Immigration, Altruism, and Attitudes towards the Welfare State

Gerda Hooijer

Lady Margaret Hall

Thesis submitted in partial fulfilment of

the requirements for the degree of DPhil in Politics

in the Department of Politics and International Relations

at the University of Oxford.

August 2019

Word count: 72,623 (excluding references)

Abstract

Immigration, Altruism, and Attitudes towards the Welfare State

Gerda Hooijer
Lady Margaret Hall
DPhil in Politics
Trinity 2019

This study develops a theoretical argument to explain when, why, and how immigration affects attitudes towards the welfare state and tests this argument in countries in Western Europe. I first argue that individuals' attitudes towards the welfare state are driven by two concerns: material self-interest and altruism. I then argue that individuals are more likely to empathize with and help the poor when the poor are more like them in terms of culture, and that altruistic concerns have a greater influence on the welfare attitudes of the rich than the poor. I also disaggregate the effects of immigration into two parts: (i) it can make the poor more culturally dissimilar, and (ii) it can create competition for scarce resources, such as jobs and social benefits and services.

The central argument of this dissertation is that the variation in rich and poor voters' support for a generous and inclusive welfare state across countries and time is explained by the extent to which immigration increases cultural dissimilarity among the poor and competition for scarce resources. When immigration increases cultural dissimilarity among the poor, voters become less willing to help them. Rich voters will therefore reduce their support for a generous and inclusive welfare state, while poor voters support a generous but less inclusive welfare state for self-interested reasons. When immigration creates resource competition, poor voters will demand more social spending and/or more restrictive eligibility rules to protect themselves against it.

Using quantitative and experimental methods, this study will show how immigration affects feelings of economic threat and the willingness to help the poor. Further, it will look at how these motivations explain the attitudes towards the welfare state among rich and poor voters across industrialized democracies in Western Europe and over time, and within the United Kingdom, Ireland, and the Netherlands.

Table of Contents

List of Figures and Tables

Figures

Tables

Introduction

It Matters Who "They" Are

1. Introduction

In 1948, the British troopship HMT Empire Windrush docked in Tilbury, carrying a few hundred passengers from the Caribbean and elsewhere, who were hoping to start a new life in the United Kingdom. Their long journey had been anxiously followed by the British government and the public, whose concern was not the number of people, as the country welcomed a much larger number of Polish and other Eastern European immigrants in the same period to fill severe labor shortages.[1] Instead, their worry was caused by *where* these people were from. On the day the Empire Windrush arrived, 11 Labour Members of Parliament expressed this in a letter to the Prime Minister as follows: "An influx of coloured people domiciled here is likely to impair the harmony, strength and cohesion of our public and social life and cause discord and unhappiness among all concerned" (cited in Muir 2018). Thirty years later, Margaret Thatcher, then leader of the Conservative Party, said about migration from the new Commonwealth and Pakistan that "… people are really rather afraid that this country might be rather swamped by people with a different culture" (Thatcher, January 27, 1978). Concerns about immigrants and culture have not abated and

[1] Almost 150,000 Poles settled in the UK under the 1947 Polish Resettlement Act. More low-skilled workers came from Eastern Europe as European Volunteer Workers (Tannahill 1958).

political leaders from the left and the right have repeatedly stressed immigrants' 'duty to integrate' and the importance of a 'British values test' for newcomers.[2]

All three examples come from the UK, but they illustrate important patterns found across industrialized democracies. First, they show that immigration has been a politically salient issue for the politics of industrialized democracies for several decades. This is evidenced by various opinion polls which indicate that most voters in most countries want less immigration (see Ceobanu and Escandell 2010, Semyonov et al. 2006). In 2018, more than one-fifth of the population in Western Europe and the US listed immigration as the most important problem their country was facing (European Commission 2018, Gallup 2018). The salience of immigration is further demonstrated by the success of right-wing populist parties and political leaders who have gained a strong foothold in many countries in the past decades by campaigning on anti-immigration platforms.

Second, the examples show that countries have not been restrictive towards all types of immigration. Instead, they have welcomed some immigrants but discouraged others. In the post-war period, the UK actively promoted immigration from the 'old' Commonwealth countries (i.e. Australia, New Zealand, Canada, and South Africa) while it tried to limit immigration from the 'new' Commonwealth countries in the Caribbean, Africa, and Asia (Hansen 2000). More generally, industrialized democracies have increased the opportunities for free movement amongst themselves, for example through the enlargement of the

[2] In the UK, Tony Blair argued for 'a duty to integrate' in his speech on integration as Prime Minister on December 8, 2006, as well as in a recent report, titled 'The Glue That Binds: Integration in a Time of Population', published in 2019 by the Tony Blair Institute for Global Change. Theresa May has promoted a 'British values test' since 2012 when she was the Home Secretary.

European Union and exemptions of visa requirements, while increasing the barriers for entry for immigrants from poorer countries in the world (de Haas et al. 2018, Favell 2008, FitzGerald 2019).

This leads to the third pattern: it matters for public policy and for voters *who* the immigrants are, in terms of their racial, ethnic, or cultural background. While there has been a trend away from explicitly racist immigration policies, such as the national origins quota systems in the US and Canada in the early twentieth century, to more universalist immigration policies after World War II (see FitzGerald and Cook-Martín 2014, Joppke 2005, King 2000), the cultural background of immigrants continues to play an important role in immigration, integration, and social policies in the present times. In the context of more ethnically and culturally diverse immigrant flows since the 1980s, for example, countries have placed more restrictions on immigrants' rights to access social benefits and services (see Emmenegger and Careja 2012, Fox 2012, Sainsbury 2012). Many have also introduced citizenship tests with a heavier focus on cultural values, and language and income requirements for family reunification, sometimes justified explicitly as aimed at reducing immigration from countries with a majority-Muslim population (FitzGerald et al. 2018, Goodman 2011). Moreover, extant research on immigration attitudes has shown that individuals prefer immigrants from Europe and North America over immigrants from many other parts of the world (see, for example, Bansak et al. 2016, Brader et al. 2008, Ford 2011, Gorodzeisky and Semyonov 2019, Hainmueller and Hangartner 2013, Newman and Malhotra 2018). This holds even after controlling for

differences in their skill profile, such as age, education, occupation, length of residence, and language proficiency.[3]

Yet, when it comes to the relationship between immigration and support for the welfare state, the vast literature has treated all immigrants as alike. One of the earliest examples comes from Gary Freeman (1986: 62) who argued in his seminal article that "[w]hen the welfare state is seen as something for "them" paid for by "us", its days as a consensual solution to societal problems are numbered". More than three decades later, most studies continue to juxtapose natives with immigrants and assume that all (low-income) immigrants undermine social solidarity (see, for example, Burgoon 2014, Eger 2010, Muñoz and Pardos-Prado 2017, Rueda 2018, Senik et al. 2009, Stichnoth 2012). The classic immigrant-native dichotomy, however, obscures that voters may respond more positively to culturally similar immigrants than to culturally dissimilar immigrants. Depending on the cultural composition of immigrants, we may therefore find that immigration has a more negative effect on voters' support for the welfare state in some countries than in others.

Other work has focused on non-Western immigrants, taking the view that these immigrants are more visibly and ethnically different from the native population (see, for example, Brady and Finnigan 2014, Mau and Burkhardt 2009, Dalhberg et al. 2012). This line of work is also unsatisfactory because it leaves immigrants from Europe, North America, and Oceania out of the story. They either assume that these culturally similar immigrants are politically

[3] Analyzing data from Swiss referendums on immigrants' naturalization applications, Hainmueller and Hangartner (2013: 15) conclude that "…origin effects are more important than other applicant characteristics for which we find significant effects, such as economic credentials and immigration history".

irrelevant or that the native population will treat them no differently from their own group members. Historical and present-day research, however, suggests that these immigrants have often been incorporated differently into the welfare state than other immigrants and the native population (see Fox 2012, Sainsbury 2012).[4] Studies of the relationship between immigration and social solidarity should therefore include culturally similar immigrants. Only by comparing across immigrant groups, is it possible to assess the relative influence of immigrant status, immigrants' cultural background, and their socioeconomic background on support for the welfare state among native-born voters.

2. Moving beyond immigrants versus natives

In this dissertation, I emphasize that the cultural background of immigrants matters for rich and poor voters' attitudes towards the welfare state because it influences their willingness to help the poor. I first assume that individuals care about their own wellbeing and that of others. In particular, they are willing to sacrifice some of their own resources to help the poor. I then argue that individuals are more likely to empathize with and help the poor when the poor are more like them in terms of culture. Cultural similarities help foster common bonds among individuals which lays the foundation for supporting a generous and inclusive welfare state.

Moving beyond the immigrant-native division, I assume that the more culturally dissimilar the poor are, the less likely it is that the altruistic feelings of

[4] I take policies as an example because survey data on voters' preferences towards the social rights of different types of immigrants are even more limited than the survey data on their preferences towards immigrants' social rights in general.

individuals are activated. I then argue that these altruistic concerns will have a stronger influence on the welfare attitudes of the rich than that of the poor because it is relatively cheaper for the rich to act upon them due to the declining marginal utility of income. I therefore expect that rich individuals will become less likely to support a generous and inclusive welfare state for altruistic reasons when the poor become more culturally dissimilar due to immigration. For poor individuals, I expect that they remain strong supporters of a generous welfare state, regardless of the degree of cultural dissimilarity among the poor, because it serves their material self-interest. They may, however, reduce their willingness to support an inclusive welfare state because they are less willing to help the poor when the poor are more culturally dissimilar.

In addition to affecting the cultural dissimilarity among the poor, my argument also stresses that immigration can create competition for scarce resources, such as jobs and social benefits and services. Since immigrants in most industrialized democracies are overrepresented at the lower end of the labor market and income distribution, increased demands for jobs or social provisions may affect the interests of poor voters more than that of rich voters as the former are more reliant on low-skilled jobs and social provisions. Whether the new demands by immigrants translate into competition depends on three conditions: whether immigrants can legally access these goods, whether native-born voters desire these goods, and whether the supply of goods is fixed in the short term. If these conditions are met, immigration should trigger feelings of economic insecurity among poor voters who should try to shield themselves against competition for benefits or jobs with immigrants by demanding more

social protection and legal restrictions on immigrants' access to these scarce and valuable goods.

This argument makes two important contributions to the literature on immigration and support for the welfare state. First, by moving beyond the immigrant-native dichotomy and considering the cultural distance between immigrant groups and the native population, it explains why immigration does not always undermine social solidarity. When immigrants are more culturally similar to the native population, the likelihood of forming common bonds is higher and rich and poor voters may remain supportive of a generous and inclusive welfare state. When immigrants are more culturally dissimilar, this likelihood decreases, and rich voters may withdraw their support for a generous and inclusive welfare state while poor voters may be less willing to support an inclusive welfare state. Second, the argument shows that immigration can increase demands for social protection and demands for restricting immigrants' social rights without sacrificing the generosity of the welfare state. This can happen when immigration leads to labor market competition or social benefit competition. This should affect the welfare attitudes of poor voters the most because they tend to compete with immigrants for the same resources. By distinguishing how immigration as a source of cultural dissimilarity among the poor and as a source of competition for scarce resources affects the welfare attitudes of poor and rich voters, this argument yields important insights into the relationship between diversity and social solidarity.

3. Empirical strategy and plan of the dissertation

The dissertation is structured as follows. In Chapter 1, I discuss the existing literature on the relationship between immigration and support for the welfare state. In Chapter 2, I present the theoretical argument to explain how immigration affects support for generous and inclusive welfare states among poor and rich native-born voters. Each of the following chapters tests different parts of the empirical implications of this argument. A mixture of quantitative and experimental methods, cross-national and within-country analyses, and cross-sectional and longitudinal data is used to examine whether immigration-related cultural dissimilarity and resource competition influence the welfare attitudes of poor and rich voters. I describe this below while the detailed research designs are discussed in each of the four empirical chapters of this dissertation.

Chapter 3 focuses on *immigration as a source of cultural dissimilarity among the poor* while holding immigration-related competition constant. It examines whether rich voters are less supportive of a generous and inclusive welfare state when the recipients of redistribution are more culturally dissimilar due to immigration. I first develop a new cross-national measure of culturally dissimilar immigration that incorporates both the size of the immigrant population and the cultural distance between various immigrant groups and the native population. To this end, I match detailed data on the country of birth of immigrants from the OECD's International Migration Database to data on the cultural values of countries from the World Values Survey (WVS) and the European Values Survey (EVS). Mapping culturally dissimilar immigration across industrialized democracies leads to two patterns: first, culturally dissimilar immigration varies across time and space, and second, the percentage of foreign-born approximates

culturally dissimilar immigration in some countries but not in others. For the latter, it either overestimates or underestimates the extent of cultural diversity.

In the next part of the chapter, I explore the effects of immigration-related cultural diversity on voters' attitudes towards the welfare state. I use pooled cross-sectional data from the European Social Survey, covering more than 200,000 respondents from seventeen countries in Western Europe between 2002 and 2017. Employing multilevel regression models, I test whether the negative effect of an individual's income on support for redistribution depends on the level of culturally dissimilar immigration in their country. I find strong and robust evidence for the claim that rich voters are less supportive of redistribution when they live in countries with more culturally dissimilar immigration. I also show that voters, regardless of their income, are less supportive of an inclusive welfare state when immigration is high. I then move on to the longitudinal analysis of voters in the United Kingdom to examine these dynamics over a long period and reduce omitted variables bias at the individual and context level. Using data from 1991 to 2007 from the British Household Panel Study and a local measure of culturally dissimilar immigration based on census data, I find that rich voters withdraw their support for redistribution when the share of non-white immigrants in their local authority increases rapidly while poor voters remain supportive of redistribution. By combining pooled cross-sectional and longitudinal analyses, this chapter shows that the cultural background of immigrants matters for the politics of redistribution.

In the following two chapters, I focus on the effects of *immigration as a source of competition* on voters' welfare attitudes, while holding cultural dissimilarity constant. In Chapter 4, I examine whether individuals will demand

more social protection when they are exposed to competition with immigrants in the labor market. I select the United Kingdom and Ireland as most likely cases to test this part of the argument. Their governments granted European immigrants from the new accession countries full and unrestricted access to their labor markets after the enlargement of the European Union in 2004. This resulted in unexpectedly high and uneven inflows of labor immigrants across occupations and regions. In the chapter, I first identify patterns of occupational exposure to new EU immigrants before and after the enlargement using data from the UK Labor Force Survey and the Irish census. This exercise highlights the scale of transformation across and within broad occupational groups in these countries. Next, I match these data to respondents from the British Household Panel Study and the Irish National Election Studies. Using fixed effects linear regressions, I explore first whether voters demand more social protection from the government when the share of new EU immigrants in their occupation increases. I then investigate the causal mechanism by testing whether voters experience more economic insecurity when the share of new EU immigrants in their occupation increases. The findings provide compelling evidence that when labor market competition occurs, individuals feel more economically insecure and they respond to these feelings by demanding more social protection from the government.

Chapter 5 turns to the effects of immigration-related competition for social benefits and services on voters' welfare attitudes. It examines whether benefit competition leads individuals to demand more restrictions on immigrants' access to social goods and services. To this end, I conduct a case study of competition for social housing in the Netherlands. With more than one-third of the Dutch

population living in social housing, the highly inelastic nature of the social housing supply, and a mandatory refugee dispersal system that requires municipalities to provide permanent housing to new refugees, social housing has all the elements to become a site of conflict. I first create a novel and exogenous measure of social housing competition based on administrative data on refugee dispersals and the number of vacant social housing in Dutch municipalities. This direct measure reveals that social housing competition varies greatly across time and space. I then combine this measure with high-quality individual-level panel data from 2007 to 2016 from the Longitudinal Internet Study for the Social Sciences (LISS) which allows me to track the support for immigrants' social rights of the same individuals over time. Using conditional fixed effects logit models, I show that low- and middle-income individuals become less supportive of immigrants' social rights when more social housing in their municipality is allocated to refugees. By contrast, competition does not reduce support among the rich, who are less dependent on social housing, or the very poor, who are more shielded from competition due to the design of the social housing allocation mechanism. The findings suggest that benefit competition can erode support for immigrants' social rights.

Chapter 6 provides an empirical test of the proposed causal mechanisms of material self-interest and group-bounded altruism. It draws on evidence from an original and incentivized laboratory experiment conducted with 140 participants at the Centre for Experiments in the Social Sciences (CESS) at Nuffield College, the University of Oxford. The experiment manipulates the two channels through which immigration may affect welfare attitudes: through increasing cultural dissimilarity among the poor, and through increasing

competition for scarce resources. By creating artificial social identities in the lab, the experiment aims to isolate the effect of cultural dissimilarity from other confounders that haunt observational data, such as immigrants' socioeconomic background and individuals' stereotypes of immigrants. Moreover, the competition treatment manipulates the effect of labor market competition while holding social insurance concerns for other individuals constant as they are not affected by competition themselves. Participants then make a series of decisions on the preferred tax and transfer scheme for their group.

Chapter 7 concludes the dissertation by showing how the theoretical argument, developed in Chapter 2 and tested in Chapters 3 to 6, advances our understanding of the effects of immigration on voters' attitudes towards the welfare state. It also argues that immigration has become a defining feature of the politics of redistribution across industrialized democracies and that it deserves greater attention from scholars in political economy.

Chapter 1

Support for the Welfare State in the Era of Migration: Existing Research

1.1 Introduction

Extensive research from across the social sciences has examined the relationship between ethnic diversity, immigration, and the welfare state. Some have focused on the influence of ethnic diversity on social spending. Numerous studies from the US have shown that public spending is lower in US states and cities with a higher percentage of African Americans or Latinos (Alesina et al. 1999, Alesina and Glaeser 2004, Fox 2012, Hero and Preuhs 2007). Exploring this relationship in a cross-national context, some studies have found evidence for a negative relationship between immigration and social spending while others found weaker or no effects (Soroka et al. 2006, Soroka et al. 2016, Lipsmeyer and Zhu 2011, Taylor-Gooby 2005). Other research has examined the relationship between immigration and voters' attitudes towards the welfare state (for an overview, see Stichnoth and van der Straeten 2013).

Despite the large amount of research on this topic, a comprehensive study of how immigration, through economic and cultural factors, influences voters' support for a generous and inclusive welfare state has been lacking. Most studies have emphasized either the economic or cultural effects of immigration, or they have focused on a narrow definition of welfare state attitudes. To fully understand immigration's effects on support for the welfare state, this dissertation presents a comprehensive theoretical argument to explain how different societal effects of immigration may influence different attitudes towards the welfare state among

different voters. The following section situates this argument in the existing social sciences literature.

I first discuss the standard models in comparative political economy which emphasize the role of current and future material self-interest. These models have been most influential in explaining support for the welfare state. I then review recent research that has integrated immigration in this framework by conceptualizing immigration as an individual economic threat. Next, I consider theories that assume that individuals care not only about their material self-interest, but also about the material interests of others in society. These theories often emphasize the identity-related effects of immigration on reciprocity and altruism. Finally, I discuss research that has departed most from the framework of material interests and has focused on deservingness, prejudice, and cultural threat as determinants of voters' attitudes towards the welfare state.

1.2 The workhorse model

The workhorse model in comparative political economy, developed by Meltzer and Richard (1981) and Romer (1975), focuses on general support for redistribution, i.e. views on how much income the government should redistribute from the rich to the poor. This model assumes that individuals care about their material self-interest. Under the assumption of proportional taxation and universal and flat-rate transfers, poor individuals are therefore expected to support redistribution because they are net beneficiaries, while rich individuals

should oppose redistribution because they are net contributors.[1] This parsimonious model has been extended in two important ways.

The first extension concerns social insurance motivations. According to this literature, the welfare state does not only redistribute income across income groups, but it also insures individuals against adverse effects during their lives, such as unemployment, disability, and old age. Materially self-interested individuals should therefore care about their current and future income. Consequently, many high-income individuals may support social insurance programs to protect themselves against the risk of losing income in the future (Iversen and Soskice 2001, Moene and Wallerstein 2001, Rehm 2009). This risk has been conceptualized in different ways: from skill specificity (Iversen and Soskice 2001), occupational unemployment (Rehm 2009), labor market dualization (Rueda 2005, Schwander and Häusermann 2013), and economic shocks (Cusack et al. 2008, Margalit 2013) to exposure to deindustrialization (Iversen and Cusack 2000), automation (Thewissen and Rueda 2019), and international trade and offshoreability (Walter 2010, Wren and Rehm 2014). If the risk of losing income is not highly correlated with a person's current income, this creates the potential to form broad cross-class coalitions in support of the welfare state (see Rehm et al. 2012).

The second extension of the workhorse model has focused on the mediating role of institutions. Such institutions may explain why the negative effect of income on support for redistribution is stronger in some industrialized

[1] While the macro-level prediction that increases in inequality should be associated with more redistribution has found little empirical support, the micro-level predictions have received more empirical support (Finseraas 2009, Rueda and Stegmueller 2016).

democracies than in others, a pattern shown by Dion and Birchfield (2010). Gingrich and Ansell (2012), for example, argue that welfare institutions influence individuals' exposure to labor market risks and, therefore, their demand for redistribution. When individuals' jobs are protected by strong labor market regulations, their risk of unemployment decreases, and their need for social protection will be lower. Beramendi and Rehm (2016) emphasize the institution of tax and transfer systems. They argue and show that the negative relationship between income and support for redistribution is stronger when the rich pay a relatively higher share of the taxes than the poor and when the poor receive a relatively higher share of the transfers than the rich.

While this literature has been useful to understand the redistribution preferences among different voters, it leaves us ill-equipped to understand the effects of immigration on the politics of redistribution for several reasons. To begin with, much of this research assumes (implicitly) that societies are ethnically homogenous or that immigration is not a salient division in societies. This means that they do not consider the effects of immigration on voters' support for the welfare state. To the extent that industrialized democracies ever were ethnically homogenous, this assumption becomes increasingly tenuous due to the profound and lasting impact of immigration.

Moreover, the assumption that individuals are driven only by material self-interest is too stringent as findings from behavioral economics show that many individuals deviate from their material self-interest. In dictator games and ultimatum games, individuals often give away a larger portion of their endowment to their recipient/opponent than we would expect based on material self-interest

alone.[2] Individuals thus seem to care about their material self-interest and about the material interests of others (see Charness and Rabin 2002, Engel 2011, Fehr and Schmidt 2006).

Finally, once individuals are assumed to care about others, the unidimensional concept of general support for redistribution no longer suffices because individuals should consider not only *how much* redistribution they want, but also *to whom* they want to redistribute these resources (see Cavaillé and Trump 2015). These attitudes on who should have access to the welfare state are referred to in this thesis as eligibility preferences. While age, employment status, and gender have been important divisions in the past (see Ferrera 2005, Orloff 1993), immigration has become the new dividing line in many countries. It is therefore important to investigate within the same framework voters' attitudes towards immigrants' social rights to see whether individuals want to limit access to the welfare state to natives only or extend it to immigrants as well.[3] The following sections discuss research that has tried to address these issues.

[2] In the dictator game, the dictator (player A) is asked to allocate an (earned) endowment between herself and a passive recipient (player B). In the ultimatum game, player A is also asked to allocate an endowment between herself and player B, who must decide whether she accept the offer or rejects it. If player B accepts it, the endowment is split as proposed. If player B rejects it, both players receive nothing.

[3] This has similarities with the concepts of conditional social solidarity and universal social solidarity by Jensen and Poulsen (1990, in Bay and Pedersen 2006). The former is also often referred to as welfare chauvinism, although it has different meanings in this literature. While some understand it as the perceived effects of immigration on jobs and social benefits (Crepaz and Damron 2009), others define it as the specific combination of supporting redistribution and restricting immigrants' access to the welfare state (de Koster et al. 2013, van der Waal et al. 2010).

1.3 Immigration and material self-interest

One strand of research has integrated immigration in the standard political economy framework by conceptualizing it as an individual economic risk. This research draws heavily on the extensive literature on the determinants of immigration preferences (for an overview, see Ceobanu and Escandell 2010, Hainmueller and Hopkins 2014).[4] It has focused on three ways in which immigration may affect a person's material self-interest: through reducing their labor income, increasing the amount of taxes they have to pay, and reducing the amount of transfers they receive. These arguments are known in the literature as the labor market competition argument, the fiscal burden argument, and the benefit competition argument.

These arguments begin from the assumption that industrialized democracies mainly attract low-skilled immigrants who end up at the lower end of the labor market and/or the income distribution.[5] In the labor market competition argument, immigration increases the supply of low-skilled labor which puts downward pressure on the wages and jobs of low-skilled native-born workers who can be substituted by immigrants. To protect themselves against this labor market risk, these workers should demand more restrictive immigration policies (Scheve and Slaughter 2001, Malhotra et al. 2013, Mayda 2006) or, in the adapted version, more social protection from the government (see Burgoon

[4] Studies on immigration attitudes have also considered the role of economic evaluations of immigration for one's sector or society (see, for example, Dancygier and Donnelly 2013, Sides and Citrin 2007). Such sociotropic explanations have been less developed in the study of immigration's effect on social policy preferences.

[5] This stylized fact seems to hold for many countries. In 2014/2015, the average share of immigrants with a tertiary education was 34 percent, but it was higher in countries as Canada, Australia, the UK and Ireland (OECD 2019). In contrast to low-skilled immigration, which tends to be problematized and discouraged across countries, high-skilled immigration is often welcomed and actively pursued by governments (Czaika 2018).

et al. 2012, Finseraas 2008). This argument resembles the compensation hypothesis from earlier work on globalization (Garrett 1998, Katzenstein 1985). The labor market competition argument thus suggests that immigration can *increase* support for the welfare state for some individuals. This is an important difference with much of the research on immigration and the welfare state that has argued that immigration *decreases* support for redistribution.

Another line of research has focused on the possibility that low-skilled immigration may benefit workers whose skills are complementary to those of immigrants. Alt and Iversen (2017) argue that these skilled native-born workers will reduce their demand for social insurance because they are better off due to the ethnically segmented labor markets resulting from immigration. Finseraas (2012) also argues that rich voters in European regions with ethnic minorities demand less redistribution because they are less concerned about downward social mobility. However, it remains unclear from these studies how much high-skilled natives really benefit from low-skilled immigrants as an economic buffer in the labor market.[6]

The fiscal burden argument focuses on the fiscal costs of immigration. The reasoning is that if immigrants use more social benefits than they contribute in taxes, governments will have to increase taxes, holding all else constant. Given the progressive tax systems in industrialized democracies, rich individuals especially should respond by reducing their support for redistribution because

[6] Both studies capture immigration-related diversity with a measure based on self-identified ethnic minorities, but this may include native-born individuals who consider themselves an ethnic minority (e.g. German-speaking individuals in Belgium) and exclude foreign-born individuals who do not (e.g. German-born immigrants in the Netherlands). Moreover, Alt and Iversen (2017) do not include empirical measures of ethnically segmented labor markets, despite it being their main independent variable.

they expect to bear these costs the most (for a similar argument on immigration preferences, see Facchini and Mayda 2009, Hanson et al. 2007).[7]

The last economic argument, the benefit competition argument, states that immigration can threaten the native population's access to scarce social benefits and services by placing extra demands on the system. Since the poor are more reliant on these social goods, they are expected to demand more redistribution or restrictions on immigrants' access to these goods (Cavaillé and Ferwerda 2018, Dancygier 2010, Freeman 1986, Kitschelt 1995, Money 1997). Research on support for immigrants' social rights has found weak and mixed evidence for the effect of material self-interest (Bay et al. 2013, Mewes and Mau 2012, van der Waal et al. 2010). As the fiscal burden and the benefit competition arguments rely on opposing assumptions, namely, an expansive supply of social provisions versus a fixed supply of social provisions in the short term, these mechanisms should be unlikely to occur in the same area at the same time (Valentino et al. Forthcoming). Recent extensions of these arguments have focused on factors that may influence when immigration is more likely to lead to competition or a fiscal burden, such as the socioeconomic integration of immigrants (Burgoon 2014), welfare regimes (Finseraas 2008), and welfare eligibility rules (Muñoz and Pardos-Prado 2017).

The research on immigration as an individual economic risk is useful in identifying how economic concerns related to immigration may influence attitudes

[7] Some empirical evidence from the US seems to contradict the fiscal burden hypothesis. Gerber et al. (2017) report that low- and high-skilled individuals both fear a higher tax burden due to immigration. Hainmueller and Hiscox (2010: 19) find that "rich and poor natives are equally opposed to low-skilled immigration in general, and rich natives are actually less opposed to low-skilled immigration in high-exposure states than in low-exposure states".

towards the welfare state, but it has three main limitations which this dissertation will try to tackle.

First, it is not always clear when and for which groups in society these concerns may plausibly influence their social policy preferences. Since economic studies find that the *average* effects of immigration on the labor market, the welfare state, and the fiscal burden are small in the short term and sometimes even positive in the long term (see Borjas 1999, Dustmann et al. 2013, Dustmann and Frattini 2014, Ottaviano and Peri 2012), it is unlikely that these motivations matter equally for everyone. It is therefore important to clarify whose preferences should be most affected.

Second, these studies have often used aggregate and indirect measures, such as the level of immigration or unemployment rates, to capture the economic effects of immigration on the labor market or the welfare state. These measures do not account for the non-randomness of immigration across and within countries nor do they always closely match the theoretical construct of interest (for example, immigrants are unlikely to form a labor market threat if they lack the right to work or have low employment rates). It is therefore important to better specify the scope conditions for these economic effects and carefully select empirical measures and designs that allow proper testing of these hypothesized effects.

Third, this line of research seems to assume that individuals will respond in the same way to an immigration shock as to other population shocks, such as rising female labor participation. By treating immigrants as pure economic factors, this research fails to capture that many voters seem to care about who these immigrants are. The identity of immigrants should therefore be integrated

into the same framework to improve our understanding of immigration's effects on voters' attitudes towards the welfare state.

1.4 Immigration and the material needs of others

The second strand of research has focused more on the identity of immigrants. Much of it draws on robust findings from social psychology and behavioral economics that individuals tend to categorize themselves and others into groups, and that they derive positive benefits from belonging to a group. These findings have also shown that individuals are more likely to allocate resources to in-group members than to out-group members, even when group identities are based on arbitrary criteria, such as random assignment in the laboratory (see Akerlof and Kranton 2000, Tajfel and Turner 1979). Broadening the materialist framework to include not only material self-interest but also other-regarding concerns, the second strand of research has argued that the identity of immigrants influences the willingness to help others. This willingness may be conditional upon the recipient's past behavior or intentions, i.e. reciprocity, or it may be unconditional, i.e. altruism. The following section discusses these causal mechanisms.

1.4.1 Reciprocity

The first type of other-regarding concerns is reciprocity. Two variants of reciprocity exist in the literature. One refers to individuals helping others because they expect to derive reputational benefits from their actions, or because they expect to receive help in return (tit-for-tat). This type of reciprocity is an extended form of self-interest and is often considered too weak to explain helping behavior in contexts where anonymity prevents individuals from reaping reputational

benefits from helping strangers. In the second variant, reciprocity is defined as the propensity to "*cooperate and share with others similarly disposed, even at personal cost, and a willingness to punish those who violate cooperative and other social norms, even when punishing is personally costly and cannot be expected to entail net personal gains in the future*" (Fong et al. 2006: 1441, italics in original). Reciprocal individuals thus derive positive (negative) utility from helping those displaying 'good' ('bad') behavior (Fehr and Schmidt 2006: 5). Experimental evidence confirms that many individuals are willing to punish unfair behavior of others, even at a personal cost to themselves (Charness and Rabin 2002, Fong et al. 2006).[8] Observational studies also suggest that individuals are less likely to support redistribution if they believe that the causes of poverty can be attributed to the individual such as laziness and lack of effort as opposed to bad luck (see Alesina and Angeletos 2005, Bénabou and Tirole 2006, Fong et al. 2006).

Reciprocity concerns have also been put forward to explain why individuals may be less willing to share their resources with out-group members or immigrants (Alesina et al. 2001, Habyarimana et al. 2007, Reeskens and van Oorschot 2012). One interpretation is that individuals may lower their support for redistribution because they lack the information needed to judge the behavior and intentions of immigrants, who are newcomers to the country. The long-run expectation, however, is that individuals will update their preferences once they

[8] Some have argued that these experimental studies find a high willingness to punish because individuals can only choose between punishing or doing nothing, and because they can punish with impunity. They find that the level of punishment is significantly lower when retaliation is allowed (Nikiforakis 2008). Moreover, reciprocity assumes that helping and punishing behavior are positively correlated within the same individual, but Yamagishi et al. (2012) find that this is often not the case. This suggests that punishment reflects motivations other than correcting norm violations, such as seeking revenge or responding to 'wounded pride'.

have acquired more information about the behavior and intentions of immigrants.[9] If immigrants are seen to abide by the rules of the game, for example by working and paying taxes and social contributions, native-born individuals should become more willing to share their resources with immigrants. By contrast, if they find that immigrants are taking out more than they put into the welfare state (i.e. they are 'free-riding'), individuals should lower their support for the welfare state, even if that involves personal costs. Another, more pessimistic, interpretation of the relationship between identity, reciprocity, and support for the welfare state is that salient group identities prevent people from fairly assessing the intentions and behaviors of out-group members. Even if immigrants contribute as much to the welfare state as other natives, others may still believe that they take advantage of the system.

Extant research has shown that reciprocity is a powerful motivation of human behavior, but it seems more useful to explain support for insurance-related social programs than for social programs that redistribute income from the rich to the poor. Since the poor are unlikely to reciprocate, providing a social minimum requires a different motivation. Moreover, reciprocity assumes that individuals will sacrifice some of their resources to punish 'bad' behavior. We would therefore expect that immigration reduces support for redistribution more among the poor, for whom it is costly to punish immigrants, than among the rich, for whom lower taxes is already in line with their material self-interest. Yet, the empirical patterns show the opposite: immigration reduces support for

[9] This is related to arguments that emphasize lack of trust as an impediment to social solidarity (Alesina and La Ferrara 2000, Putnam 2007).

redistribution more among the rich than among the poor (see Finseraas 2012, Rueda 2018).

1.4.2 Altruism

The second type of other-regarding concerns is altruism or the willingness to help the poor, even when this comes at a personal cost.[10] This corresponds with Fehr and Schmidt's (2006) notion of positive inequity aversion: inequity averse individuals derive positive utility from a more egalitarian income distribution, and they are willing to sacrifice some of their resources to achieve it.[11] Extensive research from behavioral economics shows that altruism is an important driver of individual preferences (for an overview, see Engel 2011) and neural evidence suggests that many individuals like egalitarian distributions and dislike unequal distributions (Tricomi et al. 2010). Altruism, however, is not universal. Previous research from social psychology and behavioral economics has demonstrated that individuals tend to be more altruistic towards in-group members than out-group members, even when helping others is costly to the individual and when there is no expectation of reciprocity (see Chen and Li 2009, Everett et al. 2015).[12] This tendency to favor the members of one's own group is also referred to in the literature as parochial altruism.

[10] This differs from warm-glow altruism which describes a motivation to give to others, whether the target is poor or not (Andreoni 1990).
[11] They may do this because they intrinsically value equality. Alternatively, they may value equality for self-interested reasons because equality reduces negative externalities, such as crime (Rueda and Stegmueller 2016).
[12] While many use the terms in-group favoritism and out-group bias interchangeably, these are distinct concepts and these processes can and often do operate independently from each other (Allport 1954, Brewer 1999).

Recent studies in political science have applied these insights to explain the effect of increased diversity on support for the welfare state (Eger 2010, Muñoz and Pardos-Prado 2017, Rueda 2018). The most developed argument comes from Rueda (2018) who connects altruism and immigration to support for redistribution. He argues that altruistic concerns depend on the identity of the poor: individuals are more willing to help poor in-group members than poor out-group members. He also argues that this in-group altruism matters more to the redistribution preferences of rich individuals than poor individuals because the former have already met their immediate materials needs (unlike poor individuals) and can afford to consider the material interests of others when they form their policy preferences. Using cross-national survey data, he shows that rich voters are less likely to support redistribution when they live in a country with high levels of immigration, while poor voters remain supportive of redistribution regardless of the level of immigration.

This line of research provides a useful starting point to examine the effect of immigration on poor and rich voters' attitudes towards the welfare state. However, by ignoring the cultural diversity among the immigrant populations across countries and over time, this research cannot shed any light on whether differences in immigrants' cultural background matter for voters' other-regarding concerns. Moreover, the reliance on observational survey data makes it very difficult to distinguish the mechanism of in-group altruism from the mechanism of social insurance as both explanations expect rich voters to lower their support for redistribution. Studies should therefore develop empirical designs which would allow one to separate these causal mechanisms. Lastly, these analyses are limited in their focus on general support for redistribution as the main dependent

variable. Rueda (2018: 236), for example, concludes that "these differences have little to do with the poor. It is the altruism of the rich that is affected by heterogeneity". This neglects that immigration may affect a different type of welfare state preferences, namely poor voters' support for an inclusive welfare state. As the rise of right-wing populist parties across advanced societies illustrates, some voters are swayed by the rhetoric of these parties to exclude (certain types of) immigrants from the generous welfare state.[13] My argument therefore incorporates preferences towards redistribution and eligibility into a single framework.

1.5 Deservingness, prejudice, and cultural threat

While the first strand of research integrated immigration into the standard political economy framework by conceptualizing it as an individual economic risk and the second strand of research expanded the definition of utility and considered how the identity of immigrants affects people's willingness to help the needy, the last strand of research has developed outside the materialist political economy framework. Instead, it has focused on how immigration as a cultural concern motivates individuals' preferences for redistribution or trumps their material self-interest. This section discusses three influential arguments: deservingness, prejudice, and cultural threat.

[13] Marine LePen, leader of the Front National (now renamed to: Rassemblement National), labelled this 'priorité nationale' or giving priority to French nationals over foreigners in relation to jobs, social benefits, and health care. She has promised to make foreigners pay for their own health care costs for the first two years (even if they pay taxes and social contributions) and to end free education to children of undocumented immigrants (The Local, January 16, 2017).

1.5.1 Deservingness

The deservingness literature argues that individuals form their social policy preferences through a very simple decision-making process: if they believe that welfare recipients are deserving, they will support the policy. If they believe that the recipients are undeserving, they will withdraw their support, regardless of their income (Petersen et al. 2010). This process is thought to be triggered automatically when individuals receive cues about the deservingness of the benefit recipients, such as their need, attitudes, identity, degree of responsibility, and degree of reciprocity (Aaroe and Petersen 2014, van Oorschot 2000). Deservingness and conditionality have played a particularly large role in the American and British welfare states (Gingrich and King 2019, King 1995), although punitive social policies have become widespread across industrialized democracies since the 1990s (see Rueda 2015).

In the American literature on race and the welfare state, Gilens (1999) has argued that deservingness perceptions are racialized. He demonstrates that white Americans perceive the poor as African Americans and African Americans as lazy. He argues that these racialized perceptions of deservingness also explain why white Americans have low support for redistributive social programs. Other scholars have built on these insights from the US and argue that immigrants are the new undeserving poor in European countries (Bommes and Geddes 2000).[14] Van Oorschot (2008), for example, shows that across Western Europe, individuals are least concerned about the living conditions of immigrants

[14] Although the US is a unique case due to its historical legacies of slavery and racial segregation, some useful lessons can be learnt from this literature for other industrialized democracies.

compared to the elderly, the unemployed, and the sick and disabled.[15] Recent studies have used vignette and conjoint survey experiments with detailed accounts of welfare recipients to isolate the role of immigrants' identity in voters' deservingness perceptions. They generally find that (certain types of) immigrants and individuals born to immigrant parents are perceived as less deserving than the native population, holding all else constant (Ford 2015, Harell et al. 2016, Kootstra 2016, Reeskens and van der Meer 2019).

Like the reciprocity argument, deservingness assumes that individuals are willing to bear costs to withhold benefits from the undeserving poor (Durante et al. 2014). Since deservingness perceptions do not differ systematically across individuals, this leads to the expectation that poor voters should reduce their support for redistribution, even though empirical evidence suggests that this rarely happens. Moreover, it is unclear from this research why immigrants are perceived as less deserving than natives. If this reflects individuals' prejudices against immigrants, as Ford (2015) and others suggest, it may be better to focus on racism instead.

1.5.2 Racism

Studies from the US find strong and negative relationships between racial perceptions, the racial composition of an area, and support for the welfare state (Fox 2004, Gilens 1999, Luttmer 2001). Luttmer (2001), for example, shows that

[15] One could question the usefulness of these comparisons as immigrants may also be among the elderly, the unemployed, and the sick. Moreover, the patterns found in this often-cited study are also consistent with alternative explanations. Most importantly, "concern" may capture feelings of empathy instead of deservingness perceptions, and the patterns may reflect respondents' familiarity with the living conditions of certain groups.

white Americans reduce their support for social spending when the share of African Americans increases in their area. The reasoning behind these studies is that white voters do not want to share their resources with African Americans because they dislike the latter.

Following a similar logic and building on a vast literature on prejudice (see Allport 1954, Blumer 1958), recent studies have argued that native-born individuals will reduce their support from the welfare state because they dislike immigrants (Alesina et al. 2001, Alesina and Glaeser 2004, Finseraas 2008, Garand et al. 2017, Schmidt and Spies 2014). For example, using data from the first round of the European Social Survey, Senik et al. (2009) show that anti-immigrant attitudes are strongly correlated with redistribution preferences. Larsen (2011) also finds that stereotypes about non-western immigrants influence support for the welfare state.

This explanation also assumes that poor individuals will act against their material self-interest to prevent immigrants from benefitting from redistribution.[16] This does not seem plausible given the availability of cheaper policy options to achieve the same goal, including restricting the social rights of current immigrants and reducing the inflow of new immigrants. It also assumes that negative feelings towards immigrants are either inherent to individuals or strategically activated by political entrepreneurs (Alesina and Glaeser 2004). While hostility towards out-groups exists, experimental evidence suggests that the desire to actively hurt

[16] A related argument is the issue bundling argument by Roemer et al. (2007). They argue that xenophobia can distract individuals from their material self-interest by increasing the salience of second-dimension issues. If party systems do not offer all policy bundles, this could explain why some poor voters switch from the left, where their economic interests are protected, to the right, where their cultural interests are safeguarded.

out-group members (i.e. out-group bias) is not a necessary condition for discrimination. Instead, the desire to help in-group members (i.e. in-group bias) seems to matter more to explain patterns of discrimination (Balliet et al. 2014, Brewer 1999, Halevy et al. 2012). My argument therefore focuses more on the latter.

1.5.3 National identity

The last explanation for the relationship between immigration and support for the welfare state focuses on the role of national identity and immigration as a threat to it. Some have argued that individuals with a civic conception of national identity are more likely than individuals with an ethnic or cultural conception to support the welfare state in times of migration. They expect this because people with civic conceptions of national identity are more open to accepting newcomers (see Johnston et al. 2010, Miller and Ali 2014, Wright and Reeskens 2013). Instead of focusing on the conception of national identity of the individual, this dissertation emphasizes that the cultural distance between immigrants and the native-born population matters because the latter influences individuals' willingness to help others. Others have argued that individuals care about their class identity and their national identity. When immigration changes the composition of the poor, poor individuals derive more utility from their national identity than their class identity, and they should lower their support for redistribution (Shayo 2009). In contrast, my argument expects that poor voters will not act against their self-interest but remain strong support of redistribution, despite immigration.

1.6 Conclusion

This chapter has discussed a wealth of research on whether immigration undermines support for the welfare state. It has shown that while some argue that out-group bias distracts the poor from pursuing their material self-interest (Alesina and Glaeser 2004, Shayo 2009), others argue that immigration matters more to the rich (Alt and Iversen 2017, Finseraas 2012, Rueda 2018). Few studies, however, consider the cultural diversity within the immigrant population, explore the conditions under which immigration may increase support for the welfare state, or include the effects of immigration on eligibility preferences, i.e. views about who should have access to the welfare state. We know little about why immigrants' cultural background matters to voters, how redistribution and eligibility preferences relate to each other, and when immigration may spur demands for social protection. The theoretical argument of the dissertation addresses these issues in the next chapter.

Chapter 2

Immigration, Culture and Competition: The Argument

Abstract

This chapter presents a novel and comprehensive theoretical argument to explain when, why, and how immigration affects support for generous and inclusive welfare states among poor and rich native-born voters in industrialized democracies. Building on insights from political economy, migration studies, and social psychology, this argument will further our understanding of how immigration affects individual attitudes towards the welfare state through material and non-material factors. In brief, it argues that immigration matters because it can increase the degree of cultural diversity among the poor, and thereby the likelihood that individuals will empathize with the poor, and because it can create competition for scarce resources. It then argues that immigration lowers support for redistribution among rich individuals, who are less willing to support the welfare state for altruistic reasons as the poor become more culturally dissimilar, whereas immigration lowers support for an inclusive welfare state among poor individuals, who are less willing to help the culturally dissimilar poor and may try to shield themselves against competition for benefits or jobs with immigrants.

2.1 Introduction

The previous chapter discussed the existing research on immigration and social policy preferences. This illustrated a fragmented understanding of immigration's effects on social policy preferences because few studies have seriously considered the cultural diversity within the immigrant population, theorized how various causal mechanisms relate to one another, or examined redistribution and eligibility preferences together. My theoretical argument aims to overcome these limitations. To this end, I consider the effects of immigration as a source of cultural diversity and as a source of economic competition into a single and comprehensive theoretical argument.

This argument starts from three assumptions. First, individuals care about their material self-interest and the material interests of others. Particularly, they want to help the needy and they are prepared to sacrifice some of their own financial resources to do this. Second, individuals feel more empathy for and are more willing to help those who are more like them. In the context of immigration, I assume that they are more likely to help the poor financially when they share more cultural similarities with them. Third, these altruistic concerns have a stronger effect on the social policy preferences of the rich than of the poor due to the declining marginal utility of consumption. I will then argue that the effects of immigration on voters' social policy preferences depend on two factors: (i) whether immigration increases the degree of cultural diversity among the poor, and (ii) whether immigration creates competition for scarce resources, such as jobs or social provisions. Based on these two factors, I distinguish four scenarios for immigration's effects on the welfare state attitudes of poor and rich voters.

Table 2.1 summarizes these scenarios, the expected social policy preferences for poor and rich voters, and the main mechanisms to explain these preferences.

Table 2.1 Expectations for redistribution and eligibility preferences

Scenario	**Poor voters**	**Mechanism**	**Rich voters**	**Mechanism**
I: Culturally similar beneficiaries + Low competition	For redistribution Include all	Self-interest Altruism	For redistribution Include all	Altruism
II: Culturally similar beneficiaries + High competition	More redistribution Include all	Self-interest Altruism	More redistribution Include all	Altruism
III: Culturally dissimilar beneficiaries + Low competition	For redistribution Include natives	Self-interest	Less redistribution Include all	Self-interest
IV: Culturally dissimilar beneficiaries + High competition	More redistribution Include natives	Self-interest	Less redistribution Include natives	Self-interest

Note: The preferences in scenarios II-IV are compared against the preferences in scenario I.

I will start with the first scenario, the baseline scenario, in which most of the poor are culturally similar and competition for resources is low or absent. In this culturally homogenous world, poor voters will support redistribution for self-interested and altruistic reasons. Their material self-interest, however, should be their main motivation because they want to fulfil their basic needs. They may also support an inclusive welfare state to help other poor individuals if these costs are borne primarily by the rich. Rich voters will also support redistribution and an inclusive welfare state, but their preferences are driven by the motivation to help the poor who are culturally similar to them. Overall, their levels of support should

be lower than among the poor voters, who depend on the welfare state for their own wellbeing.

In the second scenario, the main beneficiaries of redistribution are still culturally similar, but they now face competition for social benefits or jobs due to immigration. Compared to the first scenario, I expect that poor voters will demand more redistribution to protect themselves against the threat of competition. While the risk of losing income should make them behave more self-interestedly than in the previous scenario, they still care about the fate of those who are more similar to them and negatively affected by competition. They may therefore continue to support an inclusive welfare state, though at a lower level. Rich voters are assumed to be less affected by competition for scarce resources, but they still observe the negative impact of competition on the interests of their poor in-group members. Rich voters should therefore increase their support for a generous and inclusive welfare state to ensure that poor in-group members have access to these valuable social goods.

In the third scenario, the beneficiaries of redistribution have become more culturally dissimilar due to immigration while competition for resources is low or absent. Confronted with this diversity among the poor, I expect that poor voters will remain supportive of redistribution because it continues to serve their self-interest. However, they will be less likely to support a fully inclusive welfare state because they care less about the culturally dissimilar poor. Compared to the first scenario, they will therefore prefer a welfare state that supports other poor natives more than out-group members. The story is slightly different for the rich. While rich voters supported a generous and inclusive welfare state in the baseline scenario for altruistic reasons, they derive less positive utility from helping others

when the poor become more culturally dissimilar. They should therefore lower their support for redistribution. Since they may still derive some non-zero utility from helping the culturally dissimilar poor with fewer resources, they may not adopt more restrictive eligibility preferences. The increased cultural diversity among the poor, resulting from immigration, thus creates more distance between the redistribution preferences of the rich and the poor.

In the final scenario, the beneficiaries of redistribution are more culturally dissimilar and competition for resources is high. Poor voters will continue to demand redistribution and they will now demand restrictions to target the scarce resources to themselves or other poor in-group members. If most of the beneficiaries of redistribution are culturally dissimilar, competition is less likely to trigger an altruistic response among poor voters. The rich will now lower their support for redistribution and inclusive eligibility because they derive less utility from helping culturally dissimilar out-group members. This means that the rich and the poor may find each other more easily on the issue of restricting welfare eligibility. The remainder of this chapter elaborates this argument. It first discusses the main drivers of voters' support for the welfare state. It then introduces the effects of immigration, as a source of cultural dissimilarity among the poor and as a source of resource competition, on voters' attitudes.

2.2 Utility function

Following the standard model in political economy, I assume that the (majority) population consists of poor and rich voters, whose earnings are proportionally taxed and who receive flat-rate and universal transfers from the government. I also assume that a substantial share of individuals cares about their material self-

interest and about the material interests of others. This follows from robust findings in behavioral economics that many individuals make decisions that deviate from their material self-interest (Charness and Rabin 2002, Chen and Li 2009, Engel 2011). Following Rueda (2018), I focus on altruistic motivations understood here as the willingness to help the poor financially. I assume that individuals derive positive utility from helping the poor, especially when the poor are more like them (more later).

While altruism is not the only relevant causal mechanism, I emphasize this type of other-regarding concern because it can help us understand why individuals support a key function of the modern welfare state, namely, to provide a safety net for the most vulnerable members of society (see, for example, Goodin 1988). As the previous chapter has shown, alternative causal mechanisms, such as reciprocity and deservingness, are less suitable to explain how immigration affects support for the redistributive function of the welfare state among poor and rich voters. I should emphasize here that I do not assume that all individuals behave altruistically all the time. The next sections elaborate more on how altruism may arise and the conditionality of these altruistic motivations.

According to research in social psychology, altruism is often motivated by feelings of empathy. Empathy can be defined as "the capacity to perceive, anticipate, and respond with care to the unique affective experiences of another individual" (Decety and Batson 2007).[1] These emotional responses to the perceived welfare of others often lead to the motivation to improve their welfare.

[1] Studies sometimes distinguish between affective and cognitive empathy. The former refers to feeling someone's plight, while the latter refers to thinking about or imagining someone's plight (Bloom 2016).

In other words, if individuals feel empathy towards another person, they will help them even if this may impose costs on them (Batson 1991, Krebs 1975). This is also referred to as the empathy-altruism hypothesis. When empathic concerns for those in need are absent, i.e. there is apathy, individuals will lack an important motivation to help others and altruistic behavior will be less likely to arise. I assume that the capacity to empathize with others is randomly distributed across the population.[2]

While all individuals may care about the needy and want to improve the latter's circumstances, I assume that these altruistic concerns will have a stronger influence on the social policy preferences of rich voters than of poor voters (see also Rueda 2018). The assumption that the rich can afford to behave altruistically more easily than the poor follows from two well-documented mechanisms. First, studies have demonstrated the declining marginal utility of consumption: i.e. individuals derive less utility from each additional unit of consumption as they consume more (Layard et al. 2008). This means that the rich may derive more utility from helping the needy than from consuming their income, whereas the poor may derive more utility from consuming their income than from helping others. Second, research from psychology shows that scarcity affects how individuals use their limited cognitive abilities. While poor people tend to focus most of their cognitive abilities on satisfying their immediate needs, rich people have more cognitive room to consider other issues because their immediate needs are already met (see Carvalho et al. 2016, Mullainathan and Shafir 2013).

[2] Some have argued that the poor may be more empathic than the rich due to their personal experiences of poverty (see, for example, Kraus et al. 2012). Even if this were true, my argument focuses on the capacity of individuals to act on these feelings of empathy.

I therefore assume that the rich are more able and more likely to consider the needs of others when they form their social policy preferences.

This is further supported by studies that find evidence for a positive relationship between a person's income and altruistic behavior.[3] For example, using panel survey data from the United States and Germany, Korndörfer et al. (2015) show that the rich are more likely to make charitable donations and to give a larger portion of their income to charities than the poor. Moving beyond self-reported behavior and self-selection problems, Andreoni et al. (2017) show in a field experiment in the Netherlands that the rich are more likely to return misdelivered envelopes with money than the poor. They demonstrate that this difference in behavior does not reflect differences in altruistic preferences but is driven by the pressures of poverty and the declining marginal utilities of consumption. In other words, if the poor and the rich were to switch places, they would behave in the same way.

Before explaining how immigration affects the formation of voters' social policy preferences, I will clarify how these preferences are conceptualized in this dissertation. While most studies have focused on *how much* redistribution voters want, it is also important to consider *to whom* individuals want to redistribute these resources once individuals are assumed to care about others (see also Cavaillé and Trump 2015). As mentioned earlier, I refer to the former as general redistribution preferences and to the latter as eligibility preferences.[4]

[3] Others argue that the relationship is U-shaped: the poor give the largest portion of their income to charity, followed by the rich, while middle-income households give the least. Alternatively, some studies have shown a negative relationship between income (or social class) and altruistic behavior (see, for example, Piff et al. 2010). The latter, however, have often been based on small and unrepresentative samples of students.

[4] This resembles debates in comparative social policy where the size of the welfare state (i.e. the amount of social spending) has been juxtaposed to institutional measures of the welfare state,

Redistribution preferences range from less to more income redistribution while eligibility preferences range from exclusive, i.e. the preferred beneficiaries consist of the respective person only, to inclusive, i.e. the preferred beneficiaries include all residents of the country.[5]

The next issue concerns the relationship between these preferences. Cavaillé and Trump (2015), for example, argue that they are unrelated: material self-interest determines support for income redistribution *from* the rich (i.e. support for redistribution) while other-regarding concerns shape support for redistribution *to* the poor (i.e. eligibility preferences). They could also be positively related for everyone: as more people are eligible, more redistribution is needed. Others, such as Emmenegger and Klemmensen (2013), have argued that the relationship between redistribution preferences and immigration preferences depends on the type of individual. While they are unrelated for self-interested individuals, they are positively related for egalitarian and humanitarian individuals.

Building on these insights, I assume that individuals first decide who should benefit from the welfare state: themselves or also others. Then, they decide how much income redistribution is required. In other words, eligibility preferences feed into redistribution preferences. If individuals are self-interested, they should prefer exclusionary eligibility rules. By limiting the number of beneficiaries, the poor can secure access to social provisions while the rich can

---

including the generosity and the coverage of social programs (see Bonoli 1997, Esping-Andersen 1990).

[5] Although the focus on the national level and national boundaries could be challenged (see Wimmer and Schiller 2003 on methodological nationalism), I assume it here given the still national character of most welfare states.

reduce their tax burden. Since self-interested poor and rich voters differ in their preferences for redistribution, these two preferences will be unrelated for purely self-interested voters. By contrast, if individuals are altruistic, they should support more redistribution and inclusive eligibility to ensure that the needy can access the social benefits and services. In other words, the relationship between redistribution and eligibility preferences should be positive for altruistic individuals.

2.3 Introducing immigration

To this baseline model, I introduce immigrants who are assumed to be a minority in the population and overrepresented among the low-income population. This corresponds with the reality in most industrialized democracies where immigrants have, on average, worse socioeconomic outcomes than the native population. This holds, for example, for their level of income, occupational status, unemployment rates, and educational attainment (see Adserà and Chiswick 2007, Dustmann and Frattini 2013, Heath and Cheung 2007, King and Rueda 2008). I will then argue that immigration influences voters' redistribution and eligibility preferences through introducing cultural diversity among the recipients of redistribution and through creating economic competition for scarce resources. By making the poor more culturally heterogeneous, immigration is expected to reduce the activation of altruism, and consequently the latter's influence on voters' social policy preferences. By contrast, immigration as economic competition will affect the material self-interest of those native-born voters who compete with immigrants as well as activate the other-regarding concerns of voters, including those not personally affected by competition.

2.4 Cultural diversity and altruism

The first channel through which immigration may affect social policy preferences is by increasing the cultural diversity among the potential beneficiaries of redistribution, or simply the poor. I will argue that individuals are more likely to empathize with and help the poor when the latter are more culturally similar to them, regardless of income. Since immigration often changes the cultural composition of the poor, it reduces the likelihood that altruistic concerns will be activated. I therefore expect that the more culturally dissimilar the poor become, the lower individuals' willingness to support a generous and inclusive welfare state for altruistic reasons. This should affect the social policy preferences of rich voters more since altruistic concerns have a stronger influence on their preferences than of poor voters. The remainder of this section discusses this in more detail.

2.4.1 Empathy and similarity

Research in social psychology and sociology shows that individuals feel closer to and like those who are more similar to them in terms of attitudes, values, behavior, and/or demographics (Byrne 1971, Rokeach 1960). This tendency to prefer similar others, or homophily, has been documented in many areas of life, such as the choice of friendships and partners (McPherson et al. 2001), neighborhoods (Clark 1991, Semyonov et al. 2007), schools (Karsten et al. 2006), and coworkers (Mueller et al. 1999).[6]

[6] Economic models of ethnic sorting, such as those by Schelling (1978), show that even a slight individual preference for in-group members can lead to segregation at the collective level. Many

It also seems to matter for feelings of empathy. Studies show that the more similar people are, the higher their empathy for the other and the greater the likelihood that they will act altruistically (Batson et al. 2009, Bloom 2016, Krebs 1975). Evidence from behavioral economics also demonstrates that individuals are more generous towards those closer to them: they give more to family and friends than to strangers (see, for example, Charness and Gneezy 2008). As Howe (2012: 115) writes:

> The more alike the other is and the greater their need, not only will it raise our feelings of empathy, the more likely it will be that we willingly share resources with them. We tend to like what we know and find little comfort in the strange.

Several explanations have been put forward to explain this (for an overview, see Preston and de Waal 2002, Kurzban et al. 2015). One influential explanation, from evolutionary theory, states that individuals feel more empathy for those with whom they share kinship to protect the survival of their tribe or species (de Waal 2008). Since genetic similarity is often difficult to ascertain, individuals may use other, more visible, cues to predict of kinship. Bloom (2016: 174) summarized this as follows:

> We are constituted to favor our friends and family over strangers, to care more about members of our own group than people from different, perhaps opposing, groups. This fact about human nature is inevitable given our evolutionary history. Any creature that didn't have special sentiments towards those that shared its genes and helped it in the past would get its

---

have criticized these models' representation of racial segregation as an unintended consequence of individual preferences (see, for example, Charles 2006). Nevertheless, they are valuable because they show that segregation can occur even in the absence of animosity towards out-group members.

> ass kicked from a Darwinian perspective; it would falter relative to competitors with more parochial natures.

Another set of explanations, from social psychology, focuses on decision-making processes. Some argue that empathy is automatically triggered for in-group members, but not for out-group members. For the latter, empathy arises only after more cognitively demanding decision-making processes (see Echols and Corell 2012). Others argue that empathy predicts altruistic behavior for in-group members, while feelings of similarity predict helping behavior towards out-group members (Stürmer et al. 2006).

Regardless of the exact mechanism, a wealth of studies supports the claim that the strong relationship between empathy and altruism may break down when group boundaries are salient (see Echols and Correll 2012). For example, individuals are better at recognizing the faces and emotions of in-group members than of out-group members (Chiao et al. 2008, Young and Hugenberg 2010). Neurological studies also show that subjects have higher brain activity when they see in-group members in pain as opposed to out-group members (Montalan et al. 2012, Xu et al. 2009). Finally, individuals attribute more complex thoughts and emotions to other in-group members than to out-group members, and they find it easier to take the perspective of in-group members (Echols and Correll 2012). These patterns are found in studies using ethnic and racial identities as well as minimal group identities (i.e. artificial social identities induced in the laboratory). All in all, this suggests that salient group identities can make it more difficult to recognize and understand the needs of out-group members.

2.4.2 Immigration and similarity

The influx of immigrants from all parts of the world has transformed advanced societies in recent decades. Not only has it changed the demographic composition of these countries, it has also sparked many public debates on culture, identity, and social solidarity. Immigration has become one of the greatest dividing lines in advanced societies and it has raised the salience of ethnic and cultural differences as individuals try to differentiate themselves from newcomers. I assume that individuals may use these markers to draw distinctions between groups because they can be more easily recognized and reduce the demands on individuals' mental processes.

Ethnicity and culture are highly contentious concepts, which have been subject to long-standing debates in anthropology, sociology, and political science (see Wedeen 2002, Wimmer 2008). These concepts are sometimes juxtaposed by using narrow definitions for both: ethnicity is then defined as characteristics ascribed at birth whereas culture is defined as characteristics acquired voluntarily later in life. Such approaches have important drawbacks as ethnicity is generally believed to be more than inheritable characteristics alone while individuals rarely have full freedom to choose their culture (Joppke 2005). I therefore adopt a broad definition of ethnicity which incorporates a common ancestry and a shared culture. This follows Max Weber's influential definition of an ethnic group as "a group of people who, on the basis of similarities of exterior habitus, of customs, or of both, or of memories of colonization and migration, share a subjective belief in a communality of descent…whether an objective consanguinity exists or not" (Weber 1976: 237).

This broad definition of ethnicity has useful components. To begin with, it acknowledges that ethnic groups, and differences and similarities between them, are socially constructed. This does not mean that they are fully malleable, but it allows that the content of ethnicity as well as the borders of ethnic groups can change over time (Sciortinio 2012, Wimmer 2008). Moreover, this definition includes phenotypical markers of ethnicity, such as race and skin tone, as well as cultural ones, such as shared values, customs, beliefs, language, and religion. Culture is thus subsumed under the wider concept of ethnicity. Finally, this broad definition includes the role of colonization and migration as one of the foundations for feelings of belongingness and similarity. Note that this is more likely when former colonial powers pursued an active strategy of integrating the native population in their colonies, as Spain did in much of Latin America. This explains partly why Argentinian immigrants will probably have more in common with the native population in Spain than with the native population in Denmark.

Extant research suggests that individuals care about *where* immigrants come from. Studies in psychology, for example, show that individuals evaluate European immigrants more positively than African and Asian immigrants (Hagendoorn 1993, 1995, Verkuyten and Kinket 2000, Snellmann and Ekehammar 2005; but, see Sniderman et al. 2000). These 'ethnic hierarchies' are remarkably robust across countries and across individuals (e.g. by age, education, gender, and even levels of prejudice). Studies on immigration policy preferences also often show that individuals are more willing to allow entry or give citizenship to European immigrants than to immigrants from other geographical regions (Bansak et al. 2016, Brader et al. 2008, Ford 2011, Hainmueller and Hangartner 2013). Similar patterns are found in research on

welfare deservingness (Ford 2015, Harell et al. 2014, Kootstra 2016, Reeskens and van der Meer 2019).

A consistent finding from these studies is that immigrants' country of origin matters. The interpretation of this effect, however, is subject to disagreement because country of origin may capture both economic and cultural differences between immigrants and the native-born population. Many immigrants from non-western countries, for example, tend to have worse labor market outcomes than immigrants from western countries (see Alba and Foner 2015, Heath and Cheung 2007). It is therefore not clear whether native-born voters reduce their support for redistribution because immigrants are poorly integrated or because they are more culturally dissimilar.

Recent studies have tried to unpack this by focusing on specific ethnic or cultural markers and controlling for a range of economic characteristics. Some studies have manipulated the skin tone of hypothetical immigrants. The findings generally show that skin tone has a very small effect on voters' immigration preferences (Hopkins 2015, Iyengar et al. 2013, Valentino et al. Forthcoming, but see Ostfeld 2017). Other studies have focused on religion, which has been particularly salient for voters in industrialized democracies (Alba and Foner 2015). Several studies find that individuals oppose immigrants from countries with a majority-Muslim population more than other immigrants (Bansak et al. 2016, Hjerm and Nagayoshi 2011, Iyengar et al. 2013, Valentino et al. Forthcoming). Another important dimension is language which has long been used in political science as a proxy for cultural differences (see Baldwin and Huber 2010, Fearon 2003). Studies show that individuals are more favorable towards immigrants who speak the dominant language of their host country

(Bansak et al. 2016, Enos 2014, but see Hopkins 2015). Finally, some studies have tried to capture societal differences in cultural values from survey data, for example to explain cross-national variation in economic development (Alesina et al. 2016, Ashraf and Galor 2011). Individuals may also feel closer to immigrants who have more similar values and customs as the majority population of their host country.

While more research has considered the identity of immigrants to explain voters' preferences for immigration policies, this has been far less common in the field of social policy preferences. Most of these studies have treated immigrants as a single and homogenous group (see, for example, Alt and Iversen 2017, Burgoon 2014, Finseraas 2012, Rueda 2018). Since immigrants vary greatly amongst themselves in terms of culture, my argument replaces the native-immigrant dichotomy with a continuum based on the degree of cultural similarity between the native population and the immigrant population(s). If immigration increases the salience of cultural differences and individuals feel more empathy for those who are more culturally similar to them[7], then individuals should be less willing to help the poor as the latter become more culturally dissimilar, holding all else equal. I therefore expect that individuals derive less positive utility from behaving altruistically when the poor become more dissimilar, and that the influence of altruistic concerns on their social policy preferences will diminish accordingly. This leads to the following hypothesis: *Rich voters will be more likely to support a generous and inclusive welfare state when the beneficiaries of*

[7] This view is also sometimes referred to as 'ethnocultural empathy' (see Wang et al. 2003).

redistribution are more culturally dissimilar, while poor voters will support a generous and inclusive welfare state, regardless.

Unlike the prejudice-based explanations, my argument thus states that immigration can lower support for redistribution even in the absence of anti-immigrant sentiment. Following Brewer (1999: 430) who wrote that "… ingroup love can be compatible with a range of attitudes towards corresponding outgroups, including mild positivity, indifference, disdain, and hatred", I expect that the rich lower their support for redistribution, not because they want to punish immigrants or dislike immigrants, but because they are more indifferent to the needs of more culturally dissimilar out-groups.

