The impact of immigration on election outcomes in Danish municipalities

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Abstract

In this paper we study the effects on support for different political parties following an increase in the immigrant share in Danish municipalities during a period marked by a substantial influx of refugees. The two anti-immigration parties in the political landscape of Denmark are among those that win votes as a result of this influx, but so also does a pro-immigration party on the left. Controlling for a number of social-economic aspects, our results thus point to some discontent with immigration; however, they do not support predictions of a general decline for political parties that are in favour of a generous welfare state, as proposed by some scholars.

JEL Classifications: J15, J61, D72

Keywords: immigration; immigrants; elections; racism; xenophobia

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1 Introduction

In this paper we study the effect of an influx of immigrants on election outcomes for political parties in Danish municipalities. In doing so, we consider a change in immigrant residential patterns due to an unprecedented influx of refugees and their placement into municipalities in accordance with prevailing legal regulations. With the help of regression estimations we seek to discover whether or not this change affected election outcomes. We study election results for 275 municipalities during the period 1989–2001, covering altogether four local elections and four elections to Parliament. Taking the platforms of the different political parties as a proxy for their position on immigration and welfare state issues, we seek to identify the impact of immigration on the attitudes towards immigration and support for the Danish welfare state.

Immigration, and the situation of immigrants, has become a political issue in most European countries. Mostly it is the immigration from countries outside the Western hemisphere that has been the subject of debate, not the least concerning immigrants from Muslim countries. Surveys show that many natives feel negative about the present situation with respect to immigration and immigrants. An expression of this is the establishment and expansion of anti-immigration political parties. Such parties receive wide political support in several countries, for example Belgium, France, the Netherlands and Norway, as well as in Denmark. These parties advocate a very restrictive immigration policy, with proposals aiming to reduce the influx of immigrants and encourage return migration, as well as measures to reduce income transfers and to dismantle programmes aimed at immigrants.

This development has led researchers from several disciplines to study various aspects of the situation. One such issue concerns the supporters of the anti-immigration policy: who are they? Studies reveal variations based on education, gender, age etc (Dustmann and Preston, 2001; Gang et al., 2002; Norris, 2005; Facchini and Mayda, 2006; Tamura, 2006;
Malchow-Møller et al., 2007; Mayda, 2007). An expanding area of research concerns the way the economic (or perceived economic) impact on different groups may explain difference in attitudes towards immigration. The (perceived) economic effects are usually one of two types: labour market effects (wages, unemployment) or effects on the finances of the public sector.

Immigrants are to a larger extent unskilled or, if not, tend to work in low-skill occupations – often due to a lack of country-specific human capital. According to standard economic models, skilled natives gain from immigration – as they and the unskilled group complement one another in the production process. Immigration will thereby generate higher wages as well as lower prices for certain services, and immigration may thus be supported by the more skilled, native population. Unskilled native workers, on the other hand, may fear losing out from an influx of immigrants, as immigrants and low skilled natives are substitutes in the production process. This may add to the risk of unemployment and lower wages, and thus lead to a more negative view of immigration and immigrants.¹ Economic arguments may thus affect the immigration debate and help to explain some of the variations in individual attitudes towards immigration and the support for anti-immigration political parties.²

The effects on public sector finances may vary from group to group. An influx of immigrants coming as refugees and by family-related migration usually generates a net transfer to this group of immigrants, as their employment rates are low in general. A rise in the net transfer may be financed by higher taxes, paid largely by people with (well-paid) jobs (Facchini and Mayda, 2006; Tamura 2006). This factor may lead to resistance to immigration among those who are employed and who have relatively high wages, especially under a

¹ In the literature this association has sometimes been denoted ‘ethnic competition thesis’ (Rydgren, 2007) or ‘racial threat thesis’ (Bowyer, 2008). Studies show little or no real effects on native wages and unemployment because of immigration (Longhi et al., 2005; 2006). One notable exception is Borjas (2003), reporting a negative impact of Mexican immigrants on the wages of low-skilled US workers.

² Economic arguments and individual characteristics explain only part of the cross-country variation in individual attitudes towards immigration (Malchow-Møller et al., 2007; Mayda, 2007).
progressive tax system. Another way of financing the net transfer to immigrants is to reduce the replacement rates in the income transfer programmes, for example by lowering social welfare rates or the replacement rates for the unemployed. Ultimately the realisation of such measures would mean shrinking the welfare state. This in turn might mean that citizens who receive income transfers would oppose immigration even more strongly. Such effects may leave their mark on the political scene as well, for example with increasing support for anti-immigration parties as immigrant numbers increase.3

The effects of immigration on the public sector depend on the system for financing the various activities. In Denmark, the municipalities assume the greater part of the costs (Wadensjö and Orrje, 2002; Wadensjö, 2007). This suggests that municipalities constitute the main arena for parties with an anti-migration agenda. However, support for anti-immigration parties may also depend on which public authority is responsible for the rules that determine the immigration regulations. In Denmark, immigration policy (the number of immigrant visas granted and the distribution of refugees along the lines of the placement policy to be discussed subsequently) and the distribution of its costs are determined at the national level by the national Parliament. This indicates that we should expect the national elections to provide the main forum for the anti-immigration parties. As the government is responsible for immigration policy, the effect of immigration on support for the political parties may also depend on whether or not a party is in power or not.4 From the outset, we can thus envisage various processes at the local and national levels whereby immigration affects support for the parties – and especially those with an anti-immigration agenda. In addressing such issues we

3 On the relation between the size of immigration and the effects on wages, unemployment and public sector finances see Tamura (2007). As to the interplay of immigration, labour market and public finances in a Danish context, see Nannestad (2004) and Wadensjö (2007).

