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Enfranchising Foreigners: What Drives Natives' Willingness to Share Power?

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Enfranchising Foreigners: What Drives Natives' Willingness to Share Power?

Working Paper No. 2019-10

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Enfranchising Foreigners:

What Drives Natives' Willingness to Share Power?

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Abstract: Universal suffrage is a core element for the functioning of democracy. However, with growing international mobility, an increasing share of the resident population has no suffrage. This paper analyzes the conditions under which domestic citizens are willing to extend suffrage to foreign residents. We explore a new municipality level dataset of 35 Swiss referenda on the enfranchisement of foreigners at the cantonal level. The Swiss setting provides a unique laboratory for capturing the drivers of the enfranchisement of foreigners, as it allows for measuring the actual native electorate's revealed preferences. We find evidence that perceived cultural and economic threats hinder the enfranchisement of foreigners.

Keywords: foreigners' voting rights, political integration, threat hypothesis, democratization

JEL: D72, J15, P16

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1. Introduction

While globalization and digitization boost international migration, most democratic participation rights are still tied to traditional forms of citizenship. Therefore, in many democracies, a large and increasing fraction of the population lacks full or even partial franchise.[1] An extreme case is Luxembourg, where 47 percent[2] of the resident population were non-citizens in 2017 and, hence, excluded from full voting rights. For Germany, this share was 12 percent, and for Switzerland, it was 24 percent. Looking at the share of non-residents in specific age groups makes the case even stronger. Among Swiss residents 30 to 40 years old, the share of foreigners is approximately 40 percent.[3] Thus, the democratic endowment is comparable to the situation before the enfranchisement of women, which raises the question whether and when foreigners are enfranchised.

Given the limited democratic legitimacy of decisions taken by only a fraction of the taxpayers, as well as the potential broader integrative effects of political empowerment (e.g., Koukal 2013; Slotwinski et al. 2017; Koukal and Portmann 2019), it is important to understand the conditions under which political participation rights are transferred to foreigners. Participatory political institutions have shown to have positive effects, such as fostering cooperation (Acemoğlu and Robinson 2012), civic virtue (Frey 1997), and trust (Rainer and Siedler 2009), as well as an increased likelihood of beneficial political results (Ellis and Fender 2011).[4] Although these results point to the enormous potential for political integration through enfranchisement, the literature has mainly focused on the conditions of successful economic integration[5] or naturalization,[6] which constitutes the strongest form of political integration. As an answer to the increasing proportion of non-citizen residents in many societies and to the potential positive effects of political integration, various countries have adopted local voting rights for foreigners over the past few decades (e.g., Groenendijk 2008). However, little is known about the conditions under which foreigners' voting rights are more likely to be introduced.[7]

In this paper, we analyze the potential drivers of, and barriers to, foreigners' enfranchisement in Switzerland during the 1992–2016 period. By taking advantage of a rich municipality-level

[1] In some countries, such as those in the EU, immigrants from specific countries have suffrage at the local level.
[2] Source: Eurostat.
[3] In some Swiss cantons, the share of foreigners even exceeds 50 percent (e.g., Basel County and Basel City).
[4] This idea follows the Condorcet Jury Theorem.
[5] For a broader discussion, see Card (2005), Borjas (2014), or Card and Peri (2016).
[6] See Bloemraad et al. (2008), Hainmueller and Hangartner (2013), or Hainmueller et al. (2015).
[7] We are aware of only Earnest (2015), and an unpublished study of Stutzer and Slotwinski (2019), who empirically evaluated the conditions for foreigners' enfranchisement.

dataset, this paper seeks to contribute in at least four ways. First, to the best of our knowledge, this paper is among the first to present empirical insights concerning the conditions for the enfranchisement of foreigners. Second, we contribute to a growing literature that analyzes the effects of immigrants' presence on natives' behavior. Third, we analyze how economic competition impacts the willingness to share political power with foreigners. Fourth, going further with this paper, we aim to shed light on the role of municipal autonomy in the power-sharing process by looking at municipality mergers.

Switzerland provides an ideal laboratory to examine the drivers of foreigners' enfranchisement. In Switzerland, the citizens, and not parliamentarians like in other countries, decide whether to enfranchise foreigners through referendum votes. In contrast to Earnest (2015), who conducted one of the few empirical studies on the enfranchisement of foreigners, we can observe the voters' revealed preferences. Importantly, due to Swiss federalism, foreigners' enfranchisement is not a one-shot decision at the national level but a multilayered process at the municipal, cantonal, and federal levels. Until now, there have been almost 40 popular votes at the cantonal level, enabling us to use a panel structure at the municipality level.

In our empirical analysis, we exploit within-municipality variation of the municipal yes share in favor of enfranchising foreigners. The decision to hold a referenda vote is exogenous for the municipality, as conducting a vote is decided at the cantonal level. Our OLS estimates provide evidence that natives' willingness to enfranchise foreigners decreases in the size of the foreign population, which is also confirmed by our IV approach. Our OLS estimates suggest that a one percentage point increase in the share of foreigners is associated with a decrease in the willingness to enfranchise foreigners by 0.25 percentage points. This effect is more pronounced for municipalities with a larger fraction of culturally distant foreigners. There are at least two explanations for this result. First, natives might expect an increased preference heterogeneity of more culturally distant foreigner and therefore expect higher costs of sharing political power with them. Second, our results could also be interpreted as a consequence of perceived cultural threat (e.g., Schlueter and Scheepers 2010), hindering the willingness to integrate foreigners in the political system. Moreover, we find evidence that the labor market situation impacts the willingness of natives to share political power. Our results indicate that natives are less willing to share political rights with foreigners if unemployment among natives is more prevalent. Regarding the increasing democratic imbalance and ongoing international mobility we plan to further disentangle price considerations from mechanisms connected to general anti-immigrant attitudes.

This paper is organized as follows. The next section reviews the related literature. Section 3 provides an overview of the Swiss institutional setting. Section 4 describes our data and provides descriptive statistics. Section 5 presents our hypotheses, and section 6 explains the empirical strategy. In section 7, preliminary results are presented and discussed. Section 8 provides a summary of our main preliminary results and an outlook.

