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Enfranchising Non-Citizens: What Drives Natives' Willingness to Share Power?

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Enfranchising Non-Citizens: What Drives Natives' Willingness to Share Power?*

Anna Maria Koukal^{a,b}

Patricia Schafer^a

Reiner Eichenberger^{a,c}

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Abstract: Universal suffrage is a core element of democracy. However, in many democratic countries, a large part of the inhabitants are foreigners without suffrage. This paper analyzes conditions under which domestic citizens are willing to extend suffrage to non-citizen residents. We explore a new municipality level dataset of 33 Swiss referenda on the enfranchisement of foreigners at the cantonal level. Our setting allows for measuring the revealed preferences of the native electorate. We concentrate on the size and composition of the foreign population and the institutional context as determinants of non-citizens' enfranchisement. Our estimates show that a higher share of foreigners results in a lower willingness of voters to enfranchise non-citizens. This effect is driven by the cost of enfranchising non-citizens, which increases in the cultural distance between the foreign and native population and the strength of direct democracy.

Keywords: non-citizens' voting rights, political integration, democratization

JEL: D72, J15, P16

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^a University of Fribourg, Boulevard de Pérolles 90, 1700 Fribourg, Switzerland.

^b FernUni Schweiz, Überlandstrasse 12, 3900 Brig, Switzerland.

^c CREMA – Center for Research in Economics, Management and the Arts, 8008 Zürich, Switzerland.

1. Introduction

Globalization and digitization boost international migration, though most democratic participation rights are still tied to traditional forms of citizenship. Thus, in many democratic countries, a large and increasing share of the population has no or only limited franchise.¹ An extreme case is Luxembourg, where 47 percent² of the resident population were non-citizens in 2017 and, hence, excluded from full voting rights. In countries like Germany and Switzerland, this share was 12 and 24 percent, respectively. This finding is strengthened if we focus on specific age groups. Among Swiss residents aged 30 to 40, the share of foreigners is about 40 percent. Consequently, the democratic endowment is comparable to the situation that existed before the enfranchisement of women and is one that is steadily shrinking.

Participatory political institutions are known to generate positive effects, such as fostering cooperation (Acemoğlu and Robinson, 2012), civic virtue (Frey, 1997), and trust (Rainer and Siedler, 2009) as well as an increased likelihood of beneficial political results (Ellis and Fender, 2010).³ Although these results refer to the potential of political integration through enfranchisement, the literature has mainly focused on the conditions of successful economic integration⁴ or naturalization.⁵ Therefore, little is known about the determinants of non-citizens' enfranchisement.⁶ Given the limited democratic legitimacy of decisions taken by only a fraction of the taxpayers and the integrative effects of political empowerment (e.g., Koukal, 2013; Slotwinski *et al.*, 2017; Koukal and Portmann, 2019), it is important to understand the conditions under which political participation rights are transferred to non-citizens. The potential benefits of political inclusion are likely to increase in the share of non-citizens, whilst the actual native electorate faces increasing political power loss. What development of non-citizens' enfranchisement can thus be expected in the future?

In this paper, we analyze potential drivers of, and barriers to, non-citizens' enfranchisement in Switzerland during the 1992–2016 period and focus on the role of the size and composition of the foreign population. By taking advantage of a rich municipality-level panel dataset, this paper seeks to contribute in at least three ways. First, this paper is one of the few empirical

¹ In some countries, such as those in the EU, immigrants from specific countries have suffrage at the local level. See Arrighi and Bauböck (2017) for more information on local voting rights for non-citizens.

² Source: Eurostat.

³ This idea follows the Condorcet Jury Theorem.

⁴ For a broader discussion, see Card (2005), Borjas (2014) or Card and Peri (2016).

⁵ See Bloemraad *et al.* (2008), Hainmueller and Hangartner (2013) or Hainmueller *et al.* (2015).

⁶ We are aware of only Earnest (2015) and a study of Stutzer and Slotwinski (2019) who empirically evaluated the conditions for foreigners' enfranchisement.

analyses of non-citizens' enfranchisement and the first to use a rich panel-dataset of natives' revealed preferences. Second, we contribute to a growing literature that analyzes the effects of immigrants' presence on natives' behavior. Third, we shed light on conditions under which non-citizens' presence affects natives' willingness to share power positively or negatively.

Switzerland provides an ideal laboratory to analyze the enfranchisement process for two reasons: First, the decision to enfranchise non-citizens is not taken by the national parliament but by the native electorate through popular referenda. This institutional setting allows an analysis of voters' revealed preferences. Second, due to Swiss federalism, non-citizens' enfranchisement is not a one-shot decision at the national level but a multilayered process at the municipal, cantonal, and federal levels. The decision to hold a referenda vote is exogenous to the individual municipality, as conducting a vote is decided at the cantonal (and not at the municipal) level. Thus, we exploit within-municipality variation of the municipal acceptance to enfranchise non-citizens in 33 cantonal referenda over the 1992–2016 period.

Our results reveal that a larger share of foreigners does not foster natives' willingness to enfranchise non-citizens. On the contrary, natives' willingness to enfranchise non-citizens decreases with an increase in the proportion of foreigners present in a municipality. Our estimates suggest that a one percent increase of foreigners reduces the natives' willingness to share political power by approximately 0.20 percentage points. We argue that this effect is likely to stem from the costs of enfranchising non-citizens for two reasons: First, the hindering effect of foreigners' share on the enfranchisement of non-citizens is driven by the cultural differences that exist between the native and the foreign populations, which we explain as an increased preference heterogeneity and thus higher cost of sharing political power. Second, our result originates from institutional factors, as we show that the hindering effect of a larger foreigner share is driven by municipalities with strong direct democratic instruments (town meetings). This suggests that the resistance to sharing political power increases with the individual's loss of influence on politics⁷. The role of increasing costs to share power in the direct democratic setting goes beyond traditional explanations of the discriminatory role of direct democracy for minority rights (Gamble, 1997; Donovan and Bowler, 1998; Haider-Markel *et al.*, 2007; Hainmueller and Hangartner, 2019).

This paper is organized as follows. The next section reviews the related literature. Section 3 introduces the Swiss institutional setting. Section 4 describes our data and provides descriptive

⁷ For a related discussion about female enfranchisement, see Koukal and Eichenberger (2017).

statistics. Section 5 presents our hypotheses, and Section 6 explains the empirical strategy. The results are presented and discussed in Section 7. Section 8 provides a summary of our main results and an outlook to future research.

2. Related Literature

Despite the sizeable literature on franchise extensions for men and women, little is known about the drivers of political power-sharing with non-citizens. This paper aims to contribute to this gap by uncovering the conditions under which natives are willing to grant non-citizens the right to vote. We are only aware of two papers that empirically study the conditions for non-citizens' enfranchisement. In a cross-country study over the 1975–2010 period, Earnest (2015) analyzes the conditions for the liberalization of citizenship laws such as non-citizens' voting rights and retraction of voting rights of non-citizen residents. The author explains the former with policy constraints and the latter as an interaction between policy constraints and national characteristics. Furthermore, we are aware of a project by Stutzer and Slotwinski (2019), in which the authors use data from two Swiss cantons to focus on the power dilution hypothesis for opting-in regimes to enfranchise non-citizens.⁸

Unlike the literature on non-citizen's enfranchisement, the literature on franchise extension for men and women is well established. Acemoğlu and Robinson (2000, 2001) prominently frame a theory of democratization that explains suffrage extensions as a strategic decision by the elite to prevent revolution or social unrest.⁹ Wars (e.g., Hicks, 2013; Polishchuk and Syunyaev, 2015) and the strategic concerns of a divided elite (e.g., Lizzeri and Persico, 2004; Llavador and Oxoby, 2005) have also been considered as potential drivers of suffrage extensions. In addition, labor market characteristics have also been shown to influence enfranchisement decisions. Bertocchi (2011) finds that a smaller gender wage gap increased the likelihood of female enfranchisement across Europe. Engerman and Sokoloff (2005) empirically underline this result using data from North and South America, providing evidence that greater homogeneity (in terms of socioeconomic or ethnic attributes) drives democratization.

Democratization via suffrage extension is also explained from a price perspective. The smaller the newly enfranchised group, the lower the price to be paid for the actual electorate (e.g.,

⁸ We make use of a much richer dataset with all cantonal votes in Switzerland, whilst Stutzer and Slotwinski (2019) focus on two cantons (Grisons and Zurich). The largest part of their analysis relies on cross-municipality variation, whilst we can focus on within-municipality variation in all cantons of Switzerland that voted at least twice on foreigners' suffrage.

⁹ See also Conley and Temimi (2001), Ellis and Fender (2010), Aidt and Jensen (2014) or Aidt and Franck (2015).

Kenny, 1998; Braun and Kvasnicka, 2013). However, the price of enfranchisement for the present electorate also depends on the actual influence voters have on political outcomes (Koukal and Eichenberger, 2017) and the extent of heterogeneous preferences between the new and old electorates. Thus far, empirical literature on preference heterogeneity between natives and non-citizens is rather scarce. The few contributions we are aware of provide evidence for a lower status quo bias of immigrants compared to natives (Koukal, 2013), a preference to increase public policy spending for social services (Vernby, 2013), an increased likelihood to vote for left parties (Strijbis, 2014) and indicate ethnicity as a main driver of party choice (Tillie, 1998).

