

Object:

Application to the Young Professional Grant, FONDAZIONE ROBERTO FRANCESCHI (FRF)

Project title:

The effects of immigrant's voting rights: evidence from a 'natural experiment' in Belgium

Beneficiary:

Simona Fiore (University of Bologna)

Supervisor:

Mariapia Mendola (University of Milano Bicocca and FRF Network member)

1 Overview

This project empirically investigates the socio-economic and political consequences of extending the right to vote to immigrants in the host society. To this aim, we will explore the natural experiment of enfranchisement of non-EU residents approved by the 2004 Law in Belgium.

Granting of political rights to foreign citizens is among the most contentious issues in immigration and integration policies. Since the 70s, extending the right to vote to immigrants in local elections has been a sensitive issue of the political debate in Europe. Non-citizens' active political participation is widely recognized as a positive factor for immigrants' status and integration in the host society, as well as for the public perception of immigrants and the democratic legitimacy of the state. On the other hand, there is a general sentiment of resistance to enfranchise foreigners as immigrants' votes could tilt the political balance with potentially unfavorable outcomes for natives with respect to the level of redistribution. There is very little systematic evidence on the socio-economic consequences of enfranchisement of immigrants. Our aim is to fill this gap by assessing the impact of the Belgian 'experiment' where the Parliament extended the right to vote in local elections to immigrants from outside the European Union (EU) with at least five years of legal residence in the country. We will focus on local political outcomes and municipality-level expenditures as main outcome variables.

This project relates to two strands of literature. The first one takes a political economy approach and examines the effects of the extension of voting rights on the size of government (Husted and Kenny, 1997; Lott, 1999; Cascio and Washington, 2014). The main message from this literature is that the enfranchisement of minorities (e.g. black, poorer or women) determines an increase in welfare or government expenditures, mainly driven by the change of the pivotal voter. The second strand of literature examines the relationship between the mere presence of immigrants (and immigration-driven increases in ethnic diversity) and natives' voting behavior or political attitudes (Razin et al., 2002; Böheim and Mayr, 2005; Dahlberg et al., 2012). Results are consistent in showing a negative relationship between ethnic diversity and

left-wing political preferences, as well as the level of public spending at local level.

Belgium is an interesting setting where to study the impact of enfranchising non-citizens of non-EU origin. First, Belgium has historically attracted significant immigration flows and the number of immigrants has steadily increased since the 80s. Second, voting in Belgium is compulsory: Belgian citizens are automatically registered as voters, if they fulfill all the requirements. Non-EU residents are instead required to voluntarily register as voters, again given that they have all the requirements set by the law. Such a system ensures, on the one hand, a higher turnout of Belgian citizens and, on the other one, the existence of the registers of non-citizens voters (both potential and registered ones) by municipality. Moreover, Belgium is a country of different linguistic and political realities. The three regions of the Flanders, Wallonia and Brussels differ in many dimensions, including political preferences, characteristics of the immigrant population and attitudes towards immigrants. These differences offer the opportunity to explore heterogeneous effects of the 2004 Law and can provide key insights on the mechanisms that may drive the results. For example, the share of foreigner non-citizens is much higher in the region of Brussels with respect to the regions of the Flanders and Wallonia. Then, in the municipalities of Brussels, the actual increase in the number of voters due to the enfranchisement law is expected to generate a ‘mechanical’ or direct effect on elections’ results. The effect in the regions of the Flanders and Wallonia, if any, is instead expected to be attributable to a change in natives’ voting behaviour.

2 Data and methods

This project will make use of multiple data sources. As for the outcomes variables, we plan to focus on both election results and expenditures at municipal level. We have already started collect data on elections results before and after the reform from the web, by using Python. We also gathered a dataset on local expenditures for the regions of the Flanders and Brussels. The Ministry of Interior has provided us with data on potential and registered non-EU voters for local elections in 2006 and 2012. Data on the characteristics of the Belgian municipalities over time are (mainly) available online through the Statistics Belgium.

