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Has immigration contributed to the rise of rightwing extremist parties in Europe?

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Has Immigration Contributed to the Rise of Rightwing Extremist Parties in Europe?

Anthony Edo (EconPol Europe, CEPII) and Yvonne Giesing (EconPol Europe, ifo Institute, CESifo and University of Munich)

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Has immigration contributed to the rise of right-wing extremist parties in Europe?

Anthony Edo¹ and Yvonne Giesing²

Abstract

Alongside a range of already well documented factors such as deindustrialization, technological progress and international trade, a series of recent empirical econometric studies show that immigration has contributed to the rise of extreme right-wing parties in Europe. Our study highlights, however, that there is no mechanical link between the rise of immigration and that of extreme right-wing parties. Exploiting French presidential elections from 1988 to 2017, we show that the positive impact of immigration on votes for extreme right-wing parties is driven by low-skilled immigration and immigration from non-European countries. Our results moreover show that high-skilled immigration from non-European countries has a negative impact on extreme right-wing parties. These findings suggest that the degree of economic and social integration of immigrants plays an important role in the formation of anti-immigrant sentiment. Fostering integration should therefore reduce negative attitudes toward immigrants and preserve national cohesion at a time when the economic consequences of the Covid-19 pandemic could reinforce mistrust and xenophobia.

Keywords: Voting, Immigration, Political Economy

JEL: D72, F22, J15, P16

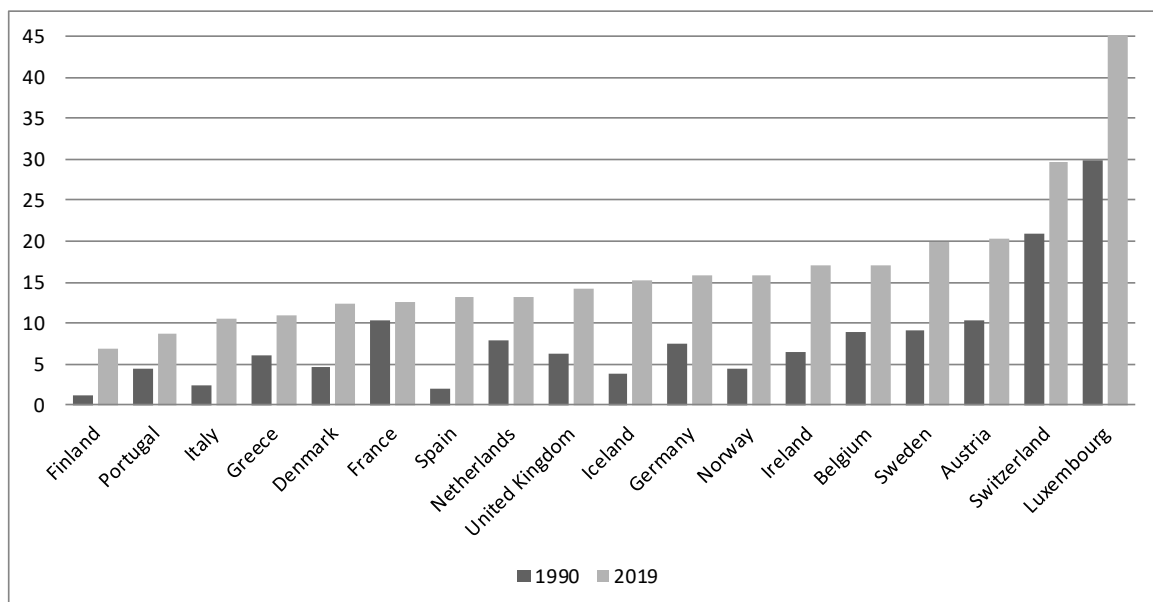
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Over the past decades, Europe has experienced a rise in international migration. According to the United Nations, the total stock of foreign-born people in Europe has increased by two thirds from 1990 to 2019 and now stands at 82.3 million people. In the richest countries (i.e. EU-15 countries plus Iceland, Norway and Switzerland), the numbers of foreign-born doubled and their share of the total population reached 14% in 2019.

As shown in Figure 1, Spain is one of the European countries which experienced the largest inflow of migrants over the period. The share of immigrants in Spain strongly increased from 2.1% in 1990 to 13.1% in 2019. Figure 1 also indicates that 20% of the population in Austria, 13% in France, 16% in Germany, 20% in Sweden, and 14% in the United Kingdom is foreign-born. Remarkably, even countries with little historic experience with immigration (such as Norway, Portugal, and Spain) have now a relatively high share of migrants in their population. It is also important to notice that immigration has increased across all countries.

