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Italy: immigration and the evolution of populism.

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We estimate the impact of immigration on the upsurge of populism in Italy. Our data considers electoral results at municipality level of the Senate of the Italian Republic and the Chamber of Deputies over the period 2006-2018. Findings in our research point toward a positive impact of the share of migrants on the rise of right-wing populist parties. According to our estimates the size of the average increase of the share of immigrants between our first and last electoral years (3.33 percentage points) corresponds to an increase of 2.08 percentage points for the Centre-right coalition. Lega is the party that capitalizes the most out of the anti-immigration. The size of the effect for Lega raises to 6.41 percentage points. We explore the heterogenous effect of how the anti-immigration rhetoric is the main mechanism that exacerbates out of fear and insecurity the gap between Lega and its most direct rivals. Our paper offers a fresh view by looking at plausible mechanisms behind our results by inspecting the European Social Survey.

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1 Introduction

Over the last two decades, the number of foreign-born citizens in Italy more than doubled. There were roughly 1.4 million of foreign-born citizens in 2000 and about 5 million in 2017, equivalent to 8.3% of the total population. The vitriolic rhetoric of right-wing populist parties across Europe and America has been pushing for policies leading to a reduction in the number of immigrants. Immigration played a key role in 2016 Donald Trump’s victory and United Kingdom Brexit. Le Pen’s extreme right party, *National Front*, obtained 34% of the vote in the first electoral round to later losing in the second round against Emanuel Macron’s party (*La République En Marche*). The far right *Freiheitliche Partei Österreichs* (*Freedom Party of Austria*) in 2016 Austria’s presidential election got 35.1 % of votes. The populist discourse jeopardizes the benefits of an open and a more inclusive society. Rodrik (2018) suggests that right-wing populism often emerges when globalization takes the form of mass movement of immigrants. The right-wing discourse emphasizes an ethnic cleavage. It is often difficult to solely identify a unique globalization force affecting all the country. Italy represents a point in case. In recent times, the northern and wealthier part of Italy mostly supports *Lega* (*The League* in English), a right-wing form of populism with a discourse against immigration, whereas in southern economically depressed regions an anti-establishment rhetoric germinated. *Movimento 5 Stelle* (*Five Star Movement* in English) centres its attacks against the “establishment elite” and places itself in the political spectrum as neither a left nor a right leaning political party.

In this paper, we centre our efforts on estimating the effect of the presence of foreigners in municipalities on the electoral support to right-wing populist parties in Italy. To the best of our knowledge, we are the first to use electoral results of both houses of the Parliament (Chamber of Deputies -*lower house*- and the Senate of the Republic -*upper house*-) for 2006, 2008, 2013 and 2018 Italian national elections. To characterize a political party as populist is not straightforward. Though, there are similar attributes across populist parties. Mudde (2004) defines populism as “an ideology that considers society ultimately separated into two homogeneous and antagonist groups, the ‘pure people’ versus the ‘corrupt elite’”. Guiso et al. (2017) use the Encyclopaedia Britannica definition of populism to highlight the drivers of the demand and supply of populism in Europe. The supply side of populism is fuelled by an anti-elite rhetoric discourse and disregarding the long-term costs of their policies. An increasing mistrust on traditional

parties and institutions alongside a lasting financial crisis are a fertile soil for populist parties to germinate. People's fear or enthusiasm are the demand side counterpart. Guiso et al. (2017) found that economic aspects such as lower income and being exposed to a more competitive environment, either because of globalisation of good and services or having to compete with immigrants, increases the share of votes to populist parties.

Van Kessel (2015) examines and analyses political speeches and party manifestos in Europe and singles out 57 populist parties that gained parliamentary representation in national elections between 2000 and 2013. In line with Mudde's definition, Van Kessel (2015) identifies a party as populist if it has the following three attributes: 1.- portrays 'the people' as virtuous and essentially homogeneous; 2.- advocates popular sovereignty, as opposed to elitist rule; 3.- define themselves against the political establishment, which is alleged to act against the interest of 'the people'. Van Kessel (2015) assesses the reliability of the list by consulting country experts. Nevertheless, Guiso et al. (2017) pointed out that the list only appears to rely mostly on the anti-rhetoric discourse as a characteristic to be framed as a populist. Van Kessel (2015) lists *Popolo della Libertà* (*The People of Freedom* in English), *Forza Italia* (*Let's Go Italy* in English), *Lega* and *Movimento 5 Stelle* as populist parties in Italy.

Inglehart & Norris (2016) list a catalogue of populist parties. The authors map the ideological location of political parties within each European country using the 2014 Chapel Hill Expert Survey (CHES) data. Inglehart & Norris (2016) perform a factor analysis by including thirteen indicators that capture ideological dimensions such as: supporting for traditional values, liberal lifestyles, and multiculturalism, as well as their economic stance towards market deregulation, state management of the economy, and preferences for either tax cuts or public services. The authors identify three formations in Italy: *Movimento 5 Stelle*, *Lega* and *Fratelli d'Italia* (*Brothers of Italy* in English). Their list does not include *Forza Italia* or *Popolo della Libertà*. In this study, we consider votes to all parties considered in either Inglehart & Norris (2016) or Van Kessel (2015). We also look at votes to *Alleanza Nazionale* (*National Alliance* in English), since *Fratelli d'Italia* is a re-foundation of *Alleanza Nazionale*. Furthermore, *Popolo della Libertà* is a coalition party in which its major political factions were *Forza Italia* and *Alleanza Nazionale*. We also examine the votes to the centre-right coalition as in Barone et al. (2016).

This study contributes to the literature that analyses the impact of the presence of immigrants on electoral outcomes. Otto & Steinhardt (2014) estimate the impact of the share of foreign citizens on election outcomes using variation over time and across districts of foreigners in the city of Hamburg between 1987 and 2000. They find evidence of a positive relationship between the share of foreigners in a neighbourhood and the votes to far-right parties. Mendez & Cutillas (2014) look at the regional share of immigrants in Spain. The author does not find support for the effect of immigration on votes to the centre-right Spanish party *Partido popular* (*People's party*). Nonetheless, *Vox* emerged with force. *Vox* is the far-right wing excision of *Partido Popular* and promotes an anti-immigration discourse. More than 3 million people voted for *Vox* and the party obtained 52 seats¹ in the Parliament in the 2019 Spanish national elections. Becker & Fetzer (2016) look at the European parliament election results in UK. Authors find a causal positive relation between the inflow of eastern European immigrants and an increasing support of the far right party *United Kingdom Independence Party*(UKIP). Harmon (2018) inspects 273 municipalities in Denmark. The author observes that an increase of a 1 percentage point (PP, henceforth) in the portion of immigrants relates to a gain between 1.3 to 2.8 PPs to far-right parties. Brunner & Kuhn (2018) find that a 1 PP increase in the share of immigrants in 2544 communities in Switzerland is related to an increase in votes of 1.25 PPs to parties that exacerbate an anti-immigration discourse. Barone et al. (2016) study the electoral results of right-wing parties during the 2001, 2006 and 2008 Italian national elections. Barone et al. (2016) find a causal relation between the flow of immigrants and votes to right wing parties. Their results are as large as a 1 PP increase in the portion of immigrants in a municipality is causally associated with a surge in votes to 1.26 PPs to right-wing parties. Bellettini et al. (2020) look at the effect of immigration on the turnout in neighbourhoods of the Italian city of Bologna. Findings in the paper provide suggestive evidence that in multi-ethnic locations where low socioeconomic individuals reside the turnout was smaller than in more affluent neighbourhoods. Moriconi et al. (2018) inspect Parliamentary and Presidential election results in 12 European countries. Interestingly, this study has information on the skill composition of immigrants. Moriconi et al. (2018) show that an increase in the share of low skilled immigrants is related to the boost of populism. Edo et al. (2019) show that the effect of immigration presence on the

¹Spanish parliament has 350 seats.

raise for far-right populism in France is mainly driven by the increase of low-educated immigrants from non-western countries. In that same vein, Mayda et al. (2018) look at the effect of immigration presence on voting for the Republican party in the US. The authors find that an increase of low educated immigration is related to an upsurge in votes for the Republican party and findings happen to be stronger in non-urban areas and low skilled counties. The increase of highly educated immigrants has a negative impact on the number of votes to the Republican party. Even if immigration is a beneficial contribution to the economy, it might turn out difficult to sell arguments in favour to the electorate. Tabellini (2020) find that despite the economic benefits of immigration to US (such as increasing native employment and industrial production) , the cultural distance between immigrants and natives fuelled the raise of populism. These results are important insofar not solely identifies economic grounds to be in favour immigration, but also the author stresses the backlash due to the cultural difference as an important factor, even being more relevant than economic profits.

Another strand of literature aimed at the presence of refugees, rather than on economic immigrants. These literature reaches similar conclusions. Gerdes & Wadensjö (2008) show that a 1 PP increase in the share of refugees is causally related to an increment of 0.2 PPs of votes gone to the far-right party *Dansk Folkeparti (Danish People's Party)* in Denmark. Dinas et al. (2019) inspect the effect of refugees on voting for far-right wing parties. Authors circumscribe their estimation to 95 Greek islands and found that in more exposed to refugees islands, there is an increase of support of far-right parties. Halla et al. (2017) investigate the effect of immigration to Austria and the raise of the far-right party *Freedom Party of Austria*. There is a positive and statistically significant impact at neighbourhood level. Dustmann et al. (2018) look at the random allocation of refugees in 275 municipalities in Denmark. Authors find a causal positive association between the share of refugees in a municipality and the raise of votes to far-right parties.

The Italian case is unique and attractive since, although historically it has been and still is land of emigrants (Anelli & Peri 2017), during the last two decades Italy has received a growing number of immigrants from both Eastern Europe and Africa. At the same time, the populist discourse against foreigners mutated from a mild anti-immigration discourse holding foreigners responsible for losing jobs to a more nativist approach during the last 2018 general elections.

There might be several reasons why immigration can influence the voting behaviour of natives, such as identification of causal effects is not straightforward. Previous studies already discussed how, even controlling for fixed effects at municipality level and electoral year, there may exist unobservable characteristics correlated with both immigration and voting for populist parties. Thus, if we do not correct for endogeneity, our estimates might be biased. The allocation of immigrants may be not random across Italian municipalities. For example, immigrants might self-select in municipalities with better economic opportunities where the surge of populism might be driven by different reasons other than the flow of immigrants such as demanding fiscal autonomy status or lower taxation for individuals and business.

To overcome this problem and obtain causal estimates of the effect of immigration on voting for populist parties, we construct a shift-share instrument like in Card (2001). We use data on both the arrival of immigrants alongside previous foreign communities in a municipality in 1991. Selecting 1991 seems a reasonable year to construct our instrument as it is previous of the "Tangentopoli scandal", in which the two major parties that governed Italy for the first 40 years after the collapse of fascism disappeared on the grounds of political corruption. This period is also referred as the first republic. References to immigration were not present in the political discourse at the time. Far-right parties with a harsh rhetoric against immigration like *Alleanza Nazionale* and *Lega* did not participate until the 1994 national election. Thus, the decision to migrate to an Italian municipality was not tainted by a political anti-immigration climate, but rather by historical enclaves of immigrants from the same country of origin.