4 As different alliances of parties govern local municipalities, the role of incumbency on the local level will more or less cancel out when aggregating over all municipalities. However, incumbency issues might be a relevant aspect for general elections.
will seek to determine whether the effects of immigration in the municipalities differ between local and general elections.

Finally, evidently also more profane aspects such as xenophobia may lie behind attitudes on immigration policies. Resentments against certain minority groups have been named as one factor for different outcomes in publicly provided welfare state designs across countries. Especially this regards the rather limited redistribution of income and provision of publicly provided goods in the US. Some scholars put forward what they use to call *anti-solidarity effect*, i.e. a lack of compassion for the poor (Alesina et al., 2001); others (Roemer and Van der Straeten, 2006) are emphasising the importance of the *policy bundling* of political issues, saying that parties known to be more restrictive on immigration issues, gets the votes of a white, low-skilled electorate that is not against redistribution as such, but does give the race question high priority. They claim that the shift in the Danish government that took place in 2001, will lead to a significant reduction of the welfare state.\(^5\)

The paper is designed as follows. The next section provides a political ‘map’ of Denmark, aiming to place the parties’ stance on migration issues and support for the welfare state. Section three comprises the empirical analysis, while section four offers some concluding comments.

2 The political parties in Denmark

The subject of our study is to analyse the election results of the political parties in Denmark. Below, we briefly introduce the political parties that participated in the elections during the period studied. Table 1 shows the percentage distribution of the votes in more recent national elections.

\(^5\) Roemer et al. (2007) provide examples of studies on the connection between immigration and support for the welfare state.
For each party we assign its position regarding migration and public sector issues according to the following classification of platforms:

1. Against high taxes, negative regarding non-labour related immigration
2. Against high taxes, neutral regarding non-labour related immigration
3. Neutral regarding high taxes, positive non-labour related immigration
4. Pro high taxes, negative regarding non-labour related immigration
5. Pro high taxes, neutral on non-labour related immigration
6. Pro high taxes, positive regarding non-labour related immigration

This classification, on a two-dimensional policy spread sheet, provides our basis for mapping the different positions in a Danish context. By ‘against high taxes’ we mean being in favour of reducing taxes and at the same time cutting back on the welfare state. Similarly, by ‘negative regarding non-labour related immigration’ we denote a position that seeks to attract the voters who favour a more restrictive policy towards immigration in general. As some parties might be negative on immigration from certain countries for cultural reasons, but at the same time supportive to the demand of domestic firms of contracting workers from abroad, we here point to parties’ stance on non-labour related immigration, such as refugee and family related migration. Our classification reduces a fairly wide range of party platforms to a few distinct positions, obviously a simplification, but in line with other attempts to analyse the political processes. Also, we simplify matters by pointing to parties’ overall position applying during the 1990s, which have changed to certain degree over the years.6

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6 Roemer and Van der Straeten (2006) classify the ten parties based on answers given by voters in election surveys on what they believe is the respective party’s agenda on economic and immigration issues. For a discussion on the stance of political
The oldest of the Danish political parties is the Conservative People’s Party (Konservative Folkeparti). Its predecessor became the ruling party in the late 19th century. The opposition formed a party, the Liberal Party (Venstre). This Party mainly represented farmers of good economic standing and gained power in the beginning of the 20th century. The Conservative and Liberal parties have now similar political programs. The smallholders and urban intellectuals subsequently joined forces by forming a new party, Social Liberal Party (Radikale Venstre). This party was and still is a non-socialist party. It lies, however, furthest to the left among the non-socialist parties as a whole. It has formed governments together with the Social Democratic Party several times but also with the Conservative and Liberal parties. In the two-dimensional classification (shown above) the Social Liberal Party occupies position 3 while the Liberal Party and the Conservative Party can be assigned to position 2 or 1.

The Social Democratic Party (Socialdemokratiet) was established in the 1870s. Between 1924 and 2001 it was the party enjoying the largest electoral support. It has been relying mainly on the votes of the blue-collar workers. As in several other countries, the left faction of the Social Democratic Party formed a communist party after the Russian revolution. It divided into two in the wake of the Hungarian uprising in 1956. A Soviet-critical faction formed the Socialist People’s Party (Socialistisk Folkeparti), which became the much larger of the two groups. In the 1990s, the Communist party entered into an alliance with two other small parties on the left to form Unity List (Enhedslisten – De Rød-Gronne). In the two-dimensional classification, the Social Democratic Party occupies position 5, while the Socialist People’s Party is in position 6. The same position applies for the Unity List.

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parties on immigration and welfare issues during the 1990s see Andersen (2003). As to welfare policies, Andersen notes that the position of the Liberal Party changed considerably in the 2001 election after two electoral defeats in earlier elections where that party had launched “strong liberal attacks on the welfare state” (Andersen: 190).
The Christian People’s Party (Kristeligt Folkeparti) was founded in 1970. It has, at various times, been represented in Parliament and even in the government. It is a non-socialist party, but has been part of governments led by the Liberal Party or Conservative People’s Party, as well as a government lead by the Social Democratic Party.