With growing international mobility, the interest in measuring the consequences of growing ethnic diversity is increasing.¹⁰ There are two prominent opposing theories on the effect of outgroup size on attitudes toward the outgroup: cultural threat and contact theory.

The cultural threat hypothesis suggests that natives fear immigrants because they pose a threat to their cultural identity.¹¹ Following this approach, various authors empirically investigate whether the presence and inflow of foreigners in one's district affect outcomes such as voting for right-wing political positions, preferences for redistribution, or the design of naturalization regimes. In different empirical settings, the size of the foreign population has been shown to positively affect the support of far-right parties (Halla *et al.*, 2017; Brunner and Kuhn, 2018; Edo *et al.*, 2019) and to diminish the willingness to redistribute (Luttmer, 2001; Alesina *et al.*, 2019; Tabellini, 2019). Furthermore, restrictive naturalization rules are more prevalent within a growing foreign population (Bertocchi *et al.*, 2010; Mariani, 2013). Besides the size of the foreign population, the cultural background and the institutional context also matter in the naturalization process. Hainmueller and Hangartner's study (2013) on Swiss municipalities that the country of origin is the most important determinant of the naturalization decision in Switzerland. Moreover, once politicians rather than citizens decide on the naturalization applications, naturalization rates increased by about 60 percent (Hainmueller and Hangartner, 2019). Therefore, direct democracy might constitute an important barrier to the acquisition of citizenship either because it raises the price of political power sharing or because it fosters the discrimination of minorities (Gamble, 1997; Donovan and Bowler, 1998; Haider-Markel *et al.*, 2007; Koukal and Eichenberger, 2017; Hainmueller and Hangartner, 2019).

¹⁰ Hainmueller and Hopkins (2014).

¹¹ For more information, see Hainmueller and Hiscox (2007) or Kinder and Kam (2009).

Contact theory suggests that interactions among outgroup and ingroup members reduces information asymmetries, increases trust, reduces prejudices, and, therefore, may moderate perceived threat (Allport *et al.*, 1954; Yehuda, 1998; Paluck *et al.*, 2019). Using French data, Jolly and DiGiusto (2014) find that xenophobic attitudes decrease with a growing foreign population size, while for the Netherlands Schlueter and Scheepers (2010) provide evidence for both threat and contact theory depending on the considered measures for the size of the foreign population. Semyonov *et al.* (2004), in their study on Germany, show that perceived group size is driving anti-immigrant attitudes while actual intergroup contact reduces perceived group threat.

Beyond the impact of foreigners' population size, economic circumstances have also been shown to impact attitudes toward foreigners. In a cross-country study covering 12 countries, Quillian (1995) evidence that anti-immigrant attitudes are more prevalent if economic conditions are worse. Most authors analyzing the 'economic threat hypothesis' concentrate on the labor market situation. While some authors find evidence that anti-immigrant attitudes are positively affected by competition in the labor market (Scheve and Slaughter, 2001; Mayda, 2006), others question this result (Hainmueller and Hiscox, 2007; Sides and Citrin, 2007).

3. Institutional Background

Across Europe, there has been an increase in the rise of voting rights being given to non-citizens since the late 1970s.¹² In most countries, the national parliament decides on the enfranchisement of non-citizens. However, such a setting provides only limited information about the preferences of the actual electorate. In Switzerland, non-citizens' suffrage cannot be implemented by the national parliament but only by the actual electorate through referenda votes. Until now, approximately 40 votes on the enfranchisement of non-citizens have taken place in 16 of the 26 cantons.¹³ At the federal level, the voting rights for non-citizens have never been subject to a vote.

Due to cantonal autonomy, various types of voting rights for non-citizens have been debated about and partly installed. Table A1 in the Appendix provides an overview of the different types of enfranchisement for non-citizens that have been voted on in the cantons. They range from

¹² For more information on the noncitizen voting rights across Europe, see Groenendijk (2008) or Aleinikoff and Klusmeyer (2013).

¹³ The cantons with at least one referendum on foreigners' suffrage are Aargau, Appenzell Ausserrhoden, Bern, Basel City, Fribourg, Geneva, Grison, Glarus, Jura, Lucerne, Neuchâtel, Schaffhausen, Solothurn, Uri, Vaud, and Zurich.

active and passive voting rights at the cantonal level to optional voting rights at the municipal level (i.e., to allow municipalities to enfranchise non-citizens at the municipal level). Table 1 provides an overview of the cantons that introduced non-citizens' suffrage. Analogously to the enfranchisement of women, French-speaking cantons were the first to make the move to enfranchise non-citizens. Currently, the cantons of Neuchâtel and Jura grant non-citizens the most extensive political rights, i.e., active voting rights at the cantonal level and active and passive voting rights at the municipal level. However, cantons also differ with respect to the conditions under which non-citizens receive voting rights, most importantly the duration of stay.¹⁴

Table 1: Accepted Referenda on Non-citizens' Suffrage in Swiss Cantons.

Vote date	Yes share	Effective date	Canton	Suffrage type	Opt-in	Municipalities introduced
20.03.1977	80%	01.01.1997	Jura	Active local + cantonal	NO	All
30.04.1995	Cantonal assembly ¹⁵	Opt-in	Appenzell A.R.	Full local	YES	4
24.09.2000	76.60%	01.01.2002	Neuchâtel	Active cantonal	NO	All
22.09.2002	55.90%	14.04.2003	Vaud	Full local	NO	All
18.05.2003	59.70%	Opt-in	Grison	Full local	YES	25
16.05.2004	58.00%	01.01.2005	Fribourg	Full local	NO	All
23.03.2005	76.50%	Opt-in	Basel-City	Full local	YES	0
24.04.2005	52.30%	24.04.2005	Geneva	Active cantonal	NO	All
17.06.2007	54.40%	17.06.2007	Neuchâtel	Passive local	NO	All
28.09.2014	54.00%	28.09.2014	Jura	Passive local	NO	All

Sources: Adler *et al.* (2016), cantonal chancelleries, cantonal constitutions.

To enfranchise the non-citizens in a canton, at least 50 percent of the participating voters at the cantonal level must agree. Table 1 provides an overview of accepted referenda votes and the corresponding yes shares. Thus, the cantonal decision is imposed in municipalities where only a minority of voters agrees to enfranchise non-citizens (i.e., non-citizens are enfranchised at the municipal level against the will of the majority of municipal voters). In some cantons, an opt-

¹⁴ For instance, for cantonal voting rights, foreigners in Neuchâtel must have been canton residents for at least five years, whereas in Jura, foreigners are granted voting rights after 10 years in Switzerland and one year in the canton.

¹⁵ In the Canton of Appenzell Ausserrhoden, the cantonal assembly has voted on foreigners' suffrage, and thus no data on the municipal level is available.

in rule is used, which delegates the right to enfranchise non-citizens at the municipal level to the municipalities (indicated as opt-in YES in Table 1). Currently, three cantons (Grison, Appenzell Ausserrhoden, and Basel City) have introduced opt-in rules for municipalities. Furthermore, the votes on enfranchising non-citizens are often integrated into general constitutional revisions and are, therefore, part of a larger political package.¹⁶

4. Data and Descriptive Statistics

Our empirical analysis relies on three data sources. (1) We collected and digitized data from 33 cantonal referenda on suffrage extension between 1992 and 2016. An overview of the referenda in our sample is provided in Table A1 in the Appendix. (2) We combined this information with a variety of sociodemographic municipal characteristics acquired from the Swiss Statistical Office and the Federal Tax Administration.¹⁷ (3) For information on institutional municipal characteristics, we make use of the municipal survey data provided by Andreas Ladner.¹⁸ This results in a novel dataset with approximately 4000 observations. Since some of the additional variables collected from the Statistical Office and the survey data from Andreas Ladner were not available for all municipalities, we lose a part of the observations in our estimations.

Table 2 provides the descriptive statistics of the outcome and the explanatory and control variables in our dataset. The variables will be further discussed in Section 6. Since most of the cantons hold more than one referendum, we can exploit the within-municipality variation from 24 referenda.¹⁹ An empirical analysis of the municipality level brings several advantages. First, it enables the examination of the effect of different institutional features, differences in the degree of municipal autonomy, different levels of foreigners' share, and different levels of economic competition on the approval of non-citizens' voting rights. Compared to cross-country data, municipal data enables the analysis of a much richer variation under a more homogenous context. Furthermore, the decision to conduct a referendum vote is exogenous to the individual municipality, as the requirement to launch such a vote is decided at the cantonal level.²⁰

¹⁶ Vote types are indicated in Table A1 in the appendix. In our main estimation, we exclude these vote packages.

¹⁷ Information on municipal characteristics included in our dataset is provided in Section 6.

¹⁸ The data from the municipal surveys is available at <http://www.andreasladner.ch/uebersicht.htm>.

¹⁹ The panel is unbalanced, as different cantons voted with different frequencies. A list with the referenda in our dataset is provided in Table A1 in the appendix.

²⁰ To conduct a vote on the enfranchisement of foreigners, at least 100,000 signatures must be collected.

Table 2: Descriptive Statistics.