Our paper builds up and updates previous results in various ladders. Since 2008, the Italian political landscape has dramatically changed. On the supply side we cover the collapse of 2011 Silvio Berlusconi's government, a skyrocketing increase in the support for *Lega* and the right-wing nationalist party *Fratelli d'Italia* as well as the arrival of *Movimento 5 Stelle* with resolute strength in the political arena. On the demand side, the share of immigrants increased steadily. The increase of immigration has been mainly fuelled by successive EU enlargements along with the turmoil of the Arab Spring that fed a refugee crisis. We are the first to use electoral results of both houses of the Italian Parliament as well as to observe whether and how much immigration feeds the distance between League with respect its near competitors.

Our results point to a strong increase of the effect of immigration on voting for right-wing parties. We find that a 1 percentage point increase in the share of immigrants leads to a 0.625 percentage points increase to the centre-right coalition in the Chamber and in 1.373 percentage points in the Senate. These results are in line with previous findings for Italy. We are the first to inspect which formation makes the most out of the anti-immigration rhetoric. Our findings suggest that *Lega* capitalized the discontent. We also analyse the effect of immigration on engaging with the political life. We found that immigration does not have an effect on electoral turnout but immigration has a positive effect on protest vote.

Finally, we also analyse plausible channels of our findings. To do so, we use the European Social Survey responses on individuals' public attitudes. We find that right-wing populism is fuelled by fear of immigrants taking native jobs alongside a hesitant stance on the European Union. We also perform a series of robustness checks in line with the literature: we aggregated both dependent and independent variables at the major geographical unit of local labour system, we use 2004 as a different base of the instrument and we also whether look the presence of foreigners on native mobility. These checks backs the suitability of our strategy.

The remainder of the paper is as follows: section 2 presents the Italian institutional and political background, section 3 describes the Data, section 4 the empirical strategy, section 5 results and robustness checks and section 6 plausible channels. Section 7 concludes.

2 Institutional and political background

2.1 Chamber of Deputies and Senate of the Republic

We use electoral results at municipality level of the upper and lower houses of the Italian Parliament: The Chamber of Deputies (*lower house*) and the Senate of the Republic (*upper house*). Both houses have identical functions, and their major purpose is to legislate. Every five years, Italians elect their representatives for both chambers. The Senate and the Chamber of deputies only differ on how their members are elected. The Chamber of deputies is formed by 630 members, who should be as young as 25 years of age at the time of being elected. Italians aged 18 and older can vote for the Chamber of

deputies. The Senate consists of 315 members. A senator should be at least 40 years of age. Italians aged 25 and older have the right to vote for the Senate. The Senate also includes the figure of "life senators" and former presidents of the Republic. The President of the Republic can appoint individuals to be life senators "for outstanding merits in the social, scientific, artistic or literary field". The Senate can have a maximum of five "life senators" per term.²

2.2 Political background

Silvio Berlusconi, a billionaire and a media mogul, has been an influential figure in Italian politics ever since he launched the centre-right party *Forza Italia* in 1993. Silvio Berlusconi held for the first time the Prime Minister office in 1994. He led a coalition of centre-right parties that lasted a year in government. There were two other populist parties in the coalition: *Alleanza Nazionale* and *Lega*. Verbeek & Zaslove (2016) argues that the first Berlusconi's experience in power collapsed because newly formed populist parties did not have a clear audience of voters to appeal and they teared each other apart. Verbeek & Zaslove (2016) coins this adaptive behaviour as "mutating populism". This process entangles to constantly adapt so to find a niche of votes different to the one of the nearest rival populist party.

Berlusconi regained power in 2000 under the centre-right coalition known as House of Freedom. This coalition brought together almost all centre-right parties. In this case, populist parties had already "mutated" their behaviour and they were tuning their speeches to certain audiences. In 2007 Silvio Berlusconi, as a leader of *Forza Italia*, captained a joint election list of a confederation of political parties to concur for the 2008 general elections under the name *Popolo della libertà* (The People of Freedom in English) . The bloc was later transformed into a party in 2009. The major political forces of *Popolo della libertà* were *Forza Italia* and *Alleanza Nazionale* and lasted until 2013 in which year Berlusconi re-founded *Forza Italia*. Silvio Berlusconi has been prime minister of Italy in three different occasions: 1994-1995, 2001-2006 and 2008-2011. Either *Popolo della Libertà* or *Forza Italia* has never won by majority but being key actors in a centre-right coalition.

Lega was established between 1989 and 1991 by the coalition of six regional autonomist

²see <https://www.senato.it/3801>

movements already active in northern Italy. Umberto Bossi was the founder of the *Northern League* and party secretary for over 20 years. Roberto Maroni took over in 2013 and was succeeded by Matteo Salvini. *Lega* has been in government 4 times. Berlusconi's cabinet: 1994-1995, 2001-2006 and 2008-2011 and the first part of Conte's cabinet: 2018-2019 in coalition with *Movimento 5 Stelle*. *Lega* began its political journey with a discourse supporting the fiscal independence of northern and wealthier regions of Italy. Originally, the party based its discourse on the economic cleavages existing between north and south. Nonetheless, during 2018 elections Matteo Salvini took advantage of the weak judicial position of Silvio Berlusconi. The former prime minister has been involved in different cases of corruption. *Lega Nord (Northern League)* mutated to just *Lega*. Matteo Salvini dropped Northern from the name of the party so to appeal voters nationwide.

Fratelli d'Italia was founded in 2012. Their political discourse is very much aligned with the extinct *Alleanza Nazionale*, to the point that some analysts consider *Fratelli d'Italia* as a re-foundation of *Alleanza Nazionale*. Georgia Meloni is the current secretary of *Fratelli d'Italia*. They adopted the tricolour flame as a symbol, which has been used by the extinct fascist *Movimento Sociale Italiano* (Italian Social Movement in English). *Fratelli d'Italia* also took advantage of the judicial situation of Berlusconi. As political descendants of *Alleanza Nazionale*, its discourse stresses order and conservation of Italian traditional values in front of immigrants who might put in risk those traditional values.

Immigration occupies a pivotal role of the centre-right rhetoric, Berlusconi's political faction appears to be the less extreme and other actors, like *Lega* or *Fratelli d'Italia*, put forward a harsher and even a racist discourse against immigrants. Berlusconi's second cabinet passed the Bossi-Fini law in 2002.³ This law stressed four main aspects: (i) right to stay permits should be conditional on having a job contract, (ii) a more effective expulsion system of illegal immigrants, (iii) tougher policing against human trafficking and (iv) new dispositions to prevent asylum seeker instrumentation. The soul of the law was to decrease the immigration flow. Nonetheless, Berlusconi's third cabinet took a stronger rhetoric against illegal immigrants and patronized the idea of the relationship between immigration and violence, rather than the view of immigrants taking over native jobs.⁴

Movimento 5 Stelle was founded in 2009 by the stand-up comedian Beppe Grillo

³See <http://2001-2006.governiberlusconi.it/immigrazione/legge.htm>

⁴See <http://governoberlusconi.forzaitalia.it/notizie/450-466/citta-piu-sicure>

and the web entrepreneur Gianroberto Casaleggio. *Movimento 5 Stelle* defines itself as an organization and not as a classical political party at neither in the left nor in the right of the political spectrum. Nonetheless, with the *United Kingdom Independence Party* (UKIP), one of the principal promoters of Brexit, and other Eurosceptic parties created the right-wing group Europe of Freedom and Direct Democracy in the European parliament. They are part of the current Conte's cabinet and from 2019 they are governing Italy with the *Partito Democratico* (Democratic Party in English). *Movimento 5 Stelle* does not have a strong position against immigration. Nonetheless, they are in favor of reallocating illegal immigrants coming to Italy across Europe.⁵

3 Data

In order to estimate the effect of immigration on voting behaviors we merged information from various sources of data. First, we collect electoral data for the Senate and the Chamber from the Italian Home Office⁶ for 4 elections: April 9, 2006; April 13, 2008; February 24, 2013 and March 4, 2018. We build a panel following over 7600 municipalities.⁷

Figures 1 and 2 present the share of votes to the major populist parties in both houses of the Parliament. *Fratelli d'Italia* and *Movimento 5 Stelle* were not present for 2006 and 2008 national elections. We graphed *Popolo della Libertà* and *Forza Italia* in a single bar as Silvio Berlusconi has been the leader of both parties. *Movimento 5 Stelle* started with 20% and in 2018 raised to 30% of the votes. *Lega* skyrocketed from around 5-6% to almost 20% whereas *Forza Italia-Popolo della Libertà* ended up having just a 10% of the share of votes for the 2018 elections coming from a peak of almost 35% in the previous decade.

[Figure 1 around here]

In Figure 2 we plot the share of votes to the Senate. The graph practically mirrors Figure 1, but with some nuances. We do not have data at citizen level, though we know that 25 is the minimum age to be eligible to vote for the Senate. The share of votes

⁵See <https://www.ilblogdellestelle.it/2019/04/europrogramma-del-movimento-5-stelle-redistribuzione-obbligatoria-dei-migranti.html>

⁶See <https://elezionistorico.interno.gov.it/index.php?tpel=C> . Last access: May 7, 2019

⁷Over the period 2009-2018, new municipalities appeared as a result of merging small contiguous municipalities. We assigned the ISTAT (acronyms of the Italian Statistics Institute) identifier to the January 2018 election municipalities. We worked backwards and regrouped municipalities according to the 2018 ISTAT code level for the 2006, 2008 and 2013 elections.

to *Movimento 5 Stelle* for the Senate is lower than for the Chamber, indicating younger voters prefer this party.

[Figure 2 around here]

We obtain the number of immigrants from a world area region from official data from the Police on right-to-stay permits (*permessi di soggiorno* in Italian) from countries of 12 world areas available for the 95 provinces in 1991.⁸ As in Barone et al. (2016), we distribute right-to-stay permits by the population of each municipality for the year 1991. From 2002, we have yearly official data from ISTAT on the number of immigrants in each municipality. Immigrants from EU countries previous to the 2004, 2007 and 2013 EU enlargements - e.g., Poland, Romania, Bulgaria - are tabulated as Centre-Oriental or Other European countries in municipalities in 1991.⁹

During the years 2003-2018, as mentioned before, there have been three European Union enlargements (in 2004, 2007 and 2013) adding 13 more countries to the European Union. Several European countries kept significant restrictions in the labour market access. Italy overwhelmingly guaranteed full rights to all new EU citizens and completely liberalized access to the labour market in many productive sectors.¹⁰ In addition, the Arab spring started December 2010 in Tunisia¹¹ and spread all over the southern Mediterranean coast, pushed many citizens to escape to Europe in hope for safety and better conditions of living. The uproar in the region also made it easier for those coming from Sub-Saharan Africa to find a root across northern African countries.