Since it is unlikely that a single measure can summarize all relevant ethnic and cultural differences across contexts, I adopt a pragmatic approach and construct several measures of culturally dissimilar immigration in Chapter 3. I use these measures to test in cross-national and within-country analyses whether rich voters are less likely to support a generous and inclusive welfare state when they live in a country or area with more culturally dissimilar immigration.

2.5 Competition and altruism

Competition for scarce resources is the second channel through which immigration may influence social policy preferences. It can affect two important economic resources: labor income and social provisions. Like before, I assume that immigrants are overrepresented among the lower end of the income and/or labor market distribution. This means that poor voters will generally be more threatened by competition with immigrants for jobs and social provisions than rich voters. In brief, I expect that poor voters will demand more redistribution and/or

more restrictions on immigrants' access to scarce resources when competition with immigration threatens their material self-interest. I also expect that individuals will support more redistribution and/or stricter eligibility rules for immigrants to shield other poor in-group members from this economic threat.
It is important to note that exclusionary eligibility rules can take two broad forms.

In ethnically homogenous societies, the poor can often secure their access to scarce social goods and services by introducing or strengthening means-testing in social programs. In ethnically heterogenous societies, however, introducing an income threshold would be less effective if immigrants are overrepresented among the low-income population. Poor voters can then successfully target scarce resources to themselves by restricting immigrants' access to the welfare state.

2.5.1 Conditions for competition

Although previous research has often equated a rise in (low-skilled) immigration with competition for jobs or social provisions, they are not the same. Several conditions must be met before immigration is likely to lead to competition, defined as a situation in which potential gains for some result in potential losses for others.

Competition presupposes first that native-born and immigrants want to obtain the same jobs and/or social goods and services (Dancygier 2010). This seems plausible because earnings and social provisions often allow individuals to fulfil their needs and secure their economic wellbeing, and many individuals plan their lives around the expectation that they would have access to these social provisions (King and Waldron 1988). It also assumes that immigrants have

access to the scarce resources. If they cannot make legal claims, they cannot threaten the material interests of the native-born.[8] This is more realistic for some countries and immigrants than for others. For example, new immigrants in the United States are ineligible for most social benefits for their first five years of residence since the 1996 welfare reform but such welfare restrictions are mostly absent in Western Europe. In these countries, most immigrants are on a more equal footing with the native population. They can access social benefits and services more easily provided that they can meet the requirements that apply to all residents, regardless of immigration status (Sainsbury 2012). For example, immigrants in the Netherlands can apply for unemployment benefits if they have worked for at least 26 weeks in the 36 weeks prior to their unemployment. This requirement applies to all residents in the Netherlands. The duration of these benefits is extended beyond the minimum of three months depending on a person's work history (UWV 2019). This means that those with shorter work histories, such as recent immigrants but also young adults, will be more likely to receive unemployment benefits for a shorter period.

There is also variation in social rights across different types of immigrants: undocumented immigrants and asylum seekers have weaker social rights than permanent residents and refugees (see Sainsbury 2012). In the UK, for example, asylum seekers have free access to health care services, but they cannot apply for social assistance. Instead, they can receive a small weekly allowance to help pay for food and clothing (Mayblin 2017). The same holds for immigrants' labor

[8] Immigrants may still affect the interests of natives indirectly. For example, immigration may lead to higher market prices and longer waiting lists if investors buy houses to let to immigrants. In the labor market, wages and jobs may also be affected by illegal immigration. I leave this aside in my argument.

rights. The ease with which immigrants can access the labor market varies greatly across countries and immigrant types (Ruhs and Martin 2008). In some countries, for example, asylum seekers are not allowed to work until their asylum application has been processed (www.asylumineurope.org).

Another precondition for competition is that the supply of goods cannot be expanded in the short term (Dancygier 2010, Freeman 1986, Money 1997). If shortages can easily be alleviated, individuals would not have to compete for the same goods. Since the supply elasticity varies greatly across labor markets, social programs, countries, and time, new demands from immigrants should be more pressing in some situations than in others (more in Chapter 4 and 5).

In addition to these preconditions, it is important to consider the role of existing labor market and welfare institutions as they can mediate the effect of material self-interest on policy preferences (see Beramendi and Rehm 2016, Gingrich and Ansell 2012, Facchini and Mayda 2009). They may also influence whether immigration is likely to lead to competition.[9] For benefit competition, I emphasize the importance of benefit eligibility rules because it influences who is most at risk from competition. When social programs are universal, everyone is eligible for social benefits. If these benefits are of sufficiently high quality, they make the poor and the rich reliant on the welfare state.[10] As these institutions equalize economic risk more across income groups, benefit competition should increase demands for social protection across the board. By contrast, when eligibility for social programs depends on income, the economic risk of benefit

[9] I assume that welfare institutions are exogenous in the short to medium term.
[10] If public goods are inferior and wealthier individuals opt out of the public system to consume private goods, formally universal social programs may resemble income-dependent programs in practice.

competition is concentrated among the poor who should respond by demanding more redistribution and/or more exclusionary social policies.

Institutions are also important for labor market competition because they can influence the likelihood that immigration can threaten the wages and employment of native-born workers. In countries with weak labor market institutions, such as the United States and the United Kingdom, immigration should be more likely to put a downward pressure on wages. In many European countries, however, strong labor market institutions (e.g. wage bargaining institutions and minimum wage laws) may prevent employers from lowering workers' wages. An increased supply of labor is then more likely to result in higher unemployment. Note that even within European countries, many low-skilled workers are not or less covered by these institutions (King and Rueda 2008). For these low-skilled workers, wage effects are still relevant concerns. These preconditions for competition will guide the research designs for testing the effects of competition on voters' welfare state preferences in Chapter 4 and 5.

2.5.2 Competition and identity

From a pure material self-interest perspective, the identity of immigrants should not matter for competition for scarce resources. As Kitschelt (1995: 263) states:

> Whereas racists and cultural-ethnic particularists turn only against immigrants from a different culture than citizens of the national club, sober calculating welfare chauvinists oppose any kind of immigration, *no matter* whether they belong to a different or the same ethnicity as actual citizens. (italics in original)

Yet, public debates suggest that individuals are more concerned about immigrant competitors than about native-born competitors. Previous research trying to explain why the identity of immigrants may matter for competition has focused on economic reasons. To begin with, immigrants may be a greater threat to someone's access to social benefits and services if they are more likely to receive priority over others due to their immigration status. For example, refugees receive priority to social housing in the Netherlands to facilitate their integration into society whereas in the United States college admissions favor some ethnic minorities. In other cases, immigrants may benefit from means-tested policies because they are more likely to have a low income. Another reason why immigrants may be considered a greater threat is that they might reduce the size and quality of social provisions. This could happen directly, if addressing the special needs of immigrants (e.g. language training) comes at the expense of other matters, or indirectly, if peer effects diminish because other native-born move to homogenous areas or consume private goods instead of public ones (Farrea et al. 2018). Immigrants may also be more willing to accept lower wages (i.e. they have a lower reservation wage) if they lack full access to social benefits, intend to stay in the country temporarily, or compare their economic situation against that of their country of origin (Anderson and Ruhs 2010, Stark and Taylor 1991).

While these economic reasons may play a role, I argue that the identity of immigrants matters for competition because it influences who is seen as a legitimate competitor for scarce resources. If individuals care more about those who are more like them, they should be more understanding of the efforts of competitors to obtain scarce resources when the latter are more like them. While

they may accept competing with and losing from other native-born, they should be less willing to do so when the competitors are immigrants. This is well-captured by Lawrence (1974: 84):

> If competitors consider each other to be legitimate competitors in terms of formal or informal rules, then the consequences are likely to be different from those which arise in a situation in which one or more of the competitors judges the competition to be illegitimate in some way. To lose in the first instance might be unfortunate but acceptable. To lose in the second may be quite unacceptable.

If (the prospect of) losing competition with immigrants is harder to swallow for native-born individuals, we would expect them to take measures to prevent this from occurring. This would explain why voters seem to accept the rules of the game when they compete with other natives, for example when there are long waiting lists (understanding that everyone is in the same boat) but not when they compete with immigrants. This leads to the following hypothesis: *Poor voters will demand more restrictive eligibility rules and/or more redistribution when immigration-related competition threatens their access to social provisions or jobs.*

The identity of immigrants may also matter for the altruistic responses of individuals who are not necessarily threatened by immigration-related competition themselves, but who are concerned about the effects of competition on others. I expect that they will be more likely to come to the rescue of those negatively affected by competition if the latter are more culturally similar to them. If immigration threatens the labor market position of poor in-group members, the rich should be more willing to support measures that protect them against this. However, if new immigrants threaten the labor market position of older

immigrants or national minorities, as shown for example by studies focusing on the effects of Mexican immigration on African Americans in the United States (Borjas 1987, Hammermesh and Bean 1998), the rich should be less likely to respond altruistically.

2.6 Concluding remarks

I expect my argument to hold for individuals belonging to the majority population in industrialized democracies. I focus on this group of individuals because it is still the largest and politically most relevant group of voters in industrialized democracies.[11] These individuals are often referred to as the 'native population' in the European context and as the 'white Anglo population' in the traditional settler societies (where the term 'native population' is associated with their indigenous populations). In this dissertation, I will use the terms native and native-born population interchangeably.

The argument presupposes industrialized democracies with substantial levels of legal immigration. This includes the usual suspects in the comparative political economy literature: Austria, Belgium, Germany, France, Norway, Sweden, Denmark, Finland, Spain, Portugal, Italy, Greece, Switzerland, Luxembourg, the Netherlands, Ireland, the United Kingdom, the United States, Canada, Australia, and New Zealand.

[11] Political rights are still often tied to citizenship, which a substantial number of immigrants may lack (Vernby 2013). A small but growing number of studies examines the redistribution preferences of immigrants (see, for example, Dancygier and Saunders 2006, Degen et al. 2019, Luttmer and Singhal 2011, Reeskens and van Oorschot 2015, Schmidt-Catran and Careja 2017). Many of these studies, however, rely on relatively small samples of immigrant respondents (and group all immigrants together) due to data limitations.

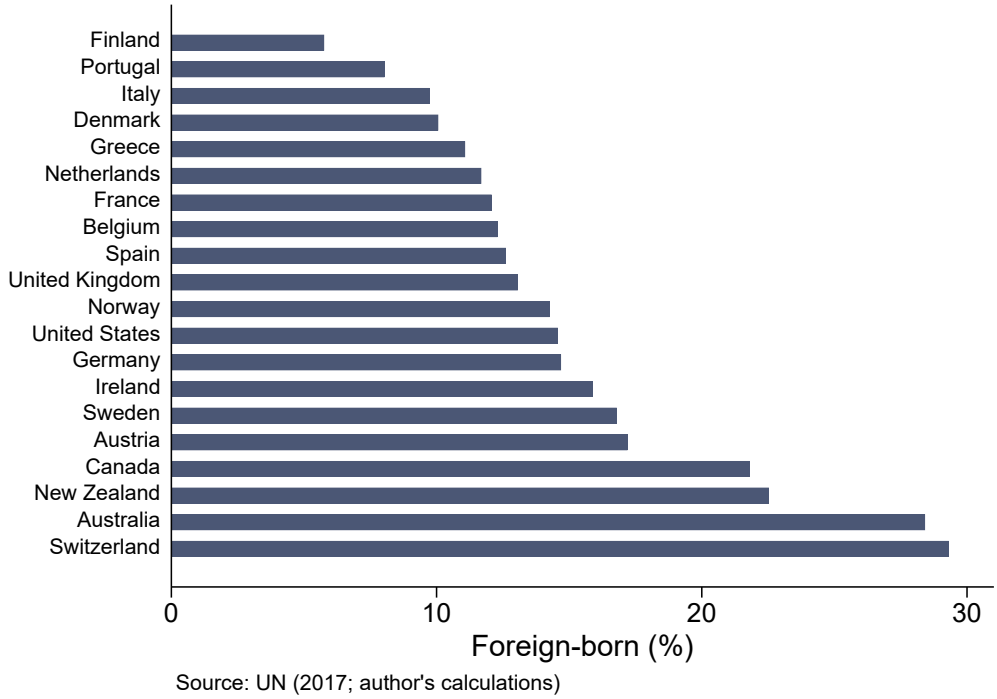
Unlike many other countries in the world, these countries are characterized as welfare states (Esping-Andersen 1990, Wood and Gough 2006). For a welfare state, one of the most central tasks of the government is to promote and protect the social and economic well-being of its citizens through the provision of social transfers and social services. In the abovementioned industrialized democracies, governments spend on average 20 per cent of their Gross Domestic Product (GDP) on this task.[12] These social programs are the subject of intense political struggles, including in relation to immigrants' access to and participation in them. By contrast, in other parts of the world citizens rely more heavily on local communities and their families for their economic security (Wood and Gough 2006). While immigration may also lead to political conflict in these contexts, as illustrated by the violent attacks on immigrants in South Africa in 2008 or the anti-immigrant sentiment in countries as Hungary and Poland, these conflicts generally do not revolve around the provision of social benefits and services.

These industrialized democracies meet another important precondition: they have received substantial and diverse inflow of immigrants in the past decades. These countries now all have sizable immigrant populations as the average share of foreign-born rose from 9.8 percent in 1990 to 16.5 percent in 2015 (UN 2017).[13] Yet, there remains cross-national variation: in 2015, for example, the share of foreign-born was 10.1 percent in Denmark, 14.7 percent

[12] This refers to mandatory public social spending in 2015 (OECD 2018).
[13] This is based on twenty-one countries: Austria, Belgium, Germany, France, Norway, Sweden, Denmark, Finland, Spain, Portugal, Italy, Greece, Switzerland, Luxembourg, the Netherlands, Ireland, the United Kingdom, the United States, Canada, Australia, and New Zealand.

in Germany, and 29.3 percent in Switzerland, bypassing even the traditional settler societies (see Figure 2.1).

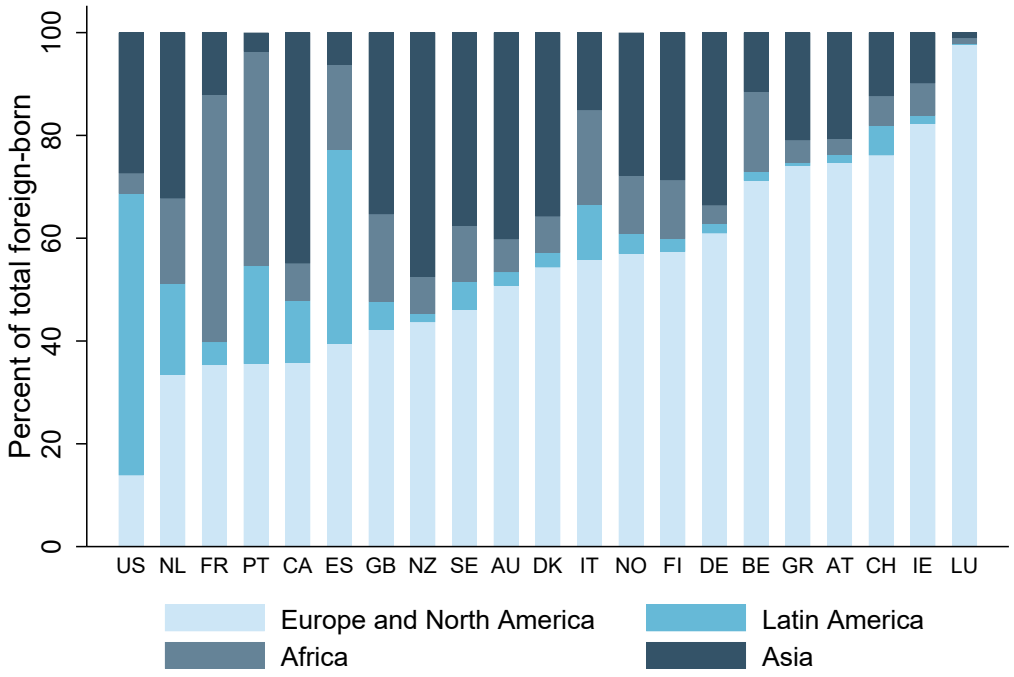
Figure 2.1 Foreign-born population across countries in 2015



Source: UN (2017; author's calculations)

Their immigrant populations have also become ethnically and culturally diverse. The labor migrants often actively recruited by West-European countries after the Second World War, were soon joined by (post-)colonial migrants in the 1960s and 1970s, and by family and humanitarian migrants from the 1980s onwards (Messina 2007). With the enlargement of the European Union in 2004 and the recent 'refugee crises' at the borders of Europe and the US, the diversification of immigration continues. Many immigrants now originate from countries outside of Europe and North America, but here too substantial variation exists across these countries (see Figure 2.2).

Figure 2.2 Foreign-born population by broad geographical region



Source: UN (2017; author's calculations)

Their experiences with immigration set them apart from industrialized democracies such as Japan and South Korea where the level of immigration remains low or the Central and Eastern European (CEE) countries which are still, to a large extent, immigrant-sending countries.[14] The latter have lost a substantial portion of their population due to out-migration since they joined the European Union and they are among the countries with the fastest declining populations in the world.[15] Given their limited experience as immigrant-receiving countries, and for the CEE countries also the influence of the legacy of communism on political

[14] This may change in the future. Japan, for example, announced in December 2018 that more than 300,000 temporary labor migrants would be allowed entry into the country to ease severe labor shortages. The Central and Eastern European countries are Estonia, Latvia, Lithuania, Poland, the Czech Republic, Slovakia, Hungary, Romania, Bulgaria, Slovenia, Croatia, and Albania.

[15] https://population.un.org/wpp/

preferences (Lipsmeyer 2003), I expect that my argument will not operate in the same way in these countries as in the industrialized democracies in Western Europe and the English-speaking world.

Moreover, the argument presupposes that immigrants can access the labor market and make legal claims to social benefits and services. This is possible in the abovementioned industrialized democracies, although immigrants' labor and social rights vary across these countries, over time, and by immigration status (see Sainsbury 2012, Schmitt and Teney 2018). This allows immigrants to change the composition of the benefit recipients and enter low-skilled segments of the labor market, which are important pathways through which immigration may affect welfare attitudes.

Lastly, the argument takes immigrants as the focal point for changes in the cultural and ethnic composition of industrialized democracies. However, the argument may also be applied to the offspring of immigrants who are born and raised in these industrialized democracies. They are not immigrants themselves, even though they are often referred to as second-generation immigrants in public discourse and captured as such in national statistics in some European countries.[16] As with immigrants, some of them will be more culturally similar to the majority population than others. While their experiences in the educational system and society at large can decrease the cultural distance between them and the majority population, previous research suggests that for most groups full assimilation is unlikely to occur (Alba 2005, Zhou 1997). The empirical analyses

[16] In the Netherlands and Denmark, for example, the national statistics offices collect data on the descendants of immigrants (defined as native-born with at least one foreign-born parent) and even on the grandchildren of immigrants (defined as native-born with two native-born parents of which at least one has a foreign-born parent).

in the next chapters will focus on the effect of immigration-related diversity and leaves studying the effect of diversity related to the descendants of immigrants for future research.[17]

[17] This is partly driven by data limitations, as comparative data on the descendants of immigrants does not exist. The results based on the foreign-born population may therefore be interpreted as a lower bound of the effects of diversity on support for the welfare state.

Chapter 3

Not Like Us: Culturally Dissimilar Immigration and Social Policy Preferences

Abstract

Many studies have examined the relationship between the level of immigration and support for the welfare state, but few have considered that immigrant populations vary greatly in terms of their cultural composition across countries and over time. As laid out in Chapter 2, I argue that the cultural background of immigrants matters for social policy preferences because individuals are more likely to empathize with and help the poor when the poor are more like them. I also argue that this should affect the social policy preferences of the rich more than of the poor. This chapter tests these claims. It first develops new measures of culturally dissimilar immigration based on bilateral immigration stock data from the OECD and the World and European Values Surveys. It then tests whether rich voters are more likely to reduce their support for redistribution when the poor are more culturally dissimilar. Using survey data from seventeen West-European countries from 2002 to 2017 and panel data from the United Kingdom from 1991 to 2007, I demonstrate that the rich in areas with more culturally dissimilar immigration are less supportive of redistribution than the rich in areas with less culturally dissimilar immigration. By contrast, the poor remain strong supporters of redistribution, regardless of immigration. By combining pooled cross-sectional and longitudinal analyses, this chapter shows that the cultural background of immigrants matters for the politics of redistribution.

> "People are quite open to showing solidarity for people who are like themselves. […] They don't show solidarity for people who are different." (Carl Melin in Goodman 2019)

3.1 Introduction

Immigration is often referred to as one of the greatest challenges to modern welfare states because it may undermine social solidarity. If individuals see other citizens as "them" rather than "us", the classic argument goes, they will be less willing to pay taxes for social programs that benefit "them". Building on research from the US on the negative relationship between race and welfare state support (Fox 2004, Gilens 1999), previous research has explored whether the relationship between racial and ethnic heterogeneity and the welfare state holds in the European context. While some studies show that immigration reduces *average* support for the welfare state (Dahlberg et al. 2012, Eger 2010), others find little support for this hypothesis (Brady and Finnigan 2014, Crepaz 2008, Mau and Burkhardt 2009, Mewes and Mau 2012). Even if immigration does not reduce average support, it may affect the welfare state attitudes of some voters more than of others. This has been shown by recent studies which suggest that the redistribution preferences of the rich seem particularly responsive to increases in immigration (see Alt and Iversen 2017, Finseraas 2012, Rueda 2018).

While these studies provide valuable insights in the effects of immigration on support for the welfare state, they fail to fully appreciate the cross-national and temporal variation in the ethnic and cultural diversity resulting from immigration by treating all immigrants alike. If individuals feel closer to and care more about those who are more like them in terms of culture, as I argued in Chapter 2, then

individuals should be less willing to support a generous and inclusive welfare state for altruistic reasons when immigration increases the degree of cultural dissimilarity among the poor. Since altruistic concerns have a larger impact on the redistribution preferences of the rich, who can afford to consider others more, I expect that *rich voters will be more likely than poor voters to reduce their support for redistribution when the poor become more culturally dissimilar due to immigration*. In this chapter, I test this hypothesis using survey data from seventeen West-European countries from 2002 to 2017 and panel data from the United Kingdom from 1991 to 2007. Before I discuss the results from these analyses, I present a novel and cross-national measure of culturally dissimilar immigration based on bilateral immigration stock data from the OECD and the World and European Values Surveys.

3.2 Measuring culturally dissimilar immigration

Common measures of diversity, such as ethnic fractionalization, the percentage of foreign-born, and the percentage of foreign nationals, capture the size of the immigrant population, but not the cultural distance between immigrants and the native population. In this section, I develop a novel measure of culturally dissimilar immigration that does both using data from the World Values Study (WVS, 2005-2009) and the European Values Survey (EVS, 2008-2009) and the OECD's International Migration Database. This measure assigns a greater weight to immigrants that are more culturally distant from the native population and a smaller weight to immigrants that less culturally distant from it. This measure should also recognize that a given immigrant group can be culturally

close to the native population in country A, but culturally distant to the native population in country B.

First, I measure the average cultural values for the 83 countries included in the WVS and EVS.[1] Since I do not have strong theoretical reasons to expect which values matter the most and many values in these surveys are highly correlated, I follow Inglehart and Baker (2000) and Inglehart and Welzel (2005).[2] Their approach has been very influential, even though it has also been criticized (see, for example, Haller 2002).

I rely on the ten survey items they used to capture their two value dimensions of secular-rational versus traditional values, and self-expression versus survival values. They capture the former with the following five items: (1) God is not at all important in respondent's life; (2) It is more important for a child to learn independence and determination than obedience and religious faith; (3) Abortion is always justified; (4) Respondent has a weak sense of national pride; (5) Respondent does not favor more respect for authority. They measure the second dimension with the items: (6) Respondent gives priority to self-expression and quality of life over economic and physical security; (7) Respondent describes self as very happy; (8) Homosexuality is always justifiable; (9) Respondent has

[1] These countries include Albania, Andorra, Argentina, Armenia, Australia, Austria, Belarus, Belgium, Bosnia Herzegovina, Brazil, Bulgaria, Burkina Faso, Canada, Chile, China, Colombia, Croatia, Cyprus, Czech Republic, Denmark, Egypt, Estonia, Ethiopia, Finland, France, Georgia, Germany, Ghana, Greece, Guatemala, Hong Kong, Iceland, India, Indonesia, Iran, Iraq, Ireland, Italy, Japan, Jordan, Kosovo, Latvia, Lithuania, Luxembourg, Macedonia, Malaysia, Mali, Malta, Mexico, Moldova, Montenegro, Morocco, Netherlands, New Zealand, Northern Cyprus, Northern Ireland, Norway, Peru, Poland, Hungary, Portugal, Romania, Russia, Rwanda, Serbia, Slovak Republic, Slovenia, South Africa, South Korea, Spain, Sweden, Switzerland, Taiwan, Thailand, Trinidad and Tobago, Turkey, Ukraine, United Kingdom, United States, Uruguay, Vietnam, and Zambia.

[2] Other scholars, such as Hofstede (2001) and Schwartz (2006), have also measured cultures using survey data on values. Although there are differences in their approaches, they all point towards the existence of similar cultural regions in the world.

signed or might sign a petition; (10) Most people can be trusted, generally speaking.

I restrict the sample to respondents aged 18 and above and calculate the weighted mean cultural values for each country based on all ten items. (I also repeat these procedures for each value dimension separately.) I standardize the responses to these items with a mean of zero and a standard deviation of one and combine them into an additive index which I standardize as well. Higher values mean that individuals in a given country have more secular and more self-expression values. For countries not included in the sample, I impute values based on the average of the countries in their geographical region, namely the Americas (excluding the US and Canada), Europe, Africa, Asia and Oceania (excluding Australia and New Zealand).

Next, I match these country-level cultural values to the destination countries (i.e. the industrialized democracies) and to the data on the stock of foreign-born from the OECD's International Migration Database. This dataset contains annual information about the bilateral immigration stocks for all OECD countries between 2000 and 2017. For example, it tells us that in Australia in 2000, 57,300 immigrants were originally from Croatia and 10,700 immigrants were born in Pakistan. The OECD data on bilateral immigration stocks did not have perfect coverage in terms of the country of births or the country-years.[3] The measure of culturally dissimilar immigration is based on the number of immigrants for which we can determine their country of birth. I only include

[3] Cross-national immigration data are inherently imperfect due to missing values, different sources used by governments to measure immigration (e.g. censuses, administrative data, population surveys), and the underestimation of certain immigrant groups (e.g. asylum seekers and recent immigrants). Unfortunately, there is no easy solution to these limitations.

country-years for which the country of origin of at least 80% of the foreign-born is known. I use linear interpolation to fill in any missing values between two time points.[4] After matching, I calculate the cultural distance between the destination country and each immigrant group by taking the absolute difference between the former and the latter. The larger the values, the more a given immigrant group differs from the native population, and the greater its weight will be in the calculation of the final measure of culturally dissimilar immigration.[5] To illustrate, the average cultural values scores are 0.81 for Spaniards, -0.13 for Argentinians, and -0.92 for Ethiopians. This means that the cultural distance (based on the absolute difference) is smaller between Spaniards and Argentinians (0.94) than between Spaniards and Ethiopians (1.73). Another example: the average cultural values scores are 1.53 for the Dutch, 1.18 for the Germans, and -1.36 for Moroccans. We thus find that the cultural distance is smaller between the Dutch and Germans (0.35) than between the Dutch and Moroccans (2.89). These patterns are in line with the expectations.

The final step aggregates for each country in my sample the information about (i) the size of each immigrant group and (ii) the cultural distance between each immigrant group and the native-born population. To this end, I first multiply the number of immigrants from each country of origin by its value for cultural distance. For example, for the Netherlands in 2015, the number of Moroccan immigrants was 168,588 with cultural distance value of 2.89, while the number of German immigrants was 119,087 with cultural distance value of 0.35. This leads

[4] In the robustness test, I show that the results are similar when I use a higher threshold of 90% known country of births, and when I exclude the country-years with interpolated values.
[5] In the robustness test, I use a simple difference and find similar results.

to a total value of 487,219 for Moroccan immigrants and 41,680 for German immigrants in the Netherlands in 2015. Each immigrant group is thus weighted based on their cultural distance to the native population. After repeating this for each immigrant group in each country-year, I sum the total number of immigrants adjusted by cultural distance. This number is then divided by the total population size of the country to obtain a measure of culturally dissimilar immigration as a percentage of the total population.

This measure makes four important assumptions. First, it assumes that each country has one culture.[6] While countries may have more than one culture within their borders, there is often one dominant culture that is transmitted through social institutions, such as the family and the education system (Kymlicka 1995). Second, it assumes that individuals within these countries share the same culture, even though some may adhere to it more than others. Studies suggest that the variation in values within countries is smaller than the variation between countries (see Inglehart and Welzel 2005, Schwartz 2006). Third, it assumes that the cultural values of immigrants can be captured by the cultural values of the population in their country of origin. While this has been confirmed for some immigrant groups (Rice and Feldman 1997), the assumption may not hold if immigrants who adhere to different values than their former countrymen are most likely to migrate. Lastly, it assumes that cultural values and cultural distance are relatively stable over time. This does not preclude change, but these processes will evolve gradually (Hofstede 2001, Inglehart and Welzel 2005, Schwartz 2006).

[6] The focus on country as the unit of analysis has been critiqued as methodological nationalism (Wimmer and Schiller 2003). While I acknowledge the usefulness of other levels of analyses above and within countries, I focus on countries because they remain powerful organizing principles for cultures.

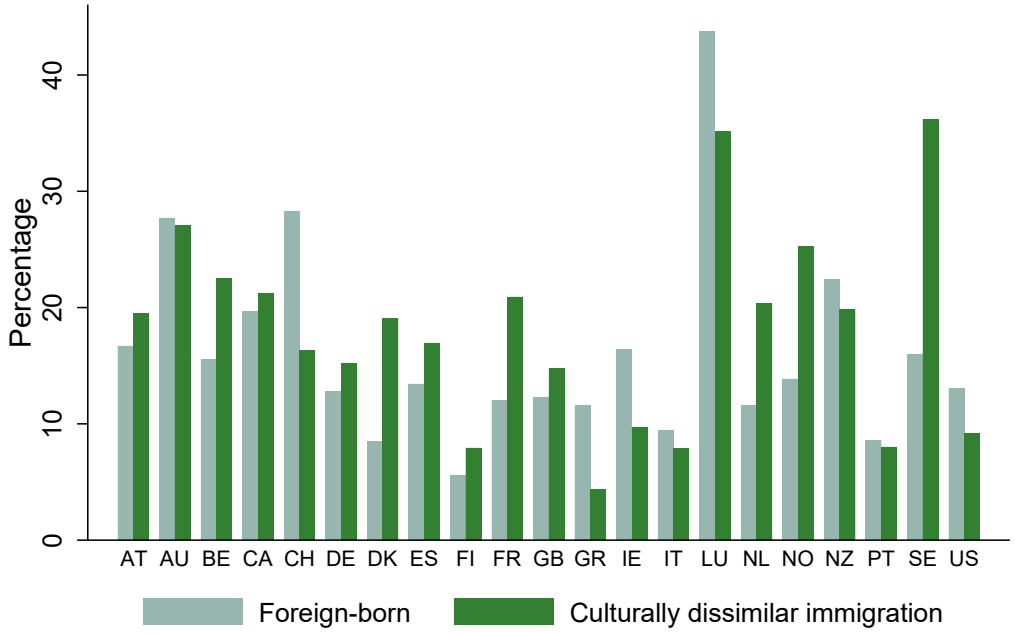
Figure 3.1 contrasts the new measure of culturally dissimilar immigration with the common measure of the foreign-born as a percentage of the total population.[7] The measures are positively correlated ($r=0.6$, $p<0.01$), as to be expected given that culturally dissimilar immigration also incorporates the size of the immigrant population.[8] Yet, striking patterns emerge when we compare these measures across countries.

For the first group of countries, the percentage of foreign-born is a relatively good predictor of culturally dissimilar immigration. This holds, for example, for Australia, Canada, Italy, and Portugal. While the former two are known for their selective, skill-based immigration policies, Portugal and Italy have received many immigrants from former colonies or other European countries.

For the second group of countries, the new measure suggests lower levels of cultural diversity due to immigrants than we would expect based on the percentage of foreign-born. This is the case for Switzerland, Luxembourg, Ireland, Greece, New Zealand, and the United States. Although some of these countries have very high levels of immigration, they have attracted mostly culturally similar immigrants from other European countries.

[7] The figure presents data from 2013 to include the traditional settler societies.
[8] The correlation is 0.6 ($p<0.01$) for the full sample and 0.8 ($p<0.01$) when Luxembourg and Switzerland are excluded.

Figure 3.1 Culturally dissimilar immigration and the foreign-born in 2013



Source: Author's dataset
Note: Data refer to 2011 for Canada and 2012 for Portugal.

For the third group of countries, immigrant populations are relatively culturally distant from the native population and the new measure exceeds the percentage of foreign-born. We see this for the Nordic countries, which mostly received refugees and asylum seekers from conflict-ridden regions in Africa and Asia, and the former colonial powers, which have attracted postcolonial migration from Africa, Asia, and South America in addition to guest workers and refugees. Figure 3.1 thus shows that relying solely on the level of immigration may underestimate the impact of immigration in some countries while overestimating it in others.

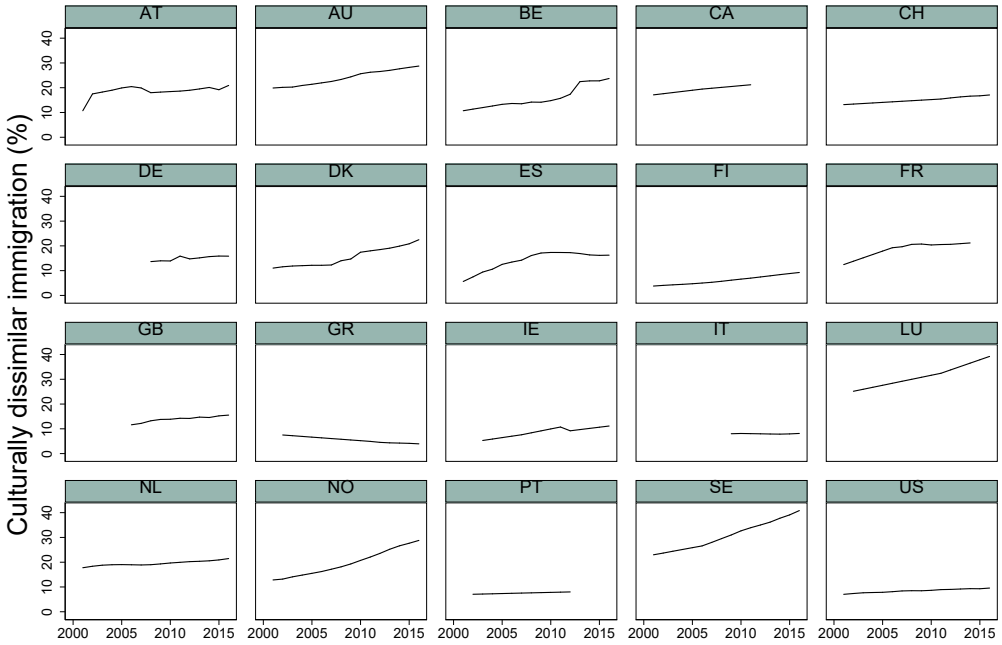
Culturally dissimilar immigration does not only vary across countries, it also varies over time. Figure 3.2 depicts this variation in the level of culturally dissimilar immigration since 2000, the earliest year for which the measure could

be computed. We see, first, that culturally dissimilar immigration has increased in many countries, but not uniformly. It increased rapidly in countries as Sweden, Norway, and Spain, while it increased more slowly in Ireland, Switzerland, and the UK. Notably, there are also some countries where the increases are minimal or almost absent, such as the US, Portugal, and Italy.

The figure also shows some striking differences in the level of culturally dissimilar immigration. Let us take Sweden and the US as an example which have foreign-born populations of relatively similar sizes (16% and 13.1%, respectively in 2013) but differ in the level of culturally dissimilar immigration. These differences seem to reflect the different immigration experiences of these countries. Sweden has attracted primarily refugee migration from countries in Asia and Africa since the 1990s. In 2015, the top-ten countries of birth included (in descending order): Finland, Iraq, Syria, Poland, Iran, Yugoslavia, Somalia, Bosnia and Herzegovina, Germany, and Turkey (Statistics Sweden 2019). In many of these countries, the population is more socially conservative. Since Sweden also has one of the highest scores on the secular-rational and self-expression dimensions, the cultural distance between its immigrants and the Swedish population is particularly large, leading to the high values for Sweden. By contrast, the US scores lower on the measure of culturally dissimilar immigration because roughly half of its immigrants originate from Latin American countries (see Figure 2.2 in Chapter 2). These countries have mid-range scores on the cultural values dimensions. Combined with the moderately liberal cultural values of the American population, the cultural distance between immigrants and natives is relatively small, leading to lower values on the new measure. The empirical analysis in the next section will leverage this within-country variation to

test whether rich voters are more likely to withdraw their support from the welfare state when they live in countries with more culturally dissimilar immigration.

Figure 3.2 Culturally dissimilar immigration across time



Source: Author's dataset.

3.3 Cross-national analysis

3.3.1 Empirical strategy and data

The empirical analysis presented in this section relies on eight waves of the European Social Survey (ESS), covering a period from 2002 to 2017. The sample includes seventeen West-European countries: Austria, Belgium, Denmark, Finland, France, Germany, Greece, Ireland, Italy, Luxembourg, the Netherlands,

Norway, Portugal, Spain, Sweden, Switzerland, and the United Kingdom.[9] The ESS includes a good measure of income and social policy preferences.[10]

To test whether culturally dissimilar immigration lowers support for redistribution more among rich voters than among poor voters, I run random-intercept multilevel linear models with intercepts varying by country. These models account for respondents being nested within countries and lead to more precise estimates of the standard errors (Steenbergen and Jones 2002). I restrict the analysis to native-born respondents aged 18 or older because I am interested in the attitudes of the native population. The main independent variables are a respondent's income, culturally dissimilar immigration (see above), and a cross-level interaction of these two variables. I include a series of control variables and country and year fixed effects. The latter control for observed and unobserved time-invariant differences between countries by focusing on variation within countries over time. Following my hypothesis, I expect to find a negative and significant interaction between income and culturally dissimilar immigration.

.

3.3.2 Support for redistribution

The first dependent variable is support for redistribution. It is measured by a survey question that asks respondents to what extent they agree or disagree with

[9] Not all countries participated in all waves of the ESS (see Supplement S.1.1). In the robustness test, I exclude Switzerland and Luxembourg because they are outliers with regards to immigration. Their percentage of foreign-born, 28.3% and 43.7% respectively in 2013, is much higher than the average in our sample of 11.9%. Moreover, they have very high levels of individuals who commute to their country for work. While Luxembourg and Switzerland have 255.1 and 27.5, respectively, cross-border workers for every 1,000 inhabitants, this is only 2 per 1,000 inhabitants for our sample (Nerb et al. 2009). Different dynamics may therefore be expected in these countries. However, the main findings are the same when Switzerland and Luxembourg are excluded.

[10] Expanding the coverage to include non-European industrialized democracies is complicated due to the limited availability of data: the income variable in the International Social Survey Programme (ISSP) is less comparable and immigration data is only available from 2000 onwards.

the following statement: “The government should take measures to reduce differences in income levels”. The question has five response categories that range from ‘agree strongly’ to ‘disagree strongly’. I recode the variable so that higher values correspond to more support for redistribution. The variable is available for all waves of the ESS, but it also has some limitations. It does not, for example, inform respondents that these government measures come with a price tag which makes it easier for people to agree with the statement. It also does not specify the extent to which income differences should be reduced. Nevertheless, the question comes very close to the concept of redistribution preferences and has been widely used by others (e.g. Rueda and Stegmueller 2016, Burgoon 2014). Table 3.1 shows the frequency distribution of the variable for the sample. A large majority of the respondents, namely 70.6%, agrees or strongly agrees that their government should take more measures to reduce income inequality.

Table 3.1 Support for redistribution in the sample (Percentages)

Disagree strongly	**Disagree**	**Neither disagree nor agree**	**Agree**	**Agree strongly**
2.6	12.1	14.7	43.9	26.7

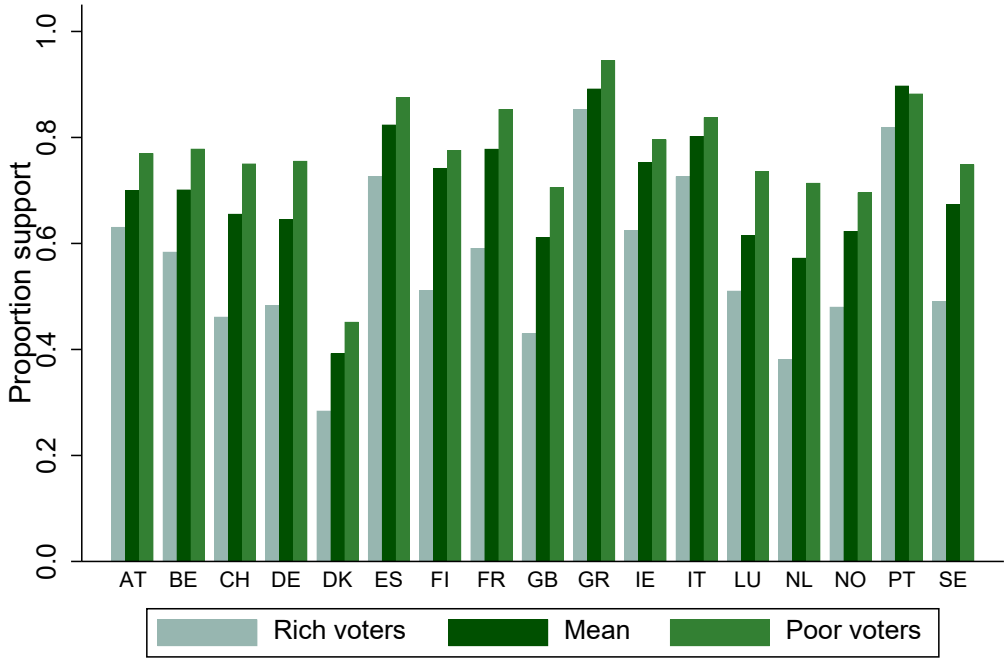
Source: ESS (2002-2017), author’s calculations.

To examine the differences in support across and within countries, Figure 3.3 illustrates support for redistribution among poor and rich segments of the population in Western Europe as well as average support for redistribution in these countries. To this end, I recoded support for redistribution into a binary variable to show the proportions of support. Respondents receive a value of ‘1’ if

they agree or strongly agree with the statement, and a value of ‘0’ for all other categories. I define the rich as individuals with household incomes over 28,000 PPP-adjusted constant 2010 US dollars above their country-year mean income and the poor as individuals with household incomes up to 20,000 PPP-adjusted 2010 US dollars below their country-year mean income (more on this measure below). These thresholds correspond to the 90th and 20th percentile of the income distribution in the sample.

As expected, Figure 3.3 shows that support for redistribution is higher among the poor than among the rich in all countries. The preferences of the rich, however, show a greater deal of variation. They are strong supporters in Greece, Portugal, and Spain, but staunch opponents in Denmark, the Netherlands, and the United Kingdom. I expect that a large part of the variation in the preferences of the rich can be explained by immigration, in particular the degree to which immigration introduces cultural dissimilarity into these countries.

Figure 3.3 Support for redistribution across countries



Source: ESS (2002-2017), Author's calculations.

3.3.3 Support for immigrants' social rights

The second dependent variable is support for inclusive eligibility. Ideally, a survey question would ask respondents which groups in society should have access to social benefits and services. The more groups a respondent wants to extend access to, the more inclusive her eligibility preferences are. Given my focus on immigration as a dividing line in society, I focus on attitudes towards granting immigrants access to social benefits and services. Waves four and eight of the ESS included an item on support for immigrants' social rights.[11] The question reads as follows: "Thinking of people coming to live in [country] from other countries, when do you think they should obtain the same rights to social benefits

[11] These waves were conducted in 2008-2009, during the economic crisis, and in 2016-2017, in the aftermath of the refugee crisis in Europe.

and services as citizens already living here?". The response categories are: 1 'immediately on arrival', 2 'after living in [country] for a year, whether or not they have worked', 3 'only after they have worked and paid taxes for at least a year', 4 'once they have become a [country] citizen', and 5 'they should never get the same rights'. The fourth response category is not ideal for cross-national comparisons because naturalization laws vary greatly across countries. For example, individuals can become a citizen after five years of permanent residence in Sweden while it requires ten years of permanent residence in Switzerland (Migrant Integration Policy Index 2015). Nevertheless, obtaining citizenship generally takes longer than one year and shorter than never. I therefore treat the variable as an ordinal variable. I recode the variable so that higher values mean more liberal attitudes towards immigrants' social rights.

Table 3.2 shows the distribution of support for extending social rights to immigrants for the entire sample. Few respondents want to give immigrants immediate access to the welfare state or exclude immigrants from the welfare state indefinitely. Most respondents want to attach some conditions to these rights: either a residency requirement, or to a larger extent a contribution or citizenship requirement. There is a great deal of cross-national variation hidden behind these averages. To illustrate, 0.8% of all Swedes think that immigrants should never obtain the same social rights as citizens whereas this is as high as 20.4% in Greece.

Table 3.2. Support for immigrants' social rights in the sample (Percentages)

When should immigrants obtain the same social rights as citizens?				
Immediately	After one year	After working one year	After citizenship	Never
9.0	10.6	44.3	29.5	6.7

Source: ESS (2008-2017), own calculations.

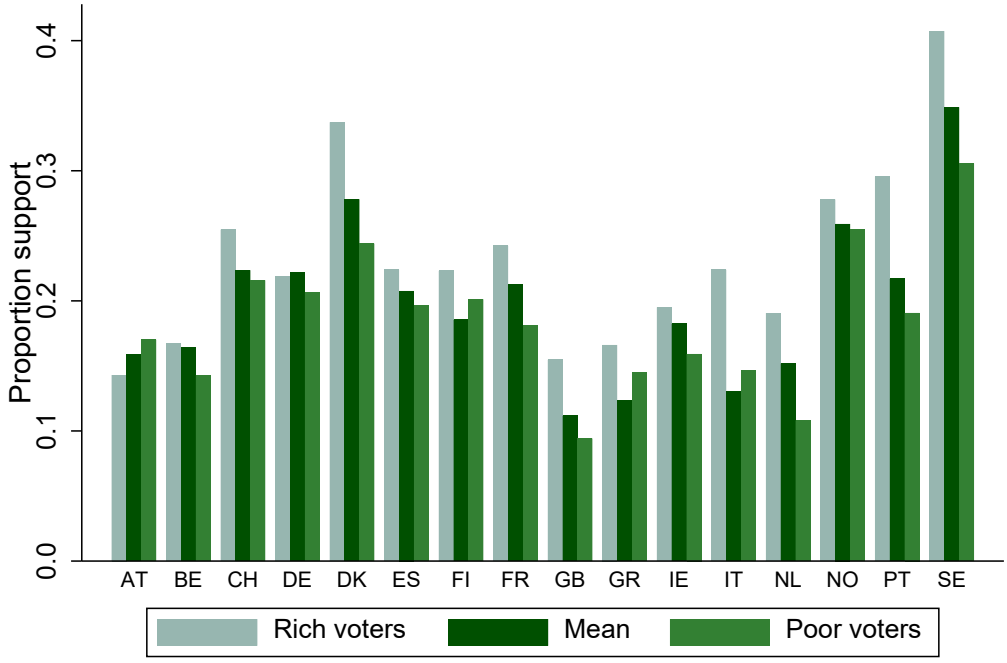
To explore the variation in support across and within countries, Figure 3.4 displays the proportion of support for immigrants' social rights for the rich, the poor, and the country mean. These groups are similarly defined as before. To calculate these proportions, I recoded the original variable into a binary variable that equals '1' if individuals would grant immigrants' access to social benefits and services immediately or after one year. This is a measure of unconditional inclusive eligibility. Three observations can be made about the patterns in this figure. First, support for unconditional access for immigrants is, on average, low at approximately 20%, but it is substantially higher in Denmark, Norway, and Sweden. These Nordic countries have a long tradition of universal welfare states and the greater willingness to include immigrants may reflect this. Support for immigrants' social rights is particularly low in the UK. This mirrors again the existing policy environment as certain categories of immigrants (most notably asylum seekers and recent third country nationals) are barred from accessing the welfare state, and successive governments have tried to restrict the social rights of EU immigrants too.

Second, rich voters are more likely to support immigrants' social rights than poor voters in almost all countries, except for Austria, Belgium, and Germany. This picture is the mirror image of the figure on support for redistribution. This general trend provides some support for the claim that

material self-interest matters as poor voters are more likely to compete with immigrants in the labor market and the welfare state. However, it may also reflect that a general dislike of immigrants is higher among the poor and low-educated (see, for example, Sides and Citrin 2007). This will be explored further below.

Third, the gap between poor voters and rich voters differs again across countries. This gap is largest in the Nordic countries (except Finland), Portugal, Italy, the UK, France and the Netherlands. It is considerably smaller in many other countries.

Figure 3.4 Support for immigrants' social rights across countries



Source: ESS (2008-2017), Author's calculations.

3.3.4 Income

The ESS measures the net household income of respondents in broad income bands. It has twelve categories in waves 1 to 3 and ten categories in waves 4 to

8. Following Rueda and Stegmueller (2016), I take several steps to construct a comparable measure of income from this variable. This measure of income distance focuses on the relationship between an individual's income and the mean income of her country. The greater her distance from the mean income, the stronger her support for redistribution. I first transform the income categories into mid-points and use Hout's (2004) procedure for the final, open-ended income band.[12] I then use Power Purchasing Parity (PPP) data from the OECD to correct for variation in purchasing power across countries. The resulting values in US dollars are then converted into constant US dollars, using 2010 as the base year. For this I use the Consumer Price Index from the US from the OECD database. The final step involves calculating the mean PPP$-income for each country-year and deducting it from the PPP$-income of the individual. I then rescale the variable so that one unit of income distance corresponds to 10,000 constant US dollars. Individuals with positive values on this measure of income distance have an income above their country-year mean, while individuals with negative values have an income below their country-year mean.

3.3.5 Control variables

I control for several individual-level variables shown by previous studies to be important determinants of redistribution preferences. I include age in years, a dummy for female, years of education, a dummy for being unemployed, a dummy for being inactive, a dummy for being married, and a dummy for being a trade

[12] For waves 1 to 3, for example, the first income band J (less than €1800) is recoded to mid-point €900 and the second income band R (€1800 to under €3600) to mid-point €2700. A similar procedure is followed for waves 4 to 8, with the exception that the income bands are then country-year specific.

union member. On the macro level, I control for social expenditures as a percentage of GDP and the percentage of foreign-born. Supplement S.1.1 describes how all variables are measured and reports the summary statistics.

3.4 Findings from Western Europe

3.4.1 Culturally dissimilar immigration, income, and support for redistribution

The previous section provided preliminary support for the expectations regarding support for redistribution. Now I will test whether culturally dissimilar immigration has a stronger negative effect on the redistribution preferences of the rich than of the poor in a multilevel regression analysis. Table 3.3 below presents the results.

Model 1 shows that income distance has a negative and significant main effect, indicating that support for redistribution decreases as income increases. The main effect of culturally dissimilar immigration is also negative and significant. This means that individuals in countries with high culturally dissimilar immigration are less supportive of redistribution than individuals in countries with low culturally dissimilar immigration. The main variable of interest is the interaction between income distance and culturally dissimilar immigration. The interaction is negative and significant, which means that culturally dissimilar immigration lowers support for redistribution more among rich individuals than among poor individuals. These coefficients are all in the expected direction and provide strong support for the thesis' claim.

In Model 2, I include a series of control variables and I find that the effect of culturally dissimilar immigration on the redistribution preferences of the rich holds. Regarding these control variables, I note briefly that support for

redistribution decreases as people become more highly educated while it increases as they grow older, for women, the unemployed, and union members. The percentage of social expenditures has a positive, but insignificant effect on support for redistribution.

I have argued that the new measure of culturally dissimilar immigration captures cultural diversity better than the common measure of the percentage of foreign-born. Model 3 tests this by adding the percentage of foreign-born as a control variable. I expect that the interaction between income distance and culturally dissimilar immigration remains negative and significant, even when I control for this variable. This is exactly what I find. The interaction term is unaffected by the inclusion of the percentage of foreign-born, and the main effects of culturally dissimilar immigration and income remain negative and significant. The percentage of foreign-born itself is positive and significant, suggesting that support for redistribution is higher in countries with more immigration, holding constant the level of culturally dissimilar immigration.

The last two models replicate the third model with an alternative operationalization of culturally dissimilar immigration. Instead of combining the two dimensions of cultural values, Model 4 uses a measure of culturally dissimilar immigration based on the secular-rational dimension while Model 5 tests a measure based on the self-expression dimension.

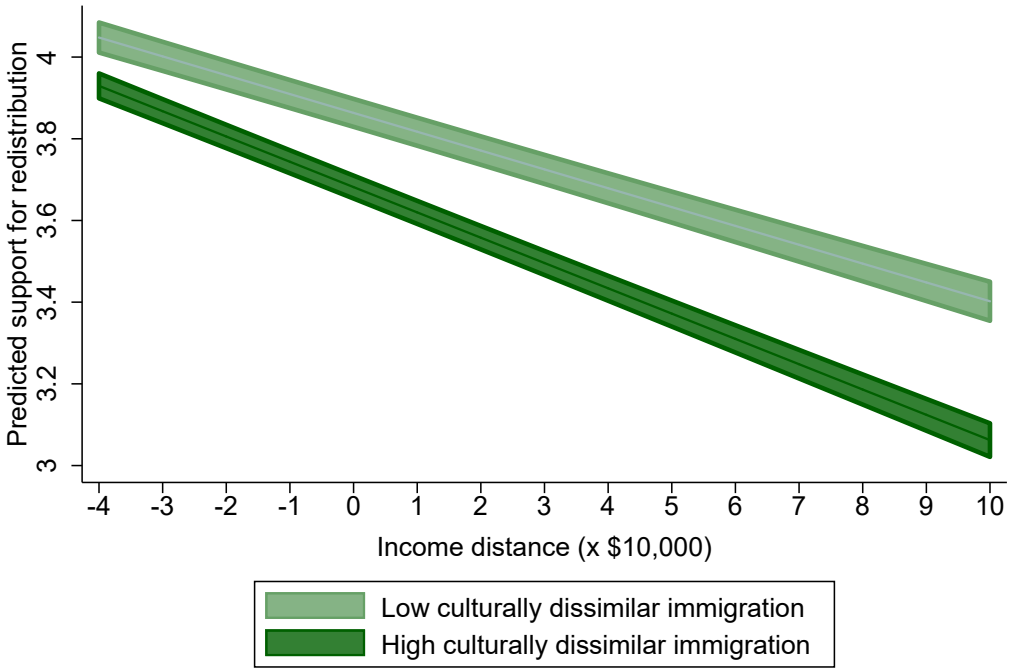
Table 3.3 Culturally dissimilar immigration and support for redistribution

	(1)	(2)	(3)	(4)	(5)
Income	-0.049**	-0.036**	-0.040**	-0.041**	-0.047**
	(0.002)	(0.003)	(0.003)	(0.002)	(0.002)
Culturally dissimilar immigration	-0.000**	-0.000*	-0.001**	-0.001**	-0.001**
	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)
Income X Dissimilar immigration	-0.001**	-0.001**	-0.001**	-0.001**	-0.001**
	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)
Age		0.001**	0.001**	0.001**	0.001**
		(0.000)	(0.000)	(0.000)	(0.000)
Female		0.167**	0.170**	0.170**	0.170**
		(0.005)	(0.005)	(0.005)	(0.005)
Education (in years)		-0.017**	-0.017**	-0.017**	-0.017**
		(0.001)	(0.001)	(0.001)	(0.001)
Unemployed		0.143**	0.141**	0.143**	0.142**
		(0.013)	(0.013)	(0.013)	(0.013)
Inactive		0.009	0.009	0.011+	0.011+
		(0.006)	(0.006)	(0.006)	(0.006)
Married		0.001	0.001	0.000	0.000
		(0.006)	(0.006)	(0.006)	(0.006)
Union member		0.196**	0.197**	0.197**	0.198**
		(0.006)	(0.006)	(0.006)	(0.006)
Social spending (%)		0.002	0.000	0.001	-0.001
		(0.002)	(0.002)	(0.002)	(0.002)
Foreign-born (%)			0.024**	0.026**	0.024**
			(0.004)	(0.004)	(0.004)
Observations	149,347	144,286	141,319	141,319	141,319
Countries	17	17	17	17	17
Waves	8	8	8	8	8
Year FE	Yes	Yes	Yes	Yes	Yes
Country FE	Yes	Yes	Yes	Yes	Yes

Note: Estimates from multilevel models. Standard errors in parentheses.
** p<0.01, * p<0.05, + p<0.1

To gauge the substantive effect of the interaction between income distance and culturally dissimilar immigration, I plotted the predicted support for redistribution with 95% confidence intervals based on Model 3 in Figure 3.5. Low culturally dissimilar immigration is defined as 6.7% and high culturally dissimilar immigration as 23.6%. These values correspond to the 10th (e.g. Greece in 2005) and 90th (e.g. Norway in 2012) percentile of the sample distribution of culturally dissimilar immigration. The plot nicely illustrates three points that are important for the argument. Firstly, support for redistribution declines as income distance increases. This supports the claim that income is an important predictor of redistribution preferences. Secondly, the plot shows that individuals in countries with low culturally dissimilar immigration are always more supportive of redistribution than individuals in countries with high culturally dissimilar immigration. Thirdly, the two lines diverge at higher values of income distance. This indicates that the redistribution preferences of individuals in countries with low and high culturally dissimilar immigration grow further apart as individuals have higher incomes. In line with my argument, culturally dissimilar immigration reduces support for redistribution more among the rich than among the poor.

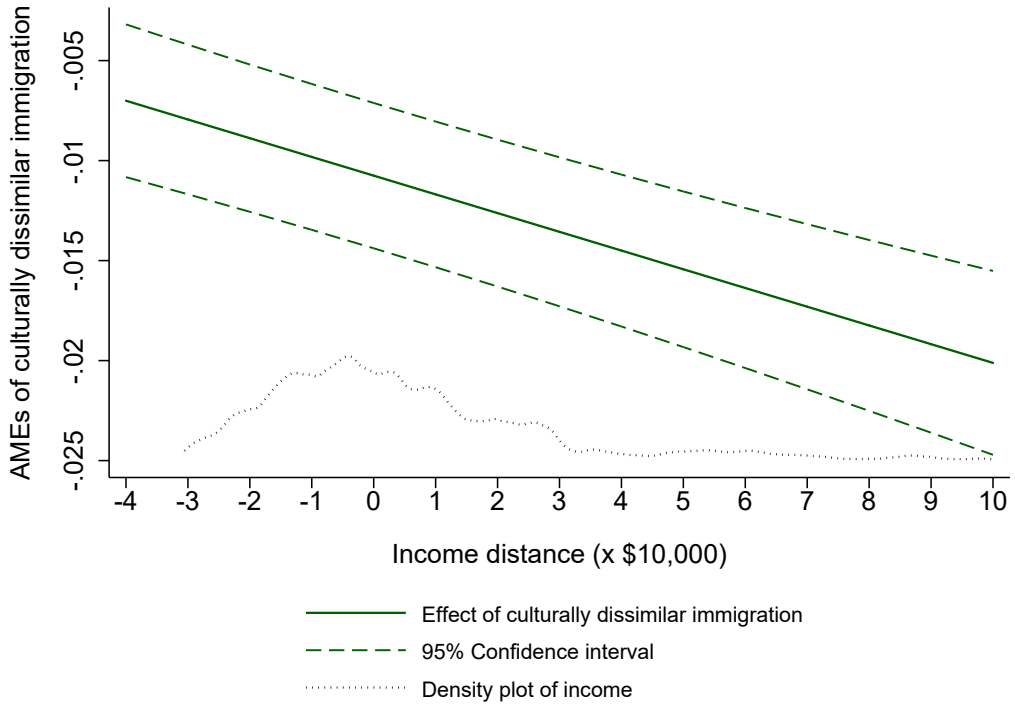
Figure 3.5 Predicted support for redistribution by income and culturally dissimilar immigration



For a stricter test of the size and significance of the interaction effect, I calculate the average marginal effects (AMEs) of culturally dissimilar immigration on support for redistribution along the income distribution based on Model 3. These are displayed in Figure 3.6. I find that the average marginal effects are negative and significant for everyone, but they are more than twice as large for the rich as for the poor and this difference is significant ($p<0.01$). This provides additional support for the hypothesis that culturally dissimilar immigration matters more to the redistribution preferences of the rich. Finally, the size of the effect of culturally dissimilar immigration is substantial: one standard deviation increase in culturally dissimilar immigration for the rich (defined as having an income of 28,000 PPP-adjusted constant 2010 US dollars above the country-year mean or

the 90th percentile) is comparable to the effect of one standard deviation increase in the years of education and of gender.

Figure 3.6 Average marginal effects of culturally dissimilar immigration



3.4.2 Culturally dissimilar immigration and support for immigrants' social rights

In this section, I analyze whether the level of culturally dissimilar immigration reduces support for immigrants' social rights more among the poor than among the rich.[13] As this survey item was only included in two waves of the ESS and in 14-15 countries, I will be more cautious with interpreting the results from the multilevel models (see Stegmueller 2013). In Chapter 2, I argued that poor and

[13] Since comparable, national-level measures of benefit competition do not exist, I test the relationship between immigration-related benefit competition and support for immigrants' social rights in Chapter 5 where I focus on the case of social housing competition in the Netherlands.

rich voters become less supportive of an inclusive welfare state when the poor become more culturally dissimilar because their willingness to help the needy decreases. I therefore expect that cultural dissimilar immigration has an unconditional negative effect on support for immigrants' social rights, regardless of individuals' income. Table 3.4 below reports the results from this analysis.

In the first model, I include income distance, culturally dissimilar immigration as well as the control variables for age, gender, education, being unemployed, being inactive, marital status, union membership, and social spending. Contrary to some previous findings (see Mewes and Mau 2012, van der Waal et al. 2010), I find that income has a positive and significant effect on support for immigrants' social rights: richer individuals are thus more supportive of immigrants' social rights than poorer individuals. While I find that individuals are less willing to support immigrants' social rights when they live in a country with more culturally dissimilar immigration, the coefficient is not significant. The figure also shows that all control variables except for age and being unemployed are associated with the dependent variable. Women, the high-educated, the inactive, and union members have higher support while married individuals have lower support.

In the second model, I control for an influential alternative explanation: social class, as others have argued that working class individuals are more prejudiced and culturally threatened than individuals from higher classes (Mewes and Mau 2012, van der Waal et al. 2013). For reasons of space, I do not report the dummies for social class in the table below, but they are all significant except for socio-cultural professionals. When I control for social class, the effect of income remains positive but becomes less significant (p=0.101). This makes

sense given that income and occupation are closely related. Moreover, the negative coefficient for culturally dissimilar immigration becomes more significant ($p<0.10$). This provides tentative support for the hypothesis that individuals become less supportive of an inclusive welfare state when the poor become more culturally dissimilar. Substantively, a one standard deviation change in the level of culturally dissimilar immigration has the same effect on support for immigrants' social rights as a one standard deviation change in age.

The third model controls for the percentage of foreign-born to test whether the cultural background of immigrants matters for these attitudes, over and above the level of immigration. I find that the effect of income is positive and significant ($p<0.10$), while culturally dissimilar immigration is no longer significant. The level of immigration itself has a negative and significant effect on support for immigrants' social rights. This suggests that individuals are less supportive of an inclusive welfare state when they live in a country with more immigration, regardless of the cultural background of immigrants.

Table 3.4 Immigration and support for immigrants' social rights

	(1)	(2)	(3)
Income	0.007**	0.004	0.004+
	(0.002)	(0.002)	(0.002)
Culturally dissimilar immigration	-0.003	-0.006+	0.003
	(0.003)	(0.003)	(0.005)
Age	-0.001**	-0.002**	-0.002**
	(0.000)	(0.000)	(0.000)
Female	0.061**	0.038**	0.038**
	(0.010)	(0.012)	(0.012)
Education (in years)	0.036**	0.027**	0.027**
	(0.001)	(0.002)	(0.002)
Unemployed	-0.056*	-0.040	-0.041
	(0.026)	(0.027)	(0.027)
Inactive	0.038**	0.035**	0.034*
	(0.013)	(0.013)	(0.013)
Married	-0.030**	-0.030**	-0.029**
	(0.011)	(0.011)	(0.011)
Union member	0.051**	0.050**	0.049**
	(0.012)	(0.012)	(0.012)
Social spending (%)	-0.011*	-0.011*	-0.006
	(0.005)	(0.005)	(0.006)
Foreign-born (%)			-0.032*
			(0.014)
Observations	35,745	33,562	33,562
Countries	16	16	16
Waves	2	2	2
Year FE	Yes	Yes	Yes
Country FE	Yes	Yes	Yes
Social class	No	Yes	Yes

Note: Estimates from multilevel models. Standard errors in parentheses.
** p<0.01, * p<0.05, + p<0.1

3.4.3 Robustness tests

This section explores whether the main results of Model 3 in Table 3.3, that culturally dissimilar immigration lowers support for redistribution more among the

rich than among the poor, hold when alternative explanations from the literature are considered. The robustness tests are reported in Supplement S.1.2, but I discuss them below.

Skill specificity has been a powerful argument in the comparative political economy literature. Individuals with more specific skills may support redistribution in order to insure themselves against the risk of unemployment or lower wages (Iversen and Soskice 2001). Following Fleckenstein et al. (2011), I measure skill specificity with three dummy variables for low-general skills, specific skills, and high-general skills based on occupational codes. In line with the Varieties of Capitalism literature, I find that those with specific skills are more supportive of redistribution than those with low-general skills, whereas those with high-general skills are less supportive of redistribution than those with low-general skills. Controlling for these labor market risks, however, does not affect the main results of this chapter.

Redistribution preferences may also be influenced by social class as people's work experiences may influence their redistribution preferences (Kitschelt and Rehm 2014, Svallfors 2006). I measure social class by the eight-category occupational classification scheme developed by Oesch (2006). As expected, I find that people in higher social classes prefer less redistribution than people in lower social classes. Social class has a significant effect, but the effects of income and culturally dissimilar immigration remain robust to controlling for this alternative explanation.