Variable	N	Mean	SD	Min	Max
yes share	3014	25.74	12.95	0	83
population	3014	3747.26	144452.83	38	384786
population (log)	3014	7.19	1.27	3.64	12.86
foreigner (share)	3014	12.25	9.61	0.32	61.71
MS-foreigner (share)	3014	17.79	8.76	3.31	37.81
ex_Yugoslavia (share)	3010	15.43	15.72	0	88.24
cult. different (share)	3010	31.56	19.43	0	100
naturalization (share)	3014	0.21	0.28	0	2.55
unemployment_ch	3021	1.29	0.76	0	4.87
unemployment_for	3021	3.76	3.49	0	50
parliament	2582	0.15	0.37	0	1
agriculture (share)	3014	2.56	2.54	0	18.84
pensioner (share)	3014	15.03	4.15	2.45	37.10
gini index	3014	43.10	6.51	27.90	90.80
SP (share)	3014	18.17	8.02	0	66.20
mean income nat. persons	3014	58623.57	22448.30	27655	533312
mean income nat. persons (log)	3014	10.93	0.29	10.23	13.19

5. Theoretical Considerations

In the absence of non-citizens' suffrage, the electorate consists of Swiss voters only. They decide on politics, either via direct democratic institutions or by delegating their decision-making power to politicians. Extending the group of voters by enfranchising non-citizens potentially generates both costs and benefits for the actual electorate. In the following section, we discuss how these benefits and costs might evolve with a growing share of non-citizens.

Enlarging the electorate may bring several *benefits*. Involving more and different people in the decision-making process increases the amount and quality of information on political issues, the media's incentive to cover political topics,²¹ and the legitimacy of political decisions. According to the Condorcet jury theorem, the quality of democratic decisions under uncertainty improves in the number of voters if their individual errors are independently distributed (i.e., if the heterogeneity of voters increases).²² In addition to the benefits of the quality of democratic decision-making, political integration of non-citizens has been shown to have broader integrative effects as well (e.g., Koukal, 2013; Slotwinski *et al.*, 2017; Koukal and Portmann, 2019). This is in line with the literature that talks about the role of participatory political

²¹ See, for instance, Besley and Burgess (2002) for a model and application of the role of media in the political process.

²² For a discussion of the Condorcet jury theorem and its application in politics, see Stadelmann *et al.* (2014).

institutions in fostering cooperation (Acemoglu and Robinson, 2012), civic virtue (Frey, 1997), or trust (Rainer and Siedler, 2009). It is unclear whether democratic institutions are still able to unfold their positive effects when a large and growing part of the taxpayers is excluded from the decision-making process. Therefore, with a growth in the share of non-citizen residents, the need for political inclusion and resulting benefits are likely to increase. Hence, potential integrative effects and larger benefits from political inclusion suggest that *natives' willingness to enfranchise non-citizens increases in the share of foreigners*.

Conversely, enlarging the electorate may also impose *costs* on the actual electorate. First, natives' individual influence on political outcomes decreases, as the probability of a vote affecting the outcomes decreases.²³ These costs increase in preference heterogeneity between the native and foreign populations and depend on the institutional setting. Previous literature (Koukal, 2013; Vernby, 2013; Strijbis, 2014) found evidence that the preferences of non-citizens and natives differ, and, hence, non-citizens' suffrage is likely to move the median voter and in turn change political outcomes. Regarding the enfranchisement of women, Kenny (1998) and Braun and Kvasnicka (2013) find that the scarcity of women, and thus their relative small weight in democratic decisions, has a positive effect on female enfranchisements. In other words, the larger the increase in the electorate, the larger the power loss of the current electorate. Moreover, the expected influence loss for the actual electorate is larger if the institutional context grants the actual electorate more political influence, for instance, with more effective direct democratic institutions (Koukal and Eichenberger, 2017). In addition, prior literature also suggests that hostility against the outgroup increases when the size of the foreign population is growing as this threatens the native population on various dimensions, such as their cultural identity or their social and economic privileges (Halla *et al.*, 2017; Brunner and Kuhn, 2018; Edo *et al.*, 2019).²⁴ Therefore, individual power loss and perceived threat suggest that *natives' willingness to enfranchise non-citizens decreases in the share of foreigners*. These costs are likely to be more pronounced if the preferences of the native and the foreign populations differ substantially from each other.

²³ One's theoretical influence in the political decision-making process is $\frac{1}{n}$, and thus the probability of affecting outcomes decreases based on the number of individuals with political rights. We thus ignore the paradox of voting – see for instance Aldrich (1997), Blais (2000) or Besley and Case (2003) – and assume that voters take into account the number of people they share the right to vote with in the decision-making process.

²⁴ On the contrary, following Allport's contact theory (1954), increased intergroup contact between foreigners and natives undermines anti-foreigner sentiment, reduces information asymmetries, increases trust, and, therefore, increases the willingness to share political power with them.

Ex ante, the overall effect of extending the electorate by non-citizens may be positive or negative for the actual electorate as this depends on the relative size of costs and benefits. In the following sections, we analyze how the presence and composition of non-citizens impact the willingness of natives to enfranchise non-citizens in different institutional settings.

6. Variables and Empirical Strategy

This section describes our set of variables and discusses the empirical strategy of this paper. First, we explain our dependent variable and then our explanatory and control variables. Second, we introduce our basic empirical strategy as well as two additional models to analyze institutional mechanisms.

Dependent Variable

Our outcome variable *yes share* captures the share of votes in favor of enfranchising non-citizens in a municipality. The outcome at the municipal level is observed in the cantonal referenda votes on suffrage extensions in the 1992–2016 period. Figure A1 in the Appendix provides an illustration of the within-municipal variation between the first and last votes in our panel. Moreover, Figure A1 suggests that the willingness to enfranchise non-citizens is not characterized by a positive time-trend.

Explanatory Variables

The variable *foreigner* (measured as a share) approximates the size of the affected group to be enfranchised in a municipality and is of main interest to us. Figure A2 in the Appendix provides an overview of the within variation of the share of foreigners between the first and last votes in our sample.

To measure the share of culturally different foreigners in a municipality, we follow Inglehart and Baker (2000), who classified foreigners from former Yugoslavia, Africa, Asia, Oceania, and both Americas as being more culturally distant from Switzerland than other groups of foreigners. We construct the variable *culturally diff*, which indicates the share of foreigners from a culturally different background than natives. In Switzerland, an important group of foreign residents that are culturally distant from the native population are people from former Yugoslavia. Thus, we also construct the variable *ex Yugoslavia*, which depicts the municipal share of people from former Yugoslavia in the total foreign population. Furthermore, we focus on different institutional characteristics that might explain the willingness to share political rights with non-citizens. The dummy variable *parliament* indicates whether a municipality's

legislative constitutes of a town-meeting (=0) or a parliament (=1). The variable *population* (measured in logs) constitutes the natural logarithm of the population in a municipality. A further variable of interest is the dummy variable *merger*, which is equal to one if the municipality experienced a merger between the first and the last votes.

Control Variables

We introduce a set of control variables for municipal characteristics that are time-variant and may affect the dependent variable *yes share*. The variable *SP* reflects the vote share of the left party in the most recent national elections and aims to control for the general political attitude in a municipality. To further control for preference heterogeneity between the foreign and native population we introduce the variable *pensioner*, which measures the share of the municipal population above 64. This ensures that the foreign population is, on average, younger than the native population. Furthermore, we generate the variable *agriculture* as the number of farms relative to the population in a municipality. This variable might proxy for the prevalence of traditional and conservative norms and the economic structure of a municipality. To control for the general openness toward foreigners in a municipality, we include *naturalization*, which is constructed as the amount of naturalizations relative to the resident population. The information for the former four variables is provided by the Swiss Federal Statistical Office. Moreover, the variables *unemployment_for* and *unemployment_ch* reflect the number of unemployed relative to the foreign or native population and control for the economic situation.²⁵ For considering the financial situation in a municipality, we further rely on data from the Federal Tax Administration. To proxy the financial situation within the municipality, we include the variable *mean income* (measured in logs), which reflects the mean income of natural persons in a municipality.²⁶ Finally, we also introduce the variable *gini coeff* to account for the prevalence of inequality in a municipality. There are further variables we would have liked to include in our model, but they were not available at the municipal level. For instance, we would have liked to control for the criminal rate or prevalence of religious affiliations within the population.

²⁵ It would be optimal to calculate the unemployment rate with the number of unemployed relative to the working population. Unfortunately, the number of the working population at the municipality level is in many cases associated with high uncertainties (data from SECO). Hence, we decided to divide the number of unemployed by the total number of foreign and native residents in a municipality based on the information from the Federal Statistical Office.

²⁶ We have not introduced the net mean income of legal persons in a municipality, as this information is missing for many small municipalities.

Empirical Strategy

To gain a precise understanding on how the share of foreigners and other factors impact the willingness to enfranchise non-citizens we account for the complex and multifactorial setting. Therefore, a cross-sectional analysis is not suitable to answer our research question. Due to our rich panel dataset, we choose a model with municipality fixed effects as our preferred option and control for different estimation strategies in the robustness section. To identify drivers and barriers to enfranchise non-citizens, we estimate the following model:

$$\begin{aligned} yes\ share_{mtr} = & \alpha + \beta_1 foreigner_{mt} + \beta_2 population_{mt} + \theta X_{mtr} + \delta municipality \\ & + \gamma referendum + \phi year + \epsilon_{mtr} \end{aligned} \quad (1)$$

By applying municipality-fixed effects in our base model, we minimize the omitted variable biases stemming from the municipality level and control for time-invariant municipality characteristics, such as municipal institutions, general openness toward foreigners, culture, or geographical location. Furthermore, we also include referenda-fixed effects γ and time-fixed effects ϕ in our empirical model.

