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The (Ir)Relevance of Institutional Proliferation: Evidence from Foreigners' Advisory Councils

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Abstract

We study whether foreigners' advisory councils (FACs) contribute to the integration of foreign residents. FACs consist of representatives elected by foreign residents and are supposed to advise local councils on all matters concerning foreign residents. We use exclusive data on FAC elections in the German state of Hesse for 2005-2023. According to state law, municipalities with $\geq 1,000$ foreign residents must set up an FAC. Given imperfect compliance, we implement fuzzy RD estimations and find that FACs have no impact on integration-relevant municipal outcomes such as integration courses, the share of foreigners employed or naturalizations. A preliminary analysis of local council minutes indicates that FACs are mainly mentioned in the context of administrative tasks and do not seem to affect the content of council deliberations.

Keywords: foreign residents, immigrants, political participation, local councils, integration

JEL codes: D72, D78, F22, H72, J15

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1 Introduction

Migration remains a continuing challenge for many Western developed countries such as Germany. From 1970 to 2023, the number of immigrants living in Germany has increased from 2.8 to 12.9 million (German Federal Statistical Office, 2024). This creates not only challenges in the short run in terms of accomodating and hosting newly arriving asylum seekers but also in the medium and long run in terms of integrating those that are granted asylum. Integration as such is a multidimensional endeavor but the focus in public debates centers mostly around integration into the labor market. While there are indeed efforts to integrate immigrants into the economy (Battisti *et al.*, 2019; Gathmann and Keller, 2017), political integration is neglected and proves to be more difficult. In line with this, Solano and Huddleston (2020) report that political participation is the weakest aspect of immigrant integration across 56 countries around the world, including Europe, North and South America and several Asian countries.

Aside from electoral rights, political liberties and support in the funding/organization of migrants' interest groups, political participation also includes the installation of consultation bodies (as is the focus of our paper). Solano and Huddleston (2020) report that in 2019 12 countries had some sort of consultative political bodies where political leaders at the national level consult with immigrants on immigration policy (mostly EU countries but also Australia, Korea and Switzerland), while 32 countries had this kind of institution at some point in time.¹ These consultative bodies are often also present at the local level (Council of Europe, 2017).

Foreign residents in Germany have no direct or indirect voting rights in federal, state, or local elections – with the exception of EU citizens who have voting rights in local elec-

¹In particular, these countries are Australia, Belgium, Brazil, Switzerland, Portugal, Netherlands, Norway, New Zealand, Cyprus, Germany, Denmark, Estonia, Spain, Finland, Moldova, Luxemburg, Korea, France, Croatia, Israel, Italy, Ireland, Mexico, Malta, Turkey, Romania, Sweden, Russia, Slovenia, South Africa, United Arab Emirates and the US. In the latter, for example, the Work of 2015 Task Force on New Americans and Section IV. Priorities on Strengthening Existing Pathways to Naturalization and Promoting Civic Engagement “Strengthening Communities by Welcoming all Residents” existed only in 2015–2016. While in some countries these initiatives remained similarly temporary, in others they provided a permanent legal body to represent interests of immigrants.

tions. This creates a political integration gap between natives and immigrants. To give foreign residents an opportunity for political and democratically legitimized self-representation, some federal states have introduced foreigners' advisory councils (henceforth FACs) at the municipal level.² These councils consist of representatives elected by foreign residents. Their task is to represent the interests of local foreign residents by advising the municipal council on all matters concerning foreign residents.

On the one hand, by drawing attention to issues important to immigrants, these councils could promote the integration of foreign residents. For example, they might increase the number of integration courses for foreigners. Municipalities support local providers, e.g., by acquiring suitable rooms or identifying the need for additional courses (Gesemann, 2020). They could also support the integration of foreigners into the job market, e.g. by making contact with potential employers or even showcase role models of successful cases of immigrant integration. On the other hand, these FACs have no decision-making power in the local council and can only make proposals. Additionally, they only work on a voluntary basis and are dependent on the local council for financial support (AGAH, 2024). This could discourage members of the FACs and render them ineffective. FACs might turn out to be a powerless tool or a figleaf which has no or even a negative impact on the integration of immigrants. Given these theoretical ambiguities, we address this question empirically.

This paper is the first to study the effect of FACs on integration outcomes at the municipal level. Our setting is the German state of Hesse with more than 400 municipalities. We identify the causal effect of FACs on integration outcomes by exploiting a rule-based institutional

²Hesse, North Rhine-Westphalia, Saarland, and Rhineland-Palatinate included the election of FACs into their municipal code. From a certain number of foreigners municipalities need to set up an FAC. Other federal states (Hamburg, Lower Saxony, Thuringia, Schleswig-Holstein, Saxony-Anhalt, Saxony, Bremen, Brandenburg, Berlin, Bavaria, Baden-Württemberg) give municipalities the option of an advisory council for foreigners, but without the direct election of foreign residents. You can find more information in Table A.1 in the Online Appendix. We focus on the federal state Hesse. This allows us to exploit the unique setting in Hesse with an obligation to hold the election of FACs from 1,000 foreign residents and at the same time a sufficient number of FAC elections that have taken place.

setting. According to state law, municipalities in Hesse with more than 1,000 foreign residents must set up an FAC. However, not all municipalities follow this rule as sometimes they do not have enough candidates to set up an election. In this case, there is no obligation to set up an FAC. Additionally, some municipalities voluntarily set up an FAC although they have less than 1,000 foreign residents.

To address endogeneity due to the imperfect compliance, we use a fuzzy RD design. We instrument the effective treatment of having an FAC by using the exogenous assignment to the treatment.³ Our first-stage results indicate a strong and significant relationship between the effective treatment and the assigned treatment. Being assigned the treatment around the threshold leads to an increase in the probability of having an FAC by up to about 30ppts.

We obtain administrative data on FAC elections between 1991 and 2021 from the Hessian State Statistical Office. The dataset indicates at what time the election took place per municipality. Elections have taken place at asynchronous dates in the 1990s and early 2000s. Afterwards, elections have taken place at the same date all over Hesse in 2005, 2010, 2015, and 2021. Additionally, we obtain access to 2005-2023 data on integration courses per capita from the Federal Office for Migration and Refugees (*Bundesamt für Migration und Flüchtlinge*), data on foreign employees, and data on naturalizations at the district level from the Hessian State Statistical Office.

Our paper primarily contributes to the literature on integration of immigrants. Arendt *et al.* (2022) describe the Danish experience with refugee immigration over several decades and provide an extensive literature review on the impact of dispersal policies for newly admitted refugees, employment support policies, integration and language programs, changes in welfare benefit transfers, or policies that set out conditions for permanent residency. Bahar

³We conduct balance tests with the instrument indicating if a municipality actually has an FAC. We regress different economic, fiscal, and political characteristics on the instrument. All coefficients are insignificant at common levels. Additionally, we produce a McCrary plot to test whether there is manipulation of the running variable. The plot does not show a jump around the threshold. Reassuringly, there is also no confounding policy change at the threshold of 1,000 foreign residents per municipality.

et al. (2024) review socioeconomic integration worldwide aimed at refugees and examine a variety of interventions from legal status adjustments, language training, active labor market policies, cash transfers, and strategies for initial placement and community engagement. For Germany, Battisti *et al.* (2019) show that job search assistance for recently arrived refugees can have a positive effect on employment for lower educated refugees. Gathmann and Keller (2017) find that faster access to citizenship improves the economic integration of immigrant women. Marbach *et al.* (2018) show that with reduced employment bans in Germany the economic integration of refugees increases in the long run. Bailey *et al.* (2022) find that integration courses have a substantial causal effect on the social integration of Syrian migrants. Altogether, the literature does – while indicating benefits of some of these policies to immigrant integration – not offer a clear pathway to integration policy, especially regarding the political integration of immigrants. This is where our paper fills a gap by studying the effectiveness of FACs. None of the previous papers has analyzed the causal effect of FACs (or any type of consultative policy body), i.e. institutions with an explicit dedication to the integration of foreigners.

Additionally, we contribute to the literature on ethnic minority representation by studying immigrant integration outcomes through political bodies aiming at political integration of immigrants. Beach and Jones (2017) show that higher diversity in city councils leads to less spending on public goods in California, especially when there is high segregation and economic inequality. In contrast, Pande (2003) shows that in India, when a population group receives higher representation in local government, public spending benefiting this group is higher. Further studies show that higher minority representation in schools boards in California leads to higher investments in minority students (Fischer, 2023) and resulting achievement gains among minority students (Kogan *et al.*, 2021). Yet, so far no study exists that causally estimates the effect of an institution specifically set up to represent minorities.⁴

Our fuzzy RD results show that FACs have no effect on different integration outcomes that are either inputs or outputs of integration (integration courses offer, foreign residents’

⁴Note that there are, however, a handful of descriptive case studies on FACs in Germany (see e.g. Vierus *et al.* (2022); Kersting *et al.* (2022); Freuwört (2022)).

employment shares, naturalizations) We conduct various robustness tests which support our insignificant results. To explore whether FACs have an effect on municipal council deliberation we take a look at council minutes. Our preliminary results show that the FAC has no influence on discussions regarding integration in municipal councils via proposals or anything of that kind. The minutes show that the FAC is mainly mentioned in the context of administrative matters. Moreover, fuzzy RD estimations on the subsample of municipalities where the FAC attended the local council sessions at least once also do not yield significant effects.

2 Background

2.1 Local politics in Hesse

We study the effectiveness of FACs in the context of German municipalities. Municipal governments are crucial for the daily lives of citizens. For instance, they provide a variety of local public goods such as social services, child care, municipal roads as well as hospital infrastructure, theaters and recreational areas. In order to finance these services, they rely partly on own taxes for which they have substantial tax autonomy. Municipalities raise local taxes such as the local business tax (*Gewerbesteuer*) and the property tax (*Grundsteuer*). The latter can be applied at different rates on the value of land and buildings for agriculture and forestry (property tax A) and for all other kinds of property (property tax B). They can also raise fees for municipal services. In addition, municipalities rely on unconditional grants from the state tier.

There are two key political institutions in local politics in Germany, i.e. the mayor and the local council. Both are elected every five and six years, respectively, by German citizens but also by foreigners with EU citizenship. Hessian mayors act as the head of the administration but have no vote in the local council. The council makes important decisions by majority vote and approves local fiscal budgets, decides on taxes, spending etc.

The council, however, only comprises German citizens (with or without dual citizenship and with or without immigrant background) and potentially also EU foreigners and is thus not well versed in the needs of immigrants and to also represent foreigners as (future) tax payers.

Hessami and Schirner (2024) also show that the fraction of immigrant-origin candidates in local politics in Hesse with 6% over a period of five state-wide council elections between 2001 and 2021 is negligible. This likely indicates considerable political underrepresentation of immigrant interests in local politics since the share of people in Hesse with immigrant background is about 31% (Integrationskompass, 2019). Moreover, a large fraction of local inhabitants has no voting rights for local council or mayor elections.

