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Exposure to Refugees and Voting for the Far-Right: (Unexpected) Results from Austria

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ABSTRACT

Exposure to Refugees and Voting for the Far-Right: (Unexpected) Results from Austria[*]

This paper studies a natural experiment to identify the causal effect of exposure to refugees in the neighborhood on the support for far-right, nationalist, anti-immigration parties. In the state elections in an Austrian state in September 2015 the far-right *Freedom Party of Austria* (FPOE) doubled its vote share with a fierce anti-asylum campaign. Since only 42 percent of communities hosted refugees at the time of the election, exposure to refugees varied at the local level. To account for the potential endogeneity in the distribution of refugees, I use pre-existing group accommodations as instrumental variable. To cope with the sudden inflow of large numbers of refugees, these buildings were used to accommodate refugees and thus strongly increase the probability of refugee presence in a community. In line with the contact hypothesis I find that hosting refugees dampens the overall trend and decreases FPOE support by 4.42 percentage points. Further analysis using exit poll data reveals a positive effect on the optimism in the population that the integration of refugees can be managed. Placebo tests show that there were no effects in elections prior to 2015.

JEL Classification: D72, J15, K37, P16

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1 Introduction

This paper investigates how the presence of refugees in the neighborhood affects electoral support for far-right, nationalist, anti-immigration parties. In 2015 Europe experienced a sharp increase in the inflow of refugees. More than 700,000 refugees applied for asylum in the EU countries in the first eight months of 2015 alone.[1] The large number of arriving refugees has resulted in logistical, economic, and social problems and the term *European Refugee Crisis* has become widely used in public and political debate. Established parties and political observers in many countries worry that anxiety in the population would increase the support for nationalist, anti-immigration, or even extreme right-wing parties. And indeed, such parties and movements have gained considerable support in many European countries. For example, in Germany the *PEGIDA* (*Patriotic Europeans Against the Islamization of the Occidents*) movement and the AfD (*Alternative for Germany*) party emerged and gained considerable support in the population. Similar examples are the increased support for the French *Front National,* the *Sweden Democrats*, the *True Finns*, or the *Freedom Party of Austria*. Some of these movements have extreme and anti-democratic tendencies and might get into positions to shape economic and social policies.

However, anecdotal evidence from communities where refugees have been accommodated suggests that encounters between refugees and the local population were mostly positive and the local population was rather welcoming and helpful once the refugees were there. In line with this qualitative evidence, Allport's (1954) contact hypothesis states that interpersonal contact is an effective way to reduce prejudice between a majority and a minority. An effect of positive encounters may be reduced support for far-right parties that appeal to anti-immigration sentiments of the voting native population.

Along with Germany and Sweden, Austria received a particularly large number of refugees. At the same time, the *Freedom Party of Austria* (FPOE) substantially increased its vote share in four state elections held in 2015 with strong nationalistic, anti-immigration, and anti-asylum campaigns. The FPOE is generally considered a member of the European far-right party family (Mudde, 1996) and centers its political program around immigration topics. The party received substantial international attention during the time of former party leader Jörg Haider, who died in a car accident in 2008.

Political spectators agree that the omnipresence of the refugee crisis in the media strongly benefited the FPOE, similar to other right-wing movements in Europe. Conceptionally it is important to differentiate between effects on a *macro* level and on a *micro* level. Almost all voters were exposed to the inflow of refugees at the *macro* level: they received information from traditional and social media, and political campaigns. Individuals living in communities hosting refugees are very likely to have had direct encounters with

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[1]Estimates from Eurostat. The number of immigrants not yet registered in the asylum process is estimated to be substantially higher.

them and are thus also exposed at the *micro* level. I study rather small communities with on average just above 2,100 inhabitants, which makes direct contact with refugees very likely. The micro exposure may reinforce or contradict the perception voters have about refugees from the macro exposure.

This paper uses the state elections an Austrian state (Upper Austria) to test whether direct exposure to refugees in the neighborhood (micro level effects) changed the electoral support for the FPOE. Upper Austria resembles many of the features of the other main refugee-receiving countries in Europe, and is especially comparable to Germany in terms of economic performance, cultural aspects, and previous experience with immigration. The FPOE doubled its vote share in these elections from 15% to more than 30%. In fact, the FPOE increased its vote share in every single community. The timing of the Upper Austrian elections just weeks or a few months after many communities started hosting refugees makes them particularly interesting. At the time of the election in September 2015, 42% of all Upper Austrian communities accommodated refugees. This variation allows me to investigate how exposure to refugees at the micro level affects voting for the FPOE. A comparison of FPOE gains in communities with and without refugees was conducted by media outlets already on election eve, concluding that there were hardly any differences.[2] However, this comparison did not take into account that the distribution of refugees was not random but - among other things - the result of local political opposition. The raw comparison should therefore not be interpreted as the *effect of refugees* but as a mixture of this effect and sorting at the community level.

The main analysis is based on community level data taken from the population census, election statistics, and other administrative data. To account for potential endogeneity in the distribution of refugees across communities, I use the availability of buildings suitable for the accommodation of larger groups to instrument for the presence of refugees in a community. Data from the housing census 2011 provide information on the existence of buildings *suitable for hosting groups of people for extended periods of time*, such as homes for the elderly or students. These buildings were not specifically built for hosting refugees and are thus uncorrelated with sentiments towards foreigners in a community, as is reflected in previous election results. However, when the numbers of arriving refugees sharply increased in 2015 and the necessity to find accommodation for large groups of people became a pressing issue, spare capacity in such buildings was used. The availability of these buildings thus strongly increased the probability that a community received refugees. In the rural setting under study, only 40% of communities had such a building in 2011.

The instrumental variables analysis reveals that the presence of refugees dampens the macro trend and reduces the vote share of the FPOE by 4.42 percentage points in state

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[2]See for example an interview in the Austrian newspaper *Der Standard* (http://derstandard.at/2000022915056/FPOe-Zugewinne-Wie-viele-Fluechtlinge-dort-leben-tut-nichts-zur, 28.9.2015).

elections, which is about 15% of the FPOE vote share. These votes predominantly go to the conservative *Austrian People's Party* (OEVP). Votes for the Green Party, the only party with a clear pro-asylum stance, were not affected by the presence of refugees. Coefficients for local elections are similar but rather imprecisely estimated and not statistically significant. To get a better understanding of the mechanisms behind this effect, I use data from an exit poll conducted for this election to investigate the effects on attitudes towards refugees more generally. This analysis shows that the presence of refugees in the community makes the population more optimistic that the integration of refugees can be managed.

I provide several falsification tests to investigate the validity of the instrumental variables assumptions. First, I use the elections for the Austrian parliament in 2013 and the elections for the European parliament in 2014 as placebo outcomes. As both elections took place before the large inflow of refugees started, we should see no effect of the presence of refugees in 2015 on these earlier elections. Indeed, for both elections I find no effect. Also including the outcomes of these elections as controls in the main specification does not change the results. I further show that the instrument is unrelated to FPOE vote shares (reduced form) in all elections in the decade before 2015. A series of robustness checks shows that results are not sensitive to outliers or the specification used.

This setting provides an opportunity to indirectly test Allport's contact hypothesis (1954).[3] Encounters with refugees that are more positive than initially expected, may reduce anxiety of the native population and thus reduce the support for anti-immigration parties. In the context under study, direct contact with refugees may also change the information set of the native population. For example, refugees might share stories about the situation in their home countries or their flight. While such stories are also distributed over the media, they might have a different impact if they come directly from an impacted person and might foster the understanding for refugees. Direct contact with refugees might also alleviate fears about the refugees' motives and character. Anecdotal evidence and qualitative interviews with officials managing the care of refugees support the view that anxiety in the population generally decreased after refugees arrived.

The negative effects of refugee presence on support for far-right parties found in this paper are at first sight in contrast to existing economic literature on the effects of immigration on the support for right wing parties. Closely related to this paper, Halla, Wagner, and Zweimüller (2015) study the effect of immigration in Austria on the support for the FPOE. They conclude that a higher percentage of low- and medium-skilled immigrants

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[3]A large body of literature in sociology and social psychology has investigated the contact hypothesis empirically (see Pettigrew, 1998 for a review). While most of this literature is confined to studying associations without causal interpretation or small-scale experiments, more recent literature tries to identify causal effects of contact in attitudes towards minorities. For example, Schindler and Westcott (2015) show that membership in the British National Party is lower in British regions where a larger share of black GIs was stationed during WWII.

in a community increases the support for the FPOE. For identification they use a) community fixed effects and b) historical settlement patterns interacted with later inflows to instrument for the geographical distribution of more recent immigrants. They suggest that voters' worries about changing ethnic and cultural composition in their neighborhoods and schools are the driving force. Other recent papers come to similar conclusions but focus on center-right instead of far-right voting. Barone, Ignazio, Blasio, and Naticchioni (2016) use the interaction of historic settlement patterns with more recent inflows to instrument for the share of immigrants in a community; Otto and Steinhardt (2014) use previous immigrant concentrations to instrument for current immigrant share within city districts in Hamburg; Harmon (2015) uses the share of high-rise buildings in Danish communities in 1970 to instrument for immigration in the following decades. All these studies find a positive effect of immigration on the support for anti-immigration parties.[4] Gerdes and Wadensjö (2008) use fixed-effects and IV to identify the effect of the share of first-generation non-Western immigrants on election outcomes in Danish municipalities. They find positive effects on support for anti-immigration parties but also a positive effect on support for a pro-immigration, left-wing party. Brunner and Kuhn (2014) investigate the effect of immigration on voting directly related to immigration issues using the Swiss system of direct democracy. Instrumenting the share of immigrants in a community with the share of foreigners in the local labor market, they find that a higher share of culturally different immigrants leads to more anti-immigration votes.

The context studied in this paper differs from the contexts in other studies in three important ways, which might explain the different result. First, the time horizon studied is much shorter than in other studies. In my setting the refugees arrived only few months or weeks before the elections under investigation. In the other studies the time between arrival of immigrants and measurement of the outcomes is years. Second, the type of immigrants differs. I investigate the effect of the presence of refugees. Most other studies look at migrants in general or different types of migrants. In particular in the Austrian setting, Halla, Wagner, and Zweimüller (2015) study the effect of migrants mostly coming through family reunification schemes. Third, I focus on the extensive margin, i.e., whether refugees are present at all - while most of the existing literature focusses on the intensive margin, i.e., the share of immigrants in the population. Thus, my findings do not necessarily contradict previous findings since the differences might be driven by the specific context under study.

The paper also relates to an extensive literature that studies preferences towards immigration.[5] Another related literature looks at the effects of immigration on the provision

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[4]Several papers in political science suggest also a positive correlation between immigration and support for far-right parties, see for example Jackman and Volpert (1996); Knigge (1998); Lubbers, Gijsberts, and Scheepers (2002); Golder (2003); Arzheimer and Carter (2006); Arzheimer (2009).

[5]See Dustmann and Preston (2004, 2007); Hainmueller and Hiscox (2007, 2010); Card, Dustmann, and Preston (2012); Hainmueller, Hiscox, and Margalit (2015).

of public goods. Dahlberg, Edmark, and Lundqvist (2012) study the effect of a refugee placement program in Sweden on preferences for redistributional policies. They find a negative effect of the share of immigrants on the support for redistribution. Relatedly, Algan, Hémet, and Laitin (2015) show that ethnic diversity at the housing block level induces social anomie, leading to inability of residents to sanction others for vandalism, and to act collectively.

