Immigration, Voting Rights, and Redistribution:
Evidence from Local Governments in Europe

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How does immigration influence local redistributive spending? This is a salient question in Europe, where local governments exercise discretion over social policy. Although prevailing accounts predict that anti-immigrant sentiment will fuel cuts in social spending, this perspective overlooks institutional variation in foreign voting rights. Building on the literature on democracy and redistribution, this paper argues that an immigration-induced ‘race to the bottom’ in local social expenditure will be conditional on the political status granted to foreign residents. Where foreign residents possess voting rights, incumbents gain incentives to leverage redistributive transfers to mobilize immigrant votes, offsetting downward pressure on social spending. To test the argument, the analysis draws on municipal-level panel data from nine European countries, and implements a difference-in-differences design within two recent cases of franchise extension. The results indicate that the extension of local voting rights is sufficient to reverse downward bias in social spending within diversifying localities.
In 2009, the town council of Opfikon, Switzerland, debated the “foreigner problem” affecting the municipality. Noting that 64% of local social assistance benefits were distributed to non-Swiss, right-wing councilors argued that the town should cut transfers and services in order to discourage additional immigration and “reduce the number of foreigners.” Despite disagreement within the council, this sentiment appears to have influenced the budget: eligibility criteria were tightened, and per capita social expenditures declined.\footnote{Protokoll des Stadtrates Opfikon: 5 Oct. 2009; 12 Jan. 2010. Social expenditure declined from 936 to 892 Francs per head.}

Incendiary rhetoric aside, this mode of politics is not unique. International migration is rapidly transforming cities and urban communities across Western Europe. And unlike similarly diversifying contexts such as the United States, these demographic changes have occurred in a setting in which local governments play an important role in redistributive policy. Following extensive devolution over the last twenty years, local governments in many European states now exercise considerable discretion over a range of social services and local cash transfers.\footnote{In 2013, an SVP councilor introduced a motion to withdraw from the SKOS, the Swiss organization governing standards for social assistance programs (Interpellation 17 June 2013).}

What determines whether local governments cut redistributive spending in response to immigrant settlement? Conventional wisdom suggests that a negative fiscal response may be inevitable. Building on an established literature within comparative politics, an influential perspective has argued that immigrant-fueled diversity will decrease support for generous redistributive policies by activating in-group bias (Freeman 1986; Alesina and Glaeser 2004). To date, survey evidence within the European context has largely reinforced these claims. Europeans consistently rank immigrants as the group least deserving of welfare benefits (Van Oorschot 2006). Similarly, studies have established that support for redistribution tends to decline as the pool of beneficiaries becomes increasingly diverse (Semyonov et al. 2006; Eger 2010; Burgoon et al. 2012; Dahlberg et al. 2012; Ford 2015).\footnote{In the EEA, municipalities accounted for 27.2% of all non-pension social expenditure in 2012 (Eurostat COFOG Database). For discussion of the localization of social policy in Europe, see Obinger et al. 2005, Moreno and McEwan 2005, Ferrera 2005, Sellers and Lindstrom 2007, Kazepov et al. 2010, Beramendi 2012.}

Although the evidence suggests that many European citizens oppose redistribution to immigrants, the effect varies by demographic groups, and may be conditioned by characteristics of the immigrant population. See Hainmueller and Hiscox 2007; Burgoon 2014.
it is less clear that these sentiments directly translate into reduced levels of provision. Although several studies have documented a downward bias in redistributive expenditure in response to immigration (Böheim and Mayr 2005; Soroka et al. 2006; Speciale 2012; Jofre-Monseny et al. 2011), other analyses have found no effect when examining aggregate cross-national data (Banting et al. 2006; Senik et al. 2009; Brady and Finnigan 2013), or subnational data (Gerdes 2011). An emerging consensus is that while voter sentiment may be strongly affected by immigration, redistributive outcomes remain somewhat insulated; perhaps buffered by high baseline support for social provision (Crepaz 2007, Van Oorschot and Uunk 2007), active left-wing politics (Taylor-Gooby 2005), or the legal protection of minority rights (Anderson 2006; Mau and Burkhardt 2009; Gerdes 2011).

This paper advances an alternative perspective. In considering the relationship between immigration and redistributive spending, the literature tends to conceptualize immigrants as passive beneficiaries rather than as potential constituents. However, at the local level, where many social benefits and services are distributed, a growing number of European states have extended the franchise to foreign residents. Building on the literature on democracy and redistribution, this paper argues that an immigration-induced ‘race to the bottom’ in local social expenditure will be conditional on the political rights granted to immigrants. Where foreign residents have access to public benefits but lack the right to vote, self-interested incumbents have incentives to respond to immigrant settlement by cutting redistributive spending. However, where foreign residents are enfranchised, local governments must appeal to a revised median voter. In contexts where the immigrant population is sufficiently large, incumbents can thus be expected to adjust programmatic platforms to favor higher levels of social provision. In addition, local administrative discretion over social programs provides incumbents with myopic incentives to target redistributive transfers to immigrants in an effort to capture their support. In tandem, these electoral incentives can motivate sustained increases in social spending within diversifying localities.

To evaluate this argument, I first assess the relationship between immigration and redistributive spending across nine European countries characterized by local discretion over social provision. Drawing on original municipal-level panel data within each country, I establish a robust correlation between institutional variation in foreign voting rights and local fiscal responses to immigrant settlement. Second, to control for potential confounders, I focus on the two Western European states that most recently extended voting rights to foreign residents: Belgium and Switzerland. Exploiting variation in immigrant
settlement at the time of enfranchisement, I leverage a difference-in-differences design to estimate the effect of foreign voting rights on subsequent redistributive spending. The results suggest that municipalities in Switzerland and Belgium substantially increased social expenditures following the legal reform. Notably, a significant increase in redistributive expenditure is visible in the year immediately following franchise extension. As documented by administrative data and secondary evidence, these responses were largely driven by pre-election attempts to recruit immigrant votes via cash transfers. This increase in local redistributive effort persists through the post-election period, suggesting that the extension of voting rights was sufficient to alter the underlying relationship between immigrant settlement and local social spending within each country.

These findings demonstrate that rising levels of immigrant settlement will not necessarily trigger a collapse in local social provision. Rather, the relationship between immigration and redistributive spending is conditional on whether governments have incentives to view the foreign resident population as a political resource. Given widespread variation in foreign voting rights across developed democracies, these results have direct policy implications. In addition, the perspective adopted in this paper contributes to a broader debate on the impact of immigration on policy outcomes. By shifting the focus from public opinion to the electoral incentives of incumbents, this paper links scholarship on immigration and redistribution with work addressing the distributive consequences of franchise extensions. As with the historical enfranchisement of poor citizens, the inclusion of immigrants within the electorate is robustly associated with increases in social provision. While it remains an empirical question whether this redistributive effort can be sustained over the long run, these findings nevertheless suggest that the electoral incentives which originally motivated the expansion of the welfare state also hold the potential to mitigate downward bias in redistributive spending within diversifying settings.

