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The Political Impact of Refugee Migration: Evidence from the Italian Dispersal Policy*

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Abstract

The ‘refugee crisis’ in Europe has created a public opinion backlash. Italy has been on the frontline of this crisis but little is known about its political impact on voting behavior and electoral outcomes. We collect unique administrative data on the refugee relocation system across Italian municipalities during the crisis (2014-2017) to assess the causal effect of the inflow of asylum seekers on political support for radical-right anti-immigration parties and vote shares in parliamentary elections. We exploit exogenous variation in refugee settlement induced by the Italian Dispersal Policy, set up in 2014 as to exceptionally enlarge the national reception capacity. We find a positive and significant effect of the share of asylum seekers on right-wing-populist support. The effect is significantly heterogeneous across municipality characteristics, yet robust to dispersal policy features. We show that the anti-immigration backlash is not rooted in adverse economic effects, while it is triggered by radical-right propaganda.

Keywords: Immigration, Refugee Crisis, Political Preferences, Dispersal Policy

JEL: H53, I38

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1 Introduction

During the ‘refugee crisis’ of 2014-2017, Europe faced an unprecedented influx of refugees and migrants. Around 3.5 million people applied for asylum in the EU-28 countries (Eurostat, 2020), most of them fleeing war and terror in Syria and social unrest in some regions of North Africa and the Near East. This human inflow has stretched the systems that were designed to manage asylum seekers, prompted a stream of reforms to strengthen existing reception structures and divided public opinion in many destination countries (Hatton, 2020; Dustmann et al. 2016).¹

While asylum applications peaked in 2016 and have fallen since², asylum seekers’ arrivals decreased very unevenly among EU member states, with persistent pressure on main entry points, such as Italy and Greece. The number of arrivals in Italy showed little change for the entire period between 2014 and 2018, when it also dropped considerably. Each year from 2014 to 2017, an average of 150,000 people reached the Italian coasts smuggled by traffickers from North Africa and rescued at sea (UNHCR, 2018). In 2017, Italy received 67% of the EU’s migrant arrivals from Mediterranean routes and accounted for 18% of all first-time applicants in the EU-28 (Eurostat, 2018).³

The Italian ‘refugee crisis’ overlapped with the rise of right-wing-populist parties with a clear anti-immigration agenda. The *Lega*’s populist radical-right message, in particular, has stoked nationalist and authoritarian sentiment, including attacks on immigrants and particularly divisive stances. After years on the fringes of Italian politics, *Lega* barged into power in the 2018 national elections, joining the major populist party, *Movimento 5 Stelle*.

In this paper we assess whether the inflow of asylum seekers to Italy between electoral cycles led to a change in public support for radical-right anti-immigration parties and/or populist movements. We exploit the quasi-experimental setting provided by the Italian Dispersal Policy to examine the causal effect of refugee migration on political outcomes in national Parliamentary elections. This policy was designed in 2014 by the Italian Home Office and involved quickly setting up

¹ The EU’s border agency, Frontex, estimates that the number of unauthorized crossings on different routes across the Mediterranean, the Western Balkans, and Greece–Albania was about 10,000 per year from 2009 to 2013 before rising to 1.82 million in 2015. Between 2015 and 2017 Germany received the highest number of asylum seekers, followed by Italy and France (Eurostat, 2020). Throughout the paper, we use the term “asylum seeker” and “refugee” interchangeably. This is so as in our setting we cannot distinguish a person seeking asylum from one whose asylum status has been approved (i.e. a refugee).

² Refugee inflows dropped following the 2015 agreement between EU and Turkey according to which migrants who do not apply for asylum or whose claims were rejected can be sent back to Turkey.

³ In 2019 Italy received 9.3% of the EU’s migrant arrivals via Mediterranean routes and with 43770 application accounted for 6.3% of all first-time applicants

temporary reception centers (CAS is the Italian acronym) to deal with the consistent arrival of asylum seekers and to cope with scarcity of the ordinary reception capacity run by local authorities. Unlike the latter, the CAS system is a private-enterprise system funded by the central government and managed by Italian Prefectures (government offices at the province level). According to the Dispersal Policy, the number of migrants allocated to each province is assigned based on the resident population, while the distribution of the centers within the provincial territory happens on a quasi-random basis through public procurement procedures.⁴ As a result of the significant and unanticipated dimension of the ‘refugee crisis’, CAS have hosted the vast majority of asylum seekers over the last few years in Italy such that from ‘temporary facilities’ they have been used as *de facto* first reception centers, contravening their exceptional nature. By leveraging natural exogenous variation in the share of refugees resettled across municipalities over the 5-year crisis, we can overcome concerns about refugee sorting and estimate the short-run impact on electoral outcomes (vote shares) in national elections between 2013 and 2018.

For our analysis we use unique first-hand data on refugee resettlement and reception centers in the period from 2014 to 2019, collected by the authors through Freedom of Information Act (FOIA) requests to the universe of Italian Prefectures.⁵ We combine the above administrative dataset at the municipality level with data on electoral outcomes for national parliamentary elections from the Italian Home Office, and with municipality economic and demographic data from the National Institute of Statistics (ISTAT).

Our empirical analysis exploits the time and spatial variation of the share of asylum seekers allocated across Italian municipalities induced by the design of the Dispersal Policy. This heterogeneity in the intensity of refugee reception is unanticipated and short-term in nature. The number of municipalities hosting a CAS tripled between 2014 and 2017, and the number of centers peaked between 2017 and 2018 (at the end of the observation period). The cross-sectional variation is rather granular as it derives from the spatial dispersion of asylum seekers across almost 8000 small administrative units (LAU 2 - municipalities), with each CAS hosting between 20 to 35 refugees

⁴The first dispersal programs were set up during the 1980s and early 1990s to manage refugee flows from Eastern Europe and the Balkans. These interventions were reinforced and upgraded all around Europe in response to the latest ‘refugee crisis’. The Italian Dispersal Policy (*Piano Nazionale di Riparto*) was designed at the height of the crisis in 2014, by creating ‘emergency reception centers’ or CAS (*Centri di Accoglienza Straordinaria*), in addition to the ordinary System for the Protection of Asylum Seekers and Refugees (SPRAR) run by municipal authorities. The CAS reception conditions are only ‘basic’ but they host between 75% to 80% of asylum seekers arriving in Italy. We explain the Italian refugee reception system and the Dispersal Policy in details in Sections 2 and 3.

⁵This data on the refugee reception and relocation system is supposedly collected by the Italian Home Office from Italian Prefectures on a regular basis. Yet, this centralized database is not made publicly available. This is also the reason why a systematic impact evaluation of the reception system in Italy has been prevented thus far.

on average.⁶ Importantly, we provide evidence in support of the quasi-random design of the dispersal policy and show that both the level and the change in refugee allocation is not explained by systematic (political or economic) factors. As such, the Italian Dispersal Policy provides a clean setting to elicit the causal effect of hosting asylum seekers on voting behavior at the local level.

We find a positive effect of the share of asylum seekers on right-wing-populist support, although it is small in magnitude. A 1 percentage point (p.p.) increase in the share of asylum seekers increases the share of votes for anti-immigration parties by 0.24 p.p. in parliamentary elections. This corresponds to about 2.5 percent of total variation in vote shares. This effect appears to be heterogeneous across municipalities with different population size. Point estimate for the effect on anti-immigration voting among municipalities in the top 5 percent of the population distribution is lower than benchmark estimate by about 3.8 p.p for both the Chamber of Deputies (*Camera dei Deputati*) and the Senate (*Senato*). Yet, the latter effect is not associated to an increase in left-wing electoral support. It is mainly explained by the electoral turnout, which is negatively affected by the share of asylum seekers in large municipalities compared to small ones. Moreover, we find that the anti-immigration backlash of asylum seekers inflows is attenuated in municipalities with a relatively high percentage of skilled people (i.e. with university degree or more) and exacerbated in municipalities with higher shares of (regular) immigrants. Finally, we show that results are rather robust across dispersal policy characteristics and are not driven by the somewhat uneven distribution of large refugee centers (i.e. dispersion vs. concentration of asylum seekers).

In order to assess the potential mechanisms driving higher support for anti-immigration parties, we next investigate the major economic consequences of refugee settlement at the municipality level. We find little economic impact, as we document that refugee settlement does not generate economic losses in terms of local GDP, native outflows, and municipality public expenditure. In contrast, we observe that the dispersed allocation of asylum seekers, combined with the age structure of the local population, significantly contributes to the intergenerational replacement of elderly natives within municipality.

Overall, there is little evidence that electoral preferences are rooted in actual economic mechanisms, leaving more scope for ideological or political drivers of voting behavior. Hence, we eventually investigate the role of political propaganda, occurred just before elections and right at the peak of the ‘refugee crisis’, in mobilizing voter support. In particular, we focus on the electoral campaign of right-wing parties, which has been significantly characterised by anti-immigration stances

⁶Our sample includes 6,965 municipalities with a mean (median) population of 7,729 (2,443) residents and a mean (median) area of 36 (21) square kilometres, each belonging to one of the 92 provinces covered by our sample.

and openly xenophobic views⁷, and hence may have contributed to triggering fear against aliens and radicalising political preferences. Using Twitter accounts of right-wing candidates over the electoral campaign, we geocode information on right-wing political rallies that took place at the municipality level between January 2018 and March 2018. We found 4,300 tweets or retweets linked to a campaign event or rally happening in 851 different municipalities in the two months before elections. We show that while the right-wing campaign is fairly balanced across municipalities according to the share of hosted refugees, the impact of the latter on radical right-wing support is significantly higher (by about 1 p.p.) in areas where campaign rallies were held. This is suggestive evidence of the role of the 'dog-whistle' effect, according to which radical-right propaganda may trigger electoral gains by legitimising some implicit stereotypes (e.g. fear of alien groups) through divisive language and stances (Goodin, 2008; López, 2014).

Our paper contributes to a growing body of literature studying the impact of refugee inflows on voting behavior and economic outcomes in host countries.⁸ In a recent influential work, Dustmann et al. (2019) examines the Danish refugee dispersal policy that assigned refugee immigrants across local municipalities on a quasi-random basis for more than a decade (1986–1998). By assessing the political impact over three distinct electoral cycles of both parliamentary and municipal elections, they find that electoral outcomes significantly vary according to pre-policy municipal characteristics and across rural–urban areas. In particular, while refugee allocation increases the vote share for anti-immigration parties in rural municipalities, the opposite holds in urban municipalities, most likely because of different backgrounds or experiences with immigrants in the two sub-populations.⁹ By focusing on Upper Austria, where many municipalities hosted asylum seekers while also being exposed to transiting refugee flows to Germany, Steinmayr (2020) investigates the asymmetric impact of different forms of refugee exposure and 'inter-group contact' on voting for far-right parties in the 2015 state elections. The analysis employs an instrumental variables strategy to deal with the endogeneity in the distribution of asylum seekers across municipalities and finds that exposure to transiting refugees increased far-right votes, whereas refugee reception (and contact) with asylum seekers decreased radical-right support. Other recent works investigate the impact of

⁷Fear of immigrants – and of a far-right anti-immigrant backlash – has overshadowed election discussions about the economy ahead of the vote on March 4th. *Lega's* political campaign slogan was 'Italians first' (*Prima gli Italiani*).

⁸This literature builds upon a long-standing body of works studying the socio-economic consequences of immigration, which include among others Card (1990), Hunt (1992), Friedberg (2001), Borjas (2017), Peri and Yasenov (2018), and Clemens and Hunt (2019).

⁹While using data from Denmark, Foged and Peri (2015) follow the labor market outcomes of low-skilled natives between 1991 and 2008 using the exogenous inflow of low-skilled immigrants/refugees as identification strategy. They find that a larger supply of refugees pushed less educated native workers towards less manually-intensive occupations, with positive implications for native unskilled wages, employment and occupational mobility.

refugees and immigration on the significant electoral gain of far-right parties across Europe in the last few years. For example, Edo et al. (2019), Lonsky (2020), Levi et al. (2020), Hangartner et al. (2019) and Gessler et al. (2020) examine anti-immigration backlash in France, Finland, Britain, Greece, Hungary respectively.¹⁰

The direct effect of immigration on electoral outcomes has also been studied in the United States, where recent political leaders' positions on immigration have been shaping their own electoral success. By using an instrumental variable approach, Mayda et al. (2020) empirically assess the link between immigration and the vote share received by the Republican Party in the U.S. from 1990 to 2016. They find a positive and significant impact of low-skilled immigrants on the vote share for Republicans and a negative and significant impact of high-skilled immigrants. Their results are also consistent in showing that perceived costs and benefits of immigrants may differ according to local characteristics.¹¹

By leveraging the high granularity of our refugee allocation data in Italy and the clean experimental setting whereby a sudden and massive inflow of asylum seekers is quickly dispersed across a country just before national elections, our findings complement the above evidence in pinpointing the causal impact of mere refugee exposure (i.e. without significant inter-group contact or any particular bundle of integration services). Moreover, we contribute to the literature by exploring actual economic mechanisms of the dispersal policy, which may lay behind the political backlash, along with non-economic mechanisms such as the role of political propaganda. A recent strand of the literature argues that 'identity politics', and in particular divisive political stances, have been playing a growing role in the radicalization and polarization of voting behavior (e.g. Gennaioli and Tabellini, 2019; Coates, 2017). In fact, while far-right parties have gained significant electoral success in Europe in recent years, there is also evidence that they do not merely reflect, but also aggravate radicalization and social conflict – xenophobia in particular (see Bursztyn et al. 2019; Fletcher et al., 2020; Grosjean et al. 2020; Müller and Schwarz 2019; Romarri, 2020).

¹⁰See also Gehrsitz and Ungerer (2017), Albrecht et al. (2020) and Freddi (2020) for further evidence on recent refugee exposure and political/behavioral outcomes in Germany, the Netherlands and Sweden respectively. Before the refugee crisis, other papers investigated the political impact of immigration while using an IV (shift-share) estimator to predict immigrant stocks based on historical settlement. For example, Otto and Steinhardt (2014), Mendez and Cutillas (2014), Barone et al. (2016), Halla et al. (2017) provide evidence on voting outcomes in Germany (Hamburg), Spain, Italy and Austria, respectively.

¹¹They observe that while low-skilled immigrants have a pro-Republican effect in all counties, this effect is stronger in non-urban counties, counties with a high share of low-skilled natives and counties with a high share of public spending. High-skilled immigrants, instead, have a pro-Democrat effect in all counties but this effect is stronger in counties with a high ratio of public spending relative to income and greater linguistic diversity between natives and immigrants.

Our findings add to the policy debate in the EU about the costs and benefits of refugee hosting, and the most suitable ways in which dispersal policies or integration models can be implemented. This debate was particularly heated in Italy at the height of the crisis, but little has been done by policy-makers in order to better respond to the 'refugee emergency' and move forward a more integrated management of immigration. Even though refugee reception does not impose economic costs on hosting communities, our study suggests potential political costs of hosting asylum seekers in 'temporary' reception centers that do not provide proper integration services or do not involve local institutions in their management. The increased support for anti-immigration populist parties results in less open and less welcoming societies, with long term consequences for both natives and immigrants.