This paper makes several contributions to the literature. First, it uses a natural experiment to indirectly test the contact hypothesis with a clean identification. Second, to my best knowledge it is the first to study the effects of the European refugee crisis on political outcomes. Third, it uses both, election data and data on public attitudes towards immigration. Fourth, it studies the effects of a recent inflow of refugees as opposed to longer term effects of immigration as much of the existing literature. Fifth, the setting allows studying voter decisions with respect to the local and the regional level. And sixth, it is the first to document that contact with refugees can reduce support for far-right parties.

The remainder of the paper is structured as follows. Section 2 provides information on the institutional setting, the refugee crisis and the data used for the analysis. Section 3 outlines the empirical strategy to causally identify the effect of refugee presence in a community. Section 4 presents the results. Section 5 provides a discussion of the results in the light of the previous literature and concludes.

2   Background and data

2.1   The European refugee crisis and hosting of refugees in Austria

In the last months of 2014 and in particular over the course of 2015 the number of people filing for asylum in European Union countries increased dramatically (Figure 1). In August 2015 alone about 143,000 individuals filed for asylum in the EU, about 9,000 of them in Austria.[6] People filing for asylum in Austria in 2015 were mostly men (75%) and two thirds came from only three countries - Syria, Afghanistan, and Iraq (Statistics from the Department of the Interior). Among the most pressing logistical concerns of the receiving countries was to find accommodation for the refugees.

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[6]This number includes only individuals whose asylum application was registered in August. Since not all applications could be processed immediately, this number is most likely substantially lower than the actual number of people arriving in August.

Figure 1: Number of asylum applications in Austria and EU28 countries January 2009 - August 2015
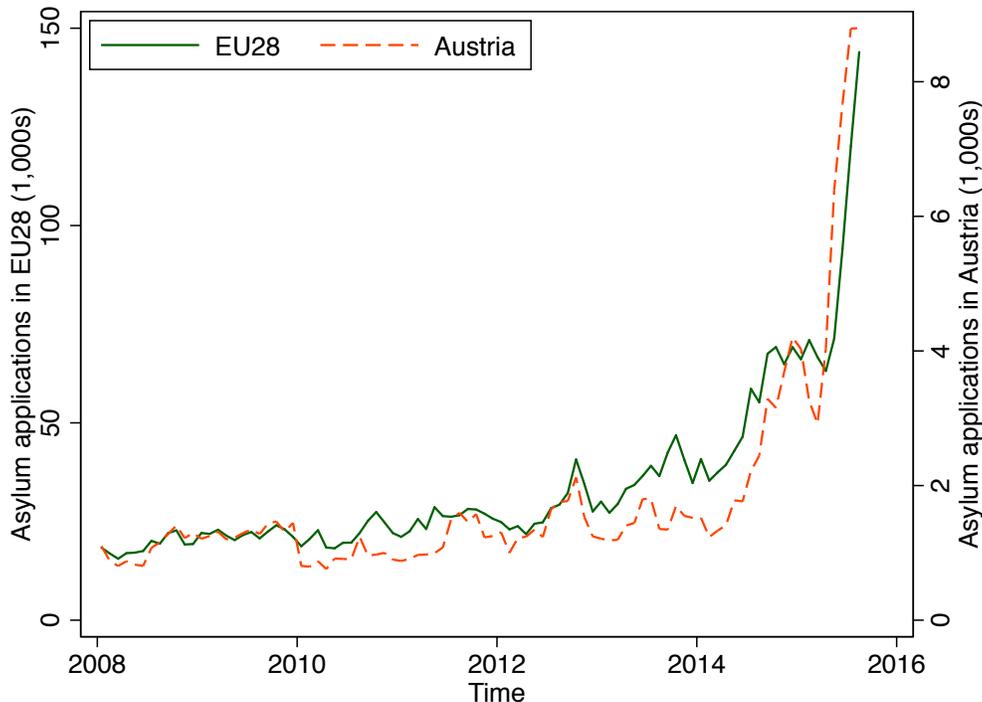
Note: The figure shows the monthly number of asylum applications in Austria and EU28 states. EU28 numbers for July and August 2015 do not include Latvia and Spain.

Similar to other European countries, the Department of Interior is responsible for processing the asylum applications and for the primary care facilities[7] in Austria. Refugees stay in primary care facilities at the beginning for a short period of time before being assigned to a state. While refugees wait for the application to be processed, the states are responsible to provide housing. The time until a decision is reached very often takes several months to several years. However, most Austrian states continuously failed to fulfill the agreed quota, leaving the primary care centers dramatically overcrowded. Following several failed attempts of the central government to negotiate an agreement with the state governments, the ruling coalition formed by the Social Democratic Party (SPOE) and the OEVP agreed with the Green Party on introducing legislation to provide the central government with the opportunity to accommodate refugees in suitable accommodations even without consent of the respective local and state government. The agreement was reached on August 18 and was introduced into the parliament on September 1. It went to the ballot

[7]Two communities in Upper Austria have primary care facilities.

on September 24 and into effect on October 1.[8] According to this law, every community is supposed to provide space for refugees that amount to 1.5% of the population. If a community fails to provide enough space, the central government can accommodate refugees in a community also without consent of the mayor. Even before the legislation went into effect, political commentators agreed that the pressure by the legislation increased the space "voluntarily" provided by communities substantially.

A community, an NGO, the church, or a private person, that offers to accommodate refugees reports the available space to the state government. Upon checking whether the formal requirements for accommodations are fulfilled, the state government assigns refugees to this accommodation.[9] Due to the large logistical challenges, taking into account the refugees as well as the communities' preferences regarding the composition of the refugees in terms of background characteristics or existing social networks is mostly impossible. Social connections of the refugees are only taken into account, if they concern the nuclear family. However, qualitative interviews revealed that also this is not possible all the time. NGO's report to have some informal leeway to influence the allocation if Pareto improvements can be achieved, which however does not happen very often.

State and local elections in Upper Austria took place shortly after many communities started hosting refugees, which provides an excellent setting to study the impact of presence and contact with refugees on voting behavior. Upper Austria's size is about 12,000 square kilometers (4,626 square miles), which is roughly the size of Connecticut. Its population is 1.4 million, living largely in smaller communities. About two thirds (64%) of the population lives in communities smaller than 7,500 inhabitants. Linz, the state capital, has 200,000 inhabitants. As of September 21, 2015, 42% of Upper Austria's communities hosted refugees, which was close to the nationwide average. Among communities that hosted refugees, the average share was 1.4% of the population, slightly below the target of 1.5%. Very few communities have higher shares (see Figure 2). In many communities refugees arrived only months or weeks before the election. In June, another point in time where I have data on the presence of refugees, only 31% of the communities hosted refugees. This situation comprises a very interesting natural experiment. The whole electorate was indirectly exposed to the inflow of refugees on the macro level, mostly via excessive media reports, social media, and campaigns of political parties. Individuals living in communities hosting refugees were additionally exposed on the micro level through very likely personal encounters with refugees. The aim of this paper is to identify the causal effect of this additional direct exposure on voting in state and local elections.

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[8]http://www.bmi.gv.at/cms/cs03documentsbmi/1750.pdf.

[9]For information on the regulation of refugee see the website of the Ministry of the Interior (http://www.bmi.gv.at/cms/BMI_Asyl_Betreuung/unterbringung/) and the Upper Austrian government (https://www.land-oberoesterreich.gv.at/26937.htm). To cover the cost, the state pays the host 19 Euro per day and refugee for board and lodging. If the host does not provide food, she has to give 5.5 per day to the refugees for food and other necessities.

Figure 2: Share of refugees in the population in communities with any refugees
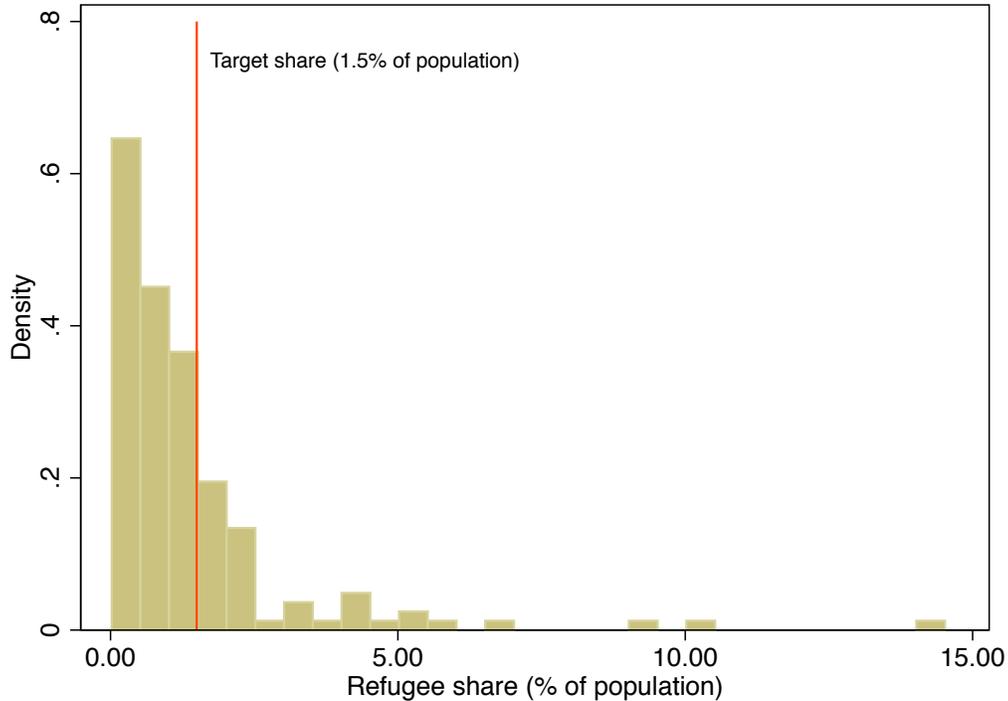
Note: This figure depicts the share of refugees in the population in communities that hosted any refugees on 21 September 2015. Only individuals who filed for asylum in Austria are included. This excludes individuals traveling through Austria and seeking shelter in Upper Austria and individuals who already have official refugee status.

2.2 Political background

State, local, and mayoral elections are held jointly every six years. Ever since WWII, the conservative OEVP has been the dominant political power, never gaining less than 40% in state elections. Upper Austria has a unity government with the strongest political parties being automatically represented in the executive branch. However, between 2003 and 2015 the OEVP worked particularly close with the Green Party. The elections in 2015 brought landslide changes to the political landscape with the nationalist FPOE doubling its vote share and receiving 30.4% of the votes while the OEVP lost more than 10 percentage points receiving a record low of 36.3% of the votes. The SPOE lost about 6.5 percentage points and received 18.4% and the Green party won slightly and received 10.3%. Figure 3 shows the share of FPOE votes in Upper Austrian communities in the state elections 2009 and 2015. Notably, the FPOE increased its vote share in every single community.

