Refugees and local politics: Elite and citizen responses to asylum seekers

Ilona Lahdelma

Brasenose College
University of Oxford

A thesis submitted for the degree of Doctor of Philosophy

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Abstract

How do voters and candidates arrive at their immigration stances? Although immigration is at the center of current political debates, we know surprisingly little about how these attitudes are formed. This is because research on immigration attitudes in political behavior relies mainly on expressed preferences and aggregate election results. This thesis attempts to innovate by using outcomes that have real policy effects and are possible to measure at the micro-level with causal identification strategies.

The first paper makes use of unique Finnish Voting Advice Application data that measure candidates' support for different policies. I measure the over-time evolution of candidates' revealed preferences with which they try to attract voters in local elections after receiving or not receiving asylum seekers in the constituency. The results suggest that politicians in affected rural areas update their stances to be more pro-immigration upon realising the socio-economic benefits of refugee intake. In the second paper I use this setting to measure what kinds of immigration policies are rewarded by the electorate. I propose three different ways to measure the anti-immigration vote and conclude that measuring party support brings different results from measuring individual-level policy support. All ways of measurements, however, corroborate that rural reactions to asylum seekers are more positive than urban reactions. The third paper tests the citizen-level mechanisms of this rural–urban division and concludes that people in rural areas are more receptive to asylum seekers because they experience more contact with them, don't associate them with crime, and they also economically profit more from their reception.

Together, these three papers question the thus far unanimous belief that rural areas are more hostile to immigration than cities and also highlight how aggregation and analyzing parties' vote shares cloud our understanding of the formation of immigration preferences.

Keywords: Asylum seekers, causal inference, immigration, refugees, rural–urban divisions

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Abstract

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List of Abbreviations

ATT . . . . . Average treatment effect on the treated.

DiD . . . . . Difference-in-differences.

IV . . . . . Instrumental variable.

KD . . . . . Suomen Kristillisdemokraatit / Christian Democrats.

KESK . . . . . Suomen Keskusta / Center Party.

KOK . . . . . Kansallinen Kokoomus / National Coalition.

OLS . . . . . Ordinary Least Squares.

PR . . . . . Proportional representation.

PS . . . . . Perussuomalaiset / The Finns Party (Formerly know in English as the True Finns).

SDP . . . . . Suomen Sosiaalidemokraattinen Puolue / The Social Democratic Party of Finland.

SFP . . . . . Svenska folkpartiet i Finland / The Swedish People's Party of Finland.

SUTVA . . . . Stable unit treatment value assumption.

VAA . . . . . Voting Advice Application.

VAS . . . . . Vasemmistoliitto / The Left Alliance.

VIHR . . . . . Vihreä Liitto / The Green League.

YLE . . . . . Yleisradio Oy / Finnish Broadcasting Company

1

Introduction

The rise of anti-immigration parties and the polarization of debates over immigration have been major issues in the past decade. With anti-immigration parties making political breakthroughs across Western Europe, studying immigration attitudes have become a central part of political science. Whereas in its initial forms, immigration attitudes were studied mainly in social psychology drawing on research on in- and out-group formations, and economics, assessing mainly the labor market effects of immigration, the rise of political movements with the explicit message of curbing immigration in the West made the study of the anti-immigration vote a central focus of political behavior. Although understanding the formation of anti-immigration attitudes is such a central part of political studies today, we still know surprisingly little about what drives people's immigration preferences.

The notable difficulty in the study of immigration attitudes is that to a great extent, we are relying on stated preferences and the studied outcomes have no consequences: If we measure attitudes with surveys or in laboratory settings, there is no way of knowing if these attitudes will be played out at the election polls and if respondents are really expressing what they are thinking. The advent of the possibility of identifying the anti-immigration vote as more and more parties became explicit about their immigration stances made it possible for researchers to measure revealed preferences. However, the analysis of the anti-immigration vote share is problematic, as political parties advocate many different issues at once and it is hard to disentangle why exactly the voter opts to vote for a populist party which among many things, promises to stop immigration in its manifesto. These problems are discussed by Hainmueller and Hopkins (2014), who advocate for a change in used outcomes: Instead of regressing attitudes on attitudes, it would be time to start regressing immigration on policy outcomes. How are real, effectuated policies affected by immigration?

This thesis sets out to tackle this problem with three papers that all use novel data to attempt to trace the micro-level evolution of immigration attitudes and

policies in Finland, a country which has had very limited experience of immigration prior to the 2015 refugee crisis. The Finnish electoral system provides a setting which enables a longitudinal study of immigration policy pledges, while the intervention of the 2015 asylum seeker arrivals creates natural variation between otherwise comparable municipalities. To complement the study of electoral outcomes, I also provide original survey data about individual level attitudes and attitude change in affected and non-affected areas.

The studies follow the line of research which has recently attempted to come up with innovative research designs that make use of some exogenous variation in the shares of immigrants in different areas to create control and treatment groups. All things equal, the differences in the shares of foreign-born population at the local level can be interpreted as the causal factor behind the different expressed or revealed immigration attitudes. These pioneering works have all shown strong anti-immigration backlashes among electorates that have been more exposed to immigration and refugee arrivals. (Dahlberg, Edmark, and Lundqvist 2012; Otto and Steinhardt 2014; Halla, Wagner, and Zweimueller 2017; Harmon 2018; Dinas, Matakos, et al. 2019; Hangartner et al. 2019) However, some more recent work has begun to show less anti-immigration voting in cases when natives are in more contact with asylum seekers. (Steinmayr 2020; Vertier and Viscanic 2018)

In addition to this variation, researchers have also exposed micro-level variations according to which the natives' living contexts matter in how they react to immigrants and asylum seekers: Living in rural or urban areas and meeting immigrants daily due to work place proximity affect people's voting behavior (Barone et al. 2016; Dustmann, Vasiljeva, and Piil Damm 2018; Maxwell 2019; Andersson and Dehdari 2020). According to this line of research, urban residents are consistently more pro-immigration because they are liberally predisposed, economically benefit from immigration, and come into increasing contact with immigrants.

The state of the above literature has thus far discovered the following patterns:

Immigration shocks increase the vote share of the anti-immigration parties and also expressed preferences of survey respondents. However, these same outcomes are reversed when people come into closer and prolonged contact with asylum seekers. Moreover, urban areas are more prone to the types of work-related interactions that are likely to induce immigration-friendliness and also attract people of a more liberal mindset. However, a simple set-up of liberal urban voters versus conservative rural voters contains intriguing puzzles: If urban voters are liberal both in mindset and also in their economic needs for immigration, what explains the large anti-immigration votes in European capitals, especially in the suburbs? And if rural voters are so clearly anti-immigration, then why do Steinmayr (2020) and Vertier and Viscanic (2018) find contact-induced pro-immigration voting in rural municipalities?

Although the research on anti-immigration voting has recently evolved greatly, there are still many questions. The obvious question of relying on votes as outcomes is that we still don't know if immigration really is the driving force behind those votes and whether parties are as unified actors as researchers assume. It might be that there is regional variation on these stances and this possible variation is not captured in this kind of research. Multi-party, proportional representation systems are especially prone to intra-party variation (Blumenau et al. 2017; Matakos, Savolainen, Troumpounis, et al. 2019), but majoritarian systems are not immune to it either (A. Clark and Bennie 2018). As researching the anti-immigration vote is mainly possible in multi-party systems that have anti-immigration parties, this means that research comes from systems that in theory enable, or even encourage intra-party variation. This, coupled with the growing tendency in the literature to find geographically heterogeneous effects, means that further advances are required to address a) intra-party variation and b) whether this intra-party variation correlates with geographic characteristics.

Combining the need to introduce policy related outcomes and the need for more-fine grained measures of both immigration attitudes and the regional variation

in exposure, this thesis sets out to contribute to the literature by three papers that all attempt to clarify the remaining questions and inconsistencies in the literature. The first paper introduces an important innovation: It brings the analysis to the candidate-level by measuring what kind of refugee policies candidates running for office in municipal elections propose. This is a contribution on many levels: By measuring policy proposals at the candidate, rather than the party level, I manage to relax the assumption that parties are unified actors, and manage to measure support for actual, materialized immigration policies, rather than just aggregate-level party manifestos. Crucially, this paper is one of the very few papers that examine candidates, rather than voters, thus enlarging the scope of the general research.

By employing a differences-in-differences research design on panel data on candidates' policy pledges, I show that candidates in *rural* areas update their immigration preferences to be more pro-immigration after receiving asylum seekers in the municipality. A test of possible mechanisms suggests that the socio-economic benefits of accommodating asylum seekers, notably boosting the local population, drive these reactions. Contrastingly, in urban areas, if anything, the reactions are hostile shifts in policy pledges, because there politicians do not see refugee intake as an economic benefit, but rather as an expense.

The first paper leaves an obvious question: If politicians update their stances in this way, then do the voters, too? The second paper thus proposes and compares several ways to measure the electoral returns of anti-immigration policies. First, it replicates standard ways of measuring the anti-immigration vote by measuring the shifts in vote shares for parties with different stances on immigration in affected and non-affected areas. Aggregate measures using receiving/non-receiving categories show polarization in electoral behavior, whereas more fine grained asylum seekers per capita measures show no clear effects. To tease out the mechanisms from these inconclusive party-level results, I introduce a new way to measure the anti-immigration vote, which is to multiply the personal vote share of the candidate with

the candidate's personal stance on immigration. I also measure if the candidate's personal vote share is affected by a pro- or anti-immigration shift. These measures tell a clearer story: The higher the share of asylum seekers per capita, that is, in rural areas, the less it pays off at the polls to be anti-immigration, whereas in urban areas it positively pays off to be anti-immigration.

In the third paper I explicitly test the mechanisms that bring about this surprising and consistent pro-immigration shift in rural receiving areas. I divide the Finnish population into four groups: Those residing in urban areas who hosted asylum seekers in 2015, those residing in urban areas that did not, those residing in rural areas that hosted asylum seekers in 2015 and those residing in rural areas that did not. After several balance tests on respondent characteristics, I can draw the conclusion that, conditioning on urban density, the variation in hosting or not hosting asylum seekers in 2015 was as-if-randomly assigned. By administering the same survey across these groups, I can compare how the experience of the 2015 asylum seeker arrivals differed in rural and urban areas and how these experiences possibly spilled over to general immigration attitudes.

The results confirm that rural experiences of asylum seekers are systematically different from urban experiences. Whereas urban respondents reported that asylum seekers committed crimes, rural respondents reported the contrary. In addition, urban respondents saw systematically less socio-economic benefits in receiving asylum seekers than rural respondents. Interestingly, these different experiences also translate into different ways of seeing immigration in general: Receiving rural municipalities are also the most optimistic about the success and benefits of immigration. In other words positive experiences from asylum seeker arrivals have wider implications.

I test whether more contact between natives and asylum seekers in rural areas explains these results and indeed find that not only were there more meaningful inter-group contacts in rural areas, but also those who had more contact with

asylum seekers were the most prone to positively update their preferences. However, personal economic interests of the respondents cannot be written off: Rural areas also have higher shares of people in industries that benefit from asylum seekers, such as entrepreneurs and farmers, and this also contributes to the more positive evaluations. Contact and personal economic positions both affect how respondents evaluate immigration, but the two are not identical: Economic interests make the respondents more optimistic about the societal effects of immigration and contact makes people more optimistic about the cultural compatibility of immigrants.

Taken together, these three papers offer new ways to measure immigration attitudes and also draw conclusions that enhance our understanding of the context-dependency of immigration attitudes. By being able to measure panel data on immigration policy stances I have managed to show that actual exposure to asylum seekers changes policies in rural areas to be more pro-refugee and that there is agreement about this between the elite and the electorate. Closer examination of the experiences driving this shows that more positive experiences of asylum seekers in rural areas are driving these differences. These results have both theoretical and empirical implications for researching immigration: On one hand they question the assumption that rural areas are more hostile to immigration than urban areas and on the other hand, they introduce more fine-grained measurements of anti-immigration voting that question the validity of more aggregate level-measures.

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2

Immigration shocks and political behavior: a review of existing literature

The question of how natives react to immigrants and refugees – and how this translates into political behavior – falls under the umbrella of studies on in- and out-groups. Although there is a rich literature on in- and out-groups in the social psychology literature, this thesis focuses less on how in- and out-groups come about, but rather takes their existence as a starting point. Natives form the in-group which is affected by the arrival of new people. In the case of the thesis, the arriving ones are asylum seekers, but the literature on the electoral effects of new out-groups treat immigrants, refugees, and asylum seekers rather interchangeably. The core question of the literature on these different forms of migration and their effects on electoral outcomes is: if a group of people have been living among themselves prior to the arrival of outsiders, how does it effect local political outcomes?

Any social-psychological, political, or economic research that inquires this test in their own way some seminal theory of social psychology. Most often the literature refers to Allport's contact hypothesis or the social identity theory developed by Tajfel and Turner (1979). Others have argued for conflict and clashes between groups due to the competition of resources drawing on Sherif et al. (1961). The political economy literature on the issue often demonstrates the effect of intergroup competition in the forms of welfare state chauvinism (Lindqvist and Östling 2013), increased vote for anti-immigration parties (Dinas, Matakos, et al. 2019), concern for public safety (Fitzgerald, Curtis, and Corliss 2012), jobs (Mayda 2006), or levels of trust in society (Dinesen and Sønderskov 2015).

In what follows I present the basic theses of intergroup relations as they are presented in the social psychology literature, and then move on to summarize how they have been operationalized in the literature on the political repercussions of immigration and the state of the art findings of this literature. I also address the methodological advances and debates and identify the rooms for improvement in this literature. Finally, I discuss Finland as a case study and present the specifties of this context that scholars need to be aware of when using Finland

as a case in political science.

2.1 The social psychology of immigration attitudes

The socio-psychological literature on the contact theory is divided, with experimental psychologists coming to somewhat different conclusions about how contact hypothesis works. Allport (1954) famously laid the grounds for testing how direct contact between in- and out-groups affects intergroup relations. Allport himself argues that in order for the contact hypothesis to work –that is, to yield more positive feelings between the two groups– the members of in - and out-groups need to form meaningful relationships with one an other. However, the mere exposure effect of Zajonc (1968) suggested that the sheer fact of being exposed to someone made a person's feelings more positive towards them. On the contrary, Enos (2014) argues that there was a significant, immediate shift towards exclusionary attitudes when Spanish-speaking people were randomly inserted to the daily routines of Anglo-Whites living in homogeneous communities in America. This suggests that intergroup contact is expected to bring a politically conservative shift in a community. Contrary to these results, Christ et al. (2014) argue that even indirect intergroup contact has a positive effect: positive experiences of immigrants spread throughout the living context. Citizens share each others experiences of out-groups and thus any positive experiences travel wider than the personal level. In other words prejudice is a function of not only who one interacts with, but also who one lives with. This echoes the Dynamic Social Impact Theory (Latané 1996), according to which people develop their opinions to a large extent through their interaction with others.

The aforementioned social group-related aspect of opinion formation is also closely related to Tajfel's and Turner's Social Identity Theory which assumes that

people's social identities are derived primarily from their memberships in various groups and stem from a need of self image. (Tajfel and Turner 1979) In contrast to Allport, who stated that the triggers of differentiation between the two groups stemmed from the real differences between the two groups, Social Identity Theory emphasizes the out-groups as a point of reference. According to this perspective, individuals form a psychological group if they develop a shared social categorization of themselves in contrast to others, which can become the basis of their attitudes and behavior. (Turner et al. 1987) This fixation on group-differentiation can lead to a vicious circle where the stigmatized out-group draws on its own culture as a means to cope with this challenge but that only reinforces the distinct otherness from the rest of the society. (M. Jones 2002)

In the famous Robbers Cave experiment (Sherif et al. 1961) two groups of boys were competing between each other over limited resources. During this activity, the two groups formed negative prejudices about one an other, and mere contact between the two groups only worsened this. However, joint efforts for the common good, like fixing the joint water supply, overcame these tensions between the groups. This research laid the foundations of the theory of intergroup competition, especially over finite resources, later knows as Realistic Conflict Theory.

These deeper and more fundamental level findings of how people belong and how they define themselves falls on another level of research than what political science papers normally operate on when researching the political effects of immigration. However, all papers, irrespective of their methods and findings, end up assessing the possible mechanisms for their findings, and the type – or lack of – contact, is frequently brought up as an explanation. Moreover, often these papers find that reactions to newly arrived out-groups are hostile and that levels of hostility are different according to the length and density of exposure. Thus, it is important to be acquainted with the many possible ways exposure to a new out-group can play out at the local level.

There seems to be no agreement about whether coming into contact with members of different groups is constructive or detrimental for intergroup relations, although meta-analysis of a series of tests shows that greater levels of interaction are typically associated with lower levels of prejudice (Pettigrew and Tropp 2005, 267). Allport himself listed a number of criteria that successful interaction required, such as common goals, intergroup cooperation, support of authorities, and equal socio-economic status, but even this has been revised. (Riordan 1978) Pettigrew and Tropp (2005) argue that having a friend from an out-group serves as a turning point in intergroup sentiments. In effect, superficial contact might even lead to a negative effect. Thus it is reasonable to assume that the nature of intergroup contact, as well as the quality and the quantity of the time spent together, all influence the effect of the exposure, and this qualitative ingredient might explain the variance in the findings of the research literature.

Moreover, intergroup research has begun to examine the way in which people show different emotional reactions to out-groups depending on their perceptions of those groups and histories in relations to them. (Mackie and Smith 2002) Dijker (1987) showed that exposure to different ethnic minorities in the Netherlands lead to markedly different changes in how Dutch people felt about these respective minorities. This is also connected to the wider turn in the field that has increasingly started to ask *how* intergroup contact works instead of when it works. In other words, the question is about identifying the psychological process that underlies the effectiveness of contact as a means of reducing prejudice. (Kenworthy et al. 2005, 280)

Learning about the out-group does decrease prejudice but more than learning, anxiety seems to be the determining factor. (Kenworthy et al. 2005, 286) In other words, intergroup relations are only the mediators in reducing anxiety that stems from the unknown. The heuristic model of stereotyping (Bodehause 1993) emphasizes that when people lack the desire or ability to engage more thoroughly with out-groups they rely on simplifications about these groups. Conditions that

distract people from focusing, such as anger, anxiety and happiness further increase such behavior. The underlying role of anxiety on how people perceive out-groups stems from the factor that "anxiety generates arousal and self focused attention that distracts the perceiver, thereby decreasing capacity to make fine differentiations of the external social world". (Wilder 1993, 102) Thus the anxious person falls back on stereotypes when too busy and distracted with their own problems. Dasgupta et al. (2009) demonstrate with laboratory experiments that feelings of anger and disgust increased negative bias towards unknown groups but less, and differently, towards groups that the person had some prior knowledge about.

According to this line of thought reducing anxiety and learning about others and thereby reducing stereotyping go hand in hand, although the underling reasons for anxiety might have nothing to do with the out-group. For example, a survey research (Weissenfelt 2007) showed in the case of Finland that the sudden arrival of Somali asylum seekers in a small rural community in Finland exposed locals to something new and scary at first, leading to increased sense of insecurity in the community first, but it was the individuals who actively sought the company of the newcomers and learned about them that had positive feelings about the refugees. However, the period when Finland started receiving refugees from Somalia coincided with the economic recession of the early 1990's. Being stressed about jobs and income might have made people less willing to learn about the out-group. Another Finnish research (Jaakkola 2005) has shown that people working in the service sector think more positively about immigrants because they get new clients whereas people working in the heavy industry think more negatively of immigrants because they fear for their jobs. Therefore, the questions about hospitality and hostility towards refugees and other out-groups is a multifaceted issue that needs to take into account both psychological and economic factors at the same time.

Although political science papers rarely engage to this extent with social psychology when assessing immigration attitudes, it is important to show all

the possible mechanisms that are standard theories in social psychology but still relatively new mechanisms to test in the fast emerging field of the political economy of immigration and the immigration-induced changes in political behavior. In what follows, I present how these fields have put into practice these above mentioned theories in explaining the political consequences of immigration.

2.2 Researching the political effects of immigration

2.2.1 Citizen-level

Measuring immigration attitudes has been traditionally done via surveys and experiments. In the beginning this strand of research was mostly done in social psychology, but as immigration started to increase in political salience, its research entered the realm of political science more. Anti-immigration vote share has now been studied to a good extent, although literature on immigration attitudes still tends to rely on measuring citizen attitudes rather than votes cast for anti-immigration parties. Anti-immigration parties have grown both in presence and in salience across Europe since the economic recession of 2008, and the advent of these parties enabled researchers to measure votes cast –revealed preferences– rather than just the stated preferences of surveys.

For most part literature on immigration attitudes examines how welcoming citizens feel towards immigrants after being exposed to them to some degree. These studies include for example experiments in which foreigners are placed in neighborhoods testing the effects of mere exposure (Enos 2014; Christ et al. 2014) and surveys pointing out the role of implicit nativist attitudes on immigration preferences (Knoll 2013) or predisposing factors to opposing immigration. (Sniderman, Hagendoorn, and Prior 2004) The latter study tests explicitly if

the predisposing factors to opposing immigration lie in realistic conflict or social identity. The authors conclude that when comparing economic threats (measuring the prevalence of Realistic Conflict Theory) to considerations of national identity (Social Identity Theory), identity emerges as the biggest explanation for anti-immigration attitudes. In addition, situational triggers, such as telling about lack of cultural integration amongst the immigrants, extend the opposition to immigration beyond the core constituency of anti-immigration sentiments: after experiencing situational triggers not only those already negatively predisposed to them, but also the previously less opposed augmented their support for exclusionary policies towards immigrants. These two survey experiments strengthen the assumption that more than anything else, both latent and explicit prejudices explain hostility to immigration. Additionally, it has been shown that Europeans favor immigrants who are culturally closer to them, at the expense of Muslim immigrants. (Bansak, Hainmueller, and Hangartner 2016)

On the other hand, literature has not written off the explanatory power of competition for resources and the economic opposition to immigration. Mayda (2006) shows that opposition to immigration is coupled with the skill level of the immigrants with respect to the skill level of the survey respondent: skilled individuals favor immigration in countries where natives are more skilled than immigrants and oppose it otherwise. The author claims that non-economic factors do matter, but they do not change this underlying pattern. As a consequence, countries with economies based in high-skilled work with higher GDPs are more welcoming and countries relying on manual work with lower GDPs are more hostile. This line of argument is later reinforced in Facchini and Mayda (2009), by claiming that skill and income matter differently in how citizens of welfare states perceive immigration: In countries where immigration is unskilled, higher earners see low-skilled immigration as an economic burden, while high-skilled workers support immigration. These relationships are reversed in economies characterized by skilled

migration: higher earners welcome highly skilled immigrants, because they are likely to be less expensive for the welfare-state, but high-skill workers do not support highly skilled immigrants, as it increases competition. Moreover, the arrival of low-skilled immigrants can launch a chain reaction in which natives begin seeking higher status jobs instead of the low-skilled works that immigrants take on. (Foged and Peri 2015)

Later Hainmueller and Hiscox (2010) challenged this narrative by showing in a survey experiment with German respondents across different industries that rich and poor natives are equally opposed to low-skilled immigration in general. Similar survey studies in the US (Hainmueller, Hiscox, and Margalit 2015) also showed that immigration preferences are not driven by labor market competition and it was also shown that people with higher levels of education and occupational skills are more likely to favor immigration regardless of the skill attributes of the immigrants in question. (Hainmueller and Hiscox 2007) However, Malhotra, Margalit, and Mo (2013) elaborated that when respondents were asked to express visa preferences for immigrants that would have directly affected their industries educated workers expressed similar preferences for restrictions as the less educated ones. Nonetheless, in their review article on immigration attitudes Hainmueller and Hopkins (2014) went as far as to claim that the labor market hypothesis was a "zombie theory" and that cultural reasons for opposing immigration were more likely to explain attitudes to immigration. However, the authors also identified that innovations in research design were needed to make further advances in this field.

Poutvaara and Steinhardt (2018) add to these nuances by claiming that in Germany bitterness in life is strongly associated with worries about immigration. This effect cannot be explained just competition on the labor market. Instead, for the authors it appears that people who feel otherwise unhappy, feeling that they have not got what they deserve in life, oppose immigration for personal, spiteful reasons. This resonates with the aforementioned psychology laboratory experiment (Dasgupta et al. 2009) according to which feelings of anger and disgust

increased negative bias towards unknown groups. On a related note, according to Fitzgerald, Curtis, and Corliss (2012), consternation about crime is a significant predictor of anxiety over immigration, having a greater substantive impact than other explanatory factors, such as concerns about the economy and objective measures of crime and immigration at the regional level.[1]

Lindqvist and Östling (2013) provide a theoretical model that predicts that support for redistribution is highest when society is ethnically homogeneous. This channels both Social Identity Theory in that people tend to redistribute towards their own kind, but also Realistic Conflict Theory according to which competition for finite resources (in this case the welfare state provisions) correlate with in- and out-group formations according to ethnic heterogeneity. An other formal theory by Russo and Salsano (2019) proposes that plurality systems are more open to immigration than proportional systems, and this is due to politicians needing to compensate for the increased competition for resources: when immigration causes congestion in the welfare state, politicians need to compensate for it to a small minority of the voters in a plurality system: when the vote is divided between two blocks, the ones losing out on immigration won't be determining the outcome. However, in proportional systems they would need to compensate for a larger electoral base, as smaller parties, especially with issue ownership of the welfare state, need to justify to their decisive voters why they took immigrants.

The question of what type of electoral system triggers more opposition to immigration is related to what types of contexts are more likely to respond to immigration shocks negatively. In his seminal paper Hopkins (2010) defined the

[1]Dinas and van Spanje (2011) elaborate this point by showing that in the Netherlands rising immigration levels induce anti-immigration voting, but only among those individuals, who are already "tough on crime", suggesting that immigration and crime rates do not make all citizens more likely to cast an anti-immigration vote, but only those who perceive a link between the two issues.

term *politicized places* that referred to areas undergoing demographic changes due to immigration. If immigration is debated at the national-level, then these affected areas become politicized places where opposition to immigration is especially strong. Thus the national and local conditions interact to construe immigrants as threatening. Newman and Velez (2014) and Newman (2013) further elaborate on this by stating that a) a large influx of an immigrant group will activate threat among white citizens when it occurs in local areas where the immigrant group had largely been absent and b) while the size of local immigrant populations exerts virtually no effect on perceived immigration, over-time growth strongly influences citizens' perceptions of immigration into their community.

In the US the debate about immigration has a specific sub-debate, which is about undocumented immigration, usually from South-America. In line with the findings listed above, Chiricos et al. (2014) state that when the context of immigration is static, that is, levels of illegal immigrants per capita are constant, support for border controls is unaffected but when context is measured in dynamic terms that also reflect dispersion and potential contact, it significantly predicts support for border controls. Supporting the economic theories of anti-immigration sentiments, Baerg, Hotchkiss, and Quispe-Agnoli (2018) demonstrate that undocumented immigration in the US triggers opposition mainly from wealthy areas among voters who would bear the costs of their social security. The interplay between economics and identity is evident in the cross-European survey findings of Bansak, Hainmueller, and Hangartner (2016) that showed that Europeans prefer immigrants who contribute positively to the economy, that is, are highly skilled, who immigrate due to trauma and suffering and not economic reasons, and who are Christian. However, the research also finds that Christian refugees are only slightly ahead of agnostic refugees, thus showing rather a strong anti-Muslim bias rather than a strong pro-Christian bias.

These different region-specific findings are further supported by the cross-country research of 12 countries by Quillian (1995) who found that most of the variation

in prejudice across 12 countries is explained by group threat which is a function of both economic conditions and the size of the subordinate group relative to the dominant group. In his conclusion that reinforces the claims of Social Identity Theory, the author suggests to revise the importance of individual characteristics as explanatory factors for prejudice.

Recently, the literature on immigration attitudes has proposed theories of anti-immigration sentiments that are less rooted in the standard theories of social psychology presented above. A rising explanation for possible positive sentiments towards immigrants are their sociotropic effects: it could be that immigrants contribute towards the common good and this is acknowledged by the locals. Kreibaum (2016) tests this with refugee arrivals in Uganda and measures how refugee arrivals affect the local economy and the perceptions natives have of refugees. The findings of the paper are that the Ugandan population living near refugee settlements benefits both in terms of consumption and public service provisions, but the locals do not feel that this translates to improvements in in their own lives. Liao, Malhotra, and Newman (2020) explore how Chinese foreign capital affects the way people evaluate Chinese immigrants in the US. The authors find that immigration attitudes, as well as views towards China, became more positive over time among Americans residing in locales whose economies were stimulated by Chinese foreign investments.

In addition, rural–urban divisions have been put forward as an explanation for differing attitudes towards immigrants: Maxwell (2019) examines survey respondents immigration attitudes in rural and urban areas in Switzerland and Germany. He concludes that people self-select to live in urban or rural areas based on their existing levels of cosmopolitan outlook. As liberal cosmopolitans settle in cities and conservative nationalists stay in the countryside, rural–urban divisions begin to correlate with immigration attitudes.

After presenting the most-used and rivaling theories to explain the citizen-level formation of immigration preferences, I next turn to summarize how the

literature that examines people's electoral choices mobilizes these theories to explain the outcomes of past elections in which several anti-immigration parties have performed well.

2.2.2 How does all this show in the electoral setting?

Literature on electoral behavior divides voting decisions into rational, economically motivated and reasoned decisions, and to a more emotional, gut-driven voting. (Campbell et al. 1960; Caplan 2006) This rough division line can be explained by how economists and psychologists see voting: While economists assume that people are able to assess probabilities accurately, psychologists argue that individuals' beliefs about probabilities are subject to various biases and error. (Ansolabehere and Iyengar 1993) If we assume that there are both types of people on the electoral market, then it is also fair to assume that there are different types of candidates who wish to appeal to these different kinds of voters. As the number of explicitly anti-immigration parties has grown, so have empirical political science and economics papers that use votes cast for and against these parties as electoral outcomes to measure support for anti-immigration policies.

By and large these papers find equivocally that areas that have undergone immigration shocks vote in favor of tougher anti-immigration policies. Gerdes and Wadensjö (2008) wrote one of the earliest attempts to causally identify the effects of immigration shocks on vote share via an IV-estimation using initial immigrant arrivals at the micro-level in Denmark. This approach has been subsequently widely used and much of the literature reinforces their findings that voters voice their displeasure about immigration in their own neighborhood. In a similar study across different city district of Hamburg, Otto and Steinhardt (2014) show that immigration has a positive effect on the vote shares of the anti-immigration AfD and a negative effect on the vote shares of the pro-immigration Green Party. The authors find that

the welfare state-concept is important for the locals who are afraid that the arriving immigrants would hurt the local welfare amenities. Using similar IV and panel data identification strategies, Sørensen (2016), Barone et al. (2016), Halla, Wagner, and Zweimueller (2017), and Harmon (2018) show that higher shares of immigrant population in the area leads to higher vote shares of anti-immigration parties in municipal and parliamentary elections in Norway, Italy, Austria, and Denmark, respectively. Deviating slightly from the outcome, Brunner and Kuhn (2018) research this same question in Switzerland, where both the vote shares of the anti-immigration party and also the share of anti-immigration votes cast in direct immigration-related referenda grew as the local share of immigrant population got bigger.

These above mentioned studies are partly enabled by the multi-party systems of the countries the research is effectuated in. Provided that the candidates respect the manifestos of their parties, a vote cast for a candidate of the anti-immigration party or the Green party can be taken to signal also the voter's stance on immigration. However, in majoritarian systems researchers need to change their outcomes in order to asses the anti-immigration vote. This can be done in three ways: By creating more aggregate level outcomes, like a general left-right vote (Mendez and Cutillas 2014 in Spain), in which the left is clearly identified to be more pro-immigration than the right wing, by looking at presidential elections where the candidate's stances are easier to identify (Edo et al. 2019 in France), or by using European Elections, in which proportional representation is always used (Becker, Fetzer, and Novy 2017 in the UK). Although these studies are different in their set-up, they all apply similar methods and confirm each others' findings in all cases.

Contrastingly, Lonsky (2020) finds in Finnish parliamentary and presidential elections that the share of foreign citizens in a municipality decreases the Finns Party's vote share. The negative effect is only present in places with an initial higher than median presence of foreigners and seems to also correlate with a higher than average GDP per capita in the area. From this the author draws the conclusion

that immigration brings money and thus reduces the competition over resources. However, as the study finds effects only in areas with high initial exposure, it appears that the pro-immigration feelings and related higher local economic growth would a require longer presence of immigrants.

There is less research on the effect of refugee arrivals as opposed to immigrant arrivals, but analyses on refugee arrivals mainly reinforce the findings of the literature on immigration. This literature is growing together with increased refugee arrivals, especially after the 2015 refugee crisis. Chronologically the first paper to study just refugee migration on political outcomes was by Dustmann, Vasiljeva, and Piil Damm (2018), who exploit the initial random allocation of asylum seekers in Danish municipalities to measure how shares of refugees affect the vote shares of anti-immigration parties. They find that overall, the presence of refugees boosts the vote shares of anti immigration parties, but in the largest and urban municipalities, refugee allocation has —if anything— the opposite effect on vote shares for anti-immigration parties. The authors perceive a sharp divide in attitudes to refugees between urban and rural populations, which they claim might be partly explained by distinctive interactions between natives and refugees and that people are different in cities and rural areas. The authors also find that refugee allocation has a large impact on the anti-immigration parties' choice of where to stand for municipal election and that refugee presence also influences voter turnout.

Dinas, Matakos, et al. (2019) manage to isolate the electoral impact of refugee arrivals in Greece, where they simultaneously implement a differences-differences-design as well as an IV-approach using the distance from the Turkish coast to measure the change in vote share for the anti-immigration Golden Dawn in the wake of the refugee arrivals on affected Greek islands. The authors find an increase in the vote share of the anti-immigration party. In an accompanying study, Hangartner et al. (2019) implement the same IV-approach to administer a survey to the residents of these Greek islands and results show that in addition to an increased

vote share for the far-right, citizens' overall attitudes became more anti-immigration. Tomberg, Smith Stegen, and Vance (2019) study the effects of the 2015 refugee arrivals in Germany, a country which was in addition to Greece to most affected by unprecedented refugee arrivals. The authors show that high levels of asylum seekers mean higher levels of political polarization: where asylum seekers arrive in higher numbers, both the anti-immigration AfD and the pro-immigration hard left gain votes. The authors identify unemployment as an important mediator: in electoral districts with higher unemployment the pro-immigration votes fade away, whereas the far right votes are independent of unemployment levels.

Two studies deviate in their results from the canon of showing immigration and refugee arrivals to have a polarizing effect or to lead to an anti-immigration backlash: Steinmayr (2020) and Vertier and Viscanic (2018) both show that municipalities that house asylum seekers and where contact with them is more likely due to the smallness of the municipality, the presence of refugees actually decreases the vote share of the far-right. Steinmayr uses an IV-approach by instrumenting the reception of asylum seekers on available housing in rural areas in upper Austria and finds that the prolonged presence of asylum seekers dampens the vote share of the far-right. The author contrasts this with areas near the border that only witnessed asylum seekers pass by, and in these areas he finds an increase in the far-right vote share. Interestingly, although Halla, Wagner, and Zweimueller (2017) study the same country as Steinmayr, they find an anti-immigration backlash. The contrasting results can be interpreted as a testament to the different effects immigration has from asylum seeker accommodation.

In a study using a similar IV-approach, Vertier and Viscanic (2018) show that housing asylum seekers dampened the vote share of the far-right in contexts where contact was more likely to happen between natives and asylum seekers due to the smallness of the receiving municipality. Both papers attribute their findings to Allport's contact theory and stress the importance of fine-grained, micro-level

measurement of exposure and electoral outcomes in order to differentiate between aggregate level hostility and micro-level, contact induced hospitality.

2.2.3 How does this apply to the welfare-state?

In addition to electoral outcomes, immigrant and refugee arrivals can be hypothesized to affect natives support for redistribution and the welfare state. In the discussion regarding the social psychological origins of discrimination and prejudice, it is a reoccurring statement that in-groups favor their own members to provide finite goods when there is inter-group competition. If immigrants are an out-group and natives form an in-group, then if there is competition for welfare benefits, then natives would judge immigrants first and foremost based on their competition for the wanted resources. However, as the Robbers Cave Experiment showed, laying the foundations of Realistic Conflict Theory, when there was competition between the groups the different groups started also describing the members of the opposing team in unfavorable terms. Thus, even if anti-immigration feelings stem from economic concerns, they are likely simultaneously manifest themselves also in cultural anger. It is therefore hard to differentiate between these reasons, but political economists have attempted to isolate the economic factor in the immigration debate.[2]

Alesina, Glaeser, and Sacerdote (2001) famously attribute the differences in support for redistribution between the US and Europe to racial heterogeneity: as in the US the majority of the poor are black, there in no cross-racial support for redistribution. In Europe, and especially in Norhtern Europe, racial heterogeneity is a more recent phenomenon, and its arrival is likely to have altered long-held

[2]The literature about preferences for redistribution goes back longer than the works cited in this literature review, but for the purposes of this thesis I only begin with the works that are in dialog with the recent strand of literature on the electoral effects of immigration. For a more thorough literature review on the subject, see Alesina and Giuliano (2011).

preferences for redistribution. The theoretical model of Lindqvist and Östling (2013) predicts that redistribution is greater when the society is homogenous. Dahlberg, Edmark, and Lundqvist (2012) corroborate this in Sweden by showing a decrease in support for the welfare state in panel surveys among Swedish citizens – especially among the rich – in areas with ethnic diversity.[3] Alesina, Murard, and Rapoport (2020) test this robustly in 16 Western European countries and also find that native respondents display lower support for redistribution when the share of immigrants in their residence region is higher and that these effects are also stronger when immigrants originate from Middle-Eastern countries, are less skilled than natives, and experience more residential segregation. In a similar paper Alesina, Miano, and Stantcheva (2018) show in six countries that natives' perceptions of immigrants is consistently more negative than reality and that these negative stereotypes of unemployed, culturally and religiously different immigrants who are reliant on the welfare benefits affect the way respondents see the welfare state and reduces their overall support for redistribution. When respondents were primed with a narrative of a hard-working immigrant, respondents' opinion changed slightly, from which the authors draw the conclusion that when it comes to immigration, salience and narratives shape people's views more deeply than hard facts.

Matakos, Savolainen, and Tukiainen (2020b) test with a difference-in-differences design how both citizen and elite level preferences for redistribution change as a result of being exposed to asylum seekers in Finland and find no overall evidence that elite preferences for redistribution change as result of increased presence of asylum seekers in municipality, although at the citizen level there seems to be some decline in support for redistribution. However, in the smallest of municipalities, where the per capita share of asylum seekers is strongest, both politicians and citizens diminish

[3]For criticism on this paper see Nekby and Pettersson-Lidbom (2017). The authors later replied to the criticism and claimed that their results remain valid.

their support for public spending, which is in line with what one would expect based on the literature of preferences for redistribution, but which is not line with what contact theory would suggest. Therefore, it might be that increased contact enhances inter-group relations but this does not correlate with feelings about public spending on the welfare state, and the two trains of thought are separate.

After finding negative feelings towards immigration and asylum seekers, researchers often turn to welfare chauvinism as an argument to explain anti-immigration sentiments. Welfare chauvinism means that the individual has no issues with redistribution in general, but does not find people of other ethnicity deserving of welfare amenities. Paying taxes and using them for redistribution is fine, as long as its beneficiaries share the respondent's ethnicity. In other words support for redistribution stays unaffected per se, but the concept of the welfare state is differentiated from immigrants and refugees. What is challenging when the outcome used is support for the far-right is that while far-right parties are clearly anti-immigration, their stances on on welfare might not be anti-government spending, but rather raise the issue of who deserves government spending. On the other hand far-right parties might blur their economic positions to attract an economically diverse voters. (Golder 2016)

These diverging views of what the support of the far-right means in relation to public spending is evident in how two of the above cited papers researching the electoral effects of immigration mobilize the welfare state argument. Harmon (2018) argues on the basis of long panel data between 1981 and 2001 that an increase in local ethnic diversity leads to shifts to the right in election outcomes by shifting electoral support away from traditional "big government" left-wing parties and towards anti-immigrant nationalist parties. On the other hand, Halla, Wagner, and Zweimueller (2017) present labor market competition, especially high unemployment rates and worries about finite welfare amenities, namely school places for children, as the drivers of anti-immigration feelings in Austria. Also Barone et al. (2016)

raise competition for pubic services as a significant channel in anti-immigration voting. Whether refugee and immigrant flows make voters question redistribution altogether or want to protect it even more and make it exclusionary, is still unclear. When explaining the pro-immigration vote in affected areas in Finland Lonsky (2020) proposes that the higher GDP per capita that is associated with higher immigration means that highly affected areas begin to favor immigration because they do not associate it with increases in public spending. This is an argument that relates to the sociotropic effects of immigration and will be examined more as a mechanism in the following section.

2.2.4 Proposed mechanisms

The most-often proposed mechanisms of immigration-related voting are labor market competition, rural–urban divisions, cultural distance and concerns, contact, sociotropic evaluations, and crime. In what follows I elaborate on these mechanisms and present works that mobilize these arguments to explain findings.

A line of research on how labor market competition best explains anti-immigration sentiments stems from Mayda (2006), which is explained above in more detail. To corroborate the mechanism and apply it to explain electoral behavior, Mayda, Steingress, and Peri (2018) analyze county level electoral data in the US between 1990 and 2010. The authors find that the arrival of high-skilled workers decreases the Republican vote share but the arrival of low-skilled workers increases it, especially in non-urban counties. The authors conclude that low-skilled workers threaten other low-skill workers, especially in rural areas where the share of such native workers is high, while high-skilled workers are seen as a positive contribution to the economy, irrespective of the natives' level of skills. What is especially interesting about this finding is that it fuses two mechanisms advanced in the literature: rural–urban divisions and the labor market competition. While Dustmann, Vasiljeva,

and Piil Damm (2018) claim that cultural divisions or the type of and lack of contact explain rural–urban divisions in immigration attitudes, for the labor-market centered approach the underlying reason is the type of native workers in each context and which sector is more threatened by the arrival of immigrants. Also Barone et al. (2016) mobilize labor market arguments in explaining the perceived rural–urban division in the data: urban areas benefit more from immigrants in the form of cheap labor, such as nannies and cleaners.

Rural–urban divisions in immigration attitudes, on the other hand, have not been the explicit aims of research, but rather have come up as possible explanations for heterogeneous treatment effects. In addition to the two articles cited above that raise the issue of work-place proximity with immigrants and their better employability in urban areas, Andersson and Dehdari (2020) confirm that interactions at work do decrease the vote for the extreme right. Although this research does not address rural–urban divisions per se, when taking into account that large enterprises tend to operate in cities, these results indicate that cities enable the types of interactions that suppress hostility to immigrants. Maxwell (2019) does not research lived experiences and reactions to immigration exposures, but measures the outlooks of survey respondents in rural and urban areas and concludes that people with more liberal values self-select to live in urban areas, and this explains the perceived rural-urban divisions in immigration attitudes. We can condense existing knowledge about rural–urban divisions in immigration attitudes to two points: **1.** urban areas attract more liberal individuals; and **2.** once there are lived experiences of immigration, it is more likely to have close contacts with immigrants in the city than in rural areas.

The specific reactions to refugee arrivals in *rural* areas has only been researched by Schaub, Gereke, and Baldassarri (2019), who examine left-behind areas in rural Eastern Germany in the wake of the 2015 refugee crisis. The setting is ideal for testing the assumption that if the presence of foreigners is minimal (e.g. rural areas), anti-immigration sentiment is high. (Golder 2016) The authors arrive at

the somewhat surprising conclusion that areas without significant prior history of immigration had little bearing on anti-immigrant attitudes and right-wing support. If anything, the authors state, receiving asylum seekers in 2015 served as a reality check for the natives: those more on favor of refugees prior to the arrivals became more conservative, whereas those more skeptical about refugees started assessing them more favorably. The overall null results raise the very interesting question that if rural areas are hostile both at baseline levels and they also have been shown to react negatively to refugees and immigration in previous research, then why is there no backlash in rural Germany?

The geographic differences in immigration attitudes are also researched by Kaufmann and Goodwin (2018), who perform a meta analysis of studies measuring the relationship between ethnic context and both opposition to immigration and support for anti-immigration parties since 1995. The authors find a linear association between ethnic change and elevated threat. However, for diversity levels, the relationship between ethnic context and threat is nonlinear: higher diversity predicts threat responses at the smallest and largest scales, whereas in units of 5,000—10,000 people (such as tracts or neighborhoods), diversity is associated with reduced threat.

Bordignon et al. (2019) also perform a population threshold analysis by examining the vote shares of anti-immigrant parties and the share of immigrants in Italy, measuring how the share of immigrants in the local context affects the anti-immigration vote. The authors find that the trend follows a U-shaped curve, which tips around a 3.35 percent share of immigrants in the local context. Below this threshold the vote share of the main Italian anti-immigrant party is approximately 6 percentage point higher. The researchers establish that the competition in the local labor market between natives and immigrants is the most plausible explanation for the electoral success of anti-immigrant parties in areas with low shares of immigrants.

From these population size oriented studies it is hard to conclude if smaller population sizes are positive or negative to enhance inter-group relations. From the

literature that raises contact as a mechanism, as presented in the subsections above, it is not clear if the smallness of the receiving context is a prerequisite or rather contact-theory only requires meaningful contact, facilitated by a prolonged stay and the different groups seeking each others' company. The most commonly raised problem in inter-group relations and the driving force behind anti-immigration sentiments is the cultural distance between the groups. This is very clearly advanced as an explanatory mechanism by Mendez and Cutillas (2014), who argue that Latin-American immigration boosts the vote share of the more pro-immigration leftist party, while African immigration only boosts anti-immigration platforms. The authors conclude that economic factors cannot account for such a heterogeneity and argue that Spanish natives'attitudes towards immigrants are mainly driven by non economic factors like dissimilarities between natives and immigrants in language, religion, and race. Similarly, Brunner and Kuhn (2018) claim that evidence from Switzerland shows that culturally similar immigrants do not lead to anti-immigration voting, but culturally different immigrants do.