**Theoretical Approach**

In the majority of European countries, local governments fund and exercise discretion over social benefits and services (Ferrera 2005; Kazepov et al. 2010). However, localities within EU member states have limited authority to restrict access to social programs. Accordingly, these services can be characterized

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4 Vernby (2013) pioneered a similar research design to analyze how non-citizen franchise extension influenced child and education spending across two elections in 1970s Sweden. This paper extends the analysis to the modern time period and multiple contexts, with a focus on dynamic responses to immigrant settlement.
as non-excludable goods, available in principle to all residents domiciled within a municipality. As a result, immigration is often accompanied by fiscal impacts at the local level. From the perspective of self-interested incumbents seeking reelection, the relative cost of immigrant enrollment in social programs will vary according to the character of migrant political rights. Where foreign residents have full access to social benefits but lack the ability to vote in local elections, expenditure on programs with a high proportion of foreign residents will be costly in electoral terms. Extant research focuses on a preferences channel, arguing that voters will be reluctant to fund welfare spending due to taste-based concerns (Alesina and Glaeser 2004; Dahlberg et al. 2012). Yet more directly, by allocating discretionary funds towards such programs, parties effectively distribute resources towards residents that, by definition, cannot ‘return the favor’ in the form of votes. This is particularly problematic within proportional voting systems, where coalitions face constant incentives to maximize votes (Lizzeri and Persico 2001). Accordingly, as the share of non-citizen participation in such programs rises, the marginal electoral benefit of discretionary spending declines. In these contexts, incumbents interested in securing their re-election obtain incentives to redirect discretionary funds elsewhere, particularly towards excludable goods or public goods that offset the perceived impact of immigrant settlement.

These incentives differ markedly when foreign residents are granted the right to vote in local elections. In these contexts, social expenditure within diversifying municipalities no longer offers a declining electoral return. As an extensive literature on the relationship between democracy and public goods has documented, franchise extensions are robustly associated with an increase in the level of social spending (Husted and Kenny 1997; Lott and Kenny 1999; Lindert 2004; Aidt et al. 2006; Aidt

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5 National and international courts have actively protected immigrant access to social programs. EU Directive 2003/109/EC mandates that permanent residents be provided with equal access to social benefits and services.

6 The extent to which immigrants draw on benefits varies across the OECD (Barrett and Maitre (2013). In Scandinavia, immigrants rely on social benefit programs more than natives (Ekberg 2006). Similar patterns are visible in the Netherlands, Switzerland, and Belgium. However, in Southern Europe, where the welfare state is comparatively less developed, they are less likely to use benefits (Muñoz de Bustillo and Antón 2009).

7 Although local governments face pressures to cut discretionary social expenditures, they cannot do so without bound. In particular, local governments may have electoral incentives to maintain minimum levels of provision to limit negative externalities of poverty and crime (Rueda and Stegmueller 2016). Given the presence of these externalities, incumbents who cut redistributive expenditures are likely to direct funds towards policing.
This relationship is likely to be particularly pronounced when voting rights are extended to immigrants. First, given that immigrants tend to be poorer than natives, their inclusion in the electorate lowers the income of the median voter relative to the average taxable income within a municipality, increasing demands for redistribution (Meltzer and Richards 1981, 1983; Acemoglu and Robinson 2000; Persson and Tabellini 2000; Boix 2001). Second, immigrants are likely to have different preferences than natives, leading to alternate policy outcomes (Vernby 2013; Reeskens and Van Oorschot 2015). With respect to social expenditure, the high share of immigrant beneficiaries in many local settings implies that the recently enfranchised group may have self-interested as well as altruistic reasons to support an increase in local benefit generosity (Husted 1989; Husted and Kenny 1997).

In municipalities where the immigrant population is sufficiently large, the extension of voting rights thus provides a set of countervailing incentives to local governments. As the foreign resident population within a municipality expands, the need to cater to a revised median voter should lead parties to adjust their policy platforms to favor greater levels of social provision. Yet in addition to this gradual process of partisan attraction, this paper argues that characteristics of the decentralized setting and the enfranchised population provide incumbents with the means and incentives to mobilize immigrant votes via targeted increases in transfers prior to elections. Together, these electoral incentives can be expected to offset downward pressure stemming from diffuse anti-immigrant sentiment, motivating sustained increases in local redistributive effort within diversifying municipalities.

**Targeted Mobilization**

In the context of low-salience elections, the dominant electoral strategy consists of mobilizing votes at the margins rather than core voters whose electoral behavior remains uncertain (Nichter 2008). Local governments thus have incentives to view a growing foreign resident population as a crucial swing vote available for capture. As argued by Lizzeri and Persico (2001), when seeking re-election governments

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8 Although the majority of literature assessing the distributive consequences of franchise extension models reform as a temporal shock, several accounts argue that politicians adopt a mutually-reinforcing strategy of enfranchisement and increased spending (e.g., Lizzeri and Persico 2004; Llavador and Oxoby 2005; Beramendi and Queralt 2016). In the multi-level context considered in this article, local incumbents lack the constitutional authority to unilaterally extend voting rights. Therefore, a simultaneous strategy is subject to coordination problems.

9 In the terminology of Persson and Tabellini (2000), the former would constitute “general redistributive expenditure”, while the latter represents “targeted transfer schemes.”
should prefer to invest in club expenditures that disproportionately flow towards fringe voters, rather than diffuse public goods, given the difficulty of claiming credit for the latter\textsuperscript{10} Although governments are unlikely to engage in conditional exchanges, incumbents can nevertheless target the immigrant population by channeling resources to means-tested programs in which they may be disproportionately enrolled. In addition, local governments that exercise discretion over social assistance programs have the capacity to direct funds to immigrant beneficiaries by increasing levels of monthly provision or relaxing existing eligibility criteria.

Incumbents have reason to anticipate that immigrants will be particularly responsive to targeted increases in social transfers. For an immigrant beneficiary, a small increase in monthly benefit generosity entails a substantial increase in relative purchasing power. Moreover, in contrast to poor natives, immigrants are more likely to be members of dense social networks and represented by community organizations (Fennema and Tillie 1999). Coupled with immigrants' frequent interaction with municipal services, this lowers mobilization costs while simultaneously providing a mechanism to link benefit delivery to political messaging. Finally, the uncertainties of immigrant status and the personalized nature of local benefit delivery may enforce the perception that provision is partially contingent. In many European countries, final social assistance payment rates vary from case to case (subject to a legal minimum) according to the determination of caseworkers and politically-appointed municipal boards (Adema 2006; Minas and Øverbye 2010; Jessen and Tufte 2014). Within this context, immigrants may fear that a change in incumbents will lead to decreased levels of benefits, or alternately, that local governments will retrospectively condition benefits on the basis of observed electoral participation (Mares and Young 2018). Discretion over local benefit programs thus provides incumbents with implicit as well as direct means to effectively mobilize foreign turnout in local elections.

Constraints

Although incumbents may expect that directing expenditures towards an expanding immigrant electorate

\textsuperscript{10}This behavior relies on the assumption that the targeted group will be responsive. Anderson and Beramendi (2012) similarly argue that left-wing parties will target fringe voters if they expect a return to mobilization. In their model, mobilization is a function of relative socioeconomic status. While the poor can be expected to participate at lower rates in national elections, this tendency may be reversed at the local level, where governments have increased capacity to mobilize poor voters (Khemani 2001).
will yield elevated returns, local governments face several constraints when adopting this strategy. First, if local authorities lack the capacity to absorb additional foreign residents, they may be reluctant to significantly increase social spending above levels observed in neighboring municipalities due to fears of welfare migration. Second, the proportional systems used for many local councils imply that incumbents have incentives to minimize voter defection from their existing coalition. For instance, incumbents who explicitly appeal to immigrants on programmatic grounds may face defection from voters with taste-based concerns, limiting the range of parties that can feasibly adopt this strategy. In contrast, the relatively low visibility of social assistance programs implies that incumbents may be able to engage in targeted mobilization without engendering significant backlash. However, this strategy nevertheless imposes fiscal costs on extant voters.