The entire electoral campaigns was dominated by the arrival of large numbers of refugees

Figure 3: FPOE vote shares in state elections 2009 and 2015
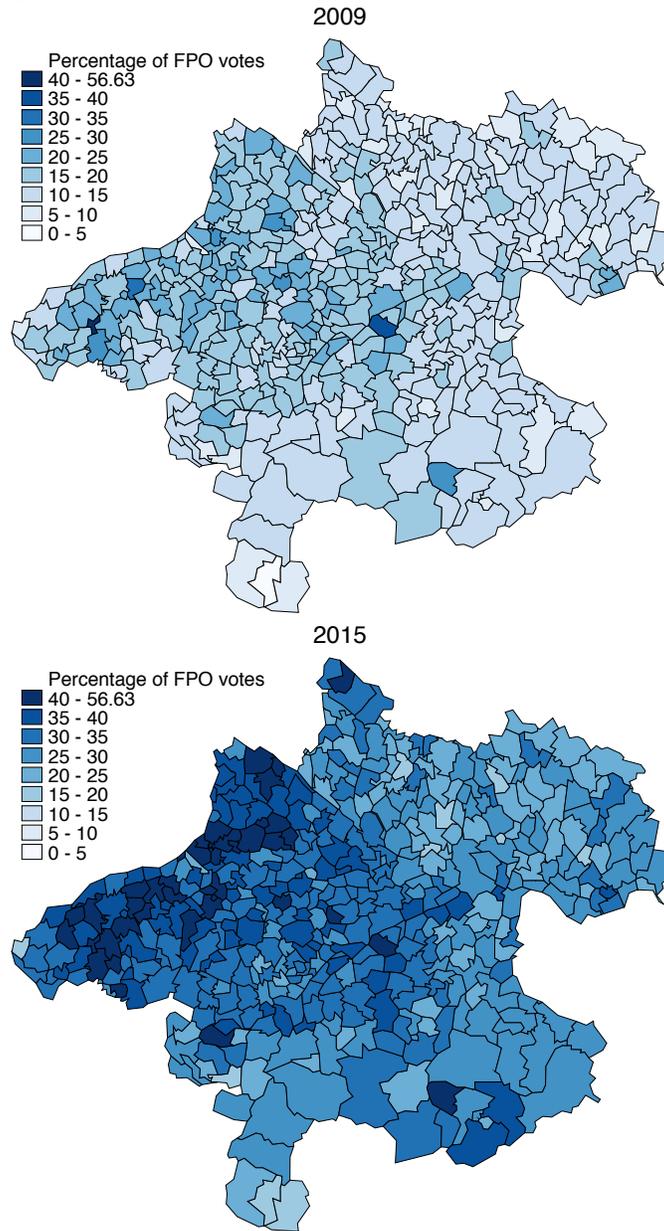
2009

2015

Note: These figures show the vote share of the Freedom Party of Austria (FPOE) in state elections in 2009 and 2015 in Upper Austrian communities. In two cases, two communities were merged in 2015. I aggregate results from 2009 and use the merged data with community boundaries as of 2015.

coming mainly from Syria, Iraq, and Afghanistan. Political observers as well as political parties agreed that the refugee crisis was the dominant electoral motive in this election, even though asylum policy is no competence of the state.[10] In pre-electoral discussions, the parties took rather different positions. The Green party was most asylum friendly. SPOE and OEVP sent mixed signals to the voters, emphasizing the moral duty to help people in need but also pointing to capacity limits and potential social and economic problems. The FPOE took a very strong anti-asylum stance, in line with the general anti-immigration position of the party.

Data from the exit poll confirms this view (see Table A.1 in the Appendix). 62% of respondents stated that they had intensely discussed the topic of refugees and asylum during pre-electoral discussions. No other topic area received nearly as much attention. Among FPOE voters even 89% stated that they had intensely discussed this topic. In other questions that asked respondents how they felt about the ability of politics to successfully handle the inflow and the integration of refugees, about 37% of FPOE voters stated they were angry, compared to only 14% on average (see Table A.2 in the Appendix). Only 6% of FPOE voters were optimistic about politics' ability to handle the situation (average 28%). Also on the national level, the FPOE very clearly defines itself as an anti-immigration party. For example, in 1993 the FPOE launched the very controversial *Anti-Foreigner Referendum*, which was approved by 7% of the electorate. In a TV interview in summer 2015, the head of the FPOE Austria, Heinz Christian Strache, talked about launching a similar *Anti-Asylum Referendum*, which however was not yet launched at the time of writing.[11]

2.3   Data and descriptive statistics

The main analysis is based on community level data from Upper Austria. Data on the distribution of refugees are the official numbers reported by the Austrian states.[12] Data on all election results in Upper Austria are available from the state's open data portal.[13] The portal provides further data on community demographics (number of inhabitants, sex and age structure, educational level, share of existing foreign population), the financial situation of the community, and economic status of the population. Demographic and socio-economic variables are based on population registers. Several variables are only available for the year 2011, when a register-based population census was conducted. Information on the financial

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[10]For example, the Upper Austrian governor Josef Puehringer completely attributed the election results to the migrant crisis: "*Today's election was not about Upper Austria, but about one topic only, namely asylum. [...]   The winners amplified the understandable fears and concerns of the people*" (http://reut.rs/1MyVmk4).

[11]Halla, Wagner, and Zweimüller (2015) provide a more extensive discussion on the position of the FPOE and FPOE voters towards immigration.

[12]I am grateful to Jakob Weichenberger for sharing the data with me.

[13]https://www.land-oberoesterreich.gv.at/12136.htm.

situation of communities is based on the official accounts. Specifically, I use the per-capita revenue to proxy for financial strength of the community. Data on the availability of group accommodations (officially referred to as *buildings for communities*) in a community come from the 2011 housing census that provides information on type and ownership of buildings in all Austrian communities. Group accommodations are defined as buildings suitable for hosting groups of individuals, e.g., retirement homes, student residences, prisons, or nursing homes. Figure 4 shows the availability of such buildings in Upper Austrian communities.

The interaction between refugees and natives may be less intense or even non-existent in larger communities since the probability of contact is much lower. Smaller communities are thus the better entities for testing the contact hypothesis. Furthermore, all larger communities and especially district capitals host refugees and thus to not have meaningful counterfactuals. The largest community without refugees is Garsten with 6,661 inhabitants. Thus, I drop all communities larger than Garsten from the estimation sample (23 communities).

Table 1 shows descriptive statistics of communities with and without refugees in the remaining sample. Communities hosting refugees (2,778 inhabitants on average) are on average larger than communities that do not (1,747 inhabitants on average). Apart from population size, communities with and without refugees are relatively similar. The population in communities with refugees is slightly more educated, the share of foreigners living in the community is higher, and these communities have higher revenues per capita. However, these differences are most likely also closely related to the differences in population size.

[Table 1 here]

[Table 2 here]

In terms of political outcomes, communities with and without refugees exhibit only small differences. In communities without refugees the FPOE received on average 15.79% of the votes in state and 13.95% in local elections 2009 (Table 2).[14] The vote share was thus about one percentage point lower in communities which subsequently did receive refugees. The gains in the vote share were about 0.8 percentage points lower in state elections and 0.9 percentage points higher in local elections in communities that did not receive any refugees. Also for other parties and elections there do not appear large and systematic differences between communities with and without refugees.

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[14]The FPOE only ran in local elections in 83.9% of all communities in 2009 and in 86.9% in 2015. For local elections the percentages presented assign a value of zero to communities without an FPOE candidate for the local council.

3 Empirical strategy

In this section I first introduce the equation of interest with the change in vote share between 2009 and 2015 as the dependent variable and an indicator for the presence of refugees in the community in 2015 as the main explanatory variable of interest. In a second step I introduce an instrumental variables strategy to address the endogeneity in this equation.

3.1 Equation of interest

The structural equation of interest aims at explaining the change in vote share of a party s in community i in election type e between 2009 and 2015 ($\Delta vote\_share_{sei0915}$) as a function of whether this community hosted refugees in September 2015 ($refugee_{i15}$). β_1 is thus the main coefficient of interest. The equation includes a vector of community-level covariates X_i.

$$\Delta vote\_share_{sei0915} = \beta_0 + \beta_1 refugee_{i15} + X_i\gamma + u_i \tag{1}$$

Section (4.1) presents OLS results of equation (1). However, OLS results are probably inconsistent since the decision to host refugees in a community is likely to be associated with the unobserved error terms u_i. In the next step I therefore introduce an instrumental variables strategy to address this problem and obtain consistent estimates of β_1.

Two explanations come to mind as of why the OLS coefficient is likely biased. First, communities where anti-immigrant sentiments became particularly strong (i.e., which had an above average increase in FPOE support) since 2009 stronger oppose hosting refugees and are therefore less likely to have refugees in the community. That would introduce a negative correlation between hosting refugees in the community and the error term u_i in the structural equation. This type of selection would create a negative bias. Second, in some communities local politicians might be more successful in fending off refugees, irrespective of the underlying attitudes in the electorate. The probability of success depends on the political skills and the party affiliation of the local politicians, especially of the mayor. Ceteris paribus, highly-skilled OEVP mayors may be more likely to successfully lobby with the state government for not receiving refugees in their community. This would induce a negative correlation between the quality of local OEVP politicians and the probability of having refugees in a community. Since better OEVP politicians should be associated with a more positive change in OEVP vote share, the coefficient on OEVP votes would be downward biased, whereas the coefficients for other parties, and in particular for the FPOE, would be upward biased.

3.2 Instrumental variables strategy

Since the onset of the refugee crisis, public authorities hastily searched for potential accommodations to host the large numbers of incoming refugees and to alleviate pressure from the overcrowded primary care centers. Dwellings to house refugees had to fulfill a range of criteria. For logistical reasons, authorities preferred accommodations that could host larger groups of refugees. When pressure to distribute refugees increased, many were placed in (former) boarding houses, retirement homes, student housing, hotels, or guest houses, both, privately and publicly owned.[15] During the summer month, many refugees were placed in boarding houses, which were mostly not in use until the start of the school year. After students returned in fall, they were relocated to other accommodation nearby. The existence of group accommodation in a community therefore increases the probability that refugees were present in a community, which makes such group accommodations a potential instrumental variable.[16] I use data from the 2011 housing census that provides information on type and ownership of buildings in all Austrian communities. The census reports the category *group accommodations* (buildings for communities) which are buildings used to *house groups for extended periods of time*. This category includes many of the before mentioned types of buildings, for example retirement homes, student housing, residential homes. Note that hotels and guesthouses are not included in this category.

Figure 4 shows the availability of such buildings in Upper Austrian communities. Since I study a rather rural setting, only about 40 percent of communities had a group accommodation registered in the census. Already a visual comparison between Figures 4 and 5 shows a strong correlations between the availability of group accommodations and the hosting of refugees. Communities with group accommodations are 30 percentage points more like to host refugees. This association also holds conditional on a set of community characteristics. Column (1) in Table 3 shows the first stage regression using the existence of any group accommodation as instrument, column (2) uses privately, governmentally, and otherwise publicly owned group accommodations separately as regressors. I further include a vector of covariates as discussed in more detail below. The coefficients of group accommodation are between 0.19 and 0.22, with the exception of government owned group accommodation (0.06). However, this is also a rather uncommon type of ownership. F-statistics for the excluded instrument are above twelve in the first specification, indicating that the instrument has sufficient strength. Splitting the instrument by ownership reduces the strength of the first stage. The first specification will thus be used as the main specification.

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[15]For example, Schärding had recently built a new retirement home and the old and still existing building was used to accommodate refugees.

[16]Qualitative interviews with persons managing the refugee care suggested that the availability of such building likely increased the probability to receive refugees in a community even if the refugees were in the end not hosted there but in other buildings. Communities with such buildings anticipated that they would face pressure to host refugees in these buildings and proactively provided accommodation on "their own terms".