2.2 FACs in Hesse

FACs are meant to represent the interests of foreign residents by advising the municipal bodies on all matters concerning foreign residents. FAC members are elected by the foreign residents living in the municipality. Non-EU foreign residents have no direct or indirect voting rights in Germany. With increasing number of immigrants, a way was sought in the 1970s to enable foreign residents to participate in politics. The aim was to create an opportunity for political and democratically legitimized self-representation of foreign residents. As a result, some German cities set up FACs, whose members were chosen through democratic elections.⁵ In Hesse, the first FAC was founded in Wiesbaden in 1972. A few other municipalities followed over the years.⁶ Up until 1992, 32 municipalities had an FAC based on individual municipal statutes rather than uniform statewide regulation.

In May 1992, the SPD-Green state government in Hesse included the FAC in the Hessian municipal code. The law states that the election of the FAC is obligatory if a municipality has more than 1,000 foreign residents (§84 HGO). Municipalities with fewer than 1,000 foreign residents can voluntarily set up an FAC. An election will not take place if there are not enough nominations submitted or fewer candidates are admitted than there are seats to be allocated.

⁵Until today, four federal states, Hesse, North Rhine-Westphalia, Saarland, and Rhineland-Palatine, have introduced FACs into their municipality legal code.

⁶Elections were held in Limburg in 1979, Bad Homburg and Kassel in 1981, and Rüsselsheim in 1982. Further elections were held in Herborn in 1984, Dietzenbach, Hanau, Friedrichsdorf, and Giessen in 1986, Hattersheim and Wetzlar in 1987, and Offenbach in 1988.

All foreign residents who are at least 18 years old and have been registered in the municipality as their main residency for at least six weeks can vote. All foreign residents who are eligible to vote and have lived in the municipality for at least three months are eligible to become members of the FAC.⁷ EU citizens are counted as foreign residents and can thus vote for the FAC election. Asylum seekers who have been in an initial reception center for at least 6 weeks are eligible to vote. Germans with dual citizenship, however, are not eligible to vote. FACs have 3-37 members (§85 HGO). The members work on a voluntary basis and have the right to make proposals and must be consulted on all matters concerning foreign residents. Yet, they do not have decision-making power. The municipal council needs to inform the FAC of all matters that it needs to know in order to carry out its duties and must provide it with the necessary resources. The FAC has its own rules of procedures including voting rules (AGAH, 2024).

The first election based on the Hessian municipal code took place in November 1993. According to the law, the election should be held every four years on individually determined dates by the municipalities. The next elections were in 1997 and 2001. In 2001, the Hessian state government declared the first state-wide election.⁸ In 2000, the law was changed so that the election should take place every five years. The next elections took place in 2005, 2010, and 2015. In 2020, the law was amended again so that the election were to take place at the same day as the local council elections which was the case in 2021 (Landeswahlleiter, 2024).

Since the 2021 election, municipalities with above 1,000 foreign residents must set up an integration commission as an alternative to the FAC if there are not enough candidates to run for FACs. At least half of the members of the commission are knowledgeable residents elected by the municipal council on the proposal of migrant interest groups. The knowledgeable residents are foreign residents, at least 18 years old and have lived in the municipality for at least three month. In addition, half of the members should be female and the plurality with regard to the origin of the foreign residents should be taken into account. The remaining members

⁷Germans who also have foreign citizenship or have acquired this legal status as foreign residents in Germany are also eligible for election.

⁸There were exceptions for some municipalities that held their elections later in the year.

are members of the local council. Just like the FAC, the commission advises the municipal bodies on all matters concerning foreign residents. It is chaired by the mayor together with an knowledgeable resident. The commission should meet four times a year and must report to the local council once a year (AGAH, 2024).

3 Data

3.1 Data on FACs

We obtain the results of the FAC elections from 1991 until 2021 from the Hessian Statistical Office. The dataset provides information in which municipality and at what time the election took place. For elections between 1997 and 2021, the data includes the number of foreign residents. Additionally, it indicates if an election has not taken place because no nominations were submitted or admitted, or fewer candidates were admitted than there were seats to be allocated. The data shows that not all municipalities with more than 1,000 foreign residents have held an election for an FAC. Figure 1 provides descriptive information on the FAC election conditional on local foreign residents.

[Figure 1 goes here]

Figure 1 shows the correlation between foreign residents and the probability of having an FAC. Not all municipalities with over 1,000 foreign residents have an FAC. Additionally, there are some municipalities with less than 1,000 foreign residents that have an FAC. Despite this imperfect compliance with the rule, the probability of having an FAC jumps significantly at the 1,000 threshold of foreign residents in a municipality. More on that in Section 4 where we describe the validity of the fuzzy RD design. Figure 2 provides further descriptive findings on the evolution of FAC elections across Hesse as well as its geographical patterns.

[Figure 2 goes here]

Subfigure 2(a) shows that first-time FAC elections were few before 1992, i.e. the year in which the institutional rule on FACs was included in the Hessian municipal code. Initially,

municipalities could hold these elections and introduce FACs in any year. Afterwards, election dates were harmonized. Averaged across our sample period (2005-2023), more than 20% of all Hessian municipalities have an FAC (see Table A.2 in the online appendix). 59% of municipalities never had an FAC within 2005-2023. Only 12% of all FACs are first-time FAC municipalities within the period of 2005-2023. Subfigure 2(b) shows that there are Hessian municipalities with and without an FAC being spread out over Hesse. Early adopters of FACs, however, are indeed spread around the metropolitan area of Frankfurt/Main where the share of foreign residents is higher than elsewhere in Hesse.

3.2 Data on integration outcomes

We consider a variety of immigrant integration measures which can be either considered as inputs to the integration process (i.e. integration courses) or rather as outputs (i.e. share of foreign workers and naturalization rates). We describe each of these measures in detail below.

First, we obtain exclusive access to annual data on integration courses for 2005-2023 from the Federal Office for Migration and Refugees (*Bundesamt für Migration und Flüchtlinge*). We receive data on integration courses by course type (general integration course, literacy course, duplicate writing course, women and parents integration course, youth course, intensive integration course, and other special integration course).

When applying for a residence permit for the first time, local authorities check whether the applicant is entitled or obliged to take part in an integration course. For example, foreigners who acquired their residence permit after Jan 1st, 2005 for the purpose of gainful employment, for the purpose of family reunification or for humanitarian reasons are legally entitled to an integration course. If applicants cannot communicate in German in a simple or sufficient way, they must take an integration course. Participants can choose an integration course provider if they have a certificate of eligibility from the foreigners authority.⁹

⁹If however, the Federal Office for Migration and Refugees allocates the applicant to a specific integration course because of an existing obligation to attend a course, this allocation is binding. Even if the applicant is

Integration courses are meant to promote the integration of immigrants in terms of social participation and equal opportunities. Each integration course consists of a language course and an orientation course. The language course covers important topics from everyday life, e.g. professional life, education, shopping, health, correspondence, and job applications. The orientation course discusses the German legal system or values that are important in Germany, such as freedom of religion, tolerance, and gender equality (BAMF, 2024a). There are special types of integration courses: the general integration course, literacy course, duplicate writing course where students learn an additional alphabet, women and parents integration course, youth course for young adults, intensive integration course, and other special integration course. The courses differ in duration and content.¹⁰

The courses are run by private and public language schools that have been approved by the Federal Office for Migration and Refugees. In order to be approved as an integration course provider by the Federal Office for Migration and Refugees, institutions must meet certain requirements and quality standards. Integration course participants are taught by special teachers (BAMF, 2024b). The Federal Office for Migration and Refugees is in charge of the integration courses. It approves and finances courses, specifies the content, and approves the teachers. Municipalities have only limited influence on the design and organization of the courses. They can adapt their integration policy to local conditions and organize it according to their own ideas (Gesemann, 2020). Municipalities can contribute to the successful implementation of courses by working closely with local providers (e.g., adult education centers, charities, private providers) providing suitable rooms or acting as a point of contact for organizational issues. Municipalities can identify the need for additional courses or special course offerings and report this to the Federal Office for Migration and Refugees (Huba, 2014; vhs, 2024).

The main types are general integration course and literacy integration course while the special integration course and intensive integration course are rare. See Table A.2 of the Ap-

entitled to attend an integration course but not obliged to do so, the Federal Office may refer her/him to a specific integration course and instruct her/him to attend it.

¹⁰For more information, see Table A.2 in the online appendix.

pendix for a description of the different course types and Table A.3 for summary statistics, including our measures of interest regarding integration courses. Please note that we are interested in the following measures of integration courses at the municipal-year level: integration course availability, i.e. a extensive margin measure, the # of integration courses, i.e. an intensive margin measure as well as take-up rates with the # of participants per foreigners. Table A.3 indicates that in 23% of municipality-year observations an integration course is available with a sample average of about 2 courses. Only about 2% of all foreigners actually participate in such courses after all. Local councils may be involved in the decision on the number and size of courses (and might therein be advised by FACs) and have to organize them locally (in conjunction with local education providers or initiatives).

Second, we obtain data on foreign employees from 2005 until 2022 from the Hessian State Statistical Office: total foreign employees and across different economic sectors (agriculture, manufacturing, trade, service, public sector). Table A.3 of the Appendix illustrates descriptive statistics. We measure % Foreign residents employed at the municipal-year level as the share of foreign employed residents to the overall number of foreign residents. We also construct the share of foreign employed residents for both genders, respectively.

Third, we use naturalization as an outcome to the integration process of foreign residents. The number of naturalizations, i.e. the number of residents obtaining German citizenship is taken from Hessian Statistical Office at the district level. These numbers are not available at the municipal level since districts are legally responsible for the naturalization process. First, we use the number of naturalizations by scaling the share of naturalizations as a fraction of the number of foreign residents at the district level with the number of foreign residents for each individual municipality. This creates municipality-specific variation. Second, we use the share of naturalizations as a fraction of the number of foreign residents at the district-year level. Even though there a quite a few naturalizations per district (>30 in a given year), naturally, the likelihood for a given foreigner to become naturalized is marginal with about 2% in a district-year observational pair. Please note that these numbers may both reflect existing institutional rules on naturalization as well as foreign residents' willingness to obtain German citizenship.

Our empirical analysis (as described in Section 4 below), however, fixes different institutional rules by concentrating at the 1,000 foreign population threshold in our fuzzy RD design.

4 Empirical model

4.1 Baseline specification

We want to estimate whether a FAC in a municipality increases the integration of immigrants. We focus on the German federal state of Hesse with 418 municipalities between 2005 and 2023.¹¹ A naive approach to estimating the effect of FACs on municipalities' integration outcomes would, however, be likely upward biased since quite a few municipalities voluntarily introduced FACs and these were likely quite willing to address integration. Indeed, by running OLS regressions (see Table A.4 in the online appendix), we find such positive correlations.

