The Effect of Far Right Parties on the Location Choice of Immigrants: Evidence from Lega Nord Mayors[*]

Emanuele Bracco[1,2], Maria De Paola[3,4], Colin Green[5] and Vincenzo Scoppa[3,4]

[1]*Department of Economic Sciences, University of Verona, Italy*

[2]*Management School, Lancaster University, UK*

[3]*Department of Economics, Statistics and Finance, University of Calabria, Italy*

[4]*Institute for the Study of Labor (IZA), Bonn, Germany*

[5]*Norwegian University of Science and Technology, Trondheim, Norway*

Immigration has increasingly taken centre-stage in the political landscape. Part of this has been a rise in far-right, anti-immigration parties in a range of countries. Existing evidence suggests that the presence of immigrants generates an advantage for parties with anti-immigration or nationalist platforms. This paper explores a closely related but overlooked issue: how immigrant behaviour is influenced by these parties. We focus on immigrant location decisions in Northern Italy, an area that has seen the rise of the anti-immigration party Lega Nord. We construct a dataset of mayoral elections in Italy for the years 2002-2014 and estimate the effect of electing a mayor belonging to, or supported by, Lega Nord. Exploiting close elections in a regression discontinuity framework we demonstrate that the election of a Lega Nord mayor discourages immigrants from moving into the municipality. We also provide suggestive evidence that the effect is driven primarily by the anti-immigration politics of Lega Nord insofar as it is absent in the period before their adoption of an explicitly anti-immigration platform and is concentrated in smaller, less educated, municipalities.

Keywords: Immigration; Geographical Mobility; Voting Behavior; Political economy; Regression Discontinuity Design.

JEL Classification: J15; J61; D72;

1

1. INTRODUCTION

Immigration, and immigration policy, has increasingly taken centre stage in the global political landscape. This has manifested itself in a number of ways. Both the recent UK referendum on membership of the EU (so-called Brexit), and the Trump 2016 presidential campaign were punctuated by a range of inflammatory statements regarding immigration. Examples range from the then leader of UKIP Nigel Farage's infamous "Breaking Point" poster to Donald Trump's speech regarding Mexican rapists. More broadly, there has been a resurgence of political parties where a core element of their platform is restricting immigration. This has occurred across a range of countries, including but not limited to Germany (*AfD*), Denmark (*Danish People's Party*), Norway (*Progress Party*) and Italy (*Lega Nord*). While these parties differ markedly in their initial platforms, all have converged towards an anti-immigration, and indeed, an anti-immigrant position. Again, this has often manifested itself in extreme public statements. For instance, in 2003, Umberto Bossi, the Lega Nord leader at the time, suggested that Italian authorities open fire on boats carrying migrants (interview to *Corriere della Sera*, 16th June 2003).

The potential explanations for these developments are numerous. For instance, there is a debate over the extent to which they reflect economic, broader social or institutional factors (Mayda, 2006; Arzheimer, 2009; Hatton, 2016). The existing literature almost exclusively focuses on how the presence of immigrants in a given area influences political views of the electorate. Most notably, a recent literature suggests that this is the case and demonstrates a positive relationship between the proportion of immigrants in a given area and the receipt of votes by anti-immigration parties (see, for instance, Otto and Steinhardt, 2014; Barone *et al.,* 2016; Dinas et al, 2016; Sekeris and Vasilakis, 2016). The mechanism explored in this literature is how immigrant inflows shape the attitudes and voting patterns of natives, for instance their tendency to vote for right wing parties with anti-immigration platforms. More generally, it has been demonstrated that immigrant inflows lead to an increase in anti-immigrant attitudes in a given location (Halla *et al.,* 2017).

However, we know little about how the rise of anti-immigration parties influences immigration behaviour and patterns. One of the stated aims of these parties is to either legally restrict entry of immigrants or to deter them in other ways. This paper contributes to our understanding in this area by asking the question, does the presence of anti-immigration parties influence the location decisions of immigrants and/or ethnic minority groups? The previous literature treats the location choices of immigrants as a nuisance factor to be controlled for. For instance, a number of papers use the historical location of migrant networks as a source of exogenous variation in an attempt to hold immigrant sorting constant (Halla *et al.,* 2017; Otto and Steinhardt, 2014; Barone *et al.,* 2016), while recently Dustman *et al.* (2016) relies on the randomisation of the location of new immigrants to Denmark. We adopt an alternative approach to the existing literature and examine this related, but less explored question.

It is important to understand the effect on immigrant location decisions given the wealth of evidence on the marked positive effects of immigration on local economic outcomes (Peri, 2012; Hong and McClaren, 2015; Nunn et al., 2017). The rise of anti-immigration parties might suggest that immigration produces at least short run costs to some groups. While a subject of long-standing debate, recent findings show null or even positive effects of immigrants on the wages of native low-skilled workers (Foged and Peri, 2016; Peri and Yasenov, 2018). In addition, immigration appears to produce large long-term economic benefits. For instance, Nunn et al. (2017), examining the causal impact of immigrants into the United States between 1850 and 1920 on economic and social outcomes 100 years later, show positive effects on income, educational attainment, urbanization, unemployment and poverty. Consistent with previous research, they do not find evidence that these long-run returns came at the expense of short-run costs.

We focus on the case of municipal elections in Northern Italy. This region has seen the ascent of a party with a core anti-immigration political platform, Lega Nord (the 'Northern League').[1] We construct a dataset of municipal mayoral elections in Italy for the years 2002-2014. Our chief interest is in how anti-immigrant feelings and the ascent of anti-immigrant political parties influence immigrant location decisions. Our approach to disentangling the effect of immigration and local anti-immigrant feeling is to focus on the effect of electing a mayor belonging to or supported by the anti-immigration party Lega Nord on the location decisions of immigrants. We focus on narrow points of comparison between municipalities in a Regression Discontinuity Design (RDD): by comparing municipalities where Lega Nord mayoral candidates won or lost by small margins of victory, we argue that we uncover credibly causal effects of anti-immigrant parties on inflows and outflows of immigrants.

To summarise our results, we find that the election of a Lega Nord mayor leads to a reduction in the net flow of immigrant in the municipality. These effects are large, in the order of a 10-12% reduction in annual immigrant net flows into a municipality. This appears to be driven by a reduction in inflows into these municipalities, generated by a mixture of immigrants already resident in Italy and newly registered immigrants. These effects are concentrated in smaller municipalities and areas with lower average levels of education. Furthermore, Lega Nord mayoral victories appear to have no effect on immigrant mobility in periods before Lega Nord adoption of an explicitly anti-immigration platform. Together this suggests that it is the anti-immigration stance of Lega Nord driving these effects, and that this gains more traction in areas where immigrants may be more visible and/or there is more underlying hostility towards them. This evidence highlights the potential for marked changes in immigrants' behaviour as a result of political events such as the Brexit vote, Trump presidential victory and the current Italian government (which includes Lega Nord as one of the two coalition partners), where anti-immigration policies were at the forefront. This is likely to have economically important effects on local and national economies.

---

[1] Now simply *Lega.*

The remainder of the paper is organised as follows. The next section provides institutional background and describes the data sources. The third section sets out the empirical methodology. This is followed by four sections focusing, respectively, on the main results, validation checks, robustness, and a discussion of potential mechanisms. The final section concludes and discusses avenues for further research.

2. BACKGROUND AND DATA

The Institutional System

There are over 8,000 municipalities in Italy. Municipal administrations are responsible for a range of public services, such as the management of public utilities (local roads, water, sewage, garbage collection etc), local police, traffic enforcement, the provision of public housing and transportation, nursery schools, and assistance to elderly people. Within the administration, Municipal Councils (Consiglio Comunale) are endowed with legislative power, while executive authority is assigned to a Mayor (Sindaco) who heads an Executive Committee (Giunta Comunale). Municipal governments are responsible for a number of very important services that have a great impact on citizens' daily lives, and voters are typically highly interested in their composition and performance. This is reflected in high average voter turnout at municipal elections (for instance 73% of eligible voters turned out at the 2009 municipal elections).

Municipal elections in Italy are held every 5 years.[2] There is variation in the timing of the electoral cycles such that each year a large, but different, subset of municipalities have elections. Elections typically occur in Spring. The electoral system for municipalities was changed substantially in 1993. This included the introduction of direct elections of the mayor, along with a different electoral mechanism for smaller (less than 15,000 inhabitants) or larger municipalities (greater or equal to 15,000 inhabitants)[3]. In small municipalities, mayors are elected through a first-past-the-post system, while there is a runoff system in large municipalities. City Councils are elected *at-large* through an open-list proportional representation system. Each mayoral candidate is linked to a number of city-council lists (only one for *small* municipalities). The list(s) linked to the winning mayor are automatically awarded the majority of seats in the Council: 60% for *large* municipalities, two-thirds for *small* municipalities. This implies that mayoral candidates of larger municipalities are often endorsed by visible multi-party coalitions, while in smaller municipalities coalitions tend to be grouped within *ad-hoc* unitary lists. These endorsements happen before the elections are clearly signalled during campaign and on the ballot paper. Importantly, no reconfigurations of coalitions are possible after the election. The vast majority of municipalities are *small,* while only 9% have more

---

[2]In certain circumstances, the legislature may not survive until the end of its legislative term, e.g. because of a mayor's early resignation or death.

[3] Henceforth we define small and large municipalities accordingly.

than 15,000 inhabitants; note though that the majority of the population (59%) lives in these *larger* municipalities.

Lega Nord (or the Northern League) is a political party that was founded by Umberto Bossi at the end of the Eighties as a federation of several regional parties of Northern Italy. Lega Nord's support base is rooted in regions of Northern Italy (in particular in Lombardia and Veneto). At the 2009 European Parliament Elections they received between 10% and 28% of the votes in the regions in our sample, finishing consistently in the top three by vote share, together with the two main left-wing (Partito Democratico) and right-wing (Popolo delle Libertà) parties. Tables A1-A2, in the Appendix of the paper, reports the vote shares at the 2009 European Parliament elections and the number of mayors and city councillors disaggregated at the regional level.

At the national level, the percentage of votes in political elections for the Lega Nord was approximately 8-10% in the Nineties, declined to about 5 percent in 2000s, then rose to 17% at the last national elections (in March, 2018), leading to a coalition government including Lega Nord. In 1993 a Lega Nord representative was elected as the mayor of Milan. Since 1994, Lega Nord took part, allied with centre-right parties, in several coalition governments led by Silvio Berlusconi. As part of this they obtained several national ministries, most notably the Interior Ministry and the Budget Ministry. The political platform of the Lega Nord comprises of political and fiscal federalism and regional autonomy (going as far as secession of Northern Italy or "Padania" from Italy), an emphasis on the "welfare dependency" of Southern Italy, the protection of Northern Italian cultural differences and regional identities, and lower taxation, especially for small and medium enterprises. In this sense, Lega Nord has always taken anti-establishment political positions.