Others have argued that political ideology influences support for redistribution (Margalit 2013). Right-wing individuals may attribute poverty to a person's lack of effort whereas left-wing individuals attribute it to bad luck. These

beliefs about the causes of poverty and inequality influence individuals' support for government redistribution. As expected, I find that the more left-wing an individual is, the more supportive she is of redistribution. The main findings are also robust to the inclusion of political ideology.

Although I control for social spending in the main analysis, other economic conditions may influence voters' preferences. I therefore add the national unemployment rate, GDP per capita (in 2010-constant US dollars), and the Gini coefficient for income inequality. These models show that countries with higher unemployment rates have lower levels of support for redistribution, and that richer and more unequal countries have higher levels of support. Regardless of the measure of economic conditions, I find that culturally dissimilar immigration lowers support for redistribution more among the rich than among the poor.

The main analysis has not engaged with two important events that occurred in the period of analysis: the global economic crisis of 2008-2009 and the large influx of refugees in 2015. Both events may have impacted voters' preferences for redistribution and their responses to culturally dissimilar immigration. To test whether this matters to voters and affected the relationship between income and culturally dissimilar immigration, I restrict the sample to the years before 2008, and the years before 2015. The main findings are robust.

Moreover, some have argued that low-skilled immigrants raise more concerns about the fiscal costs of the welfare state than high-skilled immigrants because the former have a higher risk of becoming unemployed and using social benefits. Since the rich are net contributors, they should be more opposed to redistribution in countries with high percentages of low-skilled immigrants (see, for example, Burgoon 2014, and in relation to immigration preferences,

Hainmueller and Hiscox 2010). If culturally dissimilar immigrants are also more likely to be economically disadvantaged, we may be capturing the effects of their economic background instead of their cultural background. With I cannot fully disentangle cultural from economic reasons in this analysis, I can test whether the effects hold when I control for immigrants' economic background. Including the employment rates of the foreign-born population does not change the main findings. This casts doubts on Burgoon's (2014: 397) conclusion that "economic nonintegration is more relevant to welfare state politics than is sociocultural nonintegration, and the mechanism by which this is so involves concerns about fiscal costs".

Other possible concerns relate to the construction of the measure of culturally dissimilar immigration itself. I mentioned earlier that the quality of the immigration data varies across countries and this may have influenced the results. In Supplement S.1.2, I show that the results are similar when I restrict the analysis to country-years in which the country of birth of more than 90% of immigrants is known, and country-years with non-imputed immigration data. I also tested whether the results hold when immigrants who are more progressive than the native population are given a negative weight while immigrants who are more conservative than the native population are given a positive weight. I find that this alternative measure is highly correlated with the original measure and its inclusion does not change the main results.

Furthermore, I preliminarily explored an alternative measure of cultural distance based on language. Previous research has shown that language is an important aspect of cultural identity and linguistic distance has been connected to conflict, the provision of public goods, immigration flows, and immigration

attitudes (Adserà and Pytliková 2015, Baldwin and Huber 2010, Desmet et al. 2009, Enos 2014, Fearon 2003, Hopkins 2015, Laitin 2000). Keeping in mind that language does not only provide cues of group membership, but also signals whether individuals can assimilate into the labor market, I construct a measure of culturally dissimilar immigration based on immigrants' linguistic distance to the native-born population. To this end, I use the linguistic proximity index developed by Adserà and Pytliková (2015). This index ranges from 0 to 1 based on how many levels on the language family trees are shared between the official languages in the country of origin and the country of destination. I recode the variable so that higher values measure a greater linguistic distance. I follow the same steps as before to match this distance measure to the bilateral immigration stock data and create a measure of linguistically dissimilar immigration. This measure is positively correlated with the main measure of culturally dissimilar immigration ($r=0.7$, $p<0.01$). In the next robustness test, I test the interaction between income and linguistically dissimilar immigration. The interaction term is negative and significant, leading to similar patterns as before: linguistically dissimilar immigration reduces support for redistribution more among rich voters than among poor voters.

Finally, I have argued that the cultural background of immigrants matters for welfare attitudes and developed and tested an empirical measure of culturally dissimilar immigration to capture this. Some may concede that while the percentage of foreign-born is imperfect, it is easier to understand and comes close to capturing cultural diversity since it is positively correlated with the new measure. In the last robustness test, I want to demonstrate that culturally dissimilar immigration has an added value over the percentage of foreign-born. I

therefore add an interaction between income and the percentage of foreign-born to the main model. In line with my expectations, the results show that the main effects of and the interaction between income and culturally dissimilar immigration remain negative and significant while the interaction between income and the percentage of foreign-born is insignificant.

3.5 Longitudinal analysis

3.5.1 Empirical strategy and data

In the second set of analyses, I track the attitudinal changes of the same individuals over time and I leverage within-country variation in culturally dissimilar immigration. This gives a clearer picture of the causal direction between culturally dissimilar immigration and social policy preferences. I use individual-level panel data from the British Household Panel Survey, a high-quality and representative survey of the United Kingdom which ran annually between 1991 and 2008. An item on redistribution preferences was asked in seven of the eighteen waves (i.e. 1991, 1993, 1995, 1997, 2000, 2004, and 2007). For the main analysis, I use random and fixed effects models to account for the repeated nature of the data, but in Supplement S.1.4 I also show that similar results are obtained using a multilevel specification that models the hierarchical structure of the data. I restrict the sample to adult UK-born respondents.[14]

[14] Of all respondents in the BHPS, approximately 5% was born abroad. Given the UK's long experience with immigration, the native-born population also includes individuals with a migrant background (i.e. the descendants of migrants). The analysis therefore includes a control for ethnic background. The main results are similar when I restrict the sample restricted to white adult native-born individuals.

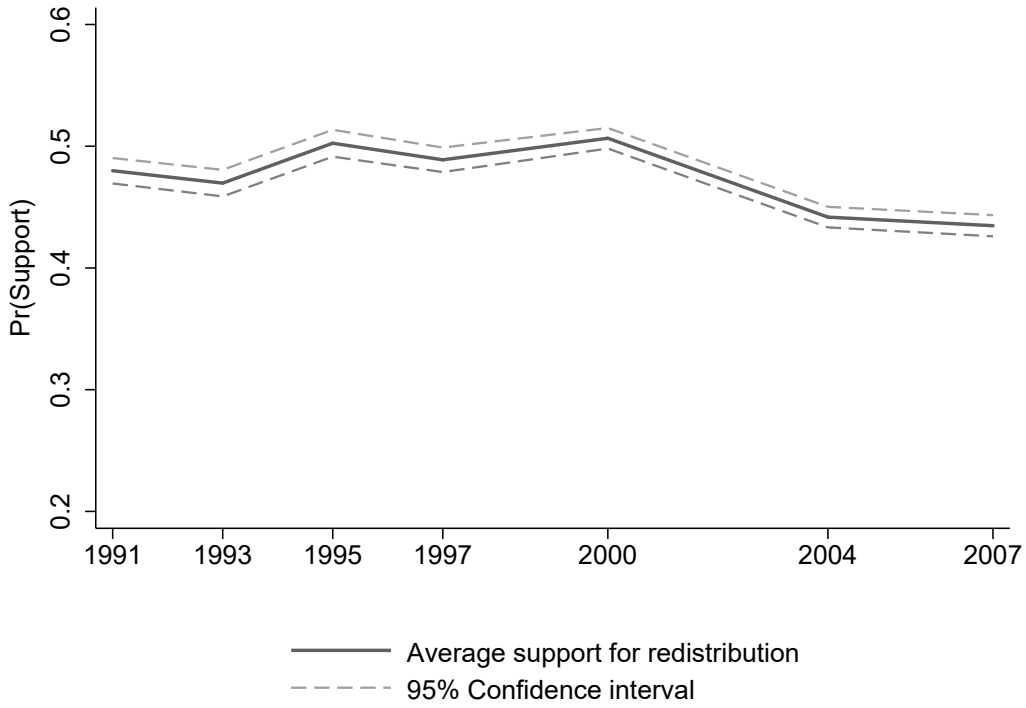
The United Kingdom is an interesting case to test the argument because it has a relatively generous welfare state and long experience with different types of immigration. Unlike other West-European countries, the UK did not actively recruit guest workers after the Second World War. Instead, it reluctantly accepted individuals from the new Commonwealth, such as the generation Windrush. Although they were British subjects, they were visibly different and their reception in the UK was hostile (Hansen 2000). Other waves of postcolonial migration followed as well as asylum seekers and refugees, and high-skilled migration. More recently, the UK experienced a large influx of European immigrants due to the enlargement of the European Union in 2004 (more in Chapter 4). The British welfare state is also relatively accessible to immigrants due to its universal and means-tested character, though the social rights of recent immigrants and asylum seekers have been repeatedly curbed since the 1990s (Mayblin 2017, Sainsbury 2012).

Media analyses demonstrate the salience of the issues of immigration and the welfare state in the UK (Blinder and Allen 2016). More practically, the UK is a useful case because it allows us to examine voters' attitudes across two decades and its censuses have collected data on individuals' ethnic background since the early 1990s. Moreover, analyzing the same panel data, Kaufmann and Harris (2015) find little evidence of white flight occurring in the United Kingdom. This means that we can be less concerned about the possibility that native-born individuals relocated in response to the influx of culturally dissimilar immigrants in their area.

The dependent variable is based on the following question: "*It is the government's responsibility to provide a job for everyone who wants one*". It has

five response categories, ranging from strongly agree to strongly disagree. I recode the variable so that higher values correspond to higher support for redistribution. Although the question is not perfect, it has been used by others to study redistribution preferences (see Ansell 2014, Stegmueller 2013). Figure 3.7 shows that average support for redistribution hovered around fifty percent throughout the 1990s and then declined after 2000. This downward trend has also been documented by Cavaillé and Trump (2015).

Figure 3.7 Support for redistribution in the United Kingdom since the 1990s



The first independent variable is a respondent's income. The BHPS measures the annual gross household income of respondents. I take similar steps as before to transform this income variable into a measure of income distance. This includes deflating income (taking 2005 as the base year) to correct

for variation in purchasing power over time, calculating the weighted mean income for each survey wave, and deducting the wave-mean deflated income from the deflated income of each respondent. Individuals with positive values have an income above the wave mean and individuals with negative values have an income below the wave mean. Supplement S.1.3 includes more information on the operationalization of the variables used in the analysis.

The second independent variable is culturally dissimilar immigration. To measure this, I rely on data on the number of foreign-born individuals from the UK censuses of 1991, 2001, and 2011, and I use linear interpolation for the missing years.[15] Since the answer categories to the country of birth question are not comparable across the censuses, it is not possible to create a values based measure of culturally dissimilar immigration. I therefore rely on self-identified ethnicity instead, an important dividing line in the United Kingdom (see Hansen 2000). The item includes the following answer categories: white, mixed ethnic groups, Asian/Asian British, Black/African/Caribbean/Black British, and a residual category of 'other'.[16] I define culturally dissimilar immigration as foreign-born individuals who identified as non-white (i.e. the sum of all categories except white).

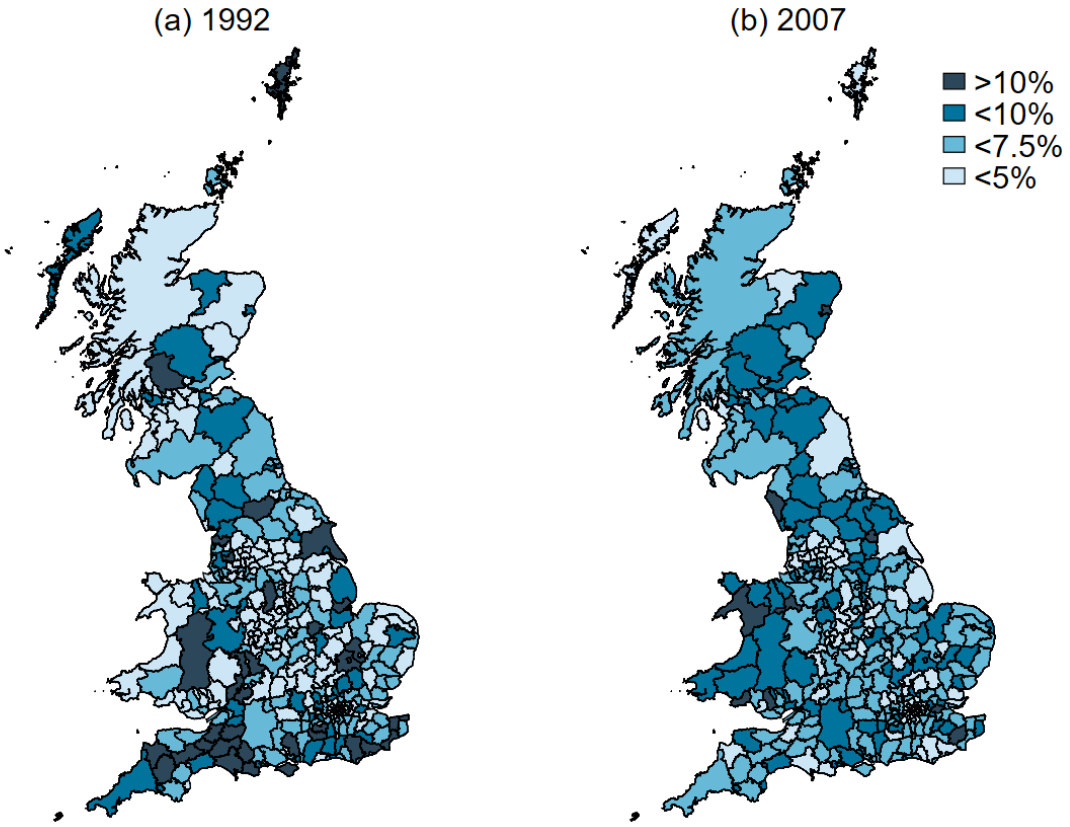
To capture the dynamic process of immigration, especially at the local level, I focus on the change in the percentage of culturally dissimilar immigration (i.e. the growth rate compared to the previous year). I focus on the local authority

[15] Data for England and Wales were available through the Office for National Statistics (ONS 2015), for Scotland through the National Records of Scotland (NRS 2015), and for Northern Ireland through the Northern Ireland Statistics and Research Agency (NISRA 2015). For 1991, I also used Casweb from the UK Data Service.
[16] The answer categories of this item also changed across censuses, but the changes are more limited.

level because individuals may be more aware of the changes in their local area than in the larger region. Other scholars on immigration have shown that individuals and policies are more responsive to changes than to levels at the local level (Hopkins 2011, Olzak 1992). More practically, the growth rates of culturally dissimilar immigration and immigration in general are less correlated.

Figure 3.8 displays the annual changes in the percentage of culturally dissimilar immigration across local authorities in 1992 and 2007. The maps show many interesting things of which I will highlight two. Firstly, both panels show that culturally dissimilar immigration has increased unevenly across the UK. While culturally dissimilar immigration grew rapidly in the south of England and Wales in the early 1990s, the growth rates were more modest in Scotland and the rest of England in that same period. Secondly, the figure shows that more local authorities have been exposed to culturally dissimilar immigration and that more local authorities have experienced large increases in culturally dissimilar immigration. The uneven distribution of culturally dissimilar immigrants across local authorities and over time will be leveraged in the empirical analysis of redistribution preferences below.

Figure 3.8 Changes in cultural dissimilar immigration across UK local authorities



3.5.2 Findings from the United Kingdom

Table 3.5 reports the results from random and fixed effects models. Starting with the first model, I find that income has a negative main effect on support for redistribution while the main effect of culturally dissimilar immigration positive. Importantly, the interaction between income distance and culturally dissimilar immigration is negative and significant. This means that the negative effect of income becomes stronger when culturally dissimilar immigration increases quickly. This is in line with the hypothesis. Moving on to the second model, I find that the income coefficient becomes weaker and insignificant due to the inclusion of individual fixed effects. This suggests that the fixed effects specification is more appropriate than the random effects specification. However, even in this

more stringent specification, the interaction term remains negative and highly significant.

In the third and fourth model, I add controls for age, education, being unemployed, being married, household size, and, for the random effects model only, gender and ethnicity. They show that the main finding that culturally dissimilar immigration matters more to the rich than to the poor holds when these individual-level controls are included. Although the latter are not the focus of this chapter, I note briefly that support for redistribution is significantly lower for the high-educated than for the low-educated, and for married individuals, while it is significantly higher for the unemployed. Age and household size do not seem to explain changes in support for redistribution.

In the final two models, I test whether culturally dissimilar immigration matters to voters' support for redistribution net of overall immigration and economic conditions. To this end, I include the growth rate of the total foreign-born population and the percentage of unemployment benefit recipients as a proxy for the local unemployment rate. The results confirm that changes in culturally dissimilar immigration, and not of all immigration, matters to voters' support for redistribution.

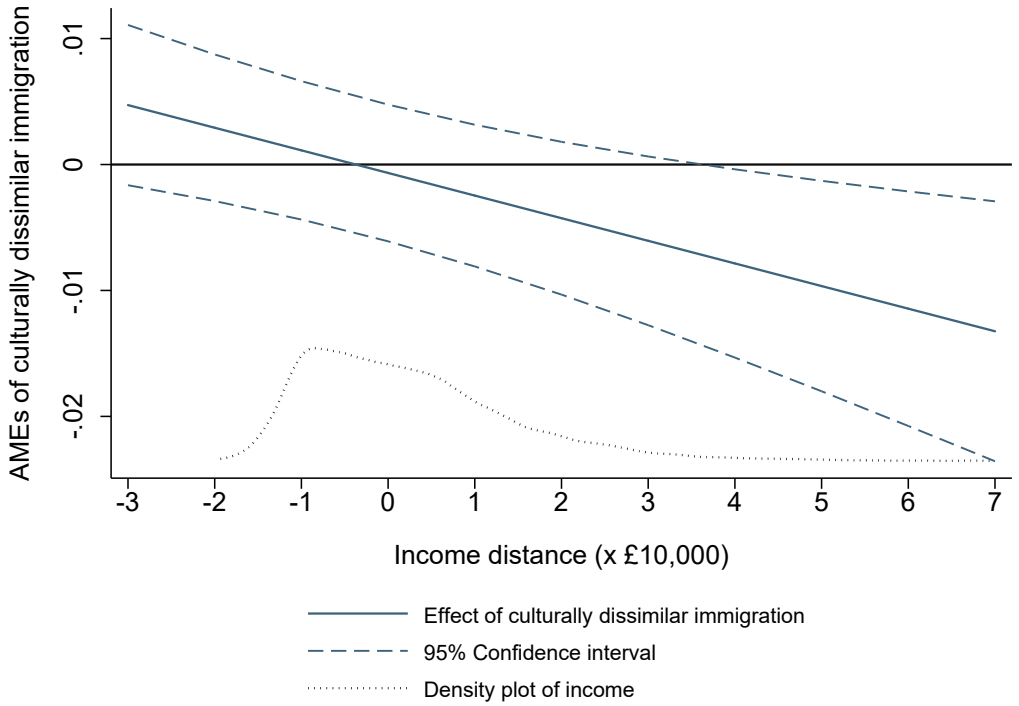
Table 3.5 Culturally dissimilar immigration and support for redistribution in the UK

	Random	*Fixed*	*Random*	*Fixed*	*Random*	*Fixed*
Income distance	-0.032**	0.004	-0.022**	0.005	-0.020**	0.005
	(0.004)	(0.005)	(0.004)	(0.005)	(0.004)	(0.005)
∆% non-white immigration	0.002	0.002	0.002	0.001	-0.001	-0.001
	(0.002)	(0.002)	(0.002)	(0.002)	(0.002)	(0.003)
Income X ∆% non-white	-0.001+	-0.002**	-0.001*	-0.002**	-0.001*	-0.002**
	(0.001)	(0.001)	(0.001)	(0.001)	(0.001)	(0.001)
Age			-0.002**	0.010	-0.002**	0.010
			(0.000)	(0.014)	(0.000)	(0.014)
Female			0.149**		0.148**	
			(0.012)		(0.012)	
Ref: Low education						
Medium education			-0.332**	-0.017	-0.328**	-0.018
			(0.015)	(0.049)	(0.015)	(0.049)
High education			-0.553**	-0.131*	-0.550**	-0.132*
			(0.016)	(0.052)	(0.016)	(0.052)
Unemployed			0.108**	0.042+	0.105**	0.043+
			(0.020)	(0.023)	(0.020)	(0.023)
Married			-0.086**	-0.073**	-0.082**	-0.073**
			(0.011)	(0.015)	(0.011)	(0.015)
White			-0.217**		-0.185**	
			(0.056)		(0.056)	
Household size			0.027**	0.007	0.027**	0.007
			(0.004)	(0.005)	(0.004)	(0.005)
∆% Foreign-born					0.010**	0.005
					(0.003)	(0.004)
% JSA recipients					0.024**	-0.003
					(0.003)	(0.004)
Observations	64,588	64,588	62,136	62,136	62,136	62,136
Respondents	22,175	22,175	20,247	20,247	20,247	20,247
Waves	6	6	6	6	6	6
Year FE	Yes	Yes	Yes	Yes	Yes	Yes

Note: Estimates from random and fixed effects linear models. Standard errors in parentheses. ** p<0.01, * p<0.05, + p<0.1

To examine the substantive effects, Figure 3.9 plots the average marginal effects of changes in culturally dissimilar immigration along the income distribution. It shows that changes in culturally dissimilar immigration have a positive and insignificant effect on the attitudes of those with incomes below the mean, while they have a negative and significant effect on the welfare attitudes of those with incomes far above the mean. Culturally dissimilar immigration thus reduces support for redistribution more among rich respondents than among poor respondents.

Figure 3.9 Average marginal effects of culturally dissimilar immigration in the UK



3.5.3 Robustness tests

To provide further evidence in support of the claim that culturally dissimilar immigration reduces support for redistribution more among rich voters than

among poor voters, holding all else constant, I conduct a set of robustness tests (see Supplement S.1.4 for the results). I first control for alternative explanations at the individual and local level. I show that the results are robust to the inclusion of a dummy for being inactive in the labor market, social class, or skill specificity. I also find that the main results hold when I control for the percentage of benefit claimants, the percentage of low-skilled, job density, population size, and region fixed effects. I also test alternative measures of culturally dissimilar immigration: first, I use a two-year lagged change in culturally dissimilar immigration[17], and second, I use a measure based on those individuals born outside Europe, the US, Canada, Australia, and New Zealand. Both measures of culturally dissimilar immigration lead to similar results.

3.6 Conclusion

This chapter has tested whether the rich are less likely to support redistribution when the recipients of redistribution are more culturally dissimilar. To this end, the chapter presented novel measures of culturally dissimilar immigration that account for the size and the cultural composition of immigrant populations across countries. Based on an analysis of seventeen West-European countries between 2002 and 2017, I found that culturally dissimilar immigration decreases support for redistribution more among rich voters than among poor voters. These findings were robust to the inclusion of alternative explanations, such as social class, skill specificity, ideology, unemployment rates, economic development, and income inequality. The chapter confirmed these patterns at the local level using

[17] The use of lagged variables is a common approach in studies on immigration (see, for example, Dustmann et al. 2005).

longitudinal data from the United Kingdom. Using random and fixed effects models, the analysis showed that rich individuals became less likely to support redistribution when culturally dissimilar immigration grew rapidly in their locality. Although we would have ideally had a higher quality of the immigration data, the cross-national and longitudinal analyses have provided compelling evidence for a negative relationship between income, culturally dissimilar immigration, and redistribution preferences. The robustness tests also showed that culturally dissimilar immigration mattered to voters' support for the welfare state when we controlled for the level of immigration and the socioeconomic background of immigrants.

Chapter 4

Labor Market Competition and Demands for Social Protection: Longitudinal Evidence from the United Kingdom and Ireland

Abstract

Does labor market competition with immigrants spur demands for social protection? While scholars have consistently shown that economic insecurity increases support for redistribution, the findings related to the effects of labor market competition on policy preferences are more contested. This is partly due to the self-selection of immigrants and natives into certain areas and occupations, and the coarse measures of labor market competition. To isolate the effect of immigration-related labor market competition, I therefore leverage the 2004 enlargement of the European Union (EU) which led to a rapid but uneven influx of new EU immigrants across occupations in the United Kingdom and Ireland. From labor force surveys and census data, I calculate the percentage of new EU immigrants in each occupation before and after the enlargement. Using individual-level panel data from the UK and Ireland and fixed-effects analyses, I show that individuals felt more economically insecure when they experienced an increase in the share of new EU immigrants in their occupation after the enlargement. I also find that voters in the UK, but not in Ireland, increased their demands for social protection when they were exposed to more new EU immigrants in their occupation. The findings provide compelling evidence that when labor market competition occurs, individuals respond to the increased economic insecurity by demanding more social protection from the government.

> When we signed up to the new members, France and Germany were very careful to ensure that while the door was open, it wasn't just flung open. […] In this country, the government said that they thought there would be 13,000 workers from the new EU members coming in the first year… Within the first 18 months it was 329,000. (Frank Field, former Labour minister, in The Guardian, 29 June 2006)

4.1 Introduction

This chapter examines whether immigration-related labor market competition spurs demands for social protection among the native-born population. While many individuals are concerned about the adverse effects of immigration on jobs and wages (Heizmann 2015), the importance of labor market competition as a determinant of political attitudes is not well supported by empirical evidence (for an overview, see Hainmueller and Hopkins 2014). This has led many to reject the labor market competition hypothesis. I argue that this has been premature as the limited and mixed empirical evidence may be due to the reliance of much of previous research on cross-sectional data and coarse measures of exposure to labor market competition with immigrants.

In this chapter, I set out to do two things. Firstly, I map the extent of labor market competition faced by native-born workers in the United Kingdom and Ireland. To this end, I focus on the enlargement of the European Union (EU) in 2004, which led to a rapid but uneven increase in new EU immigrants across occupations in both countries. Secondly, I test whether labor market competition with immigrants increased feelings of economic insecurity and boosted demands for social protection among those native-born voters directly exposed to competition. I use individual-level panel data from the United Kingdom and Ireland to test whether changes in the occupational share of new EU immigrants led to changes in the demand for social protection. The combination of individual-

level panel data and an exogenous shock in the supply of immigrant labor reduces concerns related to immigrants entering occupations with a greater demand for labor, and intolerant native-born individuals exiting occupations that attract immigrants.

In line with my expectations, I find that individuals in the UK and Ireland felt more economically insecure when they experienced an increase in the share of new EU immigrants in their occupation after the enlargement. I also find that voters in the UK, but not in Ireland, increased their demands for social protection when they were exposed to more new EU immigrants in their occupation. These findings make an important empirical contribution to the existing literature on labor market competition and political attitudes.

The chapter proceeds as follows. First, I review existing research on the effects of labor market competition on political attitudes and formulate the empirical hypotheses that will be tested in this chapter. I then argue why the EU enlargement of 2004 and its effects on the United Kingdom and Ireland provide a good case to test these hypotheses. After describing the empirical strategy and datasets used in the empirical analysis, I map the scale of changes in occupational exposure to immigration across both countries. The next section tests whether these changes in exposure affected support for redistribution and feelings of economic insecurity among British and Irish voters using fixed-effects linear regression analyses. The final section concludes.

4.2 Existing research

This chapter builds on two different literatures in political economy: on the one hand, studies on immigration preferences, and on the other hand, studies on

redistribution preferences. This section discusses both literatures in relation to immigration as a labor market threat and formulates the empirical hypotheses that will be tested.

4.2.1 Labor market competition and immigration preferences

One of the first studies to explore individual-level preferences towards immigration is the seminal article by Scheve and Slaughter (2001). They argue that low-skilled native-born workers oppose immigration more than high-skilled native-born workers because they feel more economically threatened. Their argument assumes that immigrants in industrialized democracies have, on average, lower skills than the native-born population. It also builds on classic economic models to predict the impact of immigration on national labor markets. In these models, immigration changes the size and the skill composition of the labor force. Low-skilled immigration is expected to put a downward pressure on the wages and jobs of low-skilled native-born workers, who now fear to be substituted by these new competitors in the labor market. By contrast, low-skilled immigration may benefit high-skilled native-born workers, whose skills are complementary to those of the low-skilled immigrants. The situation is the reverse for high-skilled immigration which should threaten the economic interests of high-skilled workers while benefitting those of low-skilled workers. Using pooled cross-sectional data from the United States, Scheve and Slaugther (2001) show that low-skilled workers (measured by wages and years of education) are indeed more likely to oppose immigration than high-skilled workers. Their findings have been confirmed for a larger sample of countries by Mayda (2006), who demonstrates that opposition to immigration depends on the skill level of

respondents and the skill composition of the immigrant population relative to the native-born population. She finds that low-skilled individuals are more likely to oppose immigration when they live in countries where the immigrant population is, on average, lower skilled than the native-born population.

Other studies, however, show that labor market competition has no or very little influence on immigration preferences (see, for example, Citrin et al. 1997, Hainmueller and Hopkins 2015, Hainmueller et al. 2015, Helbling and Kriesi 2014, Naumann et al. 2018). Questioning the interpretation of and measures used in earlier studies, Hainmueller and Hiscox (2010) take issue with the assumption that respondents think of low-skilled immigration when they answer a survey question about their preferences towards immigration in general. They, therefore, conducted a survey experiment in the US in which they distinguish between attitudes towards low-skilled and high-skilled immigration. They find that both low- and high-skilled individuals oppose low-skilled immigration more than high-skilled immigration for sociotropic reasons.[1] This is inconsistent with the labor market competition hypothesis, which expects high-skilled workers to feel more threatened by high-skilled immigration. Others have criticized the interpretation of the education effect. Instead of capturing skills, they argue that education picks up individual differences in ethnic prejudice, tolerance for other cultures and practices, and cosmopolitanism (Citrin et al. 1997, Chandler and Tsai 2001, Hainmueller and Hiscox 2007). The underlying idea is that schools socialize their students into tolerant and cosmopolitan citizens though few studies

[1] Newman and Malhotra (2018) offer a compelling re-interpretation of this 'hidden consensus'. They argue that voters oppose low-skilled immigration more, at least in part, because they associate it with racially and culturally different immigration.

provide clear evidence for this. One recent exception is the study by Cavaillé and Marshall (2019) who, leveraging compulsory school reforms in five West-European countries, demonstrate that an additional year of education reduces opposition to immigration.

In their extensive review of the literature on immigration preferences, Hainmueller and Hopkins (2014: 241) conclude that: "As an explanation of mass attitudes towards immigration, the labor market competition hypothesis has repeatedly failed to find empirical support, making it somewhat of a zombie theory". While many dismiss the role of material self-interest as a determinant of immigration preferences in favor of non-economic factors, recent studies have used innovative research designs to locate more precisely under what conditions labor market competition with immigrants may affect individuals' immigration preferences. Malhotra et al. (2013), for example, conduct a targeted survey of Americans in high-technology areas and measure their attitudes towards high-skilled immigrants (relying on so-called H-1B visa). They find that labor market competition does not affect many individuals (i.e. it has a low prevalence), but it has a sizable effect on the immigration attitudes of those who are exposed to this threat (i.e. it has a conditional impact). In another study, Dancygier and Donnelly (2013) move away from the narrow conception of material self-interest and focus on sectoral interests instead. They argue that individuals will withdraw their support for immigration when their sector cannot absorb the inflow of immigrants due to reduced economic growth.[2] From the European Union Labor Force Survey

[2] The same logic may be applied to redistribution preferences. If individuals care about the material interests of others and immigration increases economic insecurity for other native-born workers, they may be willing to support redistribution to help their fellow in-group members.

(EU-LFS), they construct a measure of sectoral exposure to immigrant workers. In a pooled cross-sectional analysis, they then show that the effect of sectoral exposure to immigrants on immigration attitudes depends on the state of the economy.

Instead of focusing on the supply of immigrant labor, other studies have demonstrated the importance of occupational characteristics for labor market competition and immigration preferences (Ortega and Polavieja 2012, Polavieja 2016). A recent example comes from Pardos-Prado and Xena (2019) who focus on skill specificity and the availability of jobs. Using cross-sectional and longitudinal data from European countries, they show that individuals feel more financially insecure and are more likely to oppose immigration when they are in occupations that require high investments, and when they have low skill transferability, or fewer exit options. They conclude that the *potential* for labor market competition is more important for immigration preferences than actual labor market competition. While the focus on occupational characteristics is useful, this line of work has not fully specified the links between potential and actual labor market competition or reflected upon the assumption that these two channels can operate in isolation of each other.

Research on labor market competition and immigration attitudes has provided useful insights into the conceptualization and measurement of labor market competition with immigrants: it can occur at different levels (e.g. national, regional, sectoral, and occupation) and its effects may depend on economic conditions. My research builds on these recent advances in two ways. First, since immigrant populations and labor markets vary greatly across and within countries, my empirical design aims to maximize the likelihood that immigrants

can form a labor market threat to native-born workers. To this end, I focus on the entry of new EU immigrants into the United Kingdom and Ireland after the EU enlargement of 2004. The number of immigrants who subsequently moved to these countries far exceeded the expectations and many of them succeeded in entering their highly flexible and accessible labor markets. Secondly, the empirical analysis relies on individual-level panel data to test whether changes in labor market competition are systematically related to changes in individuals' attitudes towards redistribution. By focusing on the attitudes of the same individuals over time, I aim to reduce concerns related to omitted variables bias and endogeneity which have often been present in previous studies on this topic.

4.2.2 Labor market competition and redistribution preferences

As discussed in previous chapters, immigration and immigration-related labor market competition did not play a significant role in the literature on redistribution preferences until recently. In this literature, most studies have focused on two important motivations to support the welfare state: to redistribute income from the rich to the poor, and to provide insurance against the risk of income loss. These motivations can be combined within the same framework of material self-interest by distinguishing between current income and future income. While the Meltzer-Richard (1981) model assumes that poor individuals support redistribution more because they are net beneficiaries, the social insurance model expects that even individuals who currently have a high income may support redistribution if they fear a low income in the future (see, for example, Iversen and Soskice 2001, Moene and Wallerstein 2001, Rehm 2009, 2016).

Some would argue that the effects of immigration can be subsumed in these existing theories. For example, the Meltzer-Richard model still holds if immigration leads to lower wages or job loss as these effects would be captured by a lower current income for a person. Similarly, the social insurance model is not challenged if immigration is reconceptualized as one of the many factors leading to a higher risk of lower wages or job loss. While some of the effects of labor market competition may indeed be captured by these factors, other effects are not. For instance, the presence of a large pool of immigrant workers may reduce the incentives of employers to improve working conditions or offer higher wages (Anderson and Ruhs 2010). The presence of immigrants within occupations may also reduce the status of these occupations in the long run and lower the earnings individuals can receive (Heizmann et al. 2017). This would justify the inclusion of immigration-related labor market competition in addition to other labor market risks, such as skill specificity (Iversen and Soskice 2001), international trade (Rodrik 1998, Wren and Rehm 2014), and technological change (Thewissen and Rueda 2019).

Other studies have tried to incorporate labor market competition in the study of redistribution preferences. They expect that individuals demand more social protection to cope with the increased economic insecurity due to labor market competition. Social protection can range from more generous unemployment benefits and labor market protection to job creation and training programs. Some recent studies have found support for this claim. Using data from the 2002/2003 wave of the European Social Survey (ESS), Finseraas (2008) shows that individuals are more likely to support redistribution if they believe that ‘average wages are generally brought down by immigrants’ or that

'immigrants take jobs away'. Despite the strong correlation between the perceived labor market effects of immigration and support for redistribution, the direction of the relationship remains unclear. It is, for example, possible that individuals who support redistribution are also more likely to see others, including immigrants, as an economic threat. The focus on perceptions also raises the question why so many individuals perceive immigrants as a labor market threat, even though most economic studies find that the actual effects of immigration on jobs and wages are limited *on average* (see, for example, Dustmann et al. 2013, Ottaviano and Peri 2012). Finseraas (2008: 413) suggests that voters consistently overestimate the effects of labor market competition due to a lack of information. Given the long experiences with immigration in many industrialized democracies, however, the tenability of this assumption seems questionable.

Objective measures of labor market competition may, therefore, be a more fruitful avenue. The occupational level is one important site where labor market competition can occur.[3] Burgoon et al. (2012) hypothesize that a higher percentage of immigrants in one's occupation leads to more economic insecurity and greater demands for redistribution. They match respondents from multiple waves of the ESS to a detailed measure of occupational exposure to immigrants from the OECD that captures the percentage of immigrants in more than 200 occupations, measured at the three-digit ISCO level.[4] They find that individuals in occupations with many immigrant co-workers are indeed more supportive of

[3] Workers may find it difficult to switch occupations due to monetary and non-monetary costs. Since many individuals build up occupation-specific human capital over time and are rewarded higher wages in return for their experience, they risk losing this wage premium if they switch occupations (Kambourov and Manovskii 2009).
[4] ISCO refers to the International Standard Classification of Occupations, a classification structure developed by the International Labor Organization which allows cross-national comparisons.

redistribution than individuals in occupations with fewer immigrant co-workers. Their analysis, however, does not account for the self-selection of natives and immigrants into occupations. The percentage of immigrants in each occupation is, therefore, likely correlated with other characteristics that fuel feelings of economic insecurity and spur demands for social protection. Moreover, Burgoon et al. (2012) control for a series of individual- and occupational-level variables, but their reliance on cross-sectional data does not allow them to fully address concerns regarding omitted variables. By using individual-level panel data and fixed-effects analyses, this chapter can hold constant individuals' predisposition to self-select into risky occupations or to demand redistribution. A final limitation of their approach is that their detailed measure of occupational exposure to immigrants does not change over time. This means that it cannot capture important changes that have occurred across countries and across occupations since the 2000s. This chapter will examine one of these changes for the UK and Ireland, namely the rapid and uneven influx of immigrants after the EU enlargement and links these developments to changes in individuals' preferences.

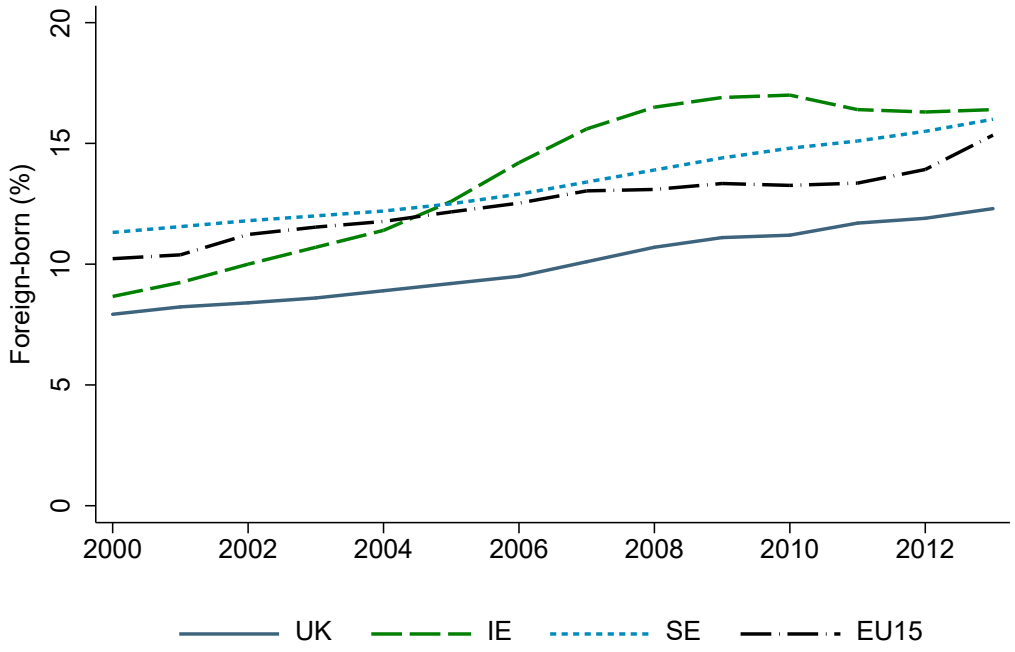
The analysis in this chapter will focus on the effects of labor market competition on voters' demands for social protection. First, it will test whether *individuals will increase their support for redistribution if the share of new EU immigrants in their occupation increases.* Second, it will examine the causal mechanism and test whether *individuals will feel more economically insecure when the share of new EU immigrants in their occupation increases*.

4.3 Case selection: The EU enlargement of 2004 in the UK and Ireland

To examine the effect of labor market competition on support for redistribution, I leverage the enlargement of the EU with ten new Member States in 2004 as an exogenous shock. On May 1st of that year, ten new EU Member States, which I will also refer to as the A10 countries, joined the EU: Cyprus, Malta, Poland, Czech Republic, Slovakia, Hungary, Slovenia, Estonia, Latvia and Lithuania. While most existing EU Member States opted for transitional arrangements and imposed restrictions on these new workers, three countries granted them unrestricted and immediate access to their labor markets. These countries were the United Kingdom, Ireland, and Sweden.[5] This political decision led to a large, sudden, and uneven influx of new EU immigrants, especially in the UK and Ireland. Figure 4.1 shows that the share of foreign-born increased in all countries, but the rise was steepest in Ireland. In the UK, the immigrant population also appears to have grown at a higher rate after 2006.

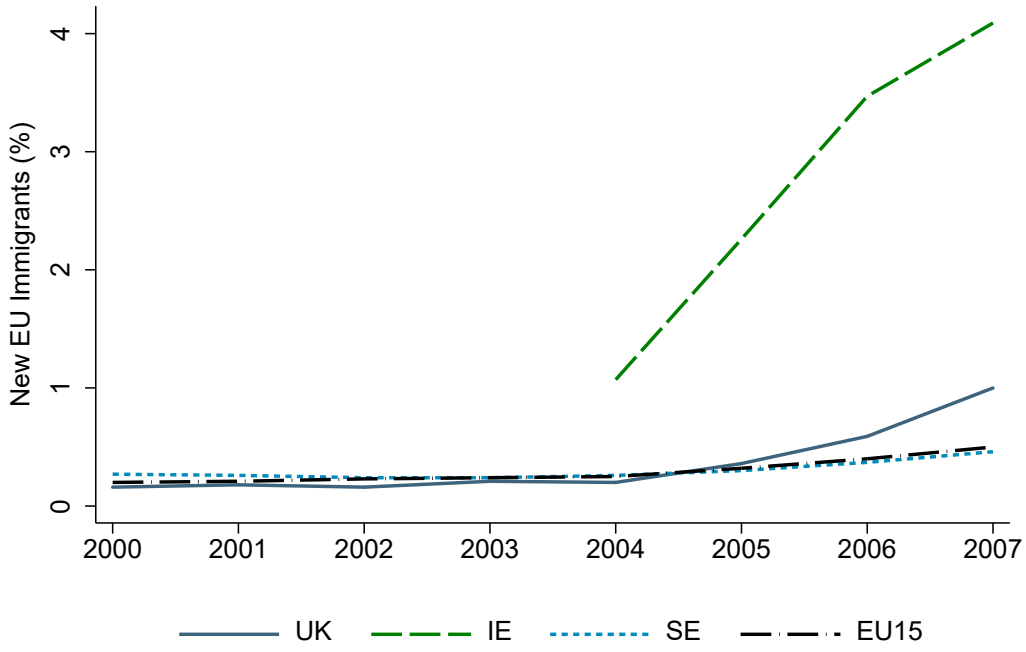
[5] Unfortunately, I cannot include Sweden due to data limitations. While the Swedish National Election Studies (SNES) has a rotating panel covering this period, it does not include a suitable measure of respondents' occupation.

Figure 4.1 Immigrants as a share of the total population



Source: OECD (2015), own calculations.
Note: The average share of immigrants in the EU15 is based on incomplete time-series.

Figure 4.2 New EU immigrants as a share of the total population



Source: Brücker et al. (2009: 25), own presentation.
Note: New EU immigrants here does not include Cyprus and Malta.

Figure 4.2 zooms in on the population of new EU immigrants.[6] It confirms that this group grew rapidly in Ireland and the UK, where almost seventy percent of all new EU immigrants moved to (Brücker et al. 2009: 23). The share of new EU immigrants more than tripled in the UK and more than quadrupled in Ireland in this four-year period. The increases were more modest in other countries. In absolute terms, the number of new EU immigrants increased from 2004 to 2007 as follows: from 43,500 to 178,504 in Ireland and from 120,999 to 609,415 in the UK (Brücker et al. 2009: 24).

Following Becker and Fetzer (2016), I consider the EU enlargement as an exogenous shock to voters in the UK and Ireland for several reasons. First, the number of A10 immigrants far exceeded the expectations of policymakers and the public in the UK and Ireland. Official UK projections severely underestimated the inflow of these immigrants because they had assumed that other countries would also open their labor markets. Second, unlike previous streams of immigration, the A10 immigrants had different residential patterns. While past immigrants were generally concentrated in urban areas, the A10 immigrants were more likely to move into more rural areas (Becker and Fetzer 2016). This should have made it more difficult for voters to predict whether they would be affected by the inflow of new immigrants, and hence, reduced the likelihood that native-born voters changed occupations in anticipation of the enlargement. Voters may thus have been less able to shield themselves against this economic shock. In addition, the inflow of immigrants was unevenly distributed across occupations because these immigrants entered some occupations more than others.

[6] This figure refers to the eight new Member States from Eastern Europe, excluding Cyprus and Malta.

Although the A10 immigrants were relatively high-educated, they remained overrepresented in low-skilled occupations, such as in hotels, manufacturing, and agriculture.

The UK and Ireland meet many of the conditions that should favor immigration-related labor market competition. Their labor markets are highly accessible due to the absence of strict labor market regulations, the presence of a large low-skilled sector, and few language barriers as English is a popular second language across the world. Employment data from Eurostat indeed suggest that immigrants have higher labor force participation rates in the UK and Ireland than in the Nordic or Continental European countries. The absence of strong collective wage bargaining agreements and the low minimum wage also give employers more room to adjust wages in response to an increased supply of labor. The influx of immigrants into occupations can thus threaten the wages of native-born workers more under these conditions. This is in line with previous research that has shown that strong labor market institutions, such as employment protection regulation, can dampen the effect of labor market risks on redistribution preferences (see Gingrich and Ansell 2012).

Evidence from the UK shows that immigration has decreased wages at the bottom of the income distribution. Analyzing data from 1997 to 2005, Dustmann et al. (2013) demonstrate that immigration depressed the wages of those below the 20th percentile of the wage distribution. Using data from 2002 to 2015, Becker and Fetzer (2018) also find a small but significant negative effect of new EU immigration on wages. They estimate that those in the 25th percentile experienced a wage loss of 1.9% if they lived in a local authority with a large increase of new EU immigration (+3.5%).

The analysis in this chapter presupposes that individuals are likely to see new EU immigrants as competitors in the labor market. This seems plausible because these immigrants are often well-educated and proficient in English, which should make it easier for them to assimilate into the labor market. In addition, the rhetoric of the media and political parties suggests that labor market concerns could reasonably be held by voters. The British media, for example, depicted Polish workers as economic threats to the jobs of native workers (Spigelman 2013). Although labor unions in the UK and Ireland supported their government's decision to open the labor market to new EU immigrants, they too expressed more concerns and demanded stricter enforcement of labor regulations when cases of underpayment and exploitation came to light (Krings 2009).

To isolate the labor market effects of exposure to new EU immigrants, it is important to hold constant other channels through which immigration may influence welfare attitudes. Evidence suggests that new EU immigrants had high labor force participation rates and a low reliance on social benefits. As a result, their fiscal impact on both countries was positive (Barrett and McCarthy 2007, Barrett and Maître 2013, Dustmann and Frattini 2014). This should reduce concerns about redistributing resources from rich natives to poor (culturally similar) immigrants. Although the influx of new EU immigrants created some pressures on localities, the overall effects on competition for social goods and services seem to have been limited. Since new EU immigrants were relatively young and healthy, they were less likely to place demands on the health care system. Based on data from 2003 to 2012 from the UK, Giuntella et al. (2018) find that a 10% increase in the total share of immigrants in a local authority

reduced the waiting times for outpatient care, on average, by 19%, although it did increase the waiting times in highly deprived areas. With regards to social housing, Becker and Fetzer (2018) show that new EU immigrants in areas with a large influx of new EU immigrants were less likely to live in social housing. Instead, they placed greater demands on the private rental market.

A final note concerns the rapid economic growth experienced by the UK and Ireland during the period of analysis (right before the enlargement until the financial crisis of 2008). This could make it more difficult to find an effect on individuals' preferences, as the influx of immigrant workers would be less threatening to native-born workers when employers struggle to fill their vacancies. Under these economically favorable conditions, some segments of the native-born population may even see immigrants as a solution to prevent the economy from overheating and slowing down. Nevertheless, we may still expect to find an effect of labor market competition given that some occupations grew more slowly than others. Moreover, immigration could have threatened individuals' economic interests if the influx of immigrant workers depressed the wage growth of native-born workers or eliminated the incentives for employers to improve the working conditions (Anderson and Ruhs 2010).

4.4 Empirical strategy and data

I use fixed-effects linear regression models to examine whether individuals felt more economically insecure and demanded more social protection when they were exposed to more immigration-related labor market competition after the EU enlargement. I use individual-level panel data from the United Kingdom and Ireland. I match respondents from these surveys to time-varying measures of the

occupational share of new EU immigrants calculated from labor force surveys and national censuses. I analyze each country separately and I limit the sample of respondents in each country to adult individuals of working age from the native population. The latter is measured as the white native-born in the UK and as Irish citizens in Ireland.[7] The fixed-effects models exclude many alternative explanations by controlling for time-invariant observed and unobserved heterogeneity. However, there may still be unobserved time-varying characteristics that may correlate with the level of new EU immigrants in one's occupation. I therefore also control for time-varying factors, such as occupational unemployment rates and the percentage of all immigrants in one's occupation. I also include year dummies to capture general trends that may affect all respondents in the same country.

For the analyses of voter attitudes in the UK and Ireland, I use individual-level panel data from the British Household Panel Study (BHPS) and the Irish National Election Studies (INES). The BHPS is a high-quality and representative panel study of the United Kingdom which ran annually from 1991 to 2008. Besides the original 'Essex' sample, which consisted of 5,050 households and 9,092 individuals from England, Scotland, and Wales, additional samples were added of Wales (1,500 households) and Scotland (1,500 households) in 1999 and Northern Ireland (1,900 households) in 2001. Although the British Election Studies contain better measures of political attitudes, the BHPS has two advantages: it includes a detailed measure of respondents' occupation, and it

[7] The Irish National Elections Study does not measure respondents' country of birth, but due to Ireland's late transformation from a country of emigration to a country of immigration, the number of foreign-born Irish citizens in the sample is likely limited.

enables a comparison of voters' attitudes before and after the EU enlargement.[8] Survey items to measure support for redistribution are available for seven of the eighteen waves, but I focus on the waves conducted before and after the shock: namely, 2000 and 2007.[9]

The INES, which ran from 2002 until 2007, was the first election study held in Ireland. The five-wave panel study started with 2,663 respondents and added new respondents at later stages. Welfare attitudes were measured in 2002 and 2007, which provides the opportunity for a before-and-after comparison for the same respondents. It is important to note that the response rates for the 2007 wave of the INES were relatively low (38% compared to the 2002 wave). Since the number of respondents who completed both waves is lower in the Irish panel, I will interpret those findings with more caution.[10]

4.4.1 Support for redistribution

The dependent variable is support for redistribution. For the UK, I measure this with the following question: "People have different views about society. I'm going to read out some things people have said about Britain today and I'd like you to tell me which answer […] comes closest to how you feel about each statement. It is the government's responsibility to provide a job for everyone who wants one".

---

[8] The available panels of the BES run from 1997 to 2001, and from 2005 to 2009. For the latter, sociodemographic characteristics were only recorded in the pre-questionnaire in 2005.

[9] Because the BHPS was discontinued in 2008, the last wave to measure the dependent variable is 2007. Unfortunately, it is not possible to include the waves before 2000 in the analysis due to data limitations in the main independent variable, the share of new EU immigrants, as the occupational classification scheme was radically revised in 2001. I take respondents' occupation from 2001 as a proxy for their occupation in 2000.

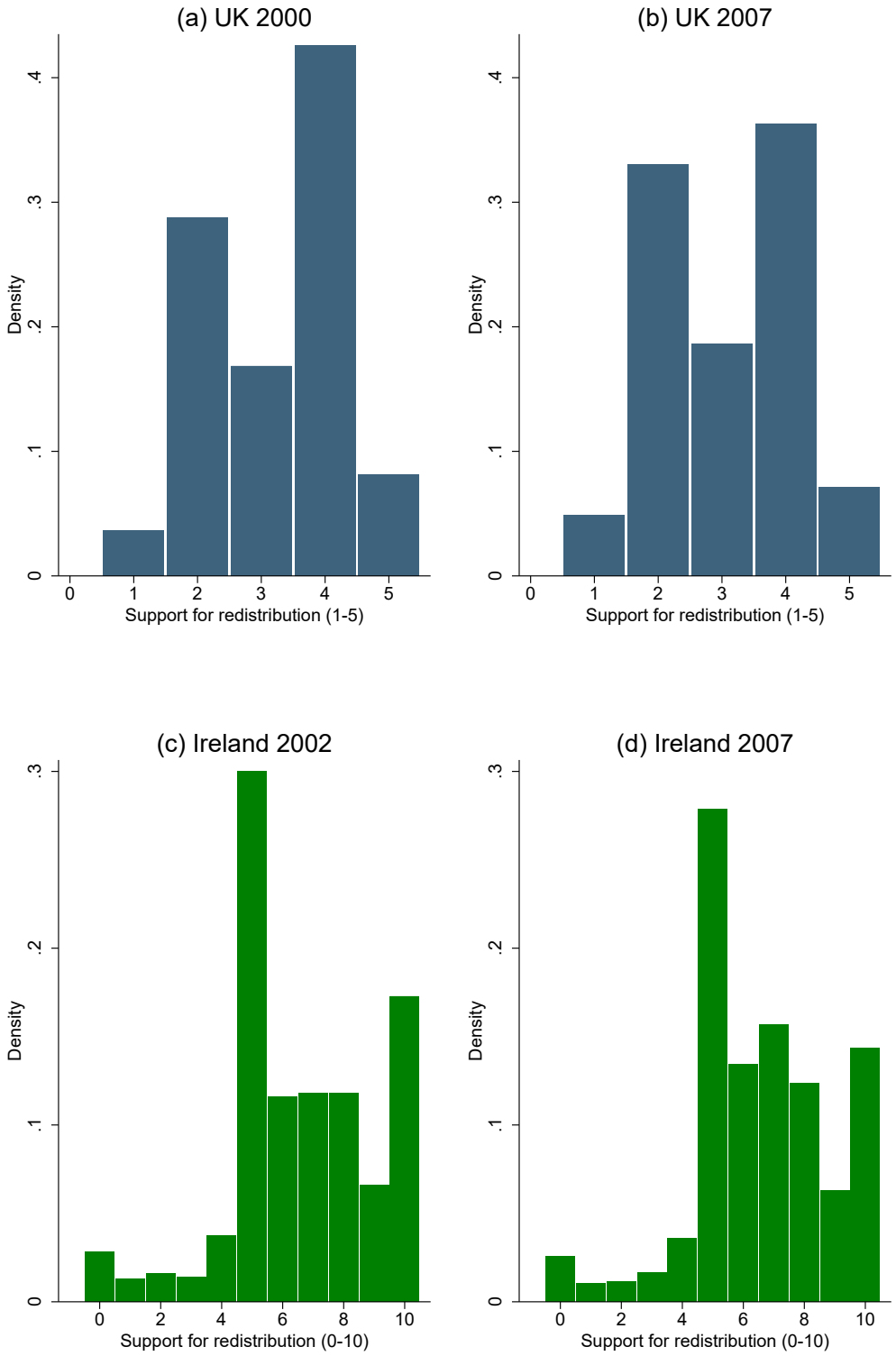
[10] Although panel attrition (i.e. the dropout of respondents) occurs in all panels, Lynn (2006: 76) finds that the degree of under-representation of low-income and low-educated individuals is relatively small in the BHPS. In Supplement S.2.1, I compare respondents' characteristics based on the number of waves they participated. I find that the samples are relatively balanced for both cases, except for income in the BHPS and the share of A10 immigrants in the INES.

The item has five response categories, ranging from strongly agree to strongly disagree. I recode the variable so that higher values correspond to more support for redistribution. Although it is a limitation that the item focuses on one specific task of the government, namely the provision of jobs, other studies on redistribution preferences have used the same question (see, for example, Ansell 2014, Stegmueller 2013). As a robustness test, I also use an index of economic preferences consisting of responses to six survey items on economic policies.[11] Repeating the analysis with this measure leads to similar results.

For Ireland, I measure support for redistribution with a survey question that reads as follows: "I would like you to look at the scale from 0 to 10 on this card. A '0' means government should cut taxes a lot and spend much less on health and social services, and '10' means government should increase taxes a lot and spend much more on health and social services. Where would you place yourself on this scale?" The item ranges from '0' to '10' and higher values thus correspond to more support for redistribution. Figure 4.3 shows the distribution of the dependent variable among voters in the UK and Ireland before and after the EU enlargement. In both countries, most people are in favor of support for redistribution. In this period, average support for redistribution was 3.2 and 3.1 (out of 5) in the UK, and 6.5 and 6.4 (out of 10) in Ireland.

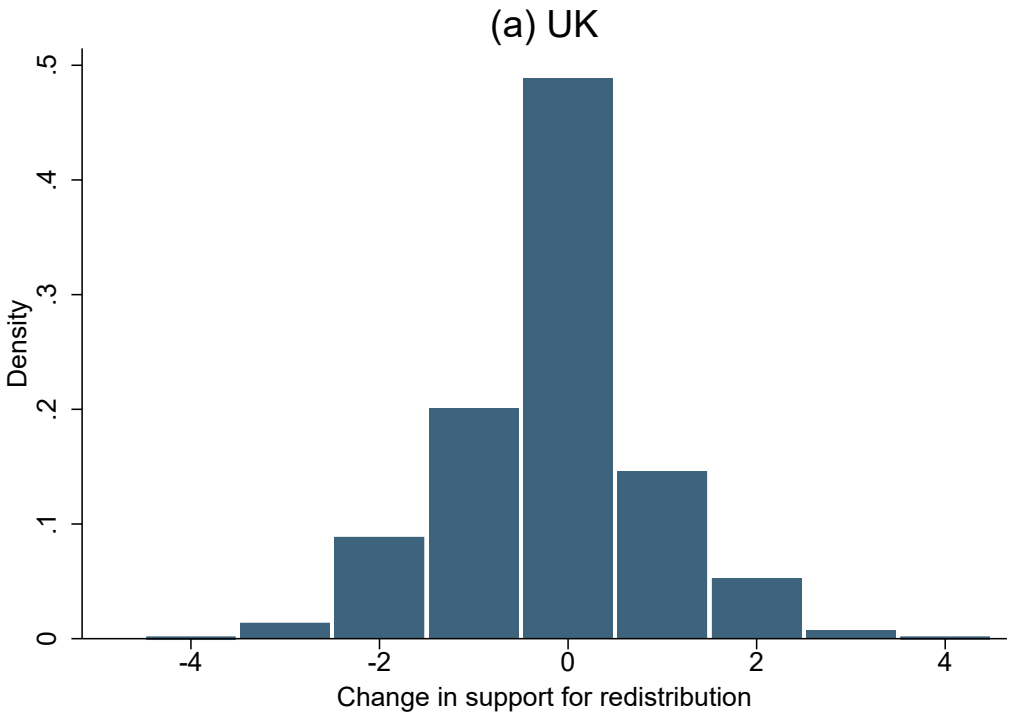
[11] These items include whether: ordinary people share in the nation's wealth; there is one law for the rich and one for the poor; private enterprises solve economic problems; public services ought to be state owned; the government should provide jobs for everyone who wants one; and strong trade unions protect employees.

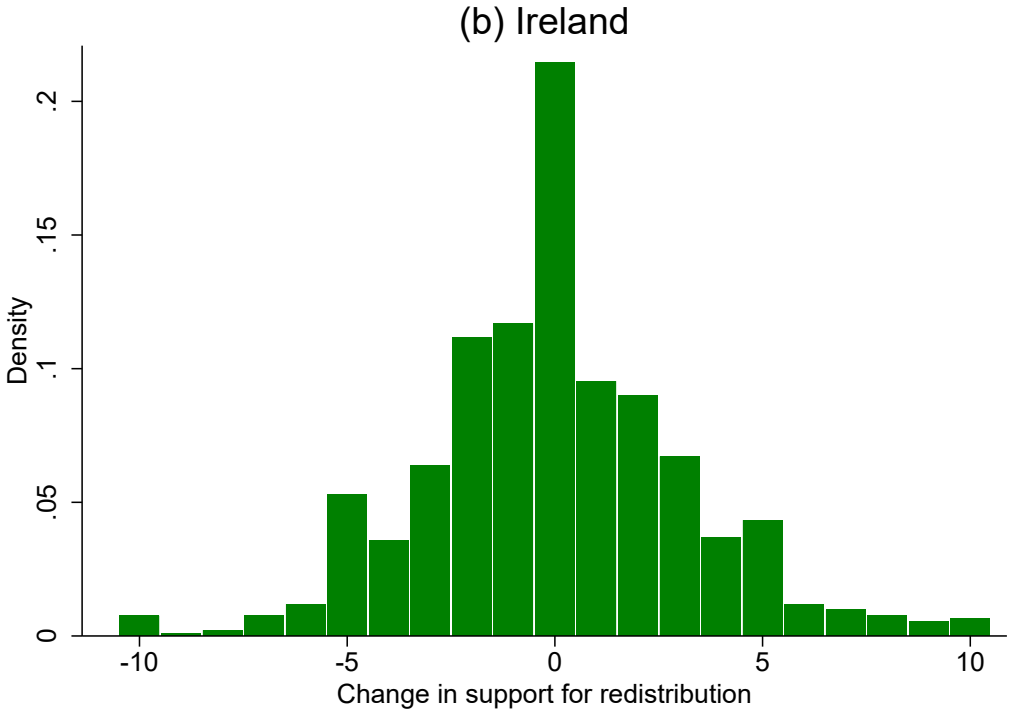
Figure 4.3 Support for redistribution in the UK and Ireland



Despite the general trend of stability, individual voters did change their attitudes. To explore this, I calculated the absolute difference between a respondent's support for redistribution before and after the enlargement. Negative values mean that respondents were less supportive of redistribution after the enlargement (compared to before) while positive values mean that they were more supportive of redistribution after the enlargement (compared to before). Figure 4.4 shows that in both countries a large portion of the respondents did not change their attitudes: their value for change equals zero. This proportion is higher in the UK, possibly because the survey item has fewer response categories. Many respondents, however, changed their support for redistribution to some extent. I later explore whether these attitudinal changes are related to individuals' exposure to labor market competition with immigrants.

Figure 4.4 Changes in support for redistribution in the UK and Ireland





4.4.2 Immigration-related labor market competition

The main independent variable is immigration-related labor market competition. I measure this at the occupational level and match it to each respondent using the occupational identifier derived from the survey. Following Burgoon et al. (2012), I measure competition as the percentage of immigrants in each occupational group (j) in each year (t), but I focus on A10 immigrants specifically:

$$\frac{Number\ of\ A10\ immigrants_{\mathrm{jt}}}{Number\ of\ all\ immigrants_{jt} + Number\ of\ native\text{-}born_{jt}}\ x\ 100\%$$

This measure assumes that competition increases when the percentage of A10 immigrants in one's occupation increases, holding constant the demand

for labor. I define immigrants based on their country of birth and create these measures for the A10 immigrant population as well as for the total foreign-born population. I use the Labor Force Survey (LFS) from the United Kingdom. Unlike the EU-LFS, this survey includes a detailed variable for country of birth which allows me to distinguish between immigrants from the 'old' EU (i.e. the EU-15) and immigrants from the ten new Member States. I use surveys from the second quarter (April to June) of 2001 and 2007. The surveys measure occupational groups at the four-digit level of the Standardized Occupational Classification from 2000 (SOC00). To match the occupational measures to my respondents, I convert the SOC codes to ISCO88 codes using the mapping tools provided by the Office for National Statistics (ONS).[12] For Ireland, I rely on census data from 2002 and 2006 provided by the Central Statistics Office (CSO). These data are measured at the three-digit level of the adapted SOC from 1990 (SOC90). To match the occupational measures to the Irish survey respondents, I converted the SOC codes to ISCO88 codes using the mapping tools provided by the Office for National Statistics (ONS) and CSO, respectively.

As sample sizes are important to obtain reliable measures of occupational exposure to immigrants, and recent immigrants tend to be underrepresented in surveys and censuses, I use a conservative measure based on the one-digit ISCO level. The aggregate measure is not ideal but slicing the data by immigrants' country of origin reduces the sample size, especially for the labor

[12] This conversion has two main advantages. Firstly, it ensures comparability over time for the occupational measures for the UK. This country switched from the SOC90 to SOC00 in 2001, and these schemes cannot be mapped onto each other. Secondly, it makes it easier to match the occupational measure to the BHPS. While ISCO codes are available for all waves of the BHPS, the SOC00 was first included in 2001, one wave after the redistribution attitudes are measured.

force survey data. Excluding the armed forces, as these occupations are often not accessible to recent immigrants, this leads to nine major occupational groups: managers, professionals, technicians, clerical workers, service workers, craft workers, plant operators, and elementary occupations.

In both countries, the share of the total immigrant population across occupational groups increased substantially after the enlargement: from 7.9% to 11.5% in the UK, and from 14% to 22.8% in Ireland. As expected, the share of A10 immigrants increased more rapidly, though starting from a lower baseline. British workers witnessed a rise in the former's share from 0.3% in 2001 to 1.9% in 2007, while Irish workers experienced an increase from 0.4% in 2002 to 5.5% in 2006. The changes in exposure to A10 immigrants are depicted for each of the nine occupational groups in Figure 4.5. It shows that in both countries the share of A10 immigrants increased the least among managers and professionals, while the largest increases occurred among plant operators and elementary occupations.

The overrepresentation of immigrants among low-skilled occupations confirms the common assumption that immigrants are often a greater labor market threat to low-skilled than to high-skilled workers. Although the occupational patterns of all immigrants and A10 immigrants are positively correlated, there are some striking differences. Compared to all immigrants, a larger portion of the A10 immigrants in the UK found employment in agricultural occupations whereas they were less likely to hold managerial and professional positions. The patterns are different in Ireland, where A10 immigrants found their way to elementary occupations in large numbers, followed by occupations related to plant operating, crafts, and service.

