How do Immigrants Change Natives' Attitudes - Evidence from an Exogenous Inflow

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Abstract

How do inflows of migrants shape the public's attitudes and preferences? This paper explores how the proportion of foreigners in one's region affect attitudes towards immigration and political preferences. Using multiple data sources, I exploit an instrumental variable strategy based on immigrants from former Yugoslavia during the Balcan wars in the 1990s. Providing within-country evidence from Germany, I find that an increase in the proportion of immigrants in a region causes the public to hold more negative attitudes towards asylum seekers and immigrants in general. This effect appears to be driven to a large extent by increased concerns about job security and worries about the own economic situation. Extreme-Right Placement, however, decreases.

Keywords: Attitudes, Migration, Voting Behaviour

JEL Classifications: D72, J61

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1 Introduction

The European Union is nowadays confronted with probably one of its biggest puzzle since its founding. 100,000s of immigrants search a new home in one of the 28 European member states, but mostly in Germany and the UK. In the first half of the year 2015 over 500,000 immigrants arrived in the EU, leaving especially the countries on the boarder with huge administrative problems and the EU with the nearly unsolvable problem of how to distribute the asylum seekers over the EU countries. Until now, the Dublin II treaty is dealing with the issue, but it leaves all the burden to the countries on the borders. This increase in asylum seekers and as such in foreigners, leads on one hand in some parts of Europe to an increased xenophobic behaviour, as it is well documented in the media[1]. On the other hand an enormous flood of social engagement and volunteering can be seen on train stations in Austria and Germany for example, welcoming the new arrivers and give them the feeling of being in a safe place. Attitudes towards immigrants seem controversial.

In the past, several studies dealt with the question of how native's attitudes are affected by the presence of immigrants. Dustmann and Preston (2007), O'Rourke and Sinnott (2006) and other deal on the one hand with the questions, what does negative sentiments towards immigrants determine, others like Halla, Wagner, and Zweimüller (2012) and Gerdes and Wandesjö (2008) on the other hand look at voting behaviour of natives due to higher immigrant shares in their neighborhoods. Anti-foreign sentiments could have an adverse effect on the social and economic integration of immigrants, which could influence economic performance and international trade (Siedler, 2011). Xenophobia and right-wing extremism influence migration pattern, limit business attractiveness and as such can hamper economic growth (Siedler, 2011). But furthermore increased immigration should be part of a strategy to keep any social security system solvent (Angrist & Kugler, 2003). This is why it is crucial to examine how a sudden inflow of asylum seekers can affect the attitudes of natives on immigrants in general and asylum seekers in particular. And if these attitudes are changing, how do they affect political placement and voting behavior, which can affect future inflows of asylum seekers or migrants. Channels driving these issues are important as well.

To answer these questions I rely on a identification strategy, which is based on a previous episode

[1]See for example media coverage in German newspapers like *Die Süddeutsche Zeitung* and *Die Zeit* or *The Economist* in August 2014.

of a sudden immigrant inflow, namely the Balkan Wars. The migration flow from former Yugoslavia became an important part of the European migration picture after 1990. Using this kind of Mariel-Boatlift style immigration experiment (Card, 1990), I follow at first Angrist and Kugler (2003), who used the distance to Sarajevo as an instrument variable for immigrants in European countries. I use the same strategy to instrument the proportion of immigrants in the West German federal states (I exclude East Germany from my analysis, as the percentage of foreigners is historically very low there). This approach gives us the possibility to analyse how attitudes are changed based on the decisions of immigrants to migrate to regions that are close by their home country. Identifying the causal effects of immigration on attitudes of natives is challenging. Controlling for observable (time-varying) attitude determinants and region and year fixed effects is not sufficient because the inflow of immigrants across regions might still be correlated with unobserved time-varying determinants of attitudes. For example, changing labour market conditions might not be completely measured by observed variables like unemployment rate or income. Improved labour market conditions can on the one hand attract immigrants and on the other hand they can improve attitudes towards immigrants, as they are needed to fulfill all tasks. This would bias OLS estimates downwards. An economic downturn can increase the immigrant inflow due to lower housing prices, but also deteriorate attitudes towards immigrants as people lost their jobs and need somebody to blame, which would bias OLS estimates upward. Reverse causality can also be an issue if the attitudes of immigrants affect the location choice of immigrants.