In Figure 3, we depict the share of immigrants. To ease the exposition, we only include the four biggest groups of immigrants: Centre-Oriental Europe, America, Asia and Africa. We graphed the period 2003 to 2018 to highlight the three EU enlargements. We observe an increase of people coming from Centre-Oriental Europe, which includes all countries of the EU enlargement project except Malta and Cyprus during the period 2004-2013, accounting for half of foreign official residents in Italy starting from the year 2010. We also observe a steady increase of people coming from Africa and Asia. The solid

⁸The 12 world areas are Centre-Oriental Europe, Other European countries, South-Central Africa, Western Africa, Oriental Africa, Northern Africa, South-Central Asia, Western Asia, Oriental Asia, Latin America, North America, Oceania.

⁹Our share of immigrants does not include nationals from: United Kingdom, Portugal, Greece, Spain, France, Germany, Netherlands, Luxembourg, Germany, Denmark, Ireland, Finland, Sweden

¹⁰Migration quotas were then used for accommodating migrants in the rest of the official economy.

¹¹President Abdelaziz Bouteflika in Algeria and president Zine El Abidine Ben Ali in Tunisia were forced to resign. Hosni Mubarak in Egypt was overthrown.

line accounts for the total share of immigrants during the period. The share of foreigners passed from less than 4 to more than 8 percentage points in the period.

[Figure 3 around here]

Our specification also employs a set of variables at provincial and municipality levels to capture both economic opportunities and municipality management. Aida Public Administration (PA) is a database released by Bureau van Dijk that provides information on financial statements for *all* Italian municipalities. We include the *current expenditure per capita* as a proxy for the daily management of the municipality and the provision of services. For each municipality we also add the *Revenue sustainability index* (RSI, henceforth) that accounts for the efficiency on the management of the municipality¹² and the index of *tax autonomy* to proxy as the ability to independently provide for the financing of expenditure.¹³ These measures allows us to control for a refine set of control variables at municipality level. Zooming out, we also consider the activity rate at local labour market level as a variable related to economic opportunities.¹⁴ We also include demographic at municipality level variables like the fertility and death rates.

4 Empirical strategy

We focus on the relationship between immigration and voting to populist parties. We estimate the following baseline specification:

¹²Aida PA constructs this index by using recorded information from the financial statement of the municipality. The RSI is defined as:

$$\frac{Revenues(TitleI + TitleIII)}{Revenues(TitleI + TitleII + TitleIII)} - \frac{Revenues(TitleI + TitleIII)}{Tot.Population}$$

Title I includes revenues from the collection of taxes. Titles I constitutes the financial autonomy of a municipality as the ability to independently provide for the financing of expenditure. Title II includes contributions and transfers by third parties. It measures the degree of financial dependence of the municipality with respect to external bodies. Title III includes all sources of financing in the municipality that cannot be directly linked to the collection of taxes; include, for example, any profits of associated companies or profits derived from the provision of public services or from the rental of municipal real estate to third parties.

¹³Tax autonomy is defined as

$$\frac{Revenues(TitleI + TitleIII)}{Revenues(TitleI + TitleII + TitleIII)}$$

¹⁴Italy is divided in regions. Each region is divided in provinces and each province is divided in municipalities. The municipality is the smallest level of analysis in this study. ISTAT also divides Italy in commuting zones. These are called local labour markets (llm)

$$y_{pct} = \sigma_o + \beta_1 S_{ct-1} + \beta_2 X_{ct-1} + \beta_3 X_{lmt} + \psi_c + \omega_t + \varepsilon_{ct} \quad (1)$$

where y_{pct} is the share of votes in municipality c at time t to populist party p , identified according to the definitions provided by Inglehart & Norris (2016) and Van Kessel (2015). We also enrich the list by including votes to Centre-right coalition. Our outcome variables are votes to: *i. Centre-right coalition, ii. Lega plus Fratelli d'Italia, iii. Lega, iv. Major right wing parties.* In the appendix we provide full details on the parties included in each group. S_{ct-1} is the share of immigrants in municipality c at time $t - 1$ standardized by the population of 1991.¹⁵ Our specification includes a set of covariates at municipality level at lagged calendar year and also at local labour market controls. We also include municipality (ψ_c) and year fixed effects (ω_t). ε_{pt} is an error term. We show detailed descriptive statistics for all the variables of interest in Tables A1 and A2 in the Appendix.

Estimating equation (1) by the means of OLS might bias our parameter estimates due to endogeneity between the share of votes to populist parties and the share of immigrants in a municipality. S_{ct-1} can be endogenous in relation to voting behaviours if immigrants choose to live in municipalities with better economic conditions (e.g., because there are better employment opportunities and public services) and at the same time the support of populism in these municipalities is fuelled on grounds different to the surge of immigration (e.g., because these towns are in richer regions and so demand for higher levels of fiscal autonomy or lower taxes).

We use instrumental variables to overcome the endogeneity problem. To seize the effect of the share of immigrants, we use the well established instrument developed by Card (2001). Bartel (1989) finds a tendency of immigrants to settle in areas where there have been historical enclaves of fellow nationals. Card (2001) hypothesizes that the share of immigrants from a source country in a certain area is correlated with a projection of the share of immigrants calculated using previous settlements of migrants in a particular geographical area. The identifying assumption requires that conditional on municipality and time controls of Equation (1), economic conditions that attracted immigrants years ago are uncorrelated with current voting preferences.

Formally, we used the number of immigrants from a world area region in municipalities

¹⁵The economics of immigration commonly uses the base year of the instrumental variable for the share of immigrants variable (see for instance Lonsky et al. (2018), Giuntella et al. (2019) among others). We later discuss this instrument.

in 1991 and project the number of immigrants in each municipality according to the 1991 distribution. The instrument in year t and at municipality c is defined as follows:

$$Instrument_{c,t} = \frac{\sum_{j=1}^{12} immigrants_t^j * share_{c,1991}^j}{Population_{1991}} \quad (2)$$

where $Instrument_{c,t}$ is the predicted share of foreigners in municipality c in electoral year t , $immigrants_t^j$ is the number of foreign citizens from world area j in Italy in t , $share_{c,1991}^j$ is the share of immigrants from world area j in municipality c in 1991. A potential threat to the validity of our instrumental variables approach is that the exclusion restriction assumption does not hold.

In principle, it seems plausible that historical levels of immigration, at least 15 years previous to the analysis (our first election is 2006), we examine in this study, are not correlated with voting behaviour for the 2006, 2008, 2013 and 2018 elections. We take 1991 as the base year and the first share of immigrant we are interested in is for the 2005 election year since we use the lagged value in a calendar year of the share of immigrants. Following Barone et al. (2016), the projection in 1991 is convincing since it was previous of the "Mani pulite" (also known as Tangentopoli) scandal. The two major parties that have been in power since the end of Mussolini fascist regime in 1946 (*Democrazia Cristiana* and *Partito Socialista*) disappeared. None of these major parties had any strong stance against immigration which was not present in the political discourse at the time. The centre-right coalition with a tougher discourse on immigration did not start participating until 1994. Thus, the process of deciding to migrate and locate in a specific region were not corrupted by a tougher anti-immigration rhetoric. Brunello et al. (2019) also use the 1991 as the base year to construct a similar instrument but at provincial level. The authors claim 1991 as a suitable year since it was before signing the Maastricht Treaty and the establishment of the single European market.

Identification is reached provided that there is no persistence in economic conditions over time and across municipalities. Hence, if the economic environment that attracted foreigners in the first place remains steady over time, it would be impossible to unravel the impact of these covariates from the historical enclave of immigrants of the same country of origin. Thus, our specification includes a set of time-varying controls at municipality level, time and municipality fixed effects. We also provide a robustness check on the reliability of choosing 1991 as a base year. We re-do the same exercise but using the

base year of 2004 which contains detailed information of the nationality of immigrants at municipality level.

5 Results

We present findings on the causal relation between the presence of foreigners and how populism raises from 2006 to 2018. The remainder of this section is structured as follows: subsection 5.1 presents baseline results of the impact of the share of immigrants on voting for right-wing parties, subsection 5.2 shows the effect of immigration on the electoral taste change for populism. In subsection 5.3, we examine the effect on the electoral support for *Movimento 5 Stelle*, turnout and protest vote. Subsection 5.4 provides a battery of robustness checks: i) we change the base year of the instrument for 2004, ii) we aggregate the variables to local labour markets, a bigger geographical variable unit and iii) we look at the impact of the flow of immigrants on native mobility.

5.1 Baseline results

Tables 1 and 2 show baseline estimates of Equation (1) for: *Centre-right coalition* (columns 1,2), *Lega* (columns 3,4), *Lega and Fratelli d'Italia* (columns 5,6) and *Major right-wing parties* (columns 7,8). Table 1 displays the results of the Chamber of Deputies and Table 2 shows the results of the Senate of the Republic. Columns 1, 3, 5 and 7 present fixed effect specifications and in columns 2, 4, 6 and 8 we display the results of the instrumental variable strategy as defined in section 4. Table 3 displays the average change in votes to populist parties between 2006 and 2018, the instrument and the share of foreigners. Column 1 and 2 provide average increases of the Chamber and columns 3 and 4 show average increases of the Senate. In columns 2 and 4, we remove the effect of immigration from the average increase of our outcome variables.

The effect of the share of immigrants is positive and significant in both houses on supporting the raise of right-wing populism. According to our IV estimates (even columns) the size of the average increase of the share of immigrants between our first and last electoral years (i.e., 3.33 PP - see Table 3) in Table 1 corresponds to an increase of 2.08 percentage points for the *Centre-right coalition* ($3.33 \times \mathbf{0.625}$), 3.41 percentage points for *Lega and Fratelli d'Italia* ($3.33 \times \mathbf{1.024}$), 6.41 percentage points for *Lega* ($3.33 \times \mathbf{1.925}$),

2.40 ($3.33 \times \mathbf{0.721}$) percentage points for *Major right-wing parties*. We emphasize in bold estimated parameters for a 1 percentage point change in the share of immigration.

Findings in Table 3 allow us to put things into perspective, the effect of *Lega and Fratelli d'Italia* and *Lega* amount to 48.16% (3.41/7.08) and 46.05% (6.41/13.92) of the total variation of votes, respectively. The mean differences to the *Centre-right coalition* and *Major right-wing parties* between 2006 and 2018 are negative. Hence, without the effect of immigration the average electoral performance would have been worse. For instance, the effect of immigration on votes to the *Centre-right coalition* amounts to 2.06 (11.38-9.32) percentage points and to 2.38 (4.47-2.09) percentage points in the case of *Major right-wing parties*.