Since the new millennium, Lega Nord abandoned the distinctly 'pro-North' focus and reoriented its political message towards issues of immigration and crime. They have taken an increasingly anti-immigration stance and exploited the fear of increasing immigration into Italy. Using populist rhetoric, Lega Nord has associated immigration with rising criminality, drugs, unemployment, excessive public spending and welfare crisis. In doing so, Lega Nord has, on occasion, used racist and xenophobic propaganda, especially against Roma and immigrants from African countries.[4] Lega Nord is increasingly aligned with right-wing populist parties such as France's National Front and the Freedom Party of Austria. This has occurred in a period in which immigration into Italy has increased substantially. For example, the number of non-Italians legally resident in Italy increased from 1,340,000 in 2002 to over 5 million in 2015. The presence of immigrants increases all across Italy, but more so in the North, where there are better economic conditions and Lega Nord experiences strong support.[5]

---

[4] For example, the current secretary general of the party recurrently spoke about "bulldozing" to the ground Roma camps and likened the effects of immigration (together with the demographic decline of native Italians – in our sample Italian residents grew at around about 0.3% each year) to "ethnic cleansing".

[5] Figure A3 in the Appendix shows a map of the immigrant population as a percentage of total population at provincial level.

Part of this increase is related to the recent refugee crises: sea arrivals in Italy have increased more than tenfold between 2010 and 2016, with an average of around 175,000 per year since 2014.[6] Most of these migrants are hosted through programmes tendered by the central government to local charitable associations in refugee centres (called CAS or SPRAR). In contrast to other countries, such as Germany, in Italy there is no compulsory distribution of refugees and municipalities join standard reception programmes voluntarily. The central government can still intervene and force local governments to accept immigrants, but as this option would create social tension it is rarely adopted. Mayors have an important role in deciding the location of asylum seekers and refugees. Economic migrants with a valid residence permit (issued by the central government) are free to move within the country. At the same time, mayors may implement policies, which are more or less welcoming to immigrants, or more generally to people with their demographic characteristics. As an example, the Lega Nord town secretary for the city of Pisa, Edoardo Ziello, declared: "On social issues, we always put Italians first; the PD [Democratic Party] puts immigrants first and we will send them home". (Financial Times, November 15, 2017).[7]

Initiatives undertaken by Lega Nord mayors to discourage immigrants from settling in their communities have often gained the headlines of national and local newspapers. In 1997 the mayor of Treviso managed to remove all benches in the surroundings of the railway station with the aim of stopping immigrants from congregating in that area.[8] More recently, the mayor of the small village of Cascina, in Tuscany, asked – following the letter of the law – immigrants to provide burdensome paperwork to prove they do not own real estate in their country of origin if they want to access housing benefits.[9] More broadly, the racist rhetoric often used by Lega Nord may also to create an uncomfortable environment for immigrants making their social and economic integration more difficult.

The Data

The empirical analysis in this paper is based on data drawn from three sources.

First, we use administrative data on resident foreigners in each Italian municipality (at the end of each calendar year), available from ISTAT, the National Statistical Institute from year 2002-2014.[10] It is a legal requirement for all residents, Italians and foreigners, to register at the municipality where one resides. Registration is a requirement for access to a range of public services, such as health care provision, school admission, and social and housing benefits. Only legal

---

[6] A large share of this increase occurs after our period of analysis, and our main results are largely unaffected by excluding 2012-2014. This combined with the fact that refugees make up a small share of legal immigration in our period of analysis suggests that it is not settlement of the most recent refugee wave driving our main results.

[7] See https://www.ft.com/content/bfabfcc2-c882-11e7-aa33-c63fdc9b8c6c

[8] See *La Repubblica,* 15th October 2015.

[9] See *La Stampa,* 27th February 2018.

[10] Freely available at http://demo.istat.it/index_e.html

immigrants can register.[11] A concern with this data is possible measurement error, particularly if individuals take time to change their official residential registration. This is most likely to be true for Italians. They may have access to another address (e.g. a relative's home or a second home) and for them the consequences of registration at a location other than their actual residence may be small. In contrast, immigrants are unlikely to have access to a second address within Italy. Anyone found not to be living at their registered residence is struck off the register.[12] For immigrants, this is consequential as a key requirement as to gain Italian citizenship is a continuous record of residential registration. In the case where an immigrant is removed from the register this 10 year period is reset to zero. This, when combined with the residence requirement for access to public services, provides strong incentives for legal immigrants to maintain accurate registration information.

For each municipality-year combination we observe the following: the number of newly registered foreigners coming from other municipalities; the number of cancelled foreigners going to other municipalities; the number of newly registered foreigners coming from abroad; the number of cancelled foreigners going abroad; the total number of foreigners; the municipal population. Our main dependent variable is the *Net Immigrant Flow* in municipality *i* in year *t* as a percentage of its total population at time *T-1* (the year before the most recent municipal election) multiplied by 100:

$$Net\ Immigrant\ Flow_{it} = \left(Newly\ Registered\ Foreigners_{it} - Cancelled\ Foreigners_{it}\right)/Total\ Native\ Population_{iT-1}$$

Immigrant Inflows ($Newly\ Registered\ Foreigners_{it}/Total\ Native\ Population_{iT-1}$) and Immigrant Outflows ($Cancelled\ Foreigners_{it}/Total\ Native\ Population_{iT-1}$) are defined in a similar way.

Our second source of data covers elections and is obtained from the Italian Interior Ministry.[13] For each election in each municipality we have data on the number of votes obtained by each mayoral candidate in the first ballot (and in the second ballot, when it takes place) and the parties/lists supporting each of them.

We focus on roughly 4,000 municipalities in Northern Italian regions (Piemonte, Lombardia, Liguria, Veneto, Friuli-Venezia Giulia, Emilia-Romagna) omitting municipalities in geographical areas in which the electoral strength of the Lega Nord is negligible.[14] These account for over 25

---

[11] There is very little available data on undocumented migrants. The most reputable source are the yearly Immigration Reports by Fondazione ISMU, which estimates that in our sample period approximately 15% of immigrants in Italy were undocumented (http://www.ismu.org/wp-content/uploads/2015/05/Stime-irregolari-ISMU_1991-2013_.xls). Bianchi et al. (2012) demonstrates how provincial level undocumented immigrant presence is highly correlated with documented immigrant numbers. This should in principle attenuate the potential omitted variable bias from including only documented immigrants.

[12] In Italy the registry officer (Ufficiale di anagrafe) has the legal duty of ascertaining that the residence of every citizen is accurate and not fictitious. By law, a municipal officer must check the actual presence of any new resident of the municipality.

[13] See the website: http://elezionistorico.interno.it/index.php?tpel=G

[14] We exclude the regions in which none of the Lega Nord candidates has been elected as Mayor in the period considered (see Table A2).

million inhabitants, almost half of the overall population of Italy, hosting 60% of the legal immigrant population. As highlighted in Appendix Table A2, these are the regions where Lega Nord has an established presence both in terms of votes in European Parliament elections but also in municipalities.

Among these regions, we include in our sample all the municipalities in which a Lega Nord supported candidate has run for municipal elections; hence we exclude those municipalities in which we do not observe any mayoral candidate supported by Lega Nord in our period of analysis.

This leads to dropping municipalities with 7 million inhabitants in total, see Table A3, accounting for just over a quarter of the population in Northern Italy, residing in about 2,800 (mostly very small) municipalities. In most of these places, especially in very small villages, the presence of Lega Nord or any other established political party in municipal elections is, in practice, difficult to ascertain as mayoral candidates run under a generic "Lista Civica" (translatable as "Local List") banner, and not under national-party labels (such as Lega Nord, Partito Democratico, etc.). In many cases these mayoral candidates are indeed non-partisan figures, not belonging to any national political party. However, this may also hide situations in which local politicians with locally known partisan allegiance decide – for whatever reason – to run under a non-partisan local label. We examine the robustness of our results to this issue later. Finally, we omit a handful (35 municipality-year) of observations with very large net immigration flows that seem likely to be a result of misreporting. In practice, this exclusion does not change our estimates of interest but does, in some cases, harm precision. This leaves us with 13,852 municipality-year observations (from 1,796 municipalities). Figure 1 presents the geographical distribution of the municipalities in our estimating sample.

INSERT FIGURE 1

As shown in Table A3, municipalities in our sample differ from other municipalities in Northern regions in terms of a number of characteristics: they are larger, richer, slightly more educated and with stronger flows of immigrants. As discussed above, these differences reflect in part the loss of many small municipalities in which it is difficult to ascertain whether a mayoral candidate is supported by Lega Nord (in these municipalities candidates typically run under a generic "Lista Civica").

For each municipality-election combination we observe the elected Mayor and the margin of victory of the winning candidate. We create a dummy, *Lega Nord Mayor,* equal to one when a mayoral candidate who belongs to Lega Nord is elected or a mayor is elected on a coalition ticket that includes Lega Nord and zero when a Lega Nord candidate is present but not elected.[15] We rescale the margin of victory such that it is positive for a victory by a Lega Nord mayoral candidate

---

[15] In later robustness tests we examine variants to this definition of the Lega Nord dummy variable.

or a candidate supported by Lega Nord and negative when the winning mayoral candidate was not supported by Lega Nord. In the cases where a second round is held we use these votes as they determine the final electoral outcome.[16]

Our final source of data are geographic and economic characteristics of each municipality - *Population*, average years of schooling (*Education*), *Altitude*, *Area* (in sq. km), a dummy whether the municipality is urban (*Urban*), share of employment in agriculture (Share Agriculture), industry (Share Industry), and trade (Share Trade) collected from ISTAT's Italian Census of Population (from years 1991, 2001 and 2011). We also use data on average annual municipal taxable income (from 1999 to 2013) (*Income*) that is sourced from the Finance Ministry.

In Table 1 we report descriptive statistics for the main variables used in the analysis. The inflow of immigrants (as a percentage of municipal population) is 1.578 percentage points, the outflow is 0.974 percentage points, and hence the net inflow is 0.604 percentage points per annum. In 28% of cases of our election outcomes we observe a Lega Nord Mayor. The average margin of victory of Lega Nord is -16%. The mean municipal population in our sample is about 17,728 (while the median is 6,672) and the average years of education are 8.4.

INSERT TABLE 1

3. METHODOLOGY

The main empirical difficulty in assessing the effect of *Lega Nord* on immigration mobility is the effect of prior immigrant location on voting patterns. The latter effect is, in essence, the focus of the previous literature on immigrants and voting patterns. At the same time, a range of research demonstrates how the existence of immigrants may in itself be attractive to prospective migrants. In this sense, immigrant location decisions are a function of the existing spatial distribution of immigrants (Card, 2001). More generally, there are likely unobserved local characteristics of municipalities that may influence both Lega Nord vote shares and the attractiveness of the location to immigrants. In addition, observed and unobserved local factors (for example, economic conditions) may simultaneously affect both immigrant flows and votes to Lega Nord. All of these provide challenges to causally identifying our relationship of interest.