The rest of the paper is organized as follows. Section 2 provides a description of the background and context. Section 3 presents the data and descriptive statistics. Section 4 describes our empirical strategy. Section 5 discusses our findings and presents the analysis of mechanisms and robustness checks. Section 6 offers some concluding remarks.

2 Background

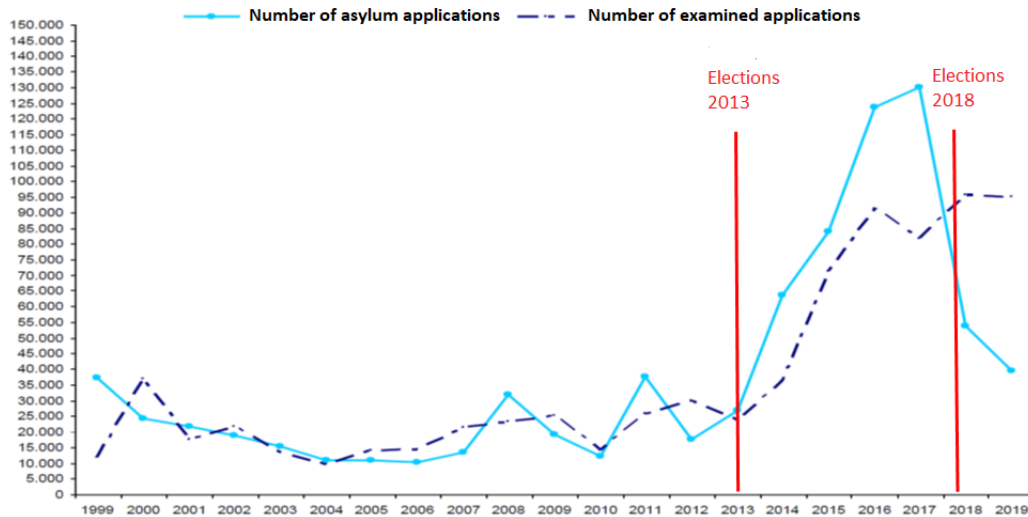
2.1 The Refugee Crisis in Italy and the Reception System

Over the past twenty years, and even longer, Italy has turned into a major destination country for international migrants, either for permanent or transitional settlement, due to both domestic and external reasons, including the geographical accident of being a peninsula in the middle of the Mediterranean. After the arrival of a first large migration inflow during the 1990s, in particular from Albania following the Kosovo War, there has been a steady South-North inflow to Italy from 2000 to 2007. Surges occurred afterwards due to the first North African Emergency (2008), the Arab Springs, the end of the Libya regime and the subsequent exodus via the Mediterranean (2011), and the escalation of old and new conflicts in many areas of the Near East, especially Syria (2013-2014).

The so-called 'refugee crisis' in Europe peaked in 2015, with over 1 million asylum seeker arrivals in one year, mainly fleeing the Syrian war (UNHCR, 2018). The number of asylum seekers arriving in Italy, especially through the Central Mediterranean Route, showed little change between 2014 and early 2018. In 2015, 2016 and 2017, 155,000, 180,000, and 119,000 asylum seekers arrived in

Italy respectively, smuggled by traffickers from North Africa or rescued at sea (UNHCR, 2018). This flow started declining in the wake of the Italy-Libya Memorandum of Understanding in 2017 and the right-wing populist government installed in 2018, with 20,120 arriving by mid-September 2018 and half as many migrants in 2019 (see Figure 1, where election cycles are also displayed).¹²

Figure 1: Asylum seekers arriving in Italy over time (1999-2019)



The need to host and settle asylum seekers fostered the scaling up of the existing reception system in Italy, which is designed along two major stages/tracks. A preliminary phase is related to identification and assistance, which is conducted at major disembarkation sites ('hotspots') and major governmental centers such as CARA (*Centri di Accoglienza per Richiedenti Asilo*).¹³

¹²The major entry points to the EU are Italy, Greece, Malta, Hungary, Croatia/Slovenia, and Bulgaria. The response to this crisis was to introduce border closures, first between Turkey and the EU (Greece) in 2015 and followed shortly thereafter by the borders between Serbia and Hungary and between Turkey and Bulgaria.

¹³ A preliminary phase of first aid and assistance applies to operations conducted in centers set up in the major spots of disembarkation. First Aid and Reception centers (CPSA) were created in 2006 for the purposes of first aid and identification before persons are transferred to other centers and are now formally operating as "hotspots". The latter are typically located on the EU's external borders, where the registration, identification, fingerprinting and debriefing of asylum seekers take place. These operations should be carried out within 48 hours of the arrival of the asylum seeker (72 hours in exceptional circumstances). There are 6 'hotspots' in Italy, 4 in Sicily and 1 in the Apulia region. Afterwards, a first reception stage is implemented in existing collective centers or in centers established by specific ministerial decrees (e.g. CARA, CPR— see below) or, in case of insufficient space, in "temporary" structures. CARA are host centers where asylum seekers can be hosted for a maximum of 35 days, while waiting for their asylum application to be processed. In reality though, many people end up staying much longer in CARA until they have had their asylum claim processed. At the height of the migration crisis in 2015 and 2016, Car di Mineo (Catania Province in Sicily) was Italy's biggest reception center with more than 4000 migrants. In autumn 2018, the number was still around 2000, while at the beginning of 2019, the estimated

Secondary reception is carried out by the System for the Protection of Asylum Seekers and Refugees (SPRAR), which was put in place in 2002 following the first refugee inflows. A main feature of this system is that it is set up and managed upon the decision of municipality administrations (LAU-2 administrative units).¹⁴ Thus, the SPRAR system is run by local authorities on a voluntary basis and is not for profit. It is funded by the national government through money channelled to local municipalities and provides reception services such as language courses, psychological care, training and labor market integration programs. The SPRAR system is often singled out for its small scale organization, aimed at refugee integration at the local level.¹⁵ Yet, since municipalities' political orientation and administrators capacity determine the presence and distribution of SPRAR reception centers across the country, at the height of the Refugee Crisis (2014–2015) in December 2014, only 433 out of around 8,000 municipalities were hosting a SPRAR project (and only 700 in 2017).¹⁶ This proved to be insufficient to manage the unprecedented inflow of asylum seekers that began in 2014.¹⁷

Hence, a third (parallel) track of (second stage) reception centers was set up on a 'extraordinary' basis. These Temporary Reception centers (*Centri di Accoglienza Straordinaria* - CAS) were

number was 1300. The CARA system is characterised by huge facilities, high costs, low quality of services provided, and isolation from residential areas. CPR (Return Detention centers) are where immigrants may be detained if they refuse to be identified upon arrival, do not have a valid permit of stay or received an administrative expulsion order. Originally, the maximum duration of the administrative detention was 30 days (art 12, Turco-Napolitano Law); the Bossi-Fini Law established that in case the identification procedure is particularly difficult, the detention of migrants can be extended, through judicial order, for another 30 days; in 2013, this period was extended to 90 days. Recently, Art 2 of the Security Decree extended the maximum period of detention to 180 days. In Italy 6 CPR are currently active: Rome (Lazio), Bari and Brindisi (Apulia), Turin (Piedmont), Palazzo San Gervasio and Potenza (Basilicata), Caltanissetta and Trapani (Sicily).

¹⁴The administrative division of Italy includes 20 regions and each region is divided into a number of Provinces (corresponding to NUTS-3 administrative units), which in turn are divided into Municipalities (LAU-2). Overall, there are currently 107 Provinces. The average population size of provinces is around 540,000, ranging from 127,844 to 3,075,083. Provinces are made of municipalities, which number slightly less than 8,000 and have an average population of around 7,000 (ranging from 120 to more than 1 million).

¹⁵The SPRAR model provides for a joint action of the Ministry of the Interior, the National Association of the Italian Municipalities (ANCI) and the United Nations High Commissioner for Refugees (UNHCR) and is supported by shared responsibility between local and central public authorities. For detailed information see <https://www.siproimi.it/english>

¹⁶By using data on SPRAR centers between 2005 and 2017, Gamalerio (2019) shows that opening a center allows municipalities to receive substantial fiscal grants from the central government and to gain investment's returns for the local economy. Amid the economic benefits, he finds that electoral incentives of local politicians deter them from opening a SPRAR center.

¹⁷Moreover, the redistribution of migrants has occurred not uniformly everywhere, with municipalities opening reception centers at different points in time. By using an IV strategy based on the availability of group accommodation buildings as a predictor of SPRAR settlements, Gamalerio et al. (2020) evaluate the impact of the latter on extreme-right voting. While using data from 2016, i.e. before the peak in refugee inflows, on both SPRAR and CAS together, Bratti et al. (2020) instead evaluate the geographical spillover effects of refugee premises on voting outcomes in neighbouring municipalities.

created to deal with the lack of capacity of the existing reception centers and quickly replaced both SPRAR and CARA as the go-to system for the new government. Each year in the period of 2014–2018 CAS centers hosted around 75 per cent of asylum seekers in Italy (Def. 2018– see Figure A1 in Appendix). CAS is a private-enterprise system financially supported by the national government, but run by private stakeholders who provide services (food and accommodation) for refugees and migrants. Some CAS are housed in former group accommodation buildings but the vast majority are divided across networks of private apartments.¹⁸

The number of asylum seekers is centrally allocated to province-based Italian Prefectures according to the “Allotment Plan” (*Piano Nazionale di Riparto*), which sets the number of asylum seekers as a proportion of the provincial resident population (i.e. about 2,5 out of 1.000 inhabitants).¹⁹ The allocation of centers within the provincial territory is coordinated by local Prefectures, which open public bids that are eventually assigned to cooperatives, NGOs or private operators based on the quality of the project and the tender cost schemes.²⁰ The location of refugee centers are proposed and decided by economic operators, without consultation with local municipality administrations. Within the terms of the law, procurement calls remain open for 35 days, even less if a case of urgency is made. At the height of the crisis, the vast majority of procurement calls were set up with the ‘competitive open procedure’ (i.e. any interested operator may submit an offer in response to a summons for bid) and unfilled bidding is less than 2% (see OpenPolis–ActionAid, 2018)²¹

This Dispersal Policy aimed to reduce the concentration of asylum seekers and refugees in urban and disembarkation areas, as well as share the “costs” of reception and hospitality through a gradual and sustainable distribution of asylum seekers across the whole national territory. However, a critical point of the CAS system is that, unlike SPRAR, its ‘temporary’ and the private nature

¹⁸As reported by Parliamentary Commission to Chamber of Deputies in 2017, 85% of CAS centers are hosted in apartments or private houses, most of them (82%) privately rented (Chamber of Deputies, 2017).

¹⁹The *Piano Nazionale di Riparto* was drawn up in July 2014 for both SPRAR and CAS systems, and it was revised in December 2016, when the Home Office tried to facilitate the opening of SPRAR center for municipal authorities. For instance, the “safeguard clause” was included, which exempts municipalities involved in the SPRAR network from other forms of reception, as long as they meet the above ratio (if some CAS were already in place, they would be downsized or converted into SPRAR centers). Other financial and administrative measures were introduced in order to incentivize local authorities to agree to join the ordinary system. Yet, this did not work in practice, as SPRAR centers grew by only 20% in 2016 (primarily in Provincial capital), and this was not enough to keep pace with new arrivals. As a consequence, CAS grew threefold by 2017. The functioning of the reception system has been regulated by Legislative Decrees (LD) 142/2015 and 132/2018, which distinguishes among different stages of asylum seeker reception.

²⁰A dysfunctional clash between Prefectures and local mayors regarding the allocation of asylum seekers and the opening of reception centers often made headlines for leading to anti-immigration protests.

²¹Between 2016 and 2017 the amount tendered with the ‘open procedure’ grew by about 1 billion euros. This is the procedure in which the highest level of transparency is guaranteed and competitiveness between the various economic operators involved is maximized (OpenPolis–ActionAid, 2018).

does not aspire to ensure the provision of integrated refugee reception services such as psychological support, training and job market integration ²². Thus, while CAS ended up being geographically dispersed, they provide fewer integration services than the ordinary system, such that very few asylum seekers in CAS can participate in the labor market, for example.²³ Finally, it is worth mentioning that Italy has the longest asylum procedure in Europe, ranging between 18 and 24 months from application to formal status registration.

Overall, the extent to which the Dispersal Policy has been efficient in finding a balance between dispersion and concentration, hence diluting costs and stemming 'not-in-my-back-yard' backlash, is not clear a priori. More evidence and descriptive statistics on policy design and CAS distribution across Italy is provided in Section 3.

2.2 The Political Spectrum in Italy

The outcome of the 2018 round of national elections brought about a radical transformation in the balance of power across the political spectrum. First, anti-immigration parties gained a sizeable growth in their share of votes and took the lead within the center-right area. Second, the populist *Movimento 5 Stelle* (M5S) became the most-voted for party in both chambers of national parliament. Third, center-left parties experienced a large loss of consensus among their former voters.

Within the anti-immigration front, two parties gained the most significant momentum: *Lega* and *Fratelli d'Italia* (FDI). The former started in northern Italy in the late 1980s as a federalist party promoting regional fiscal independence and more recently became a national party with the leadership of Matteo Salvini. The latter is a nationalistic party created by scission from the center-right party – *Popolo della Libertà* (PDL) – and can be roughly identified with the post-fascist political area. The remainder of the anti-immigration front includes several extreme-right groups that are

²²The Italian government used to assign 35 euros per person per day (mostly in goods and services) for both SPRAR and CAS. Yet, in the case of CAS, this is an indicative figure as the actual costs are established through calls for tenders, and may therefore be lower. Moreover, as far as the CAS are concerned, each prefecture in Italy can change the starting auction base. Critics of the predominance of CAS systems worry that since these centers are being run as an enterprise rather than solely to benefit the local community, the managers might be tempted to cut costs in order to turn a profit.

²³Asylum seekers can potentially get a job two months after they apply for asylum. However, if their income reaches a certain threshold they become ineligible to be hosted in the reception centers. According to official statistics, less than 10% of all asylum seekers hosted in the Italian reception system had a regular job contract between 2011 and 2017. See <http://documenti.Chamber of Deputies.it/leg17/resoconti/commissioni/bollettini/pdf/2017/09/06>

best exemplified by *Casa Pound* (CP), a neo-fascist movement embracing nationalistic ideas, such as nationality-based welfare systems, and repudiating the reception of asylum seekers in Italy.

Anti-immigration sentiment has been a salient element of both *Lega* and FDI's political agenda. Their propaganda has heavily emphasised the risk that migration may trigger a process of demographic and cultural change ("ethnic substitution"), and has depicted irregular migrants as a potential threat to the national economy and security. While proposing fairly similar economic programs, these parties share common stances on several migration-related issues. In fact, both i) have not endorsed any reform of actual laws regarding regular immigration to Italy; ii) strongly opposed the reception of irregular migrants crossing the Mediterranean by sea; and iii) voted against the reform of the Dublin system in the European Parliament.²⁴

In contrast, center-left parties have all supported the change in the Dublin Regulation.²⁵ The *Partito Democratico* (PD) was the major component of the government that administrated Italy during the refugee crisis, when the CAS asylum-seeker reception scheme was introduced and implemented. Even though the PD-led government set up an agreement with Libyan authorities in 2017 that was effective in preventing a substantial portion of irregular flows from overseas, the PD was perceived as a pro-immigration party among electors. *Lega* and FDI representatives blamed the PD-led government for allowing a massive inflow of irregular migrants.