Even after including municipality-, time-, and referenda-fixed effects, a consistent estimation of β_1 is possible only under the assumption that the $yes\ share_{mtr}$ is uncorrelated with the error term. As discussed in section 5, it is ex ante not clear if we expect $\beta_1 \leq 0$ (costs exceeding benefits) or $\beta_1 \geq 0$ (benefits exceeding costs). Our estimate β_1 could be biased if either municipalities change their openness or if immigrants change their locational choice toward more open-minded municipalities during our period of observation. If this endogeneity concern is relevant in our setting, $\beta_1 \leq 0$ would provide a lower bound of the actual effect (conservative test). Therefore, a possibility of tackling this concern is an instrumental variable approach. One possible instrument to adapt is the ‘shift-share’ methodology, which has been extensively used in the field of labor economics (Card, 2001; Peri, 2012). However, the instrument has also been criticized (Jaeger *et al.*, 2018; Goldsmith-Pinkham *et al.*, 2019) and in the Swiss setting, shift-share instruments have, to the best of our knowledge, only been used to instrument the share of foreigners at the regional levels (local labor markets or cantons).²⁷ Therefore, we follow Brunner and Kuhn (2018) and instrument the share of foreigners at the municipal level with the

²⁷ See, for instance, Favre (2011), Degen and Fischer (2017) or Basten and Siegenthaler (2019). A reason for the lack of shift-share instruments at the municipal level in Switzerland is the high degree of fractionalization of Swiss municipalities. To construct shift-share instruments, in general, information on the nationality of the entire foreign population is used. As the median Swiss municipality counts 1335 inhabitants (in 2005) and 1218 in our sample, the individual nationalities of foreigners at the municipal level suffer from high variance within time. Therefore, the classical shift-share approach does not seem appropriate on the municipal level.

foreigner share at the MS-regional levels, which are based on local labor markets (106 regions for entire Switzerland).²⁸ In order for the MS foreigner share to be a valid instrument, two identifying assumptions must be fulfilled. First, the foreigner share in an MS region must be determined by factors other than natives' attitudes toward foreigners. A possible argumentation in favor of this assumption is that immigrants settle in a specific region due to factors such as closeness to their family or employment possibilities. Second, the exclusion restriction requires that the share of foreigners in the broader region have no direct effect on the yes share to enfranchise non-citizens in a municipality. The second assumption may not be fulfilled if, for example, an individual is working in another municipality in the same MS region. In this case, the attitudes toward foreigners may not merely be driven by the share of foreigners in their living municipality but also by the share of foreigners in the workplace municipality.

Besides our base model (1), we estimate models (2) and (3) to analyze the role of institutions. To gain a better understanding of the role of municipality (and electorate) size, we look at municipalities that underwent a municipal merger between the first and last vote on enfranchising non-citizens. This enables us to analyze a sharp increase in the municipality size. As the voting behavior of original municipalities cannot be observed after the merger, we artificially pre-merge these municipalities.²⁹ In this setting we are able to observe the same group of municipalities in a non-merged and merged situation. We are aware of the fact that the decision to merge with other municipalities might be correlated with many additional dimensions such as the willingness to cut municipal expenses. Table A2 in the Appendix indicates the six cantons that experienced municipal amalgamations during our period of observation.³⁰ Considering the cantons with a merger in our period of observation, we estimate the following difference in difference model:

$$yes\ share_{mtr} = \alpha + \beta_1 merger_{mtr} + \beta_2 post_{tr} + \beta_3 merger_{mtr} * post_{tr} + \theta X_{mtr} \quad (2) \\ + \epsilon_{mtr}$$

Merger is a dummy variable that takes the value 1 for municipalities experiencing a merger and 0 otherwise, while post is a binary variable taking the value of 1 after the merger took place.

²⁸ This instrumental variable approach has been first introduced in Dustmann and Preston (2001).

²⁹ More specifically, we generate the yes shares of the artificially pre-merged municipalities by attributing weights to the yes shares of the single municipalities according to the number of persons entitled to vote there.

³⁰ The observations do not stand for the number of mergers but the number of observations for municipalities that merged between the first and the last vote. Thus, the number of actual mergers is less than 180.

Besides the size of the electorate, the strength of direct democratic instruments is another institutional feature. Following Koukal and Eichenberger (2017), we hypothesize that weaker direct democratic instruments at the municipal level can – under specific conditions – foster the enfranchisement of non-citizens as the power loss for the individual voter is less pronounced when compared to a more direct democratic environment. We expect the hindering effect of strong direct democracy to grow in the share of foreigners. We use data from Ladner to identify whether a municipality exhibits a municipal town meeting (strong direct democracy) or a municipal parliament (weaker direct democracy). We thus estimate the following model:

$$\begin{aligned} \text{yes share}_{mtr} = & \alpha + \beta_1 \text{parliament}_m + \beta_2 \text{foreigner}_{mtr} \\ & + \beta_3 \text{parliament}_m * \text{foreigner}_{mtr} + \theta X_{mtr} + \epsilon_{mtr} \end{aligned} \quad (3)$$

Note that changes in the municipal legislative institutions are possible over time but are rather rare. We identify institutional switchers in our sample based on information provided by Ladner³¹ and Funk and Litschig (2020).³² By excluding the switchers from our analysis we treat the variable *parliament* as fully time-invariant.

7. Results and Discussion

This section presents and discusses the results of the approaches described in Section 6. We focus on the role of the size and composition of the foreign population as well as the institutional and economic context. Table 3 reports the OLS estimates of the base model (1) for our explanatory and control variables, excluding referenda votes that were part of a broader political package (the estimations for the full sample of votes are provided in Appendix Table A3). We discuss and further analyze the results in the following subchapters.

Size of the Foreign Population

Table 3 shows the coefficients for the estimations of our base model (1) and reports a negative effect of the foreigner share on the yes share in referenda on non-citizens' enfranchisement.

³¹ The surveys are available at <http://www.andreasladner.ch/uebersicht.htm>.

³² In most cantons, municipalities can choose their legislative form (parliament or town meeting). However, population thresholds exist for municipalities in the cantons of Vaud, Fribourg, Valais, and Zurich (Funk and Litschig (2020)). We include these cantons in our fixed-effect analysis as the number of municipalities around these cut offs is small and the assignment rule is not stringent, (i.e., mandating a town meeting below the cut off as well as allowing choice above). Only the canton of Vaud uses a sharp assignment rule and had a regulation change during our period of observation. Thus, we perform a robustness check excluding the canton of Vaud from the analysis. The results are presented in Table A8 in the appendix.

This effect remains statistically significant and robust over specifications (1) to (5). As we estimate a model with municipality-fixed effects, β_1 captures the within-municipality variation of the share of foreigners. Therefore, our estimates suggest that a one percent increase of foreigners in one's environment reduces the willingness to share political power by approximately 0.20 percentage points.³³

Table 3: OLS Estimates with Control Variables.

VARIABLES	(1) Yes Share	(2) Yes Share	(3) Yes Share	(4) Yes Share	(5) Yes Share
foreigner (share)	-0.183*** (0.067)	-0.197*** (0.067)	-0.165*** (0.063)	-0.166*** (0.064)	-0.165*** (0.063)
population (log)	-2.084 (1.790)	-2.120 (1.787)	-2.913* (1.684)	-2.661 (1.746)	-2.815 (1.717)
unemployment_for		0.073 (0.062)	0.039 (0.061)	0.034 (0.061)	0.032 (0.061)
unemployment_ch		-1.165** (0.484)	-1.228*** (0.462)	-1.218*** (0.459)	-1.261*** (0.469)
SP (share)			0.286*** (0.041)	0.282*** (0.041)	0.278*** (0.042)
pensioners (share)			-0.270*** (0.066)	-0.250*** (0.067)	-0.242*** (0.071)
gini coefficient				0.141** (0.066)	0.142** (0.066)
mean income NP (log)				-1.239 (1.961)	-1.253 (1.980)
agriculture (share)					-0.161 (0.305)
naturalization (share)					0.319 (0.780)
Municipal FE	✓	✓	✓	✓	✓
Vote FE	✓	✓	✓	✓	✓
Year FE	✓	✓	✓	✓	✓
Observations	2,580	2,580	2,580	2,580	2,580
R-squared	0.908	0.909	0.914	0.915	0.915

Robust standard errors in parentheses clustered at the municipal level. Votes embedded in a political package are excluded from the sample.

*** p<0.01, ** p<0.05, * p<0.1

This suggests that, overall, the native electorate values the costs for enfranchising non-citizens more than potential benefits. Moreover, the negative coefficient of the foreign share points to the important role of political power loss and is in line with recent literature that attributes an increasing support to the far right due to the inflow of migrants. This result stays robust against a variety of robustness exercises, which are presented in Table A4 and A5, the Appendix. To ensure that our result is not driven by outliers, we exclude the five percent smallest and largest municipalities from the analysis (see Table A4). Additionally, we consider that enfranchisement

³³ As shown in Table A1 in the appendix, different cantons voted on different times in point on foreigners' suffrage. Thus, the years between the first and the second observation of a municipality may vary.

referenda differ with respect to the scope of demanded franchise. Therefore, we perform our analysis with a reduced sample of only the quasi identical referenda from the canton of Zurich (Table A5). The effect of the foreign population on the yes share remains similar in these estimations both in terms of size and statistical significance.