2. Related Literature

With growing international mobility, the interest in measuring the consequences of growing ethnic diversity is increasing. There are two prominent opposing theories on the effect of outgroup size on anti-outgroup attitudes: cultural threat and contact theory. The cultural threat hypothesis suggests that natives fear immigrants because they pose a threat to their cultural identity.[8] Following the threat hypothesis, various authors have empirically addressed the questions of if and how the presence and inflow of foreigners in one's district affect outcomes, such as voting for right-wing political positions, the design of naturalization regimes, or preferences for redistribution. In different empirical settings, the size of the foreign population shows a positive effect on the support of far-right parties (e.g., Halla et al. 2017; Brunner and Kuhn 2018; Edo et al. 2019) and may lead to more restrictive naturalization rules (e.g. Bertocchi et al. 2010; Mariani 2013), as well as diminishing preferences to redistribute (e.g. Luttmer 2001; Alesina et al. 2019; Tabellini 2019). To the contrary, contact theory suggests that interaction among outgroup and ingroup members reduces information asymmetries, increases trust, reduces prejudices and, therefore, may moderate perceived threat (e.g., Allport et al. 1954; Yehuda 1998). There is also empirical evidence supporting contact theory. Using French data, Jolly and DiGiusto (2014) found that xenophobic attitudes decrease with growing foreign population size, whereas Semyonov et al. (2004) and Schlueter and Scheepers (2010) found evidence for both threat and contact theory depending on the considered measures for the size of the foreign population. For Germany, Semyonov et al. (2004) showed that perceived group size is driving anti-immigrant attitudes, whereas actual intergroup contact reduces perceived group threat.

Beyond the impact of the foreigners' population size, economic circumstances have also been shown to impact attitudes toward foreigners. In a cross country study covering 12 countries, Quillian (1995) found evidence that anti-immigrant attitudes were more prevalent if economic conditions were worse. Most authors analyzing the 'economic threat hypothesis' concentrate

[8] For more information, see Hainmueller and Hiscox (2007) or Kinder and Kam (2009).

on the labor market situation. While some authors have found evidence that anti-immigrant attitudes are positively affected by competition in the labor market (e.g., Scheve and Slaughter 2001; Mayda 2006), other scholars have questioned this result (e.g., Hainmueller and Hiscox 2007; Sides and Citrin 2007).

Furthermore, this paper contributes to the literature on the determinants of franchise extensions. Despite a rich literature on franchise for men[9] and women,[10] we are only aware of two papers that empirically study the conditions for foreigners' enfranchisement. Using an event study approach for 25 countries over the 1975–2010 period, Earnest (2015) found evidence that the possibility to experiment with non-citizens' voting rights on lower federal levels is a driver to the extension of the franchise at higher federal levels, which could be relevant in the Swiss case. Furthermore, we are aware of an unpublished manuscript by Stutzer and Slotwinski (2019), in which the authors use data from two Swiss cantons to focus on the power dilution hypothesis for opting-in regimes to enfranchise foreigners.

Acemoğlu and Robinson (2000, 2001) prominently established a theory of democratization, which explains suffrage extensions as a strategic decision of the elite to prevent revolution or social unrest.[11] Wars (e.g., Hicks 2013; Polishchuk and Syunyaev 2015) and the strategic concerns of a divided elite (e.g., Lizzeri and Persico 2004; Llavador and Oxoby 2005) have also been considered as potential drivers of suffrage extensions.

A further established driver of suffrage extension, which could be relevant in the case of foreigners' enfranchisement, is wage differentials. Bertocchi (2011) found that a smaller gender wage gap increased the likelihood for female enfranchisement across Europe. Engerman and Sokoloff (2005) empirically underlined this result by using data from North and South America, providing evidence that greater homogeneity in general (in terms of socioeconomic or ethnic attributes) drives democratization.

Democratization via suffrage extension has also been explained from a price perspective. The smaller the newly enfranchised group is, the lower the price for the actual electorate (e.g., Kenny 1998; Braun and Kvasnicka 2013). However, the price of enfranchisement for the present electorate also depends on the actual influence voters have on political outcomes (e.g., Koukal and Eichenberger 2017) and the extent of heterogeneous preferences between the new

[9] See Aidt and Jensen (2014) or Aidt and Franck (2015).
[10] For contributions to the conditions for female enfranchisement, see Geddes and Lueck (2002), Braun and Kvasnicka (2013), Bertocchi (2011), Koukal and Eichenberger (2017), or Koukal (2019).
[11] See also Conley and Temimi (2001), Ellis and Fender (2011), Aidt and Jensen (2014), or Aidt and Franck (2015) for additional contributions to the 'threat of revolution hypothesis.'

and old electorate. Thus far, the empirical literature on preference heterogeneity between natives and foreigners is rather scarce. The few contributions we are aware of provide evidence for a lower status quo bias of immigrants (e.g., Koukal 2013), a preference to increase public policy spending for social services (e.g., Vernby 2013), an increased likelihood to vote for left parties (e.g., Strijbis 2014) and indicate ethnicity as a main driver of party choice (e.g., Tillie 1998).

Despite the sizeable literature on franchise extensions and the general consequences of an increasing foreign population, little is known about the drivers of political power-sharing with foreigners. This paper aims to contribute to this gap by uncovering the conditions under which natives are willing to grant foreigners the right to vote.

3. Institutional Background

Across Europe, voting rights for foreigners have been on the rise since the late 1970s.[12] In most countries, the national parliament decides on the enfranchisement of foreigners. However, such a setting provides only limited information about the preferences of the actual electorate. In Switzerland, foreigners' suffrage is not installed by the national parliament but by the actual electorate through referendum votes. Until now, approximately 40 votes on the enfranchisement of foreigners have taken place in 16 of the 26 cantons.[13] At the federal level in Switzerland, voting rights for foreigners have never been debated nor do they exist.

The cantons' autonomy has led to different forms of voting rights being debated and installed in the respective cantons. The initial vote on how and whether to extend the franchise rests in the competence of each canton. Table A1 in the Appendix provides an overview of the different forms of foreigners' enfranchisements that have been voted on in the cantons. As Table A1 indicates, referenda range from active and passive voting rights on the cantonal level to optional voting rights on the municipal level (i.e., to allow municipalities to enfranchise foreigners on the municipal level). Table 1 provides an overview of accepted referendum votes. Similarly to the enfranchisement of women, the French-speaking cantons have been the first movers toward enfranchising foreigners. Currently, the cantons of Neuchâtel and Jura grant foreigners the broadest political rights, which are active voting

[12] For more information on the noncitizen voting rights across Europe, see Groenendijk (2008) or Aleinikoff and Klusmeyer (2013).
[13] The cantons with votes on foreigners' suffrage are: Aargau, Appenzell Ausserrhoden, Bern, Basel City, Fribourg, Geneva, Grison, Glarus, Jura, Lucerne, Neuchâtel, Schaffhausen, Solothurn, Uri, Vaud, and Zurich.

rights on the cantonal level and active and passive voting rights on the municipal level. However, cantons also differ with respect to the conditions under which foreigners receive voting rights, as they are conditioned on the duration of stay.[14]

To enfranchise foreigners in a canton, at least 50 percent of the voters at the cantonal level must agree. Thus, in municipalities where only a minority votes for enfranchising foreigners, the cantonal decision is imposed (i.e., foreigners are enfranchised at the municipal level against the will of the majority of municipal voters). To not impose an extension of the franchise against the will of the present voters, in some cantons, an opt-in rule is used, which delegates the right to enfranchise foreigners at the local level to the municipalities (indicated as opt-in YES in Table 1). Currently, three cantons (Grison, Appenzell Ausserrhoden, and Basel City) have introduced opt-in rules for municipalities. Furthermore, the votes on enfranchising foreigners are often integrated into general constitutional revisions and are, therefore, part of a larger political package.