Finally, M5S has rejected a precise placement over the left-right axis and has held an ambiguous position on immigration. Indeed, while not explicitly engaging in anti-immigration propaganda, M5S's European Parliament members voted against the reform of the Dublin Regulation on the distribution of asylum-seekers across European countries.

In order to document the ideological differences on immigration across Italian parties, in Table 1 we report data from the Manifesto Project (Volkens et al., 2020). The latter extrapolates, through text-analysis of political manifestos, election-specific information about parties' positions on a large

²⁴*Lega's* leader Matteo Salvini was appointed Interior Minister in the 2018 populist coalition government. Just 10 days after his appointment he started the 'no docking rights policy' for NGOs-run rescue boats in Italian ports. In September 2018 he implemented the controversial Security Decree, which denied asylum seekers the right to enrol in municipal registry offices anymore (*de facto* excluding them from basic health care and social coverage), weakened the rights of migrants and asylum seekers, excluded them as well as beneficiaries of humanitarian protection status from the SPRAR system, and downsized the CAS system by reducing financial support for general services, including mediation and legal advice to refugees.

²⁵By center-left parties we refer to *Partito Democratico* (PD) and 'radical-left' parties, i.e. *Sinistra, Ecologia e Libertà* (SEL) in 2013, and *Liberi e Uguale* (LEU), in 2018. While SEL was part of the same coalition as PD in the 2013 election, LEU presented an independent coalition with its own candidate for prime minister in 2018. However, we include both them in the center-left coalition as they have very similar positions with regard to immigration policies.

range of issues. None of the manifestos by major parties, except PD in the 2018 elections, mention cultural diversity as a desirable feature of society. In fact, the manifestos from both *Lega* and FDI include negative references to diversity. Aversion to multiculturalism became prominent for these parties after the breakout of the refugee crisis. For instance, while absent in the program for the 2013 election, the appeal for cultural homogeneity and against the risks of a diverse society became a stable pillar of *Lega*’s program in 2018. The political programs of all right-wing parties for the 2018 elections, and in particular *Lega*, include statements in favour of restrictions to immigration, while only PD’s manifesto conveys a positive view on this subject.²⁶ The manifestos by *Lega* and FDI, moreover, demand a process of integration for immigrants who should be hence expected to fully assimilate into national culture, rather than retain their own customs and cultural traits.

Table 1: Manifesto Project dataset - Italian parties’ ideology about immigration

Category:	2013					2018				
	Lega	FDI	PDL	M5S	PD	Lega	FDI	PDL	M5S	PD
Multiculturalism: Positive	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.23
Multiculturalism: Negative	0.00	1.52	0.00	0.00	0.00	2.75	3.85	0.00	0.00	0.00
Immigration: Negative	-	-	-	-	-	2.98	1.65	2.08	0.02	0.00
Immigration: Positive	-	-	-	-	-	0.00	0.00	0.00	0.09	0.39
Immigrants Assimilation	-	-	-	-	-	1.91	2.20	0.00	0.00	0.00

3 Data

Open access to centralized data on CAS and refugee distribution across Italy from 2014 onwards is not made available by the Home Office. Hence, we carried out first-hand data collection of administrative information through Freedom of Information Act requests (FOIA - *Accesso civico generalizzato*) to governmental offices (Prefectures) at the local (provincial) level.²⁷ We filed formal requests for data access to the universe of 106 Prefectures between July 2019 and February 2020.²⁸

²⁶The Manifesto Project’s data on party ideology concerning immigration and assimilation are not available for 2013. We therefore cannot document the within-party ideological evolution of these subjects between 2013 and 2018. Data source: <https://manifesto-project.wzb.eu/>

²⁷The Italian Home Office has a local representative unit (i.e. Prefectures) in 106 of them. Sardinia has 4 local offices covering a territory of 5 Provinces.

²⁸In order to test the response rate and time we firstly ran a pilot survey with 23 local offices from three regions (July-September 2019). As a second stage, data collection was extended to the remaining 83 offices. A description (in Italian) of our data collection is available at <https://www.openpolis.it/limportanza-dellaccesso-ai-dati-il-caso-del-sistema-di-accoglienza-in-italia/>

We collected information on CAS capacity, timeline and actual number of hosted refugees for the years 2014–2019.²⁹

The format of the data received and the response times were very heterogeneous across offices. In most cases, the data contained the list of reception centers set up in a province area within the reference period along with details on location and capacity. We obtained complete data for the entire period (2014–2018) for 92 Prefectures. In 10 extra cases, data were made available only for the most recent years, so we could not include those provinces in our analysis. Four offices did not release any data at all.³⁰

Information was extracted through text mining and machine learning techniques from very different source files and combined into a unique and harmonized dataset. The compiled dataset allows mapping the number of asylum seekers hosted across 6,965 out of 7,950 Italian municipalities (7,918 in 2019) and tracking their evolution over time from the escalation of the refugee crisis to date (2014–2019). Overall, Italy hosted around 37,000 asylum seekers in the CAS reception system in 2014, which increased to almost 144,000 in 2017 (equal to about 0.3 per cent of the total national population). In Figure 2 we show a map of our data for 2014 and 2017, namely the share of asylum seekers on the 2013 resident population across Italian municipalities.

We match the above data with municipality characteristics, which we use to check whether the allocated share of asylum seekers is independent of a set of observable local-level variables in the baseline period, and to investigate the mechanisms driving our empirical findings. We consider data from ISTAT’s public warehouse³¹ on the resident population by age and gender, the share of foreign born population, the share of the population over 65 years old and per-user expenditure for local public services. We also use data from the latest available 2011 Census on municipality unemployment rates, share of the population with tertiary-education, and presence of non-profit institutions.³² Finally, we resort to aggregate data from the Minister of Finance on taxable gross income earned by residents to compute municipality per-capita income.³³

²⁹For a subsample of Provinces we have additional information on the characteristics of hosted refugees (gender, number of unaccompanied children, nationality) and the type of accommodation and management facility.

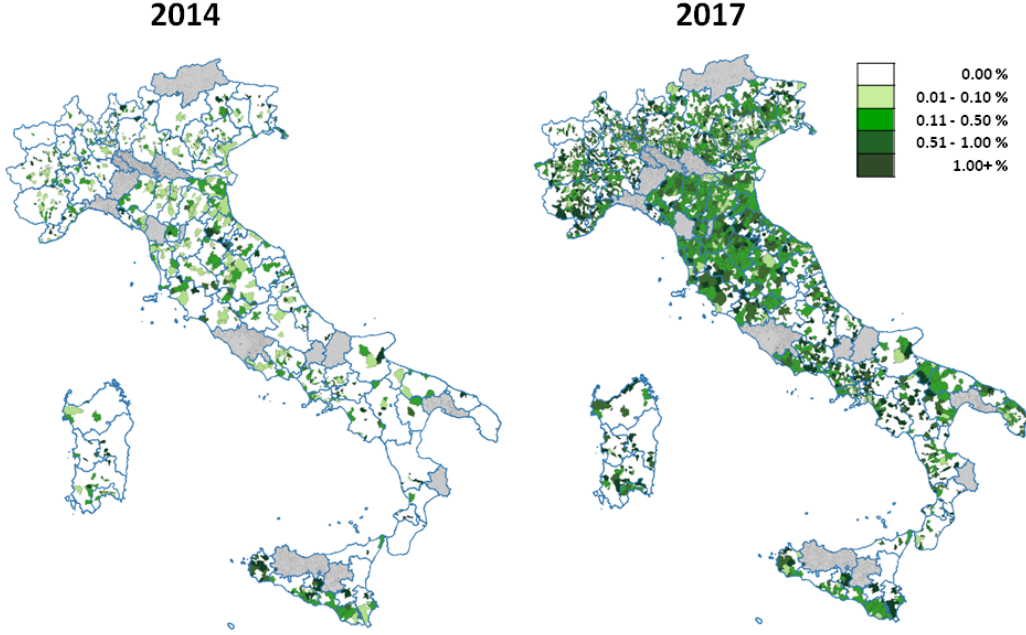
³⁰Palermo, Campobasso, Isernia and Cremona never replied FOIA requests and are excluded from our sample. As for response time, this varied between two weeks and five months. In more than half of cases, several interactions between the offices and the research team were needed to obtain the requested data.

³¹Available at: <http://dati.istat.it/>.

³²Source: <http://dati-censimentopopolazione.istat.it/Index.aspx?lang=it>.

³³Source: https://www1.finanze.gov.it/finanze3/stat_dbNewSerie/index.php.

Figure 2: Share of asylum seekers in the municipality population 2014-2017



3.1 The Dispersal Policy

The Refugee Dispersal Policy implemented by the Italian government reproduces a quasi-experimental setting, by assigning refugees to municipalities on a quasi-random basis. As shown in Figure 3, where we plot province population size before the policy launch (2013) against the number of asylum seekers, the latter are first allocated to each province based on the resident population. Provinces with larger populations received larger numbers of refugees on a mandatory basis. The regression line in Figure 3 has a slope equal to 0.0023 (s.e. 0.0001), which is very close to the Allotment Plan of 2.5 asylum seekers out of every 1000 inhabitants. The strong relationship between allocated asylum seekers and pre-policy population size is also reflected in the regression goodness-of-fit measure (R-squared of 85%). The latter relationship is naturally reciprocated at the municipality level, although with much more variation in the allocation numbers across similarly-sized municipalities. Figure 4 plots the allocated number of refugees against the (pre-policy) municipality population size and, while the regression slope is similar to the former one (0.0024 with s.e. 0.00003), population size explains only 47% of the variation in the number

refugees. This variation is the result of the within-province refugee allocation process coordinated by Prefectures through the public procurement bids we described in Section 2. In Figure 5 we plot the share of asylum seekers against some municipality characteristics at baseline such as the average (log) income per capita, unemployment rate, population share with university degree, and share of foreign population.³⁴ Plots show no systematic correlation between the refugee share and municipality-level characteristics. We provide more evidence on the quasi-random allocation of refugees across municipalities below, when describing the estimation strategy below. Moreover, beyond cross-sectional variation, in our analysis identification is achieved by exploiting within-municipality variation in the allocation of refugees between the two electoral cycles.

We report descriptive statistics in Table 2. The number of municipalities hosting a CAS tripled over time along with the increase in asylum applications. The maximum number of CAS centers was reached between 2017 and 2018 (at the end of our observation period). Reception centers host between 20 and 30 refugees, on average, with a decreasing average size over time as long as the dispersal policy has been put into practice. Yet, high heterogeneity is observed in the organization of hospitality at the local level. For instance, given the same percentage of asylum seekers in the total population, the average number of refugees per CAS centers in 2017 was 16 and 101 in Lombardy and Sicily, respectively. Overall, the percentage of reception centers hosting more than 100 refugees never exceeded 3.5%. This evidence reflects the granular level of the dispersal policy implemented in Italy, which was the result of a scramble for a rapid geographical allocation of asylum seekers.

³⁴Baseline data are for 2013 or 2011 depending on availability.

Figure 3: Number of asylum seekers hosted in 2017 on 2013 province population

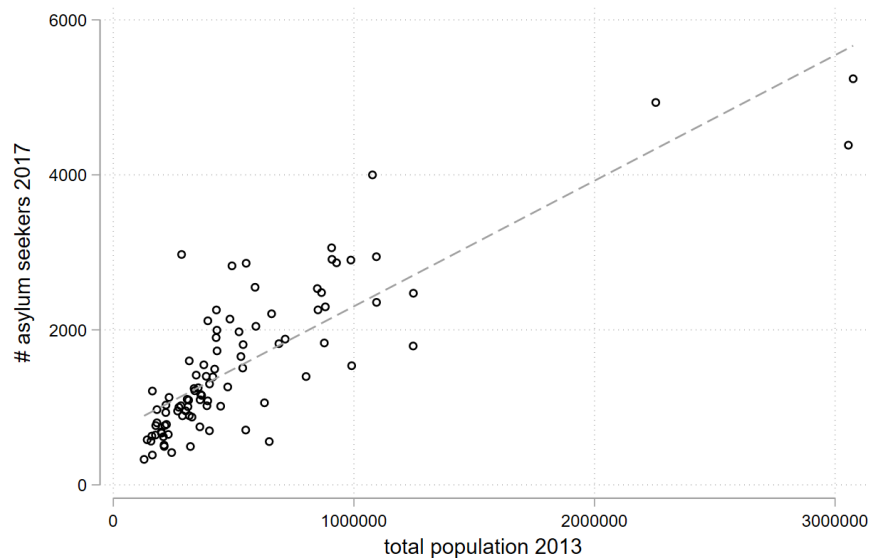


Figure 4: Number of asylum seekers hosted in 2017 on 2013 municipality population

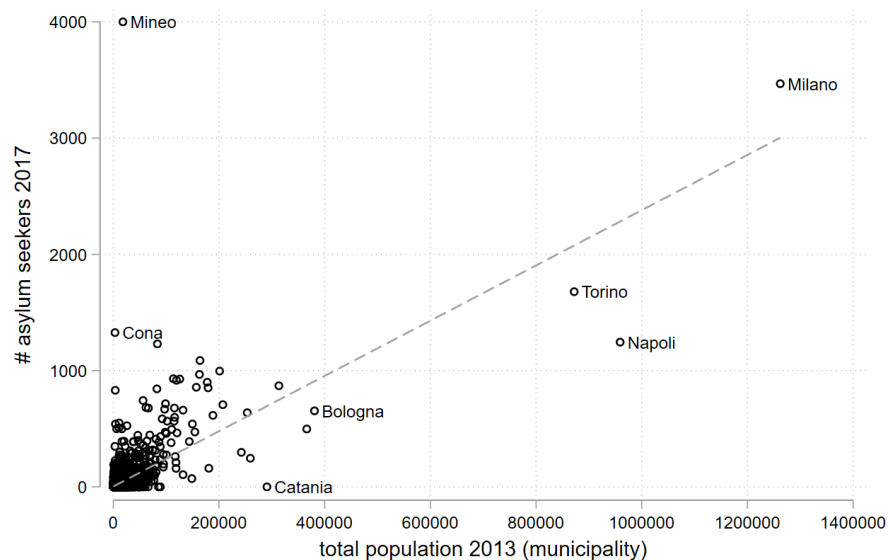


Figure 5: Relocation of asylum seekers according to municipality characteristics

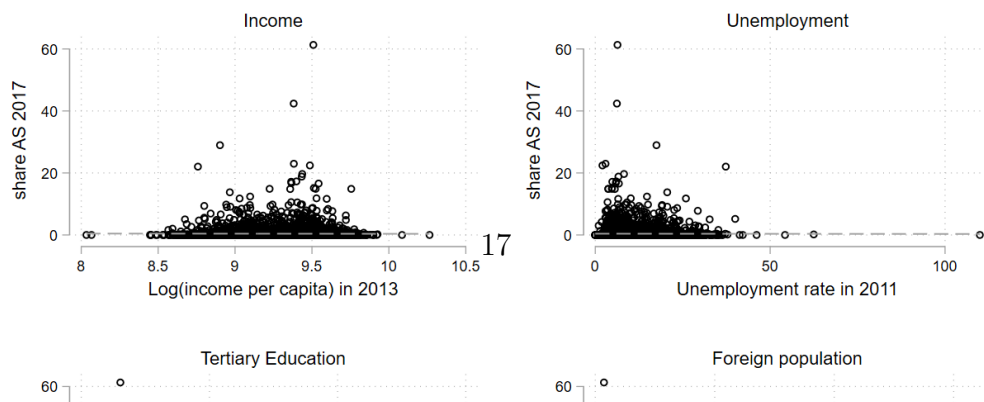


Table 2: Allocation of asylum seekers

	2014	2015	2016	2017	2018	2019
Municipalities hosting a CAS	775	1383	2135	2655	2340	1893
Municipalities hosting a CAS (%)	11.13	20.43	31.50	38.12	35.01	27.18
Nr. of asylum seekers	37374	67566	121258	143750	116014	83690
Nr. of CAS	1786	4539	10187	15223	15948	10743
Average size of CAS	34	28	26	23	22	20
CAS with more than 100 guests	62	119	213	254	191	152
CAS with more than 100 guests (%)	3.5	2.6	2.1	1.7	1.2	1.3

3.2 Political Data and Propaganda

In order to measure local political preferences, we use data from the Italian Home Office for the 2008, 2013, and 2018 national elections of the Chamber of Deputies and Senate³⁵, the two chambers of the Italian Parliament.³⁶ This dataset provides information about the number of votes received by any party competing in each round at the municipality level.