2.2.5 Elite-level studies

One uniting factor among all the above cited works is that they all concern citizens and voters – not politicians. If immigration is such an important issue for the electorate, surely one could expect the elites to reflect this in their electoral pledges. However, there is a very limited literature on how politicians assess immigration and how they arrive at their propositions. Much of the above cited literature assumes that parties' manifestos and general reputations are sufficient to equate them with immigration stances, although a few acknowledge that this way of drawing parallels is problematic: Harmon (2018) discusses that in Denmark there is regional intra-party variation in attitudes to immigration which goes missing in the analysis. On a related note, Brunner and Kuhn (2018) compare how votes cast

for anti-immigration parties compare to anti-immigration votes cast in referanda and find that votes cast for parties most likely over-estimate the anti-immigration motivation in the total vote share.

The belief that political parties are united and rational actors is likely to stem from spatial theories of party competition, which expect candidates and parties to scope out their policy shifts in response to other parties and according to their comparative advantage on the electoral market. (Adams and Somer-Topcu 2009; Adams, M. Clark, et al. 2004) According to this logic parties would cater for the voters' needs and the candidates would match their promises according to what their parties perceive as the mode in public opinion (in two party systems) or within their core electorate (in multi-party sytems). However, the crucial difference between the electorate and the elites is political knowledge and access to information: the political elite know more about the real costs, consequences, and benefits of immigration, whereas the voters are more relying on media reports and perceptions.

The scarce research that focuses on elite opinions of immigration acknowledges this dilemma that legislators are in; on one hand they might personally think that immigration would benefit the society, but they are dependent on their anti-immigration constituencies' votes. This is demonstrated by Gamalerio (2019) who shows that on average mayors are aware of the economic benefits of refugee intake in Italy, but refrain from taking refugees because of fear of public backlash. Pettrachin (2019) examines mayors' responses to the 2015 refugee crisis in three Italian regions. Interviews suggest that mayors demonstrate very idiosyncratic reasoning when tackling immigration related issues under public pressure. Mayors in the north succumb to a perceived public opposition and thus refrain from endorsing immigration and refugee intake. In contrast, Sicilian mayors dismiss citizen-level opposition and remain favorable to refugee intake, partly because they are aware of the importance of immigrants to the local agriculture and economy.

There is a long strand of literature on trying to resolve if public opinion

affects politician's stances or if politicians affect public opinion, with somewhat inconclusive results. (Quaile Hill and Hinton-Anderson 1995; Koch 1998; Burstein 2003) Broockman and Butler (2017) showed with an experiment that voters often adopted the positions legislators took, even when legislators offered little justification or if voters previously opposed these policy positions. This means that in addition to providing the voters with policy options about refugee policies, candidates might also affect public opinion on the matter by changing their stances.

In addition to having access to information, candidates have been known to differ in the stability of their opinions: overall, past research has shown politicians' values to be consistent and stable over decades. (Searing, Jacoby, and Tyner 2019) Politicians' values have proven to be more stable than that of the public in panel studies (Putnam, Leonardi, and Nanetti 1979; Granberg and Holmberg 1996; Jennings 1992), although repeated measures of the elite's values are difficult to find.

There is currently very limited knowledge on candidate-level attitudes to refugees and immigration. B. Jones and Joesten Martin (2017) shows that in the US candidates' anti-immigration cues increase public opposition towards immigration in areas affected by Hispanic migration. To my knowledge the only existing work that explicitly addresses how immigration affects candidates running for office is by Jensen (2020), who demonstrates that immigration shocks change the types of candidates that run for office. The candidates running for office in areas with larger shares of refugee migrants come from lower socio-economic statuses across the political parties. The author interprets this as a cross-party reaction to appeal to the natives who are not benefiting from the increased social spending on immigrants, much in line with the formal theory presented by Russo and Salsano (2019), according to which candidates in multi-party systems have to compensate more for their voters after immigration arrivals than in two-party systems. Moreover, Dustmann, Vasiljeva, and Piil Damm (2018) show that refugee allocation also has a large impact on the anti-immigration parties' choice of where to stand for municipal election –

anti-immigration parties are drawn to highly affected areas, where the density of exposure has led to a fertile ground for anti-immigration vote.

Apart from the works cited above, elite immigration preferences have not been discussed. By and large, elites have been thought to reflect public opinion, in line with spatial models of party competition, although existing literature does show that a) elite opinions are more stable than those of the public and b) the public opinion might actually be shaped by elite opinions. The wealth of information elites enjoy compared to the public is also a differentiating factor. In short, the lack of research about elite opinion formation on immigration and refugees is a missing piece in the literature. In what follows, I identify other factors that still need developing in the literature.

2.3 Remaining challenges

This literature review has gathered the state of the art and classic literature on immigration attitudes in political behavior and political economy. In so doing, it has also commented on voids in the literature and the limits of available research and methodologies they use. In what follows, I elaborate on what are the challenges ahead.

In their influential review of the literature on immigration attitudes, Hainmueller and Hopkins (2014) go through existing research on immigration attitudes and conclude that, at the time of writing the review, the state of the art indicated that the labor market hypothesis was a "zombie theory" and that cultural opposition to immigration was a more promising avenue to explain why some people oppose immigration. However, the authors also conclude that the state of the art was methodologically not sufficient to rule out anything: further methodological advances, especially the use of panel data, were needed to better establish the mechanisms and the reasons of anti-immigration attitudes. Much of the current

knowledge on why people oppose immigration comes from one-off experiments.[4] Repeated measures of attitudes would enable more interesting and comprehensive research designs and would enable researchers to measure time trends in immigration attitudes. The authors also regret that research tends to operate with artificial measures of bias and prejudice (such as scales of implicit and explicit bias) and then regress them on opinions and levels of support for policies, a research design they call regressing attitudes on attitudes. Instead, the authors would like to see real outcomes that matter for everyday life, like policies and decisions.

One could argue that votes cast for anti-immigration parties is such a needed real-life outcome, but however, as already discussed to some extent above, there is no guarantee that we can equate a vote cast for an anti-immigration party with actual anti-immigration stances and even less with actual effectuated anti-immigration policies. Existing data are limited to votes cast and voting intentions, but whether they get materialized in the lives of people is beyond the scope of existing research. In addition, much of the research shows geographical variation in immigration attitudes, but very few acknowledge that these geographic variations might also relate to the powers parties and policy makers have to actually curb immigration. Very few papers discuss whether municipal, parliamentary, presidential, or European elections actually have the pragmatic effect of policy change, but rather treat votes as observed attitudes and preferences. However, if immigration is not addressed with meaningful policies at the national, but the local level, or vice versa, looking for expressions of anti-immigration votes might mean simply barking at the wrong tree. One of the few authors to acknowledge this in the existing literature is Harmon (2018), who does not equate votes cast in municipal election with votes cast in national elections, but is clear about what people are voting about in each

[4]In addition, these one-off experiments are sometimes carried out in laboratory settings, which might not replicate real life events and reactions.

election. The finding that anti-immigration attitudes come across in *both* elections does not mean that the elections are interchangeable, but that lived experiences of immigration spill over to broader political ideologies.[5]

Moreover, in open-list systems there can considerable regional variation in what parties propose. (Shugart, Valdini, and Suominen 2005; Carey and Shugart 1995; Hyytinen et al. 2018) Thus if we are to assume that regional immigration shocks translate into region-specific policy responses by the parties, then multiparty systems with open lists provide the most accurate picture of citizens' real attitudes to immigration, provided that municipalities have real powers to enact immigration and welfare policies. Incidentally, most of the literature comes from countries where municipalities are given large autonomous powers: Denmark, Sweden, Switzerland, Norway, and Germany. From the above literature, the studies that measure immigration policies at the municipality level when the municipality is vested with powers to deal with it are Barone et al. (2016), Harmon (2018), Gerdes and Wadensjö (2008), Dustmann, Vasiljeva, and Piil Damm (2018), and Sørensen (2016). However, none of these studies address possible variation within the parties across municipalities in their way of responding to immigration shocks.

It might still be possible of course that people vote in elections based on reasons that are not actually at stake in those elections and being precise about the nature of the elections and the matters discussed is overrationalizing the electoral process. Caplan (2006) makes a compelling case of gut-voting and others have followed in arguing that voters very often do not fully grasp the issues they are voting

[5]Moreover, much of the evidence cited in the literature comes from multi-party systems where anti-immigration parties exist. Otherwise researchers have to use broad right and left-wing coalitions as proxies, further clouding the causal estimates. However, multiparty systems differ in many ways from majoritarian systems, among other things, in how they handle immigration, so the over representation of countries like Denmark, Germany, and Austria in research about attitudes to immigration might create a bias in what we know about immigration.

about. (Achen and Bartels 2016) If this really is true, then equaling vote shares of parties with anti immigration attitudes in all kinds of elections is not far from the truth, as voters themselves would be rather voting on the basis of reputations, wanting to put a message across, rather than vote about the actual issues at stake. However, as things stand, we are not certain *what* people vote about when they vote for an anti-immigration party, and a study that does take this into account finds that if we are to take votes cast for an anti-immigration party as votes cast against *immigration*, our results might be inflated. (Brunner and Kuhn 2018) If we add to this that often times the lowest level of observable units are constituencies and in best case municipalities, much of our existing results might hide important confounders and heterogeneous effects that would only be discernible at the micro-level. Tomberg, Smith Stegen, and Vance (2019) discuss in their paper that the fact that they find results that fail to corroborate the contact effect advanced by Steinmayr (2020) might be due to their county-level analysis, whereas meaningful contact can only be discerned at lower levels of analysis. Because of this danger of misinterpreting the findings, future research should use as fine-grained data as possible, where stakes, motivations, and mechanisms can be causally identified and isolated from all other confounding factors.

All of the above is also related to the differences between using observational and experimental data. Whereas experiments, either embedded in surveys or carried out in laboratory settings, offer causal identification strategies and high internal validity, they can be criticized for failing to replicate in other settings and when real issues are at stake. Although researchers have found new ways to address response bias, missing data, and social desirability bias, this line of research still operates with stated preferences rather than revealed preferences. Actual votes cast are revealed preferences as voters have only one vote in each election and most likely they will use it according to their actual wishes. However, experimental set ups can only be achieved via some natural variation, as experimental manipulation of votes is not

likely to be ethical. Therefore, quasi-experimental research designs using micro-level data are candidates for teasing out tendencies and variations in the most reliable way, provided that the identification strategy is solid. Experimental data might provide a more accurate and reliable data source, but if we are to fulfill the wish stated by Hainmueller and Hopkins (2014) of measuring more realistic outcomes than stated preferences, researchers must provide well-identified research designs with micro-level, observational data. This thesis takes on this challenge by operating to a large extent with observational data from Finland, a country which offers a rare source of micro level policy data from local elections. But before moving on to effectuate this, some background is needed to understand the Finnish political context.

2.4 Finland-specific considerations

The Finnish electoral system and the Finnish context in general is an ideal case to attempt to perform fine-grained analysis in political science for a number of reasons. The first reason is that the Finnish electoral system is one of the most candidate centered systems in the world. (Raunio 2008) In many countries and elections, the selection of candidates and likely office-holders greatly depends on a party's internal procedures. Especially in single-seat districts and in proportional representation with closed party list systems most seats are safe, meaning that "the choice of representatives by the voters is largely replaced with the nomination of candidates by internal party processes". (Colomer 2011, 8) In contrast to this, Finland has an open list with compulsory candidate selection from one party. This means that in Finland the voter is voting for a party but within the party list there are several options for a candidate and the voter is required to name a candidate. It is not possible to vote for a party alone. Thus, in the Finnish system the candidates are not only competing against other candidates of other parties, but the candidates are also competing internally. Taagepera and Shugart (1989) established that in an

open list system personal reputation is more important than in closed list systems.

It has been shown that preference voting and proportional representation matter for a variety of institutional factors and has further implications in politics. Folke (2014) demonstrates that a small party getting in the municipal council does affect the nature and direction of local politics in Sweden. Folke, Persson, and Rickne (2016) show that the amount of preference votes received shapes the candidates' political careers – the more personal votes, the better prospects for important positions within the party. Blumenau et al. (2017) showed in an experimental setting that parties with internally divided candidates benefit from preference voting. Matakos, Savolainen, Troumpounis, et al. (2019) demonstrate with data from Finnish municipal elections and voting advice applications that in constituencies where parties compete for fewer seats, intra-party variation is the optimal electoral strategy for a party. All this strengthens the assumption that a candidate-centered system that encourages maximizing the personal vote is likely to portray intra-party variation in policy proposals.

Thus, in a system that enables a personal dimension of the candidate via intra-party competition, like Finland, there can be substantive differences among the candidates within the same list. This makes it possible for a candidate to represent both the party and themselves while running for a seat and the task is not only to make the voter connect with the party, but also with themselves as persons. This creates an opportunity to bring forward more personal issues and opinions than most electoral systems would normally enable. However, as interesting as this set-up is, empiric research on strategic voting and behaviour of candidates of preferential list systems is rather limited. (Karvonen 2011, 132)

All preferential lists have two fundamental features in common: casting a vote for an individual rather than just a party, and thus the voter controlling which individuals make it to the parliament or the local council and the fact that the total number of votes are pooled so that all the candidates contribute towards the total

number of seats that the party receives. Personal voting can have negative effects on political stability as the personal campaigns of the candidates are detrimental to party cohesion. Katz (2003) argues that preferential voting entails high legislative turnover, because of the heightened possibility of rewarding and punishing the candidates. This is especially visible in larger districts.

The Finnish system of personal representation also shapes how party members and representatives view their party. Esaiasson (2000) reports that only 9 percent of the Finnish deputies regard party representation as a very important task. This shows that Finnish representatives consider their mandates less party bound and more voter-bound. This is very much in line with the above-mentioned theory of preferential vote loosening party-discipline. Holmberg (2000) also claims that while the Nordic countries show in general high levels of issue agreement between MPs and voters of the party in general, in Finland this is less the case, because the preferential system allows such candidates to enter the parliament who advocate more specific, personal issues that reflect the wishes of only a certain proportion of the larger electorate. This logic holds also for the municipal council as well and creates thus a fruitful setting to gauge how the local political elite and the voters respond to the arrival of asylum seekers irrespective of the general party position.

Finnish elections and especially municipal elections have proved a fruitful source for demonstrating a variety of interesting findings. Bergren, Jorddahl, and Poutvaara (2009) use Finnish municipal elections to show that the physical looks of the candidate do matter in electoral success, Hyytinen et al. (2018) study municipal employees' political representation in municipal councils on local public spending, and Harjunen, Saarimaa, and Tukiainen (2019) study geographic representation after municipal mergers. The possibility of matching the candidate with the number of cast preference votes and the possibility of tracking opinion changes on a numerical scale with the help of voting advice application responses creates the ideal institutional setting for researching how local politics and attitudes to asylum

seekers change as a result of increased presence of foreigners in a municipality.

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3

Paper 1: To take or not to take? How experience of asylum seekers affects refugee policies in rural and urban areas

Contents

Abstract

There is an increasing body of research on public opinion surrounding immigration and refugee arrivals, but we do not know how refugee shocks translate into policy decisions. I explore this question by examining unique Finnish panel data about politicians' policy preferences to measure the impact that the dramatic increase in asylum seeker arrivals in 2015 has had on willingness to take refugees at the local level. Using a difference-in-differences design, I find that across the political spectrum, politicians in rural areas became more receptive to refugees after managing a reception center for asylum seekers. This favorable change in position is reversed in urban municipalities. This rural–urban divide is explained by the population shortage that rural areas suffer from: receiving asylum seekers makes rural communities think of refugee intake as a solution to their socio-economic problems. These results have policy implications and lessons for rethinking the rural–urban divide in immigration attitudes.

Keywords: causality, rural–urban divide, immigration, immigration policies, refugees

3.1 Introduction

How do politicians arrive at their proposed immigration policies and what accounts for variation in these policy responses? These are questions of great practical and theoretical relevance, but currently they remain unanswered. There is currently an increasing body of literature about how immigration shocks and refugee arrivals affect public opinion and vote shares of parties. (Dinas, Matakos, et al. 2019; Hangartner et al. 2019; Dustmann, Vasiljeva, and Piil Damm 2018; Brunner and Kuhn 2018;Hopkins 2010; Barone et al. 2016; Halla, Wagner, and Zweimueller 2017; Gerdes and Wadensjö 2008; Otto and Steinhardt 2014; Bansak, Hainmueller, and Hangartner 2016; Mayda 2006; Lindqvist and Östling 2013; Dahlberg, Edmark, and Lundqvist 2012) However, these studies do not measure actual policy changes. In their literature review on immigration attitudes, Hainmueller and Hopkins (2014) clearly note that past research has treated immigration as an endpoint, when its influence on policy-making has been largely neglected.

Currently all research regarding refugee arrivals and immigration[1] captures public attitudes that only have an indirect impact on legislation – after all, policy decisions are mediated by elected officials. We know currently very little about elite policy stances, most likely because of the notoriously difficult task of finding high-quality data about elite preferences. As a substitute, existing research uses parties' official manifestos as proxies for their immigration policies. In so doing, researchers disregard that parties may portray intra-party variation across localities, especially in proportional representation systems (Carey and Shugart 1995) and

[1]Refugee immigration is a sub-type of immigration that differs from voluntary immigration in many features. Refugee immigration is more regulated by international conventions and is more connected to public subsidies than voluntary immigration. While attitudes to both might stem from similar reasons, the economic repercussions and the circumstances of arrival differ. This paper looks at support for long-term local integration of refugee immigrants.

municipal elections (Hyytinen et al. 2018; Matakos, Savolainen, Troumpounis, et al. 2019). If parties were unitary actors, we should not see intra-party variation on the refugee issue. In the case of the 2015 refugee crisis in Denmark, surprisingly the first-ever-elected mayor from the anti-immigration Danish People's Party welcomed refugees in his municipality,[2] while elsewhere the same party was campaigning to send refugees back.[3] In Finland, when the country was preparing for the arrival of increased numbers of asylum seekers in the summer of 2015, a poll of mayors found big within-party variance in their willingness to house asylum seekers.[4]. Elite actions have a real effect on politics that are often inconsistent with partisanship. Why are some elites more pro-refugee than others and why does the issue cut through parties?

In terms of methodology, most research on attitudes to refugees and immigration relies on aggregate-level data and outcomes, such as national elections and grouping all affected areas into one. To better understand the causal mechanisms behind attitudes towards refugees, we would need granular data not only about refugee arrivals, but also about the receiving context and their public policies. Asylum seekers arrive in sometimes vastly different contexts, so any study using cross-sectional data would be marred by confounding variables due to inherent between-region differences. Therefore we would also ideally need panel data providing region-specific pre-intervention benchmarks to assess subsequent within-unit changes. Currently we have within-unit estimates for public opinion and anti-immigration parties' vote shares, but the story is not complete. We need to know how local immigration shocks shape legislators' policy stances across the political spectrum.

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[2] `https://www.berlingske.dk/politik/dansk-folkepartis-foerste-borgmester-nogensinde-vi-tager-imod-flygtninge-med` (visited on 2019-008-20).

[3] `http://nyheder.tv2.dk/lokalt/2017-11-13-kommune-laver-kampagne-for-at-faa-flygtninge-til-at-rejse-hjem` (visited on 2019-008-20).

[4] `https://yle.fi/uutiset/3-8276339` (visited on 2020-001-006)

I provide causal evidence showing how the 2015 refugee crisis changed refugee policy preferences at the local level in Finland[5] between 2012 and 2017. Due to the candidate-centered electoral system of Finland, it is possible to track the evolution of individual politicians' policy pledges over time. Since in 2015 a subset of municipalities unexpectedly found themselves housing asylum seekers while others did not, I can examine how the arrival of asylum seekers affected the politicians' stances on refugees in the electoral campaigns and how these stances were eventually reflected in the municipal council. The data used are time-series of politicians' pre-election pledges. These stances are revealed preferences of how politicians see best to update their stances ahead of elections to appeal to their electorate. Crucially, it is possible to follow what type of policies are subsequently rewarded by the electorate. In so doing this paper remains agnostic about the question of whether elites influence the public or vice versa, but looks at the realized outcome between the candidates and the electorate.

By measuring shifts in proposed and ultimately selected refugee policies in affected and non-affected contexts, this article will be able to test mechanisms found in the broad literature related to immigration. Most of the existing literature argues that immigration and refugee shocks lead to voter backlash amongst voters. On the other hand, it has been argued that contact with refugees reduces this backlash (Steinmayr 2020; Homola and Tavits 2018) and that rural and urban localities have different reasons and incentives to welcome immigrants. (Barone et al. 2016; Dustmann, Vasiljeva, and Piil Damm 2018; Maxwell 2019) These differing attitudes can be placed in a larger context regarding the growing polarization between rural and urban areas. (Rodden 2019; Cramer 2016) However, recent advances in the

[5]Of all European states affected by the refugee crisis, Finland witnessed the largest rise in applications compared to the previous year (+822 %) and received the 4$^{\text{th}}$most asylum seekers per capita (Eurostat). Much like other medium-sized states in Europe, Finland has not been historically a destination country for immigrants but has now begun to face quite rapid demographic changes.

literature have shown contextual nuances in immigration attitudes: Kreibaum (2016) and Liao, Malhotra, and Newman (2020) point toward a possible link between the local economic benefits of the host community and the sociotropic evaluation of foreigners. In other words, if immigrants and refugees bring money to the local level, the reception will also be more favorable. Are these same dynamics present when examining politicians and their policy pledges?

Results from this article show that candidates update their preferences *in favor* of refugee intake if they hosted asylum seekers in *rural* areas. An increase in asylum seekers per capita leads to a municipality-wide pro-refugee shift in elite rhetoric. After empirically evaluating possible reasons for this effect, population shortage emerges as the most likely explanatory factor. Rural areas undergoing population losses and related economic hardships see a cross-party increase in pro-refugee sentiment, even amongst the anti-immigration Finns Party. This is reflected in the composition of the newly elected municipal council. Councils in rural areas suffering from population losses become more than a standard deviation more in favor of taking refugees. This effect is dampened and even significantly reversed in urban municipalities, where politicians and voters have fewer economic incentives to take refugees.

These results question the widely held assumption that rural areas are inherently hostile to refugees and immigration and that refugee arrivals lead to anti-immigration sentiments and legislation. Rural areas are more anti-refugee at the baseline level, but this is reversed when these areas have concrete experience of asylum seekers making a positive contribution to the local socio-economic conditions, lending empirical evidence to sociotrop theories of explaining immigration attitudes. Furthermore, these results have policy implications: they open a way to investigating the receptiveness of those rural areas that suffer from population losses to refugee accommodation.

3.2 Theoretical background

The sudden increase of asylum seekers provides an exogenous shock that is likely to exercise pressure on candidates. Theories of spatial party competition in multi-party systems would expect candidates and parties to scope out their policy shifts in response to other parties and according to their comparative advantage on the electoral market. (Adams and Somer-Topcu 2009; Adams, M. Clark, et al. 2004) However, a number of factors might intervene, such as the party's legacy on the policy issue, the candidate's personal track record, a candidate appealing to a niche group rather than the electorate at large, ideological and institutional constraints, and district-specific characteristics. Moreover, looser party discipline means that there might be quite substantial within-party variation across candidates across different regions.

To this end, rather than looking at how parties respond to asylum seeker arrivals, it is more beneficial to examine candidates. A study by Broockman and Butler (2017) showed that voters often adopted the positions legislators took, even when legislators offered little justification or if voters previously opposed these policy positions. This means that in addition to providing the voters with policy options about refugee policies, candidates might also affect public opinion on the matter by changing their stance.

There is currently very limited knowledge on candidate-level attitudes to refugees and immigration. B. Jones and Joesten Martin (2017) shows that in the US candidates' anti-immigration cues increase public opposition towards immigration in areas affected by Hispanic migration. In Europe, Jensen (2020) examines how pre-2015 refugee arrivals shaped candidate characteristics in Denmark. Pettrachin (2020) examines mayors' responses to the 2015 refugee crisis in three Italian regions. Interviews suggest that mayors demonstrate very idiosyncratic reasoning when tackling immigration related issues under public pressure. Mayors in the

north succumb to a perceived public opposition and thus refrain from endorsing immigration and refugee intake. In contrast, Sicilian mayors dismiss citizen-level opposition and remain favorable to refugee intake, partly because they are aware of the importance of immigrants to the local agriculture and economy. The local policy responses of the political elites to refugee arrivals have otherwise remained unstudied. Overall, past research has shown politicians' values to be consistent and stable over decades. (Searing, Jacoby, and Tyner 2019) Politicians' values have proven to be more stable than that of the public in panel studies (Putnam, Leonardi, and Nanetti 1979; Granberg and Holmberg 1996; Jennings 1992), although repeated measures of the elite's values are difficult to find. The lack of existing longitudinal studies about elite responses to immigration shocks makes it hard to derive theoretical expectations about candidates' policy pledges.

The silence around candidate-level position taking is compensated for by a vast and growing field of citizen-level literature. These studies show very strong negative sentiments around the immigration issue. Immigration has boosted the vote share of parties with anti-immigration platforms (Brunner and Kuhn 2018; Harmon 2018 Barone et al. 2016; Baerg, Hotchkiss, and Quispe-Agnoli 2018; Dahlberg, Edmark, and Lundqvist 2012; Halla, Wagner, and Zweimueller 2017; Gerdes and Wadensjö 2008; Otto and Steinhardt 2014), reduced support for the welfare–state (Dahlberg, Edmark, and Lundqvist 2012) and redistribution (Lindqvist and Östling 2013). There is less research on the effect of refugee arrivals as opposed to immigrant arrivals, but seminal analyses on refugee arrivals in 2015 in Greece (Dinas, Matakos, et al. 2019; Hangartner et al. 2019) reinforce this negative pattern.

If immigration is such an important issue for the electorate, surely one could expect the elites to reflect this in their electoral pledges. However, the crucial difference between the electorate and the elites is political knowledge and access to information. As in Sicily, being aware of the financial benefits of immigration might make a politician more reluctant to oppose immigration. Ultimately, however,

in democracies all office holders must be elected, so one could not expect elite opinions to drastically differ from that of the local electorate. This dilemma is demonstrated by Gamalerio (2019) who shows that on average mayors are aware of the fiscal benefits of refugee intake in Italy, but refrain from taking refugees because of fear of public backlash.

Any heterogeneity among office holders is likely then to be at least somewhat endogenous with citizen-level heterogeneity in immigration attitudes. Existing literature explains possible deviations from the otherwise unanimous results among public attitudes to immigration and refugees by contact theory (Steinmayr 2020; Homola and Tavits 2018) and municipality size (Dustmann, Vasiljeva, and Piil Damm 2018; Barone et al. 2016; Harmon 2018). Steinmayr argues that areas that housed asylum seekers in Austria during the 2015 refugee crisis saw a decrease in vote for the far-right, whereas the areas that only saw asylum seekers pass by voted more for the far-right. Homola and Tavits (2018) specify that contact theory affects left-leaning voters rather those from the political right.

Analysis of refugee settlements in Denmark before 2015 proposes that refugee migration benefited anti-immigration parties in rural areas whereas pro-immigration parties did better in urban areas. The authors suggest that the reasons for this sharp rural-urban divide are different types of interactions and different types of people self-selecting to live in urban areas. Also Harmon (2018) and Barone et al. (2016) show that pro-immigration parties benefit from immigrant arrivals in urban areas. The authors theorize that immigrants benefit urban economies more in the form of cheap labor and that urban dwellers hold less negative stereotypes about immigrants because of more frequent interactions due to population density. Maxwell (2019) corroborates this rural–urban division by concluding that people self-select to live in urban or rural areas based on their existing levels of cosmopolitan outlook. An important strand of research debates the role of economic interests, namely labor market competition, as predictors for opposition to immigration.

(Hainmueller and Hopkins 2014) In relation to this debate, Baerg, Hotchkiss, and Quispe-Agnoli (2018) suggest that undocumented immigration triggers opposition mainly from wealthy areas among voters who would bear the costs of their social security. Indeed, the sociotropic evaluation of refugee arrivals and immigration in light of economic benefits is an emerging field of research. So far, it has been suggested that refugee arrivals in Africa vitalize the economy (Kreibaum 2016) but this does not translate to favorable attitudes by the locals, whereas in the US (Liao, Malhotra, and Newman 2020) positive local economic shocks generated by Chinese investments harness positive sentiments towards Chinese people.

Thus, so far, if we assume elite-level reactions to follow citizen-level reactions, we should expect voter backlash against asylum seekers in areas that received them (with contact possibly reversing this) and that this backlash should be more pronounced in rural areas due to the different kinds of people and different types of interactions in these areas. The assessment of asylum seekers might also reflect the local economic conditions and possible economic burdens or benefits associated with them. Still, as stated above, the elites differ from citizens demonstrably in their willingness to change their long-held attitudes, even if the citizens themselves updated their stands. Thus, any possible change in policy stances could be mitigated by the endurance of already established ones.

However, citizen-level literature can only offer pointers. There are currently no systematic theories to test about elite-level preferences for refugee intake. The contribution of this paper is to offer a causally identified study of candidate-level formation of refugee preferences and their policy implications. This opens a way to theorize elite-level policy formation.

3.3 The 2015 refugee crisis and the Finnish political context

The Finnish case is ideal for establishing the local policy implications of housing asylum seekers. Importantly, Finland has high-quality data about politicians' policy preferences over time. In addition, 2015 was a clear external shock to the Finnish system. The country saw a steep rise in applications for asylum in 2015: the usual 3,000—4,000 asylum seekers per year that Finland was used to turned to 32,476 in 2015, most of them arriving between September and December 2015. Municipalities received vastly different levels of asylum seekers and some not at all. This enables me to establish a plausible counterfactual about how this external shock affected policy stances.

In August and September 2015 asylum seekers had reached Finland mostly via Sweden and entered Finland in Lapland by foot at the Swedish border near the town of Tornio. The state reacted by establishing a distribution center in Tornio where the arrivals were registered and then randomly further distributed across Finland wherever reception centers had free space. Reception centers were established on a short notice in any municipality that had available housing and the locals had no scope in intervening in this decision (even though in many places citizens protested actively). This situation led to municipalities not even being aware of receiving asylum seekers until it was publicly announced, or when the bus carrying the inhabitants arrived. The process provoked outcry from inhabitants and politicians alike. There were seven attempted cases of arson at the premises used as reception centers and many more cases of vandalism, but none of these intervened with the establishment of the reception centers.[6]

On the whole, however, Finnish citizens were not very opposed to the idea of

[6]For potential self-selection bias, see robustness checks.

opening reception centers. A survey ran at the height of the refugee crisis in August 2015 showed that an overwhelming majority of citizens accepted the establishment of new reception centers. However, citizens were concerned about the generous subsidies the asylum seekers received and feared that they would never pay taxes or integrate to the society but would bring crime with them. (See tables A5 and A6 in Appendix A.) Rural respondents were systematically more skeptical of taking asylum seekers than urban respondents (See tables A7 and A8 in Appendix A). Accordingly, also politicians' baseline refugee stances in 2012 were less welcoming towards refugees in rural areas than in urban areas.[7]

The application process is handled by the Immigration Office and the national government bears all the expenses. Asylum seekers are free to move in the area, study and, three months after filing for asylum[8], work. At the end of the process the applicant is either returned to the country of origin or then granted asylum.[9] Once granted asylum, the resident starts the integration process in a municipality which has agreed to take refugees. The municipal council decides if it takes refugees who have been granted asylum and need an integration scheme. Thus the principal dependent variable of this paper, whether or not a municipality should take refugees under this scheme, is one of tangible policy outcomes. Via casting their votes for candidates of a certain stance, the electorate gets a chance to influence the municipality's refugee intake for the next council's tenure. The Finnish state has had problems in accommodating refugees because it cannot force any municipality to do

[7]On a scale from 1 (Strongly agree) to 4 (Strongly disagree), the politicians' mean response to the statement *My municipality should receive refugees that have been granted asylum in Finland* was 1.97 in urban areas and 2.45 in rural areas. The confidence intervals of the means do not overlap. However, there are no ceiling effects, as there is still more than one standard deviation's room for pro-refugee shifts in urban areas for both public opinion and politician's issue stances.

[8]Six if the applicant does not have a passport.

[9]Roughly 27 % of the arriving asylum seekers in 2015 received refugee status.

so. Volunteering to take refugees according to the integration scheme is a decision the municipality enters with full autonomy, while managing a reception center for asylum seekers is a national matter beyond the municipality's scope of control.[10]

3.4 Data and methodology

Compared to aggregate-level data and national-election results, having municipality-specific data allows teasing out the within-party variations in policy responses to asylum seeker arrivals. As open-list systems have looser party discipline (Carey and Shugart 1995), what candidates propose and how they get rewarded varies by electoral context. (Hyytinen et al. 2018; Matakos, Savolainen, Troumpounis, et al. 2019) Because of loose party-discipline and observed within-party variation across regions, rather than looking at spatial shifts among parties, this paper can establish within-candidate shifts in policy proposals. How did individual candidates change their position overtime? Looking at candidate's opinions allows me to directly measure the evolution of refugee stances. Whether candidates update their stances due to personal convictions or to please the voters, what matters for actual policies are the pre-election policy pledges and the materialized policy outcomes. Moreover, policy pledges can be treated as revealed preferences rather than stated preferences because the politician making them sets them with the hope of harnessing the crucial amount of votes to get elected to office.[11]

The candidate-level data on policy pledges are generated by the popular[12]

[10]For further information on the Finnish political system, see Appendix B.

[11]Asylum seekers arriving in the summer of 2015 were excluded from the April 2017 municipal elections, so their presence could not influence the outcome of the 2017 elections via voting or running as candidates.

[12]VAAs are widely used in Finland, see Appendix B. Filling in the VAA is not compulsory but those who do, perform better. There is no discernible difference between the respondents' profile

Finnish Voting Advice Application (VAA) system.[13] In candidate-centered system candidates can greatly differ between each other within the same party. Therefore, the VAA system lets candidates fill in pre-structured on-line surveys where they announce their support or opposition for a set of proposed values and policies. The voter then can fill in the same survey, and a pre-set algorithm calculates the best match for the voter. The voters can compare candidates between each other and learn more about their issue stances. It is in the candidate's interest to fill in the questionnaire as accurately and strategically[14] as possible in order to attract the maximum number of the kind of voters they are seeking. The candidates see this platform as a chance to bring their opinions forward and answer the questions carefully. In their answers, candidates get a chance to maximize their votes; however the VAA also serves as a testament to how they would *personally* vote in the council once elected, meaning that they can be held accountable for what they answer.

The primary outcome variable of the study is the potential change in candidates' responses to the question *My municipality should receive refugees that have been granted asylum in Finland.*[15]. This question is indeed an optimal one to capture

and the response rates between treated and non-treated areas.

[13]For literature on VAAs and their usage see for example Rosema, Anderson, and Walgrave (2014). For VAAs in political science in the Finnish context see Matakos, Savolainen, Troumpounis, et al. (2019).

[14]Candidates might respond to the questions after acknowledging the public opinion of the constituency or they might fill in the questionnaire according to their own personal convictions irrespective of the public opinion. This paper remains agnostic about the reasons behind the candidates' answers, but treats them as a manifestation of the constituency's political climate.

[15]Both in English and in Finnish this question can be interpreted as either "my municipality should in, my opinion, take refugees" or "laws dictate to take refugees". However, as the answer ranges from "strongly agree" to "strongly disagree" candidates should, and in practice do, understand that this is a normative statement that they either agree or disagree with, in line with all the other normative statements in the survey. Other included questions are for

support for immigration, as the lowest overall agreement is found among the openly anti-immigration Finns' Party and highest agreement is found among the openly pro-immigration Green Party.[16]

This question was asked both in 2012 and 2017 in the largest national VAA provided by the Finnish Broadcasting Company YLE (N = 16,740 in 2017 and N = 19,330 in 2012). I examine the change in responses to this question from the same candidates between 2012 and 2017 as a function of having housed asylum seekers in 2015 in the constituency. 5,763 candidates filled in the refugee-related question in both time points. After deducting the candidates in areas with already existing reception centers, this number is 4,310. The data are also matched with the amount of votes that the candidate received in municipal elections in 2012 and 2017, as provided by the Finnish Ministry of Justice and municipality-specific demographic and economic information, obtained from Statistics Finland.

To extend the analysis from municipal politicians to national-level politicians, in one model I use the VAA of the largest Finnish daily newspaper, Helsingin Sanomat, for the 2017 municipal election (N = 11,424) and its counterpart for the 2015 parliamentary election (N = 1,764). The parliamentary elections were held in April 2015, just a few months before the escalation of the refugee crisis, providing a neat pre-treatment data source.

These data are matched with the candidate's treatment status. Following Tumen (2016), in order to correctly assess the impact of asylum seekers in each context, the treatment indicator is calculated by dividing the total number of places in the newly established reception center by the total amount of inhabitants in the municipality

example "Elderly people should have a free place in a care home", "We should prioritize jobs over environmental values", and "Privatizing the health care system brings savings and efficiency to the municipality".

[16]For descriptive statistics on the distribution of the outcome variable, see tables A3 and A4 in Appendix A.

(asylum seekers are not included in the official statistics). The maximum capacity is used to measure treatment intensity[17], as there is no gathered information about the number of asylum seekers in each given time point in each municipality. The code of conduct in 2015 was that pre-existing centers were filled first, after which new ones were opened and filled right away to the maximum. When occupancy rates began to drop, the reception centers were shut. Thus the maximum capacity is a realistic measure of treatment intensity. The rationale behind this is that the relative size of the host community with respect to the arriving asylum seekers is bound to affect how salient the issue is and how much it affects the daily life of the municipality. Moreover, municipalities of different sizes differ greatly in their economic features and, as previous work demonstrates, their size determines the extent and the nature of contact between locals and asylum seekers. In order to measure the intensity of asylum seeker arrivals as accurately as possible I also count the days that the reception center was in use for.

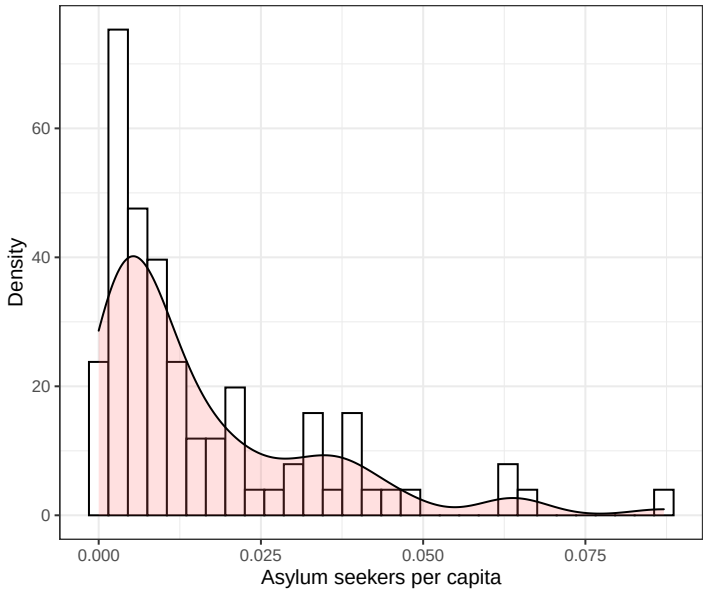


Figure 3.1: Distribution of the treatment variable, defined as the share of asylum seekers per capita in the municipality.

[17]For simplification purposes, this will always be referred to as "asylum seekers per capita", although realistically it means "beds in reception center per capita".

Existing pre-treatment levels of asylum seekers and change in these numbers can be hypothesized to trigger differing reactions from first-time exposure to asylum seekers. (Kaufmann 2017) I therefore exclude all the municipalities that had asylum seekers' reception centers in place prior to 2015. Of the 295 municipalities in mainland Finland (autonomous Åland Islands excluded), 87 opened a reception center without a previous center and 22 already had a reception center in place. This leaves a control group of 186 municipalities that received no asylum seekers. The share of asylum seekers per capita varies between 0 and 8.7 percent of the municipal population. As visible from Figure 3.1, the distribution is positively skewed. To make sure that the results are not driven by outliers, I also use the natural logarithm of the treatment variable as a robustness check.

The only prerequisite for treatment was available housing. As will be discussed in the next sub-section, this has implications for the research design, as urban areas are more likely to be able to offer housing. Moreover, if the municipalities have self-selected to receiving asylum seekers, then any treatment effect will be clouded by some non-observable underlying willingness to opt in to the treatment. To alleviate concerns that the municipalities would have volunteered to house asylum seekers and thus any change in policies would be endogenous with the treatment, I analyze the results of a survey run by the Finnish Broadcasting Company YLE in September 2015 that asked incumbent mayors and the chairmen of the municipal councils about the prospects of establishing a reception center in the municipality. At that time the existing reception centers were filling up quickly and the Immigration Office was beginning to look for new centers. Of all respondents, 50 % replied that they would welcome a reception center, 35 % were unsure of their stance and 15 % said they would oppose a center. 31 % of favorable municipalities ended up getting a reception center in the course of 2015–2016 and 29 % of those that rejected the idea still saw a reception center open in their municipality. The small difference between the realized outcome in willing and unwilling municipalities

alleviate concerns of self-selection into the treatment.[18]

Most of the established reception centers, 67 out of the total 92 established centers, were opened in partnership with private landlords such as hotels and private hospitals that made use of the opportunity to hire their facilities. This way the Immigration Office was independent from the municipal council and avoided the process of getting municipal approval for the centers. However, in 25 municipalities the Immigration Office used municipality-owned premises, which required the municipalities' consent.[19] To address this possible self-selection of the 25 municipalities where the premises were municipally owned, I conduct further tests in the robustness-section to show that the estimates hold across different treatment definitions.

3.4.1 Empirical Strategy

To examine the net effect of receiving asylum seekers on policy pledges, one would need to be able to rule out all confounding factors and assess how the intervention affected the candidate personally, taking all other candidate, party, year, and municipality-specific characteristics into account. Moreover, the allocation of asylum seekers into municipalities is not a random process: in order to house asylum seekers, the municipality needs to have available housing. This condition makes

[18]Full results for this survey as well as detailed information about the circumstances of treatment allocation available from the author.

[19]Most often this consent was obtained with a quick administrative decision by the municipal board thus making it immune to political debate. One municipality, Kaustinen, managed to veto the arrival of a reception center, because the council voiced the locals' concerns and prohibited the use of the local school-building as a reception center. Likewise, the Finnish Immigration Office identified one municipality that actively volunteered to take asylum seekers, Tampere. For more on the random allocation of reception centers based on available housing and testing the as-if-random-assumption, see the appendix.

cross-sectional studies unreliable, as units with and without available housing might differ also on non-observable characteristics.

To overcome these problems, I utilize a difference-in-differences strategy that measures the internal change within treated and non-treated units and then subtracts the change between these units to establish the average treatment effect of the treated (ATT). I calculate how local politicians' VAA responses changed between 2012 and 2017 in areas that received asylum seekers and contrast this with how similar politicians' responses changed in areas that did not receive asylum seekers (counterfactual). The quantity of interest is the ATT and is estimated by the following setup:

$$\alpha = \{E[Y_{i2017}|D_i = 1] - E[Y_{i2012}|D_i = 1] - E[Y_{i2017}|D_i = 0] - E[Y_{i2012}|D_i = 0]\} \tag{3.1}$$

where D_i is a treatment variable that equals one when municipality i housed asylum seekers in 2015 and is zero if the municipality did not. To estimate α, I use the standard fixed effects regression:

$$Y_{tij} = \delta_t + \lambda_j + \alpha\,\text{Treatment}_{ti} + X_{ti}\beta + \varepsilon_{tij} \tag{3.2}$$

where Y_{tij} is the stance of candidate j in municipality i, in time t, δ_t is a year-specific fixed effect, λ_j is a candidate specific fixed effect, Treatment_{ti} is the continuous treatment variable switching on when the municipality received asylum seekers, $X_{ti}\beta$ is a vector of time-varying covariates and ε_{tij} denotes the error term. The ATT is given by α. To account for heteroskedasticity and serial correlation, I cluster standard errors at the municipality level.

An advantage of having candidate-level fixed effects is that, because I only match candidates that run in the same municipality for the same party in both time points, the candidate fixed effects have inbuilt party and municipality fixed effects. In

practice this means that possible personal confounding factors such as age, gender, political affiliation are controlled for, as well as time-invariant municipality-specific characteristics, such as proximity to the capital and being a university town.

However, some municipality-specific attributes might change over time, such as the share of foreigners and graduates, and the level of urban density. To make sure that these time-varying features are not driving the results, I add time-varying and demographic control variables.[20] These controls are: level of urban density (measured as the share of buildings less than 200 meters apart in the municipality), the share of foreigners in the municipality, population in and out flows of the municipality, the share of Swedish-speaking people[21] in the municipality as well as the share of people with higher education in the municipality. All these controls are used to account for changing economic or demographic conditions driving the results rather than the treatment. These controls also address that urban areas were more likely to receive asylum seekers than less urban areas. To avoid the "bad controls"-problem (Angrist and Pischke 2009) I do not include any controls that could be themselves affected by the treatment. These omitted controls are economic attributes that will be later used as outcomes, because the intervention might affect the economic performance of the municipality directly.

The above model conditions on running twice. However, deciding either to quit

[20]Although a DiD design does not require balance between treated and non-treated units, balance tests in figure A1 in Appendix A show very similar characteristics between treated and non treated units, with the exception of treated areas being more urban. When sub-setting the units to rural and urban municipalities, rural units show perfect balance. Most importantly, the annual contribution margin, the amount of money the municipality can spend on its inhabitants after taking care of its responsibilities dictated by law, is perfectly balanced, showing that municipalities were not treated due to their economic performance.