Broadly speaking, local administrations have two options to fund targeted increases in redistributive spending. First, incumbents can reallocate spending from other discretionary spending accounts. While over the long run it is reasonable to expect shifts in budgetary priorities as immigrants participate in elections, in the short-term imposing large budget cuts to fund a mobilization strategy introduces electoral risks. Research on policy responsiveness has suggested that voters tend to evaluate local incumbents on the basis of disruptions to core services, such as education, traffic, and crime (Howell and Perry 2004; Martinussen 2004; Arceneaux 2005; James and John 2006). In this environment, incumbents will be reluctant to adopt a funding strategy that leads to a visible decline in the quality of local amenities.

Incumbents face arguably less risk when raising additional revenues to finance increased social provision. In the run up to elections, for instance, incumbents have myopic incentives to draw on capital reserves or external debt markets. In addition, the expansion of the electorate can be expected to simultaneously increase support for direct taxation (Aidt and Jensen 2009). If local governments observe returns to mobilizing the immigrant electorate, they may have leeway to adopt a complementary

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11While these concerns can be expected to bias spending downwards, benefit rates at the local level are not typically publicized. Coupled with the fact that the migration of welfare beneficiaries is rare at the subnational level (Brueckner 1999; Allard and Danziger 2000; Berry et al. 2003), local politicians may have sufficient leeway to enact reforms before information travels via word-of-mouth networks.

12Limitations on subnational borrowing and balanced budget requirements imply that this strategy is contextually specific (Rodden 2006).
strategy of financing increased expenditure via marginal increases in local taxation. In many European states, a trend towards fiscal decentralization has provided local governments with the ability to impose a surcharge on a progressive income tax. If tax increases can be narrowly targeted to the wealthy, incumbents may be able to sustain increased social spending while minimizing additional costs imposed on their existing coalition.\(^{13}\)

Finally, the ability of parties to pursue the growing immigrant electorate is constrained by partisanship. Left-wing parties, who hold existing incentives to raise social expenditure, are best positioned to engage in a strategy of targeted immigrant mobilization.\(^{14}\) In contrast, parties with platforms opposed to immigration, such as populist right-wing parties, cannot credibly recruit immigrant votes and are unlikely to risk voter defection by modifying political platforms in immigrants' favor. Similarly, parties that are ideologically opposed to increases in local taxation, such as classical liberal parties, may be unable to sustain the level of investment necessary to mobilize an immigrant electorate across successive elections. In response to immigrant enfranchisement, incumbents from these parties are likely to adopt alternative strategies, such as discouraging foreign voter participation, encouraging outmigration (Bracco et al. 2018), or politicizing the perceived costs of local diversity. In these contexts, the effect of foreign resident enfranchisement may be felt only over the long run as immigrants secure meaningful political representation — a prospect highly dependent on the density of immigrant populations and their level of political participation.

### Immigration, Voting Rights, and Local Redistributive Spending

Before establishing the causal impact of foreign voting rights on responses to immigration, I first examine the equilibrium relationship between immigrant settlement and local redistributive spending across Europe. To do so, I select a subset of countries characterized by local discretion over social policy (see

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\(^{13}\) In parallel to funding increased investment in social policy, an increase in municipal revenues could be leveraged to reduce anticipated voter defection by funding complementary investments in public goods subject to immigration-induced congestion, such as local health programs.

\(^{14}\) For a clear discussion of the tradeoffs left-wing parties face when choosing to incorporate immigrants into their electoral coalitions, see Dancygier 2013 and Dancygier 2017.
Appendix A), excluding states with low immigrant populations.\textsuperscript{15}

The resulting sample spans five countries with foreign voting rights at the local level (Belgium, Denmark, Netherlands, Norway, and Sweden), and four countries without such rights (France, Italy, Spain, and Switzerland [German-speaking regions]).\textsuperscript{16} Given that the theoretical predictions vary as a function of the political rights afforded to non-citizens, I measure the number of foreign residents within each municipality rather than the total number of individuals from immigrant backgrounds.\textsuperscript{17} For each municipality within the sample, I supplement data on foreign residency with yearly data on social expenditures. This measure is internally consistent within each case, as well as broadly comparable across countries. The variable excludes education and health-care costs, but encompasses most aspects of local redistributive spending, including cash transfers to the poor and local social services (such as public housing, childcare, and employment assistance).

Figure 1 plots the bivariate relationship between the share of the budget spent on social expenditure (vertical axis) and the share of foreign residents within each municipality (horizontal axis), with 2008 serving as the reference year to avoid bias stemming from the financial crisis.\textsuperscript{18} The first row focuses on the five countries within the sample that permit foreign residents to vote in local elections. The observed relationship is positive: as the level of foreign residents rises, municipalities spend a greater percentage of their budget on local cash transfers and social services. In contrast, in the four countries without foreign voting rights at the local level (bottom row), the relationship is predominantly negative, with diverse municipalities spending a smaller share of their budget on social goods than their less diverse counterparts. As seen in Appendix Table B1, this correlation is robust to the inclusion of

\textsuperscript{15} All countries within the sample have discretion over local social services and must fund a portion of such benefits with local taxation. However, the sample is heterogeneous by definition. Discretion tends to be highest in Italy, Switzerland, and the Scandinavian countries, and lowest in France and Spain. For additional details, see the documentation provided by the European Committee of the Regions: https://portal.cor.europa.eu/divisionpowers

\textsuperscript{16} Spain allows residents of non-EU Nordic states to vote in local elections. However, population levels are insignificant. In Switzerland, voting rights vary at the canton (state) level. The sample includes eight cantons with available data that do not grant foreign voting rights: Aargau, Bern, Basel-Landschaft, Luzern, Schaffhausen, Solothurn, St. Gallen, and Zürich.

\textsuperscript{17} The decision to focus on foreign residents potentially introduces variation related to citizenship policy. While a full analysis of the relationship between citizenship and local voting rights is beyond the scope of this paper, countries within each group are highly heterogeneous. See Goodman 2010 for an overview.

\textsuperscript{18} Data from Denmark is from 2005, due to nation-wide municipal mergers between 2006-2008.
municipal-level controls, and persists when measuring social expenditure in per capita terms.

[Figure 1]

Although the observed pattern is consistent with the hypothesis that the presence of foreign voting rights mediates the relationship between immigrant settlement and local social spending, cross-sectional relationships are subject to temporal confounders. Accordingly, as a robustness check, I implement a panel design. For each country, I examine whether immigration induces a change in the level of social expenditure within particular municipalities over time. I fit the following fixed effects model:

\[
\ln(Y_{it}) = F_{it} + X_{it} + \gamma_i + \tau_t + \epsilon_{it}
\]

where Y measures net social expenditure per head, and F measures the local share of foreign residents at the beginning of the calendar year. The specification includes yearly dummies to adjust for period effects, fixed effects to control for time-invariant characteristics, and a vector of time-varying controls that may plausibly influence local levels of spending, including the logged population, the local unemployment rate, the percentage of residents in the lowest tax bracket, and the local vote share for social democratic parties. Results are visible in Table 1; each coefficient indicates the expected percentage point change in per capita social expenditure following a 1% increase in foreign population share within a municipality. The first row displays coefficients for all municipalities within a given country, while the second row displays estimates for municipalities with left-wing support above the national median at the beginning of the panel, defined in terms of local vote share for social democratic or socialist political parties.