Looking at the results of the Senate in Table 2 and also considering the average increase of the share of immigrants between 2006 and 2018, the impact of the share of foreigners on votes to the *Centre-right coalition* amounts to 4.57 percentage points ($3.33 \times \mathbf{1.373}$), 4.52 percentage points ($3.33 \times \mathbf{1.358}$) for *Lega and Fratelli d'Italia*, 7.26 percentage points ($3.33 \times \mathbf{2.183}$) for *Lega* and 5.27 percentage points ($3.33 \times \mathbf{1.582}$) for *Major right-wing parties*. The effect of the share of immigrants of *Lega and Fratelli d'Italia* and *Lega* aggregate to 56.86% (4.52/7.95) and 50.31% (7.26/14.43) of the total variation of votes, correspondingly. The average differences to the *Centre-right coalition* and *Major right-wing parties* in the Senate between 2006 and 2018 are also negative as in Table 1, if it was not for the raise of immigration the average results at municipality level would have been also worse. The effect of immigration on the *Centre-right coalition* amounts to 4.53 percentage points and to 5.22 percentage points for *Major right-wing parties*.

Table A2 and A3 in the Appendix show the parameter estimates only considering municipality and year fixed effects. Table A2 shows the results of the Chamber and Table A3 the results of the Senate. Results in even columns of Table A2 show that the average increase in the share of foreigners between 2006 and 2018 equals to an increase of 1.22 percentage points ($3.33 \times \mathbf{0.365}$) for the *Centre-right coalition*, 3.71 percentage points for *Lega and Fratelli d'Italia* ($3.33 \times \mathbf{1.114}$), 6.45 percentage points for *Lega* ($3.33 \times \mathbf{1.938}$) and 1.35 percentage points for *Major right-wing parties* ($3.33 \times \mathbf{0.405}$). Results of the Senate in table A3 display that the average increase in the share of immigrants between 2006 and 2018 equals to an increase of 3.19 percentage points ($3.33 \times \mathbf{0.958}$)

for the *Centre-right coalition*, 6.56 percentage points for *Lega and Fratelli d'Italia* (3.33×1.976), 7.39 percentage points for *Lega* (3.33×2.219) and 3.93 percentage points for *Major right-wing parties* (3.33×1.179).

There are three striking features in our baseline results. The first is the difference in size between Chamber and Senate. Comparisons between Table 1 and Table 2 show that results of the Senate are larger in size. The difference are 2.49 percentage points (4.57-2.08) for the *Centre-right coalition*, 1.11 percentage points (4.52-3.41) for *Lega and Fratelli d'Italia*, 0.85 percentage points (7.26-6.41) for *Lega* and 2.87 percentage points (5.27-2.40) for *Major right-wing parties*. Thus, our findings might indicate that the support for right-wing populism is positively correlated with age since there is an age-threshold of 25 years of age to vote for the Senate. The second feature also strengthens this point. The average increase of immigrants in a municipality equates 48.16% of the variation of votes in the Chamber in comparison to 56.86% in the Senate for *Lega and Fratelli d'Italia*, and 46.05% versus 50.31% if we consider just the case of *Lega*.

Finally, our instrument also seems to perform well in Table 1 and in Table 2. The parameter estimates of the IV first stage is equal to 0.13 and statistically significant. It indicates that the historical settlement of immigrants from a country in a municipality still plays an important role on the decision process of immigrants to where to establish. To put things into perspective, the average increase of the share of our instrument between 2006 and 2018 accounts for 0.45 (0.13×3.46) percentage points on the share of immigrants and it accounts for 13% ($0.45/3.33$) on the total variation of the share of immigrants between the first and last electoral year of our analysis. The Kleibergen-Paap rk Wald F-stat, which measures weak instruments, is largely above 10 in all instances, suggesting that the regressions does not suffer from weak instrument problems.

5.2 Electoral taste change of populism and the presence of immigration

In this section we examine which political party benefits the most out of the anti-immigration discourse and increases its demand on the electoral market. Verbeek & Zaslove (2016) coin the term of mutating populism where the “mutation” consists on how incumbent populist parties tune their discourses so to confront new populist rivals. Italy offers an unparalleled case of study since there have been different populist political

actors for over 20 years. Right-wing parties even presenting themselves in coalition with each other, they do compete for the electorate. Our primary interest is to inspect whether the effect of immigration widens the gap among populist political forces by looking at the demand side (that is the electoral performance of the populist parties).

Current work on populism does not consider the dynamic nature of the political discourse. Politicians will adapt their discourse to attract the major number of voters. Even non-populist politicians might be tempted to adjust their speeches to retain voters that otherwise would go for the populist option. The Italian political system allows many parties to compete and present themselves together in allegiances. Nevertheless, being the leader of the allegiance would be given by the number of votes. Thus, there is an incentive to deviate from your allies if a political party sees itself as the leading voice.

The empirical analysis of “Electoral taste change” focuses on the difference in the share of votes between *Lega* and the rest of Major right-wing parties (*Forza Italia*, *Popolo della libertà*, *Alleanza Nazionale* and *Frattelli d’Italia*). We estimate the following equation:

$$d_{ct} = \sigma_o + \beta_1 S_{ct-1} + \beta_2 X_{ct-1} + \beta_3 X_{llmt} + \psi_c + \omega_t + \varepsilon_{ct} \quad (3)$$

where d_{ct} is the difference among the share of votes to populist parties in municipality c at time t , S_{ct-1} is the share of immigrants in municipality c at time $t - 1$ standardized by the population of 1991. Our specification includes the same set of covariates from Table 1 and 2. Our specifications have municipality (ψ_c) and year fixed effects (ω_t). ε_{pt} is an error term.

Table 4 displays the results of the IV strategy for the Chamber of deputies and the Senate of the Republic. Columns 1 and 3 show fixed effects regressions and columns 2 and 4 the results of the instrumental variable approach. The impact of immigration has a positive effect on widening the gap between *Lega* and its most direct competitors on the right. Our results suggest that *Lega* capitalizes the antimigration discourse better than other right-wing rivals. The average increase of the share of immigrants between 2006 and 2018 (3.33) corresponds to an increase of 10.42 percentages points for the difference between *Lega and other Major right-wing parties* ($3.33 \times \mathbf{3.129}$ in column 2) for the Chamber and an increase of 9.27 percentages points ($3.33 \times \mathbf{2.783}$ in column 4) for the Senate.

5.3 Other regressions. Looking after the effect of the presence of foreigners on protest vote, turnout and Movimento 5 Stelle

Tables 5 and 6 display regression results from the estimation of equation 1 where the dependent variables are protest (defined as the share of blank votes), turnout (equal to the ratio of voters to the electorate) and electoral support of *Movimento 5 Stelle* (the non right wing populist party). We are interested in those outcomes since are an important addendum of previous results. As before, we use the same instrument to seize the problem of endogeneity. Table 5 displays the results of the Chamber and Table 6 the results of the Senate. Results in columns 5 and 6 only consider the national elections of 2013 and 2018.

The effect of immigration on protest votes is positive. Considering the increase of the share of immigrants between 2006 and 2018, the effect of the share of immigrants to protest votes amounts to 1.23 percentage points ($3.33 \times \mathbf{0.369}$) in the Chamber and 1.15 percentage points in the Senate ($3.33 \times \mathbf{0.344}$). There is not a significant effect on the turnout. The impact of the presence of foreigners in the support of *Movimento 5 Stelle* is negative and significant in both houses of the Parliament.

These results point that the presence of immigrants is negatively related to the kind of populism that *Movimento 5 Stelle* stands for. *Movimento 5 Stelle* does not have an anti-immigration political discourse. It is also noteworthy that immigration does not effect the civic political engagement. Nonetheless, it appears to affect the raise of protest vote. A plausible explanation behind our results on the protest vote might be sociological since it might indicate that political parties do not accommodate to the vision of an increasing part of the population regarding immigration.

5.4 Robustness checks

We carry out three robustness checks of our baseline results. We have been using both the population and immigrants from 1991 to build our instrument. We re-estimate equation 1 using 2004 as base year to further highlight the exclusion restriction of our instrument. From 2002 ISTAT provides a detailed dataset on the number of foreign and their nationality for each Italian municipality. This allows us to construct the instrument without

having to make assumptions of the distribution of immigrants. Results in Table 7 and 8 using 2004 as base year back both the size and significance of results seen in Table 1 and 2. Thus, we conclude that imputation method for the year 1991 was based on credible assumptions.

Our instrument seems to perform well. The parameter estimate is equal to 0.17 and statistically significant. Using 2004 as a base year indicates that the historical enclave of foreigners from a world area in a municipality is 4 percentage points higher than using 1991 as the reference year (the effect in the first stage of the instrument was 0.13. See Tables 1 and 2). The average increase of the share of our instrument with base year 2004 between 2006 and 2018 accounts for 0.67 ($0.17 \times \mathbf{3.93}$ where 3.93 is the average increase of the instrument between 2006 and 2018 with base 2004) percentage points on the share of immigrants and it accounts for 21% ($0.67/3.16$ where 3.16 is the average increase of the share of foreigners between 2006 and 2018 with base 2004) on the total variation of the share of immigrants between the first and last electoral year of our analysis in comparison to 13% if we rely with the base year of 1991.

We also look at the fact that the impact of the share of immigrants in a town might spill-over on neighbouring villages. Since to identify a causal association, the assumption of the stable unit treatment must hold. That is, the effect of interest should not affect other potential outcomes. A common method to inspect the stable unit treatment in the literature is re-scaling the variable of interest and perform again the analysis in a bigger geographical area (see for instance Barone et al. (2016) or Lonsky et al. (2018)). Thus, we scale up the instrument and the share of immigrants at local labour market levels. Local labour markets are defined on commuting patterns by ISTAT. We select local labour markets as an alternative of bigger geographical areas such provinces or regions as we assume that people largely remain in that zone as a result of commuting costs. We estimate the following equation:

$$y_{llmt} = \sigma_o + \beta_1 S_{llmt-1} + \beta_2 X_{llmt} + \psi_{llm} + \omega_t + \varepsilon_{pt} \quad (4)$$

where y_{llmt} is the share of votes to populist parties in local labour market llm at time t , S_{llmt-1} is the share of immigrants in local labour market llm at time $t - 1$ standardized by the population of the 1991 for that local labour market. Our specification includes a set of control covariates at llm . Our specifications comprise llm (ψ_{llm}) and year fixed

effects (ω_t). ε_{pt} is an error term.

Table 9 displays the estimates for the Chamber of deputies and Table 10 shows the results for the Senate of the Republic. Columns (1), (3), (5), (7) and (9) provide the results for the fixed effects specification and columns (2), (4), (6), (8) and (10) show the result for the instrumental variable specification. Results in Tables 9 and 10 provide further evidence that the impact of the share of immigrants has a positive and significant effect on right-wing politics. In particular, the effect is still significant for *Lega* and *Lega and Fratelli d'Italia* with the size of the instrument being similar to the ones observed in Tables 1 and 2. Thus, the instrument seems to overcome endogeneity issues on the share of foreigners.