[21]The share of Swedish speaking people is included because Swedish speaking areas differ in many observable and observable characteristics from Finnish speaking areas.

or join the race in 2017 could be a treatment effect in itself. To check whether compositional effects at the party-level differ from individual effects, I relax the candidate fixed effects to extend the study to go beyond those candidates that ran twice and include all the candidates that answered the refugee question at either time point. Appendix C has more information about this model.

Preferences for refugee intake might not only be affected by how intense the presence of asylum seekers was, but also by for how long they stayed in the constituency. (Steinmayr 2020) To test this, I take the log of the days that the municipality had a reception center for at the time of the 2017 election and interact it with the share of asylum seekers in the municipality. This is expressed by the following equation:

$$\begin{aligned} Y_{tij} = \delta_t + \lambda_j + \beta_1 \text{Treatment}_{ti} + \beta_2 \text{TreatmentLogtime}_{ti} \\ + \beta_3 \text{TreatmentLogtime}_{ti} \times \text{Treatment}_{ti} + X_{ti}\beta + \varepsilon_{tij} \end{aligned} \tag{3.3}$$

where Y_{tij} is the stance of candidate j in municipality i, in time t, δ_t is a year-specific fixed effect, λ_j is a candidate specific fixed effect, Treatment_{ti} is the reception center's capacity divided by the population size, $\text{TreatmentLogime}_{ti}$ is the log of the days the municipality has had a reception center for before the 2017 election, β_3 is the interaction of treatment and time, $X_{ti}\beta$ is a vector of time-varying covariates (controls) and ε_{tij} denotes the error term.

The key assumption behind the DiD design is that in the absence of the treatment (suddenly housing asylum seekers in 2015) the treated and non-treated municipalities would show similar trends in electoral behavior. However, in this case the treatment variable is a continuous one, which poses a problem for visualizing parallel trends. In addition, the main dependent variable was not asked in any election before 2012. To make sure that the parallel trends hold in this case, I run a placebo regression by regressing the dependent variable from 2012 on the continuous treatment variable.

The resulting coefficient is statistically insignificant, ($p = 0.55$), so we can rule out pre-existing trends in the used outcome variable.

In addition, by following the municipalities' political climate in terms of votes cast since 2000[22] we can see that until the municipal elections of 2012, the last municipal elections before the refugee crisis, treated and non-treated municipalities voted in similar ways. Although the levels are different for some parties, due to treated areas being more urban, the trends are the same. Especially noteworthy are the overlapping lines for the anti-immigration Finns' party (Formerly known as True Finns) between treated and non-treated areas. This enables me to rule out the suspicion that municipalities were treated or not treated because of their anti-immigration tendencies.

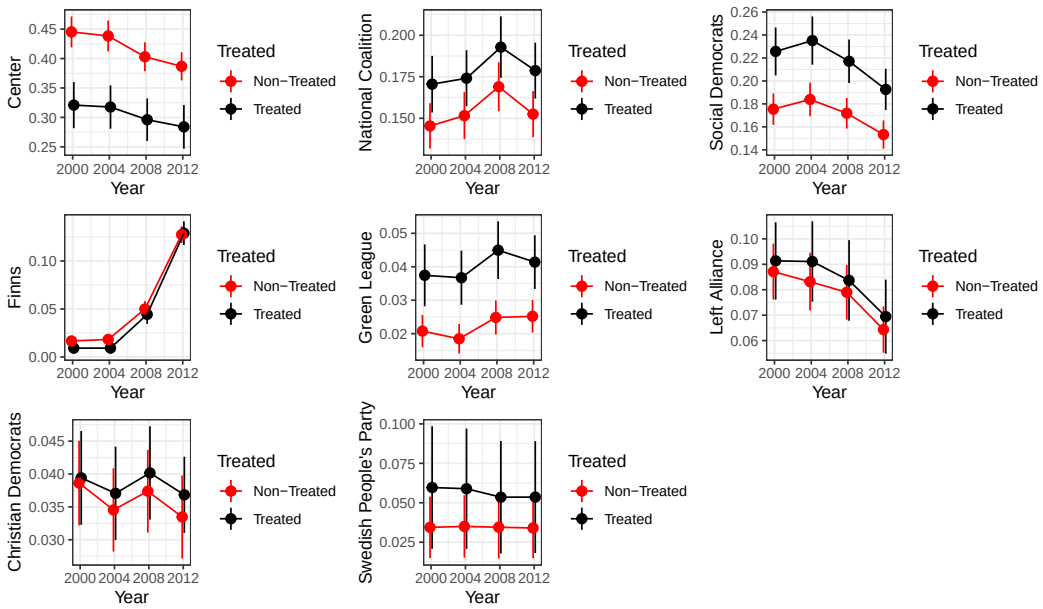


Figure 3.2: Mean vote share (in percentages) in municipal elections for each party represented in Parliament between years 2000 and 2012 for treated and non-treated municipalities with 95 % confidence intervals.

To further strengthen the validity of the design, I show that time-variant municipality-level economic and demographic characteristics since 2000 up until

[22]The cut-off point was chosen because it best allows comparing different parties as there are many changes in the Finnish political landscape throughout the 20$^{\text{th}}$century.

the treatment show no differences in trends between treated and non-treated municipalities (see figure A3 in Appendix A).[23]

3.5 Results

I start by estimating equation (3.2) presented above: A fixed effects regression of the candidate's policy stance on the share of asylum seekers in the municipality, with and without covariates, using the National Broadcasting Company's question: "My municipality should receive refugees that have been granted asylum in Finland". The following table summarizes the results.

The candidates move down on the 1–4 scale by 0.048 on average with every 1 % increase of share of asylum seekers in the population, meaning a favorable change of opinion on refugee intake.[24] These results mean that the larger share asylum seekers constitute of the local population, the more positively the candidates begin to see taking refugees in the municipality. Model 2 confirms that time-varying covariates do not affect the causal estimates. To make sure that outliers –municipalities with an unusually high share of refugees per capita– are not driving these results, I take the natural logarithm of the share of asylum seekers in a constituency and check if the results are affected. The coefficients remain negative and highly significant (see D1 in Appendix D for results). These results are average treatment effects per a one percent increase in the share of asylum seekers. At the highest end of arrival intensity, 8.7 percent of asylum seekers with respect to the local population, this would predict an effect of about half a standard deviation, which is in line with magnitude from similar research (Hangartner et al. 2019).

[23] A potential violation of the research design is the stable unit treatment value assumption (SUTVA) To address SUTVA I conduct robustness checks.

[24] As the question regarding refugees is formulated in the affirmative, a negative coefficient means agreeing with the affirmative, thus it is referred to as a "pro-refugee shift".

Research with a comparable research design (Dinas, Matakos, et al. 2019) finds a 0.6 percentage point effect in vote share per a one percent increase in asylum seekers per capita. By turning the coefficients into percentages of the scale, I get a comparable estimate of a 1 % pro-refugee shift on the scale with every one percent increase in asylum seekers per capita.

Table 3.1: The candidate's answer to "My municipality should receive refugees that have been granted asylum in Finland" between 2012–2017, 1 (strongly agree) – 4 (strongly opposed). A negative coefficient denotes a shift in a more accepting position.

Model	(1)	(2)
	Refugee stance	Refugee stance with covariates
Refugee exposure	−0.051*	−0.048*
	(0.014)	(0.014)
Candidate fixed effect	yes	yes
Election fixed effect	yes	yes
N	4,310	4,310
Clusters	273	273

Note: Models 1–4 present OLS fixed effects regressions with clustered standard errors in parentheses. Model 1: Share of asylum seekers per capita. Model 2: model 1 with covariates.
* $p < 0.01$

Next, I estimate the effect that housing asylum seekers has on the composition of party lists by relaxing the candidate fixed effect. The estimate is even stronger in this case: parties propose more refugee-friendly new candidates to replace those who quit the race as the proportion of housed asylum seekers grows in the constituency. (Results in table D2 in Appendix D). The causal estimates achieved at the candidate level thus reflect a wider treatment effect on party lists. But where does this average treatment effect come from? Is it one party changing its stance or is the effect scattered across the political spectrum? Table 3.2 summarizes the results per party. The results demonstrate that the effect comes from across the political spectrum.[25]

[25]Parties that do not react to the treatment have already high support for refugees and ceiling effects that constrain movement on the scale.

These results are also robust to adding time-varying controls.

Table 3.2: The candidates answer by party to "My municipality should receive refugees that have been granted asylum in Finland" between 2012–2017, 1 (strongly agree) – 4 (strongly opposed) A negative coefficient denotes a shift in a more accepting position.

Model	1	2	3	4	5	6	7	8
	SDP	KOK	KESK	PS	VAS	VIHR	KD	FSP
Refugee	−0.070*	−0.010	−0.058*	−0.105*	−0.003	−0.016	−0.152*	−0.040
exposure	(0.034)	(0.034)	(0.026)	(0.036)	(0.023)	(0.047)	(0.077)	(0.032)
Candidate fixed effect	yes	yes	yes	yes	yes	yes	yes	yes
Election fixed effect	yes	yes	yes	yes	yes	yes	yes	yes
N	747	927	1,117	383	370	328	166	187
Clusters	250	252	267	242	196	184	201	39

Note: Models 1–8 present OLS regression with clustered standard errors in parentheses. Model 1: Social Democrats. Model 2: National Coalition. Model 3: Center Party. Model 4: Finns party. Model 5: Left Alliance. Model 6: Green League. Model 7: Christian Democrats. Model 8: Swedish People's Party.
*$p < 0.05$

Especially notable is the strong treatment effect among the traditionally anti-immigration Finns Party (PS). The already more anti-refugee values are more easily affected, but at the national level there was a marked anti-refugee shift among the candidates of the Finns Party (See tables A3 and A4 in Appendix A). This attests to how the Finns Party candidates are especially effected in their refugee attitudes when their municipality manages a reception center.[26] Seeing that research has shown that candidates do not change their minds, it is striking that there is a uniform effect across parties to update candidates' refugee preferences. As an example, at the highest end of arrival intensity, 8.7 percent of asylum seekers with respect to the local population, the model predicts a 34.8 % more welcoming position toward refugees amongst the Christian Democrats.

[26]This internal division is especially important seeing that after the 2017 elections the Finns Party split into two, the more moderate Blue Reform and the overtly anti-immigration Finns Party.

Moreover, further analysis shows that this effect extends to career politicians who ran both in the 2015 parliamentary elections and the 2017 municipal elections. When examining the question *If the state offers the establishment of a reception center for asylum seekers in my municipality, the offer has to be accepted*, by the largest Finnish Daily Helsingin Sanomat, I find that all parties, with the exception of those parties that had already high pro-refugee stances, shift towards a more reception-friendly stance in municipalities as the share of asylum seekers per capita increases. This applies, irrespective of higher party cohesion, to the Finns Party as well. If the career politicians' reaction was driven by incumbency with those in power defending the government's management of the refugee crisis,[27] there would be no cross-party effect and no difference between areas with and without asylum seekers. Instead, career politicians let themselves be influenced by the local experience in deciding and updating their stances on refugee policies. For these results, see table D5 in Appendix D.

So far these results indicate that: **1.** rather than party ideologies, candidates across parties decide and update their policy pledges regarding refugee intake on the basis of their personal experience of having housed them; and **2.** that receptiveness grows as the intensity of asylum seekers' presence grows. In what follows I investigate more closely how and why intensity explains these shifts in policy stances.

3.5.1 Urban Density and Population Size

The mean of the reception centers' capacity is 173 persons and the median is 150, so it cannot be the size of the reception center that explains this, but rather the size of

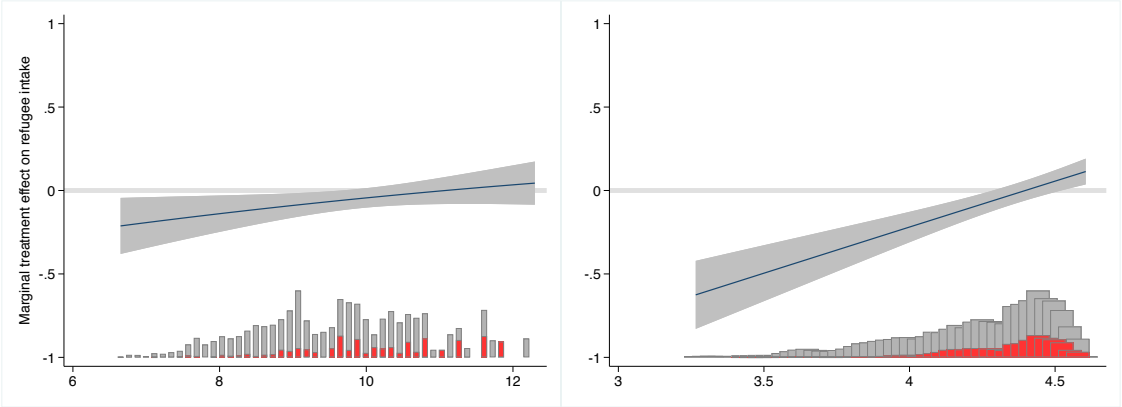
[27]The incumbent parties at the time were The Center, the National Coalition, and the Finns Party.

the municipality.[28] To investigate this further I interact housing asylum seekers with the logged population of the municipality. Following Hainmueller, Mummolo, and Xu (2019), I investigate the interaction effects by relaxing the linearity assumption.[29] All these interactions include candidate and year fixed effects. Figure 3.3a confirms that a decrease in population size leads to a more welcoming refugee stance after housing asylum seekers, but the estimates are null for most of the spectrum.

There are good reasons to believe that, rather than population size, it is urban density (share of buildings less than 200 meters apart in the municipality) that explains heterogeneous policy responses to housing asylum seekers. Small population size can mean either a rural village or a highly urbanized suburb in an urban cluster. As previous research suggests, rural and urban areas provide very different contexts for the reception of asylum seekers and this accounts for the variation in treatment response. Indeed, I get substantial differences in causal effects when interacting the treatment with urban density, but these estimates differ from what previous literature on the rural–urban divide would suggest: the less urban a municipality is, the higher the pro-refugee shift among the future policy-makers.

[28]For independent variation of population size, population change, urban density, and treatment intensity, see table A2 in Appendix A.

[29]Before running the interactions I also check for common support (that there are treated and non non-treated municipalities across the spectrum of the used moderator) and remove single influential observations. Due to the limited number of Finnish municipalities there are few observations at the extremities of the spectrum. Although not visible due to the small sample size, there is common support across the spectrum, and material for this is available on demand. The larger confidence intervals at the ends of the x-axis account for the uncertainty stemming from the limited sample size.



(a) Population size as moderator **(b)** Urban density as moderator

Figure 3.3: Predicted marginal effects for the effect of receiving a reception center on refugee intake for candidates, shaded areas denoting 95 % confidence intervals.

The predicted marginal effect for the least dense areas is about 0.5 on the scale of 1–4, over a 1/2 standard deviation, meaning a 12.5 % pro-refugee shift, which then gradually changes to a slight, but significant anti-refugee shift in more urban municipalities. The average share of refugees per capita in municipalities officially defined as rural is 2.5 % and the median is 2 %. This means that the the coefficient in table 3.1 referring to the effect of a 1 percent increase of asylum seekers in a municipality on the candidates' refugee stance (-0.051) is roughly half of the average treatment effect of housing asylum seekers in a rural community. These results also show that there is no universal response to housing asylum seekers, but that the effects differ across the scale of urban density.

3.5.2 Policy implications

These results have clear policy implications, as these electoral promises are reflected in the composition of the newly elected municipal council. In rural areas that housed asylum seekers, the mean of the municipal council's refugee stance became 15 % more pro-refugee from the previous council's. In bigger cities, the mean shifted by just 6 %. Following time trends, there is also a pro-refugee shift in areas that did not receive asylum seekers, but there the difference between rural

and urban areas is non existent: in both cases it is an 8 % shift.[30] This shows that receiving asylum seekers has the biggest policy effect in rural areas, while if anything, in urban areas housing asylum seekers dampens the overall time trend of becoming more pro-refugee in the council.

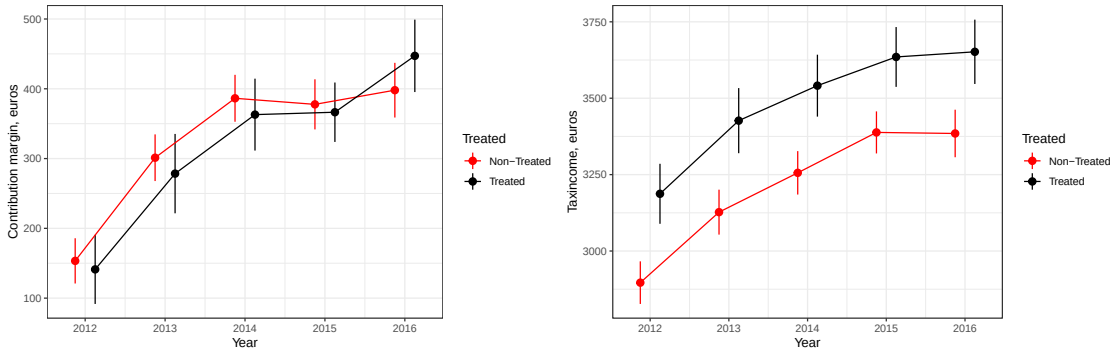
These effects translated into decisions: housing asylum seekers in 2015 lead to an increased likelihood to take refugees according to the integration scheme. In the period after 2015 74 % of treated municipalities opted in to the refugee integration-scheme, whereas only 44 % of non-treated municipalities did so. When considering only rural municipalities, this difference gets stronger: 81 % of treated rural municipalities volunteered to take refugees, whereas 37 % of non-treated rural municipalities did so. This is different from what existing literature would suggest and differs from existing policy practices. How can we explain these shifts in immigration preferences?

3.6 Proposed mechanism

Literature on citizens' immigration attitudes shows that rural areas are more hostile toward refugees than urban areas (Barone et al. 2016; Harmon 2018; Dustmann, Vasiljeva, and Piil Damm 2018; Maxwell 2019) Why does this analysis focusing on policies bring opposite results? It might be that the political elite is disconnected from what voters want, but however, my findings show that Finnish voters did not punish politicians for pro-refugee shifts.

[30]Compositional effects account for these differences, too, not just candidates who ran repeatedly. However, as table D2 shows, compositional effects echo the candidate-level effects. Moreover, analysis of vote shares as a function of a change of opinion shows that a pro-refugee shift was not punished for by the voters in general. Instead, an anti-refugee shift was punished for by the voters at the polls in rural municipalities that received asylum seekers, but it augmented the vote share in big municipalities that received them.

Instead, the political elite could be aware of the municipalities' financial challenges. Previous research by Harjunen, Saarimaa, and Tukiainen (2019) shows that small municipalities in Finland suffer from municipal mergers. It would be thus a small municipality's incentive to find ways to improve the local economy to avoid a forced merger. The treatment might induce the politicians to start taking refugees to enhance the economic performance of the municipality. I check this with a differences-in-differences analysis with economic performance as the outcome. Table F1 in Appendix F summarizes the economic indicators of municipalities. One variable stands out: the annual contribution margin per person increases by 70 euros per person on average in municipalities that housed asylum seekers. Tax-inflows are not affected on average.



(a) Annual contribution margin, euros **(b)** Tax income, euros

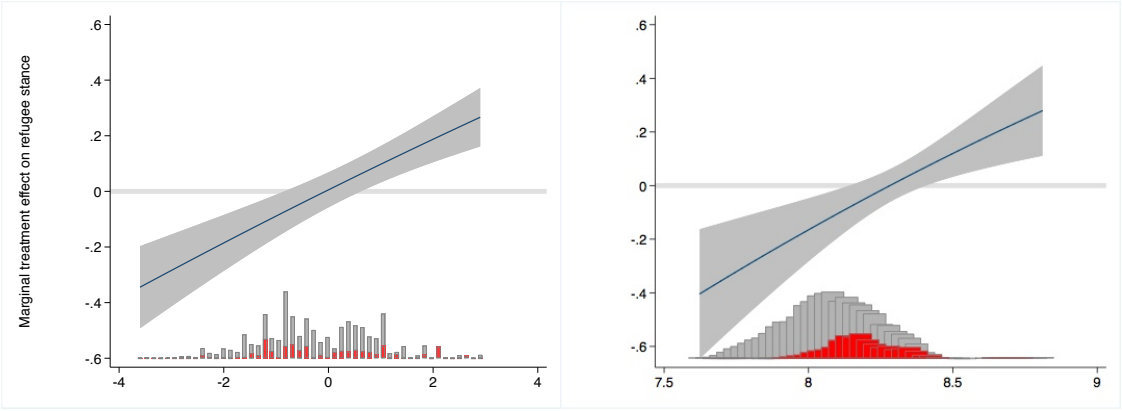
Figure 3.4: Mean contribution margins and tax incomes (in euros per person) in municipalities between years 2012 and 2016 for treated and non-treated municipalities, with 95 % confidence intervals.

As seen in Figure 3.4, in the short run, the economic gains of asylum seeker accommodation are thus coming from public transfers.[31]

Rural areas suffer from population outflows. Lack of population then leads to economic problems such as lack of tax revenues, lack of services and lack of

[31] With a significant intensity–duration interaction effect, tax income is boosted only in those cases where the share of asylum seekers per capita was high and lasted longer. This reinforces the argument that small municipalities benefited most from housing asylum seekers.

employment possibilities. Thus areas that are less self-reliant due to population shortage are also more dependent on state subsidies. I examine the effect of housing asylum seekers on refugee policy stance by interacting the establishment of a reception center with population change (in percentages) of the municipality and logged tax revenues of the municipality. The following figures demonstrate the marginal effects of these interactions.



(a) Population change as moderator **(b)** Tax revenue as moderator

Figure 3.5: Predicted marginal effects for the effect of receiving a reception center on refugee intake for candidates, shaded areas denoting 95 % confidence intervals

The more a municipality is losing from its population, the more politicians become willing to take refugees as a result of housing asylum seekers. Tax revenues show almost identical results: the less tax revenue a municipality has, the more favorably politicians see future refugee intake as a result of receiving asylum seekers in the municipality. Population loss and a demure financial situation induce refugee friendly thinking in the receiving municipalities. However, this effect declines steadily as the municipality gets wealthier and more populated. Candidates in areas that are in no need of new inhabitants and have more income tax react instead negatively to asylum seekers' arrivals and do not think that future refugee intake is the right policy for the municipality.

Politicians' open-ended answers to the VAA question confirm these results. The following table sums key arguments for taking refugees by population size and

treatment status.[32]

Table 3.3: Frequencies of key words reasoning for refugee intake (stance "strongly agree" or "somewhat agree" in the municipality by population size and treatment status, in percentages).

Type of municipality	Population	Duty and Help	Jobs	Experience
Small, treated	11.6	20.2	13.8	3.7
Small, non-treated	8.4	22.2	14.4	2.0
Big, treated	5.0	32.8	10.2	1.6
Big, non-treated	6.0	32.7	11.5	1.7

The clearest difference between municipalities that received asylum seekers is that the word "population" is mentioned in 11.6 % of the answers in small municipalities, but only 5 % of the answers in big municipalities. In contrast, 32.7 % of the answers in large housing municipalities mention words related to duty or obligation to help others but only 22.2 % in small affected municipalities. The words "job" and "experience" are mentioned evenly throughout the categories but have the highest frequency in small municipalities. To illustrate the mechanism, I quote open-ended survey responses reasoning for refugee intake from a small municipality (Saarijärvi) and a large municipality (Espoo), both having housed asylum seekers: *We would get new inhabitants to Saarijärvi from people who have received asylum and their integration would bring new jobs to the municipality.* Versus: *Espoo is a wealthy municipality, we can afford to help those in need.* The experience of housing asylum seekers is translated to tangible benefits (especially boosting population) in small municipalities whereas in larger ones it is associated with more abstract ideas of moral duty to help others.

Based on this evidence, I propose that the experiences of 2015 made rural politicians update their sceptical stances in favor of refugee intake when experiencing the tangible benefits their communities received, namely state transfers and receiving

[32]Appendix G provides information about coding these words.

new inhabitants. Candidates running for office in more populated and thus wealthier municipalities, or in unaffected rural municipalities, assessed the issue as a question of solidarity and responsibility rather than an economic investment. Seeing refugees as a practical investment trumped political ideologies in receiving rural areas, whereas seeing refugees as a humanitarian duty created polarization in affected urban areas.

3.6.1 Ruling out alternative mechanisms: Incumbency, marginality, contact, and self-selection

The incumbents who were in the municipal council when the asylum seekers arrived might feel the need to agree with refugee intake because it could look as if they had authorized the reception center. If this is the case, the results are driven by rationalization bias. To check for this I interact treatment with having a seat in the municipal council at the time of the 2017 election.[33] Results confirm that incumbency is not related to the treatment effect—positive reactions don't stem from incumbents defending the establishment of the reception center. (Results in table D3 in Appendix D).

On a related note, challengers might have their own reasons for formulating their stances: if incumbents seemingly bear the responsibility for having asylum seekers in the municipality, they might formulate their stances challenging the status-quo. Alternatively, being close to getting a seat in the council might want to make challengers to particularly adopt to the new refugee-friendly political climate in the municipality. I test this by running the fixed effects regressions for those candidates who ran repeatedly in 2017 that: **1.** were spare between 2012–2017 (challengers); and **2.** those that lost in 2012 (losers). [34] None of the models

[33]In Finland the municipal councils are not divided into governments of the mayor's party and opposition of other parties, but the council takes joint responsibility for its majority's decisions.

[34]As the subject is particularly challenging for the Finns' party, I also subset the data only to

show that electoral competition would explain the formation of issue stances – the effect is similar for all candidates, including the Finns. However, being a loser in 2012 increases anti-refugee stances overall at the national-level among the candidates – a further attestation of the treatment having a dampening effect on anti-immigration attitudes. (See table D4 in Appendix D.)

Dustmann, Vasiljeva, and Piil Damm (2018) propose that the key to rural–urban division in attitudes to refugees lies in the type of contact people have: the more everyday interactions, the better the relationship. While the authors use this to argue for better inter-group relationships in cities, one could argue that this accounts for the findings of this paper, too: In smaller communities it is more likely to come into personal contact with asylum seekers than in cities, and maybe this difference in the nature of contact accounts for the pro-refugee shifts. I test this by sub-setting the data to small but densely populated municipalities and small and sparsely populated communities. The results of this analysis confirm that population size is not driving pro-refugee stances: it is still low population density. Contact is even less likely to happen in areas where buildings and people are rather at driving distance than walking distance away, so everyday interactions are not likely to drive these results (table D7 in Appendix E).

In addition to the smallness of the municipality, contact is more likely to happen in places where the asylum seekers were staying for a longer period. Staying in a place rather than just passing by is crucial for contact to happen and Steinmayr (2020) finds that this difference translates to political behavior. I test for this with specification (3.3), which interacts the share of asylum seekers in the municipality with the log of the days they were staying in the municipality for. This analysis confirms that this is not the case: duration of housing asylum seekers does not account for any variation in treatment response (For results

include the Finns, but there are no effects, analysis available on demand.

see table D6 in Appendix D).

What if the treatment effect is actually a reflection of the initial population shortage problem and not a response to housing asylum seekers? To address this, I examine how politicians answer questions that propose to implement financial incentives for having children in the municipality. None of the municipalities that received asylum seekers asked this question. Thus, if population shortage is driving the willingness to take refugees, there should be simultaneous support for financial birth incentives and refugee intake also in non-treated municipalities. If the two are unrelated, then the pro-refugee effect is happening via the arrival of asylum seekers rather than population shortage. Results of regressing support for child bonuses on refugee intake show that the two are uncorrelated: The coefficient is weak and non-significant—population shortage does not automatically lead to more favorable ideas about taking refugees.

One might also argue that rural municipalities with especially shrinking population levels might have been more refugee-friendly to start with and thus the treatment effect only reinforces pre-held values. The mean refugee stance in 2012 in rural municipalities that received asylum seekers was 2.43 and 2.48 in non-receiving municipalities. The confidence intervals of the two means overlap so there is no systematic bias between the two groups. Moreover, in rural units of shrinking population that received asylum seekers the mean refugee stance was 2.45 in 2012. The same number for rural units with growing population that did not receive asylum seekers is 2.44 with overlapping confidence intervals. Thus, I can safely establish that rural municipalities that ended up housing asylum seekers and suffered from population losses were no more refugee friendly than rural units that did not suffer from population losses and did not house asylum seekers. It is also important to bear in mind the higher levels of scepticism both among the public and the politicians towards asylum seekers in rural areas before the asylum seekers arrived in Finland, as discussed in section 3. All results point to a change in opinion

regarding refugee-intake in rural areas as a result of housing asylum seekers rather than to a reinforcement of favorable opinions.

As robustness checks I test the validity and consistency of these estimates. Firstly, I estimate the average treatment effect for the subset of municipalities that were treated only by private actors without the municipality's consent. This is to make sure that self-selection is ruled out as alternative mechanism. I also deploy jackknifing to check that the estimate is not driven by single influential observations. I also rule out spillover effects (SUTVA assumption) by including a test for adjacent municipalities. Finally, I conduct a placebo test to make sure that receiving asylum seekers did not effect policy proposals on a statement not related to immigration. This statement is *Schools should have stricter rules* and I find no effect for this question. The results are robust and therefore strongly indicate that policy makers are willing to accommodate refugees in rural areas, but less so in urban areas (Reports in Appendix E).

3.7 Concluding discussion

The primary contribution of this work has been to shed light on elite policy preferences regarding refugee intake by examining how the sudden intervention of housing asylum seekers changed politicians' minds on the matter and how this shaped the newly elected municipal councils. In so doing, it also has addressed the established division between rural and urban areas in attitudes to immigration. Areas where refugee intake brings tangible benefits to the local economy – that is, rural areas suffering from population losses – municipal councils take a pro refugee turn. In contrast, politicians in more populated and thus wealthier areas react negatively. These results also reveal heterogeneous responses to asylum seekers' arrivals and also on how we assess the rural–urban division in political science. These results speak to the literature of immigration attitudes, elite

preferences, and public policy.

Currently the literature considers rural areas as inherently hostile to immigration due to less liberal people self-selecting to live in these areas. My results bring an additional dimension to this by showing that in rural areas the political elite can begin to think about it as an opportunity rather than just a humanitarian duty. The latter is a stance that is more prone to polarization than the pragmatic question of local economics. Thus, the pro-refugee shift unites all the political parties in rural areas and the ideological side of the debate is trumped by economy, at least on the political right.

The results thus bring nuance to the theory of politicized spaces, according to which areas undergoing demographic change due to immigration react negatively to immigration. (Hopkins 2010) In addition to the much shown voter backlash, positive reactions can exist and they come from rural communities that are in need of positive external shocks for their economy. The role of population size has been acknowledged as a reason for heterogeneous reactions, but this paper is the first to explain how community characteristics and policy preferences interact and explain receptiveness to refugees even in contexts where prior knowledge would expect otherwise and where prior receptiveness to refugees is lower. On the other hand, in wealthier communities cultural reasons might be more important than economic ones and this could explain their different reactions to asylum seekers.

This case study of Finland has managed to use the country's electoral institutions to establish causal identification to measure something that has not been measured before. In so doing, however, it poses questions of external validity. While the scope conditions of *measuring* these effects are only met by a candidate-centered PR system with loose party discipline[35] and the data generated by VAA's, it does

[35]However, even in majoritarian systems there can be intra-party variation in candidates based in the local characteristics of a given geographic region. (A. Clark and Bennie 2018)

not mean that the *dynamics* would not be more universal. Enthusiasm for refugees in rural areas has surfaced as anecdotal stories in the media among other places in Ireland[36], Austria[37], Germany [38], and Scotland[39] but until now it has been difficult to establish mechanisms and causality around this. Rather than electoral institutions, the scope conditions for the proposed mechanism are population loss and related work shortage as well as public transfers accompanying refugees, which are universal characteristics across developed countries.

Ultimately, the data at hand suggest that sociotropic evaluations of refugees and asylum seekers work best when measuring the impact of asylum seeker arrivals on local policy pledges. To return to the example in the introduction, the Danish People's Party's mayor who welcomed refugees was the mayor of a distant island suffering from population losses. Meanwhile, in the 6$^{\text{th}}$largest city of Denmark his own party was campaigning to send asylum seekers back to Syria and Iraq. There are many areas undergoing population losses in Europe and exploring the receptiveness of these places to refugees would be interesting. This would also help policy makers in thinking about where to place refugees across receiving countries.

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[36] `https://www.theguardian.com/world/2019/sep/01/matchmaking-irish-village-finds-harmony-asylum-seekers-lisdoonvarna` (visited on 2020-006-20).

[37] `https://uk.reuters.com/article/uk-europe-migrants-eid-austria/at-a-castle-in-austria-villagers-and-refugees-celebrate-eid-al-adha-idUKKCN0RO2CT20150924` (visited on 2020-006-20).

[38] `https://rp-online.de/nrw/panorama/altena-die-stadt-die-fluechtlinge-liebt_aid-20749333` (visited on 2020-006-20).

[39] `https://www.theguardian.com/uk-news/2017/dec/24/bute-scotland-syrian-refugees-asylum` (visited on 2020-006-20).

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Appendices for To Take or Not to Take?

3.8 Appendix A: Descriptive Statistics

Table A1: Mean economic features of municipalities over and under 15,000 inhabitants, year 2014.

	Over 15,000 inhabitants	Under 15,000 inhabitants
Household income, median, euros	33,246.3	31,488.0
Unemployment, mean %	13.8	14.5
Dependency ratio, mean, euros	146.6	173.5
Population loss, mean, %	0.1	−1.1

Table A2: Independent variations of key elements.

	Population	Pop. change	Urban density	Treatment intensity
Mean	18,525	−0.8	60.8	1.6
Median	6,682	−0.8	63.3	1.0
Minimum	761	−4.6	0.0	0.0
Maximum	628,208	2.0	100.0	8.7

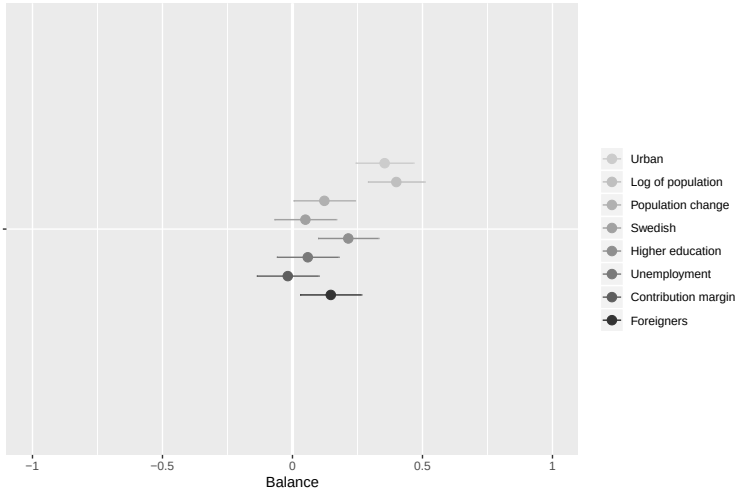
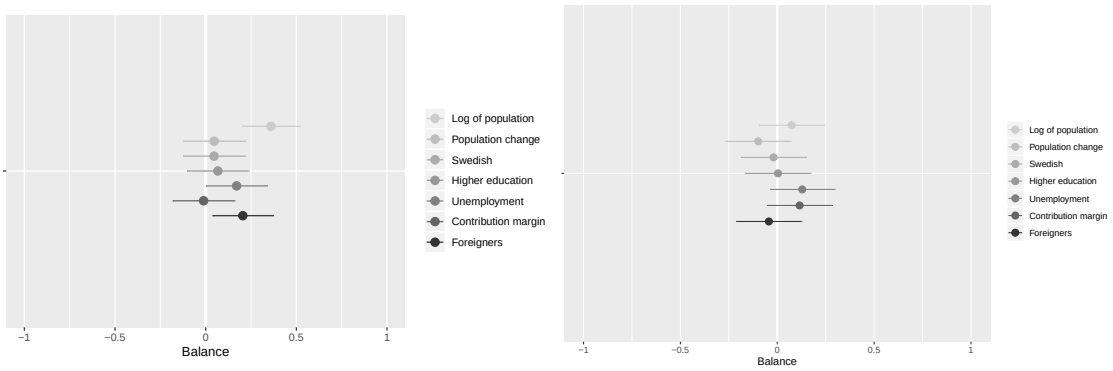


Figure A1: Standardized coefficients plotted for OLS regressions testing the relationship between being treated in 2015 and municipality specific covariates.



(a) Urban municipalities

(b) Rural municipalities

Figure A2: Standardized coefficients plotted for OLS regressions testing the relationship between being treated in 2015 and municipality specific covariates.

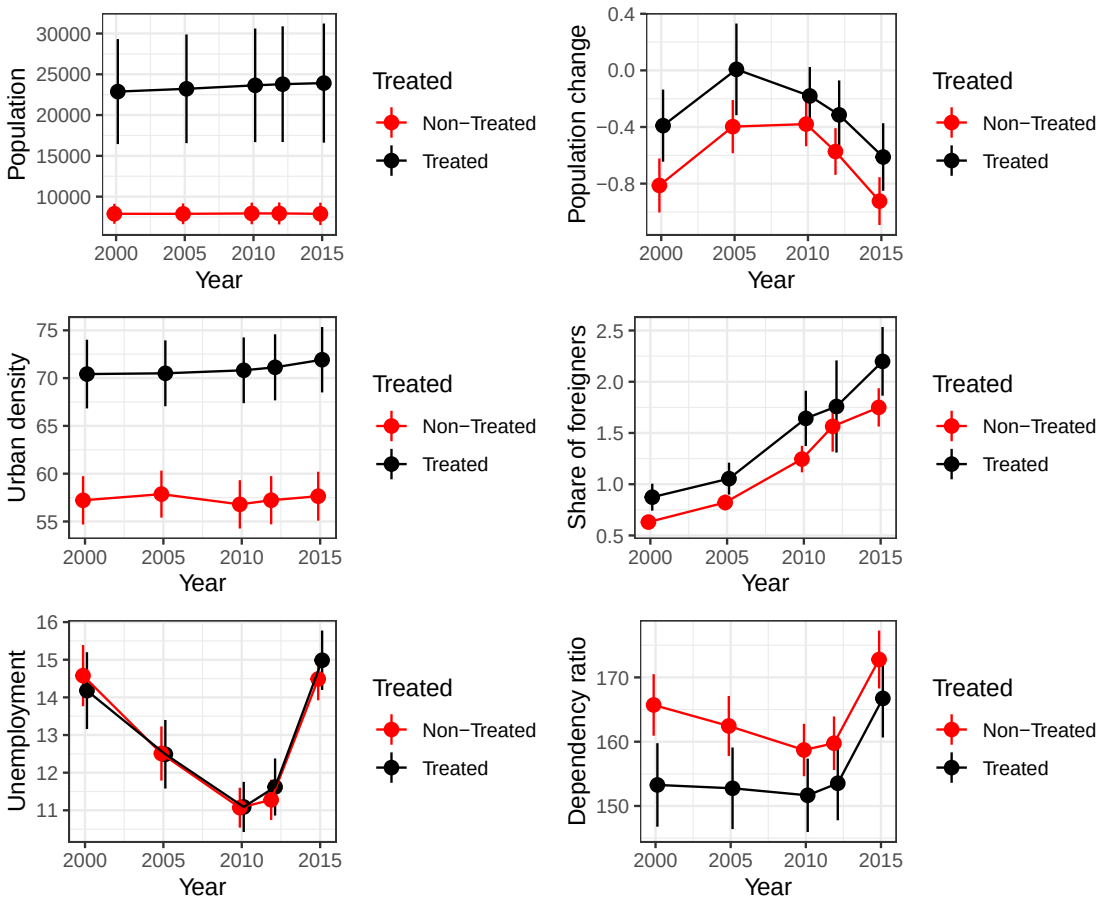


Figure A3: Mean population size (in persons), change in population, urban density, share of foreigners, unemployment rate (in percentages) and dependency ratio (in euros) between years 2000 and 2015 for treated and non-treated municipalities. Vertical lines denote 95 % confidence intervals.

Tables A3 and A4 show how the responses to the outcome variable of interest were distributed in the 2012 and 2017 elections and breaks them down by party. The three mainstream parties (Social democrats/SDP, National Coalition/KOK and the Center/KESK) all mostly display moderate stances of 2 and 3, with the Social democrats leaning toward the pro-refugee stance and the center-right parties Center and National Coalition slightly against. The smaller parties are more polarized: The Left Alliance (VAS), the Greens (VIHR), The Swedish People's Party (SFP), and the Christian Democrats (KD) all are heavily skewed towards the pro-refugee stance whereas candidates in the Finns' Party (PS) are heavily skewed against. In 2017 with all parties become more pro-refugee while maintaining their respective positions with respect to each other. A major exception to this is the Finns Party, who are more opposed to taking refugees in 2017 than in 2012. The standard deviation of the refugee intake question is 0.9.

Table A3: Descriptive statistics of the candidate's answer on "My municipality should receive refugees that have been granted asylum in Finland" in 2012, scale 1 (strongly agree) – 4 (strongly opposed), by party in percentages, smallest parties excluded

Party	SDP	KOK	KESK	VAS	VIHR	SFP	KD	PS	All Parties
(1) in percent	28.89	17.09	12.94	48.88	62.36	45.30	26.50	4.81	26.06
(2) in percent	48.71	49.58	46.07	37.04	33.68	42.21	55.03	23.17	42.94
(3) in percent	18.30	27.08	33.28	11.30	3.67	10.94	16.45	39.07	23.13
(4) in percent	4.09	6.25	7.71	2.78	0.29	1.54	2.03	32.95	7.87
Total %	100	100	100	100	100	100	100	100	100
Standard Deviation	0.80	0.80	0.80	0.78	0.58	0.73	0.71	0.87	0.89
Mean	1.98	2.23	2.36	1.68	1.42	1.69	1.94	3.00	2.13
N	3,229	4,173	4,033	1,655	1,743	777	985	1,994	19,330

Table A4: Descriptive statistics of the candidate's answer on "My municipality should receive refugees that have been granted asylum in Finland" in 2017, scale 1 (strongly agree) – 4 (strongly opposed), by party in percentages, smallest parties excluded

Party	SDP	KOK	KESK	VAS	VIHR	SFP	KD	PS	All Parties
(1) in percent	39.82	26.42	21.36	62.96	73.86	70.60	36.21	2.58	37.34
(2) in percent	46.41	51.64	50.97	28.86	23.48	25.07	51.29	11.96	39.90
(3) in percent	10.95	17.34	22.20	6.43	1.74	3.12	10.56	32.16	14.80
(4) in percent	2.82	4.60	5.47	1.75	0.92	1.22	1.94	53.30	7.96
Total %	100	100	100	100	100	100	100	100	100
Standard Deviation	0.75	0.79	0.80	0.69	0.55	0.60	0.71	0.79	0.91
Mean	1.77	2.00	2.12	1.47	1.30	1.35	1.78	3.36	1.93
N	2,730	3,172	3,563	1,601	1,840	738	928	1,396	16,740

The overall positive shift resonates with a rather refugee friendly public opinion in 2015. Tables A5 and A6 sum up the results of an opinion survey fielded in August 2015, at the height of the refugee crisis in Europe when Finland was beginning to anticipate refugee arrivals. According to the survey results, an overwhelming majority of Finnish citizens supported the establishment of reception centers and did not find the Muslim religion of the asylum seekers problematic. However, the respondents were concerned about asylum seekers never paying taxes and integrating to the society, being overwhelmingly young men, and found the benefits that they received too generous. However, after the arrival of asylum seekers the public opinion turned less favorable with 36 % of respondents replying in January 2016 that their sense of security had decreased after the arrival of asylum seekers.[40]

Table A5: Finnish Attitudes to Immigration: Iltalehti Survey by Taloustutkimus. Finnish Social Science Data Archive. Data collected in August 2015. $N = 1{,}005$.

Answer (percentages)	Yes	No	Can't say	Total
Approve of reception centers?	64.6	29.4	5.9	100
Should Finland take more Christians?	17.2	76.9	5.9	100

[40] `https://suomenkuvalehti.fi/jutut/kotimaa/joka-neljas-suomalainen-kannattaa-katupartioita` (visited on 2019-008-28).

Table A6: Finnish Attitudes to Immigration: Iltalehti Survey by Taloustutkimus. Finnish Social Science Data Archive. Data collected in August 2015. $N = 1{,}005$.

Answer (percentages)	1	2	3	4	Don't know	Total
Finland should do more	17.5	39.5	23.1	14.3	5.6	100
Not in need of protection	15.6	27.2	32.9	17.0	7.3	100
Benefits too generous	35.2	29.3	17.5	9.4	8.7	100
Young men problematic	26.4	31.5	19.8	12.8	9.5	100
Muslims problematic	13.4	26.9	32.5	14.8	12.3	100
Never taxes problematic	31.1	35.2	7.0	20.2	6.5	100
More crime problematic	26.5	46.2	9.4	13.5	4.5	100
Dark skin problematic	5.5	11.0	67.9	10.3	5.3	100
Too well to do problematic	12.2	27.2	28.0	24.3	8.4	100
No integration problematic	21.6	48.2	12.1	14.1	4.0	100

Note: 1 = strongly agree, 2 = somewhat agree, 3 = somewhat disagree, 4 = strongly disagree/false statement.

Table A7: Finnish Attitudes to Immigration: Iltalehti Survey by Taloustutkimus. Finnish Social Science Data Archive. Answers divided into urban and rural respondents. Data collected in August 2015. $N = 1{,}005$.

Answer (percentages)	Yes	No	Can't say	n
Approve of reception centers? Rural	58.7	36.6	4.7	172
Approve of reception centers? Urban	65.8	28.0	6.0	833
Should Finland take more Christians? Rural	20.9	70.0	9.3	172
Should Finland take more Christians? Urban	16.4	78.4	5.1	833

Note: n = number of answers.
* Statistically significant difference in means ($p < 0.05$)

Table A8: Finnish Attitudes to Immigration: Iltalehti Survey by Taloustutkimus. Finnish Social Science Data Archive. Answers divided into urban and rural respondents. Data collected in August 2015. $N = 1{,}005$.