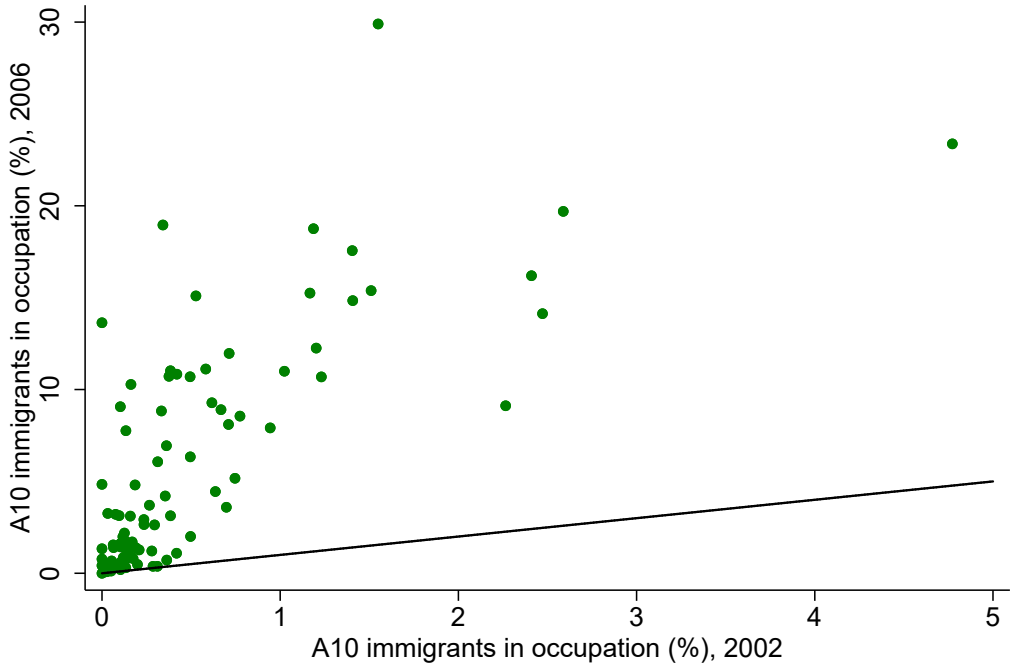
Figure 4.5 Share of A10 immigrants in occupations in the UK and Ireland

The large sample sizes of the Irish census allow me to explore these patterns with a more fine-grained measure at the three-digit occupational level. Figure 4.6 plots the percentage of A10 immigrants across 94 occupations in 2002 and 2006 in Ireland. It shows that the percentage of A10 immigrants increased in almost all occupations, but there is considerable variation across occupations (mean = 5.2, standard deviation = 5.8). In some occupations, the EU enlargement had a large impact and the share of A10 immigrants rose to 10% or more of the total workforce. These occupations include amongst others food processing and related trades workers, housekeeping and restaurant service workers, and market gardeners and crop growers. However, in the bottom-left corner of the graph we also find several occupations where the scale of transformation was very modest. In occupations, such as public service administrative professionals, locomotive engine drivers, forestry workers, and library and mail clerks, the share of A10 immigrants increased but remained below 1% of the workforce. This suggests that some workers were more exposed to labor market competition with immigrants than other workers.

Figure 4.7 depicts the absolute change in the share of A10 immigrants in each detailed occupation within the nine major occupational groups in Ireland. It shows that there is limited variation in occupational exposure to immigrants within the major groups of managers, professionals, and technicians, but the within-variation is substantial in the remaining major occupational groups. These include semi-skilled and unskilled occupations. For instance, within the elementary occupations, messengers and doorkeepers saw the largest absolute increase in A10 immigrants into their occupation (+28%) while building caretakers and window cleaners were exposed to the smallest increases (+1%). Similarly,

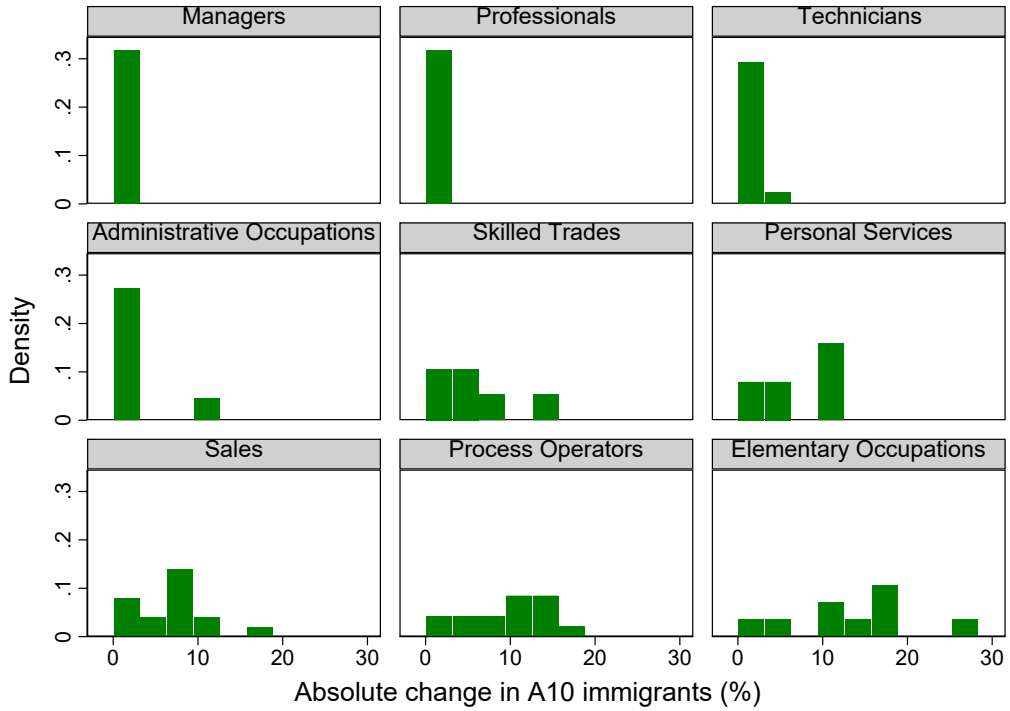
among the process operators, locomotive engine drivers experienced the smallest increase in A10 immigrants (+0.8%) while food machine operators saw their workforce change drastically (+17%). Zooming in at the detailed occupational level thus reveals interesting patterns regarding which individuals are most exposed to labor market competition within major occupational groups.

Figure 4.6 Share of A10 immigrants across 94 occupations in Ireland



Source: CSO (2018), author's calculations.
Note: Occupations at the 3-digit ISCO level.

Figure 4.7 Change in the share of A10 immigrants within major occupations



4.4.3 Control variables

In the fixed-effects analyses, I control for income, education (to capture cultural fears and ethnic prejudice), age, being unemployed, and household size. I do not include any time-invariant variables, such as gender or ethnicity, because these would drop out of the analysis due to the fixed effects. Lastly, I control for two time-varying characteristics of occupations: the share of all foreign-born workers, and occupational unemployment rates. These may capture other characteristics of occupations that may lead individuals to demand more social protection. Supplement S.2.1 explains how these variables are operationalized and presents the summary statistics.

4.5 Evidence from the United Kingdom

4.5.1 Descriptive evidence

I start the analysis of labor market competition and support for redistribution in the UK with some descriptive evidence. To this end, I recoded the five-category measure of support for redistribution into a binary measure that equals '1' for those respondents who strongly agreed or agreed with the statement that the government should provide jobs for everyone who wants one, and '0' otherwise. First, I examine support for redistribution before the EU enlargement among individuals in the nine major occupational groups and in the full sample. Figure 4.8 shows that a slight majority of British respondents, namely 50.7%, favored greater involvement by the government in the provision of jobs in 2000. The low levels of average support for redistribution in the UK have been documented by others (see, for example, Cavaillé and Trump 2015). The figure also reveals that support for redistribution varies across occupations. As expected, those in elementary occupations demand more social protection than those in managerial occupations: 62.5% and 35.3%, respectively.

Among those who opposed redistribution in 2000, almost one-fifth became more supportive of redistribution in 2007. By contrast, among those who supported redistribution in 2000, more than one-third became less supportive of redistribution. The general downward trend in support for redistribution is not surprising given the favorable economic conditions in the United Kingdom in the first half of the 2000s. However, not everyone benefitted equally from the economic boom. While economic attitudes are slow to change (see O'Grady Forthcoming), this exploration shows that they can change, and the next part of

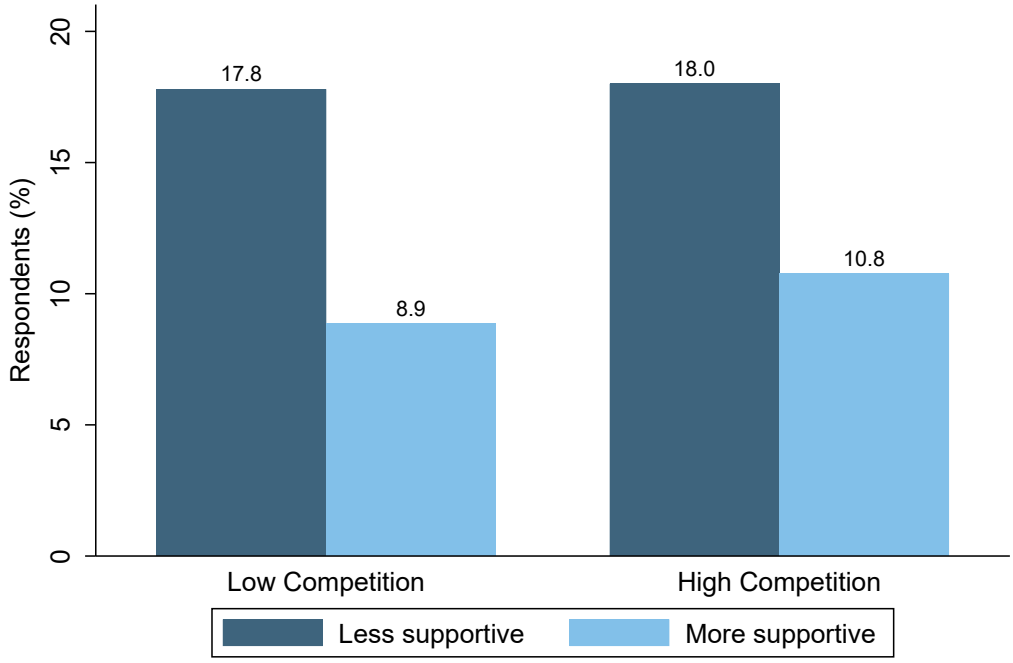
the analysis assesses whether these changes are related to labor market competition with immigrants.

Figure 4.8 Support for redistribution before the EU enlargement by major occupation in the UK

Next, I explore whether increased labor market competition with immigrants spurred demands for more social protection in a bivariate analysis. To ease the interpretation, I use again the binary version of the dependent variable and measure the percentage of respondents who changed their support after the EU enlargement. I also divide respondents in two groups based on the amount of change in occupational exposure to A10 immigrants relative to the sample mean. I define “low competition” as experiencing a below-average increase in the occupational share of A10 immigrants, and “high competition” as an above-average increase in this share. Figure 4.9 shows that among those

experiencing high competition, a larger percentage of the respondents demanded more redistribution compared to those experiencing low competition (10.8% versus 8.9%, p<0.1). These changes are small, but they provide some suggestive evidence for the hypothesis that individuals demand more social protection to cope with labor market competition.[13]

Figure 4.9 Labor market competition and changes in support for redistribution in the UK



Note: Respondents who did not change their preferences are not depicted.

4.5.2 Multivariate analysis of labor market competition and redistribution in the UK

This section analyzes the relationship between immigration-related labor market competition and support for redistribution among British voters using fixed-effects linear regression analysis. Table 4.1 reports the results.

[13] Repeating this exercise with the occupational share of all foreign-born leads to a smaller and insignificant difference: 9.9% versus 9.1% (p>0.10).

Table 4.1 Labor market competition and support for redistribution in the UK

	(1)	(2)	(3)	(4)	(5)
A10 migrants in occupation (%)	0.018+	0.026+	0.023+	0.123*	0.117+
	(0.010)	(0.014)	(0.014)	(0.062)	(0.062)
Age		0.006	0.006	0.006	0.006
		(0.038)	(0.038)	(0.038)	(0.038)
Ref: Low education					
Medium education		0.277*	0.275+	0.275+	0.272+
		(0.141)	(0.141)	(0.141)	(0.142)
High education		-0.023	-0.023	0.006	0.006
		(0.168)	(0.167)	(0.168)	(0.167)
Income distance (x £1,000)		0.001	0.000	0.001	0.000
		(0.001)	(0.001)	(0.001)	(0.001)
Household size		-0.009	-0.010	-0.010	-0.012
		(0.014)	(0.015)	(0.014)	(0.015)
Unemployed		0.331	0.335	0.283	0.286
		(0.286)	(0.286)	(0.269)	(0.269)
Total migrants in occupation (%)		-0.010	-0.010	-0.026	-0.026
		(0.007)	(0.007)	(0.026)	(0.026)
Occupational unemployment		-0.009	-0.009	0.088+	0.084
		(0.011)	(0.011)	(0.053)	(0.053)
Constant	3.131**	3.131**	2.914*	2.361	2.832*
	(0.007)	(0.008)	(1.400)	(1.456)	(1.411)
Observations	14,059	14,055	13,937	14,055	13,937
Respondents	10,029	10,027	9,924	10,027	9,924
Waves	2	2	2	2	2
Year FE	Yes	Yes	Yes	Yes	Yes
Region FE	No	No	Yes	No	Yes
Occupation FE	No	No	No	Yes	Yes
R-squared	0.036	0.039	0.043	0.043	0.046

Note: Estimates from fixed-effects linear models. Robust standard errors in parentheses. ** p<0.01, * p<0.05, + p<0.1

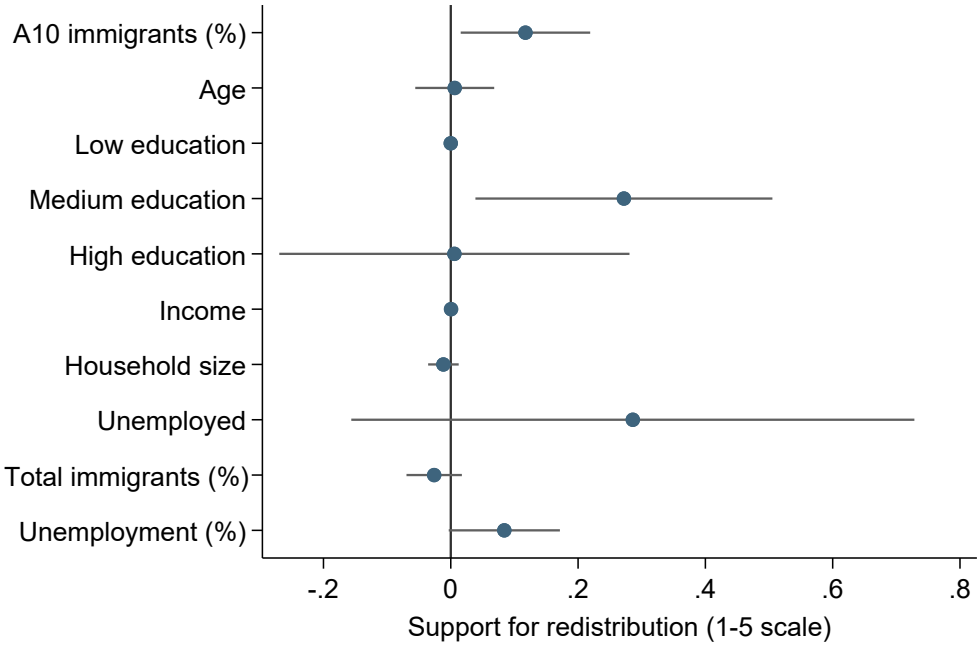
I start with a reduced-form model with the occupational share of A10 immigrants as the only predictor of support for redistribution. Model 1 shows that

the occupational share of A10 immigrants is positively and significantly related to support for redistribution ($p<0.10$). As expected, I find that individuals increase their support for redistribution when they are exposed to higher levels of A10 immigrants in their occupation. In Model 2, I control for age, education, income, being unemployed, household size, the total share of immigrants in one's occupation, and occupational unemployment rates. We see that the main independent variable remains positive and significant ($p<0.10$). Regarding the control variables, I find that neither age, income, unemployment status, nor household size predict changes in support for redistribution. Education does seem to matter as individuals with a medium level education are significantly more likely to demand social protection than individuals with a low education. Other time-varying occupational characteristics, such as occupational unemployment rates and the total number of immigrants in an occupation, do not lead to an increase in support for redistribution.

The remaining models account for systematic differences between individuals in different regions in the UK and in different occupations. These specifications are more stringent as they focus on changes within regions and/or occupations. Including region fixed effects in Model 3, measured as dummy variables for the Government Office Regions, does not change the main finding that individuals demand more redistribution when they experience an increase in the occupational share of A10 immigrants. Model 4 includes occupational fixed effects to control for time-invariant observed and unobserved differences between occupations. This is important because occupations may also affect individuals' preferences through processes of socialization (see Kitschelt and Rehm 2014). This has two interesting effects. First, the positive coefficient of the

main independent variable becomes stronger and more significant ($p<0.05$). Secondly, occupational unemployment rates now have a positive and significant effect ($p<0.10$). Holding occupations constant, this shows that individuals become more supportive of redistribution when they face higher unemployment rates in their occupation, as argued by Rehm (2009, 2016). Finally, the effect of the occupational share of A10 immigrants is robust to including region and occupational fixed effects in Model 5: the coefficient remains positive and significant ($p=0.058$). Figure 4.10 displays the coefficients (or marginal effects) from the last model in Table 4.1.

Figure 4.10 Effect of the occupational share of A10 immigrants and support for redistribution in the UK



Note: The marginal effects are based on Model 5 in Table 1.
Lines indicate 90% confidence intervals.

To illustrate the effect size in substantive terms, I compare the effect size of occupational exposure to that of education, which also had a significant effect

on support for redistribution in line with previous research. Based on Model 5, I find that a one-unit increase in the occupational share of A10 immigrants is approximately 40% of the effect of going from a low level of education (defined as pre-primary, primary or lower secondary, ISCED 0-2) to a medium level of education (defined as upper secondary or post-secondary non-tertiary education, ISCED 3-4). Given the high degree of stability in redistribution preferences (see O'Grady Forthcoming) and the economic boom during which the EU enlargement took place in the UK, this effect seems meaningful.

To increase further confidence in the results from these within-subject analyses, I ran several robustness tests. For reasons of brevity, I include the full tables in Supplement S.2.2 while I note here that I yield similar results when I control for marital status, children in the household, being inactive in the labor market, skill specificity, looking for a new job or employer, or when I use an additive index of economic preferences as the dependent variable.

4.5.3 Exploring the causal mechanism

My theoretical argument assumes that labor market competition increases support for redistribution because individuals feel more economically insecure due to competition. To explore this causal mechanism in a preliminary fashion, I estimate the same specifications as in Table 4.1, but this time I use a subjective measure of economic insecurity as the dependent variable.[14] These feelings are measured by the following question: "How well would you say you yourself are

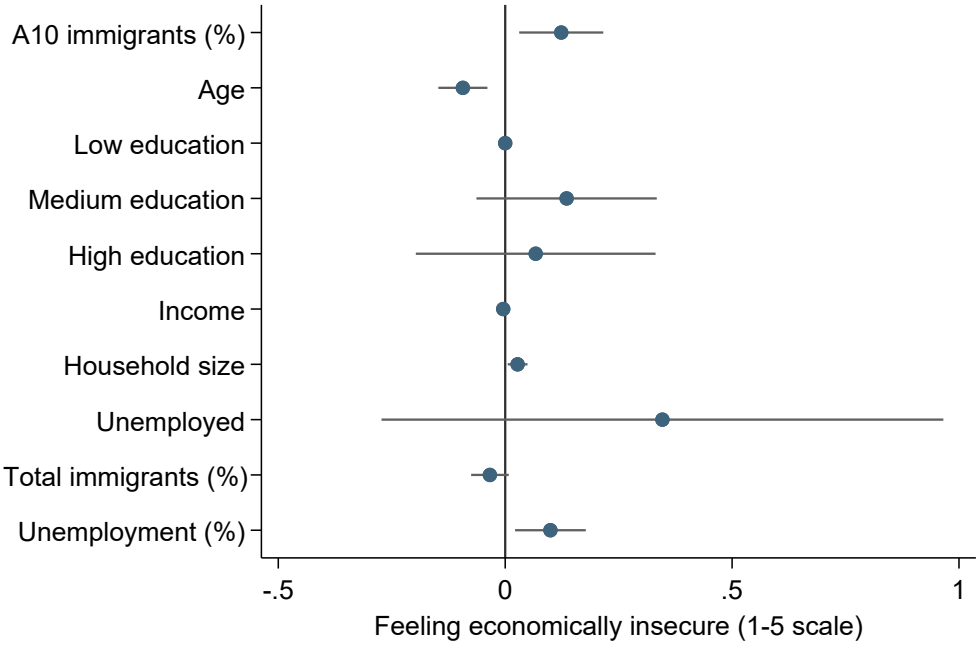
[14] Unfortunately, the BHPS does not include any items that measures collective economic evaluations. It is, therefore, not possible to test here whether some individuals may also have increased their support for redistribution to help others deal with the threat of labor market competition.

managing financially these days? Would you say you are…"? The item has five answer categories: (1) living comfortably, (2) doing alright, (3) just about getting by, (4) finding it quite difficult, and (5) finding it very difficult. Higher values correspond with a greater sense of personal economic insecurity. The full tables are reported in Supplement S.2.2. They show that the patterns are very similar to the main analysis of redistribution preferences. Figure 4.11 displays the effect of the occupational share of A10 immigrants on feeling economically insecure based on a model with full controls and region and occupational fixed effects. Mirroring the previous analysis, the coefficient is positive and significant ($p<0.05$). Figure 4.11 shows that individuals feel significantly more insecure about their economic situation when the share of A10 immigrants in their occupation increased after the enlargement. This provides compelling evidence that voters demanded more social protection from the government because they felt more insecure about their economic situation due to labor market competition.

Although my findings suggest that immigration can influence support for redistribution through labor market competition, the influx of immigrants in one's occupation may also trigger other concerns. Individuals may simply prefer to interact with those who are more like them. This preference for homogeneity has been documented in the realms of neighborhoods, schools, friendships, and workplaces (Clark 1991, Karsten et al. 2006, McPherson et al. 2001, Mueller et al. 1999). The changed composition of the workforce could also trigger non-material concerns. For example, language barriers between coworkers may threaten work safety or the pleasure individuals derive from their jobs. Neither a preference for homogeneity nor non-material concerns are incompatible with my argument. However, they cannot explain why increases in the occupational share

of A10 immigrants led people to feel more economically insecure and demand more redistribution.

Figure 4.11 Effect of the occupational share of A10 immigrants on feelings of economic insecurity in the UK



Note: The marginal effects are based on Model 5 in Table S.1.
Lines indicate 90% confidence intervals.

4.6 Evidence from Ireland

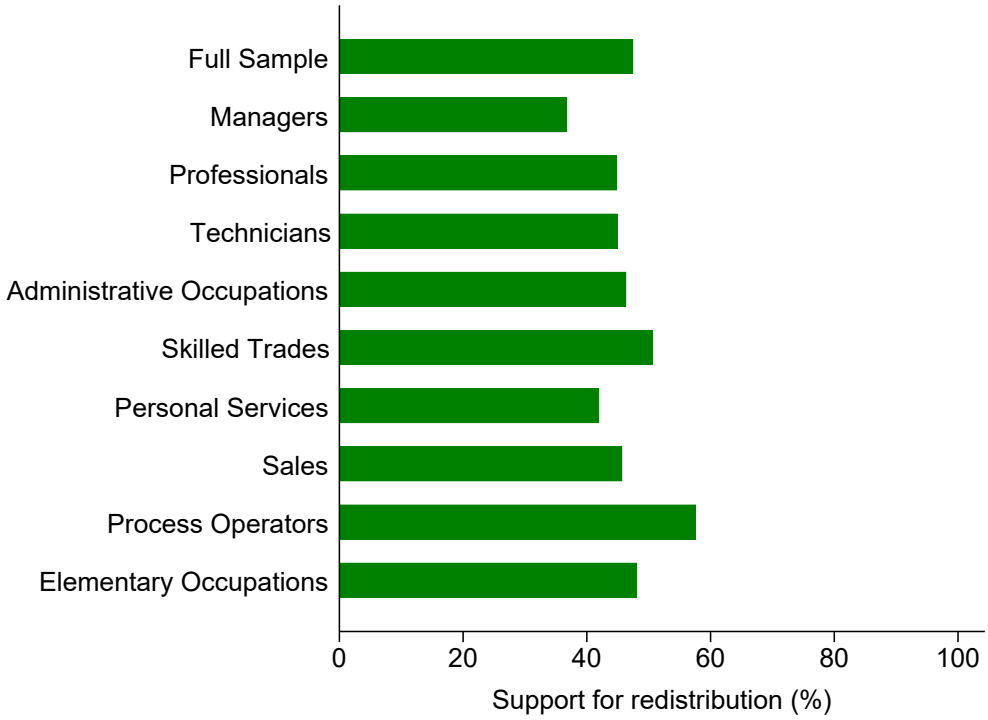
To see whether the effect of labor market competition on voters' political attitudes is present beyond the British case, I also explore this relationship in Ireland. Although the sample size of the Irish panel data is lower, this preliminary analysis may still reveal potentially interesting findings.

4.6.1 Descriptive evidence

I start with a descriptive analysis using a recoded version of the dependent variable. This binary measure of support for redistribution equals '1' for values 7

to 10 on the original ten-category variable and it equals '0' for values 1 to 6.[15] Figure 4.12 displays average support for redistribution for Irish voters in each of the nine major occupational groups and the full sample in 2002. In the full sample, average support for redistribution is around 48% indicating that slightly less than half of the respondents demands more redistribution from the government. We see that the level of support for redistribution differs across occupations: it is lowest among managers and highest among process operators. However, the differences are not as pronounced as in the UK: the average level of support among professionals and technicians does not differ greatly from that of workers in sales or elementary occupations.

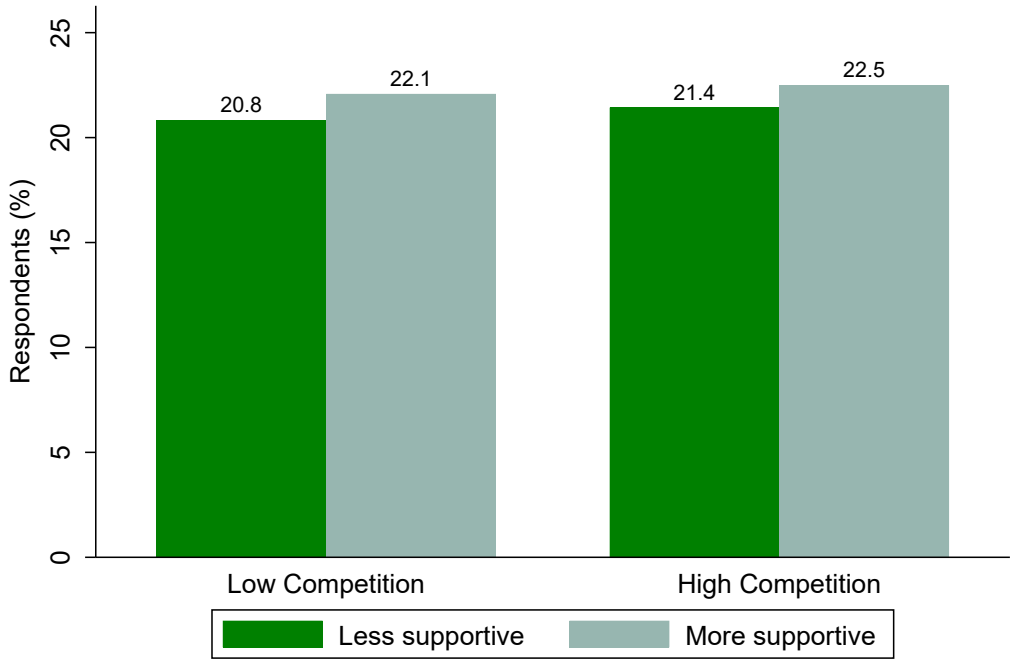
Figure 4.12 Support for redistribution by major occupation in 2002 in Ireland



[15] I place the threshold at 7 out of 10 because respondents may select the middle values if they neither agreed nor disagreed. The differences in support for redistribution are less pronounced across occupations when using a lower threshold.

Like before, I explore the bivariate relationship between changes in the occupational share of A10 immigrants and changes in support for redistribution. I do this by comparing the incidence of individuals who became more supportive of redistribution in 2006 compared to 2002 across contexts of low and high labor market competition. This is depicted in Figure 4.13. On the left, it shows that 22.1% of individuals who experienced below-average increases in the occupational share of A10 immigrants were more supportive of redistribution after the enlargement than before. When we move to individuals who experienced above-average increases in the occupational share of A10 immigrants, we see that 22.5% of them demanded more redistribution after the enlargement. Support for redistribution has thus barely increased. This is surprising as the influx of new EU immigration was much higher in relative terms in Ireland than in the UK. The next section explores this further.

Figure 4.13 Labor market competition and changes in support for redistribution in Ireland



Note: Respondents who did not change their preferences are not depicted.

4.6.2 Multivariate analysis of the effects of labor market competition in Ireland

I move on to examining the effects of labor market competition on support for redistribution and feelings of economic insecurity in a multivariate setting. To this end, I run fixed-effects linear models with robust standard errors. The main independent variable is the occupational share of A10 immigrants.[16] I include the same control variables as before: age, education, income, household size, being unemployed, the total share of immigrants in one's occupation, and occupational unemployment rates. Table 4.2 reports the results for both dependent variables.[17]

[16] The results are similar when I use a more detailed measure based on the two-digit level.
[17] I cannot run models with region fixed effects because the INES did not record respondents' county or region in 2007. This does not seem problematic given the relatively small size of Ireland.

I start with the analysis of support for redistribution, measured on a ten-point scale. Model 1 includes the main predictor, Model 2 adds the control variables, and Model 3 adds occupation fixed effects. Across these three models, I find that the occupational share of A10 immigrants has an inconsistent and statistically insignificant effect on support for redistribution. The evidence from Ireland does not support for my hypothesis that labor market competition boosts demands for social protection.

Models 4 to 6 focus on the intermediate effect of labor market competition on feelings of economic insecurity. I measure these feelings with the following survey item: “How worried are you that you might become unemployed in the next year?” The question has four answer categories: (1) very worried, (2) somewhat worried, (3) a little worried, and (4) not at all worried. I recode it so that higher values correspond to feeling more economically insecure. In line with my expectations, I find that the share of A10 immigrants in one’s occupation has a positive effect on feelings of economic insecurity. Its coefficient is significant ($p<0.10$) when the control variables are added in Model 5, and it falls just above the threshold for significance ($p=0.12$) when the more stringent specification with occupation fixed effects is used in Model 6. These patterns correspond with the earlier findings in the UK.

Interpreting these findings cautiously, I conclude that the Irish case provides mixed evidence for my argument. While increases in the occupational share of A10 immigrants tend to lead to greater economic insecurity among Irish voters, it does not appear to increase their support for redistribution. One explanation for this puzzling finding is that Irish voters turned to restrictions on immigrants’ access to the labor market instead of demanding compensation in

the form of social benefits. To test this, I use an item that asks respondents whether ‘there should be very strict limits on the number of immigrants coming to Ireland’. Re-running the model with anti-immigration attitudes as the dependent variable, I find that individuals in occupations with high shares of new EU immigrants are not more likely to demand more restrictive immigration policies. Another explanation could be that Irish workers had more faith in a stricter enforcement of labor regulations as this would protect their long-term interests more than increasing social spending. In 2007, the Irish government did establish a new National Employment Rights Authority to secure compliance with labor market regulations and conduct inspections. Since the INES does not include items to test this explanation directly, this question may be explored in future research.

Table 4.2 Labor market competition and voters' attitudes in Ireland

	Support for redistribution			Economic insecurity		
	(1)	(2)	(3)	(4)	(5)	(6)
A10 migrants in occup.	-0.014	0.115	-0.466	0.010	0.055+	0.179
	(0.029)	(0.091)	(0.340)	(0.009)	(0.030)	(0.113)
Age		0.079**	0.082**		0.019	0.021
		(0.025)	(0.025)		(0.020)	(0.021)
Ref: Low education						
Medium education		0.355	0.435		0.157	0.161
		(0.467)	(0.461)		(0.144)	(0.140)
High education		1.820*	1.989**		0.031	0.080
		(0.711)	(0.716)		(0.195)	(0.199)
Income (1-5)		-0.014	-0.017		-0.033	-0.030
		(0.110)	(0.109)		(0.041)	(0.040)
Household size		0.076	0.091		0.014	0.019
		(0.096)	(0.095)		(0.038)	(0.037)
Unemployed		-0.000	0.158		0.139	0.216
		(0.622)	(0.639)		(0.431)	(0.420)
Total migrants in occup.		-0.104	0.411		-0.039	-0.150
		(0.078)	(0.311)		(0.024)	(0.102)
Occup. unemployment		0.004	-0.302+		-0.015	-0.042
		(0.074)	(0.183)		(0.027)	(0.050)
Constant	6.484**	3.490+	-5.106	1.359**	1.005	2.667
	(0.037)	(1.789)	(5.187)	(0.012)	(1.010)	(1.881)
Observations	3,029	2,637	2,637	2,853	2,505	2,505
Respondents	2,269	2,031	2,031	2,170	1,958	1,958
Waves	2	2	2	2	2	2
Year FE	Yes	Yes	Yes	Yes	Yes	Yes
Occupation FE	No	No	Yes	No	No	Yes
R-squared	0.000	0.028	0.057	0.015	0.034	0.065

Note: Estimates from fixed-effects linear models. Robust standard errors in parentheses. ** p<0.01, * p<0.05, + p<0.1

4.7 Conclusion

Many have dismissed the role of labor market competition with immigrants as a determinant of political attitudes, but this chapter has provided some compelling evidence that labor market competition matters to voters. Leveraging the EU enlargement of 2004 as an exogenous shock and individual-level panel data from the UK and Ireland, this chapter has demonstrated that British and Irish voters felt more economically insecure after the enlargement when the share of new EU immigrants in their occupation increased. It also showed that increased labor market competition with new EU immigrants boosted the demands for social protection among British voters, but not among Irish voters. Although one should always be careful with causally interpreting observational data, the within-subject design combined with the exogenous shock of the EU enlargement and a series of robustness tests allows me to exclude a wide range of alternative explanations.

These findings regarding immigration's effects on subjective economic insecurity and redistribution preferences help us to understand other studies that have focused on the political effects of immigration. Becker and Fetzer (2016), for example, show that the rapid increase of new EU immigrants in the UK led to a rise in electoral support for the UK Independence Party and a decline in support for the UK's membership of the EU. In line with their findings that these patterns are related to pressures on housing markets and labor markets in previously unexposed areas, this chapter confirms that economic insecurity is an important channel through which immigration can affect voters' preferences. Similarly, Finseraas et al. (2017) demonstrate that labor market competition affected voting behavior in Norway: while some voters aligned themselves with left-wing parties,

that would provide more compensation for this increased economic threat, other voters preferred anti-immigrant parties that promised to close borders.

This chapter has focused on a large shock of immigration, resulting from the EU enlargement, in the UK and Ireland to isolate the effect of labor market competition on voters' attitudes and it found similar patterns across these countries. While the circumstances in these cases are in many ways specific to this instance, large and sudden inflows of new immigrants are not limited to the EU enlargement of 2004. They also occurred when many former colonies of the UK, the Netherlands, and France gained independence, after the announcement that the Bracero program which allowed Mexican workers to work temporarily in the US would be terminated, and after the fall of the Berlin wall. More importantly, immigration may lead to smaller though more frequent labor market shocks in most countries. While these effects are more difficult to detect (because native-born individuals may self-select out of certain occupations), they are nonetheless important for our understanding of the relationship between immigration and the welfare state.

Chapter 5

“They Take Our Houses”: Benefit Competition and the Erosion of Support for Immigrants’ Social Rights

Abstract

Why do some individuals support immigrants’ social rights more than others? While scholars in political economy expect that benefit competition reduces support among the poor, the evidence is limited. This seems largely due to the reliance on highly aggregated analyses and the neglect of the institutional context in which individuals form their preferences. I argue that the poor are more likely to reduce their support due to competition when benefit eligibility depends on income. Using individual-level panel data from the Netherlands and a novel measure of social housing competition, I show that low- and middle-income households become less supportive of immigrants’ social rights when more social housing in their municipality is allocated to refugees. By contrast, competition does not reduce support among the rich or the very poor. The findings suggest that benefit competition can erode support for immigrants’ social rights, and that it can influence electoral politics.

> Of course, they [refugees] should be helped, but our 'own' people are now bearing the brunt. I work hard and I have to manage it myself. Among the Weerter population there are also plenty of distressing cases that really need a home. That makes me very sad. (Nikki Kessels, RTL Nieuws, 15 November 2018)

5.1 Introduction

While there is a wealth of research in political economy on support for redistribution, we know much less about support for inclusiveness. This is surprising because political struggles have been fought not only about the generosity of the welfare state, but also about its inclusiveness. Who should have access to the welfare state has again become a salient issue due to rising levels of immigration and the electoral success of the populist right across Western Europe and in the United States. Analyzing support for immigrants' social rights, i.e. views on whether immigrants should have equal access to social goods and services, will therefore help us better understand these recent political developments.[1]

Existing research in political economy assumes that voters want to exclude immigrants from the welfare state to protect their access to valuable social goods and services. Since poor voters are most reliant on social provisions, new demands from immigrants should lower their support for social rights for immigrants the most (Kitschelt 1995). Although it is intuitive that concerns about benefit competition influence support for immigrants' social rights, previous studies have struggled to provide strong empirical evidence for

[1] I use the term "social rights" in the Marshallian sense of the right to a decent standard of living for everyone. This is achieved through welfare institutions, such as social housing, health care services, and the educational system (King and Waldron 1988).

the claim that material self-interest and benefit competition matter for these attitudes. This seems to be related to three main issues.

Firstly, most studies have focused on aggregate voting behavior. While they show that immigration increases the vote shares of the populist right (see, for example, Cavaillé and Ferwerda 2018, Rydgren and Ruth 2011), such aggregate analyses cannot shed light on how immigration affects the policy preferences of individuals. Secondly, surveys measuring individual attitudes towards immigrants' social rights have long been scant, and the few existing studies rely on cross-sectional data (see Degen et al. 2019, Mewes and Mau 2012, Reeskens and van Oorschot 2012). While cross-sectional analyses provide some valuable insights, they struggle to exclude confounders at the individual or the context level. Thirdly, prior research has often used the level of immigration to measure benefit competition, but this is a key problem for two reasons. On the one hand, immigration does not necessarily lead to competition for social goods and services. On the other hand, the residential patterns of immigrants across and within countries are not random. The self-selection of immigrants can lead to an underestimation of the effect of competition if immigrants move to areas with a welcoming native-born population.

To address these issues, this chapter combines high-quality individual-level panel data on support for immigrants' social rights with a novel and exogenous measure of social housing competition. This measure is based on administrative data from a mandatory refugee dispersal system that distributes new refugees across municipalities and allocates social housing to them.[2] By

[2] "Social housing" refers to housing rented at below-market prices. The state may provide it directly (i.e. public housing) or through private actors (Haffner et al. 2009). "Refugees" are

focusing on the local level, where most social goods and services are provided and consumed, and by tracking the attitudes of the same individuals over almost a decade, this chapter sheds light on the question whether and when benefit competition lowers support for immigrants' social rights.

I focus on the Netherlands, a country with the largest social housing market among the industrialized democracies (OECD 2018). With more than one-third of the Dutch population living in social housing, the highly inelastic nature of the social housing supply, and a mandatory refugee dispersal system that requires municipalities to provide permanent housing to new refugees, social housing has all the elements to become a site of conflict. Moreover, I hold constant concerns about labor market competition as these refugees often lack language proficiency and have very low labor force participation rates. A recent cohort study of the integration of refugees found that only 25% of all refugees (who received a residence permit between 1995 and 1999, and still lived in the Netherlands in 2011) had paid employment of 8 hours or more after two years of residence. Their rates for full-time employment were even lower at around 12% (Engbersen et al. 2015: 11-12).

I find that benefit competition has a meaningful effect on individuals' support for immigrants' social rights. Using the novel measure of social housing competition, I find that low- and middle-income individuals become less supportive of immigrants' social rights when they are more exposed to social housing competition. By contrast, competition does not reduce support among the rich, who are less eligible for and less reliant on social housing, or the very

---

individuals whose asylum claim was accepted by the government, while "asylum seekers" are those awaiting a decision regarding their asylum claim.

poor, who are more shielded from competition due to the allocation rules for social housing in the Netherlands. Moving to the political consequences, I also find that social housing competition increases support for the populist right more among poor voters than among rich voters. These results provide compelling evidence that benefit competition can erode support for immigrants' social rights, and that it can influence electoral politics.

This chapter makes three contributions. First, it is the first study to examine individual support for immigrants' social rights over time and model unobserved individual-level heterogeneity, thereby reducing concerns of omitted-variables bias. Second, it leverages a mandatory refugee dispersal system to construct a novel and exogenous measure of social housing competition. This measure circumvents the problem of immigrant self-selection while capturing competition more precisely because municipalities rely almost exclusively on the general social housing stock to meet their dispersal targets. Lastly, the chapter provides evidence on the consequences of benefit competition for policy and political preferences. The findings show that material self-interest contributes to our understanding of changes in voters' support for immigrants' social rights and their support for the populist right.

5.2 Explaining support for immigrants' social rights

To explain whether and when benefit competition affects changes in individuals' support for immigrants' social rights, this section first specifies the conditions for benefit competition and emphasizes that competition can only occur when the supply elasticity of welfare provisions is low. It also states that existing welfare institutions influence how benefit competition affects individuals' welfare

attitudes. The more benefit eligibility depends on income, the more the economic risk of benefit competition is concentrated among the poor, and the greater their demands for restricting immigrants' social rights.

5.2.1 Conditions for competition

Previous research has demonstrated that several conditions must be met before immigration leads to benefit competition, defined as a situation in which potential gains for some result in potential losses for others. Firstly, benefit competition presupposes that native-born and immigrants want to obtain the same social goods and services (Dancygier 2010, Money 1997). This seems plausible, because many individuals plan their lives around the expectation that they would have access to these provisions (King and Waldron 1988).

Competition also assumes that immigrants have access to welfare provisions. If they cannot make legal claims, they cannot threaten the material interests of the native-born. This is more realistic for some countries and immigrants than for others. For example, new immigrants in the United States are ineligible for most benefits since the 1996 welfare reform but such restrictions are mostly absent in Western Europe. Likewise, undocumented immigrants and asylum seekers have weaker social rights than permanent residents and refugees (Sainsbury 2012). Furthermore, competition assumes that immigrants are net beneficiaries of redistribution, and not net contributors. While immigrants have, on average, lower incomes than the native-born in most industrialized democracies, their overrepresentation among the poor varies across countries and immigrant groups.

A final and crucial precondition for competition is that the supply of welfare provisions cannot be expanded in the short term (Dancygier 2010, Freeman 1986, Money 1997). If shortages can easily be alleviated, individuals would not have to compete for the same goods. Since the supply elasticity varies greatly across social programs, countries, and time, new demands from immigrants should be a greater threat to the material interests of natives in some situations than in others. For example, if an immigrant receives social assistance, this rarely affects the amount of social assistance that others can receive. By contrast, greater demand for welfare provisions with an inelastic supply, such as social housing, education and health care, can quickly lead to longer waiting times and a lower quality of goods for others. Low elasticity thus seems to be related to strict budget constraints or the nature of certain goods (e.g. it takes time to train new staff to deliver health care services or to build new homes).

5.2.2 Welfare institutions, competition, and voters' preferences

Benefit competition threatens individuals' material self-interest by introducing a risk of not receiving a social good.[3] Since the poor are more reliant on these goods, most studies expect that competition reduces support for immigrants' social rights more among the poor more than the rich (Kitschelt 1995, Mewes and Mau 2012). While this is a useful starting point, it does not consider that policy preferences are formed in the context of existing welfare institutions. This can

[3] Although I focus on material self-interest, welfare attitudes can be affected through other channels (see Habyarimana et al. 2007). Rich voters could, for example, support redistribution if they are more altruistic towards other native-born than towards immigrants (Rueda 2018). Similarly, they may prefer to target scarce social goods and services towards other native-born.

explain why income is a better predictor of these attitudes in some contexts than in others.

Studies on immigration preferences, for example, show that rich voters are more likely to oppose liberal immigration policies when they live in areas with high social spending or progressive taxation because they fear higher taxes in the future (Facchini and Mayda 2009, Hanson et al. 2007). Other studies find that the negative effect of income on redistribution preferences depends on tax progressivity, labor market regulations, and on whether benefits are tied to employment (Beramendi and Rehm 2016, Gingrich and Ansell 2012). While these studies show that welfare institutions moderate the effect of material self-interest on immigration and redistribution preferences, they have not focused on risks related to losing access to social goods and services or on support for immigrants' social rights specifically.

I combine these insights to understand how benefit competition affects support for immigrants' social rights among rich and poor voters. I focus on benefit eligibility because it influences who is most at risk from benefit competition. When social programs are universal, the poor and the rich are both eligible for and reliant on the welfare state. As these institutions equalize economic risk, a person's income should be a weaker predictor of individuals' attitudes and benefit competition should increase demands for social protection across the board. For many social programs, however, eligibility and reliance depend on income.[4] Such income-dependent programs either apply a strict income threshold or a gradual one to target resources to specific groups. Since

[4] Even if social programs are formally universal, they may resemble income-dependent programs in practice if wealthier individuals opt out of the public system and consume private goods instead.

only individuals within the target population(s) are eligible, the economic risk of benefit competition is concentrated among the poor who should respond by demanding more social protection.

I therefore expect that the more benefit eligibility depends on income, the more the economic risk of benefit competition is concentrated among the poor, and the stronger individuals' income predicts demands for social protection.[5] Their demands can include more exclusionary eligibility rules, more social spending, or both. These strategies are not mutually exclusive, but I focus on the former in this chapter because it may be a more successful strategy in the short term in times of permanent austerity.

In ethnically homogenous societies, the poor can often secure their access to scarce social goods by introducing or strengthening means-testing in social programs. In ethnically heterogeneous societies, however, introducing an income threshold would be less effective if immigrants are overrepresented among the low-income population. Poor voters can then successfully target scarce resources to themselves by restricting immigrants' access to the welfare state.

In the remainder of this chapter, the main analysis focuses on support for immigrants' social rights in the context of competition for social housing in the Netherlands, a social program that mostly low- and middle-income families rely upon and that is characterized by a highly inelastic supply. I expect that poor voters become less supportive of immigrants' social rights when benefit competition with immigrants increases in their area. In addition, I explore the

[5] I assume that welfare institutions are exogenous in the short to medium term. Like Cavaillé and Ferwerda (2018), I focus on the role of welfare institutions and benefit competition in explaining support for immigrants' social rights. The main difference, however, is that I emphasize that income can be an important predictor of these attitudes.

political consequences of benefit competition. If voters feel economically threatened by competition with immigrants, they may also be more likely to vote for right-wing populist parties, which are the strongest and most vocal opponents of immigrants' social rights (Schumacher and van Kersbergen 2016). I therefore test whether benefit competition increases support for the populist right more among the poor than among the rich.

5.3 Social housing and refugee dispersals in the Netherlands

I analyze the effect of immigration-related social housing competition on individuals' policy and political preferences over a decade and across 388 municipalities in the Netherlands. In order to attribute any differences in attitudes to social housing competition, I must first demonstrate that social housing is a good desired by immigrants and natives alike, and that its supply is highly inelastic in the short term. In addition, I must provide evidence that the native-born population cannot easily avoid competing with immigrants, and that immigrants do not sort themselves into areas based on the native-born population's attitudes towards immigrants' social rights. In this section, I make a case for this.

5.3.1 Social housing

The housing market in the Netherlands consists of three segments: the owner-occupied market (60 per cent), the social housing market (34 per cent), and the rental market with non-regulated rents (6 per cent) (Ministry of the Interior and Kingdom Relations 2016: 25, 28). Non-for-profit housing associations are the main providers of social housing: they own three-quarters of all social housing

(WoonOnderzoek 2015).[6] These actors operate on the local level and have a public task to provide housing for disadvantaged groups (Haffner et al. 2009: 206). Construction subsidies were abolished in 1995, but the sector still relies heavily on public funding: housing associations receive loans from government-owned banks with below-market interest rates and they often buy land from local governments at below-market prices. In addition, over one-third of all social housing tenants receive means-tested housing benefits, amounting to 3.6 billion euros in 2015 (Ministry of Finance 2018).[7]

Social housing is of high quality, spread across neighborhoods within cities, and dwelling satisfaction is high among renters (Aedes 2017, WoonOnderzoek 2015). Combined with low rent prices, this makes it a desirable good for many who do not want or cannot obtain homeownership. Migrant households with a non-Western background are overrepresented among social housing tenants: they constitute 12 per cent of the population, but 18 per cent of all social housing tenants (Statistics Netherlands [SN] 2019).[8] Nevertheless, native households remain the largest consumers of social housing, accounting for over 70 per cent of all tenants.

Despite a growing demand for affordable housing caused by population growth, urbanization, and a rise in single-person households in the past decades, the social housing stock barely expanded. Between 2000 and 2016, it even decreased by 2.2 percentage points (pp) compared to a population growth of 7

[6] Private landlords own the remainder. This paper focuses on social housing owned by housing associations.
[7] These benefits are only available to those living in social housing. The government also stimulates homeownership through home mortgage interest deductions, costing 13 billion euros in 2015 (Ministry of Finance 2018). These disproportionally benefit the rich.
[8] Statistics Netherlands (2016, November 21) defines “migrant background” as having at least one foreign-born parent.

pp (SN 2019). This has contributed to severe housing shortages in some municipalities. The limited construction of social housing has many causes, but one important reason is a social landlord's levy, introduced in 2013, which significantly reduced the financial room for housing associations to invest in new projects. Social housing is thus a desirable and scarce social good. To assess whether individuals can avoid competition with immigrants, I now discuss the social housing allocation mechanism.

Although all legal residents were eligible for social housing until 2011, low- and middle-income households were always overrepresented among its tenants (Haffner et al. 2009). In 2011, social housing became formally means-tested with the introduction of an income threshold for new allocations (see Supplement S.3.1). Since then, housing associations must allocate at least 90 per cent of their vacancies to their main target group, i.e. households with gross annual incomes up to €34,000, which corresponds to 40 per cent of the population. They may allocate up to 10 per cent freely. Many housing associations try to target social housing in this segment to middle-income households (Kromhout and Zeelenberg 2014: 13).

The social housing allocation system is based on local waiting lists. After individuals register with a local housing association, they can actively apply to advertisements of their local association, or, if the latter has formed a regional partnership with other housing associations, the advertisements of the partnership. The local character of this system limits the interregional mobility of individuals.[9] The housing association then ranks all applicants based on their

[9] Individuals cannot transfer their registration time between local housing associations, except where regional partnerships exist, and registration may be costly.

registration time and offers the dwelling to the highest-ranked applicant, who can refuse the offer without penalty. Although waiting lists are the main allocation mechanism, municipalities can require housing associations to allocate vacancies to priority groups who then bypass others on the waiting list.[10] These groups should include at least victims of domestic abuse, caregivers and receivers, and, until 2017, refugees (Article 12 of the Housing Law 2014). These needs-based allocations affect the chances of middle-income households disproportionally because housing associations must give these allocations priority over any free allocations.

5.3.2 Refugee dispersals

To rule out the possibility that immigrants move to areas based on the native population's support for immigrants' social rights, I leverage the mandatory refugee dispersal system which distributes new refugees across Dutch municipalities and provides them permanent housing. Refugees account for only 13 per cent[11] of the total migrant population in the Netherlands, which was 12 per cent of the total population in 2015, but due to the refugee dispersal system they are overrepresented among the new recipients of social housing.

After asylum seekers register their asylum claim, they are dispersed to large-scale asylum seekers' centers spread across the country where they remain until their application is approved. When that happens, they enter the refugee dispersal system which aims to reduce the concentration of refugees in large cities and foster their integration (Arnoldus et al. 2003). Twice a year, the

[10] Some housing associations also allocate a portion of their vacancies through lotteries.
[11] This is based on the 2008 ad-hoc module of the European Union Labour Force Survey.

national government announces refugee dispersal targets for all municipalities based on their population size and the estimated number of refugees in need of permanent housing. Larger municipalities receive more refugees than smaller municipalities and the availability of social housing does not play a role in the distribution formula.[12] The provinces monitor the targets and have instruments to induce compliance by municipalities: from signaling and inquiring to finding accommodation for refugees on behalf of the municipality. They can also redistribute targets within their province, though this rarely happens. Refugees are then matched to municipalities which have twelve weeks to find permanent housing for them. Although municipalities do not own social housing, they can require housing associations to allocate a portion of vacant social housing to priority groups. Municipalities and housing associations often aim to spread refugees across neighborhoods to foster their integration (Smits van Waesberghe and Razenberg 2016: 8).

Several factors reduce the likelihood that new refugees can self-select into municipalities. First, they are made a single offer for a home on a take-it-or-leave-it basis. While they can reject it, they have few alternatives: they lose their right to stay in the asylum seekers' center and they will not receive priority for social housing in other municipalities. Second, they could join the waiting list in their desired municipality, but their chances would be very low as they would have to join the back of the queue. Moreover, refugees often lack the resources to rent privately due to their poor labor market integration. Even if they find their own accommodation, they count for that municipality's target. Although refugees are

[12] This differs from refugee dispersal systems in Denmark and Sweden, which consider housing availability, the presence of immigrants, and labor market conditions.

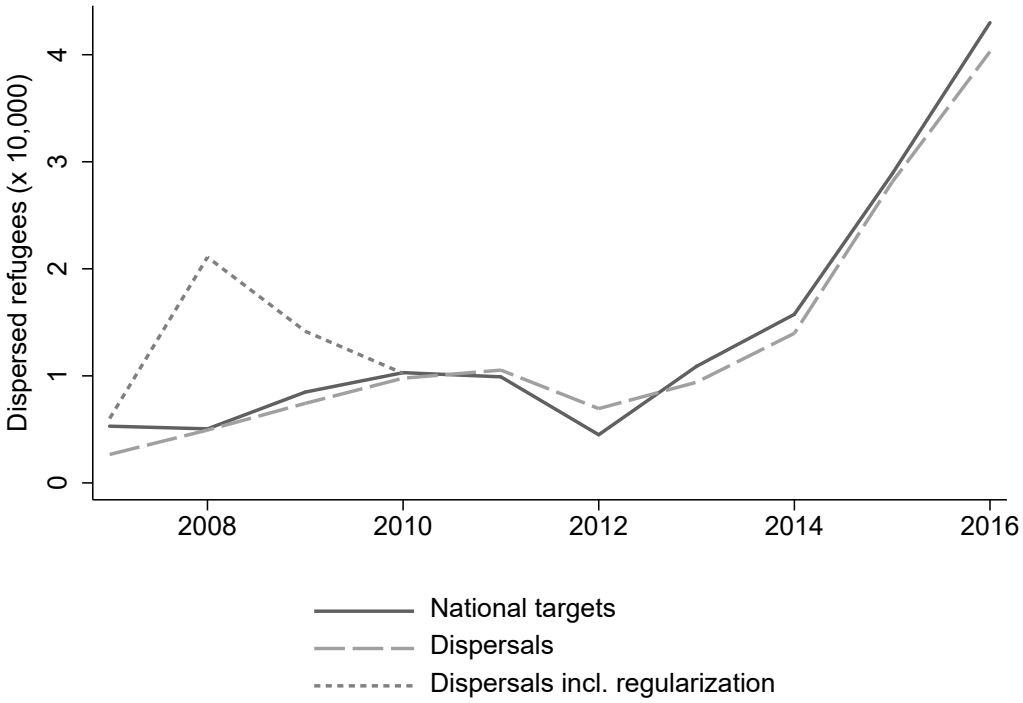
free to move after their initial placement, their mobility is limited in the short term: 84% of all refugees dispersed between 2011 and 2013 still lived in their assigned municipality in 2014 (Wissink and Lijzenga 2014).

Figure 5.1 displays the national targets and dispersals of new refugees between 2007 and 2016. In total, more than 160,000 refugees were dispersed across the country in this decade. In most years, the number of dispersed refugees is around 10,000, but there have been two large peaks. The first resulted from a large-scale regularization of 27,500 asylum seekers in 2007 for which a separate dispersal system was set up.[13] The second peak occurs after 2013 when the inflow of refugees increased rapidly due to the war in Syria.[14]

[13] This system operated until 2010. Half of these regularized asylum seekers had already left their asylum seekers' center and many of them were given social housing in the municipality they had moved to themselves (Wijkhuis et al. 2011).

[14] To relieve pressures on the dispersal system, the government introduced several temporary measures in 2015, including providing temporary accommodation to refugees for up to 24 months. From January 2016, these placements counted for the realization of dispersal targets. As the data do not distinguish between temporary and permanent housing, the analysis focuses on the pre-2016 years.

Figure 5.1 National targets and dispersals of new refugees



Source: Ministry of Security and Justice (2017)

5.3.3 Refugees and social housing competition

I use the refugee dispersal system to capture social housing competition measured as the percentage of vacant social housing allocated to new refugees. This captures immigrants' actual benefit use because municipalities rely on the social housing stock to provide permanent housing to new refugees. This measure is assumed to be exogenous to the welfare attitudes of the native-born population and unrelated to other confounders. This seems plausible as the dispersal system distributes new refugees evenly across municipalities and gives them limited control over their first placement. Native-born voters also have very little influence over these dispersals as all municipalities must participate and the provinces can impose sanctions on municipalities. While voters could demand

an expansion of the social housing stock, this process is lengthy under normal conditions and even more so in the aftermath of the 2008-09 economic crisis. Avoiding competition is also challenging given the local character of social housing waiting lists. This lends support to the assumption that immigration-related social housing competition is unrelated to the welfare attitudes of native-born voters.[15]

I assume that voters are aware of the allocations of social housing to refugees in their area. Ideally, this assumption would be tested directly (see Newmann et al. 2015). Although the survey does not include items on voters' perceptions, the assumption seems plausible as most municipalities are small (the median population size 26,500), most refugees are visible ethnic minorities in the Netherlands, and many housing associations publish data on allocations to refugees on their website. Supplement S.3.4 also demonstrates that regional newspapers cover the issue of housing allocations to refugees, though less frequently than other important local issues.

5.4 Empirical strategy

Eligibility for social housing in the Netherlands depends on income in two ways. Individuals are first divided into a primary target group, which includes those with household incomes below the income threshold, and a secondary target group, which includes everyone else. While the chance of receiving social housing does not depend on income for those in the primary target group, it decreases with

[15] Supplement S.3.3 provides more empirical evidence. It shows that dispersal targets are the main determinant of refugee dispersals while demographic, socioeconomic, and political factors have very little influence on it.

income for those in the secondary target group. The latter's chances are also more affected by needs-based allocations, including to refugees, as these take priority over allocations to the secondary target group. I therefore expect that an individual's income is a better predictor of support for immigrants' social rights in the secondary target group. To take this into account, I run models for the full sample, the primary target group of social housing (defined as those with a net monthly income up to €1,800), and the secondary target group (defined as those with a net monthly income above €1,800).[16]

To examine whether poor voters became less supportive of immigrants' social rights when social housing competition intensified, I use conditional fixed effects logit models. By focusing on changes within individuals, fixed effects models eliminate an importance source of omitted-variables bias resulting from unobserved and observed time-invariant differences between individuals. This is a major advantage over previous research based on cross-sectional data.

All models include year fixed effects to control for shocks that affect all individuals in a given year. Due to data availability of the competition measure, this analysis is based on six waves between 2009 and 2015. I also explore the political implications of my argument by testing whether social housing competition increased support for the populist right more among poor voters than among rich voters.

[16] I report a monthly net income threshold here because the analysis relies on a net monthly household income measure. This threshold corresponds to the annual gross income threshold of €34,000 mentioned earlier.

5.5 Data

To analyze support for immigrants' social rights and support for the populist right, I use the Longitudinal Internet Studies for the Social sciences (LISS) from CentERdata. This is a high-quality household panel survey that started in 2007 among 4,500 households and 7,000 individuals drawn from a true probability sample of Dutch households.[17] Refreshment samples were subsequently added in 2009, 2011, and 2013. I use the Politics and Values module, which includes items to measure political attitudes. I combine nine waves between 2007 and 2016, and I limit the sample to native-born respondents aged 18 and above.[18] In total, this study analyzes the attitudes of 9,791 respondents, 7,924 of whom completed the questionnaire multiple times (1,696 individuals twice, 982 individuals thrice, 709 individuals four times, and 4,537 individuals more than four times).

Attrition, or the dropout of respondents, occurs in all panel studies. It can lead to biased results if those exiting the panel differ systematically from those staying in the panel. To examine the degree of attrition, I compare the characteristics of individuals as a function of the number of waves they participated in (see Supplement S.3.5). I find that the groups do not differ greatly in terms of observable individual-level or municipal-level characteristics, such as social housing competition, the foreign-born population, or the low-educated population.

[17] Households are invited to participate via letter, telephone, or home visits to prevent self-selection into the panel. They are provided a loaned computer and broadband internet, if needed, and they are paid for their participation.
[18] The module was not conducted in 2014.

I match respondents to municipal data from Statistics Netherlands and administrative sources. To deal with shifting municipal boundaries, I adjust all municipal-level variables to reflect the borders of January 1, 2017.[19] This leads to 388 municipalities with, on average, 43,000 inhabitants.

5.5.1 Support for immigrants' social rights

The main dependent variable, support for immigrants' social rights, is measured with an item that asks individuals if they strongly agree, agree, neither agree nor disagree, disagree, or strongly disagree with the following statement: "Legally residing foreigners should be entitled to the same social security as the native-born population." The term "social security" is used in a broad sense to refer to government policies that promote a decent standard of living for everyone. Supplement S.3.6 shows the overall distribution of responses for all respondent-years. In 58.5% of all observations, respondents either strongly agreed or agreed with the statement that immigrants should receive equal social rights, while in only 16.5% of all observations respondents strongly disagreed or disagreed with the statement. Given the relatively high levels of support and the strong norm against overt discrimination in industrialized democracies, I interpret the neutral response ("neither agree nor disagree") as lack of support for immigrants' social rights.

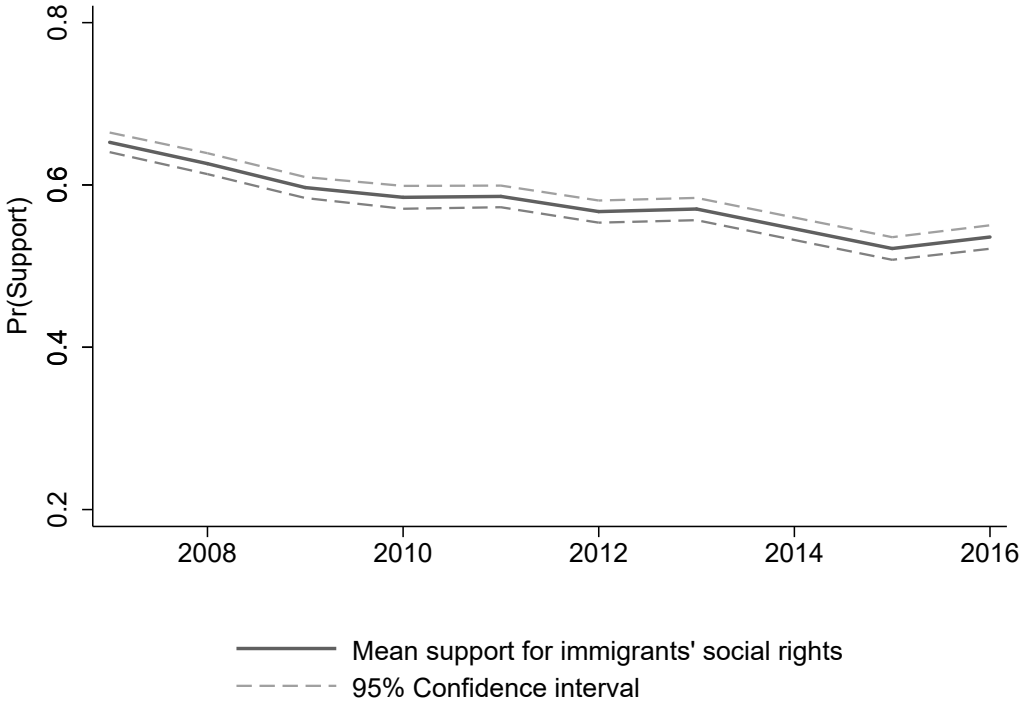
[19] Municipal reforms occur almost annually in the Netherlands and the number of municipalities declined from 443 to 388 during the period of analysis. The results are similar when I restrict the analysis to respondents living in municipalities without municipal reforms.

I recode the variable into a binary variable with a value of '1' for those who strongly agreed or agreed, and '0' otherwise.[20] This allows me to capture voters' changes in positions on immigrants' social rights. This measure is a difficult test of the benefit competition argument since it captures support for immigrants' social rights, and not support for refugees' right to social housing. I, therefore, interpret the results as a lower bound of the effect of social housing competition on support for immigrants' social rights.

Figure 5.2 shows the average support for immigrants' social rights (with 95% confidence intervals) over time. In 2007, almost two-thirds of all respondents favored equal social rights for immigrants. This declines in the following years, but more than half of all respondents continued to express support, even after the refugee crisis. Moreover, Table 5.1 displays the changes in support for immigrants' social rights compared to the previous year. It shows that these attitudes exhibit a relatively high degree of stability: in almost 75% of all respondent-years, individuals were as supportive of immigrants' social rights as in the year before. Nevertheless, a substantial number of respondents changed their attitudes: 13.4% became less supportive of immigrants' social rights whereas 11.7% became more supportive. The analysis will delve deeper into these changes.

[20] Robustness tests with support for immigrants' social rights defined as 'strongly agrees' or as an ordinal, five-category variable lead to similar results (see Supplement S.3.7).

Figure 5.2 Proportion of support for immigrants' social rights



Source: LISS (2007-2016)

Table 5.1 Changes in support for immigrants' social rights compared to the previous year

	Changes in support for immigrants' social rights			
	Less	Same	More	Total
Respondent-Years	4,911	27,495	4,309	36,715
Share (%)	13.4	74.9	11.7	100

Source: LISS (2007-2016)

5.5.2 Income

Material self-interest would ideally be measured with an item that asks whether individuals want to move into social housing. Unfortunately, such items are not available. I therefore use income as a proxy for material self-interest because eligibility for and reliance on social housing are strongly correlated with household income. I expect that low-income individuals are less supportive of

immigrants' social rights than high-income individuals because they are more likely to compete with immigrants for social goods. The continuous income variable sums the net monthly income of all household members. I adjust it for inflation using 2015 as the base year. After rescaling, one unit corresponds to 1,000 inflation-adjusted euros.