However, to estimate the causal impact of the FAC on various integration variables, we exploit the rule that an FAC must be set up if a municipality has at least 1,000 foreign residents. We use 1,000 foreign residents as a cutoff in a fuzzy RD design estimating the following first-stage model using our *exogenous treatment assignment* of the population threshold regarding foreign residents as an instrument:

$$FAC_{i,t} = \alpha + \beta \mathbf{1}[Foreigners_{i,t-2} \geq 1,000] + f(Foreigners_{i,t-2}) + \varepsilon_{i,t}. \quad (1)$$

Essentially, the first stage shows to what degree the population threshold affects the probability of having an FAC. Please note that there is imperfect compliance with the treatment assignment at the cutoff of 1,000 foreign residents. Not all municipalities with above 1,000 foreign resi-

¹¹We use 418 out of 421 municipalities as of 2023. There were a handful of mergers between 2005 and 2023. We drop the merged municipalities. These are Oberzent, Wesertal, and Allendorf (Eder). Oberzent was formed in 2018 from the town of Beerenfeld and the municipalities of Hesseneck, Rothenberg, and Sensbachtal. Wesertal was created in 2020 through the merger of the municipalities of Oberweser and Wahlsburg. The municipality of Bromskirchen was added to Allendorf (Eder) in 2021.

dents implemented an FAC (see Figure 1) but also some municipalities below 1,000 have voluntarily set up an FAC. The treatment status of having an FAC is probabilistically determined as a discontinuous function of the number of resident foreigners in a municipality. $FAC_{i,t}$ is 1 if municipality i has an FAC in year t and zero otherwise, i.e. it measures the effective treatment. We use a two-year lag of the foreign population because this is likely the most current number available at the time when FAC elections are set up. Then, we use the predicted value of having an FAC and insert it into the second stage:

$$y_{i,t} = \alpha + \beta \widehat{FAC}_{i,t} + g(Foreigners_{t-2}) + \varepsilon_{i,t} \quad (2)$$

In the second stage, we see how our outcome variables $y_{i,t}$ in municipality i in year t change at the threshold, using the predicted treatment as an instrumental variable (IV) to isolate treatment effect on complier municipalities. *Foreigners* is the number of foreign residents in a municipality. $f()$ is a linear function relating the lagged number of foreigners to integration outcomes. Standard errors are clustered at the municipality level.

4.2 RD validity

We test three assumptions for the validity of the RD design: (i) there should be no manipulation regarding the assignment of the treatment near the cutoff, (ii) municipalities close to the threshold are otherwise similar in their characteristics, and (iii) the probability of treatment changes discontinuously at the cutoff.

First, there is no evidence of manipulation regarding the assignment of treatment near the cutoff point. Municipalities cannot influence their number of foreigners in a way that they have a number of foreign residents in $t - 2$ just above or below 1,000 residents. Additionally, it is unlikely that foreigners move strategically to a municipality that the municipality is just above or below the cutoff. Considering the low election turnout (on average 8% between 2001 and 2021 (AGAH, 2024)) for the FAC it is unlikely that foreigners prioritize their place of living regarding the FAC. Figure 3a shows the histogram of the foreign residents in Hesse from 1973

until 2023. It shows that there is no jump after 1,000 foreign residents. To formally test for manipulation of the number of foreign residents, we report a McCrary Plot (McCrary, 2008) of foreign residents in Hesse between 1973 until 2021 around the cutoff of 1,000 (Figure 3b). The resulting p-value is 0.1060. This confirms that there is no statistical evidence of systematic manipulation of the number of foreign residents around the cutoff.

[Figure 3 goes here]

Second, we examine that we have successful randomization around the threshold. We estimate that municipalities close to left and right of threshold are otherwise similar in their characteristics. For this, we conduct a balance test using observable municipality characteristics. In Figure 4, we regress different economic, fiscal, and political characteristics on municipalities close to left and right of the threshold. All economic variables are lagged by the average of $t - 3$ to $t - 5$ (recall that our running variable of foreign population itself was lagged by two years) and standardized. All coefficients are insignificant at common levels.

[Figure 4 goes here]

Third, based on equation (1) we plot the probability of having an FAC against the number of foreign residents in Figure 5 across our sample period. Even though some municipalities below the cutoff have an FAC, the probability of having one increases significantly for those above the cutoff. Due to the fact that the probability of having an FAC changes discontinuously at the cutoff, it is possible to determine its effect with RD estimations.

[Figure 5 goes here]

Note that the eligibility rule of having an FAC is the only population threshold in the Hessian local code which is based on foreign rather than overall population counts. Therefore, there is also no other policy explicitly changing at the 1,000 foreign population threshold at the municipal level (i.e. no co-treatment).

5 Results

5.1 Integration courses

We estimate the effect of FACs on integration courses: having them or not, # of integration courses as well as take-up (# of participants per foreigners). First, we explore the effect of FACs on having any integration courses with an RD plot. Subfigure 6a shows the plot with availability of integration courses, Subfigure 6b for # of integration courses, and Subfigure 6c for take-up rates with the # of participants per foreigners. At the threshold, we observe no significant discontinuity, indicating that there is no effect in the realm of integration courses.

[Figure 6 goes here]

Second, we explore the effect of FACs on integration courses in a regression framework. Table 1 collects the fuzzy RD results. The results support the graphical evidence of an insignificant discontinuity at the cutoff. We use the CERD-optimal bandwidth around the cut-off, as proposed by Calonico *et al.* (2019) and the kernel-function uniform. The upper panel shows the second-stage result and the lower panel shows the first-stage result.

[Table 1 goes here]

Models (1) and (2) show the results for the availability of integration courses, Models (3) and (4) for # of integration courses, and Models (5) and (6) the # of participants per foreigners. The first one is without two-way fixed effects and the second model includes them, respectively. The first-stage result is always positive and significant. We report for all three variables the results with and without fixed effects. Being assigned the treatment around the threshold leads to an increase in the probability of having an foreigners' advisory council by 18.8-30.6 ppts. However, the second-stage results are always insignificant. This indicates that municipalities with foreigners' advisory councils do not lead to additional integration courses.

5.2 Foreigners' employment

Next, we estimate the effect of FACs on the employment of immigrants. We look at the total share of foreigners employed, the share of male foreigners employed, and the share of female foreigners employed. First, we explore the effect with an RD plot. Subfigure 7a shows the RD plot with total share of foreigners employed. Subfigure 7b shows the RD plot with share of male foreigners employed. Subfigure 7c shows the RD plot with share of female foreigners employed. At 1,000 foreign residents, we observe no discontinuity, indicating that there is no effect on total, male or female share of foreigners employed.

[Figure 7 goes here]

Second, we look at the effect of FACs on employed foreigners in a regression framework. Table 2 collects the fuzzy RD results which has the same structure as Table 1 and which uses the same kernel and bandwidth optimization.

[Table 2 goes here]

Models (1) and (2) shows the results for the total share of foreigners employed, Models (3) and (4) for the share of male foreigners employed, and Models (5) and (6) for the female share of foreigners employed. The first one is without two-way fixed effects and the second model includes them, respectively. The first-stage result is always positive and significant. We report for all three variables the results with and without fixed effects. Being assigned to the treatment around the threshold leads to an increase in the probability of having an foreigners' advisory council by 22.7-26.7 ppts. However, the second-stage results are always insignificant. This indicates that FACs do not lead to a higher share of foreigners employed.

5.3 Naturalizations

Finally, we estimate the effect of FACs on naturalizations. We look at the number of naturalizations and the likelihood of naturalization in municipality. First, we explore the effect with

a standard RD plot. In Figure 8, we plot the two variables at different values of foreign residents. Subfigure 8a shows the RD plot with numbers of naturalization. Subfigure 8b shows the RD plot with the likelihood of naturalization. At 1,000 foreign residents, we observe again no discontinuity for any of the two outcomes.

[Figure 8 goes here]

Second, we look at the effect of foreigners' advisory council on naturalization in a regression framework. Table 3 collects the fuzzy RD results. Models (1) and (2) show the results for the number of naturalizations, and Models (3) and (4) for the likelihood of naturalization. The first-stage result is always positive and significant. We report for all three variables the results with and without fixed effects. Being assigned to the treatment around the threshold leads to an increase in the probability of having an FAC by 22.7-26.5 ppts. However, the second-stage results are always insignificant. This indicates that FAC municipalities do not lead to a larger numbers of naturalizations.

[Table 3 goes here]

6 Robustness

We now briefly discuss the results for four distinct robustness tests (for the tables, see online appendix Section A.4). First, we use in Table A.5 the Epanechnikov kernel function instead of the uniform kernel. The first-stage results are still positive and significant for all outcome variables ranging from 21.9-32.3 ppts. The second-stage results are insignificant. Second, in Table A.6 we use mserd optimal bandwidth. Again, the first-stage results are still positive and significant. The second-stage result is insignificant for all outcome variables. Third, we include control variables in Table A.7. The control variables are population density, the share of old people and the share of young people each being lagged by one year. The first-stage results remain positive and significant. The second-stage results are insignificant. Lastly, in Table A.8 we exclude municipalities with an integration commission which before had an FAC.

For the variables integration course availability, number of integration courses, female share of foreigners employed, naturalizations and likelihood of naturalization the first-stage results remains positive and significant. For the variables participants of integration courses per foreigners, total share of foreigners employed and male foreigners employed the number of observations decreased and the first-stage became insignificant. For all variables, the second-stage remains insignificant. All robustness tests support that FACs have no impact on the integration outcomes.

7 Effect heterogeneity and extensions

So far, we find no effects of FACs on observed integration outcomes. We now want to look at different effect heterogeneities. Is there variation (i.e. a cyclical pattern) within FAC terms, is the first FAC term more effective, and are FACs only effective if FAC members attend local council meetings. Finally, we present additional insights from local council meeting minutes.

7.1 FAC cycles

We estimate if FACs might have an effect on our integration outcomes in their first or second half of their term. In Table 4, we drop the last two/three years of the legislation period, i.e. years 2008, 2009, 2013, 2014, 2018, 2019, and 2020. The first-stage results are still positive and significant for all outcome variables. The result ranges from 27.1 ppts. to 34.9 ppts. The second-stage results are insignificant. Therefore, also in the first term of their legislation period, the FAC has no impact on integration outcomes.

[Table 4 goes here]

Table 5 shows the result where we drop the first two years of the legislation period, i.e. 2005, 2006, 2010, 2011, 2015, 2016, 2021, 2022. The first-stage result becomes for some variables insignificant, i.e. number of participants of integration courses per foreigners, total share of foreigners employed, male share of foreigners employed, naturalizations, and likelihood of

naturalization. For the other variables, the result is positive and significant. For all outcome variables, the second-stage result is insignificant.