Answer (percentages)	1	2	3	4	Don't know	n
Finland should do more, rural∗	16.3	36.0	20.9	17.0	9.0	172
Finland should do more, urban∗	17.8	40.2	23.6	13.7	4.8	833
Not in need of protection, rural∗	19.2	30.8	30.8	14.0	5.2	172
Not in need of protection, urban∗	14.9	26.4	33.4	17.6	7.7	833
Benefits too generous, rural∗	41.0	33.0	16.9	5.2	4.7	172
Benefits too generous, urban∗	34.1	28.6	17.6	16.2	9.5	833
Young men problematic, rural	30.8	29.7	19.2	11.0	9.3	172
Young men problematic, urban	25.5	31.9	19.9	13.2	9.5	833
Muslims problematic, rural	16.9	26.2	32.0	8.7	16.3	172
Muslims problematic, urban	12.7	27.0	32.7	16.1	11.5	833
Never taxes problematic, rural∗	39.5	37.2	5.2	13.4	4.6	172
Never taxes problematic, urban∗	29.4	34.8	7.3	21.6	6.8	833
More crime problematic, rural	33.2	44.2	8.1	9.3	5.2	172
More crime problematic, urban	25.1	46.6	9.6	14.4	4.3	833
Dark skin problematic, rural	7.0	14.0	63.4	9.3	6.4	172
Dark skin problematic, urban	5.2	10.4	68.8	10.6	5.0	833
Too well to do problematic, rural	16.3	32.0	22.7	18.0	11.0	172
Too well to do problematic, urban	11.4	26.2	29.1	25.6	7.8	833
No integration problematic, rural	22.7	53.5	9.3	8.7	5.8	172
No integration problematic, urban	21.4	47.1	12.7	15.2	3.6	833

Note: 1 = strongly agree, 2 = somewhat agree, 3 = somewhat disagree, 4 = strongly disagree/false statement.
n = number of answers.
* Statistically significant difference in means ($p < 0.05$)

3.9 Appendix B: Finnish elections and elite opinions

In both national and municipal elections Finland has an open list with compulsory candidate selection from one party. This means that the voter chooses one party but within the party list there are several candidates to choose between. Thus, in the Finnish system the candidates of one party are not only competing against other parties, but also amongst themselves. The application of the d'Hondt divisor means that within parties the success of individual candidates depends entirely on the number of votes they get.

In Finland municipal elections take place every four years.[41] Each municipality is one constituency. Municipal councils are the main seat of power in the Finnish municipal decision-making and they have extensive influence on welfare provisions. An important factor in understanding Finnish politics is that smaller municipalities (defined by Statistics Finland as municipalities under 15,000 inhabitants) have trouble catering for the basic services the municipalities are ordered to secure by law and oftentimes the municipality is run on deficit.[42] This situation has been addressed by a large, state driven policy of municipal mergers, and indeed the number of municipalities has fallen from 452 in 2000 to 311 by 2018. Smaller municipalities are thus often preoccupied with their autonomy and economics.[43] Table A1 provides

[41]The election that should have originally taken place in October 2016 was moved to April 2017 in an attempt to create a new cycle that would allow for more space between different elections.

[42]For example in 2012 57 municipalities under 15,000 inhabitants (26 % of all municipalities of that size) were run on deficit, but only 3 over 15,000 inhabitants (4 % of that size).

[43]The Center Party, as the former Agrarian Party, is the foremost defender of rural areas and states in its party manifesto maintaining the livability of rural areas as one of its chief goals. Also the Finns' Party, although chiefly associated with their anti-immigration stance, have a rural legacy as a continuation of the Finnish Rural Party.

data concerning the differing economic performances of small and big municipalities

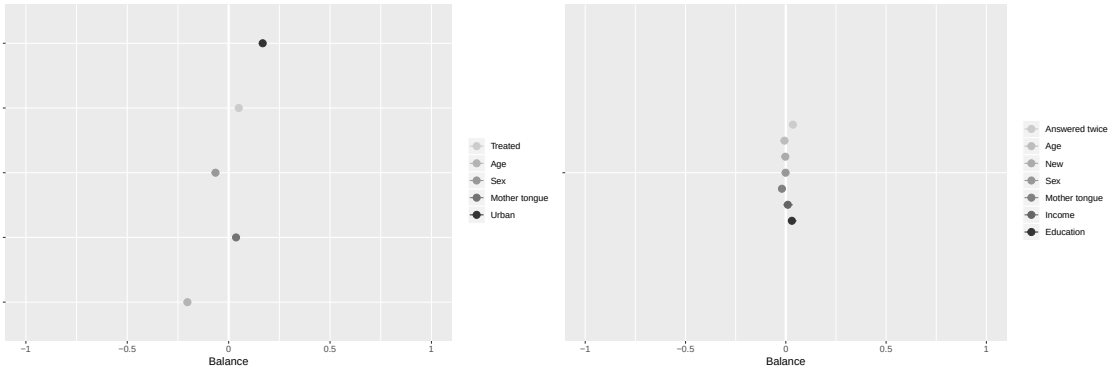
3.9.1 Information on the usage of Voting Advice Applications in Finland:

According to latest research about the usage of voting advice applications (Borg 2019), 79 % of survey respondents from a representative survey responded to having used a voting advice application in the presidential election of 2018 or used one in previous elections. Most of the users are younger voters (18–30 years: 89 % and 31–40 years: 85 %) with age steadily diminishing their usage (41–50 years: 83 %, 51–60 years: 76 % and 60 years onwards: 69 %). The single biggest user group is students (89 %) but their usage is scattered evenly between all occupational groups including unemployed people and pensioners. Usage is higher among those who voted (82 %) but also non-voting people reported using them (57 %). Women and men were equally likely to use VAAs.

3.9.2 Information regarding who fills in VAAs:

Filling in the VAAs is not compulsory, but those who fill in the VAAs tend to do better at the polls, so the ones responding to the survey are more motivated and serious about their ambitions. 95 percent of all votes cast in the 2019 parliamentary elections were cast for candidates who responded to a VAA. Response rates are somewhat higher in urban areas, as the anonymity of larger communities makes face-to-face campaigning harder than in smaller communities. Accordingly, as treated areas were urban, treated areas have a slightly higher response rate. In smaller electoral districts there is less need to attract unknown voters as personal connections play a more important role. Women, younger, and Finnish-speaking candidates are more likely to fill in the the survey but all demographic groups are present among the respondents. Importantly for my design, there is balance between treated and

non-treated units in response rates in 2017. If anything, Swedish speaking people and more educated candidates were more likely to fill in VAAs in treated areas and candidates in treated areas were slightly more likely to fill in the VAA twice, but these differences are so small that they do not pose a threat for inference.



(a) Candidate balance, filled in VAA **(b)** Candidate balance, treated/non-treated

Figure B1: Standardized coefficients plotted for OLS regression testing the differences between a) candidates that answer and do not answer the VAA b) difference between candidates that are treated or not-treated in 2015.

3.10 Appendix C: Additional specifications

3.10.1 Relaxing the candidate fixed effect

Relaxing the candidate fixed effect allows me to extend the estimation of the treatment effect beyond those candidates that ran in both elections and assess all the 30,070 candidates that answered the question at either time point. This way I can account for compositional differences, that is, which types of candidates stop running and join the race in 2017 as a results of the treatment. In this model I relax the candidate fixed effect but include a municipality specific fixed effect instead. This can be expressed by the following equation:

$$Y_{ti} = \delta_t + \lambda_i + \alpha \, \text{Treatment}_{ti} + X_{ti}\beta + \varepsilon_{ti}$$

where λ_i is a municipality-specific fixed effect and δ_t is a year-specific fixed effect. The outcome Y_{ti} is the average change of stance between all the candidates that ran in either time point in treated municipalities between 2012 and 2017 compared to the average change of stance of all the candidates in non-treated municipalities between the same period.

3.11 Appendix D: Results

Table D1: The candidate's answer to "My municipality should receive refugees that have been granted asylum in Finland" between 2012–2017, 1 (strongly agree) – 4 (strongly opposed). A negative coefficient denotes a shift in a more accepting position.

Model	(1) Logged increase in the share of asylum seekers	(2) Logged increase in the share of asylum seekers with covariates
Effect on refugee stance	−0.093*	−0.087*
	(0.035)	(0.034)
Candidate fixed effect	yes	yes
Election fixed effect	yes	yes
N	4,310	4,310
Clusters	273	273

Note: Models 1–2 present OLS fixed effects regressions with clustered standard errors in parentheses. Model 1: Share of asylum seekers per capita. Model 2: model 1 with covariates.
* $p < 0.01$

Table D2: The candidate's answer to "My municipality should receive refugees that have been granted asylum in Finland" between 2012–2017, 1 (strongly agree) – 4 (strongly opposed). A negative coefficient denotes a shift in a more accepting position.

Model	1 Overall	2 Ran once	3 Ran twice
Exposure's effect on refugee stance	−0.050*	−0.063*	−0.048*
	(0.014)	(0.171)	(0.015)
Candidate FE	no	no	yes
Municipality FE	yes	yes	yes
Election FE	yes	yes	yes
N	27,354	18,734	4,310
Clusters	273	273	273

Note: Models 1–3 present OLS regression with clustered standard errors in parentheses. Model 1: continuous estimate for all candidates without candidates fixed effects. Model 2: continuous treatment for those candidates that ran at either election. Model 3: continuous treatment for those candidates that ran twice.
* $p = 0.000$

Table D3: Shift on the candidate's answer on "My municipality should receive refugees that have been granted asylum in Finland" between 2012–2017, incumbency as an explanatory variable, 1 (strongly agree) – 4 (strongly opposed).

Model	1	2
	Treat. × incumb.	Gen. incumb.
Stance on refugees	0.008	−0.091*
	(0.252)	(0.023)
Candidate FE	yes	yes
Election FE	yes	yes
N	4,310	4,310
Clusters	273	273

Note: Models 1–2 present fixed effect OLS regression with clustered standard errors in parentheses. Model 1: incumbency interaction with treatment as asylum seekers per capita. Model 2: : incumbency without treatment interaction.
* $p < 0.01$

Table D4: Shift on the candidate's answer on "My municipality should receive refugees that have been granted asylum in Finland" between 2012–2017, electoral position as an explanatory variable, 1 (strongly agree) – 4 (strongly opposed).

Model	1	2	3	4
	Treat. × challenger	Gen. challenger	Treat. × loser	Gen. loser
Stance	0.001	−0.089	−0.008	0.135*
on refugees	(0.024)	(0.080)	(0.043)	(0.025)
Candidate FE	yes	yes	yes	yes
Election FE	yes	yes	yes	yes
N	1,224	1,224	1,112	1,112
Clusters	273	273	273	273

Note: Models 1–4 present fixed effect OLS regression with clustered standard errors in parentheses. Model 1: spare interaction with treatment as asylum seekers per capita. Model 2: : being spare without treatment interaction. Model 3: losing in 2012 interaction with treatment. Model 4: losing in 2012 without treatment interaction
* $p = 0.000$

Table D5: Shift on the candidate's answer on "If the state offers the establishment of a reception center for asylum seekers in my municipality, the offer has to be accepted" between 2015–2017, scale 1 (Fully opposed)–5 (Fully supportive). A positive coefficient denotes a pro-refugee shift.

Model	1	2	3	4	5	6	7	8	9
	All	KOK	SDP	KESK	PS	VIHR	VAS	SFP	KD
Exposure's effect	0.205**	0.3802**	0.307*	0.320**	0.102**	−0.048	−0.117	−0.064	0.200
on refugee stance	(0.049)	(0.171)	(0.184)	(0.133)	(0.051)	(0.056)	(0.160)	(0.128)	(0.111)
Candidate FE	yes	yes	yes	yes	yes	yes	yes	yes	yes
Election FE	yes	yes	yes	yes	yes	yes	yes	yes	yes
N	439	67	64	47	54	67	51	10	44
Clusters	125	46	42	41	43	46	37	9	36

Note: Models 1–9 present OLS regression with clustered standard errors in parentheses. Model 1: all parties. Model 2: Social Democrats. Model 3: National Coalition. Model 4: Center Party. Model 5: Finns party. Model 6: Green League. Model 7: Left Alliance. Model 8: Swedish People's Party. Model 9: Christian Democrats.
* $p < 0.10$ **$p < 0.05$

Table D6: The candidate's answer on "My municipality should receive refugees that have been granted asylum in Finland" between 2012–2017, 1 (strongly agree) – 4 (strongly opposed). A negative coefficient denotes a pro-refugee shift.

Model	(1) Share of asylum seekers × time	(2) Share of asylum seekers × time with covariates
Effect on refugee stance	−0.006	−0.005
	(0.023)	(0.024)
Candidate fixed effect	yes	yes
Election fixed effect	yes	yes
N	4,310	4,310
Clusters	273	273

Note: Models 1–2 present OLS fixed effects regressions with clustered standard errors in parentheses. Model 1: Interaction of asylum seekers per capita with the log of the days. Model 2: model 1 with covariates.

Table D7: Shift on the candidate's answer on "My municipality should receive refugees that have been granted asylum in Finland" between 2012–2017, 1 (strongly agree) – 4 (strongly opposed), for municipalities under 15,000 inhabitants, urban vs. rural units, binary treatment definition.

Model	1	2
	Urban	Rural
Stance on refugees	−0.054	−0.379*
	(0.078)	(0.167)
Candidate fixed effects	yes	yes
Election fixed effects	yes	yes
N	527	146
Clusters	39	30

Note: Models 1 and 2 present OLS regression with clustered standard errors in parentheses. Model 1: urban density above 70 %. Model 2: urban density below 40 %.
* $p < 0.05$

3.12 Appendix E: Robustness

To test the robustness of my findings, I conduct a placebo test: When I replace the dependent variable to be something that is not related at all to refugee intake or municipal economics, the statement *Schools should enforce stricter rules*, the coefficient is insignificant (-0.043 with the standard error of 0.07).

As a further robustness check I examine if the results are driven by some influential municipalities that might be accounting for the treatment effect. These concerns are alleviated by using the jackknife method to test the primary coefficient of interest, the asylum seekers per capita measure: when using the jackknifing method, that is, re-running the analysis by leaving out each municipality at a time, the coefficient and its standard error stay exactly the same.

As mentioned in the research design section, not all municipalities were treated randomly only due to available housing: in 25 cases the municipalities had to cooperate on some level, although this was in most cases far from meaning a favorable public opinion on receiving asylum seekers. However, to rule out any possible self-selection to the treatment, I subset the data to include only those municipalities that received asylum seekers irrespective of their will and to those that received asylum seekers with administrative consent. Table E1 shows that the results hold. It was not the circumstances of the establishment of the reception center that mattered, but the sheer fact of housing them in a given setting. Administrative nods merely reflect the overall more positive attitude of incumbents.

Table E1: Shift on the candidate's answer on "My municipality should receive refugees that have been granted asylum in Finland" between 2012–2017, 1 (strongly agree) – 4 (strongly opposed), for municipalities that received asylum seekers without a need for consent (private housing) and municipalities that agreed to receiving asylum seekers (public housing).

Model	1	2
	Public	Private
Stance on refugees	−0.075*	−0.048*
	(0.022)	(0.018)
Candidate FE	yes	yes
Election FE	yes	yes
N	3,736	4,902
Clusters	228	270

Note: Models 1 and 2 present OLS regression with clustered standard errors in parentheses.
* $p < 0.05$

3.12.1 Addressing the stable unit treatment value assumption

Following Clarke (2017), I create two groups of treatment: municipalities that received asylum seekers and municipalities that were next to such municipalities and could and must have noticed the asylum seekers' presence in the adjacent municipality. If the adjacent municipality already had a reception center, I leave it out if it did not receive more asylum seekers in 2015 than it had previously, but I do include them if they received more asylum seekers than their previous capacity allowed. I do this because some municipalities received help in emergency accommodation of asylum seekers from neighboring municipalities so these adjacent municipalities might have been treated in a spillover sense. This is not the same as being treated in the administrative sense, as these adjacent municipalities did not receive the administrative burdens and benefits in the same way as the treated municipalities did, but it tests how possible awareness of the asylum seekers nearby could have affected the politicians' opinion. As I cannot run this analysis with

the asylum seeker per capita approach because that cannot apply for adjacent municipalities, I subset the data to cover only municipalities under 15,000 inhabitants to represent rural communities and compare the results for municipalities that received asylum seekers and their adjacent neighbors. This method controls for spillover treatment effects that come from being next to a municipality that received asylum seekers. As asylum seekers were able to move around, it is likely that some level of contact happened with the neighboring municipality's asylum seekers. Table E2 alleviates concerns for possible spillover effects: when regressing the shift of opinion on refugees on being quasi-treated versus not being treated at all, I don't find similar effects to being treated: the coefficient is small and non-significant. Also this contributes to ruling out contact as an explanatory reason.

A further violation to SUTVA might be that the issue of the refugee crises dominated the media reports and non-treated municipalities were also treated in this non-material sense. However, if the treatment has an affect on how politicians and voters behaved in other municipalities, it is contaminating the results of the control group and thus only makes the estimate more conservative. In addition, receiving a reception center is specific to the municipality in terms of administrative responsibility, so the only way spillover might have had an effect is contact and media impressions, factors that are less defining to my study than the actual administrative experience and the municipality specific returns to having a reception center

Table E2: Shift on the candidate's answer on "My municipality should receive refugees that have been granted asylum in Finland" between 2012–2017, 1 (strongly agree) – 4 (strongly opposed), for municipalities under 15,000 inhabitants, treated vs. quasi treated units.

Model	1	2
	Treated	Quasi-treated
Stance on refugees	−0.118*	−0.037
	(0.055)	(0.064)
Candidate FE	yes	yes
Election FE	yes	yes
N	11,938	8,998
Clusters	210	168

Note: Models 1 and 2 present OLS regression with clustered standard errors in parentheses. Model 1: population size below 15,000, treated. Model 2: population size below 15,000, quasi-treated units.
* $p < 0.05$

3.13 Appendix F: Mechanism

Table F1: Treatment effect on the municipalities' economic indicators for all municipalities by binary and continuous treatment indicator, clustered standard errors in parentheses.

Model	(1)	(2)	(3)	(4)
	Municipality tax revenue	Contribution margin	Service sector	Unemployment
Effect of presence of asylum seekers, average	−13.38	66.60*	0.356	0.214
	(13.35)	(25.80)	(0.219)	(0.151)
N	1,365	1,365	1,365	1,365
Effect of presence of asylum seekers, per capita	−7.59	19.43	0.151	0.061
	(4.96)	(12.61)	(0.093)	(0.085)
N	1,365	1,365	1,365	1,365
Per capita × time interaction	20.82*	26.83	0.112	0.029
	(7.84)	(15.83)	(0.239)	(0.216)
N	1,176	1,176	1,176	1,176
Municipality fixed effects	yes	yes	yes	yes
Year fixed effects	yes	yes	yes	yes
Clusters	273	273	273	273

Note: Models 1–4 present OLS regressions with clustered standard errors in parentheses. Model 1: Tax revenue, euros per person. Model 2: Annual contribution margin, euros per person. Model 3: Jobs in the service sector, percentage. Model 4: Unemployment percentage.
* $p < 0.01$

3.14 Appendix G: Additional Information

3.14.1 Information regarding coding text analysis:

The open-ended survey questions were first divided into smaller data sets according to treatment status and municipality size in Stata. Then the content of the questions was copied entirely to a text document, which was then scanned to R. In R I then treated every word as a token and got the number of occurrences of each word. I manually selected the ones that were relevant to each identified theme and added up the occurrences. The themes consisted of the following words and their conjugated forms: Population: “väki”, “väestö”, “asukas” and “befolkning”. Help and duty: “ansvar”, “hjälpa”, “auttaa”, “vastuu”, “velvoite”, “velvollisuus”. Experience: “kokemus”, “erfarenhet”, Job: “työ”, “job”. These sums were divided by each data sets total number of rows (= candidates).

3.14.2 Information regarding the allocation of reception centers:

In what follows, I only discuss the circumstances of the treatment in municipalities without any previous experience of asylum seeker activities, because these 22 pre-treated units are always dropped from the analysis.

To further meet housing pressure, the Immigration Office requested 25 premises that were municipally owned. In this the Finnish Minister of Interior requested the municipality to comply with the assigned housing responsibilities in exceptional circumstances by having a simple procedure of accepting the reception center as matter of procedure by the municipal board—some municipalities were so divided about this issue, that the council wanted to vote about it. In one case, Kaustinen, the municipality managed to intervene this way, in the other cases the municipality complied either with a bureaucratic procedure by the municipal board

or after divided voting procedures in the council where the vote was tight[44]. The Immigration Office identified only one municipality, Tampere, that was actively volunteering to take asylum seekers. However, to minimize the chance of self-selection corrupting my estimates, I have identified 15 cases, where the process was smooth and straightforward as potentially self-selective and drop them from the analysis together with the one municipality that opted out. None of these procedures effect the results. Furthermore, I check whether receiving asylum seekers through private or public housing makes a difference in robustness checks and establish that the results are similar.

The municipalities that were treated without asking for the municipality's consent were: Akaa, Asikkala, Eurajoki, Forssa, Haapajävi, Hamina, Hanko, Harjavalta, Hartola, Heinola, Huittinen, Hyvinkää, Iisalmi, Ilomantsi, Inkoo, Joutsa, Jyväskylä, Jämijärvi, Jämsä, Kangasala, Kankaanpää, Kauhava, Kempele, Keuruu, Kihniö, Kirkkonummi, Kitee, Kokemäki, Kolari, Kontiolahti, Kuusamo, Lahti, Laitila, Lappajärvi, Lieksa, Maalahti, Merikarvia, Muhos, Nurmijärvi, Orimattila, Oulu, Parainen, Parikkala, Pertunmaa, Raahe, Raasepori, Ranua, Rauma, Rovaniemi, Ruokolahti, Saarijärvi, Salo, Sastamala, Savonlinna, Seinäjoki, Siilinjärvi, Sipoo, Siuntio, Suonenjoki, Vantaa, Vihti, Viitasaari, Ylivieska, Ylöjärvi, and Äänekoski.

The municipalities that agreed to receive a reception center through the municipal board agreeing to the the state's request on a quick procedure: Jyväskylä (Second center), Kangasala, Keitele, Kemijärvi, Kuopio, Loimaa, Mikkeli, Orivesi, Pieksämäki, Pori, Porvoo, Pukkila, Pälkäne, Ruovesi, Tampere, and Tervola.

The municipalities where the matter was taken to the city council to vote and where the outcome was positive after debate with opposition: Hämeenkyrö, Kyyjärvi, Liminka, Petäjävesi, and Tornio.

[44]In one case, Petäjävesi, the council required three rounds of votes until the municipality decided to offer only one of the two premises requested by the state. In some cases the compliance depended on one vote, thus making compliance as-if-random.

The municipalities where the matter was taken to the city council to vote and where the outcome was negative: Kaustinen.

The municipalities where the matter was taken to the city council to vote and where the outcome was positive with little or no opposition: Hyrynsalmi, Inkoo (second center), and Korsnäs.

A special case is Espoo, that saw the establishment of four big private reception centers, but which falls into to the category of "pre-treated" because the Finnish Lutheran Church had been administering a reception center for under-age asylum-seekers pre-2015. Technically this makes Espoo pre-treated but in practice the scale of the operation changes so dramatically that it could be also listed as privately treated.

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4

Paper 2: Does it pay off at the polls to be anti-immigration? Measuring electoral returns after refugee arrivals

Contents

Abstract

Public opinion regarding immigration and its effect on electoral outcomes is a much researched topic. Although there is more and more evidence, the findings remain inconclusive and fail to account for the roles electoral institutions play in the process. This paper tackles this question by three different ways of measuring anti-immigration voting. By comparing the results yielded by: **1.** municipality-level vote shares of parties with different policy platforms regarding immigration; **2.** municipality-level vote shares of candidates with different immigration stances; and **3.** how a shift in immigration stances pays off at the personal level of the candidate, this paper draws the conclusion that party-level conclusions regarding electoral returns of anti-immigration stances are likely to suffer from ecological fallacies, at least in candidate-centered systems using proportional representation: While the party-level brings inconclusive and somewhat contradicting results, at the individual level the story is clear: being anti-immigration does not pay off in rural areas that have received asylum seekers, but it does pay off in urban areas that have received asylum seekers.

Keywords: causality, rural–urban divide, immigration, public opinion, elections

4.1 Introduction

Is taking anti-immigration positions electorally rewarding? This question has been at the forefront of electoral behavior in recent social science research. While more research has been conducted to address the difficulty of measuring the success of the anti-immigration platform, namely by isolating immigration shocks as a mechanism, the results seem to be somewhat inconclusive. By and large the consensus is that when a region receives an immigration shock either in the form of economic immigration or of people fleeing war and persecution, there seems to be a backlash against these inflows, which results in an increased propensity to vote for the far right. (Hangartner et al. 2019; Dinas, Matakos, et al. 2019; Steinmayr 2020; Brunner and Kuhn 2018; Barone et al. 2016; Gerdes and Wadensjö 2008; Otto and Steinhardt 2014) However, only one of these studies (Brunner and Kuhn 2018) compares votes cast for populist parties to votes cast for anti-immigration policies. Although the results are similar, the magnitude of the votes cast for anti-immigration policies are lower than votes cast for anti-immigration parties. This indicates that the electoral performance of populist parties might be to a considerable extent falsely attributed to a growing anti-immigration sentiment among the electorate.

Moreover, existing studies demonstrate heterogeneous treatment effects that reveal different mechanisms for an anti-immigration backlash amongst the electorate: contact vs. mere exposure (Steinmayr 2020), rural vs. urban interactions (Barone et al. 2016; Harmon 2018) as well as the local labor market effects of immigrants (Malhotra, Margalit, and Mo 2013) seem to predict different types of reactions to immigration shocks.

Treating anti-immigration stances at the aggregate level does not do justice for disentangling the many possible mechanisms that motivate people to cast a vote for a party that is classified as an anti-immigration party. Moreover, the votes cast for the populist right are then compared with votes cast for the hard left

and the greens as a proxy for a pro-immigration vote. But is the vote cast for the hard-left a vote *for* immigration and refugees or rather for a strong welfare state? Likewise, is a vote cast for the Green Party a vote *for* immigration and refugees or rather for an environmentalist platform?

One additional question and concern that arises from much of the above-cited literature is that due to the availability of micro-level data, existing works concerning the electoral returns of anti-immigration platforms tend to come from multi-party proportional representations such as the Nordic countries and Switzerland, countries that allow a lot more intra-party variation than first-past-the-post systems. (Shugart, Valdini, and Suominen 2005) To put it differently, parties might field different types of candidates in different constituencies to try to attract electorates across the country. Multiparty systems also cultivate a personal vote (Söderlund 2016; Carey and Shugart 1995), which means that party discipline is looser and the official party line might have less explanatory factor in explaining the outcome. For these above reasons, rather than relying on party labels and manifestos, it would be better to measure votes cast for candidates with a known individual stance on immigration and/or refugee intake.

In order to disentangle the motivations behind an anti- or pro-immigration stance one would need fine-grained data that would do all of the following: **1.** manage to pair the individual candidates' stances on immigration with the exact votes received in each election; and **2.** place each party and candidate in a local context that would allow the exact nature of exposure to immigration to vary as much as possible. In addition, the research should also: **3.** identify levels and changes of ethnic heterogeneity in the area before and after a given election; and **4.** have at least two time points to enable to measure within-changes rather than between-changes. In order to satisfy all these criteria, I turn to Finland, a country that had very limited levels of migration prior to the 2015 refugee crisis. During 2015 and 2016 Finland saw an unprecedented number of people filing for asylum, and many localities that

did not have any immigration before found themselves housing asylum seekers. As the state did not need the residents' permission to host these asylum seekers, we can consider the rise in the share of foreigners in the municipality as an exogenous variation that enables me to draw causal inferences about how local voting patterns changed as a result of this sudden and unpredicted exposure to asylum seekers. Moreover, the availability of municipal-level data from municipal elections in both 2012 and 2017 enables me to measure within-changes in municipalities. The outcome, performance at the local level, is strictly municipality-specific and thus allows for between-municipality variation for the parties.

I measure exposure to asylum seekers by, in addition to the standard grouping of receiving (treated) and non-receiving (non-treated) areas, including an asylum seeker per capita measure. This measure has been used to better capture the exact extent of exposure to asylum seekers. (Tumen 2016) In order to reach a comprehensive picture of the effects of this asylum seeker shock on local politics, I empirically measure the change in vote share in each municipality in three different ways that constitute a separate section in this paper: First, I perform already standard ways of measuring party-level vote shares in treated and non-treated areas. Second, I borrow an existing metric to measure support for leftist policies in Latin America (Baker and Greene 2011) by multiplying the candidates' personal view on refugee intake in their municipality by their personal vote share. This approach disregards the party-affiliation and measures each candidate's personal stance on refugee intake by using the Finnish Voting Advise Application (VAA) system in which all of the candidates are invited to express their policy stances on various issues before each election. I then multiply each candidate's stance with their vote share and use this weighted average to measure the support for pro-refugee policies in treated and non-treated areas. My third approach is to check the within candidate change on refugee stance between the two elections and check how this change in stance is reflected in the change in vote share between these elections.

Together, these three approaches demonstrate that anti-immigration voting is a more complex phenomenon than any aggregate-level study would have us believe. At the party level results from grouping the municipalities simply into treated and non-treated areas indicate that the parties chiefly associated with their pro and anti-refugee platforms, the Finns and the Green League, both benefit from local asylum seeker shocks. However, when this is measured in the number of asylum seekers per capita, all these patterns disappear – the more tangible the treatment is, the less discernible the voting pattern. When the support for refugee intake is measured as votes cast for candidates either supporting or opposing refugee intake, all treatment definitions indicate an increase in vote share for pro-refugee candidates. This means that on the whole, receiving asylum seekers makes people cast votes more for pro-refugee candidates and the more intense the exposure is, the more pronounced this pattern is. The third approach brings more light to these results: candidates that shift their stances to opposing immigration are rewarded, but only in urban areas, where the treatment intensity is lower. In rural areas, where the treatment intensity is higher, this anti-immigration shift is no longer rewarded.

These three different models bring nuances to understanding the anti-immigration vote. On the whole, it appears that receiving asylum seekers creates polarization in politics, but more detailed analysis shows that support for anti-immigration candidates only stems from the cities that were relatively unaffected by asylum seekers. Instead, areas that were more affected ended up voting for pro-refugee candidates, and these candidates came from across the political spectrum.

This study joins those studies that have managed to isolate policy stances from party labels such as Bechtel, Hangartner, and Schmid (2016), who draw causal estimates for the effect of compulsory voting on leftist *policies* as opposed to left-wing parties and Matakos, Savolainen, and Tukiainen (2020a) who manage to isolate the effect of receiving asylum seekers on anti-redistributive stances rather than just relying on party labels. The results suggest that just equating populist parties

with anti-immigration policies blurs the estimates of the effect refugee inflows have on public support for refugee intake.

4.2 Empirical background

Anti-immigration vote share has now been studied to a good extent, although literature on immigration attitudes still tends to rely on measuring citizen attitudes rather than votes cast for anti-immigration parties. For most part literature on immigration attitudes examines how welcoming citizens feel towards immigrants after being exposed to them to some degree. These studies include for example experiments in which foreigners are placed in neighborhoods (Enos 2014; Christ et al. 2014), measuring perceived threat of undocumented immigration (Chiricos et al. 2014), determining the contextual triggers for opposing immigration (Newman and Velez 2014; Newman 2013), and measuring support for redistributive polices as a response to ethnic heterogeneity (Alesina, Miano, and Stantcheva 2018; Halla, Wagner, and Zweimueller 2017; Lindqvist and Östling 2013). Another strand of literature tries to examine the mechanism of dominant anti-immigration feelings. For most part, the answer has been found a) in cultural opposition to immigration drawing on national identities and psychological nativism (Knoll 2013; Sniderman, Hagendoorn, and Prior 2004) b) in the respondent's labor market position (Mayda 2006; Malhotra, Margalit, and Mo 2013) c) the economic advantages of immigrations (Liao, Malhotra, and Newman 2020) or d) rural–urban divisions (Maxwell 2019).

The literature has turned to examine the electoral effects of immigration only relatively recently, after the advent of right-wing populist, anti-immigration parties in the European party system. This literature has studied the effects of labor market competition, contact and cultural distance using party choice as an outcome rather than feeling thermometers. The underlying logic is that the arrival of the anti-immigration platform in politics has made it possible to measure revealed preferences

for policies (rather than stated preferences in surveys) after exposure to immigration and multiculturalism. Since 2010 most European countries have had one or more parties that take explicit stances on immigration and multiculturalism and this has also forced the traditional mainstream left and right to take clearer stances on these issues in their manifestos. In most cases some regions in the host country experienced more intense immigration shocks and refugee arrivals than others, and this can be used as a source of variation to establish the effect of exposure on vote choice.

Being a relatively recent branch of research, this literature is continuously evolving and finding new ways to measure the electoral effects of immigration. In what follows I have summarized studies that measure the electoral effects of immigration shocks on citizen's voting behavior. It contains to my knowledge all published works and circulated working-papers on the subject of electoral effects of immigration. To be able to situate the contribution of this paper in the literature, I have summarized the existent studies and how they measure the electoral effects of immigration.

Table F1: Overview of papers estimating the effects of immigration on voting

Study	Year	Outcome	Exposure measure	Level of observations	Level of elections	Country
Gerdes & Wadensjö	2008	Party vote share	Shares of refugees	Municipalities	Parliamentary and municipal	Denmark
Mendez & Cutillas	2014	Party vote share	Share of immigrants	Provinces	Presidential	Spain
Otto & Steinhardt	2014	Party vote share	Share of immigrants	City districts	Parliamentary	Germany
Barone et al.	2016	Party vote share	Share of immigrants	Municipalities	Parliamentary and municipal	Italy
Becker & Fetzer	2016	Party vote share	Share of Eastern Europeans	Local authorities	European	UK
Mayda et al.	2016	Party vote share	Share of immigrants	Counties	Presidential and congressional	US
Sorensen.	2016	Party vote share	Share of immigrants	Municipalities	Parliamentary and municipal	Norway
Halla et al.	2017	Party vote share	Share of immigrants	Municipalities	Parliamentary	Austria
Baerg et al.	2018	Party vote share	Share of unauthorized immigrants	County level	Congressional	US
Brunner & Kuhn	2018	Policy support and vote share	Share of immigrants	Municipalities	Community and national	Switzerland
Harmon	2018	Party vote share	Share of immigrants	Municipalities	Parliamentary and municipal	Denmark
Vertier & Viscanic	2018	Party vote share	Housing refugees (IV)	Municipalities	Presidential	France
Bordignon et al.	2019	Party vote share	Share of immigrants	Municipalities	Parliamentary	Italy
Dinas et al.	2019	Party vote share	Shares of refugees	Municipalities	Parliamentary	Greece
Dustmann et al.	2019	Party vote share	Shares of refugees	Municipalities	Parliamentary and municipal	Denmark
Edo et al.	2019	Party vote share	Share of immigrants	Municipalities	Presidential	France
Hangartner et al.	2019	Policy support	Exposure to refugees (IV)	Municipalities	n/a	Greece
Tomberg et al.	2019	Party vote share	Share of asylum seekers	Counties	Parliamentary	Germany
Andersson & Dehdari	2020	Party vote share	Share of immigrants	Precincts	Parliamentary	Sweden
Jensen	2020	Candidate characteristics	Shares of refugees	Candidates in municipalities	Municipal	Denmark
Lonsky	2020	Party vote share	Share of immigrants	Municipalities	Parliamentary and presidential	Finland
Steinmayr	2020	Party vote share	Housing refugees (IV)	Municipalities	State	Austria

As is evident in Table F1, most of the literature overwhelmingly measures support for parties rather than policies. Another clear pattern is that most elections are national in character, that is parliamentary, congressional, or presidential. The outcome variables are either parties with well identified stances on immigration, such as the far-right (Steinmayr 2020; Halla, Wagner, and Zweimueller 2017; Dinas, Matakos, et al. 2019; Sørensen 2016; Becker, Fetzer, and Novy 2017; Bordignon et al. 2019), the far right and the far-left (Vertier and Viscanic 2018; Edo et al. 2019; Tomberg, Smith Stegen, and Vance 2019), the Greens (Otto and Steinhardt 2014; Lonsky 2020), and the Republican party in the US (Mayda, Steingress, and Peri 2018; Baerg, Hotchkiss, and Quispe-Agnoli 2018), or several parties that are classified either ad immigration friendly or anti-immigration based on their campaigns and manifestos (Barone et al. 2016; Harmon 2018; Gerdes and Wadensjö 2008; Dustmann, Vasiljeva, and Piil Damm 2018; Mendez and Cutillas 2014).

All these studies share an underlying assumption according to which parties' manifestos are clear about what their immigration polices will be. This is likely to hold in plurality systems and closed party lists where there is more party discipline and less intra-party competition, such as France, the US and the UK. As plurality systems also encourage strategic voting, it is hard to disentangle the real reasons behind a vote. This is precisely why Becker, Fetzer, and Novy (2017) opt for using European elections rather than parliamentary elections in the UK, because the PR system used in the European elections allows for small party success.[1] Taking all this account, we can draw the conclusion that while plurality systems portray in general more party discipline and coherence, they also obscure the policy preferences of the voters in a way that makes it really hard to draw valid, detailed, and robust inferences about the role of immigration policies in the vote.

[1]On a related note, the party-cohesion in majoritarian systems has also been questioned: A. Clark and Bennie (2018) suggest that parties differ in their policy proposals at the sub-national level.

Another question is who yields power when it comes to immigration policies. In centralized systems such as France and the UK, it is wise to make one's anti-immigration preferences heard at the national level. However, in more decentralized systems such as Germany and the Nordic countries the most tangible level is the municipality level. Although an anti-immigration vote may be cast at both the national and municipal level, if we were to measure the consequences of exposure to immigration, it is wiser to match the regional exposure to immigration with votes cast in regional elections where these regional councils exercise power with respect to immigration policies. Harmon (2018) discusses the differences between the types of elections in his paper: while the issues at stake are different in national and municipal elections, the effects he finds are similar. He attributes this not to the general comparability between the elections, but that ethnic diversity creates broader ideological shifts in addition to shifts in municipal policy preferences. This means that even if the similar results across different types of elections might make it look as if the type of elections doesn't matter, actually it rather might tell a story of the topic taking on a larger salience.

From the discussion above we can deduct that measuring the electoral effects of immigration is inadvertently linked to the electoral system of the country. However, there are only a few papers in the literature that acknowledge this. The only paper to explicitly address the relationship between electoral systems and immigration preferences is a formal theory study by Russo and Salsano (2019), who propose that plurality systems are more open to immigration, because the politicians need to compensate for the congestion caused by immigration to a small minority of the voters, whereas in proportional systems they would need to compensate for a larger electoral base. It is beyond the scope of this paper to empirically test if this holds, but assuming that it does, the question of immigration should then be more contested in proportional systems than plurality systems, as the elites need to compensate for the immigration arrivals to a more decisive and larger share of the electorate.

Moreover, in open-list systems there can considerable regional variation in what parties propose (Shugart, Valdini, and Suominen 2005; Carey and Shugart 1995; Hyytinen et al. 2018). Thus if we are to assume that regional immigration shocks translate into region-specific policy responses by the parties, then multiparty systems with open lists provide the most accurate picture of citizens' real attitudes to immigration, provided that municipalities have real powers to enact immigration and welfare policies. Incidentally, most of the literature comes from countries where municipalities are given large autonomous powers: Denmark, Sweden, Switzerland, Norway, and Germany. From the above literature, the studies that measure immigration policies at the municipality level when the municipality is vested with powers to deal with it are Barone et al. (2016), Harmon (2018), Gerdes and Wadensjö (2008), Dustmann, Vasiljeva, and Piil Damm (2018), and Sørensen (2016). However, none of these studies address possible variation within the parties across municipalities in their way of responding to immigration shocks.

Harmon (2018) discusses these methodological issues by referring to the Danish Social Democrats who portrayed anti-immigration stances around Copenhagen in the 1990s but not elsewhere in Denmark. According to Harmon, the studies at hand cannot deal with these types of intra-party variations. Moreover, the author states that results should be interpreted with caution because of the intertwined policy bundles of immigration and welfare policies. This means that parties' stances on issues such as welfare and security tend to correlate with their stances on immigration, but we are not able to detect the underlying reason for voting for a certain party based on party vote shares.

From the literature presented in Table F1 only three papers differ in their outcome variables from the rest. Hangartner et al. (2019) regress policy support for immigration after being exposed to refugees in Greece,[2] Jensen (2020) measures

[2]A complimentary study using the same identification strategy using electoral outcomes Dinas,

the effect of ethnic heterogeneity on the composition of party lists in Denmark, and Brunner and Kuhn (2018) measure support for immigration policies in Swiss referenda. The latter study finds, crucially, that when comparing the support for immigration policies to the support for the anti-immigration party, the coefficient is more elastic for the party vote share than the immigration policies. The authors interpret this as a sign that "estimates based on right-wing shares would probably tend to overestimate the effect of immigration on natives" (Brunner and Kuhn 2018, 54).

The work of Jensen (2020) demonstrates that immigration shocks change the types of candidates that run for office. The candidates running for office in areas with larger shares of refugee migrants come from lower socio-economic statuses across the political parties. The author interprets this as a cross-party reaction to appeal to the natives who are not benefiting from the increased social spending on immigrants, much in line with the formal theory presented by Russo and Salsano (2019). This means that immigration does not only affect the agenda and the success of the far right and far-left parties, as measured in much of the literature, but it affects all parties across the political setting *internally*. If parties portray variation across regions in who runs for office, they are also likely to offer different policies. Yet, no paper studying the electoral effects of immigration has tackled this problem before.

The core problem is that it is hard to find data that measure parties policy platforms in a more detailed manner than party manifestos. The contribution of this paper is that for the first time, it is possible to empirically gauge the effect asylum seeker arrivals have on parties' *local* policies and how electorally rewarding anti-immigration policies are at the polls at a personal, rather than the party level.

Matakos, et al. 2019 finds similar results, albeit the magnitudes of the results are hard to compare

4.3 Finnish municipal elections and elite opinions

In both national and municipal elections Finland has an open list with compulsory candidate selection from one party. This means that the voter chooses one party but within the party list there are several candidates to choose between. Thus, in the Finnish system the candidates of one party are not only competing against other parties, but also amongst themselves. The application of the d'Hondt divisor means that within parties the success of individual candidates depends entirely on the number of votes they get. In Finland municipal elections take place every four years.[3] Each municipality is one constituency. Municipal councils are the main seat of power in the Finnish municipal decision-making and they have extensive influence on welfare provisions.

Compared to aggregate-level data and national-election results, having municipality-specific data allows teasing out the within-party variations in policy responses to asylum seeker arrivals. As open-list systems have looser party discipline (Carey and Shugart 1995), what candidates propose and how they get rewarded varies by electoral context (Hyytinen et al. 2018; Matakos, Savolainen, Troumpounis, et al. 2019). Policy pledges can be treated as revealed preferences rather than stated preferences because the politician making them sets them with the hope of harnessing the crucial amount of votes to get elected to office.[4]

The candidate-level data on policy pledges are generated by the popular[5] Finnish

[3]The election that should have originally taken place in October 2016 was moved to April 2017 in an attempt to create a new cycle that would allow for more space between different elections.

[4]Asylum seekers arriving in the summer of 2015 were excluded from the April 2017 municipal elections, so their presence could not influence the outcome of the 2017 elections via voting or running as candidates.

[5]VAAs are widely used in Finland, see Appendix B. Filling in the VAA is not compulsory, but those who do perform better. There is no discernible difference between the respondents' profile

Voting Advice Application (VAA) system.[6] In candidate-centered system candidates can greatly differ between each other within the same party. Therefore, the VAA system lets candidates fill in pre-structured on-line surveys where they announce their support or opposition for a set of proposed values and policies. The voter then can fill in the same survey, and a pre-set algorithm calculates the best match for the voter. The voters can compare candidates between each other and learn more about their issue stances. It is in the candidate's interest to fill in the questionnaire as accurately and strategically as possible in order to attract the maximum number of the kind of voters they are seeking. The candidates see this platform as a chance to bring their opinions forward and answer the questions carefully. In their answers, candidates get a chance to maximize their votes; however the VAA also serves as a testament to how they would *personally* vote in the council once elected, meaning that they can be held accountable for what they answer.

4.4 Empirical strategy, data and methodology

The Finnish case is ideal for establishing the local policy implications of housing asylum seekers. Importantly, Finland has high-quality data about politicians' policy preferences over time. In addition, 2015 was a clear external shock to the Finnish system. The country saw a steep rise in applications for asylum in 2015: the usual 3,000—4,000 asylum seekers per year that Finland was used to turned to 32,476 in 2015, most of them arriving between September and December 2015. Municipalities received vastly different levels of asylum seekers and some not at all. This enables me to establish a plausible counterfactual about how this external

and the response rates between treated and non-treated areas.

[6]For literature on VAAs and their usage see for example Rosema, Anderson, and Walgrave (2014). For VAAs in political science in the Finnish context see Matakos, Savolainen, Troumpounis, et al. (2019).

shock affected policy stances.

The empirical strategy of this paper relies on identifying both politicians' immigration stances and votes received in areas that experienced or did not experience asylum seeker arrivals in 2015. Having data before and after the intervention enables me to use a difference-in-differences identification strategy, which measures context-embedded change in vote shares, rather than just cross-sectional differences. I am able to use this identification strategy in three ways. First, I replicate what previous literature has done, in which I follow how municipality-level party vote shares developed after the 2015 intervention. Second, I follow how personal level vote shares were affected by the candidate's personal stance on refugees by multiplying the candidate's vote share by their expressed stance in the municipal election voting advice application (VAA). Third, I follow how a pro- or an anti-refugee turn in the candidate's policy pledges affected personal vote shares.