[Table 1]

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19 Appendix Tables B2 and B3 demonstrate that these findings are also robust to accounting for the expenditure level in neighboring municipalities and changes in municipal revenues, respectively.

20 See Appendix A2 for a list of parties. This specification likely underestimates the effect of left-wing incumbency. However, in contrast to a continuous indicator for left-wing support, the dichotomous measure does not impose a linearity assumption and permits comparisons across countries with different electoral systems. Appendix Section B13 evaluates the interaction using a flexible semi-parametric specification, with similar results.
Although the results should be viewed as correlational rather than causal, the findings nevertheless provide support for the theoretical perspective outlined in this paper. In countries where foreign residents are excluded from the local political process, municipalities display a robust negative relationship between increasing levels of immigrant settlement and redistributive spending. For instance, the results suggest that a municipality in Italy that experienced a 1% increase in foreign population share would be expected to lower its per capita social expenditure by approximately 0.84%, plus or minus 0.52%. As seen in the second row, this downward bias in response to immigration is also visible among municipalities with elevated left-wing vote share, suggesting that self-interested incumbents within these settings also have incentives to cut downstream redistributive spending in response to immigration. In contrast, countries with foreign voting rights are characterized by an altogether different relationship between immigration and local social provision. In these contexts, the result of additional immigration on spending ranges from insignificant to strongly positive, with the largest increases visible in comparatively left-wing municipalities. As demonstrated in Appendix Table B9, this additional redistributive effort is financed primarily by downstream increases in revenues from local taxation and fees. Viewed together, these results suggest that outcomes in Europe cluster around two loose equilibria, with institutional variation in foreign voting rights playing a key role in mediating local fiscal reactions to immigrant settlement.

**Identifying the Effect of Foreign Voting Rights Extension**

Although the previous analysis suggests that foreign voting rights condition the relationship between immigration and local redistributive spending, it remains unclear whether this relationship is causal. For instance, if countries that are more likely to react favorably to immigrant settlement are more likely to extend voting rights to foreign residents, voting rights may simply accompany rather than generate the positive fiscal relationships observed in the previous section. Accordingly, this section leverages temporal and subnational variation across the two countries in the sample which most recently extended voting rights: Switzerland and Belgium. By examining how municipalities with different levels of immigrant settlement altered redistributive spending in response to a shift in voting laws introduced by higher-level governments, it is possible to identify the causal impact of immigrant enfranchisement while holding national characteristics constant.

I evaluate the effect of foreign voting rights extension in two countries rather than one as a deliberate measure to increase the external validity of the findings. Although Switzerland and
Belgium are each high-immigration countries, they differ in several important respects. Partly due to its outsized role within the European Union, Belgium possesses one of the most open immigration and citizenship regimes in the developed world, and has championed international legislation protecting minority rights (Howard 2009; Goodman 2010; Koopmans 2010). In contrast, despite high levels of refugee settlement, Switzerland has a restrictive citizenship regime, and has recently passed several punitive anti-immigration measures (Kriesi et al. 2005; Riaño and Wastl-Walter 2006; Green et al. 2010). Moreover, although immigrants in each country are predominantly poor, their demographic characteristics differ: while many Swiss immigrants are refugees from Eastern Europe, those in Belgium tend to be drawn from North Africa. Finally, Belgium practices compulsory voting following voter registration, while Switzerland does not. Analyzing the effect of foreign voting rights extension across two countries that are located at opposite poles of the immigration policy domain reduces the possibility that the results are confined to a particular socio-cultural or institutional context.

Case Selection and Empirical Strategy

In contrast to other Western European states, Belgium and Switzerland expanded the franchise in an era of significant foreign settlement. In Belgium, local voting rights were extended to non-EU resident foreigners in 2004, when non-citizens comprised 8.2% of the population. In Switzerland, where voting rights vary at the cantonal level, the cantons of Vaud, Fribourg, and Geneva implemented foreign voting rights for EU and non-EU foreign residents in 2003, 2004, and 2005, respectively, at a time when the share of non-citizens at the cantonal level ranged from 14.1 to 37.7%. From the perspective of local incumbents, the timing of these reforms relative to political cycles can

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21 The presence of compulsory voting in one state increases generalizability by providing variation in local government incentives. In Belgium, immigrants are subject to compulsory voting after registering for local elections. While mobilization thus permanently expands the electorate, saturated native turnout implies that parties may be penalized for catering too directly to immigrant interests. In contrast, turnout is low in Switzerland, which increases incentives to mobilize fringe voters. However, returns to mobilization are likely to be short-term.

22 Eurostat. “Projet de loi visant à octroyer le droit de vote aux élections communales à des étrangers,” adopted February 19, 2004 (DOC 51 0578/006). All of-age foreign nationals with five years of residency are eligible.

23 The laws entered into force on 14 April 2003 (Vaud Constitution: Article 142), and 16 May 2004 (Fribourg Constitution: Article 48). In Geneva, the initiative passed on 24 April 2005 (Geneva Constitution: Article 42). Eligibility conditions varied, from 5 years of residence in Fribourg, to 8 in Geneva, and 10 in Vaud.
be described as a plausibly exogenous temporal shock. Electoral reform was imposed upon municipalities by higher-level governments, and incumbents lacked direct channels to initiate or shape the policymaking process. In each country, immigrant advocacy groups had long advocated for the extension of foreign voting rights, but had been stymied by national and regional politics (Jacobs 1999; Mellone 2010). In Belgium, organized efforts to extend voting rights for the 1982, 1988, and 2000 local elections failed after limited support from mainstream parties, while in Switzerland, each of the three cantons had previously rejected the extension of voting rights via local referenda. Policy breakthrough in the early 2000s was rapid, and relied on a series of contingent events. In Belgium, the adoption of the Maastricht Treaty in 1998 significantly lowered the parliamentary threshold necessary to pass electoral reforms. Following the 2003 federal elections, strategic concerns over the relative balance of power between French and Dutch speaking parties within the Brussels region led French-speaking parties to defect from the governing coalition (Teney and Jacobs 2007), and pass the reform in the face of significant public opposition (contemporary polls suggest that 70% of voters were opposed). In Switzerland, foreign voting rights were implemented as part of a larger process of constitutional reform that took place across French-speaking regions in the early 2000s. Working within specially-elected constituent assemblies, left-leaning deputies were able to secure municipal voting rights via “logrolling” in constitutional conventions (Mellone 2010). In Vaud and Fribourg, the revised constitutions were approved as a package via referenda, with 55.9% and 58.3% support, respectively. In Geneva, a separate referendum in 2001 successfully stripped the foreign voting rights provision from the constitutional reform package. In 2005, however, the vote was repeated and the measure was adopted by a narrow 52.29% margin amidst low turnout.