To be able to satisfy the need of data which is required to answer this research question,I am using several different sources. For the outcome variables I use data from Politbarometer, which is monthly gathered data to evaluate general attitudes towards politically relevant issues and ALLBUS, which is a general population survey for social sciences in Germany. Both data sets report variables on the attitudes towards migrants and asylum seekers, political placement of people, their voting behaviour and their perceptions of their job security. The last two variables should explain the channels through which the attitudes are formed. I use data from the statistical offices of the German federal states on the percentage of immigrants in different regions. This is register data from the Office of Foreigners that gives us an exact percentage of foreigner in each region. To examine further effects using a panel study, I also use the German Socio-Economic

Panel.

First evidence from simple OLS regressions shows that the higher the proportion of immigrants in a region, the more negative are the sentiments towards migrants. An increased proportion of foreigners also decreases the perception of job security. OLS regressions also show an increase in extreme right political placement, when more migrants flow into a region. Using these identification strategies to find a causal link between the proportion of foreigners and natives attitudes shows at the one hand no significant changes in the outcome variables for the perception of job security or the attitudes towards immigrants. What actually does change using the instrumental variable, and this is interesting from a political point of view, is the extreme right placement, which decreases. By using several robustness checks, I confirm the analysis.

I contribute to the existing literature in several ways. First, I contribute to the strand of literature on attitudes towards migrants. Like Halla et al. (2012), I want to look at changed voting behaviour of the native population with an increased migrant population. As Germany has not well-established right wing party as for example Austria, I instead look at political placement. I enhance the analysis using an exogenous shock and by also including personal attitudes, I can identify the channels for different political placements. Second, I are not only looking at migrants in general but at the inflow of asylum seeker, a group of persons who just searches refuge in the host country and should in fact have less an economic reason of migrating and should not be, for example, any threat to existing job opportunities, because they are not even allowed to work. Third, by looking at an episode of increased inflow of asylum seekers in Germany, I want to enhance the ongoing discussion on the asylum seekers. The results should thus help policy-makers to design distribution keys of asylum seekers in order for them to lie in a region without xenophobia and thus help the region itself to attract migrants and potentially enhance economic activity. I are doing that by looking at the differences between a time period were immigrants had the possibility to select themselves into regions and a time period were they were allocated by authorities in Germany. Here the paper contributes to the literature that uses dispersal policies that allocated arriving immigrants (Edin et al., 2003; Damm, 2009; Glitz, 2012, Piupionik and Ruhose, 2014; Bell et al. 2013). At the end I discuss possible benefits or drawbacks of an allocation of immigrants across Europe.

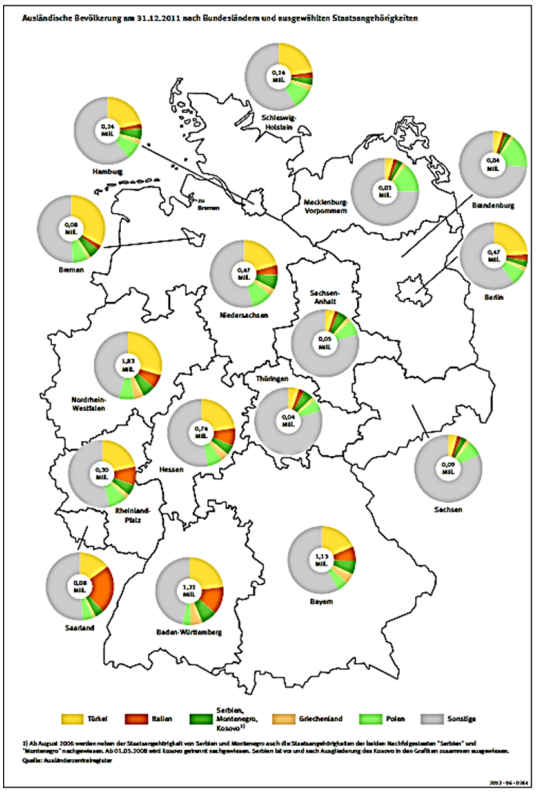
The remainder of the paper is structured as follows. The next section provides a brief overview of the institutional background. Section 3 describes the different data sets used for my analysis. Section 4 introduces the empirical strategy. Section 5 presents the main results and provides a series of robustness checks and a discussion of the results. Section 6 finally concludes.