Our identification strategy is to focus on mayoral elections involving a Lega Nord candidate where there was a narrow margin of victory. This forms the basis of a regression discontinuity design (RDD) approach (Imbens and Lemieux, 2008; Lee and Lemieux, 2010) where the main identifying assumption is that all potential confounders (local conditions, amenities, the effect of past immigrant stock/flows) are smooth at the point of a zero margin of victory. Our main estimates are variants of:

---

[16] In practice, excluding these elections entirely does not change our results.

$$Y_{it} = \gamma LegaNord_{iT} + \vartheta f\left(MarginVict\ ory_{iT}\right) + \theta f\left(MarginVict\ ory_{iT}\right)LegaNord_{iT} + \beta X_{iT-1} + \mu_P + \delta_t + \varepsilon_{it}$$

$$(1)$$

where Y_{it} is a measure of immigration into municipality i at year t (initially we use *Net Immigrant Flow* but in subsequent estimates we consider alternative immigration flow measures); *Lega Nord Mayor$_{iT}$* is a binary indicator that municipality i in the most recent election year T has a Mayor elected who is a member of, or is supported by, Lega Nord. In our main estimates we evaluate the impact of the election of a Lega Nord Mayor on the flow of immigrants in the same year of the election ($t=T$) and in the subsequent years following the election ($t=T+1;\ t=T+2;\ t=T+3;\ t=T+4$). The parameter of interest is γ and provides the treatment effect of the election of a Lega Nord Mayor on immigration flows. The election of a Lega Nord mayor varies at an election-municipality level, while the data on immigration is at a municipal-year level. Hence, γ provides the average annual effect of electing a Lega Nord Mayor on immigration flows across the electoral cycle. *f(MarginVictory)* is a flexible polynomial function of the margin of victory and the interaction term allows for different functional forms on the two sides of the cut-off. X_{iT-1} is a vector of municipality characteristics (Population, Education, Income, Area, Altitude, Urban, Share Agriculture, Share Industry, Share Trade) which are held constant at pre-election values (*T-1*) to avoid issues of reverse causality. We also include province (μ_P) and year fixed effects (δ_t); ε is an error term. In subsequent estimates we also adopt non-parametric, optimal bandwidth based approaches. As we consider multiple observations for each municipality standard errors are clustered at the municipal level in all regressions.

4. RESULTS

Table 2 reports estimates of the effect of the election of a Lega Nord mayor on net migration flows at the municipal level. In all specifications, we control for year dummies, provincial dummies and municipal characteristics. We stress, however, that the inclusion of these controls do not materially affect the pattern of our main estimates. As an initial point of comparison in column (1) we estimate our model without controlling for the Margin of Victory, this provides a simple difference between Lega Nord led municipalities and others. The results demonstrate a negative correlation between the election of a Lega Nord Mayor and the net inflow of immigrants: a Lega Nord Mayor is associated with a reduction of the net inflows of immigrants by 0.032 percentage points.

The remaining columns in Table 2 report OLS estimates in a RD framework, that is, controlling for the Margin of Victory. In columns (2) and (3) we run our estimates on the whole sample and include respectively linear and quadratic terms for the margin of victory allowing for different trends on the two sides of the cut-off. The underlying result is that the election of a Lega Nord Mayor leads to lower net inflows of immigrants in the municipality. The election of a Lega

Nord Mayor in a municipality induces a statistically significant reduction in the net inflow of immigrants of between 0.070 and 0.083 percentage points (p-values<0.05). Hence, this suggests that the estimates in column (1) understate the negative effect of Lega Nord supported mayors on immigrant flows. The coefficients on the forcing variable, the Margin of Victory of Lega Nord, are typically near zero and not statistically significant.

INSERT TABLE 2

We further examine the sensitivity of these estimates using Local Linear Regressions and choosing the optimal bandwidth by two alternative methods developed by Imbens and Kalyanaraman (2012) (henceforth IK) and Calonico, Cattaneo and Titiunik (2014) (henceforth CCT), respectively. These methodologies rely on running a linear regression on a subset of the initial sample within an optimally-defined margin of victory. Using these methods leads to optimal bandwidths of 0.233 (IK) and 0.141 (CCT) above and below the zero margin of victory, respectively. Columns (4) and (5) report local linear estimates using these two alternative optimal bandwidths. While there is some loss in precision, particularly for the narrower bandwidth chosen with the CCT approach, the point estimates are largely unaffected (-0.060 and -0.076).

In summary, the main estimate of interest is relatively stable across a variety of specifications. The estimates from our RDD models range between -0.06 and -0.08 percentage points. This corresponds to approximately 0.10-0.12 of a standard deviation of the dependent variable, which is sizeable. Hence, our initial evidence suggests that narrow victories by the Lega Nord Mayors substantially reduce net immigrant flows into the municipality.[17]

Our results are visually presented in Figure 2 where we plot the fitted values from a running-mean smoothing of the net flow of immigrants fitted over the margin of victory of the mayor performed separately on each side of the cutoff point, as well as the 95% confidence intervals and bin scatter plot. This gives some supportive graphical evidence of the existence of the discontinuity in immigrant flows when a Lega Nord mayor is elected.

INSERT FIGURE 2

While our observations are at municipal level, our main estimates include fixed effects at a provincial level. This, in part, represents a pragmatic choice with respect to the amount of within municipal variation in our data. In practice, we observe on average 2.7 elections per municipality in our data. This lack of time-series variability becomes more acute in the bandwidth estimates where only narrow municipal elections are retained in the estimating sample. Nonetheless, in Table 3, we report analogous estimates where we include municipal fixed effects. These provide estimates of the

---

[17] As with all RDD approaches our estimates have a LATE interpretation which raises the issue of how generalizable they are to, for instance, municipalities away from the discontinuity or those explicitly not included in the analysis. In our setting, we note both the large number of municipalities in our main estimating sample and again highlight tables A1 to A3 that provide information on the representativeness of our estimating sample.

effect of a Lega Nord Mayor that are larger in magnitude to those reported in Table 2. The RDD estimates range from -0.10 to -0.16, although the estimate using the CCT bandwidth is no longer statistically significant.

INSERT TABLE 3

It is also worth emphasising the source of variation that identifies the Lega Nord effects in the models with municipal fixed effects. These provide the impact of a within-municipality change in Mayor (from or to Lega Nord). In the case where there is a change in mayoral affiliation (rather than, for instance, two consecutive narrow victories by a Lega Nord mayor) we might expect any effect on subsequent immigrant mobility to be larger. This fits with the results presented in Table 3 showing that the effect of a Lega Nord victory is substantially larger when it involves a change in mayor.

These estimates suggest the routinely negative pattern of our earlier estimates are not a function of controlling for time-invariant un-observables at a higher municipal level. In all following estimates we revert to controlling for provincial fixed effects.

The effects we observe for *Net Immigrant Flow* might result from a range of underlying migration behaviours. Specifically, they could reflect any combination of inflows and outflows, of immigrants already resident legally in Italy, new legal entrants to Italy, or new registrations of previously illegally resident migrants. Our initial step is to attempt to decompose our estimates into inflows and outflows, irrespective of status of the immigrant. Table 4 reports RD estimates separately for inflows (columns 1 to 4) and outflows (columns 5 to 8) that result from analogous specifications to our earlier net flows models. These estimates are suggestive of a process where inflows are affected by the election of a Lega Nord Mayor and there is no response from immigrants currently residing in the municipality. The estimates of inflows are routinely negative and sizeable, although for the optimal bandwidth models these estimates become imprecise and no longer statistically significant. The magnitude of these effects are similar to the net effects reported in Table 2.[18] The estimates for outflows are never statistically significant and, while negative, are essentially zero. These results fit with a view that immigrants, when comparing different alternative places of residence, might avoid communities that are either perceived as unwelcoming or unlikely to adopt policies in their interest. In contrast, existing resident immigrants may be less responsive due to costs associated with out-migration.

INSERT TABLE 4

We next seek to understand whether these migration patterns reflect movements of existing legal immigrants within Italy, or alternatively, new registrations of immigrants. For instance, it could be that immigrants already living in Italy have better information compared to new registering

---

[18] Unreported municipal fixed effects models reveal the same pattern, (negative) inflow effects are of the same magnitude as those reported in Table 4. In addition, the bandwidth estimates are statistically significant at the 1% (IK) and 10% (CCT) level, respectively. There is no effect on outflows.

immigrants and/or more choice over location. It is, however, worth re-iterating two points. First, movements by existing immigrants are numerically dominant by some margin. Second, data on new arrivals in the country also might include the new registration of previously undocumented immigrants who acquire legal status, and data on immigrants "moving out of the country" includes visa 'over-stayers', i.e. immigrants whose visa expires (and therefore are cancelled from the register), but do not leave the country. We are unable to distinguish between these two groups. This leads to some care being necessary when interpreting these estimates.

Table 5 presents estimates for flows disaggregated by immigrant type (moving within Italy and flows from/to abroad). For brevity, we report estimates that use the full sample but include a quadratic polynomial for the forcing variable on either side of the zero margin of victory (i.e. equivalent to specification reported in column (3) in Table 2).

The first two columns provide estimates for net flows. For both groups, existing and new registrants, there is a reduction in net flows following the election of a Lega Nord Mayor. We then report the same estimates split by inflows and outflows to the municipality. These estimates again show a roughly even split between the two types of potential incoming immigrants to a municipality.

The sizeable reduction of inflows from immigrants who were previously registered in other Italian municipalities is of additional interest. These, by construction, are unlikely to reflect the registration patterns of previously undocumented immigrants already residing in the municipality prior to the election. There is a zero effect on outflows for either those leaving to another municipality or those moving abroad. In this sense, the earlier zero results for outflows do not appear to be hiding heterogeneity by type of outflow.[19]

<center>INSERT TABLE 5</center>

To this point our approach has been to estimate the impact of Mayoral elections on average annual immigration flows for each 5-year electoral cycle. A natural question is whether there are any temporal patterns in these migration effects. In Table 6 we first build a variable *Lag* that measures the years spent from the last election (*Lag* is equal to 0 for the year of election,[20] 1 for the following year, and so on). We report estimates based on the parametric, quadratic specification. In Column 1 we consider the subsample of observations in election years and in the year immediately afterwards (Lag≤1). In Column 2 we consider the complementary sample of the years furthest from elections (Lag>1). Columns 3 and 4 consider instead the full sample. In Column 3 we add a dummy for Lag>1 (years distant from elections) and its interaction with *Lega Nord Mayor*. In Column 4 we add a dummy variable for each year in the election cycle and interact each of them with *Lega Nord Mayor*. Across specifications, we find a strong negative immediate effect of Lega Nord: for example we find

---

[19] Estimates for the other approaches are available on request. These follow the same patterns as those reported in Table 5 but are typically less precise. Consistent results are also found when municipality fixed effects are introduced.

[20] Notice that typically municipal elections are held in spring.

a negative (-0.12) and significant effect of Lega Nord in Column 1 (years close to elections) and a smaller and imprecisely estimate effect (p-value 0.11) in Column 2 (years far from elections). Similarly, in Column 3 we find that the interaction between *Lega Nord Mayor* and the dummy for "years far from elections" (Lag>1) is positive and significant, exemplifying how the effect of electing a Lega Nord mayor dwindles with time. In Column 4, we can note how time dummies interacted with LegaNord are always positive even if in some cases are not statistically significant, giving further suggestive evidence that the effect tends to attenuate as times goes by.

INSERT TABLE 6

5. VALIDITY AND ROBUSTNESS CHECKS

5.1. VALIDITY TESTS

We perform a number of validity tests to investigate the identifying assumptions of the RD approach. A key RDD assumption is that unobservable characteristics do not vary discontinuously around the cutoff point and the cutoff rule provides exogenous variations in the treatment (i.e. as good as a randomised experiment). As it is standard in the literature, we focus on observed characteristics and test the continuity of the covariates distribution at the threshold to control whether the assumptions of the RDD are satisfied. More precisely, we estimate an analogous equation to (1), where the dependent variable is, in turn, all the predetermined characteristics. This provides a test of whether a discontinuity is present in any of these variables when a Lega Nord Mayor is elected. We control for the margin of victory and for the interaction term between the Lega Nord Mayor and the forcing variable, and for provincial and electoral years fixed effects. Appendix Table A4 presents the coefficients on Lega Nord Mayor from RD regression using pre-determined characteristics focusing, alternatively, on the full sample, the IK bandwidth and CCT bandwidth. Overall, our estimates show that a Lega Nord Mayor is not associated with any discontinuity in municipal predetermined characteristics. Since a few of these characteristics are not balanced we include them as control variables in our estimating equations, although we stress that our main results are not influenced by their inclusion or exclusion.