[Table 5 goes here]

7.2 First FAC terms

Next, we look at FACs that introduced an FAC for the very first time within 2005-2023. On average, there are 24% of municipality-year observations that had an FAC. 12% of the municipality-year observations had the first time an FAC within our sample period. In Table 6 we look at these first-time FACs. FACs that were first-time introduced have no impact on the different integration outcomes.

[Table 6 goes here]

In Table 6, we use a subsample that only includes municipalities that introduced the FAC the first time within 2005-2023. The first-stage result is for all variables positive and significant. The second-stage result is insignificant.

7.3 FAC attendance of local council meetings

Then, we estimate if FACs are only effective if they attend local council meetings. For this, we collect and analyze the minutes of council meetings for as many municipalities included in our RD sample as possible.¹² We define a new dummy variable $Attend_{i,t}$, which equals 1 if an FAC member attended a local council meeting at least once between 2005-2023. Table 7 shows that the FAC has still no impact on the integration outcomes.

We use hand-collected minutes by (Hessami and Khasanboev, 2024) and extend this collection up until December 2023. Meetings are held on average six times per year. Some municipalities hold fewer meetings, others more. Our dataset covers post 2010 25% of the municipalities. Post 2015 we cover 75% of all municipalities (see Figure A.1 in the online

¹²See Section A.1 in the online appendix for more details on how we collect the minutes.

appendix). In Table 7, we use a subsample that includes municipalities that attended the municipal council meetings at least once a year in the sample period. Due to the small number of observations the first- and second-stage results are insignificant.

[Table 7 goes here]

7.4 Additional insights from council minutes

Here, we describe the results from a preliminary analysis for the content of local council meeting minutes. The corresponding figures are to be found in online appendix . First, we explore if the word *foreigners' advisory council* appears in the council meetings. Figure A.2 shows the occurrence of the German word "auslaenderbeirat" (foreigners' advisory council) per council minutes per year over our sample data for municipalities with foreigners' advisory councils. The bar chart shows that the term appears on average 0.9 per council minute per year.

Second, we look at the words surrounding the word *foreigners' advisory council*. Figure A.3 shows the frequency of top 10 nouns that occur before and after the word "auslaenderbeirat" with a distance of 20 words. The three most frequent words are "verwaltung" (administration), "stadtverordnetenversammlung" (city council meeting), and "sitzung" (meeting). All other words also indicate a rather technical context. It highlights that discussions in the context of FACs are about technical issues rather than substantive policy deliberations.

Third, we analyze whether specific words come up in the surrounding of *foreigners' advisory council*. Figure A.4 shows the frequency of the words "children", "integration", "support", "school", "help", "training", "to live", "health", "discrimination", and "employment". The most frequent words are children, integration and support.

In the near future, we plan to dig deeper into the content of the minutes. In particular, we are currently coding at a more fine-grained level the attendance of FAC members in the local council meetings and for this subset also code whether an FAC member spoke up in a meeting and if yes, on what matter.

8 Conclusion

Considering the increasing number of immigrants in Germany it is important to evaluate the impact of different approaches to their integration. To increase political integration, the weakest aspect regarding integration of immigrants, FAC elections take place in municipalities in the federal state Hesse. FACs give foreign residents an opportunity for political and democratically legitimized self-representation and to consult local politics on integration matters.

We analyze the impact of FAC on different integration outcomes. We use novel data on FAC elections combined with data on various integration outcomes like integration courses and foreign employees between 2005 and 2023 in Hesse. We exploit a unique institutional setting by using the rule that municipalities with above 1,000 foreign residents need to set up an FAC. To overcome endogeneity issues due to imperfect compliance with the rule, we apply fuzzy RD estimations. We instrument the effective treatment of having an FAC by using the exogenous assignment to the treatment.

We find that municipalities with an FAC have no impact on the various integration outcomes. There is no effect on integration courses at the extensive and the intensive margin and also not for take-up rates among foreigners. Also the share of foreign employees among resident foreigners in total or by gender does not change. Neither do naturalization rates. Further preliminary results show that the FAC has no influence on discussions regarding integration in municipal councils. The minutes show that the FAC is mainly mentioned in the context of administrative matters. Fuzzy RD estimates for the subsample of municipalities which had an FAC present in at least one of the local council meetings also did not reveal significant effects on integration outcomes.

While FACs (and thus, political bodies with an explicit purpose of immigrant integration) do not seem to be effective, this may be for different reasons. First, they are not equipped with decision power themselves and can only consult local policy makers, in case they want to be consulted. Second, they may not use their role of their advisors to the local council and other political decision makers at the municipal level pro-actively (enough) which is indicated

by the few mentions of the FAC in the council notes in relation to matters of integration and not only with respect to administrative matters. Third, they may have too low funding in order to fulfill their role as a consultative body properly. This is a problem also known to other consultative bodies such as the fiscal councils in the European Union which suffer often from being understaffed and not being salient enough to live up to their role (Asatryan *et al.*, 2017). Fourth and last, they may deliver valuable work in more soft features of integration which are harder to measure and do not translate into integration outcomes considered by us.

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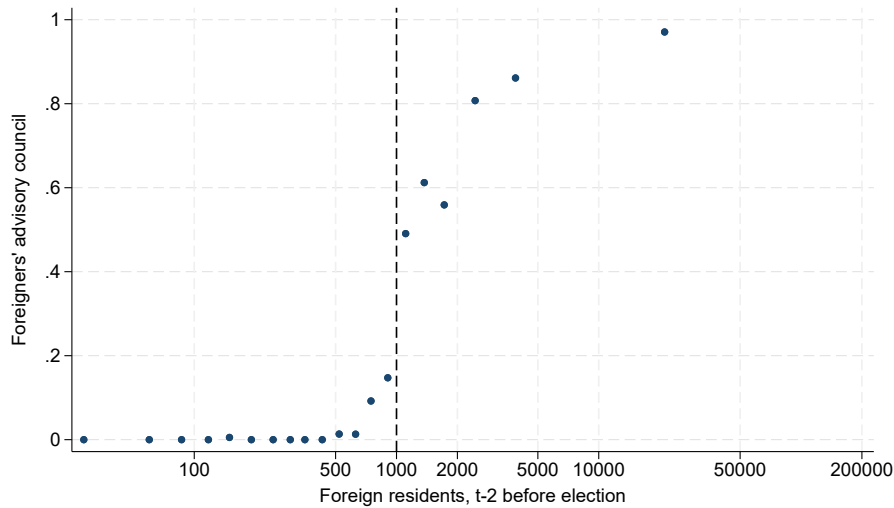


Figure 1: Number of foreign residents and existence of FACs

Notes: This is a binscatter plot for the municipal number of foreign residents in $t - 2$ and the share of municipalities that had an FAC election in year t , i.e. 2005, 2010, 2015 or 2021. The x-axis is log-scaled. The figure is based on a municipal panel dataset from the Hessian Statistical Office indicating in which years each municipality had an FAC election. We include integration commissions in the FAC dummy. The most extreme values go back to Ehrenberg (Rhön) with 5 foreign residents in 2003 and Frankfurt am Main with 225,531 foreign residents in 2019.

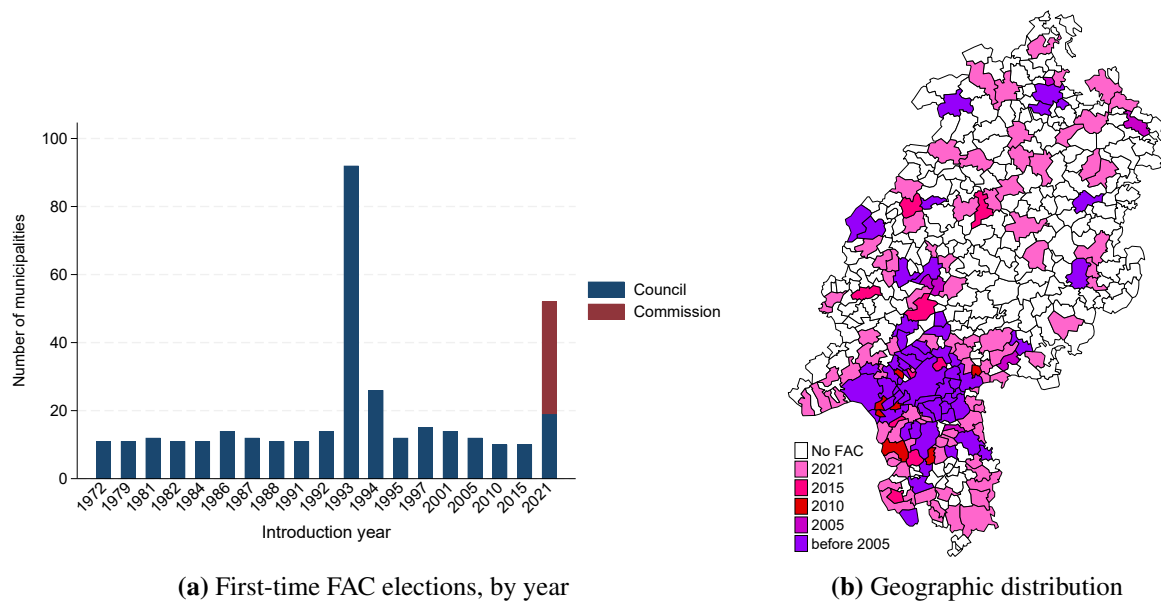


Figure 2: Introduction and geographic distribution of FACs, 1972-2021

Notes: Subfigure a shows how many municipalities had a first-time FAC election per year. In 1992, the institutional rule on FACs was included in the Hessian municipal code. Initially, municipalities could hold these elections and introduce FACs in any year. Afterwards, election dates were harmonized. In 2001, the Hessian state government declared the first state-wide FAC election but with exceptions. In 2005, the first state-wide FAC election without exceptions was held. Subfigure shows the regional distribution of FACs. The darker the shade of a municipality, the longer an FAC has existed in a municipality.

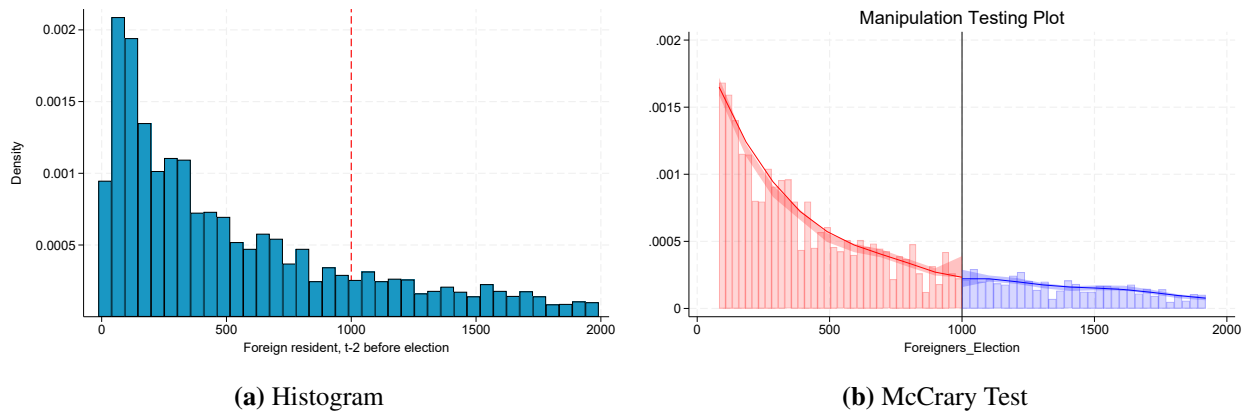


Figure 3: Manipulation of running variable

Notes: Figure (a) shows a histogram of foreign residents in $t - 2$ with t being an election year between 2005 and 2022 (scale limited to to 2,000 foreign residents). Figure (b) shows results for the corresponding McCrary test.