2 Background

2.1 Immigrants in Germany

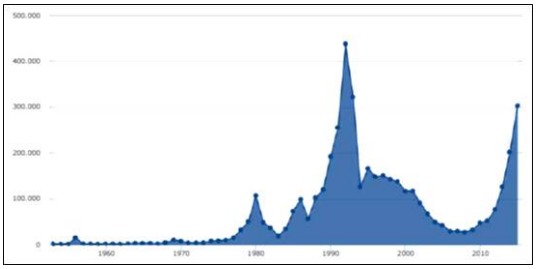
Migration from and to Germany has a long history. Over hundreds of years the reasons stayed the same, hoping for a better future for themselves and/or their offsprings or rescue from ethnical or religiously motivated prosecution or expulsion. After WWII, Germany experienced an huge improvements in its economic environment. Worker from other countries were needed. In 1955 it started its guest worker programme. First, it had contracts with Italy, Spain and Portugal, afterwards with Turkey and the former Yugoslavian countries. The idea behind was that workers from these countries should come and work in Germany as long as the companies had free capacities. Especially young men between the ages of 20 and 40 used this opportunity. Those guestworkers moved especially to North Rhine-Westphalia, Baden-Württemberg, Bavaria and Hesse, as we can see in Figure 2. Until the stop of the treaties due to the oil crisis in 1973, the percentage of foreign workers increased from 1.3 % in 1960 to 11.9 % in 1973. From that moment onwards, migration into Germany was primarily through family reunification.

Figure 1: Foreign Citizens by Bundesland



At the end of the 80s and beginning of the 1990s, with the breakdown of the Soviet Union and the civil wars in the former Yugoslavian countries, Germany experienced an sudden increase of immigrants in general and asylum seekers in particular. We can see this in Figure 1. With 440,000 asylum seekers, the numbers peaked in 1992. During the civil war over 345,000 Bosnian asylum seeker searched shelter in Germany and over 35,000 Croats. But only less than 10,000 remained in Germany after the war.

Figure 2: Asylum Seekers per year



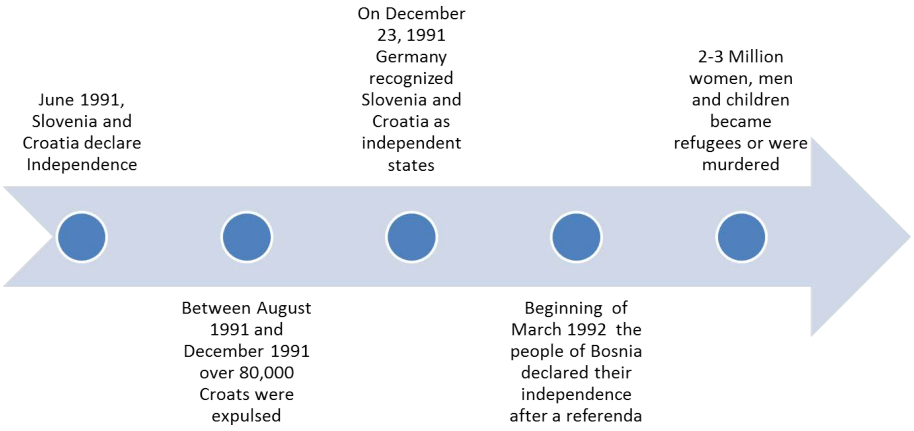
After that period, Germany lost its importance as an immigration country. This had two major

causes. First, stricter policies regulated heavily who immigrated and who did not. Second, in the early 2000, Germany experienced an economic downturn and was less attractive as an immigration country. In the last couple of years this changed dramatically. This had several reasons: the EU enlargement, the euro crisis and the civil war in Syria.

2.2 Balcan Wars

From an already unstable economic and political situation in the 1980s independence thoughts were all over the former Yugoslavian region. These sentiments culminated in the declaration of independence by Slovenia and Croatia in June 1991. This led to Europe's deadliest conflict since WWII. Between August and September 1991, 80,000 Croats were displaced from the Croatian regions where Serbs were in power. At the end of 1991 Germany accepted Slovenia and Croatia as independent states, other EU countries followed thereafter. At the beginning of 1992 a referendum for independence was also held in Bosnia. This led to a siege of the city Sarajevo, which culminated in the horrible massacre of Srebrenica in 1995, where 8,000 Moslems were killed. In December 1995, a peace agreement was finally reached and the war was over. Until then 2-3 Millions of people became victims of the war, as they fled, became expelled or were murdered. This led to a tremendous inflow of asylum seekers into Germany at the beginning of the 1990s.