Unlike experimental and other quasi-experimental research designs, a study relying on differences-in-differences strategy does not require randomization of treated and non-treated units, because the municipality and candidate-fixed effects control for all unit-specific, time invariant characteristics. By looking at within-differences, we can control for all things that are specific to a candidate, (such as gender, age, party-affiliation, education) party (ideology, incumbency), and municipality (distance from the capital, being a rural or a an urban locality, having a university). This, combined with time fixed effects, which control for all time-specific trends across the observations, ensure that all time-specific, and unit-specific characteristics that are time-invariant are taken into account.

A possible caveat is, however, that there could be a possibility that asylum seekers were sent to municipalities that were deemed friendly by the authorities. This would still not invalidate the research design, as a DiD examines within differences, rather than between differences. This means that if, for example, a community was more refugee friendly prior to the treatment, then post-treatment

measures would need to be even more refugee friendly to discern a treatment effect. However, this bias would mean that it would be harder to establish effects due to ceiling effects. At the time of the establishment of the reception center policy makers had very little time to make decisions, but one obvious way to check for possible hostility at the time would have been to check the level of electoral support for the anti-immigration Finns' Party.[7] When regressing receiving an asylum seekers' reception center on the electoral success of the Finns' party in 2012, the resulting coefficient is weak and statistically insignificant ($p = 0.9$).

The identification strategy would be undermined also if treated and non-treated municipalities were systematically different in time-variant characteristics. If they were, then the treatment effect would be a result of differing time-variant trends, such as a growing proportion of elderly or educated people. Likewise, if the municipalities that ended up receiving asylum seekers were opting in to receive asylum seekers then we would falsely attribute the possible treatment effects to a shift in public opinion prior to the treatment, rather than the treatment. To address these issues of self-selection and balance, I conduct parallel trend and balance tests in the appendix. All the tests indicate that the identification strategy holds.

The crucial data about each candidate's issue stance on immigration come from the VAA system. The system allows each candidate to express agreement and disagreement with a series of normative statements, of which *My municipality should receive refugees that have been given a refugee status in Finland* is one.[8] This question

[7]In Finland, municipal councils are not divided into government and opposition, but the sheer number of councilors from a given party gives them the upper hand in governance. This means that higher electoral support for the True Finns locally would automatically translate into more power in the council and vetoing the reception center would have been a more feasible process.

[8]Other included questions are for example "Elderly people should have a free place in a care home", "We should prioritize jobs over environmental values", and "Privatizing the health care system brings savings and efficiency to the municipality".

is indeed an optimal one to capture support for immigration, as the lowest overall agreement is found among the openly anti-immigration Finns' Party and highest agreement is found among the openly pro-immigration Green Party.[9] The question, crucially, has also a large practical significance: whereas managing a reception center is a state-matter, Finnish municipalities exercise full autonomy in taking asylum seekers with granted refugee status as inhabitants in the municipality. Refugees at the beginning of their lives in Finland need considerable help with settling in, such as language learning, supported integration and work experiences, and in most cases municipalities regard this as a big responsibility and as expensive. Therefore the Finnish state has traditionally struggled with finding placements for refugees.[10]

In order to assess both the average treatment effect of affected areas as well as a more nuanced measure of contextual exposure, I include both a binary treatment variable and a continuous treatment measure, measured as share of the reception center's capacity of the municipality's total population.[11] I include both measures, because previous literature has used both binary and continuous measures of asylum seekers to estimate the effect of exposure to immigrants and refugees.[12]

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[9]For descriptive statistics on the distribution of the outcome variable, see tables A1 and A2 in the appendix.

[10]https://yle.fi/uutiset/3-5770804

[11]The maximum capacity is used to measure treatment intensity. For simplification purposes, this will always be referred to as "asylum seekers per capita", although realistically it means "beds in reception center per capita", as there is no gathered information about the number of asylum seekers in each given time point in each municipality. The code of conduct in 2015 was that pre-existing centers were filled first, after which new ones were opened and filled right away to the maximum. When occupancy rates began to drop, the reception centers were shut. Thus the maximum capacity is a realistic measure of treatment intensity.

[12]The binary measure is especially important in the papers that use instrumental variables as an identification strategy, because instruments affect the propensity to receive the treatment, after which the local average treatment effect is calculated from the proportion of compliers to the

Although previous literature (Dinas, Matakos, et al. 2019) demonstrates that continuous and binary measures capture similar effects, there are reasons to believe that in areas where the arrival of refugees was more coordinated, such as in the Nordic countries, more often than not the actual physical exposure to asylum seekers was moderate. Following the findings of Steinmayr (2020) and Vertier and Viscanic (2018), there are theoretical reasons to assume that citizen reaction to asylum seeker arrivals is different according to the salience the issue has – in areas with a large concentration of asylum seekers the question might be if not more, then at least of a different relevance from areas where the issue is less present in everyday interactions. Therefore it is crucial to tease out the real intensity and the effect of this exposure to draw valid inferences, rather than attribute an average that might in reality be a product of both intense and moderate exposure. Using both the binary and continuous measures is the first step in evaluating the effectiveness of existing methods to measure the electoral returns of immigration policies.

The data about each party's and each candidate's electoral performance come from the Finnish Ministry of Justice and all the municipality-specific covariates are provided by Statistics Finland.

4.5 Three ways to measure electoral returns to immigration policies

4.5.1 Electoral outcomes – identification and measure

To establish the causal estimates on parties' electoral performance, I employ a differences-in-differences estimate that measures the internal change in every party's respective vote share as a result of housing asylum seekers. As most of the previous

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treatment. Therefore, by and large, the IV captures binary rather than continuous measures of exposure.

research has done, I will interpret votes cast for the Finns' Party as an anti-immigration stance whereas I will interpret the votes cast for the liberal Green Party as a vote cast for immigration. This is because as tables A1 and A2 show that these two parties have clear issue ownership and clear stances on the immigration/refugee issue, with just 3 percent of the Finns Party candidates agreeing with taking refugees in 2017, whereas 74 percent of the Greens agreed with this statement. In addition, the campaign manifestos of both respective parties confirm these policy stances on immigration.

The difference-in-difference model can be expressed by the following equation:

$$\alpha = \{E[Y_{i2017}|D_i = 1] - E[Y_{i2012}|D_i = 1] - E[Y_{i2017}|D_i = 0] - E[Y_{i2012}|D_i = 0]\}$$

where D_i is a treatment variable that takes the value of one when municipality i housed asylum seekers in 2015 and is zero if the municipality did not. When using the continuous measure of the treatment variable, I divide the capacity of the reception center divided by the total population of the municipality. To estimate α, I use the standard fixed-effects regression:

$$Y_{tip} = \delta_t + \lambda_i + \alpha \, \text{Treatment}_{ti} + X_{ti}\beta + \varepsilon_{tij}$$

where Y_{tip} is the vote share of party p in municipality i, in time t, δ_t is a year-specific fixed effect, λ_i is a municipality-specific fixed effect, Treatment_{ti} is either the continuous or the binary treatment variable switching on when the municipality received asylum seekers, $X_{ti}\beta$ is a vector of time-varying covariates and ε_{tij} denotes the error term. The ATT is given by α. To account for heteroskedasticity and serial correlation, I cluster standard errors at the municipality level.

To account for time-varying differences between municipalities, I also estimate municipality-level socio-economic measures. These covariates are time-varying

features of municipalities that might account for their idiosyncratic responses to housing asylum seekers, but are not affected by housing asylum seekers. These covariates are changes in the municipalities population, urban density of the municipality, share of graduates and foreigners in a municipality as well as the share of Swedish speaking people in the municipality, as Swedish-speaking areas tend to be more liberal in general. To define treatment status, I either code a municipality as treated if a) there was a new reception opened in a municipality without a previous one being in place (binary treatment) and b) the total capacity of the reception center divided by the number of inhabitants in the municipality (continuous treatment). I exclude all municipalities that had previous experience from managing a reception center, in order to evaluate first time exposure, rather than an increase in exposure, as previous research has found these to have dissimilar effects on public opinion. (Kaufmann 2017)

The DiD estimate relies on the parallel trends assumption: in the absence of the treatment (e.g. had the municipalities not received asylum seekers) the party's vote shares would have remained unaffected. The following graph demonstrates that this holds:

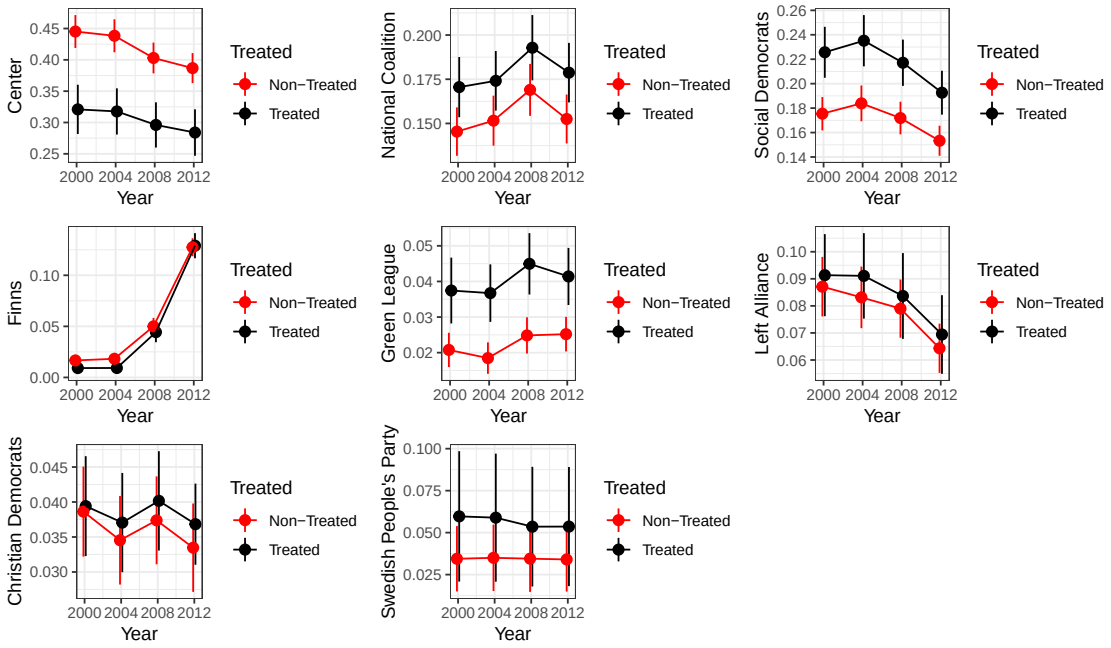


Figure G1: Mean vote share (in percentages) in municipal elections for each party represented in Parliament between years 2000 and 2012 for treated and non-treated municipalities with 95 % confidence intervals.

Figure A4 in the appendix demonstrates that the parallel trends hold also for the parliamentary elections.

4.5.2 Party-level results

The following tables sum up the fixed-effects estimates for each party between the 2012 the 2017 municipal elections with the full set of controls. In table F2 coefficients denote the average change in vote share for each party as a result of having housed asylum seekers, whereas in table F3 the results mean the average change in vote share for every one percent increase in asylum seekers per capita.

Table F2: Results for fixed effects regressions for the electoral performance in municipal elections years 2000–2017 of each party represented in Parliament as a function of housing asylum seekers, binary treatment

Party	Coefficient	Standard error	Election FE	Municipality FE	Covariates	*N*	Clusters
National Coalition, KOK	−0.009*	(0.005)	yes	yes	yes	1,365	273
Social Democrats, SDP	−0.008	(0.006)	yes	yes	yes	1,365	273
Center, KESK	−0.003	(0.006)	yes	yes	yes	1,365	273
Finns' Party, PS	0.014**	(0.005)	yes	yes	yes	1,365	273
Greens, VIHR	0.008**	(0.004)	yes	yes	yes	1,365	273
Left Alliance, VAS	−0.005	(0.003)	yes	yes	yes	1,365	273
Swedish People's Party, SFP	0.001	(0.002)	yes	yes	yes	1,365	273
Christian Democrats, KD	−0.001	(0.003)	yes	yes	yes	1,365	273

Note: The table presents OLS regressions with clustered standard errors in parentheses.
* $p < 0.10$ **$p < 0.05$

Table F3: Results for fixed effects regressions for the electoral performance in municipal elections years 2000–2017 of each party represented in Parliament as a function of housing asylum seekers, continuous treatment

Party	Coefficient	Standard error	Election FE	Municipality FE	Covariates	*N*	Clusters
National Coalition, KOK	−0.004**	(0.001)	yes	yes	yes	1,365	273
Social Democrats, SDP	0.000	(0.003)	yes	yes	yes	1,365	273
Center, KESK	0.001	(0.002)	yes	yes	yes	1,365	273
Finns' Party, PS	0.003	(0.002)	yes	yes	yes	1,365	273
Greens, VIHR	−0.002**	(0.001)	yes	yes	yes	1,365	273
Left Alliance, VAS	−0.002	(0.001)	yes	yes	yes	1,365	273
Swedish People's Party, SFP	0.001	(0.001)	yes	yes	yes	1,365	273
Christian Democrats, KD	0.002	(0.001)	yes	yes	yes	1,365	273

Note: The table presents OLS regressions with clustered standard errors in parentheses.
* $p < 0.10$ **$p < 0.05$

We can see from these tables that the effects are not uniform along the binary and continuous treatment definitions in the municipal elections. A uniform effect is a slight decrease in the electoral performance of the incumbent party National Coalition (KOK), which suffers a 0.4 percentage point loss per a 1 % increase in the share of asylum seekers per capita and a 0.9 percentage point loss on average in areas that housed asylum seekers. However, the other major coalition partner, the Center party (KESK) does not suffer similar losses, so punishing the incumbents

is not a likely mechanism to explain these results.

Other major differences between the binary and the continuous analysis are that on average, the anti-immigration Finns' Party (PS) gets a 1.4 percentage point boost in its electoral performance in treated areas, but this effect disappears when the treatment is measured as a share of asylum seekers per capita. This means that in areas that are affected more in substantive terms, the anti-immigration platform ceases to yield electoral gains. Simultaneously, while there is an average boost of 0.8 percentage point for the Greens (VIHR) as a result of housing asylum seekers, this effects is significantly reversed to a 0.2 percentage point *loss* with a 1 % increase in the share of asylum seekers.

Table C1 in the appendix demonstrates that when moving the treatment variable to the year 2012, that is to t_0, and regressing vote shares in 2012 on the treatment, none of the effects perceived in table F2 hold. This means that the increase and decrease in vote shares in 2017 is not due to chance, but the channel must be the 2015 asylum seeker arrivals.

If we are to interpret these results as much of the previous research has done, that is, a vote cast for the liberal Greens is a vote cast for pro-refugee policies and a vote for the anti-immigration Finns Party advocates anti-refugee policies, then the above results do not make sense. Anti-immigration platforms get a boost with lower shares of asylum seekers, but pro-immigration platforms suffer as the share of asylum seekers goes up. This means that we cannot draw a universal conclusion that increased exposure to asylum seekers benefits the pro-immigration Greens, but we likewise fail to draw the conclusion that the increased exposure benefits the far–right. In addition, one of the incumbents is punished systematically, but not the other one, so incumbent punishment does not look like a viable channel either.

While the binary results would indicate a similar story that previous literature has found, that asylum seeker presence has a polarizing effect, the fact that the continuous measure fails to confirm this pattern is concerning. The differing results of

the continuous measure might mean that as exposure grows, the effect gets different from low exposure, but at this point there is no way of knowing whether parties even propose the same policies in areas of low and high exposure. The standard deviation of the refugee stance in 2017 was 0.9 on average, and all parties, except for the Greens show rather high standard deviations: while the standard deviation for the Greens is 0.55, it varies between 0.60 (The Swedish People's Party) and 0.80 (Center Party) for the other parties. Interestingly, the standard deviation for the anti-immigration Finns' Party is 0.79 – if the issue ownership of being anti-refugee would be so clear, the distribution should echo the tightness of the Greens.

The previous study in this thesis shows that the more areas are affected by the presence of asylum seekers, the more candidates across parties propose taking refugees because of their positive experience of managing a reception center. This means that because of this cross-party agreement on the positive effects of refugees, both the Greens and the Finns' Party lose their electoral edge in this issue. This might explain the negative coefficient of the Greens: they might have simply lost their issue ownership to all the other parties. The null effect of the Finns party with the continuous measure could mean that the local electoral market in highly exposed areas did not reward anti-refugee policies.

However, in this case there is no information whether the voters voted for refugee-friendly candidates in affected areas, so it is too early to draw conclusions about the electoral support for immigration based on these party-level results. All that we can safely establish at this point is that on average the treatment induces polarization, but a more fine-grained analysis revokes this conclusion. Rather than looking at the the party-level, it would be more fruitful to assess the immigration stances of individual candidates and see how they performed at the polls. Instead of relying on parties' reputations and traditional issue ownerships, we need to turn

to the more detailed ways to measure anti-immigration stances.[13]

4.5.3 Individual level stances, aggregated per municipality

In order to get a better grasp of what explains the inconclusive results at the party level, I next turn to assess the municipality-level refugee stances and the related electoral outcomes, rather than party success. I do this by replacing the outcome variable with a variable that weights each candidate's j refugee stance by their electoral performance in each election in municipality i. This variable is highly skewed, because most candidates get very low shares of the total vote shares. Likewise a few candidates get a very high value because they are by far the most popular candidate in the municipality. To this end, I at this point take the natural logarithm of this newly created variable and henceforth use this logged variable in all calculations in this section. The new outcome variable is calculated in the way specified below, following Baker and Greene (2011).

$$\text{StanceSuccess}_{ti} = \sum_{j=1}^{n_i} \text{Stance}_{tij} \times \text{Voteshare}_{tij}$$

In which StanceSuccess stands for aggregated refugee stances weighted by electoral performance in election t in municipality i. Each candidate's j vote share in a given

[13]Although it is beyond the scope of this paper, Figure C1 demonstrates that when looking at national elections, the effects are different: when using the binary treatment definition, there are only small treatment effects for the incumbent Center and National Coalition party, but neither the Greens or the Finns Party gain or suffer from the election. The National Coalition suffers a 1.3 percentage point decrease on average from receiving asylum seekers and the Center Party a 2.0 percentage point increase. When measured with a continuous treatment variable, none of the parties show any effect. This discrepancy between the municipal an the national election results shows that voters were reacting differently to refugee questions in these two elections and the matter might be seen more as incumbent affair in the parliamentary elections than in the municipal elections.

election t in municipality i is multiplied by their refugee stance, after which all these multiplied stances are summed up in election t in municipality i. The StanceSuccess variable thus refers to each municipality's total sum of refugee stances on the scale of 1–4, after having answered *My municipality has to receive refugees that have received asylum in Finland* in each election, weighted by the vote share of each candidate. For example, if the municipality's aggregated stance tilts towards 4 (strongly disagree), and this is also rewarded with votes, then the value of StanceSuccess will also be closer to 4. To put this in simplified terms, if 100 % of the votes is cast for candidates with an anti-refugee stance, the value of StanceSuccess will be 4. However, this calculation can only be performed on those candidates who have disclosed their refugee preference. Moreover, the amount of candidates who answer this question varies across time, blurring the estimates.[14] I address this by calculating the mean in each municipality. I delete all observations that do not contain information about the candidates' refugee stance and collapse StanceSuccess at the municipality level by dividing the total sum achieved above by the total number of candidates running in each municipality-election combination. This achieved mean reflects the average electorally weighted stance on refugees in a given municipality in a given time. This is expressed by the following quantity:

$$\frac{\sum_{j=1}^{n_i} \text{Stance}_{tij} \times \text{Voteshare}_{tij}}{n_i}$$

As a result, I am able to run a differences-in-differences estimation with the mean refugee stances weighted by their electoral success. Reflecting the value of StanceSuccess, the smaller the mean is, the more votes have been cast for

[14]It is not compulsory to fill in the VAA, even though it is highly advisable and most votes are cast for candidates who do so. In addition to self-selection to fill it in, candidates may be selective about which questions to answer, leading to item-non-response bias.

candidates supporting refugee intake and if more votes are cast for anti-refugee candidates, then the weights will make the mean bigger. This approach does not take into account the party affiliation of the candidates, but instead, it serves as a general test of how much electoral stances supporting and opposing refugee intake are supported in each election in each municipality and what the within change is for treated and non-treated municipalities.

The refugee stance question was not asked in previous elections, so I am not able to show parallel trends for this outcome variable. However, knowing that at the party level parallel trends hold, there is no reason to expect that individual candidates' incentives to formulate their opinions differed in treated and non-treated areas prior to the intervention. I will impute this newly created outcome variable in the previous fixed effect regression with municipality and year fixed effects alongside with the same theoretically relevant covariates. This is to make sure that the outcome reflects a treatment effect rather than individual, time and municipality specific idiosyncracies. The regression equation is:

$$Y_{ti} = \delta_t + \lambda_i + \alpha \, \text{Treatment}_{ti} + X_{ti}\beta + \varepsilon_{tij}$$

where Y_{ti} is the mean StanceSuccess in municipality i, in time t, δ_t is a year-specific fixed effect, λ_i is a municipality-specific fixed effect, Treatment_{ti} is either the continuous or the binary treatment variable, $X_{ti}\beta$ is a vector of time-varying covariates and ε_{tij} denotes the error term.

As the previous estimate, this is also carried out for the 273 municipalities that had no previous experience of managing a reception center for asylum seekers. The StanceSuccess value is calculated by using the expressed refugee stances for all the candidates in 2012 or 2017 who responded to the voting advice applications asylum seeker related question. (In 2012: $N = 19{,}330$ and in 2017: $N = 16{,}740$).

4.5.4 Individual level stances, aggregated per municipality: results

The following table summarizes the results of fixed effects regressions with the weighted issue stance variable as the outcome. In first instance I us a binary treatment definition to assess what the electoral effect of getting asylum seekers in general is. In the second model I assess the continuous treatment effect (asylum seekers per capita). In models (3) and (4) I add the standard set of covariates.

Table F4: Results for fixed effects regressions for the candidate's refugee stances weighted by their personal vote share in elections (logged variable), years 2000–2017 aggregated by municipality.

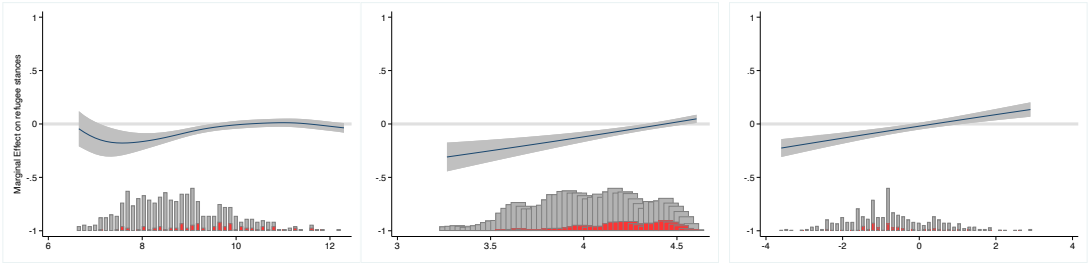
Model	1	2	3	4
Vote share × stance				
Refugee exposure	−0.050**	−0.027**	−0.049**	−0.023*
	(0.018)	(0.009)	(0.017)	(0.010)
Election FE	yes	yes	yes	yes
Municipality FE	yes	yes	yes	yes
Covariates	no	no	yes	yes
N	273	273	273	273
Clusters	273	273	273	273

Note: Models 1–4 present OLS regression with clustered standard errors in parentheses. Model 1:Binary treated/non-treated Model 2: Continuous treatment: asylum seekers per capita. Model 3: Binary treatment model with covariates . Model 4: Continuous treatment model with covariates.
*$p < 0.05$ **$p < 0.01$ ***$p = 0.00$

The above results suggest that when measured both in a binary and a continuous way, receiving asylum seekers makes voters cast their votes for candidates that rather advocate taking asylum seekers than not. In all models the coefficient is negative (approaches the favorable 1). Adding covariates does not affect the causal estimates. This means that overall receiving asylum seekers makes people support candidates that are open to taking refugees in the municipality, but in addition to that, there seems to be a dynamic that the more intense the exposure is, the

more this pattern seems to hold. I investigate this further with interactions to test whether this trend stems from having more asylum seekers per capita, or from being a sparsely populated region, as suggested by the literature.

The graphs below demonstrate that the population size of the municipality (and thus having more asylum seekers per capita) does not explain these results. However, population density demonstrates a clear pattern: the more peripheral the municipality is, the more votes pro-refugee candidates receive in the post-treatment election. The significant and negative coefficient for the continuous treatment estimate confirms this trend that municipalities that saw a higher presence of refugees in a peripheral area reacted positively to asylum seeker inflows. As densely populated areas tend to be on the receiving end of population gains and rural areas tend to lose population, I also run the interaction with a measure of population gains and loss. Results confirm that rural areas vote more in favor of refugees and that this reaction is primarily driven by population losses, as was the case for politicians in the previous chapter.



(a) Population moderator **(b)** Urban density moderator **(c)** Pop. change moderator

Figure G2: Predicted marginal effects for the effect of receiving a reception center on refugee intake for candidates vote shares weighted by their refugee stance, shaded areas denoting 95 % confidence intervals.

The standard deviation of the outcome variable, the logged weighted vote share is 0.2. At the lower ends of the urban spectrum the change in the weighted vote share amounts to 0.25, meaning that in highly rural areas the shift is more than one standard deviation. These results are in dialog with the party-level estimates above: while the overall treatment effect does seem to pay off for the anti-refugee

Finns Party, when estimating the per capita treatment effect, we can clearly see that the anti-refugee stances no longer pay off, on the contrary, being pro-refugee seems to be giving a clear electoral advantage. This, in turn might also explain why the Greens seem to lose from the intense treatment exposure; in areas where the treatment exposure was high, the pro-refugee stance no longer is an electoral edge, but rather an obvious position to take.

To strengthen the conclusion that the difference in the electoral rewards for policy stances is really due to increased asylum seeker arrivals, I replicate the above procedure by substituting the refugee stance by the stance on increasing privatization of health care in the municipality. Although the questions are somewhat overlapping, as refugee intake can be seen as response to the municipality's financial situations as much as increased privatization of services, the privatization attempts of the health care system should be less connected to the increased asylum seeker arrivals than refugee intake. Results in table C2 in the appendix demonstrate that the results are weaker and statistically insignificant.

4.5.5 Individual level stances

The above calculations give an average indicator of what types of stances pay off at the polls contextually. However, the above results are marred by self-selection to disclose the refugee stance: not all candidates do so. This means that some parts of the vote share go unexplained, but their vote shares still affect the vote shares of those who did disclose their refugee stance. When operating with vote shares, each vote is away from an other person, so those candidates that received votes without disclosing their refugee stance affected the vote shares of those included in the estimate. This means that the results above, while they give a clear indication of the political climate in each municipality, fail to account for missing data. To this end, I present a third way to assess the electoral returns of refugee stances.

This third way conditions on running twice. It examines how individual candidates' *shifts* in policy pledges about refugees paid off at the polls. Whereas the previous model shows municipal level vote shares for policy pledges, this model incorporates a candidate fixed effect. This model examines to what extent, holding all other candidate qualities equal – such as popularity, gender, and other policy stances– it pays off to adopt a more pro or anti-refugee stance in municipal elections. I perform this by first calculating a first difference value in refugee stance by subtracting the stance of 2017 from the stance in 2012. For example, a first difference of 1 means that the candidate switched from a stance of 2 (moderately in favor) to 3 (moderately opposed), whereas a first difference value of -1 would mean the opposite. Likewise, a value of 0 indicates no change in refugee stance. I will group these first difference values into three dummy-variables: a pro-refugee shifts (for values -1 and -2), an anti-refugee shift (for values of 1 and 2) and a no-change variable of no movement on the scale. All these variables take on the value of 1 if any of this was the case for the candidate j in question and otherwise take on the value of 0. I will then incorporate this change variable to the following fixed effects regression:

$$Y_{tij} = \delta_t + \lambda_i + \alpha\,\text{Treatment}_{ti} + \Delta j + \text{Treatment}_{ti} \times \Delta j + X_{ti}\beta + \varepsilon_{tij}$$

where Y_{tij} is the vote share of candidate j in municipality i, in time t, δ_t is a year-specific fixed effect, λ_i is a municipality-specific fixed effect,[15] Treatment_{ti} is the binary treatment variable taking the value of 1 when the municipality received asylum seekers, Δj is the binary direction of the first change in policy stance, $\text{Treatment}_{ti} \times \Delta j$ means the interaction between first change and treatment, and ε_{tij} denotes the error term. The ATT is given by α. I cluster standard errors at the municipality level, rather than the candidate level, because the treatment

[15]As I only match candidates that ran twice in the same municipality, this municipality fixed-effect is built in in the candidate fixed effect

was assigned at the municipality level. As the first differences already include a candidate fixed effect in the way they are calculated, this equation includes candidate-level fixed effects twice, as in addition to the individual-level Δ this equation measures within-individual change in vote share across the two elections. This means that the fixed effects are so strong in this model that any added covariates get dropped due to collinearity.

Having such strong fixed effects makes this model very demanding. However, in order to rightly attribute any gain or loss in votes to a change in refugee policies, we would need to rule out that a change in refugee stances systematically correlates with other policy stances. I check for this by running correlations between the first differences of all the four questions that were repeated in the VAA surveys between 2012 and 2017, namely environmental issues, elderly care, and stance on privatization. None of the stances correlate with the refugee stance, meaning that shifts on these other issues are incorporated by the idiosyncratic candidate fixed effect. This design can only be applied to those 4,310 candidates that ran in both time points.

4.5.6 Individual level stances: results

The outcome of interest in the above-presented model is to what extent the individual candidate's vote share changed as a function of a) receiving asylum seekers and b) changing their stance on asylum seekers. In other words, did a pro-refugee shift pay off at the polls as a result of receiving asylum seekers or not?

5,763 candidates filled in the refugee-related question in both time points. After deducting the candidates in areas with already existing reception centers, this number is 4,310.

Table F5: Results for fixed effects regressions for the average change in vote shares for candidates that: **1.** changed to a pro refugee stance; **2.** changed to an anti-refugee stance; and **3.** kept their stance, treated vs. non-treated areas

Model Vote share	1	2	3
Refugee exposure	−0.130**	0.005	0.113**
	(0.060)	(0.075)	(0.053)
Election FE	yes	yes	yes
Candidate FE	yes	yes	yes
N	4310	4310	4310
Clusters	273	273	273

Note: Models 1–3 present OLS regression with clustered standard errors in parentheses. Model 1: Pro-refugee change. Model 2: Anti-refugee change. Model 3: No change.
* $p < 0.10$ **$p < 0.05$ ***$p < 0.01$

The results above suggest that on the whole, a pro-refugee change *decreases* a candidate's vote share on average by 0.13 percentage point. The mean value of the change in all candidates' vote share is 0.06 percentage point. This means that an average loss of 0.13 percentage point is a large punishment for a pro-refugee turn. An anti-refugee turn is not punished for or rewarded on average. The most electorally rewarding strategy on the whole is consistency: candidates who do not update their preferences see a 0.11 percentage point boost in their vote share as a result of hosting asylum seekers in the municipality. On the whole it seems that in areas that hosted asylum seekers, what ever the candidate thought before is worth while keeping, or alternatively starting to oppose them. Table C4 in the appendix shows results for the placebo regression: replacing the first differences with the respective first differences regarding privatization of services does not yield significant results.

Considering the results in the previous sub-section, it is worth while looking into whether these patterns hold similarly when measured by using a continuous treatment. Table C3 in the appendix shows that when substituting the binary treatment variable with a continuous one, the results disappear, reflecting the party-level analysis. If anything, the results now indicate that taking an anti-

refugee turn leads to losing votes. This gives a reason to suspect rural–urban differences. In what follows, I divide the sample in regions above and below the urban density of 60 % and population below and above 15,000 people, the official definition of rural and urban areas in Finland. The following table sums up the results for the same models as above, but breaking them down to urban (models 1–3) areas, and rural (models 4–6) areas.

Table F6: Results for fixed effects regressions for the average change in vote shares for candidates that: **1.** changed to a pro refugee stance; **2.** changed to an anti-refugee stance; or**3.** kept their stance, rural vs. urban areas.

Model Vote share	1	2	3	4	5	6
Refugee exposure	−0.109*	0.170**	0.013	0.155	0.365	−0.185
	(0.059)	(0.070)	(0.055)	(0.185)	(0.255)	(0.187)
Election FE	yes	yes	yes	yes	yes	yes
Candidate FE	yes	yes	yes	yes	yes	yes
N	2491	2491	2491	966	966	966
Clusters	64	64	64	136	136	136

Note: Models 1–6 present OLS regression with clustered standard errors in parentheses. Model 1: Pro-refugee change, urban municipalities. Model 2: Anti-refugee change, urban municipalities. Model 3: No change, urban municipalities. Model 4: Pro-refugee change, rural municipalities. Model 5: Anti-refugee change, rural municipalities. Model 6: No change, rural municipalities.
* $p < 0.10$ ** $p < 0.05$ *** $p < 0.01$

The above results suggest that the overall effect of being punished for pro-refugee shifts does not come from both rural and urban areas, but rather from *urban* areas. In urban areas candidates who take on an anti-refugee shift are rewarded by 0.2 percentage point on average and candidates who take on pro-refugee shift are punished by 0.1 percentage point on average (although only significant at the 10 % alpha level). Again, when contrasted with the mean change in vote share fore candidates that ran twice (0.06 percentage point), the movement is important. When comparing rural and urban areas, there is no difference between these areas when the candidate has retained their position.

These estimates are the results of really demanding models with double candidate effects and a small sample size. These results can be read as very conservative estimates of rural–urban divisions between the direct electoral returns of candidates updating their positions on refugee intake in receiving and non-receiving areas.

This candidate-level analysis has confirmed, from a different angle, the results of the municipality level analysis, that voter reactions to asylum seekers are different in rural and urban areas. Anti-refugee stances pay off in urban areas, whereas in rural areas the question does not play a significant role in electoral performance. Overall, it seems that being consistent also pays off at the polls, but there is no discernible difference between rural and urban areas in this. Instead, what is discernible is the consistently better electoral performance of anti-immigration candidates in urban areas. Seeing that in the party-level analysis the Finns seemed to make slight gains on average in treated areas, these results explain that in urban areas their pronounced anti-immigration stances are rewarded, indeed. While simultaneously the Greens also can use receiving asylum seekers to their advantage, this seems to be more the case in urban areas rather than in rural areas, as demonstrated in the party-level analysis.

4.6 Concluding discussion

The principle motivation behind this paper is to show that when estimating the electoral returns for anti-immigration policies we must be very careful. Rather than taking manifestos to mean both what politicians think and what their voters are thinking, we would do better if we examined individual politicians' policy stances and its electoral returns when assessing the electoral returns of immigration.

This is empirically a hard task, as few political systems offer high quality data about individual politicians' policy stances. Most often the available data about politicians' stances come from elite surveys, which suffer from the same

desirability bias as surveys run with citizen respondents. The idea behind using electoral outcomes is that it is taken to reflect revealed, rather than expressed preferences. However, at the elite level the only lead on what politicians offer about immigration is their manifestos. The first half of this paper highlights that so far researchers have paid little attention to the fact that it is not clear to what extent the parties' regional candidates offer the policies promised in the nationwide manifesto, and whether we can take votes cast for a party offering anti-immigration policies at face value and equal those votes with votes for anti-immigration polices. Some of the pioneering work that looks at the effect of electoral institutions suggest that in multiparty PR systems, where most of the existing empirical evidence currently comes from, both the incentives (Russo and Salsano 2019) and the means (Jensen 2020) to respond to immigration shocks are higher. Often these PR systems also offer large autonomous powers for municipalities to dictate their own immigration policies. This combined with possible intra-party heterogeneity should raise concerns about drawing conclusions from national-level manifestos regarding local immigration preferences.

In most receiving host countries, refugee arrivals happen in largely different contexts: previous literature shows that arrivals in small municipalities differ greatly in their impact on the community from arrivals in large cities (Vertier and Viscanic 2018). Therefore, this paper also addresses the importance of measuring policy preferences in as fine grained ways as possible, in order to account for the context embeddedness of refugee arrivals and the policy reactions to them. The gap in the literature has been to match micro-level policy responses to micro-level vote shares. The case of Finland has managed to offer all these data to explore this question. Institutionally, the Finnish political system is largely similar to those of other European multi-party PR systems, but the crucial difference is that it offers high-quality data about politicians' preferences. This means that I have managed to isolate the refugee stance at the micro-level from other policy stances,

and have been thus able to look at the electoral returns for anti-immigration policies rather than party reputations.

The three different estimations making use of the same identification strategy (DiD) in this paper demonstrate in very concrete terms the threat to valid inferences at the moment in the state of the art literature. By following the party-level vote shares, the results are different for the binary and continuous estimates. On the whole it seems that the increasing vote shares of the Greens and the Finns' Party tell the story of political polarization as a result of refugee arrivals, but when the exposure is intense, this effect disappears. When looking at the policy pledges of candidates, results show that areas that received asylum seekers see successful candidates propose pro-refugee policies, especially as the treatment intensity goes up. This analysis is freed from the constraints of party labels and only looks at proposed policy stances rather than party-labels. This way the results are more straightforward and easier to interpret than the confusing and inconclusive results of party labels. The third way of measurement is a very conservative estimate of how within-candidate vote shares are affected by a change in policy stance regarding refugee intake. Again, on the whole anti-refugee changes seem to pay off, but the results are reversed when exposure is measured in more fine-grained ways.

It is beyond the scope of this paper to establish the actual mechanism of why fine-grained measures bring more pro-refugee estimates than aggregate results. Existing literature point towards contact (Steinmayr 2020; Vertier and Viscanic 2018) or economic reasons (Liao, Malhotra, and Newman 2020). At this point it is impossible to ascertain which one of these mechanisms are driving these electoral results. The only pointer at this point is that interactions in the second estimation strategy point towards rural–urban divisions rather than just population size.

However, this paper has been able to demonstrate that we should not start exploring the political consequences of immigration by regressing immigration/refugee arrivals on party's vote shares, but rather on actual proposed policies and their

electoral success. Existing literature acknowledges to some extent that party labels are far from ideal to examine immigration stances (Brunner and Kuhn 2018; Harmon 2018), but in the absence of more fine-grained data directly comparing party-level vote share to policy preferences in the same elections has not been possible. This paper has opened up new ways, and demonstrated their importance, in assessing the electoral returns of anti-immigration policies. Although all three methods use causal identifications, they bring differing results. Instead of focusing on just identification, researchers should also focus on the levels of their measurements and the systems their variables operate in, as all these factors are likely to contribute to the results.

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4.7 Appendix A: Ruling out threats to the identification strategy

Graphs A1 and A2 test if treated and non-treated areas portrayed similar characteristics prior to the treatment in 2015. Although the used identification strategy does not require randomness, it is is important to identify the time-variant characteristics that might explain the results rather then the treatment. The above balance tests show that on average, the only difference between treated and non-treated areas is urban density and, on a related note, the population size, share of foreigners and share of graduates. As more urban places are more likely to be able to offer housing, this bias is observed in other similar works. By sub-setting the observations to rural and urban areas, we can see that there is balance. However, for overall models, we should include these covariates as controls to account for this difference between treated and non-treated areas.

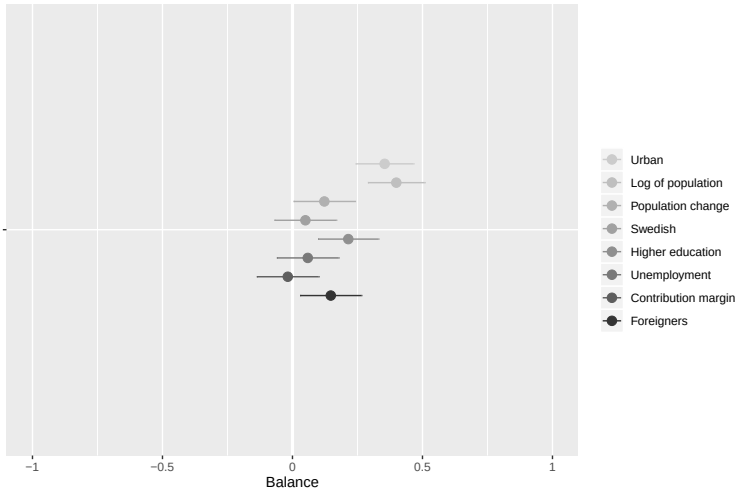
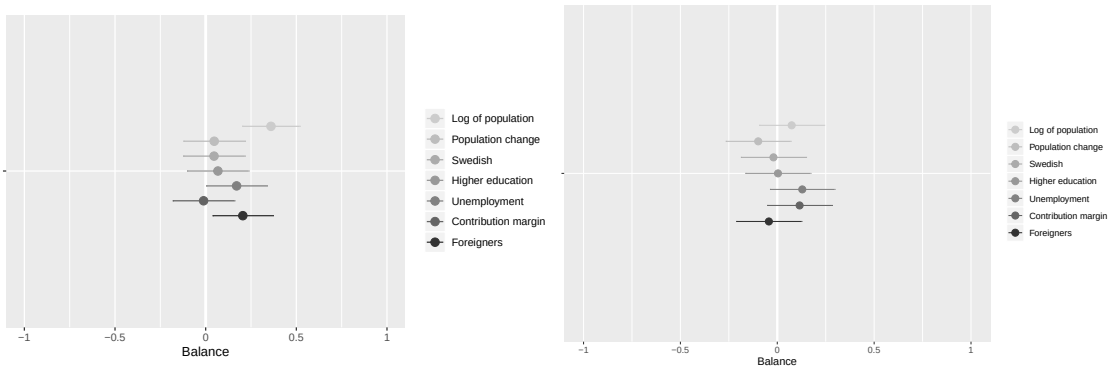


Figure A1: Standardized coefficients plotted for OLS regressions testing the relationship between being treated in 2015 and municipality specific covariates.



(a) Urban municipalities

(b) Rural municipalities

Figure A2: Standardized coefficients plotted for OLS regressions testing the relationship between being treated in 2015 and municipality specific covariates.

Even if the levels of urban density, population and share of foreigners differ between treated and non-treated units, from the point of view of a difference-in-difference design it is more important that the trends in these characteristics were not differing in the lead up to the intervention, because should the trends show diverging trends, then the crucial parallel trends does not hold. If this were the case, any treatment effects would be biased by the fact that treated and non-treated units were following different paths to start with. The parallel trends in both covariates and national level elecitons are demonstrated by the following graphs.

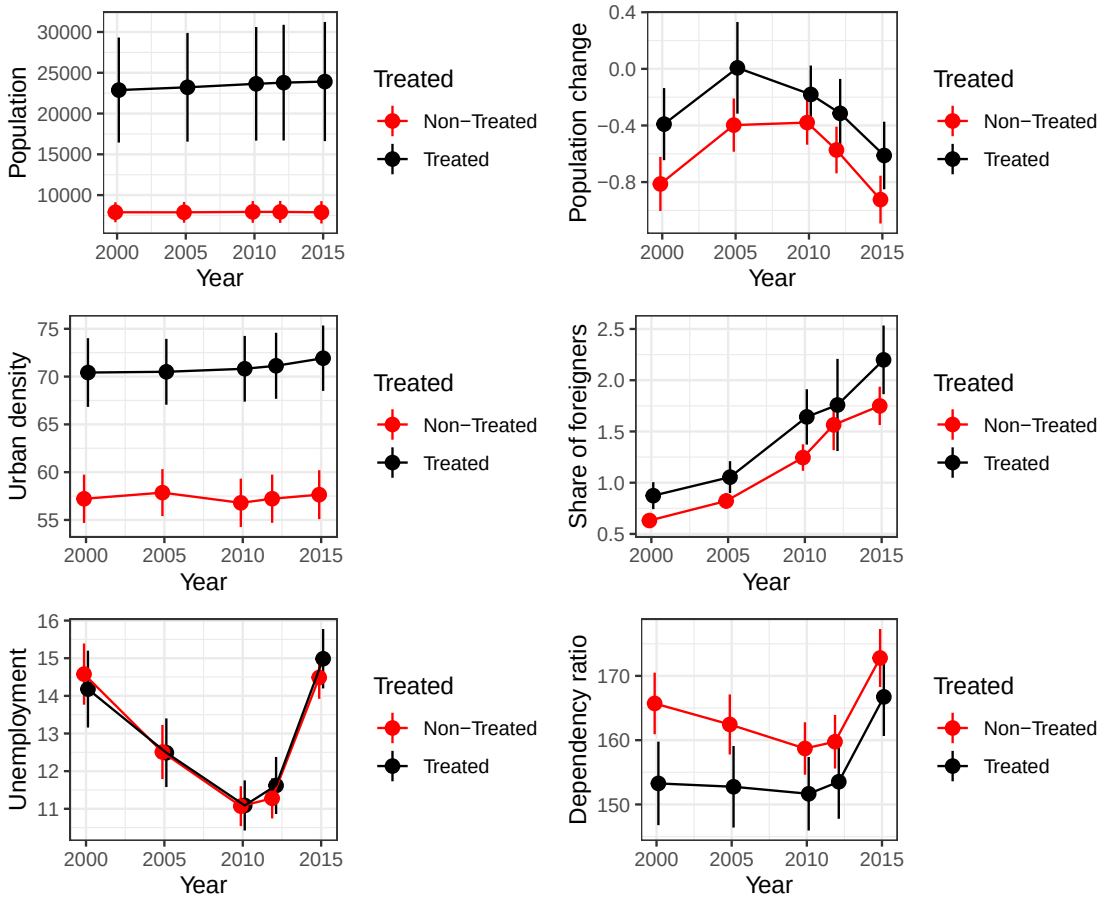


Figure A3: Mean population size (in persons), change in population, urban density, share of foreigners, unemployment rate (in percentages) and dependency ratio (in euros) between years 2000 and 2015 for treated and non-treated municipalities. Vertical lines denote 95 % confidence intervals.