Figure 1: Share of foreign-born in a panel of European countries in 1990 and 2019

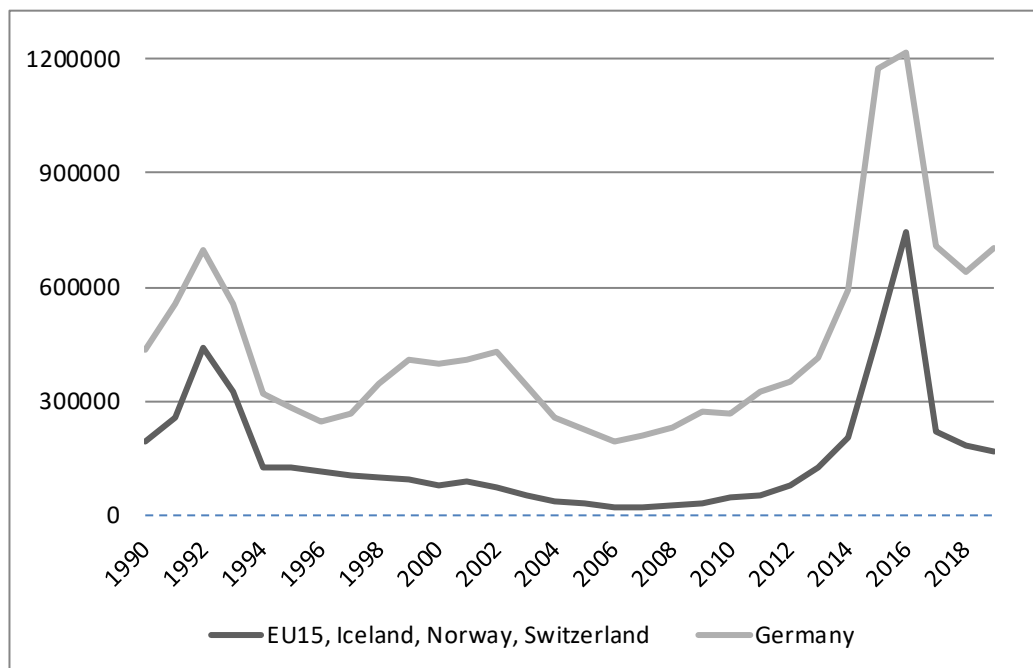


Source: United Nations.

The large entry of hundreds of thousands of refugees since 2014 contributed to the rise in the relative size of international migration in Europe. As

shown in Figure 2, the number of asylum applicants doubled in the wealthiest part of Europe from 2014 to 2016, especially in Germany, to reach more than 1.2 million. The total number of asylum applicants then declined and has been between 650,000 and 700,000 per year since 2017. The largest part of migrants, however, are not refugees, but EU migrants (around 1,3 million in 2017) and family migrants (around 900,000 in 2018).

Figure 2: Number of asylum applications in Germany and Europe between 1990 and 2019



Source: Eurostat.

The migration trends in Europe since 1990 have raised many important questions such as the economic consequences of immigration on the labor market and public finance (Edo et al., 2018). The rise in the success of anti-immigrant parties, commonly identified to extreme right-wing parties, particularly since 2010, has also prompted new analyses of the political consequences of immigration.

Studies in Austria, Denmark, Italy, Sweden, Switzerland and the United Kingdom conclude that an increase in the share of immigrants increases the electoral success of extreme right-wing parties (see Section 3.2.2 below).

A recent study conducted by the authors, using the results of the French presidential elections between 1988 and 2017, shows that the same is true for France (Edo et al., 2019). Our study also indicates that the positive effect of immigration on the share of votes cast for extreme right-wing parties is very sensitive to the nationality and level of education of the immigrant population. While immigrants from outside Europe with a low level of education tend to increase the success of extreme right-wing parties, immigrants from outside Europe with a higher level of education tend to decrease it³.

Before outlining these results in more detail, this Policy Brief illustrates the rise of the extreme right in Europe.

1. The rise of extreme right-wing parties in Europe

Since the 1980s, parliamentary election results of extreme right-wing parties that are hostile to immigration have been on the rise in several European countries (Figure 3). In particular, the Sweden Democrats, the Finns Party and the Movement for a Better Hungary (Jobbik) have experienced a remarkable rise since their inception: while before 2010 the average vote for these parties was less than 3%, it currently stands at 12% in Sweden and 18-19% in Finland and Hungary.