24In Belgium, electoral districts do not coincide with municipalities, implying that municipalities lack direct representation in parliament. In Switzerland, constituent assemblies were separately elected for the purpose of constitutional reform. While legislators consulted municipal bodies, the likelihood that the preferences of a particular municipality would be realized is uncertain. Subsequent robustness checks demonstrate that the result holds among the subset of municipalities ostensibly opposed to the reform.

25“Desunion sur le Vote Immigre.” Le Soir. 27 October 2003. The 2004 law was passed by a coalition of French-speaking parties and Flemish socialists. The majority of Flemish parties were opposed the measure due to perceived electoral consequences in the Brussels region, while Walloon parties favored the extension of the franchise to French-speaking non-EU immigrants. Subsequent results are robust to excluding Walloon municipalities.

26Mellone (2010) argues that the constituent assemblies were less partisan than cantonal parliaments.
Given that each individual municipality had limited influence over the timing of the reform, the fiscal impact of foreign enfranchisement can be identified by examining how municipalities deviated from expected expenditure trends in response to the legal shift. Following recent enfranchisement studies (Lima and Gonzalez 2008; Vernby 2013; Falch et al. 2014), the analysis adopts a continuous difference-in-difference design which leverages the fact that the density of the enfranchised population — in this case non-citizens — differed widely at the time of the legal change. For instance, in 2004 the percentage of non-voting foreign residents varied from 0% to 21% across Belgian municipalities; in Switzerland variation was even higher, ranging from 1% to 50%. If the theoretical perspective outlined in this paper holds – namely, that foreign voting rights condition the relationship between redistribution and immigration – we should expect the extension of voting rights to induce consequential shifts in social spending in municipalities with large foreign resident populations at the time of the reform.

Data

In Belgium, yearly data on local social expenditures were provided by Belfius Bank, and refer to municipal allocations to the local Public Center for Social Welfare (CPAS). Municipalities determine eligibility on a case-by-case basis for the national poverty relief program (RIS) and exercise full discretion over supplementary cash transfers the local poor. In addition, they provide services such as public housing, medical assistance, and active labor market programs (Carpentier 2009). While the national government provides grants to CPAS units and funds a fixed percentage of the RIS, municipalities must fund discretionary social programs with their own revenues.

In Switzerland, data are drawn from cantonal government sources and refer to net municipal expenditure on social services and poverty relief programs. Municipalities set the budget for these line items and finance a large portion of costs via local tax revenues. Although local competencies include

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27 Supplementary transfers are governed by the law of 8 July 1976. The transfers may include rental support, equivalent benefits for individuals not eligible for the RIS or child allowances, as well as one-time payments to cover emergency expenses. CPAS centers provide such benefits on a case-by-case basis.

28 The proportion of costs financed by municipalities remained constant over the time period under analysis, with the exception of Vaud, where the portion financed by municipalities increased in stepwise fashion between 2001 and 2004. To avoid attributing secular increases in expenditure to the reform, net expenditures for Vaud have been adjusted to remain consistent with pre-2001 cost-sharing rates across the panel.
a range of social services to support families and job seekers, social assistance programs comprise the majority of local social spending. Municipalities are required to provide monthly cash support to poor residents, subject to a binding minimum standard (BFS 2005). Working within the context of these framing laws, local administrations determine eligibility and the final level of monthly cash benefits on a case-by-case basis, generating wide variation in support levels (Fluder and Stremlow 1999; BFS 2005; Minas and Øverbye 2010). 

In each country, no significant legal changes to national or regional social welfare policy took effect for at least two years following the reform, implying that observed deviations from expected expenditure trends may be plausibly attributed to the effect of voting rights extension. Nevertheless, the dataset also includes variables measuring economic and political factors that may plausibly influence levels of social expenditure, independent of any changes to voting laws. To measure the presence of local employment shocks, the dataset includes the municipal-level unemployment rate. To control for increases in local poverty, it includes a variable the percentage of residents in the lowest income tax bracket in a given year. To control for sudden changes to intergovernmental transfers or tax revenues, the dataset includes total yearly municipal revenue from all sources. Finally, the dataset includes the social democratic vote share in the most recent local election. All municipalities that participated in a merger during the period under observation were removed from the analysis. The final dataset covers 467 Swiss and 587 Belgian municipalities.

Results

If the extension of voting rights influenced local redistributive spending, we should observe a deviation

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29. The level of discretion over social assistance varies by canton. Compared to the other municipalities in the sample, municipalities in Geneva possess more limited discretion over expenditure levels. In Fribourg and Vaud, small municipalities coordinate the delivery of social services, although they retain political oversight over spending. Subsequent results are robust to excluding Geneva, excluding all small municipalities, and including time trends for local service regions.

30. In Belgium, welfare reform was implemented two and a half years prior, on 11 July 2002. As seen in Appendix Section B7, social assistance rates increased linearly across the period. In Switzerland, welfare reforms entered into effect on 1 January 2006, 1 January 2007, and 19 June 2007, in Vaud, Fribourg, and Geneva, respectively. To avoid downstream bias associated with these legal changes, the subsequent panel analysis excludes the years following these reforms.

31. In Belgium this data corresponds to vote shares for local councils. In Switzerland it corresponds to vote shares in national elections to prevent attrition. See Hainmueller and Hangartner (2013) for a similar approach.
from expected expenditure trends in municipalities with sizable populations of previously ineligible foreign residents. Figure 2 evaluates this implication by examining social spending levels surrounding the legal change. After partitioning municipalities by the level of foreign settlement, the plot demonstrates that municipalities with the highest level of foreign settlement (solid line) and municipalities with low shares of foreign residents (dashed line) had similar expenditure growth rates prior to the reform. However, in the fiscal year following the introduction of voting rights, municipalities with comparatively higher immigrant populations deviated from historical trends and sharply increased redistributive expenditures.

[Figure 2]

A point estimate is obtained by fitting a yearly fixed effects model of the form:

$$\ln(Y_{it}) = V_{it} + F_{it} + (V_{it} \ast F_{i,t-1}) + X_{it} + ln(P)_i t + \alpha_i + \delta_t + \epsilon_{it}$$

(2)

where $Y$ measures net social spending per head, $V$ is a binary indicator for foreign voting rights and receives a ‘1’ in the first full calendar year such rights were active, and $F$ represents the share of non-voting foreign residents in a municipality. $X$ is a vector of yearly covariates including the local unemployment rate, the percentage of inhabitants in the lowest tax bracket, social democratic vote share in the most recent election, and logged municipal revenue. Finally, the specification includes a linear time trend for the logged municipal population to adjust for secular differences in growth rates across differentially sized municipalities.

Given that municipalities with different levels of foreign settlement exhibit parallel expenditure trends prior to the reform (Figure 2), this specification should provide an unbiased estimate of the effect of voting rights extension on local fiscal outcomes. The fixed effects and yearly dummies ($\alpha_i$ and $\delta_t$) account for unobserved factors that differ across municipalities and time periods. Finally, the interaction term enables a determination of whether shifts in spending vary as a function of the level of local immigrant settlement prior to the legal reform.