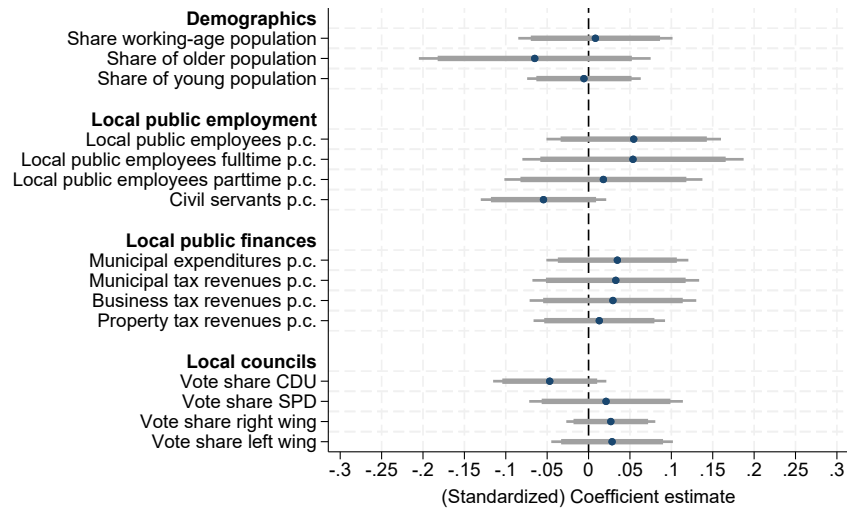


Figure 4: Characteristics of municipalities to left vs. right of threshold

Notes: This graph shows coefficients from regressing the dummy variable *AboveThreshold* which is equal to 0 for municipalities below (500-999) and equal to 1 for those above (1000-1500) the threshold on various municipality characteristics. All variables are lagged by averages for $t - 3$ to $t - 5$ and are standardized. Regressions include year and municipality fixed effects. The unit of clustering is municipality. 90% and 95% confidence intervals are indicated in the graph.

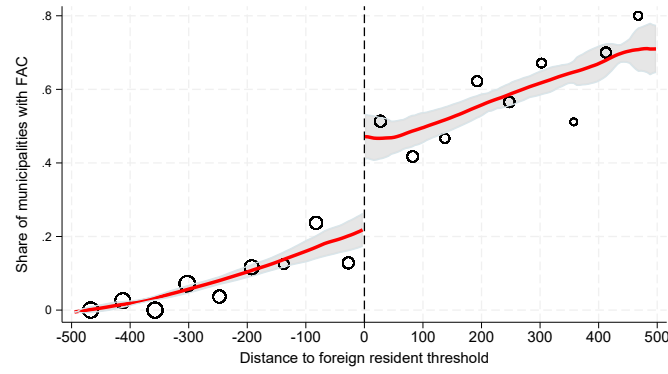
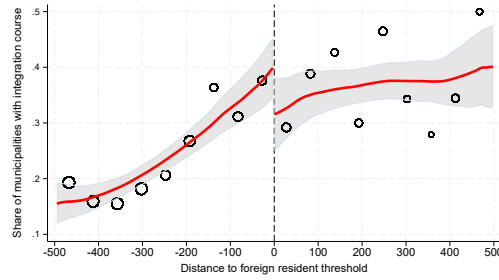
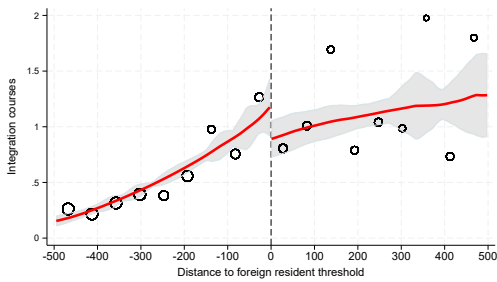


Figure 5: Δ from foreign residents threshold and % municipalities with FAC

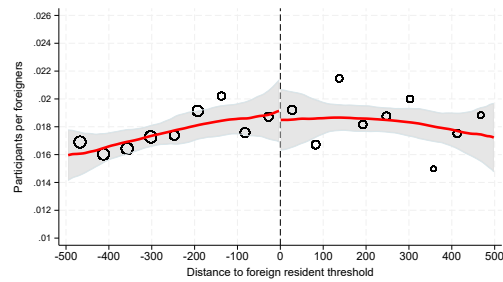
Notes: This RD plot shows the probability of having an FAC as a function of the distance of 1,000 foreign residents in $t - 2$ before elections in 2005, 2010, 2015, and 2021. Each dot is the local average of foreign residents in $t-2$ before an election year t in bins of foreign residents as a distance to the 1,000 foreign residents threshold. The size of the dots indicates the number of observations in each bin. The solid lines are from a local linear smooth of the underlying observations. The grey-shaded areas represent 90% confidence intervals.



(a) Integration course



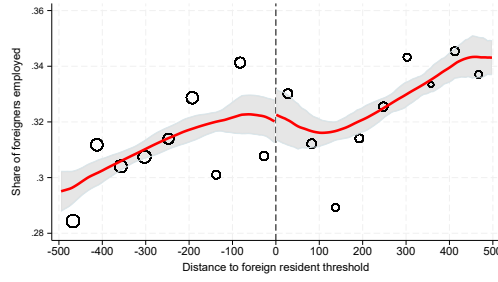
(b) Number of courses



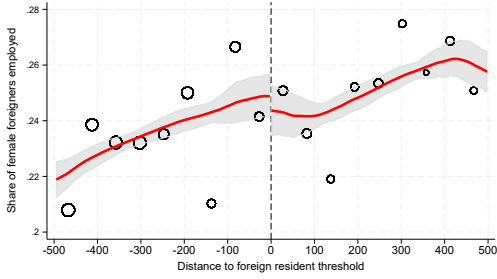
(c) Participants/foreigners

Figure 6: RD plots: FACs and integration courses

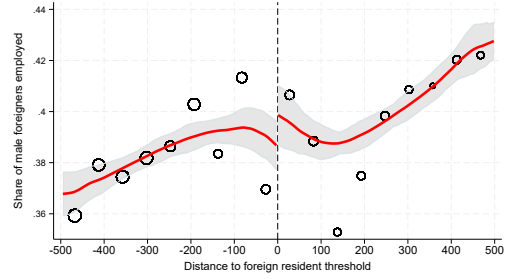
Notes: The running variable is foreign residents in $t - 2$ before elections in year t , i.e. 2005, 2010, 2015, and 2021. Each dot is the local average of foreign residents in bins of foreign residents as a distance to the 1,000 foreign residents threshold. The size of the dots indicates the number of observations in each bin. The solid lines are from a local linear smooth of the underlying observations. The grey-shaded areas represent 90% confidence intervals.



(a) % Foreigners employed



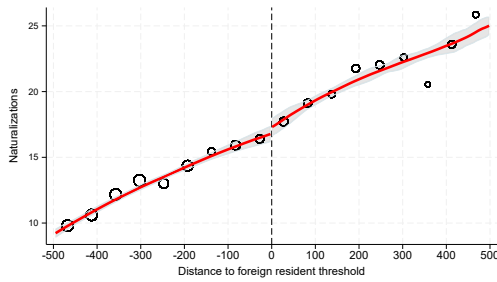
(b) % Male foreigners employed



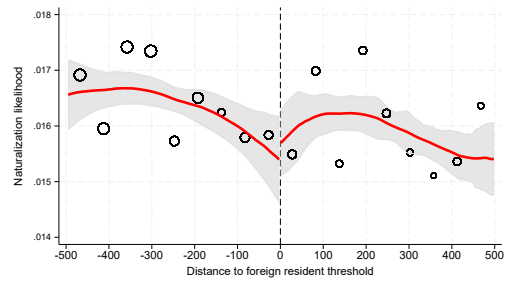
(c) % Female foreigners employed

Figure 7: RD plots: FACs and foreign residents' employment

Notes: The running variable is foreign residents in $t - 2$ before elections in year t , i.e. 2005, 2010, 2015, and 2021. Each dot is the local average of foreign residents in bins of foreign residents as a distance to the 1,000 foreign residents threshold. The size of the dots indicates the number of observations in each bin. The solid lines are from a local linear smooth of the underlying observations. The grey-shaded areas represent 90% confidence intervals.



(a) Naturalizations



(b) Naturalization likelihood

Figure 8: RD plots: FACs and naturalizations

Notes: The running variable is foreign residents in $t - 2$ before elections in year t , i.e. 2005, 2010, 2015, and 2021. Each dot is the local average of foreign residents in bins of foreign residents as a distance to the 1,000 foreign residents threshold. The size of the dots indicates the number of observations in each bin. The solid lines are from a local linear smooth of the underlying observations. The grey-shaded areas represent 90% confidence intervals.

Table 1: FUZZY RD RESULTS: FACs AND INTEGRATION COURSES

<i>Dep. Var.:</i>	Integration course		Integration courses		Participants/foreigners	
Second Stage	(1)	(2)	(3)	(4)	(5)	(6)
FAC	-0.118 (0.370)	-0.086 (0.323)	-0.428 (1.291)	-0.246 (1.245)	-0.001 (0.011)	0.001 (0.014)
First Stage						
Treatment	0.279*** (0.099)	0.306*** (0.094)	0.302*** (0.097)	0.301*** (0.110)	0.240** (0.106)	0.188* (0.110)
Bandwidth	CERRD	CERRD	CERRD	CERRD	CERRD	CERRD
Bandwidth size	538	577	576	603	445	359
Year FE		✓		✓		✓
Municipality FE		✓		✓		✓
N	7,942	7,942	7,942	7,942	7,942	7,942
Mean (SD)	0.23 (0.42)	0.23 (0.42)	2.70 (15.44)	2.70 (15.44)	0.02 (0.03)	0.02 (0.03)

Notes: This table reports estimates from fuzzy RD estimations that relate municipalities with an FAC to a dummy variable indicating whether a municipality offered at least one integration course in a specific year (Model (1) and (2)), how many such courses were offered (Model (3) and (4)) and what share of foreign residents participated in these courses (Model (5) and (6)). Models (2), (4), and (6) reestimate these models including year and municipality fixed effects. The lower panel shows the first-stage result. Mean (SD) reports the mean and standard deviation of the dependent variable for each regression. Stars indicate significance levels at 10%(*), 5%(**), and 1%(***). Heteroscedasticity- and cluster-robust standard errors are in parentheses. The unit of clustering is the municipality.