Had it not been for the departure of its leader Nigel Farage on the eve of the 2017 elections and the recuperation of his anti-immigrant rhetoric by other political parties, the UK Independence Party (UKIP), founded in 1999, would probably have experienced the same dazzling success, given its breakthrough in the 2015 general elections, where it received 12.6% of the votes cast, before falling back to 2% of the vote in the 2017 and 2019 elections (see, for instance, the following article in [Le Monde, 2017](#)).

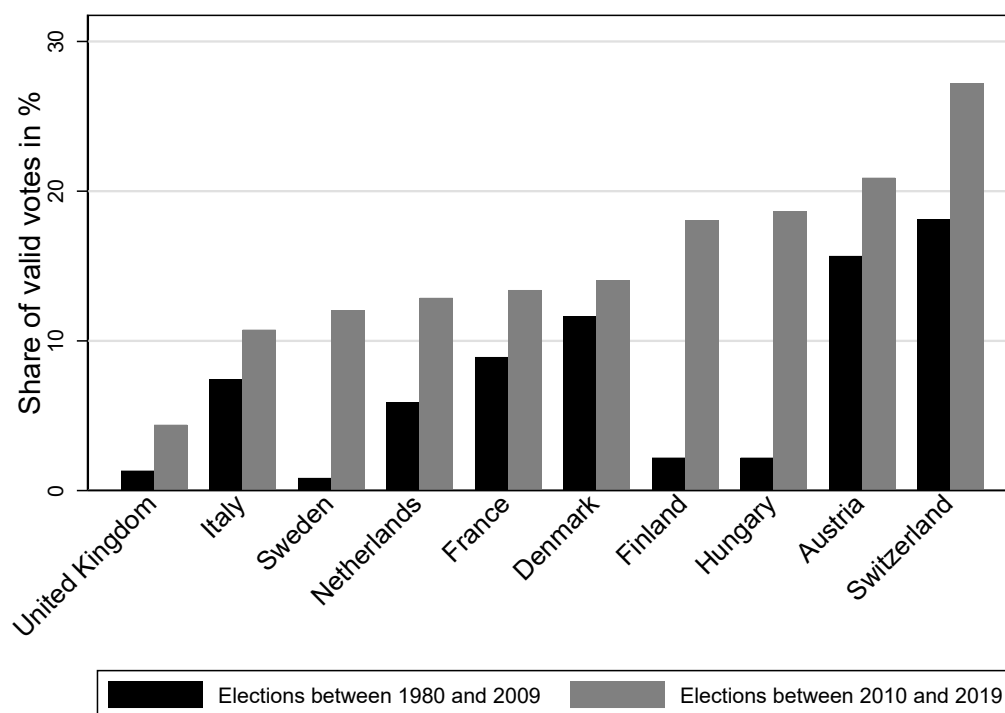
With a doubling of the share of valid votes received over the reporting period, the Freedom Party's electoral success in the Dutch parliamentary elections is also very strong. While not showing such spectacular progress, the Northern League in Italy, the National Front (renamed *Rassemblement National* in 2018) in France and the Democratic Union of the Centre in Switzerland increased their

³ Our study distinguishes naturalized immigrants from non-naturalized (foreign) immigrants to focus on the electoral consequences of the latter's presence.

electoral results by about half over the same period. The smallest rise in extreme right-wing parties were experienced by the Danish People's Party and the Freedom Party of Austria (FPÖ), two formations already well established in the political landscape before 2010. The share of valid votes for these two parties respectively increased by 2 to 5 percentage points, allowing them to maintain their number of seats in the national parliaments

Moreover, the birth of new extreme right-wing parties, such as the AfD in Germany and Vox in Spain in 2013, and their significant success in the last legislative elections of 2017 for the former and 2019 for the latter confirms the progress in the ballot boxes of extreme right-wing political parties.

Figure 3: Electoral results obtained by extreme right-wing parties in parliamentary elections



Note: The extreme right-wing parties selected are: Freedom Party of Austria, Danish People's Party, Finns Party, National Front in France, Movement for a Better Hungary, Northern League in Italy, Freedom Party in the Netherlands, the Sweden Democrats, the Democratic Union of the Centre in Switzerland and the UK Independence Party.

Sources: Authors' calculations from the European Election Database and official national websites.

2. Main determinants of the success of extreme right-wing parties

The following section first outlines the role of factors unrelated to migration in explaining the rise of extreme right-wing parties. We then focus on migration by presenting a large set of findings from the academic literature.

2.1 Factors unrelated to immigration

Technological progress, international trade and economic crises can lead to economic insecurity and social downgrading among the population. They are therefore key factors in understanding the electoral successes of extreme right-wing parties in Europe (see the literature reviews by Colantone and Stanig, 2019; Margalit, 2019).

