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The political economy of immigration in a direct democracy: The case of Switzerland

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A B S T R A C T

In this paper, we analyze the determination of immigration policy in a direct democracy setting. We formulate a model of voting and participation behavior integrating instrumental and expressive motivations. The model is estimated using data drawn from a survey carried out after a vote in Switzerland in 2000 on a popular initiative proposing to implement immigration restrictions. The model enables us to recover estimates of participation costs and preferences towards immigration and analyze how these preferences are translated into actual voting outcomes. The results reveal a substantial gap ("participation bias") between attitudes towards immigration in the general population (43% favorable to restrictions) and the outcome of the vote (26%).

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1. Introduction

In many countries of the Northern Hemisphere, opinion polls show that a majority of residents would prefer to reduce the number of immigrants to their country. For example, in the 1995 survey of the International Social Survey Programme (ISSP), more than 50% of respondents in 20 countries say that the number of immigrants should be reduced a little or a lot. Even in the four countries of the sample where this is not the case (Ireland, Spain, Japan and Canada) more respondents are in favor of reducing immigration than in favor of increasing immigration.

These responses reveal a discrepancy between the immigration policies of these countries and popular demands for tighter immigration control. Here we have a puzzle for the analysis of the political economy of migration: Why is public opinion not accurately reflected in actual policies? According to Chiswick and Hatton (2003) this puzzle should be addressed by answering two questions: (1) what drives public opinion and (2) why is it not reflected in policy?

According to Rodrik (1995), an adequate description of individual preferences should indeed be the first element of a political economy model. However, understanding how preferences on immigration are formed is not enough: the model must also "contain a description of how these individual preferences are aggregated and channeled (…) into political demands for a particular policy or another". Finally, the policymakers' preferences and the institutional setting should be specified. It is in these latter elements that an explanation for the immigration policy puzzle should be sought.

In this paper, we address Chiswick and Hatton's puzzle in a direct democracy setting. We formulate a model of voting and participation behavior in order to analyze the political economy of immigration policy in the Swiss context. The model

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Table 1
Summary statistics.[a]

Variable	Mean		Standard deviation
Vote	0.288		
Politics			
Left		0.098	
Center/indifferent		0.270	
Right		0.508	
Earnings			
Low		0.250	
High		0.309	
Participation	0.532		
Politics			
Left		0.616	
Center/indifferent		0.451	
Right		0.696	
Earnings			
Low		0.377	
High		0.687	
Education (years)	12.488		2.128
Potential earnings	5.848		1.570
Political: right	0.190		
Political: left	0.208		
Facilitated postal vote	0.778		
Vote at the canton level	0.780		
Share foreigners in agglomeration	0.196		0.066
French part	0.228		
Age	47.805		17.522
Female	0.498		

[a] There are 953 observations for all variables except the vote (507 observations). Standard deviations are only given for continuous variables. Earnings are classified as "low" if they are below the median.

is estimated using data collected after a vote in September 2000 on a popular initiative proposing to restrict immigration. The model enables us, on the one hand, to recover estimates of preferences towards immigration and to analyze, on the other hand, how these preferences are translated into actual political outcomes in the context of a direct democracy. Let us consider these two aspects in turn.

First, we find that there is a substantial gap between general attitudes towards immigration and the outcome of the vote. The survey provides information on individual attitudes only for those individuals who participated in the vote. However, our structural model enables us to identify the underlying preferences of the entire population. According to our estimations, there is a substantial "participation bias": 43% of Swiss citizens are in favor of immigration restrictions but, among those who participated in the vote, only 28% voted in favor of the popular initiative. This difference between the outcome of the vote and underlying attitudes can mainly be attributed to unobserved factors: citizens in favor of immigration restrictions tend to have higher participation costs. This can be intuitively understood in the following way: economically literate citizens who fear that the initiative would result in a large aggregate economic loss also have low participation costs because of their informational advantage over other citizens.

Second, the use of a structural model that accounts explicitly for the participation decision is crucial if one wants to analyze the determinants of immigration preferences. Simple descriptive evidence for voters (see Table 1) seems to indicate that individuals with high earnings are *more* inclined to accept immigration restrictions than those with low earnings (0.309 vs. 0.250), the opposite of our findings in the estimated structural model. Moreover, if preferences towards immigration are estimated by a simple probit using only the subsample of voters (see Table 2), human capital variables do not seem to have a significant influence on individual attitudes. By contrast, the structural estimates indicate that attitudes towards immigration restrictions depend negatively and significantly on human capital.

Our empirically oriented model combines instrumental and expressive motivations for voting and is consistent with group-based motivations which figure prominently among recent explanations of voter turnout (Dhillon and Peralta, 2002; Feddersen, 2004). Instrumental theories assume that the individual's contribution to the outcome of the vote is the main motivation for participation. Individuals participate in the vote if the expected benefit from voting is higher than the cost of voting. Although the probability of casting the decisive vote is extremely small in large electorates ("voting paradox"), empirical studies suggest that instrumental motivations matter at the margin.

Group-based models are able to account for these empirical results by postulating a model structure where a reduced number of agents (i.e. groups) interact strategically. Two versions of group-based models can be distinguished. The first one, due to Shachar and Nalebuff (1999), assumes that each group has a leader who expends effort to motivate her followers to vote. The leaders' effort level (measured by political advertising and grassroots campaigning in a later paper, Shachar, 2009) is determined by strategic interaction and depends in equilibrium on the pivotalness of the