A concern with our OLS estimates is that the share of foreigners may suffer from an endogeneity problem as discussed in Section 6. Although the potential bias can be expected to deflate rather than inflate the size of our results, we instrument the share of foreigners in a municipality using the share of foreigners in the respective MS region. Table 4 provides an overview of our OLS and IV results. Specifications (1) to (4) display OLS estimates with and without controls for the full sample and the sample excluding referenda in which non-citizen suffrage was part of a broader political package. Specifications (5) to (8) build on the same specifications but rely on IV estimations. The first stage estimates for the IV approach are presented in Table A6 in the Appendix.

Table 4: Overview of OLS and IV Estimates.

<i>Dependent variable</i> <i>yes share</i>	(1) OLS full sample	(2) OLS excl. total revisions	(3) OLS full sample	(4) OLS excl. total revisions	(5) IV full sample	(6) IV excl. total revisions	(7) IV full sample	(8) IV excl. total revisions
foreigner (share)	-0.221*** (0.067)	-0.192*** (0.066)	-0.198*** (0.064)	-0.165*** (0.063)	-0.691*** (0.172)	-0.595*** (0.170)	-0.578*** (0.180)	-0.442** (0.177)
Control variables			✓	✓			✓	✓
Municipal FE	✓	✓	✓	✓	✓	✓	✓	✓
Vote FE	✓	✓	✓	✓	✓	✓	✓	✓
Time FE	✓	✓	✓	✓	✓	✓	✓	✓
Observations	2,848	2,580	2,848	2,580	2,848	2,580	2,848	2,580
R-squared	0.928	0.908	0.932	0.915				
Root MSE					3.991	3.969	3.846	3.798

Robust standard errors in parentheses clustered at municipal level. Foreigner share on municipal level instrumented by foreigner share on MS-region. Control variables include population size, unemployment, SP share, pensioner share, agriculture share, naturalization share, gini coefficient, and mean income of natural persons.

*** p<0.01, ** p<0.05, * p<0.1

In all specifications of Table 4, we apply municipality-, time-, and referenda-fixed effects. The coefficient for the share of foreigners is negative and significant throughout all specifications. However, when considering IV, the coefficient triples.

Figure A3 in the appendix depicts the development of the share of foreigners in the cantons of our sample and for the whole of Switzerland from 1980 to 2018. During our observed period, the share of foreign residents in Switzerland increased by seven percentage points, from 17.43 to 24.60 percent. Thus, for a municipality that faced an average increase in foreign residents, our estimates point to a decrease in the willingness to share power by 1.40 (OLS) or 4.20 (IV)

percentage points over the 1992–2016 period.³⁴ This negative effect is considerable, as the mean yes share is 25.7 percent and some of the referenda ended in close decisions (see Table 1).

Composition of the Foreign Population

So far, we have only considered the average effect of the foreigners' share. In the following section, we analyze the potential heterogeneous effects. Following the preference and the cultural-threat hypotheses, larger cultural differences (and, hence, larger preference heterogeneity) between foreign and native population could lead to a decrease in the yes share to enfranchise non-citizens. People from former Yugoslavia constitute a large group of culturally different foreigners in Switzerland (Inglehart and Baker, 2000).³⁵ We thus look at the composition of the foreign population in a municipality and interact the share of people from former Yugoslavia with the total share of foreigners. Table 5 provides the corresponding OLS results.

In this setting, our moderator variable was the share of residents from former Yugoslavia in the total foreign population in a municipality, while the share of foreigners was our main predictor. Note that the interaction of the share of residents from ex-Yugoslavia with the total share of foreigners is negative and significant throughout all specifications in Table 5. Therefore, with an increasing share of culturally different foreigners, the negative effect of the share of foreigners is more pronounced. For a robustness check, we follow Inglehart and Baker (2000) to define the share of culturally different foreigners in a municipality more broadly.³⁶ Table A7 in the Appendix yields the results of the interaction between the entire set of culturally different foreigners and the share of foreigners in a municipality. Again, the estimates point to the relevance of cultural differences between the native and the foreign population on natives' willingness to share influence with non-citizens.³⁷ The role of preference heterogeneity or cultural threat are possible explanations for the negative effect of cultural distance. Graphically, this finding is shown in Figure 1, where the slopes of the yes share are computed as a reaction to the varying foreigners share while holding the value of the moderator variable constant at

³⁴ Figure A2 in the appendix depicts most municipalities in our sample faced an increase in the foreign population between their first and last vote on foreigners' suffrage.

³⁵ Measured on the survival and self-expression dimension of Inglehart and Baker (2000).

³⁶ Inglehart and Baker (2000) classify foreigners from former Yugoslavia, Africa, Asia, Oceania, and both Americas as being more culturally distant from Switzerland than other groups of foreigners.

³⁷ The estimates remain robust and significant when excluding the smallest and largest five percent of the municipalities from the sample.

values running from 5 to 30 percent. Slopes are consistently steeper for municipalities with a larger share of culturally different foreigners, more precisely from ex-Yugoslavia.

Table 5: Interaction of Foreigners from ex-Yugoslavia with Share of Foreigners.

<i>Dependent variable</i> <i>yes share</i>	(1)	(2)	(3)	(4)
	OLS full sample	OLS excl. total revisions	OLS full sample	OLS excl. total revisions
ex-Yugoslavia (share)	0.025 (0.023)	0.030 (0.023)	0.032 (0.023)	0.035 (0.023)
foreigner (share)	-0.162** (0.075)	-0.125* (0.075)	-0.145** (0.070)	-0.106 (0.070)
ex-Yugoslavia (share) * foreigner (share)	-0.005** (0.002)	-0.006*** (0.002)	-0.005** (0.002)	-0.006*** (0.002)
Control variables			✓	✓
Municipal FE	✓	✓	✓	✓
Vote FE	✓	✓	✓	✓
Time FE	✓	✓	✓	✓
Observations	2,844	2,576	2,844	2,576
R-squared	0.928	0.908	0.933	0.915

Robust standard errors in parentheses clustered at municipal level. Control variables include population size, unemployment, SP share, pensioner share, agriculture share, naturalization share, gini coefficient, and mean income of natural persons.

*** p<0.01, ** p<0.05, * p<0.1

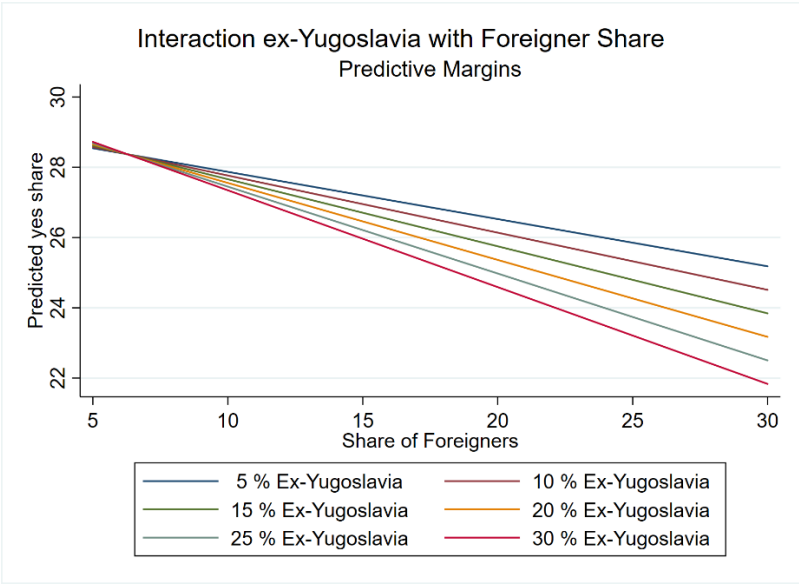


Figure 1: Graphical Illustration of the Interaction of Foreigners Originally from ex-Yugoslavia and Foreigner Share.

As another approach to analyze whether the hindering effect of an increasing foreign population might be connected to perceived threat, we consider the ‘anti-minaret initiative’ referenda

results.³⁸ As Orlanski and Schulze (2017) suggest, the approval of this referendum, which was conducted and unexpectedly accepted in 2009, can be interpreted as evidence for perceived threat. We use this referendum to further proxy for the prevalence of anti-immigrant attitudes in a municipality (the results are presented in Figure A4 in the Appendix). The yes share for the anti-minaret initiative is negatively correlated with the yes shares to enfranchise non-citizens. This could be interpreted as evidence for the relevance of perceived threat and prevalent anti-immigrant attitudes.

Institutional Context

With the growth in municipality size, a citizen's vote is less likely to be decisive. This might translate into a higher willingness to share political rights with non-citizens in larger municipalities. However, when we look at the estimates in Table 3, we do not find evidence that population size has a significant effect on the approval of non-citizens' suffrage.

We also examine municipalities that have experienced an amalgamation during our observation period, constituting both a strong and sudden population growth as well as autonomy loss in a short period. As introduced in model (2) of Section 6, a merger is a dummy variable that takes the value of 1 in municipalities experiencing a merger and 0 otherwise, while post is a binary variable taking the value of 1 after the merger took place. Table 6 reports the coefficient for β_3 the interaction term merger*post of model (2).