We further examine whether the presence of foreigners increases the mobility of foreigners since it might imply less employment opportunities for native workers and it might indicate that our instrument is biased. Peri & Sparber (2011) propose to look at the effect of the flow of immigrants on the flow of natives in a municipality. Thus, we estimate the following equation:

$$\frac{\Delta_{t,t-1}Native}{Pop_{i,t-1}} = \alpha + \beta \frac{\Delta_{t,t-1}Immigration}{Pop_{i,t-1}} + \gamma_i + \eta_t + \varepsilon_{i,t} \quad (5)$$

where the dependent variable is the flow of the native population ($\Delta_{t,t-1}Native/Pop_{i,t-1}$) in a municipality and the effect we are interested in is the flow of immigrants in a municipality ($\Delta_{t,t-1}Immigration/Pop_{i,t-1}$). We also include year (η_t) and municipality (γ_i) fixed effects. $\varepsilon_{i,t}$ is an error term. Results are in Table 11. Since we do not consider EU15 citizens as foreign immigrants to construct our instrument, because we do not have information about them in 1991 in the form of "permessi di soggiorno", we look at two different flows: i. only considering the movement of natives (columns 1 and 2) and ii. considering the movement of natives and other EU15 citizens. As in Lonsky et al. (2018), we also twist the instrument. We use the difference of the instrument between two periods, the current and the lagged value in a calendar year. Our instrument is significant and it works since the Kleibergen-Paap Wald F test is above 10. The β coefficient is not significant in table 11. It means that there is not an attraction between foreigners and immigrants ($\beta > 0$) or natives moving elsewhere due to raise of foreigners ($\beta < 0$).

6 Plausible channels

Our results from section 5 indicate that immigration boosts the support of right-wing parties. The aim of this section is to explore plausible drivers of these findings. We centre our analysis on three tentative channels: *i. fear*, *ii. economic security* and *iii. institutional trust*. To that end, we employ the European Social Survey (ESS, henceforth). The ESS is a biennial survey that started in 2002 and it comprises most West and East European countries, but not all nations participate in each sampling round. The main purpose of the questionnaire is to trace and decode variations on individuals' public attitudes in Europe on institutions and policies. We restrict our analysis to Italy. The ESS has information on social and political attitudes in Italy for the years 2002, 2004, 2012, 2016 and 2018. Our focus is on the years 2004, 2012, 2016 and 2018.¹⁶

We examine survey-responses to: *(i) Which party did you vote for in the last national election?* and *(ii) Is there a particular political party you feel closer to than all the other parties?* We define variables according to survey responses and for the sake of completeness concerning the populist parties in Italy, we also include *Movimento 5 Stelle*: if they voted or feel closer to one of the *Major right-wing* parties equals 1 (0 otherwise), if they voted or they feel closer to *Lega* equals 1 (0 otherwise) or if they voted or feel closer to *Movimento 5 Stelle* equals 1 (0 otherwise).

The ESS includes attitudes on immigration. We consider the variable on whether to *Allow many-few immigrants from countries outside Europe*. There are 4 possible answers to the question. Value ranges from 1 (*Allowing none*) to 4 (*Allowing many to come and live here*). We include a variable *on whether immigration is good or bad for the economy*. The answer equals to 0 if the respondent thinks that immigration has pernicious effects for the economy and equals 10 if immigration does not have an effect at all.

Our analysis contains two variables on *institutional trust* in: European Union and national institutions. We construct the variable trust in national institutions by the means of a principal component analysis in which we consider trust in: police, parliament, politicians and legal system. Responses to trust questions range from 0 if the individual has no confidence to 10 representing total trust. Our composite measure on national trust is standardised in the [0,1] range as in Guiso et al. (2017). We enrich our analysis

¹⁶In this section we perform a similar exercise to the one of Guiso et al. (2017) on looking at the drivers of populism but circumscribing our analysis to Italy

by including a series of socio-economic variables of the respondent. To proxy for how the individual discount the future, we include the logarithm of age. Our specifications also control for the gender of the respondent (Female equals 1, Male otherwise) and the logarithm of education. We include an index variable that measures the individual attitude towards taking risks. The variable takes the value 1 if the individual is not risk averse and 6 if he is risk averse. We include a variable on how much the individual is interested in politics (equals to 4 if the respondent is very interested in politics and 1 not at all)

Our regressions include a dichotomous variable on whether the individual has worked in a paid job during the last 7 days. We add a variable on how *the individual feels about the household income*. The variable takes value 4 if the individual feel very comfortable and 1 if the individual feels extreme difficulties with his current income. The survey provides a variable on how the individual sees himself in a *left-right axis*. The value 0 stands for those individuals that put themselves in the far-left and the value 10 for those at the far-right of the ideological spectre. Our analysis also comprises a variable on the *importance of living in secure and safe surroundings*. The value of the variable is equal to 1 if it is not important and 6 whether it is very important to live in a secure area.¹⁷

Table 12 provides results for the heckman probit specification on voting for populist parties. We account for the sample selection as voting is a choice variable and so making voters a non random sample from the population. We use the the self-assessed health (sah, hereafter) of the respondent as an instrument. A bad health condition makes going to the ballot station costlier than if the individual is in good shape. The health status of an individual is unrelated to their political tastes (Guiso et al. 2017) use the same instrument). Columns (2), (4) and (6) display estimates of voting and columns 1, 3 and 5 show the probability of voting for the populist option given the individual voted. This table provides three populist option: *Major right-wing* parties (column 1), *Lega* (column 3) and *Movimento 5 Stelle* (column 5).¹⁸ Results suggest that voters of the conglomerate variable of right-wing parties are diffident of national institutions and in favour of the

¹⁷We include an economic variable that is related to the competitive job environment in Italy. We control for the *employment rate* at NUTS1 level from EUROSTAT since for some respondents we do not have regional information only at NUTS 1 level information is available. NUTS are statistical geographical divisions of a country.

¹⁸Sample size for the *Movimento 5 Stelle* is smaller since *Movimento 5 Stelle* did not exist in 2004. Our regressions control for wave and NUTS 1 fixed effects. Thus, we account for idiosyncratic characteristics of the geographical area like mafia and corruption.

European Union. These voters appear to be not interested in politics and there is a positive relation between age and voting for a right-wing option. Even so, if we centre our attention to *Lega*, we encounter some nuances to this statement. *Lega* voters seem to think that immigrants damage the economy and the country should curb the number of people from outside the EU moving to Italy. These voters are diffident of the European Union. Non-highly educated individuals appear to favour *Lega* as a political option. The electorate of *Movimento 5 Stelle* also wants to restrain the number of outside EU immigrants and likewise these voters do not trust the EU. *Movimento 5 Stelle* supporters feel challenging to cope with their current incomes and the political movement seems to be more palatable to younger voters with scarce political interest. *Lega* voters position themselves on the right part of the left-right in contrast to *Movimento 5 Stelle* voters. The employment rate is positively associated with voting right-wing parties and negatively related to voting for *Movimento 5 Stelle*.

In Table 13 we turn our attention to the question to which party the respondent feels closer to. Table 13 shows the results of probit specifications in which the outcome variables are equal to 1 if the respondent voted for the populist option (*Major right-wing parties, Lega* or *Movimento 5 Stelle*). Column 1 presents the results for the major-right wing parties, column 2 for the *Lega* and column 3 for M5S. In this case we do not control for voting selection since our results do not depend upon going to the ballot. As in Table 12, those who feel *Lega* as the closer party respond that immigration damages the Economy and the numbers of outside EU immigrants should be reduced. These individuals also consider the European Union as a not trustworthy enterprise. Education is negatively associated with voting for *Lega*.

Results in column 3 also stress that the number of outside EU immigrants should be curbed. These *Movimento 5 Stelle* supporters respond having financial problems in contrast to *Lega* or *Major right-wing* voters who seem not having financial difficulties. *Movimento 5 Stelle* supporters are also younger in comparison to the rest of respondents. As before, those who feel *Movimento 5 Stelle* as their closest option they picture themselves towards the left of the ideological spectrum.

The profile of the populist voter seems not to be identical across populist parties. The effect of immigration for *Lega* is consistently one of nefarious effects on the economy. A common feature that is identical and recurrent in Tables 12 and 13 among *Movimento*

5 Stelle and *Lega* voters is that the European Union is not a reliable project. Younger voters are more likely to vote for *Movimento 5 Stelle* than those supporter of right-wing parties and *Movimento 5 Stelle* adherents perceive themselves on the left. The effect of immigration is also different between these two groups, *Movimento 5 Stelle* only appears to express concerns on mass movement of immigrants coming from outside EU.

To further examine the results in Table 12 and Table 13, we regress immigration-related variables against the set of control variables. We seek to understand what motivates the feeling on immigration. We report the results in Table 14. In column (1) the dependent variable is *Immigrants are good for the Economy* and column (2) *Allowing immigrants outside EU*. Findings indicate a strong negative relation between the importance of living in safe and secure surrounding and allowing more immigrants or the effect of immigration on the economy. Concerns about institutional trust, both at European Union and national level seem to encompass an anti-immigration approach. The same negative association is seen with the political interest and socioeconomic status.¹⁹

7 Conclusion

Our results present evidence on the positive effect of immigration on the raise of right-wing populism in Italy and are systematically larger in the Senate. We find an age-gradient on the support for right wing political parties since there is an age-threshold for voters of the Senate (25 years of age).

We also investigate the populist rivalry. The political game is dynamic. Its actors tune their discourses to increase their support. We find in this rivalry *Lega* capitalises the anti-immigration effect. Consequently, the immigration effect not only has a positive effect on the raise of *Lega* but also exacerbates the distance between its most direct contenders.

Examining the European Social Survey allows us to explore what drives the different forms of populism and views on immigration. Our results suggest that *Lega* voters think that immigration has a pernicious impact on the economy. Our findings also suggest the existence of a positive association between socioeconomic variables and immigration. Our results seem to indicate that better educated individuals who trust the institutions

¹⁹We refer to *education* and *how the respondent feels about his income*

see immigration as a force of good. Margalit (2019) offers an innovative justification of these results. Structural long-term social changes alongside dislocation of traditional social values might fuel the surge of right-wing populism. We presume that immigration is at the route of the change, or at least a seed.