As an additional examination of our research design in Figures A1 and A2 in the appendix of the paper, we plot a histogram of the margin of victory in 50 bins and the density of the same variable around the zero cut-off as suggested by McCrary (2008). Discontinuities at the cutoff point might raise concerns that the candidates are able to manipulate the margin of victory. While the histogram does not show any evidence of jumps or grouping of elections around the threshold, the McCrary density provides weak evidence of a discontinuity at the cutoff. We emphasise, however, that there is no evidence of electoral frauds in municipal elections in Italy; the sporadic Court cases that occur generally involve direct "vote buying" (i.e. people promising to vote in a particular way in

exchange of money), rather than manipulation of final results. This, we feel, provides a degree of confidence regarding our research design and resultant estimates.

5.2.   ROBUSTNESS CHECKS

As a first robustness check, in Table 7 we carry out a falsification exercise in the spirit of Lee (2008). We investigate if the election of a Lega Nord Mayor in year *T* has any effect on the flows of immigrants in the previous years. In our RDD framework this should not occur and any anticipation effects would cast doubt on our identification approach. We estimate two separate models one for the year prior to the election, the other for two years previous. In both cases there is no evidence of a link between a future, narrow, LN victory and migration patterns. The point estimates in both cases are close to zero and not statistically significant.

INSERT TABLE 7

To this point, our measure of Lega Nord Mayors has consisted of settings where a Lega Nord member is either the mayoral candidate or where a Lega Nord member is part of the coalition. We seek to examine the robustness of our results to two alternative measures of *Lega Nord Mayor*, one more extensive and the other more restrictive.

The first recognises the fact that in some (mostly small) municipalities we cannot separately identify Lega Nord candidates from other centre-right candidates and have excluded them from our main analysis. In Table 8, we report estimates in which we include these additional municipalities (2620 municipality-year observations) that were previously excluded as we were not able to identify Lega Nord candidates accurately. We now treat centre-right coalitions in these municipalities as coalitions including Lega Nord. As can be seen in columns (1) to (3), the main results of interest are materially unaffected by this new definition of Lega Nord.

The second is to consider as "Lega Nord" only municipalities where the mayor or the deputy mayor belongs to Lega Nord. The concern is that in previous estimates we treated all Lega Nord coalitions equally, irrespective of the running position of the Lega Nord member in the coalition. A related issue is whether our results demonstrate a broad centre-right effect, rather than a Lega Nord effect per se. Therefore, we re-estimated our main models identifying coalitions as Lega Nord only if the Lega Nord member was the mayor or deputy mayor. These estimates are reported in Table 8 columns (4) to (6). These estimates are larger in absolute magnitude, in the order of twice the size, and more precise. This suggests that our earlier estimates are, if anything, conservative. The take-home message is that the estimates reported in Table 8 provide us with confidence that the Lega Nord component of coalitions are driving our main results.

INSERT TABLE 8

6. MECHANISMS

We have, to this point, demonstrated a robust negative relationship between the election of a mayor belonging to the Lega Nord party and net immigration flow into a municipality. In practice, these effects might reflect a range of underlying mechanisms. In this section, we seek to provide evidence aimed at understanding these.

One point of contention is the extent to which our results reflect the anti-immigrant stance and policies of Lega Nord or other parts of their political platform. For instance, Lega Nord mayors may implement policies that generate poorer economic conditions for immigrants or other disamenities that discourage migrants from moving in. As an initial step to investigating this, we examine the period immediately prior to our main period of analysis. This period, 1991-2001, is period where Lega Nord was a prominent political party, but where immigration had not yet become a central component of their political platform. Unfortunately, data on immigrants at a municipal level do not exist for this period, but are available at the provincial level. These are immigrant flow data provided by the Minister of the Interior.[21] Using data on local administrators,[22] we then create a variable for each province measuring the percentage of municipalities within the province ruled by a Lega Nord mayor. Then, we regress the flow of immigrants in each province on the percentage of municipalities in the province ruled by a Lega Nord Mayor using provincial fixed effects and year dummies. The results are reported in column (1) of Table 9. For this period, we find no relation between the percentage of municipalities with a Lega Nord Mayor and the flows of immigrants. We then re-estimate these models for 2002-2014, our main period of analysis and one in which Lega Nord took a more marked anti-immigration stance. In contrast to previous results, as shown in column 2 of Table 9, for this period a higher percentage of Lega Nord mayors in the province is associated with low net immigration. This is consistent with our municipal level estimates, and suggest that this change by Lega Nord towards openly anti-immigration politics is driving our results.

INSERT TABLE 9

With this said, our results may reflect a response to a perceived increase in anti-immigration feeling and/or anti-immigrant policies. For instance in the former case, the election of a mayor with declared anti-immigration views may legitimise stigmatising behaviours and generate a more uncomfortable environment for immigrants.[23] This type of effect has been, for instance, widely

---

[21] We thank Guido De Blasio for providing us with these data.

[22] http:/dait.interno.gov.it/elezioni/anagrafe-amministratori.

[23] We have also investigated if there is any impact on the mobility of natives. One might expect that natives that do not share the political stance of Lega Nord may also decide to leave or not move to the municipality.

discussed in the press[24] in relation to the election of Donald Trump who during his electoral campaign has portrayed immigrants as threats to American values and Americans' safety. Similarly, there is evidence that recent 'Brexit' referendum in the United Kingdom led to a spike in anti-foreigner crime. Simultaneously, the reduction in net migration may also reflect the expectation that a mayor supported by the Lega Nord will undertake political choices, for instance in terms of public expenditure, that will disadvantage immigrants.

We seek to explore these two channels. First, we consider if specific characteristics of the municipality are important. This is informative insofar as these characteristics may reflect differences in likely channels of effect. Our starting place is to note that the literature on the effect of immigration on political attitudes and voting demonstrates that municipality size matters (Dustmann et al., 2016; Barone et al., 2016). Immigration inflows produce large increases in the votes obtained by far-right parties especially in small towns, while in large towns there is no impact. This may reflect a range of reasons such as higher segmentation in larger municipalities, higher education of natives and a longer history of immigration and diversity in larger towns and cities.

As an initial step, following Halla et al. (2017), we weight our regressions with population size. Results are reported in Table 10. In the first column we run our estimates on the full sample and include a quadratic term of the margin of victory, while in column (2) and (3) we estimate local linear regressions considering respectively the IK and the CCT optimal bandwidths. We still find a negative effect of having elected a Lega Nord supported mayor on the net inflow of immigrants, however estimates become less precise. To further explore this, in columns (4) and (5) we run our regressions separately for municipalities with a population lower and greater than that the median of the distribution (6,684 inhabitants). While we find a negative and significant effect on smaller municipalities, there is essentially no effect for larger municipalities.

INSERT TABLE 10 HERE

One reason for this may be the higher educational level of people living in larger cities in Italy. As suggested for instance by d'Hombres and Nunziata (2016), education is associated with a more positive attitude toward immigrants, this in turn may lead to a less hostile environment for immigrants after Lega Nord mayoral victories. To investigate this we created an interaction variable between the average number of years of education of the population living in each municipality (*Education*) and *Lega Nord Mayor* and re-estimated our main models (Table 10). Results, reported in Table 11, suggest that the negative impact of electing a Lega Nord supported mayor on the net inflow of immigrants becomes smaller as the average level of education of the population increases:

However, as shown in Table A5, where we replicate the same specifications of Table 2 but consider as dependent variable the Net Native Flow, we do not find any effect on the location decisions of natives.

[24] See for instance http://www.vox.com/2016/11/17/13639138/trump-hate-crimes-attacks-racism-xenophobia-islamophobia-schools

the impact decreases by about one tenth for every extra year of (average) education in a municipality. Together, these results suggest that the effect of Lega Nord on immigrant flows is concentrated in smaller, less educated settings. While far from a clean test, these results provide some indication that it is in municipal settings where immigrants are likely to be more visible and face more hostility from native inhabitants that Lega Nord mayoral victories reduce immigrant shares.

INSERT TABLE 11

We next endeavor to provide evidence on the potential role of the immigrant orientation of policy choices. While difficult to observe and measure we have information on the budgetary choices of mayors in terms of public expenditure. More precisely, we use data from the municipal councils' balance sheets to consider expenditures in the areas of social services. We estimate an analogue of equation (1) but considering as the dependent variable the fraction of social expenditures (the sum of expenditures devoted to social housing, to social assistance and care on total expenditures). While not solely directed towards non-Italians, the social expenditures are used extensively by immigrants due to their demographic and economic make-up. As shown in columns (1) and (2) of Table 12, we find a negative effect of Lega Nord mayoral victories on these expenditures. However the effect is statistically significant only when restricting the sample to the CCT optimal bandwidth (0.141). This pattern may simply reflect the fact that Lega Nord mayors are more likely to be fiscally conservative. To explore this in column (2) we perform the same exercise on another major part of municipal expenditure, that directed towards elderly people, a group in which immigrants are typically a very small minority. There is neither a statistically significant nor an economically meaningful effect of Lega Nord Mayors. Finally, in column (3) we consider as outcome variable total expenditure (in thousands of euros) and again we do not find any statistically significant effect of Lega Nord Mayors. This fits with recent regression discontinuity based evidence that suggests no difference in overall municipal expenditure according to Mayoral political alignment in Italy (Bracco et al., 2017). Similar findings (see Table A6) emerge when we include municipal fixed effects, which provide the impact of a within-municipality change in Mayor (from or to Lega Nord). In these estimates we find a negative and statistically significant effect of Lega Nord mayoral victories on social expenditures both when considering the full sample and when restricting to the CCT optimal bandwidth. Again, while far from definitive, this exercise suggests that part of the response of immigrants to Lega Nord mayoral victories may reflect reactions to the reduction in the provision of public services. This is an avenue that future research should consider.

INSERT TABLE 12

7. CONCLUSION

There appears to be a rapid and marked increase in the popularity and vote share of anti-immigration parties across a range of jurisdictions. While previous research considers the potential causes of this, and the extent to which immigration itself may generate support for these parties, little is known about how these patterns influence migration decisions. We provide evidence on this by examining mayoral elections in Northern Italy, and the effect of victories by Italy's primary anti-immigration party, Lega Nord.

We use a Regression Discontinuity framework to disentangle the causal effect of electing a Lega Nord mayor from municipal factors related to the electoral support for Lega Nord and from other potential omitted variables, by focusing on municipalities in which Lega Nord candidates win or lose the electoral competition by narrow margins.