Table 1: *Accepted Referenda on Foreigners' Suffrage in Swiss Cantons.*

Vote date	Yes share	Effective date	Canton	Suffrage type	Opt-in	Municipalities introduced
20.03.1977	80%	01.01.1997	Jura	Active local + cantonal	NO	All
30.04.1995	Cantonal assembly	Opt-in	Appenzell A.R.	Full local	YES	4
24.09.2000	76.60%	01.01.2002	Neuchâtel	Active cantonal	NO	All
22.09.2002	55.90%	14.04.2003	Vaud	Full local	NO	All
18.05.2003	59.70%	Opt-in	Grison	Full local	YES	25
16.05.2004	58.00%	01.01.2005	Fribourg	Full local	NO	All
23.03.2005	76.50%	Opt-in	Basel-City	Full local	YES	0
24.04.2005	52.30%	24.04.2005	Geneva	Active cantonal	NO	All
17.06.2007	54.40%	17.06.2007	Neuchâtel	Passive local	NO	All
28.09.2014	54.00%	28.09.2014	Jura	Passive local	NO	All

Sources: Adler et al. (2016), cantonal chancelleries, cantonal constitutions.

[14] For instance, for cantonal voting rights, foreigners in Neuchâtel must be canton residents for at least five years, whereas in Jura, foreigners are granted voting rights after 10 years in Switzerland and one year in the canton.

4. Data and Descriptive Statistics

Our empirical analysis relies on three data sources. (1) We collected and digitized data from 35 cantonal referenda on suffrage extensions between 1992 and 2016, and an overview of the referenda in our sample is provided in Table A1 in the Appendix. (2) We combined this information with a variety of sociodemographic municipal characteristics acquired from the Swiss Statistical Office.[15] (3) For information on institutional municipal characteristics, we make use of municipal survey data provided by Andreas Ladner.[16] This results in a novel dataset with approximately 4000 observations. However, since some of the additional variables collected from the Statistical Office and the survey data from Andreas Ladner were not available for all observations, we lose part of the sample in our estimations. Table 2 provides the descriptive statistics of the outcome and the explanatory and control variables in our dataset.

Table 2: *Descriptive Statistics.*

Variable	N	Mean	SD	Min	Max
yes share	4052	29.89	16.37	0	83
foreigners (share)	3581	12.23	9.53	0	61.71
Δ foreigners (share)	3551	3.69	10.77	-99.62	100
naturalization (share)	3536	0.44	4.63	0	227.1
unemployment(ch)	3581	1.23	0.73	0	4.87
unemployment(for)	3556	3.57	3.49	0	50
av. Δ unemployment (for-ch)	3541	2.63	2.87	0	49.43309
town meeting	3855	0.81	0.39	0	1
agriculture (share)	3581	2.63	2.59	0	19.51
population	3581	3604.89	14058.83	38	384786
population (log)	3581	7.13	1.29	3.64	12.86
SP (share)	3611	18.21	7.86	0	66.2
SVP (share)	3568	27.44	15.76	0	91.3
lack of candidates	3042	2.56	0.61	1	3
turnout	4052	43.74	10.66	15.7	82.35
yes share minarets	3581	60.24	12.24	28.4	96

Since most of the cantons hold more than one referendum, we are able to exploit within-municipality variation.[17] An empirical analysis on the municipality level brings several advantages. First, it enables examining the effect of different institutional features, differences

[15] Additional municipal characteristics are provided by the Swiss Statistical Office and include population size, share of agriculture, unemployment, naturalizations, share of votes for the left party, etc.
[16] The data of the municipal surveys is available at http://www.andreasladner.ch/uebersicht.htm.
[17] The panel is strongly unbalanced, as different cantons voted with different frequencies. A list with the referenda in our dataset is provided in Table A1 in the Appendix.

in the degree of municipal autonomy, different levels of foreigners' share, and different levels of economic competition on the approval of foreigners' voting rights. Compared to cross-country data, municipal data enables analyzing much richer variation. Furthermore, the decision to conduct a referenda vote is exogenous for the individual municipality, as the requirement to launch such a vote is decided at the cantonal level.[18]

5. Conceptual Framework

There are several mechanisms that may drive natives' willingness to share political rights with foreigners. This section provides an overview of our hypotheses, subdivided into four blocks: the size and composition of the foreign population, economic mechanisms, political mechanisms, and institutional mechanisms.

Size and composition of foreign population

As presented in section 2, the size of the foreign population may lead to contrasting hypotheses stemming from intergroup contact theory and group threat theory.

Following Allport's contact theory, increased intergroup contact between foreigners and natives should undermine anti-foreigner sentiment, reduce information asymmetries, increase trust, and, therefore, increase the willingness to share political power with them (see Allport et al. 1954; Yehuda 1998). We argue that the municipality-level size of the immigrant population is a valid proxy for intergroup contact, which leads to the following hypothesis:

Hypothesis 1a (contact hypothesis): The willingness of natives to enfranchise foreigners (the share of yes votes in favor of extending the franchise) *increases* with a growing share of foreigners.

However, threat theory suggests that hostility against the outgroup increases when the size of the foreign population increases because this threatens the native population in various dimensions, such as in their cultural identity or in their social and economic privileges. According to standard formulations of threat theory, the threat felt by the native population increases as a function of the outgroup size (e.g., Halla et al. 2017; Brunner and Kuhn 2018; Edo et al. 2019), which results in hypothesis 1b:

[18] To conduct a vote on the enfranchisement of foreigners, at least 100,000 signatures must be collected.

Hypothesis 1b (threat hypothesis): The willingness of natives to enfranchise foreigners (the share of yes votes in favor of extending the franchise) *decreases* with a growing share of foreigners.

Note that the share of foreigners also proxies the relative size of the new electorate. Therefore, it may also proxy the potential power loss of the actual electorate.[19]

Hypothesis 1c (power-loss hypothesis): The willingness of natives to enfranchise foreigners (the share of yes votes in favor of extending the franchise) *decreases* with a growing share of foreigners.

Obviously, hypothesis 1c is identical to hypothesis 1b but contradicts hypothesis 1a. In the following, we will, therefore, no longer systematically differentiate between the threat and power-loss hypotheses.

Following the literature on the threat hypothesis, the foreign population's extent of cultural diversity may play a major role. The more culturally different foreigners are, the more the native population feels threatened in their cultural identity and promotes stronger right-wing voting behavior (e.g., Halla et al. 2017; Brunner and Kuhn 2018; Edo et al. 2019). Considering not only the size but also the composition of the foreign population in a municipality leads to the following hypothesis:

Hypothesis 2 (cultural threat hypothesis): Natives' willingness to enfranchise foreigners (the share of yes votes in favor of extending the franchise) *decreases* when there is a greater cultural distance between the foreign and the native populations.