Studies have shown that the increasing robotization of assembly lines and the fear of automatization play a decisive role in the rise of the extreme right in Europe (see, e.g., Anelli et al., 2019). Others point to deindustrialization and declining employment caused by the growing exposure of some regions to imports from low-wage countries such as China (see, e.g., Autor et al., 2013, 2016). Deteriorating economic and social conditions also occur during episodes of severe economic crises. For example, Algan et al. (2017) show that the rise in unemployment resulting from the 2008 economic crisis has contributed to the rise of the extreme right in Europe. Beyond their economic effects, crises erode citizens' confidence in national and supranational institutions, which are perceived as incapable of curbing economic downturns.

The current economic and health crisis caused by Covid-19 has already increased levels of racism, defined as hostility against people from other nations or ethnic minorities, in society (Bartos et al., 2020). It could therefore play into the hands of the extreme right in some countries, especially if the necessary public action is deemed inconsistent, undemocratic or simply insufficient. In such a situation, the crisis would result in a rejection of politics and support for parties considered to be furthest removed from the dominant political class. In other

countries, that managed the pandemic relatively well, support for the government could also increase, marginalizing extreme right-wing parties.

Austerity policies have also contributed to the rise of the extreme right in Europe. This is the case in the United Kingdom, for example, where the reform of social benefits, implemented in the early 2010's, has worsened the situation of groups most vulnerable to economic risks and thus favored the rise of UKIP (Fetzer, 2019).

2.2 Immigration

In addition to all previously mentioned determinants, several studies have also highlighted the role played by immigration in shaping extreme right-wing voting (Box 1 describes the main empirical methodology used by the economic literature).

BOX 1: Empirical strategy

To estimate the impact of immigration on extreme right-wing voting, the main empirical strategy exploits spatial variations by comparing the changes in political outcomes of high-immigration places with those of low-immigration places. The main limitation of this approach is that immigrants are not randomly allocated across electoral districts because of two main factors:

- a. One can expect that new immigrants tend to choose economically booming and more welcoming regions, which could also be regions where the population is less likely to vote for extreme right-wing candidates.
- b. Immigrants may also be attracted to places where the share of votes for far-right candidates is low. For example, Bracco et al. (2018) finds for Italy that immigrants choose to reside in municipalities that are less likely to vote for extreme right-wing parties.

As a result, estimating the impact of the share of immigrants on the share of votes in favor of extreme right-wing parties across areas could lead to a negative correlation, without revealing any causal relationship. In theory, this problem can be addressed by finding a third variable (or an instrumental variable) allowing us

to isolate the variation in immigrant inflows that is not determined by factors influencing current political outcomes. In practice, however, it is difficult to identify such a variable because what makes an area attractive for current migrants is typically correlated with economic and political outcomes. To mitigate any identification issues related to the fact that the locational choices of immigrants may be related to election results, a set of studies have also exploited the random distribution of certain waves of refugees across regions within a single country.⁴

One of the first economic econometric studies on the relationship between immigration and extreme voting was implemented using data from the city of Hamburg in Germany (Otto and Steinhardt, 2014). The authors show that the increase in the share of immigrants in the city (from 10% in 1987 to 15% in 1998), partly linked to the arrival of refugees from South-East Europe at the time of the wars in Croatia and Bosnia-Herzegovina (1991-1995), was reflected in the ballot boxes by an increase in the share of votes in favor of the extreme right-wing party "The Republicans" over the period 1987-1997.

In Spain and Italy, it is also the remarkable increase in the share of immigrants (from 3% in 1998 to 13% in 2008 in Spain and from 1.7% in 1998 to 8% in 2012 in Italy) that has motivated the analysis of the link between the size of the immigrant population and the success of anti-immigration parties. The Spanish study by Mendez and Cutillas (2014) concludes that immigration (especially from Africa) has increased, albeit modestly, the success of anti-immigrant political parties in the general elections held between 1996 and 2011. For Italy, Barone et al. (2016) analyze the relationship between the share of immigrants and the results of general elections in the 2000s at the municipal level and find that immigration has contributed significantly to the rise of parties with anti-immigrant political platforms.