At a national level PDL, the major holder of center-right governments in the last 25 years, accounted for about 22 percent of total votes in the 2013 national elections, while *Lega* and FDI, combined, accounted for around 6 percent. After the March 2018 elections, the anti-immigration front reached the leadership within the center-right coalition. FDI more than doubled its share of votes, and *Lega* received around 17 percent of votes (see Table 3). In the Appendix, we report a map of vote shares for anti-immigration parties at municipality level (see Figure A2). The results from the 2018 elections also confirmed the rising trend in the support for the populist party M5S, which escalated to about 32 percent of preferences from, 25 percent in 2013.

Between 2013 and 2018, leftist parties experienced a drop in the share of votes. center-left coalitions received, on aggregate, about 26 percent of votes in 2018, down from around 30 percent in 2013. The *Partito Democratico* (PD) maintained the lion’s share, with slightly more than 18 percent and 19 percent of votes for, respectively, the *Camera* and *Senato* elections, although it reported the relatively largest loss if compared to 2013, when PD accounted for more than 25 percent. The second largest parties within the left wing of parliament were *Sinistra, Ecologia e Libertà* (SEL), in 2013, and *Liberi e Uguali* (LEU), in 2018. Both are located to the left of PD on the political

³⁵We consider national elections in 2008 to test for diverging pre-trends in political preferences during pre-refugee-crisis years.

³⁶Data are publicly available at: <https://elezionistorico.interno.gov.it/>.

spectrum, and their share of votes amounted to around 3 percent in both elections.

We examine the impact of asylum-seeker presence on the share of votes for the whole group of anti-immigration parties, including *Lega*, FDI and CP. We further assess the same effect separately for the two main anti-immigration parties, i.e. *Lega* and FDI. We further estimate vote shares for the center-right party (PDL) and the populist party (M5S). We then focus on the group of center-left parties, including the 'Democratic Party' (PD) and 'radical-left' parties (i.e. SEL in 2013 and LEU in 2018). Finally, we consider political participation by using the municipality's electoral turnout (i.e. the share of actual voters over the number of citizens entitled to vote) as an outcome.³⁷

Table 3: Election outcomes - Descriptives

	2013		2018	
	Chamber of Deputies	Senate	Chamber of Deputies	Senate
Anti-immigration parties	6.05	6.25	21.70	21.87
Lega	4.09	4.33	17.35	17.61
FDI	1.96	1.92	4.35	4.26
PDL (Forza Italia)	21.56	22.30	14.00	14.43
M5S	25.56	23.79	32.68	32.22
center-left	29.55	31.63	26.25	26.28
Turnout	75.19	72.93	75.11	72.99

Notes: Source: Home Office data warehouse - Electoral results.

In order to measure the political propaganda of anti-immigration parties before the 2018 elections at the local-level, we use an indicator of public events and rallies of right-wing parties at the municipality level. We gather this information from Twitter accounts belonging to Lega, FDI and PDL candidates, as well as official party accounts, and geo-reference local events or electoral rallies happening across Italian Municipalities between January and March 2018. We do so in order to leverage the high granularity of exposure to political propaganda and to measure right-wing stances delivered in person and not on-demand as is the case with media access or engagement. In fact, electoral campaigns in Italy are rally-intensive, and particularly so in the 2018 election, when identity politics played an important role and 'charismatic politicians', such as the *Lega* leader Salvini, exploited the traditional ground campaigning and voter contacts to influence others.

We downloaded more than 42,600 tweets published by election candidates and official right-wing party accounts from January, 1st to March, 4th, the day of national elections. By using an

³⁷All Italian citizens over 18 years old are entitled to vote for the election of the members of the Chamber of Deputies, while only those over 25 years of age are entitled to vote for the election of Senate members.

automated algorithm, we gather all tweets that reference any election event (rallies, electoral meetings, political public event, etc.) held in a specific location (municipality).³⁸ We found 4,300 tweets linked to an electoral campaign event at the local level, and among them we identify 851 municipalities that has been visited at least once by right-wing candidates during the final rush of the electoral campaign. About half of these municipalities happened to also host a CAS in 2017.

4 Empirical Strategy

We study the impact of the presence of asylum seekers on electoral outcomes at the municipality level by means of a fixed effects model specified as follows:

$$V_{mt}^j = \alpha^j + \beta^j AS_{mt} + \mu_m^j + \delta_t^j + \epsilon_{mt}^j \quad (1)$$

The dependent variable, V_{mt}^j , is the vote share (over the total number of voters) for political party (or group of parties) j in municipality m at time t (where $t_0 = 2013$ and $t_1 = 2018$). Our analysis considers the outcomes from the 2013 and 2018 national elections for the two chambers of the Italian Parliament, i.e. the Chamber of Deputies and Senate. The explanatory variable of interest, AS_{mt} , is the share of asylum seekers at the municipality-level (i.e. the number of allocated refugees as a fraction of the municipality’s total population at the baseline).³⁹ This is computed as the sum of the capacity of all CAS in a municipality. As we consider the allocated number rather than the actual number of refugees living in a municipality, the coefficient β can be interpreted as an intention-to-treat parameter (see also Dustmann et al. 2019). Since the CAS system started in 2014 (the crisis kick off), and before then refugee reception in extraordinary centers was either low or nil at the local level, the share of asylum seekers is set to 0 in the pre-treatment period (2013) in all municipalities, while in $t_1 = 2018$ it is equal to the refugee share in 2017, the year

³⁸The algorithm includes the use of keywords such as ‘rally’ ‘meeting’ ‘gathering’ etc. Such keywords must appear in combination with the name of an Italian Municipality, which we then match to our main dataset. A final, semi-automated procedure is used to double-check if all tweet-municipality pairs actually identify a political meeting.

³⁹While we have no precise data on refugee administrative registrations, we know that some municipalities registered refugees hosted in CAS centers among the resident population, while others did not (registration is generally the rule though, since it allows asylum seekers to get access to basic health and social services). This registration issue may generate inconsistencies in the population size across municipalities depending on the allocated number of asylum seekers. For this reason, we standardize the number of asylum seekers with total population size in 2013, i.e. just before the CAS system was introduced.

just before the elections.^{40 41}

The parameter μ_m captures municipality fixed effects and all time-invariant characteristics at the local level, while δ_t , the parameter for time fixed effects, accounts for shocks that are common to all observations in a given year. Importantly, municipality fixed effects absorb any static determinant of voting behavior including the local historical presence of *Lega (Nord)* or extreme right parties at the municipality-level, as well as cross-sectional variation in the duration of refugee reception, the geographical municipality area, local infrastructure, cultural traits, and social norms. ϵ_{mt} is an idiosyncratic error component. Standard errors are clustered at the municipality level.

The identification of β as the causal effect of the share of asylum seekers on local political preferences hinges on the assumption that treatment allocation - the share of asylum seekers - is independent from any unobserved local feature, embodied in the error term ϵ_{mt} , that affects the outcome at the same time. If asylum seekers' allocation is correlated with municipality characteristics at the baseline that simultaneously affect local political preferences, and if the error term ϵ_{mt} is serially autocorrelated, the estimate of the causal impact will be spurious. To illustrate, assume for example that municipalities with higher exposure to asylum seekers perform differently in economic terms before the program launch. Then, preferences for anti-immigration parties may increase through channels not related to exposure to asylum seekers, and the estimation of causal effect will be biased upward.

In order to check whether local characteristics at the baseline are associated with the intensity of the treatment, we first run a balance test of the change in the share of allocated asylum seekers between 2013 and 2017 on a set of municipality-level variables in the pre-treatment period. Table 4 reports the results for balance tests. Each entry represents the outcome from the univariate cross-sectional regression of the share of asylum seekers on each local pre-treatment variable. Results reveal that the treatment is fairly balanced across almost all of the observables we consider, i.e. economic, demographic, political and local environment characteristics. The endline share of asylum seekers is not significantly correlated with (log) per capita income, share of foreign borns and number of firms in 2013, and with unemployment rate and share of population with college degree in 2011 (the last available year). There is also no correlation with the opening of a SPRAR center over the same period, municipality being under receivership in the former period (as a proxy for the local level of corruption), number of NGOs and local volunteers (civic capital). Interestingly though, the

⁴⁰The 2018 Italian general election was held on March 4th 2018 after the Italian Parliament was dissolved by President Mattarella on December 28th 2017.

⁴¹In a set of robustness checks, we use the maximum share of asylum seekers hosted at any point in time between 2014 and 2017 as our endline observation. Results are qualitatively the same (available upon request).

share of asylum seekers is significantly and positively associated with the share of the population over 65 years old, i.e. municipalities with a higher fraction of elderly residents seem to receive, on average, more asylum seekers than municipalities with a lower share of elderly population. We will consider this throughout the analysis.⁴²

As for political variables, the share of asylum seekers is not significantly associated with the share of votes for anti-immigration parties and PDL in the 2013 election for the *Chamber of Deputies*. Yet, it is (weakly) positively associated with the share of votes for PD at the municipalities level. As we will discuss along with our results, this weak imbalance cannot explain our findings but it can eventually lead to a lower-bound interpretation of our estimates.

We also examine whether the allocation of asylum seekers in 2017 is independent from pre-treatment trends in local political preferences and income per capita. More specifically, we estimate the same model as in Equation (1) but considering the variation in the outcome between 2008 and 2013. In the same spirit as a placebo test, we assign to observations in 2013 the value of the share of allocated asylum seekers in 2017 and 0 for all municipalities in 2008. It is worth noting that the political spectrum changed between 2008 and 2013, and new parties that did not exist in 2008, e.g. FDI and M5S, emerged and gained consensus. Thus we can test for parallel pre-trends for parties present in both 2008 and 2013 only. The results in Table 5 show that the share of allocated asylum seekers in 2017 is not significantly associated with within-municipality changes, between the 2008 and 2013 elections, in the share of votes for *Lega* (Column 1), the most voted anti-immigration party. However, we find that the share of asylum seekers afterwards is very similarly correlated with the growth of the vote shares between 2008 and 2013 for PDL and PD, the main parties of the center-right and center-left coalition respectively (Columns 2 and 3). This results point to the fact that asylum seekers were distributed 'equally' with respect to previous political trends, in accordance with the Dispersal Policy design. Yet, diverging pre-trends in political outcomes may affect estimates of the causal effect in Equation (1). Indeed, if we find, that the share of asylum seekers between 2013 and 2018 is positively associated with the share of votes for PD or PDL, we will not be able to fully distinguish between the causal impact of the treatment from ongoing trends in the dependent variable. However, we show this is not our case

⁴²This is the result of the dispersal policy whereby asylum seekers do not choose where to live, while (young) natives do. Differently said, while asylum seekers are dispersed across municipalities, the age-pyramid is not. This is related to the demographic structure and geographical distribution of the Italian population. While the latter is ageing (22.8 percent of the total population was 65 years old in 2019, the oldest population in the EU) and elderly people are relatively spread out, young people are more geographically concentrated (e.g. in metropolitan areas). Hence, the latter concentration contrasts with the dispersion of asylum seekers, which mechanically mimics the dispersion of elderly people.

in the discussion of results.

Finally, the estimate in Column 5 does not yield a significant correlation between asylum seeker allocation and pre-treatment trends in income per capita. Municipalities hosting a higher share of asylum seekers were not therefore on a different economic growth trajectory in the years before the refugee crisis.

Table 4: Balance tests on pre-treatment municipality characteristics

Baseline municip. characteristics	AS share (endline)	N
<i>Economic and demographic characteristics</i>		
Log(Income per capita)	-0.0414 (0.0855)	6965
Unemployment rate	-0.0028 (0.0037)	6896
Log(welfare exp. per user)	-0.0466 (0.0358)	6965
% univ. degree	-0.0083 (0.0080)	6965
% over 65	0.0168*** (0.0043)	6965
% of foreign born	-0.0047 (0.0044)	6965
<i>Political characteristics</i>		
Anti-immigration parties	-0.0001 (0.0027)	6965
Lega Nord	-0.0004 (0.0028)	6965
FDI	0.0017 (0.0063)	6965
PDL	0.0011 (0.0030)	6965
M5S	-0.0057 (0.0039)	6965
center-left	0.0049* (0.0025)	6965
Election turnout	-0.0036 (0.0030)	6965
<i>Local institutions and civic/social capital</i>		
Municipality hosted a SPRAR	-0.0544 (0.0534)	6965
Municipality under receivership 2007-13	-0.0474 (0.0409)	6965
% of NGOs serv. soc. emerg. p.c.	0.3562 (0.3192)	6965
% of NGOs int. coop. p.c.	0.1180 (1.5423)	6965
% of NGOs religion p.c.	0.7863 (0.8617)	6965
% volunteers serv. soc. emerg. NGOs p.c	0.0094 (0.0140)	6965
% volunteers int. and coop. NGOs p.c	-0.0122 (0.0223)	6965
% volunteers religious NGOs p.c	0.0051 (0.0034)	6965

Notes: Standard errors clustered at the province level in parentheses. * $p < 0.10$, ** $p < 0.05$, *** $p < 0.01$. *AS share* is the change in the share of asylum seekers hosted in the municipality between 2013 and 2017 (where the baseline is equal to zero) over the 2013 total population. Column 2 reports the coefficients of the regression of AS share on pre-treatment variables. Population, (log) income per capita, share of over 65 and foreigners, SPRAR (dummy), per-user welfare expenditure and electoral outcomes refer to 2013; unemployment rate, % of population with tertiary education and number of firms refer to 2011.