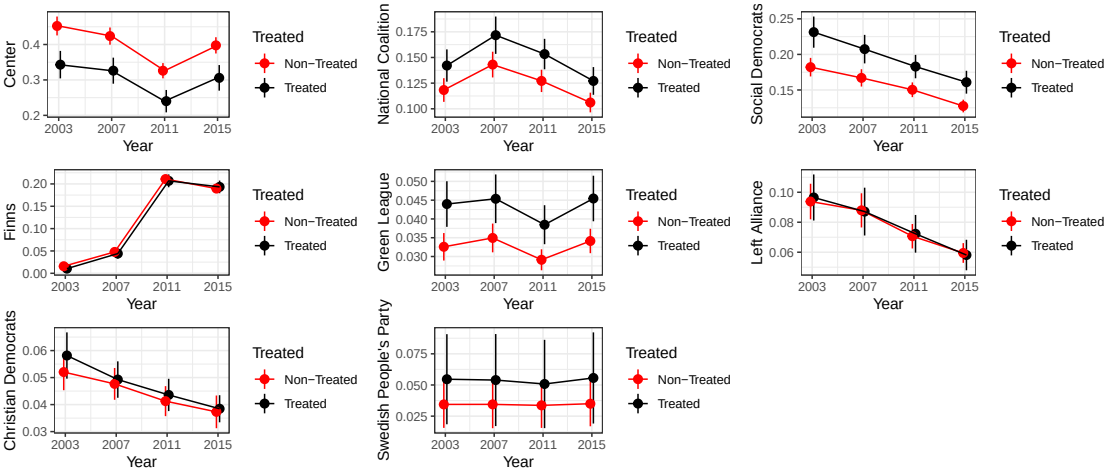


Figure A4: Mean vote share (in percentages) in parliamentary elections for each party represented in Parliament between years 2003 and 2015 for treated and non-treated municipalities with 95 % confidence intervals.

Table A1: Descriptive statistics of the candidate's answer on "My municipality should receive refugees that have been granted asylum in Finland" in 2012, scale 1 (strongly agree) – 4 (strongly opposed), by party in percentages, smallest parties excluded

Party	SDP	KOK	KESK	VAS	VIHR	SFP	KD	PS	All Parties
(1) in percent	28.89	17.09	12.94	48.88	62.36	45.30	26.50	4.81	26.06
(2) in percent	48.71	49.58	46.07	37.04	33.68	42.21	55.03	23.17	42.94
(3) in percent	18.30	27.08	33.28	11.30	3.67	10.94	16.45	39.07	23.13
(4) in percent	4.09	6.25	7.71	2.78	0.29	1.54	2.03	32.95	7.87
Total %	100	100	100	100	100	100	100	100	100
Standard Deviation	0.80	0.80	0.80	0.78	0.58	0.73	0.71	0.87	0.89
Mean	1.98	2.23	2.36	1.68	1.42	1.69	1.94	3.00	2.13
N	3,229	4,173	4,033	1,655	1,743	777	985	1,994	19,330

Table A2: Descriptive statistics of the candidate's answer on "My municipality should receive refugees that have been granted asylum in Finland" in 2017, scale 1 (strongly agree) – 4 (strongly opposed), by party in percentages, smallest parties excluded

Party	SDP	KOK	KESK	VAS	VIHR	SFP	KD	PS	All Parties
(1) in percent	39.82	26.42	21.36	62.96	73.86	70.60	36.21	2.58	37.34
(2) in percent	46.41	51.64	50.97	28.86	23.48	25.07	51.29	11.96	39.90
(3) in percent	10.95	17.34	22.20	6.43	1.74	3.12	10.56	32.16	14.80
(4) in percent	2.82	4.60	5.47	1.75	0.92	1.22	1.94	53.30	7.96
Total %	100	100	100	100	100	100	100	100	100
Standard Deviation	0.75	0.79	0.80	0.69	0.55	0.60	0.71	0.79	0.91
Mean	1.77	2.00	2.12	1.47	1.30	1.35	1.78	3.36	1.93
N	2,730	3,172	3,563	1,601	1,840	738	928	1,396	16,740

4.8 Appendix B: Finnish elections and elite opinions

In both national and municipal elections Finland has an open list with compulsory candidate selection from one party. This means that the voter chooses one party but within the party list there are several candidates to choose between. Thus, in the Finnish system the candidates of one party are not only competing against other parties, but also amongst themselves. The application of the d'Hondt divisor means that within parties the success of individual candidates depends entirely on the number of votes they get.

In Finland municipal elections take place every four years.[16] Each municipality is one constituency. Municipal councils are the main seat of power in the Finnish municipal decision-making and they have extensive influence on welfare provisions. An important factor in understanding Finnish politics is that smaller municipalities (defined by Statistics Finland as municipalities under 15,000 inhabitants) have trouble catering for the basic services the municipalities are ordered to secure by law and oftentimes the municipality is run on deficit.[17] This situation has been addressed by a large, state driven policy of municipal mergers, and indeed the number of municipalities has fallen from 452 in 2000 to 311 by 2018. Smaller municipalities are thus often preoccupied with their autonomy and economics.[18]

[16]The election that should have originally taken place in October 2016 was moved to April 2017 in an attempt to create a new cycle that would allow for more space between different elections.

[17]For example in 2012 57 municipalities under 15,000 inhabitants (26 % of all municipalities of that size) were run on deficit, but only 3 over 15,000 inhabitants (4 % of that size).

[18]The Center Party, as the former Agrarian Party, is the foremost defender of rural areas and states in its party manifesto maintaining the livability of rural areas as one of its chief goals. Also the Finns' Party, although chiefly associated with their anti-immigration stance, have a rural legacy as a continuation of the Finnish Rural Party.

4.8.1 The 2015 refugee crisis in Finland:

In August and September 2015 asylum seekers had reached Finland mostly via Sweden and entered Finland in Lapland by foot at the Swedish border near the town of Tornio. The state reacted by establishing a distribution center in Tornio where the arrivals were registered and then randomly further distributed across Finland wherever reception centers had free space. Reception centers were established on a short notice in any municipality that had available housing and the locals had no scope in intervening in this decision (even though in many places citizens protested actively). This situation led to municipalities not even being aware of receiving asylum seekers until it was publicly announced, or when the bus carrying the inhabitants arrived. The process provoked outcry from inhabitants and politicians alike. There were seven attempted cases of arson at the premises used as reception centers and many more cases of vandalism, but none of these intervened with the establishment of the reception centers. Voters (and in most cases even the political elites) could not influence whether the municipality received asylum seekers, because the most important prerequisite was available housing. If this housing was privately owned and the owner was willing to rent it out for the state, the municipality could not intervene in using the premises as a reception center.

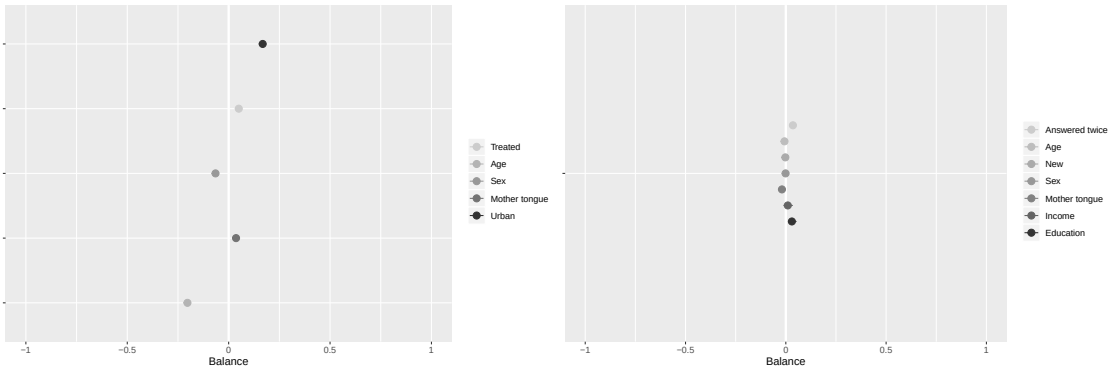
4.8.2 Information on the usage of Voting Advice Applications in Finland:

According to latest research about the usage of voting advice applications (Borg 2019), 79 % of survey respondents from a representative survey responded to having used a voting advice application in the presidential election of 2018 or used one in previous elections. Most of the users are younger voters (18–30 years: 89 % and 31–40 years: 85 %) with age steadily diminishing their usage (41–50 years: 83 %, 51–60 years: 76 % and 60 years onwards: 69 %). The single biggest user group

is students (89 %) but their usage is scattered evenly between all occupational groups including unemployed people and pensioners. Usage is higher among those who voted (82 %) but also non-voting people reported using them (57 %). Women and men were equally likely to use VAAs.

4.8.3 Information regarding who fills in VAAs:

Filling in the VAAs is not compulsory, but those who fill in the VAAs tend to do better at the polls, so the ones responding to the survey are more motivated and serious about their ambitions. In fact, 95 percent of all votes cast in the 2019 parliamentary elections were cast for candidates who responded to a VAA. Response rates are somewhat higher in urban areas, as the anonymity of larger communities makes face-to-face campaigning harder than in smaller communities. Accordingly, as treated areas were urban, treated areas have a slightly higher response rate. In smaller electoral districts there is less need to attract unknown voters as personal connections play a more important role. Women, younger, and Finnish-speaking candidates are more likely to fill in the the survey but all demographic groups are present among the respondents. Importantly for my design, there is balance between treated and non-treated units in response rates in 2017. If anything, Swedish speaking people and more educated candidates were more likely to fill in VAAs in treated areas and candidates in treated areas were slightly more likely to fill in the VAA twice, but these differences are so small that they do not pose a threat for inference.



(a) Candidate balance, filled in VAA **(b)** Candidate balance, treated/non-treated

Figure B1: Standardized coefficients plotted for OLS regression testing the differences between a) candidates that answer and do not answer the VAA b) difference between candidates that are treated or not-treated in 2015.

4.9 Appendix C: Results

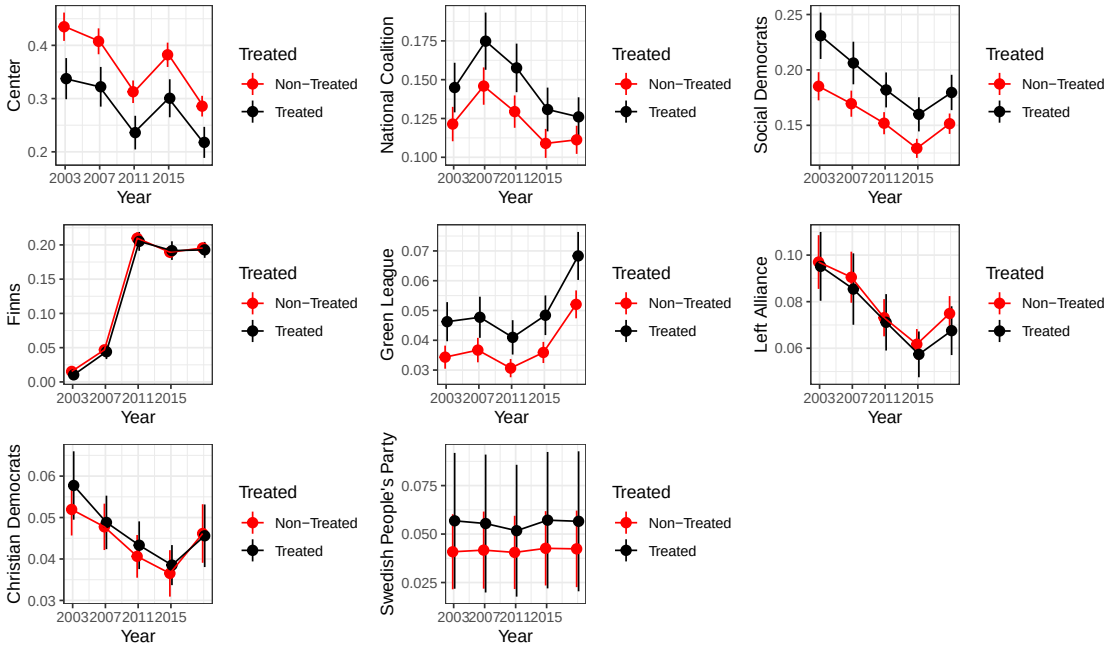


Figure C1: Mean vote share (in percentages) in parliamentary elections for each party represented in Parliament between years 2003 and 2019 for treated and non-treated municipalities with 95 % confidence intervals.

Table C1: Placebo regressions: fixed effects regressions for the electoral performance in municipal elections years 2000–2012 of each party represented in Parliament as a function of housing asylum seekers hypothetically in 2012, continuous treatment

Party	Coefficient	Standard error	Election FE	Municipality FE	Covariates	N	Clusters
National Coalition, KOK	0.002	(0.005)	yes	yes	yes	1,365	273
Social Democrats, SDP	−0.010*	(0.005)	yes	yes	yes	1,365	273
Center, KESK	0.014*	(0.006)	yes	yes	yes	1,365	273
Finns' Party, PS	0.009	(0.006)	yes	yes	yes	1,365	273
Greens, VIHR	−0.003	(0.003)	yes	yes	yes	1,365	273
Left Alliance, VAS	−0.001	(0.003)	yes	yes	yes	1,365	273
Swedish People's Party, SFP	−0.002	(0.001)	yes	yes	yes	1,365	273
Christian Democrats, KD	0.001	(0.02)	yes	yes	yes	1,365	273

Note: The table presents OLS regressions with clustered standard errors in parentheses.
*$p < 0.05$

Table C2: Results for fixed effects regressions for the candidate's stances on the question "Privatizing the health care system brings savings and efficiency to the municipality" weighted by their personal vote share in elections (logged variable), years 2000–2017 aggregated by municipality.

Model	1	2	3	4
Vote share × stance				
Refugee exposure	−0.002	−0.005	−0.005	−0.006
	(0.014)	(0.008)	(0.013)	(0.008)
Election FE	yes	yes	yes	yes
Municipality FE	yes	yes	yes	yes
Covariates	no	no	yes	yes
N	273	273	273	273
Clusters	273	273	273	273

Note: Models 1–4 present OLS regression with clustered standard errors in parentheses. Model 1:Binary treated/non-treated Model 2: Continuous treatment: asylum seekers per capita. Model 3: Binary treatment model with covariates . Model 4: Continuous treatment model with covariates.
$^{*}p < 0.05$ $^{**}p < 0.01$ $^{***}p = 0.00$

Table C3: Results for fixed effects regressions for the change in vote shares for candidates that: **1.** changed to a pro refugee stance; **2.** changed to an anti-refugee stance; or **3.** kept their stance treated vs. non-treated areas, continuous treatment

Model	1	2	3
Vote share			
Refugee exposure	−0.013	−0.053	0.038
	(0.026)	(0.043)	(0.029)
Election FE	yes	yes	yes
Candidate FE	yes	yes	yes
N	4310	4310	4310
Clusters	264	264	264

Note: Models 1–3 present OLS regression with clustered standard errors in parentheses. Model 1:Pro-refugee change Model 2: Anti-refugee change. Model 3: No change.

Table C4: Results for fixed effects regressions for the average change in vote shares for candidates that: **1.** changed to a pro privatization stance; **2.** changed to an anti-privatization stance; or **3.** kept their stance, regarding the question "Privatizing the health care system brings savings and efficiency to the municipality", treated vs. non-treated areas

Model	1	2	3
Vote share			
Refugee exposure	−0.012	−0.017	0.023
	(0.060)	(0.060)	(0.052)
Election FE	yes	yes	yes
Candidate FE	yes	yes	yes
N	4310	4310	4310
Clusters	273	273	273

Note: Models 1–3 present OLS regression with clustered standard errors in parentheses. Model 1:Pro-refugee change Model 2: Anti-refugee change. Model 3: No change.
* $p < 0.10$ **$p < 0.05$ ***$p < 0.01$

References for Appendices of Paper 2

Borg, Sami (2019). *Mielipiteet vaalikoneista ja niiden merkitys äänestämiselle*. URL: `https://www.vaalikoneet2020.fi/s/Borg20190121.pdf` (visited on 08/20/2019).

5

After the arrivals: How rural and urban areas differ in their responses to asylum seekers

Contents

Abstract

Research has increasingly attempted to uncover the mechanisms of hostility and hospitality towards refugees in the wake of the 2015 refugee crisis. There seems to have emerged a unanimity that mere exposure to asylum seekers and refugees increases hostility in natives, but more and more research points in the direction that prolonged contact between natives and refugees increases hospitality, in line with the contact hypothesis. However, levels of urban density are an important confounder when it comes to measuring contact: refugee arrivals are more visible in a village than in a city, and this fact is likely to determine the level of exposure to refugees among natives. This paper tests the assumption that urban density matters when examining natives' reactions by running an original survey among rural and urban dwellers that either witnessed or did not witness asylum seekers' arrivals in their municipality. Results show that reactions to asylum seekers are more favorable in rural areas than in cities and this spills over to favorable attitudes to immigration in general. Contact, economic interests, and lower levels of crime in rural areas all contribute to these differences.

Keywords: rural–urban divide, asylum seekers, public opinion, xenophobia, refugees

5.1 Introduction

What determines if natives react positively or negatively to asylum seeker arrivals? Existing literature that examines natives' levels of hostility and hospitality towards asylum seekers and refugees in the wake of the 2015 refugee crisis has come to somewhat inconclusive results: by and large natives' reactions seem to be hostile (Dinas, Matakos, et al. 2019; Hangartner et al. 2019; Edo et al. 2019; Tomberg, Smith Stegen, and Vance 2019), but further research has shown that upon actually coming into closer and prolonged contact with asylum seekers natives' attitudes turn more favorable (Steinmayr 2020; Vertier and Viscanic 2018). However, the size of the municipality is likely to influence the amount and nature of exposure natives get, even if contact is prolonged in all cases. While previous literature on immigration acknowledges that rural–urban differences exist in natives' evaluations of immigrants (Dustmann, Vasiljeva, and Piil Damm 2018; Maxwell 2019; Barone et al. 2016), no research has yet systematically examined how rural and urban areas differ in their citizens' evaluations of refugee arrivals after 2015.

This is especially important because all existing research on rural immigration attitudes so far demonstrates that rural dwellers are more hostile towards immigration and refugees than urban areas, yet research that manages to isolate contact as a mechanism has managed to do so in sparsely populated areas, such as small municipalities in upper Austria (Steinmayr 2020) and holiday villages in France (Vertier and Viscanic 2018). Schaub, Gereke, and Baldassarri 2019 examine refugee arrivals in rural East-Germany, and find that asylum seeker arrivals in 2015 did not aggravate the hostility towards them, but rather served as a reality check. If rural areas are as negatively pre-disposed towards immigrants and refugees as current research finds, why do sudden asylum seeker arrivals trigger unexpected reactions towards them?

While previous works on the rural–urban division all assess immigration attitudes,

there are reasons to believe that sudden refugee arrivals trigger different reactions than long-term immigration policies. Immigration policies are a result of long-term planning and gradual increase in foreign-born population in a municipality, often driven by self-selection to live in these areas. In contrast, the sudden shock of 2015 caught politicians largely unprepared and led to many areas experiencing relatively large-scale and unplanned management of asylum seeker accommodation. In 2015 many areas that had no first-hand experience from refugee accommodation found themselves housing asylum seekers, and thus a so far abstract idea became lived reality. As this situation is different from long-term immigration policies, there is a need in the literature to both assess rural and urban reactions to asylum seeker arrivals and differentiate between general immigration preferences and specific reactions to the lived experiences of 2015. It could be that experience of asylum seekers only extends to altered thinking about refugees in particular, rather than immigration in general.

This paper makes use of this situation in Finland, where the sudden increase in asylum seekers caught policy planners off guard. This led to many municipalities accommodating asylum seekers that had very limited experience of foreign-born inhabitants, no previous refugee reception policies and no say in choosing to accept these arrivals. The suddenness of the situation creates an optimal setting for examining how unexpected exposure to asylum seekers unfolded in different types of municipalities. Do rural–urban divisions hold after actual exposure to asylum seekers and do reactions to refugees differ from general immigration attitudes in these areas?

This study uses block sampling in rural and urban areas. These areas respectively consist of units that received asylum seekers and units that did not. The Finnish population was divided into four blocks: urban areas that housed asylum seekers in 2015–2016, rural areas that housed asylum seekers, urban areas that did not and urban areas that did. Within all these four blocks a representative sample of survey respondents was sampled. Survey respondents were first asked about

general immigration attitudes. Half way through the survey respondents were reminded about the sudden inflow of asylum seekers in 2015 and subsequently asked how the 2015 asylum seeker arrivals affected the municipality (if the municipality received asylum seekers) or Finland (if the municipality did not receive asylum seekers). This set up enables us to measure: **1.** baseline attitudes to immigration without an encouragement to think about the happenings of 2015; and **2.** how the introduction of thinking about either personal or second hand experiences from the refugee crisis affects responses specifically regarding asylum seekers. As the first set of questions measures attitudes to *immigration* and the second attitudes to *asylum seekers*, I am also able to measure differences between attitudes to immigration in general and attitudes to refugee arrivals.

Results show that attitudes to both asylum seekers and immigrants are more negative in urban municipalities than in rural receiving areas. Respondents in rural areas report fewer crimes and express greater optimism about the cultural integration of asylum seekers and their benefits to the Finnish society when compared to urban receiving areas. After exploring if these reactions are driven by the different occupational groups in urban and rural areas, lower levels of crimes in rural areas, or more contact between natives and asylum seekers in rural areas, all these factors emerge as contributing mechanisms. Contact tends to boost belief in cultural compatibility, whereas having a profession that benefited from asylum seekers boosts economic optimism, while higher crime rates in urban areas drive negative sentiments about immigration.

This study provides a systematic inquiry into the many possible explanations of hostility and hospitality toward asylum seekers and immigrants. By isolating urban and rural areas it is the first study to compare how reactions differ according to the type of municipality and to compare how the type of municipality affects the nature of contact with asylums seekers. Furthermore, by examining both immigration attitudes and experiences of asylum seekers it manages to test if the

two categories are as related to one another as existing literature has assumed. The finding according to which rural areas are more receptive to asylum seekers and that these positive reactions spill over to general immigration attitudes can be used in policies when planning the best reception for refugee arrivals.

5.2 Theoretical considerations

Research on natives' attitudes to immigration has approached the topic from a variety of angles. Research has sought to establish if natives' reactions are positive or negative, either through surveys and experiments (Christ et al. 2014; Enos 2014; Hangartner et al. 2019) or by using voting results as an outcome (Otto and Steinhardt 2014; Halla, Wagner, and Zweimueller 2017; Harmon 2018; Dustmann, Vasiljeva, and Piil Damm 2018; Barone et al. 2016; Dinas, Matakos, et al. 2019). Subsequently, researchers have also tried to establish causal pathways to these reactions, by examining whether reactions stem from the respondents' labor market position (Mayda 2006; Hainmueller, Hiscox, and Margalit 2015; Malhotra, Margalit, and Mo 2013), cultural distance between the groups (Sniderman, Hagendoorn, and Prior 2004), contact (Steinmayr 2020); Vertier and Viscanic 2018), sociotropic evalutions (Kreibaum 2016; Liao, Malhotra, and Newman 2020), or fear of crime (Fitzgerald, Curtis, and Corliss 2012; Dinas and van Spanje 2011).

Rural–urban divisions in immigration attitudes, on the other hand, have not been the explicit objects of research, but rather have come up as possible explanations for heterogeneous treatment effects. Both Barone et al. (2016) and Dustmann, Vasiljeva, and Piil Damm (2018) propose rural–urban differences as reasons for higher hostility towards immigrants and refugees in rural areas than in cities. According to both articles, work-place interactions that enable contact and benefit natives happen in cities, whereas in rural areas there are less meaningful interactions between natives and immigrants. Andersson and Dehdari (2020) confirm that interactions

at work do decrease the vote for the extreme right. Although this research does not address rural–urban divisions per se, when taking into account that large enterprises tend to operate in cities, these results indicate that cities enable the types of interactions that suppress hostility to immigrants. Maxwell (2019) does not research lived experiences and reactions to immigration exposures, but measures the outlooks of survey respondents in rural and urban areas and concludes that people with more liberal values self-select to live in urban areas, and this explains the perceived rural-urban divisions in immigration attitudes. We can condense existing knowledge about rural–urban divisions in immigration attitudes to two points: **1.** urban areas attract more liberal individuals; and **2.** once there are lived experiences of immigration, it is more likely to have close contacts with immigrants in the city than in rural areas.

The specific reactions to refugee arrivals in *rural* areas has only been researched by Schaub, Gereke, and Baldassarri (2019), who examine left-behind areas in rural Eastern Germany in the wake of the 2015 refugee crisis. The setting serves as an ideal setting to test what existing literature informs us, namely that where presence of foreigners is minimal (e.g. rural areas), anti-immigration sentiment is high (Golder 2016). The authors arrive at the somewhat surprising conclusion that areas without significant prior history of immigration had little bearing on anti-immigrant attitudes and right-wing support. If anything, the authors state, receiving asylum seekers in 2015 served as a reality check for the natives: those more in favor of refugees prior to the arrivals became more conservative, whereas those more skeptical about refugees started assessing them more favorably. The overall null results raise the very interesting question, that if rural areas are hostile both at baseline levels and they also have been shown to react negatively to refugees and immigration in previous research, then why is there no backlash in rural Germany?

The heterogeneity of the findings might be explained by the many possible mechanisms at play in rural areas. These mechanisms have not been tested

systematically. Studies suggest so far that contact might work, but whether contact is likely to happen in cities, and more specifically, in diverse workplace settings, or whether it is the smallness of the municipality that enables contact, is unresolved. Steinmayr (2020) and Vertier and Viscanic (2018) find a decrease in anti-immigration voting as a result of receiving asylum seekers and both studies attribute these results to contact theory. Interestingly, both these studies draw their conclusions from small municipalities, rather than cities. This means that it could be possible that the prerequisite for contact is the smallness, or ruralness of the community, but existing research has not attempted to isolate population size and density as prerequisites for contact theory to work. As things stand, contact theory could either work in cities facilitated by co-working, or in rural areas, facilitated by increased closeness to and visibility of refugees. Crucially, existing literature testing or suggesting contact as a mechanism draws both from immigration and refugee arrivals, but it is possible that immigration and refugee arrivals trigger different reactions in both rural and urban areas.

Another factor to consider when evaluating how contact works is the difference between meaningful contact and mere exposure. While exposure is more likely to happen when the population size of the receiving municipality is small, there is little indication as to whether this exposure leads to any meaningful contact. Allport (1954) himself stated that in order for the contact hypothesis to work, the two sides need to build a meaningful relationship, preferably a friendship. Being clear about the exact nature of contact is important as Christ et al. (2014) show that levels of prejudice do not only depend on who the person interacts with, but who the people one knows interact with. This means that contact is transmitted in the community one lives in and positive inter-group experiences travel within communities even without direct contact.

On the other hand, Enos (2014) shows that when randomly inserting Spanish-speaking people in the daily lives of unknowing Anglo-whites in homogeneous

communities in the US, the result was a significant shift toward exclusionary attitudes among treated subjects. As things stand, there is no knowing whether asylum seeker arrivals lead to significant and meaningful contacts or rather to repeated superficial exposure and if this is different in rural and urban areas. To settle to question between contact and mere exposure, we would need to ask respondents about the nature of contact in both rural and urban areas.

Although contact is a likely candidate to explain attitudes towards asylum seekers, research has also proposed other mechanisms to explain why natives react the way they do to arriving immigrants, refugees, and asylum seekers. None of these strands of research have tested whether the mechanisms differ in rural and urban areas. Existing research mainly revolves around two mechanisms: labor market competition and cultural differences. Mayda (2006) and Malhotra, Margalit, and Mo (2013) propose that when immigrants threaten to take natives' jobs, opposition to immigration increases. Hainmueller, Hiscox, and Margalit (2015) concluded that rather than competition on the labor market, cultural fears of immigration are more likely to explain anti-immigration attitudes. Fears of conserving the national culture has indeed been put forward as an explanation for anti-immigrant attitudes (Sniderman, Hagendoorn, and Prior 2004) and it has been shown that Europeans favor immigrants who are culturally closer to them (Bansak, Hainmueller, and Hangartner 2016).

A new line of research is exploring if the positive economic impact of immigration makes a difference when assessing immigrants. Kreibaum (2016) studies how refugee arrivals in Uganda affect the local economy and the perceptions natives have of refugees. The findings of the paper are that the Ugandan population living near refugee settlements benefits both in terms of consumption and public service provisions, but the locals do not feel that this translates to improvements in in their own lives. Liao, Malhotra, and Newman (2020) explore how Chinese foreign capital affects the way people evaluate Chinese immigrants in the US. The authors

find that immigration attitudes, as well as views towards China, became more positive over time among Americans residing in locales whose economies were stimulated by Chinese foreign investments.

Another possible explanation for anti-immigration/anti-refugee sentiments is crime. Fitzgerald, Curtis, and Corliss (2012) suggest that consternation about crime is a significant predictor of anxiety over immigration, having a greater substantive impact than other explanatory factors, such as concerns about the economy and objective measures of crime and immigration at the regional level. Dinas and van Spanje (2011) argue that high local crime rates make an anti-immigration vote more likely, but only among voters who prioritize being tough on crime. Again, there is no indication as to whether the prioritization of crime happens rather in rural or urban areas. Crime rates are consistently higher in urban than in rural areas (Glaeser and Sacerdote 1999), which would indicate that the issue of crime would be prioritized in these areas. However, the general level of conservatism among rural dwellers (Maxwell 2019) would mean that those who make crime a priority are more likely to reside in rural than in urban areas.

Finally, as the first chapter of this thesis suggests, the issue of depopulation might be a mediator in the positive reaction to refugee arrivals in rural areas. Politicians evaluate refugee intake first and foremost based on the contribution they make to the local municipal economy, and areas that suffer from depopulation (e.g. rural areas) begin to see refugee arrivals as population boost to the local community. It might be possible that the local inhabitants follow a similar train of thought when evaluating refugees, and in addition to the economic impact, they also evaluate the possible population boost that refugee arrivals generated in 2015.

In what follows I demonstrate how the research design and the survey instrument test the above hypotheses in rural and urban settings to assess how rural and urban natives evaluate refugee arrivals from a personal perspective.

5.3 Research Design

This study relies on block sampling, in which respondents from four categories are invited to take part in the study.[1] These four categories are: rural municipalities that received asylum seekers, rural municipalities that did not receive asylum seekers, urban municipalities that received asylum seekers, and urban municipalities that did not receive asylum seekers. In all categories a representative sample was invited to take part in a survey. Due to a more limited size, rural respondents that received asylum seekers were reached via telephone calls rather than panel survey. The respondents did not know at any stage which block they were sampled for, and with the exception of the line reminding them of receiving or not receiving asylum seekers in 2015, the surveys were identical. All municipalities that had pre-existing reception centers or had managed a reception center in the past five years prior to 2015 were dropped, in order to be able to measure the net effect of new and unexpected arrivals as opposed to long term experience.

In line with the official line of Statistics Finland, I define municipalities as rural if the population size is smaller than 15,000 and urban density (measured as the share of houses less than 200 meters apart) is less than 60. To be consistent with what the situation looked like when the treatment (quasi-random arrival of asylum seekers) took place, I use the measures for this from 2015. When asking about asylum seekers, I drop from the analysis all respondents who have not lived in the municipality before 2015, to make sure that all respondents are reporting about the experiences they are assumed to have.

The study relies on the assumption that respondents were quasi-randomly exposed to asylum seekers. This assumption stems from that a) the Finnish

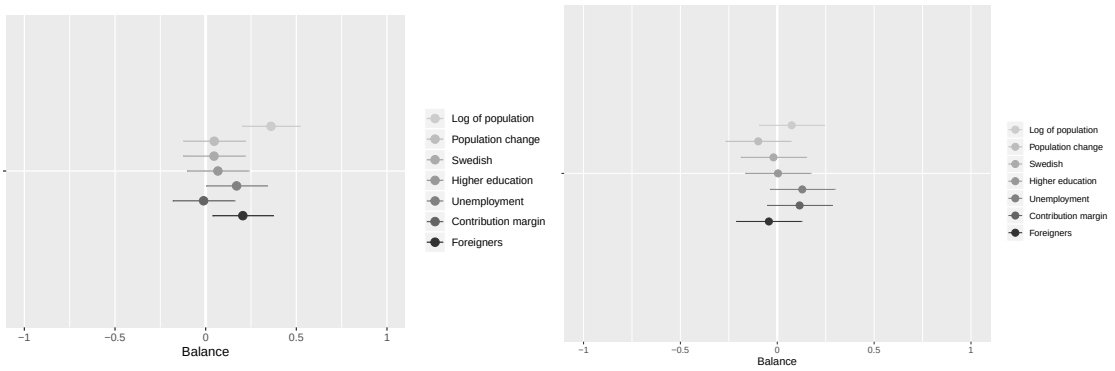
[1]This research design and questionnaire was approved by the Oxford University's Departmental Research Committee with the reference number SSH-DPIR-C1A-20-011. The survey was fielded in August 2020.

immigration services sought housing for asylum seekers on very short notice and opened reception centers where there was available housing without at any stage directly consulting the citizens' opinion on the matter b) the respondents' demographic characteristics, such as age, education, and income are balanced between areas that received or did not receive asylum seekers in 2015, after taking into account their rural–urban status. In short, some people with otherwise similar characteristics were exposed to asylum seekers without their personal consent in 2015 and some did not, and it is possible to establish comparable counterparts from from non-receiving areas.

Although no input was asked for from citizens in the process of establishing reception centers, it might still be possible that authorities sensed a hostile public opinion towards the idea of establishing a reception center and thus refrained from doing so.[2] To check for this, I examine if receiving and non-receiving municipalities voted systematically more in favor of the openly anti-immigration Finns' Party prior to the treatment in 2015. When regressing vote share for the True Finns in the 2012 municipal elections, the resulting coefficient is weak and statistically insignificant ($p = 0.9$). Receiving and non-receiving areas are thus comparable in their political climates and the possible pre-existing levels of opposition to asylum seekers among the citizens did not play a role in determining which areas received asylum seekers.

In the following graphs I present balance in demographics at the municipality level between treated and non-treated rural and urban areas. The share of Swedish-speaking natives is included because Swedish-speaking areas are systematically more liberal in Finland than Finnish-speaking areas.

[2]In some cases citizens started petitions against reception centers or staged protests or even violent attacks on reception centers, but none of these activities yielded a reversing of the establishment decision.



(a) Urban municipalities

(b) Rural municipalities

Figure C1: Standardized coefficients plotted for OLS regressions testing the relationship between being treated in 2015 and municipality specific covariates.

As is visible from the above graphs, whereas the balance is perfect in rural municipalities, in urban municipalities there is some imbalance: more urban municipalities with higher population and thus a slightly higher share of foreign nationals and unemployed[3] were more likely to receive reception centers. The differences do not surpass half a standard deviation, but they raise the question if treated and non-treated urban areas are systematically different and if available housing is correlated with inherent characteristics of the municipalities. To address this issue, I will include these covariates showing imbalance (share of foreigners, log of population, and level of unemployment) at the municipality level. In order not to confuse these imbalances with treatment effects, I include these covariates from the end of 2014, the final time of pre-treatment measurement of these indicators.

The sample is not designed to be nationally representative, as receiving, especially rural receiving areas, are intentionally oversampled.[4] Appendix A contains

[3]While cities are more thriving in Finland than rural areas, they attract people with no employment, such as recent graduates due to higher chances of finding employment.

[4]Following the advice from Miratrix et al. (2018), I refrain from using weights to make the sample nationally representative. Rather, the experimental set up requires randomization in the creation of the blocks, which is fulfilled with the exception of a few covariates that must be controlled for, while survey weights have been shown to increase uncertainty.

additional information in what respects the sample differs from the national realities, but for the purposes of this study, it is just crucial to establish that the respondents are similar in rural and urban areas across treated and non-treated units. Results cannot be interpreted as causal without the assumption that treatment status is uncorrelated with other individual characteristics that might differentially affect the response to the treatment in rural and urban areas respectively. To this end, I perform a similar randomization test for the respondents as for the municipalities between treated and non-treated rural and urban municipalities.

Tables A1, A2, A4, and A5 confirm that treated and non-treated rural and urban areas, respectively, portray strikingly similar characteristics, confirming that treatment status does not systematically correlate with the demographic features or pre-treatment political views of the respondents. While urban areas unsurprisingly portray characteristics associated with higher education, there are no differences between treated and non-treated units. As the rural-urban differences are incorporated in the research design, all that matters for the validity of the design are any possible systematic differences between treated and non-treated units to account for any possible self-selection to the treatment. The randomization checks confirm that treatment and control groups in both rural and urban areas are balanced, with the few exceptions of slightly lower educational and professional statuses of treated rural areas, which will be dealt with in robustness checks.

One additional concern is that there would be a bigger threat of social desirability bias in telephone surveys than in the online panel, due to the latter ensuring more anonymity and no human interaction. To test if this is the case, I compare the share of respondents who refrain from disclosing their annual income and party of preference (both questions that can be regarded as highly personal information in Finland) between rural individuals that were telephoned and rural individuals who took the online panel. The resulting percentages do not confirm that respondents are less willing to disclose information over the phone: 13.6 percent of panel

respondents in rural areas refrain from disclosing their income, while 12.3 percent of rural phone survey respondents do so. If anything, panel respondents opt out more. Disclosing the choice of party in the latest election is nearly identical in both groups: 5.56 percent refrain in the panel and 5.30 over the phone. Apart from these items there were no other questions in which the respondents' could choose not to answer the questions, so response bias is not a problem.

The estimation of the treatment variable (exposure to asylum seekers) is described by the following equation:

$$Y_{ij} = \beta_0 + \beta_1 \text{Asylum Seekers}_i + \beta_2 \text{Urban}_i + \beta_3 \text{Urban}_i \times \text{Asylum Seekers}_i + X_{ti}\beta + \varepsilon_{ij}$$

where Y_{ij} is the individual respondents' j stance in municipality i, Asylum Seekers$_{ti}$ the binary treatment variable switching on when the municipality received asylum seekers, Urban$_i$ is a dummy rural–urban variable, $X_i\beta$ is a vector covariates messured at the municipality level and ε_{ij} denotes the error term. The account for serial correlation and heteroskedasticity, I cluster standard errors at the level the treatment was assigned, that is, at the municipality level.[5]

5.3.1 The survey

The survey was framed as a general survey on societal attitudes among Finnish respondents. After questions inquiring demographic features and voting behavior, the first battery contained questions measuring general immigration attitudes,

[5]Following the guidance given by Homola, Pereira, and Tavits (2020) I have decided not to include municipality fixed effects. This is because the work at hand is interested in the overall effect of receiving asylum seekers in rural and urban areas. Any anticipated confounders that might affect perceptions of asylum seekers are dealt with by a) dividing the sample to rural and urban areas and b) including controls on which the units of analysis (municipalities) show imbalance on. The sampling procedure ensured that no municipality was overrepresented in the sample.

derived from existing literature. The questions appeared in a random order to make sure that survey fatigue did not affect the results. Moreover, some statements were formulated as positive and some as negative statements to avoid positive and negative respondents clicking through the survey too fast. Agreement of the following statements was measured on a 5 point scale.

1. Finland needs more immigration to make up for demographic losses.
2. Work-based immigration boosts the economy.
3. All other types of immigration except for work based immigration is detrimental to Finland.
4. Immigrants take Finnish jobs.
5. Immigrants enrich the Finnish culture.
6. Immigrants from outside of the Western culture will not fit in the Finnish culture.

These questions measure baseline general immigration attitudes among the respondents and they also simultaneously test the labor market and the cultural threat hypotheses. It provides an opportunity for respondents to distinguish between economic and cultural consequences of immigration and voice their support selectively.

After this respondents were informed about how Finland was affected by the 2015 refugee crisis. This text differed slightly between respondents who reside in municipalities that received or did not receive asylum seekers in 2015. According to the respondents' treatment status, they read the following texts:

In 2015 Finland experienced an unprecedented wave of refugee arrivals, in which about 33,000 *asylum seekers arrived in our country in about a month. Please assess how accommodating asylum seekers affected* ***Finland*** (if the municipality

did not receive asylum seekers) *or* ***your municipality*** (if the municipality did receive asylum seekers).

The respondents then agree or disagree on the similar 1–5 scale in a randomized order with the following statements:

1. The asylum seekers livened up the streets.
2. The asylum seekers committed crimes.
3. The asylum seekers gave us an opportunity to practice our humanitarian responsibilities.
4. The asylum seekers had a positive economic impact.
5. The asylum seekers boosted the population.

These statements test a number of hypothesis in the literature. First of all they test if the respondents associate receiving asylum seekers with positive changes in the daily life (livening up the streets) or negative ones (committing crimes). The statements go on to test the mechanisms for any possible positive reactions, based on the findings derived in the first paper from elite-level data: whether the respondents perceived a chance to practice humanitarianism, or whether they perceived sociotropic contributions.

Next, the respondent are asked to evaluate what *changes* their experiences of 2015 induced in their attitudes to immigration and asylum seekers. The options are: a) staying the same b) becoming more positive c) becoming more negative. These items are there to ensure that the survey does not only capture current post-treatment values but also has a dynamic dimension. After this the survey contained an item that measured the respondent's level of interactions with the asylum seekers, from none to befriending them. This question was purposefully asked last, in order to use this variable as a measure rather than a treatment

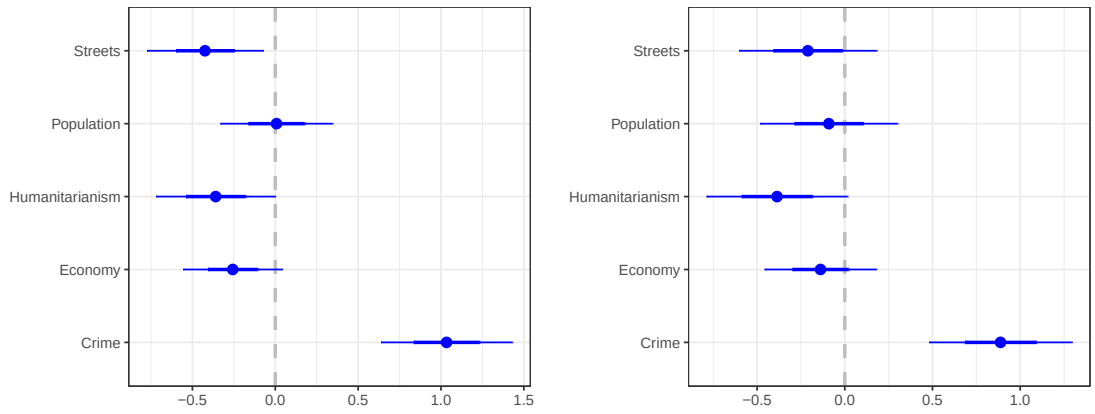
manipulation. Other options included seeing them in the streets, knowing someone who was friends with them, volunteering, knowing people who worked with them and an option to state some other form of interaction. While previous comparable studies have mainly studied contact by using the fact that asylum seekers stayed in these places for longer, this study isolates contact by directly asking the respondents about the nature and the intensity of the contact.

The structure of the survey in which the questions concerning immigration in general came first followed by questions about the refugee arrivals manage to isolate the effect of the 2015 refugee crisis from general immigration attitudes. This clear distinction of refugee and immigration attitudes post 2015 does not yet exist in the literature. I hypothesize that possible treatment effects should be more visible in the second battery of questions as the 2015 refugee crisis is clearly related to the outcome (attitudes to *asylum seekers*) and the respondents are encouraged to think about their own personal experience of the matter. However, an independent set of questions regarding general immigration attitudes gives us information about the possible spillover effects of experiences from asylum seekers on general support or opposition to immigration.

5.4 Results

I begin the empirical evaluation by running the regression specification above. I first estimate the raw effect without covariates and in the second model I incorporate the municipality-level covariates that showed imbalance on treatment assignment.

Effects of exposure to asylum seekers and urban residence on self-reported experience



(a) Without covariates **(b)** With covariates

Figure C2: Coefficients for the interaction between receiving asylum seekers in 2015 and residing in an urban municipality. Scale of response 1 (fully disagree) – 5 (fully agree). Thick lines indicate the 90 % confidence intervals and the thin lines the 95 % confidence intervals with clustered robust standard errors. Only those respondents included who have resided in the same municipality since 2015.

We can see from the above graphs that there are differences in reacting to asylum seekers in rural and urban municipalities: one variable that stands out clearly in its magnitude and statistical significance is the statement of asylum seekers committing crimes. Here a clear break exists between rural and urban respondents: urban respondents who hosted asylum seekers are one standard deviation[6] more likely to agree with asylum seekers committing crimes than rural respondents who hosted asylum seekers. The arguments of asylum seekers livening up the streets, giving the residents a chance to fulfill their humanitarian duties and boosting the local economy all get less agreement in urban than in rural areas, although these effects are smaller and their significance is and more vulnerable to including covariates. Boosting population numbers in the municipality does

[6]For descriptive statistics see Tables A6, A7 and Figure A1. The standard deviation to this question is 1 in the control groups.

not differ across the groups of respondents.