Two new parties appeared in 1973. The founder of the Centre Democratic Party (Centrum-Demokraterne) was a leading member of the Social Democratic Party but critical of the left-wing tendencies of that party. The Centre Democratic Party ranges in the middle of the political spectrum, and has joined governments both alongside the Liberal Party and the Conservative People’s Party, but also governments led by the Social Democratic Party.

A second party, founded in 1973, the Progress Party (Fremskridspartiet), began as a party of protest against high income taxes and a large public sector. Later, immigrants and immigration became its main interest. It is one of the two anti-immigration parties. In 1995, internal conflict led to a split and the formation of a new party, Danish People’s Party (Dansk Folkeparti). This party gradually out-competed the Progress Party, soon becoming the dominating anti-immigration party. It is strongly anti-immigration, but supports the provision of the welfare state for native Danes.\(^7\) In the two-dimensional classification shown above, the following positions apply: For the Centre Democratic Party – position 2, for the Progress Party – position 1, Danish People’s Party – position 4, Christian People’s Party – position 2.

To be represented in Parliament a party has to win 2 per cent of the votes in an election. This is a low hurdle compared with many other European countries and it means that in most periods, many parties are represented. In practice there are two main government-forming

\(^7\) Even if the way of classifying parties done by Roemer and Van der Straeten (2006) looks like a reasonable approach in general, we question to what extent it is appropriate in the case of the Danish People’s Party. This is because in 1998, i.e. by the time the first interview in their examination was conducted, that party had not clearly resolved its stance on issues such as public welfare. We therefore think that voters could have merged their views for that party with those of its predecessor on the anti-immigration side, i.e. the Progress Party. This view is confirmed by comparing the outcomes of the interview in 1998 compared to what it looked like in 2001. One can distinguish a significant dip in voters’ opinions on the economic issue for the Danish People’s Party.
alternatives. The alternative on the left implies the Social Democratic Party supported in Parliament by the Socialist People’s Party and the Unity List. The alternative on the right implies a coalition between the Liberal Party and the Conservative People’s Party. In both cases a support from one or more political parties has been necessary in most instances. Until 2001 the Social Liberal Party decided in practice which alternative should be in power. After the general election in 2001, however, the Danish People’s Party has been in a position to influence the forming of government and by that policy-making, not least the immigration policy. The Liberal Party and the Conservative People’s Party have since 2001 formed government supported in Parliament from the Danish People’s Party.

3 Analysis

Our purpose here is to determine the impact on election results of an influx of immigrants to Denmark during the 1990s. We do this by conducting regression estimations, taking the vote shares of the individual political parties as the dependent variables. Regional diversity within a municipality’s population and the impact of this on the formation of local policy outcomes, have been frequently studied; see Gerdes (2009) and Hopkins (2009), and the references they provide. In the present paper, we look at election outcomes and ask whether there has been a reaction to the influx of persons of non-native origin in terms of an increase or a drop in support for the various parties.

3.1 The effect of a change in the ‘share of non-Western immigrants’ on election outcomes in Danish municipalities

We will present estimates from a series of regression estimations in which the election outcomes for the individual parties, expressed as a percentage, are the dependent variables. The dependent variable accounts for votes on a dichotomous basis, indicating that party $i$ either did or did not get a vote. This means that we have simplified the decision process as we
disregard the fact that the choice in each election lies not simply between two alternatives, but between several different parties.\(^8\)

The use of aggregate data, based on individual decisions that are intrinsically binary, has implications for the estimations involved. According to Greene (2003) the appropriate way of treating ‘proportions data’ as the dependent variable is to use \textit{log odds}, and to adopt regression or maximum likelihood methods. See Greene (2003), p. 686. Thus the dependent variable in the estimations should be expressed as the logarithm of the odds, i.e. \( \bar{y}_i = \ln \left( \frac{P_i}{1 - P_i} \right) \), where the observed \( P_i \) in our setting is the proportion of votes for party \( P \) in a given municipality \( i \) at time \( t \), which, assuming linearity, reads as \( \bar{y}_i = x_i^\prime \beta + \epsilon_i \). In the estimations presented in this paper, we adopt a slightly different approach by using the logarithm of \( P_i \) as the dependent variable.\(^9\) The covariate of main interest, i.e., the share of immigrants in municipalities, is included in its logarithmic form. This allows us to read the \( \hat{\beta} \)-coefficient in terms of elasticities: a one per cent increase in the share of non-Western immigrants leads to a \( \hat{\beta} \) percentage change in the vote share of party \( P \). Also, we adopt a ‘fixed-effect’-estimation approach, which means that we control for municipal heterogeneity...

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\(^8\) See Katz and King (1999) for a critical note on estimating election outcomes for different parties on a one by one base. Their main critique regards the fact that estimations focusing on vote proportions for different parties hardly ever sum to one when predicting outcomes based on coefficients and mean values over all parties and districts in one election. In the present study the estimations are done for different party constellations appearing separately within a great number of municipalities over several different elections. Thus, we are measuring an average effect, which will, at least approximately, cancel out the impact of the actual compositional settings in which an election takes place. Furthermore, here we do not focus on the total vote share of certain parties, but rather to the marginal impact of one aspect for the outcome of one party. This we achieve by holding constant for other aspects that determine success or failure of parties by means of a including a bunch of covariates, as will be explained below.

