE | Y | Y | Y | Y |
| State FE | N | N | N | Y |
| Kleibergen-Paap F Stat | 85.64 | 104.1 | 17.73 | 28.09 |
| p-value of Hansen J Stat | 0.254 | 0.334 | 0.394 | |
| Exogeneity Test (p-val) | 0.739 | 0.768 | 0.856 | |

Notes: Level of analysis: districts (*Kreise/Landkreise/kreisfreie Städte*). Vote shares refer to the second votes (*Zweitstimmen*) in German federal elections only. dm = demeaned. Instrument: Share of Foreigners 1995. H_0 of exogeneity test: no endogeneity. Standard errors are clustered at the federal state level and reported in parentheses; *** p<0.01, ** p<0.05, * p<0.1.

Table B.5: IV Results 6 – Inverse Airport Distance \times Priority Check Suspended (Incl. Simple Effects)

| DV: AfD Vote Share 2017 | (1) 2SLS | (2) 2SLS | (3) 2SLS | (4) 2SLS |
|--|----------------------|-------------------------|------------------------|-----------------------|
| <i>Panel A: 2SLS Estimates</i> | | | | |
| Share of Foreigners (dm) | −0.268** (0.111) | −0.233** (0.112) | −0.494 (0.453) | −0.175 (0.282) |
| Share of Foreigners (dm) \times East | −0.657*** (0.179) | −0.648*** (0.171) | −0.808*** (0.208) | −0.543*** (0.202) |
| Δ Asylum Seekers | | 0.00557*** (0.00205) | 0.00548** (0.00219) | 0.00246* (0.00143) |
| Unemployment Rate (dm) | 0.0625 (0.230) | 0.0605 (0.226) | −0.574*** (0.184) | 0.272*** (0.0947) |
| Unemployment Rate (dm) \times East | 0.0624 (0.253) | 0.0590 (0.245) | 0.455** (0.223) | 0.0566 (0.141) |
| Lagged AfD Vote Share | 1.853*** (0.489) | 1.827*** (0.477) | 2.457*** (0.633) | 1.409*** (0.244) |
| Constant | 3.483 (2.441) | 2.780 (2.362) | | |
| R-squared | 0.733 | 0.742 | 0.528 | 0.554 |
| <i>Panel B: Reduced-Form Estimates</i> | | | | |
| Share of Foreigners (dm) | 0.0134 (0.0543) | 0.0173 (0.0592) | 0.0416 (0.0472) | −0.0888 (0.0535) |
| Inverse Airport Distance (dm) | 31.97 (50.93) | 43.12 (47.34) | 17.31 (44.51) | 50.50** (17.35) |
| Inverse Airport Distance (dm) \times Priority Check Suspended | −33.68 (27.79) | −37.90 (25.50) | −17.89 (19.27) | −30.87*** (5.474) |
| Priority Check Suspended | −0.574 (1.019) | −0.396 (0.967) | −0.187 (0.822) | 0.927*** (0.182) |
| <i>Panel C: First-Stage Estimates</i> | | | | |
| Inverse Airport Distance (dm) | 197.4 (196.8) | 192.9 (204.6) | 9.717 (77.41) | 30.61 (54.84) |
| Inverse Airport Distance (dm) \times Priority Check Suspended | −52.32 (101.2) | −50.65 (103.7) | 12.12 (40.72) | 4.848 (29.20) |
| Priority Check Suspended | 0.0919 (1.201) | 0.0243 (1.292) | −0.253 (0.631) | 0.841** (0.357) |
| Observations | 401 | 401 | 401 | 401 |
| Controls | N | N | Y | Y |
| East FE | Y | Y | Y | Y |
| State FE | N | N | N | Y |
| Kleibergen-Paap F Stat | 3.894 | 3.297 | 1.620 | 5.021 |
| p-value of Hansen J Stat | 0.222 | 0.225 | 0.719 | |
| Exogeneity Test (p-val) | 0.0687 | 0.0867 | 0.108 | |

Notes: Level of analysis: districts (*Kreise/Landkreise/kreisfreie Städte*). Vote shares refer to the second votes (*Zweitstimmen*) in German federal elections only. dm = demeaned. Instrument: Share of Foreigners 1995. H_0 of exogeneity test: no endogeneity. Standard errors are clustered at the federal state level and reported in parentheses; *** p<0.01, ** p<0.05, * p<0.1.