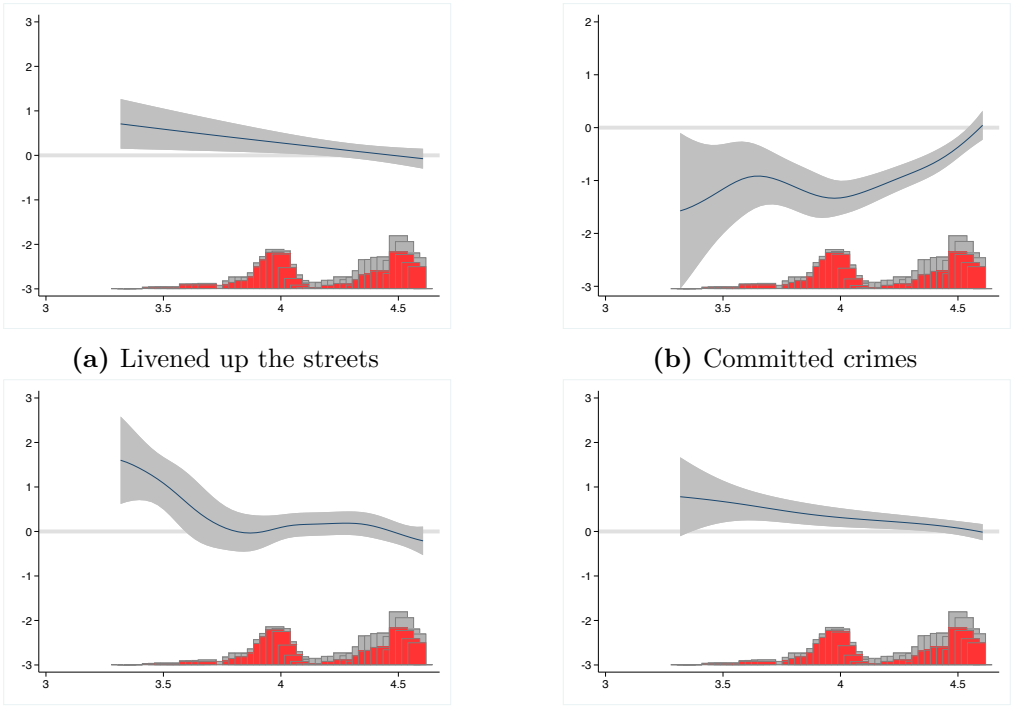
However, the fact that municipality-level covariates have an effect on the results indicate that the characteristics of the municipality might be leading to heterogeneous treatment effects. As these covariates showed perfect balance in rural areas but were somewhat imbalanced in towns, their inclusion might cloud the estimates of the overall effect. Instead of grouping all rural and all urban areas into one, I next turn to examine the interaction effects across a continuous scale of urban density, which provides a more nuanced measure of urban density than the rough binary category of urban–rural areas. Using the methods advocated by Hainmueller, Mummolo, and Xu 2019, I estimate the local average effect across different levels of urban density rather than the average effect of different units.

Although the sample is not designed to be representative across the spectrum of urban density,[7] it illustrates a clear pattern in which the less urban a municipality gets, the more positively its inhabitants react to asylum seekers. Rural respondents report less crimes and the smaller and less significant coefficients of Figure C2b demonstrate a pattern in which rural respondents think more that asylum seekers helped the local economy, livened up the streets, and served as a possibility to help others.

All these models are based on samples that only include people that have resided in the sample municipality since 2015, in order to make sure that all respondents answer with the experience in mind that the model supposes they have. Figures B1 in the appendix show that when including those in the sample that have lived in the municipality for less than five years the coefficients remain similar, but grow in statistical significance, presumably because of the bigger sample size. This could mean that people who moved later heard about the positive experiences and this

[7]Covariates are dropped from these analyses because the continuous measure of urban density is heavily correlated with other municipality-level features, thus leading to the problem of multicollinearity.

Interactions regarding experiences of asylum seekers



(a) Livened up the streets **(b)** Committed crimes

(c) Chance to be humanitarian **(d)** Boosted the local economy

Figure C3: Local predicted marginal effects of housing asylum seekers across the spectrum of urban density on statements regarding (a) asylum seekers livening up the streets (b) committing crimes, (c) giving us a responsibility to exercise out humanitarian duties, and (d) boosting the local economy. 95 % confidence intervals denoted by gray areas. Only those respondents included who have resided in the municipality since 2015.

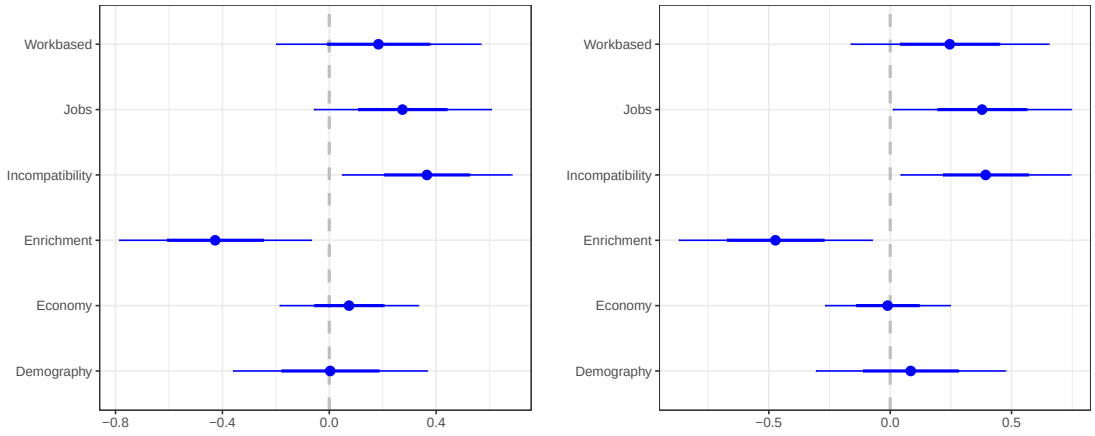
shaped their answers, along the findings of Christ et al. (2014) or that people moved from areas with similar experiences of asylum seekers.

Next, I examine if these experiences in 2015 affected the respondents' assessment of immigration in general. In the following figures I perform the same regression but this time the outcomes are a series of statements regarding preferences for immigration. All respondents think similarly about the priority of work based immigration[8], work-based immigration boosting the Finnish economy, and Finland's

[8]With covariates there is slightly more agreement in urban areas with "All other forms than work-based immigration are detrimental to Finland", further strengthening the differences.

shrinking population needing immigration.[9] The differences arise in questions assessing the impacts of immigration: urban people with experience of housing asylum seekers agree slightly more with the statements that immigrants steal natives' jobs, think of immigrants less as a cultural enrichment, and agree more with the statement that immigrants outside of the western hemisphere will never integrate in Finland.

Effects of exposure to asylum seekers and urban residence on attitudes to immigration



(a) Without covariates **(b)** With covariates

Figure C4: Coefficients for the interaction between receiving asylum seekers in 2015 and residing in an urban municipality. Scale of response 1 (fully disagree) – 5 (fully agree). Thick lines indicate the 90 % confidence intervals and the thin lines the 95 % confidence intervals with clustered robust standard errors. All respondents.

These results suggest that positive experiences of asylum seekers in rural areas have a spillover effect to thinking more optimistically about immigration. In areas where asylum seekers are less associated with crime, in this case rural areas, respondents are also more optimistic about their integration and think of them as an enrichment. In addition, the difference in agreeing with immigrants stealing natives' jobs might speak for the population shortage rural areas have, where

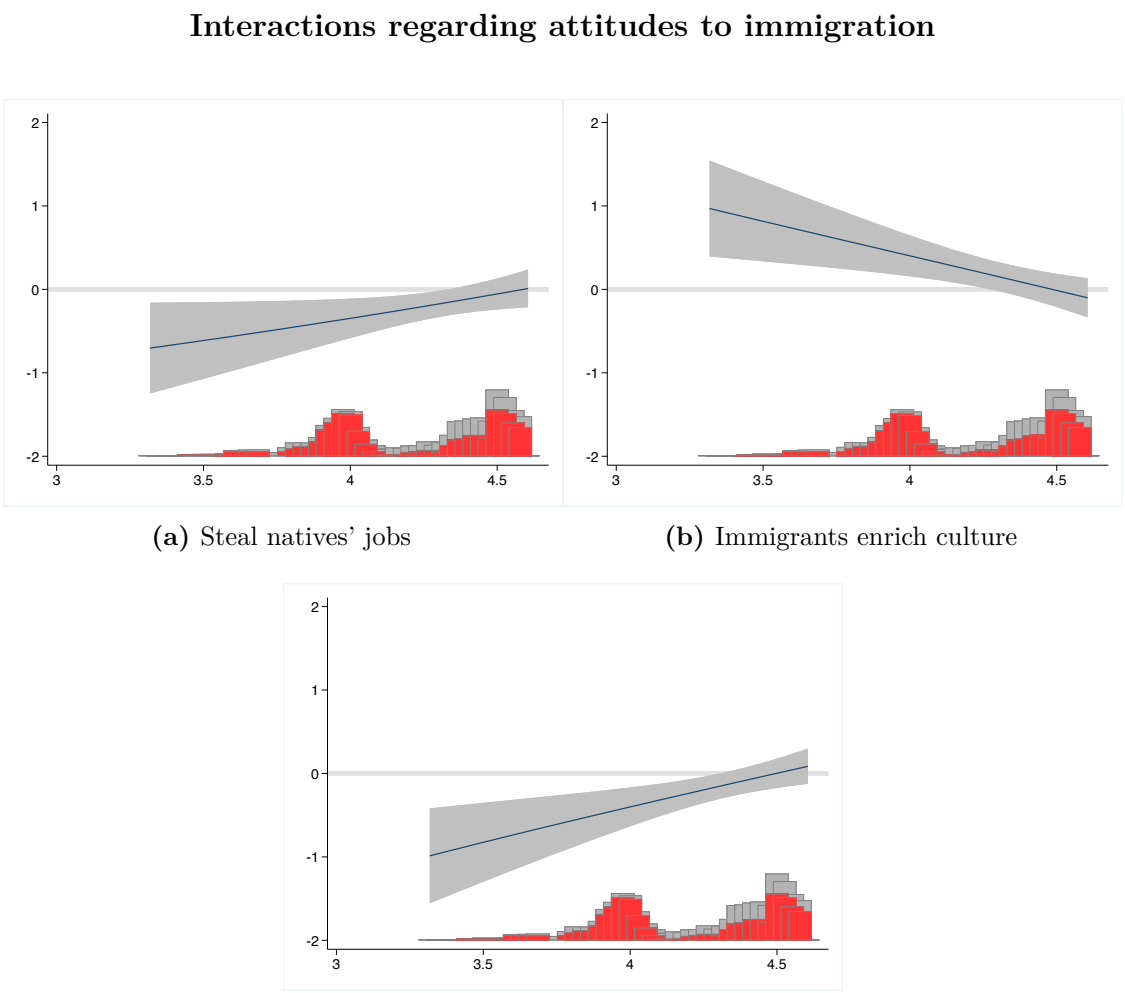
[9]The mode in these answers is consistently moderately agreeing with the benefits of immigration.

workforce would be welcome.

Whereas in the first battery of questions I only included those respondents that lived through the whole reception process, in the battery regarding immigration I included all respondents because I treat immigration preferences as more constant and solid than personal experiences of the happenings of 2015. The battery of immigration-related statements came before reminding the respondents of the happenings of 2015, so the survey respondents were not even encouraged to think about immigration in relation to asylum seekers – immigration in is purely a post-treatment outcome. However, as Figure B2 in the Appendix B shows, when dropping from the sample those who moved to the location later, the coefficients remain by and large the same, only dropping slightly in significance presumably because of a drop in sample size.

The marginal effects in Figure C5 show that the difference in attitudes to immigration in receiving urban areas stems from rural areas becoming systematically more optimistic as the level of urban density decreases. As the respondent's municipality gets more rural, the likelier they are to think that immigration enriches Finnish culture, and the less likely they are to think that immigrants steal natives' jobs and are incompatible with Finnish culture even if they are outside of the Western culture.

However, one might argue that as the different categories are not randomized experimentally by the researcher, but occurred by policies in 2015, these results could be driven by self-selection: citizens opted in rural areas to receive asylum seekers, and thus consistently respond to the survey items more favorably. To this end I deploy the dynamic measure in the survey item, the self-reported change in attitude towards asylum seekers and immigration as a result of the experiences in 2015. Table B2 in Appendix B sums up the percentages of rural and urban respondents in treated and non-treated areas who state that their opinion on asylum seekers either stayed the same, became negative, or became positive. Rural receiving



(a) Steal natives' jobs

(b) Immigrants enrich culture

(c) Immigrants culturally incompatible

Figure C5: Local predicted marginal effects of housing asylum seekers across the spectrum of urban density on statements regarding (a) immigrants stealing natives' jobs (b) immigration enriching Finnish culture, and (c) immigrants outside of the West being incompatible with Finnish culture. All respondents included. Areas shaded in gray denote 95 % confidence intervals.

areas really stand out from all the rest of the areas with more than double the share of respondents changing their stance to become positive (13 % vs. 5 % in all other area types) whereas the share of respondents developing a negative attitude is respectively lower in receiving rural areas (19 % vs. 26 % - 28 % in all other areas). However, consistently across all categories the highest share of respondents did not change their minds. Negative shifts are the second most popular response in all categories and positive shifts are a minority. If positive shifts are so rare, it is a

remarkable finding that rural receiving areas portray such higher shares of it.

To some extent these reactions could stem from perceiving the positive effects asylum seekers had on the local economy, as demonstrated in Figure C2, or they could be driven by the important difference between perception of crime. However, more contact between natives an asylum seekers in rural areas could also account for these differences. Next, I turn to test these different explanations for the results at hand.

5.5 Mechanism

Existing literature points us towards two ways of explaining these positive reactions to arriving asylum seekers. One is that there is more contact between natives and asylum seekers in rural areas or that asylum seekers help the local industries. In what follows, I make explicit tests to assess these mechanism by regressing the outcomes first on the nature of contact and then on different occupational groups. Moreover, literature connects anti-immigration opinions with concerns over crime, and to this end I include specific tests for this mechanism, too.

5.5.1 Contact

The smallness of some receiving municipalities would let us hypothesize that there is increased and more meaningful contact between arriving asylum seekers and the natives. However, existing literature is not unanimous about this: Dustmann, Vasiljeva, and Piil Damm (2018) and Barone et al. (2016) both argue that the contacts in urban areas are more meaningful and prone to positive interactions. Andersson and Dehdari (2020) argue that contact mainly happens in the workplace, but as big offices with a large workforce are not common in rural areas, it is not clear if work place contact is the driving force either. Steinmayr (2020) advocates for contact theory in rural areas in Austria, but he only compares rural areas to rural areas, thus disabling direct comparison between rural and urban types of contact.

A basic comparison of percentages of respondents reporting different levels of contact with asylum seekers in rural and urban areas that received asylum seekers is the following:

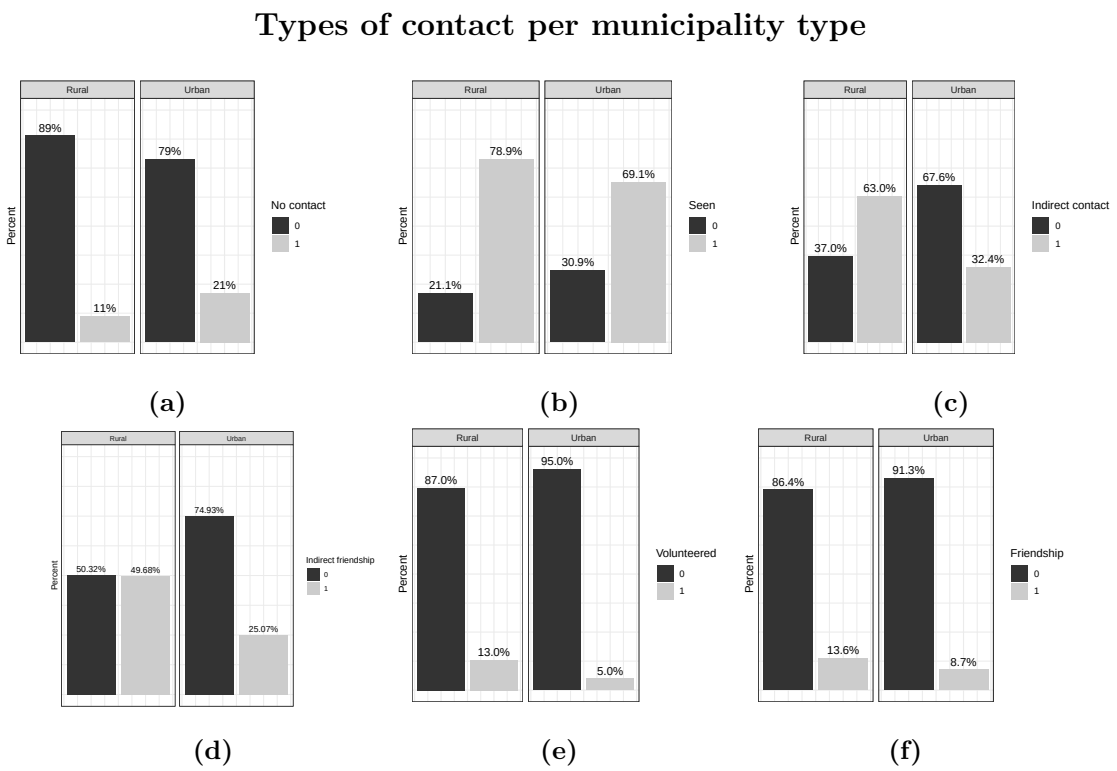


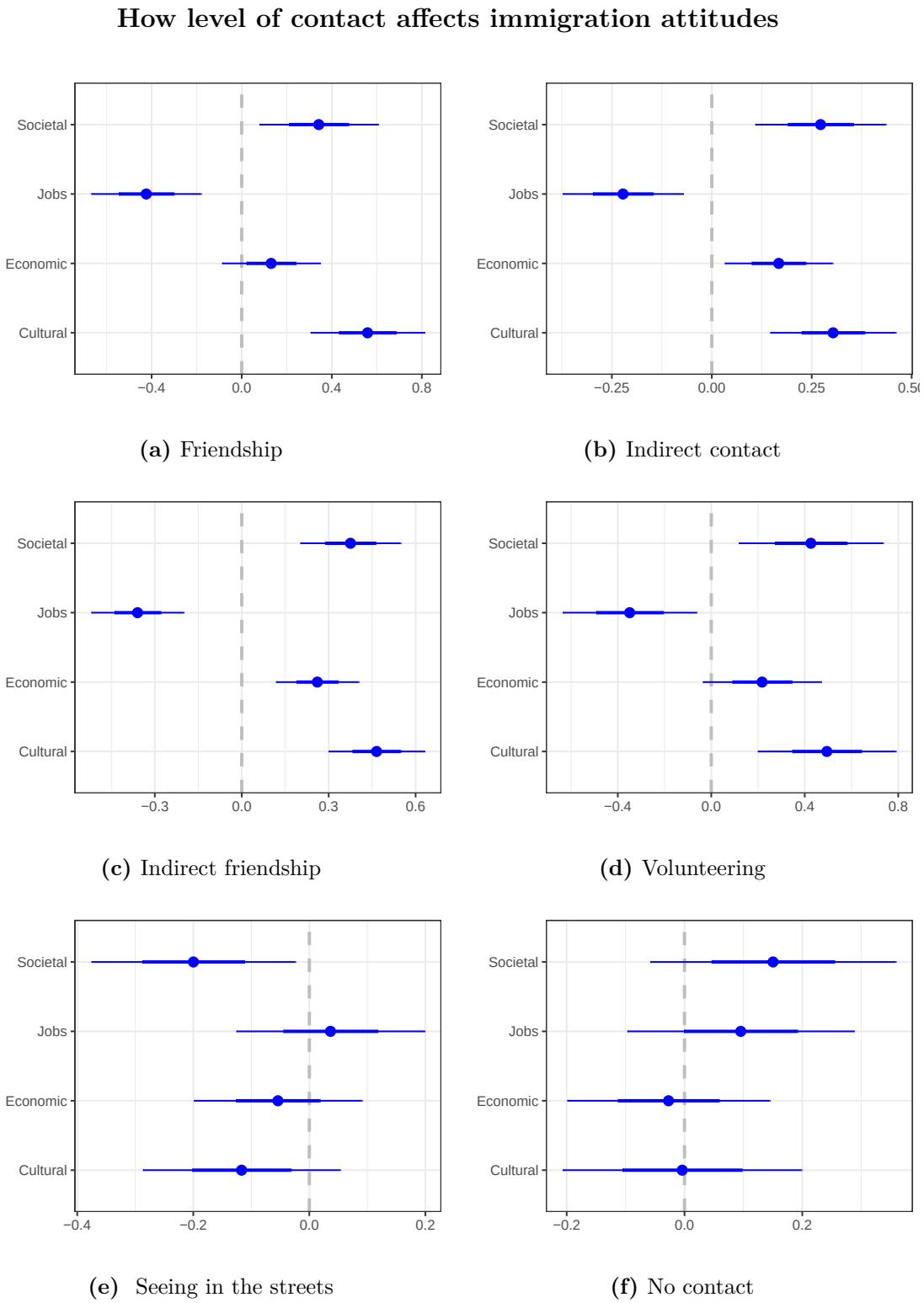
Figure C6: Shares of respondents reporting a) no contact b) seeing c) indirect contact d) indirect friendship e) volunteering f) friendship with asylum seekers. Treated areas only. The value of 0 (black) means no such type pf contact, 1 (gray) means the respondent had such contact.

According to these numbers contact is systematically more frequent between natives and asylum seekers on all levels, from seeing them in the streets to befriending them. Next, I turn to assess how these different forms of contact affect respondents preferences on immigration in general and personal experiences of asylum seekers. I create a variable called "the positive societal effects of immigration" which takes a higher value on the scale from 1–5 if the respondent supported immigration to make up for demographic losses or if the respondent disagreed with all other forms of immigration, apart from work-based immigration, being detrimental to Finland. I also create a variable called "the positive cultural effects of immigration" which

takes a higher value on the 1–5 scale if the respondent disagreed with the cultural incompatibility of immigrants outside of the western culture or if the respondent agreed with immigration being a cultural enrichment. All these recodings follow the original 1–5 scale of the survey question. To examine the fear of losing natives' jobs to immigrants I keep the original statement "Immigrants take natives' jobs" and to check for support for work-based immigration I retain the original statement "Work-based immigration boosts the economy".

Figures show that all of these forms of contact, apart from seeing asylum seekers in the streets, leads to more positive sentiments towards immigration. Seeing asylum seekers in the streets does not seem to affect immigration preferences, if anything, it lowers agreement with their societal benefits. Contact appears to also decrease the fear of losing jobs to immigrants. While economic assessments are less responsive to contact as an explanation, the clearest outcome is a systematic difference in cultural assessments, which are more favorable after some sort of meaningful contact. As seeing asylum seekers was by far the most common way of contact in urban areas, while other types of interactions were much less frequent than in rural areas, we can draw the conclusion that a lack of meaningful contact explains the systematic differences between rural and urban inhabitants.[10]

[10]Somewhat surprisingly, indirect friendship seems to have a larger effect than direct friendship. The difference in coefficients is likely to stem from the fact that a greater number of number of people reporting indirect contact than direct contacts.



(a) Friendship

(b) Indirect contact

(c) Indirect friendship

(d) Volunteering

(e) Seeing in the streets

(f) No contact

Figure C7: Regressions for different levels of contact and preferences for immigration. Different immigration preferences are: **1.** Belief in positive societal effects for immigration; **2.** Belief that immigrants steal natives' jobs; **3.** Belief in work-based immigration boosting the economy; and **4.** Belief in the cultural compatibility of immigrants. All respondents, $n = 976$

Figure C1 in Appendix C shows regression coefficients for regressing experiences of asylum seekers on the level of contact. Strikingly, in most cases just seeing asylum seekers is indistinguishable from having no interaction with them, and these levels of contact are associated with more negative experiences of them. All other levels of contact, be it direct or indirect, lead to more positive evaluations of them.

However, these estimates are marred by self-selection: those already more favorable were more likely to volunteer and form friendships. Thus, another way to examine this is how different levels of contact affected the change of people's opinion of asylum seekers and immigration. From Figure C8 we can see that when examining change as a continuous variable, with 0 being no change, -1 being negative and 1 being positive, volunteering has the largest coefficient, followed by friendship, indirect friendship, and indirect contact. Those areas where people volunteered in greater numbers, in this case rural municipalities, saw the largest share of people also updating their opinion on asylum seekers to be more positive. This goes to show that activities with a lower entry threshold than friendship can also contribute to opinion change.

All in all, there is evidence to believe that a) reactions to asylum seekers are more favorable among people who have some contact, even indirect, with asylum seekers and b) these contacts are more likely to happen in rural areas than in urban areas.

5.5.2 Sociotropic evaluations

Table C2 in Appendix C sum sup how ten different groups of professions think about immigration at the baseline level, without being reminded about locally receiving asylum seekers. These responses confirm standard patterns in the labor market literature according to which the manual, uneducated workforce (employees) and unemployed people have less favorable evaluations of immigration whereas white collar employees (clerks, managers, and experts) are more supportive.

Change in attitudes to immigration and asylum seekers as a function of contact

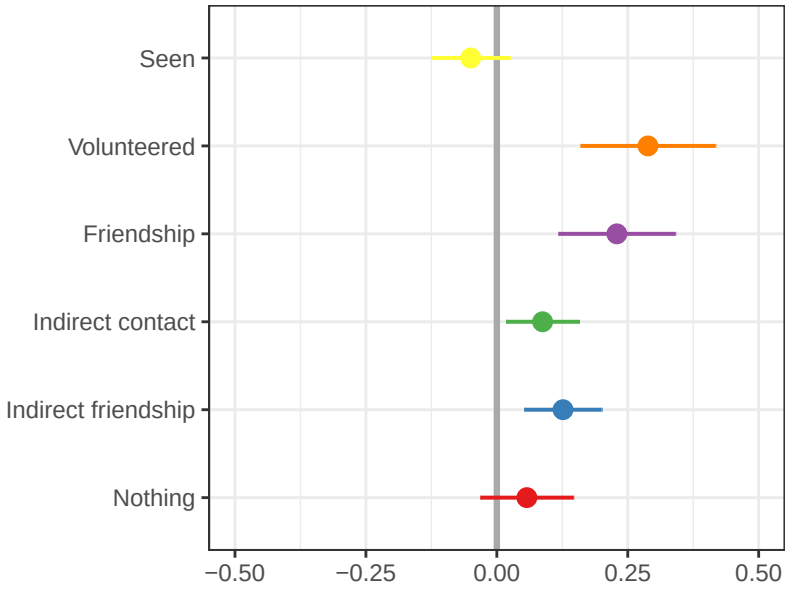


Figure C8: Estimates for linear regression of change in asylum seeker attitudes (continuous scale from −1 to 1) on nature of contact, $n = 975$

Interestingly, farmers portray consistent negative opinions about immigration whereas entrepreneurs tend to agree with the economic benefits of work-based immigration. Students, homemakers and pensioners, as people outside of the workforce, portrayed no discernible patterns.

Based on the findings of this baseline regression, I perform further analysis on theoretically relevant groups: the unemployed, the white- and blue-collar workers, as well as the empirically relevant groups of farmers and entrepreneurs. This is because the literature tends to focus on white and blue collar workers and people on benefits (the unemployed), but farmers and entrepreneurs might have their own reasons to update their preferences based on their personal experience of receiving asylum seekers and these might contribute to understanding differences in urban and rural areas. Did exposure to asylum seekers affect the way different professions see immigration?

Unfortunately the sample is not large enough to perform reliable sub-group

analysis between different professions. However, Table C1 in Appendix C shows the distribution of different professions in rural and urban areas: most professions are evenly distributed, with the notable exception of farmers coming from rural areas only. In addition, rural areas have a larger share of blue collar workers and urban areas have a higher share of unemployed people. If we manage to establish if being exposed to asylum seekers makes a difference in how different professions see them, then knowing how common these types of profession are in rural and urban areas might give some indication if different professions matter in different evaluations of asylum seekers.

To this end, I take the three survey items that are explicitly concerned with the economic aspects of immigration and regress them on different occupational categories, interacted with receiving asylum seekers. These items are "Work-based immigration boosts the economy.", "Immigrants take Finnish jobs", and "The asylum seekers had a positive economic impact." These interactions show that entrepreneurs think more of work-based immigration as an an economic boost than their non-treated counterparts, while receiving asylum seekers makes white collar workers agree with this less than their non-treated counterparts. This might be because clerks in administration are the ones managing the costs of reception. Interestingly, blue collar workers think more positively of work-based immigration in treated than in non-treated areas. The largest coefficient comes from farmers, among whom receiving asylum seekers shifts the belief that asylum seekers boosted the local economy by almost a standard deviation (the standard deviation in the control group is 1).

Table C1: Interaction coefficients for different groups of professions with receiving asylum seekers and attitudes to the economic effects of immigration. Clustered standard errors in parentheses. All respondents.

Profession	Immig. boosts economy	Take jobs	Asl.seekers local econ. boost
Entrepreneur	0.691*	−0.217	0.134
	(0.333)	(0.401)	(0.429)
Farmer	0.670	−0.319	0.930*
	(0.611)	(0.700)	(0.334)
Blue collar	0.691*	−0.217	0.134
	(0.333)	(0.401)	(0.429)
White collar	−0.315*	0.269	0.047
	(0.129)	(0.170)	(0.1446)
Unemployed	0.436	−0.008	0.165
	(0.322)	(0.383)	(0.391)
N	976	976	960

* $= p < 0.05$

For farmers the local economic boost is obvious, as the agricultural sector is continuously reporting worker shortages in Western Europe. One farmer survey respondent stated in the open-ended section of the survey that they gave jobs to asylum seekers. For entrepreneurs local asylum seekers could mean more clients or new source of labor. Why blue-collar workers would respond positively to the economic impacts of asylum seekers is harder to establish, as previous literature is in agreement about the challenges arriving cheap labor poses to manual workers. One possible answer is that currently there is a shortage of blue-collar workforce in Finland[11], but this is not necessarily the case in other countries in other time points.

All these occupations –farmers, blue-collar workers, and entrepreneurs– are more represented in rural areas than in urban areas. As contact was more likely to happen in rural areas than in urban areas, it might be that all these effects, especially among the farmers that only exist in rural areas, are driven rather by contact than economic benefits. However, it is important to note that unemployed people show no difference across groups of analysis, so if contact matters more than the labor

[11] `https://www.ammattibarometri.fi/?kieli=en`(visited on 2020-10-007).

market position, then it should affect unemployed people, too, which is not the case.

In order to test whether economic assessments of immigration and asylum seekers correlate with other, non-economic assessments, I regress these professional groups on all remaining immigration items.

Occupation, receiving asylum seekers, and immigration opinions

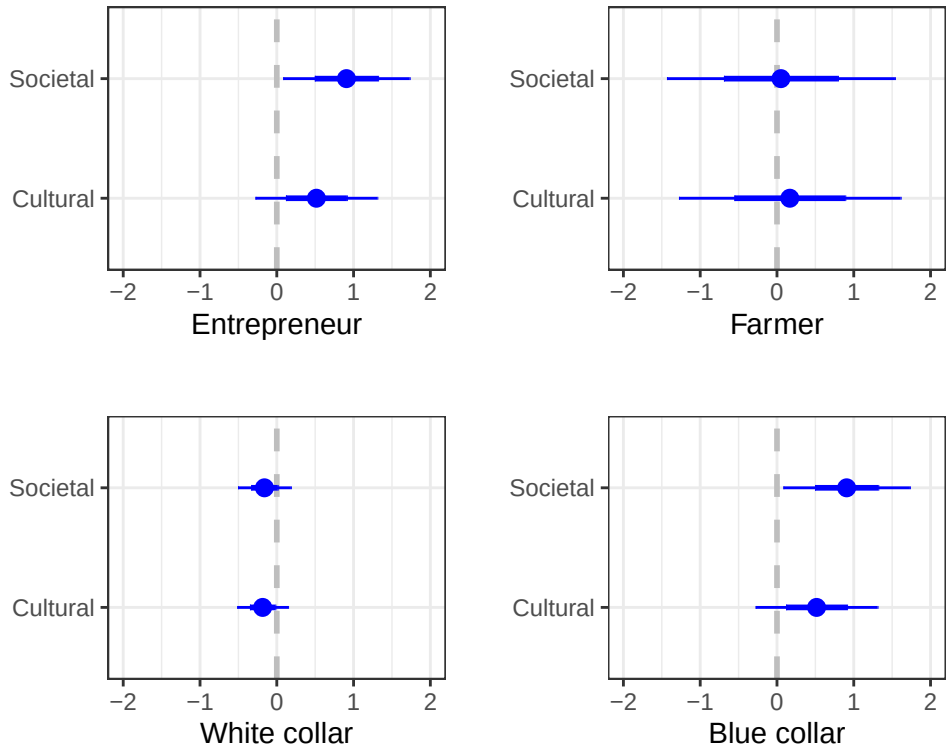


Figure C9: Estimates for linear regression of agreeing a) on the societal benefits of immigration and b) cultural compatibility of immigrants (continuous scale of 1 to 5) on the interaction between type of occupation and receiving asylum seekers, $n = 976$

Figure C9 shows that while the economic assessment of farmers and white collar workers do not spill over to other sociotropic evaluations of them, there are still some effects for blue collar workers and entrepreneurs, who agree more in receiving areas about the societal benefits of immigration. Profession does not have an effect on agreeing with the cultural compatibility of immigration, which is an important deviation from contact, which especially correlates with cultural assessments of immigration. In short, although the estimates rely on small sample

sizes and it is hard to disentangle the effects between rural and urban areas, it looks like citizens evaluate the economic impacts of immigration somewhat through their occupational lenses, whereas the cultural effects stem from the nature of contact they had with asylum seekers.

Figure C2 in Appendix C examines if these different occupation groups respond to asylum seekers in the municipality differently. The results are largely null, with the exception that blue collar workers, entrepreneurs, and farmers agree less with the statement that asylum seekers committed crimes, which is in line with the general difference between the experiences of rural and urban areas. This leads to a third possible mechanism: that all of the above results are driven by lower levels of crime in rural areas.

5.5.3 Crime

Seeing what a strong difference crime is between rural and urban respondents in receiving areas, a question to ask is if there really was more crime in urban receiving areas.[12] To assess if crime really was an issue, I take all the reported offenses in 2016 (the year asylum seekers were most present across Finland) and break down the absolute numbers according to treatment status and municipality type. Table C2 sums up all the reported criminal offenses in mainland Finland, excluding the pre-treated municipalities that are excluded from the analysis throughout this paper, and presents the means of each category.

[12]Not all offenses are reported, and the police authorities stress that any examination of crimes is indicative. According to the analysis of the Finnish police (data not publicly disclosed), the vast majority of offenses are committed by natives, although asylum seekers are overrepresented in sexual crimes. (`https://yle.fi/uutiset/3-10541450` (visited on 2020-009-17)) There were some high-profile cases of sexual assault and murder committed by asylum seekers, which received a lot of media attention.

Table C2: Number of reported crimes in rural and urban treated and non-treated areas.

	Treated	Control
Number of crimes, rural	12,695	64,852
Number of crimes, urban	284,155	154,761
Mean/municipality, rural	577	559
Mean/municipality, urban	4,736	2,063

Source: Statistics Finland.

The average number of crimes reported in receiving urban municipalities is more than double when compared to non-receiving ones, whereas in rural municipalities there is hardly any difference between the two groups. It is not possible to say which of these crimes are committed by asylum seekers. However, even without knowing who committed the crimes, the awareness of higher levels of crime in the affected municipalities combined with the awareness of the presence of reception centers could be enough to draw the conclusion of increased crime rates as a result of receiving asylum seekers in urban areas.

Are then the previous correlations between levels of contact and different occupational groups overwritten by less exposure to crimes? I test this by regressing all forms of contact and all different occupational groups on the respondents' perceptions of crimes committed by asylum seekers. If significant associations exist, then the different mechanisms cannot be disentangled. For example a farmer might be more favorable towards asylum seekers not because they were new labor force, but because they do not associate asylum seekers with crimes.

In Tables C3 and C4 in Appendix C I perform these regressions and find no statistically significant associations between different occupations and perceptions of crime. However, meaningful contacts with asylum seekers correlate negatively with the claim that they committed crimes – the more a respondent knew them, the less they thought they committed crimes. This could either mean that contact and low level of crimes just happened in the same municipalities or that knowing them better decreased the otherwise widely spread assumptions that asylum seekers

committed crimes. While disentangling lower crime levels from more contact is not possible, we can disentangle labor market arguments from levels of crime, hinting that these suggested mechanisms are independent.

5.5.4 Direct test of mechanisms

Finally, I test these three advanced mechanisms by regressing the continuous scale of change in opinion about immigration from −1 (negative change) to 1 (positive change) on the five listed types of experiences in question 6 of the survey, namely asylum seekers livening up the streets, committing crimes, giving a chance to exercise humanitarian duty, boosting local economy, and boosting local population numbers, and check which model comes out with the strongest coefficient and highest R squared. Table C3 sums up the coefficients and the outcome of each model. Results show that while economic reasoning has the largest coefficient, crime based reasoning has the largest R squared, explaining 18 % of the change in respondents' opinion about immigration and asylum seekers. The two mechanism are thus both very important, but not identical. However, also humanitarian reasoning and the perception of asylum seekers livening up the streets are important. Only boosting population numbers can be discarded as a mechanism.

Table C3: Results for regressing opinion change of asylum seekers on experiences of them. DV: Opinion change (from −1 to 1). Clustered standard errors in parentheses. Respondents from receiving areas only.

Mechanism	Coefficient	Standard error	R^2	n
Livened up	0.113***	(0.017)	0.07	630
Crimes	−0.173***	(0.018)	0.18	628
Humanitarianism	0.171***	(0.020)	0.15	617
Economy	0.188***	(0.022)	0.14	618
Population	−0.003	(0.024)	0.00	626

*** $= p < 0.05$

5.6 Robustness

In additional robustness checks in Appendix D I make sure that these reactions are really driven by the as-if-random exposure to asylum seekers in 2015 rather than structural differences between receiving and non-receiving areas. In practice, I do this by regressing the outcome on interactions between receiving asylum seekers and a list of covariates that can be hypothesized to be confounders: Municipality population size and unemployment rate as well as previous shares of foreigners in the municipality. I also address the slight imbalance and representativeness of the sample with respect to Green and True Finns voters. The outcomes are not affected by these checks.

Finally, I conduct tests to see if treatment effects differ according to characteristics such as age, sex, and education. Age, education, and sex do not matter: the treatment effects are similar across these groups.

5.7 Conclusions

Research in social psychology, economics and political science have so far assessed natives' reactions to immigration by either assessing respondents reactions to their changing living environments (Christ et al. 2014; Enos 2014), natives' voting behavior as a reaction to demographic changes (Dinas, Matakos, et al. 2019; Vertier and Viscanic 2018; Edo et al. 2019; Dustmann, Vasiljeva, and Piil Damm 2018; Steinmayr 2020; Barone et al. 2016; Otto and Steinhardt 2014; Halla, Wagner, and Zweimueller 2017; Harmon 2018) or natives' value change (Hangartner et al. 2019; Schaub, Gereke, and Baldassarri 2019) as a response to refugee arrivals. Some of these papers research reactions to refugee arrivals, some to immigrant arrivals, or both, and with these differing outcomes, they also draw different conclusions and propose different mechanisms to explain these outcomes.

Therefore, this study departs from the point that all aspects of the examination of this issue need to be clearly defined. Not only the outcome needs to be clearly defined, but also what the receiving context is and how the receiving context contributes to heterogenous treatment effects. To this end, this paper set out to test the hypotheses that rural and urban dwellers respond differently to asylum seekers, and while doing so, sought to keep the outcomes of attitudes to immigration and evaluations of asylum seekers separate. Moreover, this study has also attempted to isolate as many counfounders as possible via the research design that only examined municipalities without previous activities of asylum seeker's reception centers to make sure that the arrivals were an exogenous shock. In addition, it made sure that the units of analysis were as comparable as possible on all observable characteristics. By isolating asylum seeker arrivals as a treatment, measuring attitudes to asylum seekers and immigrations separately, and measuring the exact nature of exposure and the change in attitudes, this paper has attempted to isolate exposure, context, outcomes, and mechanisms to disentangle what happens when local demographics change unexpectedly.

The results from this study manage to reconcile contradicting results in the literature. While Christ et al. (2014) argue that immigrant arrivals trigger positive sentiments in the receiving community even without direct interaction, Enos (2014) argues that just plain exposure to immigrants is enough to create hostile sentiments. This study supports both of these outcomes and introduces a possible explanation as to why these differences emerge: in communities where immigrants contribute to the local socio-economic conditions, where contacts are easier to build, and where crime levels are low, even indirect contacts suffice to create more positive reactions. Contrastingly, in areas where interactions stay at the level of seeing the new arrivals, as in the latter study, if anything, sentiments become more hostile. Just seeing immigrants without any meaningful interaction with them is more likely to happen in urban areas that enable anonymity, which also correlates

with higher levels of crime presumably for the same reason. When observations of immigration happen simultaneously with higher crime rates, people develop negative sentiments about immigration.

Thus, this study has managed to reconcile various seemingly contradicting results in the literature. While most of the studies focusing on evaluations of refugee or immigrant arrivals on electoral outcomes in the wake of demographic changes argue for increases in the anti-immigration sentiment, some studies, notably Steinmayr (2020) and Vertier and Viscanic (2018) argue for the power of contact in reversing these negative feelings. This study shows that although contact does work indeed, it only happens in rural receiving communities, whereas mere exposure happens in urban receiving communities. This is especially noteworthy as existing works argue that meaningful contacts, and economic gains of immigration, only happen in cities (Dustmann, Vasiljeva, and Piil Damm 2018; Barone et al. 2016) and that rural areas are negatively predisposed to immigration and asylum seeker arrivals. (Harmon 2018; Maxwell 2019)

Regarding the possible mechanisms that explain a more favorable reception to asylum seeker arrivals, this paper has managed to also test sociotropic evaluations (Liao, Malhotra, and Newman 2020), cultural distance (Hainmueller, Hiscox, and Margalit 2015; Sniderman, Hagendoorn, and Prior 2004) and the labor market hypothesis (Mayda 2006; Malhotra, Margalit, and Mo 2013). As with mere exposure and contact, all of these hypotheses hold, but only in specific contexts: the fear of cultural distance from immigrants is mitigated by contact but strengthened by mere exposure. Some industries, notably farmers and entrepreneurs, react positively to the new workforce and clients when asylum seekers arrive, but some, notably the unemployed, evaluate them negatively in all circumstances.

Interestingly, positive experiences from asylum seekers, whether they are driven by positive economic evaluations of them or by meaningful interactions with them, spill over to immigration general. Therefore, assessments of asylum seekers and

immigration run in parallel, or at least, assessments of immigration are based on personal experiences of foreigners in living context.

Most crucially, this study hopes to question to consensus about rural areas being inherently hostile to all forms of immigration and take into account the possible value changes that the post 2015 demographic changes have created. Whereas rural areas might have been more hostile to immigration before they had personal experiences of them, this study shows that rural dwellers are also ready to update their immigration attitudes to be more favorable, at least more so than urban dwellers.

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5.8 Appendix A: Sample balance and representativeness

Table A1: Randomization check in the sample: balance on key covariates between receiving and non-receiving respondents. Covariates divided into urban and rural respondents.

Variable	All	Treated	Control
Age, rural	53.54	54.36	52.26
Age, urban	52.56	52.44	52.77
Women, rural	46.78	46.74	46.86
Women, urban	40.19	37.32	45.31
Higher educ., rural	13.53	11.96	16.00
Higher educ., urban	27.29	28.28	25.52
Polytechnic educ., rural*	13.08	10.51	17.14
Polytechnic educ., urban	13.46	15.45	9.90
College degree., rural	13.30	11.23	16.57
College degree, urban	16.45	14.87	19.27
Baccalaureate, rural	10.86	10.51	11.43
Baccalaureate, urban	12.52	12.52	12.52
Vocational educ., rural*	30.82	36.23	22.29
Vocational educ, urban	19.81	18.37	22.40
Basic educ., rural	18.40	19.57	16.57
Basic educ., urban	10.47	10.20	10.94

Note: Means and percentages for all covariates, and treated and non-treated units respectively, for rural and urban areas. All values in percentages except for age, for which the mean is provided. Education refers to the highest obtained degree.

Note: * = Statistically significant difference in means ($p < 0.05$)

When examining the differences between rural and urban respondents, units portray very similar characteristics across treated and non-treated observations. The only differences are that treated rural areas are slightly less educated than their non-treated counterparts, with a smaller share of respondents educated in polytechnic schools and a larger share of respondents educated in vocational schools. As higher educational status tends to correlate with higher levels of tolerance towards asylum seekers, this educational discrepancy should make it even harder to trace positive

treatment effects. Although individual level covariates show reassuring balance on the whole, as a robustness check I include education at the individual level as a control and also check for heterogeneous treatment effects across educational groups.

On the whole, it is clear that urban areas are more educated than rural areas, but the research design incorporates these inherent rural-urban differences in the design.[13] While age is perfectly balanced across the groups, women are systematically somewhat underrepresented in urban areas, especially in treated urban areas. While the differences do not cross the conventional significance levels, it is later important to inspect how gender effects the treatment effects.

Unfortunately it is not possible to carry out similar balance checks for income, as the phone survey inquired personal income, whereas the panel survey inquired the household's total income. Thus, the values are not comparable. To overcome this obstacle, I have created dummies for each occupational group in the survey and inspected the differences between the groups. As is evident in the table below, the only difference between treated and non-treated areas is that treated rural areas were less likely to have expert-level employees as respondents, thus making the occupational status of the treated category in rural areas slightly lower than non-treated rural areas. Again, at the national level urban areas are more represented in the jobs requiring higher education, but as there are no statistically significant differences between treated and non-treated areas, it does not affect the internal validity of the research design. Taken together, the overall similarities in education and professions indicates that that there should not be consistent differences income-wise between rural and treated and non-treated units. For the comparable urban units, the balance on income is perfect.

[13] At the national level the mean age is about 10 years younger, but due to oversampling rural respondents the higher mean age in rural areas affects the overall sample.

Table A2: Balance on share of professions (in percentages) between receiving and non-receiving respondents. Covariates divided into urban and rural respondents.