Considering refinements of the threat hypothesis, Schlueter and Scheepers (2010) established the subjective perception of the foreign population size as an important driver of perceived threat. Following this approach, we argue that the threat hypothesis is more likely to occur when the size of the foreign population was subject to an increase (inflow). Therefore, hypothesis 3 states the following:

Hypothesis 3 (perceived threat hypothesis): Natives' willingness to enfranchise foreigners (the share of yes votes in favor of extending the franchise) *decreases* with a recent growth in the share of foreigners.

[19] For female enfranchisement, Kenny (1998) and Braun and Kvasnicka (2013) found that scarcity of women has a positive effect on female enfranchisements. In the future, we plan to disentangle this hypothesis by interacting the share of foreigners as a proxy for the size of the new electorate with the institutional setting of a municipality.

Overall, the effect of the size of the foreign population leads to contradicting and differentiated effects on the willingness to enfranchise foreigners. Importantly, we expect the immigrant stock, the immigrant inflow, and the immigrants' cultural backgrounds to have differentiated effects on the natives' approval of foreigners' voting rights.

Economic mechanisms

The size of the outgroup population has been shown to interact with the economic interests of the native population (e.g., Quillian 1995; McLaren and Johnson 2007). Following this approach, anti-immigrant attitudes increase if competition for resources, such as job opportunities, increases. This mechanism is subject to extensive research in labor economics. Following the discussed literature in section 2 on economic threat and anti-immigrant attitudes (e.g., Scheve and Slaughter 2001; Mayda 2006; Malhotra et al. 2013), we proxy the degree of economic competition by the municipal unemployment of the native and the foreign populations, which results in the following hypothesis:

Hypothesis 4 (economic threat hypothesis): Natives' willingness to enfranchise foreigners (the share of yes votes in favor of extending the franchise) *decreases* with a growing share of unemployed.

We are aware that our measure of economic competition gives rise to discussion. First, Switzerland is a country of commuters, in which approximately 70 percent of the working population works outside their resident municipality. Therefore, in the future, we plan to consider unemployment at the district level.[20]

Political mechanisms

Regarding the political market, various mechanisms could be at play. Following the hypothesis of Meltzer and Richard (1981), the actual electorate might consider if foreigners would change the composition and size of the government because they could shift the median voter to another income bracket. Therefore, the enfranchisement decision might also be driven by a strategic calculus to shift the median voter to an income bracket that supports one's political position. There is evidence that individuals with a migration background are more likely than natives to vote for the left (e.g., Vernby 2013; Strijbis 2014); therefore, we formulate the following hypothesis:

[20] Furthermore, we plan to consider additional proxies for the economic environment of a municipality, such as the municipal debt level.

Hypothesis 5 (political competition hypothesis): Natives' willingness to enfranchise foreigners (the share of yes votes in favor of extending the franchise) *increases* with a growing share of natives voting for the Social Democratic Party (SP).

However, stronger support for the SP among the native population might also proxy for more leftist policy preferences, which may include the political integration of foreigners (e.g., Earnest 2015). Additionally, the effect of shifting the median voter closer to one's own preferences might also be observable in the unemployment rate of natives. A further central political mechanism is the lack of politicians in one's jurisdiction. We hypothesize that greater difficulties in finding enough capable politicians in a municipality positively affects the approval of noncitizen suffrage – particularly the acceptance of granting passive voting rights.

Hypothesis 6 (lack of candidate hypothesis): Natives' willingness to enfranchise foreigners (the share of yes votes in favor of extending the franchise) *increases* with the need for political candidates.

However, to find a valid proxy to measure the lack of politicians in the municipalities is difficult. For a future version of the paper, we intend to rely on Ladner's survey data, which indicates where municipal administrations struggle to find competent candidates.

Institutional mechanisms

The larger the political say of the actual electorate, the more political power they lose when foreigners are enfranchised. Hence, the design of political institutions may play a major role. For the enfranchisement of Swiss women, Koukal and Eichenberger (2017) found evidence that stronger direct-democratic instruments at the municipal level have constituted a barrier to the enfranchisement of women. Thus, we presume that the form of the municipal legislative institution affects the approval of suffrage extensions to foreigners. We suppose that powerful direct-democratic instruments (municipal assemblies) have a negative effect on the enfranchisement of foreigners compared to municipalities with a more representative democracy (municipal parliaments). Furthermore, in smaller municipalities, the individual vote is more likely to be decisive than in a larger municipality. Additionally, perceived individual political influence may be higher.[21] Hence, we assume that a larger population size leads to a greater willingness to share power with foreigners. A special case of municipal autonomy loss and a fast population growth are municipal mergers. For instance, Lassen and Serritzlew (2011) and Schaap (2016) provided evidence for the negative effects of

[21] See Dahl and Tufte (1973) or Hansen (2015).

amalgamations on citizens' internal political efficacy or citizens' effectiveness. Thus, the perceived political influence by citizens may be lower after amalgamations. Anecdotal evidence for this reasoning is provided in the canton of Grison, where the majority of municipalities opted into foreigners' enfranchisement during the amalgamation process.[22] These considerations resulted in the following hypothesis:

Hypothesis 7 (power-loss hypothesis): Natives' willingness to enfranchise foreigners (the share of yes votes in favor of extending the franchise) *decreases* with growing political influence of voters.

6. Empirical Strategy

By exploiting within-municipality variation, the panel structure of our data enables estimating different fixed-effects models. To identify conditions under which the actual electorate is willing to extend suffrage to foreigners, we estimate the following model:

$$\begin{aligned} yes\ share_{mtr} = \alpha + \beta_1 share\ foreigners_{mt} + \beta_2 unemployment(for)_{mt} \\ + \beta_3 unemployment(ch)_{mt} + \beta_4 SP\ share_{mt} + \beta\theta\ \mathrm{X}_{mtr} \\ + \delta\ municipality + \gamma\ referendum + \phi year + \epsilon_{mtr} \end{aligned} \quad (1)$$

Our outcome variable $yes\ share_{mtr}$ captures the share of votes in favor of enfranchising foreigners in a municipality m at time t and in referendum r. By applying municipality-fixed effects, we minimize the omitted variable biases stemming from the municipality level and control for time-invariant municipality characteristics, such as municipal institutions, general openness toward foreigners, culture, or geographical location. Additionally, we also include referenda-fixed effects γ and time-fixed effects ϕ in our empirical model. The variable $share\ foreigners$ approximates the size of the affected group and is of our main interest. The variables $unemployment(for)$ and $unemployment(ch)$ reflect the number of unemployed relative to the foreign or native population.[23] To proxy the preference heterogeneity of natives and foreigners, we also examine absolute differences in the unemployment rates between natives and foreigners,[24] depicted in the variable

[22] This information was provided by the municipal authorities of Grison.
[23] It would be optimal calculating the unemployment rate with the number of unemployed relative to the working population. Unfortunately, the number of working population on the municipality level is in many cases associated with high uncertainties (data from SECO). Hence, we decided to use the total foreign and native population of a municipality based on the Federal statistical office.
[24] The average of the absolute value of the unemployment (for) minus the unemployment (ch) over the last five years.