5.5.3 Social housing competition

The main independent variable on the municipal level is social housing competition. I expect that increased competition reduces support for immigrants' social rights. Since municipalities rely on social housing to meet their refugee dispersal targets and the supply of social housing is fixed in the short term, more houses allocated to refugees leads to fewer houses available for others, including native-born households. I measure social housing competition as the share of vacant social housing allocated to new refugees in each municipality *j* in each year *t*:

$$Social\ housing\ competition_{jt} = \frac{Social\ housing\ allocated\ to\ new\ refugees_{jt}}{Vacant\ social\ housing_{jt}}\ X\ 100$$

I discuss the construction and sources of this measure in detail in Supplement S.3.2. For reasons of brevity, I mention here that the number of social dwellings allocated to refugees is estimated using administrative data on the inflow of newly dispersed refugees and dividing these by the average refugee household size. I estimate the number of vacant social housing by multiplying annual data on the social housing stock by the local annual turnover rate. I focus

on vacant social housing instead of the total social housing stock because individuals are competing for the former.[21]

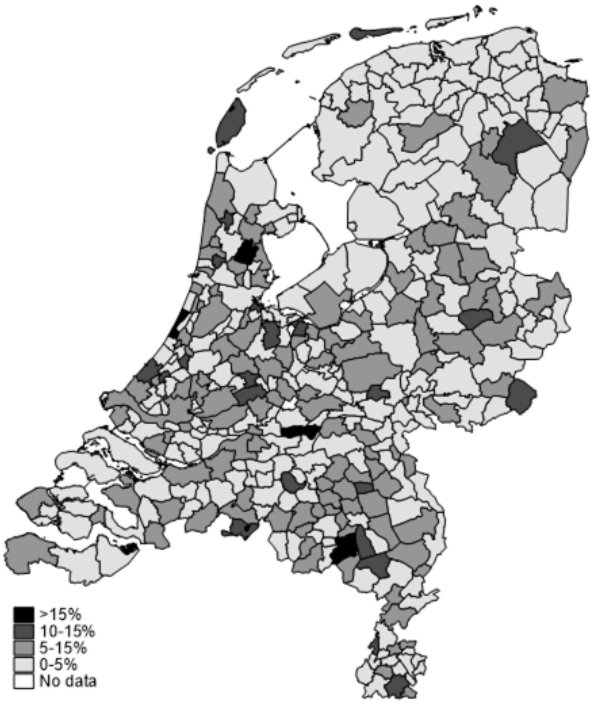
Social housing competition was below 5 per cent until 2013 and rose to 6.1 per cent in 2014 and 10.6 per cent in 2015. Even though refugees make up a small portion of the total population, they receive a substantial share of vacant social housing. Figure 5.3 illustrates the regional and temporal variation in social housing competition across 388 municipalities in 2009 (the earliest date for which I have data on social housing) and 2015. Darker areas indicate municipalities in which more vacant social housing is allocated to refugees. The regional differences are starkest in 2015, but even in 2009 the refugee dispersal system placed greater strain on some municipalities than on others. While Figure 5.3 suggests that social housing competition is higher in the east and more rural part of the country, I should note that the correlations with measures of urbanization, such as population size and population density, are negative and relatively weak: r=-0.16 and r=-0.18, respectively.[22]

Figure 5.4 shows the distribution of changes in social housing competition for each respondent-year in the full sample. On average, competition increased by 0.9 pp. While these within-changes are small, the variation is wide: one-tenth of the sample was exposed to increases of at least 6 pp while another tenth experienced decreases of 3 pp or more.

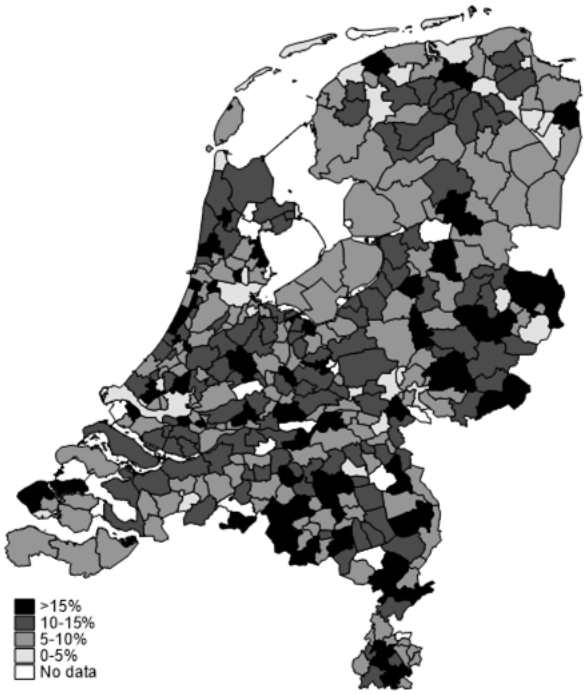
[21] Since vacancy rates may be higher in areas with poorer housing conditions, I also create a second measure of competition based on the total social housing stock. In the robustness tests, I show that the main findings are similar (see Supplement S.3.7).
[22] The patterns are weaker but in the same direction when I exclude the 44 largest municipalities.

Figure 5.3 Share of vacant social housing allocated to new refugees across 388 municipalities

Panel A: 2009

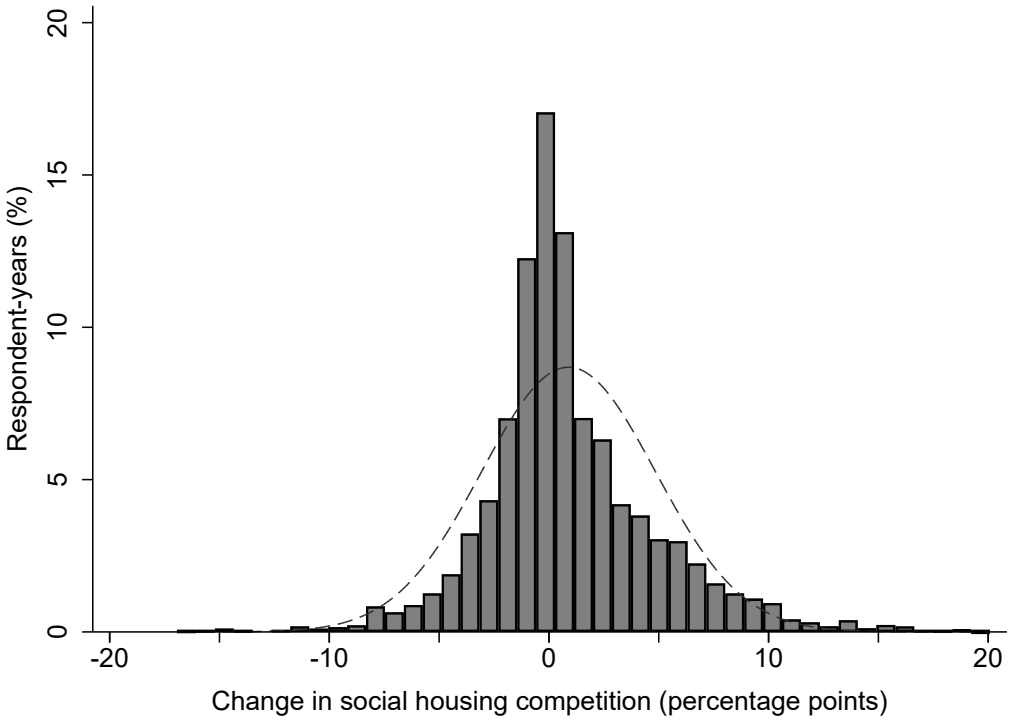


Panel B: 2015



Source: Author's dataset

Figure 5.4 Distribution of changes in social housing competition in the sample



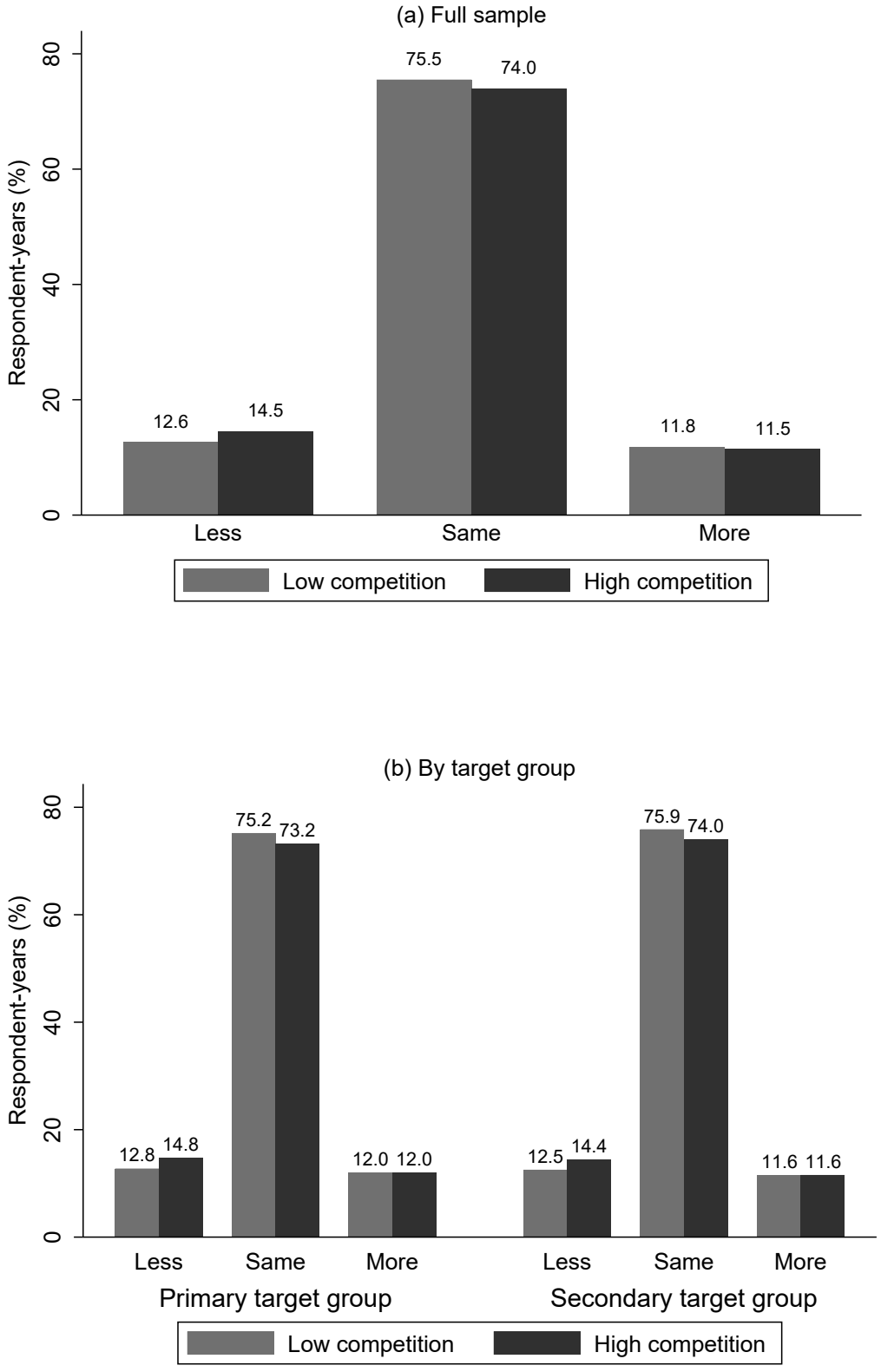
5.5.4 Control variables

I control for the following individual-level variables: age (in years), a dummy for having a university degree, household size, and a dummy for the unemployed. To capture differences between municipalities, I include the percentage of foreign-born, a dummy for the presence of an asylum seekers' center, the percentage of social housing, and the percentage of low-educated. It is also important to control for local demand for social housing as some municipalities may be in greater demand than others. Since comparable data on local waiting lists do not exist, I use the growth rate of the low-income population (defined as the share of the population below the fifth decile of the national income distribution) and the growth rate of the total population as proxies for local demand. Supplement S.3.6 describes the operationalization of these variables.

5.6 Results

I start by examining the relationship between social housing competition and individuals' support for immigrants' social rights descriptively. Figure 5.5 displays the percentage of respondent-years in which respondents became less supportive, more supportive, or remained as supportive of immigrants' social rights compared to the previous year. This is presented for individuals who experienced large increases in social housing competition (i.e. high competition) and for those who did not (i.e. low competition). Panel (a) shows the relationship for the full sample. In line with my expectations, I find that respondents were more likely to withdraw their support for immigrants' social rights when they experienced more increases in competition. Their share rose from 12.6 per cent in the low-competition context to 14.5 per cent in the high-competition context. Given the high degree of stability in these attitudes, a rise of 2 percentage points is significant. Panel (b) shows that this general pattern holds across the primary and the secondary target group. As these comparisons do not control for individual- or municipal-level characteristics, I will analyze this relationship more systematically below.

Figure 5.5 Changes in support for immigrants' social rights and social housing competition



5.6.1 Competition and support for immigrants' social rights

Table 5.2 presents the results from fixed effects logit analyses for the full sample, the primary target group of social housing, and the secondary target group. I first run reduced-form models that include the main independent variables: a person's income, social housing competition in their municipality, and their interaction. Model 1 reports the results for the full sample. I find that income has a positive effect on individuals' attitudes: as income increases, support for immigrants' social rights increases. As expected, I also find that an increase in social housing competition is associated with a decrease in support for immigrants' social rights. The positive interaction indicates that this decrease will be larger for those with lower incomes. While the coefficients are in the expected direction, they are statistically insignificant. To shed more light on this, I therefore move on to the subsample analyses.

Model 2 shows that the effect of social housing competition on support for immigrants' social rights does not depend on income in the primary target group. The coefficients for income, social housing competition, and their interaction are in the same direction as before but they are insignificant. These null findings suggest that the poorest members of society are more shielded from social housing competition with refugees because needs-based allocations have a smaller effect on their chances of receiving a house.

Table 5.2 Social housing competition and support for immigrants' social rights

	All	Primary Target	Secondary Target		
	(1)	(2)	(3)	(4)	(5)
Income (x €1,000)	1.003	1.539	0.962	0.966	0.966
	(0.038)	(0.429)	(0.049)	(0.051)	(0.051)
Social housing competition	0.982	0.957	0.957*	0.957*	0.957*
	(0.015)	(0.053)	(0.021)	(0.021)	(0.021)
Income X Competition	1.005	1.039	1.012*	1.012*	1.012*
	(0.005)	(0.041)	(0.006)	(0.006)	(0.006)
Age				1.035	1.035
				(0.054)	(0.054)
University degree				0.542	0.539
				(0.213)	(0.212)
Household size				1.025	1.025
				(0.078)	(0.078)
Unemployed				1.107	1.107
				(0.222)	(0.222)
Foreign-born (%)				1.052+	1.054+
				(0.031)	(0.031)
Asylum seekers' center				1.129	1.130
				(0.166)	(0.166)
Social housing (%)				0.989	0.988
				(0.019)	(0.019)
Low-educated population (%)				1.014	1.013
				(0.010)	(0.010)
∆% Low-income population					0.984
					(0.020)
∆% Population growth					0.988
					(0.050)
Observations	12,908	2,918	9,230	9,205	9,205
Number of respondents	2,703	671	2,017	2,011	2,011
Waves	6	6	6	6	6
Year fixed effects	Yes	Yes	Yes	Yes	Yes

Note: Estimates from conditional fixed effects logit models. Logit coefficients are odds ratios. ** p<0.01, * p<0.05, + p<0.1

By contrast, model 3 shows that the effect of social housing competition does depend on income in the secondary target group, as expected. Income and social housing competition have a negative main effect while the interaction term is positive and significant. This means that, in the secondary target group, social housing competition reduces support for immigrants' social rights more among those with lower incomes than among those with higher incomes. This finding makes sense given that housing associations often consider income for their free allocations (Kromhout and Zeelenberg 2014: 13). The results suggest that social housing competition matters most to low- and middle-income families, who often earn too much to be fully eligible for social housing and not enough to enter the private rental or owner-occupied market.

The fourth model explores whether the systematic differences between the higher- and lower-income individuals in the secondary target group hold after controlling for individual- and municipal-level characteristics. Neither age, education, household size, nor becoming unemployed can explain why social housing competition reduces support for immigrants' social rights more among those with lower incomes. Regarding municipal-level characteristics, I find that the effects of the level of immigration and the presence of an asylum seekers' center are positive and the former is significant at $p<0.1$. This could be interpreted as support for the contact hypothesis which proposes that positive interactions between immigrants and native-born individuals lead to more positive attitudes towards immigrants (Allport 1954). It could also reflect that individuals with more inclusive attitudes towards immigrants self-select into urban areas (Maxwell 2019), which are also the main destination of immigrants. The percentage of

social housing and of the low-educated population are both poor predictors of changes in support for immigrants' social rights.

The last model controls for the growth rates of the low-income population and the total population as proxies for the local demand for social housing. It shows that individuals are less likely to support immigrants' social rights when they live in municipalities with a potentially growing demand for social housing, but neither of these variables is significant. Importantly, the main findings do not alter when I control for the potential demand for social housing.

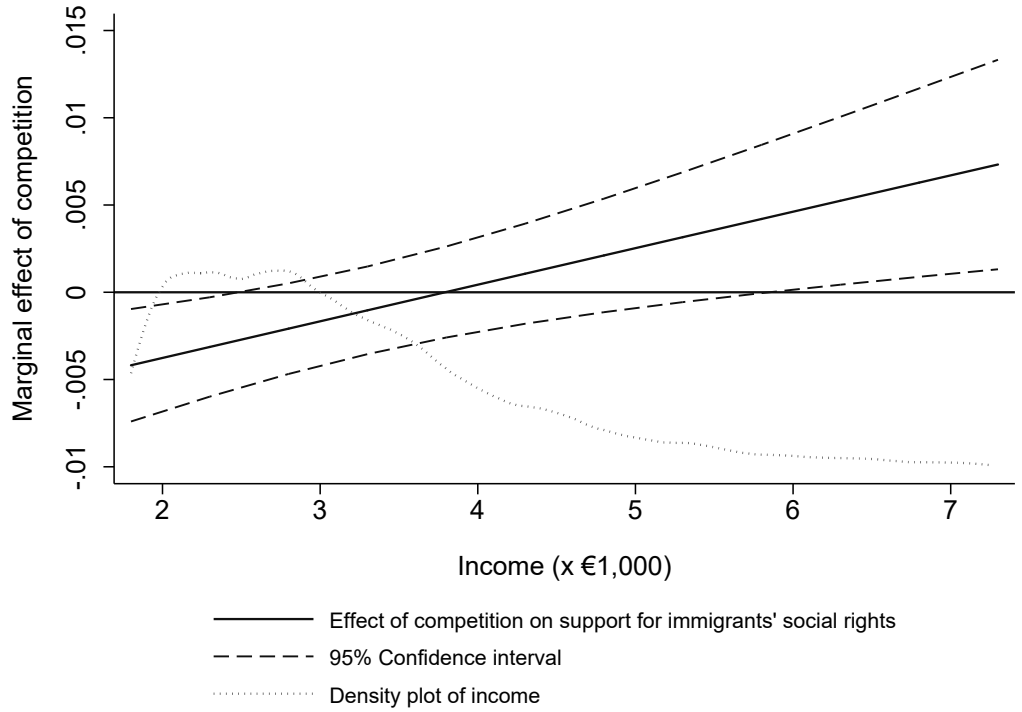
To illustrate the substantive effects, Figure 5.6 presents the average marginal effects of social housing competition conditional upon the level of income based on model 5.[23] As expected, it shows that social housing competition significantly decreases support for immigrants' social rights among poor voters in the secondary target group. They demand a less inclusive welfare state when they face competition for scarce social goods and services in their area. As income goes up, the effect of social housing competition on support for immigrants' social rights diminishes and the confidence intervals widen, particularly for income values higher than €4,700 (90th percentile).

At very high levels of income (above the 97th percentile), the effect of competition even becomes positive: these rich individuals thus become more supportive of immigrants' social rights when the level of social housing competition in their municipality increases. This interesting finding may reflect the small sample sizes of the very rich. Alternatively, this group of voters may realize

[23] Since conditional fixed effects logit models do not estimate the fixed effects, I calculate these estimates using a correlated random effects probit model with clustered standard errors (see Wooldridge 2002). Full tables are reported in Supplement S.3.7.

that granting more social housing to refugees is relatively cheaper than having refugees stay in an asylum seekers' center. The latter is not only more expensive in the short term (e.g. in 2017, the Dutch government estimated the costs of shelter in these centers at €32,300 per asylum seeker per year). It also hampers the socioeconomic integration of new refugees in society in the long term as they generally start their language and integration courses after their placement in a municipality. Allocating more social housing to refugees may therefore be in line with the material self-interest of the very rich. They may also support this more easily because they are unlikely to rely on social housing or to live in neighborhoods affected by these housing allocations.

Figure 5.6 Social housing competition, income, and support for immigrants' social rights



I also calculate the predicted probabilities for low- and high-income voters in the secondary target group, who have a net monthly income of 2,000 (10th percentile) and 4,700 (90th percentile) inflation-adjusted euros respectively, while holding the control variables at their means. The probability to support immigrants' social rights decreases significantly from 0.61 to 0.60 for the low-income voters, if we move the level of social housing competition from zero to the mean, and it drops to 0.59 if we move the level of social housing competition one standard deviation above the mean. These differences are all significant. By contrast, the effect of social housing competition is positive for high-income voters, but statistically insignificant. Existing research has shown that policy preferences are relatively stable over time, but they can and do change (Maxwell 2019, O'Grady Forthcoming). The modest effects of social housing competition are therefore meaningful as politics often happens at the margins. Moreover, one-tenth of the sample witnessed rises in social housing competition of 6 per cent or more during this decade. It is also important to reiterate that social housing competition with refugees is used here mainly to circumvent the self-selection of immigrants into urban areas. As the total immigrant population is more numerous, the effects of benefit competition may thus reasonably be larger.

5.6.2 Robustness tests

Although one should always be careful with causally interpreting observational data, the within-subject design combined with an exogenous measure of social housing competition allows me to exclude a wide range of alternative explanations. To further increase confidence in my results, I discuss here the main findings from a series of robustness tests (for more, see Supplement S.3.7).

First, low-income individuals may become less supportive of immigrants' social rights because they are more prejudiced, have authoritarian personalities, or harbor more cultural fears (see, van der Waal et al. 2010, and on general immigration attitudes, Sides and Citrin 2007). This explanation has been influential in the literature. To the extent that these predispositions are time-invariant, the individual fixed effects should capture them in the longitudinal analysis. In addition to controlling for education, a strong predictor of cultural fears, I show that the core findings also hold when I include social class and a dummy for authoritarianism.

Secondly, previous studies show that the urban-rural divide is important to understand support for the populist right and immigration attitudes (see, for example, Maxwell 2019). To examine whether the findings are driven by urbanization, I control for population size, population density, and a dummy for living in an urban area. This does not change the results. I also run a triple interaction between income, social housing competition, and a dummy for living in highly urbanized municipalities. The insignificant interaction term indicates that the relationship between income and social housing competition does not differ across urbanized and less urbanized municipalities.

Another concern could be that refugee dispersals trigger fairness concerns as refugees often receive housing before others on the waiting list. While this explanation is not incompatible with my argument, it cannot explain why allocating social housing to refugees would matter more to the poor than to the rich. Individuals also seem more than willing to violate norms of fairness, as data from the 2008 Cultural Changes survey suggests: while 66.5 per cent of Dutch respondents would not discriminate between the native-born and

immigrants in times of housing shortages, a large minority of 31.2 per cent would give priority to native-born households over immigrant households.

Moreover, some may argue that individuals should not care about competition if they have already secured social housing. However, this neglects that Dutch persons move, on average, eight times during their lifespan. Current social housing tenants may therefore reasonably worry about their future chances to move into a new social dwelling. More importantly, housing surveys show that more than one-third of Dutch households wants to move homes, and more than half of them wants a rental dwelling or has no preference between rental and owner-occupied dwellings (WoonOnderzoek 2015). This is a large group of potentially affected individuals.

Finally, the main finding that social housing competition matters more to those with lower incomes is robust to controlling for political ideology, homeownership, being out of the labor force, local unemployment rates, the percentage of industrial jobs, the percentage of benefit recipients, average housing values, and the size of the private rental market. I also find similar results when I use a gross income measure, restrict the analysis to individuals in ethnically homogenous municipalities, or use an index of pro-immigration attitudes. Supplement S.3.7 describes these and other tests.

5.6.3 Competition and support for the populist right

Having demonstrated that social housing competition reduces support for immigrants' social rights among poor voters, this section explores whether it also increases support for the populist right more among poor voters than among rich voters. I estimate two-way fixed effects linear models with respondents'

evaluations of the main populist right party in the Netherlands, the Party for Freedom, as the dependent variable.[24] This variable ranges from '0', very unsympathetic, to '10', very sympathetic.[25] Support for the Party for Freedom is, on average, 2.95 (SD=2.4). Like before, I run analyses for the full sample, and the primary and secondary target groups.

Table 5.3 summarizes the results. I find that social housing competition increases support for the populist right and that this effect is stronger for the poor than for the rich. While the interaction term is in the expected direction in all models, it is highly significant in the full sample and the secondary target group, but not in the primary target group. This suggests that social housing competition matters most to those with low to middle incomes. Moving on to the control variables, I confirm previous findings that education and becoming unemployed are important predictors of support for the populist right (see, for example, Rydgren 2007). By contrast, the level of immigration does not predict support for the populist right in the Netherlands.

For voters with a net monthly income of 2,000 (10^{th} percentile) inflation-adjusted euros, support for the populist right increases from 2.86 to 2.91 (out of 10) if we move from zero to the mean of social housing competition, and to 2.94 if we move one standard deviation above the mean of social housing competition. This is in line with the earlier findings on support for immigrants' social rights, and it shows that benefit competition can push some voters towards populist right

[24] This party has proposed to restrict immigrants' social rights, for example by eliminating refugees' priority status for social housing and only granting legal immigrants access to social benefits after ten years of residence (PVV 2012).
[25] I focus on evaluations because they allow more variation and may be less vulnerable to social desirability bias than vote intentions. However, both measures are positively correlated.

parties. The populist right thus seems able to attract voters on economic issues, and not only on cultural ones. Interestingly, social housing competition seems to push rich voters away from the populist right. For voters with a monthly income of 4,700 (90^{th} percentile) inflation-adjusted euros, support decreases from 3.06 to 3.00 when competition increases from zero to the mean and it decreases further to 2.95 when competition increases to one standard deviation above the mean. Supplement S.5.8 shows that the main finding that social housing competition boosts support for the populist right among poor voters but not among rich voters is robust to controlling for alternative explanations on the individual and context level.

Table 5.3 Social housing competition and support for the populist right

	Full sample		Primary target		Secondary target	
	(1)	(2)	(3)	(4)	(5)	(6)
Income (x €1,000)	0.047*	0.051*	-0.074	-0.026	0.068*	0.074**
	(0.021)	(0.022)	(0.142)	(0.144)	(0.028)	(0.028)
Social housing competition	0.025**	0.025**	0.029	0.032	0.030**	0.031**
	(0.008)	(0.008)	(0.034)	(0.034)	(0.010)	(0.010)
Income X Competition	-0.008**	-0.008**	-0.016	-0.018	-0.010**	-0.010**
	(0.002)	(0.002)	(0.023)	(0.023)	(0.003)	(0.003)
Age		-0.026		-0.111		-0.017
		(0.021)		(0.091)		(0.017)
University degree		-0.427*		-0.348		-0.532*
		(0.167)		(0.279)		(0.228)
Household size		-0.016		-0.214		-0.018
		(0.033)		(0.176)		(0.040)
Unemployed		0.013		-0.306+		0.166+
		(0.079)		(0.162)		(0.090)
Foreign-born (%)		0.009		-0.002		0.004
		(0.011)		(0.022)		(0.012)
Asylum seekers' center		-0.034		0.061		-0.101
		(0.058)		(0.108)		(0.074)
Social housing (%)		-0.005		-0.002		-0.006
		(0.008)		(0.017)		(0.010)
Low-educated population (%)		-0.000		-0.004		0.001
		(0.004)		(0.010)		(0.005)
∆% Low-income population		-0.003		0.021		-0.011
		(0.009)		(0.023)		(0.010)
∆% Population		-0.010		-0.078		0.016
		(0.022)		(0.049)		(0.025)
Observations	25,437	25,386	6,320	6,299	19,117	19,087
Number of respondents	7,218	7,207	2,269	2,264	5,786	5,777
Waves	6	6	6	6	6	6
Year fixed effects	Yes	Yes	Yes	Yes	Yes	Yes

Note: Estimates from fixed effects linear models with robust standard errors.
** p<0.01, * p<0.05, + p<0.1

5.7 Conclusion

This chapter tested whether immigration-related benefit competition lowers support for immigrants' social rights more among poor voters than among rich voters. It focused on competition for social housing in the Netherlands, a social program in which benefit eligibility and reliance depend on income. Using individual-level panel data and a novel measure of social housing competition, based on a mandatory refugee dispersal system, I found that low- and middle-income individuals became less supportive of immigrants' social rights when social housing competition intensified in their municipality. By contrast, competition did not influence support among the rich, who are less eligible for and less reliant on social housing, or among the very poor, who are more shielded from social housing competition. Using the same panel data, I also showed that social housing competition increased support for the populist right more among poor voters than among rich voters. Benefit competition can thus have political implications.

Even though recent findings suggest that immigration has a stronger negative effect on the redistribution preferences of the rich than the poor (Alt and Iversen 2017, Finseraas 2012, Rueda 2018), this chapter demonstrates that immigration also matters to the poor because it can reduce their support for an inclusive welfare state. This confirms the importance of examining welfare attitudes other than general support for redistribution (see also, Cavaillé and Trump 2015). These findings also challenge the interpretation that poor voters are lured away from the left by the anti-immigrant rhetoric of right-wing populist parties (Alesina and Glaeser 2004). Instead, some of these voters seem to align themselves with a party that promises to protect their material self-interest by

restricting immigrants' access to valuable social goods. To maintain broad support for generous and inclusive welfare states, it is therefore crucial that governments balance the demands of the native-born and immigrants when welfare provisions are scarce.

This chapter moved beyond the labor market to illustrate how immigration impacts welfare attitudes when it puts pressure on social goods and services in local communities. I focused on social housing because it is a tangible and important good for many. My argument, however, can be applied to other welfare provisions with low supply elasticity, such as education and health care. Large segments of the population rely on these social programs throughout their lives and governments spend a substantial portion of their budgets on their provision. This would be an interesting avenue for future research.

The Netherlands was a useful case because a large portion of its population depends on social housing and its mandatory refugee dispersal system creates exogenous variation in competition for social housing. These findings can also increase our understanding of welfare attitudes in other countries with extensive social housing markets and immigration, such as Germany, France, or the Nordic countries. Given the more universal character of its public housing system, Sweden would be particularly interesting for further study once individual-level data on support for immigrants' social rights become available. The findings may travel less well to countries as the United States and the United Kingdom where social housing is more residual and stigmatized, and many immigrants are already ineligible due to legal restrictions. In these countries, immigration may increase competition in the private rental market where other factors play a role.

I will conclude by mentioning some limitations of the analysis. Firstly, I focused on social housing competition across municipalities, but I did not address ethnic residential segregation within municipalities. If the native-born population eschews diverse neighborhoods and immigrants self-select into them, there may not be competition between groups. While this is a valid concern, I will note that Dutch municipalities and housing associations aim to spread refugees evenly across neighborhoods and that the results also hold for voters living in ethnically homogenous municipalities. Secondly, I cannot rule out that social housing competition only affected individuals' willingness to express their attitudes towards immigrants' social rights instead of their position on this issue, as my argument holds. Even if this were the case, these findings matter because political actors may follow up on voters' signals and translate them into more restrictive social policies.

Chapter 6

Cultural Dissimilarity and Labor Market Competition: Evidence from a Laboratory Experiment

6.1 Introduction

In the previous chapters of this dissertation, I have tested different parts of the theoretical argument using cross-sectional and longitudinal survey data from Western Europe. In Chapter 3, I focused on the cultural dissimilarity hypothesis and demonstrated that rich voters were less supportive of redistribution when they live in countries or areas with more culturally dissimilar immigration. In the following chapters, I zoomed in on the effect of competition on voters' support for the welfare state. In Chapter 4, I found that voters in the UK and Ireland felt more financially insecure when they were more exposed to new EU immigrants in their occupation after the EU enlargement. The findings also showed that this increased support for redistribution among British voters. In Chapter 5, I demonstrated that poor voters in the Netherlands became less supportive of immigrants' social rights when more social housing was allocated to refugees.

In this chapter, I test the argument with a laboratory experiment. Such experiments can be powerful tools to study the effect of immigration on support for the welfare state because they give researchers more control over the environment and the variables of interest. With the laboratory experiment, I aim to address three limitations of the previous analyses based on observational data. First, instead of zooming in on either the cultural dissimilarity among the poor or the level of immigration-related competition, the experiment will study both effects of immigration at the same time. This allows me to explore how

individuals respond when these channels interact. Second, the analyses in Chapter 3 could not fully disentangle the cultural background of immigrant populations from their socioeconomic background or stereotypes. In the laboratory experiment, I induce artificial social identities to abstract away from such confounders. Based on painting preferences, I create three groups that vary in their degree of cultural similarity. By randomly varying the composition of decision groups, I can study whether individuals are more willing to help the poor when the poor are more culturally similar. Third, the experiment allows me to test the causal mechanism that individuals are less altruistic towards those in need when the latter are more culturally dissimilar, and that individuals will be more supportive of redistribution when they or other in-group members are exposed to the negative consequences of resource competition. By holding constant alternative causal mechanisms, such as reciprocity and social insurance, I can assess the importance of group-bounded altruism as a determinant of redistribution preferences.

As an additional advantage, the laboratory experiment can help us understand how people behave when their choices have real, monetary consequences. If the behavioral patterns are in line with the earlier found attitudinal patterns, this would further strengthen our confidence in the argument. Laboratory experiments also have limitations. For instance, their findings may not be easily generalized to a larger population or other settings because they are based on a very controlled setting. While acknowledging this limitation, I would emphasize here that the main aim of this chapter is to test the causal mechanism of the dissertation's argument and that these findings are meant to complement

those based on cross-sectional and longitudinal survey data from nationally representative samples.

The remainder of this chapter is structured as follows. First, I discuss existing behavioral and experimental research from economics and political science on ethnic diversity and support for redistribution. Then, I present the research design for the laboratory experiment, expectations, and the main findings. The final section concludes the chapter.

6.2 Existing research

There is a long tradition in social psychology and economics to study pro-social behavior and social identity using various games, such as Dictator Games, Trust Games, and Public Good Games. A general finding from this literature is that individuals are more generous to in-group members than to out-group members. (for an overview, see Costa-Font and Cowell 2015, Everett et al. 2015). These studies, however, have used different ways to measure group identity.

Some studies have primed natural identities, which are based on the real-world characteristics in which we are interested, such as race, gender, or country of origin. Van der Merwe and Burns (2008), for example, find that white South Africans allocate more to other white South Africans than to black South Africans. In a study in Israel, Fershtman and Gneezy (2001) examine allocations between Ashkenazic Jews and Eastern Jews in Israel. They too find that individuals give more to members of their own group than to members of the other group. Other studies have also found that discrimination occurs more in trust games because out-group members are perceived as less trustworthy than in-group members

(Fershtman and Gneezy 2001, Habyarimana et al. 2007, Fong and Luttmer 2009).

A problem with these studies, however, is that these natural group identities also correlate with differences in the socio-economic status of groups in the real world. Eastern Jews, for example, generally have worse socio-economic outcomes than Ashkenazic Jews in Israel, and the same applies to black South Africans and African Americans. It is therefore unclear whether the native population lowers its support for redistribution because the out-group members are culturally dissimilar, or because they are more likely to be poor, or both. Moreover, natural identities may lead to politically correct or socially desirable behavior if participants are aware of the treatment. Due to the taboo on discriminating based on race, gender, or ethnicity, individuals may then hide their true preferences in the lab or in surveys. This makes it more difficult to detect whether and how much individuals discriminate.

Other studies have therefore induced artificial social identities in the lab by dividing participants into groups based on arbitrary criteria, such as counting the number of dots or painting preferences. This allows researchers to control for factors that may co-vary with natural identities, such as stereotypes, beliefs about deservingness, and the socio-economic status of groups in society. It also gives researchers more control to isolate the effect of group boundaries on individual behavior. These studies have found evidence of in-group favoritism using such artificial identities (see, for example, Aksoy 2015, Chen and Li 2009, Goette et al. 2012). There are, however, also important limitations: artificial social identities may not fully capture the salience and meaning that people attach to their group

identities, which means that we cannot easily generalize these findings to situations with natural identities (Goette et al. 2012).

To test whether different immigrants lead to different responses among the native population, it is important to examine individuals' behavior in the context of multiple out-groups. Most studies, however, have relied on the standard framework of creating one in-group and one out-group (for an overview, see Everett et al. 2015). There are some exceptions. Grimm et al. (2017), for instance, used university students from five different departments to study altruistic behavior. These groups, however, were nominal groups based on natural identities and did not differ in terms of their degree of similarity. Other studies from social psychology have used random assignment to create three artificial social identities. They showed that while random assignment can generate in-group bias in the context of two groups, it does not work in the context of three groups (Hartstone and Augoustinos 1995, Spielman 2000). The main reason is that a third arbitrary group reduces the sharp group distinctions that lead to in-group bias and competitiveness. In-group bias can be generated in a three-group setting by adding joint tasks to experiments to enhance participants' identification with their artificial group identity and raise the salience of the group identity.

Research from social psychology has also demonstrated that 'crossed categorization' can be used to create similar and dissimilar out-groups. This technique refers to orthogonally combining two dichotomous dimensions to yield four identity groups: a double in-group, two partial out-groups, and a double out-group (Vanbeselaere 1987). This can be applied to natural identities (see, for example Hagendoorn and Henke 1991 on caste and religion in India) and to

artificial identities. In a meta-analysis, Mullen et al. (2001) find that individuals differentiate more between other in-group members and the dissimilar out-group, and less between other in-group members and the similar out-groups. I will use these insights in my experiment to create three groups: one in-group, one culturally similar out-group, and one culturally dissimilar out-group.

In Chapter 1 of this dissertation, I showed that political scientists came relatively late to studying the effects of increased diversity, resulting from immigration, on voters' support for the welfare state. This discussion also revealed that many studies rely on cross-sectional survey data to test their arguments. A major challenge for these approaches is to demonstrate the causal effect of immigration on voters' preferences: the level and type of immigration is often correlated with other factors and the distribution of immigrants across and within countries is not random. Recent studies have used experimental approaches to circumvent some of these problems. Using survey experiments, some have manipulated the salience of immigration when asking respondents about their support for redistribution or specific social programs (see, for example, Bay and Pedersen 2006, Muñoz and Pardos-Prado 2017, Sniderman et al. 2014). Others have presented respondents with short descriptions of hypothetical recipients and asked to what extent they support the level of benefits for these recipients (Harell et al. 2014, Harell et al. 2016, Ford 2015). These studies generally confirm that immigration decreases the willingness to support redistribution, but they leave important questions unanswered.

First, the mechanisms driving this negative relationship often remain unclear. Since immigrant status is correlated with many factors, such as socioeconomic background or existing stereotypes, it is not straightforward how

to interpret the effect of immigration. Second, most studies do not differentiate between immigrants, even though the term ‘immigrants’ is ambiguous. Blinder (2015), for example, shows that British respondents have asylum seekers and permanent immigrants in mind when they think of immigrants. If all respondents think of culturally dissimilar immigrants, these findings may overestimate the effects of immigration on redistribution preferences. Third, few studies have tried to explain how attitudes towards specific welfare recipients relate to general support for redistribution. Finally, the focus of these studies on attitudes means that we cannot distinguish between respondents’ stated preferences and their actual behavior.

A small, but growing number of studies has used laboratory experiments, though most do not focus on immigration specifically. The first set of studies has tested whether individuals support redistribution because they want to transfer income from the rich to the poor, or because they want to insure themselves against the future risk of income loss (see Ahlquist et al. 2017, Barber et al. 2013, Esarey et al. 2012, Tyran and Sausgruber 2006). They have done this in Redistribution Games where participants are assigned or earn an income and then vote on their preferred tax rate for the group. To this basic framework, other characteristics have been added: from the options for the tax rate (fixed or continuous) and the level of inequality to efficiency costs related to redistribution and various voting mechanisms (random dictator, unanimity, majority, and median voter rules) (Durante et al. 2014). By incentivizing participants to follow their material self-interest and mimicking unemployment risks through exogenous and random shocks, these studies have shed light on the relative

importance of purely redistributive and social insurance motivations. However, they have not engaged with the issue of immigration.

A second set of studies has studied the effect of group identity on redistribution behavior (see, for example, Klor and Shayo 2010, Duell 2015). Klor and Shayo (2010) examined possible conflicts between a person's material self-interest and material interests of the group to which they belong. Using students from two different departments, they find that some individuals are willing to place the group's interest above their self-interest when the costs are moderate. A limitation of their design is that they randomly assigned income to participants and focused on two identity groups only.

The final set of studies has studied allocation behavior more generally by using dictator games instead of redistribution games. An interesting feature of these studies is that they shed some light on the cultural similarity hypothesis by using multiple out-groups. Whitt and Wilson (2007) examine altruistic behavior among three ethnic groups in Bosnia: Bosnians with a Muslim background, Bosnians with a Christian background, and Croats (who are predominantly Christian). While the evidence demonstrates that individuals are more likely to give to fellow in-group members, they do not find that individuals discriminate between out-groups. Mironova and Whitt (2014) conduct a similar study among three groups of Serbs in post-war Kosovo: those living close to Albania, those living in the border region, and those living close to Serbia. They show that individuals with greater exposure to Albanians are more generous towards in-group members and towards out-group members. These findings are interesting, but they are based on a very particular context of post-conflict countries. It is

therefore not clear whether these patterns generalize to industrialized democracies.

6.3 Experimental procedure

To test whether the degree of cultural similarity among the poor and the level of competition affect people's willingness to support redistribution, I ran a laboratory experiment. The experiment consisted of four phases: the introduction (phase 1), the inducement of group identities (phase 2), the decision-making games (phase 3), and the exit (phase 4). These phases and their sub-components are summarized in Table 6.1 below. The following section elaborates on these phases of the experiment and the sample recruitment.

Table 6.1 Overview of the experiment

Phase	Period	Rounds	Task
1: Introduction			Pre-experiment survey
		1	Dictator Game I
		1	Lottery Game I
2: Inducing identities			Painting preference tasks
			Group quiz
3: Decision making	1		Earnings Task I
		8	Redistribution Game I
	2	1	Dictator Game II
		1	Lottery Game II
			Earnings Task II
		8	Redistribution Game II
	3	1	Dictator Game II
		1	Lottery Game II
			Earnings Task II
		8	Redistribution Game II
4: Exit			Post-experiment survey
			Payments

6.3.1 Sample recruitment

The experiment was run in five separate sessions in May 2019. For these sessions, 120 participants were recruited from the student subject pool of the Centre for Experiments in Social Sciences (CESS) which consists of students from the University of Oxford and Oxford Brookes University.[1] These participants were invited by email and they gave their written consent to participate in the experiment upon their arrival in the lab. Unfortunately, it was not possible to invite British students only because such background characteristics are not collected by CESS. The heterogenous background of the participants, many of whom were international students, may influence the results as previous research suggests that individuals in some countries have a higher baseline of accepting income inequality than individuals in other countries (see, for example, Almås et al. 2016 on the difference between Norway and the United States).

While students are an unrepresentative subpopulation from a convenience sample, there are some advantages to using a student subject pool to study redistribution preferences. For example, students behave more like homo-economicus agents in games that measure other-regarding concerns and they are more consistent in their behavior than non-students (Belot et al. 2015). High-educated individuals may also be more cosmopolitan or better able at hiding their true feelings towards out-group members (Hainmueller and Hiscox 2007, Jackman and Muha 1984), which makes for a harder test to find displays of other-regarding and discriminatory behavior.

[1] The sample size is lower than initially planned because I made substantial changes to the design after a pilot session in January 2019 (in particular, the order of the design was altered, and the dictator games and lottery games were added). Given these changes, I do not include data from this session in the analysis.

The experiment was approved by the Central University Research Ethics Committee of the University of Oxford (the so-called CUREC-1A) and the CESS Ethics Committee. In line with common practice in Economics, the experiment did not use deception. Participants remained anonymous to each other throughout the experiment and all data is anonymous. Feedback was limited during the experiment to reduce learning and reciprocity concerns. Moreover, the experiment relied on neutral language in the instructions to reduce the likelihood that participants behave altruistically because they know that their behavior is observed or because they realize that the experiment is about discrimination.

Before the start of the experiment, participants received a participant information sheet which included, amongst other items, the goal of the experiment, data handling procedures, and contact details of the researcher. They also completed a written consent form and were informed that they could withdraw their consent at any time during the experiment without any penalty. If they did, they would still receive the show up fee of £5. During the experiment, participants could earn tokens which were converted into cash at the end of the experiment against a conversion rate of: 160 tokens = £1. Excluding the show-up fee, participants earned, on average, £12.60 during an experiment that lasted approximately one hour. Participants received their payments in private after the experiment.

6.3.2 Phase 1: Pre-experiment survey and behavioral tasks

At the start of the experiment, participants completed a short survey to collect information on socio-demographic characteristics and their attitudes towards issues such as fairness, reciprocity, risk aversion, and left-right ideology (see

Supplement S.4.2). The main purpose of placing these questions at the beginning was to collect data on individual characteristics which may influence participants' behavior in the experiment, and to probe participants about distributional issues without revealing the exact goals of the experiment. This is important as studies on group behavior may elicit socially desirable behavior.

Table 6.2 Descriptive statistics of the sample

Variable	Obs.	Mean	Std. Dev.	Min	Max
Age	120	23.06	3.64	18	33
Female	120	0.63	0.49	0	1
Experience with experiments	120	0.88	0.33	0	1
Economics or PPE student	120	0.15	0.36	0	1
Undergraduate student	120	0.51	0.50	0	1
Year of study	120	1.97	1.10	1	5
Trust	120	3.22	0.89	1	5
Reciprocity	120	3.00	1.05	1	5
Equality of opportunities	120	4.47	0.71	2	5
Equality of outcomes	120	3.70	1.14	1	5
Taking risks	120	5.29	2.21	0	10
Left-right ideology	116	3.80	2.01	0	9

Table 6.2 summarizes the background characteristics and attitudes of the participants in this study. It shows that women and those with previous experience in Economics of Psychology experiments are overrepresented among the sample. In terms of attitudes, the participants are, on average, trusting, and they care about reciprocity, equality of opportunity, and equality of outcomes. They take a middle position in terms of their reported degree of risk behavior and they lean slightly to the left on the political spectrum. To mask the goals of the experiment, participants then completed two tasks after the survey

to measure altruistic predispositions and risk aversion in a behavioral fashion. Unlike the survey items, these tasks added costs to altruistic or risky behavior. Participants completed both tasks at three different times in the experiment.

6.3.2.1 Dictator Games

The first task was a dictator game, which is commonly used to measure altruism as a personality trait. While these games have their limitations, for example subjects may be generous because they want to signal this to the researcher or they may overestimate generosity because the set-up does not allow participants to take money from others (Bardsley 2008, List 2007), its simplicity is a major strength. I assume that the more individuals give away to their recipient, the more altruistically predisposed they are.

Participants were given 100 tokens and they were asked to divide these tokens between themselves (i.e. the dictator) and one randomly chosen and anonymous participant in the lab (i.e. the recipient). They did not know who the person they were matched with was, neither during nor after the experiment, and their match did not know who they were. The double anonymity aimed to exclude reciprocity concerns. The set-up of the game also excluded social welfare maximization concerns because it was an anonymous, one-shot game in which the total welfare stayed equal.

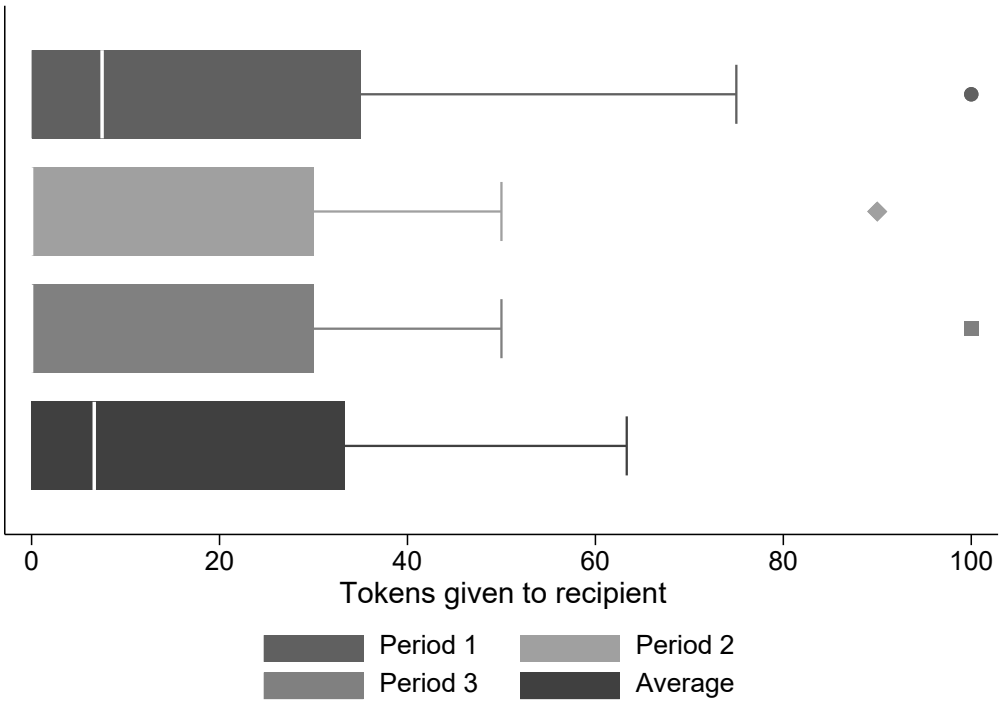
I find that participants allocated, on average, 18 tokens (out of 100) to their recipient in the first game, 15 tokens in the second game, and 14 tokens in the third game. These percentages are slightly lower than those found in a meta-analysis of 129 papers published between 1992 and 2009 by Engel (2011). As Figure 6.1 shows, the distribution of giving behavior is skewed. Almost 48% of all

participants kept all tokens to themselves in the first iteration and this increased to 58% in the second iteration and 60% in the third iteration. A large proportion of the sample could thus be classified as egoists. At the same time, a substantial portion of the participants gave away at least half of their tokens: between 15% and 18% across these iterations.

The Dictator Games used here with anonymous recipients aim to capture altruism as a personality trait. This type of altruism does not depend on the identity of the poor, but it reflects a general willingness to help others. For these people, the identity of the poor may matter less because their baseline to help others is already high. By contrast, for individuals who are more self-interested in general, the identity of the poor may activate a willingness to help the poor more. As the willingness to support redistribution may vary for those with and without an altruistic personality, later analyses will run separate models for these subsamples.

Differences in giving behavior across individuals are not related to age and gender, but undergraduate and economic students are significantly less altruistic than graduate and non-economic students (see Supplement S.4.3). Since these factors are stable over time, they will be captured by the fixed effects in the main analysis. Individuals' giving behavior is positively and strongly correlated over time. For example, the correlation is 0.6 ($p<0.05$) between the first and second iteration, and 0.9 ($p<0.05$) between the second and third iteration.

Figure 6.1 Distribution of giving behavior across the Dictator Games



6.3.2.2 Lottery Games

After the Dictator Game, participants completed a second task to elicit their risk preferences. Risk preferences have been measured in different ways (for an overview, see Charness et al. 2013). I implemented a simple Lottery Game. In this game, participants were asked to choose one out of five possible lotteries. Each of these lotteries had two possible outcomes, and each outcome had a 50% chance of occurring. The options ranged from risk-free to riskier options. They were informed that their chosen lottery would be played, and that they would receive the payoffs from the lottery at the end of the experiment. This task was repeated thrice in the experiment. The descriptive statistics of this task are reported in Supplement S.4.3.

6.3.3 Phase 2: Inducing group identities

In the second phase of the experiment, I induce artificial social identities. Although such identities have limitations, as discussed in the previous section, they are useful to reduce social desirability bias and they allow me to exclude possible confounders related to natural identities. Participants completed two painting tasks which were the basis for grouping them into three equal-sized groups. Compared to random assignment into groups, participants' active involvement in these tasks should make it more likely for them to develop some attachment to their artificial social identities. The two dimensions used to create these groups are also similar in terms of relevance. By inducing group identities in the lab, I aim to exclude any reason to discriminate between out-groups other than their degree of similarity.

First, participants expressed their preference for five pairs of paintings by Paul Klee (1879-1940) and Wassily Kandinsky (1866-1944), two modernist painters whose paintings have been used by many previous studies to create minimal group identities (see, for example, Chen and Li 2009, Aksoy 2015). Then, all participants completed a similar task in which they expressed their preference for five pairs of paintings by Fréderique Bazille (1841-1870) and Anna Boch (1848-1936), two impressionist painters. Afterwards, participants were divided into three equal-sized groups based on their relative preferences in both tasks. To my knowledge, dividing participants in three groups based on painting preferences has not been done before. These groups were: the KLEE-BAZILLEs, the KANDINSKY-BOCHs, and the KLEE-BOCHs. The KLEE-BOCHs are the culturally similar out-group for the KLEE-BAZILLEs and the KANDINSKY-BOCHs, while the KLEE-BAZILLEs and the KANDINSKY-BOCHs are culturally

dissimilar out-groups to each other. The KLEE-BOCHs only have culturally similar out-groups as they share one painter preferences with both groups.

I assume that participants will feel closer to the out-group with whom they share one painting preference than with the out-group with whom they share no painting preferences. I use hyphenated names to remind participants of the artists they and other participants in the laboratory preferred. Whether these similarities and differences in painting preferences lead to meaningful differences between members of each group is an empirical question. It is the focus of this study to explore whether this happens in the absence of stereotypes, economic inequalities, or other confounders.

Participants were informed of their group membership in private. They were also told that the groups remained the same throughout the experiment. Afterwards, they completed a collective quiz with the members of their group to enhance group identification (see also, Chen and Li 2009, Aksoy 2015). This quiz consisted of correctly identifying the artist of two paintings. Although there was no direct interaction between participants, participants' rewards depended on the performance of their group. After they submitted their initial guesses, they were shown the initial guesses of their fellow group members (i.e. for each option, they were informed of the number of group members who chose that option). They were then given the opportunity to change their answers before making their final choices. After receiving the information about the choices of their group members, a substantial number of participants switched their answers: 20 out of 120 participants for the first question and 27 out of 120 for the second question. This suggests that they used the information from their group members to update their answers.

Participants received 50 tokens if more than half of their group correctly answered both questions, and they received another 50 tokens if their group gave more correct answers than either of the two other groups. This competitive element should enhance self-categorization. The results from the quiz were revealed to the participants at the end of the experiment to prevent that they identified less with a low-performing group (Aksoy 2015). This weak treatment of group identity was sufficient to influence participants' behavior in previous studies (see Chen and Li 2009, Aksoy 2015), but it is an empirical question whether it also works with three identity groups. To increase the saliency of group identities throughout the experiment, participants are subtly reminded of their group identity on each screen as follows. In the top-right corner, they always see the following text: "You are a [KLEE-BAZILLE / KLEE-BOCH / KANDINSKY-BOCH]."

6.3.4 Phase 3: Decision-making games

The decision-making phase consists of three periods. Each period starts with a real-effort task after which participants play eight rounds of a Redistribution Game that varies the level of competition and the identity of the poor in a within-participants design. Before the second and third iteration of the real-effort task, participants will repeat the Dictator Game and the Lottery Game as described earlier. The main variables of interests come from the Redistribution Game in which each subject makes in total 24 decisions (three times eight rounds). The following section describes the procedures for the real-effort task and the Redistribution Game, including the two treatments.

6.3.4.1 Real-effort task and income

I expect that altruism has a stronger effect on the redistribution preferences of rich individuals than of poor individuals. Income thus plays an important role in my argument. Studies have shown that players are more altruistic and take more risks when they distribute unearned endowments as opposed to earned endowments (Carlsson et al. 2013, Cherry et al. 2005). In other words, it is easier to be altruistic when costs are low. To mimic a sense of entitlement, as is often the case in the real world, participants will earn their income in a real-effort task.[2]

To distinguish the effect of income from other time-invariant individual characteristics, participants' income must vary during the experiment. This is easier when income is unearned and assigned as the researcher has full control over the variation in income. Assigning income, however, may prevent participants from identifying as rich or poor. To strike a balance between varying participants' income and increasing their attachment to their income, participants earn their income at the beginning of each of three periods.

In this experiment, participants will earn their income to reflect that income is also earned and taxed in the real world. Real-effort tasks can take many different forms: from solving math problems and correctly spelling words, to answering general knowledge questions, filling envelopes, and playing a game of Tetris (for a review, see Charness et al. 2018). I use the real effort task developed by Abeler et al. (2011). In this task, they ask participants to count the number of zeroes in tables that consisted of 150 randomly ordered zeros and

[2] Some studies find that high-earning dictators give less than low-earning dictators because selfish individuals exert more effort in real-effort tasks (Erkal et al. 2011). This may make it harder to find an income effect.

ones. Participants were given four minutes to count as many tables as possible. This task is tedious, simple, and easy to program. It also requires no pre-existing knowledge and gives little room for guessing and learning.

I adapted the numbers task by asking participants to correctly count the number of zeros in as many *number sequences* as possible *within sixty seconds*. For example, a number sequence could look as follows: 100101000101. They completed this task at the start of each period and the length of the number sequences varied across periods to obtain within-subject variation in income. Participants were informed that the difficulty of the task would be varied in future iterations. In the first period, all participants were given sequences of twelve numbers. In the subsequent periods, the difficulty of the task was adjusted depending on the relative performance of the participants in the previous period: the high-performing players (compared to their group members in the previous period) received longer sequences (i.e. thirteen numbers in period two, and fourteen numbers in period three) while the low-performing players (compared to their group members in the previous period) received shorter sequences (i.e. eleven numbers in period two, and ten numbers in period three).

All participants (except one) exerted non-zero effort in all three iterations of the real effort task. This suggests that many participants were actively engaged in the experiment. On average, participants gave 13 correct answers (SD = 3) in the first period, 15 correct answers (SD = 3) in the second period, and 16 correct answers (SD = 4) in the third period. Varying the difficulty of the task across periods to obtain within-subject variation was successful: the correlations between participants' performance in the first and second period ($r=0.5$, $p<0.01$), and the first and third period ($r=0.4$, $p<0.01$) were both moderate.

After the task was completed, each player was ranked *within their group* based on the number of correct answers they provided. This allowed me to obtain an equal income distribution of poor and rich participants across groups and sessions. There were separate rankings for the KLEE-BAZILLEs, for the KLEE-BOCHs, and for the KANDINSKY-BOCHs. The higher the number of correct answers, the higher their ranking within their group. These within-group rankings determined their earnings later in the experiment. In each period, participants received one of four income positions: 200, 400, 600, or 800 tokens. This allowed me to test whether support for redistribution increases as income increases. The richest participant earned four times more than the poorest participant. This difference is substantial and should incentivize participants to exert real effort in the slider task. Participants' gross income remained fixed during periods, but they varied across periods depending on their performance. Participants with the highest ranking receive the highest earnings, while participants with the lowest ranking receive the lowest earnings. The relationship between rankings and earnings is displayed in the table below.

Table 6.3 The relationship between rankings and earnings

Ranking within group	**Earnings**
1 and 2	800
3 and 4	600
5 and 6	400
7 and 8	200

Going from the performance in the real-effort task to obtaining a gross income position may raise some concerns. First, participants may exert less effort than we would expect if they expect to benefit from income redistribution or if they

wish to avoid obtaining the gross income position of 400. However, I find that most participants participate actively in the real-effort task to achieve a high score. Moreover, participants know that the net benefits in the Redistribution Games are always higher for those with higher gross incomes. A utility-maximizing individual should therefore aim to achieve high scores. Another concern could be that individuals may have more information about the exerted effort of their group members than of those in other groups. The differences in earned points may be small or large. This uncertainty reflects the real world where we do not know, in most cases, why someone has low or high incomes, and how hard they worked to achieve a certain income.

6.3.4.2 Redistribution Games

After each real-effort task, participants played eight rounds of a Redistribution Game. In each round of this game, they were randomly matched into a new "decision group" consisting of four participants with gross incomes of 800, 600, 400, and 200 tokens. The income distribution is thus held constant across these decision groups, even though the specific combination of participants will vary. During the Redistribution Game, I varied two treatments within participants: the degree of cultural similarity among the poor in their decision group, and the degree of competition in their decision group. The within-subject design allows me to compare the choices of the same individuals under different treatments. I can therefore control for unobserved individual heterogeneity. The repeated measures also increase the number of observations for the analysis.

The Redistribution Games has several advantages over other games, such as the Dictator Game. First, participants must consider the interests of

multiple players when they decide on their redistribution preferences. It also has clear winners and losers of redistribution. While individuals can only keep or give away tokens in standard dictator games, poor participants can increase their earnings in the Redistribution Game. Furthermore, Dictator Games are based on an uneven distribution of power between the dictator and a passive recipient. This power asymmetry may influence why and how much individuals give to others. Because the decision-making power is distributed evenly in redistribution games, they can measure redistribution preferences better (Rutström and Williams 2000).

6.4.4.3 Cultural similarity treatment

The first treatment randomly varies the degree of cultural similarity of the poor in each decision group across rounds. Heterogeneity in cultural similarity is only introduced among the low-income participants (i.e. those with 400 or 200 tokens) because I am interested in individuals' redistribution preferences when immigration increases the likelihood of transferring economic resources from the native population to the immigrant population.[3] In addition, out-group members are always a minority in the decision group as this corresponds more closely to the reality in most industrialized democracies. Each decision group will therefore have no more than one out-group member in its midst. By holding the number of out-group members constant across rounds, I can attribute any differences in the likelihood to support redistribution to the degree of cultural similarity between the in-group members and the out-group members.

[3] Although it would be interesting to examine redistribution preferences in the context of rich out-group members, this is beyond the scope of my argument.

Table 6.4 summarizes the cultural similarity treatments. In the homogenous treatment, all members of the decision group belong to the same identity group (e.g. they are all KLEE-BAZILLEs, or KLEE-BOCHs, or KANDINSKY-BOCHs). In the cultural similarity treatments, one of the low-income members of the decision group belongs to the culturally similar out-group (e.g. the 200-player is a KLEE-BOCH while all other members are KLEE-BAZILLEs). In the cultural dissimilarity treatments, one of the low-income members of the decision group belongs to the culturally dissimilar out-group (e.g. the 200-player is a KLEE-BAZILLE while all other members are KANDINSKY-BOCHs). Following my theoretical argument, I expect that *net contributors will become less likely to support redistribution as the net beneficiaries are more culturally dissimilar while net beneficiaries will support redistribution regardless of the identity of the net beneficiaries.*

Table 6.4 Cultural similarity treatments

Treatment	**Description**
Homogenous	The 200-player and the 400-player belong to the same identity group as the net contributors.
Culturally similar I	The 200-player belongs to the culturally similar out-group of the net contributors.
Culturally dissimilar I	The 200-player belongs to the culturally dissimilar out-group of the net contributors.
Culturally similar I	The 400-player belongs to the culturally similar out-group of the net contributors.
Culturally dissimilar II	The 400-player belongs to the culturally dissimilar out-group of the net contributors.

Note: The ‘net contributors’ are the players with 600 and 800 tokens.

6.4.4.4 Competition treatment

As described in the theoretical argument in Chapter 2, immigration does not only introduce cultural diversity among the poor, it can also lead to resource competition, for jobs or social benefits, and thereby, a risk of losing income. As a second treatment, I therefore varied the degree of labor market competition among the low-income participants in the decision group.[4] Since immigrants are often overrepresented in the low-skilled occupations, the effects of labor market competition tend to be concentrated among those at the lower end of the income distribution. This asymmetry means that some individuals are directly affected by competition while others may only observe the impact of competition on the well-being of others. I aim to test two expectations. Firstly, I will test whether *those exposed to competition will increase their support for redistribution*. Secondly, I will test whether *individuals will compensate others who are exposed to labor market competition*. While the former expectation would be in line with material self-interest, the latter follows from the assumption of altruism.

Competition introduces a risk of losing income which may or may not materialize. However, to simplify the already complex set-up of the experiment, the competition treatment focuses on the *materialized* risk of labor market competition: the 400-player loses 40 tokens (i.e. 10% of their gross income) if they lose the competition with the 200-player. The size of this wage effect is higher than found in most economic studies to make competition salient to the participants. The competition treatment relies on a comparison of participants' performance in the preceding real-effort task and it based solely on effort. For

[4] For reasons of simplicity, the experiment does not address competition for social benefits.

this comparison, I compare the number of correct answers given by all participants with 200 tokens and by those with 400 tokens and calculate the median difference. I use the median to ensure a more equal distribution of low and high competition across rounds. If the scores of the 400-participant and the 200-participant are close (i.e. the difference in the number of correct answers is below the median), the 400-participant loses the competition and starts the round with 360 tokens. If the scores of the 400-participant and the 200-participant are not close (i.e. the difference is the number of correct answers is above the median), the 400-participant wins the competition and starts the round with 400 tokens. The labor market competition treatment is summarized in the table below.

Table 6.5 Labor market competition treatment

Treatment	**Description**
Low competition	The 400-player has won the competition and will keep their full earnings.
High competition	The 400-player has lost the competition and will lose 40 tokens from their earnings.

I briefly discuss two possible concerns with the competition treatment. Firstly, some individuals may adjust their effort in the real-effort task to avoid the income position of 400 tokens. While this is possible, it seems unlikely because individuals will not know whether they will face low or high labor market competition in the rounds of the Redistribution Game, nor do they know which round would be selected for their payments. It would therefore be in their material self-interest to maximize their efforts in the numbers task. The second concern relates to participants' beliefs about the effort exerted by others. If the 400-player

loses the competition, other players may not want to compensate the former if they believe that the 400-player did not try hard enough in the real-effort this. It is important to note, however, that participants did not know whether the 400-player lost the competition because they did not maximize their effort or because the 200-player just performed very well. This ambiguity is also present in the real world.

6.4.4.5 Choosing a tax and transfer scheme

At the start of each round, new decision groups are formed, and both treatments are randomized. In each round, participants were informed of the composition of their decision group. Their computer screen displayed the group identity of each member of the decision group (e.g. KLEE-BAZILLE, KLEE-BOCH, or KANDINSKY-BOCH) and the gross income of each member of the decision group. It also showed whether the 400-player had won or lost the competition with the 200-player. Supplement S.4.1 includes examples of the screens that participants viewed.