\(^9\) The estimation results generated by a logarithmic transformation of the dependent variable, i.e., \( \ln(P_i/(1-P_i)) \), are rather similar to those presented here. See Appendix, Table A1 for a comparison of baseline results.
by demeaning the included variables over the election outcomes, thus accounting for municipality fixed effects.\textsuperscript{10}

By focusing on the group of immigrants from countries outside the EU and OECD we attempt to ‘target’ individuals who were subject to the Danish dispersal policy.\textsuperscript{11} The aim of this policy was to distribute the newly arrived refugees over the whole of Denmark, especially to areas whose immigrant population had hitherto been fairly small, see the following section for a discussion. The distribution was more or less random when conditioned on a number of structural and demographic factors and labour and housing market conditions. In our estimations, we seek to control for such factors by including covariates for municipal averages regarding age, number of children per household and income from labour, as well as controls for municipality heterogeneity that can be regarded approximately constant, like industrial composition or institutional characteristics such as council sizes. Time dummies take into account common trends across municipalities.

The data used here has been drawn from \textit{Statistics Denmark}, while the data regarding election outcomes for the general elections to the national Parliament (the \textit{Folketing}) comes from various publications issued by the Ministry of the Interior and Health.

It could be objected that the covariate of main interest, namely the ‘share of non-Western immigrants’ in the municipality, could address the vote of the immigrant population themselves, which would confound the purpose of our study. The scope for this is not very great, however. First, new immigrants from countries outside the EU and OECD countries, i.e., those we identify as “non-Western” immigrants, are not entitled to vote in local elections until after three years of (permanent) residence in Denmark; while for voting in national

\textsuperscript{10} A control for municipality fixed-effects requires the use of a linear estimation model, so we did not consider applying non-linear estimation methods, such as multinomial or ordered logit for our purpose.

\textsuperscript{11} The used classification regards EU member states before the 2004 accession. This implies that also people coming from countries that today are EU-member states, such as Poland, are included. Simply for reasons of convenience we will make use of the term “non-Western”, denoting a group of persons with a great variety of cultural, ethnic or religious backgrounds.
elections, Danish citizenship is required – requiring at least nine years residence in the country.

Second, with the fixed-effect set up applied here, we take account of changes rather than levels in the municipalities; this means that groups of immigrants of non-Western origin, who have been living in the same municipality throughout the studied period, will not directly affect the ‘share of non-Western immigrants’ coefficient estimate. Thus, the main factor behind changes in demographic composition is the influx of ‘new’ immigrants. This is to say, the impact of this group on election outcomes, by means of their own votes, should be of minor impact in a fixed-effect setting.

In econometric terms our fixed-effect set-up can be formulated as follows:

\[
\ln(p_i) - \ln(p_{i0}) = \delta(x_{it} - \bar{x}_i) + \beta \ln(S_{it} - \bar{S}_i) + \lambda_t + \epsilon_{it},
\]

Here \(x_{it}\) are (time-varying) control variables, while \(S_{it}\) measures the ‘share of non-Western immigrants’, i.e. people originating from countries other than EU and OECD countries. The outcome variable \(p_{it}\) states the vote share for a given party \(P\) in municipality \(i\) at time \(t\), and where \(\lambda_t\) is a time dummy indicator.

It is reasonable to treat every municipality as a separate, social entity. For that reason, we do not weight the estimations by population size. The covariates besides the ‘share of non-Western immigrants’ in the default model are age, number of children in the household and labour income. We cover a period that includes four local government elections and four general elections between 1989 and 2001. Standard deviations are weighted (‘clustered’) with respect to municipalities. To facilitate a comparison of the parties’ election results over time, we show the outcomes for each party in Figure 1.

\[\text{Figure 1 about here}\]

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\(^{12}\) We apply fixed effect estimations by using the ‘xtreg, fe’ command in \textit{Stata}. 
3.2 Immigration and placement of refugees into Danish municipalities

With the arrival of a wave of immigrants at the beginning of the 1980s, public authorities experienced problems in providing refugees with appropriate accommodation. For that reason, in 1986, a placement policy was introduced, according to which new arrivals were to be dispersed over the whole of Denmark.\(^{13}\) It was intended to counteract the tendency of immigrants to move to metropolitan areas. For the most part, the result of this policy was that refugees were distributed among large and medium-sized municipalities. From 1995, however, as a consequence of the large influx of refugees from Bosnia-Herzegovina, the main criterion for assigning refugees became availability of housing. This policy change lead to that also smaller municipalities had to accept refugees among its citizens.

Once they had been granted asylum, refugees were free to move wherever they wanted. However, there have been incentives not to change the initial location, at least not before completing an 18-month “introductory period”. Those refugees complying with the policy could expect help from local authorities in finding appropriate housing and child day care. From 1 January 1999 the dispersal policy became more restrictive as refugees risked losing the special “introduction allowance” – a form of social assistance benefit – if they decided to move within a three-year period, unless it was to start work in the place of destination. Studies examining the placement policy found that about half of the placed refugees chose to stay, while the other half moved further to another municipality, mainly to areas with a higher proportion of their countrymen; see Damm (2009). As can be seen from Figure 2, the influx and placement of refugees during the 1990s had a significant effect on the demographic composition, especially in smaller municipalities.\(^{14}\)

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\(^{13}\) For more information on the placement policy, see Gerdes (2009) and references given there.

\(^{14}\) As we do not have access to the exact number of refugees placed within each municipality before 1999 we can not instrument for the share of non-Western immigrants as has been done in Damm (2009).
3.3 Estimation results

In Table 2 we present results from fixed-effect estimations, see columns (1) and (2), and OLS estimations, see columns (3) and (4). The latter are included merely for the purpose of providing evidence for the importance of controlling for heterogeneity across regions. Thus, estimates from fixed-effect estimations constitute our baseline results that we focus on in the following discussion.