Figure 4: Group accommodation available in community
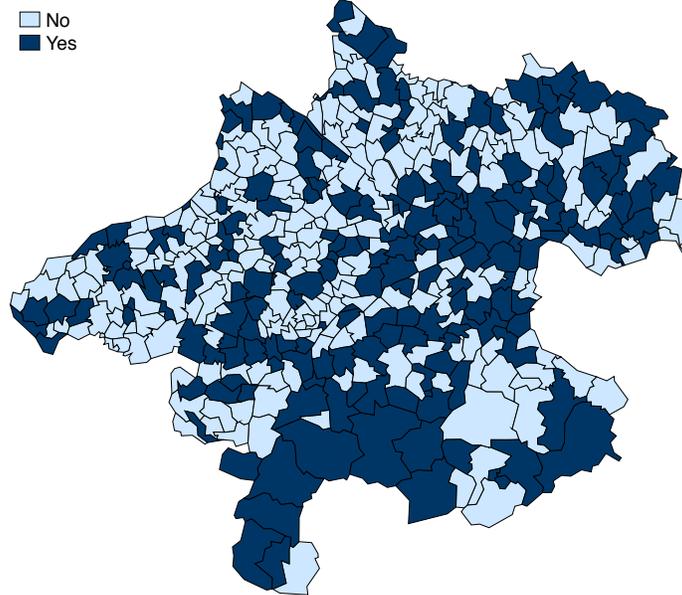
Note: This figure depicts the availability of group accommodations (*Gebäude für Gemeinschaften*) based on data from the 2011 building and dwellings census conducted by Statistik Austria.

Figure 5: Community hosts refugees (September 2015)
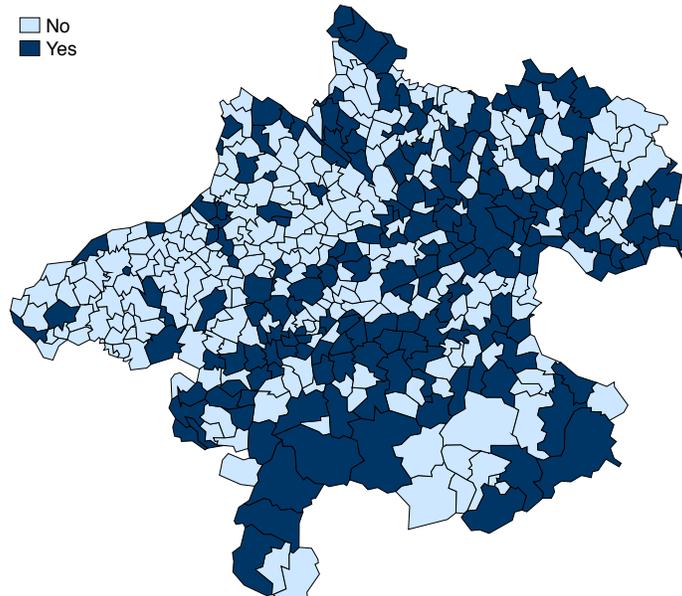
Note: This figure depicts which communities hosted refugees on 21 September 2015. Only individuals who filed for asylum in Austria are included. This excludes individuals traveling through Austria and seeking shelter in Upper Austria and individuals who already have official refugee status.

[Table 3 here]

The exclusion restriction requires that the instrument must not be correlated with the error term in the structural equation. To be precise, the assumption is that the availability of group accommodations is not correlated with changes in vote shares over time, other than by changing the probability of hosting refugees. This is a weaker assumption then assuming no relationship with vote shares in levels. Still, several potential concerns arise. In particular, suitable buildings may be constructed or even demolished[17] as a reaction to the expected inflow of refugees. I argue that this is very unlikely since I use the availability of buildings measured in 2011, before the onset of the refugee influx. The instrument is thus pre-determined. Since construction of these buildings took place before 2011, it is unlikely that their construction was decided in the legislative period after 2009.

Another potential concern is that communities with a group accommodation differ in their characteristics from communities without and thus follow different political trends. For example, differences in economic conditions could lead to differences in bitterness and life satisfaction, which have been shown to influence attitudes towards immigration (Poutvaara and Steinhardt, 2015). Most importantly in terms of observable characteristics, communities with group accommodations are larger than communities without.[18] I address concerns that underlying community characteristics lead to different political trends by conditioning on a set of covariates that capture important community characteristics, which have also been reported to correlate with FPOE votes: 1) populations size and its square, 2) population growth between 2001 and 2011, and between 2011 and 2014, 3) share of women in the population, 4) share of population younger than 30 years, 5) education distribution in the adult population, 6) local unemployment rate, 7) share of foreigners in the population, 8) revenues per capita as a proxy for financial strength of a community,[19] 9) an indicator for communities bordering Germany,[20] and 10) and indicator for communities in the vicinity of the state capital Linz. Since many variables are only available for the year 2011, the year of the census, I use 2011 measurements for all variables except population growth. I argue that conditional on this set of covariates, it is highly unlikely that communities with and without group accommodations follow different political trends.

To further strengthen this argument I conduct a set of falsification tests. First, I use the elections to the Austrian parliament in 2013 and the European parliament in 2014 as outcomes using my main specifications. Any underlying political trends should become apparent also in these elections. However, there should not yet be any effect of

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[17]For example, the Swiss community Oberwil-Lieli reported to have abolished a building that could have potentially been used for hosting refugees (*ARD Morgenmagazin 21 September 2015*).

[18]Table 4 shows the means of the covariates for communities with and without group accommodations.

[19]Revenues contain local revenues and shared revenues from the central government.

[20]Many refugees crossed Austria on their way to Germany and stayed in shelters close to the border. Border communities were therefore also confronted with the refugees going to Germany.

the arriving refugees. Even though there were refugees arriving in Austria before these elections, the dramatic increase in arrivals took place only afterwards. Finding effects for these elections would therefore be concerning. I furthermore show the reduced form effects of the instrument for all elections in the ten years before 2015. Again, we would not expect to see any effects before 2015.

4 Results

This section presents OLS estimates and then instrumental variables estimates for election results. Then I show several robustness and falsification tests. To provide a better understanding of the mechanisms, I show additional results for the effects of refugees in a community on the attitude of the population using data from an exit poll.

4.1 OLS results

The first set of results stems from OLS regressions with the change in vote shares as dependent variable on a dummy for hosting refugees in the community and a set of control variables. Table 5 presents the results for state and Table 6 the results for local elections. For state elections I find a small and weakly significant negative association between the presence of refugees and the change in FPOE vote shares (-0.6 percentage points).[21] On the other hand I find a positive association with OEVP votes of the same magnitude (0.68 percentage points). The results indicate no association with SPOE or Green votes. For local elections there is no significant association between the presence of refugees and the change in vote share for any party.

As argued before, these associations cannot be interpreted causally as they result from a mix of compositional effects (which communities host refugees) and the effect of the presence of refugees in a community. The next section presents results from the IV analysis addressing this selection problem.

[Table 5 here]

[Table 6 here]

4.2 Instrumental variables results

Table 7 presents the IV results for state elections. Hosting refugees in a community reduces the vote share of the FPOE by 4.42 percentage points (significant at the 5% level). This amounts to almost one third of the average gain in FPOE vote share of about 15 percentage

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[21]These results are in line with the analysis conducted by political scientists for media outlets immediately after the election.

points. It is important to stress that the effect of the macro exposure to the refugee crisis might still be positive and even outweigh the effect of micro exposure. Under the assumption of a positive macro effect, the micro effect can be understood to dampen the macro effect.

The party gaining from having refugees in the community is the ruling OEVP with an effect of 6.43 percentage points. Vote shares for the SPOE and the Green party are not significantly affected.

[Table 7 here]

The results for local elections are similar to state elections but the coefficients are less precisely estimated due to the larger idiosyncratic components in local elections (Table 8). The coefficient on FPOE votes is -4.75. However, standard errors are substantially larger and the coefficient is not statistically significant. The coefficient for the change in OEVP votes is positive, however, smaller than for state elections and also not significant. Again, there does not seem to be an effect on SPOE and Green votes.

[Table 8 here]

The last columns in Tables 7 and 8 look at the effect of the presence of refugees on the change in participation rate. The coefficient is -2.17 but not statistically significant.[22]

4.3 Falsification tests

This section presents a set of falsification tests to strengthen the argument that the exclusion restriction is credible. First, I redo the main analysis using the changes in FPOE votes shares in parliamentary elections between 2008 and 2013 and elections for the European parliament between 2009 and 2014 as outcome variables (see Table 9, columns (1) and (2)). As both elections took place before the large inflow of refugees started, we would expect to see no effect of the presence of refugees on these earlier elections. Under the assumption that these two elections follow similar political trends as the state elections, this can be seen as a test for parallel trends up to 2014. Indeed, for both elections I find no significant effects. Second, I include the FPOE vote shares in these two elections as control variables in the main specification with the changes in FPOE vote shares in state and local elections as outcome (columns (3) and (4)). Including these controls hardly changes the magnitude of the effect for state and local elections.

[Table 9 here]

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[22]Since turnout is the same for state and local elections, the results are identical.

Figure 6: Number of asylum applications in Austria and reduced form effects over time
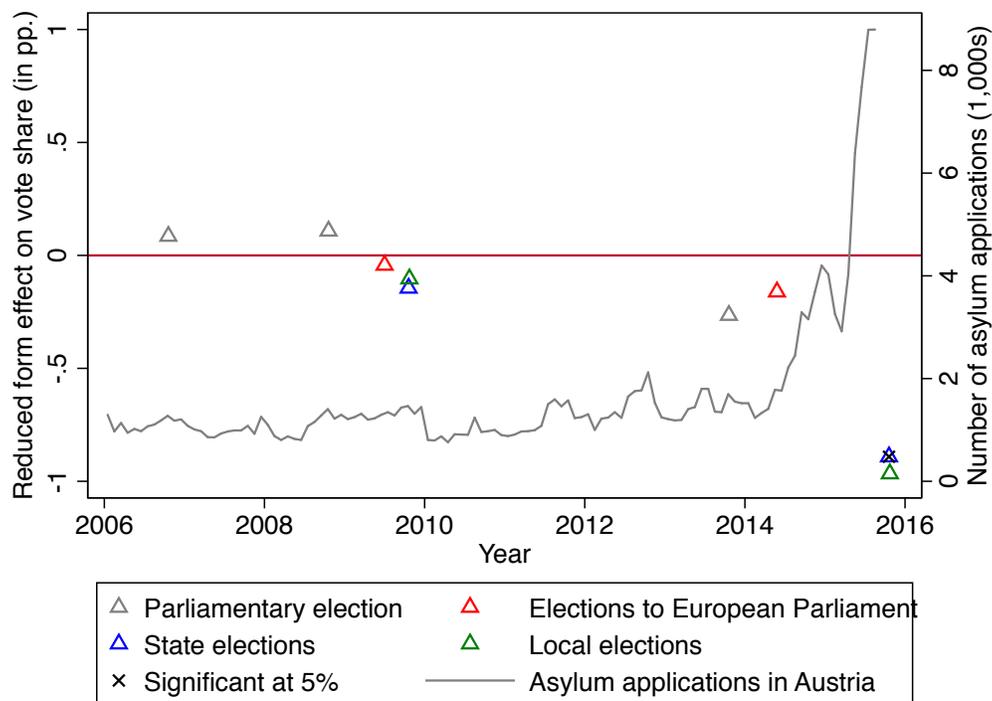
Note: The line shows the monthly number of asylum applications in Austria. The symbols show the estimated reduced form effects of a dummy for 'group accommodations' over time. The regressions use the same covariates as in the main specification but in addition control for FPOE vote share in parliamentary elections 2002 and state elections 2003. The outcome variables are the FPOE vote shares in the respective elections (in %).