Participants were asked to choose between two tax and transfer schemes for their decision group. These schemes and their effects are summarized in Table 6.6. In Scheme 1, each member of the decision group would pay one-fifth (or 20%) of their earnings in taxes and each member would receive 100 tokens as a transfer. In Scheme 2, each member of the decision group would pay half (or 50%) of their earnings in taxes and each member would receive 250 tokens as a transfer. In the instructions, I illustrated the effect of these schemes in the instructions and, after each choice, participants saw a screen in which the effects of their choice on all members of their decision group were displayed. When

competition is low, these schemes are equally efficient. This means that the total number of tokens for the decision group is the same in both schemes. When competition is high, the total number of tokens for the decision group is slightly higher in Scheme 2 than in Scheme 1 because the loss of 40 tokens occurs *before taxes*. The difference, however, is very small. If individuals do care about maximizing the total of number of tokens for the decision group, they may be more likely to choose high redistribution when competition is high.

Table 6.6 Tax and transfer schemes in low and high competition

	LOW COMPETITION							
	Scheme 1				*Scheme 2*			
Earnings	Loss	Taxes 20%	Transfers 100	Net income	Loss	Taxes 50%	Transfers 250	Net income
800	-	160	100	740	-	400	250	650
600	-	120	100	580	-	300	250	550
400	0	80	100	420	0	200	250	450
200	-	40	100	260	-	100	250	350
Total				2000				2000
	HIGH COMPETITION							
	Scheme 1				*Scheme 2*			
Earnings	Loss	Taxes 20%	Transfers 100	Net income	Loss	Taxes 50%	Transfers 250	Net income
800	-	160	100	740	-	400	250	650
600	-	120	100	580	-	300	250	550
400	40	72	100	388	40	180	250	430
200	-	40	100	260	-	100	250	350
Total				1968				1980

Note: Participants did not see this table.

Previous studies have modelled the political process by using the median voter model as a decision tool which adds realism to their experiments, but also increases complexity and introduces strategic motivations. Since the main goal

of this experiment is to measure how redistribution preferences are influenced by group identity and competition, I abstract away from the political process and use a random dictator rule to decide which of the chosen tax and transfer schemes will be applied to all members of the decision group. This means that the computer randomly selects one vote among the votes of the group members. Participants are informed about this. They are also told that in each period one round will be randomly selected by the computer and paid out to all members of the decision group. Participants were informed of their earnings from each period at the end of the experiment to eliminate reciprocity and social insurance concerns.

6.3.5 Phase 4: Post-experiment survey

At the end of the experiment, participants completed a final survey. This short survey included comprehension questions to check whether participants understood the instructions of the Redistribution Game, and it included questions about their strategies in the Dictator Game and the Redistribution Game. Supplement S.4.1 contains a copy of the instructions and Supplement S.4.2 a copy of the post-experiment survey.

The set-up of the Redistribution Game may be considered demanding as participants were asked to consider the effects of two tax and transfer schemes and competition on their earnings. I therefore tested their level of comprehension with four questions in the post-experiment survey. Participants were presented with a table with the earnings distribution of a group with four members and two tax and transfer schemes (i.e. a scheme with 50% taxes and 200 tokens as transfers, and a scheme with 25% taxes and 100 tokens as transfers). They were

first asked which participant in this group would pay the highest amount of taxes in absolute terms in the first scheme. Of all participants, 92% correctly identified the largest net contributor. They were then asked which participant would benefit the most in absolute terms in the first scheme. Almost all participants (98%) answered this question correctly. The next question required them to calculate the total sum of taxes paid by all participants if the second scheme applied. Here, 80% of the participants calculated the total sum of taxes correctly. The participants thus performed well on these simple questions.

The final question probed their understanding of the effect of losing competition on the rest of the budget. It asked participants whether the transfers in the tax and transfer schemes would remain the same, become smaller for everyone, or become smaller only for the participant who lost the competition. The results suggest that a substantial number of participants may not have fully understood the effects of competition on the budget. Only 60% correctly answered that losing the competition did not influence the size of the transfers, while 16% believed that the social transfers would become smaller for everyone and 24% answered that the social transfers would become smaller for the player who had lost the competition. If we assume that correctly answering these questions measures comprehension, it seems that overall comprehension of the workings of the Redistribution Game was high among the participants, but moderate for the effects of the competition treatment.

A lack of comprehension may not be problematic since even in the real world, individuals may make decisions about taxes and transfers without fully understanding the implications. However, it may be an important factor if it influenced their decisions in the Redistribution Game: for example, if participants

believed that competition reduced the number of transfers they would receive, even if they were not affected by competition themselves. To err on the side of caution, I will therefore repeat the main models for those with low and high comprehension of the fourth question.

6.4 Empirical strategy

To examine whether support for redistribution depends on the degree of cultural similarity among the poor or the level of competition, I run fixed-effects logit analyses. These models are appropriate for binary dependent variables, and they account for the repeated nature of the observations and unobserved individual heterogeneity.[5] The main dependent variable is support for redistribution while the main independent variables are participants' income, the composition of their decision group in terms of group identity, and the level of competition. I do not include participants' background characteristics or attitudes from the pre-experiment survey as control variables since they do not vary over time. I do include fixed effects for the round of the game.

In the regression analyses, I focus on three expectations. Firstly, I test whether the degree of cultural similarity among the poor reduced support for redistribution more among the rich than among the poor. Secondly, I test whether individuals increase their support for redistribution when competition increases for themselves. Thirdly, I test whether individuals are more willing to support redistribution when their in-group members have suffered losses due to competition compared to out-group members.

[5] The results are similar when I use random-effects logit models (see Supplement S.4.4).

The previous section showed that the level of comprehension and the altruistic predispositions varied across individuals. Since these factors may have influenced participants' behavior in the redistribution game, I run all analyses for the full sample as well as for various subsamples. The latter include: participants with low comprehension (defined as incorrectly answering the question on the effects of competition on the transfers), participants with high comprehension (defined as correctly answering that question), participants without an altruistic predisposition (measured as keeping all tokens in the first dictator game), and participants with an altruistic predisposition (measured as giving a non-zero amount of tokens away in the first dictator game).[6] As the sample sizes reduce even further in these subsample analyses, these findings should be interpreted with more caution.

6.5 Evidence from the redistribution games

I first map how often participants chose the high redistribution option over the low redistribution option. To this end, Table 6.7 summarizes the percentage of participant-round observations in which participants chose the high redistribution option by participants' earnings position. In the full sample (second column) support for redistribution closely follows material self-interest: a large majority of low-income participants support high redistribution, whereas support is substantially lower among high-income participants. Material self-interest thus seems a strong predictor of support for redistribution, but the results also show that it does not fully predict it. Among low-income participants, on average, 10%

[6] In Supplement S.4.4, I show that the results are robust to defining altruistic predispositions alternatively, such as giving above the mean of the sample.

acts against their self-interest by choosing low redistribution over high redistribution. Similarly, among the high-income participants, on average, 19% supported high redistribution, even though they would benefit more from low redistribution.

To explore these deviations from material self-interest further, the remaining columns in Table 6.7 report the percentage of participant-round observations by level of comprehension (low and high) and by type of individual (i.e. altruistically predisposed versus not). This comparison suggests that participants were more likely to vote against their material self-interest when their comprehension of the instructions was low and when they were altruistic in the first Dictator Game. It is important to note that even among those with high comprehension, a substantial minority of the high-income participants vote against their self-interest. This suggests that they may be willing to pay more taxes to help the poor. In the next section, I examine whether these deviations are systematically related to the cultural similarity identity treatment and the competition treatment. Given that the level of comprehension and the type of individual seem to influence the likelihood to support redistribution, I will also run the analyses for these different subsamples.

Table 6.7 Percentage of participants who support high redistribution by income

	Support for high redistribution				
Earnings	Full sample	Low comprehension	High comprehension	Egoists	Altruists
200	89.3 (643)	88.1 (310)	90.5 (333)	92.6 (237)	87.5 (406)
400	91.4 (658)	91.5 (300)	91.3 (358)	96.8 (387)	84.7 (271)
600	23.5 (169)	28.8 (69)	20.8 (100)	17.3 (69)	31.3 (100)
800	15.0 (108)	23.3 (54)	11.1 (54)	11.5 (36)	17.7 (72)

Notes: The number of participant-round observations in parentheses. 'High comprehension' is defined as correctly answering the question on balanced budgets and 'low comprehension' as not. 'Egoists' are those giving zero tokens in the first Dictator Game and 'Altruists' are those giving non-zero tokens.

6.5.1 Redistribution and the identity of the poor

This section tests the expectation that the rich are less likely to support redistribution when the poor are more culturally dissimilar whereas the poor support redistribution regardless. To this end, I run models with participants' income, the identity of the poor, and an interaction between participants' income and the identity of the poor as the main independent variables. Table 6.8 reports the results of a model that captures identity with a single in-group and a single out-group.[7]

Starting with the full sample, Model 1 shows that the main effect of the identity treatment is positive: the odds of supporting redistribution increase for participants with earnings of 200 tokens when they are in a decision group with a poor out-group member, but this effect is not significant. The main effects of

[7] I recode the identity treatment variable into a binary variable that equals '0' if the poor are all-in-group members, and '1' if there are out-group members among the poor (i.e. treatment values 2/5).

income are in the expected direction: the odds of supporting redistribution are lower for participants with higher earnings (compared to participants with 200 tokens) when they are in a decision group with poor in-group members. These effects are significant and confirm that income is an important predictor of support for redistribution. The interaction effects are a direct test of my hypothesis. I find that when the poor are out-group members, the odds of supporting redistribution are lower for all income groups compared to the participants with 200 tokens. These effects are in the expected direction, but they are statistically insignificant.

Table 6.8 Income, identity, and redistribution

	Full sample	Comprehension		Altruistic predisposition	
		Low	High	Low	High
	(1)	(2)	(3)	(4)	(5)
Ref: In-group					
Out-group	1.129	1.292	0.912	3.367*	0.636
	(0.349)	(0.534)	(0.439)	(1.990)	(0.239)
Ref: 200-income					
400-income	0.952	1.215	0.705	2.521	0.488
	(0.359)	(0.611)	(0.433)	(1.741)	(0.236)
600-income	0.008**	0.011**	0.005**	0.002**	0.018**
	(0.003)	(0.007)	(0.003)	(0.002)	(0.009)
800-income	0.003**	0.005**	0.001**	0.002**	0.003**
	(0.001)	(0.003)	(0.001)	(0.002)	(0.002)
Out-group X 400	0.971	1.018	0.872	0.946	1.230
	(0.439)	(0.627)	(0.609)	(0.822)	(0.697)
Out-group X 600	0.679	0.763	0.673	0.288	1.337
	(0.297)	(0.492)	(0.426)	(0.237)	(0.742)
Out-group X 800	0.785	0.902	0.739	0.143*	1.469
	(0.357)	(0.621)	(0.483)	(0.136)	(0.799)
Observations	2,208	888	1,320	1,104	1,104
Participants	92	37	55	46	46
Round FE	Yes	Yes	Yes	Yes	Yes

Note: Estimates from fixed-effects logit models. Logit coefficients are odds ratios. ** p<0.01, * p<0.05, + p<0.1

The remaining models report the same analyses for the subsamples. Models 2 and 3 show that the findings are similar when we divide the sample by their level of comprehension of the instructions. Splitting the sample by participants' altruistic predisposition, as displayed in the first dictator game, reveals some interesting patterns. Model 4 shows that for those without this predisposition, the relationships are in the same direction as in the full sample. However, this time the interaction effect between income and the identity of the poor is negative and significant for participants with 800 tokens ($p<0.05$) and almost significant for participants with 600 tokens ($p=0.13$). This means that high-income participants become less likely to support redistribution when the poor are heterogeneous compared to homogeneous. This provides some support for the dissertation's argument. By contrast, Model 5 shows that the relationship between income and the identity of the poor is in the opposite direction for those with an altruistic predisposition, but the interactions never approach common levels of significance. This finding suggests that the willingness to support redistribution to help others does not reflect an altruistic predisposition but depends on who these others are, as I have argued in Chapter 2.

Having established that the rich become less likely to support redistribution when the poor are heterogenous, the next step is to examine whether *the degree of cultural dissimilarity among the poor* matters for support for redistribution. To test this, I run similar models as before, but I replace the two-category variable capturing the identity of the poor (i.e. in-group or out-group) with a three-category variable that measures the in-group poor, the culturally similar poor, and the culturally dissimilar poor. While the culturally similar out-group members share one painting preference with the in-group, the culturally dissimilar out-group

members are full opposites of the in-group in terms of painting preferences. In Table 6.9, I report the results.

Table 6.9 Income, degree of cultural dissimilarity, and redistribution

	Full sample	Comprehension		Altruistic predisposition	
		Low	High	Low	High
	(1)	(2)	(3)	(4)	(5)
Ref: In-group					
Similar out-group	1.118	1.269	0.801	3.768	0.580
	(0.449)	(0.699)	(0.502)	(3.118)	(0.284)
Dissimilar out-group	1.274	2.105	0.987	3.691	0.766
	(0.591)	(1.379)	(0.708)	(3.438)	(0.427)
Ref: 200-income					
400-income	0.966	1.225	0.670	2.574	0.494
	(0.365)	(0.618)	(0.418)	(1.781)	(0.240)
600-income	0.008**	0.012**	0.005**	0.002**	0.018**
	(0.003)	(0.007)	(0.003)	(0.002)	(0.009)
800-income	0.003**	0.005**	0.001**	0.002**	0.003**
	(0.001)	(0.003)	(0.001)	(0.002)	(0.002)
Similar out-group X 400	0.678	0.541	0.970	0.441	1.041
	(0.355)	(0.392)	(0.794)	(0.484)	(0.668)
Similar out-group X 600	0.561	0.364	0.955	0.229	0.949
	(0.285)	(0.276)	(0.707)	(0.226)	(0.604)
Similar out-group X 800	0.737	0.476	1.262	0.112*	1.561
	(0.384)	(0.386)	(0.940)	(0.124)	(0.968)
Dissimilar out-group X 400	1.427	1.836	0.799	2.038	1.499
	(0.766)	(1.341)	(0.662)	(2.274)	(1.004)
Dissimilar out-group X 600	0.785	1.186	0.475	0.286	2.079
	(0.414)	(0.914)	(0.373)	(0.293)	(1.418)
Dissimilar out-group X 600	0.696	1.053	0.326	0.125	1.260
	(0.399)	(0.893)	(0.282)	(0.162)	(0.843)
Observations	2,208	888	1,320	1,104	1,104
Participants	92	37	55	46	46
Round FE	Yes	Yes	Yes	Yes	Yes

Note: Estimates from fixed-effects logit models. Logit coefficients are odds ratios. ** p<0.01, * p<0.05, + p<0.1

The findings mirror those in Table 6.8. In line with the expectations, I find that low-income participants remain strong supporters of redistribution, regardless of the degree of cultural similarity of the poor. By contrast, high-income participants seem less likely to support redistribution when the poor are culturally similar or culturally dissimilar. As before, the interaction effects are insignificant in the full sample, but they are in the right direction and significant for the participants with 800 tokens in Model 4 for the subsample of individuals without an altruistic predisposition. However, the difference between the effect of culturally similar out-group members and culturally dissimilar out-group members among the poor is small and statistically insignificant. The findings suggest that the identity of the poor matters more to the redistribution preferences of rich voters than of poor voters, but I do not find support for my expectation that individuals distinguish between different out-group members.

6.5.2 Redistribution and competition

In this section, I examine whether individuals demand more redistribution when they have lost a part of their income due to the competition. I also test whether those unaffected by competition themselves raise their support for redistribution when others are badly affected by competition. To answer these questions, I run models with the level of competition, participants' income, and an interaction between competition and income as the main independent variables in Table 6.10.

For the full sample, I find that competition increases the odds of supporting redistribution and that this positive effect is stronger for the participants with 400 tokens. This makes sense given that competition only reduces their earnings.

While the relationship is in the expected direction, the interaction term is statistically insignificant. The analysis of the comprehension questions, however, suggested that a large portion of the participants may not have understood the effect of competition on the transfers they would receive from the tax and transfer system. Models 2 and 3 suggest that the lack of comprehension was indeed an important factor. For participants with high levels of comprehension, the interaction effect between competition and income is positive and significant ($p<0.10$) for the participant with 400 tokens. For participants who did not understand this part of the instructions, competition had the opposite effect: it lowered their likelihood to support redistribution. Regarding the second expectation, I do not find that high-income participants become *more* likely to support redistribution when the participant with 400 tokens loses the competition. In fact, the participants with 800 tokens become *less* supportive of redistribution in these instances and this negative effect is significant ($p<0.10$). One interpretation of this seemingly counterintuitive effect is that the rich feel that the 400-player did not exert enough effort in the real-effort task, which forms the basis for the competition. Another possibility is that this is driven by the heterogeneity among the poor. I will explore this further in the next section.

Table 6.10 Income, competition, and support for redistribution

	Full sample	Comprehension		Altruistic predisposition	
		Low	High	Low	High
	(1)	(2)	(3)	(4)	(5)
Ref: Low competition					
High competition	1.519	1.758	1.182	1.881	1.263
	(0.494)	(0.754)	(0.642)	(1.191)	(0.493)
Ref: 200-income					
400-income	0.710	1.322	0.395	1.810	0.322*
	(0.249)	(0.624)	(0.238)	(1.184)	(0.147)
600-income	0.006**	0.009**	0.004**	0.001**	0.018**
	(0.002)	(0.005)	(0.003)	(0.001)	(0.009)
800-income	0.003**	0.005**	0.002**	0.001**	0.006**
	(0.001)	(0.003)	(0.001)	(0.001)	(0.003)
Competition X 400	1.632	0.806	3.683+	1.754	2.401
	(0.759)	(0.501)	(2.815)	(1.661)	(1.394)
Competition X 600	0.985	0.959	1.044	1.210	1.063
	(0.450)	(0.615)	(0.735)	(1.113)	(0.602)
Competition X 800	0.445+	0.789	0.299+	0.675	0.412
	(0.204)	(0.518)	(0.217)	(0.630)	(0.228)
Observations	2,208	888	1,320	1,104	1,104
Participants	92	37	55	46	46
Round FE	Yes	Yes	Yes	Yes	Yes

Note: Estimates from fixed-effects logit models. Logit coefficients are odds ratios. ** p<0.01, * p<0.05, + p<0.1

6.5.3 Redistribution, competition, and the identity of the poor

Finally, competition and the identity of the poor may also interact. Individuals may, for example, be more willing to help the 400-participant if she has lost the competition and is an in-group member. Since this analysis focuses on the rounds in which the identity of the participant with 400 tokens varied while the identity of the participant with 200 tokens is held constant, the sample reduces in size from 2,208 observations (for 92 participants) to 1,226 observations (for 90

participants). I find that the three-way interaction between income, competition, and identity is statistically insignificant. Contrary to my expectations, high-income participants are thus not more likely to support redistribution when the 400-player losing the competition was an in-group member as opposed to an out-group member.

6.6 Conclusion

This chapter tested the main claims of this dissertation's argument in the controlled setting of a laboratory. Using two paintings tasks to induce artificial social identities and divide participants into three groups, I tested whether the level of competition in the labor market and the degree of cultural similarity among the poor affected individuals' support for redistribution.

I found that competition increased the odds to support redistribution primarily among those individuals who were directly exposed to competition and who understood correctly how this would affect their income. This confirms the findings in Chapter 4 of the dissertation, which demonstrated that British voters became more supportive of redistribution when they were exposed to more new EU immigrants in their occupation. However, I did not find evidence for my claim that those unaffected by competition increase their support for redistribution to compensate the income losses of the low-income participants. Their altruism may not have been triggered because the negative impact of competition may be considered too small in the experiment or because they might have blamed the low-income participant for losing the competition, given the large role of effort in the competition treatment.

With regards to the degree of cultural dissimilarity, the results from the experiment provided less support. I found that high-income participants became less likely to support redistribution when the recipients of redistribution were poor out-group members as opposed to poor in-group members, while low-income participants' support for redistribution was not affected by this. This suggests that in-group bias can occur in settings with multiple out-groups based on artificial social identities. However, this only applied to the subsample of participants with a less altruistic personality. Contrary to the earlier findings in Chapter 3, I did not find support for the claim that individuals are more willing to support redistribution when the out-group members are culturally similar as opposed to culturally dissimilar. This could mean that individuals do not discriminate among out-group members, but it may also be related to other factors, such as the relatively complicated design, the small sample size, or the possibility that the inducement of cultural similarity based on painting preferences was not strong enough to create meaningful differences between the two out-groups. In future research, I therefore intend to replicate this study to answer some of these questions.

Chapter 7

Conclusion

This dissertation started with the observation that the cultural background of immigrants matters to voters and public policy in industrialized democracies. This comes out clearly in recent policy developments in these countries, such as the bans on facial coverings (targeting Muslim women who wear burqas) in France, Denmark, and Austria, the introduction of language requirements for receiving social assistance in the Netherlands, and the spread of citizenship tests and language tests for newcomers. It is also confirmed by the scholarship on immigration policies and immigration attitudes (Bansak et al. 2016, Brader et al. 2008, FitzGerald et al. 2018, Favell 2008, Goodman 2011, Gorodzeisky and Semyonov 2019, Hainmueller and Hangartner 2013, Newman and Malhotra 2018).

The dissertation then applied these insights to the longstanding debate on the relationship between immigration and social solidarity. Previous research has shown that the effect of immigration on support for the welfare state varies greatly across countries, across individuals, and over time (see Burgoon 2014, Rueda 2018, Senik et al. 2009), but it has neglected the cultural diversity within the immigrant population. In Chapter 2, I therefore developed a novel and comprehensive argument to explain when, why, and how immigration may affect support for generous and inclusive welfare states among poor and rich native-born voters in industrialized democracies. I first argued that we should move beyond the immigrant-native division and focus on the degree to which immigrants differ from the native population in terms of culture. Immigrants'

cultural background is important for attitudes towards the welfare state because it influences whether individuals will empathize with the poor and support a generous and inclusive welfare state for altruistic reasons. I also argued that immigration matters for attitudes towards the welfare state because it can lead to competition for jobs and social benefits and services. When this happens, poor voters should feel more financially insecure because they are most likely to compete with immigrants for these scarce goods. Immigration-related competition should therefore lead poor voters to demand more social protection and/or restrictions on immigrants' social rights. The effects of immigration on voters' attitudes towards the welfare state thus depend on voters' income, whether immigration increases cultural dissimilarity among the poor, and whether immigration creates competition for scarce goods. This argument was tested empirically in subsequent chapters using quantitative and experimental methods, and cross-national and within-country analyses of voters' attitudes towards the welfare state. Chapters 3 to 5 explored the cultural dissimilarity hypothesis and the competition hypothesis independently of each other, while Chapter 6 examined both hypotheses.

In Chapter 3, I examined the effect of immigration as a source of cultural dissimilarity among the poor, while controlling for competition. I first documented the patterns of culturally dissimilar immigration using a new cross-national measure based on the size of the immigrant population and the cultural distance between the immigrant and the native population. Using multilevel models and data for 200,000 respondents from seventeen West European countries between 2002 and 2017, I showed that culturally dissimilar immigration significantly reduced support for redistribution among rich voters, while it did not affect support

for redistribution among poor voters. I also found that poor voters are less supportive than rich voters of granting immigrants unconditional access to the welfare state, and that the level of immigration reduces support for an inclusive welfare state, regardless of income. In a longitudinal analysis of British voters from 1991 to 2007, I confirmed the pattern that rich voters were more likely to withdraw their support for redistribution when culturally dissimilar immigration increased rapidly in their local authority. These findings from different contexts and using a range of different measures of culturally dissimilar immigration provided robust evidence for the argument that the cultural background of immigrants influences social solidarity.

The next chapters focused on the effects of immigration as a source of economic competition, holding cultural dissimilarity among the poor constant. They showed that immigration does not always lower support for redistribution. Sometimes it can increase support for redistribution, while other times it reduces support for an inclusive welfare state.

In Chapter 4, I examined voters' responses to labor market competition with immigrants. To reduce self-selection among native-born voters and maximize the likelihood that immigration will negatively impact jobs and wages, I leveraged the EU enlargement of 2004 which led to large, rapid, and uneven shocks of new EU immigrants across occupations in the UK and Ireland. After mapping this variation in occupational exposure to new EU immigrants using data from the Labor Force Survey and the Irish census, I investigated the effect of these changes on voters' attitudes using longitudinal data from the British Household Panel Study and the Irish National Election Studies. The findings showed that British and Irish voters felt more economic insecurity when the share

of new EU immigrants in their occupation increased after the EU enlargement. They also indicated that increases in the occupational share of new EU immigrants boosted demands for social protection among British voters. The effect was less consistent and insignificant for Irish voters, which may have reflected the smaller sample size or a preference among voters for other policy measures, such as stricter enforcement of labor regulations. The findings suggest that labor market competition increases feelings of economic insecurity and can lead to demands for more social protection.

In Chapter 5, I shifted the focus from the labor market to the welfare state and explored the effects of competition for social goods and services on voters' support for an inclusive welfare state. Zooming in on the case of social housing competition in the Netherlands, I presented a novel, direct, and exogenous measure of social housing competition based on administrative data from a mandatory refugee dispersal system, which relies heavily on social housing, and the number of vacant social housing in 388 Dutch municipalities. Using individual-level panel data from the Dutch Longitudinal Internet Study for the Social Sciences, I found that low- and middle-income individuals became less supportive of immigrants' social rights when new refugees were allocated more social housing in their municipality. These findings show that benefit competition has modest but meaningful effects on support for immigrants' social rights.

In addition to examining different parts of the argument in these previous chapters, I tested the effects of cultural dissimilarity and competition in the same analysis using a laboratory experiment in Chapter 6. In this experiment, I created three groups based on artificial social identities: an in-group, a culturally similar out-group, and a culturally dissimilar out-group. By randomly varying the identity

of the poor in each decision group and the level of labor market competition, I explored individuals' willingness to support redistribution. While the findings showed that individuals are more likely to support redistribution when their material interests are threatened by competition, they provided limited support for the hypothesis that individuals are more likely help poor culturally similar out-group members than culturally dissimilar out-group members. In the chapter, I also discussed potential explanations for these mixed findings which I would like to revisit in future research.

From the findings in this dissertation, three lessons emerge for studying the politics of redistribution in industrialized democracies. The dissertation has first demonstrated the importance of disaggregating the immigrant population and distinguishing between the effect of immigration as a source of cultural dissimilarity among the poor and the effect of immigration as a source of competition. The cultural background of immigrants matters for voters' preferences because individuals are less willing to help those who are more culturally dissimilar to them. Research should therefore theorize the variation among immigrants and between immigrants and the native population more. The dissertation has also shown that a broader understanding of attitudes towards the welfare state is useful. Focusing solely on support for redistribution risks missing important effects of immigration on poor voters' support for an inclusive welfare state. Redistribution and eligibility preferences are often studied in isolation, but it is important to combine them in a single framework to gain a fuller grasp of the effects of immigration on support for the welfare state. Lastly, the dissertation has proven that much can be gained by developing empirical measures that more closely align with the theoretical constructs of cultural

diversity and economic competition, and by carefully selecting cases that meet the preconditions of the argument. This has resulted in novel measures of culturally dissimilar immigration, labor market competition, and social housing competition. While these measures are far from perfect, they are a good starting point for future research.

The findings of this dissertation also point towards avenues for further research. In Chapter 2, I argued that immigration has transformed industrialized democracies into more ethnically and culturally diverse societies. This diversity does not stop when borders are closed, or when immigrants become citizens. Boundaries and cultural differences often remain between immigrants, their descendants, and the native population (Alba 2005). Although comparative data on the descendants of immigrants is limited, some countries have collected data on this growing group of (often) culturally dissimilar citizens. It would be interesting to explore the willingness of white native-born voters to share their resources with the descendants of immigrants. Ford (2015), for example, finds that voters allocate higher benefit levels to ethnic minorities than to immigrants using vignettes of hypothetical benefit recipients in the UK. However, this has yet to be tested in many other contexts or with context-level data. Another interesting line of research would be to compare voters' responses to competition with other natives to their responses to competition with immigrants. If my argument holds, voters should be more accepting of the former than of the latter. This could be explored in various cases, such as the large-scale entry of women into the labor market in the 1960s, the extraordinarily high youth unemployment in Southern European countries after 2008, or other types of priority allocations of social

housing in the Netherlands (for example, to caregivers or victims of domestic abuse).

Finally, I would like to finish this dissertation by discussing some broader implications for the politics of redistribution. Previous research has shown that the issue of immigration has split the traditional electorate of left-wing parties (Gingrich and Häusermann 2015, Kriesi et al. 2006, van den Brug and van Spanje 2009). The findings from this dissertation further suggest that culturally dissimilar immigration pushes the redistribution preferences of poor and rich voters further apart (see also Rueda 2018), although these voters may find each other on the issue of restricting immigrants' social rights. These developments could undermine generous and inclusive welfare states, which have long been successful at reducing poverty and inequality (Bradley et al. 2003, Brady 2009).

Different strategies have been proposed to resolve the tension between immigration and social solidarity, also referred to as the 'Progressive's Dilemma' (Goodhart 2004, Koopmans 2010). Some have argued for closing the borders and excluding current immigrants from the welfare state. In line with this, political parties on the right and the left have adopted more restrictive stances on immigration (Alonso and da Fonseca 2012, Bale 2008, Givens and Luedtke 2005, Schumacher and van Kersbergen 2016). Yet, this strategy seems unsustainable in the long term given the strong push and pull factors for immigration in a highly globalized world (see de Haas et al. 2018, Freeman 1995, Hollifield 2004). Although some governments have introduced 'no recourse to public funds' clauses for new immigrants[1] and residence requirements that disproportionally

[1] Such clauses apply to foreign nationals who are subject to immigration control. For example, new (non-EU) immigrants in the UK may not claim public benefits, such as income support,

affect immigrants' access to social benefits (Emmenegger and Careja 2012, Sainsbury 2012), the effect of these measures is limited in time because the anti-discrimination norm and liberal democratic institutions constrain governments' ability to discriminate between residents based on citizenship, country of birth, or ethnicity (Guiraudon and Lahav 2000, Joppke 1998, Soysal 1994).

Others have focused on adapting the welfare state to its new environment of the modern world of migration. Their solution is to strengthen the links between immigrants' social rights and their social contributions or length of residence (see, for example, Reeskens and van Oorschot 2012). While such measures can rely on broad public support among the native population, as we have seen in Chapter 3, they could in practice lead to more exclusion of immigrants. Increased conditionality is likely to disproportionally affect recent and low-skilled immigrants because they are overrepresented in the low-skilled, low-paid and insecure sectors of the labor market (Emmenegger and Careja 2012, King and Rueda 2008). Moreover, some immigrants are not allowed to enter the labor market (e.g. undocumented immigrants and, in many countries, asylum seekers) or their labor market attachment is very weak. This means that a safety net is still required for these immigrants and their children, many of whom grow up in poor households.

If native-born voters are less likely to empathize automatically with culturally dissimilar immigrants, broad support for the welfare state may be more likely sustained by relying less on empathy, which reflects our inherent biases, and more on 'rational compassion' which Bloom (2016) describes as a

working tax credits, or housing benefits, as a condition of their residence permit. In the US, new immigrants only become eligible for public benefits provided by the federal government after five years of legal residence (Hero and Preuhs 2007).

combination of caring for others and cost-benefit analyses. Many immigrants and their descendants face discrimination in the labor market and other spheres, which translates into weaker socioeconomic outcomes and a greater reliance on social benefits and services (Dustmann and Frattini 2013, Heath and Cheung 2007). If the native population can be convinced that investing in and improving the socioeconomic integration of immigrants and their descendants is also in their long-term interest and that of the country, the tensions between immigration and the welfare state may be lessened.

Supplement

Table of Contents

S.1 Supplement to Chapter 3

S.1.1 Descriptives for the cross-national analysis

Table S.1 Country coverage in the European Social Survey

	Wave	1	2	3	4	5	6	7	8
Code	Country								
AT	Austria	X	X	X	X	X		X	X
BE	Belgium	X	X	X	X	X	X	X	X
CH	Switzerland	X	X	X	X	X	X	X	X
DE	Germany	X	X	X	X	X	X	X	X
DK	Denmark	X	X	X	X	X	X	X	
ES	Spain	X	X	X	X	X	X	X	X
FI	Finland	X	X	X	X	X	X	X	X
FR	France	X	X	X	X	X	X	X	X
GR	Greece	X	X		X	X			
IE	Ireland	X	X	X	X	X	X	X	X
IT	Italy	X	X				X		X
LU	Luxembourg	X	X						
NL	Netherlands	X	X	X	X	X	X	X	X
NO	Norway	X	X	X	X	X	X	X	X
PT	Portugal	X	X	X	X	X	X	X	X
SE	Sweden	X	X	X	X	X	X	X	X
GB	United Kingdom	X	X	X	X	X	X	X	X

Note: Italy (wave 2) and Austria (waves 4 and 5) have been added to the cumulative file.

Table S.2 Operationalization of the main variables in the European Social Survey

Variable	**Description**	**Source**
Individual level		
Support for redistribution	Government should reduce income differences. 1=Strongly Disagree, 5=Strongly Agree.	ESS
Support for immigrants' social rights	When should immigrants be granted equal social rights. 1=Never, 5=Immediately.	ESS
Income distance	Distance from the country-year mean income, in 2010 constant, PPP$. (in ten thousand)	ESS, OECD
Female	Gender of the respondent. 1=female, 0=male	ESS
Age	Age of the respondent in years.	ESS
Education	Years of education of the respondent.	ESS
Household size	Number of household members.	ESS
Unemployed	1=unemployed (looking for a job/not looking for a job), 2=not unemployed.	ESS
Inactive	1=not in the labor force (students, sick, retired, community service, housework, other), 0=in the labor force (employed, unemployed)	ESS
Union member	1=union member, currently/previously, 0=not a member.	ESS
Married	1=married or civil partnership, 0=not.	ESS
Skills	Based on ISCO-codes. 1=low-general skills, 2=specific skills, 3=high-general skills.	ESS
Ideology	Self-placement on the left-right scale. 1=right-wing, 10=left-wing.	ESS
Social class	Eleven-category Erikson-Goldthorpe scheme plus additional category for students and the retired.	ESS
Context level		
Culturally dissimilar immigration	The percentage of foreign-born corrected for cultural distance.	OECD, WVS, EVS
Foreign-born	The percentage of foreign-born.	OECD IMD
Social spending	Social spending as a percentage of GDP.	OECD
Unemployment rates	The percentage of unemployed (15-64 years).	Eurostat
GDP per capita	GDP per capita, in 2010 constant PPP$. (in ten thousand)	Eurostat, OECD, US BLS
Income inequality	Gini coefficient of income inequality based on market income.	Thewissen et al. (2016)
Low-educated foreign-born	Percentage of foreign-born (15-64 y/o) with low educational attainments (ISCED 0-2).	Eurostat
Employment rates foreign-born	Percentage of foreign-born (15-64 y/o) active in the labor market	Eurostat

Table S.3 Summary statistics of the European Social Survey

Variable	Obs.	Mean	Std. Dev.	Min	Max
Support for redistribution	202797	3.80	1.05	1	5
Support immigrants' social rights	48609	2.86	1.00	1	5
Income distance	167733	-0.16	2.80	-6.72	38.10
Age	205860	49.82	18.07	18	123
Female	205819	0.52	0.50	0	1
Education (in years)	203984	12.39	4.32	0	56
Unemployed	204987	0.05	0.22	0	1
Inactive	204987	0.44	0.50	0	1
Married	202593	0.53	0.50	0	1
Union member	203400	0.43	0.50	0	1
Social spending (%)	205865	23.56	4.31	13.82	32.21
Culturally dissimilar immigration	184075	15.32	6.98	4.07	43.43
Foreign-born (%)	196759	12.35	5.15	2.90	36.18

S.1.2 Robustness tests for the cross-national analysis

Table S.5 Robustness tests

DV: Support for redistribution	(1)	(2)	(3)	(4)	(5)
Income	-0.040**	-0.037**	-0.039**	-0.040**	-0.035**
	(0.003)	(0.003)	(0.003)	(0.003)	(0.003)
Dissimilar immigration	-0.011**	-0.010**	-0.010**	-0.011**	-0.010**
	(0.002)	(0.002)	(0.002)	(0.002)	(0.002)
Income X Dissimilar	-0.001**	-0.001**	-0.001**	-0.001**	-0.001**
	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)
Specific skills		0.032**			
		(0.008)			
High-general skills		-0.153**			
		(0.007)			
Ideology			0.117**		
			(0.001)		
Church attendance				-0.041**	
				(0.009)	
Ref: Self-employed					
Small business owners					0.150**
					(0.020)
Technical professionals					0.115**
					(0.020)
Production workers					0.343**
					(0.019)
Managers					0.083**
					(0.019)
Clerks					0.279**
					(0.020)
Socio-cultural professionals					0.307**
					(0.019)
Service workers					0.338**
					(0.019)
Observations	141,319	133,057	132,759	141,077	132,998
Number of groups	17	17	17	17	17

Note: Estimates from multilevel models. Standard errors in parentheses. Controls included in all regressions are age, gender, education, being unemployed, being inactive, married, union membership social spending, the percentage of foreign-born, and country and year fixed effects. ** p<0.01, * p<0.05, + p<0.1

Table S.6 Robustness tests (continued)

Support for redistribution	(6)	(7)	(8)	(9) pre-2008	(10) pre-2015
Income	-0.040**	-0.040**	-0.039**	-0.023**	-0.035**
	(0.003)	(0.003)	(0.004)	(0.004)	(0.003)
Dissimilar immigration	-0.011**	-0.010**	-0.027**	-0.002	-0.008**
	(0.002)	(0.002)	(0.006)	(0.008)	(0.002)
Income X Dissimilar	-0.001**	-0.001**	-0.001**	-0.001**	-0.001**
	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)
Unemployment (%)	0.011**				
	(0.002)				
GDP (per capita)		0.000			
		(0.000)			
Income inequality			0.517		
			(0.664)		
Observations	141,319	141,319	58,026	50,562	122,081
Number of groups	17	17	13	14	17

Support for redistribution	(11)	(12) 90%	(13) Non-imputed	(14) Difference	(15) Linguistic distance	(15)
Income	-0.042**	-0.043**	-0.047**	-0.047**	-0.004**	-0.041**
	(0.003)	(0.003)	(0.003)	(0.002)	(0.002)	(0.003)
Dissimilar immigration	-0.009**	0.006*	-0.004+	-0.009**	-0.022**	-0.011**
	(0.002)	(0.003)	(0.002)	(0.002)	(0.006)	(0.002)
Income X Dissimilar	-0.001**	-0.001**	-0.001**	-0.001**	-0.001**	-0.001**
	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)
Foreign-born employment	-0.000					
	(0.001)					
Foreign-born (%)						0.024**
						(0.004)
Income X Foreign-born						0.000
						(0.000)
Observations	138,613	95,435	121,243	141,319	141,319	141,319
Number of groups	17	15	16	17	17	17

Note: Estimates from multilevel models. Standard errors in parentheses. Controls included in all regressions are age, gender, education, being unemployed, being inactive, married, union membership social spending, the percentage of foreign-born, and country and year fixed effects. ** p<0.01, * p<0.05, + p<0.1

S.1.3 Descriptives for the longitudinal analysis

Table S.7 Operationalization of the variables in the British Household Panel Study

Variable	**Description**
Individual-level	
Support for redistribution	Government should provide jobs for everyone who wants one. 1=strongly disagree, 5=strongly agree.
Income distance	Distance from the wave mean annual gross household income, in 2005 constant pounds (in thousands).
Female	Gender of the respondent. 1=female, 0=male.
Age	Age of the respondent in years.
Education	Level of education of the respondent. 1=low (ISCED 0-2), 2=medium (ISCED 2-4), 3=high (ISCED 5-7).
Unemployed	Unemployment status of the respondent. 1=unemployed, 0=not.
Married	Marital status of the respondent. 1=married or civic partnership, 0=not.
White	Ethnicity of the respondent. 0=White, 1=Black-Caribbean, Black-African, BlackOther, Indian, Pakistani, Bangladeshi, Chinese, or Other.
Household size	Number of household members of the respondent.
Context-level	
Culturally dissimilar immigration	Growth rate of culturally dissimilar immigration compared to the previous year. Culturally dissimilar are the foreign-born who identify as Mixed, Black, Asian, or Other.
Overall immigration	Growth rate of the foreign-born population compared to the previous year.
Low-skilled population	The percentage of workers in low-skilled occupations. Low-skilled is defined as administrative and secretarial occupations, caring, leisure, and other service occupations, sales and customer service occupations, process, plant, and machine operatives, and elementary occupations.
Unemployment rates	The percentage of working-age individuals receiving Job Seekers' Allowance.

Note: The individual-level variables are from the BHPS and the context-level variables were found through Nomisweb.

Table S.8 Summary statistics of the British Household Panel Study

	Obs.	Mean	Std. Dev.	Min	Max
Support for redistribution	73376	3.14	1.09	1	5
Female	77294	0.54	0.50	0	1
Age	77925	46.28	18.14	18	101
Low education	74129	0.30	0.46	0	1
Medium education	74129	0.41	0.49	0	1
High education	74129	0.29	0.45	0	1
Income distance (x10,000)	76104	-0.07	2.07	-3.40	44.33
Unemployed	77594	0.04	0.19	0	1
Married	77914	0.56	0.50	0	1
White	74427	0.99	0.11	0	1
Household size	77925	2.80	1.33	1	14
Δ% non-white immigration	68728	5.86	3.44	-8.42	27.1
Δ% Foreign-born	68728	3.10	2.37	-8.18	21.88
Unemployment %	68728	3.51	2.40	0.40	16.90

S.1.4 Robustness tests for the longitudinal analysis

Table S.9 Robustness tests for the longitudinal analysis

		Income distance	Culturally dissimilar immigration	Interaction
(1)	Original results	0.005 (0.005)	-0.001 (0.003)	-0.002** (0.001)
(2)	Social class	0.008 (0.005)	0.001 (0.003)	-0.002** (0.001)
(3)	Skill level	0.007 (0.005)	-0.001 (0.003)	-0.002** (0.001)
(4)	Inactive	0.006 (0.005)	-0.001 (0.003)	-0.002** (0.001)
(5)	Benefit claimants %	0.015* (0.006)	0.003 (0.004)	-0.002** (0.001)
(6)	Low-skilled population %	0.003 (0.005)	0.001 (0.003)	-0.001* (0.001)
(7)	Jobs density	0.019** (0.006)	0.002 (0.003)	-0.003** (0.001)
(8)	Population size	0.005 (0.005)	-0.000 (0.003)	-0.002** (0.001)
(9)	Region fixed effects	0.005 (0.005)	-0.000 (0.003)	-0.002** (0.001)
(10)	Two-year lag of culturally dissimilar immigration	0.004 (0.004)	-0.000 (0.001)	-0.001** (0.000)
(11)	Non-western immigration	0.003 (0.004)	-0.004 (0.003)	-0.002** (0.001)
(12)	Multilevel model	-0.002** (0.000)	-0.000 (0.003)	-0.000** (0.000)

Note: Original results refer to Model 6 in Table 3.4 in the main text. It summarizes the coefficients and standard errors of the main independent variables of interest. ** p<0.01, * p<0.05, + p<0.1

S.2 Supplement to Chapter 4

S.2.1 Descriptive statistics

Table S.2.1. Operationalization of the main variables for the UK and Ireland

Variable	United Kingdom	Ireland
Support for redistribution	Government should provide jobs for everyone who wants one. 1=strongly disagree, 5=strongly agree.	The government should cut taxes and spend less on health and social services. 0=cut taxes/spend less, 10=increase taxes/spend more.
Economic insecurity	How well would you say you yourself are managing financially these days? 1=living comfortably, 5=finding it very difficult	How worried are you that you might become unemployed in the next year? 1=not at all, 4=very.
Age	Age of the respondent in years.	Age of the respondent in years.
Education	Highest level of education of the respondent. 1=low (ISCED 0-2), 2=medium (ISCED 3-4), 3=high (ISCED 5-7).	Highest level of education of the respondent. 1=low (none, primary), 2=medium (junior group, leaving certificate, diploma), 3=high (university).
Income	Distance from the wave mean annual gross household income, in 2005 constant pounds (in thousands).	The net household income of the respondent in five broad categories. 1=<€240pw, 5=>€800pw
Married	Marital status of the respondent. 1=married or civic partnership, 0=not.	Marital status of the respondent. 1=married or civic partnership, 0=not.
Household size	Number of household members of the respondent.	Number of household members of the respondent.
Unemployed	Unemployment status of the respondent. 1=unemployed, 0=not.	Unemployment status of the respondent. 1=unemployed, 0=not.
Region	Dummy variables for 12 Government Office Regions.	N.A.
A10 immigrants in occupation (1-digit ISCO)	Percentage of A10 immigrants in occupation. Based on UK Labor Force Survey (UKLFS).	Percentage of A10 immigrants in occupation. Based on the Irish census.
Total immigrants in occupation (1-digit ISCO)	Percentage of immigrants in occupation. Based on UKLFS.	Percentage of foreign-born in occupation. Based on the Irish Census.
Occupational unemployment (1-digit ISCO)	Percentage of unemployed in occupation. Based on UKLFS.	Percentage of unemployed in occupation. Based on Rehm (2009).

Table S.2.2 Summary statistics of the main variables in the United Kingdom

	Wave of 2001			Wave of 2007		
Variables	Obs.	Mean	Std. Dev.	Obs.	Mean	Std. Dev.
A10 migrants in occup.	8297	0.31	0.10	8318	1.63	1.66
Female	14213	0.54	0.50	12893	0.54	0.50
Age	14213	46.4	18.06	13529	47.71	18.27
Low education	13729	0.30	0.46	12650	0.25	0.43
Medium education	13729	0.41	0.49	12650	0.44	0.50
High education	13729	0.29	0.46	12650	0.31	0.46
Income distance	14018	-1.89	20.05	12894	-0.80	23.96
Household size	14213	2.77	1.33	13529	2.80	1.36
Unemployed	14208	0.03	0.18	13529	0.03	0.16
Total migrants in occup.	8297	8.53	2.00	8318	12.04	3.01
Occup. unemployment	8297	0.03	0.02	8318	0.02	0.01

Table S.2.3 Summary statistics of the main variables in Ireland

	Wave of 2002			Wave of 2007		
Variables	Obs.	Mean	Std. Dev.	Obs.	Mean	Std. Dev.
A10 migrants in occup.	2286	0.40	0.31	881	4.74	4.54
Female	2321	0.53	0.50	903	0.49	0.50
Age	2586	46.89	17.14	974	52.71	15.27
Low education	2600	0.22	0.41	994	0.23	0.42
Medium education	2600	0.63	0.48	994	0.58	0.49
High education	2600	0.15	0.36	994	0.19	0.39
Income	2285	2.62	1.05	899	3.22	1.27
Household size	2596	3.49	1.69	994	3.13	1.58
Unemployed	2593	0.03	0.18	995	0.03	0.16
Total migrants in occup.	2286	14.24	2.70	881	22.5	5.25
Occup. unemployment	2273	4.63	3.45	877	4.58	2.76

Table S.2.4 Summary statistics by number of waves

	UK		**Ireland**	
Variables	One wave	Two waves	One wave	Two waves
A10 migrants in occup.	0.82	0.31	0.44	2.46
Female	0.53	0.55	0.55	0.49
Age	47.36	45.67	46.33	50.17
Low education	0.35	0.26	0.22	0.24
Medium education	0.41	0.41	0.63	0.58
High education	0.24	0.33	0.15	0.18
Income	-3.73	-0.27	2.59	2.96
Household size	2.79	2.79	3.44	3.35
Unemployed	0.04	0.03	0.03	0.03
Total migrants in occup.	9.66	8.60	14.37	18.14
Occup. unemployment	2.79	3.26	4.59	4.61
Unique respondents	7,705	8,747	1,557	990

S.2.2 Robustness tests for the UK analysis

This section provides robustness tests for the main results from the UK analysis on support for redistribution in Table 3.1. Table S.2.4 demonstrates the robustness of these results to an alternative operationalization of the dependent variable as an additive index of economic preferences (Model 1). The results are also robust to the inclusion of alternative explanations: children in the household (Model 2), being inactive in the labor market (Model 3), skill specificity (Model 4), and looking for a new job or employer (Model 5).

Table S.2.4 Testing alternative explanations for support for redistribution

DV: Support for redistribution	(1)	(2)	(3)	(4)	(5)
A10 migrants in occupation (%)	0.057*	0.119+	0.113+	0.117+	0.135*
	(0.025)	(0.062)	(0.062)	(0.062)	(0.063)
Children in household		-0.056			
		(0.034)			
Inactive			0.100		
			(0.087)		
Ref: Low-general skills					
Specific skills				0.023	
				(0.097)	
High-general skills				0.537+	
				(0.316)	
Looking for new job					-0.038
					(0.031)
Observations	14,008	13,937	13,937	13,937	13,565
Respondents	9,962	9,924	9,924	9,924	9,767
R-squared	0.029	0.047	0.046	0.046	0.046

Notes: Estimates from fixed-effects linear models. Robust standard errors in parentheses. All models include year, region, and occupation fixed effects, as well as the following controls: age, education, income, household size, being unemployed, total immigrants in occupation, and occupational unemployment rates. ** p<0.01, * p<0.05, + p<0.1

Table S.2.5 Labor market competition and economic insecurity among British voters

DV: Economic insecurity	(1)	(2)	(3)	(4)	(5)
A10 migrants in occupation (%)	0.009	0.025*	0.024+	0.130*	0.124*
	(0.009)	(0.013)	(0.013)	(0.056)	(0.056)
Age		-0.095**	-0.093**	-0.095**	-0.093**
		(0.033)	(0.033)	(0.033)	(0.033)
Ref: Low education					
Medium education		0.140	0.139	0.137	0.135
		(0.120)	(0.120)	(0.121)	(0.121)
High education		0.048	0.053	0.063	0.067
		(0.161)	(0.161)	(0.161)	(0.161)
Income distance (x £1,000)		-0.005**	-0.005**	-0.004**	-0.004**
		(0.001)	(0.001)	(0.001)	(0.001)
Household size		0.030*	0.030*	0.027*	0.027*
		(0.013)	(0.013)	(0.013)	(0.013)
Unemployed		0.341	0.358	0.328	0.346
		(0.359)	(0.355)	(0.380)	(0.376)
Total migrants in occupation (%)		-0.011+	-0.010	-0.036	-0.034
		(0.006)	(0.006)	(0.025)	(0.025)
Occupational unemployment		0.010	0.009	0.105*	0.100*
		(0.010)	(0.010)	(0.047)	(0.047)
Constant	2.095**	5.499**	5.261**	5.438**	5.199**
	(0.007)	(1.218)	(1.247)	(1.231)	(1.261)
Observations	14,506	14,133	14,013	14,133	14,013
Respondents	10,178	10,072	9,967	10,072	9,967
Waves	2	2	2	2	2
Year FE	Yes	Yes	Yes	Yes	Yes
Region FE	No	No	Yes	No	Yes
Occupation FE	No	No	No	Yes	Yes
R-squared	0.011	0.029	0.031	0.032	0.035

Note: Estimates from fixed-effects linear models. Robust standard errors in parentheses. ** p<0.01, * p<0.05, + p<0.1

Table S.2.6 probes the robustness of the results from the UK analysis on the effects of labor market competition on feelings of economic insecurity. It shows that these results are robust to controlling for children in the household (Model 1), being inactive in the labor market (Model 2), skill specificity (Model 3), looking for a new job or employer (Model 4), and working in the public sector (Model 5).

Table S.2.6 Testing alternative explanations for feelings of economic insecurity

	(1)	(2)	(3)	(4)	(5)
A10 migrants in occupation (%)	0.057*	0.119+	0.113+	0.117+	0.135*
	(0.025)	(0.062)	(0.062)	(0.062)	(0.063)
Children in household	0.003				
	(0.032)				
Inactive		0.070			
		(0.082)			
Ref: Low-general skills					
Specific skills			0.033		
			(0.092)		
High-general skills			0.475+		
			(0.282)		
Looking for new job				0.133**	
				(0.030)	
Public sector					0.038
					(0.047)
Observations	14,013	14,013	14,013	13,635	12,358
Respondents	9,967	9,967	9,967	9,806	8,949
R-squared	0.035	0.035	0.035	0.041	0.044

Notes: Estimates from fixed-effects linear models. Robust standard errors in parentheses. All models include year, region, and occupation fixed effects, as well as the following controls: age, education, income, household size, being unemployed, total immigrants in occupation, and occupational unemployment rates. ** p<0.01, * p<0.05, + p<0.1

S.3 Supplement to Chapter 5

S.3.1 Details of social housing policies in the Netherlands

In 2009, the European Commission accused the Dutch government of providing illegal state aid to housing associations by providing loan guarantees, even though the latter also engage in non-social activities such as constructing and selling non-social housing.[1] The minority government of the Liberal Party (VVD) and the Christian Democratic Party (CDA), with formal support from the Party for Freedom (PVV), responded by introducing an income threshold. The temporary regulation stated that from January 1, 2011 onwards, 90% of vacant social housing should be allocated to households with gross annual incomes below €33,614 (2011 prices) and housing associations could allocate up to 10% freely.[2]

This regulation was later integrated in a new Housing Act, which went into force on July 1, 2015. The 90% rule was replaced with the 80-10-10 rule: 80% of all new allocations should go to households with incomes below €34,911 (2015 prices), up to 10% to those with incomes between €34,911 and €38,950 (2015 prices), and up to 10% freely. The Labor Party (PvdA), who formed a majority government with the Liberal Party, and the Christian Union (CU) had pushed for this to increase the opportunities for middle-income households. Although the Liberal Party strongly opposed it, the motion reached a majority in parliament thanks to the support of opposition parties, including this time the Party for Freedom.[3]

---

[1] Commission Decision of 9 December 2009 (No. C (2009) 9963).
[2] *Tijdelijke regeling diensten van algemeen economisch belang toegelaten instellingen volkshuisvesting* [Temporary regulation for services of general economic interest by admitted housing associations] (nr. BJZ2010028548).
[3] Parliamentary Document XVIII 2013/2014, 33750.

While I do not have data on new allocations, Table S.3.1 suggests that after the policy change the percentage of households living in social housing dropped faster for those with incomes above the first income threshold. Table S.3.2 further explores the relationship between income and housing tenure in detail. It reveals two interesting patterns. Firstly, renting from housing associations is the dominant form of housing tenure for those with gross annual incomes below €40,000. This makes sense as they may prefer affordable housing and face greater constraints in other parts of the local housing market. Secondly, the likelihood to rent from housing associations decreases with income, but a substantial part of middle- and high-income households continue to live in social housing.

Table S.3.1 Percentage of households renting from housing associations by group (2009-2015)

	2009	2012	2015
Household income < €34,229	58.6	56.3	53.5
Household income between €34,229 - €43,786	33.4	29.1	25.4
Household income > €43,786	13.1	10.4	8.6

Source: WoonOnderzoek (2015)
Note: The gross annual income threshold of the primary target group corresponds to a €1,800 net monthly income threshold.

Table S.3.2 Housing stock by housing tenure and broad income group (%)

	2009			2012		
Gross annual income (x €10,000)	Owner-occupied	Housing associations	Private landlords	Owner-occupied	Housing associa-tions	Private landlords
< 2	18.8	65.0	16.2	19.9	63.9	16.2
2 – 4	38.0	50.2	11.8	36.8	51.0	12.2
4 – 6	63.7	26.3	10.0	61.8	26.8	11.4
6 – 8	75.8	15.7	8.5	74.1	16.2	9.7
8 – 10	81.5	10.4	8.1	80.5	10.5	9.0
> 10	84.8	6.5	8.7	86.0	4.9	9.1
Total	57.0	32.2	10.8	56.9	31.7	11.4

Source: Statistics Netherlands (2017; own calculations).
Note: Percentages are based on the total housing stock minus the "unknown" category for housing tenure.

S.3.2 Measuring social housing competition

This section describes the construction of the measure of social housing competition in more detail. In the main text, I define social housing competition as the share of the vacant social housing allocated to new refugees in each municipality *j* in each year *t*:

$$Social\ housing\ competitio = \frac{Social\ housing\ allocated\ to\ new\ refugees_{jt}}{Vacant\ social\ housing_{jt}}\ X\ 100\%$$

First, I estimated the number of social dwellings allocated to new refugees by dividing the number of newly dispersed refugees in each municipality-year by the average household size of refugees. I use publicly available data on the number of dispersed refugees between 2007 and 2015 and on the number of dispersed regularized asylum seekers between 2007 and 2010 from the Dutch Ministry of

Security and Justice (*Ministerie van Veiligheid en Justitie*). These can be found through the search engine on the website of the Dutch government: www.rijksoverheid.nl. These figures refer to all new refugees, including children, who moved into permanent housing in the municipality. (In 2016, the figures include both permanent and temporary housing arrangements.)

Data on the average refugee household size per municipality were not available for most of the period of analysis. Based on previous studies (see, Wissink and Lijzenga 2014), I therefore assume that the average refugee household consists of two refugees. My measure thus does not account for differences in refugee household size between municipalities or over time. This is a limitation as municipalities may struggle more to find housing for single-person or large households due to the predominance of family homes in the social housing stock. I obtained municipal data on refugee household sizes for 2015 through personal communication with the Central Agency for the Reception of Asylum Seekers (COA) to validate my measure of social housing competition with a similar measure based on time- and regional-varying refugee household size. I find that both measures are highly correlated.

Secondly, I estimated the number of vacant social dwellings by multiplying the social housing stock by the local annual turnover rate for social dwellings. The number of vacant social housing captures the goods that individuals are competing for better than the social housing stock because most dwellings will stay occupied by their current residents. I use data on the rental stock owned by housing associations, available from 2009 to 2016 through Statistics Netherlands (*Centraal*

Bureau voor de Statistiek, CBS), as a proxy for the social housing stock. In 2015, housing associations owned 75% of the total rental stock and 91% of their rental stock was social housing (WoonOnderzoek 2015, own calculations). There is a break in the time-series due to a new method to measure the housing stock, but the data based on the old and new method (available for 2012) are almost perfectly correlated.

The local annual turnover rates are not available for municipalities, but housing associations are required to include this information in their annual reports. I obtained annual data on the turnover rates of the rental housing stock owned by housing associations through personal communication with Aedes, the confederation of housing associations, for 2011 to 2015 and the Authority for Housing Associations (*Autoriteit woningcorporaties,* Aw) for 2007 to 2010. Although these rates do not capture the turnover in the entire social housing market (because private landlords also provide social housing), they come very close. There were approximately 350 housing associations during this period. I match the annual turnover rate of each housing association to the municipality in which they had their headquarters and take a weighted average by housing stock if a municipality is the headquarter of multiple housing associations. For municipalities without a headquarter, which is almost half of all municipalities, I replace the missing values for each year with the average turnover rate of that year.

After dividing the estimated number of social dwellings allocated to refugees by the estimated number of vacant social dwellings, and multiplying it by a factor 100, I end up with the measure of social housing competition. In principle, this

measure should range from 0%, where no vacant social housing is allocated to refugees, to 100% where all vacant social housing is allocated to refugees. Inspecting the distribution of social housing competition reveals that my measure exceeds 100% in six municipality-years. This means that more social housing was allocated to refugee households than I estimated to be available. This could reflect measurement error from the estimated refugee household size or the imputed annual turnover rates. It could also capture that municipalities found housing for refugees on the private rental market, as private landlords can rent out social housing too. To deal with these concerns, I run all analyses with a trimmed measure of social housing competition (i.e. excluding observations below the 1st percentile and above the 99th percentile). In the robustness tests in S.3.7, I repeat the analysis with the unadjusted measure and a more conservative measure of social housing competition that uses the social housing stock as the denominator. This leads to similar results.

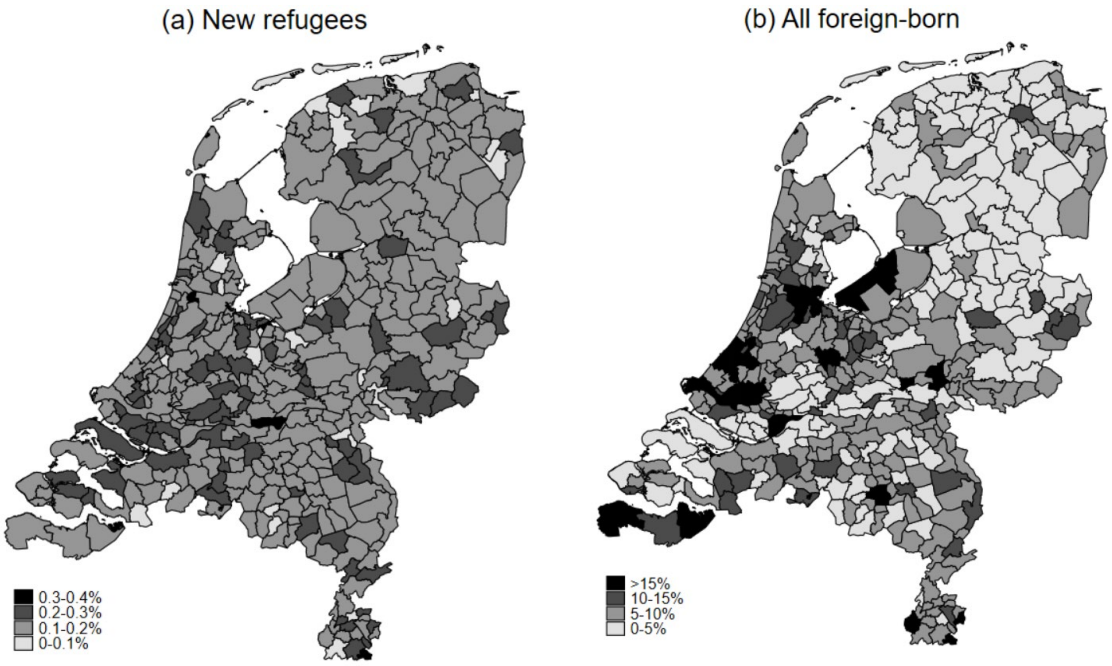
S.3.3 Exogeneity of social housing competition

This section presents empirical evidence to support the assumption that the measure of social housing competition is exogenous to the welfare attitudes of the native-born population. To this end, I focus on the determinants of the main components of the social housing competition measure: refugee dispersals and the social housing supply.

Determinants of refugee dispersals

The dispersal targets of the mandatory refugee dispersal system are plausibly exogenous to individuals' welfare attitudes as they depend solely on the number of refugees in need of housing and the municipalities' population size. Figure S.3.1 illustrates that the refugee dispersal system leads in practice to a relatively even distribution of the inflow of new refugees (panel a) while the geographical distribution of the total foreign-born population shows clear signs of self-selection into urban areas (panel b). The percentage of new refugees is also weakly correlated with the stock or growth rate of the foreign-born population ($r=-0.14$, $p<0.01$ and $r=0.07$, $p<0.01$, respectively).

Figure S.3.1 New refugees and foreign-born in Dutch municipalities in 2015



Source: Author's dataset and Statistics Netherlands (2019)

Yet, other factors may influence whether new refugees receive permanent housing in a municipality. Previous evaluations, for example, found that large municipalities struggle most with placing single-person refugee households due to the overrepresentation of family homes in the social housing stock (RIGO 2016, Smits van Waesberghe and Razenberg 2016). To assess the determinants of refugee dispersals, I therefore run fixed effects linear models with the number of new refugees dispersed in a municipality as the dependent variable. I include year fixed effects and focus the analysis on 2010 until 2015.[4]

Table S.3.3 summarizes the results. Model 1 includes the refugee dispersal targets. As expected, these targets have a strong, positive and significant effect on the number of dispersed refugees. Compared to a baseline model with year fixed effects only (not reported here), the inclusion of refugee dispersal targets increases the within R-squared from 0.281 to 0.800. This confirms that dispersal targets are an important predictor of the number of dispersed refugees.

Model 2 adds population size, the percentage of foreign-born, and the presence of an asylum seekers' center. The immigration variables are insignificant suggesting that new refugees do not self-select into more ethnically diverse municipalities in their first year. Population size has a negative and significant effect on the number of new refugees: a one-unit increase in population (i.e. 1,000 extra inhabitants) reduces the number of dispersed refugees by 4 units. Substantively, the effect is small as population size only increases with 1,000 inhabitants (or more) in

[4] I exclude the pre-2010 period because the government only published a single target for municipalities for the temporary dispersal system for regularized asylum seekers.

less than five per cent of the municipality-years. It also has a modest effect on the within R-squared: it moves from 0.800 to 0.815.

Model 3 considers housing market characteristics as these may constrain the ability of municipalities to fulfill their task. Data on rent levels are unavailable, but the variation should be small as social housing rents are regulated. I find that the percentage of social housing, annual turnover rates for social housing, the local demand for social housing (proxied by the growth rate of the low-income population and the growth rate of the total population), average housing values, and the percentage of private rental housing do not alter the inflow of new refugees.

Model 4 further controls for the percentage of low-educated and the unemployment rate. I find that these socioeconomic variables do not predict whether municipalities provide social housing to new refugees.

In Model 5, I focus on political variables. Although the mandatory refugee dispersal policy, in place since 1995, is decided on the national level, voters may try to influence the implementation of this policy through their local government. Unfortunately, I do not have access to data on the partisanship of local governments, but I can control for the political color of the largest party bloc using data from local elections held on March 3, 2010 and March 19, 2014. I assume that the different views on immigration and the welfare state at the national level also influence parties' positions at the local level. Since the Dutch party system is very fragmented, I group political parties into four party blocs: a left-wing bloc, a center bloc, a right-

wing bloc, and a local bloc.[5] I include right-wing populist parties among the right-wing parties because they have a limited presence at the local level: for example, the Party for Freedom only competed in two municipalities (The Hague and Almere) in 2010 and 2014.

Model 5 adds these dummies and takes left-wing parties as the reference category. The results show that the number of newly dispersed refugees is lower in municipalities with large right-wing or local parties than in municipalities with large left-wing parties, but the differences are statistically insignificant. The findings are similar when I exclude the two municipalities where the Party for Freedom competed and entered the local council (not reported here). The efforts of municipalities to meet their dispersal targets thus do not seem to be influenced by local partisanship.