A look at the coefficient estimates reveals a rather large variation in significance levels and in the signs of the estimated association between (a change in) the ‘share of non-Western immigrants’ and (a change in) vote shares in the elections. See Table 2, columns (1) and (2). Some parties show significant results in both series of election outcomes, others in one only or in neither. Throughout the discussion we denote significance by t-statistics that pass a two-sided significance threshold of 10 per cent.

Among the parties that show significant results for ‘share of non-Western immigrants’ in both election outcomes, we find the Conservative People’s Party and the Progress Party. The coefficient estimates are positive for both parties, albeit somewhat larger for the Progress Party. The Conservative People’s Party experienced a considerable decline in electoral support in general elections during the period, while its support in elections at the local government level remained fairly stable (see Figure 1). The general change in party support is caught by the time dummies included in the model. This implies that the coefficient estimate for the change in non-Western immigrants measures the variation in the dependent variable over time that is associated with the variation in the independent variable net of overall time.
trends. Or to put it in another way, the estimated coefficient $\beta$ indicates the marginal effect of a change in ‘share of non-Western immigrants’, holding constant for common time trends and other covariates.

The **Danish People’s Party** is the only party with a significant estimate for the ‘share of non-Western immigrants’ in elections to local government, but with a non-significant estimate in general elections. Its coefficient estimate also indicates the largest marginal effect of any of the parties.

The parties that did not show significant results in elections to local government but did so in general elections are: the **Christian People’s Party**, the **Liberal Party**, the **Social Liberal Party** and the **Socialist People’s Party**. In line with customary practice, we define significance by a p-value less than 10%. However, if we adopt a somewhat less strict demarcation and take a 15% level instead, the coefficient estimates for the ‘share of non-Western immigrant’ covariate would be significant in the elections to local governments for both the **Liberal Party** and the **Socialist People’s Party**. There is a small but consistently negative impact from an increase in the ‘share of non-Western immigrants’ for the **Liberal Party**, while there is a positive effect for the **Socialist People’s Party**. Similarly, estimates for the **Social Liberal Party** are consistently negative and roughly equal in size. Finally, for the **Christian People’s Party** we get a negative impact from ‘share of non-Western immigrants’ on vote shares in national elections.

Finally, the parties seemingly unaffected by immigration changes are the **Centre Democratic Party**, the **Social Democratic Party** and the **Unity List**. As we have seen above, there is rather a large increase in support for the **Danish People’s Party** in local government elections associated with an influx of non-Western immigrants. We would thus expect to find a corresponding negative relation for the **Social Democratic Party** in local government elections. To test this hypothesis a bit more we also conducted estimations including only
those municipalities in which the Danish People’s Party run for local government office (results not shown). However, this does not change the main results; i.e., the estimates for the Social Democratic Party are still insignificant as regards the impact of non-Western immigrant shares on election outcomes at the level of the municipality.\footnote{In other estimations we only included observations for the elections from 1997 onwards, i.e., from the election year in which the Danish People’s Party took part in the local elections for the first time. But this restriction, too, made only a minor impact on the results for the Social Democratic Party.}

### 3.4 Consistency of regression estimations

To examine the responsiveness of our regression estimations we also present some regression estimations that exclude all covariates other than municipality and time-fixed effects, while in other estimations we chose to include additional control variables, besides those already included in the baseline regression set-up.

Table 3 about here

Comparing the default estimations, i.e., those that include all controls shown in Table 2, columns (1) and (2), with regression estimations that lack controls except municipality and time dummies in Table 3, columns (1) and (2), we can see that the estimates and the levels of significance are rather similar, apart from some minor changes. The clearest difference concerns the Danish People’s Party, which now gets a lower and non-significant coefficient estimate in local government elections.

A similar comparison of the default estimation with estimations that include controls regarding population density, share of unemployed, share of those over 65 and population size in the municipalities (all in logarithms), shows certain adjustments. See Table 3, columns (3) and (4). The main results can be summarised as follows: the coefficient estimate for the Christian People’s Party is no longer significant. The change in ‘share of non-Western...
immigrants’ is significant only for election outcomes for the *Conservative People’s Party* and the *Danish People’s Party* in local government elections. As regards the *Progress Party*, there is now a significant effect for elections to Parliament only. The coefficient estimates for the other parties are slightly smaller than the estimations shown in Table 2. All in all, the augmented control has some impact, but it does not refute the results from the baseline set-up.

### 3.5 Sensitivity of estimations to metropolitan counties and cities

In this section, we look at municipalities in which the number of citizens of foreign origin was rather small at the outset.\(^\text{16}\) We do so by the removal of all municipalities within the county of *Copenhagen* and the major cities of *Aalborg*, *Aarhus* and *Odense* – 23 municipalities altogether. The remaining municipalities will largely comprise municipalities that were subject to the dispersal policy, as refugees were primarily placed in counties and municipalities with fewer persons of foreign origin. Results from both fixed-effect and OLS estimations are shown in Table 4.\(^\text{17}\)

\begin{center}
*Table 4 about here*
\end{center}

For reasons of space, we only comment on the results for the two anti-immigration parties and the two largest parties. For the *Danish People’s Party* the coefficient estimate is somewhat smaller in the fixed-effect estimations on local government elections, but still significantly different from zero (see column 1). So far we have not commented on coefficient outcomes from the OLS estimations. As can be seen from column (4), we get a significantly

\(^{16}\) For a detailed discussion of settlement patterns for different groups of immigrants in Denmark, see Damm, et al. (2006) and Skifter Andersen (2006).