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32Subsequent results are robust to omitting this time trend.
Table 2 displays the estimated change in social expenditure following the extension of foreign voting rights, evaluated for a municipality with the mean level of foreign settlement. The results (Model A) suggest that enfranchisement induced a sharp increase in local redistributive expenditure. For instance, the model suggests that a Swiss municipality with 14.3% foreign residents (the mean) responded to the change in voting laws by increasing social expenditure by 6.2%, plus or minus 2.8%. In Belgium, where only non-EU foreign residents were newly eligible to vote, municipalities at the mean level of non-EU settlement (1.2%) nevertheless increased their expenditure by 1.7%, plus or minus 1.0%, above expected yearly trends. Appendix Section B10 demonstrates that the increase in local social provision was financed in the short-term by increased municipal debt, and in the medium-term via increases in revenues from taxation and fees.

These results are robust to a variety of alternative specifications. Effect sizes remain consistent when excluding municipalities at the edges of the population distribution (Model B), which may be characterized by skewed per capita expenditures. Model C demonstrates that results are similar when omitting municipal covariates, while Model D indicates that the results are robust to including quadratic time trends at the regional level. The lower half of Table 2 reports the coefficients from a placebo model, demonstrating that a similar interaction between the immigrant population and changes in spending cannot be detected in years preceding the legal reform. Appendix Figure B1 and Table B5 demonstrate that the linear interaction provides conservative estimates; the estimated effect increases when using a generalized additive model or a binned specification. Appendix Table B6 also demonstrates that the results remain robust to accounting for lagged unemployment shocks, while Appendix Table B7 relaxes the yearly specification and demonstrates that the findings hold when comparing aggregated social expenditure across pre- and post-reform municipal governments.

While these findings indicate that, on average, municipalities increased their redistributive expenditures following the extension of foreign voting rights, it remains possible that these effects

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33To provide an absolute comparison of effect sizes, Appendix Table B4 displays the estimated marginal effect of each percentage point of foreign population on per capita expenditure following the reform, in native currency.

34Appendix Section B9 also demonstrates that the Swiss results hold across individual cantons.
are driven by local governments otherwise receptive to immigration. Accordingly, I re-estimate the models using a subset of municipalities with elevated levels of anti-immigrant sentiment. Since existing survey data does not permit a direct measure of local opinion, I rely on two strong proxies. For Switzerland, I restrict the sample to municipalities in Vaud and Fribourg where a majority of citizens voted against extending foreign voting rights in (failed) referendums. For Belgium, the sample is restricted to municipalities in Flanders, given that the majority of Flemish parties voted against the bill to extend foreign voting rights. In Switzerland, municipalities in the restrictive subsample with the mean level of foreign settlement increased social expenditure by 8.7% following the reform, plus or minus 8.3%, while the effect in Belgium remains significant at 1.7%, plus or minus 1.3%. Although the magnitude of this effect is largely driven by the fact that these municipalities tended to direct less expenditure to social policy in the pre-reform period, the results nevertheless imply that the extension of voting rights was sufficient to induce local governments to increase redistributive effort – even within settings where the majority of citizens were opposed to voting rights extension.

Although the adoption of this strategy in Belgium and Switzerland was widespread, it was not universal. Reflecting the deliberate nature of the response, local governments refrained from targeting expenditure increases to foreign residents when they could not expect to credibly benefit from immigrant votes. Figure 3 plots the observed effect of enfranchisement as a function of local partisanship. The horizontal axis plots relative support for left-wing parties, while the vertical axis displays the two-year change in social spending triggered by the introduction of foreign voting rights. The results suggest that incumbents within comparatively left-wing municipalities were significantly more likely to modify their behavior in response to the extension of foreign voting rights. Thus, while diffuse anti-immigrant sentiment appears insufficient to blunt reforms, incumbents nevertheless act strategically when targeting foreign voters.

[Figure 3]

Finally, although the extension of political rights to foreign residents induced sizable increases in social spending within Switzerland and Belgium, it is not clear whether these increases were sufficient to mitigate downward fiscal pressure in response to immigration. Accordingly, Figure 4 assesses
whether the institutional reforms altered the underlying relationship between increases in foreign population and social spending. In the five years prior to the change in voting laws, the marginal effect of immigration within each country was negative, with a growth in foreign residents associated with decreased redistributive expenditure in the following year (dotted lines). However, following the introduction of voting rights, the effect of additional immigration in both countries was positive, with a marginal increase in immigrant settlement associated with increased redistributive effort five years after the reform (solid lines). This reversal suggests that the introduction of voting rights led not only to an immediate increase in local expenditure, but rather shifted the underlying relationship between immigration and redistributive spending over the medium term.

[Figure 4]

**Evaluating the Mechanism**

The findings thus far have established a robust relationship between changes in foreign voting laws and local redistributive effort. In this section, I focus on the political process motivating increased social spending. Although the expansion of the electorate implies that parties can be expected to adjust policy platforms to accommodate immigrant preferences, this process cannot fully account for the scale and timing of the observed effect. In Switzerland and Belgium, substantive increases in redistributive spending were observed in the year immediately following the change to voting laws (Figure 2), and before immigrants had the chance to express their preferences in local elections.

This rapid fiscal response is consistent with a process in which incumbents proactively sought to mobilize and capture immigrant votes. Local governments had recourse to two closely linked strategies. First, incumbents that hoped to passively benefit from immigrant turnout could leverage incumbent

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35 The majority of empirical analyses of franchise events find an effect following the first election with revised voting rules. In other words, while parties may incorporate revised spending preferences into their campaigns, incumbent adjustment tends to be relatively slow. Moreover, the realized turnout of the enfranchised group usually plays an important role. See Lott and Kenny 1999; Aidt and Dallal 2008.

36 In Belgium, elections did not occur until two years after the extension, while in Vaud, Fribourg, and Geneva, local elections took place three, two, and five years after extension, respectively.
advantages by lowering barriers to voter registration, encouraging immigrants who interacted with public services to vote, and funding information campaigns and interventions. Second, incumbents could seek to proactively shape voting behavior by targeting increases in social spending to the foreign resident population in advance of the election. This latter strategy provides incumbent governments with a first-mover advantage in securing the political support of an emerging electorate. While explicitly contingent exchanges are unlikely, incumbents nevertheless can efficiently target immigrants by directing funds towards social programs in which they may be disproportionately enrolled, such as child care, public housing, or employment assistance. Depending on the level of local discretion over cash transfer programs, incumbents may also have the capacity to facilitate immigrant access to existing social assistance programs or increase the level of monthly support.

In Belgium, the empirical record suggests that attempts to leverage pre-election spending to win immigrant support were widespread. As an illustration, consider the post-industrial city of Ronse. Following the 2000 election, the leader of the incumbent center-right coalition announced that “Ronse should not be a destination for people with social problems” and promised a “tough approach” to local immigrants, with “more police on the streets,” and an end to generous local programs that were suspected to promote the influx of poor migrants from Brussels. Yet in the wake of the change to foreign voting laws implemented by the national government in 2004, the same coalition abandoned its tough approach to immigration and introduced a series of sharp reversals to local policy in the run up to the 2006 elections. In the year following the reform, for instance, the local council announced that “minorities will be fully included in local social policy”, and approved a revised social assistance framework that aimed to “increase targeted ethnic minority access to fundamental social rights at the local level.” In the two years following the reform, social expenditure rose by 23%, and the share of immigrant beneficiaries in local social assistance programs increased from 13.5% to 20.7%.