Figure 3: Timeline of the Balcan wars



2.3 German Asylum Seeker Laws

In the light of the events during WWII, Germany introduced a law that should protect every foreigner, who was politically pursued. Already in 1949, Article 16 of the *Grundgesetz* stated a protection for foreigners. Some states like Hesse and Bavaria already introduced such laws in 1946 and 1947. Since 1953, Germany had also a formal asylum procedure. With the breakdown of the iron curtain many countries in East Europe experienced, mostly violent structural processes to reform themselves, especially, as we already saw, in former Yugoslavia. This led to an extreme inflow of asylum seekers into Germany. Bureaucrats and Courts were swamped with asylum inquiries. This led at one hand to extended stays of asylum seekers in Germany, as they were allowed to stay until their inquiry was processed and at the other hand it led to, occasionally also violent resentments of the native population. Following an extreme peak of asylum seekers in 1992, Germany found the *Asylkompromiss* in 1993, setting strict rules for asylum seekers and their inquiries, procedures were fastened, EASY (a system to distribute asylum seekers over the German regions) was introduced and asylum seekers had to stay in their assigned region. Save third countries (which means that asylum seekers passed countries that were assumed save enough before entering Germany) and save countries of origin were established. These novelties decreased the number of asylum seekers in Germany substantially. The only problem was that the allocation of immigrants was not enforced by any sanctions. That means that even though immigrants were allocated to one region, they shortly after moved to another region. Some municipalities were thereafter swamped by immigrants, other not, which led to an official complaint of the municipalities in 1995. From this followed an allocation procedure in 1996, which sanctioned immigrants by cutting them off of any financial help if they moved to another region. At the beginning of the 2000s, asylum laws were harmonized in the EU under the Dublin II treaty.

3 Data

3.1 Politbarometer

The Politbarometer is conducted every month from the *Forschungsgruppe Wahlen* for the German state TV. Through the research of opinions and attitudes of the part of the population who are

Figure 4: Foreigners seen as a major problem

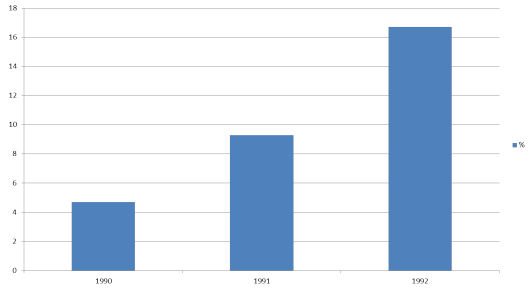
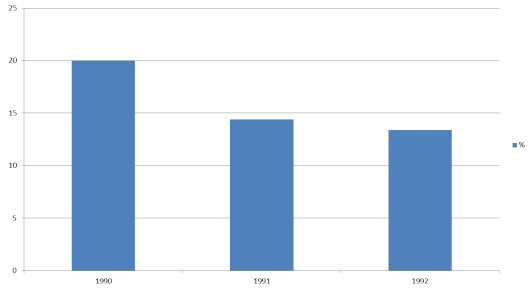


Figure 5: Extreme right placement



voters to news, parties and politicians, it is an important instrument of the opinion and attitudes research. The monthly questionnaires are cumulated to one dataset. Using the data from 1990 to 1997, we have 83895 observations, from 1990 to 1992 we have around 24000 observations. I have data on the main outcome variables, like, if foreigners are a problem, on job security, and extreme right placement.

I construct the variable if foreigners are a problem setting it 1 if people claim that one of the biggest problems in Germany are foreigners, 0 otherwise. In the Politbarometer persons are also asked to set their political placement on a scale from -5 to 5. If the person sets itself at the most extreme right side of the scale, I set the extreme right variable to 1, 0 otherwise.

I can also control for some background characteristics, like gender, age (but only in categories of five years), being married, schooling and employment status.

3.2 ALLBUS

The ALLBUS data set is a longitudinal, multi-tematical survey on attitudes, behaviour and social structure of de population in Germany. The surveys are conducted every two years since 1980. In personal interviews a representative sample is questioned. As the Politbarometer, the survey is conducted among the part of the population which is allowed to vote. Until 1990 the baseline sample was 3000. With the reunification of Germany the sample was extended to 3500 observations, where people from East Germany are overrepresented. As I am looking at the effects of immigrants and I do not find any sizable percentages of immigrants in East Germany, I will exclude this part of Germany from the analyses. What we can see nicely in the ALLBUS dataset towards which immigrants the the negative attitudes are formed. Most people want to restrict the inflow of Non EU members, but also over 85 % want to restrict the inflow of asylum seekers.