\(^{17}\) Bjørklund and Andersen (2003) report that the *Danish People’s Party* had more support in the cities, while the *Progress Party* had its stronghold in rural areas.
negative estimate for the level of ‘share of non-Western immigrants’ in general elections in the OLS estimations (see column 4).

For the **Social Democratic Party** the outcomes from fixed-effect estimations look as in the baseline set-up (see columns (1) and (2)), i.e. no significant coefficient estimates. However, we obtain negative coefficients in the OLS estimations in elections to local governments as well as in general elections, see columns (3) and (4), respectively. At first, this result suggests that the **Social Democrats** lost electoral support as a result of an influx of immigrants outside metropolitan cities. However, such interpretation is obviously at odds with the decline for the **Danish People’s Party** discussed before. Such inconsistency confirms our supposition that the OLS estimations are ‘less reliable’ than estimations explicitly controlling for municipality fixed effects.

The most notable changes for the **Progress Party** are the reductions in the coefficients in the fixed-effect estimations, resulting in a non-significant estimate of a change in the ‘share of non-Western immigrants’ in local elections. The changes are rather small, however.

As regards the **Liberal Party**, there are some notable differences, as we now have far from significant values in local elections, regardless of whether we apply a fixed-effect approach or OLS estimations. The outcomes in general elections are not quite as negative, but still significant.

As another robustness check we also conducted estimations where separate time-trends for the fourteen counties were included. In general, the effect of such an augmented control is that the coefficients become somewhat smaller and occasionally insignificant. This holds true for the two anti-immigration parties, **Danish People’s** and **Progress Party**. However, their coefficient estimates in elections to the local government (0.114 and 0.098, respectively) are only marginally inside the region of non-rejection, with p-values of somewhat less than 0.12
in both cases. For the Liberal Party and the Social Democratic Party, the results are rather similar to those shown in the basic setting in Table 2.

3.6 Summing up

The main results reported in the empirical section are the following:

- The anti-immigration Danish People’s Party and Progress Party enjoy support in local elections in municipalities with an increased ‘share of non-Western immigrants’. The same holds for the Conservative Party.
- Overall, the Liberal Party loses from an increase in the immigrant population, when controlling for time trends and other factors.
- We do not find any significant effect on the Social Democratic Party from an increase in the immigrant share.
- Of the two political parties that are most pro-immigration, the Socialist People’s Party gains from an increase in the immigrant share in general elections, while the Social Liberal Party loses.

4 Concluding discussion

Due to the variety of parties and their differences in the respective political platforms, we are able to draw more specific conclusions regarding some of the underlying mechanisms stemming from a change in the ethnic diversification of local communities. Generally speaking, the response to an increase in the immigrant share is associated with a mandate for anti-immigration parties in local elections, but there is no clear sign of a more general anti-solidarity effect. We base this last claim on three findings: first, both anti-immigration parties gain support, although they are different in their view on welfare state issues. Second, the consistently positive estimates for the Socialist People’s Party, being both pro-immigration

---

18 The result for the Progress Party is consistent with Anderson (1996).
and pro-welfare state, and, third, the fact that the Social Democratic Party seems to remain unaffected by a marginal increase in the non-Western immigrant share. Like its sister parties in other Scandinavian countries, the Social Democratic Party has been a leading player in building the Danish welfare state, implying that it has a creditable pro-solidarity stance.

These results suggest that Danes still hold a positive view on the welfare state. At the same time, migrants from certain countries could expect to find themselves socially marginalised especially those groups more recently arrived in Denmark. Taken together, our study does not support the prediction from Lee and Roemer (2006) of a decline in support for the Danish welfare state due to an increase in immigration. Of course, things might have looked different if Denmark would have a US-type majority vote system rather than a representative parliamentary system (on the importance of electoral systems see e.g. Myerson, 1999; Persson 2002; Iversen and Soskice 2006).

It could be argued that even supporters of the Social Democratic Party have become more critical regarding immigration issues, ultimately forcing the party’s strategists to adjust their programme in response to the general feeling in the electorate (Andersen, 2003; Doherty, 2007). Most likely has there been some shift of the entire political spectrum in the direction of a more restrictive policy towards immigrants in the wake of a tougher debate on the subject in recent years. But the relative position of the Social Democratic Party in the domestic political arena is roughly the same, i.e., it remains the party more likely to be inclined to redistribution than its main contestants in the liberal and conservative camps. Accordingly, any drop in the overall ‘preference for equality’, triggered by the influx of non-Western immigrants, should result in a minus sign, but obviously this did not happen.