While specifications (1) and (2) indicate positive and statistically significant coefficients of the municipal mergers on the yes share, the inclusion of control variables leads to statistically insignificant coefficients. The positive effect in specification (1) and (2) might hence be driven by municipal characteristics that differ between merger and non-merger municipalities. As shown in Section 6, we estimate model (3) to account for the strength of direct democracy on the municipal level. We expect a higher willingness to enfranchise non-citizens in municipalities with a local parliament (as compared to a town meeting), as the costs of political power sharing are lower. Moreover, we assume this effect to grow in the share of foreigners. As the municipal legislative institution is time-invariant, it is not possible to display the base effect of parliament when applying the municipality fixed effects in Table 7 specifications (3) and (4). We start with a lean model considering cantonal fixed effects in specifications (1) and (2) of Table 7. The introduction of a dummy for parliament in the cross-sectional analysis in

³⁸ The anti-minaret initiative stipulated that it is no longer permitted to build new minarets. However, existing minarets and the construction of new mosques was not affected.

specification (1) does not display a significant effect on the willingness to enfranchise non-citizens. From specification (2) onwards, we introduce the interaction of the municipal legislative with the foreign share, as we expect heterogenous effects of the foreign population in municipalities with stronger (town meeting) or weaker (parliament) direct democratic institutions.

Table 6: Difference-in-Difference Estimates for Municipal Mergers.

	(1)	(2)	(3)	(4)
<i>Dependent variable</i>	OLS	OLS	OLS	OLS
<i>yes share</i>	full sample	excl. total revisions	full sample	excl. total revisions
merger * post	1.585** (0.756)	1.359* (0.692)	0.914 (0.798)	1.164 (0.832)
Control variables			✓	✓
Municipal FE	✓	✓	✓	✓
Vote FE	✓	✓	✓	✓
Time FE	✓	✓	✓	✓
Observations	1,415	1,179	1,415	1,179
R-squared	0.927	0.905	0.934	0.917

Robust standard errors in parentheses clustered at the municipal level. Full sample here includes all cantons that had municipal mergers in-between the first and the last vote (BE, FR, JU, NE, SH, VD). Control variables include population size, unemployment, SP share, pensioner share, naturalization share, gini coefficient, and mean income of natural persons.

*** p<0.01, ** p<0.05, * p<0.1

This heterogeneous effect might be explained by two mechanisms: First, by the higher price of sharing political influence in a direct democratic setting as compared to a more representative environment (Koukal and Eichenberger, 2017). Second, by the controversially debated tendency of direct democracy to be harmful to minorities (Gamble, 1997; Donovan and Bowler, 1998; Haider-Markel *et al.*, 2007; Hainmueller and Hangartner, 2019). If strong direct democracy is a main driver of the resistance to share political power, we expect β_3 to be positive.

When applying cantonal-fixed effects in specification (2), the estimate does not support our expectation, as the interaction term between the parliament and foreign share is insignificant. A graphical illustration of specification (2) can be found in Figure A5 in the Appendix.³⁹ However, when including municipality-fixed effects and further control variables in

³⁹ Plotting the interaction in estimations with municipality-fixed effects is not possible, as the municipal legislative institution is constant over time and the corresponding base effect can therefore not be displayed.

specification (4), the coefficient for the interaction of parliament with the share of foreign residents becomes positive and significant at the five percent level. This result suggests that the share of foreign residents has a heterogenous effect on the willingness to share power with respect to the strength of direct democracy. An increase in the foreign share by one percentage point in municipalities with a parliament is associated with a 0.20 higher yes share when compared to municipalities with a town meeting. Note that this effect stays positive and significant in most robustness exercises; these are presented in Table A8 in the Appendix.⁴⁰ The results presented in Table 7 and Table A8 provide first evidence that the willingness to extend suffrage to non-citizens is driven by the loss of political influence, which is higher in a direct democratic municipality.

Table 7: OLS Estimates for Municipal Legislative.

<i>Dependent variable</i> <i>yes share</i>	(1) OLS excl. total revisions	(2) OLS excl. total revisions	(3) OLS excl. total revisions	(4) OLS excl. total revisions
parliament	1.012 (0.683)	-0.003 (1.102)		
foreigner (share)	-0.110*** (0.032)	-0.128*** (0.035)	-0.176** (0.077)	-0.164** (0.073)
parliament * foreigner (share)		0.056 (0.043)	0.159 (0.103)	0.202** (0.100)
Control variables				
Cantonal FE	✓	✓		
Municipal FE			✓	✓
Vote FE	✓	✓	✓	✓
Time FE	✓	✓	✓	✓
Observations	2,579	2,579	2,197	2,197
R-squared	0.765	0.765	0.909	0.916

Robust standard errors in parentheses clustered at the municipal level. Control variables include population size, unemployment, SP share, pensioner share, naturalization share, gini coefficient, and mean income of natural persons. Votes embedded in a political package are excluded from the sample.

*** p<0.01, ** p<0.05, * p<0.1

Further Discussion

This section discusses further possible mechanisms that could be at play and describes the results of our control variables presented in Table 3. Starting from specification (2), we introduce the municipal unemployment rates of the native and foreign populations as our proxy

⁴⁰ Robustness tests in Table A8 include estimates for the whole sample (also political packages) for a sample excluding outliers based on population size (five percent smallest and largest municipalities), a sample excluding the canton of Vaud (as they use sharp assignment threshold for the municipal legislative), and a sample only of the canton of Zurich.

for economic competition. Throughout all specifications, the unemployment rate exhibits a statistically significant negative effect on the citizens' willingness to enfranchise non-citizens. A one percent increase in the unemployment rate of natives is associated with a decrease in the yes share by approximately one percentage point. This points to the economic threat hypothesis, suggesting that economic threat might hinder political power sharing with non-citizens. Hence, Swiss voters living in an environment with a higher unemployment rate are less willing to share political power with non-citizens. If we turn next to the unemployment of foreigners, Table 3 does not reveal a significant effect.

Furthermore, the voter share of the Social Democratic Party (SP), the most important left-wing party, exhibits a positive and significant coefficient throughout all specifications in Table 3. Our estimates suggest that a one percent increase of SP voters in one's municipality increases the approval of non-citizens' suffrage by approximately 0.30 percentage points. There are multiple explanations for this relation. Given that foreigners have shown to have preferences for more leftist political positions (Vernby, 2013; Strijbis, 2014), the enfranchisement decision might be driven by a strategic calculus to shift the median voter to an income bracket that supports one's political position (Meltzer and Richard, 1981). However, stronger support for the SP might also proxy for more leftist policy preferences within the native population, which may include the political integration of non-citizens.

In Table 3, the pensioners' share is shown to have a robust negative and significant effect on the willingness to share political rights with non-citizens. Our estimates suggest that a one percent increase of pensioners in one's municipality reduces the willingness to share political power with non-citizens by approximately 0.25 percentage points. A simple explanation for this observation constitutes the more conservative preferences of the elderly population. Furthermore, it could also point to the role of preference-heterogeneity: If preference differences between elderly natives and foreigners (which are, on average, younger) are larger, enfranchising non-citizens results in higher costs for elderly natives than for young natives.

8. Conclusion and Outlook

In many developed countries, foreigners without political participation rights represent a large and growing percentage of the population. Therefore, the political integration of non-citizens is a major political challenge. Given the limited democratic legitimacy of decisions taken only by a fraction of the taxpayers and the potential positive economic and societal effects of political integration of non-citizens, it is important to understand under which conditions native voters

are willing to share political rights with non-citizens. While this paper is among the first to consider this question, it relies on a much richer dataset than previous studies. We explore a new municipality level dataset of 33 Swiss cantonal referenda on the enfranchisement of non-citizens. The Swiss setting provides a unique laboratory for capturing the drivers of the enfranchisement of non-citizens, as it enables measuring the actual electorate's revealed preferences. To explain the willingness to enfranchise non-citizens, we focus on the role of the size and composition of the foreign population in different institutional settings.

Our estimates reveal that the approval of non-citizens' voting rights is negatively affected by the share of foreigners present in a municipality. Thus, when confronted with a larger foreign population, the support to extend suffrage to non-citizens decreases. Our analysis reveals that this effect is mainly driven by municipalities with strong direct democracy and large cultural distance between the native and foreign population. There are at least three explanations for this finding: First, the costs to enfranchise non-citizens are larger if the actual electorate loses more political influence (direct democracy and preference heterogeneity). Second, our results might also indicate a tendency for direct democracy to discriminate against outsiders. Third, mechanisms based on attitudes might also explain this result. The larger and more culturally different the outgroup is, the more natives may feel threatened in their cultural identity, and anti-immigrant attitudes may become more prevalent. Furthermore, our results support the hypothesis that a tense situation on the labor market has a negative effect on the enfranchisement of non-citizens.

Since many developed countries face an increasing share of foreign residents and cultural differences are likely to expand, our results imply that, in the future, citizens' willingness to enfranchise non-citizens may decline and the lack of democratic legitimacy is not likely to be washed away automatically. Moreover, political integration via suffrage extension seems more likely in times of economic prosperity and phases of low unemployment. For future research on determinants of non-citizens' enfranchisement, individual data of the actual electorate might be helpful for a clearer distinction of economic and non-economic channels.

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Appendix

Table A1: List of Votes on Enfranchisements of Non-Citizens in our Dataset.