Table 2: FUZZY RD RESULTS: FACs AND FOREIGN RESIDENTS' EMPLOYMENT

<i>Dep. Var.:</i>	% Foreigners employed		% Male foreigners employed		(3) Female foreigners employed	
Second Stage	(1)	(2)	(3)	(4)	(5)	(6)
FAC	-0.062 (0.063)	-0.055 (0.061)	-0.057 (0.077)	-0.064 (0.071)	-0.051 (0.069)	-0.049 (0.070)
First Stage						
Treatment	0.267** (0.111)	0.233** (0.103)	0.257** (0.112)	0.243** (0.105)	0.253** (0.110)	0.227** (0.103)
Bandwidth	CERRD	CERRD	CERRD	CERRD	CERRD	CERRD
Bandwidth size	417	447	406	427	421	451
Year FE		✓		✓		✓
Municipality FE		✓		✓		✓
N	6,648	6,648	6,541	6,541	6,577	6,577
Mean (SD)	0.31 (0.09)	0.31 (0.09)	0.38 (0.11)	0.38 (0.11)	0.24 (0.08)	0.24 (0.08)

Notes: This table reports estimates from fuzzy RD estimations that relate municipalities with an FAC to the share of foreign residents employed (Model (1) and (2)), the share of male foreigners employed (Model (3) and (4)), and the share of female foreigners employed (Model (5) and (6)). Models (2), (4), and (6) reestimate these models including year and municipality fixed effects. The lower panel shows the first-stage result. Mean (SD) reports the mean and standard deviation of the dependent variable for each regression. Stars indicate significance levels at 10%(*), 5%(**), and 1%(***). Heteroscedasticity- and cluster-robust standard errors are in parentheses. The unit of clustering is the municipality.

Table 3: FUZZY RD RESULTS: FACs AND NATURALIZATIONS

<i>Dep. Var.:</i>	Naturalizations		Naturalization likelihood	
	(1)	(2)	(3)	(4)
Second Stage				
FAC	3.661 (3.684)	3.379 (3.556)	0.003 (0.004)	0.000 (0.003)
First Stage				
Treatment	0.265** (0.111)	0.234** (0.103)	0.249** (0.107)	0.227** (0.102)
Bandwidth	CERRD	CERRD	CERRD	CERRD
Bandwidth size	414	446	441	462
Year FE		✓		✓
Municipality FE		✓		✓
N	7,942	7,942	7,942	7,942
Mean (SD)	31.46 (149.47)	31.46 (149.47)	0.02 (0.01)	0.02 (0.01)

Notes: This table reports estimates from fuzzy RD estimations that relate municipalities with an FAC to the number of naturalizations (Models (1) and (2)) and the likelihood that foreign residents obtain German citizenship (Models (3) and (4)). Models (2) and (4) reestimate Models (1) and (3) including year and municipality fixed effects. The lower panel shows the first-stage result. Mean (SD) reports the mean and standard deviation of the dependent variable for each regression. Stars indicate significance levels at 10%(*), 5%(**), and 1%(***). Heteroscedasticity- and cluster-robust standard errors are in parentheses. The unit of clustering is the municipality.

Table 4: FUZZY RD RESULTS: EXCLUDE LAST TWO YEARS OF FAC TERMS

<i>Dep. Var.:</i>	(1) Integration course	(2) Integration courses	(3) Participants / foreigners	(4) % Foreigners employed	(5) % ♂ foreigners employed	(6) % ♀ foreigners employed	(7) Naturalizations	(8) Naturalization likelihood
Second Stage								
FAC	-0.178 (0.271)	-0.789 (1.208)	0.008 (0.012)	-0.025 (0.045)	-0.024 (0.052)	-0.030 (0.050)	1.954 (2.688)	0.000 (0.003)
First Stage								
Treatment	0.349*** (0.090)	0.339*** (0.091)	0.271** (0.106)	0.328*** (0.103)	0.328*** (0.103)	0.324*** (0.102)	0.319*** (0.100)	0.303*** (0.098)
Bandwidth	CERRD	CERRD	CERRD	CERRD	CERRD	CERRD	CERRD	CERRD
Bandwidth size	561	543	335	440	438	453	420	448
Year FE	✓	✓	✓	✓	✓	✓	✓	✓
Municipality FE	✓	✓	✓	✓	✓	✓	✓	✓
N	5,016	5,016	5,016	3,744	3,707	3,720	5,016	5,016

Notes: This table reports estimates from fuzzy RD estimations that relate municipalities with an FAC to different outcome variables. The last two/three years of the legislation period are dropped, i.e. years 2008, 2009, 2013, 2014, 2018, 2019, and 2020. Stars indicate significance levels at 10%(*), 5%(**), and 1%(***). Heteroscedasticity- and cluster-robust standard errors are in parentheses. The unit of clustering is the municipality.

Table 5: FUZZY RD RESULTS: EXCLUDE FIRST TWO YEARS OF FAC TERMS

<i>Dep. Var.:</i>	(1) Integration course	(2) Integration courses	(3) Participants / foreigners	(4) % Foreigners employed	(5) % ♂ foreigners employed	(6) % ♀ foreigners employed	(7) Naturalizations	(8) Naturalization likelihood
Second Stage								
FAC	-0.008 (0.419)	-0.587 (1.626)	-0.009 (0.015)	-0.107 (0.105)	-0.093 (0.112)	-0.067 (0.093)	5.378 (5.325)	0.000 (0.004)
First Stage								
Treatment	0.252** (0.098)	0.247** (0.098)	0.183 (0.117)	0.166 (0.106)	0.175 (0.108)	0.181* (0.107)	0.174 (0.107)	0.173 (0.107)
Bandwidth	CERRD	CERRD	CERRD	CERRD	CERRD	CERRD	CERRD	CERRD
Bandwidth size	600	606	384	464	446	470	458	465
Year FE	✓	✓	✓	✓	✓	✓	✓	✓
Municipality FE	✓	✓	✓	✓	✓	✓	✓	✓
N	4,598	4,598	4,598	4,155	4,076	4,098	4,598	4,598
Mean (SD)	0.23 (0.42)	2.76 (15.77)	0.02 (0.03)	0.32 (0.09)	0.39 (0.11)	0.24 (0.08)	31.66 (151.95)	0.02 (0.01)

Notes: This table reports estimates from fuzzy RD estimations that relate municipalities with an FAC to different outcome variables. The first two years of the legislation period are dropped, i.e. years 2005, 2006, 2010, 2011, 2015, 2016, 2021, 2022. Stars indicate significance levels at 10%(*), 5%(**), and 1%(***). Heteroscedasticity- and cluster-robust standard errors are in parentheses. The unit of clustering is the municipality.

Table 6: FUZZY RD RESULTS: FIRST-TIME FAC TERMS

<i>Dep. Var.:</i>	(1) Integration course	(2) Integration courses	(3) Participants / foreigners	(4) % Foreigners employed	(5) % ♂ foreigners employed	(6) % ♀ foreigners employed	(7) Naturalizations	(8) Naturalization likelihood
Second Stage								
FAC	-0.083 (0.313)	-0.304 (1.257)	0.002 (0.014)	-0.062 (0.065)	-0.060 (0.071)	-0.052 (0.072)	3.457 (3.711)	0.001 (0.003)
First Stage								
Treatment	0.316*** (0.095)	0.303*** (0.094)	0.183* (0.110)	0.221** (0.103)	0.240** (0.105)	0.221** (0.103)	0.224** (0.103)	0.222** (0.102)
Bandwidth	CERRD	CERRD	CERRD	CERRD	CERRD	CERRD	CERRD	CERRD
Bandwidth size	592	593	356	449	429	452	447	464
Year FE	✓	✓	✓	✓	✓	✓	✓	✓
Municipality FE	✓	✓	✓	✓	✓	✓	✓	✓
N	7,931	7,931	7,931	6,639	6,532	6,568	7,931	7,931

Notes: This table reports estimates from fuzzy RD estimations that relate municipalities with an FAC to different outcome variables. The subsample only includes municipalities that introduced the FAC the first time in 2005-2023. Stars indicate significance levels at 10%(*), 5%(**), and 1%(***). Heteroscedasticity- and cluster-robust standard errors are in parentheses. The unit of clustering is the municipality.

Table 7: FUZZY RD RESULTS: FAC ATTENDANCE

<i>Dep. Var.:</i>	(1) Integration course	(2) Integration courses	(3) Participants / foreigners	(4) % Foreigners employed	(5) % ♂ foreigners employed	(6) % ♀ foreigners employed	(7) Naturalizations	(8) Naturalization likelihood
Second Stage								
FAC	4.962 (51.993)	24.429 (925.735)	0.028 (0.076)	-0.391 (2.324)	-0.193 (1.373)	-0.528 (3.230)	146.551 (2438.815)	-0.302 (15.802)
First Stage								
Treatment	-0.014 (0.145)	0.004 (0.145)	0.053 (0.126)	0.025 (0.144)	0.025 (0.144)	0.024 (0.144)	0.009 (0.145)	-0.003 (0.147)
Bandwidth	CERRD	CERRD	CERRD	CERRD	CERRD	CERRD	CERRD	CERRD
Bandwidth size	257	240	198	282	286	280	235	232
Year FE	✓	✓	✓	✓	✓	✓	✓	✓
Municipality FE	✓	✓	✓	✓	✓	✓	✓	✓
N	3,227	3,227	3,597	3,113	3,101	3,105	3,227	3,227
Mean (SD)	0.24 (0.43)	2.08 (9.23)	0.02 (0.04)	0.33 (0.08)	0.40 (0.11)	0.26 (0.07)	24.11 (58.49)	0.01 (0.00)

Notes: This table reports estimates from fuzzy RD estimations that relate municipalities with an FAC to different outcome variables. The subsample only includes municipalities that attended the municipal council meetings at least once in the sample period. Stars indicate significance levels at 10%(*), 5%(**), and 1%(***). Heteroscedasticity- and cluster-robust standard errors are in parentheses. The unit of clustering is the municipality.

Online appendix

A.1 Details on the collection of the council meetings data

To examine the effect of foreigners' advisory councils in more detail we hand collect official minutes of council meetings. Our research assistants searched the official websites of the municipalities in Hesse for downloadable minutes (in pdf, word, html, or other formats). Municipalities often post at least the minutes of the most recent meetings, but some make them available for several years in the past. According to the Hessian municipal code, the municipal council should meet at least six times a year. Some municipalities have fewer meetings others more. Our dataset shows that on average, municipalities had 6.62 meetings per year.