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19 This view is supported by the outcomes of the International Social Survey Program (ISSP), where questions were asked in 27 countries regarding the pride that respondents felt regarding different aspects of their country (history, economy, sports, democracy, etc.). In one area, Denmark came out top: more people in Denmark than in any other of the 27 countries said they were proud of their country’s welfare state (Larsen, 2008).
So what causes immigration to become a salient issue in the political arena? Hopkins (2007) argues in favour of what he denotes ‘national salience’ of the debate on immigration, for example the extraordinary concentration on the immigrant population aroused by the terror attacks of 11 September 2001; while resentments arising from direct contact with immigrants and the native population are more of a secondary effect. This idea is supported by Bjørklund and Andersen (2003): people seem less influenced by direct personal experience of immigrants than by the general political debate about immigration. Within this context, our results can be read as follows: during the debate on immigration in Denmark, the influx of immigrants (i.e., placement of refugees) in the various municipalities brought the immigration issue to the local level and this, in turn, made a significant impact on election outcomes for the Danish People’s Party and Progress Party. At the same time, the electoral advance for these anti-immigration Parties in recent years should not be taken as proof of a general decline in voter support for the Danish welfare state, as claimed by some scholars. The political scene in a Danish context is much too complex than to allow for the one-dimensional assertion of a negative correlation between population heterogeneity and support for the welfare state.

References


Figure 1. Vote shares for parties in Denmark in local government and national elections from 1989 to 2001
Figure 2. Average share of 1st generation immigrants from countries outside EU and OECD countries. Separate figures for small, medium sized and larger municipalities.
### Table 1 Percentage distribution of votes in the elections to the Danish Parliament 1987–2005

<table>
<thead>
<tr>
<th></th>
<th></th>
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<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
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<td>4.7</td>
<td>5.1</td>
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<td>4.3</td>
<td>1.8</td>
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<td>2.0</td>
<td>2.3</td>
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<td>2.5</td>
<td>2.3</td>
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<td>15.0</td>
<td>8.9</td>
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<td>11.8</td>
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<td>31.2</td>
<td>29.0</td>
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<td>6.4</td>
<td>2.4</td>
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<tr>
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<td>25.8</td>
</tr>
<tr>
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<td>3.5</td>
<td>4.6</td>
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<td>5.2</td>
<td>9.2</td>
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<td>7.3</td>
<td>7.6</td>
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<td>2.7</td>
<td>2.4</td>
<td>3.4</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

*Note.* The numbers do not add up to 100 for each election because other, small parties have taken part in the elections. *Source:* Folketinget.
### Table 2. Fixed-effect and pooled OLS regression estimations

<table>
<thead>
<tr>
<th>Log party share for the...</th>
<th>Obs.</th>
<th>Adj. R²</th>
<th>Log share of non-Western immigrants</th>
<th>Adj. R²</th>
<th>Log share of non-Western immigrants</th>
<th>Adj. R²</th>
<th>Log share of non-Western immigrants</th>
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<th>Log share of non-Western immigrants</th>
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<td>.765</td>
<td>-.0108</td>
<td>.949</td>
<td>.0355</td>
<td>.429</td>
<td>-.245</td>
<td>.857</td>
<td>.0115</td>
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<td>Democratic Party</td>
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<td>.003</td>
<td>.022</td>
<td>.173</td>
<td>-.001</td>
<td>(.004)</td>
<td>.0115</td>
<td>(.034)</td>
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<tr>
<td>People’s Party</td>
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<td>.015</td>
<td>.147</td>
<td>.001</td>
<td>.062***</td>
<td>(.023)</td>
<td>.062***</td>
<td>(.066)</td>
<td></td>
</tr>
<tr>
<td>Conservative</td>
<td>1040</td>
<td>.062***</td>
<td>.158</td>
<td>.062***</td>
<td>.767</td>
<td>.225</td>
<td>.003</td>
<td>.624</td>
<td>.025*</td>
</tr>
<tr>
<td>People’s Party</td>
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<td>.023</td>
<td>.098***</td>
<td>.023</td>
<td>.042***</td>
<td>(.015)</td>
<td>.042***</td>
<td>(.014)</td>
<td></td>
</tr>
<tr>
<td>Danish</td>
<td>246</td>
<td>.074</td>
<td>.147</td>
<td>.074</td>
<td>.204***</td>
<td>(.035)</td>
<td>.204***</td>
<td>(.014)</td>
<td></td>
</tr>
<tr>
<td>People’s Party</td>
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<td>.074</td>
<td>.147</td>
<td>.074</td>
<td>.204***</td>
<td>(.035)</td>
<td>.204***</td>
<td>(.038)</td>
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<td>.016</td>
<td>.370</td>
<td>.016</td>
<td>.059**</td>
<td>(.007)</td>
<td>.059**</td>
<td>(.016)</td>
<td></td>
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<tr>
<td>Progress Party</td>
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<td>.052</td>
<td>.370</td>
<td>.052</td>
<td>.059**</td>
<td>(.031)</td>
<td>.059**</td>
<td>(.025)</td>
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<td>Social</td>
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<td>.118</td>
<td>.013</td>
<td>.059**</td>
<td>(.004)</td>
<td>.059**</td>
<td>(.011)</td>
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<tr>
<td>Democratic Party</td>
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<td>.048</td>
<td>.032</td>
<td>.048</td>
<td>.059**</td>
<td>(.016)</td>
<td>.059**</td>
<td>(.026)</td>
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<td>Social Liberal</td>
<td>798</td>
<td>.048</td>
<td>.032</td>
<td>.048</td>
<td>.059**</td>
<td>(.016)</td>
<td>.059**</td>
<td>(.026)</td>
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<td>.032</td>
<td>.048</td>
<td>.059**</td>
<td>(.016)</td>
<td>.059**</td>
<td>(.026)</td>
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<td>.032</td>
<td>.048</td>
<td>.059**</td>
<td>(.016)</td>
<td>.059**</td>
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<td>-.023</td>
<td>.718</td>
<td>-.002</td>
<td>(.071)</td>
<td>-.002</td>
<td>(.157)</td>
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</table>