Figure 6 presents results from a similar exercise that investigates how the reduced form effect of the instrument evolved over time. I run reduced form regressions with the FPOE vote share in all elections since 2006 as outcomes and a dummy for the availability of group accommodations as the main variable of interest. I control for the same set of control variables as in the main specification and include the FPOE vote share in parliamentary elections 2002 and state elections 2003 to account for initial differences in FPOE support. The figure shows that the reduced form coefficients are close to zero and insignificant for all elections before 2015. Only when the number of refugees increased did the coefficients become strongly negative.

4.4 Robustness tests

I also conduct several tests to assess the sensitivity of the results to the specification chosen. Table 10 presents results from eight alternative specifications, all using the election results

of the FPOE in state elections 2015 as outcome. As in the main specification, columns one to six use changes between 2009 and 2015 as outcomes, whereas columns seven and eight use the 2015 vote share in levels but control for 2009 vote shares.

[Table 10 here]

Column (1) uses a different instrument. Instead of a dummy for all group accommodations, I use three dummies for group accommodations owned by a) private individuals, b) the government, c) other public bodies. The first-stage is presented in Table 3 in column (2). The effect is -3.27 percentage points and significant at the 5% level. In column (2) I exclude five communities where primary care facilities for refugees run by the central government are placed, which leaves the results almost unchanged. The specification in column (3) uses only communities where the FPOE ran in local elections in 2009 and 2015, which excludes 82 communities. The coefficient becomes slightly larger in magnitude. In column (4) I exclude communities with gains in FPOE vote share below the 10th and above the 90th percentile to test the sensitivity with respect to outliers. This again excludes 82 (but different) communities but the resulting coefficient is again similar to the main result. In column (5) I additionally include the share of votes for the Nazis in 1930 elections at the district level[23] and a dummy for communities that were occupied by Soviet forces after WWII, which again hardly changes the results. Column (6) shows results from a population-weighted regression. The coefficient is similar to the original result (-3.86) but marginally insignificant due to larger standard errors. In column (7) I replace the change in FPOE vote share between 2009 and 2015 with the FPOE vote share in 2015 but instead control for the 2009 FPOE vote share. Results are almost identical to the main specification. Finally, in column (8) I address concerns with using shares as dependent variable. Instead of the gain in vote share I use the log of the FPOE vote share in 2015 as dependent and the log of the FPOE vote share in 2009 as control variable. The resulting coefficient can be interpreted as a semi-elasticity. Refugees in the community reduce the FPOE vote share by 14%, which from a base of 31 percent translates into an effect of approximately -4.34 percentage points, which is again similar to the main result.

The primary specification uses a binary variable as treatment that takes a value of one if a community hosts refugees and zero otherwise. In a world with heterogenous treatment effects 2SLS identifies a local average treatment effect (Imbens and Angrist, 1994). This means the effect is only identified for those communities whose treatment status is altered by the instrumental variable - the so called compliers. Given the discussion in Section 3.2, I expect the instrument to primarily have an effect on the extensive margin, i.e., the

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[23]In 1930 the DNSAP, the Austrian equivalent to the German NSDAP, ran in Austrian elections. Halla, Wagner, and Zweimüller (2015) argue that support for the Nazis proxies long-term xenophobic attitudes in the population. I thank Martin Halla for sharing this data with me and Josef Zweimüller for suggesting this robustness check.

probability that a community hosts refugees at all, which speaks for this specification. However, I can not rule out that the instrument also has an effect on the intensive margin, i.e., how many refugees a community hosts. An implicit assumption the main specification therefore makes is that there is no effect heterogeneity with respect to the share of refugees in a community. Since most communities have very low shares of refugees this appears to be a reasonable assumption. Still it is worth to discuss what a violation of this assumption would imply. Jones (2015) derives the bias when such infra-marginal effects exist:

$$\beta_{IV} = \beta_{LATE} + \frac{\pi_A}{\pi_C}\eta_A \tag{2}$$

The IV bias depends on the share of always-takers (π_A), the share of compliers (π_C), and η_A, the reduced form effect of the instrument on the outcomes of the always-takers. The first two quantities can be estimated from the first stage of the 2SLS estimator. In the main specification they are $\pi_A = 0.31$ and $\pi_C = 0.19$. We can not directly get an estimate for η_A but do some back of the envelope calculations. We can take the estimate of Halla, Wagner, and Zweimüller (2015), who find that a one percentage point increase in the share immigrants in a community increases the vote share of the FPÖ by 0.16 percentage points. If we assume that the instrument shifts the refugee share in always-taker communities from just above zero to the mean of 1.4%, $\eta_A = 1.4 * 0.16 = 0.22$. The overall bias would be $\frac{\pi_A}{\pi_C}\eta_A = 0.36$ and thus one magnitude smaller than the estimate. Therefore, bias due to infra-marginal communities does not seem to be a major concern.

4.5   Non-linear effects along the intensive margin

In this section I provide some further analysis of the effect heterogeneity along the intensive margin. The local population might decrease their support for the FPOE in case of low shares of refugees, but might increase the support if the share of refugees increases. The effects could therefore be non-linear. Of the communities that host refugees, most (72%) are below the target value of 1.5% of the population, in another 18% the share is above the target value but below 3% and in the remaining 10% the share is above 3%, with the maximum being 14.3%.

[Table 11 here]

I present descriptive evidence whether the change in FPOE votes differs along the intensive margin and run a regression with the change in FPOE as dependent variable on indicators for low ($<=1.5\%$), medium (1.5-3%, and high ($>3\%$) shares of refugees in the population. In addition I include a set of controls as before. I find that the lower share of FPOE votes in state elections in communities with refugees (compare Table 5) is driven mostly by communities with refugee shares below the target value (Table 11). In these communities the share of FPOE votes is 0.81 percentage points lower than in communities

without refugees. In communities with medium and high shares of refugees, the share of FPOE votes is only marginally lower than in communities without refugees. The association for local council elections is mixed with no clear trend, however the estimates are again very imprecise. While it is important to stress that these are no causal relationships, they provide some evidence on potentially heterogeneous effects with respect to the share of refugees. However, I find no indication of a positive relationship with FPOE votes.

4.6 Effects on public attitudes

To further explore the mechanisms behind the effect I use data from an exit poll conducted for the Austrian Broadcasting Corporation (ORF).[24] For the exit poll, 1,234 eligible voters in Upper Austria were surveyed using telephone interviews in the days before the election (24-27 September). The exit poll included questions on how respondents perceive the development of the state, the work of the different parties, and most important for this research, the inflow of refugees. Primarily I use the following two questions:[25]

- *Which feeling do you have about the ability of politics to successfully handle the inflow of war refugees? (optimism, worry, anger)*

- *Which feeling do you have about the ability of politics to successfully handle the integration of refugees and immigrants? (optimism, worry, anger)*

Table A.2 shows how voters of different parties answered these questions. For both questions, FPOE voters stand out as only 6% and 5% respectively state to be optimistic, compared to 27% and 29% on average. For both questions, about 36% of FPOE voters stated to be angry, relative to 14% on average. Comparing the answers to these questions for respondents in communities with and without refugees shows that voters in communities with refugees tend to be slightly more optimistic (Table A.3).

For the causal analysis I create three binary indicators for the outcomes of each question and estimate the same IV specification as before with the presence of refugees in the community as the main variable of interest. In addition to the community level characteristics, I add a set of individual characteristics as controls. As before, I focus on observations from communities with fewer than 6,662 inhabitants. This leaves me with a sample of 787 individuals living in 276 different communities. The first stage yields a Kleibergen-Papp rk Wald F, which takes into account the clustering at the community level, of only 7.54. The results should therefore be interpreted more carefully.

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[24]The data was collected by the SORA and ISA institutes.

[25]The original question texts in German are: 1) *Welches Gefühl haben Sie in Bezug darauf, dass die Politik den Herausforderungen bei der Aufnahme von Kriegsflüchtlingen gewachsen ist?* 2) *Welches Gefühl haben Sie in Bezug darauf, dass die Politik den Herausforderungen bei der Integration von Flüchtlingen und Zuwanderern gewachsen ist?* The answer choices in German are a) *Zuversicht* b) *Sorge*, and c) *Ärger*.

22

Table 12 shows that having refugees in the community makes voters more optimistic about politics' ability to handle the inflow and the integration of refugees. The coefficients are large but estimated rather imprecisely. In particular, having refugees in the community increases the probability that voters state to be optimistic that politics can handle the integration of the refugees by 42 percentage points. This increased optimism is compatible with the other finding that voters reduce the support for the anti-immigration party.

4.7 Anecdotal evidence from qualitative interviews

For a better understanding of the mechanisms at work, I conducted several non-structured interviews with professionals managing the care of refugees in Upper Austria. These professionals were very well informed since they supported communities with the preparations before the refugees arrived, attended townhall meetings, provided guidance to refugees, and helped organizing support for refugees by volunteers. They reported that before the refugees arrived a significant share of the population expressed anxiety about the consequences. People expressed these worries at townhall meetings or through social media. However, the professionals also reported that in almost all cases the level of anxiety was significantly reduced after the refugees had been there for some time since most of the feared consequences did not materialize in the interaction with the refugees. The interviewees stressed the importance of volunteers who acted as role models for the interaction with refugees and organized the contact between the refugees and the local population.

In sum, the qualitative interviews strongly support the idea that the contact with the refugees reduced anxiety, which in turn likely has reduced the support for the FPOE and increased the optimism regarding the integration of the refugees.

5 Discussion and conclusion

Far-right parties gained considerable support in many European countries in the wake of the European Refugee Crisis. These parties appeal to fears and anti-immigrant sentiments in the native population. Despite the strong overall correlation over time, it is unclear how direct contact with refugees affects voting decisions. Overall, anxiety in the population about large numbers of arriving refugees with a different cultural background may increase the support for far-right populist parties. Political rhetoric appealing to the fears in the population and negative media reports may be main drivers of increased anxiety. However, direct encounters with refugees allow voters to update their information set about these people. Anecdotally, direct encounters are mostly positive and are thus likely to convey

more positive information than the macro exposure and reduce anxiety (Allport, 1954). This in turn may lower the support for far-right parties.

This paper investigates how the presence of refugees in the neighborhood affects voting for the *Freedom Party of Austria* (FPOE), a far-right anti-immigration party, in state and local elections. To overcome the endogeneity in the distribution of refugees, I use an instrumental variables strategy with the availability of pre-existing group accommodations as instrument. To cope with the sudden inflow of large numbers of refugees, these buildings were used for refugee accommodation and thus strongly increase the probability of refugee presence in the community. In an environment where the FPOE overall strongly increased its vote share, I find that the presence and likely contact with refugees dampens the macro trend. Refugees in a community reduce the support for the FPOE by about 4.4 percentage points in state elections. Relatedly, using exit poll data I find positive effects on the optimism in the population that the integration of refugees can be managed. These findings are in line with Allport's contact hypothesis.

The results are contrary to the existing empirical literature on the effects of immigration on the support for far-right parties. These literature tends to find positive effects of geographic proximity of immigrants on the support for far-right parties. In particular, Halla, Wagner, and Zweimüller (2015) document for Austria a positive effect of a higher share of low-skilled immigrants in a community on the support for the FPOE. However, the context studied in this paper differs from the contexts in other studies in three important ways, which might explain the different result. First, I investigate a much shorter time horizon than other studies. It may well be that the contact with refugees reduces initial reservations towards refugees as suggested by the contact hypothesis. In the medium- and long-run other aspects such as fear of increased competition for scarce resources may then lead to a tougher anti-immigration stance of the population. Second, the type of immigrants differs. I investigate the effect of the presence of refugees. Most other studies look at migrants in general or different types of migrants. Other types of immigrants might be more likely to be perceived as competitors for scarce resources. Third, I focus on the extensive margin, i.e., whether refugees are present at all - while most of the existing literature focuses on the intensive margin, i.e., the share of immigrants in the population. In my setting the share of refugees relative to the population is relatively low and the effect can therefore not be extrapolated to settings where the share of refugees relative to the local population is large. Future research should therefore focus on the question under which circumstances immigration triggers positive or negative reactions in the population.