$av.\Delta\ unemployment_{mt}$. Furthermore, we also introduce the variable $SP\ share$ in our model to represent the vote share for the SP in the most recent national elections.

Even after including municipality-, time-, and referenda-fixed effects, a consistent estimation of β_1 is only possible under the assumption that the $yes\ share_{mtr}$ is uncorrelated with the error term. Our estimate β_1 could be biased if immigrants are locating in municipalities that are generally more open-minded toward foreigners – which would be theoretically possible. To deal with this endogeneity concern, we will follow an instrumental variable (IV) strategy in a future version of the paper. One possible instrument to adapt is the 'shift-share' methodology, which has been extensively used in the field of labor economics (e.g., Card 2001; Peri 2012). In a first step, we followed Brunner and Kuhn (2018) and instrumented the foreigner share on the municipal level with the foreigner share on the MS-regional levels, which are based on local labor markets (106 regions in Switzerland). Two identifying assumptions must be met for the foreigner share on the MS region to be a valid instrument. First, the instrument is only valid if the foreigner share in an MS region is determined by other factors than the natives' attitudes toward foreigners. A possible argumentation in favor of this assumption is that immigrants settle in a specific region based on factors such as closeness to their family or employment possibilities. Second, the exclusion restriction requires that the foreigner share in the broader region has no direct effect on the yes share in a municipality, which represents our dependent variable. The second assumption may not be fulfilled if, for example, an individual is not working and living in the same municipality. In this case, the attitudes toward foreigners may not only be driven by the foreigner share in their living municipality but also by the share of foreigners in the workplace municipality.

7. Results and Discussion

Size and culture of foreign population

Figures 1 and 2 provide a first descriptive picture on how the presence and the growth of the foreign population[25] correlates with the willingness to share political power. Panel (a) in

[25] In our dataset, we computed the 'Δ share of foreigners' with the average change over the last five years. However, the information on foreigners share is provided only from 1990 on – hence, the 'Δ share of foreigners' for 1992 is conducted with the average of the last two years.

Figure 1 depicts the first vote of our dataset, which took place in the Canton of Vaud in 1992. Panel (b) maps the last observed vote in 2016 in the Canton of Neuchâtel.

Figure 1: Positive relationship between the approval of foreigners' suffrage and the share of foreigners. Shown for the first and last votes in our dataset. *Source: Voting data from cantonal departments and share of foreigners from SECO.*

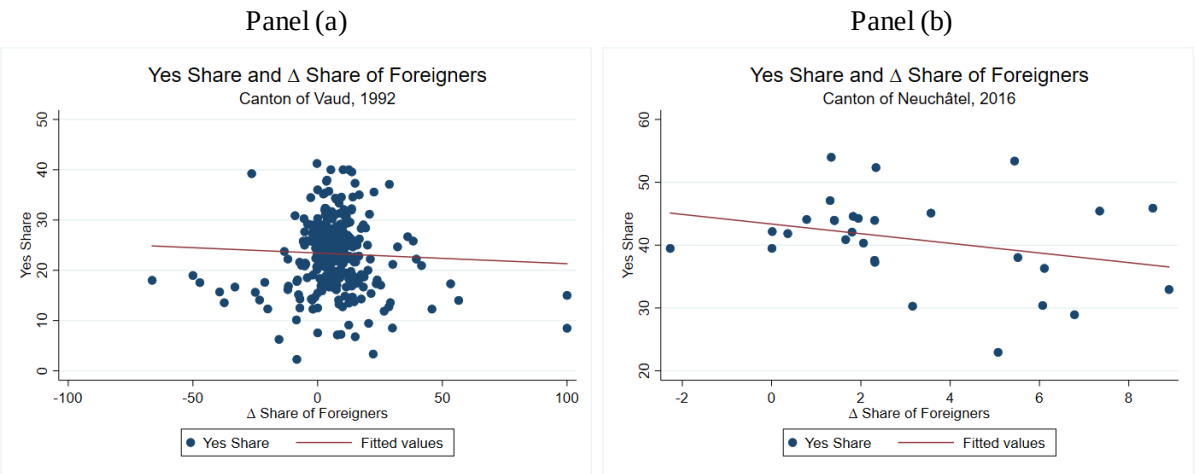

Figure 2: No positive relationship between the approval of foreigners' suffrage and the Δ share of foreigners. Shown for the first and last votes in our dataset. *Source: Voting data from cantonal departments and share of foreigners from SECO.*

While Figure 1 suggests that contact to the political outgroup fosters the willingness to provide local voting rights (hypothesis 1a), Figure 2 proposes that the Δ share of foreigners has the opposite effect (hypothesis 3). Hence, Figures 1 and 2 suggest that presence and inflow of immigrants might have an adverse effect.

Table 3 provides an overview of our OLS and IV results. Specifications (1) to (4) display OLS estimates subdivided for the full sample, a sample from which we excluded the referenda where foreigner suffrage was part of a broader political package, and with and without control variables. In specifications (5) to (8), we estimate the same specifications but instrument the share of foreigners in a municipality by the share of foreigners in the MS region. In all specifications we use municipality-, time-, and referenda-fixed effects. The coefficient for β_2 is

negative throughout all specifications. However, by introducing the IV, the coefficient triples. As we estimate a model with municipality-fixed effects, β_2 captures the within-municipality variation of the share of foreigners. Therefore, our estimates suggest that a one percent increase of foreigners in one's neighborhood reduces the willingness to share political power with them by approximately 0.200 (OLS) or 0.700 (IV) percentage points. This is in line with the recent literature that attributes an inflow of migrants to an increasing support for the far right, thus providing first evidence for the cultural threat hypothesis (H1b). However, the power-loss hypothesis (H1c) may also explain this negative effect.[26]

Table 3: *Overview of OLS Estimates for Foreigner Share.*

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Dependent variable yes share	OLS full sample	OLS excl. total revisions	OLS full sample	OLS excl. total revisions	IV full sample	IV excl. total revisions	IV full sample	IV excl. total revisions
foreigner (share)	-0.229***	-0.187***	-0.227***	-0.167***	-0.800***	-0.624***	-0.852***	-0.634***
	(0.070)	(0.066)	(0.068)	(0.062)	(0.179)	(0.170)	(0.186)	(0.176)
Control variables			✔	✔			✔	✔
Municipal FE	✔	✔	✔	✔	✔	✔	✔	✔
Vote FE	✔	✔	✔	✔	✔	✔	✔	✔
Time FE	✔	✔	✔	✔	✔	✔	✔	✔
Observations	3,158	2,575	3,158	2,575	3,158	2,575	3,158	2,575
R-squared	0.926	0.909	0.929	0.914				
Root MSE					4.428	3.958	4.37	3.849

Robust standard errors in parentheses clustered at municipal level. Foreigner share on municipal level instrumented by foreigner share on MS-region. Control variables include population, economic situation, SP share, urbanity and naturalization share.
*** p<0.01, ** p<0.05, * p<0.1

A way to further investigate these two channels is to examine the composition of foreigners in a municipality. Following the cultural threat hypothesis (and also the power-loss hypothesis), larger cultural differences between foreigners and the native population may lead to a decrease of the yes share for foreigners' suffrage (H2). To measure the share of culturally different foreigners in a municipality, we followed Inglehart and Baker (2000), who classified foreigners from former Yugoslavia, Africa, Asia, Oceania, and both Americas as being more culturally distant from Switzerland than other groups of foreigners.