Profession	All	Treated	Control
Unemployed, rural	4.21	2.90	6.29
Unemployed, urban	5.61	5.25	6.25
Student, rural	5.99	5.07	7.43
Student, urban	15.89	15.45	16.67
Homemaker, rural	1.55	0.72	2.86
Homemaker, urban	0.93	0.87	1.04
Manager, rural	4.21	4.71	3.43
Manager, urban	1.31	1.46	1.04
Expert, rural*	7.54	5.07	11.43
Expert, urban	11.40	11.66	10.94
Clerk, rural	8.20	6.88	10.29
Clerk, urban	13.64	13.41	14.06
Employee, rural	17.20	17.78	16.15
Employee, urban	25.06	24.28	26.29
Farmer, rural	2.88	2.90	2.86
Farmer, urban	0.37	0.00	1.04
Entrepreneur, rural	6.87	7.25	6.29
Entrepreneur, urban	4.11	5.25	2.08
Lower income, urban	37.94	40.82	32.81
Mid-income, urban	10.47	9.62	11.98
Higher income, urban	37.76	36.44	40.10

Note: * = Statistically significant difference in means ($p < 0.05$)

At the national level, the sample is more educated, older and more divided between high earners and low earners than the national reality. Due to the self-selection of more educated people to take part in surveys this is a standard bias. However, reassuringly, this bias does not carry on to the differences between treated and non-treated units. Although the sample is not representative, the votes cast in 2015 follow surprisingly closely the votes cast for the parties in real life, with a slight over-representation of voters for the economically right-wing National Coalition (KOK) and the anti-immigration Finns' Party (PS).

Table A3: Share of votes for five biggest parties in Finland in the 2015 Parliamentary election, self reported vote in sample in vs. actual votes cast in 2015

Party	Sample	Reality
National Coalition, KOK	21.1	18.2
Center, KESK	19.3	21.1
Social Democrats, SDP	17.0	16.5
Finns' Party, PS	20.0	17.7
Greens, VIHR	10.0	8.5

However, again, what matters for this research is that there are no imbalances between urban and rural treated and rural non-treated areas, respectively. The table below demonstrates that by and large this holds, except for in treated rural and urban areas the support for both the anti-immigration Finns' Party and the pro-immigration Greens was lower in 2015. Rather than a systematic bias in political views, this is more likely to stem fro the fact that in small rural areas smaller parties, such as the Finns' and the Greens do not run candidates, or at least less than the mainstream parties, making the averages prone to idiosyncracies. The fact that both pro and anti immigration views get less votes is reassuring, as it shows that the preference for pro-immigration policies is not systematic. The imbalance in voters for the Greens in 2015 in treated urban areas could possibly indicate that areas with high levels of pro-immigration voters self selected to the treatment, but aggregate level vote shares in municipal elections show perfect balance in 2012. Rather than institutional and systematic reasons for opening reception centers in places with a high share of voters for the Green party, the imbalance is more likely to stem from treated areas being more populated and a higher share of foreigners, which correlates both with the treatment and support for the Greens. However, I will take into account these imbalances in robustness checks.

Table A4: Share of votes for five biggest parties in Finland in the 2015 Parliamentary election, self reported vote in sample in rural and urban treated and non-treated areas.

Party	All	Treated	Control
National Coalition, rural	10.64	9.42	12.57
National Coalition, urban	18.50	17.49	20.31
Center, rural	21.51	23.91	17.71
Center, urban	6.92	7.87	5.21
Social Democrats, rural	9.09	9.42	8.57
Social Democrats urban	14.39	14.58	14.06
Finns' Party, rural*	12.42	7.97	19.43
Finns' Party, urban	14.95	13.41	17.71
Greens, rural*	3.99	1.81	7.43
Greens, urban*	9.16	11.08	5.73

Note: * = Statistically significant difference in means ($p < 0.05$)

The table below demonstrates that at the aggregate, municipal level, treated and non-treated areas portray similar electoral outcomes, ruling out the assumption that units could opt out from receiving asylum seekers due to voting more for the anti-immigration Finns' Party or opt in by voting for the pro-immigration Greens.

Table A5: Share of votes for five biggest parties in Finland in the 2012 municipal elections in rural and urban treated and non-treated areas.

Party	All	Treated	Control
National Coalition, rural	13.21	14.56	12.98
National Coalition, urban	22.00	21.10	23.36
Center, rural	44.32	41.71	44.77
Center, urban	18.37	20.62	14.95
Social Democrats, rural	13.94	14.47	13.85
Social Democrats urban	22.05	21.68	22.62
Finns' Party, rural	13.00	13.64	12.90
Finns' Party, urban	12.14	12.27	11.93
Greens, rural	1.44	1.17	1.49
Greens, urban	6.03	6.07	5.97

Note: * = Statistically significant difference in means ($p < 0.05$)

Table A6: Descriptive statistics for immigration related questions

Item	Mean	Standard.dev	Mode
More immig. for demographic reasons, non-receiving	3.08	1.34	4
More immig. for demographic reasons, receiving	3.02	1.32	4
Work-based immig. good for econ., non-receiving	3.88	1.05	4
Work-based immig. good for econ., receiving	3.94	1.03	4
Only work-based immig., non-receiving	3.06	1.31	4
Only work-based immig., receiving	3.02	1.33	2
Immig. take jobs, non-receiving	2.50	1.20	2
Immig. take jobs, receiving	2.32	1.14	2
Immig. enrich culture, non-receiving	3.10	1.31	4
Immig. enrich culture, receiving	3.27	1.31	4
Will not fit in culturally, non-receiving	3.00	1.27	2&4
Will not fit in culturally, receiving	2.83	1.28	2

Means, modes, and standard deviations for receiving and non-receiving groups. Scale 1 (strongly disagree) – 5 (strongly agree).

Table A7: Descriptive statistics for asylum seeker related questions

Item	Mean	Standard.dev	Mode
Livened up the streets, non-receiving	2.95	1.24	4
Livened up the streets, receiving	3.08	1.25	3
Committed crimes non-receiving	3.77	1.06	4
Committed crimes, receiving	2.97	1.39	3
Chance to be humanitarian, non-receiving	3.10	1.30	4
Chance to be humanitarian, receiving	3.19	1.25	4
Boosted local economy, non-receiving	2.16	1.03	1
Boosted local economy, receiving	2.33	1.10	3
Boosted population non-receiving	3.73	0.95	4
Boosted population, receiving	3.50	1.19	4

Means, modes, and standard deviations for receiving and non-receiving groups. Scale 1 (strongly disagree) – 5 (strongly agree).

Distributions of different forms of self-reported contact, by receiving and non-receiving areas

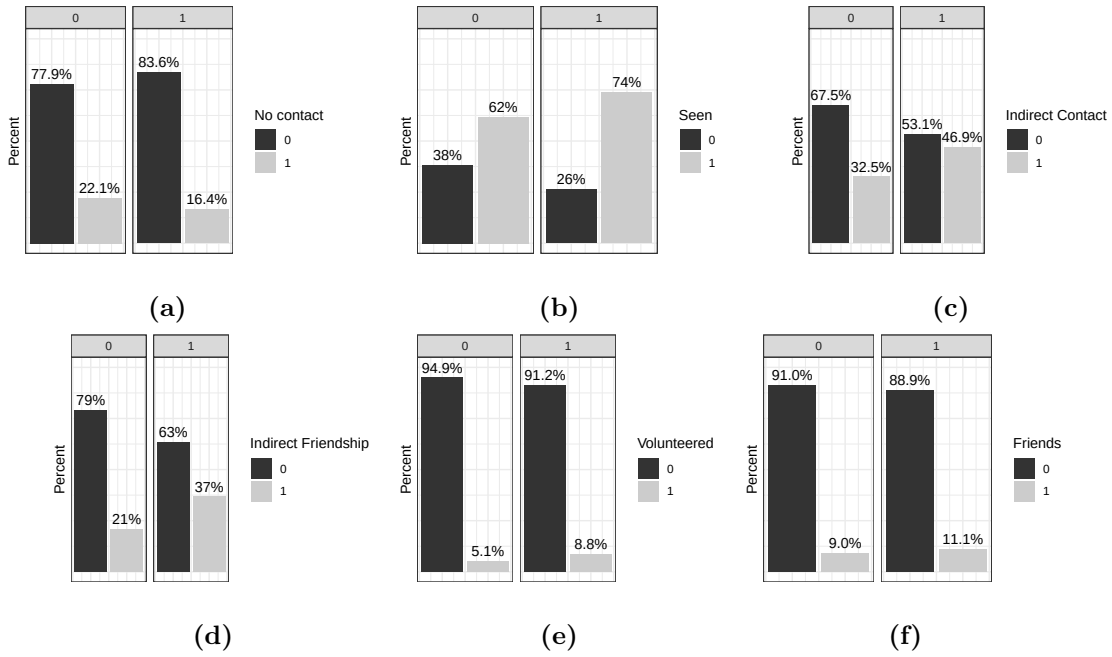


Figure A1: Shares of respondents reporting a) no contact b) seeing c) indirect contact d) indirect friendship e) volunteering f) friendship with asylum seekers. 0=Non-receiving areas, 1=Receiving areas. The value of 0 (black) means no such type of contact, 1 (gray) means the respondent had such contact.

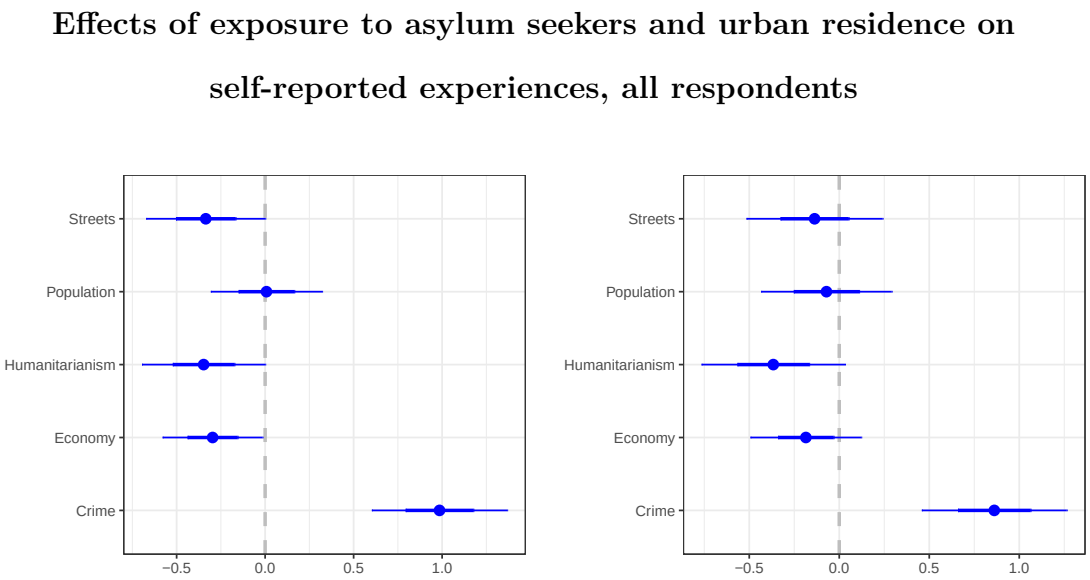
5.9 Appendix B: Results

Table B1: Regressions for respondents changing their opinion regarding asylum seekers. Clustered standard errors in parentheses.

Asylum seeker arrivals × urban	Basic model	With covariates
Negative shift	0.103	0.094
	(0.073)	(0.072)
Positive shift	−0.068*	−0.040
	(0.038)	(0.043)
N	863	863

* $= p < 0.1$

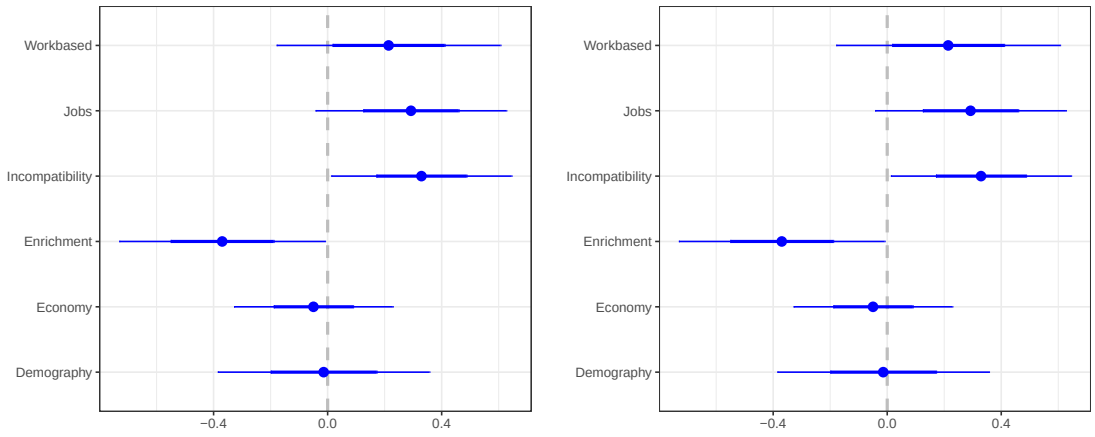
Note: Those, who have not resided in the municipality since 2015 dropped from the sample.



(a) Without covariates **(b)** With covariates

Figure B1: Coefficients for the interaction between receiving asylum seekers in 2015 and residing in an urban municipality. Scale of response 1 (fully disagree) – 5 (fully agree). Thick lines indicate the 90 % confidence intervals and the thin lines the 95 % confidence intervals with clustered robust standard errors. All respondents included, not just those who have lived in the municipality since 2015.

Effects of exposure to asylum seekers and urban residence on attitudes to immigration, long term residents only



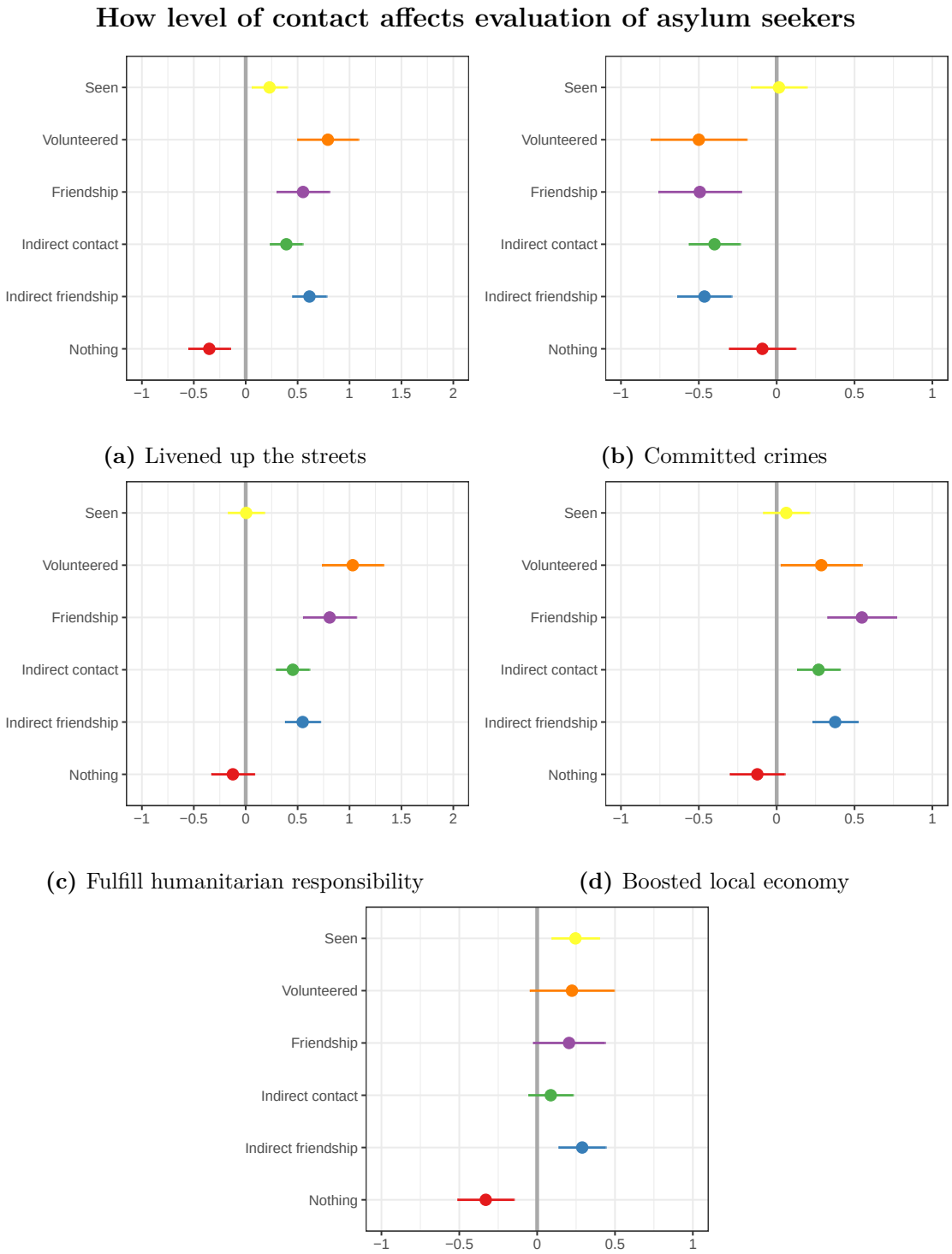
(a) Without covariates **(b)** With covariates

Figure B2: Coefficients for the interaction between receiving asylum seekers in 2015 and residing in an urban municipality. Scale of response 1 (fully disagree) – (5 fully agree). Thick lines indicate the 90 % confidence intervals and the thin lines the 95 % confidence intervals with clustered robust standard errors. Those, who have not resided in the municipality since 2015 dropped from the sample

Table B2: Share of respondents in four categories self-reporting change with respect to asylum seekers.

Stance shift	Urban, receiving	Urban, non-receiving	Rural, receiving	Rural, non-receiving
No change	67.12	68.48	68.52	67.48
Negative shift	28.81	26.67	18.52	26.02
Positive shift	4.07	4.85	12.96	6.50

Note: All values in percentages. Those who have not resided in the municipality since 2015 dropped from the sample.



(a) Livened up the streets

(b) Committed crimes

(c) Fulfill humanitarian responsibility

(d) Boosted local economy

(e) Boosted local population

Figure C1: Regression for different levels of contact and assessment of asylum seekers. Different assessments are: **1.** Asylum seekers livened up the streets; **2.** Asylum seekers committed crimes; **3.** Asylum seekers gave us a chance to practice our humanitarian responsibility; **4.** Asylum seekers boosted the local economy; and **5.** Asylum seekers boosted the local population. All respondents, $n = 976$.

5.10 Appendix C: Mechanism

Table C1: Share of respondents in the sample reporting different professions in rural and urban municipalities.

Profession	Rural	Urban
White collar	40.80	42.24
Blue collar	6.87	4.11
Farmer	99.63	0.37
Unemployed	4.21	5.61
Entrepreneur	6.87	4.11
N	451	535

Table C2: Regressions for different types of professions in attitudes to immigration. Clustered standard errors in parentheses. All respondents.

Profession	Societal benefits	Economic Benefits	Take Jobs	Cultural
Entrepreneur	0.235	0.326∗	−0.222	0.099
	(0.188)	(0.142)	(0.167)	(0.179)
Farmer	−0.648*	−0.395	0.266	−0.754*
	(0.305)	(0.291)	(0.302)	(0.277)
Employee	−0.434*	−0.294*	0.151	−0.247*
	(0.088)	(0.102)	(0.100)	(0.100)
Clerk	0.059	0.077	−0.294*	−0.083
	(0.107)	(0.106)	(0.106)	(0.100)
Expert	0.260	0.203*	−0.314*	0.180*
	(0.137)	(0.087)	(0.112)	(0.127)
Manager	0.340	0.317*	−0.192	0.326
	(0.244)	(0.136)	(0.236)	(0.252)
Homemaker	−0.275	−0.005	0.121	−0.028
	(0.396)	(0.303)	(0.305)	(0.384)
Unemployed	−0.246	−0.218	0.695*	−0.062
	(0.218)	0.161	(0.187)	(0.224)
Student	0.220*	−0.003	0.121	0.179
	(0.101)	(0.111)	(0.305)	(0.107)
Pensioner	0.113	0.070	0.120	0.073
	(0.081)	(0.065)	(0.071)	(0.787)
N	976	976	976	976

* $= p < 0.05$

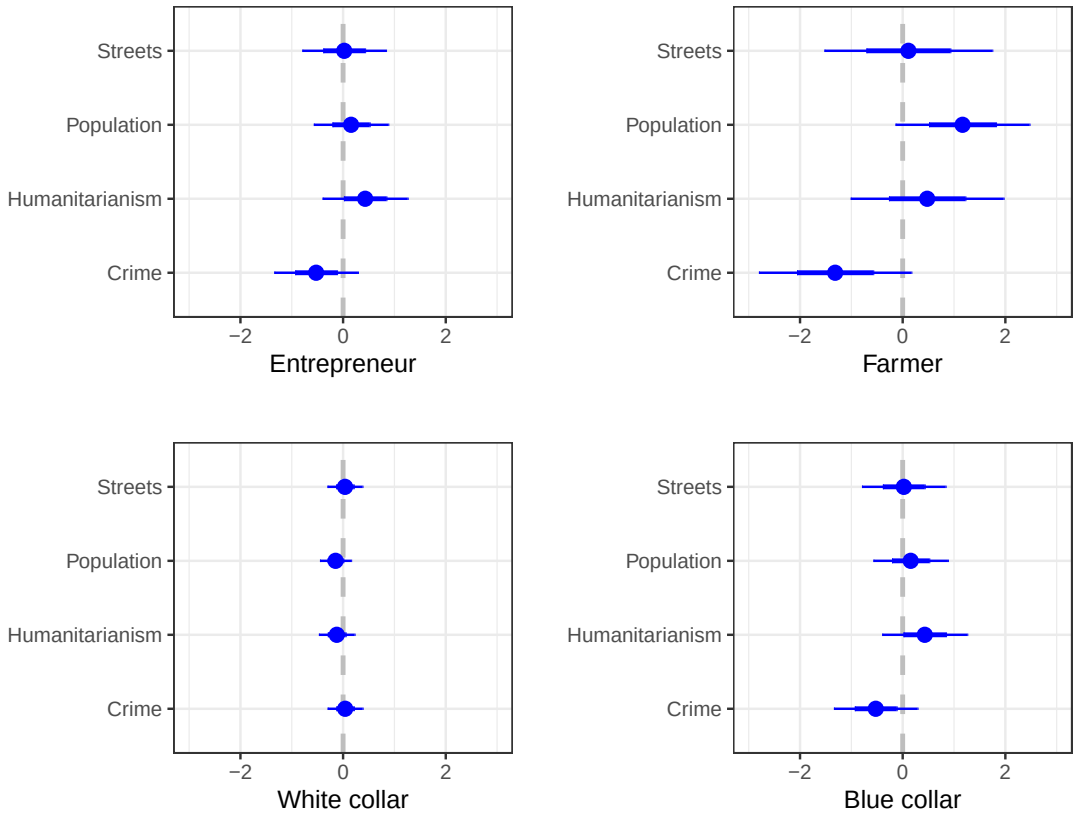


Figure C2: Regression coefficient estimates for linear regression of evaluation of asylum seekers (continuous scale of 1 to 5) on being exposed to asylum seekers and profession, $N = 976$.

Table C3: Regressions for different occupations on perceptions on crime after receiving asylum seekers. Clustered standard errors in parentheses.

Profession	Coefficient	Standard error	n
Farmer	−0.579	(0.426)	638
Entrepreneur	−0.368	(0.218)	638
Blue collar	0.368	(0.218)	638
White collar	0.1878	(0.108)	638
Unemployed	0.457	(0.263)	638

$^* = p < 0.05$

Note: Only treated areas.

Table C4: Regressions for different levels of contact on perceptions on crime after receiving asylum seekers. Clustered standard errors in parentheses.

Type of contact	Coefficient	Standard error	n
Nothing	−0.266	(0.143)	638
Seeing in streets	0.155	(0.121)	638
Indirect contact	−0.302*	0.106	638
Indirect friendship	−0.289*	(0.109)	638
Volunteering	−0.507*	(0.185)	638
Friendship	−0.514*	(0.166)	638

* $= p < 0.05$

Note: Only treated areas.

5.11 Appendix D: Robustness

In Appendix A a number of balance tests were concluded to establish balance between those municipalities that either housed or did not house asylum seekers in 2014 and the sampled respondents from these municipalities. The underlying assumption of the research design is that citizens could not affect the decision to establish a reception center in the municipality and thus any difference in their reactions to the arriving asylum seekers would stem from this unexpected exposure in lieu of long held structural differences. As urban and rural areas are inherently different and people self-select to live in them, this assumption in conditioned on treated rural and non-treated rural areas sharing their characteristics and urban treated and non-treated characteristics sharing their characteristics.

As the performed balance tests suggest, urban municipalities that housed asylum seekers had slightly more population, higher pre-existing levels of foreigners, and slightly higher levels of unemployment. Whereas the balance was perfect at the municipality level in rural municipalities, there was a slight imbalance in respondent-level education levels in treated and non-treated municipalities. Thirdly, there was an over-representation of Green voters in both rural and urban treated groups in the sample as well as an over-representation of True Finns voters in the rural

treated sample.

While the inclusion of all the covariates was not possible due to multicollinearity issues (these covariates correlate with population density) in the interactions, I here perform interactions for all these covariates to check if they are responsible for heterogenous treatment effects. I regress all these on the coutcome that consistently came out as the most powerful explanation for rural–urban differences in reactions, the claim that asylum seekers commit crimes and check if agreeing with this statement can be attributed to something else than the treatment × rural interaction.

First, I interact the treatment with both being an urban respondent and the level of education. This is to make sure that the higher share of educated people in rural treated areas does not explain the treatment response and is expressed by the following equation:

$$\begin{aligned} Y_{ij} = \beta_0 + \beta_1 \,\text{AsylumSeekers}_i + \beta_2 \,\text{Urban}_i + \beta_3 \,\text{Education}_i \\ + \beta_4 \,\text{Urban}_i \times \text{AsylumSeekers}_i \times \text{Education}_i + \varepsilon_{ij} \end{aligned}$$

The resulting coefficient is small (.085) and statistically insignificant ($p = 0.4$), so this imbalance does not invalidate the findings of this paper. Similarly, I insert a binary variable for a) being a Green voter and b) being a True Finn voter and check the results. The coefficients are again, insignificant (p-values 0.1 and 0.8 respectively). In addition, just interacting the treatment with party support leads in both cases to weak and insignificant coefficients.

Next, I address the three imbalances that intervene in the as-if-random assumption in urban municipalities: existing share of foreigners, population, and share of unemployment. As these features do not show imbalance in rural areas, these can be only confounders in urban areas. Thus, I run a regression for the crime-related outcome in which I regress the outcome on an interaction between housing asylum seekers and these features, one at a time.

The following table sums up these coefficients:

Table D1: Robustness regressions for perceptions on crime on receiving asylum seekers interacted with crucial covariates in urban areas. Clustered standard errors in parentheses.

Model	Coefficient	Standard error
Asylum seeker arrivals × log.pop	0.256	(0.192)
Asylum seeker arrivals × share of foreigners	0.138*	(0.040)
Asylum seeker arrivals × share of unemployed	−0.042	(0.031)
n	459	459

* $= p < 0.05$

Note: Those who have not resided in the municipality since 2015 dropped from the sample.

One coefficient, the pre-existing levels of foreigners in 2014 remains significant after this examination. Theoretically, it could be possible that higher pre-treatment shares of foreigners would lead to different reactions from having no experience of them. To address this, I re-run all the models in Section B by controlling for the pre-treatment share of foreigners. The estimates remain unchanged, only experiencing a slight drop in significance.

Attitudes to immigration as a function of experience from housing asylum seekers and residing in urban areas.

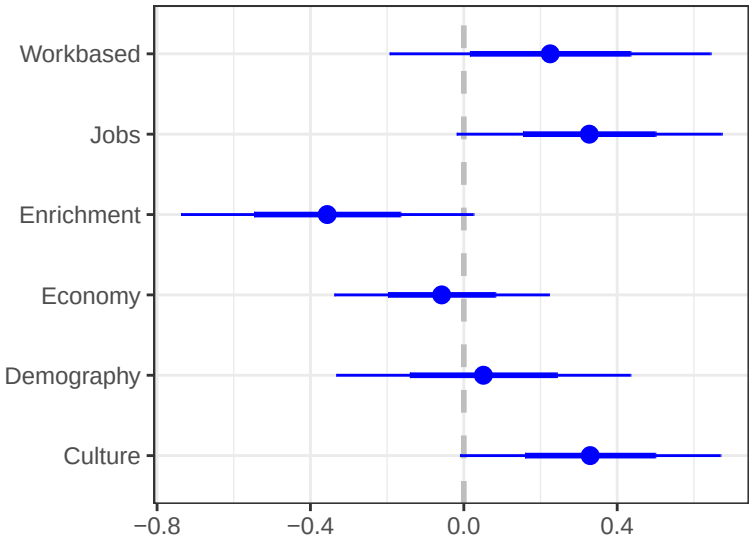


Figure D1: Regression coefficient estimates for linear regression of attitudes to immigration (continuous scale of 1 to 5) on being exposed to asylum seekers and living in urban areas, $n = 854$, residents who have resided in the municipality for at least five years. Pre-treatment share of foreigners as a covariate.

Experience of asylum seekers as a function of housing them and residing in urban areas

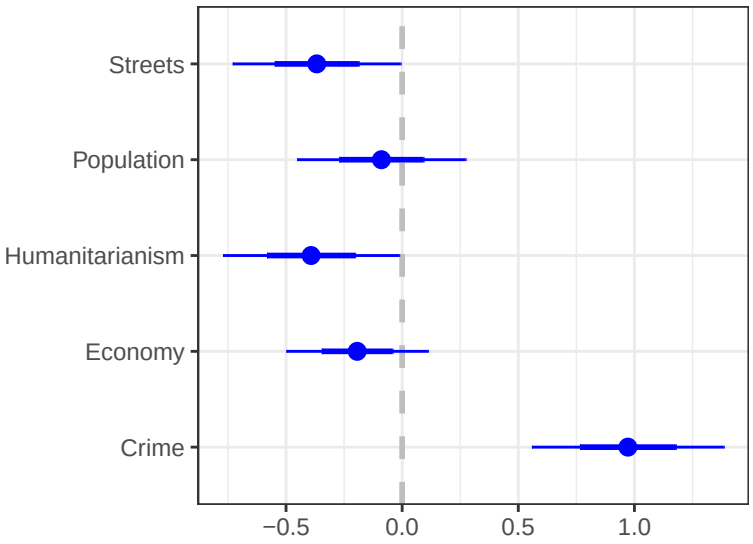


Figure D2: Regression coefficient estimates for linear regression of evaluation of asylum seekers (continuous scale of 1 to 5) on being exposed to asylum seekers and living in urban areas, $n = 854$, residents who have resided in the municipality for at least five years. Pre-treatment share of foreigners as a covariate.

In the following table I perform regressions to find if there is a pattern in which groups react differently to asylum seekers. I test if there are heterogeneous treatment effects according to age, sex and education. As most coefficients were weak in magnitude and significance, it is hard to distinguish between general lack of significance and characteristic-related insignificance. Therefore, I use the outcome that gives the clearest treatment effect coefficient, natives' perception of asylum seekers committing crimes. Table D2 sums up these variables and shows that age, education and sex do not lead to heterogenous treatment effects.

Table D2: Regressions for different characteristics for perceptions on crime on receiving asylum seekers, covariates interacted with treatment status. Clustered standard errors in parentheses.

Covariate	Coefficient	Standard error
Sex	−0.141	(0.145)
Age	0.001	(0.004)
Education	0.081	(0.051)
N	851	851

$^* = p < 0.05$

Note: Those who have not resided in the municipality since 2015 dropped from the sample.

6

Conclusions

This thesis set out to answer some existing puzzles in the literature regarding immigration attitudes in political behavior. These puzzles were to a large extent derived from existing literature, as identified by Hainmueller and Hopkins (2014), while some were born as the work progressed. The obvious existing puzzle was that there was very little literature on elite-level responses to the 2015 refugee crisis: while more and more papers were measuring the electoral effects of immigration shocks on political parties', especially the far-right's success, researchers assumed that the manifestos equaled politicians' stances as well as proposed and effectuated policies.

When opening up the possibility that parties might portray intra-party heterogeneity in their immigration stances because different regions had different experiences of asylum seekers, a surprising finding followed: Rural areas, thus far seen as fertile ground for anti-immigration attitudes, were more welcoming to refugees than urban areas after having positive experiences of managing asylum seekers' reception centers in 2015. The finding that this had little to do with the party labels, but rather stemmed from the specific socio-economic needs of rural areas, directed the research in the direction of testing if these perceptions were shared by the electorate or if they were directed by the political elite's knowledge of the municipality's needs. Taken together, the three papers confirm the conclusion that both at the elite and the citizen levels people react more positively to asylum seekers in rural areas than in urban areas and that these reactions have a spill over effect to immigration preferences and effectuated local policies.

This thesis has attempted to bring several contributions to the literature on immigration attitudes. These contributions are:

1. Offering data that are able to measure realized policy outcomes in lieu of mere attitudinal measures.

2. This aforementioned data is finely measured at the candidate level, opening up the research for fine-grained measurement of variation and tackling as

many confounding variables as possible.

3. Offering panel data with a quasi-experimental identification strategy that enabled repeated measures of immigration attitudes rather than merely one-off experiments, thus facilitating the study of trends rather than absolute levels.

4. Offering a novel data set that tests something that has not been tested before in the literature, namely how rural and urban respondents differ in their experiences of asylum seekers.

5. Offering a case, in which relatively low levels of prior engagement with immigrants enabled a clear before–after setup to measure changes in attitudes.

In so doing, this thesis finishes by proposing that, against much of the current evidence, rural areas might be more optimal places to place asylum seekers and refugees than cities. This is because the structural challenges of rural areas are the kinds of challenges that respond well to new arrivals of people. Rural areas have an aging population and they also tend to suffer from labor shortage, whereas cities suffer from higher unemployment and tend to gain population. These differences make them differently predisposed to evaluate immigration from the labor market perspective. Lower urban density also offers better requisites for making meaningful contacts with people.

These findings also reconcile competing proposed mechanisms for anti-immigration attitudes in the literature: While a significant strand of literature proposes that the competition on the labor market (Mayda, Steingress, and Peri 2018; Malhotra, Margalit, and Mo 2013) is the driving force behind anti-immigration attitudes, another strand (Hainmueller, Hiscox, and Margalit 2015; Bansak, Hainmueller, and Hangartner 2016) has dismissed the labor market hypothesis in favor of more cultural narratives. This thesis finds evidence for both explanations and identifies a confounder which explains why both of these narratives seem plausible: immigrant

and refugee arrivals can seem both an economic and a cultural threat, but whether this threat is materialized or reversed depends on the respondent's context.

The first paper proposes a differences-in-differences design to measure how local politicians updated their refugee stances between the 2012 and 2017 municipal elections after they were exposed to an unexpected inflow of asylum seekers. The data come from the popular Finnish Voting Advice Application (VAA) system, which allows individual politicians to express their policy stances on a number of policies, including refugee intake, in the hope of connecting with their personal electorate. This system allows politicians to deviate from their parties' manifestos and express personal stances, and thanks to the candidate-centered open-list electoral system of Finland, even encourages intra-party variation. (Matakos, Savolainen, Troumpounis, et al. 2019)

By measuring how candidates in affected and non-affected areas change their policy pledges as a function of receiving asylum seekers in the constituency, I manage to keep all candidate-level and municipality-level, time invariant confounders constant. The results show that the stronger the exposure to asylum seekers is, that is, the higher number of asylum sekers per capita, the more favorable the policy stances become. Further studies show that it is not the smallness of the municipality, but the lower urban density that explains this: Politicians see the socio-economic benefits that managing the reception center brings to the rural municipality which is suffering from population shortages and related socio-economic hardships. In addition to the novel findings, the main contribution of the paper is to bring the research to the candidate-level and using panel data regarding actual policy pledges that matter for realized refugee intake.

After the first paper, an obvious question remains: Did politicians arrive at these conclusions from having information about the economic benefits of asylum seeker accommodation, or are the reactions possibly induced by understanding that the electorate has developed positive feelings towards immigration? The formation of

the policy process could go either way: the electorate might influence the candidate to update their preferences, seeing that anti-immigration policies don't have a market in the constituency, or alternatively the candidate might try to influence the electorate to change their minds because they know that immigration is an optimal future policy for the constituency. The remaining papers tackle this challenge, while still attempting to solve puzzles in the literature.

The second paper continues with the data and identification strategy of the first paper to test if having more concrete outcome measures of refugee acceptance alter the results of the widely used method of regressing vote shares of different parties on refugee arrivals. The paper offers several, complementary ways to measure the electoral returns of having an anti-immigration message. First, it replicates the way anti-immigration voting has thus far been measured: regressing constituency-level vote shares of parties on both binary received/did not receive measures, as well as by counting the share of asylum seekers per capita. While the binary measure points at an overall polarization, the per capita measure no longer shows clear effects.

To address this inconsistency, I employ an alternative measure that remains agnostic of party stances and aggregates the constituency's candidates' personal support for refugee intake in both 2012 and 2017 and multiplies this by the electoral success of the expressed support. This method shows that the more rural a municipality is, the less it pays off to be anti immigration at the polls after the 2015 asylum seeker arrivals. A measure that tracks individual candidates' opinion shifts on the matter shows that anti-refugee shifts only pay off in urban areas. This paper not only corroborates the findings of the first paper and shows that in both rural and urban areas politicians reacted in the most remunerating way in their electoral settings, but it also contributes to the literature by showing that using binary affected/not effected measures and using party manifestos as proxies for anti-immigration sentiments cloud the estimates and hide important information about the context-dependency of the anti-immigration vote.

Having established that both candidates and voters tend to be more anti-immigration in urban constituencies the question of to what extent citizens agree with politicians about the benefits of immigration still remains. To this end, the third paper uses an original data set which was created to explicitly test the findings of the first two papers. Exploiting the natural variation in some urban and some rural municipalities not receiving asylum seekers in 2015, I administered a survey that used block sampling in four categories: rural and urban receiving areas and rural and urban non-receiving areas. A representative sample was asked about their experiences of 2015 as well as about their current immigration attitudes. This was done with the purpose of separating lived experiences of asylum seekers from general immigration attitudes.

The results show that rural and urban respondents report different experiences from 2015: rural respondents showed systematically more favorable evaluations of accommodated asylum seekers than urban respondents. The largest coefficient was that of the association between crime and asylum seekers, but economic self-interest as well as more contact in rural areas all contribute to this finding. The findings also suggest that contact makes natives more optimistic about immigrants' adaptability to the natives' culture, while working in an industry that benefits from immigration, such as farming, enhances natives' sociotropic evaluations of immigrants. Thus, the paper also contributes to the much discussed labor market hypothesis versus cultural threat debate: both heightened cultural threat and labor market threat can explain anti-immigration sentiments, but the two are not interchangeable. Moreover, contact seems to work to reduce cultural threat, but it seems relatively independent from the respondents' sociotropic evaluations of immigrants.

Finland is a specific case to study and the obvious question to ask is to what extent these findings can be in dialog with literature that examines other European countries or the US. Although the empirical evidence comes from Finland in this case, plenty of anecdotal evidence from across Western Europe, such as in Ireland,

Germany, Austria, Scotland, suggests that rural acceptance of asylum seekers might be a universal tendency. However, the one other paper that examines anti-immigration voting in Finland (Lonsky 2020) finds somewhat contrasting results according to which the long-term hubs of immigration (which in Finland are the largest cities, especially in the South) portray less support for the anti-immigration party. This is because Lonsky studies immigration, which clusters in Finland in the very regions that my studies automatically discarded as "pre-treated" regions.

For Lonsky the conclusion is that the long term presence of immigrants reduces the support of the anti-immigration party Finns Party. In this work, I excluded regions with long-term presence of asylum seekers and controlled for the share of foreign-born residents to be able to measure change as a result of unprecedented experiences of asylum seekers. Moreover, Lonsky measures immigration attitudes as municipality-level party support in national and presidential elections, whereas I only study municipal elections. In short, the two studies are dissimilar and two independent studies measuring different outcomes in different settings. However, Lonsky's finding that the long term presence of higher shares of foreign citizens diminishes the share of the Finns Party means that should the previously non-exposed municipalities in my study continue refugee accommodation and attract foreign-born citizens to live there, the long term tendency in the voting patterns of these municipalities would be detrimental for the Finns' Party.

With regards to research stemming from other regions than Finland, there are no major reasons as to why the results would not be replicable in other settings. The candidate-centeredness of the electoral system and the existence of voting advice applications are merely prerequisites for being able to use the data and the identification strategy, but these factors should not intervene in finding similar local reactions to asylum seekers. The scope conditions for replicating these findings would be similar management of asylum seekers arrivals in terms of placement, the state bearing the costs of the reception centers, and having a rural population that is

experiencing population losses and labor-shortage. The first two factors are universal across Western Europe, especially in the Nordic countries and Germany, where much of the existing research comes from. The third factor is more prone to regional variation: currently there is a lot cross-country, or even intra-country variation about when asylum seekers are allowed to work as well as in rural unemployment levels.

In addition to legislation, variations might also appear on the local labor market: Mayda, Steingress, and Peri 2018 find that rural voters are more prone to be anti-immigration than urban voters: Whereas the authors of the paper identify blue-collar hostility towards immigrants as an expression of the labor market competition in rural areas, in Finland there is a current shortage of blue collar labor force, often especially in rural areas.[1] In other words the findings that in the US rural voters tend to vote more Republican in response to immigration stems from a different labor market structure, not necessarily from rural voters being differently predisposed in the US compared to Finland, although it would be interesting to explicitly test this in the future.

How does this paper relate to Schaub, Gereke, and Baldassarri (2019) who find null effects for rural respondents in Eastern-Germany? Although the authors are the first to explicitly measure immigration stances in rural areas, they do not have a reference category in the city, as they matched receiving and non-receiving rural areas in an economically deprived region. Interestingly, although the scope condition of having rural areas that suffer from labor shortage is not met in Eastern German villages, the authors still do not find *hostile* reactions, which hints at the prospect of rural areas being less hostile than cities, as other studies in Germany have found hostile reactions to immigrants and asylum seekers. (Tomberg, Smith Stegen, and Vance 2019; Otto and Steinhardt 2014) Nor are my findings in contradiction with other causal papers that find increased hostility to asylum seekers: these papers all

[1] `https://www.ammattibarometri.fi/?kieli=en`(visited on 2020-10-007).

study mere exposure, which I also find to rather increase hostility, especially when compared to respondents who have had more contact with the asylum seekers. The findings of Steinmayr (2020) and Vertier and Viscanic (2018) also fit very well with the findings of this paper as they also show positive reactions in rural areas and small municipalities. Although they both attribute their findings to contact, I claim that contact has a prerequisite of its own, and that is being a rural receiving community.

However, this thesis does not merely confirm existing findings. Instead it manages to reconcile many competing proposed mechanisms in stating that they all have their own contexts in which they come to force, and these contexts are largely based on rural–urban divisions. It directs the reader's attention to this marked division after performing more fine-grained data analysis than any previous study has managed by using politician and citizen level data in municipal elections in an ideal setting that managed to measure the exact nature of exposure to asylum seekers.

In addition to testing mechanisms advanced in the political behavior and political economy literature, I have also attempted to be in dialog with theories of social psychology and test mechanisms advanced elsewhere. For example, the experiment that laid the foundations of Realistic Conflict Theory, on which much of the labor market hypothesis is based, also stated that antagonistic groups could overcome their rivalry and prejudices when they had a common problem to tackle. (Sherif et al. 1961) Keeping a community thriving might be such a common endeavor that serves as glue for cohesion in rural areas, but which is hard to enact in urban areas that are more segregated, anonymous, and where less input is needed to keep the community wealthy. Unfortunately the scope of this research does not allow to dig to the levels of social cohesion and altruism as mechanisms for this rural–urban division, but such paths would be interesting ones for future research to take.

Although using the candidate- and citizen-level data has opened new paths to research immigration, it naturally comes with its own set of limitations. While the first paper examines the issue from the elite's angle, and the second paper

examines the same question from the voters' angle, at no point do these two angles meet. It would be interesting and theoretically important to study which effect comes first: do voters inspire the elite to update their preferences, do the elites persuade voters to to start thinking in a new way or are the two processes separate and they just happen to yield similar results?

The data at hand do not enable me to perform a study such as that of Broockman and Butler (2017), who convincingly managed to isolate the elite-persuasion effect. If anything, the third paper points in the direction that the two processes are separate: while the elite think about population numbers, the voters think about personal experiences and profit. However, a different research design is needed to explicitly test the independence of these processes, which I leave for further research.[2]

It would be also interesting to be able to test how long lived these attitude changes are: this thesis covers the years 2012 and 2020, which means that at most it is 5 years after the exposure to asylum seekers. Did the asylum seekers stay in rural municipalities? Was their integration process successful if yes? How long do the citizens remain in rural areas more favorable than urban areas? Will longer exposure to asylum seekers possibly reverse these differences? These are questions that all need longer panel data than what we have currently access to. While the first two papers use panel data between 2012 and 2017, the third paper is a one-off survey. Following up some time later would make for an interesting project which would also introduce a still needed time-dimension to the paper.

Even though there is room for more research, these three papers hope to serve as a starting point for changing the way researchers and policy makers

[2]A simple test of frequencies shows that politicians are more favorable to immigration: while among citizens across all categories the mode is no change in opinion, followed by a negative shift, among politicians the mode of no change is across all categories followed by a favorable shift in opinion. However, this is an invalid comparison as in the case of citizens it is a self-reported change, whereas for politicians it is a measured shift.

think about rural–urban differences. Instead of writing off rural areas as places of refugee reception because of the known anti-immigration bias in rural areas, researches and policy makers should turn their attention to the shift in attitudes in these areas in the past years. The 2015 refugee crisis caught many people by surprise and exposed people to new experiences of asylum seekers. This changed people's values in a consistent pattern according to which rural dwellers were the most willing to adjust their preferences to be more pro-immigration after having personal experiences of managing asylum seekers. These findings not only diminish the myth of the conservative rural voter, but also open new paths for planning immigration and integration policies.

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