The structure of the data allows us to adopt an empirical strategy that exploits two sources of variation: the first is time variation coming from the introduction of the reform; the second source of variation is cross-sectional and arises from the differences in municipalities’ share of non-EU immigrants allowed to vote. The identification relies on the interaction of these two sources of variation, which can be interpreted as plausible exogenous. In the spirit of a differences-in-differences strategy, we can compare election results of municipalities with more immigrants entitled to vote with municipalities with a smaller share of immigrant voters, before and after the reform (intensity of the treatment).

The introduction of municipality and time-period fixed effects controls for all time-invariant differences across municipalities and secular changes over time. The strategy relies on the absence of any other shocks occurred around the same time the reform was introduced and correlated with the share of potential immigrant voters. The latter identification concern is addressed by controlling for time and country-varying factors that may bias the estimates. In

addition, we control for important municipality-level characteristics that may bias the results such as population size, composition and unemployment rate.

Beyond the estimation of the average treatment effect, we will seek to investigate a set of heterogeneous effects. As mentioned above, we start by comparing the three regions of the Flanders, Wallonia and Brussels. Moreover, the ethnic composition and the religion of immigrants are recognized as key drivers of the native's perception of immigrants as well as their integration; these two aspects can in turn influence voting behavior. Immigrants' human capital and their performance in the labor market can be considered significant inputs for natives' and immigrants' voting preferences. By collecting additional data on the composition and the characteristics of the immigrants' population, we plan to shed lights on these and other potential heterogeneity in the effect.

Furthermore, the Belgian case study is suitable to address another interesting research question concerning the minorities' political participation. What drives immigrants' participation in political activities? As a starting point, we can exploit information on immigrants' turnout and explain its variability in terms of characteristics of the municipality. Subject to the availability of individual level data, we shall explore individual characteristics of immigrant voters together with community characteristics as determinants of active political participation.

3 Project Development

Simona Fiore is a fourth year Ph.D. Student in Economics at the University of Bologna and she expects to defend her thesis in June 2016. Her research work has focused on the determinants and consequences of international migration in both origin and destination countries. The project presented here is a follow up of her thesis, which includes three chapters on the economics of migration: the first two papers look at the link between human capital and migration in Mexico (one paper is a joint work with Massimiliano Bratti and Mariapia Mendola); the third chapter, instead, is on the political economy of immigration in Belgium. Simona will spend the next semester (January-May 2016) visiting the Department of Economics at University of California Berkeley under the hosting supervision of Professor David Card. During that period, she will complete her PhD thesis and possibly start this new project on immigrant enfranchisement in Belgium.

The FRF Young Professional Grant would be particularly appropriate for Simona at this stage of her scholarly career, as she would have the time and resources to collect all of the relevant information/data needed for the Belgian project and exclusively focus on this challenging impact evaluation with important policy implications. Simona would be even happier to start the YPG once she is back in Italy (June 2016) and possibly develop the project while visiting the Dondena Centre at Bocconi University, which we envisage as an appropriate environment where to address research questions aiming at evaluating policy interventions and their implications. Moreover, being both Simona and Mariapia in Milan, interactions on the project may be easier but, more importantly, working from Dondena may expose Simona to an excellent learning and working environment which she would greatly benefit from. If working from Dondena results not being feasible, we may have alternative ways to host Simona in Milan (e.g. at University of Milano Bicocca or Centro Studi L. d'Agliano) so that interactions on the

work may be facilitated anyway.

The research question addressed in this project is highly relevant for the socio-economic issues investigated and supported by FRF. Indeed, enfranchising immigrants by providing them with the right to vote may potentially extend to higher integration of this marginalised sub-population into the host society, with respect to both economic (labor) and social inclusion. Yet, in spite of a lively debate around the topic, little rigorous impact evaluations exist on the effects and implications of such policy interventions.

Simona has a genuine interest for the causes and consequences of global labor mobility, she is determined to pursue new research ideas and, while being a good applied economist, she has the required skills to carry out an impact evaluation based on a ‘natural experiment’. The project will develop under the supervision of Mariapia Mendola who is Associate Professor at University of Milan and a member of the FRF Network. Most of Mariapia’s research work covers various aspects of the economics of migration, with a special focus on the links between labor and development, from the point of view of both origin and destination countries.

The project will be the result of a close collaboration between the beneficiary and the supervisor and will generate at least one research paper to be presented in international conferences and ultimately published in a peer-reviewed international journal.

References

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