Vote date	Canton	Suffrage	Accepted	Yes share	Vote type
27.09.1992	VD	Full local + full cantonal	0	26%	Initiative
06.06.1993	GE	Full local	0	29%	Initiative
28.11.1993	GE	Eligibility court of arbitration	0	45%	Counterproposal
26.09.1993	ZH	Full local opt-in	0	26%	Initiative
12.06.1994	BS	Full local + full cantonal	0	26%	Initiative
04.12.1994	BE	Full local + full cantonal	0	22%	Initiative
04.12.1994	BE	Full local opt-in	0	40%	Counterproposal
22.10.1995	UR	Active cantonal	0	16%	Initiative
10.03.1996	AG	Full local	0	16%	Initiative
09.06.1996	JU	Passive local opt-in	0	47%	Referendum
16.03.1997	FR	Full local	0	24%	Initiative
23.11.1997	SO	Full local + full cantonal	0	12%	Initiative
24.09.2000	NE	Active cantonal	1	77%	Complete revision
04.03.2001	GE	Full local	0	48%	Law revision
04.03.2001	SH	Active local + active cantonal	0	30%	Partial revision
22.09.2002	VD	Full local	1	56%	Complete revision
16.05.2004	FR	Full local	1	58%	Complete revision
30.10.2005	BS	Full local opt-in	1	77%	Complete revision
24.04.2005	GE	Full local	0	47%	Initiative
24.04.2005	GE	Active local + active cantonal	1	52%	Initiative
25.09.2005	SO	Full local opt-in	0	39%	Complete revision
17.06.2007	JU	Full local for executive	0	49%	Law revision
17.06.2007	NE	Passive local + passive cantonal	0	41%	Initiative
17.06.2007	NE	Passive local	1	54%	Counterproposal
26.09.2010	BS	Full cantonal	0	19%	Initiative
26.09.2010	BS	Active cantonal	0	39%	Counterproposal
26.09.2010	BE	Full local opt-in	0	28%	Initiative
04.09.2011	VD	Full cantonal	0	31%	Initiative
27.11.2011	LU	Active local opt-in	0	16%	Initiative
22.09.2013	ZH	Full local opt-in	0	25%	Initiative
28.09.2014	JU	Full local for executive	1	54%	Law revision
28.09.2014	SH	Full local + full cantonal	0	15%	Initiative
25.09.2016	NE	Passive cantonal	0	46%	Law revision

Source: Adler et al. (2016), cantonal archives, cantonal chancelleries.

Table A2: Observations of Municipalities with an Amalgamation.

Canton	Observations
AG	0
BE	24
BS	0
FR	55
GE	0
JU	17
LU	0
NE	19
SH	8
SO	0
UR	0
VD	57
ZH	0
Total	180

Source: Federal Statistical Office

Table A3: OLS Estimates with Control Variables (Full Sample).

VARIABLES	(1) Yes Share	(2) Yes Share	(3) Yes Share	(4) Yes Share	(5) Yes Share
foreigner (share)	-0.213*** (0.067)	-0.224*** (0.067)	-0.196*** (0.064)	-0.200*** (0.064)	-0.198*** (0.064)
population (log)	-1.942 (1.765)	-1.917 (1.760)	-2.888* (1.687)	-2.513 (1.762)	-2.786 (1.725)
unemployment_for		0.086 (0.059)	0.061 (0.059)	0.058 (0.058)	0.056 (0.058)
unemployment_ch		-1.101** (0.463)	-1.108** (0.448)	-1.097** (0.446)	-1.141** (0.452)
SP (share)			0.260*** (0.039)	0.259*** (0.040)	0.253*** (0.040)
pensioner (share)			-0.254*** (0.064)	-0.243*** (0.065)	-0.232*** (0.069)
gini coefficient				0.095 (0.063)	0.097 (0.063)
mean income NP (log)				-1.775 (1.875)	-1.659 (1.897)
agriculture (share)					-0.195 (0.304)
naturalization (share)					0.687 (0.728)
Municipal FE	✓	✓	✓	✓	✓
Vote FE	✓	✓	✓	✓	✓
Year FE	✓	✓	✓	✓	✓
Observations	2,848	2,848	2,848	2,848	2,848
R-squared	0.928	0.928	0.932	0.932	0.932

Robust standard errors in parentheses clustered at the municipal level.

*** p<0.01, ** p<0.05, * p<0.1

Table A4: OLS Estimates with Control Variables, Robustness Check Population.

VARIABLES	(1) Yes Share	(2) Yes Share	(3) Yes Share	(4) Yes Share	(5) Yes Share
foreigner (share)	-0.206*** (0.065)	-0.209*** (0.065)	-0.156** (0.062)	-0.164** (0.063)	-0.166*** (0.063)
population (log)	-2.068 (1.678)	-2.202 (1.680)	-2.733* (1.578)	-2.965* (1.630)	-3.095* (1.636)
unemployment (for)		-0.010 (0.055)	-0.041 (0.053)	-0.044 (0.053)	-0.046 (0.053)
unemployment (ch)		-0.898* (0.514)	-0.930* (0.484)	-0.919* (0.480)	-0.992** (0.487)
SP (share)			0.280*** (0.044)	0.275*** (0.044)	0.266*** (0.045)
pensioners (share)			-0.259*** (0.065)	-0.245*** (0.066)	-0.224*** (0.069)
gini coefficient				0.089 (0.067)	0.093 (0.067)
mean income NP (log)				2.238 (2.323)	2.086 (2.343)
agriculture (share)					-0.368 (0.303)
naturalization (share)					0.511 (0.628)
Municipal FE	✓	✓	✓	✓	✓
Vote FE	✓	✓	✓	✓	✓
Year FE	✓	✓	✓	✓	✓
Observations	2,297	2,297	2,297	2,297	2,297
R-squared	0.917	0.917	0.922	0.923	0.923

Robust standard errors in parentheses clustered at the municipal level. Votes embedded in a political package are excluded from the sample. The smallest and largest 5 % of the municipalities are excluded.

*** p<0.01, ** p<0.05, * p<0.1

Table A5: OLS Estimates with Control Variables, Robustness Check Zurich.

VARIABLES	(1) Yes Share	(2) Yes Share	(3) Yes Share	(4) Yes Share	(5) Yes Share
foreigner (share)	-0.162* (0.093)	-0.188** (0.094)	-0.165* (0.086)	-0.179** (0.087)	-0.214*** (0.081)
population (log)	-0.639 (2.441)	-0.980 (2.451)	-1.468 (2.243)	-0.955 (2.248)	-1.012 (2.286)
unemployment_for		0.145 (0.152)	0.139 (0.164)	0.143 (0.163)	0.151 (0.160)
unemployment_ch		-1.843* (1.102)	-1.529* (0.917)	-1.627* (0.905)	-0.917 (0.907)
SP (share)			0.221* (0.124)	0.238* (0.122)	0.242** (0.117)
pensioner (share)			-0.329*** (0.080)	-0.294*** (0.085)	-0.353*** (0.089)
gini coefficient				0.172* (0.102)	0.106 (0.099)
mean income NP (log)				-1.913 (3.119)	0.521 (3.016)
agriculture (share)					1.588*** (0.554)
naturalization (share)					1.198 (1.344)
Municipal FE	✓	✓	✓	✓	✓
Vote FE	✓	✓	✓	✓	✓
Year FE	✓	✓	✓	✓	✓
Observations	322	322	322	322	322
R-squared	0.842	0.846	0.863	0.865	0.876

Robust standard errors in parentheses clustered at the municipal level. Only the votes of the canton of ZH from 1993 and 2013 are included in the sample.

*** p<0.01, ** p<0.05, * p<0.1

Table A6: First Stage Estimates for IV.

	(5)	(6)	(7)	(8)
<i>Dependent variable:</i>				
Foreigner (share) in municipality	full sample	excl. total revisions	full sample	excl. total revisions
IV: Foreigner (share) in MS	0.744*** (0.058)	0.757*** (0.059)	0.746*** (0.057)	0.759*** (0.062)
Observations	2848	2580	2848	2580
Clusters	1146	1028	1146	1028
Kleibergen-Paap F-test	163.19	162.49	154.85	152.01

Robust standard errors are clustered at municipality level and shown in parantheses.

*p<0.1, **p<0.05, ***p<0.01

Table A7: Interaction of Share of Foreigners and Culturally Different Foreigners.

<i>Dependent variable</i>	(1)	(2)	(3)	(4)
<i>yes share</i>	OLS full sample	OLS excl. total revisions	OLS full sample	OLS excl. total revisions
cult. different (share)	0.049** (0.024)	0.049** (0.024)	0.058** (0.023)	0.058** (0.023)
foreigner (share)	-0.155* (0.087)	-0.109 (0.085)	-0.127 (0.081)	-0.078 (0.078)
cult. different (share) * foreigner (share)	-0.003* (0.002)	-0.003** (0.002)	-0.003* (0.002)	-0.004** (0.002)
Control variables			✓	✓
Municipal FE	✓	✓	✓	✓
Vote FE	✓	✓	✓	✓
Time FE	✓	✓	✓	✓
Observations	2,844	2,576	2,844	2,576
R-squared	0.928	0.908	0.933	0.915

Robust standard errors in parentheses clustered at municipal level. Control variables include population size, unemployment, SP share, pensioner share, agriculture share, naturalization share, gini coefficient, and mean income of natural persons.