Table 5: Pre-trends in election results and income per capita - 2008-2013

	(1)	(2)	(3)	(4)	(5)
	Lega Nord	PDL	PD	Turnout	Log(Income p.c.)
<i>Chamber of Deputies</i>					
AS share	-0.0169 (0.0483)	0.0977** (0.0460)	0.1027** (0.0459)	-0.0931** (0.0369)	0.0004 (0.0004)
<i>Senate</i>					
AS share	-0.0547 (0.0448)	0.1111** (0.0456)	0.1128** (0.0451)	-0.0981** (0.0388)	
Municipality FE	Yes	Yes	Yes	Yes	Yes
Time FE	Yes	Yes	Yes	Yes	Yes
N	13884	13884	13884	13884	13926

Notes: Standard errors in parentheses clustered at municipality level. * $p < 0.10$, ** $p < 0.05$, *** $p < 0.01$. The placebo test here considers outcome variables in 2008 and 2013. For observations in 2013, AS share is the fraction of asylum seekers in 2017 over total 2013 population at municipality level, while it is equal to 0 for all municipalities in 2008.

5 Results

5.1 Political impact

Table 6 reports results from the estimation of the baseline model in Equation (1) for the share of votes by party. The arrival of asylum seekers significantly increases the support for anti-immigration parties, yet the impact is small in magnitude. A 1 p.p. change in the share of allocated asylum seekers, which is equivalent to 1.2 within-municipality standard deviations (s.d. = 0.82), is associated with an expected increase by 0.17 p.p. in the share of votes for anti-immigration parties in the election of the *Camera* and by 0.16 p.p. for the *Senato* election (Column 1). Considering that the within standard deviation of the share of votes for anti-immigration parties for the *Chamber of Deputies* election is equal to 9.6 p.p., the estimated effect is equivalent to $\frac{0.17}{9.6} = 1.7$ percent of within variation.

In Columns 2 and 3, the outcome is the share of votes for, respectively, *Lega* and FDI. The estimated coefficients show that the allocation of asylum seekers is positively correlated with the local share of preferences for both parties. Point estimates reveal that the impact is quantitatively higher for the share of votes for *Lega*, although it is not significantly different from 0 for the Senate election.

Table 6: Election results - Baseline regressions

	(1)	(2)	(3)	(4)	(5)	(6)	(7)
	Anti-immigration			PDL	M5S	center-left	Turnout
	Total	Lega Nord	FDI	PD + Left			
<i>Chamber of Deputies</i>							
AS share	0.1742*** (0.0572)	0.1196** (0.0570)	0.0579** (0.0246)	-0.0027 (0.0367)	-0.1116* (0.0579)	-0.1265*** (0.0438)	0.0483 (0.0321)
<i>Senate</i>							
AS share	0.1649*** (0.0623)	0.0881 (0.0558)	0.0717** (0.0335)	0.0144 (0.0492)	-0.1287** (0.0593)	-0.1546*** (0.0552)	0.0505 (0.0327)
Municipality FE	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Time FE	Yes	Yes	Yes	Yes	Yes	Yes	Yes
N	13930	13930	13930	13930	13930	13930	13930

Notes: Standard errors in parentheses clustered at municipality level. * $p < 0.10$, ** $p < 0.05$, *** $p < 0.01$. AS share is the fraction of asylum seekers over total baseline population at municipality level.

Table 7: Election results - Municipality-level controls

	(1)	(2)	(3)	(4)	(5)	(6)	(7)
	Anti-immigration			PDL	M5S	center-left	Turnout
	Total	Lega Nord	FDI	PD + Left			
<i>Chamber of Deputies</i>							
AS share	0.2440*** (0.0509)	0.1817*** (0.0508)	0.0640*** (0.0248)	-0.0205 (0.0367)	-0.2010*** (0.0619)	-0.1022** (0.0427)	0.0413 (0.0314)
<i>Senate</i>							
AS share	0.2364*** (0.0528)	0.1471*** (0.0520)	0.0820** (0.0327)	-0.0047 (0.0480)	-0.2162*** (0.0601)	-0.1323** (0.0536)	0.0430 (0.0320)
Municipality controls	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Municipality FE	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Time FE	Yes	Yes	Yes	Yes	Yes	Yes	Yes
N	13930	13930	13930	13930	13930	13930	13930

Notes: Standard errors in parentheses clustered at municipality level. * $p < 0.10$, ** $p < 0.05$, *** $p < 0.01$. AS share is the fraction of asylum seekers over total baseline population at municipality level. Municipality controls: Log(Income per capita), share of residents over 65 on total population.

The positive impact on the support for anti-immigration parties is offset by the loss in consensus for the center-left parties and M5S. An increase of one p.p. in the share of allocated asylum seekers leads to a reduction in the share of votes for center-left equal to 0.12 p.p. for the Chamber of Deputies election and to 0.15 p.p. for the Senate (Column 6). Likewise, the share of votes for M5S falls by 0.11 p.p. for the Chamber of Deputies election and by 0.12 for the Senate (Column

5). Lastly, the presence of asylum seekers does not seem to affect the share of preferences for PDL (Column 4) and the electoral turnout (Column 7).

Even though we leverage the dispersal policy design, we further test the robustness of our results to extra time-varying economic and demographic factors at the municipality-level. For instance, at some point in time municipalities receiving asylum seekers might be simultaneously hit by negative economic shocks, experiencing a reduction in labor demand. This can lead to increased support for anti-immigration parties through channels other than direct exposure to asylum seekers. Similarly, population ageing may induce a "natural" shift in the share of votes for right-wing parties. In Table 7, we run the same regressions as above while controlling for municipality (log) income per capita and the share of the population over 65 years old (the latter is the only variable showing imbalance at the baseline). The introduction of this set of time-varying controls does not alter the direction and significance of the estimated impact, while the magnitude of point estimates is slightly higher. A 1 percentage point (p.p.) change in the share of asylum seekers increases the share of votes for anti-immigration parties by 0.24 p.p. in parliamentary elections. This corresponds to 2.5 percent of total variation in vote shares.⁴³ In Appendix we report additional results while controlling for other potential confounding factors, which, however, are more endogenous and hence their uncritical inclusion may have some potential drawbacks. We report results while including the share of foreign born population at municipality level (Table A2) and the share of asylum seekers hosted in SPRAR centeres (Table A3). Results remain qualitatively and quantitatively unchanged. It is worth noting that the share of foreign born population may be directly affected by arrivals of asylum seekers (by their enrolment in the municipal registry offices)⁴⁴ and that the SPRAR system is directly influenced by political preferences at the municipality level.⁴⁵

In what follows, we allow the impact to differ according to municipality characteristics at the baseline. In particular, we test whether the effect is heterogeneous with respect to three local characteristics in 2013. First, we add to the model in Equation (1) the interaction between asylum seeker share and a dummy equal to 1 for municipalities with a population size above the 95th

⁴³In order to control for extra aggregate-level shocks that may play a role at the regional level, we run a more demanding specification with region-by-time fixed effects. Results are qualitatively the same (see Table A1 in Appendix.)

⁴⁴In a different robustness check we further control for (log) native born population as well as the inverse of the latter. Results are unaffected (available upon request), which is reassuring also as for the potential 'share regression bias' (see Kronmal, 1993).

⁴⁵As described in the previous section, both asylum seekers hosted in SPRAR centeres and municipalities that opened a SPRAR center represent a small fraction of the whole reception system. In particular, 700 municipalities opened a SPRAR center in 2014–2017, 438 of which hosted a CAS as well. In another robustness check we run our estimates excluding municipalities hosting a SPRAR center either at the beginning of the period or at any point in time during the period of 2014–2017, and results remain unchanged (see Tables A4 and A5 in Appendix).

percentile in 2013.⁴⁶ Former studies (see Dustmann et al., 2020) find that the response to refugee allocation is different between urban and rural areas. In municipalities at the top of the population distribution (mainly cities), the estimated impact on support for anti-immigration parties appears to be negative, while the opposite is true among low-populated areas. In Table 8 we report results on heterogeneous effects while focusing on the share of votes for anti-immigration parties only (Tables with estimates of heterogeneous effects on all political outcomes are reported in Table A6 to A8 in Appendix.) The coefficient of the interaction term in Column 1 shows that 1 p.p. increase in asylum seeker share in the largest municipalities is associated with a significant reduction in the share of votes for anti-immigration parties compared to smaller cities (the differential impact being 3.8. p.p. for the *Camera* and 3.5 p.p. for the *Senato* election). Point estimates for the effect among municipalities in the bottom 95 percent of the population distribution are not significantly different from the baseline regression in Table 6. Yet, the differential impact in anti-immigration voting across small and large cities is mainly driven by the electoral turnout, which is negatively affected by the share of asylum seekers in large municipalities compared to small ones (see Column (7) in Table A6 in Appendix.). In line with recent findings, these results confirm that the presence of asylum seekers has different effects on the political behavior of people in small vs large communities, and indicate that it is crucial to understand the inherent characteristics that make a local area a suitable environment for the reception of asylum seekers.

Second, we study the heterogeneous effects with respect to the fraction of the foreign born population (i.e. regular immigrants) at the baseline. In particular, here we include the interaction between asylum seekers' share and a dummy equal to 1 for municipalities in the top 5 percent of the foreign population distribution in 2013.⁴⁷ With this test we aim to assess whether the level of exposure to migrants in the pre-policy period induces different political reactions to newly arrived asylum seekers. Estimates in Column 2 reveal that a 1 p.p. increase in the asylum seeker share in municipalities with sizeable pre-treatment immigration is significantly associated with an increase in the share of votes for anti-immigration parties by more than 2 p.p. for both *Camera* and *Senato* elections, compared to municipalities with a lower immigration share. Interestingly, these findings do not seem to support the 'inter-group contact' hypothesis, according to which higher inter-ethnic contact may improve attitudes toward diversity. Our estimates suggest that pre-refugee-crisis exposure to migrants actually exacerbates the negative effect of asylum seekers on natives' attitude toward immigration. It is worth noting, though, that pre-crisis immigration may be rather differ-

⁴⁶The 95th percentile of the municipality population distribution in 2013 is equal to 24,290 inhabitants.

⁴⁷The 95th percentile of the distribution across municipalities of the local share of immigrants in 2013 is equal to 14.3 percent, where immigrants are defined as foreign born individuals.

ent, in multiple dimensions (e.g. nationality, labor market integration, language proficiency etc.), to hosting asylum seekers.

Third, we assess whether the impact is heterogeneous with respect to a measure of pre-treatment local human capital by considering the interaction between asylum seeker share and a dummy equal to 1 for municipalities that are in the top 5 percent in terms of the educated share of the population (i.e. with a college degree or above) in 2011.⁴⁸ The presence of asylum seekers might elicit a different effect on local political preferences in municipalities with a higher fraction of high-skilled residents, since a smaller fraction of the population is exposed to the potential negative labor market externalities exerted by the arrival of new workers, generally at the bottom of earnings distribution.⁴⁹ The results in Column 3 show that 1 p.p. increase in the share of asylum seekers in municipalities in the top 5 percent of the share of the highly-skilled population distribution is associated with a drop of around 0.5 p.p. in the share of votes for anti-immigration parties for both the *Camera* and *Senato*. Yet, in this case as well most of the heterogenous effect seems to be explained by a fall in voter turnout (see Column (7) in Table A8 in Appendix.)

In order to address any remaining possible concern related to some unobserved difference between municipalities that host asylum seekers and those that do not (something that we excluded from balance tests), we carry out two additional robustness checks. First, in order to address potential bias deriving from pre-existing political trends, in Table A9 in Appendix, we estimate the same model as in (1) adjusting for pre-trends in voting outcomes in the years before the refugee crisis. The vector of pre-trends variables essentially includes the change between 2008 and 2013 in electoral turnout and votes share for *Lega*, PDL and PD. Point estimates are not significantly affected. Finally, we estimate political impact as above while using a different (more balanced) estimation sample. Since we know when municipalities received asylum seekers up to 2019, we use the same former specification but including only those municipalities that received asylum seekers for the first time in 2018 and 2019 in the control group. In other words, we assess the political impact of asylum seekers (occurring in March 2018) while comparing those treated up to 2017 with those 'not treated yet' (i.e. to be treated in 2018–2019). Results are reported in Table A10 in Appendix and confirm the evidence provided above.

⁴⁸The 95th percentile of the distribution across municipalities of the local share of population with college degree in 2011 is equal to 12.7 percent.

⁴⁹Negative labor market externalities may arise from the fact that asylum seekers may take up employment opportunities or welfare services for local workers. As already mentioned though, this is unlikely to be the case in our setting. Indeed, if asylum seekers hosted in a CAS centers earn more than a certain amount, they are supposed to leave the center while waiting for the response about their eligibility for refugee status. According to the Parliamentary Committee for labor, less than 10% of asylum seekers were employed in Italy in 2017.

Table 8: Election results - Interaction with municipality characteristics at the baseline

	(1)	(2)	(3)
	Anti-immigration	Anti-immigration	Anti-immigration
<i>Chamber of Deputies</i>			
AS share	0.2460*** (0.0509)	0.2121*** (0.0517)	0.2609*** (0.0520)
top 5% largest municipalities=1 × AS share	-3.8414*** (0.9150)		
top 5% share of foreigners=1 × AS share		2.3489*** (0.3553)	
top 5% share of uni degree=1 × AS share			-0.5288*** (0.1510)
<i>Senate</i>			
AS share	0.2382*** (0.0526)	0.2088*** (0.0549)	0.2537*** (0.0526)
top 5% largest municipalities=1 × AS share	-3.5018*** (0.8848)		
top 5% share of foreigners=1 × AS share		2.0312*** (0.3731)	
top 5% share of uni degree=1 × AS share			-0.5419*** (0.1869)
Municipality controls	Yes	Yes	Yes
Municipality FE	Yes	Yes	Yes
Time FE	Yes	Yes	Yes
N	13930	13930	13930

Notes: Standard errors in parentheses clustered at municipality level. * $p < 0.10$, ** $p < 0.05$, *** $p < 0.01$. AS share is the fraction of asylum seekers over total baseline population at municipality level. Municipality controls: Log(Income per capita), share of residents over 65 on total population.

5.2 Dispersal vs Concentration of Refugee Allocation

In order to investigate the role of the dispersal reception system at the local level in shaping the political impact, here we dig deeper into the heterogeneity of both the spatial and time (duration) dimensions of the policy. Does the impact on voting vary with the length of exposure to asylum seekers? Is the shift of preferences towards anti-immigration parties driven by municipalities where the concentration of refugees is higher? To answer the first question we test whether the impact of refugee allocation is different for municipalities where reception centers were opened for the first time in 2017 vs those where CAS were opened before then, and for more than one year.

We report results in Table 9, where we interact our regressor of interest as above with a dummy whether a CAS has been opened before 2017 (long term exposure). Results point to positive support for anti-immigration parties being robust and greater (0.37 p.p.) in municipalities with a

CAS that opened in the last year (recent exposure). Yet, the differential effect on anti-immigration voting is either negative or non-significant (especially by-party), so overall results point in the same direction (or are slightly attenuated) in those municipalities hosting a CAS center since 2016 or before.