We demonstrate that immigrants' location decisions react to the election of mayors of, or supported by, Lega Nord. Specifically, these events have marked effects on net flows of immigration in municipalities. This appears to be driven almost entirely by individuals choosing not to move into these places following the election of Lega Nord Mayors rather than by immigrants moving away from those municipalities. These decisions are concentrated in the early periods following the election and reflect a mixture of the choices of existing foreigners resident in Italy and newly registered immigrants. That these narrow victories of parties that utilise anti-immigrant rhetoric have a marked effect on immigrant behaviour is also noteworthy given the recent Brexit referendum and Donald Trump presidential victory. The attempt of these parties to gain popular support is likely to produce negative effects on local economies deriving from the foregone benefits that immigrants seem to produce on several economic outcomes (Peri, 2012; Hong and McClaren, 2015; Nunn et al., 2017). The rise of far-right parties makes quantifying these costs highly relevant and an important focus for future research (Gamalerio, 2017).

Another natural area of future research is to investigate what drives these patterns. We provide suggestive evidence that a relevant channel is represented by the increase in local hostility towards foreigners. Our results also suggest that immigrants' location decisions react to changes in public policies that tend to penalise foreigners. However, our estimates are far from conclusive on this point and addition investigation would be required.

REFERENCES

Arzheimer, K. (2009). Contextual Factors and the Extreme Right Vote in Western Europe, 1980-2002. *American Journal of Political Science*. 53, 259-275.

Barone, G., D'Ignazio, A., de Blasio, G., & Naticchioni, P. (2016). Mr. Rossi, Mr. Hu and politics. The role of immigration in shaping natives' voting behavior. *Journal of Public Economics*, 136, 1-13.

Bianchi, M., Buonanno P. and Pinotti P., (2012). Do Immigrants Cause Crime?. *Journal of the Eueopean Economic Associatiion*, , 10: 1318-1347.

Bracco, E., Lockwood, B., Porcelli and Redoano, M. (2017) Intergovernmental grants as signals and the alignment effect: Theory and evidence. *Journal of Public Economics*, 123, 78-91.

Calonico, S., Cattaneo, M. D., & Titiunik, R. (2014). Robust Nonparametric Confidence Intervals for Regression Discontinuity Designs. *Econometrica*, 82(6), 2295-2326.

Card, D. (2001). Immigrant inflows, native outflows, and the local labor market impacts of higher immigration. *Journal of Labor Economics*, *19*(1), 22-64.

D'Hombres, B. and Nunziata, L. (2016). Wish you were here? Quasi-experimental evidence on the effect of education on self-reported attitude toward immigrants. *European Economic Review,* 90, 201-224.

Dinas, E., Matakos, K., Xefteris, D., Hangartner D. (2016). Exposure to the refugee crisis moderately increases natives' support for extreme-right parties. Mimeo.

Dustmann, C., Vasiljeva, K., & Damm, A. P. (2016). Refugee Migration and Electoral Outcomes. CReAM DP, 19, 16.

Foged, M., and Peri, G. (2016). Immigrants' effect on native workers: New analysis on longitudinal data. American Economic Journal: Applied Economics, 8(2), 1-34.

Gamalerio M. (2017), Not welcome anymore: the effect of electoral incentives on the reception of refugees, mimeo.

Halla, M., Wagner, A. F., & Zweimüller, J. (2017). Immigration and Voting for the Far Right, *Journal of the European Economic Association*, 15(6), pp. 1341–1385.

Hatton, T. J. (2016). Immigration, public opinion and the recession in Europe. *Economic Policy*, 31(86), 205-246.

Hong, G., & McLaren, J. (2015). *Are Immigrants a Shot in the Arm for the Local Economy?* (No. w21123). National Bureau of Economic Research.

Imbens, G., and Kalyanaraman, K. (2012). Optimal bandwidth choice for the regression discontinuity estimator. *The Review of economic studies*, 79(3), 933-959.

Imbens, G. W., and Lemieux, T. (2008). Regression discontinuity designs: A guide to practice. *Journal of Econometrics*, 142(2), 615-635.

Lee, D. S. (2008),"Randomized experiments from non-random selection in U.S. House elections", *Journal of Econometrics*, 142: 675–697.

Lee, D. S., and Lemieux, T. (2010). Regression discontinuity designs in economics. *Journal of Economic Literature*, 48(2), 281-355.

Mayda, A. M. (2006). Who is against immigration? A cross-country investigation of individual attitudes toward immigrants. *The Review of Economics and Statistics*, 88(3), 510-530.

McCrary, J. (2008). Manipulation of the running variable in the regression discontinuity design: A density test. *Journal of Econometrics*, 142(2), 698-714.

Nunn, N., Qian, N. , & Sequeira, S. (2017). *Migrants and the Making of America: The Short-and Long-Run Effects of Immigration during the Age of Mass Migration* (No. w23289). National Bureau of Economic Research.

Otto, A. H., & Steinhardt, M. F. (2014). Immigration and election outcomes—Evidence from city districts in Hamburg. *Regional Science and Urban Economics*, 45, 67-79.

Peri, G. (2012). "The Effect Of Immigration On Productivity: Evidence From U.S. States," *Review of Economics and Statistics* 94, 348-358.

Peri, G., & Yasenov, V. (2018). The labor market effects of a refugee wave: Synthetic control method meets the Mariel boatlift. *Journal of Human Resources*.

Sekeris, P., & Vasilakis, C. (2016). The Mediterranean Refugees Crisis and Extreme Right Parties: Evidence from Greece. *MPRA Working Paper No. 72222.*

Steinmayr, A. (2016). Exposure to Refugees and Voting for the Far-Right:(Unexpected) Results from Austria. *IZA Discussion Paper No. 9790.*

Figure 1. Regions with a Lega Nord Presence (panel a), Municipalities where Lega Nord ran for Municipal Elections (panel b) and Municipalities where Lega Nord was part of the Ruling Coalition (panel c). All 2002-2014.

(a)   **(b)**   **(c)**
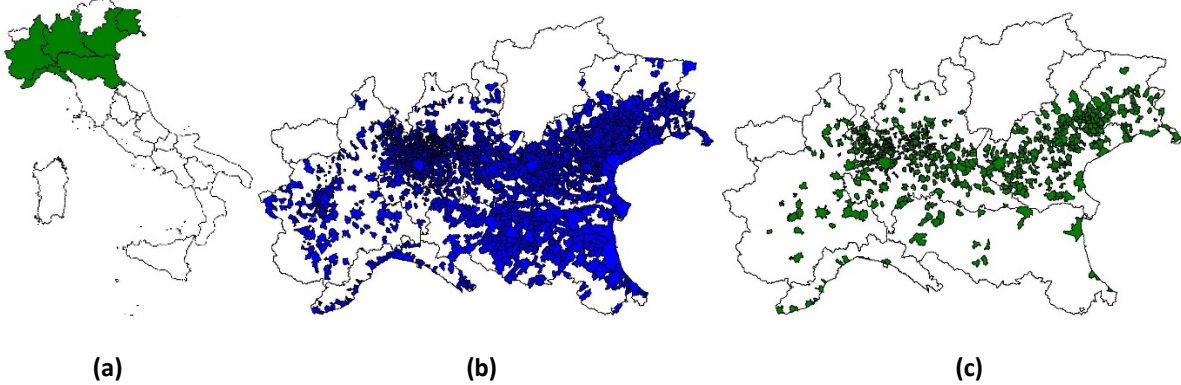
Figure 2. The Effect of Electing a Lega Nord Mayor on Net Immigrant Flow
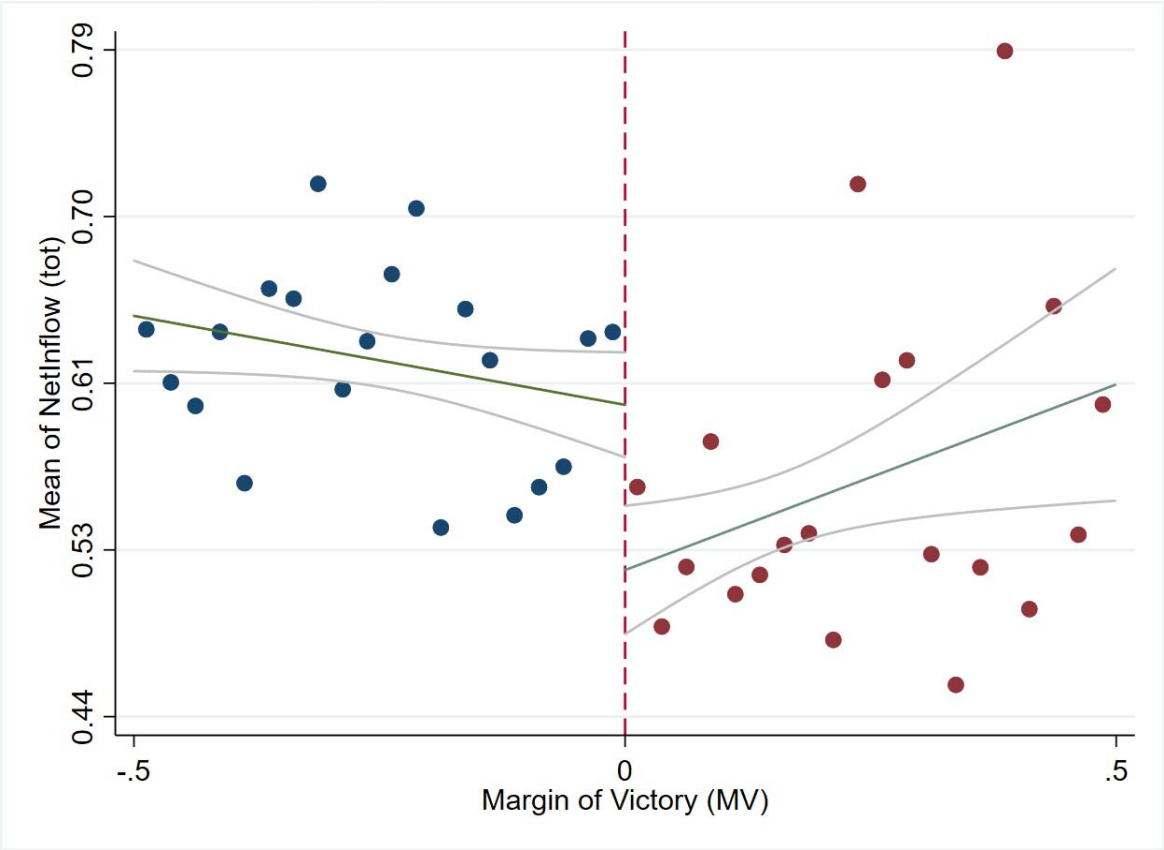
Notes. Each data point represents the bin sample average for Margin of Victory, the straight line is a first-order polynomial in Margin of Victory fitted separately on each side of the margin of victory threshold at zero (Estimates from column 2, Table 2). 95% confidence intervals are shown.

Table 1. Descriptive Statistics, 2002-2014

Variable	Obs.	Mean	SD	Min	Max
Net Immigrant Flow	13,852	0.604	0.655	-2.700	5.367
Immigrant Inflow	13,852	1.578	0.837	0.000	7.045
Immigrant Outflow	13,852	0.974	0.609	0.000	5.462
Lega Nord Mayor	13,852	0.281	0.449	0.000	1.000
Margin of Victory (MV)	13,816	-0.159	0.263	-0.857	0.740
Population	13,852	17.728	66.992	0.046	1256.211
Education	13,852	8.364	0.716	5.964	12.042
Income	13,852	19664.8	3664.8	9711.4	44270.7
Area sqkm	13,852	0.030	0.043	0.001	0.653
Altitude	13,852	0.184	0.187	0.000	2.035
Urban	13,852	0.356	0.479	0.000	1.000
Share Agric.	13,852	0.048	0.058	0.002	0.895
Share Industry	13,852	0.457	0.110	0.118	0.817
Share Trade	13,852	0.179	0.044	0.040	0.713

Source: Istat Resident Foreigners; Historical Archive of Municipal Election, Interior Ministry; ISTAT Italian Census of Population.

