

Are political and economic integration intertwined?

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Over the past 30 years, several European countries have seen their foreign born populations double or triple and in some cases like Luxembourg, migrants represent today almost half of the residents. As a result societies have become increasingly diverse. Over centuries of political developments democracy and democratic representation have emerged as the preferable means of aggregating heterogeneous preferences, but to what extent are immigrants involved in the political process in the destination country? Answering this question has important implications for the engagement of migrant communities with the host country's society and for the policies that in turn will be adopted.

Demand and supply side considerations

As argued by Earnest (2015), approximately 45 democracies grant today political rights to foreign aliens, i.e. without specifically requiring the prior acquisition of local citizenship. Some countries enfranchise only specific subgroups of foreign residents in local elections – like in the case of Luxembourg, others extend the same rights *erga omnes*, while others still allow permanent residents to vote in parliamentary elections. Importantly, the existing evidence has consistently highlighted that immigrants tend to be under-represented at all levels

of the political process. Focusing on candidates and on those elected to office, under-representation is likely to depend on an array of different factors, that can be broadly categorized as pointing towards the “demand” and “supply” of candidacy. In party-based systems, like those prevailing in many European countries, much emphasis has been placed on demand side factors, and more specifically on the role played by party elites (Dancygier et al. 2015). In local elections, where nomination procedures are less controlled by parties than in national contests (Cirone et al. 2019), supply side factors are likely to also play an important role, and in fact a shortage of suitable candidates has been identified (Rinhkjob and Ars 2010). Still, little is known on what determines the decision to seek office among immigrants groups, and in particular whether and how economic incentives matter (Bloemraad 2007). This is surprising given that immigrants exhibit systematically different economic outcomes compared to natives (Chiswick 1978; Borjas 1985). In a recent paper (Bratsberg et al. 2019), we tackle exactly this question, studying the differences between immigrants and natives in their decision to run for office, and uncover the key role played by economic integration.



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The decision to run for office in Norway

To understand the incentive structure relevant for an individual's decision to run for office, we build a simple intertemporal framework, in which individuals decide whether to become candidates by trading off labor market earnings – that grow over time based on a “seniority mechanism” – against the expected gains from a political career. The main insight from this framework is that as the return to labor market experience – representing the opportunity cost of office – increases, *ceteris paribus*, the likelihood of seeking election decreases. This insight is very relevant if we want to compare the decision to run for office by immigrants and natives: as immigrants experience economic assimilation in the destination country, their wages tend to be initially lower and grow more rapidly than those of natives. This might help explaining the under-representation of immigrants among candidates to local office.

We study whether this is the case by focusing on Norway, a country that has both seen its immigrant population increase very rapidly over the past decade, reaching over 17% of the total in the prime working age group, and has a very liberal regime for participation in local elections. Norway is a constitutional monarchy, divided into 428 municipalities. Municipalities play an important role in the provision of public services, and their expenditures and revenues amount to 17% and 14% of GDP, respectively. Importantly, municipal governments have taxation powers, within a range specified by the central government, and revenues accrue largely from local income taxation, with real estate and wealth taxes playing a smaller role. Local elections are held every four years. Norwegian citizens are eligible to vote and run for office if they

turn 18 by the end of the election year. Norway enfranchises foreign citizens in local elections irrespective of their nationality, allowing them to vote and run for office, provided that they resided in the country for at least three years. Thus, the country represents an ideal setting to study immigrant political participation in local elections.

Basic patterns

Our data cover the three local elections that took place in 2007, 2011 and 2015 and we have information on the universe of all candidates that run for municipal office. Since we are interested in the role played by labor market incentives, we restrict our sample to individuals in the prime working age group. The table below presents some basic patterns. Across the three elections covered, we observe 132,480 native candidates, implying that on average 2 percent of the natives run for office. A significant number of foreigners (4,101) also run for office, representing 0.6 percent of the corresponding population. This suggests that the under-representation of immigrants starts already at the level of candidacy.

Importantly, even when immigrants do run for office, they are less likely to be in a prominent position: the probability of being a bolded candidate is 0.05% for an immigrant, whereas it is six times

Table:
Descriptive statistics

	Natives		Immigrants	
	Candidate	Elected	Candidate	Elected
Any position	1.98%	20.15%	0.57%	12.12%
Bolded	0.30%	77.41%	0.05%	51.83%
Bolded, credible party	0.24%	81.07%	0.04%	57.74%
Any position, non-credible party	0.08%	0.81%	0.04%	2%
	Total	Candidates	Total	Candidates
Observations	6,570,625	132,480	720,439	4,101

as high for natives (0.3%). In other words, roughly 15% of native candidates are in prominent positions on the electoral slate, whereas this is true for only 8% of immigrants. Furthermore, when we restrict our attention to bolded candidates of the major parties, we can see that immigrants are also under-represented: while one out of eight native candidates falls in this highly electable group, this is true only for one out of fourteen immigrant candidates. Regarding the elected, a native candidate has a 20% probability of becoming a councillor, whereas the corresponding figure declines to 12.2% for immigrants. As expected, the likelihood of being elected increases significantly for both natives and immigrants if they are bolded and if they run for a major party.