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Table 1: Descriptive statistics for communities with and without refugees

	Community hosts refugees		
	0	1	Total
Population	1694.42	2783.95	2120.87
	(1088.97)	(1539.98)	(1388.82)
Population growth in % (2001-11)	2.27	1.81	2.09
	(6.37)	(5.66)	(6.10)
Population growth in % (2011-14)	0.93	1.53	1.16
	(2.76)	(2.62)	(2.72)
Share of women in the population	49.67	50.23	49.89
	(1.32)	(1.23)	(1.31)
Share of population below 30 years	35.42	34.89	35.21
	(2.61)	(2.54)	(2.59)
Share pop. compulsory education	32.70	31.66	32.29
	(5.42)	(4.97)	(5.27)
Share pop. vocational education	50.86	50.24	50.62
	(3.07)	(3.07)	(3.08)
Share pop. secondary education	11.98	12.86	12.33
	(2.80)	(2.84)	(2.85)
Share pop. higher education	4.46	5.23	4.76
	(2.20)	(2.48)	(2.34)
Unemployment rate	2.55	3.00	2.73
	(0.99)	(1.19)	(1.09)
Population share of foreigners	7.01	8.94	7.76
	(5.12)	(5.13)	(5.20)
Financial strength of community	940.18	1004.53	965.37
	(153.68)	(198.49)	(175.22)
Refugee share (% of population)	0.00	1.40	0.55
	(0.00)	(1.83)	(1.33)
Direct border with Germany	0.07	0.07	0.07
	(0.26)	(0.26)	(0.26)
Linear distance to Linz <25km	0.14	0.23	0.18
	(0.35)	(0.42)	(0.38)
Group accommodation	0.27	0.60	0.40
	(0.45)	(0.49)	(0.49)
Group accommodation (privately owned)	0.12	0.35	0.21
	(0.32)	(0.48)	(0.41)
Group accomomdation (owned by government)	0.07	0.21	0.12
	(0.25)	(0.41)	(0.33)
Group accommodation (owned by public body)	0.07	0.27	0.15
	(0.26)	(0.44)	(0.36)

Note: The table presents means and standard deviations (in parentheses) for the main variables separately for communities with and without refugees as of 21 September 2015. All statistics are based on the 419 communities smaller than 6,662 inhabitants. Unless otherwise indicated, all values are measured in the census year 2011.

Table 2: Descriptive statistics of political outcomes for communities with and without refugees

	Community hosts refugees		
	0	1	Total
LT share of FPOE-votes (2009)	15.81	14.63	15.35
	(5.09)	(4.05)	(4.74)
LT share of FPOE-votes (2015)	32.12	30.08	31.32
	(6.87)	(5.81)	(6.54)
LT change in FPOE-voteshare	16.30	15.44	15.97
	(3.75)	(3.35)	(3.62)
FPOE runs in local elections (2009)	0.82	0.85	0.83
	(0.39)	(0.36)	(0.38)
FPOE runs in local elections (2015)	0.85	0.88	0.86
	(0.36)	(0.32)	(0.35)
GR share of FPOE-votes (2009)	13.94	12.70	13.45
	(9.72)	(8.59)	(9.30)
GR share of FPOE-votes (2015)	20.55	19.73	20.23
	(11.84)	(10.32)	(11.26)
GR change in FPOE-voteshare	6.61	7.03	6.78
	(6.26)	(6.03)	(6.17)
NR share of FPOE-votes (2013)	22.91	21.61	22.40
	(5.24)	(4.77)	(5.09)
EU share of FPOE-votes (2014)	21.67	20.65	21.27
	(6.11)	(5.10)	(5.75)
LT share of OEVP-votes (2009)	54.35	51.30	53.15
	(8.28)	(8.25)	(8.39)
LT share of OEVP-votes (2015)	41.49	40.17	40.98
	(7.28)	(7.03)	(7.21)
LT change in OEVP-voteshare	-12.85	-11.12	-12.18
	(4.77)	(3.85)	(4.51)
LT share of SPOE-votes (2009)	18.85	22.03	20.10
	(7.65)	(7.85)	(7.88)
LT share of SPOE-votes (2015)	14.01	16.19	14.86
	(5.71)	(6.19)	(5.99)
LT change in SPOE-voteshare	-4.84	-5.84	-5.23
	(3.13)	(2.70)	(3.01)
LT share of Green party-votes (2009)	7.24	8.34	7.67
	(2.68)	(2.94)	(2.83)
LT share of Green party-votes (2015)	8.40	9.34	8.77
	(3.01)	(3.09)	(3.07)
LT change in Green party-voteshare	1.16	1.00	1.10
	(1.41)	(1.18)	(1.33)

Note: The table presents means and standard deviations (in parentheses) for the main political outcomes separately for communities with and without refugees as of 21 September 2015. All statistics are based on the 419 communities smaller than 6,662 inhabitants. LT refers to state elections (Landtag), GR to local elections (Gemeinderat), NR to elections for the Austrian parliament, and EU to elections to the European parliament.

Table 3: First stage: Determinants of hosting refugees

	(1)		(2)	
Group accommodation	0.19***	(0.05)		
Group accommodation (privately owned)			0.22***	(0.06)
Group accomomdation (owned by government)			0.06	(0.07)
Group accommodation (owned by public body)			0.20***	(0.07)
Population	0.17***	(0.06)	0.20***	(0.06)
Population squared	-0.01	(0.01)	-0.02**	(0.01)
Population growth in % (2001-11)	-0.01***	(0.00)	-0.02***	(0.00)
Population growth in % (2011-14)	0.02***	(0.01)	0.03***	(0.01)
Share of women in the population	0.01	(0.02)	-0.00	(0.02)
Share of population below 30 years	0.02*	(0.01)	0.02*	(0.01)
Share pop. vocational education	-0.00	(0.01)	-0.00	(0.01)
Share pop. secondary education	0.02	(0.01)	0.01	(0.01)
Share pop. higher education	-0.00	(0.02)	0.00	(0.02)
Unemployment rate	0.04	(0.02)	0.03	(0.02)
Population share of foreigners	0.00	(0.01)	-0.00	(0.01)
Financial strength of community	0.00	(0.00)	0.00	(0.00)
Direct border with Germany	0.02	(0.10)	0.04	(0.10)
Linear distance to Linz <25km	0.05	(0.07)	0.04	(0.07)
Constant	-1.10	(1.19)	-0.68	(1.16)
Cragg-Donald Wald F	14.40		8.21	
Kleibergen-Papp rk Wald F	12.56		7.51	
R2	0.22		0.24	
Observations	419		419	

Note: The table reports first stage regressions for 419 Upper Austrian communities smaller than 6,662 inhabitants. The dependent variable is a dummy whether a community hosted refugees on 21 September 2015. Column (1) presents the main specification. The excluded instrument is a dummy for the availability of buildings suitable for group accomodation in the community. Column (2) presents an alternative specification with buildings separated by owner type. Results using this specification are presented in column (2) in Table 10. The set of controls includes community-level variables capturing population size (and its square), the population change between a) 2001 and 2011 and b) 2011 and 2014, the share of women, the share of population below 30 years, the share of population with different educational levels, the unemployment rate, the share of foreigners in the population, the financial strength of the community proxied by own and shared revenues per capita, an indicator for being a border community (at the German border), and an indicator for being close to Linz. Unless otherwise stated, all variables are measured in the census year 2011. Values in () are robust standard errors. *** denotes statistical significance at the 1 percent level, ** at the 5 percent level, and * at the 10 percent level.

Table 4: Descriptive statistics for communities with and without group accommodation

	Group accomodation available		
	0	1	Total
Population	1599.93	2899.18	2120.87
	(936.92)	(1580.02)	(1388.82)
Population growth in % (2001-11)	2.07	2.12	2.09
	(6.08)	(6.16)	(6.10)
Population growth in % (2011-14)	1.27	1.00	1.16
	(2.85)	(2.51)	(2.72)
Share of women in the population	49.58	50.35	49.89
	(1.11)	(1.46)	(1.31)
Share of population below 30 years	35.63	34.58	35.21
	(2.48)	(2.63)	(2.59)
Share pop. compulsory education	32.36	32.19	32.29
	(5.11)	(5.51)	(5.27)
Share pop. vocational education	51.06	49.97	50.62
	(3.00)	(3.10)	(3.08)
Share pop. secondary education	12.11	12.65	12.33
	(2.67)	(3.07)	(2.85)
Share pop. higher education	4.47	5.20	4.76
	(2.11)	(2.61)	(2.34)
Unemployment rate	2.50	3.07	2.73
	(0.94)	(1.21)	(1.09)
Population share of foreigners	6.56	9.56	7.76
	(4.62)	(5.51)	(5.20)
Financial strength of community	929.10	1019.55	965.37
	(144.45)	(201.70)	(175.22)
Direct border with Germany	0.07	0.08	0.07
	(0.25)	(0.28)	(0.26)
Linear distance to Linz <25km	0.15	0.21	0.18
	(0.36)	(0.41)	(0.38)

Note: The table presents means and standard deviations (in parentheses) for the main variables separately for communities with and without group accommodations. All statistics are based on the 419 communities smaller than 6,662 inhabitants. Unless otherwise indicated, all values are measured in the census year 2011.

Table 5: OLS: Effect of refugees on the change in state council vote shares

	FPOE	OEVP	SPOE	Green	Participation
	(1)	(2)	(3)	(4)	(5)
Refugees in community	-0.60*	0.68*	-0.12	-0.13	-0.33
	(0.33)	(0.40)	(0.28)	(0.14)	(0.24)
Population	0.88**	0.54	-1.19***	-0.14	0.83***
	(0.38)	(0.52)	(0.36)	(0.18)	(0.27)
Population squared	-0.09	-0.05	0.12**	0.01	-0.09**
	(0.06)	(0.08)	(0.05)	(0.03)	(0.04)
Population growth in % (2001-11)	0.12***	-0.13***	0.01	0.00	0.04
	(0.03)	(0.04)	(0.03)	(0.02)	(0.03)
Population growth in % (2011-14)	0.12*	-0.16*	-0.04	0.02	-0.11**
	(0.07)	(0.09)	(0.06)	(0.03)	(0.04)
Share of women in the population	-0.07	-0.18	0.25**	0.06	0.01
	(0.13)	(0.16)	(0.12)	(0.06)	(0.09)
Share of population below 30 years	-0.27***	0.03	0.20***	0.02	-0.02
	(0.08)	(0.10)	(0.07)	(0.03)	(0.06)
Share pop. vocational education	-0.13***	0.37***	-0.21***	0.01	0.03
	(0.05)	(0.07)	(0.05)	(0.02)	(0.04)
Share pop. secondary education	-0.57***	0.35**	0.09	-0.01	0.05
	(0.12)	(0.15)	(0.09)	(0.05)	(0.07)
Share pop. higher education	-0.31**	0.13	-0.01	0.09	-0.04
	(0.12)	(0.15)	(0.10)	(0.06)	(0.08)
Unemployment rate	-0.19	0.94***	-0.51***	-0.14*	-0.18
	(0.17)	(0.22)	(0.16)	(0.07)	(0.13)
Population share of foreigners	0.00	0.07	-0.08**	-0.00	0.01
	(0.04)	(0.05)	(0.04)	(0.02)	(0.03)
Financial strength of community	0.00	-0.00	0.00	0.00	0.00
	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)
Direct border with Germany	1.62**	-2.23**	0.65	0.30	-0.03
	(0.73)	(0.98)	(0.66)	(0.38)	(0.52)
Linear distance to Linz <25km	-1.15***	2.65***	-1.66***	0.05	-0.54
	(0.43)	(0.56)	(0.38)	(0.22)	(0.36)
Constant	43.02***	-30.69***	-11.75	-2.90	-2.52
	(8.56)	(10.68)	(7.18)	(3.75)	(6.01)
R2	0.32	0.27	0.30	0.05	0.07
Observations	419	419	419	419	419

Note: The table reports OLS estimates for 419 Upper Austrian communities smaller than 6,662 inhabitants. The dependent variables are the changes in vote shares of different parties between the 2009 and the 2015 state election (in percentage points). The main variable of interest is a dummy whether a community hosted refugees on 21 September 2015. The set of controls includes community-level variables capturing population size (and its square), the population change between a) 2001 and 2011 and b) 2011 and 2014, the share of women, the share of population below 30 years, the share of population with different educational levels, the unemployment rate, the share of foreigners in the population, the financial strength of the community proxied by own and shared revenues per capita, an indicator for being a border community (at the German border), and an indicator for being close to Linz. Unless otherwise stated, all variables are measured in the census year 2011. Values in () are robust standard errors. *** denotes statistical significance at the 1 percent level, ** at the 5 percent level, and * at the 10 percent level.