Table 1: Summary Statistics of Outcome Variables and Variable of Interest - Bundesland

	count	mean	sd
Right Placement	6656	.0599459	.2374044
Restrict Inflow of Asylum Seekers	6475	.8484942	.3585689
Restrict Inflow of EU Member	6401	.6598969	.4737806
Restrict Inflow of Non EU Member	6332	.8945041	.3072156
Age	6656	48.26773	51.13285
Female	6656	1.519381	.4996618
Schooling	6656	3.442007	7.154489
Employed	6643	.5604396	.5880066
Married	6653	.5854502	.4926812

Allbus 1990-1992

3.3 GSOEP

tbd

4 Empirical Approach

The main research question in this paper is how the percentage of foreign population in one region affects attitudes of native inhabitants. In the following section I show OLS results. As we can assume the effect of the percentage of foreign population on native's attitudes is not exogenous,

we need an exogenous shock, which affects the percentage of foreign population. I instrument this exogenous shock with the distance to Sarajevo, using the Balcan wars as an exogenous shock. The first stage estimation looks as follows:

$$ln(s_{st}) = \tau_t + \psi_s + b_{st}\pi_b + n_{st}\pi_n + k_{st}\pi_k + \eta_{ist} \tag{1}$$

where τ_t controls for a time trend, ψ_s includes region dummies and b_{st}, n_{st} and k_{st} control for the distance to Sarajevo during the Balcan wars and during peace time. I compute the distance to Sarajevo by taking the drivable road from Sarajevo to the capital of each region by using data from Google Maps. The distances vary between 992 km from Sarajevo to Munich in the South of Germany and 1820 km from Sarajevo to Kiel in the North. For Europe it varies between 780 km to Vienna and over 2000 km to Dublin and London.

I then proceed with the predicted values, $ln(\hat{s}_{st})$ to estimate the second stage of the IV approach (see equation 2). The resulting estimate β corresponds to the local average treatment effect (LATE).

$$Y_i = \alpha + \beta ln(\hat{s}_{st}) + \gamma X_{ist} + \varepsilon_{ist} \tag{2}$$

Using an IV estimation leads to two fundamental questions. If the instrument is relevant, we will see in the results part. The instrument meets the exclusion restriction as the distance to Sarajevo during the Balcan wars has only an effect on peoples attitudes through the increase in the foreign population. This instrument is also working for Germany, even though it used the Königssteiner Schlüssel, according to which asylum seekers were first brought to the closest asylum home, were they were applied. It is also possible to look at the situation nowadays. German media shows that even today it is quite difficult to fulfill the Königssteiner Schlüssel as most people are coming to Germany from southeast. We can see that if we look at the data at hand. Baden-Württemberg, for example, a German federal state in the south experienced and an increase of around 50,000 persons from the former Yugoslavian countries between 1991 and 1992, which is around 20% of all incoming Yugoslavians in this year. Schleswig-Holstein, on the contrary, experienced an increase 1630, which equals 2.4%. If we compare that to the quotas set by the Königssteiner Schlüssel, Baden-Württemberg received over 7% more persons from the former Yugoslavian countries as it

was supposed to be, and Schleswig-Holstein, 1% less.

5 Results

In the result section, I first show OLS estimations, looking at the correlation between the percentage of foreign citizens in a region and the attitudes of the native population, before and after the EASY-System was introduced. Afterwards I present the instrumental variable results to look at the causal effect of high percentages of foreign citizens on the attitudes of the native population. The next section confirms the results by introducing several robustness checks, where I change the reference cities and use years, where no war took place. Furthermore, I use the same sample for Germany before and after the *Asylkompromiss*.

5.1 Main Results

5.1.1 OLS Estimates

If we look at simple OLS estimations, we see that an increased proportion of immigrants in a region leads to a higher probability that the foreigners are seen as a problem by the population. In particular, a one percent increase of foreigners increases the the negative attitude towards immigrants by 0.026 percentage points(ppt). Introducing individual controls, no significant effect can be found. Comparing the results before the introduction of the EASY-system to the results after its introduction shows, that the negative attitudes towards immigrants increase by size and significance after the introduction of the new system, namely by 0.084 ppt.