Table 2. The Effect of Electing a Lega Nord Mayor on Net Immigrant Flow

	(1)	(2)	(3)	(4)	(5)
Lega Nord Mayor	-0.032**	-0.070***	-0.083**	-0.060*	-0.076*
	(0.016)	(0.024)	(0.033)	(0.035)	(0.044)
Polynomial Order MV	NO	Linear	Quadratic	Linear	Linear
Optimal Bandwidth	NO	NO	NO	IK	CCT
Year dummies	YES	YES	YES	YES	YES
Provincial dummies	YES	YES	YES	YES	YES
Municipal characteristics	YES	YES	YES	YES	YES
Observations	13852	13816	13816	7004	4558
R-squared	0.275	0.277	0.278	0.293	0.309
Mean dep. var.	0.604	0.604	0.604	0.578	0.568

The table reports OLS estimates. The dependent variable is Net Immigrant Flow. Municipal characteristics are Population, Education, Income, Area, Altitude, Urban, Share Agriculture, Share Industry, Share Trade. Standard errors (reported in parentheses) are corrected for heteroskedasticity and clustered at the municipal level. IK: Imbens, Kalyanaraman (2012); CCT: Calonico, Cattaneo, Titiunik (2014). * $p< 0.10$, ** $p< 0.05$, *** $p< 0.01$.

Table 3. The Effect of Electing a Lega Nord Mayor on Net Immigrant Flow, Municipal Fixed Effects

	(1)	(2)	(3)	(4)	(5)
Lega Nord Mayor	-0.123***	-0.122***	-0.157***	-0.109*	-0.107
	(0.024)	(0.033)	(0.046)	(0.058)	(0.094)
Polynomial Order MV	NO	Linear	Quadratic	Linear	Linear
Optimal Bandwidth	NO	NO	NO	IK	CCT
Year dummies	YES	YES	YES	YES	YES
Municipal dummies	YES	YES	YES	YES	YES
Municipal characteristics	YES	YES	YES	YES	YES
Observations	13852	13816	13816	7004	4558
R-squared	0.502	0.504	0.504	0.537	0.563
Mean dep. var.	0.604	0.604	0.604	0.578	0.568

The table reports OLS estimates. The dependent variable is Net Immigrant Flow. Municipal characteristics are Population, Education, Income, Share Agriculture, Share Industry, Share Trade. Standard errors (reported in parentheses) are corrected for heteroskedasticity and clustered at the municipal level. IK: Imbens, Kalyanaraman (2012); CCT: Calonico, Cattaneo, Titiunik (2014). * $p< 0.10$, ** $p< 0.05$, *** $p< 0.01$.

Table 4. The Effect of Electing a Lega Nord Mayor on Immigrant Inflows and Outflows

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
	Immigrant INFLOWS				Immigrant OUTFLOWS			
Lega Nord Mayor	-0.078**	-0.088*	-0.065	-0.092	-0.008	-0.006	-0.005	-0.016
	(0.037)	(0.052)	(0.053)	(0.070)	(0.025)	(0.034)	(0.035)	(0.045)
Polynomial Order MV	Linear	Quadratic	Linear	Linear	Linear	Quadratic	Linear	Linear
Optimal Bandwidth	NO	NO	IK	CCT	NO	NO	IK	CCT
Year dummies	YES	YES	YES	YES	YES	YES	YES	YES
Provincial dummies	YES	YES	YES	YES	YES	YES	YES	YES
Municipal characteristics	YES	YES	YES	YES	YES	YES	YES	YES
Observations	13816	13816	7004	4558	13816	13816	7004	4558
R-squared	0.345	0.346	0.350	0.352	0.437	0.437	0.433	0.442
Mean dep. var.	1.579	1.579	1.630	1.634	0.975	0.975	1.051	1.067

The table reports OLS estimates. Municipal characteristics are Population, Education, Income, Area, Altitude, Urban, Share Agriculture, Share Industry, Share Trade. Standard errors (reported in parentheses) are corrected for heteroskedasticity and clustered at the municipal level. IK: Imbens, Kalyanaraman (2012); CCT: Calonico, Cattaneo, Titiunik (2014). * $p < 0.10$, ** $p < 0.05$, *** $p < 0.01$.

Table 5. Lega Nord and Immigrant flows from other municipalities/new registrations, RDD Estimates

	(1)	(2)	(3)	(4)	(3)	(4)
	Net Imm. Flows		Imm. Inflows		Imm. Outflows	
	(Other mun.)	(Abroad/New registrants)	(Other mun.)	(New Registrants)	(Other mun.)	(Abroad)
Lega Nord Mayor	-0.044***	-0.044**	-0.040*	-0.047**	0.004	-0.003
	(0.016)	(0.022)	(0.023)	(0.024)	(0.021)	(0.007)
Polynomial Order MV	Quadratic	Quadratic	Quadratic	Quadratic	Quadratic	Quadratic
Year dummies	YES	YES	YES	YES	YES	YES
Provincial dummies	YES	YES	YES	YES	YES	YES
Municipal characteristics	YES	YES	YES	YES	YES	YES
Observations	13816	13816	13816	13816	13816	13816
R-squared	0.059	0.395	0.313	0.380	0.326	0.173
Mean dep. var.	0.041	0.574	0.640	0.654	0.599	0.081

The table reports OLS estimates. Municipal characteristics are Population, Education, Income, Area, Altitude, Urban, Share Agriculture, Share Industry, Share Trade. Standard errors (reported in parentheses) are corrected for heteroskedasticity and clustered at the municipal level. * $p < 0.10$, ** $p < 0.05$, *** $p < 0.01$.

Table 6. The Timing of Lega Nord Effects on Net Immigrant Flows

	(1) Lag<=1	(2) Lag>1	(3) Full sample	(4) Full sample
Lega Nord Mayor	-0.125***	-0.061	-0.108***	-0.111***
	(0.042)	(0.038)	(0.035)	(0.037)
Lega Nord Mayor*(Lag>1)			0.044**	
			(0.019)	
Lega Nord Mayor*(Lag=1)				0.007
				(0.026)
Lega Nord Mayor*(Lag=2)				0.022
				(0.026)
Lega Nord Mayor*(Lag=3)				0.082***
				(0.027)
Lega Nord Mayor*(Lag=4)				0.036
				(0.031)
Polynomial Order MV	Quadratic	Quadratic	Quadratic	Quadratic
Year dummies	YES	YES	YES	YES
Provincial dummies	YES	YES	YES	YES
Municipal characteristics	YES	YES	YES	YES
Observations	5440	8376	13816	13816
R-squared	0.270	0.292	0.278	0.278
Mean dep. var.	0.604	0.605	0.604	0.604

The table reports OLS estimates. (Lag=0 on election year). Municipal characteristics are Population, Education, Income, Area, Altitude, Urban, Share Agriculture, Share Industry, Share Trade. Standard errors (reported in parentheses) are corrected for heteroskedasticity and clustered at the municipal level. * $p< 0.10$, ** $p< 0.05$, *** $p< 0.01$.

Table 7. The Impact of Lega Nord Mayor Elections on Net Immigrant Flow in year T-1 and T-2, Quadratic, parametric specification

	(1) T-1	(2) T-2
Lega Nord Mayor	-0.024	0.013
	(0.066)	(0.058)
Polynomial Order MV	Quadratic	Quadratic
Year dummies	YES	YES
Provincial dummies	YES	YES
Municipal characteristics	YES	YES
Observations	2755	2714
R-squared	0.272	0.257
Mean dep. var.	0.851	0.777

The table reports OLS estimates. Municipal characteristics are Population, Education, Income, Area, Altitude, Urban, Share Agriculture, Share Industry, Share Trade. Standard errors (reported in parentheses) are corrected for heteroskedasticity and clustered at the municipal level. * $p < 0.10$, ** $p < 0.05$, *** $p < 0.01$.

Table 8. Robustness of Main Estimates to Alternative Lega Nord Measures

	(1)	(2)	(3)	(4)	(5)	(6)
	Less Restrictive			More Restrictive		
Lega Nord/Centre Right Coalition	-0.076***	-0.057*	-0.091**			
	(0.030)	(0.032)	(0.038)			
Lega Nord Mayor/Deputy Only				-0.143***	-0.097**	-0.136**
				(0.049)	(0.047)	(0.057)
Polynomial Order MV	Quadratic	Linear	Linear	Quadratic	Linear	Linear
Optimal Bandwidth	NO	IK	CCT	NO	IK	CCT
Year dummies	YES	YES	YES	YES	YES	YES
Provincial dummies	YES	YES	YES	YES	YES	YES
Municipal characteristics	YES	YES	YES	YES	YES	YES
Observations	16472	7891	5754	11060	5807	4143
R-squared	0.273	0.297	0.296	0.272	0.299	0.303
Mean dep. var.	0.624	0.601	0.571	0.618	0.616	0.578

The table reports OLS estimates. Municipal characteristics are Population, Education, Income, Area, Altitude, Urban, Share Agriculture, Share Industry, Share Trade. Standard errors (reported in parentheses) are corrected for heteroskedasticity and clustered at the municipal level. IK: Imbens, Kalyanaraman (2012); CCT: Calonico, Cattaneo, Titiunik (2014). * $p < 0.10$, ** $p < 0.05$, *** $p < 0.01$.

Table 9. Net Immigrant Flow and Lega Nord Percentage of Mayors. Province-level data

	(1)	(2)
	1991-2001	2002-2014
Lega Nord Mayors at Provincial Level (%)	0.014	-0.011***
	(0.010)	(0.003)
Provincial Fixed Effects	YES	YES
Year dummies	YES	YES
Observations	405	559
R-squared	0.847	0.843

Notes: The table reports OLS estimates. The dependent variable is the Net Immigrant Flow. Standard errors (reported in parentheses) are corrected for heteroskedasticity and clustered at the provincial level.

Table 10. Municipality size and the effect of electing a Lega Nord Mayor. Weighted Least Squares and Heterogeneity by Municipal Population

	(1)	(2)	(3)	(4)	(5)
Lega Nord Mayor	-0.217	-0.236**	-0.112	-0.111**	-0.037
	(0.174)	(0.116)	(0.086)	(0.050)	(0.044)
Weights	Population	Population	Population	NO	NO
Polynomial Order MV	Quadratic	Linear	Linear	Quadratic	Quadratic
Optimal Bandwidth	NO	IK	CCT	NO	NO
Sample:	Full	IK	CCT	Pop<6,684	Pop>6,684
Year dummies	YES	YES	YES	YES	YES
Provincial dummies	YES	YES	YES	YES	YES
Municipal characteristics	YES	YES	YES	YES	YES
Observations	13816	7004	4558	6882	6924
R-squared	0.335	0.332	0.376	0.258	0.349
Mean dep. var.	0.604	0.578	0.568	0.519	0.688

The table reports WLS estimates in Columns 1-3 and OLS in Columns 4-5. Municipal characteristics are Population, Education, Income, Area, Altitude, Urban, Share Agriculture, Share Industry, Share Trade. Standard errors (reported in parentheses) are corrected for heteroskedasticity and clustered at the municipal level. IK: Imbens, Kalyanaraman (2012); CCT: Calonico, Cattaneo, Titiunik (2014). * $p < 0.10$, ** $p < 0.05$, *** $p < 0.01$.