Linking economic and political integration

To what extent can the patterns we have documented above be explained by the individual decision to run for office? Our data indicate that in most local elections across the country, electoral lists were not “full.” This is true across different municipality sizes and across different parties. Given the nature of the Norwegian electoral system, this suggests that constraints on the supply side of candidacy might play an important role.

To study the importance of supply-side factors, we proceed in two steps. First, we estimate the returns to labor market experience for the two groups, using data for the entire resident population. Our results indicate that also in the case of Norway,

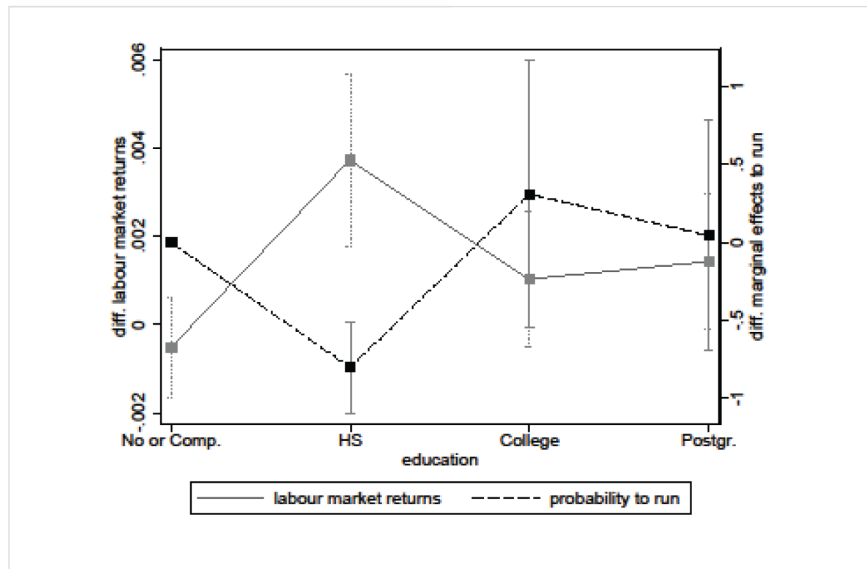


Figure 1:
Returns to labor market experience and the likelihood to run for office

returns to labor market experience are significantly larger for immigrants than natives – with the average differential at approximately 70%. This result indicates that the opportunity cost to run for office is indeed higher for immigrants than natives, and this factor could contribute to explain the under-representation of immigrants on party slates. In the second step of our analysis we estimate the difference in returns from labor market experience for different subgroups of the population and the corresponding differences in the likelihood to run for office. By doing so, we are able to assess the predictions of our model on more closely comparable homogeneous subgroups. Our results are striking, and are illustrated in Figure 1, where we plot – for each education category – the immigrant-native difference in returns to labor market experience versus the immigrant-native difference in the marginal effect of education on the probability of seeking office. The graph shows that the evolution of the differentials in the marginal effect of education on the probability of running is a mirror image of the differentials in the returns to labor market experience.

These findings indicate that even in party-based political systems like that of Norway, candidacy in local elections is strongly affected by economic incentives, working through the labor market. This does not imply that the demand side of candidacy, as expressed by political parties, does not matter. It simply indicates that individual self-selection does play an important role in determining the final nomination outcome. Importantly, we also document that the self-selection patterns highlighted in our baseline analysis are common across the political spectrum and are not affected by origin country's features. These results suggest that the selection criteria applied by party officials are likely to be orthogonal to those at work for the individual decision to seek candidacy, which are thus playing a separate, important role.

What have we learned?

The patterns we uncover in our analysis indicate that economic and political integration are closely intertwined: as migrants integrate economically, their returns to experience become closer to those of comparable natives, resulting in a similar opportunity cost of entering politics. Therefore, a faster economic integration (i.e. a faster convergence of immigrants' return to experience to those of natives) also facilitates

political integration, a conclusion that to the best of our knowledge provides new insights into the complex process through which immigrants adapt to life in the host country. Our results have broader implications for the analysis of the political participation of minorities and other under-represented groups that go beyond the case of migrants in Norway. Our key message is that differences in the returns to labor market experience might shape the decision to run for office by individual subgroups of the population. This mechanism could help understanding for instance why the young – enjoying comparatively higher returns to labor market experience – are less likely than the old to run for office in many modern democracies. A similar argument could be put forward to explain why minority groups expecting their labor market conditions to improve significantly following a reform might be less keen to participate in the political process than majority groups. Furthermore, higher returns to labor market experience for immigrants than for natives have been documented in the vast majority of destination countries and thus we expect our findings to apply to all those countries, which grant foreign born individuals early access to local politics.

This policy brief is based on Bernt Bratsberg, Giovanni Facchini, Tommaso Frattini, Anna Rosso (2019) "Are Political and Economic Integration Intertwined?" LdA Working Paper 454 available at: <https://dagliano.unimi.it/wp-content/uploads/2020/01/WP454.pdf>