As we see that the negative attitudes towards foreigners increase the question is, why. One explanation could be that natives fear immigrants as they fear a job loss because of a higher supply of the workforce. For this analysis I use only natives which are actually employed, as unemployed persons are not likely to fear a job loss. The results in the first sample point at first an increased job insecurity. Controlling for individual characteristics reveal that an increased percentage of foreigners actually have a negative correlation on job insecurity. An increase of the immigrant inflow decreases the job loss fear by 2.7 ppt. In the second sample the reversed effects can be seen.

If an increased percentage of foreigners in a region has at most a negative correlation on job

loss fears, does it have a correlation on the political placement of individuals? We can see in both samples an increased extreme right wing placement in areas with a higher percentages of foreigners. After the introduction of the new system in 1993 the effect even quadruples, this means that an increase of 1 percent of immigrant inflow leads to an increase in extreme right placement by 0.28 ppt.

Table 2: Estimation Results I

	Foreigner as a Problem		Job Insecurity		Extreme Right Placement	
	(1)	(2)	(1)	(2)	(1)	(2)
Sample 1990-1992						
lforeign	0.026***	0.067	0.0837***	-2.755***	-0.016***	0.078***
	(0.003)	(0.005)	(0.009)	(0.097)	(0.003)	(0.020)
Observations	24,061	24,022	14,080	14,066	24,061	24,022
R^2	0.001	0.033	0.007	0.392	0.000	0.012
Sample 1993-1997						
lforeign	-0.0117***	0.0837**	-0.0131**	0.0550	-0.005	0.276***
	(0.004)	(0.037)	(0.006)	(0.050)	(0.004)	(0.031)
Observations	53,119	53,012	30,547	30,501	53,119	53,012
R^2	0.000	0.032	0.000	0.007	0.000	0.014
Individual Controls	no	yes	no	yes	no	yes

Source: Politbarometer 1990 - 1997
Note: Individual Controls including gender, age, civil status, schooling and employment status; Robust standard errors in parentheses; *p < 0.1; **p<0.05; ***p<0.01

Until now I only showed results for the Politbarometer. ALLBUS data allows now to take a closer look the attitudes towards immigrants. The results show which inflow of immigrants individuals would restrict. Controlling for individual characteristics shows that especially an inflow of non-EU members individuals living in areas with higher percentages of immigrants would prefer to restrict. Unfortunately I can not show differences of samples before 1993 and after, because those questions were not asked in ALLBUS after 1992.

Table 3: Estimation Results II

	Restriction EC members		Restriction Non-EC members		Restriction Asylum Seekers	
	(1)	(2)	(1)	(2)	(1)	(2)
Sample 1990-1992						
lforeign	-0.083***	0.046	-0.017	0.745*	-0.002	0.093
	(0.025)	(0.553)	(0.016)	(0.038)	(0.020)	(0.426)
Observations	3,488	3,488	3,463	3,463	3,517	3,517
R^2	0.003	0.022	0.000	0.011	0.000	0.023
Individual Controls	no	yes	no	yes	no	yes

Source: ALLBUS 1990 - 1992
Note: Individual Controls including gender, age, civil status, schooling and employment status; Robust standard errors in parentheses; *p < 0.1; **p<0.05; ***p<0.01

ALLBUS data also allows me also to look at attitudes of natives towards job insecurity and extreme right placement. In doing that I make sure that the two different data sources are not yielding different results. Even though the point estimates are not similar, the direction of the correlations point in the same direction.

Table 4: Estimation Results III

	Job Insecurity		Own Economic Situation		Political Interest	
	(1)	(2)	(1)	(2)	(1)	(2)
Sample 1990-1992						
lforeign	0.0169**	0.0366	0.0206***	0.0825	-0.0166***	0.124
	(0.00703)	(0.168)	(0.00672)	(0.156)	(0.005)	(0.112)
Observations	17,270	17,077	28,209	27,877	28,209	27,877
R^2	0.000	0.034	0.000	0.038	0.000	0.056
Individual Controls	no	yes	no	yes	no	yes
Region Dummies	no	yes	no	yes	no	yes

Source: SOEP 1990 - 1992
Note: Individual Controls including gender, age, civil status, schooling and employment status; Robust standard errors in parentheses; *p < 0.1; **p<0.05; ***p<0.01

5.1.2 IV Estimates

Two findings are crucial for using the instrumental variable. First, it is important, that the instrument is in fact correlated with variable, which should be instrumented. Which we can see by

looking at the F-statistic. It is highly relevant. Second, it is also important, that the instrument is working in the right direction. The further away a region is the smaller is the proportion of foreigners in a region. In this section we are not comparing the results of the period before 1993 with the results after 1993, because by definition the instrumental variable should not work after 1993. A in-depth discussion gives the following subsection.