Table 9: Election results - Time exposure

	(1)	(2)	(3)	(4)	(5)	(6)	(7)
	Anti-immigration			PDL	M5S	center-left	Turnout
	Total	Lega Nord	FDI	PD + Left			
<i>Chamber of Deputies</i>							
AS share	0.3775*** (0.1294)	0.3209** (0.1377)	0.0526** (0.0215)	-0.0498 (0.0777)	-0.2771* (0.1643)	-0.1102** (0.0452)	0.0462 (0.0369)
long_time=1 × AS share	-0.1799 (0.1448)	-0.1876 (0.1516)	0.0154 (0.0383)	0.0395 (0.0887)	0.1025 (0.1786)	0.0109 (0.0703)	-0.0066 (0.0537)
<i>Senate</i>							
AS share	0.4272*** (0.1180)	0.2707* (0.1614)	0.1226*** (0.0415)	-0.0833 (0.0731)	-0.3105** (0.1486)	-0.1022** (0.0503)	0.0386 (0.0349)
long_time=1 × AS share	-0.2571* (0.1351)	-0.1664 (0.1727)	-0.0547 (0.0539)	0.1060 (0.0950)	0.1270 (0.1648)	-0.0406 (0.0831)	0.0059 (0.0527)
Municipality controls	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Municipality FE	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Time FE	Yes	Yes	Yes	Yes	Yes	Yes	Yes
N	13930	13930	13930	13930	13930	13930	13930

Notes: Standard errors in parentheses clustered at municipality level. * $p < 0.10$, ** $p < 0.05$, *** $p < 0.01$. AS share is the fraction of asylum seekers over total baseline population at municipality level. Municipality controls: Log(Income per capita), share of residents over 65 on total population.

We then exploit the granular variation in the Italian Dispersal Policy, to investigate the role of the size and/or concentration of refugee reception centers. Indeed, given the high degree of heterogeneity in both the refugee reception system and municipality size in Italy, one concern is that our results may be driven by major hotspots (located in small areas) or large reception centers (hosting more than 100 people). We check this issue by excluding from our sample municipalities with (i) major governmental centers where first aid and identification procedures occur before asylum seekers are transferred to secondary reception centers; (ii) with centers hosting more than 100 people; (iii) municipalities with a high concentration of asylum seekers over the total resident population (i.e. in the top 1 percent of the share of asylum seekers). Results are reported in Tables 10, 11 and 12 respectively. Overall, the results are in line with our baseline model and suggest that general findings on political support for anti-immigration parties are not driven by municipalities where either refugee centers are larger or the concentration of asylum seekers at the local level is higher.

Table 10: Election results excluding – municipalities with government centers (CARA, CPR, Hotspots)

	(1)	(2)	(3)	(4)	(5)	(6)	(7)
	Anti-immigration			PDL	M5S	center-left	Turnout
	Total	Lega Nord	FDI	PD + Left			
<i>Chamber of Deputies</i>							
AS share	0.2396*** (0.0561)	0.1716*** (0.0550)	0.0686** (0.0288)	-0.0076 (0.0416)	-0.2064*** (0.0735)	-0.1117** (0.0505)	0.0554 (0.0356)
<i>Senate</i>							
AS share	0.2301*** (0.0591)	0.1346** (0.0567)	0.0872** (0.0379)	0.0054 (0.0560)	-0.2277*** (0.0710)	-0.1523** (0.0642)	0.0578 (0.0362)
Municipality controls	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Municipality FE	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Time FE	Yes	Yes	Yes	Yes	Yes	Yes	Yes
N	13894	13894	13894	13894	13894	13894	13894

Notes: Standard errors in parentheses clustered at municipality level. * $p < 0.10$, ** $p < 0.05$, *** $p < 0.01$. AAS share is the fraction of asylum seekers over total baseline population at municipality level. Municipality controls: Log(Income per capita), share of residents over 65 on the total population, share of foreign born population.

Table 11: Election results – excluding municipalities with large centers (≥ 100)

	(1)	(2)	(3)	(4)	(5)	(6)	(7)
	Anti-immigration			PDL	M5S	center-left	Turnout
	Total	Lega Nord	FDI	PD + Left			
<i>Chamber of Deputies</i>							
AS share	0.3245*** (0.0665)	0.2682*** (0.0646)	0.0551** (0.0223)	-0.0138 (0.0428)	-0.2807*** (0.0926)	-0.0921* (0.0497)	0.0550 (0.0387)
<i>Senate</i>							
AS share	0.3262*** (0.0604)	0.2205*** (0.0724)	0.0931** (0.0433)	-0.0385 (0.0440)	-0.3170*** (0.0865)	-0.1400** (0.0670)	0.0522 (0.0380)
Municipality controls	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Municipality FE	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Time FE	Yes	Yes	Yes	Yes	Yes	Yes	Yes
N	13538	13538	13538	13538	13538	13538	13538

Notes: Standard errors in parentheses clustered at municipality level. * $p < 0.10$, ** $p < 0.05$, *** $p < 0.01$. AS share is the fraction of asylum seekers over total baseline population at municipality level. Municipality controls: Log(Income per capita), share of residents over 65 on the total population, share of foreign born population.

Table 12: Election results - excluding municipalities with a high concentration of asylum seekers (≥ 99 th share percentile)

	(1)	(2)	(3)	(4)	(5)	(6)	(7)
	Anti-immigration			PDL	M5S	center-left	Turnout
	Total	Lega Nord	FDI			PD + Left	
<i>Chamber of Deputies</i>							
AS share	0.3006** (0.1426)	0.3753*** (0.1268)	-0.0654 (0.0525)	-0.1091 (0.0851)	-0.2371 (0.1822)	-0.2385*** (0.0865)	-0.0211 (0.0673)
<i>Senate</i>							
AS share	0.2334* (0.1397)	0.3388*** (0.1237)	-0.1001** (0.0499)	-0.0695 (0.0904)	-0.2650 (0.1832)	-0.4918*** (0.1003)	-0.0345 (0.0694)
Municipality controls	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Municipality FE	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Time FE	Yes	Yes	Yes	Yes	Yes	Yes	Yes
N	13792	13792	13792	13792	13792	13792	13792

Notes: Standard errors in parentheses clustered at municipality level. * $p < 0.10$, ** $p < 0.05$, *** $p < 0.01$. AS share is the fraction of asylum seekers over total baseline population at municipality level. Municipality controls: Log(Income per capita), share of residents over 65 on total population.

6 Mechanisms

6.1 The Economic Effects of Refugee Reception

Refugee migration can affect political outcomes through economic and non-economic channels. In particular, vote shares for anti-immigration parties may increase if Italian citizens bear a net cost rather than a benefit from hosting asylum seekers in their cities (Ortega, 2005; Mayda 2006). In this section, we assess whether the share of refugees allocated by the dispersal policy changed economic outcomes and prosperity in receiving municipalities. By employing the same fixed effects model as in Equation (1) above, we estimate the impact of refugee allocation on local income, welfare expenditure, natives' migration flows and population size at the municipality level.

We report results on the economic effects in Table 13, where we consider $t_1 = 2017$ our endline (i.e. before the 2018 national election). Column 1 reports the impact of the share of allocated asylum seekers on municipality (log) income per capita. The estimated coefficient is negative and significant, with a one p.p. increase in asylum seeker share being associated with a 0.31 percent reduction in income per capita. This seems to suggest that asylum seekers may take a toll on the local economy, for instance, by displacing local workers out of employment or depressing

local wages. However, considering the limited labor market opportunities for refugees hosted in CAS, this is unlikely to be a relevant mechanism.⁵⁰ In fact, the drop in income per capita may be mechanically induced by the arrival of new residents (i.e. asylum seekers themselves, when registered among residents). These inflows inflate the denominator of income per capita, while bringing little or no contribution to the numerator if new residents are non-income earning asylum seekers. We investigate this mechanical channel in Columns 2 and 3, where our dependent variables are the numerator (log income) and the denominator (log population) respectively. We find that a 1 p.p. increase in asylum seekers' share is significantly correlated with a decline of 0.1 percent in total income (Column 2) at the local level, and an increase of 0.21 percent in population size (Column 3).

Asylum seekers thus seem to bring a positive net contribution to population growth, while being correlated with a decline in total income. If the latter is not related to the labor market channel, it may be the result of population dynamics involving asylum seekers replacing natives, or former migrants, in the local population. While using natives and the foreign-born as dependent variables, Column 4 and 5 show that the share of asylum seekers is negatively related to native population growth and positively correlated with the growth in the number of foreign born residents. The latter is a mechanical effect while the former may be linked to the geographic 'displacement' of natives by asylum seekers, which may explain the total income drop (since, unlike natives, asylum seekers earn little or no income).⁵¹

We test this by checking whether the allocation of asylum seekers is associated with the cross-sectional variation in native population dynamics (internal migration, mortality and natality). We show results in Table 14, where in Columns 1–3 outcome variables are annual population flows (between January 1st, 2013 and January 1st, 2018) as a fraction of 2013 municipality population.⁵² Results show no significant geographical mobility or sorting across municipalities by natives in response to the inflow of asylum seekers.

Displacement of natives may likewise be related to (intergenerational) replacement. Indeed, from

⁵⁰As already mentioned, less than 10 per cent of asylum seekers hosted in the Italian reception system had a job contract between 2013 and 2017, thus competition between asylum seekers and local workers in the labor market is unlikely to be a relevant channel in our setting.

⁵¹Geographical displacement can be driven by negative labor market externalities, i.e. asylum seekers reducing employment opportunities and compensations for local workers, as well as motivated by asylum seekers entering residents' utility function as a local dis-amenity in the framework of residential location choice.

⁵²We use ISTAT data on new resident new registrations and cancellations, from and toward other municipalities (or abroad), respectively, to construct measures of inflows and outflows. Their difference yields the net migration flow, which we standardize with the population in 2013. We use cross-sectional specifications here in order to compute all yearly population changes, which may overlooked by using a panel specification over 5-years span.

the balance test in Table 4 we observe a positive correlation between the share of elderly population and the allocation of asylum seekers at the local level. Municipalities more exposed to the dispersal policy are also those with the highest share of elderly population at t_0 , and are likely to experience higher mortality rates, lower birth rates and lower native population growth in the following years. The different age-structure at the baseline may therefore be responsible for the negative correlation between asylum seekers and native population growth. We test this hypothesis in Columns 4–7 in Table 14, where we estimate the cross-sectional correlation between asylum seeker allocation and death and birth rates between 2013 and 2018 over total population in 2013. We find that the share of asylum seekers is indeed significantly and positively correlated with the death rate during the treatment period, both among the total and native population, while it is negatively associated with the birth rate.

To account for the heterogeneity in these demographic dynamics, we estimate again the impact on the (log) native population, adjusting for the death and birth rates interacted with a year (2018) dummy (Column 6 in Table 13). The estimated effect is not significant, with a point estimate equal to zero. Hence, municipalities receiving more asylum seekers are experiencing lower native population growth through a higher number of deaths and lower number of births. Once we control for these potential confounding factors, the negative and significant correlation between asylum seekers share and native population growth vanishes. We finally re-estimate the effect of asylum seekers on (log) total income with the inclusion of the share of deaths as a control (Column 7 in Table 13). This allows us to check whether a higher mortality rate among municipalities more treated by the dispersal policy, explains, at least partially, the negative impact on total income growth. Results show that, after conditioning for mortality rate, there is no significant correlation between asylum seeker share and total income growth.⁵³

Overall, our results point to small-to-zero income effects, driven by the allocation of asylum seekers in municipalities with a high share of elderly population, who are eventually replaced. In other words, according to the dispersal policy scheme, municipalities hosting refugees (low or no-income earners) may also experience higher mortality rates (of income earners), and this may explain the total income effect.

⁵³We repeat the same analysis at a slightly different unit, which is the 'labor Market Area' (LMA) instead of the municipality. LMAs are sub-regional geographical areas in Italy where the bulk of the labor force lives and works, and where establishments can find the largest amount of the labor force necessary to occupy the offered jobs. This allows us to check whether economic effects are activated by the treatment at a level that is more economically relevant than the one defined by municipalities' boundaries. Results are reported in Table A11 in Appendix and confirm our main results on the economic impact at municipality level.

Table 13: Effects on municipality income and population

	(1)	(2)	(3)	(4)	(5)	(6)	(7)
	log(income p.c.)	log(income)	log(pop.)	log(native pop.)	log(foreign pop.)	log(native pop.)	log(income)
AS share	-0.0031*** (0.0008)	-0.0010** (0.0004)	0.0021*** (0.0007)	-0.0014*** (0.0004)	0.0532*** (0.0138)	-0.0000 (0.0003)	-0.0002 (0.0005)
death rate (2013-2017) \times Time						-0.0092*** (0.0006)	-0.0106*** (0.0007)
birth rate (2013-2017) \times Time						0.0183*** (0.0006)	
Municipality FE	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Time FE	Yes	Yes	Yes	Yes	Yes	Yes	Yes
N	13930	13930	13930	13930	13930	13930	13930

¹ Notes: Standard errors in parentheses clustered at municipality level. * $p < 0.10$, ** $p < 0.05$, *** $p < 0.01$. AS share is the fraction of asylum seekers over total baseline population at municipality level.

² Death rate (2013-2017) is the municipality fraction of Italian citizens who died between 2013 and 2017 over population in 2013. Birth rate (2013-2017) is the municipality fraction of Italian citizens born between 2013 and 2017 over population in 2013. Both are interacted with a year dummy in order to compare municipalities with similar levels of the two variables in the treatment period (2013-2017).

Table 14: Population dynamics (natives' internal migration, mortality, natality)

	(1)	(2)	(3)	(4)	(5)	(6)	(7)
	Natives' migration			Death rate		Birth rate	
	Net flows	Inflows	Outflows	Total	Natives	Total	Natives
AS share	-0.0104 (0.0265)	0.0410 (0.0452)	0.0514 (0.0332)	0.0705** (0.0282)	0.0693** (0.0277)	-0.0367*** (0.0077)	-0.0403*** (0.0082)
N	6965	6965	6965	6965	6965	6965	6965

Notes: Standard errors in parentheses clustered at province level. * $p < 0.10$, ** $p < 0.05$, *** $p < 0.01$. AS share is the share of asylum seekers allocated to municipality in 2017 on 2013's total population (average across different measurements when available).

The dependent variable in specifications in Col.1—3 considers the share of people who moved across municipalities, between January 1st 2013 and January 1st 2018, over the municipality population in 2013. The dependent variable in Column 2, for example, represents the number of natives who moved into the municipality in the above time span, standardized over population in 2013. The dependent variables in Columns 4 and 5 considers the share of people who died, between January 1st 2013 and January 1st 2018 over the municipality population in 2013. The dependent variables in Columns 6 and 7 represent the share of birth, between January 1st 2013 and January 1st 2018, over the population in 2013.

While we find weak evidence of income effects at the local level, we next test average welfare effects in the allocation of municipality public expenditure. Indeed, the latter may be diluted or may decrease as soon the pool of users grows, as in the case of substantial asylum seeker inflows. The increase in competition for public resources may also be the reason behind the rising support for anti-immigration parties. In Table 15, we regress the (log) municipality per-user expenditure for public services in various categories on the share of allocated asylum seekers⁵⁴. If we exclude a significant increase in the expenditure for employees, the share of asylum seekers is not significantly correlated with the expenditure in any of the categories considered. There is therefore no evidence that the arrival of asylum seekers leads to a reduction in the availability of public resources for local residents.