Table 11. Heterogeneous Effects of Electing a Lega Nord Mayor according to Educational Levels

	(1)	(2)	(3)	(4)	(5)
Lega Nord Mayor	-0.086**	-0.064*	-0.079*	-0.109**	-0.063
	(0.033)	(0.035)	(0.045)	(0.055)	(0.042)
Education	0.029	0.035	0.055	0.010	-0.013
	(0.023)	(0.029)	(0.037)	(0.037)	(0.042)
Education*Lega Nord Mayor	0.038*	0.033	0.034		
	(0.021)	(0.028)	(0.035)		
Polynomial Order MV	Quadratic	Linear	Linear	Quadratic	Quadratic
Optimal Bandwidth	NO	IK	CCT	NO	NO
Sample	Full	IK	CCT	Educ<8.34	Educ>8.34
Year dummies	YES	YES	YES	YES	YES
Provincial dummies	YES	YES	YES	YES	YES
Municipal characteristics	YES	YES	YES	YES	YES
Observations	13816	7004	4558	6886	6930
R-squared	0.278	0.293	0.309	0.311	0.300
Mean dep. var.	0.604	0.578	0.568	0.625	0.583

The table reports OLS estimates. Municipal characteristics are Population, Education, Income, Area, Altitude, Urban, Share Agriculture, Share Industry, Share Trade. Standard errors (reported in parentheses) are corrected for heteroskedasticity and clustered at the municipal level. IK: Imbens, Kalyanaraman (2012); CCT: Calonico, Cattaneo, Titiunik (2014). * $p< 0.10$, ** $p< 0.05$, *** $p< 0.01$.

Table 12. Lega Nord Mayors and Effects on Municipal Expenditure

	Social Expenditure	Social Expenditure	Elderly Expenditure	Elderly Expenditure	Total Expenditure	Total Expenditure
Lega Nord Mayor	-0.240	-0.996**	0.190	0.190	4.972	7.325
	(0.353)	(0.503)	((0.226))	(0.257)	(3.928)	(5.381)
Polynomial Order MV	Quadratic	Linear	Quadratic	Linear	Quadratic	Linear
Optimal Bandwidth	NO	CCT	NO	CCT	NO	CCT
Year dummies	YES	YES	YES	YES	YES	YES
Provincial dummies	YES	YES	YES	YES	YES	YES
Municipal characteristics	YES	YES	YES	YES	YES	YES
Observations	11973	3981	12213	4057	12320	4085
R-squared	0.821	0.863	0.839	0.982	0.982	0.977
Mean dep. var.	10.406%	11.207%	0.925%	0.733%	14.389	17.206

The table reports OLS estimates. Municipal characteristics are Population, Education, Income, Area, Altitude, Urban, Share Agriculture, Share Industry, Share Trade. Standard errors (reported in parentheses) are corrected for heteroskedasticity and clustered at the municipal level. *$p < 0.10$, **$p < 0.05$, ***$p < 0.01$. CCT: Calonico, Cattaneo, Titiunik (2014). Total Expenditure in millions of euro.

APPENDICES

Figure A1. The Density of Margin of Victory Centred Around the Threshold.
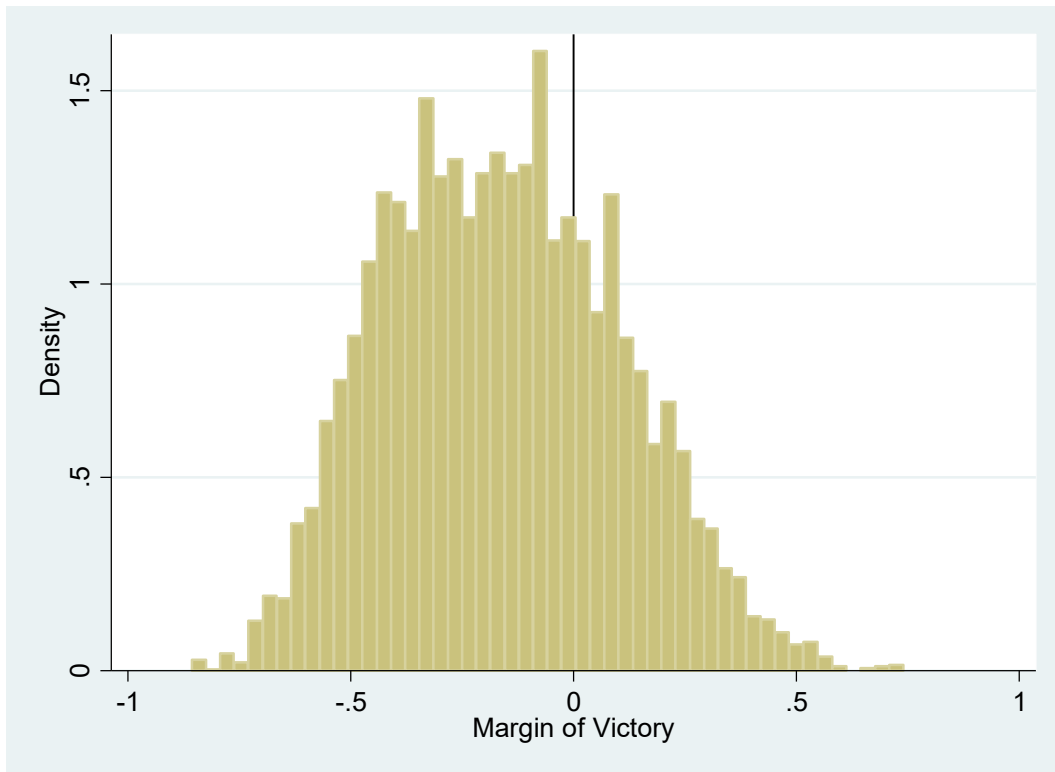
Figure A2. McCrary (2008) Density Test at the Threshold for the Margin of Victory
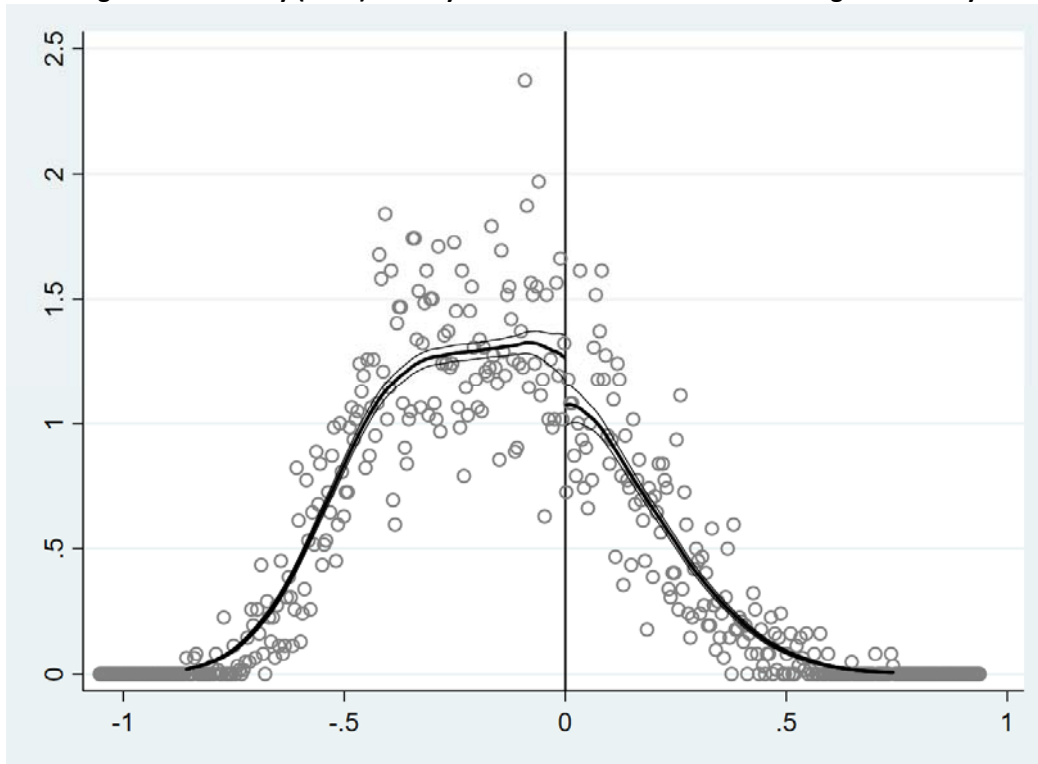
Figure A3 Immigrant population as a percentage of total population at provincial level (by quintile). Italian National Institute of Statistics (ISTAT) 2017

(10.65,16.6]
(8.8,10.65]
(6.95,8.8]
(4,6.95]
[1.4,4]
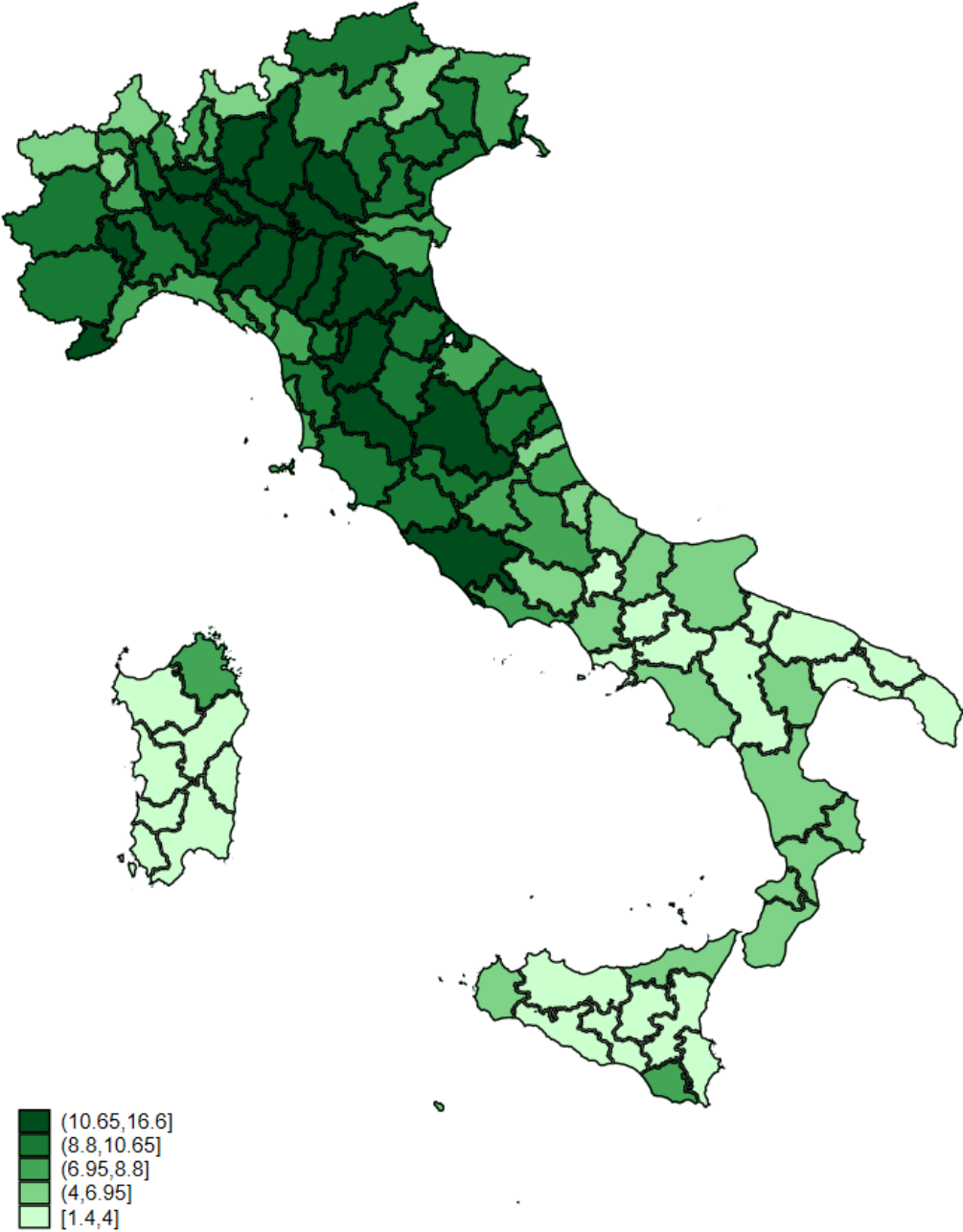
Table A1. Native population, immigrant population and Lega Nord vote share at 2009 European Parliament elections by region. Regions in CAPITAL are those included in the regression sample. Regions are listed West to East, North to South