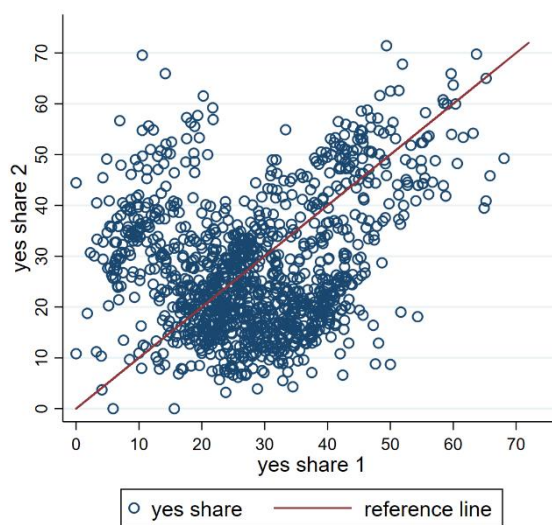
*** p<0.01, ** p<0.05, * p<0.1

Table A8: Robustness Checks Municipal Legislative Institutions.

Dependent variable	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
<i>yes share</i>	OLS full sample	OLS full sample	OLS excl. pop outliers	OLS excl. pop outliers	OLS excl. Vaud	OLS excl. Vaud	OLS only Zurich	OLS only Zurich
foreigner (share)	-0.221*** (0.079)	-0.213*** (0.076)	-0.201*** (0.076)	-0.172** (0.074)	-0.210** (0.087)	-0.209** (0.083)	-0.265*** (0.097)	-0.277*** (0.084)
parliament * foreigner (share)	0.177* (0.104)	0.217** (0.103)	0.078 (0.131)	0.149 (0.128)	0.584*** (0.134)	0.571*** (0.129)	0.486*** (0.114)	0.365*** (0.088)
Control variables		✓		✓		✓		✓
Municipal FE	✓	✓	✓	✓	✓	✓	✓	✓
Vote FE	✓	✓	✓	✓	✓	✓	✓	✓
Time FE	✓	✓	✓	✓	✓	✓	✓	✓
Observations	2,409	2,409	1,966	1,966	1,805	1,805	318	318
R-squared	0.927	0.931	0.916	0.921	0.924	0.930	0.853	0.881

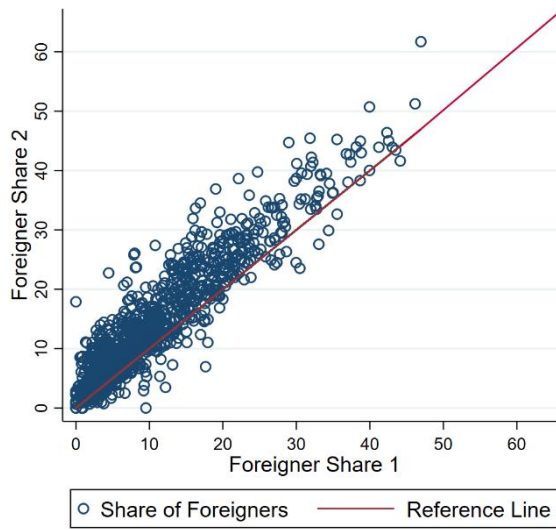
Robust standard errors in parentheses clustered at the municipal level. Control variables include population size, unemployment, SP share, pensioner share, naturalization share, gini coefficient, and mean income of natural persons. Spec. (1) - (2) show estimates for full sample (not excl. political packages), spec. (3) - (4) exclude smallest and largest 5% population sizes, spec. (5) - (6) exclude canton of Vaud, spec. (7) - (8) show estimates for canton of Zurich only.
 *** p<0.01, ** p<0.05, * p<0.1

Figure A1: Intermunicipal Variation of Yes Share between First and Last Vote in the Panel.



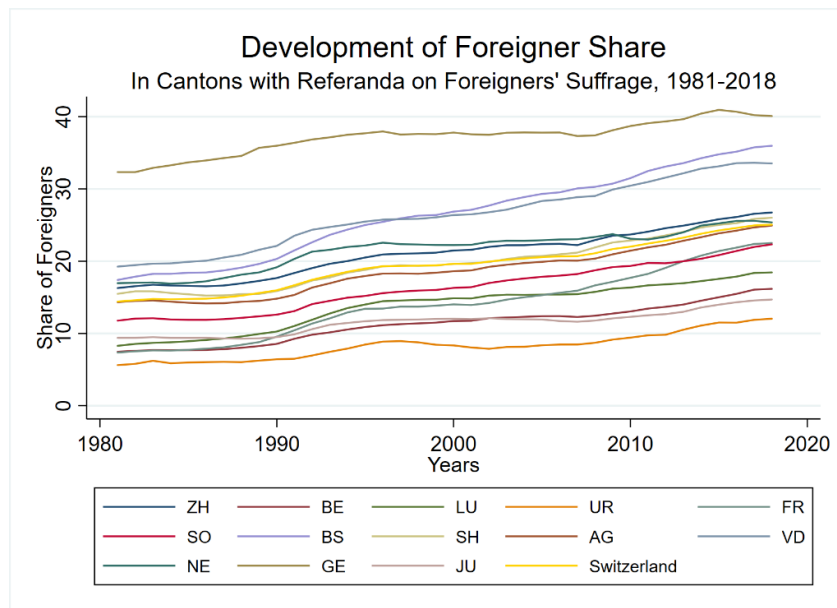
Note: Only the first and the last vote per canton is considered. Therefore, the variation is not identical with the variation used in our empirical analysis.

Figure A2: Intermunicipal Variation of Foreigner Share between First and Last Vote in the Panel.



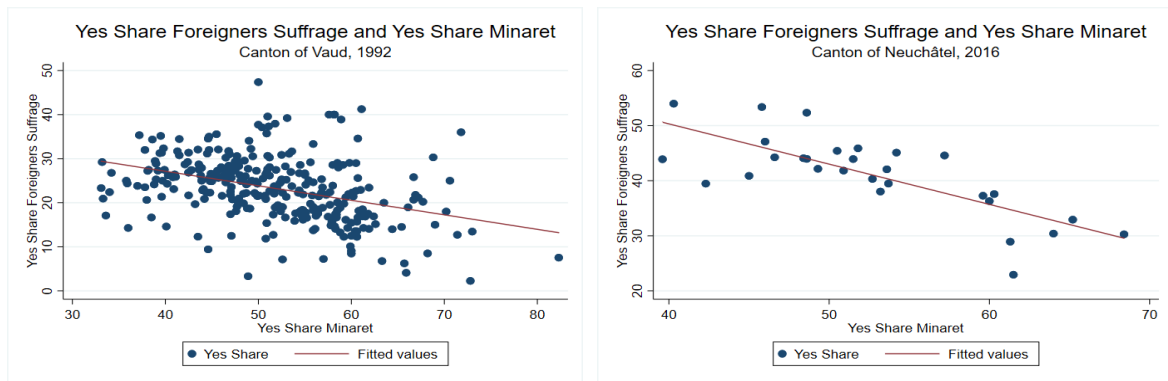
Note: Only the first and the last vote per canton is considered. Therefore, the variation is not identical with the variation used in our empirical analysis.

Figure A3: Foreigner Share in Switzerland and Cantons in Our Sample.



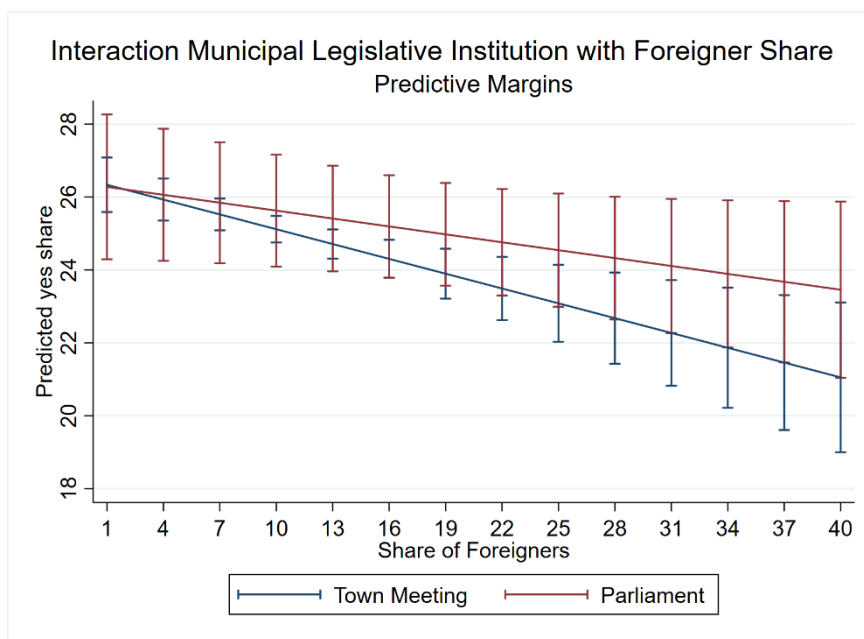
Source: Federal Statistical Office.

Figure A4: Relationship of Municipal Foreigners' Suffrage Yes Share and Anti-Minaret Yes Share.



Source: Voting data from cantonal departments and minaret data from Federal Statistical Office.

Figure A5: Graphical Illustration of the Interaction of Legislative Institution with Foreigner Share.



Note: As base effects of time-invariant institutions cannot be displayed for our preferred specification with municipality fixed effects, this figure reflects predicted margins for a specification with cantonal fixed effects.