Finally, Model 6 controls for two more characteristics of the housing market: the vacancy rates for owner-occupied housing and for private rental housing. I include them in a separate model because these data are only available from 2012. In this period, the refugee dispersal system experienced greater pressures due to the large influx of refugees. Based on this smaller sample, I find that the vacancy rates of private rental housing have a positive and significant effect on the number of dispersed refugees in a municipality. In other words, municipalities seem to provide more permanent housing to refugees when there are more private rental

[5] I code the Labor Party, Socialist Party, and Green Party as left-wing and I include any list connections with one of these parties. Center parties are the Christian Democrats, Social-Liberal Party, and the Christian Union while the Liberal Party, the Reformed Political Party, the Party for Freedom, List Pim Fortuyn, and Proud of the Netherlands are coded as right-wing parties. I further exclude political parties that compete in multiple municipalities, but do not have a presence in the national parliament.

dwellings available. Interestingly, population size no longer affects the number of dispersals while average housing values now do. Although the within R-squared is higher in this model (0.848), only a small portion can be attributed to the role of the vacancy rates. A model for the same period without these two variables (not reported here) has the same explanatory power.

All in all, these findings suggest that voters are unlikely to influence the decision of municipalities to fulfill their mandatory task to provide permanent housing to new refugees. They also show that the number of dispersed refugees in a municipality is best predicted by the refugee dispersal targets of a municipality. It does not depend on common demographic, socioeconomic, most housing market related, or political factors. The effect of population size is significant, but it is modest compared to the effect of dispersal targets. The number of dispersed refugees drops from 34 to 28 as we move from the mean of population size to one (within variation) standard deviation above the mean, while the number of dispersed refugees increases from 34 to 67 as we move from the mean of dispersal targets to one (within variation) standard deviation above the mean. The effect of vacant private rentals, based on the post-2011 sample, is also small: the number of dispersed refugees increases from 38 to 39 as we move from the mean of vacant private rentals to one (within variation) standard deviation above the mean. To reduce the risk of bias, I will control for these context variables in the robustness tests of the analysis of voters' attitudes.

Table S.3.3 Determinants of the number of newly dispersed refugees (2010-2015)

	(1)	(2)	(3)	(4)	(5)	(6) Post-2011
Dispersal targets	0.805**	0.925**	0.927**	0.927**	0.931**	0.915**
	(0.071)	(0.037)	(0.037)	(0.037)	(0.038)	(0.061)
Population size		-0.004**	-0.004**	-0.004**	-0.004**	-0.003
		(0.001)	(0.001)	(0.001)	(0.001)	(0.005)
Foreign-born %		2.663	2.662	2.649	2.828	1.761
		(2.035)	(2.033)	(2.035)	(2.030)	(2.392)
Asylum seekers' center		-1.973	-2.110	-2.338	-2.701	-1.108
		(3.058)	(3.047)	(3.066)	(3.077)	(4.276)
Social housing %			0.228	0.232	0.218	-0.434
			(0.310)	(0.310)	(0.313)	(0.998)
Private rental housing %			0.507+	0.518+	0.543+	-0.182
			(0.291)	(0.288)	(0.290)	(0.823)
Average housing values			-4.544	-3.822	-4.812	-21.245*
			(4.142)	(3.522)	(3.766)	(9.004)
Turnover rates			-5.030	-4.995	-6.339	0.729
			(30.824)	(30.747)	(30.770)	(40.433)
∆% Low-income pop.			0.111	0.105	0.090	0.030
			(0.125)	(0.127)	(0.124)	(0.172)
∆% Population			0.569	0.586	0.572	1.521
			(0.737)	(0.751)	(0.752)	(1.023)
Vacant private rentals %						0.323*
						(0.127)
Vacant owner-occupied %						0.244
						(0.417)
Low-educated (%)				0.098	0.103	0.048
				(0.085)	(0.086)	(0.113)
Unemployment (%)				-1.381	-1.305	-2.973
				(2.541)	(2.471)	(2.879)
Ref: Left bloc						
Centrist bloc					0.970	0.015
					(2.884)	(3.504)
Right bloc					-2.527	-4.125
					(3.196)	(4.045)
Local bloc					-2.804	-3.438
					(3.362)	(3.739)
Observations	2,328	2,328	2,328	2,328	2,320	1,548
Number of municipalities	388	388	388	388	388	388
Years	6	6	6	6	6	4
Year fixed effects	Yes	Yes	Yes	Yes	Yes	Yes
R-squared within	0.800	0.815	0.816	0.816	0.817	0.848

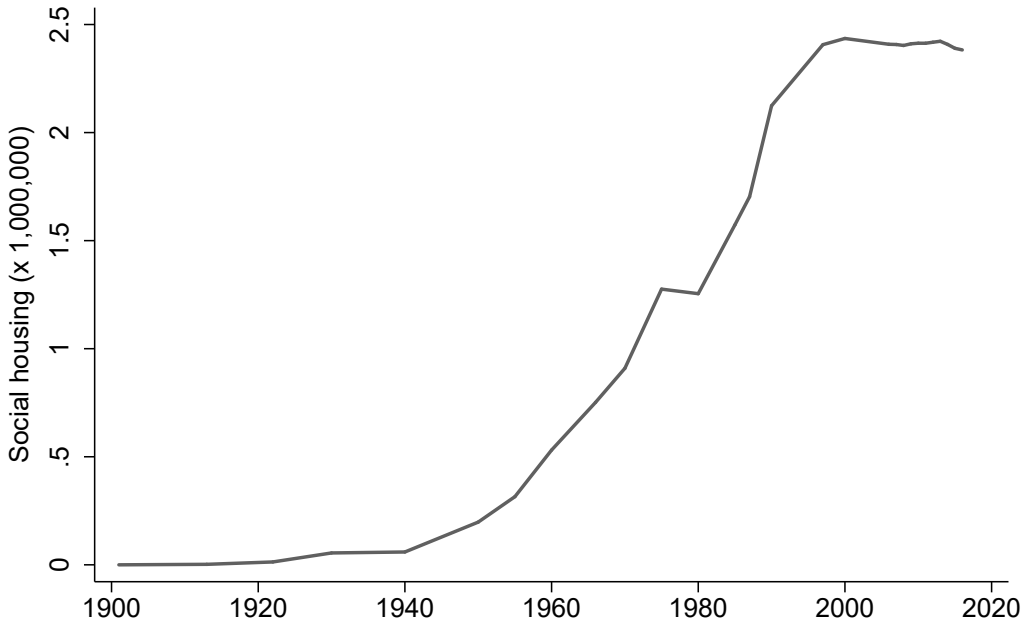
Note: Coefficients from fixed effects linear models. Robust standard errors in parentheses.
** p<0.01, * p<0.05, + p<0.10

Voters and the social housing supply

The previous section showed that voters do not seem to influence the decision of municipalities to provide housing to new refugees. Here, I argue that voters are also unlikely to successfully influence the supply of social housing in the short term.

First, housing associations are responsible for constructing most social housing, but they are private actors and voters have few options to directly influence their actions. While local governments can encourage housing associations to build more, they too have very little influence over housing associations, especially since their privatization and the abolition of construction subsidies in the 1990s (Haffner et al. 2009). This comes out in Figure S.3.2 which shows the total number of houses owned by housing associations. Their stock stagnated in recent decades and between 2000 and 2016, it even decreased by 2.2 percentage points (pp) while the total Dutch population increased by 7.0 pp.

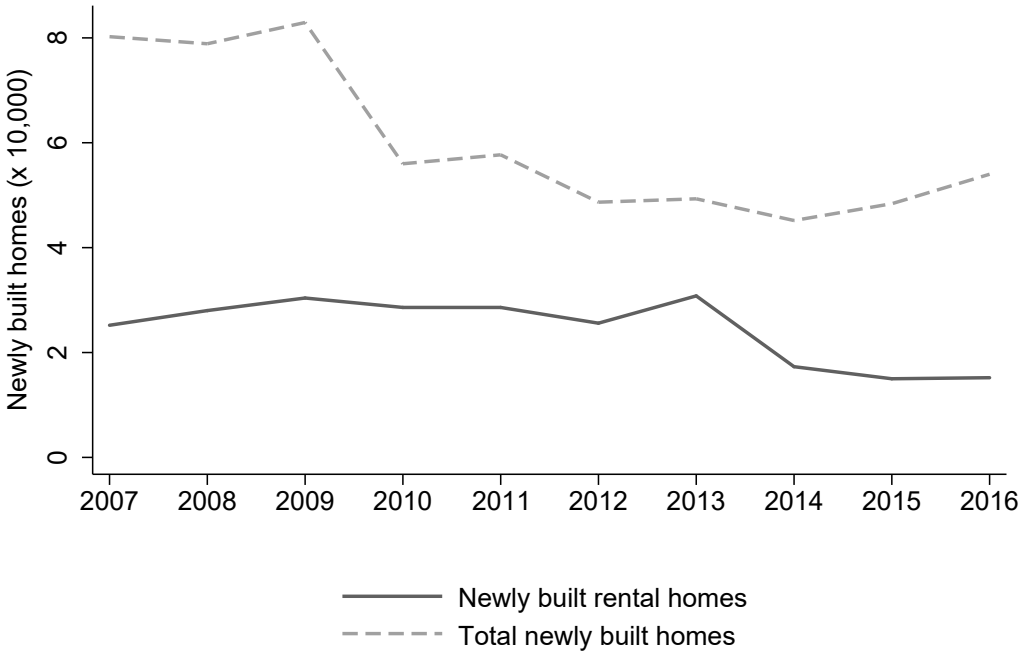
Figure S.3.2 Total social housing stock since 1901



Source: Aedes (2018)

Moreover, the period of analysis includes the Great Recession of 2008-2009 and the economic crisis of 2011-2012. Both crises had a negative impact on the Dutch housing market as witnessed by the slowdown in construction, the decline in housing values, and the rise of the low-income population. Although housing associations continued to build during the crisis, Figure S.3.3 shows that the number of new rental homes built by housing associations reduced significantly after 2013. This drop coincides with the introduction of a social landlord levy, one of the austerity measures of the national government. An evaluation concluded that this levy (1.2 billion euro in 2014 and 1.7 billion euro in 2017), reduces the financial room for housing associations to invest and discourages them to construct new properties (Veenstra et al. 2016). All of this suggests that the welfare attitudes of voters were unlikely to affect the social housing supply in this period.

Figure S.3.3 The number of newly built rental homes between 2007 and 2016



Source: Aedes (2018)

Correlation matrix of social housing competition

Table S.3.4 reports the correlations between the measure of social housing competition and other municipal-level determinants of welfare attitudes. The correlations with competition are all statistically significant ($p<0.05$), except those with the percentage of low-educated, unemployment rates, and population growth. Most of them are weak, but the correlation with the size of the social housing market is moderately strong. This makes sense given the construction of the measure. The correlation matrix also shows that the percentage of foreign-born, a common proxy of benefit competition in previous studies, is more strongly correlated with population size, social housing, unemployment, and private rentals, leaving open the influence of confounders.

Table S.3.4 Correlation matrix of municipal characteristics

	Social housing competition	Foreign-born	Social housing	Low-educated	Unemp.	Pop. size	Private rentals	Housing values	Δ% Low-income population	Δ% Pop.	Vacant private rental
Foreign-born (%)	-0.21										
Social housing (%)	-0.41	0.52									
Low-educated (%)	-0.03†	-0.17	0.05								
Unemployment (%)	-0.01	0.39	0.36	-0.12							
Population size	-0.16	0.61	0.42	-0.09	0.31						
Private rentals (%)	-0.04	0.53	0.01†	-0.28	0.18	0.37					
Average housing values	0.05	-0.14	-0.37	-0.23	-0.54	-0.17	0.10				
Δ% Low-income population	-0.08	0.08	0.10	0.02†	-0.00†	0.04	0.07	-0.02†			
Δ% Population	-0.03†	0.15	0.08	-0.10	-0.06	0.18	0.13	0.10	0.01†		
Vacant private rentals (%)	-0.05	-0.03†	-0.10	0.08	-0.11	-0.10	0.06	0.01†	-0.04†	-0.16	
Vacant owner-occupied (%)	-0.06	0.09	-0.13	-0.19	-0.11	-0.02†	0.37	0.09	0.01†	-0.13	0.66

Note: Based on the municipal dataset (2007-2015). '†' denotes correlations with p-values exceeding 0.05.

S.3.4 Regional media analysis

Like many other studies on the influence of contextual factors on public opinion, I assume that individuals perceive their surroundings. More specifically, I assume that individuals are aware of the allocations of social housing to refugees in their municipality. This seems likely given that Dutch municipalities are relatively small, most refugees are visible minorities, and the refugee dispersal system has existed since 1995. Ideally, the assumption about individuals' awareness would be tested directly (see, for example, Newman et al. 2015). Unfortunately, the panel study does not include any items to do this. However, I can provide some suggestive evidence from a preliminary analysis of regional newspapers, one of several sources of information that individuals may access. If the allocation of social housing to refugees is covered by regional newspapers, this would provide some evidence in support of a key assumption.

From the LexisNexis Database, I select twelve widely read Dutch regional newspapers representing regions from across the country.[1] For the analysis, I limit the focus to the period of January 1, 2007, until December 31, 2018. Figure 3.1 in the main text has shown that the number of refugee dispersals fluctuated during this period: from intermediate levels between 2007 and 2009 (due to the dispersals of regularized asylum seekers), to low levels between 2010 and 2013, to high levels between 2014 and 2016 (due to the large influx of Syrian refugees). I expect that news coverage by regional media will follow these trends.

[1] These papers are "Dagblad van het Noorden", "De Gelderlander", "BN/DeStem", "Leeuwarder Courant", "Brabants Dagblad", "Het Parool", "Eindhovens Dagblad", "Dagblad De Limburger (PL)", "De Twentsche Courant", "Tubantia", "Noordhollands Dagblad", "Provinciale Zeeuwse Courant", and "AD/Haagsche Courant".

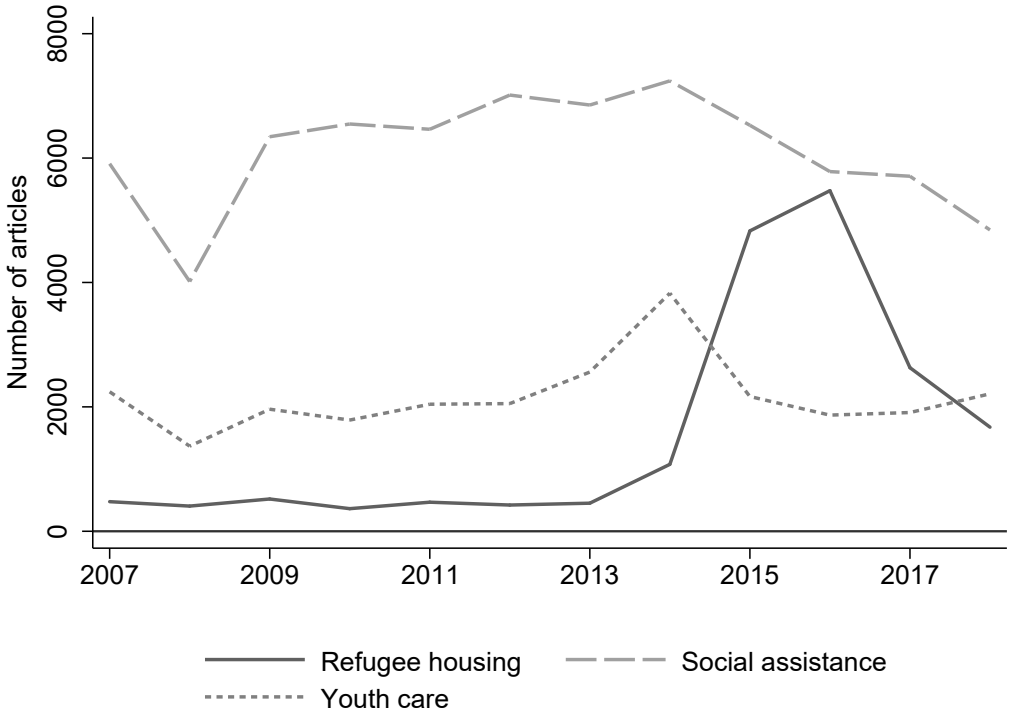
The search string to identify articles on the provision of housing to refugees contained various terms for ‘refugees’ and ‘housing’.[2] To compare the salience of refugee housing, I also conducted searches for other issues for which local governments are responsible, namely the provision of social assistance and youth care.[3] Using quantitative content analysis, I measure the frequency of articles on each topic. While a systematic content analysis goes beyond the scope of this study, this preliminary analysis gives useful insights in broad trends of news coverage of this topic.

Figure S.3.4 shows the frequency of news articles on refugee housing (solid line), social assistance (dashed line), and youth care (dotted line) between 2007 and 2018. Three observations can be made about the coverage of refugee housing by regional newspapers.

Firstly, regional newspapers provide continuous coverage of the issue of refugee housing. Before 2014, there were, on average, 440 articles on this topic in all twelve newspapers: this amounts to 37 articles per year per regional newspaper. After 2013, news coverage was considerably higher: on average, 3137 articles on refugee housing appeared in all newspapers combined which translates to 260 articles per year per regional newspaper. The trends are similar when newspapers are grouped by broad NUTS-1 region (not reported here).

[2] In Dutch, the search string is: [refugees] (vluchtelingen OR statushouders OR vergunninghouders OR verblijfsgerechtigden OR pardonners) AND [housing] (woning OR huurwoning OR sociale huur OR sociale huurwoning OR huisvesting OR huis).
[3] The search term for youth care was (jeugdzorg), while for social assistance the search string was (bijstandsuitkering OR bijstand OR uitkering).

Figure S.3.4 Frequency of articles on refugee housing, social assistance, and youth care



Secondly, the coverage of refugee housing by regional newspapers follows to a large extent the actual number of refugee dispersals. In most years, the number of articles is low, reflecting the low number of refugee dispersals. There is a clear spike after 2013 when the Netherlands, and many other European countries, experienced a high intake of refugees and the housing market was particularly tight. Interestingly, the allocation of social housing to regularized asylum seekers between 2007 and 2009 did not trigger more coverage by regional newspapers. This may reflect the broad support for this group of asylum seekers, whom many considered victims of long and inadequate asylum procedures by the government. Another reason could be that the massive operation to provide permanent housing to nearly 27,500 regularized asylum

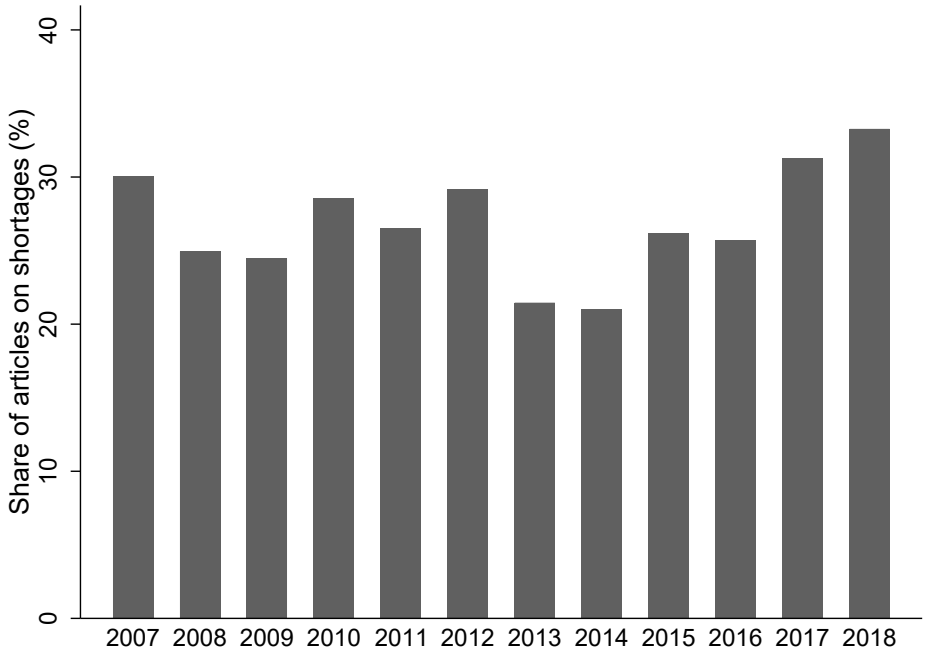
seekers occurred in the context of a booming housing market and high economic growth.

Thirdly, Figure S.3.4 shows that in most years the salience of refugee housing is substantially lower than of social assistance and youth care, two other important local issues. This makes sense because more people are affected by the latter two social programs. After 2014, however, the coverage of the refugee housing topic overtakes the coverage of youth care and it comes very close to the coverage of social assistance. This comparison shows that regional newspapers inform their readers about refugee housing, in line with my assumption, but it is often less salient than other local social issues.

Finally, I analyzed how often articles in regional newspapers link the issue of refugee housing to housing shortages. To this end, I added search terms for 'shortages' to the search string of refugee housing.[4] From these results, I calculate the proportion of articles on refugee housing that also mention shortages. Figure S.3.5 depicts this and it shows that, on average, more than a quarter of all articles on refugee housing mentions shortages. Voters may thus reasonably link the inflow of refugees into their municipality to shortages in the social housing market.

[4] In Dutch, the search string for shortages was (tekort OR woningnood OR krapte OR schaarste OR weinig OR gebrek).

Figure S.3.5 Share of articles on refugee housing related to shortages



S.3.5 Panel attrition

Table S.3.5 Response rates for each wave of the politics and values module

Wave	1	2	3	4	5	6	7	8	9
Year	2007	2008	2009	2010	2011	2012	2013	2015	2016
Invited household members	8204	8289	9398	7328	7372	6692	6416	6913	6211
Response	6811	6037	6386	5394	5934	5732	5690	6092	5592
Response rate (%)	83.0	72.8	68.0	73.6	80.5	85.7	88.7	88.1	90.0

Source: LISS (2018)

Table S.3.6 Respondent characteristics by number of completed questionnaires

	Completed questionnaires				
	One	Two	Three	Four	Five or more
Individual-level					
Income	2.86	2.81	2.85	2.76	2.75
Female	0.52	0.55	0.54	0.56	0.53
Age	44.71	44.04	44.57	46.60	51.88
University education	0.09	0.11	0.08	0.07	0.08
Unemployed	0.02	0.03	0.02	0.02	0.02
Household size	2.73	2.61	2.75	2.69	2.56
Municipal-level					
Social housing competition	5.20	7.57	5.09	5.11	5.60
Foreign-born (%)	10.28	10.94	10.42	10.50	9.90
Asylum seekers' center	0.22	0.21	0.21	0.19	0.19
Social housing (%)	30.65	30.35	30.34	29.43	29.27
Low-educated (%)	33.54	32.62	33.32	33.06	32.99
∆% Low-income population	0.03	0.05	0.04	0.01	-0.01
∆% Population	0.28	0.35	0.35	0.37	0.35
Total respondents	1,867	1,696	982	709	4,537

S.3.6 Descriptive statistics

Table S.3.7 Support for immigrants' social rights (ordinal variable)

Strongly Agree	Agree	Neither agree nor disagree	Disagree	Strongly disagree
9.8	48.7	25.0	11.0	5.5

Note: Average percentage of respondent-years, LISS (2007-2016).

Table S.3.8 Operationalization of the main variables

Variable	Description	Source
Support for immigrants' social rights	Whether immigrants should be granted equal social rights. Recoded 5-point variable into binary variable. 1=Support (strongly agree or agree), 0=No Support (neither agree nor disagree, disagree, or strongly disagree)	LISS
Income	Net monthly household income in 2015 constant euros (x 1,000). Values ≥ 3SD from the mean are top-coded.	LISS, CBS
Female	Gender of the respondent. 1=Female, 0=Male	LISS
Age	Age of the respondent in years.	LISS
University degree	Highest level of education of the respondent. 1=University degree, 0=Not	LISS
Unemployed	Employment status of the respondent. 1=Unemployed, 0=Not	LISS
Household size	Number of household members	LISS
Social housing competition	The percentage of vacant social housing allocated to new refugees.	Author's dataset
Foreign-born (%)	The percentage of foreign-born.	CBS
Asylum seekers' center	The presence of an asylum seekers' center. 1=Yes, 0=No	COA*
Social housing (%)	Rental housing owned by housing associations as a percentage of the total housing stock.	CBS
Low-educated (%)	The percentage of low-educated (aged 15 to 75).	CBS
∆% Low-income population	The growth rate of the low-income population, defined as an income below the national median.	CBS
∆% Population	The annual growth rate of the total population	CBS

Notes: LISS – Longitudinal Internet Studies for the Social sciences; CBS – *Centraal Bureau voor de Statistiek* [Statistics Netherlands]; COA – *Centraal Orgaan opvang asielzoekers* [Central Agency for the Reception of Asylum Seekers]. * I obtained data on asylum seekers' centers through private communication. For the growth rate of the low-income population, I replace the missing values of 2015 with the values of 2014.

Table S.3.9 Summary statistics of the main variables

Variable		Mean	Std. Dev.	Min	Max	N
Individual-level						
Support for	overall	0.58	0.49	0	1	N = 46506
immigrants' social	between		0.40	0	1	n = 10245
Rights	within		0.32	-0.30	1.47	
Income	overall	2.76	1.43	0	15.91	N = 37582
	between		1.40	0	15.91	n = 8651
	within		0.62	-8.15	15.92	
Female	overall	0.53	0.50	0	1	N = 46855
	between		0.50	0	1	n = 10252
	within		0	0.53	0.53	
Age	overall	50.19	16.62	18	97	N = 46925
	between		17.06	18	95.5	n = 10277
	within		2.36	25.94	65.94	
University	overall	0.08	0.28	0	1	N = 46845
education	between		0.28	0	1	n = 10273
	within		0.07	-0.81	0.97	
Unemployed	overall	0.02	0.15	0	1	N = 46925
	between		0.11	0	1	n = 10277
	within		0.11	-0.87	0.91	
Household size	overall	2.59	1.29	1	10	N = 46925
	between		1.27	1	8.5	n = 10277
	within		0.40	-2.07	7.26	
Municipal-level						
Competition for	overall	4.32	3.52	0	22.20	N = 30018
social housing	between		2.63	0	22.04	n = 8123
	within		2.77	-7.15	19.56	
Foreign-born (%)	overall	10.06	6.72	1.64	34.98	N = 46007
	between		6.79	1.66	34.98	n = 10155
	within		1.29	-7.71	31.63	
Asylum seekers'	overall	0.19	0.40	0	1	N = 46007
center	between		0.37	0	1	n = 10155
	within		0.18	-0.69	1.08	
Social housing (%)	overall	29.42	8.05	0	49.77	N = 34795
	between		7.99	5.74	49.77	n = 8249
	within		1.68	5.02	50.88	
Low-educated (%)	overall	33.01	4.92	18.18	50	N = 46007
	between		4.54	21.05	50	n = 10155
	within		2.56	18.67	48.54	
∆% Low-income	overall	-0.00	1.19	-9.80	17.00	N = 41440
population	between		0.74	-9.80	6.38	n = 10046
	within		1.08	-10.77	16.03	
∆% Population	overall	0.35	0.71	-4.15	8.91	N = 46007
	between		0.62	-3.24	5.80	n = 10155
	within		0.44	-4.03	8.08	

S.3.7 Robustness tests for support for immigrants' social rights

This section reports a series of robustness tests of the main finding that social housing competition reduces support for immigrants' social rights more among lower- and middle-income voters than among high-income voters in the secondary target group. Table S.3.10 summarizes the effect of these tests on the main coefficients: respondent's income, social housing competition, and their interaction.[5] The original results refer to model 5 in table 2 in the main text. There I also discussed the alternative explanations of social class, authoritarianism, and urbanization (tests (1) to (6) in Table S.3.10). Below I focus on other alternative explanations and model specifications.

Ideology. Left-wing individuals could be more supportive of immigrants' social rights given their commitment to the principle of social equality. Although the causal direction between political ideology and welfare attitudes can be disputed, test (7) includes ideology, measured with an eleven-point left-right self-placement scale. The sample size drops due to missing values for ideology. It shows that the interaction between income and social housing competition is robust to the inclusion of ideology, but its p-value increases to 0.06.

Homeowners. Although homeowners and renters both move into rental housing in the Netherlands (respectively, 31% compared to 63% according to the 2015 Housing Survey), homeowners are more likely to move to owner-occupied homes. I control for housing tenure, a household-level variable. The results from test (8) in Table S.3.10 confirm that the main findings hold.

[5] The full models of the robustness tests are available from the author.

Table S.3.10 Robustness tests for support for immigrants' social rights

	Income		*Social housing competition*		*Interaction*	
	Est.	s.e.	Est.	s.e.	Est.	s.e.
(0) Original results	0.996	0.051	0.957*	0.021	1.012*	0.006
Adding control variables						
(1) Social class	0.962	0.053	0.952*	0.022	1.012+	0.006
(2) Authoritarianism	0.966	0.051	0.957*	0.021	1.012*	0.006
(3) Urban area	0.961	0.051	0.955*	0.021	1.012*	0.006
(4) Large cities interaction	0.944	0.053	0.953*	0.022	1.013*	0.006
(5) Population size	0.964	0.051	0.957*	0.021	1.012*	0.006
(6) Population density	0.967	0.051	0.958*	0.021	1.012*	0.006
(7) Ideology	0.980	0.057	0.956+	0.023	1.012+	0.006
(8) Homeownership	0.964	0.051	0.957*	0.021	1.012*	0.006
(9) Out of the labor force	0.957	0.051	0.958*	0.021	1.012+	0.006
(10) Private rental market	0.965	0.051	0.957*	0.021	1.012*	0.006
(11) Average housing value	0.967	0.051	0.958+	0.021	1.011+	0.006
(12) Vacant private rentals	0.981	0.089	0.948+	0.028	1.015*	0.007
(13) Young adults (%)	0.965	0.051	0.957*	0.021	1.012*	0.006
(14) Turnover rates	0.966	0.051	0.958*	0.021	1.012*	0.006
(15) Unemployment (%)	0.966	0.051	0.957*	0.021	1.012*	0.006
(16) Industrial jobs (%)	0.953	0.060	0.960	0.025	1.014*	0.007
(17) Benefit recipients (%)	0.971	0.052	0.957*	0.021	1.011+	0.006
Alternative competition measure						
(18) Non-trimmed measure	0.968	0.050	0.960*	0.017	1.011*	0.005
(19) Stock-based measure	0.952	0.049	0.492**	0.122	1.204**	0.084
(20) Post-2009 years	0.947	0.058	0.957+	0.024	1.013*	0.007
Alternative specifications						
(21) Municipal reforms	0.945	0.053	0.956+	0.023	1.014*	0.007
(22) Exposure effect	1.047	0.031	0.987	0.013	1.001	0.001
(23) Homogenous areas	0.928	0.074	0.953+	0.026	1.015+	0.008
(24) Strongly agree	0.942	0.069	0.940+	0.032	1.014+	0.008
(25) Ordinal DV	-0.021	0.014	-0.011*	0.005	0.003*	0.001
(26) Pro-immigrant DV	-0.030	0.029	-0.023*	0.011	0.007*	0.003
(27) Placebo DV	0.977	0.064	0.993	0.027	0.998	0.007
(28) Gross income	0.983	0.029	0.959*	0.018	1.008*	0.003
(29) Random effects	1.032	0.037	0.944**	0.018	1.015**	0.005

Notes: Estimates are logit coefficients from fixed effects logit models (except for tests 25 and 26). ** p<0.01, * p<0.05, + p<0.1

Out of the labor force. Individuals with a weak labor market position should feel more threatened by immigrants (Mewes and Mau 2013). Test (9) therefore includes a dummy for being out of the labor force. Controlling for this explanation does not change the main results, although the p-value of the interaction goes up to p=0.051.

Demand for housing. I account for characteristics of the housing market because the demand for housing varies across local housing markets and the social housing market does not operate in isolation. I control for the size of the private rental market, average housing values, turnover rates, and the percentage of young adults as they may enter the housing market for the first time. I also include the percentage of vacant private rental housing. Tests (10) to (14) show that the main findings are confirmed when controlling for these variables.

Economic conditions. The final set of control variables capture economic conditions, which may influence support for immigrants' social rights by activating nascent prejudices (Sniderman et al. 2004) or through socialization. I control for unemployment rates, the share of industrial jobs (available from 2010 to 2015), and the percentage of benefit recipients in tests (15), (16), and (17). Including these economic variables does not change the main results.

Social housing competition. The following tests address possible concerns regarding the measure of social housing competition. First, I repeat the analysis with a measure that does not trim the extreme values. Second, I test an alternative measure of social housing competition based on the number of social housing allocated to refugees as a share of the total social housing stock (instead of supply). Thirdly, I restrict the analysis to the post-2009 years when the

dispersal system of regularized asylum seekers stopped operating. Tests (18), (19), and (20) show that this leads to similar results.

Municipal reforms. Adjusting the municipal-level variables to the 2017 borders introduces measurement error, which could be a cause for concern if it were related to social housing competition. For example, municipalities struggling to meet their refugee dispersal targets could decide to merge with another municipality. Comparing summary statistics shows that social housing competition is not much higher in municipalities that underwent reform in this period. Test (21) also shows that the main findings are similar when I restrict the analysis to those living in municipalities without reforms.

Exposure effects. If individuals dislike the mere presence of immigrants in their neighborhood (Card et al. 2012), they should oppose immigrants' social rights even if they do not compete with immigrants for scarce social goods. Following this logic, the allocation of social housing to refugees should have a stronger effect in ethnically homogenous municipalities. Test (22) explores the interaction between social housing competition and the level of foreign-born. Note that the coefficients in the table refer to these variables. The insignificant coefficients suggest that the main findings are not driven by an exposure effect. Test (23) shows that the relationship between income and social housing competition also holds when I restrict the analysis to ethnically homogenous municipalities (defined as below the median of the percentage of foreign-born).

Dependent variable. In the main text, the dependent variable equals '1' if the respondent 'agrees' or 'strongly agrees' with the statement that immigrants should be granted equal social rights. Table S.3.7 showed that support for immigrants' social rights is relatively high when it is operationalized as such: in

almost 60 per cent of the respondent-years, respondents either agree or strongly agree with the statement. The table also shows that support for immigrants' social rights is substantially lower when we look at those instances when respondents strongly agree. This only occurs in 9.8 per cent of the respondent-years. In test (24) I use a more restrictive measure of support for immigrants' social rights as strongly agreeing that immigrants should have equal social rights. Although the sample size drops (from 2,011 unique respondents to 834), the patterns are similar. Social housing competition reduces support for immigrants' social rights more among the poor than among the rich. In test (25) I make use of the full range of variation in the dependent variable by using the original, five-category survey item. I recode the variable so that higher values correspond to higher levels of support for immigrants' social rights. Using a fixed effects linear model, I find that the relationship between social housing competition and income is similar with an ordinal dependent variable.

Lastly, I use pro-immigrant sentiment as an alternative dependent variable. Following Gallego and Pardos-Prado (2014), I measure this as an additive index of four items that ask whether: 'it is good if society consists of people from different cultures', 'there are too many people of foreign origin or descent in the Netherlands' (reversed), 'it does not help a neighborhood if many people of foreign origin or descent move in' (reversed), and 'legally residing foreigners should be entitled to the same social security as Dutch people'. The items seem to capture the same concept (Crohnbach's alpha = 0.73). The coefficients are in the expected direction and significant in test (26). Lastly, I re-estimated the baseline model with a placebo dependent variable. As expected,

the results from test (27) show that competition does not make poor individuals more likely to believe that children should look after their parents.

Gross income. Although the survey includes information on gross income, which captures the logic of the argument better, I use a measure based on net income because it has fewer missing values. The LISS imputes the values for gross income if net income was available. Using this measure of gross monthly household income in test (28), I find that the patterns are the same.

Model specifications. The main models rely on a stringent specification using fixed effects for the individual and the year. Test (29) shows that the results are similar with a random effects logit specification. Finally, Table S.3.11 below replicates the models in Table 3.2 in the main text using a correlated random effects probit specification. This model was used to illustrate the substantive effects of the findings.

General competition. It could be argued that self-interested individuals should reduce their support for immigrants' social rights when goods become scarce, even if this is unrelated to immigration. By restricting the pool of potential recipients, individuals can increase their chances. I therefore tested whether the effect of income depends on measures of general competition, such as the unemployment rate, the percentage of benefit recipients, average housing values, and turnover rates of rental housing. These general measures do not affect low-income individuals more than high-income individuals (available upon request). This suggests that individuals do not reduce their support for immigrants' social rights indiscriminately. Instead, they seem to do so when competition can be linked to immigration.

Table S.3.11 Correlated random effects probit models

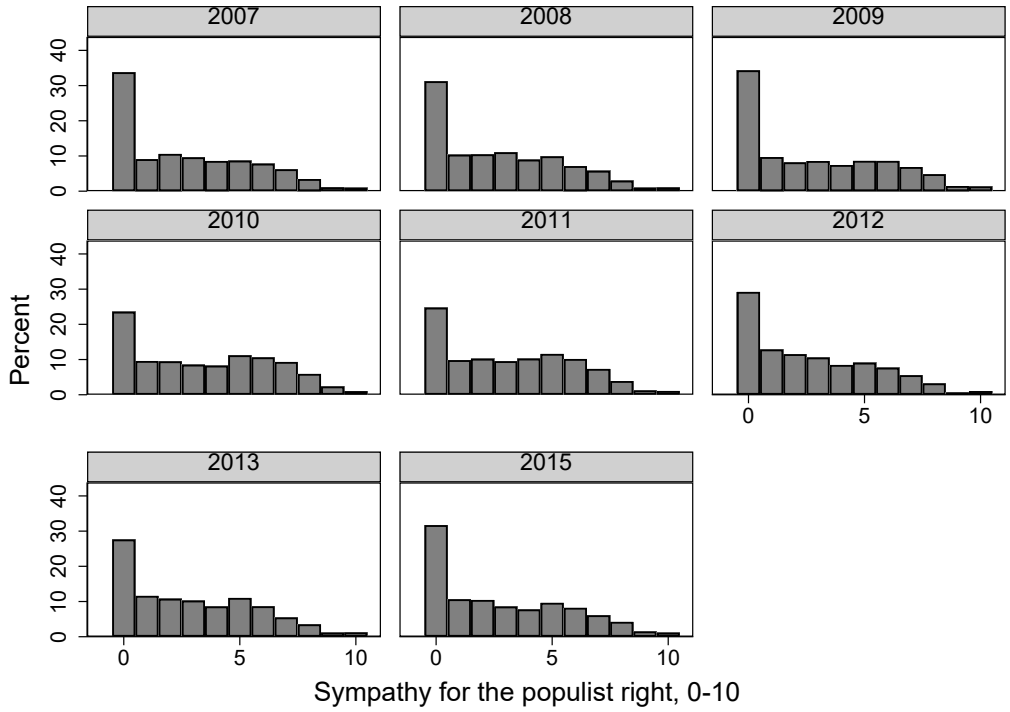
	All	Primary Target	Secondary Target		
	(1)	(2)	(3)	(4)	(5)
Income (x €1,000)	0.987	1.235	0.962	0.965	0.965
	(0.022)	(0.204)	(0.029)	(0.031)	(0.031)
Social housing competition	0.982*	0.965	0.965**	0.965**	0.965**
	(0.008)	(0.026)	(0.011)	(0.011)	(0.011)
Income X Competition	1.004	1.024	1.009**	1.009**	1.010**
	(0.002)	(0.020)	(0.003)	(0.003)	(0.003)
Age				1.013	1.011
				(0.016)	(0.016)
University degree				0.728	0.727
				(0.175)	(0.175)
Household size				1.004	1.005
				(0.043)	(0.043)
Unemployed				1.058	1.058
				(0.118)	(0.118)
Foreign-born (%)				1.028	1.028
				(0.015)	(0.015)
Asylum seekers' center				1.050	1.049
				(0.083)	(0.083)
Social housing (%)				0.992	0.992
				(0.011)	(0.011)
Low-educated population				1.007	1.007
				(0.006)	(0.006)
∆% Low-income population					0.991
					(0.011)
∆% Population growth					0.996
					(0.029)
Observations	27,287	6,924	20,363	20,328	20,328
Number of respondents	7,550	2,412	6,043	6,032	6,032
Waves	6	6	6	6	6
Year fixed effects	Yes	Yes	Yes	Yes	Yes

Note: Estimates from correlated random effects probit models. Coefficients are odds ratios. Mean variables not reported. ** p<0.01, * p<0.05, + p<0.1

S.3.8 Robustness tests for support for the populist right

Between 2006 and 2016, the main right-wing populist party in the Netherlands was the Party for Freedom (*Partij voor de Vrijheid*, PVV). The dependent variable measures voters' evaluations of this party ranging from '0', unsympathetic, to '10', sympathetic. Average support for the populist right is low to moderate: the party receives a score of 3 (out of 10) and Figure S.3.6 shows that this score is driven by a high proportion of respondents who find the party unsympathetic. To compare, support is 4.9 for the main right-wing party, the Liberal Party, and 5.0 for the main left-wing party, the Labor Party.

Figure S.3.6 Distribution of support for the right-wing populists over time



Previous studies have demonstrated the relevance of the desire to restrict immigrants' social rights for support for the populist right (see Bay et al. 2013, de Koster et al. 2013). Mirroring the patterns for support for immigrants' social rights,

the main text shows that benefit competition also increases support for the populist right more among the poor than among the rich in the secondary target group. Table S.3.12 below demonstrates the robustness of this finding.

Table S.3.12 Overview of the robustness tests for support for the populist right

	Income		*Competition*		*Interaction*	
	Est.	s.e.	Est.	s.e.	Est.	s.e.
(0) Original results	0.074**	0.028	0.031**	0.010	-0.010**	0.003
Adding control variables						
(1) Social class	0.062*	0.028	0.026*	0.011	-0.008**	0.003
(2) Authoritarianism	0.074**	0.028	0.031**	0.010	-0.010**	0.003
(3) Urban area	0.076**	0.029	0.031**	0.010	-0.010**	0.003
(4) Large cities interaction	0.071*	0.031	0.025*	0.011	-0.009**	0.003
(5) Population size	0.074**	0.028	0.031**	0.010	-0.010**	0.003
(6) Population density	0.075**	0.028	0.031**	0.010	-0.010**	0.003
(7) Ideology	0.068*	0.029	0.028**	0.010	-0.009**	0.003
(8) Homeownership	0.074*	0.029	0.031**	0.010	-0.010**	0.003
(9) Out of the labor force	0.075**	0.029	0.031**	0.010	-0.010**	0.003
(10) Private rental market	0.074**	0.028	0.031**	0.010	-0.010**	0.003
(11) Average housing value	0.074**	0.028	0.031**	0.010	-0.010**	0.003
(12) Vacant private rentals	0.008	0.036	0.017	0.012	-0.009**	0.003
(13) Young adults (%)	0.075**	0.028	0.031**	0.010	-0.010**	0.003
(14) Turnover rates	0.074**	0.028	0.031**	0.010	-0.010**	0.003
(15) Unemployment (%)	0.074**	0.028	0.031**	0.010	-0.010**	0.003
(16) Industrial jobs (%)	0.062*	0.027	0.024*	0.011	-0.008**	0.003
(17) Benefit recipients (%)	0.073*	0.028	0.031**	0.010	-0.010**	0.003
Alternative competition measure						
(18) Non-trimmed measure	0.052+	0.027	0.019**	0.007	-0.006**	0.002
(19) Stock-based measure	0.059*	0.028	0.305**	0.105	-0.089**	0.029
(20) Post-2009 years	0.062*	0.027	0.023*	0.011	-0.008**	0.003
Alternative specifications						
(21) Municipal reforms	0.058*	0.028	0.028*	0.011	-0.010**	0.003
(22) Exposure effect	0.001	0.012	-0.009	0.007	0.001+	0.001
(23) Homogenous areas	0.099*	0.046	0.031*	0.012	-0.010**	0.003
(24) Binary DV	1.187+	0.108	1.077*	0.040	0.978*	0.010
(25) Gross income	0.042*	0.016	0.022*	0.009	-0.005**	0.002
(26) Random effects	0.014	0.023	0.029**	0.010	-0.009**	0.003

Notes: The original results refer to Model 6 in Table 3 in the main text. Estimates are coefficients from fixed effects linear models with robust standard errors (except for test 24 which are odds ratios). ** p<0.01, * p<0.05, + p<0.1

S.4 Supplement to Chapter 6

S.4.1 Instructions and screens

[The instructions below were given to participants on paper and on the computer.]

WELCOME!

Thank you for agreeing to participate in this experiment.

You will be paid **£5** for participation. In addition, you can earn tokens throughout the experiment which will be converted into cash at the end of the experiment based on an exchange rate of: **£1 = 160 tokens**. This means that the more tokens you earn during the experiment, the higher your take-home payment will be.

At the end of the experiment, everyone will be paid in private. You are under no obligation to tell others how much you have earned. Please do not communicate with other participants during the experiment or look at other participants' computer screens. If you have a mobile phone, please turn it off to avoid any distractions. If you have a question or need assistance, feel free to raise your hand, and an experimenter will come to help you. The session will take approximately 1 hour and 15 minutes to complete.

Instructions for the Allocation Games

In this game, we will ask you to divide 100 tokens between yourself and another randomly chosen and anonymous participant. You will not know who the person you are matched with is, neither during nor after the experiment, and they will not know who you are.

You are free to divide the 100 tokens in any way that you prefer. On the next screen, you will be asked to enter the number of tokens you want to allocate to yourself in a box. What you do not allocate to yourself, will be allocated to the other participant. Note that the allocations have be to integers.

The tokens you allocate to yourself will count towards your final payment, and will be converted to cash at the end of the experiment. The same applies to the tokens that another anonymous and randomly chosen participant may allocate to you. Note that in this part of the experiment, it is not possible for the participant you are matched with to be simultaneously matched with you.

Instructions for the Lottery Games

In this game, you will see five different lotteries and you are asked to indicate which of the lotteries you prefer to play. Each of these lotteries has two possible outcomes, and each outcome has a 50% chance of occurring. This means that within each lottery, each of the outcomes will occur about half of the time.

Your payoff from this part of the experiment depends on which lottery you choose, and which outcome occurs in that lottery. Once again, each outcome has a 50% chance of occurring. You will find out the outcome of your chosen lottery at the end of the experiment. The result will contribute to your final payoff.

Instructions for the Earnings Tasks

In the next part of the experiment, you are asked to indicate how many times the digit zero (0) appears in a digit sequence displayed on your screen. Once you have submitted your answer in the box provided, another digit sequence will

appear on your screen. You have 60 seconds to give as many correct answers as possible.

After the task is completed, you will be ranked within your group based on the number of correct answers you provided. This means that there will be separate rankings for the **KLEE-BAZILLEs**, for the **KLEE-BOCHs**, and for the **KANDINSKY-BOCHs**. The higher the number of correct answers, the higher your ranking within your group. Your ranking is important because it determines your earnings later in the experiment. Participants with the highest ranking receive the highest earnings, while participants with the lowest ranking receive the lowest earnings. The relationship between rankings and earnings is displayed in the table below.

The task is repeated several times in the experiment. It will become easier in some periods and more difficult in others. Each participant receives the following earnings based on their ranking within their group:

Ranking	Earnings
1 and 2	800 tokens
3 and 4	600 tokens
5 and 6	400 tokens
7 and 8	200 tokens

Instructions for the Tax and Transfer Games

In the next part of the experiment, you will play a game to simulate a real-world democracy. Your choices have important consequences for your final payments, so please read the instructions carefully.

In each round, you will be randomly matched with three participants to form a **decision group**. Each decision group consists of one participant with 200 tokens, one with 400 tokens, one with 600 tokens, and one with 800 tokens.

Everyone starts the round with their earnings, except for the participant with 400 tokens whose earnings also depend on **a competition**. This competition is based on a comparison of the number of correct answers given in the previous earnings task by the participant with 400 tokens and the participant with 200 tokens. If the scores of the 400-participant and the 200-participant are close (i.e. the difference in the number of correct answers is small), the 400-participant loses the competition and starts the round with 360 tokens. If the scores of the 400-participant and the 200-participant are not close (i.e. the difference in the number of points is large), the 400-participant wins the competition and starts the round with 400 tokens.

You will then be asked to vote in private for a tax and transfer scheme for your decision group. These schemes are summarized below. If you choose Scheme 1, each member of your decision group pays one-fifth (or 20%) of their earnings in taxes and each member receives 100 tokens as a transfer. If you choose Scheme 2, each member of your decision group pays half (or 50%) of their earnings in taxes and each member receives 250 tokens as a transfer. For example, a participant with earnings of 400 tokens would pay 200 tokens (i.e. 400 * 0,5) in taxes and receive 250 tokens as transfers under Scheme 2.

	Scheme 1	Scheme 2
Tax rate	20%	50%
Transfers	100 tokens	250 tokens

Once all participants have voted, one of these votes will be randomly selected and applied as the tax and transfer scheme for the decision group. At the end of the period, one round will then be randomly selected to compute your payoffs. You will find out your payment at the end of the experiment.

Note that the budget of the tax and transfer schemes does not have to be balanced. This means that the amount of taxes paid by the decision group does not have to equal the amount of transfers received by the decision group.

Example screen of round 1: Decision

You are a **KANDINSKY-BOCH**.

Round 1

In this round, your earnings are 200 tokens and your decision group is as follows:

Members	Earnings (in tokens)	Competition
YOU	**200**	
KANDINSKY-BOCH	360	LOST
KANDINSKY-BOCH	600	
KANDINSKY-BOCH	800	

You can choose between two tax and transfer schemes for your decision group:

	Scheme 1	Scheme 2
Tax rate	20%	50%
Transfers	100 tokens	250 tokens

Which tax and transfer scheme do you prefer?

◯ Scheme 1: 20% taxes and 100 tokens for each participant

◯ Scheme 2: 50% taxes and 250 tokens for each participant

Next

Example screen of round 1: Feedback

You are a **KANDINSKY-BOCH**.

Round 1

If your vote for 50% taxes and 250 tokens as transfers were selected, the payoffs would be as follows for your decision group:

Members	Earnings before taxes and transfers	Payoffs after taxes and transfers
You	**200**	**350**
KANDINSKY-BOCH	360	430
KANDINSKY-BOCH	600	550
KANDINSKY-BOCH	800	650

Next

S.4.2 Surveys

Pre-experiment survey

1. What is your age?
2. What is your gender?
    a. Male
    b. Female
    c. Other
3. Have you ever participated in Economics of Psychology experiments before?
    a. Yes
    b. No
4. What is your field of study?
    a. Humanities
    b. Mathematical
    c. Physical, and Life Sciences
    d. Medical Sciences
    e. Economics or PPE (Politics, Philosophy, and Economics)
    f. Other Social Sciences
5. Are you an undergraduate or graduate student?
    a. Undergraduate
    b. Graduate
6. Which year are you in your program?
    a. 1
    b. 2
    c. 3
    d. 4
    e. 5+
7. Please say how much you agree or disagree with each of the following statements:
    a. “Most people can be trusted.”
    b. “If I help someone, I expect some help in return.”
    c. “Everyone should have equal opportunities in life.”
    d. For a society to be fair, differences in people’s standard of living should be small.”

    Note: Answer categories included: agree strongly, agree, neither agree nor disagree, disagree, disagree strongly, and prefer not to say.
8. How do you see yourself: Are you in general a person who takes risks or do you try to avoid taking risks?
    Answer categories range from 0, I avoid taking risks, to 10, I take risks, and prefer not to say.
9. In politics, people sometimes talk of “left” or “right”. Where would you place yourself on this scale, where 0 means the left and 10 means the right?

Answer categories range from 0, left, to 10, right, and prefer not to say.

Post-experiment survey

The table below shows the earnings distribution of a group with four members and two tax and transfer schemes they can choose between. Suppose participant 2 has won the competition and will start the round with earnings of 400 tokens.

		Scheme 1		Scheme 2	
Participant	Earnings (tokens)	Tax rate	Transfers (tokens)	Tax rate	Transfers (tokens)
1	200	50%	200	25%	100
2	400	50%	200	25%	100
3	600	50%	200	25%	100
4	800	50%	200	25%	100

1. Which participant pays the highest amount of taxes in absolute terms in Scheme 1?
    a. Participant 1
    b. Participant 2
    c. Participant 3
    d. Participant 4
2. Which participant benefits the most in absolute terms from Scheme 1?
    a. Participant 1
    b. Participant 2
    c. Participant 3
    d. Participant 4
3. What is the total sum of taxes paid by participants in Scheme 2?
    a. 250
    b. 500
    c. 750
    d. 1000
4. Now suppose that participant 2 had lost the competition and would have started the round with earnings of 360 tokens instead of 400 tokens. What do you think would happen to the transfers in both schemes?
    a. They will remain the same.
    b. They will become smaller for everyone.
    c. They will only become smaller for participant 2.
5. In this experiment, you were asked to choose your preferred tax and transfer scheme. How would you describe the strategy you used?
    a. Try to maximize my number of tokens.
    b. Try to maximize the number of tokens for the entire decision group.

   c. Try to maximize the number of tokens for my group members within the decision group.
   d. Try to maximize the number of tokens for the poorest group member.
   e. Other.
6. You were also asked several times to allocate 100 tokens between yourself and another anonymous participant. How would you describe the strategy you used?
   a. Try to allocate more tokens to myself.
   b. Try to allocate the tokens equally.
   c. Try to allocate more tokens to the other participant.
7. What do you think the experiment was about? [Open-ended.]

S.4.3 Descriptive statistics

Figure S.4.1. The degree of risk-accepting behavior across three periods

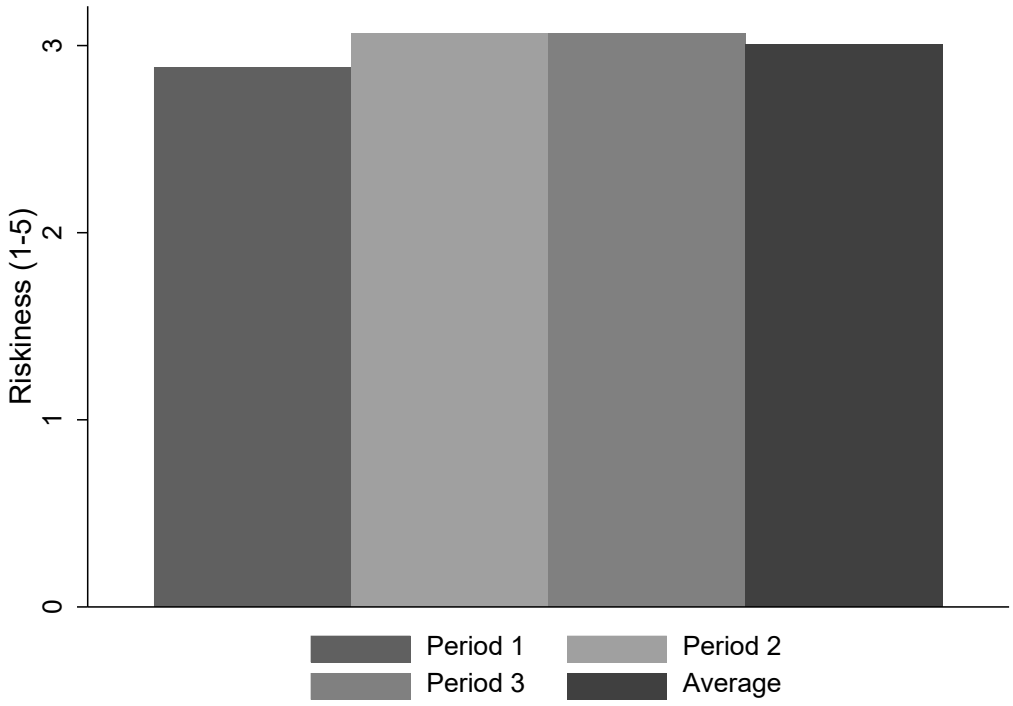
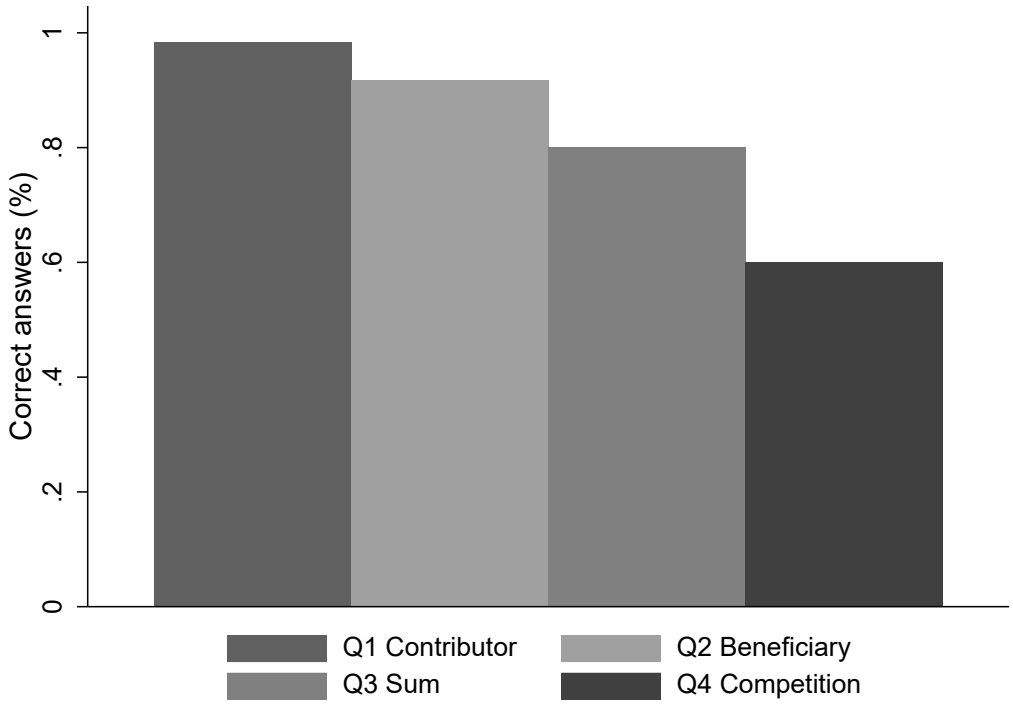


Figure S.4.2 Comprehension of the instructions of the Redistribution Game



S.4.4 Robustness tests

In the main text, I defined the subsample of individuals without an altruistic predisposition as those giving zero tokens away in the first Dictator Game. Table S.4.1 shows that the interaction between income and the group identity of the poor remains negative and significant when this subsample is defined as those who give less than 7.5 tokens away (below the mean) in Model 1 and those who given less than 18.2 tokens away (below the median) in Model 2.

Table S.4.1 Alternative operationalizations of non-altruistic predisposition

	(1)	(2)
Ref: In-group		
Out-group	3.398*	2.668+
	(2.005)	(1.386)
Ref: 200-income		
400-income	2.434	2.539
	(1.665)	(1.697)
600-income	0.002**	0.002**
	(0.002)	(0.001)
800-income	0.002**	0.001**
	(0.002)	(0.001)
Out-group X 400	0.946	1.218
	(0.821)	(1.010)
Out-group X 600	0.280	0.316
	(0.231)	(0.230)
Out-group X 800	0.148*	0.150*
	(0.139)	(0.124)
Observations	1,176	1,296
Participants	49	54
Round FE	Yes	Yes

Note: Estimates from fixed-effects logit models.
Logit coefficients are odds ratios. ** p<0.01, * p<0.05, + p<0.1

Table S.4.2 Redistribution, competition, and the identity of the poor

	Full sample	Comprehension		Altruistic predisposition	
		Low	High	Low	High
	(1)	(2)	(3)	(4)	(5)
Ref: In-group					
Out-group	1.077	0.731	1.065	8.844	0.582
	(0.734)	(0.630)	(1.637)	(13.068)	(0.527)
Ref: Low competition					
High competition	1.962	2.250	1.061	15.979+	1.422
	(1.172)	(1.961)	(1.215)	(23.918)	(1.079)
Ref: 200-income					
400-income	0.660	0.568	0.431	12.641+	0.189*
	(0.406)	(0.507)	(0.540)	(19.093)	(0.155)
600-income	0.006**	0.004**	0.002**	0.006**	0.008**
	(0.005)	(0.006)	(0.003)	(0.009)	(0.009)
800-income	0.009**	0.003**	0.006**	0.017*	0.008**
	(0.006)	(0.004)	(0.008)	(0.027)	(0.007)
Competition X 400	2.068	2.289	2.822	0.208	4.737
	(1.825)	(2.885)	(4.437)	(0.435)	(5.371)
Competition X 600	0.891	0.711	2.181	0.099	1.175
	(0.786)	(0.997)	(3.304)	(0.195)	(1.341)
Competition X 800	0.140*	0.474	0.075+	0.021+	0.174
	(0.124)	(0.672)	(0.115)	(0.043)	(0.192)
Competition X Out-group	2.000	2.216	2.345	0.138	3.878
	(1.827)	(2.903)	(3.925)	(0.287)	(4.503)
Out-group X 400	1.292	2.908	0.929	0.034+	5.633
	(1.181)	(3.803)	(1.619)	(0.066)	(7.002)
Out-group X 600	1.311	2.724	1.457	0.165	3.211
	(1.326)	(3.944)	(2.842)	(0.317)	(4.419)
Out-group X 800	0.179	0.950	0.075	0.046	0.246
	(0.194)	(1.580)	(0.146)	(0.101)	(0.339)
Competition X Out-group X 400	0.138	0.076	0.171	7.324	0.026*
	(0.181)	(0.144)	(0.377)	(21.084)	(0.044)
Competition X Out-group X 600	0.157	0.121	0.096	3.634	0.071
	(0.205)	(0.231)	(0.215)	(9.497)	(0.123)
Competition X Out-group X 800	1.303	0.314	2.568	6.400	1.176
	(1.901)	(0.707)	(6.055)	(19.649)	(2.178)
Observations	1,226	501	725	613	613
Participants	90	37	53	46	44
Round FE	Yes	Yes	Yes	Yes	Yes

Note: Estimates from fixed-effects logit models. Logit coefficients are odds ratios. ** p<0.01, * p<0.05, + p<0.1

References

Aaroe, Lene, and Michael Bang Petersen. 2014. “Crowding out Culture: Scandinavians and Americans Agree on Social Welfare in the Face of Deservingness Cues.” Journal of Politics 76 (3): 684–97.

Abeler, Johannes, Armin Falk, Lorenz Goette, and David Huffman. 2011. “Reference Points and Effort Provision.” *American Economic Review* 101 (2): 470–92.

Adserà, Alicia, and Barry R. Chiswick. 2007. “Are There Gender and Country of Origin Differences in Immigrant Labor Market Outcomes across European Destinations?” *Journal of Population Economics* 20 (3): 495–526.

Adserà, Alícia, and Mariola Pytliková. 2015. “The Role of Language in Shaping International Migration.” *Economic Journal* 125 (586): F49–81.

Aedes. 2017. “Feiten en Cijfers”. Accessed July 28, 2017. https://www.aedes.nl/feiten-en-cijfers/woning.html

Ahlquist, John S., John R. Hamman, and Bradley M. Jones. 2017. “Dependency Status and Demand for Social Insurance: Evidence from Experiments and Surveys.” *Political Science Research and Methods* 5 (1): 31–53.

Akerlof, George A., and Rachel E. Kranton. 2000. “Economics and Identity.” *The Quarterly Journal of Economics* CVX (3): 715–53.

Aksoy, Ozan. 2015. “Effects of Heterogeneity and Homophily on Cooperation.” *Social Psychology Quarterly* 78 (4): 324–44.

Alba, Richard, and Nancy Foner. 2015. *Strangers No More Immigration and the Challenges of Integration in North America and Western Europe*. Princeton, NJ: Princeton University Press.

Alba, Richard. 2005. “Bright vs. Blurred Boundaries: Second-Generation Assimilation and Exclusion in France, Germany, and the United States.” *Ethnic and Racial Studies* 28 (1): 20–49.

Alesina, Alberto, and Edward L. Glaeser. 2004. *Fighting Poverty in the US and Europe: A World of Difference*. Oxford: Oxford University Press.

Alesina, Alberto, and Eliana La Ferrara. 2000. “Participation in Heterogeneous Communities.” *Quarterly Journal of Economics* 115 (3): 847–904.

Alesina, Alberto, and George-Marios Angeletos. 2005. “Fairness and Redistribution.” *American Economic Review* 95 (4): 913–35.

Alesina, Alberto, Edward Ludwig Glaeser, and Burce Sacerdote. 2001. “Why Doesn’t the United States Have a European-Style Welfare State?” *Brookings Papers on Economic Activity* 2: 187–277.

Alesina, Alberto, Johann Harnoss, and Hillel Rapoport. 2016. “Birthplace Diversity and Economic Prosperity.” *Journal of Economic Growth* 21 (2): 101–38.

Alesina, Alberto, Reza Baqir, and William Easterly. 1999. “Public Goods and Ethnic Divisions.” *The Quarterly Journal of Economics* 114 (4): 1243–84.

Allport, Gordon W. 1954. *The Nature of Prejudice*. Cambridge, MA: Addison-Wesley.

Almås, Ingvild, Alexander W. Cappelen, and Bertil Tungodden. 2016. “Cutthroat Capitalism Versus Cuddly Socialism: Are Americans More Meritocratic and Efficiency-Seeking than Scandinavians?” 18/2016. NHH Dept. of Economics Discussion Paper.

Alonso, Sonia, and Saro Claro da Fonseca. 2012. “Immigration, Left and Right.” *Party Politics* 18 (6): 865–84.

Alt, James, and Torben Iversen. 2017. “Inequality, Labor Market Segmentation, and Preferences for Redistribution.” *American Journal of Political Science* 61 (1): 21–36.

Anderson, Bridget, and Martin Ruhs. 2010. “Migrant Workers: Who Needs Them? A Framework for the Analysis of Staff Shortages, Immigration, and Public Policy.” In *Who Needs Migrant Workers?: Labour Shortages, Immigration, and Public Policy*, edited by Bridget Anderson and Martin Ruhs, 15–52. Oxford: Oxford University Press.

Andreoni, James, Nikos Nikiforakis, and Jan Stoop. 2017. “Are the Rich More Selfish than the Poor, or Do They Just Have More Money? A Natural Field Experiment.” *NBER Working Paper Series*, No. 23299.

Andreoni, James. 1990. “Impure Altruism and Donations to Public Goods: A Theory of Warm-Glow Giving.” *The Economic Journal* 100 (401): 464–77.

Ansell, Ben. 2014. “The Political Economy of Ownership: Housing Markets and the Welfare State.” *American Political Science Review* 108 (2): 383–402.

Arnoldus, Martijn, Thea Dukes, and Sako Musterd. 2003. “Dispersal Policies in the Netherlands.” In *Spreading the “Burden”?: A Review of Policies to Disperse Asylum Seekers and Refugees*, edited by Vaughan Robinson, Roger Andersson, and Sako Musterd. Bristol, UK: Policy Press.

Ashraf, Quamrul, and Oded Galor. 2011. “Cultural Diversity, Geographical Isolation, and the Origin of the Wealth of Nations.” *NBER Working Paper Series*, No. 17640.