The latter result is confirmed by two additional studies exploiting municipality variations between immigration and results in the parliamentary

⁴ It should be noted, however, that the political consequences induced by refugees and other immigrants could be different, since the propensity of the former to enter the labor market is lower (due to a lower level of education and language skills) or because their extreme vulnerability could generate more sympathy from voters.

elections for Switzerland from 1970 to 2010 (Brunner and Kuhn, 2018) and in the Danish municipal elections for several extreme right-wing parties from 1981 to 2001 (Harmon, 2018). More specifically, these studies show that it is the increase in the share of immigrants from Eastern Europe, Africa, Asia and South America that has contributed to the rise of these political formations. The authors provide evidence that the ethnic and cultural distance between the majority population and newcomers is essential to understand the mechanisms underlying the observed effects.

Two studies on Britain and Austria provide further insight into the link between immigration and the electoral success of extreme right-wing parties. The first indicates that high immigration (mostly low-skilled immigrants) from Eastern European countries, which joined the European Union in 2004, contributed to the rise of the UKIP party in the European elections between 1999 and 2014 (Becker and Fetzer, 2016). The authors conclude that the negative economic consequences (real or perceived) of this immigration wave on the British labor market and public finances are at the root of their result.

For Austria, Halla et al. (2017) estimate that the FPÖ's rise in the Austrian parliamentary elections between 1979 and 2013 is partly explained by the increase in the share of immigrants in the population (from 4% to 11.5% over the period). The study emphasizes that this causal relationship is, however, only driven by low-skilled immigration. Based on numerous empirical tests, the authors conclude that it is mainly economic and social considerations that explain the positive effect of low-skilled immigration on the rise of the extreme right-wing party. More specifically, Austrians are concerned about the deterioration of their employment conditions (wages, employment) and the quality and availability of public facilities for their children (schools, nurseries). These worries seem to be important drivers of anti-immigrant sentiments and support for the FPÖ.

Some studies have also exploited the entry of large and unanticipated waves of asylum seekers and/or refugees to estimate their impact on extreme voting. Dustmann et al. (2019) took advantage of the implementation by the Danish authorities between 1986 and 1998 of a policy of distributing refugees among municipalities according to the size of their population at the beginning of the period. Since this distribution is disconnected from local political and socio-

economic conditions, it can be used to determine the causal impact of the influx of refugees on electoral behavior in Danish municipalities. The results indicate that an increase in the share of refugees increases the number of votes cast for right-wing and extreme right-wing parties at the expense of others.

Exploiting a similar empirical approach, Dinas et al. (2019) exploit the unequal distribution of asylum seekers (mainly from Syria) among the 95 Greek Aegean islands and shows that the election results of the anti-immigrant "Golden Dawn" party in the 2012 and 2015 parliamentary elections were higher for islands close to Turkey (where the rate of asylum seekers was higher).

This result is confirmed by Mehic (2019) concluding that the significant increase in the number of asylum seekers and refugees in Sweden contributed to the electoral success of the Sweden Democrats between 2014 and 2018 in the parliamentary elections.

In contrast to this literature, Steinmayr (2020) shows that in Austria, in the regional elections held between 2009 and 2015, the municipalities with the highest increase in the share of refugees were also those where the percentage of votes in favor of the Austrian extreme right-wing party FPÖ increased the least. The interpretation of this result is based on the hypothesis put forward by the American psychologist Gordon Allport in 1954, according to which social interactions between the majority population and the ethnic minority group (in this case refugees) are intended to reduce (negative) prejudices, promote good intergroup relations and thus hinder the success of extreme right-wing parties. Although this contrasts with most of the existing literature, these results show that such a mechanism can, possibly, exist under certain circumstances.⁵