Note that for some municipalities not all minutes are publicly available. The minutes include information on participation, duration, the agenda of the meeting, key lines of discussion, and decisions of the council. This also includes statements of the foreigners' advisory councils. The minutes are not ad verbatim reproduction of the meetings. They summarize the meetings with the most important key points. Parts of the meetings may not be mentioned in the minutes, e.g. due to reasons of privacy (for example, when a citizen wishes to purchase a property).

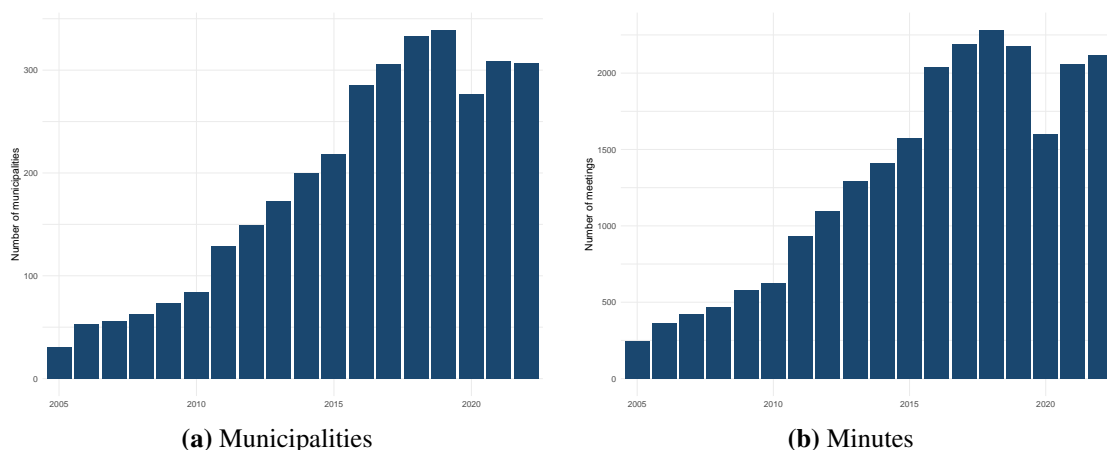


Figure A.1: Data coverage for local council meeting minutes

Notes: The bar charts show the coverage of our dataset regarding municipalities and council meetings. Subfigure (a) shows the number of municipalities in our dataset. Subfigure (b) shows the total number of council meetings that were collected by us for each year. Note that according to the Hessian municipal code there should be at least six council meetings per year.

The collection of minutes is pre-processed for automated analysis in accordance with standard procedures (Gentzkow *et al.*, 2019). Numbers, special characters, and lines are removed. All words are converted to lowercase. Common German stop-words are eliminated.

A.2 Additional tables

Table A.1: RULES FOR FAC BY STATE

State	FAC	§	Since	Threshold	Member appointment
<i>Baden-Wuerttemberg</i>	possible	§11-13 Part-IntG	2015		Can be elected or appointed
<i>Bavaria</i>	no state-wide rule				
<i>Rhineland Palatinate</i>	obligation	§ 56 GemO	1994	1,000 foreign residents	Foreigners elect representatives of FAC
<i>Saxony</i>	no state-wide rule				
<i>Mecklenburg-West Pomerania</i>	no state-wide rule				
<i>Lower Saxony</i>	no state-wide rule				
<i>Saxony-Anhalt</i>	no state-wide rule				
<i>Schleswig-Holstein</i>	no state-wide rule				
<i>Thuringia</i>	no state-wide rule				
<i>Brandenburg</i>	no state-wide rule				
<i>Hesse</i>	obligation	§ 84 HGO	1992	1,000 foreign residents	Foreigners elect representatives of FAC
<i>North Rhine-Westphalia</i>	obligation	§ 27 GO-NRW	1994	2,000 foreign residents and 200 signatures or 5,000 foreign residents	Foreigners elect representatives of FAC
<i>Bremen</i>	alternative	statute	2005		Bremen Council for Integration appointed by Bremen Parliament
<i>Berlin</i>	alternative	§ 17 Part-MigG	2003		State Advisory Council for Participation appointed by district council
<i>Hamburg</i>	no-state wide rule				
<i>Saarland</i>	obligation	§ 50 KSVG	1989	10% share of foreigners	Foreigners elect representatives of FAC

Notes: This table provides a detailed overview on the rules for foreigners' advisory councils (FAC) in the sixteen different federal states in Germany. The first column refers to each of the 16 federal states. The second column reports if there is a state wide regulation for FAC and if the FAC is obliged or a possibility. "Possible" means that the FAC is regulated in a state-wide law, but no obligation to implement a FAC. "obligation" means that municipalities that exceed a certain threshold must set an FAC. "alternative" means that there is no election of FAC but an alternative council. "no state-wide rule" means that the federal state has no state-wide regulation for FAC but some municipalities have set up their own FAC. The third column shows the legal paragraph where the FAC is regulated. The fourth column shows the threshold when municipalities need to set up a FAC. The fifth column shows how member of FAC or the alternative body are selected. The members can either be appointed by the municipal council or elected by foreign residents.

Table A.2: DEFINITION OF INTEGRATION COURSES

Integration Course	Detail
<i>General integration course</i>	700 TU consisting of language course (600 TU) and orientation course (100 TU)
<i>Literacy course</i>	1,000 TU including learning to read and write with the Roman alphabet followed by language course and orientation course
<i>Duplicate writing course</i>	1,000 TU including learning to read and write with the Roman alphabet as a second alphabet followed by language course and orientation course
<i>Women and parents course</i>	1,000 TU focusing on women / parents learning German and information for their children
<i>Youth integration course</i>	1,000 TU for people at most 26 years old learning German and facts about education, jobs, family, health and culture in Germany
<i>Intensive integration course</i>	430 TU consisting of language course (400 TU) and orientation course (30 TU)
<i>Other special integration course</i>	Special cases of integration courses, e.g. German course only

Notes: This table shows the different types of integration courses that the Federal Office for Migration and Refugees offers. The first column shows the name of the different types of integration courses according to our dataset. There are seven types. The second column gives details about the course. TU means teaching units of 45 minutes each and explains how long the course will take. Each type of course specializes on specific needs of their participants. For example course for women specializes on the needs of women in Germany. If the participant has always attended lessons regularly and has exhausted the quota of teaching units in the integration course, but has not reached language level B1 in the language section of the final examination, the participant can repeat 300 teaching units once on application.

Table A.3: SUMMARY STATISTICS

Variable	Mean	Min.	Max.	SD	Obs.
Foreigners' advisory council (FAC)	0.239	0.000	1.000	0.427	7942
Population size	14713.215	952.000	775790.000	40494.498	7942
Foreign residents	2084.255	4.000	243553.000	10325.397	7942
German residents	12628.961	896.000	543441.000	30525.818	7942
Integration course available	0.230	0.000	1.000	0.421	7942
Integration courses	2.699	0.000	347.000	15.444	7942
Integration course participants / foreigners	0.017	0.000	1.206	0.031	7942
% Foreigners employed	0.314	0.021	0.996	0.090	6648
% Male foreigners employed	0.383	0.000	1.000	0.114	6541
% Female foreigners employed	0.244	0.000	1.000	0.080	6577
Naturalizations	31.459	0.104	3032.000	149.474	7942
Naturalization likelihood	0.017	0.005	0.039	0.006	7942

Notes: This table reports summary statistics. It indicates the mean, minimum value (Min), and maximum value (Max), the standard deviation (SE), as well as the number of observations (Obs.). Due to a handful of municipal mergers we dropped the related municipalities from the sample leaving us with a total of 418 municipalities. For the municipality Ehrenberg, we apply linear interpolation to estimate the number of foreigners for the years 2008 and 2009 due to missing data. For a handful of observations with missing data, we apply linear interpolation to estimate the share of foreigners employed, share of female foreigners employed, and share of male foreigners employed.

Table A.4: OLS RESULTS: FACs AND FOREIGN RESIDENTS' INTEGRATION (SUCCESS)

	(1) Integration course	(2) Integration courses	(3) Participants / foreigners	(4) % Foreigners employed	(5) % ♂ foreigners employed	(6) % ♀ foreigners employed	(7) Naturalizations	(8) Naturalization likelihood
Panel A: Without FE								
FAC	0.472*** (0.036)	9.833*** (2.902)	0.001 (0.001)	0.050*** (0.005)	0.060*** (0.006)	0.039*** (0.005)	95.471*** (29.006)	-0.001*** (0.000)
Panel B: With FE								
FAC	0.045* (0.025)	0.225 (0.336)	-0.001 (0.001)	-0.003 (0.004)	-0.008 (0.006)	0.002 (0.004)	1.742** (0.851)	-0.000 (0.000)
N	7,942	7,942	7,942	6,648	6,541	6,577	7,942	7,942

Notes: This table reports estimates from OLS regression that relate municipalities with a Foreigners' Advisory Council (FAC) to different integration-relevant outcome variables. Panel A reports simple bivariate correlation coefficients, while the estimations in panel B include municipality and year fixed effects. Stars indicate significance levels at 10%(*), 5%(**), and 1%(***). Heteroscedasticity- and cluster-robust standard errors are in parentheses. The unit of clustering is the municipality.

A.3 Additional figures

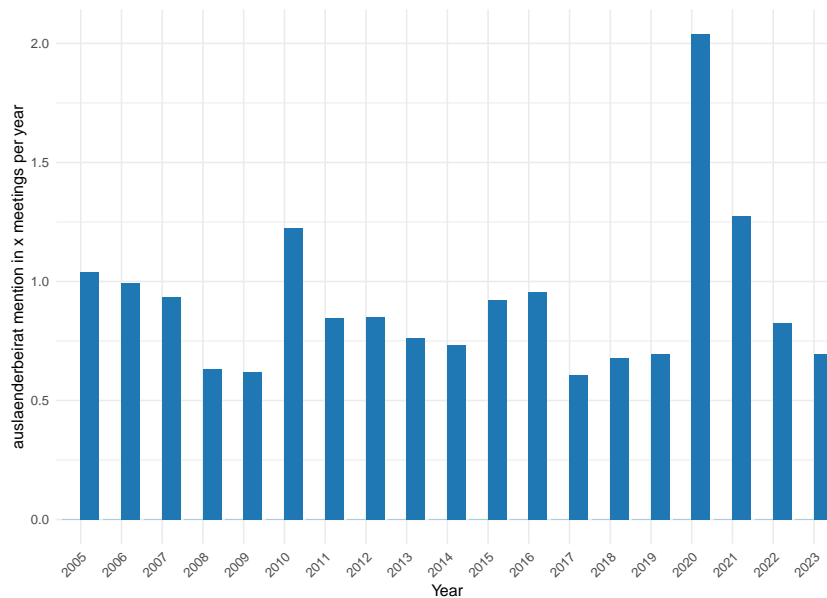


Figure A.2: Count word "auslaenderbeirat" per council minutes per year.