Table 15: Municipality expenditure

	(1)	(2)	(3)	(4)	(5)	(6)	(7)
	Log(Total)	Log(Families)	Log(Employees)	Log(Poverty)	Log(Elderly)	Log(Disabilities)	Log(Immigrants)
AS share	0.0048 (0.0048)	0.0136 (0.0087)	0.0095*** (0.0037)	0.0029 (0.0074)	-0.0031 (0.0074)	-0.0019 (0.0155)	0.0225 (0.0210)
Municipality FE	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Time FE	Yes	Yes	Yes	Yes	Yes	Yes	Yes
N	13556	13556	13556	13556	13556	13556	13556

Notes: Standard errors in parentheses clustered at municipality level. * $p < 0.10$, ** $p < 0.05$, *** $p < 0.01$. AS share is the fraction of asylum seekers over total baseline population at municipality level.

6.2 The Role of Political Propaganda

Since electoral preferences do not seem to be rooted in actual economic mechanisms, in this section we examine whether voting behavior may be oriented by ideological or political drivers. In particular, we assess to what extent being exposed to political propaganda by right-wing candidates (including *Lega*'s Leader Salvini and FDI's leader Meloni) can exacerbate the political impact of refugee reception. We estimate the same fixed effects model as in Equation (1) above, adding the interaction between the share of asylum seekers and a dummy equal to 1 if a rally or political event organized by the main right-wing parties (*Lega*, FDI, PDL) took place in the municipality during the electoral campaign. We include an indicator for anti-immigration rallies all together, and in different specifications we include party-specific rally indicators separately. We focus on right-wing propaganda delivered in person by political candidates, hence over and above political stances fuelled by social media and engagement (the time-invariant component of which is con-

⁵⁴We consider the dependent variables and the share of asylum seekers until 2016 as ISTAT data on municipality expenditure are not available after that year. In Table A12 in Appendix we report the same estimation model while including additional controls (log pc income and the share of population over 65), and results are confirmed.

trolled for by municipality fixed effects). This is in line with major relevance of traditional ground campaigning and with the literature about the role that charismatic leaders often assume to drive the electoral success of populist radical right parties.

A total of 851 municipalities were visited by right-wing candidates between January 1st and March, 4th, the date of the general elections. Overall, right-wing campaigns were fairly balanced across municipalities according to the share of hosted refugees (about half of the municipalities with at least a right-wing rally also hosted refugees in a CAS). Results in Table 16 show that right-wing rallies have a significant additional effect on the share of votes for anti-immigration parties. While the political impact of the share of refugees at the municipality level is in line with our baseline model (slightly smaller), the coefficients of the interaction terms are significantly positive and greater in magnitude, suggesting that the anti-immigration backlash for refugee hosting is significantly higher in municipalities visited by right-wing electoral rallies. This effect is mostly driven by *Lega*. Overall, these findings provide suggestive evidence in support of the role of anti-immigration political propaganda in boosting divisive negative views towards alien groups through a 'dog-whistle effect', hence mobilizing voter support and boosting their electoral prominence.

Table 16: Election results - Interaction with political propaganda

	(1)	(2)	(3)	(4)
	Anti-immigration			PDL
	Total	Lega Nord	FDI	
<i>Chamber of Deputies</i>				
share AS	0.2282*** (0.0502)	0.1662*** (0.0507)	0.0640*** (0.0248)	-0.0168 (0.0364)
campaign antimm.=1 × share AS	1.1178** (0.5108)			
campaign Lega=1 × share AS		1.5692*** (0.2775)		
campaign FDI=1 × share AS			0.0035 (0.3992)	
campaign PDL other=1 × share AS				-1.3794* (0.7850)
<i>Senate</i>				
share AS	0.2232*** (0.0533)	0.1334*** (0.0516)	0.0839*** (0.0325)	-0.0023 (0.0480)
campaign antimm.=1 × share AS	0.9342** (0.4519)			
campaign Lega=1 × share AS		1.3964*** (0.3035)		
campaign FDI=1 × share AS			-0.4164 (0.5019)	
campaign PDL other=1 × share AS				-0.8820 (0.7358)
Municipality controls	Yes	Yes	Yes	Yes
Municipality FE	Yes	Yes	Yes	Yes
Time FE	Yes	Yes	Yes	Yes
N	13930	13930	13930	13930

Notes: Standard errors in parentheses clustered at municipality level. * $p < 0.10$, ** $p < 0.05$, *** $p < 0.01$. AS share is the fraction of asylum seekers over total baseline population at municipality level. Municipality controls: Log(Income per capita), share of residents over 65 on total population.

7 Conclusions

This paper contributes to a growing literature about the economic and political impact of asylum seekers on receiving societies by exploiting an unprecedented surge in the arrival of asylum seekers and informal immigrants to Italy, mainly through the Mediterranean route. The Italian Disper-

sal Policy, implemented from 2014 onwards, allocated these massive inflows into CAS reception centers across Italian municipalities on a quasi-random basis. This policy was in line with what was implemented in the rest of the EU region, with the aim of spreading the 'burden' of refugee reception, increase the perception of fairness among the local population, prompt asylum seeker integration and avoid native public discontent.

We use unique administrative data on the number of asylum seekers allocated to each Italian municipality between 2014 and 2017 to study the effect of the dispersal policy on the local share of votes for anti-immigration parties, as well as parties over the rest of the political spectrum, between two national elections held in 2013 and 2018.

After showing that the allocated share of asylum seekers is fairly balanced with respect to local characteristics at the baseline, we find that a one p.p. increase in the refugee share in 2017, at the peak of the refugee crisis, is correlated with a small but significant increase in the vote share for anti-immigration parties, leading to a drop in the support for both the main populist party and the center-left. This effect is robust to the inclusion of a set of time-varying controls, in particular municipality income per capita and local demographic composition, and it is not associated to any significant change in voter turnout.

We also test whether the effect is heterogeneous with respect to a group of municipality characteristics in the pre-treatment period. We detect, similarly to Dustmann et al. (2020), opposite effects when we distinguish between urban and rural areas, with asylum seekers actually reducing the support for anti-immigration parties in the largest municipalities. Yet, this effect is mainly associated with a drop in voter turnout in large cities hosting asylum seekers. Moreover, different from the predictions of contact-theory, our findings show that higher exposure to immigration in the pre-treatment period exacerbates the negative effect of the presence of asylum seekers on natives' attitudes toward migrants and increases support for anti-immigration parties. We also find that in municipalities with higher share of residents with at least a college degree, the presence of asylum seekers reduces the share of votes for anti-immigration parties, along with electoral turnout.

We explore whether refugee migration affected political outcomes through economic channels. We examine the impact of asylum seekers first on income per capita and then on per user expenditure for local public services. Both analyses do not yield significant short-run effects on actual economic costs, supporting the idea that ideological traits or culture-related fears may have driven voting behavior and political outcomes in Italy during the 'refugee crisis'. Thus, we investigate the role of political propaganda during the electoral campaign, in mobilizing voters' support. Our

results support the idea that political propaganda boosts divisive negative views about the presence of asylum seekers. Indeed, the anti-immigration backlash for refugee hosting is higher in municipalities where right-wing propaganda took place.

These findings offer novel insights to the policy debate about the modalities in which dispersal policies and integration models for asylum seekers and refugees should be implemented. Focusing on the ordinary reception model in the same Italian context, Gamalerio et al. (2020) find that hosting refugees in a reception system managed by local administrations and integrated in the local context can stem extreme-right support. Yet, the latter model proved to be insufficient and the vast majority of local administrations in Italy rejected the possibility of managing integrated refugee hosting. Overall, the anti-immigration backlash observed in our study indicates that a model of refugee hosting based on 'temporary' reception centers—without the provision of adequate integration services, the involvement of local institutions in their management and also adequate information campaigns—can be politically costly or generate discontent.

Overall, asylum policies dominated by short-term strategies are not likely to be responsive to realities on the ground. Efforts to craft a global consensus on migration are too often hampered by demands for quick solutions. More integrated policies (between the central government and local administrations) and long-term reception measures are better suited to address local needs for the benefit of newcomers and the communities that receive them.

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A Appendix

Figure A1: Asylum Seekers in CAS and Sprar Systems, 2014–2019

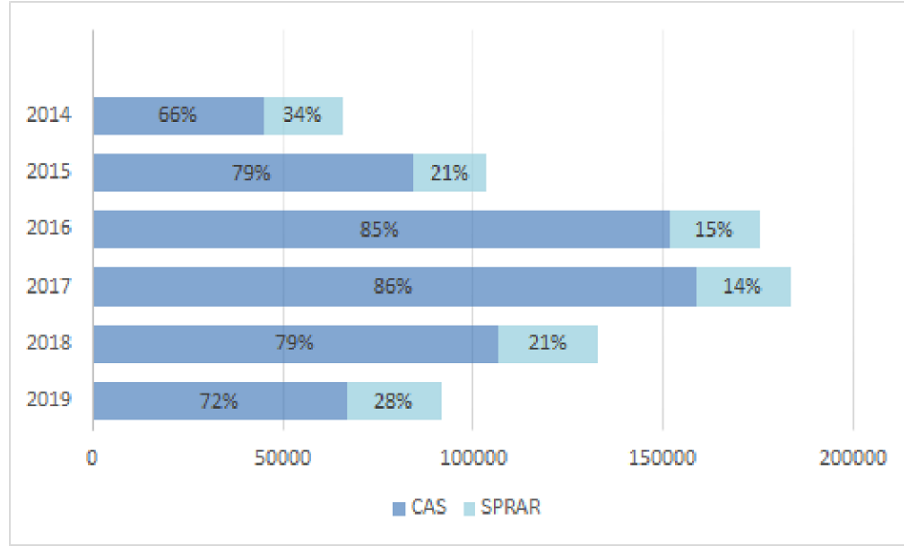


Table A1: Election results - Region by time fixed effects

	(1)	(2)	(3)	(4)	(5)	(6)	(7)
	Anti-immigration			PDL	M5S	center-left	Turnout
	Total	Lega Nord	FDI			PD + Left	
<i>Chamber of Deputies</i>							
AS share	0.1227*** (0.0390)	0.0624* (0.0351)	0.0666*** (0.0236)	0.0128 (0.0336)	-0.0262 (0.0361)	-0.1337*** (0.0345)	0.0350 (0.0293)
<i>Senate</i>							
AS share	0.1421*** (0.0423)	0.0450 (0.0347)	0.0923*** (0.0296)	0.0114 (0.0417)	-0.0440 (0.0300)	-0.1195*** (0.0368)	0.0383 (0.0299)
Municipality controls	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Municipality FE	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Region-Time FE	Yes	Yes	Yes	Yes	Yes	Yes	Yes
N	13930	13930	13930	13930	13930	13930	13930

Notes: Standard errors in parentheses clustered at municipality level. * $p < 0.10$, ** $p < 0.05$, *** $p < 0.01$. AS share is the fraction of asylum seekers over total baseline population at municipality level. Municipality controls: Log(Income per capita), share of residents over 65 on total population.

Figure A2: Anti-immigration parties (Lega + FDI), 2014–2017

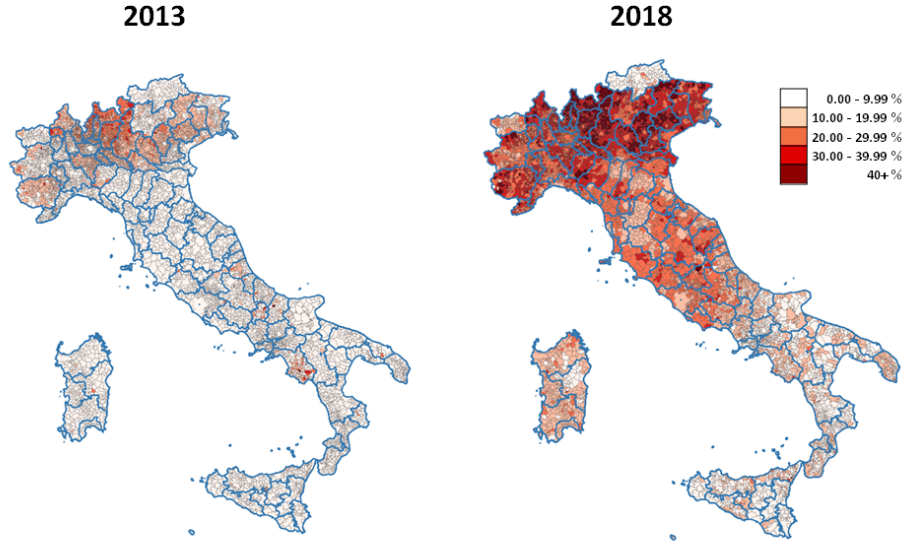


Table A2: Election results - Control for foreign-born population

	(1)	(2)	(3)	(4)	(5)	(6)	(7)
	Anti-immigration			PDL	M5S	center-left	Turnout
	Total	Lega Nord	FDI			PD + Left	
<i>Chamber of Deputies</i>							
share AS	0.3981*** (0.0643)	0.3332*** (0.0617)	0.0603** (0.0244)	-0.0307 (0.0383)	-0.3950*** (0.0971)	-0.0334 (0.0435)	0.0281 (0.0309)
<i>Senate</i>							
share AS	0.3992*** (0.0562)	0.3033*** (0.0684)	0.0828** (0.0322)	-0.0267 (0.0474)	-0.4101*** (0.0904)	-0.0309 (0.0516)	0.0313 (0.0314)
Municipality controls	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Municipality FE	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Time FE	Yes	Yes	Yes	Yes	Yes	Yes	Yes
N	13930	13930	13930	13930	13930	13930	13930

Notes: Standard errors in parentheses clustered at municipality level. * $p < 0.10$, ** $p < 0.05$, *** $p < 0.01$. AS share is the fraction of asylum seekers over total baseline population at municipality level. Municipality controls: Log(Income per capita), share of residents over 65 on total population.

Table A3: Election results - Control for AS share hosted in SPRAR projects

	(1)	(2)	(3)	(4)	(5)	(6)	(7)
	Anti-immigration			PDL	M5S	center-left	Turnout
	Total	Lega Nord	FDI	PD + Left			
<i>Chamber of Deputies</i>							
AS share	0.2494*** (0.0508)	0.1865*** (0.0508)	0.0645*** (0.0246)	-0.0215 (0.0368)	-0.2074*** (0.0626)	-0.1015** (0.0427)	0.0411 (0.0314)
AS share in SPRAR	-0.9558*** (0.3551)	-0.8521*** (0.3049)	-0.0799 (0.1668)	0.1847 (0.2025)	1.1243** (0.4493)	-0.1194 (0.1541)	0.0254 (0.1349)
<i>Senate</i>							
AS share	0.2421*** (0.0523)	0.1516*** (0.0523)	0.0832** (0.0325)	-0.0062 (0.0480)	-0.2231*** (0.0606)	-0.1309** (0.0536)	0.0429 (0.0320)
AS share in SPRAR	-1.0052*** (0.3528)	-0.7835*** (0.2996)	-0.2090 (0.1425)	0.2687 (0.1789)	1.2052*** (0.4398)	-0.2483 (0.1991)	0.0228 (0.1357)
Municipality controls	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Municipality FE	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Time FE	Yes	Yes	Yes	Yes	Yes	Yes	Yes
N	13930	13930	13930	13930	13930	13930	13930

Notes: Standard errors in parentheses clustered at municipality level. * $p < 0.10$, ** $p < 0.05$, *** $p < 0.01$. AS share is the fraction of asylum seekers over total baseline population at municipality level. Municipality controls: Log(Income per capita), share of residents over 65 on total population.