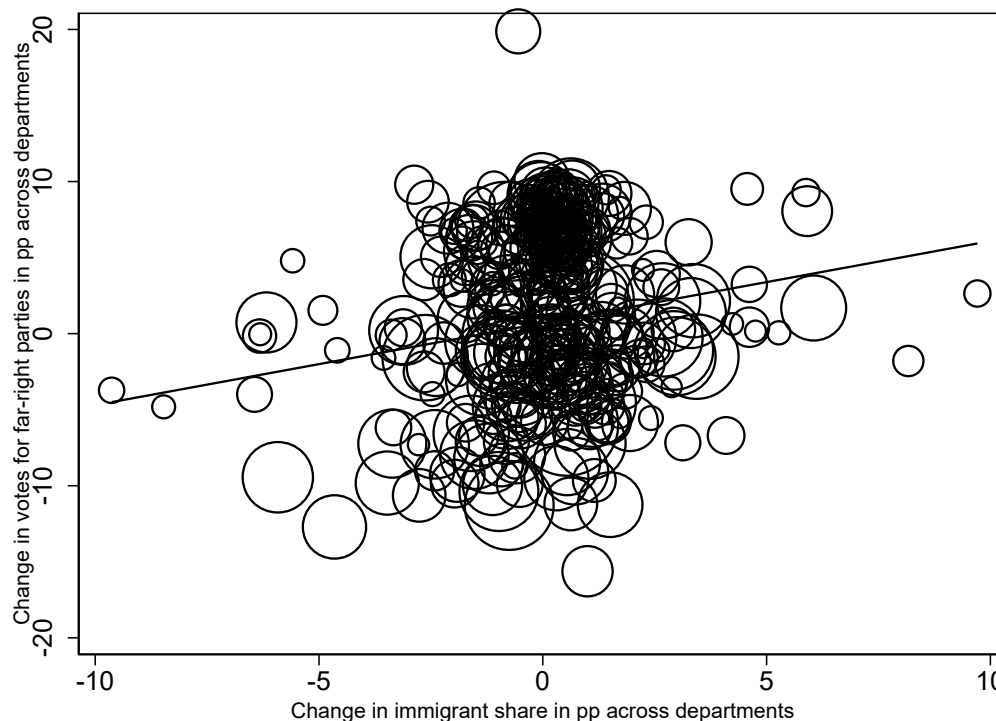
⁵ Some additional evidence for the contact hypothesis is provided by Dustmann et al. (2019) for the largest cities in Denmark and Vertier and Viskanec (2018) for France. More precisely, the latter study uses the relocation of illegal immigrants from camps in Calais to temporary migration centers in around 200 municipalities in France from 2015 to 2016. They find that temporarily hosting less than 40 immigrants per 1000 inhabitants reduces the vote share for the Front National by 2 percentage points in the 2017 presidential election compared with the 2012 election. Their different findings can be explained by their selected sample of migrants, the temporary nature of the relocation which does not induce concerns related to the labor market, redistribution or compositional amenities, and the fact that the central government was paying for the accommodation and catering costs, which could stimulate the local economy.

3. The effects of immigration on electoral behavior in France

The good electoral performances of the National Front (FN) in the 2017 presidential and legislative elections have led us to study the reasons behind this rise. To do so, we analyze the link between the presence of immigrants and the share of votes obtained in the presidential elections of extreme right-wing parties, including the FN, since 1988.

The first step of our analysis consists in comparing the changes in the share of votes cast for extreme right-wing parties from one presidential election to the next (from 1988 to 2012) and the changes in the share of immigrants over the same period at the departmental level (Figure 4)⁶. The correlation obtained is positive, suggesting that an increase in the share of immigrants at the departmental level leads to an increase in the rate of votes cast for the extreme right.

Figure 4: Link between changes in extreme right-wing voting and the share of immigrants between 1988 and 2012



Note: This figure illustrates the link between the changes in the share of votes cast for the extreme right-wing parties between the first rounds of the five French presidential elections held between

⁶ The parties considered to be at the extreme right of the French political spectrum are the Front National, the Movement for France, the National Republican Movement and Debout la république.

1988-2012 (y-axis) and the changes in the share of immigrants over the period (x-axis) for each of the French departments. The size of the circles is proportional to the number of inhabitants in the department.

Sources: Authors' calculations based on electoral results provided by the Socio-Political Data Center, the data.gouv.fr website and INSEE population data.

In a second step, we perform a series of empirical tests and demonstrate that this positive correlation is robust and not related to a statistical artefact. As an important test, we account for the fact that immigrants are more likely to migrate to regions where the vote share for extreme right-wing parties is low or to regions with thriving economies which may be less inclined to support extreme right-wing parties. As an instrument for current immigration, we use the historical distribution of immigrants across French departments from the 1968 French census as a predictor for their subsequent flows. The validity of such instrument is based on the tendency of new immigrants to settle in places with high concentration of established immigrants with the same nationality through network effects and the assumption that historical settlement patterns are uncorrelated with current unobserved factors of voting behavior (Bartel, 1989; Card, 2001; Halla et al., 2017).

The use of the 1968 census allows us to predict subsequent inflows based on immigration patterns that took place at least 20 years earlier. Moreover, Front National, which is one of the first post-1945 extreme right established political party, was created in 1972 and participated in a presidential election for the first time in 1988. As a result, the spatial distribution of immigrants in 1968 was not caused by extreme right voting and is very likely to be unrelated to the share of votes for extreme right-wing parties. In accordance with the methodological bias stated above, this empirical strategy provides larger positive estimates, implying that the relationship in Figure 4 underestimates the true effect of immigration on the electoral success of the extreme right in France.

