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**Economic Impact of New Migration  
and Integration Issues**

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**The strong influx of foreigners in Switzerland since the mid-1990s has raised concerns with regard to the economic impact of the new migrants and their integration into Swiss society. Our project analyzes a number of important issues connected to recent migration, employing economic theory and applied econometrics and drawing from a broad range of data sources.**

**Fiscal Effects of New Immigration in Switzerland  
(Nathalie Ramel, George Sheldon)**

Natives' perception of immigrants' net fiscal contribution has been shown to have a decisive effect on natives' attitudes towards immigration (OECD, 2013). Current research (e.g. Dustmann and Frattini, 2014) suggests that the high skill level of current immigrants in Switzerland will increase immigrants' net fiscal contribution. Our study investigates whether this also holds true for the long-run structure of the foreign population that current rates of immigration and propensities to settle imply.

**Methodology**

The study breaks new ground by combining the static and dynamic approaches currently employed to assess the net fiscal contribution of immigration. The procedure consists of first replacing the current foreign population with the one that current rates of immigration and propensities to settle imply based on a Markov chain, and then using regression analysis to estimate the net fiscal contribution of the projected foreign population based on the current tax and benefit flows of foreigners with the same characteristics.

**Impact of New Migration on the Employment  
Opportunities of Resident Workers in Switzerland (Ensar  
Can, George Sheldon)**

The enactment of the Free Movement Agreement (FMA) with the EU in June 2002 led to the fear in Switzerland that immigrating workers could threaten the jobs of the resident

workforce. An outgrowth of this fear was the adoption by Swiss voters of the Mass Immigration Initiative, meant to curb the influx of foreign workers, in February 2014. Our study investigates whether this latent fear is justified empirically.

**Methodology**

Using individual data taken from the Swiss Labor Force Survey and employing microeconomic modelling techniques, the study investigates whether the probability of resident workers' leaving the labor force or becoming unemployed is related to the number of recent immigrants competing in the same labor market.

**Impact of New Migration on Rental Prices in Switzerland  
(George Sheldon)**

Many in Switzerland contend that the increase in net migration in the 2000s has led to a tight real estate market and increased prices. This fear also lay in part behind the Ecopop Initiative, which aimed to limit population growth in Switzerland but was rejected by Swiss voters in November of 2014. Degen and Fischer (2009) find that recent immigration increased housing prices in Switzerland. Our study investigates whether it also raised rental rates.

**Methodology**

To test the assertion, we follow the standard procedure in the literature (Akbari and Aydede, 2011; Degen and Fischer, 2009; Gonzales and Ortega, 2009, Sá, 2011; Saiz, 2007)

and regress the relative annual change in rental prices in the 85 most densely populated MS (mobilité spatiale) regions from 2005 to 2012 on the net migration in an MS region relative to its population and a series of control variables. The data are drawn from a wide range of private and government sources and vary both cross-sectionally and across time, allowing us to employ panel data techniques to avoid the biasing effect of unobserved heterogeneity.

### Prejudice in Swiss Naturalization Decisions: Theory and Evidence (Dragan Ilic)

Recent empirical studies (Hainmueller and Hangartner, 2013) have revealed nationality-specific prejudices in the Swiss naturalization process before courts banned closed ballot voting in 2003. Although the switch to elected councils would appear to have ameliorated the problem (Hainmueller and Hangartner, 2014), sound empirical evidence backing up this claim is still missing. To fill this gap, the study extends and applies a new theoretical and empirical model.

#### Methodology

The study first develops a simple microeconomic model of a council's decision whether to grant citizenship to applicants. Using this model, the study then shows that nationality-specific rejection rates provide a test for relative prejudice. The study applies this test to a sample of 7,310 naturalization decisions felled in seven large Swiss municipalities in the period 2003–2011 with regard to 19 nationalities.

### Deterrent Effect of Voting against Minarets: Identity Utility and Foreigners' Location Choice (Michaela Slotwinski, Alois Stutzer)

Natives' often harbor negative attitudes towards immigrants. Accordingly, 58% of voters in Switzerland approved a constitutional amendment banning the construction of new minarets in a November 2009 referendum. While many studies investigate how the presence of immigrants influences natives' attitudes toward them, few address the opposite question of how natives' attitudes influence immigrants' location choices (Dustmann and Preston, 2001). The study aims to right this imbalance by analyzing the causal relationship between natives' anti-immigrant attitudes and the location decision of immigrants.

#### Methodology

The study analyzes the causal relationship between natives' anti-immigrant attitudes as measured by a community's vote on the minaret initiative and the decision of immigrants to settle in the community. The study applies a regression discontinuity design to estimate the discontinuous jump in the probability to move to a community with an unexpectedly high approval of the initiative. In so doing, it implements a novel methodology for estimating regression discontinuity models with unknown thresholds.

### Voting Rights and Migrant Integration: Evidence from Natural Experiments (Michaela Slotwinski, Alois Stutzer)

The integration of immigrants is a major challenge in many countries that try to build and maintain a cohesive society. A method seen as a possibility to overcome this challenge is granting foreigners the right to vote in local elections. The study investigates empirically whether granting such voting rights does indeed foster integration.

#### Methodology

The study analyzes the effect of foreigners' rights to vote in local elections on their political interest, their identification with their host country, and their satisfaction with life. The study consists of two case studies: (i) one applying to the phasing-in of voting rights for foreigners across German Laender during the 1990s, and (ii) the other pertaining to the fact that foreigners in Denmark get the right to vote after three years of stay. The latter study will apply a regression discontinuity analysis

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