Table A4: Election results excluding municipalities hosting a SPRAR before treatment

	(1)	(2)	(3)	(4)	(5)	(6)	(7)
	Anti-immigration			PDL	M5S	center-left	Turnout
	Total	Lega Nord	FDI	PD + Left			
<i>Chamber of Deputies</i>							
AS share	0.2303*** (0.0508)	0.1665*** (0.0512)	0.0643** (0.0250)	-0.0238 (0.0368)	-0.1909*** (0.0605)	-0.1119*** (0.0433)	0.0369 (0.0313)
<i>Senate</i>							
AS share	0.2256*** (0.0532)	0.1322** (0.0521)	0.0858*** (0.0327)	-0.0062 (0.0482)	-0.2028*** (0.0589)	-0.1410*** (0.0547)	0.0393 (0.0319)
Municipality controls	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Municipality FE	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Time FE	Yes	Yes	Yes	Yes	Yes	Yes	Yes
N	13294	13294	13294	13294	13294	13294	13294

Notes: Standard errors in parentheses clustered at municipality level. * $p < 0.10$, ** $p < 0.05$, *** $p < 0.01$. AS share is the fraction of asylum seekers over total baseline population at municipality level. Municipality controls: Log(Income per capita), share of residents over 65 on total population.

Table A5: Election results excluding municipalities ever hosting a SPRAR

	(1)	(2)	(3)	(4)	(5)	(6)	(7)
	Anti-immigration			PDL	M5S	center-left	Turnout
	Total	Lega Nord	FDI			PD + Left	
<i>Chamber of Deputies</i>							
AS share	0.2242*** (0.0534)	0.1741*** (0.0505)	0.0489*** (0.0179)	-0.0372 (0.0384)	-0.1821*** (0.0647)	-0.0970** (0.0402)	0.0225 (0.0320)
<i>Senate</i>							
AS share	0.2301*** (0.0550)	0.1332** (0.0540)	0.0868** (0.0351)	-0.0442 (0.0378)	-0.2068*** (0.0618)	-0.1196** (0.0527)	0.0233 (0.0319)
Municipality controls	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Municipality FE	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Time FE	Yes	Yes	Yes	Yes	Yes	Yes	Yes
N	12516	12516	12516	12516	12516	12516	12516

Notes: Standard errors in parentheses clustered at municipality level. * $p < 0.10$, ** $p < 0.05$, *** $p < 0.01$. AS share is the fraction of asylum seekers over total baseline population at municipality level. Municipality controls: Log(Income per capita), share of residents over 65 on total population.

Table A6: Election results - Interaction with top 5% population size

	(1)	(2)	(3)	(4)	(5)	(6)	(7)
	Anti-immigration			PDL	M5S	center-left	Turnout
	Total	Lega Nord	FDI			PD + Left	
<i>Chamber of Deputies</i>							
AS share	0.2460*** (0.0509)	0.1836*** (0.0509)	0.0639*** (0.0248)	-0.0198 (0.0366)	-0.2014*** (0.0619)	-0.1019** (0.0427)	0.0427 (0.0315)
top 5% largest municipalities=1 × AS share	-3.8414*** (0.9150)	-3.7032*** (0.7316)	0.1430 (0.2669)	-1.2159** (0.4805)	0.8775 (1.2138)	-0.4461 (0.4774)	-2.8176*** (0.3595)
<i>Senate</i>							
AS share	0.2382*** (0.0526)	0.1490*** (0.0522)	0.0818** (0.0328)	-0.0041 (0.0480)	-0.2167*** (0.0601)	-0.1317** (0.0536)	0.0444 (0.0320)
top 5% largest municipalities=1 × AS share	-3.5018*** (0.8848)	-3.7312*** (0.7355)	0.4022* (0.2308)	-1.1711** (0.4881)	0.9834 (1.1894)	-1.1955 (0.9816)	-2.7945*** (0.3605)
Municipality controls	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Municipality FE	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Time FE	Yes	Yes	Yes	Yes	Yes	Yes	Yes
N	13930	13930	13930	13930	13930	13930	13930

Notes: Standard errors in parentheses clustered at municipality level. * $p < 0.10$, ** $p < 0.05$, *** $p < 0.01$. AS share is the fraction of asylum seekers over total baseline population at municipality level. Municipality controls: Log(Income per capita), share of residents over 65 on total population.

Table A7: Election results - Interaction with top 5% foreign population share

	(1)	(2)	(3)	(4)	(5)	(6)	(7)
	Anti-immigration			PDL	M5S	center-left	Turnout
	Total	Lega Nord	FDI	PD + Left			
Chamber of Deputies							
AS share	0.2121*** (0.0517)	0.1526*** (0.0508)	0.0619** (0.0250)	-0.0142 (0.0364)	-0.1709*** (0.0600)	-0.1064** (0.0433)	0.0462 (0.0319)
top 5% share of foreigners=1 × AS share	2.3489*** (0.3553)	2.1432*** (0.3461)	0.1569 (0.1409)	-0.4594* (0.2445)	-2.2178*** (0.4309)	0.3154 (0.2226)	-0.3633* (0.2172)
Senate							
AS share	0.2088*** (0.0549)	0.1221** (0.0512)	0.0797** (0.0334)	-0.0007 (0.0482)	-0.1870*** (0.0590)	-0.1355** (0.0544)	0.0475 (0.0325)
top 5% share of foreigners=1 × AS share	2.0312*** (0.3731)	1.8458*** (0.3539)	0.1720 (0.1160)	-0.2936 (0.3089)	-2.1556*** (0.4317)	0.2364 (0.2622)	-0.3326 (0.2402)
Municipality controls	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Municipality FE	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Time FE	Yes	Yes	Yes	Yes	Yes	Yes	Yes
N	13930	13930	13930	13930	13930	13930	13930

Notes: Standard errors in parentheses clustered at municipality level. * $p < 0.10$, ** $p < 0.05$, *** $p < 0.01$. AS share is the fraction of asylum seekers over total baseline population at municipality level. Municipality controls: Log(Income per capita), share of residents over 65 on total population.

Table A8: Election results - Interaction with top 5% university education

	(1)	(2)	(3)	(4)	(5)	(6)	(7)
	Anti-immigration			PDL	M5S	center-left	Turnout
	Total	Lega Nord	FDI	PD + Left			
Chamber of Deputies							
AS share	0.2609*** (0.0520)	0.1963*** (0.0523)	0.0652** (0.0254)	-0.0314 (0.0384)	-0.1735*** (0.0604)	-0.1134*** (0.0437)	0.0532* (0.0322)
top 5% share of uni degree=1 × AS share	-0.5288*** (0.1510)	-0.4578*** (0.1719)	-0.0368 (0.0626)	0.3413*** (0.1139)	-0.8570*** (0.2475)	0.3513 (0.2271)	-0.3710** (0.1810)
Senate							
AS share	0.2537*** (0.0526)	0.1604*** (0.0537)	0.0838** (0.0334)	-0.0139 (0.0495)	-0.1899*** (0.0593)	-0.1409** (0.0553)	0.0527 (0.0327)
top 5% share of uni degree=1 × AS share	-0.5419*** (0.1869)	-0.4131* (0.2270)	-0.0565 (0.0521)	0.2871*** (0.1069)	-0.8227*** (0.2402)	0.2671 (0.2499)	-0.3034* (0.1830)
Municipality controls	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Municipality FE	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Time FE	Yes	Yes	Yes	Yes	Yes	Yes	Yes
N	13930	13930	13930	13930	13930	13930	13930

Notes: Standard errors in parentheses clustered at municipality level. * $p < 0.10$, ** $p < 0.05$, *** $p < 0.01$. AS share is the fraction of asylum seekers over total baseline population at municipality level. Municipality controls: Log(Income per capita), share of residents over 65 on total population.

Table A9: Election results - control for pre-trends in voting outcomes

	(1)	(2)	(3)	(4)	(5)	(6)	(7)
	Anti-immigration			PDL	M5S	center-Left	Turnout
	Total	Lega Nord	FDI	PD + Left			
<i>Camera dei Deputati</i>							
share AS	0.1910*** (0.0417)	0.1461*** (0.0396)	0.0516** (0.0246)	-0.0067 (0.0359)	-0.1512*** (0.0546)	-0.1170*** (0.0396)	0.0238 (0.0266)
<i>Senato</i>							
share AS	0.1770*** (0.0458)	0.1046** (0.0458)	0.0686** (0.0309)	0.0014 (0.0467)	-0.1471*** (0.0527)	-0.1526*** (0.0526)	0.0213 (0.0267)
Pre-trends voting (2008-13) × Time	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Municipality controls	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Municipality FE	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Time FE	Yes	Yes	Yes	Yes	Yes	Yes	Yes
N	13884	13884	13884	13884	13884	13884	13884

Notes: Standard errors in parentheses clustered at municipality level. * $p < 0.10$, ** $p < 0.05$, *** $p < 0.01$. AS share is the fraction of asylum seekers over total baseline population at municipality level. Municipality controls: Log(Income per capita), share of residents over 65 on total population. The vector of pre-trends includes the change in turnout and votes share for each party competing in 2008 and 2013 (*Lega*, *PDL* and *PD*) interacted with a year dummy.

Table A10: Election results – estimation sample with ‘yet-to-be-treated’ municipalities as control group

	(1)	(2)	(3)	(4)	(5)	(6)	(7)
	Anti-immigration			PDL	M5S	center-left	Turnout
	Total	Lega Nord	FDI	PD + Left			
<i>Chamber of Deputies</i>							
AS share	0.1376** (0.0574)	0.0873 (0.0551)	0.0485* (0.0255)	0.0550 (0.0365)	0.0075 (0.0647)	-0.1258*** (0.0447)	0.1382*** (0.0444)
<i>Senate</i>							
AS share	0.1226* (0.0668)	0.0519 (0.0542)	0.0639* (0.0370)	0.0736 (0.0526)	-0.0076 (0.0675)	-0.1304** (0.0562)	0.1437*** (0.0460)
Municipality controls	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Municipality FE	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Time FE	Yes	Yes	Yes	Yes	Yes	Yes	Yes
N	5950	5950	5950	5950	5950	5950	5950

Notes: Standard errors in parentheses clustered at municipality level. * $p < 0.10$, ** $p < 0.05$, *** $p < 0.01$. The estimation sample includes municipalities that received asylum seekers between 2014 and 2019. Since our period of observation for the political impact is 2013–2018, those municipalities that received AS after 2017 form the control group. AS share is the fraction of asylum seekers over total baseline population at municipality level. Municipality controls: Log(Income per capita), share of residents over 65 on total population.

Table A11: Effect on income and population - Robustness checks at LMA level

	(1)	(2)	(3)	(4)	(5)	(6)	(7)
	log(income p.c.)	log(income)	log(pop.)	log(native pop.)	log(foreign pop.)	log(native pop.)	log(income)
a) Top 5 % asylum seekers share municipalities excluded							
AS share	-0.0042** (0.0018)	0.0083*** (0.0019)	0.0125*** (0.0015)	0.0061*** (0.0015)	0.1102*** (0.0122)	0.0048*** (0.0011)	0.0052*** (0.0018)
death rate (2013-2017) \times Time						-0.0094*** (0.0006)	-0.0109*** (0.0007)
birth rate (2013-2017) \times Time						0.0185*** (0.0007)	
Municipality FE	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Time FE	Yes	Yes	Yes	Yes	Yes	Yes	Yes
N	13236	13236	13236	13236	13236	13236	13236
b) Government reception centers excluded							
AS share	-0.0035*** (0.0009)	-0.0010** (0.0005)	0.0025*** (0.0008)	-0.0016*** (0.0005)	0.0624*** (0.0168)	0.0000 (0.0004)	-0.0001 (0.0006)
death rate (2013-2017) \times Time						-0.0092*** (0.0006)	-0.0106*** (0.0007)
birth rate (2013-2017) \times Time						0.0183*** (0.0006)	
Municipality FE	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Time FE	Yes	Yes	Yes	Yes	Yes	Yes	Yes
N	13894	13894	13894	13894	13894	13894	13894
c) centers above 100 guests excluded							
AS share	-0.0028*** (0.0008)	-0.0009* (0.0005)	0.0019** (0.0008)	-0.0020*** (0.0007)	0.0562*** (0.0180)	0.0001 (0.0004)	0.0003 (0.0007)
death rate (2013-2017) \times Time						-0.0092*** (0.0006)	-0.0108*** (0.0007)
birth rate (2013-2017) \times Time						0.0183*** (0.0006)	
Municipality FE	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Time FE	Yes	Yes	Yes	Yes	Yes	Yes	Yes
N	13538	13538	13538	13538	13538	13538	13538
d) labor Market Area estimates							
AS share	-0.0080** (0.0034)	-0.0069** (0.0029)	0.0011 (0.0027)	-0.0037 (0.0025)	0.0693*** (0.0178)	0.0002 (0.0020)	-0.0036 (0.0039)
death rate (2013-2017) \times Time						-0.0151*** (0.0010)	-0.0137*** (0.0016)
birth rate (2013-2017) \times Time						0.0049*** (0.0017)	
LMA FE	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Time FE	Yes	Yes	Yes	Yes	Yes	Yes	Yes
N	1122	1122	1122	1122	1122	1122	1122

Notes: Standard errors in parentheses clustered at municipality/LMA level. * $p < 0.10$, ** $p < 0.05$, *** $p < 0.01$. AS share is the fraction of asylum seekers over total baseline population at municipality/LMA. Death rate (2013-2017) is the municipality/LMA fraction of Italian citizens who died between 2013 and 2017 over the 2013 population. Birth rate (2013-2017) is the municipality/LMA fraction of Italian citizens born between 2013 and 2017 over the 2013 population. Both are interacted with a year dummy in order to compare municipalities/LMAs having similar levels of the two variables in the treatment period (2013-2017).

Table A12: Municipality expenditure - controls

	(1)	(2)	(3)	(4)	(5)	(6)	(7)
	Log(Total)	Log(Families)	Log(Employees)	Log(Poverty)	Log(Elderly)	Log(Disabilities)	Log(Immigrants)
AS share	0.0041 (0.0049)	0.0128 (0.0087)	0.0098*** (0.0037)	0.0041 (0.0076)	-0.0046 (0.0074)	-0.0024 (0.0155)	0.0225 (0.0212)
Municipality controls	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Municipality FE	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Time FE	Yes	Yes	Yes	Yes	Yes	Yes	Yes
N	13556	13556	13556	13556	13556	13556	13556

Notes: Standard errors in parentheses clustered at municipality level. * $p < 0.10$, ** $p < 0.05$, *** $p < 0.01$. AS share is the fraction of asylum seekers over total baseline population at municipality level. Municipality controls: Log(Income per capita), share of residents over 65 on total population.