Our second-step estimates indicate that a one-percentage point increase in the immigrant share raises the share of votes for extreme right-wing parties by 2 to 2.5 percentage points at the department level.

We then include another essential component of globalization in the statistical analysis: the degree of exposure of each department to international

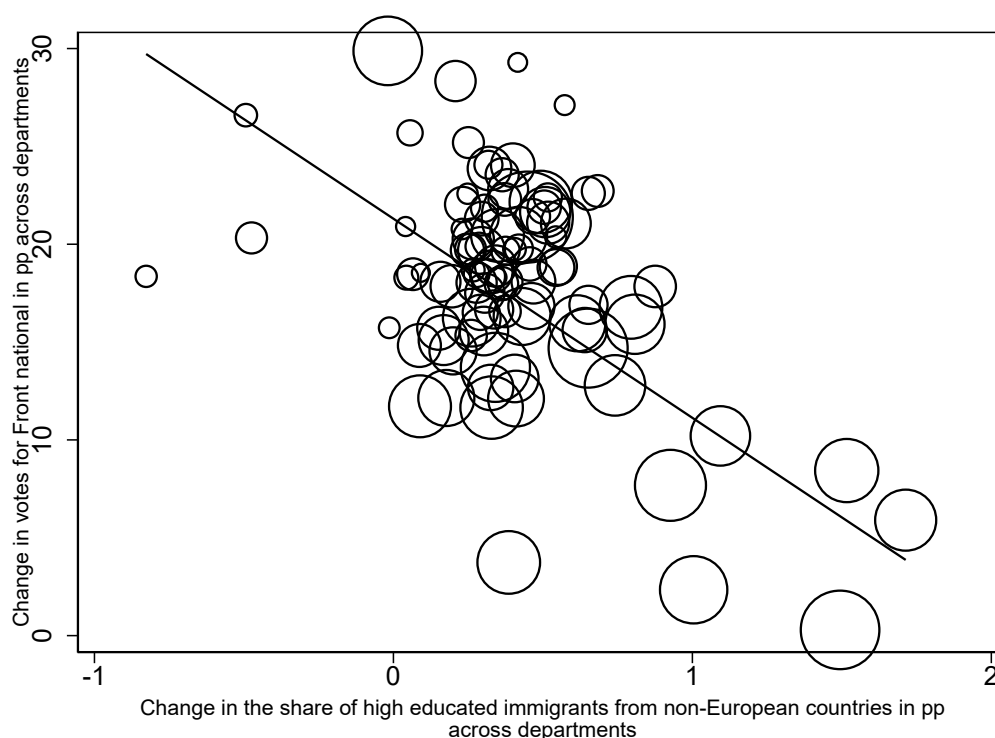
trade (imports and exports).⁷ While the relationship between immigration and electoral behavior is insensitive to this inclusion, our estimates indicate that an increase in imports raises the electoral success of extreme right-wing parties while an increase in exports slows it down.

Our last important step is to decompose the foreign population by origin (European vs. non-European) and education (low vs. highly educated). First, we show that the observed link between the share of immigrants and the share of votes in favor of extreme right-wing parties is driven exclusively by immigrants with a low level of education. This fact is consistent with the fear that low-skilled immigration is a factor of economic and social insecurity (through its perceived effects on wages, employment, public spending, crime, or the quality and availability of certain public services). Our estimates also indicate that among the less educated, it is mainly immigrants from outside Europe who push citizens to vote for extreme right-wing parties.

In contrast, an increase in the share of immigrants from outside Europe with a university degree reduces the share of votes for extreme right-wing parties. Figure 5 illustrates this result by relating the evolution of the share of valid votes expressed in the second round of the presidential elections of 2002 and 2017 for the Front National to the evolution of the share of non-European immigrants with a low level of education (i.e. high school dropouts). The underlying reasons for this observed effect remain to be explored. Our hypothesis is that skilled immigration could benefit the local economy (through its positive effects on innovation, productivity and economic growth, as shown by Hunt and Gauthier Loiselle (2010) and Peri (2012) in the US context), improve inter-group relations and raise awareness of the benefits of migration, thus distancing the majority population from the extreme right-wing vote.

⁷ The data on imports and exports across French departments come from the French Customs Ministerial Statistical Department.

Figure 5: Link between the evolution of extreme right-wing voting and the share of non-European high educated immigrants between 2002 and 2017



Note: This figure traces the link between the changes in the share of votes cast for the "Front National" between the second rounds of the French presidential elections of 2002 and 2017 (y-axis) and the changes in the share of non-European foreign graduates over the period (x-axis) for each of the French departments. The size of the circles is proportional to the number of inhabitants in the department. Sources: Authors' calculations based on electoral results provided by the socio-political data center, the data.gouv.fr website and INSEE population data.