Figure 6: The Instrument and its F-statistic

```
  alpha |  -.0000247   5.34e-07   -46.22   0.000    -.0000257   -.0000236
First-stage regression summary statistics
--------------------------------------------------------------------------
             |           Adjusted      Partial       Robust
    Variable |   R-sq.      R-sq.        R-sq.    F(1,24032)   Prob > F
-------------+------------------------------------------------------------
    lforeign |  0.9969      0.9969       0.1126       2136.65    0.0000
--------------------------------------------------------------------------
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Table 5: Are Foreigners a Problem?

	FS	SS	FS	SS
Sample 1990-1992				
π_b	-0.0000247***		-0.0000247***	
	(0.000000566)		(0.000000506)	
lforeign		0.795***		0.812***
		(0.0819)		(0.0338)
Observations	24,061	24,061	24,022	24,022
Adjusted R^2	0.997	0.019	0.997	0.029
Individual Controls	no	no	yes	yes

Source: Politbarometer 1990 - 1992
Note: Individual Controls including gender, age, civil status, schooling and employment status; Robust standard errors in parentheses; *p < 0.1; **p<0.05; ***p<0.01

Using the instrumental variable approach shows clearly that the proportion of immigrants in one region has a negative effect on the attitudes towards them, if I control for individual characteristics or not. This means that an one percent increase of immigrants leads to a 0.8 ppt increase in negative attitudes towards immigrants.

Table 6: Restrictions for EC Members

	FS	SS	FS	SS
Sample 1990-1992				
π_b	-0.0000115***		-0.0000115***	
	(0.000000482)		(0.000000580)	
lforeign		-0.157		-0.0953
		(0.118)		(0.118)
Observations	3,488	3,488	3,488	3,488
Adjusted R^2	0.998	0.006	0.998	0.022
Individual Controls	no	no	yes	yes

Source: ALLBUS 1990 - 1992
Note: Individual Controls including gender, age, civil status, schooling and employment status; Robust standard errors in parentheses; *p < 0.1; **p<0.05; ***p<0.01

Table 7: Restrictions for Non-EC Members

	FS	SS	FS	SS
Sample 1990-1992				
π_b	-0.0000114***		-0.0000114***	
	(0.000000537)		(0.000000541)	
lforeign		-0.0131		-0.0210
		(0.101)		(0.222)
Observations	3,463	3,463	3,463	3,463
Adjusted R^2	0.998	0.000	0.998	0.010
Individual Controls	no	no	yes	yes

Source: ALLBUS 1990 - 1992
Note: Individual Controls including gender, age, civil status, schooling and employment status; Robust standard errors in parentheses; *p < 0.1; **p<0.05; ***p<0.01

Now I find also negative effects on the attitudes towards asylum seekers, but no negative effects on non-EU members, which is not surprising given the construction of the instrument. The negative attitude towards asylum seekers amounts 0.4 ppt by an 1 percent increase of immigrants.

Table 8: Restrictions for Asylum Seekers

	FS	SS	FS	SS
Sample 1990-1992				
π_b	-0.0000115***		-0.0000115***	
	(0.000000501)		(0.000000625)	
lforeign		0.164*		0.414***
		(0.0916)		(0.0912)
Observations	3,517	3,517	3,517	3,517
Adjusted R^2	0.998	0.009	0.998	0.023
Individual Controls	no	no	yes	yes

Source: ALLBUS 1990 - 1992
Note: Individual Controls including gender, age, civil status, schooling and employment status; Robust standard errors in parentheses; *p < 0.1; **p<0.05; ***p<0.01

I find also increased job insecurity. The main difference between the results without and with controls is, that controlling for employment gives different results. If I control for individual characteristics we find a 2 ppt increase in the fear of job loss by an 1 percent increase in immigrants.

I find negative effects of the proportion of foreigners on extreme right political placement, namely by 0.3 ppt.

Table 9: Extreme Right Placement and Job insecurity

	FS	SS	FS	SS
Sample 1990-1992				
π_b	-0.0000247***		-0.00000904***	
	(0.000000566)		(0.000000216)	
lforeign		-0.348***		0.266***
		(0.116)		(0.0351)
Observations	24,022	24,022	17,077	17,077
Adjusted R^2	0.997	0.011	0.998	0.034
Individual Controls	yes	yes	yes	yes

Source: Politbarometer 1990 - 1992 and SOEP 1990-1992
Note:Individual Controls including gender, age, civil status, schooling and employment status; Robust standard errors in parentheses; *p < 0.1; **p<0.05; ***p<0.01

Table 10: Own economic situation and political interest

	FS	SS	FS	SS
Sample 1990-1992				