To find traces for the cultural threat hypothesis, we interact the share of foreigners with the share of culturally different foreigners in a municipality. In this setting, our moderator variable is the amount of culturally different foreigners in a municipality, while the share of

[26] In future versions of this paper, we will try to disentangle these effects.

foreigners is our main predictor. Table A2 in the Appendix provides the corresponding OLS results for the interaction terms. Note that the interaction of share of foreigners*share of culturally different foreigners is negative and significant throughout all specifications. Next, we compute the slope for the yes share on foreigners' share, while holding the value of the moderator variable (which is the share of culturally different foreigners) constant at values running from 5 to 30, and we plot these simple slopes for each of the moderators. Figure 1 displays consistent steeper slopes for municipalities with a larger share of culturally different foreigners. With an increasing share of culturally different foreigners, the negative effect of the share of foreigners is more pronounced.[27]

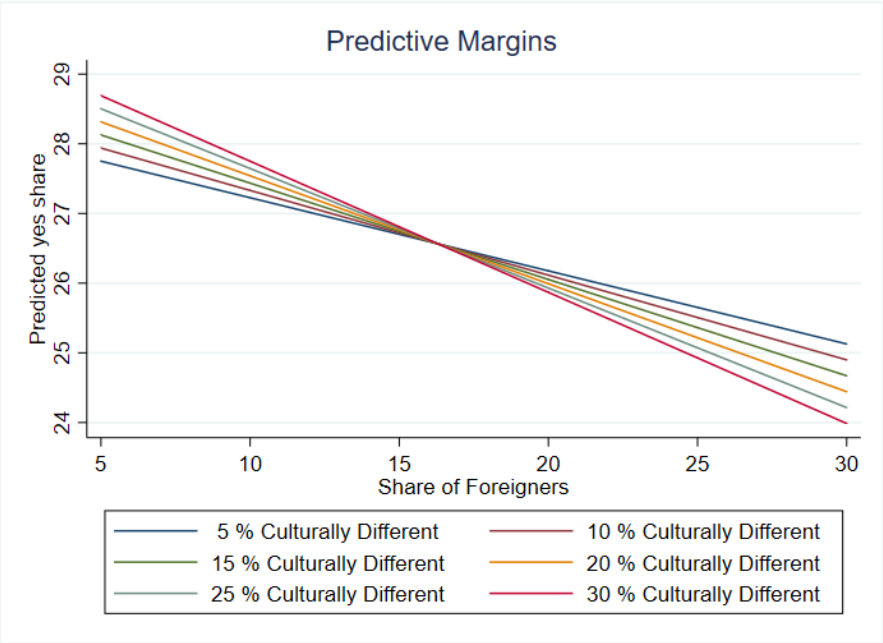

Figure 3: Predictive margins showing a stronger negative effect on the yes share of foreigners' suffrage if additional foreigners are culturally different from natives. *Source: Voting data from cantonal departments, share of foreigners from SECO, and culturally different computed with data from BFS.*

Economic mechanism

In specification (2) in Table 4, we introduce the unemployment rates of the native and foreign populations as our proxy for economic competition. Throughout all specifications, Table 4 displays a significantly negative coefficient for the unemployment rate of the native population's willingness to enfranchise foreigners. In our estimations, a one percent increase in the unemployment rate of natives is associated with a decrease of the yes share by approximately one percentage point. This points to the economic threat hypothesis (H4),

[27] In Switzerland, people from ex-Yugoslavia constitute an important group of foreigners who are culturally different from the native population (according to Inglehart and Baker 2000). The plotted predictive margins for the share of people from ex-Yugoslavia among the foreigner share can be found in Figure A1 in the Appendix.

suggesting that economic threat may foster anti-immigrant attitudes. Hence, Swiss voters living in an environment with a higher unemployment rate may be less willing to share political power with foreigners.[28] Turning next to the unemployment of foreigners and the difference in unemployment between the two groups, Table 4 does not reveal a significant effect.

Table 4: *OLS Estimates with Control Variables.*

VARIABLES	(1) Yes Share	(2) Yes Share	(3) Yes Share	(4) Yes Share	(5) Yes Share
foreigners (share)	-0.224***	-0.234***	-0.228***	-0.230***	-0.227***
	(0.070)	(0.071)	(0.068)	(0.068)	(0.068)
population (log)	-1.139	-1.132	-0.759	-0.762	-1.212
	(1.721)	(1.709)	(1.682)	(1.685)	(1.623)
unemployment (for)		0.062	0.051	0.074	0.069
		(0.056)	(0.057)	(0.079)	(0.079)
unemployment (ch)		-1.039**	-0.988**	-1.000**	-1.096***
		(0.421)	(0.411)	(0.412)	(0.417)
SP (share)			0.250***	0.249***	0.244***
			(0.039)	(0.039)	(0.040)
av. Δ unemployment (for-ch)				-0.044	-0.039
				(0.095)	(0.093)
agriculture (share)					-0.310
					(0.255)
naturalization (share)					-0.049**
					(0.020)
turnout					-0.034
					(0.039)
Municipal FE	✔	✔	✔	✔	✔
Vote FE	✔	✔	✔	✔	✔
Year FE	✔	✔	✔	✔	✔
Observations	3,158	3,158	3,158	3,158	3,158
R-squared	0.926	0.926	0.928	0.928	0.929

Robust standard errors in parentheses clustered at the municipal level.
SP (share) represents the vote share in the last national election for the Social Democratic Party.
Naturalization (share) is constructed as the number of naturalizations relative to the resident population.
*** p<0.01, ** p<0.05, * p<0.1

Political mechanisms

As expected, the coefficient of the SP share is positive and significant throughout all specifications in Table 4. Our estimates suggest that a one percent increase of SP voters in one's municipality increases the approval of foreigners' suffrage by approximately 0.250 percentage points. There are multiple explanations for this relation. Given that foreigners

[28] We are aware of a potential endogeneity problem, as foreigners' location choice may depend on the labor market conditions in a region.

seem to have preferences for leftist political positions (e.g., Vernby 2013; Strijbis 2014), these results could point to the political competition hypothesis (H5). However, stronger support for the SP might also proxy for more leftist policy preferences within the native population, which may include the political integration of foreigners.