Figures

Figure 1: Share of votes. The Chamber of Deputies

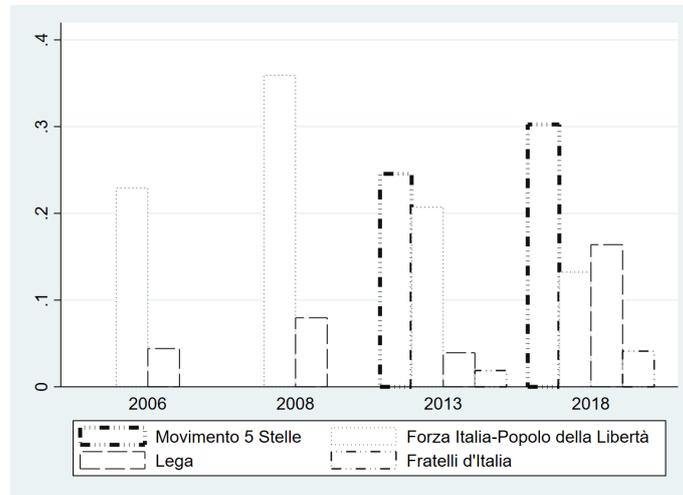


Figure 2: Share of votes. Senate of the Republic

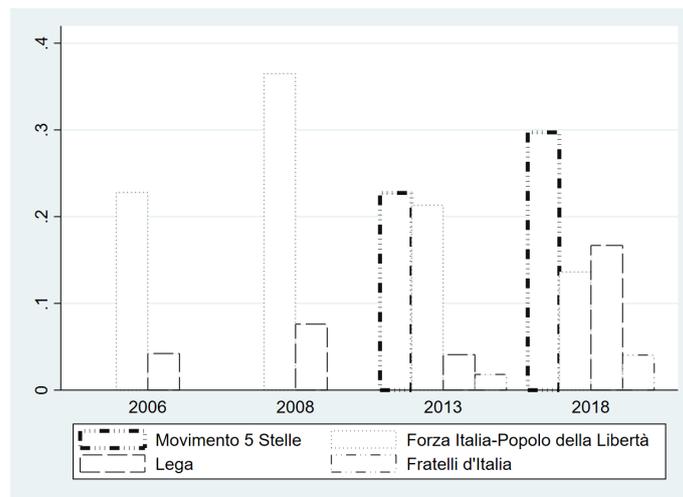
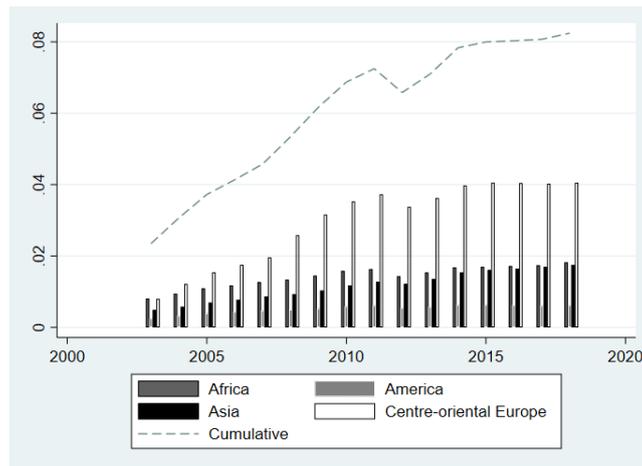


Figure 3: Share of Immigrants



Tables

Table 1: Effect of immigration on voting behavior: Chamber

	Centre-right		Lega		Lega and Fratelli d'Italia		Major right parties	
	F.E. (1)	I.V.F.E. (2)	F.E. (3)	I.V.F.E. (4)	F.E. (5)	I.V.F.E. (6)	F.E. (7)	I.V.F.E. (8)
$Share_{c,t-1}$	-0.139*** (0.0231)	0.625** (0.224)	0.0663*** (0.0151)	1.925*** (0.260)	0.0115 (0.0172)	1.024*** (0.185)	-0.136*** (0.0216)	0.721*** (0.218)
[1em] $Instrument_{c,t-1}$		0.1348*** (0.0198)		0.1348*** (0.0198)		0.1348*** (0.0198)		0.1348*** (0.0198)
N	31124	31123	31124	31123	31124	31123	31124	31123
R^2	0.703	0.686	0.691	0.534	0.652	0.613	0.654	0.625
rkf		52.783		52.783		52.783		52.783

Standard errors in parentheses, clustered at municipality level. Control variable at local labour system: activity rate; at municipality level: death rate, fertility rate, sustainability index, current expenditures per person, tax autonomy.

rkf is the Kleibergen-Paap rk Wald F-stat.

* $p < 0.10$, ** $p < 0.05$, *** $p < 0.01$

Table 2: Effect of immigration on voting behavior:Senate

	Centre-right		Lega		Lega and Fratelli d'Italia		Major right parties	
	F.E. (1)	I.V.F.E. (2)	F.E. (3)	I.V.F.E. (4)	F.E. (5)	I.V.F.E. (6)	F.E. (7)	I.V.F.E. (8)
$Share_{c,t-1}$	-0.138*** (0.0270)	1.373*** (0.306)	0.0772*** (0.0161)	2.182*** (0.293)	0.0277 (0.0181)	1.358*** (0.235)	-0.121*** (0.0260)	1.582*** (0.312)
$Instrument_{c,t-1}$		0.1348*** (0.0198)		0.1348*** (0.0198)		0.1348*** (0.0198)		0.1348*** (0.0198)
N	31124	31123	31124	31123	31124	31123	31124	31123
R^2	0.589	0.516	0.694	0.497	0.637	0.572	0.568	0.461
rkf		52.783		52.783		52.783		52.783

Standard errors in parentheses, clustered at municipality level. Control variable at local labour system: activity rate; at municipality level: death rate, fertility rate, sustainability index, current expenditures per person, tax autonomy.

rkf is the Kleibergen-Paap rk Wald F-stat.

* $p < 0.10$, ** $p < 0.05$, *** $p < 0.01$

Table 3: Average increase of main variables of interest between 2006-2018

	Chamber		Senate	
	$\Delta 18 - 06$			
	w/o immigration		w/o immigration	
	(1)	(2)	(3)	(4)
<i>Centre-right coalition</i>	-9.32	-11.38	-7.56	-12.09
<i>Lega</i>	13.92	7.57	14.43	7.23
<i>Lega and Fratelli d'Italia</i>	7.08	3.70	7.95	3.46
<i>Major right-wing</i>	-2.09	-4.47	-0.47	-5.69
<i>Share_{c,t-1}</i>		3.33		3.33
<i>Instrument_{c,t-1}</i>		3.46		3.46

Columns (1) and (3) show the average difference between 2006 and 2018. In columns (2) and (4) we detract the immigration effect from the average difference in columns (1) and (3). Values detract are in percentage points.

Table 4: Effect of immigration on voting behavior: Taste-changing populism

	Lega.- major r.w. parties/Chamber		Lega.- major r.w. parties/Senate	
	F.E.	F.E.I.V	F.E.	F.E.I.V
	(1)	(2)	(3)	(4)
<i>Share_{c,t-1}</i>	0.268*** (0.0295)	3.129*** (0.439)	0.276*** (0.0328)	2.783*** (0.402)
<i>Instrument_{c,t-1}</i>		0.1348*** (0.0198)		0.1348*** (0.0198)
<i>N</i>	31124	31123	31124	31123
<i>R²</i>	0.740	0.636	0.715	0.638
rkf		52.783		52.783

Standard errors in parentheses, clustered at municipality level. Control variable at local labour system: activity rate; at municipality level: death rate, fertility rate, sustainability index, current expenditures per person, tax autonomy.

rkf is the Kleibergen-Paap rk Wald F-stat.

* $p < 0.10$, ** $p < 0.05$, *** $p < 0.01$

Table 5: Effect of immigration on Turnout, Protest and Movimento 5 Stelle. Chamber

	Protest		Turnout		Movimento 5 Stelle	
	F.E. (1)	I.V.F.E. (2)	F.E. (3)	I.V.F.E. (4)	F.E. (5)	I.V.F.E. (6)
$Share_{c,t-1}$	0.00156 (0.00319)	0.369*** (0.0533)	0.0117 (0.0116)	0.0424 (0.105)	0.662*** (0.0836)	-10.32*** (2.203)
$Instrument_{c,t-1}$		0.1348*** (0.0198)		0.1348*** (0.0198)		0.1607*** (0.0308)
N	31124	31123	31124	31123	15474	15196
R^2	0.008	-0.452	0.726	0.726	0.249	-3.444
rkf		52.783		52.783		23.956

Standard errors in parentheses, clustered at municipality level. Control variable at local labour system: activity rate; at municipality level: death rate, fertility rate, sustainability index, current expenditures per person, tax autonomy. rkf is the Kleibergen-Paap rk Wald F-stat.

* $p < 0.10$, ** $p < 0.05$, *** $p < 0.01$

Table 6: Effect of immigration on Turnout, Protest and Movimento 5 Stelle. Senate

	Protest		Turnout		Movimento 5 Stelle	
	F.E. (1)	I.V.F.E. (2)	F.E. (3)	I.V.F.E. (4)	F.E. (5)	I.V.F.E. (6)
$Share_{c,t-1}$	0.00327 (0.00333)	0.344*** (0.0514)	0.0219 (0.0118)	0.161 (0.111)	0.687*** (0.0575)	-10.53*** (2.251)
$Instrument_{c,t-1}$		0.1348*** (0.0198)		0.1348*** (0.0198)		0.1607*** (0.0308).
N	31124	31123	31124	31123	15474	15196
R^2	0.009	-0.323	0.721	0.720	0.333	-3.142
rkf		52.783		52.783		23.956

Standard errors in parentheses, clustered at municipality level. Control variable at local labour system: activity rate; at municipality level: death rate, fertility rate, sustainability index, current expenditures per person, tax autonomy. rkf is the Kleibergen-Paap rk Wald F-stat.

* $p < 0.10$, ** $p < 0.05$, *** $p < 0.01$

Table 7: Effect of immigration on voting behavior: Chamber.Base 2004

	Centre-right		Lega		Lega and Fratelli d'Italia		Major right parties	
	F.E. (1)	I.V.F.E. (2)	F.E. (3)	I.V.F.E. (4)	F.E. (5)	I.V.F.E. (6)	F.E. (7)	I.V.F.E. (8)
$Share_{c,t-1,b:2004}$	-0.114*** (0.0264)	1.140*** (0.167)	0.0666*** (0.0174)	1.997*** (0.172)	0.0176 (0.0199)	2.046*** (0.190)	-0.0998*** (0.0248)	1.223*** (0.165)
$Instrument_{c,t-1}$		0.1746*** (0.0161)		0.1746*** (0.0161)		0.1746*** (0.0161)		0.1746*** (0.0161)
N	31143	31142	31143	31142	31143	31142	31143	31142
R^2	0.702	0.665	0.691	0.547	0.652	0.521	0.653	0.596
rkf		144.500		144.500		144.500		144.500

Standard errors in parentheses, clustered at municipality level. Control variable at local labour system: activity rate; at municipality level: death rate, fertility rate, sustainability index, current expenditures per person, tax autonomy.

rkf is the Kleibergen-Paap rk Wald F-stat.

* $p < 0.10$, ** $p < 0.05$, *** $p < 0.01$

Table 8: Effect of immigration on voting behavior:Senate.Base 2004

	Centre-right		Lega		Lega and Fratelli d'Italia		Major right parties	
	F.E. (1)	I.V.F.E. (2)	F.E. (3)	I.V.F.E. (4)	F.E. (5)	I.V.F.E. (6)	F.E. (7)	I.V.F.E. (8)
$Share_{c,t-1,b:2004}$	-0.121*** (0.0303)	1.629*** (0.219)	0.0699*** (0.0183)	2.239*** (0.198)	0.0235 (0.0204)	2.390*** (0.228)	-0.0923** (0.0294)	1.569*** (0.208)
$Instrument_{c,t-1}$		0.1746*** (0.0161)		0.1746*** (0.0161)		0.1746*** (0.0161)		0.1746*** (0.0161)
N	31143	31142	31143	31142	31143	31142	31143	31142
R^2	0.589	0.506	0.694	0.516	0.637	0.462	0.568	0.481
rkf		144.500		144.500		144.500		144.500

Standard errors in parentheses, clustered at municipality level. Control variable at local labour system: activity rate; at municipality level: death rate, fertility rate, sustainability index, current expenditures per person, tax autonomy

rkf is the Kleibergen-Paap rk Wald F-stat.