Baldwin, Kate, and John D. Huber. 2010. “Economic versus Cultural Differences: Forms of Ethnic Diversity and Public Goods Provision.” *American Political Science Review* 104 (4): 644–62.

Bale, Tim. 2008. “Turning Round the Telescope. Centre-Right Parties and Immigration and Integration Policy in Europe.” *Journal of European Public Policy* 15 (3): 315–30.

Balliet, Daniel, Junhui Wu, and Carsten K.W. De Dreu. 2014. “Ingroup Favoritism in Cooperation: A Meta-Analysis.” *Psychological Bulletin* 140 (6): 1556–81.

Bansak, Kirk, Jens Hainmueller, and Dominik Hangartner. 2016. “How Economic, Humanitarian, and Religious Concerns Shape European Attitudes toward Asylum Seekers.” *Science* 354 (6309): 217–22.

Barber, Benjamin, Pablo Beramendi, and Erik Wibbels. 2013. “‘The Behavioral Foundations of Social Politics: Evidence from Surveys and a Laboratory Democracy.’” *Comparative Political Studies* 46 (10): 1155–89.

Bardsley, Nicholas. 2008. “Dictator Game Giving: Altruism or Artefact?” *Experimental Economics* 11 (2): 122–33.

Barrett, Alan, and Bertrand Maître. 2013. “Immigrant Welfare Receipt across Europe.” *International Journal of Manpower*, International Journal of Manpower, 34 (1): 8–23.

Barrett, Alan, and Yvonne McCarthy. 2007. “Immigrants in a Booming Economy: Analysing Their Earnings and Welfare Dependence.” *Labour* 21 (4–5): 789–808.

Batson, C. Daniel, Nadia Ahmad, and David A. Lishner. 2009. “Empathy and Altruism.” In *The Oxford Handbook of Positive Psychology*, edited by Shane J. Lopez and C.R. Snyder, Second Edition. New York, NY: Oxford University Press.

Batson, C. Daniel. 1991. *The Altruism Question. Toward a Social-Psychological Answer*. Hillsdale, NJ: Erlbaum.

Bay, Ann.-Helén., and Axel West Pedersen. 2006. “The Limits of Social Solidarity: Basic Income, Immigration and the Legitimacy of the Universal Welfare State.” *Acta Sociologica* 49 (4): 419–36.

Bay, Ann-Helén, Henning Finseraas, and Axel West Pedersen. 2013. “Welfare Dualism in Two Scandinavian Welfare States: Public Opinion and Party Politics.” *West European Politics* 36 (1): 199–220.

Becker, Sascha O., and Thiemo Fetzer. 2016. “Does Migration Cause Extreme Voting?” 306. *Warwick Working Paper Series*.

Becker, Sascha O., and Thiemo Fetzer. 2018. “Has Eastern European Migration Impacted UK-Born Workers?” 1165. *Warwick Working Paper Series*.

Belot, Michele, Raymond Duch, and Luis Miller. 2015. “A Comprehensive Comparison of Students and Non-Students in Classic Experimental Games.” *Journal of Economic Behavior and Organization* 113 (May): 26–33.

Bénabou, Roland, and Jean Tirole. 2006. “Belief in a Just World and Redistributive Politics.” *The Quarterly Journal of Economics* 121 (2): 699–746.

Beramendi, Pablo, and Philipp Rehm. 2016. “Who Gives, Who Gains? Progressivity and Preferences.” *Comparative Political Studies* 49 (4): 529–63.

Blair, Tony. December 8, 2006. “The Duty to Integrate: Shared British Values”. Accessed July 28, 2019. https://webarchive.nationalarchives.gov.uk/20080909022722/http://www.number10.gov.uk/Page10563

Blinder, Scott, and William L. Allen. 2016. “Constructing Immigrants: Portrayals of Migrant Groups in British National Newspapers, 2010-2012.” *International Migration Review* 50 (1): 3–40.

Blinder, Scott. 2015. “Imagined Immigration: The Impact of Different Meanings of ‘Immigrants’ in Public Opinion and Policy Debates in Britain.” *Political Studies* 63 (1): 80–100.

Bloom, Paul. 2016. *Against Empathy: The Case for Rational Compassion*. London, UK: The Bodley Head.

Blumer, Herbert. 1958. “Race Prejudice as a Sense of Group Position.” *The Pacific Sociological Review* 1 (1): 3–7.

Bommes, Michael, and Andrew Geddes. 2000. *Immigration and Welfare. Challenging the Borders of the Welfare State*. Edited by Michael Bommes and Andrew Geddes. New York: Routledge.

Bonoli, Giuliano. 1997. “Classifying Welfare States: A Two-Dimension Approach.” *Journal of Social Policy* 26 (3): 351–72.

Borjas, George J. 1987. “Immigrants, Minorities, and Labor Market Competition.” *Industrial & Labor Relations Review* 40 (3): 382–92.

Borjas, George J. 1999. “Chapter 28 The Economic Analysis of Immigration.” *Handbook of Labor Economics* 3: 1697–1760.

Brader, Ted, Nicholas A. Valentino, and Elizabeth Suhay. 2008. “What Triggers Public Opposition to Immigration? Anxiety, Group Cues, and Immigration Threat.” *American Journal of Political Science* 52 (4): 959–78.

Bradley, David, Evelyne Huber, Stephanie Moller, François Nielsen, and John D Stephens. 2003. “Distribution and Redistribution in Postindustrial Democracies.” *World Politics* 55 (2): 193–228.

Brady, David, and Ryan Finnigan. 2014. “Does Immigration Undermine Public Support for Social Policy?” *American Sociological Review* 79 (1): 17–42.

Brady, David. 2009. “The Welfare State and Poverty.” In *Rich Democracies, Poor People: How Politics Explain Poverty*. New York: Oxford University Press.

Brewer, Marilynn B. 1999. “The Psychology of Prejudice: Ingroup Love or Outgroup Hate?” *Journal of Social Issues* 55 (3): 429–44.

Brücker, Herbert, Timo Baas, Iskra Beleva, Simone Bertoli, Tito Boeri, Andreas Damelang, Laetitia Duval, et al. 2009. “Labour Mobility within the EU in the Context of Enlargement and the Functioning of the Transitional Arrangements.” European Integration Consortium: Nuremberg.

Burgoon, Brian, Ferry Koster, and Marcel van Egmond. 2012. “Support for Redistribution and the Paradox of Immigration.” *Journal of European Social Policy* 22 (3): 288–304.

Burgoon, Brian. 2014. “Immigration, Integration, and Support for Redistribution in Europe.” *World Politics* 66 (3): 365–405.

Byrne, Donn Erwin. 1971. *The Attraction Paradigm*. New York, NY: Academic Press.

Card, David, Christian Dustmann, and Ian Preston. 2012. “Immigration, Wages, and Compositional Amenities.” *Journal of the European Economic Association* 10 (1): 78–119.

Carlsson, Fredrik, Haoran He, and Peter Martinsson. 2013. “Easy Come, Easy Go: The Role of Windfall Money in Lab and Field Experiments.” *Experimental Economics* 16 (2): 190–207.

Carvalho, Leandro S., Stephan Meier, and Stephanie Wang. 2016. “Poverty and Economic Decision-Making: Evidence from Changes in Financial Resources at Payday.” *American Economic Review* 106 (2): 260–84.

Cavaillé, Charlotte and Jeremy Ferwerda. 2018. “How Distributional Conflict over Public Spending Drives Support for Anti-Immigrant Parties”. Working Paper, Georgetown University, Washington, D.C.

Cavaillé, Charlotte, and John Marshall. 2019. “Education and Anti-Immigration Attitudes: Evidence from Compulsory Schooling Reforms across Western Europe.” *American Political Science Review* 113 (1): 254–63.

Cavaillé, Charlotte, and Kris-Tella Trump. 2015. “The Two Facets of Social Policy Preferences.” *The Journal of Politics* 77 (1): 146–60.

Ceobanu, Alin M., and Xavier Escandell. 2010. “Comparative Analyses of Public Attitudes Toward Immigrants and Immigration Using Multinational Survey Data: A Review of Theories and Research.” *Annual Review of Sociology* 36 (1): 309–28.

Chandler, Charles R., and Yung-Mei Tsai. 2001. “Social Factors Influencing Immigration Attitudes: An Analysis of Data from the General Social Survey.” *The Social Science Journal* 38 (2): 177–88.

Charles, Camille Zubrinsky. 2006. *Won’t You Be My Neighbor? Race, Class, and Residence in Los Angelos*. New York, NY: Russell Sage Foundation.

Charness, Gary, and Matthew Rabin. 2002. “Understanding Social Preferences with Simple Tests.” *The Quarterly Journal of Economics* 117 (3): 817–69.

Charness, Gary, and Uri Gneezy. 2008. “What’s in a Name? Anonymity and Social Distance in Dictator and Ultimatum Games.” *Journal of Economic Behavior and Organization* 68 (1): 29–35.

Charness, Gary, Uri Gneezy, and Alex Imas. 2013. “Experimental Methods: Eliciting Risk Preferences.” *Journal of Economic Behavior and Organization* 87 (1): 43–51.

Charness, Gary, Uri Gneezy, and Austin Henderson. 2018. “Experimental Methods: Measuring Effort in Economics Experiments.” *Journal of Economic Behavior and Organization* 149: 74–87.

Chen, Yan, and Sherry Xin Li. 2009. “Group Identity and Social Preferences.” *American Economic Review* 99 (1): 431–57.

Cherry, Todd L., Stephan Kroll, and Jason F. Shogren. 2005. “The Impact of Endowment Heterogeneity and Origin on Public Good Contributions: Evidence from the Lab.” *Journal of Economic Behavior and Organization* 57 (3): 357–65.

Chiao, Joan Y., Tetsuya Iidaka, Heather L. Gordon, Junpei Nogawa, Moshe Bar, Elissa Aminoff, Norihiro Sadato, and Nalini Ambady. 2008. “Cultural Specificity in Amygdala Response to Fear Faces.” *Journal of Cognitive Neuroscience* 20 (12): 2167–74.

Citrin, Jack, Donald P Green, Christopher Muste, and Cara Wong. 1997. “Public Opinion toward Immigration Reform: The Role of Economic Motivations.” *The Journal of Politics* 59 (3): 858–81.

Clark, William A. V. 1991. “Residential Preferences and Neighborhood Racial Segregation: A Test of the Schelling Segregation Model.” *Demography* 28 (1): 1–19.

Costa-Font, Joan, and Frank Cowell. 2015. “Social Identity and Redistributive Preferences: A Survey.” *Journal of Economic Surveys* 29 (2): 357–74.

Crepaz, Markus M. L. 2008. *Trust beyond Borders: Immigration, the Welfare State, and Identity in Modern Societies*. Ann Arbor: University of Michigan Press.

Crepaz, Markus M. L., and Regan Damron. 2009. “How the Welfare State Shapes Attitudes about Immigrants.” *Comparative Political Studies* 42 (3): 437–63.

Cusack, Thomas, Torben Iversen, and Philipp Rehm. 2008. “Economic Shocks, Inequality and Popular Support for Redistribution.” In *Democracy, Inequality, and Representation*, edited by Pablo Beramendi and Christopher J. Anderson, 203–31. New York, NY: Russell Sage Foundation.

Czaika, Mathias. 2018. “High-Skilled Migration. Introduction and Synopsis.” In *High-Skilled Migration. Drivers and Policies.*, edited by Mathias Czaika, 1–19. New York, NY: Oxford University Press.

Dahlberg, Matz, Karin Edmark, and Helen Lundqvist. 2012. “Ethnic Diversity and Preferences for Redistribution.” *Journal of Political Economy* 120 (1): 41–76.

Dancygier, Rafaela M, and Michael J. Donnelly. 2013. “Sectoral Economies, Economic Contexts, and Attitudes toward Immigration.” *The Journal of Politics* 75 (1): 17–35.

Dancygier, Rafaela, and Elizabeth N. Saunders. 2006. “A New Electorate? Comparing Preferences and Partisanship between Immigrants and Natives.” *American Journal of Political Science* 50 (4): 962–81.

Dancygier, Rafaela. 2010. *Immigration and Conflict in Europe*. New York, NY: Cambridge University Press.

de Haas, Hein, Katharina Natter, and Simona Vezzoli. 2018. “Growing Restrictiveness or Changing Selection? The Nature and Evolution of Migration Policies.” *International Migration Review* 52 (2): 324–67.

de Koster, Willem, Peter Achterberg, and Jeroen van der Waal. 2013. “The New Right and the Welfare State: The Electoral Relevance of Welfare Chauvinism and Welfare Populism in the Netherlands.” *International Political Science Review* 34 (1): 3–20.

de Waal, Frans B.M. 2008. “Putting the Altruism Back into Altruism: The Evolution of Empathy.” *Annual Review of Psychology* 59 (1): 279–300.

Degen, Daniel, Theresa Kuhn, and Wouter van der Brug. 2019. “Granting Immigrants Access to Social Benefits? How Self-Interest Influences Support for Welfare State Restrictiveness.” *Journal of European Social Policy* 29 (2): 148–65.

Desmet, Klaus, Ignacio Ortuño-Ortín, and Shlomo Weber. 2009. “Linguistic Diversity and Redistribution.” *Journal of European Economic Association* 7 (6): 1291–1318.

Dion, Michelle L., and Vicki Birchfield. 2010. “Economic Development, Income Inequality, and Preferences for Redistribution.” *International Studies Quarterly* 54 (2): 315–34.

Duell, Dominik. 2015. “Social Heterogeneity an Its Ambiguous Effect on Preferences for Redistribution.” Unpublished paper.

Durante, Ruben, Louis Putterman, and J. van der Weele Joël. 2014. “Preferences for Redistribution and Perception of Fairness: An Experimental Study.” *Journal of the European Economic Association* 12 (4): 1059–86.

Dustmann, Christian, and Tommaso Frattini. 2013. “Immigration: The European Experience.” In *Immigration, Poverty, and Socioeconomic Inequality*, edited by

David Card and Steven Raphael, 423–56. New York, NY: Russell Sage Foundation.

Dustmann, Christian, and Tommaso Frattini. 2014. “The Fiscal Effects of Immigration to the UK.” *The Economic Journal* 124 (580): F593–643.

Dustmann, Christian, Francesca Fabbri, and Ian Preston. 2005. “The Impact of Immigration on the British Labour Market.” *Economic Journal* 115 (507): 324–41.

Dustmann, Christian, Tommaso Frattini, and Ian P. Preston. 2013. “The Effect of Immigration along the Distribution of Wages.” *Review of Economic Studies* 80 (1): 145–73.

Echols, Stephanie, and Joshua Correll. 2012. “It’s More than Skin Deep: Empathy and Helping Behavior across Social Groups.” In *Empathy: From Bench to Bedside*, edited by Jean Decety. Cambridge, MA: MIT Press.

Eger, Maureen A. 2010. “Even in Sweden: The Effect of Immigration on Support for Welfare State Spending.” *European Sociological Review* 26 (2): 203–17.

Emmenegger, Patrick, and Robert Klemmensen. 2013. “What Motivates You? The Relationship between Preferences for Redistribution and Attitudes toward Immigration.” *Comparative Politics* 45 (2): 227–46.

Emmenegger, Patrick, and Romana Careja. 2012. “From Dilemma to Dualization: Social and Migration Policies in the ‘Reluctant Countries of Immigration.’” In *The Age of Dualization: The Changing Face of Inequality in Deindustrializing Societies*, edited by Patrick Emmenegger, Silja Häusermann, Bruno Palier, and Martin Seeleib-Kaiser, 124–48. Oxford: Oxford University Press.

Engbersen, Godfried, Jaco Dagevos, Roel Jennissen, Linda Bakker, Arjen Leerkes, (in collaboration with) Jaenine Klaver, and Arend Odé. 2015. “Geen Tijd Verliezen: Van Opvang Naar Integratie van Asielmigranten”, WRR-Policy Brief 4. Den Haag: WRR.

Engel, Christoph. 2011. “Dictator Games: A Meta Study.” *Experimental Economics* 14 (4): 583–610.

Enos, Ryan D. 2014. “Causal Effect of Intergroup Contact on Exclusionary Attitudes.” *Proceedings of the National Academy of Sciences of the United States of America* 111 (10): 3699–3704.

Erkal, Nisvan, Lata Gangadharan, and Nikos Nikiforakis. 2011. “Relative Earnings and Giving in a Real-Effort Experiment.” *American Economic Review* 101 (7): 3330–48.

Esarey, Justin, Tim Salmon, and Charles Barrilleaux. 2012. “Social Insurance and Income Redistribution in a Laboratory Experiment.” *Political Research Quarterly* 65 (3): 685–98.

Esping-Andersen, Gøsta. 1990. *The Three Worlds of Welfare Capitalism*. Cambridge: Polity Press.

European Commission. 2018. “Standard Eurobarometer 89. Spring 2018. Public Opinion in the European Union.” Accessed July 24, 2019. https://ec.europa.eu/migrant-integration/news/europe-immigration-most-important-issue-facing-the-eu-eurobarometer-says

Everett, Jim A. C., Nadira S. Faber, and Molly Crockett. 2015. “Preferences and Beliefs in Ingroup Favoritism.” *Frontiers in Behavioral Neuroscience* 9 (February): 1–21.

Facchini, Giovanni, and Anna Maria Mayda. 2009. “Does the Welfare State Affect Individual Attitudes toward Immigrants? Evidence across Countries.” *Review of Economics and Statistics* 91 (2): 295–314.

Farrea, Lidia, Francesc Ortega, and Ryuichi Tanaka. 2018. “Immigration and the Public–Private School Choice.” *Labour Economics* 51 (April): 184–201.

Favell, Adrian. 2008. “The New Face of East-West Migration in Europe,” *Journal of Ethnic and Migration Studies*. 34: 701-716.

Fearon, James D. 2003. “Ethnic and Cultural Diversity by Country.” *Journal of Economic Growth* 8 (2): 195–222.

Fehr, Ernst, and Klaus M Schmidt. 2006. “The Economics of Fairness, Reciprocity and Altruism - Experimental Evidence and New Theories.” *Handbook of the Economics of Giving, Altruism and Reciprocity* 1: 615–91.

Ferrera, Maurizio. 2005. *The Boundaries of Welfare: European Integration and the New Spatial Politics of Social Protection*. Oxford: Oxford University Press.

Fershtman, Chaim, and Uri Gneezy. 2001. “Discrimination in a Segmented Society: An Experimental Approach.” *Quarterly Journal of Economics* 116 (1): 351–77.

Finseraas, Henning, Marianne Røed, and Pål Schøne. 2017. “Labor Market Competition with Immigrants and Political Polarization.” *Quarterly Journal of Political Science* 12 (3): 347–73.

Finseraas, Henning. 2008. “Immigration and Preferences for Redistribution: An Empirical Analysis of European Survey Data.” *Comparative European Politics* 6 (4): 407–31.

Finseraas, Henning. 2009. “Income Inequality and Demand for Redistribution: A Multilevel Analysis of European Public Opinion.” *Scandinavian Political Studies* 32 (1): 94–119.

Finseraas, Henning. 2012. “Poverty, Ethnic Minorities among the Poor, and Preferences for Redistribution in European Regions.” *Journal of European Social Policy* 22 (2): 164–80.

FitzGerald, David S. 2019. *Refuge beyond Reach: How Rich Democracies Repel Asylum Seekers*. New York, NY: Oxford University Press.

FitzGerald, David S., and David Cook-Martín. 2014. *Culling the Masses: The Democratic Origins of Racist Immigration Policy in the Americas*. Cambridge, MA: Harvard University Press.

FitzGerald, David S., David Cook-Martín, Angela S. García, and Rawan Arar. 2018. "Can You Become One of Us? A Historical Comparison of Legal Selection of 'assimilable' Immigrants in Europe and the Americas." *Journal of Ethnic and Migration Studies* 44 (1): 27–47.

Fleckenstein, Timo, Adam M. Saunders, and Martin Seeleib-Kaiser. 2011. "The Dual Transformation of Social Protection and Human Capital: Comparing Britain and Germany." *Comparative Political Studies* 44 (12): 1622–50.

Fong, Christina M., and Erzo F. P. Luttmer. 2009. "What Determines Giving to Hurricane Katrina Victims? Experimental Evidence on Income, Race, and Fairness." *American Economic Journal: Applied Economics* 1 (2): 64–87.

Fong, Christina M., Samuel Bowles, and Herbert Gintis. 2006. "Strong Reciprocity and the Welfare State." *Handbook of the Economics of Giving, Altruism and Reciprocity* 2 (6): 1439–64.

Ford, Robert. 2011. "Acceptable and Unacceptable Immigrants: How Opposition to Immigration in Britain Is Affected by Migrants' Region of Origin." *Journal of Ethnic and Migration Studies* 37 (7): 1017–37.

Ford, Robert. 2015. "Who Should We Help? An Experimental Test of Discrimination in the British Welfare State." *Political Studies*.

Fox, Cybelle. 2004. "The Changing Color of Welfare? How Whites' Attitudes toward Latinos Influence Support for Welfare." *American Journal of Sociology* 110 (3): 580–625.

Fox, Cybelle. 2012. *Three Worlds of Welfare Relief. Race, Immigration, and the American Welfare State from the Progressive Era to the New Deal*. Princeton, NJ and Oxford: Princeton University Press.

Freeman, Gary P. 1986. "Migration and the Political Economy of the Welfare State." *Annals of the American Academy of Political and Social Science* 485: 51–63.

Freeman, Gary P. 1995. "Modes of Immigration Politics in Liberal Democratic States." *International Migration Review* 29 (4): 881–902.

Gallego, Aina, and Sergi Pardos-Prado. 2014. "The Big Five Personality Traits and Attitudes towards Immigrants." *Journal of Ethnic and Migration Studies* 40 (1): 79–99.

Gallup. 2018. “Immigration Surges to Top of Most Important Problem List.” Accessed July 24, 2019. https://news.gallup.com/poll/237389/immigration-surges-top-important-problem-list.aspx

Garand, James C., Ping Xu, and Belinda C. Davis. 2017. “Immigration Attitudes and Support for the Welfare State in the American Mass Public.” *American Journal of Political Science* 61 (1): 146–62.

Garrett, Geoffrey. 1998. *Partisan Politics in the Global Economy*. New York, NY: Cambridge University Press.

Gerber, Alan S, Gregory A Huber, Daniel R Biggers, and David J Hendry. 2017. “Self-Interest, Beliefs, and Policy Opinions: Understanding How Economic Beliefs Affect Immigration Policy Preferences.” *Political Research Quarterly* 70 (1): 155–71.

Gilens, Martin. 1999. *Why Americans Hate Welfare*. Chicago: University of Chicago Press.

Gingrich, Jane, and Ben Ansell. 2012. “Preferences in Context: Micro Preferences, Macro Contexts, and the Demand for Social Policy.” *Comparative Political Studies* 45 (12): 1624–54.

Gingrich, Jane, and Desmond S. King. 2019. “Americanising Brexit Britain’s Welfare State?” *The Political Quarterly* 90 (1): 89–98.

Gingrich, Jane, and Silja Häusermann. 2015. “The Decline of the Working-Class Vote, the Reconfiguration of the Welfare Support Coalition and Consequences for the Welfare State.” *Journal of European Social Policy* 25 (1): 50–75.

Giuntella, Osea, Catia Nicodemo, and Carlos Vargas-Silva. 2018. “The Effects of Immigration on NHS Waiting Times.” *Journal of Health Economics* 58 (March): 123–43.

Givens, Terry, and Adam Luedtke. 2005. “European Immigration Policies in Comparative Perspective: Issue Salience, Partisanship and Immigrant Rights.” *Comparative European Politics* 3 (1): 1–22.

Goette, Lorenz, David Huffman, and Stephan Meier. 2012. “The Impact of Social Ties on Group Interactions: Evidence from Minimal Groups and Randomly Assigned Real Groups.” *American Economic Journal: Microeconomics* 4 (1): 101–15.

Goodhart, David. 2004. “Too Diverse?” *Prospect Magazine*, February 20, 2004.

Goodin, Robert E. 1988. *Reasons for Welfare: The Political Theory of the Welfare State*. Princeton, NJ: Princeton University Press.

Goodman, Peter S. 11 July 2019. “The Nordic Model May Be the Best Cushion Against Capitalism. Can It Survive Immigration?” The New York Times. https://www.nytimes.com/2019/07/11/business/sweden-economy-immigration.html

Goodman, Sara Wallace. 2011. “Controlling Immigration through Language and Country Knowledge Requirements.” *West European Politics* 34 (2): 235–55.

Gorodzeisky, Anastasia, and Moshe Semyonov. 2019. “Unwelcome Immigrants: Sources of Opposition to Different Immigrant Groups Among Europeans.” *Frontiers in Sociology* 4 (24).

Grimm, Veronika, Verena Utikal, and Lorenzo Valmasoni. 2017. “In-Group Favoritism and Discrimination among Multiple out-Groups.” *Journal of Economic Behavior and Organization* 143 (November): 254–71.

Guiraudon, Virginie, and Gallya Lahav. 2000. “A Reappraisal of the State Sovereignty Debate: The Case of Migration Control.” *Comparative Political Studies* 33 (2): 163–95.

Habyarimana, James, Macartan Humphreys, Daniel N. Posner, and Jeremy M. Weinstein. 2007. “Why Does Ethnic Diversity Undermine Public Goods Provision?” *American Political Science Review* 101 (4): 709–25.

Haffner, Marietta, Joris Hoekstra, Michael Oxley, and Harry Van der Heijden. 2009. *Bridging the Gap between Social and Market Rented Housing in Six European Countries?* Amsterdam, NL: IOS Press.

Hagendoorn, Louk, and Rogers Henke. 1991. “The Effect of Multiple Category Membership on Intergroup Evaluations in a North Indian Context: Class, Caste and Religion.” *British Journal of Social Psychology* 30 (3): 247–60.

Hagendoorn, Louk. 1993. “Ethnic Categorization and Outgroup Exclusion: Cultural Values and Social Stereotypes in the Construction of Ethnic Hierarchies.” *Ethnic and Racial Studies* 16 (1): 26–51.

Hagendoorn, Louk. 1995. “Intergroup Biases in Multiple Group Systems: The Perception of Ethnic Hierarchies.” *European Review of Social Psychology* 6 (1): 199–228.

Hainmueller, Jens, and Daniel J. Hopkins. 2014. “Public Attitudes toward Immigration.” *Annual Review of Political Science* 17 (1): 225–49.

Hainmueller, Jens, and Daniel J. Hopkins. 2015. “The Hidden American Immigration Consensus: A Conjoint Analysis of Attitudes toward Immigrants.” *American Journal of Political Science* 59 (3): 529–48.

Hainmueller, Jens, and Dominik Hangartner. 2013. “Who Gets a Swiss Passport? A Natural Experiment in Immigrant Discrimination.” *American Political Science Review* 107 (1): 1–29.

Hainmueller, Jens, and Michael J. Hiscox. 2007. “Educated Preferences: Explaining Attitudes toward Immigration in Europe.” *International Organization* 61 (2): 399–442.

Hainmueller, Jens, and Michael J. Hiscox. 2010. “Attitudes toward Highly Skilled and Low-Skilled Immigration: Evidence from a Survey Experiment.” *American Political Science Review* 104 (1): 1–24.

Hainmueller, Jens, Michael J. Hiscox, and Yotam Margalit. 2015. “Do Concerns About Labor Market Competition Shape Attitudes Toward Immigration? New Evidence.” *Journal of International Economics* 97 (1): 193–207.

Halevy, Nir, Ori Weisel, and Gary Bornstein. 2012. “‘In-Group Love’ and ‘Out-Group Hate’ in Repeated Interaction between Groups.” *Journal of Behavioral Decision Making* 25 (2): 188–95.

Haller, Max. 2002. “Theory and Method in the Comparative Study of Values. Critique and Alternative to Inglehart.” *European Sociological Review* 18 (2): 139–58.

Hammermesh, Daniel S., and Frank D. Bean. 1998. *Help or Hindrance?: The Economic Implications of Immigration for African Americans*. Edited by Daniel S. Hammermesh and Frank D. Bean. New York, NY: Russell Sage Foundation.

Hansen, Randall. 2000. *Citizenship and Immigration in Post-War Britain: The Institutional Origins of a Multicultural Nation*. Oxford: Oxford University Press.

Hanson, Gordon H, Kenneth Scheve, and Matthew J Slaughter. 2007. “Public Finance and Individual Preferences over Globalization Strategies.” *Economics & Politics* 19 (1): 1–33.

Harell, Allison, Stuart Soroka, and Kiera Ladner. 2014. “Public Opinion, Prejudice and the Racialization of Welfare in Canada.” *Ethnic and Racial Studies* 37 (14): 2580–97.

Harell, Allison, Stuart Soroka, and Shanto Iyengar. 2016. “Racial Cues and Attitudes toward Redistribution: A Comparative Experimental Approach.” *European Journal of Political* 55 (4): 723–44.

Hartstone, Margaret, and Martha Augoustinos. 1995. “The Minimal Group Paradigm: Categorization into Two versus Three Groups.” *European Journal of Social Psychology* 25 (2): 179–93.

Heath, Anthony F., and Sin Yi Cheung. 2007. *Unequal Chances: Ethnic Minorities in Western Labour Markets*. Edited by Anthony Heath and Sin Yi Cheung. Oxford: Oxford University Press.

Heizmann, Boris, Anne Busch-Heizmann, and Elke Holst. 2017. “Immigrant Occupational Composition and the Earnings of Immigrants and Natives in Germany: Sorting or Devaluation?” *International Migration Review* 51 (2): 475–505.

Heizmann, Boris. 2015. “Social Policy and Perceived Immigrant Labor Market Competition in Europe: Is Prevention Better Than Cure?” *Social Forces* 93 (4): 1655–85.

Helbling, Marc, and Hanspeter Kriesi. 2014. “Why Citizens Prefer High- Over Low-Skilled Immigrants. Labor Market Competition, Welfare State, and Deservingness.” *European Sociological Review* 30 (5): 595–614.

Hero, Rodney E., and Robert R. Preuhs. 2007. “Immigration and the Evolving American Welfare State: Examining Policies in the U.S. States.” *American Journal of Political Science* 51 (3): 498–517.

Hjerm, Mikael, and Kikuko Nagayoshi. 2011. “The Composition of the Minority Population as a Threat: Can Real Economic and Cultural Threats Explain Xenophobia?” *International Sociology* 26 (6): 815–43.

Hofstede, Geert. 2001. *Culture’s Consequences: Comparing Values, Behaviors, Institutions and Organizations across Nations*. Thousand Oaks, CA; London: Sage Publications.

Hollifield, James F. 2004. “The Emerging Migration State.” *International Migration Review* 38 (3): 885–912.

Hopkins, Daniel J. 2011. “The Limited Local Impacts of Ethnic and Racial Diversity.” *American Politics Research* 39 (2): 344–79.

Hopkins, Daniel J. 2015. “The Upside of Accents: Language, Skin Tone, and Attitudes Toward Immigration.” *British Journal of Political Science* 45 (3): 531–57.

Hout, Michael. 2004. “Getting the Most out of the GSS Income Measures.” GSS Methodological Report 101.

Howe, David. 2012. *Empathy: What It Is and Why It Matters*. Basingstoke: Palgrave Macmillan.

Inglehart, Ronald, and Christian Welzel. 2005. *Modernization, Cultural Change, and Democracy: The Human Development Sequence*. Cambridge, UK; New York, NY: Cambridge University Press.

Inglehart, Ronald, and Wayne E. Baker. 2000. “Modernization, Cultural Change, and the Persistence of Traditional Values.” *American Sociological Review* 65 (1): 19–51.

Iversen, Torben, and David Soskice. 2001. “An Asset Theory of Social Policy Preferences.” *American Political Science Review* 95 (4): 875–93.

Iversen, Torben, and Thomas R Cusack. 2000. “The Causes of Welfare State Expansion: Deindustrialization or Globalization?” *World Politics* 52 (3): 313–49.

Iyengar, Shanto, Simon Jackman, Solomon Messing, Nicholas Valentino, Toril Aalberg, Raymond Duch, Kyu S. Hahn, Stuart Soroka, Allison Harell, and Tetsuro

Kobayashi. 2013. “Do Attitudes about Immigration Predict Willingness to Admit Individual Immigrants?” *Public Opinion Quarterly* 77 (3): 641–65.

Jackman, Mary R, and Michael J Muha. 1984. “Education and Intergroup Attitudes: Moral Enlightenment, Superficial Democratic Commitment, or Ideological Refinement?” *American Sociological Review* 49 (6): 751–69.

Johnston, Richard, Keith Banting, Will Kymlicka, and Stuart Soroka. 2010. “National Identity and Support for the Welfare State.” *Canadian Journal of Political Science* 43 (2): 349–77.

Joppke, Christian. 1998. “Why Liberal States Accept Unwanted Immigration.” *World Politics* 50 (2): 266–93.

Joppke, Christian. 2005. *Selecting by Origin: Ethnic Migration in the Liberal State*. Cambridge, MA and London: Harvard University Press.

Kambourov, G, and I Manovskii. 2009. “Occupational Specificity of Human Capital.” *International Economic Review* 50 (1): 63–115.

Karsten, Sjoerd, Charles Felix, Guuske Ledoux, Wim Meijnen, Jaap Roeleveld, and Erik van Schooten. 2006. “Choosing Segregation or Integration?: The Extent and Effects of Ethnic Segregation in Dutch Cities.” *Education and Urban Society* 38 (2): 228–47.

Katzenstein, Peter J. 1985. *Small States in World Markets: Industrial Policy in Europe.* Ithaca, NY: Cornell University Press.

Kaufmann, Eric, and Gareth Harris. 2015. “‘White Flight’ or Positive Contact? Local Diversity and Attitudes to Immigration in Britain.” *Comparative Political Studies* 48 (12): 1563–90.

King, Desmond S. 1995. *Actively Seeking Work? : The Politics of Unemployment and Welfare Policy in the United States and Great Britain*. Chicago, IL; London, UK: University of Chicago Press.

King, Desmond S. 2000. *Making Americans: Immigration, Race, and the Origins of the Diverse Democracy*. Cambridge, MA and London: Harvard University Press.

King, Desmond S., and David Rueda. 2008. “Cheap Labor: The New Politics of ‘Bread and Roses’ in Industrial Democracies.” *Perspectives on Politics* 6 (02): 279–97.

King, Desmond S., and Jeremy Waldron. 1988. “Citizenship, Social Citizenship and the Defence of Welfare Provision.” *British Journal of Political Science* 18 (4).

Kitschelt, Herbert (in collaboration with Anthony McGann). 1995. *The Radical Right in Western Europe. A Comparative Analysis*. Ann Arbor: University of Michigan Press.

Kitschelt, Herbert, and Philipp Rehm. 2014. “Occupations as a Site of Political Preference Formation.” *Comparative Political Studies* 47 (12): 1670–1706.

Klor, Esteban F., and Moses Shayo. 2010. “Social Identity and Preferences over Redistribution.” *Journal of Public Economics* 94 (3–4): 269–78.

Koopmans, Ruud. 2010. “Trade-Offs between Equality and Difference: Immigrant Integration, Multiculturalism and the Welfare State in Cross-National Perspective.” *Journal of Ethnic and Migration Studies* 36 (1): 1–26.

Kootstra, Anouk. 2016. “Deserving and Undeserving Welfare Claimants in Britain and the Netherlands: Examining the Role of Ethnicity and Migration Status Using a Vignette Experiment.” *European Sociological Review* 32 (3): 325–38.

Korndörfer, Martin, Boris Egloff, and Stefan C. Schmukle. 2015. “A Large Scale Test of the Effect of Social Class on Prosocial Behavior.” *PLoS ONE* 10 (7).

Kraus, Michael W., Paul K. Piff, Rodolfo Mendoza-Denton, Michelle L. Rheinschmidt, and Dacher Keltner. 2012. “Social Class, Solipsism, and Contextualism: How the Rich Are Different from the Poor.” *Psychological Review* 119 (3): 546–72.

Krebs, Dennis. 1975. “Empathy and Altruism.” *Journal of Personality and Social Psychology* 32 (6): 1134–46.

Kriesi, Hanspeter, Edgar Grande, Romain Lachat, Martin Dolezal, Simon Bornschier, and Timotheos Frey. 2006. “Globalization and the Transformation of the National Political Space: Six European Countries Compared.” *European Journal of Political Research* 45 (6): 921–56.

Krings, Torben. 2009. “A Race to the Bottom? Trade Unions, EU Enlargement and the Free Movement of Labour.” *European Journal of Industrial Relations* 15 (1): 49–69.

Kromhout, Steven, and Sjoerd Zeelenberg. 2014. “Sturen op Inkomen. Toewijzingscriteria in de Woonruimteverdeling.” Amsterdam: RIGO Research en Advies.

Kurzban, Robert, Maxwell N. Burton-Chellew, and Stuart A. West. 2015. “The Evolution of Altruism in Humans.” *Annual Review of Psychology* 66: 575–99.

Kymlicka, Will. 1995. *Multicultural Citizenship: A Liberal Theory of Minority Rights*. Oxford: Clarendon Press.

Laitin, David D. 2000. “What Is a Language Community?” *American Journal of Political Science* 44 (1): 142–55.

Larsen, Christian Albrekt. 2011. “Ethnic Heterogeneity and Public Support for Welfare: Is the American Experience Replicated in Britain, Sweden and Denmark?” *Scandinavian Political Studies* 34 (4): 332–53.

Lawrence, Daniel. 1974. *Black Migrants: White Natives : A Study of Race Relations in Nottingham*. London, UK: Cambridge University Press.

Layard, Richard, Stephen Nickell, and Guy Mayraz. 2008. “The Marginal Utility of Income.” *Journal of Public Economics* 92 (8): 1846–57.

Lipsmeyer, Christine S. 2003. “Welfare and the Discriminating Public: Evaluating Entitlement Attitudes in Post-Communist Europe.” *Policy Studies Journal* 31 (4): 545–64.

Lipsmeyer, Christine S., and Ling Zhu. 2011. “Immigration, Globalization, and Unemployment Benefits in Developed EU States.” *American Journal of Political Science* 55 (3): 647–64.

List, John A. 2007. “On the Interpretation of Giving in Dictator Games.” *Journal of Political Economy* 115 (3): 482–93.

Luttmer, Erzo F. P. 2001. “Group Loyalty and the Taste for Redistribution.” *Journal of Political Economy* 109 (3): 500–528.

Luttmer, Erzo F. P., and Monica Singhal. 2011. “Culture, Context, and the Taste for Redistribution.” *American Economic Journal: Economic Policy* 3 (1): 157–79.

Lynn, Peter. (ed.). 2006. Quality Profile: British Household Panel Survey, Version 2.0: Waves 1 – 13, 1991-2003. Colchester: University of Essex.

Malhotra, Neil, Yotam Margalit, and Cecilia Hyunjung Mo. 2013. “Economic Explanations for Opposition to Immigration: Distinguishing between Prevalence and Conditional Impact.” *American Journal of Political Science* 57 (2): 391–410.

Margalit, Yotam. 2013. “Explaining Social Policy Preferences: Evidence from the Great Recession.” *American Political Science Review* 107 (1): 80–103.

Mau, Steffen, and Christoph Burkhardt. 2009. “Migration and Welfare State Solidarity in Western Europe.” *Journal of European Social Policy* 19 (3): 213–29.

Maxwell, Rahsaan. 2019. “Cosmopolitan Immigration Attitudes in Large European Cities: Contextual or Compositional Effects?” *American Political Science Review* 113 (2): 456–74.

Mayblin, Lucy. 2017. *Asylum after Empire. Colonial Legacies in the Politics of Asylum Seeking*. London: Rowman & Littlefield.

Mayda, Anna Maria. 2006. “Who Is Against Immigration? A Cross-Country Investigation of Individual Attitudes toward Immigrants.” *Review of Economics and Statistics* 88 (3): 510–30.

McPherson, Miller, Lynn Smith-Lovin, and James M Cook. 2001. “Birds of a Feather: Homophily in Social Networks.” *Annual Review of Sociology* 27 (1): 415–44.

Meltzer, Allan H., and Scott F. Richard. 1981. “A Rational Theory of the Size of Government.” *Journal of Political Economy* 89 (5): 914–27.

Messina, Anthony M. 2007. *The Logics and Politics of Post-WWII Migration to Western Europe*. Cambridge: Cambridge University Press.

Mewes, Jan, and Steffen Mau. 2012. “Unraveling Working-Class Welfare Chauvinism.” In *Contested Welfare States: Welfare Attitudes in Europe*, edited by Stefan Svallfors, 119–57. Stanford: Stanford University Press.

Mewes, Jan, and Steffen Mau. 2013. “Globalization, Socio-Economic Status and Welfare Chauvinism: European Perspectives on Attitudes toward the Exclusion of Immigrants”. *International Journal of Comparative Sociology* 54 (3): 228-245.

Migrant Integration Policy Index [MIPEX]. 2015. “Countries”. Accessed on July 29, 2018. http://www.mipex.eu/

Miller, David, and Sundas Ali. 2014. “Testing the National Identity Argument.” *European Political Science Review* 6 (2): 237–59.

Ministry of Finance. 2018. “Rijksbegrotingen”. Accessed November 6, 2018. http://rijksbegroting.nl/

Ministry of the Interior and Kingdom Relations. 2016. “Wonen in Beweging. De Resultaten van het WoonOnderzoek Nederland 2015”. Accessed July 2, 2017. https://www.woononderzoek.nl/documenten/Rapporten

Mironova, Vera, and Sam Whitt. 2014. “Ethnicity and Altruism After Violence: The Contact Hypothesis in Kosovo.” *Journal of Experimental Political Science* 1 (2): 170–80.

Moene, Karl O., and Michael Wallerstein. 2001. “Inequality, Social Insurance, and Redistribution.” *American Political Science Review* 95 (4): 859–74.

Money, Jeannette. 1997. “No Vacancy: The Political Geography of Immigration Control in Advanced Industrial Countries.” *International Organization* 51 (4): 685–720.

Montalan, Benoît, Thierry Lelard, Olivier Godefroy, and Harold Mouras. 2012. “Behavioral Investigation of the Influence of Social Categorization on Empathy for Pain: A Minimal Group Paradigm Study.” *Frontiers in Psychology* 3: 389.

Mueller, Charles W., Ashley Finley, Roderick D. Iverson, and James L. Price. 1999. “The Effects of Group Racial Composition on Job Satisfaction, Organizational Commitment, and Career Commitment. The Case of Teachers.” *Work and Occupations* 26 (2): 187–219.

Muir, R. David. June 22, 2018. “From Tilbury to the Pew and Pulpit: How the Church met the *Empire Windrush*.” Accessed July 28, 2019. https://www.churchtimes.co.uk/articles/2018/29-june/features/features/from-tilbury-to-the-pews-how-the-church-met-the-empire-windrush

Mullainathan, Sendhil, and Eldar Shafir. 2013. *Scarcity: Why Having Too Little Means so Much*. London, UK: Allen Lane.

Mullen, Brian, Michael J. Migdal, and Miles Hewstone. 2001. “Crossed Categorization versus Simple Categorization and Intergroup Evaluations: A Meta-Analysis.” *European Journal of Social Psychology* 31 (6): 721–36.

Muñoz, Jordi, and Sergi Pardos-Prado. 2017. “Immigration and Support for Social Policy. An Experimental Comparison of Universal and Means-Tested Programs.” *Political Science Research and Methods*, 1–19.

Naumann, Elias, and Giuseppe Stoetzer, Lukas F. Pietrantuono. 2018. “Attitudes towards Highly Skilled and Low-Skilled Immigration in Europe: A Survey Experiment in 15 European Countries.” *European Journal of Political Research* 57 (4): 1009–30.

Newman, Benjamin J, Yamil Velez, Todd K. Hartman, and Alexa Bankert. 2015. “Are Citizens ‘Receiving the Treatment’? Assessing a Key Link in Contextual Theories of Public Opinion and Political Behavior.” *Political Psychology* 36 (1): 123–31.

Newman, Benjamin J., and Neil Malhotra. 2018. “Economic Reasoning with a Racial Hue: Is the Immigration Consensus Purely Race Neutral?” *The Journal of Politics* 81 (1): 153–66.

Nikiforakis, Nikos. 2008. “Punishment and Counter-Punishment in Public Good Games: Can We Really Govern Ourselves?” *Journal of Public Economics* 92 (1–2): 91–112.

O’Grady, Tom. Forthcoming. How Do Economic Circumstances Determine Preferences? Evidence from Long-Run Panel Data. *British Journal of Political Science*.

Oesch, Daniel. 2006. “Coming to Grips with a Changing Class Structure: An Analysis of Employment Stratification in Britain, Germany, Sweden and Switzerland.” *International Sociology* 21 (2): 263–88.

Olzak, Susan. 1992. *The Dynamics of Ethnic Competition and Conflict*. Palo Alto, CA: Stanford University Press.

Organisation for Economic Co-operation and Development (OECD). 2019. “Database on Immigrants in OECD Countries (DIOC).” Accessed May 24, 2019. https://stats.oecd.org/Index.aspx?DataSetCode=MIG

Organisation for Economic Co-operation and Development (OECD). 2018. “Affordable Housing Database”. Accessed May 24, 2018. http://www.oecd.org/social/affordable-housing-database.htm

Orloff, Ann S. 1993. “Gender and the Social Rights of Citizenship: The Comparative Analysis of Gender Relations and Welfare States.” *American Sociological Review* 58 (3): 303–28.

Ortega, Francesc, and Javier G. Polavieja. 2012. “Labor-Market Exposure as a Determinant of Attitudes toward Immigration.” *Labour Economics* 19 (3): 298–311.

Ostfeld, Mara. 2017. “The Backyard Politics of Attitudes Toward Immigration.” *Political Psychology* 38 (1): 21–37.

Ottaviano, Gianmarco I.P., and Giovanni Peri. 2012. “Rethinking the Effect of Immigration on Wages.” *Journal of the European Economic Association* 10 (1): 152–97.

Pardos-Prado, Sergi, and Carla Xena. 2019. “Skill Specificity and Attitudes toward Immigration.” *American Journal of Political Science* 63 (2): 286–304.

Party for Freedom (PVV). 2012. “Hún Brussel, Óns Nederland. Verkiezingsprogramma 2012-2017”. Accessed June 5, 2017. https://www.pvv.nl/images/stories/verkiezingen2012/ VerkiezingsProgramma-PVV-2012-final-web.pdf

Petersen, Michael Bang, Rune Slothuus, Rune Stubager, and Lise Togeby. 2010. “Deservingness versus Values in Public Opinion on Welfare: The Automaticity of the Deservingness Heuristic.” *European Journal of Political Research* 50 (1): 24–52.

Piff, Paul K., Michael W. Kraus, Stéphane Côté, Bonnie Hayden Cheng, and Dacher Keltner. 2010. “Having Less, Giving More: The Influence of Social Class on Prosocial Behavior.” *Journal of Personality and Social Psychology* 99 (5): 771–84.

Polavieja, Javier G. 2016. “Labour-Market Competition, Recession and Anti-Immigrant Sentiments in Europe: Occupational and Environmental Drivers of Competitive Threat.” *Socio-Economic Review* 14 (3): 395–417.

Preston, Stephanie D., and Frans B. M. de Waal. 2002. “Empathy: Its Ultimate and Proximate Bases.” *Behavioral and Brain Sciences* 25 (1): 1–20.

Putnam, Robert D. 2007. “E Pluribus Unum: Diversity and Community in the Twenty-First Century. The 2006 Johan Skytte Prize Lecture.” *Scandinavian Political Studies* 30 (2): 137–74.

Reeskens, Tim, and Tom van der Meer. 2019. “The Inevitable Deservingness Gap: A Study into the Insurmountable Immigrant Penalty in Perceived Welfare Deservingness.” *Journal of European Social Policy* 29 (2): 166–81.

Reeskens, Tim, and Wim van Oorschot. 2012. “Disentangling the ‘New Liberal Dilemma’: On the Relation between General Welfare Redistribution Preferences and Welfare Chauvinism.” *International Journal of Comparative Sociology* 53 (2): 120–39.

Reeskens, Tim, and Wim van Oorschot. 2015. “Immigrants’ Attitudes towards Welfare Redistribution. An Exploration of Role of Government Preferences among

Immigrants and Natives across 18 European Welfare States." *European Sociological Review* 31 (4): 433–45.

Rehm, Philipp, Jacob S. Hacker, and Mark Schlesinger. 2012. "Insecure Alliances: Risk, Inequality, and Support for the Welfare State." *American Political Science Review* 106 (2): 386–406.

Rehm, Philipp. 2009. "Risks and Redistribution: An Individual-Level Analysis." *Comparative Political Studies* 42 (7): 855–81.

Rehm, Philipp. 2016. *Risk Inequality and Welfare States. Social Policy Preferences, Development, and Dynamics*. Cambridge, MA: Cambridge University Press.

Rice, Tom W., and Jan L. Feldman. 1997. "Civic Culture and Democracy from Europe to America." *The Journal of Politics* 59 (4): 1143–72.

RIGO Research en Advies. 2016. "Huisvesting van vergunninghouders. Succesfactoren en knelpunten bij het realiseren van de gemeentelijke taakstelling." Accessed May 24, 2019. https://www.rigo.nl/nieuws/voorkom-de-boete-realiseer-je-taakstelling/

Rodrik, Dani. 1998. "Why Do More Open Economies Have Bigger Governments?" *Journal of Political Economy* 106 (5): 997–1032.

Roemer, John E., Woojin Lee, and Karine van der Straeten. 2007. *Racism, Xenophobia, and Distribution: Multi-Issue Politics in Advanced Democracies*. New York, NY: Russell Sage Foundation.

Rokeach, Milton. 1960. *The Open and Closed Mind: Investigations into the Nature of Belief Systems and Personality Systems.* Oxford, UK: Basic Books.

Romer, Thomas. 1975. "Individual Welfare, Majority Voting, and the Properties of a Linear Income Tax." *Journal of Public Economics* 4 (2): 163–185.

RTL Nieuws. 15 November 2018. "Jaren wachten op een sociale huurwoning: 'Het is een ramp'". https://www.rtlnieuws.nl/nieuws/nederland/artikel/4485056/jaren-wachten-op-een-sociale-huurwoning-het-een-ramp

Rueda, David, and Daniel Stegmueller. 2016. "The Externalities of Inequality: Fear of Crime and Preferences for Redistribution in Western Europe." *American Journal of Political Science* 60 (12): 472–89.

Rueda, David. 2005. "Insider–Outsider Politics in Industrialized Democracies: The Challenge to Social Democratic Parties." *American Political Science Review* 99 (1): 61–74.

Rueda, David. 2015. "The State of the Welfare State. Unemployment, Labor Market Policy, and Inequality in the Age of Workfare." *Comparative Politics* 47 (3): 296–314.

Rueda, David. 2018. “Food Comes First, Then Morals: Redistribution Preferences, Parochial Altruism and Immigration in Western Europe.” *The Journal of Politics* 80 (1): 225–39.

Ruhs, Martin, and Philip Martin. 2008. “Numbers vs. Rights: Trade-Offs and Guest Worker Programs.” *International Migration Review* 42 (1): 249–65.

Rutström, E. Elisabet, and Melonie B. Williams. 2000. “Entitlements and Fairness: An Experimental Study of Distributive Preferences.” *Journal of Economic Behavior and Organization* 43 (1): 75–89.

Rydgren, Jens, and Patrick Ruth. 2011. “Voting for the Radical Right in Swedish Municipalities: Social Marginality and Ethnic Competition?” *Scandinavian Political Studies* 34 (3): 202–25.

Rydgren, Jens. 2007. “The Sociology of the Radical Right.” *Annual Review of Sociology* 33 (1): 241–62.

Sainsbury, Diana. 2012. *Welfare States and Immigrant Rights. The Politics of Inclusion and Exclusion*. Oxford: Oxford University Press.

Schelling, Thomas C. 1978. *Micromotives and Macrobehavior*. New York, NY and London: W.W. Norton & Company, Inc.

Scheve, Kenneth F., and Matthew J. Slaughter. 2001. “Labor Market Competition and Individual Preferences over Immigration Policy.” *Review of Economics and Statistics* 83 (1): 133–45.

Schmidt, Alexander W., and Dennis C. Spies. 2014. “Do Parties ‘Playing the Race Card’ Undermine Natives’ Support for Redistribution? Evidence from Europe.” *Comparative Political Studies* 47 (4): 519–49.

Schmidt-Catran, Alexander W., and Romana Careja. 2017. “Institutions, Culture and Migrants’ Preference for State-Provided Welfare. Longitudinal Evidence from Germany.” *Journal of European Social Policy* 27 (2): 197–212.

Schmitt, Carina, and Céline Teney. 2019. “Access to General Social Protection for Immigrants in Advanced Democracies.” *Journal of European Social Policy* 29 (1): 44–55.

Schumacher, Gijs, and Kees van Kersbergen. 2016. “Do Mainstream Parties Adapt to the Welfare Chauvinism of Populist Parties?” *Party Politics* 22 (3): 300–312.

Schwander, Hanna, and Silja Häusermann. 2013. “Who Is in and Who Is out? A Risk-Based Conceptualization of Insiders and Outsiders.” *Journal of European Social Policy* 23 (3): 248–69.

Schwartz, Shalom H. 2006. “A Theory of Cultural Value Orientations.” *Comparative Sociology* 5 (2): 137–82.

Semyonov, Moshe, Anya Glikman, and Maria Krysan. 2007. “Europeans’ Preference for Ethnic Residential Homogeneity: Cross-National Analysis of Response to Neighborhood Ethnic Composition.” *Social Problems* 54 (4): 434–53.

Semyonov, Moshe, Rebeca Raijman, and Anastasia Gorodzeisky. 2006. “The Rise of Anti-Foreigner Sentiment in European Societies, 1988-2000.” *American Sociological Review* 71 (3): 426–49.

Senik, Claudia, Holger Stichnoth, and Karine Van Der Straeten. 2009. “Immigration and Natives’ Attitudes towards the Welfare State: Evidence from the European Social Survey.” *Social Indicators Research* 91 (3): 345–70.Shayo, Moses. 2009. “A Model of Social Identity with an Application to Political Economy: Nation, Class, and Redistribution.” *American Political Science Review* 103 (2): 147–74.

Sides, John, and Jack Citrin. 2007. “European Opinion about Immigration: The Role of Identities, Interests and Information.” *British Journal of Political Science* 37 (3): 477–504.

Smits van Waesberghe, Eliane, and Inge Razenberg. 2016. *De Huisvesting van Vergunninghouders. Een Onderzoek naar het Realiseren van de Gemeentelijke Taakstelling en de Rol van Versnellingsarrangementen*. Utrecht, NL: Verwey-Jonker Instituut.

Snellman, Alexandra, and Bo Ekehammar. 2005. “Ethnic Hierarchies, Ethnic Prejudice, and Social Dominance Orientation.” *Journal of Community & Applied Social Psychology* 15 (2): 83–94.

Sniderman, Paul M., Louk Hagendoorn, and Markus Prior. 2004. “Predisposing Factors and Situational Triggers: Exclusionary Reactions to Immigrant Minorities”. *American Political Science Review* 98 (1): 35-49.

Sniderman, Paul M., Michael Bang Petersen, Rune Slothuus, and Rune Stubager. 2014. *Paradoxes of Liberal Democracy: Islam, Western Europe and the Danish Cartoon Crisis*. Princeton, NJ: Princeton University Press.

Sniderman, Paul, Pierangelo Peri, Rui de Figueiredo, and Thomas Piazza. 2000. *The Outsider: Prejudice and Politics in Italy*. Princeton, NJ: Princeton University Press.

Soroka, Stuart N., Richard Johnston, Anthony Kevins, Keith Banting, and Will Kymlicka. 2016. “Migration and Welfare State Spending.” *European Political Science Review* 8 (2): 173–94.

Soroka, Stuart, Richard Johnston, and Keith Banting. 2006. “Migration and Redistribution in a Global Era.” In *Globalization and Egalitarian Redistribution*, edited by P. Bardhan and M. Wallerstein S. Bowles, 261–268. Princeton, NJ: Princeton University Press and Russell Sage Foundation.

Soysal, Yasemin Nuhoglu. 1994. *Limits of Citizenship. Migrants and Postnational Membership in Europe*. Chicago, IL; London, UK: University of Chicago Press.

Spielman, Darren A. 2000. “Young Children, Minimal Groups, and Dichotomous Categorization.” *Personality and Social Psychology Bulletin* 26 (11): 1433–41.

Spigelman, Ariel. 2013. “The Depiction of Polish Migrants in the United Kingdom by the British Press after Poland’s Accession to the European Union.” *International Journal of Sociology and Social Policy* 33 (1/2): 98–113.

Stark, Oded, and J Edward Taylor. 1991. “Migration Incentives, Migration Types: The Role of Relative Deprivation.” *The Economic Journal* 101 (408): 1163–78.Statistics Netherlands. 2016, November 21. “Afbakening Generaties met Migratieachtergrond”. Accessed July 14, 2017. https://www.cbs.nl/nl-nl/achtergrond/2016/47/afbakening-generaties-met-migratieachtergrond

Statistics Netherlands. 2019. “Statline”. Accessed July 7, 2019. http://statline.cbs.nl/statweb/

Statistics Sweden. 2019. “Population by country of birth, age and sex. Year 2000 – 2018”. Accessed on August 1, 2019. http://www.statistikdatabasen.scb.se/pxweb/en/ssd/START__BE__BE0101__BE0101E/FodelselandArK/

Steenbergen, Marco R., and Bradford S. Jones. 2002. “Modeling Multilevel Data Structures.” *American Journal of Political Science* 46 (1): 218–37.

Stegmueller, Daniel. 2013. “Modeling Dynamic Preferences: A Bayesian Robust Dynamic Latent Ordered Probit Model.” *Political Analysis* 21 (3): 314–33.

Stichnoth, Holger, and Karine Van der Straeten. 2013. “Ethnic Diversity, Public Spending, and Individual Support for the Welfare State: A Review of the Empirical Literature.” *Journal of Economic Surveys* 27 (2): 364–89.

Stichnoth, Holger. 2012. “Does Immigration Weaken Natives’ Support for the Unemployed? Evidence from Germany.” *Public Choice* 151 (3–4): 631–54.

Stürmer, Stefan, Mark Snyder, Alexandra Kropp, and Birte Siem. 2006. “Empathy-Motivated Helping: The Moderating Role of Group Membership.” *Personality and Social Psychology Bulletin* 32 (7): 943–56.

Svallfors, Stefan. 2006. *The Moral Economy of Class: Class and Attitudes in Comparative Perspective*. Stanford, CA: Stanford University Press.

Tajfel, Henri, and John C. Turner. 1979. “An Integrative Theory of Intergroup Conflict.” In *The Social Psychology of Intergroup Relations*, edited by W. G. Austin and S. Worchel, 33–47. Monterey, CA: Brooks/Cole.

Tannahill, John Allan. 1958. *European Volunteer Workers in Britain*. Manchester: Manchester University Press.

Taylor-Gooby, Peter. 2005. “Is the Future American? Or, Can Left Politics Preserve European Welfare States from Erosion through Growing ‘Racial’ Diversity?” *Journal of Social Policy* 34 (4): 661–672.

Thatcher, Margaret. January 27, 1978. “TV Interview for Granada *World in Action*”. Accessed July 28, 2019. https://www.margaretthatcher.org/document/103485

The Guardian. 29 June 2006. “Immigration level unsustainable, warns former Labour minister”.

The Local. January 16, 2017. “Le Pen Wants Foreigners in France to Pay for Own Health Costs for First Two Years.” Accessed on July 26, 2019. https://www.thelocal.fr/20170116/le-pen-wants-two-year-delay-on-foreigners-getting-health-care

Thewissen, Stefan, and David Rueda. 2019. “Automation and the Welfare State: Technological Change as a Determinant of Redistribution Preferences.” *Comparative Political Studies* 52 (2): 171–208.

Tricomi, Elizabeth, Antonio Rangel, Colin F. Camerer, and John P. O’Doherty. 2010. “Neural Evidence for Inequality-Averse Social Preferences.” *Nature* 463 (February): 1089–92.

Tyran, Jean Robert, and Rupert Sausgruber. 2006. “A Little Fairness May Induce a Lot of Redistribution in Democracy.” *European Economic Review* 50 (2): 469–85.

Uitvoeringsinstituut Werknemersverzekeringen [UWV]. 2019. “Internationaal”. Accessed August 2, 2019. https://www.uwv.nl/particulieren/internationaal/werken-in-nederland/detail/ik-word-werkloos/ik-ben-verzekerd-en-woon-in-nederland

United Nations [UN]. 2017. “International Migrant Stock 2015.” Accessed on March 1, 2018. https://www.un.org/en/development/desa/population/migration/data/estimates2/estimates15.asp

Valentino, Nicholas A., Stuart N. Soroka, Shanto Iyengar, Toril Aalberg, Raymond Duch, Marta Fraile, Kyu S. Hahn, et al. Forthcoming. “Economic and Cultural Drivers of Immigrant Support Worldwide.” *British Journal of Political Science.*

van der Brug, Wouter, and Joost van Spanje. 2009. “Immigration, Europe and the ‘new’ Cultural Dimension.” *European Journal of Political Research* 48 (3): 309–34.

van der Merwe, Wilhelm Gerhard and Justine Burns. 2008. “What’s in a Name? Racial Identity and Altruism in Post-Apartheid South Africa.” *South African Journal of Economics* 76 (2): 266–75.

van der Waal, Jeroen, Peter Achterberg, Dick Houtman, Willem de Koster, and Katerina Manevska. 2010. “‘Some Are More Equal than Others’: Economic Egalitarianism

and Welfare Chauvinism in the Netherlands." *Journal of European Social Policy* 20 (5): 350–63.

van der Waal, Jeroen, Willem de Koster, and Wim van Oorschot. 2013. "Three Worlds of Welfare Chauvinism? How Welfare Regimes Affect Support for Distributing Welfare to Immigrants in Europe." *Journal of Comparative Policy Analysis: Research and Practice* 15 (2): 164–81.

van Oorschot, Wim. 2000. "Who Should Get What, and Why? On Deservingness Criteria and the Conditionality of Solidarity among the Public." *Policy & Politics* 28 (1): 33–48.

van Oorschot, Wim. 2008. "Solidarity towards Immigrants in European Welfare States." *International Journal of Social Welfare* 17 (1): 3–14.

Vanbeselaere, Norbert. 1987. "The Effects of Dichotomous and Crossed Social Categorizations upon Intergroup Discrimination." *European Journal of Social Psychology* 17 (2): 143–56.

Veenstra, J., M. Allers, and J. Garretsen. 2016. "Evaluatie Verhuurderheffing." Groningen: Centrum voor Onderzoek van de Economie van de Lagere Overheden (COELO).

Verkuyten, Maykel, and Barbara Kinket. 2000. "Social Distances in a Multi Ethnic Society: The Ethnic Hierarchy among Dutch Preadolescents." *Social Psychology Quarterly* 63 (1): 75–85.

Vernby, Kåre. 2013. "Inclusion and Public Policy: Evidence from Sweden's Introduction of Noncitizen Suffrage." *American Journal of Political Science 57*: 15-29.

Walter, Stefanie. 2010. "Globalization and the Welfare State: Testing the Microfoundations of the Compensation Hypothesis." *International Studies Quarterly* 54 (2): 403–26.

Wang, Yu-Wei, M. Meghan Davidson, Oksana F. Yakushko, Holly Bielstein Savoy, Jeffrey A. Tan, and Joseph K. Bleier. 2003. "The Scale of Ethnocultural Empathy: Development, Validation, and Reliability." *Journal of Counseling Psychology* 50 (2): 221–34.

Weber, Max. 1976. *Wirtschaft Und Gesellschaft*. Tübingen: Mohr.

Wedeen, Lisa. 2002. "Conceptualizing Culture: Possibilities for Political Science." *American Political Science Review* 96 (4): 713–28.

Whitt, Sam, and Rick K. Wilson. 2007. "The Dictator Game, Fairness and Ethnicity in Postwar Bosnia." *American Journal of Political Science* 51 (3): 655–68.

Wijkhuis, L., A. Galloway, M. Kromhout, and M. Smit. 2011. “Pardon? Evaluatie van de Regeling Afwikkeling Nalatenschap Oude Vreemdelingenwet.” The Hague, NL: Wetenschappelijk Onderzoek- en Documentatiecentrum.

Wimmer, Andreas, and Nina Glick Schiller. 2003. “Methodological Nationalism, the Social Sciences, and the Study of Migration: An Essay in Historical Epistemology.” *International Migration Review* 37 (3): 576–610.

Wimmer, Andreas. 2008. “The Making and Unmaking of Ethnic Boundaries: A Multilevel Process Theory.” *American Journal of Sociology* 113 (4): 970–1022.

Wissink, Jeroen, and Jeroen Lijzenga. 2014. *Huisvesting van Vergunninghouders. Patronen in Migratie*. Arnhem, NL: Companen.

Wood, Geof, and Ian Gough. 2006. “A Comparative Welfare Regime Approach to Global Social Policy.” *World Development* 34 (10): 1696–1712.

Wooldridge, Jeffrey M. 2002. *Econometric Analysis of Cross Section and Panel Data*. Cambridge, MA: MIT Press.

WoonOnderzoek. [Housing Survey] 2015. “CitaVista”. Accessed April 11, 2018. https://www.woononderzoek.nl/jive

Wren, Anne, and Philipp Rehm. 2014. “The End of the Consensus? Labour Market Developments and the Politics of Retrenchment.” *Socio-Economic Review* 12 (2): 409–35.

Wright, Matthew, and Tim Reeskens. 2013. “Of What Cloth Are the Ties That Bind? National Identity and Support for the Welfare State across 29 European Countries.” *Journal of European Public Policy* 20 (10): 1443–63.

Xu, Xiaojing, Xiangyu Zuo, Xiaoying Wang, and Shihui Han. 2009. “Do You Feel My Pain? Racial Group Membership Modulates Empathic Neural Responses.” *Journal of Neuroscience* 29 (26): 8525–29.

Yamagishi, Toshio, Yutaka Horita, Nobuhiro Mifune, Hirofumi Hashimoto, Yang Li, Mizuho Shinada, Arisa Miura, Keigo Inukai, Haruto Takagishi, and Dora Simunovic. 2012. “Rejection of Unfair Offers in the Ultimatum Game Is No Evidence of Strong Reciprocity.” *Proceedings of the National Academy of Sciences of the United States of America* 109 (50): 20364–68.

Young, Steven G., and Kurt Hugenberg. 2010. “Mere Social Categorization Modulates Identification of Facial Expressions of Emotion.” *Journal of Personality and Social Psychology* 99 (6): 964–77.

Zhou, Min. 1997. “Segmented Assimilation: Issues, Controversies, and Recent Research on the New Second Generation.” *International Migration Review* 31 (4): 975–1008.