Institutional mechanisms

With growing municipality size, one's individual vote is less likely to be decisive. This might translate into a higher willingness to share political rights with foreigners in larger municipalities (H6). However, looking at the estimates above in Table 4, we do not find evidence that population size has a positive effect on the approval of foreigners' suffrage. In the project's next step, we want to focus on municipalities that have experienced an amalgamation during our observation period, constituting both a strong population growth and autonomy loss in a short period.

8. Conclusion and Outlook

In many countries, foreigners without political participation rights comprise a large percentage of the population. Therefore, the political integration of foreigners is a major political challenge. Given the limited democratic legitimacy of decisions taken only by a fraction of the taxpayers and the potential positive economic and societal effects of political integration of foreigners, it is important to understand under which conditions native voters are willing to share political rights with foreigners. This paper contributes to answering this question.

For this purpose, we explored a new municipality level dataset of 35 Swiss cantonal referenda on the enfranchisement of foreigners. The Swiss setting provides a unique laboratory for capturing the drivers of the enfranchisement of foreigners, as it enables measuring the actual electorate's revealed preferences. The results yield first hints regarding what factors constitute the drivers and barriers to the enfranchisement of foreigners.

At first glance, natives in municipalities with higher shares of foreigners are more willing to share political rights with them; this contradicts the price and cultural threat hypotheses and points to the contact hypothesis. However, our fixed-effect estimates reveal that the inflow of foreigners has the opposite effect: it negatively impacts the approval of foreigners' voting rights. Thus, when confronted with the growth of the foreign population, the support to extend suffrage to foreigners decreases. One explanation for this effect is the cultural threat

channel. This interpretation is supported by the negative effect of culturally different foreigners on the willingness of natives to share political rights with them. However, at this stage, we are unable to disentangle the cultural threat from a pure price mechanism. Furthermore, a higher unemployment rate for natives is negatively associated with the willingness to share political rights with foreigners. This supports the hypothesis that economic threat enhances anti-immigrant attitudes. In addition, the share of social democrats in a municipality is positively related to the approval of non-citizen voting rights. This may point to the strategic reasoning of shifting the median voter closer to one's own preferences, as foreigners are assumed to vote more for the left.

Certainly, these results must be interpreted with caution, as we have not yet fully solved the problem of foreigners' locational choice being endogenous to natives' general openness. Foreigners may, for instance, settle in regions and municipalities that are generally more open toward foreigners or that exhibit better labor market conditions. We tried to solve this issue by instrumenting the share of foreigners in a municipality by the share of foreigners at the local labor market level. However, the exclusion restriction is difficult to satisfy. In a next step, we want to focus on different instrumental variable approaches to tackle the issue of endogenous locational choice.

One approach to gain a deeper understanding of underlying mechanisms is to use the results on the 'anti-minaret initiative,' which was conducted and unexpectedly accepted in 2009, and other referenda on foreigners' rights as a proxy for the prevalence of anti-immigrant attitudes in a municipality (see Appendix Figure A2). Additionally, we plan to further examine the political and institutional mechanisms, with a special focus on municipal autonomy. For instance, we want to exploit observations in our panel that contained a municipality merger during our observation period (see Appendix Figure A3), which would enable us to approximate whether a loss in municipal autonomy affects the willingness to share political power.

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Appendix

Appendix Table A1: *List of Votes on Enfranchisements of Foreigners in our Dataset.*

Vote date	Canton	Suffrage	Accepted	Yes share	Vote type
27.09.1992	VD	Full local + full cantonal	0	26%	Initiative
06.06.1993	GE	Full local	0	29%	Initiative
28.11.1993	GE	Eligibility court of arbitration	0	45%	Counterproposal
26.09.1993	ZH	Full local opt-in	0	26%	Initiative
12.06.1994	BS	Full local + full cantonal	0	26%	Initiative
04.12.1994	BE	Full local + full cantonal	0	22%	Initiative
04.12.1994	BE	Full local opt-in	0	40%	Counterproposal
22.10.1995	UR	Active cantonal	0	16%	Initiative
10.03.1996	AG	Full local	0	16%	Initiative
09.06.1996	JU	Passive local opt-in	0	47%	Referendum
16.03.1997	FR	Full local	0	24%	Initiative
23.11.1997	SO	Full local + full cantonal	0	12%	Initiative
24.09.2000	NE	Active cantonal	1	77%	Complete revision
04.03.2001	GE	Full local	0	48%	Law revision
04.03.2001	SH	Active local + active cantonal	0	30%	Partial revision
22.09.2002	VD	Full local	1	56%	Complete revision
18.05.2003	GR	Full local opt-in	1	60%	Complete revision
16.05.2004	FR	Full local	1	58%	Complete revision
16.05.2004	FR	Full local	1	58%	Complete revision
30.10.2005	BS	Full local opt-in	1	77%	Complete revision
24.04.2005	GE	Full local	0	47%	Initiative
24.04.2005	GE	Active local + active cantonal	1	52%	Initiative
25.09.2005	SO	Full local opt-in	0	39%	Complete revision
17.06.2007	JU	Full local for executive	0	49%	Law revision
17.06.2007	NE	Passive local + passive cantonal	0	41%	Initiative
17.06.2007	NE	Passive local	1	54%	Counterproposal
26.09.2010	BS	Full cantonal	0	19%	Initiative
26.09.2010	BS	Active cantonal	0	39%	Counterproposal
26.09.2010	BE	Full local opt-in	0	28%	Initiative
04.09.2011	VD	Full cantonal	0	31%	Initiative
27.11.2011	LU	Active local opt-in	0	16%	Initiative
22.09.2013	ZH	Full local opt-in	0	25%	Initiative
28.09.2014	JU	Full local for executive	1	54%	Law revision
28.09.2014	SH	Full local + full cantonal	0	15%	Initiative
25.09.2016	NE	Passive cantonal	0	46%	Law revision

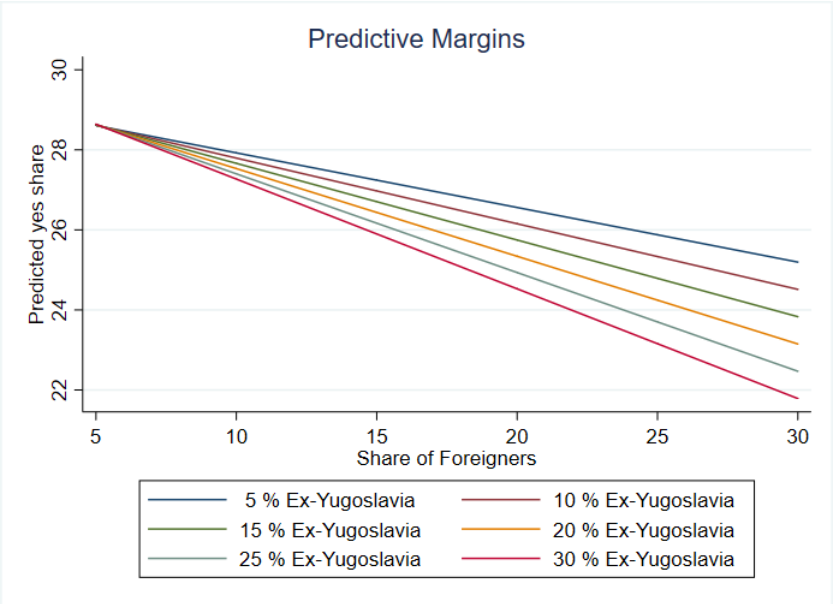
Source: Adler et al. (2015), cantonal archives, cantonal chancelleries.