* $p < 0.10$, ** $p < 0.05$, *** $p < 0.01$

Table 9: Effect of immigration on voting behavior: Chamber at Local labour market level.

	Centre-right		Lega		Lega and Fratelli d'Italia		Major right-wing	
	F.E.	I.V.F.E.	F.E.	I.V.F.E.	F.E.	I.V.F.E.	F.E.	I.V.F.E.
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
$Share_{um,t-1}$	0.0964 (0.0968)	1.988 (1.218)	0.523*** (0.0890)	5.285** (1.633)	0.380*** (0.0977)	3.510* (1.398)	-0.0214 (0.0879)	1.296 (1.066)
$Instrument_{um,t-1}$		0.066*** (0.018)		0.066*** (0.018)		0.066*** (0.018)		0.066*** (0.018)
N	2436	2436	2436	2436	2436	2436	2436	2436
R^2	0.801	0.759	0.676	0.165	0.714	0.552	0.747	0.716
F-test		13.95		13.95		13.95		13.95

Standard errors in parentheses. Control variable at local labour system: activity, death rate, fertility rate.

F-test is the Anderson canon. corr. LR statistic.

* $p < 0.10$, ** $p < 0.05$, *** $p < 0.01$

Table 10: Effect of immigration on voting behavior: Senate at Local labour market level.

	Centre-right		Lega		Lega and Fratelli d'Italia		Major right-wing	
	F.E.	I.V.F.E.	F.E.	I.V.F.E.	F.E.	I.V.F.E.	F.E.	I.V.F.E.
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
$Share_{um,t-1}$	0.0994 (0.118)	2.921 (1.551)	0.520*** (0.0891)	5.519** (1.684)	0.396*** (0.101)	3.879** (1.486)	-0.0125 (0.110)	2.701 (1.449)
$Instrument_{um,t-1}$		0.066*** (0.018)		0.066*** (0.018)		0.066*** (0.018)		0.066*** (0.018)
N	2436	2436	2436	2436	2436	2436	2436	2436
R^2	0.666	0.562	0.692	0.158	0.706	0.514	0.630	0.506
F-test		13.95		13.95		13.95		13.95

Standard errors in parentheses. Control variable at local labour system: activity, death rate, fertility rate.

F-test is the Anderson canon. corr. LR statistic.

* $p < 0.10$, ** $p < 0.05$, *** $p < 0.01$

Table 11: Native movement

	Native		Native + Other EU	
	F.E.	F.E.I.V.	F.E.	F.E.I.V.
$\Delta Imm/Pop_{t-1}$	-0.0343 (0.0352)	0.103 (0.212)	-0.0284 (0.0293)	0.117 (0.214)
$\Delta Shift - Share$		0.1176*** (0.0262)		0.1176*** (0.0262)
N	31524	31504	31524	31504
R^2	0.059	0.052	0.061	0.054
rkf		. 20.07		20.07

Standard errors in parentheses. Clustered at municipality level.

* $p < 0.10$, ** $p < 0.05$, *** $p < 0.01$

Table 12: Party voted for in last national election

	Major right-wing	Vote	Lega	Vote	M5S	Vote
	(1)	(2)	(3)	(4)	(5)	(6)
Self-assessed health		-0.1138** (0.0576)		-0.1133** (0.0573)		-0.1633** (0.0675)
Immi. good for Economy	-0.01492 (0.0125)	-0.03569*** (0.0125)	-0.04966** (0.0224)	-0.03621*** (0.0118)	-0.007734 (0.0111)	-0.04427*** (0.0066)
Alloq imm. no EU	-0.1077 (0.0724)	0.08622 (0.0618)	-0.1952*** (0.0570)	0.08578 (0.0606)	-0.08793*** (0.0290)	0.09242* (0.0529)
Trust National	-0.3945*** (0.1379)	0.2347* (0.1335)	-0.04718 (0.1959)	0.2367* (0.1347)	-0.1288 (0.1824)	0.2356** (0.0999)
Trust EU	0.02222*** (0.0044)	0.03048 (0.0186)	-0.02430*** (0.0077)	0.03088* (0.0185)	-0.03840*** (0.0126)	0.02494 (0.0251)
Political interest	-0.09025** (0.0380)	0.6769*** (0.1452)	-0.1016 (0.0822)	0.6772*** (0.1450)	-0.08696** (0.0424)	0.7374*** (0.1470)
L(Age)	0.3072** (0.1468)	0.6189*** (0.1189)	0.09571 (0.2938)	0.6204*** (0.1224)	-0.6799*** (0.1259)	0.5372*** (0.1172)
L(Educ)	-0.05588 (0.1409)	0.4880*** (0.0727)	-0.4079* (0.2395)	0.4926*** (0.0741)	-0.06634 (0.0819)	0.4032*** (0.0734)
Paid work 7 days	-0.05515 (0.1021)	0.2184*** (0.0797)	0.1190 (0.0921)	0.2161*** (0.0771)	0.3535*** (0.0561)	0.1361 (0.1026)
Female	-0.002159 (0.0513)	-0.1387*** (0.0414)	-0.03446 (0.1068)	-0.1362*** (0.0425)	0.03816 (0.0757)	-0.1456*** (0.0327)
Feelings on household's income	0.1019*** (0.0287)	0.06204 (0.0792)	0.02608 (0.0521)	0.06270 (0.0778)	-0.1867** (0.0758)	0.08162 (0.0700)
Risk	-0.01393 (0.0193)	-0.02332 (0.0154)	-0.03004 (0.0228)	-0.02215 (0.0151)	0.03667*** (0.0134)	-0.02752 (0.0235)
Right-wing scale	0.4198*** (0.0350)	0.01570 (0.0179)	0.2541*** (0.0297)	0.01581 (0.0171)	-0.03714*** (0.0142)	0.01048 (0.0182)
Employment rate	0.1502*** (0.0280)	-0.09638** (0.0486)	-0.3740 (0.4767)	-0.09860** (0.0482)	-0.4286** (0.1974)	-0.2011*** (0.0518)
Safe surroundings	0.02354 (0.0299)	0.06116 (0.0556)	-0.05133 (0.0392)	0.06113 (0.0553)	0.02885 (0.0354)	0.05164 (0.0670)
Nuts 1 geographical zone FE	YES	YES	YES	YES	YES	YES
Time FE	YES	YES	YES	YES	YES	YES
<i>N</i>	3714	3714	3714	3714	2888	2888

Standard errors in parentheses

* $p < 0.10$, ** $p < 0.05$, *** $p < 0.01$

Table 13: Which party feel closer to

	Major right-wing (1)	Lega (2)	M5S (3)
Immi. good for Economy	-0.01733 (0.0209)	-0.06867*** (0.0170)	-0.00009446 (0.0113)
Allow imm. no EU	-0.08065* (0.0447)	-0.1303* (0.0756)	-0.1004*** (0.0350)
Trust National	-0.4349*** (0.0560)	-0.3698** (0.1472)	0.2150 (0.2170)
Trust EU	0.02288** (0.0104)	-0.02515*** (0.0045)	-0.06233*** (0.0151)
Political interest	-0.2327** (0.1044)	-0.05211 (0.0701)	-0.1119 (0.0859)
L(Age)	0.1693 (0.1666)	-0.08581 (0.0988)	-0.7100*** (0.1537)
L(Educ)	-0.3720*** (0.1382)	-0.6111*** (0.1585)	0.09343 (0.1150)
Paid work 7 days	-0.05132 (0.0562)	0.04983 (0.1164)	0.2524*** (0.0686)
Female	-0.06118 (0.0636)	-0.1366 (0.1172)	0.03519 (0.0751)
Feelings on household's income	0.1680*** (0.0437)	0.1539*** (0.0457)	-0.2463*** (0.0247)
Risk	0.01277 (0.0233)	-0.003172 (0.0399)	0.04018** (0.0180)
Right-wing scale	0.4732*** (0.0361)	0.2576*** (0.0260)	-0.05004*** (0.0167)
Employment rate	0.1509*** (0.0295)	-0.7160 (0.4786)	-0.3140 (0.2551)
Safe surroundings	0.02314 (0.0484)	-0.01839 (0.0379)	-0.007625 (0.0459)
Nuts 1 geographical zone FE	YES	YES	YES
Time FE	YES	YES	YES
<i>N</i>	2391	2391	1791
Pseudo R^2	0.4731	0.4108	0.1294

Standard errors in parentheses

* $p < 0.10$, ** $p < 0.05$, *** $p < 0.01$

Table 14: Perceptions on immigration

	Immi. good for Economy	Allow imm. no EU
	(1)	(2)
Safe surroundings	-0.2561*** (0.0343)	-0.06375** (0.0198)
Trust National	1.2999** (0.3675)	0.3535*** (0.0553)
Trust EU	0.1531*** (0.0290)	0.03232** (0.0094)
Political interest	0.5609*** (0.0769)	0.1478** (0.0381)
L(Age)	-0.1164 (0.1362)	-0.1716** (0.0385)
L(Educ)	0.9088*** (0.1819)	0.3140** (0.0717)
Paid work 7 days	0.07236 (0.0387)	-0.04109*** (0.0088)
Female	0.01329 (0.0072)	0.02905 (0.0250)
Feelings on household's income	0.2603*** (0.0242)	0.06739*** (0.0102)
Risk	-0.008875 (0.0510)	-0.02250 (0.0164)
Right-wing scale	-0.1781*** (0.0271)	-0.06974*** (0.0128)
Employment rate	0.05146 (0.0921)	0.03822 (0.0363)
Nuts 1 geographical zone FE	YES	YES
Time FE	YES	YES
<i>N</i>	5152	5134
<i>R</i> ²	0.217	0.163