π_b	-0.00000930***		-0.00000930***	
	(0.000000199)		(0.000000199)	
lforeign		0.0701**		-0.111***
		(0.0335)		(0.0256)
Observations	27,877	27,877	27,877	27,877
Adjusted R^2	0.998	0.038	0.998	0.056
Individual Controls	yes	yes	yes	yes

Source: SOEP 1990-1992
Note:Individual Controls including gender, age, civil status, schooling and employment status; Robust standard errors in parentheses; *p < 0.1; **p<0.05; ***p<0.01

5.2 Robustness

tbd

5.3 Heterogeneities

tbd

6 Conclusion

This study explores how the proportion of foreigners in one region can affect the attitudes of natives towards immigrants. It also shows, towards whom specifically these negative attitudes are directed. Identification is based on the Balcan wars during the early 1990s. Drawing on three social surveys - Politbarometer, ALLBUS and GSOEP it allows to use an instrumental variable approach. The IV provides evidence of negative attitudes towards migrants, specifically towards asylum seekers. It shows also that the higher proportion of foreigners in distinct regions lead to higher job insecurity, but to a lower probability of an extreme right placement. The own economic situation and decreased political interest play a role too.

What we can see is that the attitudes towards immigrants are worse in times when immigrants can allocate themselves to a region than when the authorities allocate them using an allocation key based on population size and tax revenues. The job loss fear also decreases. What does

increase is the extreme right placement in those areas. This could be due to a lack in the political communication with the population. A potential comparison with Europe would give an idea, if such allocation keys would be a beneficial allocation policy in the ongoing asylum seekers debate in the European Union to improve the acceptance in the population.

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A Appendix

Table A.1: Politbarometer Variables

Opinions and Attitudes	
Problem	Foreigners are considered as one of the most important issues in Germany
Job Insecurity	The attitude of the individual towards the security of their jobs
Right-Left-Continuum	Individuals put themselves in the political continuum between extreme right and extreme left
Individual Characteristics	
Female	Whether the individuals are female or not
Age cat.	Age in five year categories between 18 and over 70
Civil Status	Civil status of the individuals
School	Typ of school the individuals completed
Employment	Whether and how much the individuals are employed
General Characteristics	
Year of Interview	The year of the interview, between 1990 and 1997
Month of Interview	The month of the interview, ranging from January till December
Bundesland	The "West-German" Bundesland where the individuals are residing, excepting Baden-Württemberg and Saarland
Regierungsbezirk	The Regierungsbezirk where the individuals are residing
Size of Town	The size of the town where the individuals are residing in categories between lower than 5000 and bigger than 500.000

Sources: Politbarometer 1990 - 1997

Table A.2: ALLBUS Variables

Opinions and Attitudes	
Restrictions of EC Members	Whether the inflow of EC members should be restricted or not
Restrictions of Non-EC Members	Whether the inflow of non-EC member should be restricted or not
Restrictions of Asylum Seekers	Whether the inflow of asylum seekers should be restricted or not
Job Insecurity	The attitude of the individual towards the security of their jobs
Right-Left-Continuum	Individuals put themselves in the political continuum between extreme right and extreme left
Individual Characteristics	
Female	Whether the individuals are female or not
Year of Birth	Birthyear of the individuals
Civil Status	Civil status of the individuals
School	Typ of school the individuals completed
Employment	Whether and how much the individuals are employed
General Characteristics	
Year of Interview	The year of the interview, between 1990 and 1997
Bundesland	The "West-German" Bundesland where the individual is residing, excepting Baden-Württemberg and Saarland
Regierungsbezirk	The Regierungsbezirk where the individuals are residing
Size of Town	The size of the town where the individuals are residing

Sources: ALLBUS 1990, 1991, 1992, 1994, 1996 and 1998