Appendix Table A2: *Interaction of Share of Foreigners and Culturally Different Foreigners*

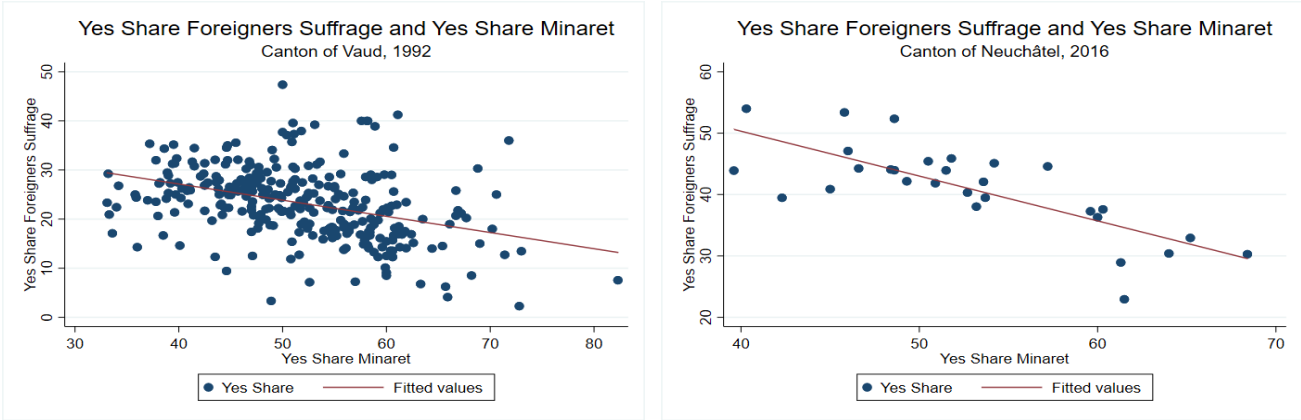
VARIABLES	(1) Yes Share	(2) Yes Share	(3) Yes Share	(4) Yes Share	(5) Yes Share
share of culturally different foreigners	0.051**	0.051**	0.049**	0.053**	0.054**
	(0.025)	(0.025)	(0.024)	(0.024)	(0.024)
share of foreigners	-0.094	-0.100	-0.088	-0.091	-0.088
	(0.085)	(0.084)	(0.080)	(0.080)	(0.079)
share of foreigners*culturally different	-0.004**	-0.004**	-0.003**	-0.003**	-0.003**
	(0.002)	(0.002)	(0.002)	(0.002)	(0.002)
population (log)	-2.439	-2.498	-1.776	-2.220	-2.323
	(1.866)	(1.859)	(1.791)	(1.750)	(1.756)
unemployment foreigner		0.062	0.034	0.027	0.027
		(0.064)	(0.063)	(0.063)	(0.063)
unemployment native population		-1.202**	-1.091**	-1.247***	-1.242***
		(0.481)	(0.463)	(0.470)	(0.470)
SP share			0.306***	0.294***	0.292***
			(0.042)	(0.043)	(0.043)
argiculture share				-0.461	-0.481
				(0.285)	(0.292)
naturalization share					0.452
					(0.811)
Municipal FE	✓	✓	✓	✓	✓
Vote FE	✓	✓	✓	✓	✓
Year FE	✓	✓	✓	✓	✓
Observations	2,579	2,579	2,579	2,579	2,579
R-squared	0.908	0.909	0.913	0.914	0.914

Robust standard errors in parentheses
*** p<0.01, ** p<0.05, * p<0.1

Appendix Figure A1: *Plotted interaction of share of ex-Yugoslavia and total share of foreigners in a municipality. Steeper slope for a higher share of foreigners originally from ex-Yugoslavia within the foreigners in a municipality.*

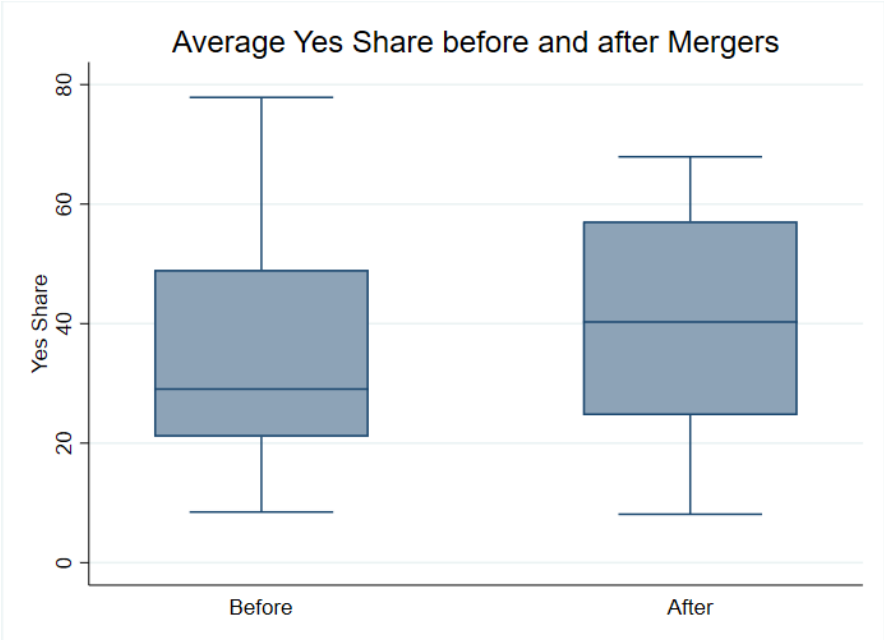


Appendix Figure A2 *Strong negative relationship between foreigners' suffrage yes share and anti-minaret yes share.*



Source: Voting data from cantonal departments and minaret data from Federal Statistical Office.

Appendix Figure A3: *Possible positive effect of mergers on the yes share for foreigners' suffrage.*



Source: Voting data from cantonal departments and mergers data from Federal Statistical Office.