Notes: This bar chart shows the occurrence of the word auslaenderbeirat (Foreigners' advisory council) per council minutes per year in municipalities with and without foreigners' advisory councils. In municipalities with foreigners' advisory councils the word occurs on average 0.9 times per council minute per year.

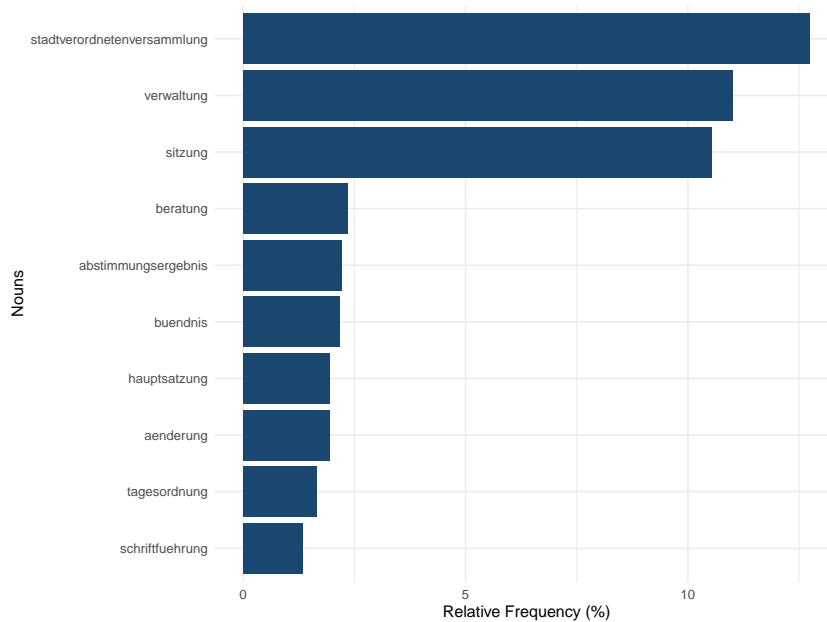


Figure A.3: Keywords around "auslaenderbeirat" with 20 surrounding words.

Notes: This graph shows the 20 most frequents nouns surrounding the word "auslaenderbeirat" (foreigners' advisory council) with a distance of 20 words in council minutes over the sample period. The three most mentioned words are administration, city council meeting, and meeting.

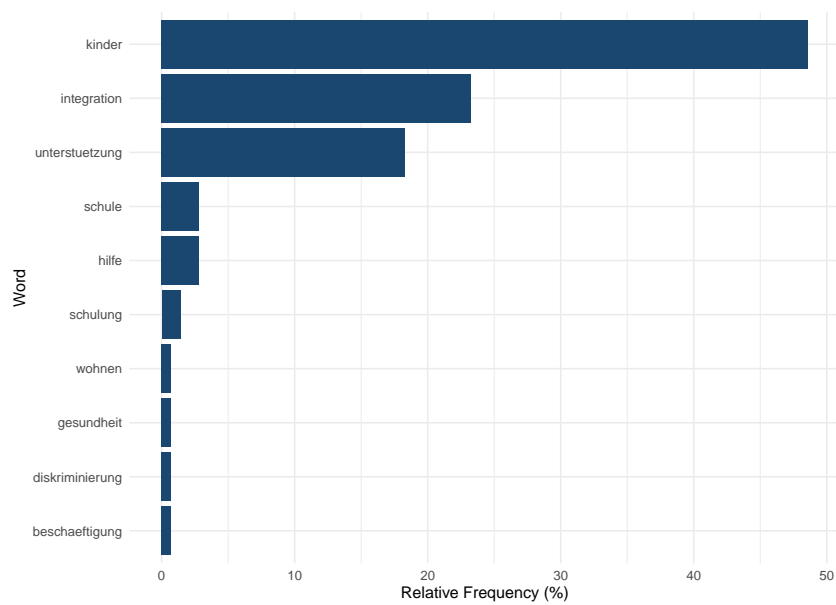


Figure A.4: Searched words around "auslaenderbeirat".

Notes: This graph shows how often the words "integration" (*integration*), "hilfe" (*help*), "unterstuetzung" (*support*), and "massnahme" (*action*) around the word "auslaenderbeirat" relatively occur. We use a distance of 20 words. We calculate the relative frequency of mentions of the "Ausländerbeirat" (Foreigner Council) in council meeting protocols and scales the frequency of specific words found in the context of these mentions.

A.4 Robustness

Table A.5: ROBUSTNESS I: KERNEL EPANECHNIKOV

<i>Dep. Var.:</i>	(1) Integration course	(2) Integration courses	(3) Participants / foreigners	(4) % Foreigners employed	(5) % ♂ foreigners employed	(6) % ♀ foreigners employed	(7) Naturalizations	(8) Naturalization likelihood
Second Stage								
FAC	-0.137 (0.429)	-0.724 (1.822)	0.002 (0.011)	-0.046 (0.063)	-0.031 (0.074)	-0.047 (0.072)	2.970 (4.303)	0.000 (0.003)
First Stage								
Treatment	0.244** (0.100)	0.235** (0.102)	0.225** (0.109)	0.223** (0.106)	0.221** (0.108)	0.223** (0.105)	0.219* (0.112)	0.225** (0.108)
Bandwidth	CERRD	CERRD	CERRD	CERRD	CERRD	CERRD	CERRD	CERRD
Bandwidth size	567	538	446	471	449	484	417	451
Year FE	✓	✓	✓	✓	✓	✓	✓	✓
Municipality FE	✓	✓	✓	✓	✓	✓	✓	✓
N	7942	7942	7942	6648	6541	6577	7942	7942

Notes: This table reports estimates from fuzzy RD estimations that relate municipalities with an FAC to different outcome variables. We use the Epanechnikov Kernel function. Stars indicate significance levels at 10%(*), 5%(**), and 1%(***). Heteroscedasticity- and cluster-robust standard errors are in parentheses. The unit of clustering is the municipality.

Table A.6: ROBUSTNESS II: MSERD OPTIMAL BANDWIDTHS

<i>Dep. Var.:</i>	(1) Integration course	(2) Integration courses	(3) Participants / foreigners	(4) % Foreigners employed	(5) % ♂ foreigners employed	(6) % ♀ foreigners employed	(7) Naturalizations	(8) Naturalization likelihood
Second Stage								
FAC	-0.100 (0.224)	-0.342 (0.897)	0.001 (0.010)	-0.026 (0.040)	-0.036 (0.049)	0.001 (0.043)	1.004 (2.540)	0.000 (0.002)
First Stage								
Treatment	0.383*** (0.085)	0.384*** (0.085)	0.226** (0.100)	0.295*** (0.092)	0.300*** (0.094)	0.307*** (0.092)	0.297*** (0.093)	0.315*** (0.092)
Bandwidth	MSERD	MSERD	MSERD	MSERD	MSERD	MSERD	MSERD	MSERD
Bandwidth size	803	806	483	608	581	615	607	629
Year FE	✓	✓	✓	✓	✓	✓	✓	✓
Municipality FE	✓	✓	✓	✓	✓	✓	✓	✓
N	7942	7942	7942	6648	6541	6577	7942	7942

Notes: This table reports estimates from fuzzy RD estimations that relate municipalities with an FAC to different outcome variables. We use the MSERD optimal bandwidth in all models. Stars indicate significance levels at 10%(*), 5%(**), and 1%(***). Heteroscedasticity- and cluster-robust standard errors are in parentheses. The unit of clustering is the municipality.

Table A.7: ROBUSTNESS III: INCLUSION OF CONTROL VARIABLES

<i>Dep. Var.:</i>	(1) Integration course	(2) Integration courses	(3) Participants / foreigners	(4) % Foreigners employed	(5) % ♂ foreigners employed	(6) % ♀ foreigners employed	(7) Naturalizations	(8) Naturalization likelihood
Second Stage								
FAC	-0.026 (0.329)	-0.536 (1.478)	0.003 (0.011)	-0.055 (0.053)	-0.051 (0.075)	-0.049 (0.062)	1.146 (2.913)	0.000 (0.002)
First Stage								
Treatment	0.281*** (0.089)	0.260*** (0.090)	0.224** (0.102)	0.236** (0.102)	0.208** (0.104)	0.229** (0.103)	0.268*** (0.090)	0.330*** (0.086)
Bandwidth	CERRD	CERRD	CERRD	CERRD	CERRD	CERRD	CERRD	CERRD
Bandwidth size	568	557	396	404	394	396	560	646
Year FE	✓	✓	✓	✓	✓	✓	✓	✓
Municipality FE	✓	✓	✓	✓	✓	✓	✓	✓
N	7,942	7,942	7,942	6,648	6,541	6,577	7,942	7,942

Notes: This table reports estimates from fuzzy RD estimations that relate municipalities with an FAC to different outcome variables. All models include control variables lagged by one period (population density, share of old people, share of young people). Stars indicate significance levels at 10%(*), 5%(**), and 1%(***). Heteroscedasticity- and cluster-robust standard errors are in parentheses. The unit of clustering is the municipality.

Table A.8: ROBUSTNESS IV: EXCLUSION OF INTEGRATION COMMISSIONS

<i>Dep. Var.:</i>	(1) Integration course	(2) Integration courses	(3) Participants / foreigners	(4) % Foreigners employed	(5) % ♂ foreigners employed	(6) % ♀ foreigners employed	(7) Naturalizations	(8) Naturalization likelihood
Second Stage								
FAC	-0.039 (0.379)	-0.217 (1.469)	0.004 (0.019)	-0.108 (0.101)	-0.108 (0.113)	-0.068 (0.095)	4.046 (4.656)	0.000 (0.004)
First Stage								
Treatment	0.274*** (0.097)	0.275*** (0.097)	0.144 (0.113)	0.171 (0.105)	0.177 (0.108)	0.176* (0.104)	0.187* (0.107)	0.183* (0.105)
Bandwidth	CERRD	CERRD	CERRD	CERRD	CERRD	CERRD	CERRD	CERRD
Bandwidth size	589	590	356	465	449	475	451	467
Year FE	✓	✓	✓	✓	✓	✓	✓	✓
Municipality FE	✓	✓	✓	✓	✓	✓	✓	✓
N	7,737	7,737	7,737	6,443	6,336	6,372	7,737	7,737

Notes: This table reports estimates from fuzzy RD estimations that relate municipalities with an FAC to different outcome variables. We exclude observations with an integration commission where the integration commission follows after an FAC. Stars indicate significance levels at 10%(*), 5%(**), and 1%(***). Heteroscedasticity- and cluster-robust standard errors are in parentheses. The unit of clustering is the municipality.