Similarly, in Brussels, the socialist-led municipal government announced a 17% increase in the social welfare budget in the year following the franchise extension. The budget included funds for additional public housing within an immigrant neighborhood, new welfare offices in under-served

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38Lokaal Sociaal Beleidsplan, Ronse. 3 December 2007.
districts, and an expanded caseworker budget to process additional social assistance claims.\(^{39}\) The municipal council paired this policy shift with sustained efforts at vote mobilization. Prior to the election, they printed 25,000 brochures which provided details on the upcoming contest, which they framed as an “essential election for local democracy.” Leveraging the municipalities’ close interaction with the immigrant community, the city disseminated these brochures to immigrant organizations, as well as directly to immigrant beneficiaries at social welfare centers.\(^{40}\) The following month, they distributed 26,000 pre-stamped voter registration forms to eligible immigrants throughout the city.\(^{41}\) Dismissing accusations of clientelism from rival parties, the council president expressed confidence in the upcoming contest, and argued that the “foreign vote had been obtained thanks to our perseverance.”\(^{42}\) Elsewhere in Belgium, accusations of clientelism had more material impacts. In late 2004, for instance, the President of the Wallonian Parliament was forced to resign after her office unintentionally leaked a memo indicating the intention to use public funds to recruit immigrant votes for socialist parties.\(^{43}\)

To what extent were these efforts effective? While the secret ballot entails that immigrants’ partisan preferences remain unknown, Figure 5 assesses whether increased access to local benefit programs effectively stimulated immigrant turnout across Belgian municipalities. The left-hand panel plots the relationship between the foreign registration rate and the percentage growth in immigrant social assistance beneficiaries.\(^{44}\) The positive correlation suggests that immigrants registered to vote at higher than average rates in municipalities where immigrant social assistance enrollment substantially

\(^{39}\)“Le President du CPAS Presente son Budget.” \emph{Le Soir}: 28 November 2003. Overall, the number of non-EU families receiving the minimum income assistance program in Brussels increased from 5,587 at the end of 2002 to 10,160 at the end of 2006. While a proportion of this increase may be due to secular trends, a political board of directors provides the final determination of eligibility.

\(^{40}\)“Faciliter l’acces au vote pour les etrangers.” \emph{Le Soir}: 7 February 2006.

\(^{41}\)“Un courrier pour inciter les etrangers a voter.” \emph{Le Soir}: 19 May 2006.

\(^{42}\)“La PS Entname ‘Sur la Route’” \emph{Le Soir}: 27 March 2006.

\(^{43}\)“Une decision logique qui calme le soupcon.” \emph{Le Soir}: 25 October 2004.

\(^{44}\)RIS/Aide Financiere. RIS rates are set by the federal government, but eligibility determinations are made by municipal welfare offices. Municipalities determine both eligibility and support levels for Aid Financiere.
increased in the run up to the 2006 elections. Further evidence is visible in the right-hand panel of Figure 5, which plots the registration rate against the proportion of the local non-EU population receiving transfers within a given municipality in the year prior to the election. Consistent with a strategy of targeted mobilization by local governments, the greater the reliance of the foreign resident population on local welfare programs, the higher the registration rate in local elections.

[Figure 5]

Similar dynamics are visible in Switzerland. In the canton of Vaud, parties reportedly engaged in “a veritable frenzy” of voter mobilization, regardless of their prior support for foreign voting rights. As in Belgium, local administrations that believed they would benefit from immigrant turnout engaged in extensive informational campaigns, in the form of organizing meetings with the immigrant population, disseminating leaflets through local welfare offices, and airing ads on local television. Although the majority of these appeals were programmatic in nature, some incumbents explicitly linked mobilization strategies to targeted increases in local generosity. For instance, the Socialist party in the city of Renens released a memo recognizing the “need to encourage electoral participation” for the “nearly 5,000 new foreign voters”, in part by increasing expenditure on “subsidies” and “public housing.” In Genevan cities, an observer noted that the Left was mobilizing a “clientele” of “foreigners and unemployed, who benefit directly from social transfers.”

Prior to the election, the cantonal branch of the Socialist Party was forced to defend itself in the press, with the president arguing that while Socialists “engage in more vote fishing than other parties, we reject the charge of clientelism. It is up to the municipal branches to decide what actions they want to take.” In Vernier, the election was invalidated after evidence that

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45 Given that this correlation is bivariate, it is likely influenced by secular trends. However, the relationship persists after controlling for immigrant population growth and unemployment. A similar relationship exists for aggregate changes in local social expenditures; see Appendix Figure B8.

46 “L’arrivée de nouveaux citoyens appâte tous les partis.” Le Courrier. 10 April 2005.


individuals posed as municipal employees to encourage immigrants to fill out multiple postal ballots.\textsuperscript{50} Although Swiss municipalities do not provide data on benefit rates or eligibility determinations, cantonal data permits an assessment of aggregate trends. Unlike Belgium, the extension of voting rights was not accompanied by a large increase in the share of immigrant social assistance beneficiaries. However, available data suggests that the reform led governments to increase the discretionary amounts awarded to immigrant beneficiaries. In Fribourg, the canton publishes data that can be used to gauge the relative generosity of monthly social assistance transfers to different demographic groups across the period. Figure 6 plots the ratio of transfers provided to Swiss natives versus immigrants in Fribourg, before and after the reform. Although in practice Swiss law prohibits discrimination on the basis of citizenship, the per capita level of benefits distributed to foreigners in the pre-reform period is significantly less than that received by natives.\textsuperscript{51} Notably, however, the introduction of voting rights between 2004 and 2005 is associated with a substantial increase in relative benefit levels, with the effect persisting across subsequent years. These patterns suggest that local governments may have targeted a proportion of expenditure increases towards ameliorating the gap in relative generosity between natives and immigrant beneficiaries. As in Belgium, these efforts appear to have been successful at driving immigrants to the polls: increased spending in the pre-election period is associated with higher foreign voter registration rates (Appendix Figure B8).

[Figure 6]

In sum, social assistance data and secondary evidence within each country suggests a political process through which pre-election increases in redistributive expenditure were driven by incumbent attempts to proactively mobilize and capture immigrant votes. While subtle, the distinction between this mechanism and a more general enfranchisement effect, in which spending priorities gradually adjust to a corresponding shift in the preferences of the median voter, is theoretically important. Although both processes will be active over the long run, the redistributive response in the latter case is strongly

\textsuperscript{50}“Vernier va t’elle Enfin Etre Dotee D’Un Executif au Complete.” \textit{Le Courrier.} 9 September 2008.

\textsuperscript{51}Figures exclude aid to refugees. Per capita ratios may be affected by demographic characteristics. Note, however, that the characteristics of beneficiaries are unlikely to have changed sharply in the precise year of the reform.
dependent on whether the newly enfranchised group actually participates in local elections and the manner in which they express their preferences. In contrast, the dynamics observed in these cases suggest that in diversifying municipalities, local administrations have sufficient incentive to raise spending in pursuit of an immigrant swing vote, even in the absence of high levels of foreign political participation. Given extant pressure to limit social expenditures directed towards immigrants, the counteracting effect of these electoral incentives play an important role in securing equality in redistributive outcomes.