Region	Population	Imm. Pop.	% Immigrants	% Lega Nord
PIEMONTE	4,432,571	351,112	7.92	15.69
Valle d'Aosta	127,065	7,509	5.91	4.38
LOMBARDIA	9,742,676	904,816	9.29	22.73
Alto Adige/Sud Tirolo	498,857	36,284	7.27	4.83
Trentino	519,800	42,577	8.19	14.92
VENETO	4,885,548	454,453	9.3	28.38
FRIULI-VENEZIA GIULIA	1,230,936	94,976	7.72	17.46
LIGURIA	1,615,064	104,701	6.48	9.86
EMILIA-ROMAGNA	4,337,979	421,482	9.72	11.08
Toscana	3,707,818	309,651	8.35	4.32
Umbria	894,222	85,947	9.61	3.57
Marche	1,569,578	131,033	8.35	5.47
Lazio	5,626,710	450,151	8	1.07
Abruzzo	1,334,675	69,641	5.22	1.3
Molise	320,795	7,309	2.28	0.66
Campania	5,812,962	131,335	2.26	0.47
Puglia	4,079,702	73,848	1.81	0.31
Basilicata	590,601	11,526	1.95	0.57
Calabria	2,008,709	58,775	2.93	0.98
Sicilia	5,037,799	114,632	2.28	0.27
Sardegna	1,671,001	29,537	1.77	0.74

Table A2. Mayors and City Councillors by region and political allegiance as at 1st January 2009. Regions in CAPITAL are those included in the estimating sample

	Mayors				of which	Councillors				of which
	N	Civica	Left	Right	Lega Nord	N	Civica	Left	Right	Lega Nord
PIEMONTE	1,201	1,076	59	66	12	15,673	13,698	886	1,089	179
Valle d'Aosta	74	73	1	0	0	924	924	0	0	0
LOMBARDIA	1,539	1,069	51	419	188	21,732	14,491	1197	6,044	2,597
Alto Adige/Sud Tirolo	114	11	103	0	0	2,029	379	1580	70	2
Trentino	223	219	2	2	0	3,483	3,468	11	4	0
VENETO	577	283	49	245	79	8,915	4,336	1086	3,493	1,164
FRIULI-VENEZIA GIULIA	216	140	33	43	3	3,098	2,094	389	615	170
LIGURIA	234	176	29	29	6	3,088	2,133	476	479	106
EMILIA-ROMAGNA	347	211	108	28	7	5,324	2,849	1440	1,035	240
Toscana	284	104	160	20	0	4,488	1,831	1945	712	11
Umbria	92	56	28	8	0	1,431	1,092	228	111	0
Marche	238	171	48	19	0	3,510	2,599	571	340	4
Lazio	374	289	43	42	0	5,390	4,077	630	683	0
Abruzzo	301	243	41	17	0	4,098	3,515	350	233	0
Molise	134	131	0	3	0	1,607	1,533	33	41	0
Campania	531	366	116	49	0	8,094	5,326	1808	960	0
Puglia	245	134	57	54	0	4,343	2,379	1046	918	0
Basilicata	126	88	31	7	0	1,712	1,270	331	111	0
Calabria	386	286	80	20	0	5,207	3,206	1504	497	0
Sicilia	384	249	45	90	0	5,478	3,349	636	1,493	0
Sardegna	372	342	20	10	0	4,852	4,281	377	194	0

Table A3. Summary Statistics of municipalities with and without Lega Nord candidates

	Lega not running		Lega running		
	mean	Sd	mean	Sd	diff
Net Immigrant flow	0.436	0.765	0.604	0.655	-0.168***
Immigrant Inflow	1.248	0.912	1.578	0.837	-0.330***
Immigrant Outflow	0.811	0.715	0.974	0.609	-0.163***
Population	2.603	3.155	18.150	74.751	-15.547***
Education	8.035	0.763	8.364	0. 715	-0.329***
Income	17,171.4	3643.921	19,664.980	3,664.646	-2493.58***
Area, sq. km	0.023	0.026	0.030	0.043	-0.007***
Altitude	0.336	0.295	0.184	0.187	0.152***
Urban	0.077	0.266	0.356	0.478	-0.279***
Share Agric.	0.092	0.093	0.047	0.058	0.045***
Share Industry	0.424	0.114	0.456	0.110	-0.032***
Share Trade	0.180	0.057	0.179	0.440	-0.001***
Observations	38,188		13,852		52,040

Table A4. Regression Discontinuity Estimates of the Effect of Lega Nord Victory on Predetermined Municipal Characteristics.

	(1)	(2)	(3)
	Whole Sample	IK	CCT
	Population	Population	Population
Lega Nord Mayor	-4.961	-8.271	-2.056
	(5.405)	(6.467)	(8.260)
Observations	13816	7004	4558
	(1)	(2)	(3)
	Education	Education	Education
Lega Nord Mayor	-0.005	-0.019	-0.013
	(0.034)	(0.052)	(0.067)
Observations	13816	7004	4558
	(1)	(2)	(3)
	Income	Income	Income
Lega Nord Mayor	-125.104	-116.325	-330.977
	(152.081)	(224.241)	(305.104)
Observations	13816	7004	4558
	(1)	(2)	(3)
	Area sq.km	Area sq.km	Area sq.km
Lega Nord Mayor	-0.003*	-0.004*	-0.000
	(0.002)	(0.002)	(0.003)
Observations	13816	7004	4558
	(1)	(2)	(3)
	Altitude	Altitude	Altitude
Lega Nord Mayor	0.017*	0.006	0.014
	(0.009)	(0.012)	(0.015)
Observations	13816	7004	4558
	(1)	(2)	(3)
	Urban	Urban	Urban
Lega Nord Mayor	-0.046*	-0.080**	-0.034
	(0.024)	(0.036)	(0.047)
Observations	13816	7004	4558
	(1)	(2)	(3)
	Share Agric.	Share Agric.	Share Agric.
Lega Nord Mayor	0.004	0.001	-0.002
	(0.003)	(0.004)	(0.004)
Observations	13816	7004	4558
	(1)	(2)	(3)
	Share Industry	Share Industry	Share Industry
Lega Nord Mayor	-0.004	0.003	0.006
	(0.005)	(0.008)	(0.010)
Observations	13816	7004	4558
	(1)	(2)	(3)
	Share Trade	Share Trade	Share Trade
Lega Nord Mayor	0.001	-0.002	-0.003
	(0.002)	(0.003)	(0.005)
Observations	13816	7004	4558

The table reports OLS estimates. Coefficients on Lega Nord Mayor from RD regression using pre-determined characteristics as dependent variables. Column (1): Full sample; Column (2): IK bandwidth; Column (3): CCT bandwidth. The control variables are Margin of Victory, Margin of Victory*Lega Nord Mayor, year dummies and provincial dummies.* $p < 0.10$, ** $p < 0.05$, *** $p < 0.01$.

Table A5. The Effect of Electing a Lega Nord Mayor on Net Native Flow, Municipal Fixed Effects

	(1)	(2)	(3)	(4)	(5)
Lega Nord Mayor	2.835	0.985	-0.012	1.272	3.434
	(2.307)	(2.951)	(2.354)	(4.155)	(5.869)
Polynomial Order MV	NO	Linear	Quadratic	Linear	Linear
Optimal Bandwidth	NO	NO	NO	IK	CCT
Year dummies	YES	YES	YES	YES	YES
Municipal dummies	YES	YES	YES	YES	YES
Municipal characteristics	YES	YES	YES	YES	YES
Observations	13852	13816	13816	7004	4558
R-squared	0.318	0.318	0.318	0.360	0.382
Mean dep. var.	15,115	15,115	15,115	15,210	16,772

The table reports OLS estimates. The dependent variable is Net Native Flow. Municipal characteristics are Population, Education, Income, Share Agriculture, Share Industry, Share Trade. Standard errors (reported in parentheses) are corrected for heteroskedasticity and clustered at the municipal level. IK: Imbens, Kalyanaraman (2012); CCT: Calonico, Cattaneo, Titiunik (2014). * $p< 0.10$, ** $p< 0.05$, *** $p< 0.01$.

Table A6. Lega Nord Mayors and Effects on Municipal Expenditure, Municipal Fixed Effects

	Social Expenditure	Social Expenditure	Elderly Expenditure	Elderly Expenditure	Total Expenditure	Total Expenditure
Lega Nord Mayor	-0.676**	-0.911*	0.077	0.383	-3.676	-4.473
	(0.302)	(0.491)	(0.161)	(0.267)	(4.117)	(5.306)
Polynomial Order MV	Quadratic	Linear	Quadratic	Linear	Quadratic	Linear
Optimal Bandwidth	NO	CCT	NO	CCT	NO	CCT
Year dummies	YES	YES	YES	YES	YES	YES
Provincial dummies	YES	YES	YES	YES	YES	YES
Municipal characteristics	YES	YES	YES	YES	YES	YES
Observations	11973	3981	12213	4057	12320	4085
R-squared	0.821	0.863	0.839	0.982	0.982	0.977
Mean dep. var.	10.406%	11.207%	0.925%	0.733%	14.389	17.206

The table reports OLS estimates. Municipal characteristics are Population, Education, Income, Area, Altitude, Urban, Share Agriculture, Share Industry, Share Trade. Standard errors (reported in parentheses) are corrected for heteroskedasticity and clustered at the municipal level. $*p< 0.10$, $**p< 0.05$, $***p< 0.01$. CCT: Calonico, Cattaneo, Titiunik (2014). Total Expenditure in millions of euro.