Table 6: OLS: Effect of refugees on the change in local council vote shares

	FPOE	OEVP	SPOE	Green	Participation
	(1)	(2)	(3)	(4)	(5)
Refugees in community	-0.11	0.42	-0.05	0.48	-0.23
	(0.72)	(0.85)	(0.76)	(0.49)	(0.26)
Population	1.90**	-1.60	-1.67**	1.95***	0.83***
	(0.82)	(0.99)	(0.76)	(0.60)	(0.30)
Population squared	-0.22**	0.25	0.26**	-0.30***	-0.09*
	(0.11)	(0.16)	(0.12)	(0.09)	(0.05)
Population growth in % (2001-11)	0.15***	-0.12	0.04	-0.01	0.03
	(0.06)	(0.08)	(0.06)	(0.04)	(0.03)
Population growth in % (2011-14)	0.14	-0.28*	-0.06	0.14	-0.20***
	(0.11)	(0.15)	(0.12)	(0.09)	(0.05)
Share of women in the population	0.13	-0.47	0.10	-0.02	-0.09
	(0.25)	(0.33)	(0.21)	(0.15)	(0.10)
Share of population below 30 years	-0.37**	0.28	0.19	-0.06	-0.04
	(0.16)	(0.19)	(0.16)	(0.09)	(0.06)
Share pop. vocational education	-0.18*	0.48***	-0.18*	-0.05	0.01
	(0.11)	(0.12)	(0.11)	(0.06)	(0.05)
Share pop. secondary education	-0.10	0.47*	-0.09	-0.04	0.05
	(0.22)	(0.27)	(0.19)	(0.18)	(0.08)
Share pop. higher education	-0.44*	0.18	-0.26	0.22	-0.02
	(0.24)	(0.31)	(0.27)	(0.20)	(0.08)
Unemployment rate	-0.41	1.10**	-0.49	0.06	-0.35**
	(0.35)	(0.43)	(0.34)	(0.21)	(0.14)
Population share of foreigners	0.06	0.00	-0.12	-0.04	-0.08*
	(0.08)	(0.12)	(0.08)	(0.05)	(0.04)
Financial strength of community	0.00	-0.00	-0.00	-0.00	0.00
	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)
Direct border with Germany	-0.86	0.86	-0.31	0.39	0.46
	(1.45)	(2.26)	(1.32)	(1.19)	(0.55)
Linear distance to Linz <25km	-1.61	1.30	-1.20	0.60	-0.51
	(1.16)	(1.28)	(0.98)	(0.75)	(0.39)
Constant	23.04	-21.51	-0.24	3.89	4.26
	(16.76)	(20.37)	(14.83)	(8.68)	(6.45)
R2	0.07	0.08	0.10	0.08	0.13
Observations	419	419	419	419	419

Note: The table reports OLS estimates for 419 Upper Austrian communities smaller than 6,662 inhabitants. The dependent variables are the changes in vote shares of different parties between the 2009 and the 2015 local election (in percentage points). The main variable of interest is a dummy whether a community hosted refugees on 21 September 2015. The set of controls includes community-level variables capturing population size (and its square), the population change between a) 2001 and 2011 and b) 2011 and 2014, the share of women, the share of population below 30 years, the share of population with different educational levels, the unemployment rate, the share of foreigners in the population, the financial strength of the community proxied by own and shared revenues per capita, an indicator for being a border community (at the German border), and an indicator for being close to Linz. Unless otherwise stated, all variables are measured in the census year 2011. Values in () are robust standard errors. *** denotes statistical significance at the 1 percent level, ** at the 5 percent level, and * at the 10 percent level.

Table 7: IV second stage: Effect of refugees on the change in state council vote share

	FPOE	OEVP	SPOE	Green	Participation
	(1)	(2)	(3)	(4)	(5)
Refugees in community	-4.42**	6.43**	-0.66	-0.57	-2.17
	(2.11)	(2.69)	(1.59)	(0.81)	(1.43)
Population	1.65***	-0.62	-1.08**	-0.05	1.20***
	(0.61)	(0.85)	(0.49)	(0.25)	(0.43)
Population squared	-0.14*	0.04	0.11*	0.01	-0.11**
	(0.08)	(0.11)	(0.06)	(0.03)	(0.05)
Population growth in % (2001-11)	0.06	-0.06	0.00	-0.00	0.01
	(0.05)	(0.07)	(0.04)	(0.02)	(0.03)
Population growth in % (2011-14)	0.20**	-0.29**	-0.03	0.03	-0.07
	(0.09)	(0.12)	(0.07)	(0.03)	(0.05)
Share of women in the population	-0.03	-0.25	0.25**	0.07	0.03
	(0.14)	(0.19)	(0.12)	(0.06)	(0.10)
Share of population below 30 years	-0.21**	-0.07	0.21***	0.02	0.01
	(0.10)	(0.12)	(0.07)	(0.03)	(0.06)
Share pop. vocational education	-0.16**	0.41***	-0.21***	0.01	0.01
	(0.06)	(0.09)	(0.05)	(0.02)	(0.05)
Share pop. secondary education	-0.51***	0.27	0.09	-0.01	0.07
	(0.13)	(0.17)	(0.09)	(0.05)	(0.08)
Share pop. higher education	-0.32**	0.14	-0.01	0.09	-0.05
	(0.13)	(0.18)	(0.10)	(0.06)	(0.09)
Unemployment rate	-0.03	0.70**	-0.49***	-0.12	-0.10
	(0.22)	(0.27)	(0.17)	(0.08)	(0.14)
Population share of foreigners	0.01	0.06	-0.08**	-0.00	0.02
	(0.05)	(0.06)	(0.04)	(0.02)	(0.04)
Financial strength of community	0.00	-0.00	0.00	0.00	0.00
	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)
Direct border with Germany	1.69**	-2.34**	0.66	0.31	0.00
	(0.84)	(1.19)	(0.66)	(0.38)	(0.51)
Linear distance to Linz <25km	-0.94*	2.33***	-1.63***	0.08	-0.43
	(0.54)	(0.73)	(0.38)	(0.22)	(0.40)
Constant	38.79***	-24.30*	-12.35*	-3.39	-4.56
	(9.53)	(12.57)	(7.38)	(3.80)	(6.69)
Observations	419	419	419	419	419

Note: The table reports second stage regressions estimates for 419 Upper Austrian communities smaller than 6,662 inhabitants. The dependent variables are the changes in vote shares of different parties between the 2009 and the 2015 state election (in percentage points). The endogenous variable is a dummy whether a community hosted refugees on 21 September 2015. This variable is instrumented using the first stage specification in Table 3, column (1). The set of controls includes community-level variables capturing population size (and its square), the population change between a) 2001 and 2011 and b) 2011 and 2014, the share of women, the share of population below 30 years, the share of population with different educational levels, the unemployment rate, the share of foreigners in the population, the financial strength of the community proxied by own and shared revenues per capita, an indicator for being a border community (at the German border), and an indicator for being close to Linz. Unless otherwise stated, all variables are measured in the census year 2011. Values in () are robust standard errors. *** denotes statistical significance at the 1 percent level, ** at the 5 percent level, and * at the 10 percent level.

Table 8: IV second stage: Effect of refugees on the change in local council vote share

	FPOE	OEVP	SPOE	Green	Participation
	(1)	(2)	(3)	(4)	(5)
Refugees in community	-4.75	2.44	-0.16	-0.65	-2.17
	(3.61)	(4.38)	(3.85)	(2.53)	(1.43)
Population	2.83***	-2.01	-1.65	2.18***	1.20***
	(1.07)	(1.29)	(1.03)	(0.76)	(0.43)
Population squared	-0.29**	0.28*	0.26**	-0.32***	-0.11**
	(0.13)	(0.17)	(0.13)	(0.10)	(0.05)
Population growth in % (2001-11)	0.09	-0.09	0.04	-0.03	0.01
	(0.08)	(0.10)	(0.08)	(0.06)	(0.03)
Population growth in % (2011-14)	0.24*	-0.33*	-0.06	0.16*	-0.07
	(0.14)	(0.17)	(0.14)	(0.09)	(0.05)
Share of women in the population	0.18	-0.49	0.11	-0.01	0.03
	(0.27)	(0.33)	(0.21)	(0.16)	(0.10)
Share of population below 30 years	-0.29	0.24	0.19	-0.04	0.01
	(0.19)	(0.20)	(0.16)	(0.10)	(0.06)
Share pop. vocational education	-0.21*	0.49***	-0.18*	-0.05	0.01
	(0.12)	(0.12)	(0.11)	(0.06)	(0.05)
Share pop. secondary education	-0.03	0.45	-0.09	-0.03	0.07
	(0.25)	(0.28)	(0.20)	(0.18)	(0.08)
Share pop. higher education	-0.45*	0.19	-0.26	0.22	-0.05
	(0.27)	(0.31)	(0.27)	(0.20)	(0.09)
Unemployment rate	-0.21	1.01**	-0.49	0.11	-0.10
	(0.41)	(0.46)	(0.37)	(0.23)	(0.14)
Population share of foreigners	0.07	-0.00	-0.12	-0.04	0.02
	(0.09)	(0.11)	(0.08)	(0.05)	(0.04)
Financial strength of community	0.00	-0.00	-0.00	-0.00	0.00
	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)
Direct border with Germany	-0.78	0.82	-0.30	0.41	0.00
	(1.55)	(2.25)	(1.29)	(1.16)	(0.51)
Linear distance to Linz <25km	-1.35	1.19	-1.19	0.66	-0.43
	(1.22)	(1.30)	(0.97)	(0.74)	(0.40)
Constant	17.89	-19.27	-0.36	2.64	-4.56
	(18.64)	(21.07)	(15.06)	(9.54)	(6.69)
Observations	419	419	419	419	419

Note: The table reports second stage regressions estimates for 419 Upper Austrian communities smaller than 6,662 inhabitants. The dependent variables are the changes in vote shares of different parties between the 2009 and the 2015 local election (in percentage points). The endogeneous variable is a dummy whether a community hosted refugees on 21 September 2015. This variable is instrumented using the first stage specification in Table 3, column (1). The set of controls includes community-level variables capturing population size (and its square), the population change between a) 2001 and 2011 and b) 2011 and 2014, the share of women, the share of population below 30 years, the share of population with different educational levels, the unemployment rate, the share of foreigners in the population, the financial strength of the community proxied by own and shared revenues per capita, an indicator for being a border community (at the German border), and an indicator for being close to Linz. Unless otherwise stated, all variables are measured in the census year 2011. Values in () are robust standard errors. *** denotes statistical significance at the 1 percent level, ** at the 5 percent level, and * at the 10 percent level.