**Discussion**

Accounts that assess the impact of immigration on redistributive spending in Europe tend to oscillate between two poles. Building on an established literature in comparative politics, a prominent vein of scholarship has suggested that immigration will activate in-group bias, precipitating a collapse in levels of social provision. Other studies have disputed these claims and argue for a form of European exceptionalism, noting that strong institutions and active left-wing politics may effectively insulate European contexts from negative fiscal responses to immigrant settlement.

While these arguments have merit, each tends to conceptualize immigrants as passive beneficiaries of public benefits. Yet widespread variation in foreign voting rights implies that in many European states, immigrants represent an expanding constituency at the local level. Leveraging insights from the literature on enfranchisement and redistribution, this paper highlights this omitted institutional variation, and argues that local redistributive responses to immigrant settlement will be conditional on the political rights granted to foreign residents.

The empirical evidence supports this conditional relationship. Panel data from European municipalities suggests that an immigration-induced downward bias in redistributive expenditure is limited to contexts where foreign residents are excluded from local electoral contexts. Similarly, an analysis of recent franchise extensions in Switzerland and Belgium demonstrates that the decision of higher-level governments to extend foreign voting rights was sufficient to alter the equilibrium relationship between immigration and local social spending. This finding extends existing work on the historical enfranchise-ment of non-citizens (Vernby 2013) by demonstrating an altered dynamic between rising local diversity and social spending within a contemporary setting. Moreover, it highlights a common political process underlying increased expenditures within Belgium and Switzerland. In the cases examined, increases in
social expenditure were not limited to instances in which immigrants were able to secure meaningful political representation. Rather, the evidence suggests that incumbents targeted increased expenditures in an effort to proactively secure immigrant votes.

The finding that the mere extension — and not necessarily the exercise — of foreign voting rights plays a key role in mediating responses to immigrant settlement has important implications for the growing body of work focused on integration, public goods, and ethnic diversity within Europe. Viewed from one angle, these results confirm that democratic institutions function as expected: expanding the electorate realigns public policy in favor of new constituents. Yet many contemporary accounts stress local governments' responsiveness to threatened natives while overlooking the electoral appeal of foreign residents. This paper's empirical findings suggest that incumbents are in fact responsive to this emerging electorate, mitigating downward bias in social expenditure within diversifying contexts. In addition, the findings resonate with an emerging literature in comparative politics that focuses on how decentralized systems of redistribution provide tools for local politicians to engage in targeted mobilization. While it would be inaccurate to characterize the distribution of cash transfers to immigrants as fully clientelistic given their non-contingent nature, this analysis suggests that local social policy is far more instrumental than typically acknowledged within the European context (see also Mares and Young 2016).

Before concluding, one important caveat is in order. While the findings indicate that the extension of voting rights induce a consequential shift in local fiscal responses in the short- and medium-term, the data does not support concrete predictions as to whether these equilibria will be sustainable over the long run. Although the evidence from the Netherlands and the Nordic countries suggests that positive relationships may be maintained even two decades after franchise extension (see Figure 1), it remains possible that the longevity of this effect is conditional on other factors. In particular, the positive influence of extending local voting rights may eventually be outweighed by organized anti-immigrant sentiment. For instance, the finding that the Belgian and Swiss response is largely conditional on partisanship raises the question of whether social provision can be maintained as far-right vote share increases. Similarly, in contexts where immigrant populations are unresponsive to local transfers and repeatedly refrain from participating in elections, incentives to engage in targeted recruitment may subside over the long run.

Despite this note of caution, these findings have important policy implications. Contemporary modes of integration and immigration policy in Europe predominantly focus on securing migrants' social
and economic integration, with political rights often extended as a capstone or reward for successful accommodation with society. The results of this paper suggest that if governments seek to ensure equality in local outcomes and avoid a ‘race to the bottom’ in benefit levels, this approach may be misguided. Rather than legislating and enforcing equality, it may be more effective to activate foreign resident populations as a political resource and provide local politicians with concrete incentives to distribute scarce benefits.
Table 1: Effect of 1% Increase in Foreign Population Share on Social Expenditure

<table>
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<td>BE</td>
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<td>NLD</td>
<td>NOR</td>
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<tr>
<td>All municipalities</td>
<td>1.67 (0.92)</td>
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<td>3.26 (1.70)</td>
<td>1.15 (0.61)</td>
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<td>Left-wing &gt; Median</td>
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<td>4.25 (1.12)</td>
<td>5.05 (2.01)</td>
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<tr>
<td>n</td>
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<td>363</td>
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<tr>
<td>Years</td>
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<td>01-05</td>
<td>05-09</td>
<td>03-09</td>
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Standard errors in parentheses, clustered by municipality. See Appendix A for dataset details.
Table 2: Effect of Voting Rights Extension on Local Social Expenditure

<table>
<thead>
<tr>
<th></th>
<th>Switzerland</th>
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<th>Belgium</th>
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<tbody>
<tr>
<td></td>
<td>A</td>
<td>B</td>
<td>C</td>
<td>D</td>
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<tr>
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<td>7.37</td>
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<td>(1.79)</td>
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<td></td>
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<td>(1.84)</td>
<td>(2.69)</td>
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</table>

Standard errors in parentheses, clustered by municipality. Estimates indicate the expected percent change in per capita social expenditure for a municipality with the mean level of foreign settlement at the time of the reform. The Swiss specification includes a linear time trend for each canton included within the sample. The population trim removes municipalities below the 10th and above the 90th percentile. Regional time trends are quadratic, fit separately for service district (Switzerland) and province (Belgium). The panel for each country runs from the year 2000 until two years following the year the reform was passed. n=467 (Switzerland), 587 (Belgium).
Countries in the top row granted local voting rights to non-EU foreign residents as of 2008. Local polynomial fit, with 95% confidence intervals. Horizontal axis: % foreign population (non-citizens) in municipality. Vertical axis: % of local budget allocated to social expenditure. All figures include EU residents to maximize comparability across EU and non-EU states.
Average per capita social expenditure, indexed to the beginning of the period (base 100). $t$ refers to the first full year following franchise extension. Municipalities were partitioned into four evenly spaced quartiles according to the non-voting foreign population in the year prior to the reform. Two quartiles shown for visual clarity.
Figure 3: Effect of Voting Rights Extension, by Local Partisanship

Local linear fit of the relationship between left-wing support and expenditure growth between t+1 and t-1, with 95% confidence intervals. Sample restricted to the top two terciles of immigrant settlement. Left-wing parties in Belgium: SP/PS; Switzerland: SP, PDA, SOL. Voteshare in Switzerland refers to federal elections. See Appendix Table B12 for a panel specification.
Figure 4: Effect of Additional Foreign Settlement, Pre- and Post-Reform

Local linear fit, with 95% confidence intervals. The y-axis has been scaled as a percentage of the mean to permit clear comparisons. The Belgian data covers 10 years: each data point spans 5 years before and 5 years after the reform, respectively. The Swiss data covers 8 years due to data limitations: 4 years before, and 4 years after.
Figure 5: Benefit Enrollment and Electoral Registration in Belgium

Local linear fit, 95% confidence intervals. Municipalities with less than 1% non-EU population are excluded.
Figure 6: Targeting in Switzerland

Ratio of immigrant to Swiss social assistance expenditures per beneficiary, by year, in the canton of Fribourg. The vertical line refers to the year in which the voting rights reform was passed.
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