Standard errors in parentheses

* $p < 0.10$, ** $p < 0.05$, *** $p < 0.01$

Appendix

Table A1: Summary table

Variable	Obs	Mean	Std. Dev.	Min	Max
Chamber					
Coalition	31124	0.41	0.14	0	0.86
Lega	31124	0.11	0.12	0	0.66
Lega and Fratelli d'Italia	31124	0.15	0.12	0	0.67
Major right-wing	31124	0.38	0.13	0	0.85
Protest	31124	0.02	0.01	0	0.18
Turnout	31124	0.78	0.08	0.18	1
Senate					
Coalition _s	31124	0.41	0.14	0	0.87
Lega	31124	0.11	0.12	0	0.61
Lega and Fratelli d'Italia	31124	0.15	0.12	0	0.71
Major right-wing	31124	0.38	0.14	0	0.85
Protest	31124	0.02	0.01	0	0.22
Turnout	31124	0.78	0.08	0.16	0.99
<i>Share_{c,t-1}</i>	31124	0.05	0.05	0	0.44
<i>Instrument_{c,t-1}</i>	31124	0.05	0.04	0.01	0.58
<i>Fertilityrate_{c,t-1}</i>	31124	0.01	0.00	0	0.05
<i>Deathrate_{c,t-1}</i>	31124	0.01	0.01	0	0.08
<i>Tax autonomy_{c,t-1}</i>	31124	0.53	0.22	0	0.96
<i>Current expenditure per capita_{c,t-1}</i>	31124	0.88	0.61	0.01	23.80
<i>Revenue sustainability index_{c,t-1}</i>	31124	-699.34	566.31	-29854.95	-3.81
<i>Activity_{um,t}</i>	31124	49.16	6.08	26.70	65.20

Table A2: Effect of immigration on voting behavior: Chamber. No covariates

	Centre-right		Lega		Lega and Fratelli d'Italia		Major right-wing	
	F.E.	I.V.F.E.	F.E.	I.V.F.E.	F.E.	I.V.F.E.	F.E.	I.V.F.E.
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
$Share_{c,t-1}$	-0.190*** (0.0226)	0.365* (0.173)	0.0914*** (0.0149)	1.938*** (0.217)	0.0183 (0.0167)	1.114*** (0.160)	-0.187*** (0.0213)	0.405* (0.163)
$Instrument_{c,t-1}$		0.1635*** (0.0200)		0.1635*** (0.0200)		0.1635*** (0.0200)		0.1635*** (0.0200)
N	31504	31504	31504	31504	31504	31504	31504	31504
R^2	0.696	0.687	0.685	0.524	0.649	0.602	0.645	0.630
rkf		76.523		76.523		76.523		76.523

Standard errors in parentheses, clustered at municipality level. rkf is the Kleibergen-Paap rk Wald F-stat.

* $p < 0.10$, ** $p < 0.05$, *** $p < 0.01$

Table A3: Effect of immigration on voting behavior: Chamber. No covariates

	Centre-right		Lega		Lega and Fratelli d'Italia		Major right-wing	
	F.E. (1)	I.V.F.E. (2)	F.E. (3)	I.V.F.E. (4)	F.E. (5)	I.V.F.E. (6)	F.E. (7)	I.V.F.E. (8)
$Share_{c,t-1}$	-0.215*** (0.0270)	0.958*** (0.228)	0.100*** (0.0161)	2.219*** (0.247)	0.0307 (0.0182)	1.471*** (0.206)	-0.185*** (0.0258)	1.179*** (0.230)
$Instrument_{c,t-1}$		0.1635*** (0.0200)		0.1635*** (0.0200)		0.1635*** (0.0200)		0.1635*** (0.0200)
N	31504	31504	31504	31504	31504	31504	31504	31504
R^2	0.576	0.530	0.687	0.481	0.632	0.554	0.556	0.483
rkf		76.523		76.523		76.523		76.523

Standard errors in parentheses, clustered at municipality level. rkf is the Kleibergen-Paap rk Wald F-stat.

* $p < 0.10$, ** $p < 0.05$, *** $p < 0.01$

Classification of parties for the Chamber and the Senate

In this section we tabulate the list of all parties considered in each of our outcome variables.

***i.* Centre-right coalition**

Chamber

2006: Alleanza Nazionale, Alternativa Sociale M, Ambienta-Lista, DemCrist-Nuovo PSI, Fiamma Tricolore, Forza Italia, Lega Nord, Lega Nord V d'Aoste, No Euro, Pensionati Uniti, P Liberale Italiano, SOS Italia, Unione di Centro.

2008: Il Popolo della libertà, Lega Nord, Movimento per l'Autonomia.

2013: Fratelli d'Italia, Grande Sud-MPA, Il Popolo della libertà, Intesa Popolare, Lega Nord, Liberi per una Italia, MIR - Moderati in riv, Partito Pensionati, Union Valdotaïne prog.

2018: FI-Fratelli d'Italia-mov., Forza Italia, Fratelli d'Italia con., Lega, Noi con l'Italia-UD.

Senate

2006: Alleanza Nazionale, Alternativa Sociale M, Ambienta-Lista, DemCrist-Nuovo PSI, Democrazia Cristiani, Fiamma Tricolore, Forza Italia, Lega Nord, Lega Nord V D'Aoste, No Euro, Nuova Sicilia, Patto Cristesteso, Patto per la Sicilia, Pensionati Uniti, P Liberale Italiano, PRI, PS d'AZ, Riformatori Liberali, SOS Italia, Unione di Centro, Unione Pop Aut,.

2008: Il Popolo della libertà, Lega Nord, Movimento per l'Autonomia.

2013: Basta Tasse, Cantiere Popolare, Forza Nuova, Fratelli d'Italia, Grande Sud, Il Popolo della libertà, Intesa Popolare, La destra, Lega Nord, Liberi per una Italia, Mir-Moderati in Rev, MPA-Partito dei Sic., Partito Pensionati.

2018: FI-Fratelli d'Italia-mov., Forza Italia, Fratelli d'Italia con., Lega, Noi con l'Italia-UD.

***ii.* Major right-wing parties**

Chamber

2006: Alleanza Nazionale, Forza Italia, Lega Nord, Lega Nord V d'Aoste.

2008: Il Popolo della Libertà, Lega Nord.

2013: Fratelli d'Italia, Il Popolo della Libertà, Lega Nord.

2018: FI-Fratelli d'Italia-mov., Forza Italia, Fratelli d'Italia con., Lega.

Senate

2006:Alleanza Nazionale, Forza Italia, Lega Nord, Lega Nord V d.'Aoste.

2008:Il Popolo della Libertà, Lega Nord.

2013:Fratelli d'Italia, Il Popolo della Libertà, Lega Nord.

2018:FI-Fratelli d'Italia-mov., Forza Italia, Fratelli d'Italia con, Lega.

iii.Lega

Chamber

2006:Lega Nord, Lega Nord V d.'Aoste.

2008: Lega Nord.

2013: Lega Nord.

2018:Lega.

Senate

2006:Lega Nord, Lega Nord V d.'Aoste.

2008: Lega Nord.

2013: Lega Nord.

2018:Lega.

iv.Lega and Fratelli d'Italia

Chamber

2006:Lega Nord, Lega Nord V d.'Aoste.

2008:Lega Nord.

2013:Lega Nord, Fratelli d'Italia.

2018:Lega, Fi-Frat. d'Italia.-Mov., Fratelli d'Italia con.

Senate

2006:Lega Nord, Lega Nord V d.'Aoste.

2008:Lega Nord.

2013:Lega Nord, Fratelli d'Italia.

2018:Lega, Fi-Frat. d'Italia.-Mov., Fratelli d'Italia

v.Movimento 5 stelle

Chamber

2006:.

2008:.

2013:Movimento 5 Stelle Be.

2018: Movimento 5 Stelle.

Senate

2006:.

2008:.

2013: Movimento 5 Stelle Be.

2018: Movimento 5 Stelle.

Data sources

In this subsection we present all the elements and sources to assemble our data base.

1. During the analysis period 2006-2018, neighbouring small towns held referendums to become larger single administrative units. We set the number of municipalities as of January 2018 and we re-scaled all variables accordingly. We use *Elenco dei codici e delle denominazioni delle unità territoriali* (List of codes and names of territorial units)

Source: <https://www.istat.it/it/archivio/6789>

2. We constructed new formed municipalities following the list in *Variazioni amministrative e territoriali dei comuni dal 1991* (Administrative and territorial variations of municipalities since 1991).

Source: <https://www.istat.it/it/archivio/6789>

3. **Electoral data.** We downloaded electoral data from the Italian Home Office for the 2006, 2008, 2013 and 2018 national elections.

- Chamber of Deputies

Source: <https://elezionistorico.interno.gov.it/index.php?tpel=C>

- Senate of the Republic

Source: <https://elezionistorico.interno.gov.it/index.php?tpel=S>

4. **Immigrants by origin at municipality level.** ISTAT has information on the number of immigrants and source country at municipality level.

Source: http://dati.istat.it/Index.aspx?DataSetCode=DCIS_POPSTRCIT1

5. **Demographic balances at municipality level.** We use the number of deaths and newborns from Demographic balances.

Source: <http://demo.istat.it/>

6. **Population and Share of emigrants at municipality level.** We use the variable *cancellati in anagrafe per l'estero* as a proxy for the number of emigrants in each municipality. Since in 2011 there was a Census, ISTAT offers information before and after 2011.

- *before 2012*

Source:http://dati.istat.it/Index.aspx?DataSetCode=DCIS_RICPOPRES2011_09122019015525554

- *after 2011*

Source:http://dati.istat.it/Index.aspx?DataSetCode=DDCIS_POPORESBIL1_09122019021101477

7. **Population at municipality level 1991.** We use 1991 as our base year to build the instrument. We also reclassified the municipalities of 1991 according to the 2018 January list.

Source:http://dati.istat.it/Index.aspx?DataSetCode=DCIS_RICPOPRES2001#

8. **Immigrants by origin in 1991 at provincial level. Police data.** We thank Sauro Moccetti for making available in his webpage the number of permessi di soggiorno (permit to stay) at provincial level. We did not have information on how many immigrants were at municipality level in 1991. Thus, we assigned the number of immigrants in each municipality of a province according to the population of the municipality. Permessi di soggiorno were only available for countries outside the European Union at the time. Thus, countries like Poland or Romania were present.

Source: <https://sites.google.com/site/sauromocetti/open-data>

9. **Local labour market.**

The local labour markets (SLL) characterize a geographical grid whose borders, regardless of the administrative articulation of the territory, are defined using the flows of daily home / work movements (commuting) noticed during general population and housing censuses.

Since each local system is the place where the population resides and works and where it therefore exercises most of the social and economic relations, commuting patterns are used as proxies to delimit the size of a local labour market.

- List of municipalities and local labour markets (Raccordo comuni-SLL 2011 archive)

Source:<https://www.istat.it/it/archivio/150320>

- Data on Economic performance at local labour market level

Source:<https://www.istat.it/it/archivio/217437>

10. Municipality management variables

Aida PA is a non-public database that contains economic and financial information on Municipalities, Provincial Administrations and Mountain Communities and Unions of Municipalities. Our specifications comprise the mean value of the indexes used in the analysis in those newly formed municipalities during the 2006-2018 period.

source: <https://www.bvdinfo.com/it-it/le-nostre-soluzioni/dati/specialist/aida-pa>

11. Section Plausible channels. We use the European Social Survey

Source:<https://www.europeansocialsurvey.org/>

We use the average employment rate at Nuts 1 level for Italy.

Source:<https://ec.europa.eu/eurostat/web/lfs/data/main-tables>

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