Table 9: Falsification test: FPOE vote shares in prior elections

	Placebo		Control 2013/14	
	(1) NR 2013	(2) EU 2014	(3) LT 2015	(4) GR 2015
Refugees in community	-1.81	-0.98	-3.77*	-3.83
	(1.51)	(1.68)	(2.13)	(3.88)
NR share of FPOE-votes (2013)			-0.09	0.06
			(0.11)	(0.17)
EU share of FPOE-votes (2014)			0.22***	0.12
			(0.08)	(0.12)
Populations size and change	Yes	Yes	Yes	Yes
Socio-demographic characteristics	Yes	Yes	Yes	Yes
Economic situation	Yes	Yes	Yes	Yes
Geographic characteristics	Yes	Yes	Yes	Yes
Observations	419	419	419	419

Note: The table displays falsification tests and reports second stage IV estimates for 419 Upper Austrian communities smaller than 6,662 inhabitants. The dependent variable in column (1) is the change in vote share of the FPOE between parliamentary elections 2008 and 2013, in column (2) the change in vote share of the FPOE in elections to the European parliament between 2009 and 2014 (all in percentage points). Column (3) and (4) display changes in vote shares in the state and local elections between 2009 and 2015 but use the outcomes of the parliamentary elections and the elections to the European Parliament as additional control variables. The endogeneous variable is a dummy whether a community hosted asylum seekers on 21 September 2015. This variable is instrumented using the first stage specification in Table 3, column (1). The set of controls includes community-level variables capturing population size (and its square), the population change between a) 2001 and 2011 and b) 2011 and 2014, the share of women, the share of population below 30 years, the share of population with different educational levels, the unemployment rate, the share of foreigners in the population, the financial strength of the community proxied by own and shared revenues per capita, an indicator for being a border community (at the German border), and an indicator for being close to Linz. Unless otherwise stated, all variables are measured in the census year 2011. Values in () are robust standard errors. *** denotes statistical significance at the 1 percent level, ** at the 5 percent level, and * at the 10 percent level.

Table 10: Tests for the sensitivity of the estimates to different specifications

| | | | Outcome in changes | | | | ...levels | |
	(1) Alt. IV	(2) No prim.	(3) Only contested	(4) No outlier	(5) Hist. contr.	(6) Weighted	(7) Levels	(8) Logged
Refugees in community	-3.27**	-4.69**	-5.12**	-3.41*	-4.48*	-3.86	-4.55**	-0.14**
	(1.34)	(2.25)	(2.22)	(1.77)	(2.32)	(2.35)	(2.26)	(0.07)
Populations size and change	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Socio-demographic characteristics	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Economic situation	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Geographic characteristics	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
FPOE vote share 2009	No	No	No	No	No	No	No	No
Historic controls	No	No	No	No	Yes	No	No	No
Observations	419	414	337	337	419	419	419	419

Note: The table displays sensitivity checks and reports second stage IV estimates for 419 Upper Austrian communities smaller than 6,662 inhabitants. Column (1) uses the alternative first stage regression in Table 3, column (1). Column (2) excludes communities with primary distribution centers. Column (3) includes only communities where the FPOE ran in local elections in 2009 and 2015. Column (4) excludes all outliers, i.e., communities with FPOE gains below the 10th and above the 90th percentile. Column (5) controls for the DNSAP vote share in 1930 elections and includes a dummy for communities in the Soviet occupation zone after WW-II. Column (6) uses the same specification as in Table 7, column (1) but weighs the observations by population size. The outcome in columns 1-6 is the change in FPOE vote share between 2009 and 2015 (in percentage points). Column (7) uses FPOE vote share in state elections 2015 as outcome and controls for FPOE vote share in state elections 2009. Column (8) is equivalent to column (7) but uses logged vote shares. The endogeneous variable in all specifications is a dummy whether a community hosted refugees on 21 September 2015. This variable is instrumented using the first stage specification in Table 3, column (1). The set of controls includes community-level variables capturing population size (and its square), the population change between a) 2001 and 2011 and b) 2011 and 2014, the share of women, the share of population below 30 years, the share of population with different educational levels, the unemployment rate, the share of foreigners in the population, the financial strength of the community proxied by own and shared revenues per capita, an indicator for being a border community (at the German border), and an indicator for being close to Linz. Unless otherwise stated, all variables are measured in the census year 2011. Values in () are robust standard errors. *** denotes statistical significance at the 1 percent level, ** at the 5 percent level, and * at the 10 percent level.

Table 11: OLS: Intensive margin effects on change in FPOE vote share

	(1) State	(2) Local
Share of refugees up to 1.5% of population	-0.81**	0.06
	(0.32)	(0.79)
Share of refugees 1.5 - 3% of population	-0.14	-1.07
	(0.60)	(1.01)
Share of refugees above 3% of population	-0.07	0.44
	(1.12)	(2.31)
Populations size and change	Yes	Yes
Socio-demographic characteristics	Yes	Yes
Economic situation	Yes	Yes
Geographic characteristics	Yes	Yes
R2	0.32	0.07
Observations	419	419

Note: The table reports OLS estimates for 419 Upper Austrian communities smaller than 6,662 inhabitants. The dependent variables are the changes in vote shares of the FPOE in state elections between the 2009 and the 2015 local election (in percentage points). The main variables of interest are dummies for different shares of refugees in a community on 21 September 2015. The set of controls includes community-level variables capturing population size (and its square), the population change between a) 2001 and 2011 and b) 2011 and 2014, the share of women, the share of population below 30 years, the share of population with different educational levels, the unemployment rate, the share of foreigners in the population, the financial strength of the community proxied by own and shared revenues per capita, an indicator for being a border community (at the German border), and an indicator for being close to Linz. Unless otherwise stated, all variables are measured in the census year 2011. Values in () are robust standard errors. *** denotes statistical significance at the 1 percent level, ** at the 5 percent level, and * at the 10 percent level.

Table 12: IV results: Which feeling do you have about the ability of politics to successfully handle...

	refugee inflow			refugee integration		
	(1) Optimism	(2) Worry	(3) Anger	(4) Optimism	(5) Worry	(6) Anger
Refugees in community	0.28	-0.17	-0.02	0.42*	-0.21	-0.13
	(0.20)	(0.20)	(0.16)	(0.22)	(0.23)	(0.16)
Individual characteristics	Yes	Yes	Yes	Yes	Yes	Yes
Community characteristics	Yes	Yes	Yes	Yes	Yes	Yes
Cragg-Donald Wald F	33.97	33.97	33.97	33.97	33.97	33.97
Kleibergen-Papp rk Wald F	7.54	7.54	7.54	7.54	7.54	7.54
Observations	787	787	787	787	787	787

Note: The table reports second stage regression estimates using exit poll data from 787 individuals living in 276 communities smaller than 6,662 inhabitants. Data is weighted using the official sampling weights. The binary dependent variables stem from the exit poll questions 'Which feeling do you have about the ability of politics to successfully handle...' The endogeneous variable is a dummy whether a community hosted Refugees on 21 September 2015. Individual variables are the individual's sex, age, level of education, and party voted for in the 2009 state elections. Community-level variables are population size (and its square), the population change between a) 2001 and 2011 and b) 2011 and 2014, the share of women, the share of population below 30 years, the share of population with different educational levels, the unemployment rate, the share of foreigners in the population, the financial strength of the community proxied by own and shared revenues per capita, an indicator for being a border community (at the German border), and an indicator for being close to Linz. Unless otherwise stated, all community variables are measured in the census year 2011. Values in () are robust standard errors clustered at the community level. *** denotes statistical significance at the 1 percent level, ** at the 5 percent level, and * at the 10 percent level.

Appendix

Table A.1: Descriptive statistics by party: Importance of different topics in pre-electoral discussions

	OEVP	SPOE	FPOE	GREEN	Other	Total
	Share of voters that discussed this topic *a lot*					
Refugees and asylum	0.54	0.53	0.89	0.65	0.57	0.62
Security	0.32	0.34	0.61	0.14	0.34	0.37
Economy and jobs	0.36	0.29	0.48	0.23	0.33	0.36
Cost of living	0.31	0.37	0.44	0.21	0.26	0.32
Health and old-age care	0.33	0.39	0.17	0.21	0.34	0.30
Education	0.29	0.27	0.17	0.40	0.32	0.28
Environment protection	0.22	0.27	0.11	0.43	0.23	0.23
Housing and rents	0.20	0.21	0.25	0.16	0.20	0.21
Traffic	0.20	0.14	0.15	0.19	0.20	0.18

Note: The table presents descriptive statistics for the exit poll questions 'Did you discuss the following topics during the electoral campaign?'. Statistics presented are means of the binary variable for the answer category 'discussed this topic a lot' by party the person said to vote for. The category 'other' includes non-voters and people not stating the party they vote for. All statistics are based on the 787 individuals living in 276 communities smaller than 6,662 inhabitants. Data is weighted using sampling weights.

Table A.2: Descriptive statistics by party: Which feeling do you have about the ability of politics to successfully handle...

	OEVP	SPOE	FPOE	GREEN	Other	Total
	Share of voters that is ...					
Refugee inflow: optimistic	0.30	0.43	0.06	0.45	0.26	0.27
Refugee inflow: worried	0.61	0.46	0.55	0.47	0.55	0.56
Refugee inflow: angry	0.05	0.09	0.36	0.05	0.13	0.13
Refugee integration: optimistc	0.36	0.45	0.05	0.50	0.25	0.29
Refugee integration: worried	0.59	0.45	0.55	0.43	0.54	0.54
Refugee integragion: angry	0.04	0.08	0.37	0.04	0.16	0.14

Note: The table presents descriptive statistics for the exit poll questions 'Which feeling do you have about the ability of politics to successfully handle...'. Statistics presented are means of the binary variables by answer to the question which party the respondent voted for. All statistics are based on the 787 individuals living in 276 communities smaller than 6,662 inhabitants. Data is weighted using sampling weights.

Table A.3: Descriptive statistics of exit poll questions on refugee crisis for communities with and without refugees

	Community hosts refugees		
	No	Yes	Total
	Share of people that is ...		
Refugee inflow: optimistc	0.25	0.29	0.27
Refugee inflow: worried	0.60	0.51	0.56
Refugee inflow: angry	0.12	0.15	0.13
Refugee integration: optimistc	0.28	0.30	0.29
Refugee integration: worried	0.54	0.55	0.54
Refugee integragion: angry	0.15	0.12	0.14

Note: The table presents descriptive statistics for the exit poll questions 'Which feeling do you have about the ability of politics to successfully handle...'. Statistics presented are means of the binary variables separately for communities with and without refugees as of 21 September 2015. All statistics are based on the 787 individuals living in 276 communities smaller than 6,662 inhabitants. Data is weighted using sampling weights.