Notes: Observations: The number of municipalities in the calculations times years of observation for each municipality (actual number of municipalities in Italic); at least two time observation for each municipality. Adjusted standard errors for municipality clusters are in parentheses. **significant at 5%, *** significant at 1%. Other controls, besides year and municipality fixed effects, are: municipality averages for age (for those aged 18 or older), labour income and number of children in household.
Table 3. Fixed-effect regression estimations. Consistency check

<table>
<thead>
<tr>
<th>Log party share for the...</th>
<th>No control variables apart from municipality fixed effects.</th>
<th>Adding control variables beside those shown in Table 2</th>
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<td>Adj. $R^2$</td>
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<tr>
<td>Centre</td>
<td>224</td>
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</tr>
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<td>Democratic Party</td>
<td>70</td>
<td>.935 (.052)</td>
</tr>
<tr>
<td>People’s Party</td>
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<td>.150 (.049)</td>
</tr>
<tr>
<td>Conservative</td>
<td>1040</td>
<td>.050 (.024)</td>
</tr>
<tr>
<td>People’s Party</td>
<td>265</td>
<td>.020 (.071)</td>
</tr>
<tr>
<td>Liberal Party</td>
<td>1081</td>
<td>.0114 (.033)</td>
</tr>
<tr>
<td>Progress Party</td>
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<td>.873 (.003)</td>
</tr>
<tr>
<td>Social Party</td>
<td>1097</td>
<td>.831 (.004)</td>
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<td>Parry</td>
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<td>.030 (.012)</td>
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<tr>
<td>Unity List</td>
<td>86</td>
<td>.025 (.079)</td>
</tr>
<tr>
<td></td>
<td>33</td>
<td>.283 (.024)</td>
</tr>
</tbody>
</table>

Notes: * Observations: The number of municipalities in the calculations times years of observation for each municipality (actual number of municipalities in Italics); at least two observations for each municipality. Adjusted standard errors for municipality clusters are in parenthesis. *significant at 10%; **significant at 5%; *** significant at 1%. Additional control variables in columns (3) and (4) are population density, the share of unemployed, the share of persons above the age of 65 and population size in municipalities.
### Table 4. Fixed-effect and Pooled OLS regression estimations. Excluding metropolitan counties and cities

<table>
<thead>
<tr>
<th>Party</th>
<th>Fixed-effect estimations</th>
<th>Pooled regression estimations</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Local elections</td>
<td>General elections</td>
</tr>
<tr>
<td></td>
<td>(1)</td>
<td>(2)</td>
</tr>
<tr>
<td>Log party share for the...</td>
<td>Adj. Log share of non-Western immigrants R²</td>
<td>Adj. Log share of non-Western immigrants R²</td>
</tr>
<tr>
<td>Centre</td>
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<td>-.745</td>
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<tr>
<td>Democratic Party</td>
<td>50</td>
<td>(0.096)</td>
</tr>
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<td>Christian People’s Party</td>
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<td>.213</td>
</tr>
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<td>Conservative People’s Party</td>
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<td>(0.048)</td>
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<tr>
<td>Danish People’s Party</td>
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</tr>
<tr>
<td>Party</td>
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<td>(0.066)</td>
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<tr>
<td>Liberal Party</td>
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<tr>
<td></td>
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<td>(0.006)</td>
</tr>
<tr>
<td>Progress Party</td>
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<tr>
<td></td>
<td>(0.054)</td>
<td>(0.031)</td>
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<tr>
<td>Social Democratic Party</td>
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<tr>
<td></td>
<td>(0.013)</td>
<td>(0.005)</td>
</tr>
<tr>
<td>Unity List</td>
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<td>.254</td>
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<tr>
<td></td>
<td>(0.307)</td>
<td>(0.082)</td>
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Notes: Observations: The number of municipalities in the calculations times years of observation for each municipality (actual number of municipalities in Italics); at least two observations for each municipality. Adjusted standard errors for municipality clusters are in parentheses. *significant at 10%; **significant at 5%; *** significant at 1%. Other controls, besides year and municipality fixed effects, are: municipality averages for age (for those aged 18 or older), labour income and number of children in household.
### Appendix

Table A1. Estimations as in Table 2, but with ‘logarithmic’ dependent value, i.e. \( \ln(P_i/1-P_i) \)

<table>
<thead>
<tr>
<th>Log party share for the...</th>
<th>Fixed-effect estimations</th>
<th>Pooled regression estimations</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Local elections</td>
<td>General elections</td>
</tr>
<tr>
<td></td>
<td>(1)</td>
<td>(2)</td>
</tr>
<tr>
<td></td>
<td>Adj. ( R^2 )</td>
<td>Log share of non-Western immigrants</td>
</tr>
<tr>
<td>Centre</td>
<td>224</td>
<td>.771</td>
</tr>
<tr>
<td>Democratic Party</td>
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</tr>
<tr>
<td>Christian</td>
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<td>People’s Party</td>
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<td></td>
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<td>32</td>
<td>(0.255)</td>
</tr>
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</table>
SULCIS is a multi-disciplinary research center focusing on migration and integration funded by a Linnaeus Grant from the Swedish Research Council (VR). SULCIS consists of affiliated researchers at the Department of Criminology, the Department of Economics, the Department of Human Geography, the Department of Sociology and the Swedish Institute for Social Research (SOFI). For more information, see our website: www.su.se/sulcis

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