We summarize our main findings in Table 1, which provides the sign of the impact of immigration on votes for extreme right-wing candidates over the first-round presidential elections between 1988 and 2012 in France. Table 1 specifically highlights that there is no mechanical link between immigration and the rise of extreme right-wing parties. Our results further suggest that the determinants of voting for anti-immigration parties are largely based on the interaction of origin and educational attainment.

Table 1: Impact of immigration on extreme right-wing voting in France

	Sign of the impact on votes for extreme right-wing candidates
All immigrants	+
Low educated immigrants	+
Low educated immigrants from non-European countries	+
High educated immigrants	-
High educated immigrants from non-European countries	-

Source: Authors' elaboration based on Edo et al. (2019).

Our findings are supported by a study analyzing the rise of extreme right-wing parties in 12 Western European countries in parliamentary and presidential elections between 2007 and 2016 (Moriconi et al. 2018). It confirms that an increase in the share of highly qualified (tertiary-educated) immigrants from outside Europe tends to curb the rise of extreme right-wing parties, while an increase in the share of low-skilled immigrants from outside Europe tends to fuel it.

4. Better integration policies are likely to alleviate the mistrust of voters towards immigrants

Economic studies on the relationship between immigration and electoral behavior are recent and any firm conclusion might seem premature at this stage. More empirical research is indeed necessary to dig more deeply into that relationship. It is however possible to draw on the available studies to sketch out some avenues for reflection so that the distrust of some voters towards the immigrant population can be reduced.

Even though immigration does not cause a systematic degradation of unskilled workers' wages or employment, the negative reaction to unskilled immigration reveals how much unskilled workers feel unprotected against structural changes. This points to the need to increase training investment to make them better prepared for increased competition in the labor market. Public policies can also implement redistribution programs in order to mitigate the

potential adverse effects of immigration on the income of low-skilled workers. Finally, because the threat of immigrant competition should be concentrated in high-immigration areas, public policies not only have to target skills when designing their action programs but they also have to be localized.⁸

Secondly, to address the fear that immigrants might overcrowd and deteriorate certain public services, measures need to be taken to adapt them to maintain their quality and equal access. Previous research on Austria (Halla et al., 2017) has shown that people are worried about schools and childcare facilities, for instance. Immigration was associated with a lower availability of childcare and made Austrian kids more likely to commute longer distances to school.⁹ Here, public investment can be done to ensure the high-quality and availability of infrastructure. It is especially important that immigrant children join childcare from an early age to learn the language and therefore improve their long-term integration.

Thirdly, further efforts should be made to promote the economic and social integration of immigrants. The introduction of in-depth language courses, more effective job-search assistance, the fight against discrimination, and the removal of legal barriers to entry into the labor market could contribute to this (Battisti et al. 2019).

However, the economic downturn caused by the Covid-19 pandemic could, like the one in 2008 (Chojnicki et al., 2016), reduce the participation of immigrants in the labor market and thus hamper the integration process. Moreover, the increased economic insecurity of certain population groups could lead to xenophobic reactions and rejection of immigrants, as it happened during previous economic crises. The priority for the coming months will therefore be the implementation of effective public policies not only to stem the current economic and health crisis, but also to preserve national cohesion by improving the economic and social integration of immigrants.

⁸ Welfare state interventions aims at dealing with other socio-economic changes, for example, due to international trade (Jean and Reshef, 2017).

⁹ Whether immigration indeed deteriorates the quality of schools and childcare facilities was not analyzed.

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EconPol Europe

EconPol Europe - The European Network for Economic and Fiscal Policy Research is a unique collaboration of policy-oriented university and non-university research institutes that will contribute their scientific expertise to the discussion of the future design of the European Union. In spring 2017, the network was founded by the ifo Institute together with eight other renowned European research institutes as a new voice for research in Europe. A further five associate partners were added to the network in January 2019.

The mission of EconPol Europe is to contribute its research findings to help solve the pressing economic and fiscal policy issues facing the European Union, and thus to anchor more deeply the European idea in the member states. Its tasks consist of joint interdisciplinary research in the following areas

- 1) sustainable growth and 'best practice',
- 2) reform of EU policies and the EU budget,
- 3) capital markets and the regulation of the financial sector and
- 4) governance and macroeconomic policy in the European Monetary Union.

Its task is also to transfer its research results to the relevant target groups in government, business and research as well as to the general public.

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