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Dragan Ilić

Naturalization and Prejudice: What We Know, and What Is Uncertain

in a nutshell #5, January 2017

Messages for Decision-Makers

Switzerland has one of the most restrictive natural-ization systems in Europe, with tougher criteria in some cantons and municipalities than in others.
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The occasionally high rejection rates do not neces-sarily imply discrimination.
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Under the current circum-stances, naturalizations have a generally positive impact on economic, political, and social integration.
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For a more reliable assess-ment of the presence or absence of discrimination, Swiss-wide standardized data on rejections would be required.

What is meant by…

…rejection rate
The number of rejected naturalization applications divided by the number of submitted applications. At national level, only the naturalization rate, i.e. the number of granted applications divided by the number of resident foreigners is compiled.

…ordinary naturalization
Naturalizations other than on the basis of descent, marriage, or adoption. The Confederation sets minimum provisions in the Swiss Citizenship Act (BüG). The complete revision of the BüG, which will come into force on 1 January 2018, and standardizes the naturalization requirements with proper integration criteria. Even so, some discretionary leeway remains for the cantons and municipalities.

…federal naturalization practice
Ordinary naturalizations are primarily a matter for the cantons and municipalities. This practice originates from earlier times, when each town was responsible for its own citizens. This meant, for example, that people in need without local citizenship could be sent back to their place of origin. Furthermore, only local citizens had input into local politics.

Time and again, the rising numbers of naturalizations and the federal naturalization policy have been the subject of heated debate in Switzerland. There have been accusations of arbitrary disadvantage against certain groups of foreigners during the natu-ralization process. My research, however, shows that, given the currently available data, it is devilishly difficult to reach firm conclusions about systematic discrimination.

Switzerland currently naturalizes roughly two percent of its resident foreigners each year, i.e. around 40,000 individuals. This number has approx-imately quadrupled since 1992, when multiple citizenship was first allowed in this country. This increase has not been entirely uniform; the current level had already been reached at the turn of this century. In international terms, Switzer-land is a relatively reluctant naturalizer, with a rate that is below the European average of two-and-a-half percent (see Fig. 1).

The majority of naturalizations granted in Switzerland are so-called ordinary naturalizations. This form of naturaliza-tion is primarily a matter for the cantons or municipalities, for without local citi-zenship it is not possible to gain Swiss citizenship. Although the Confedera-tion carries out security checks on its own, which could prevent the granting of federal citizenship, its process is formal. Formal checks are also carried out at the cantonal and municipal level, for example to determine whether the applicant has resided locally for the re-quired period (which varies widely from one region to another).

Cantonal and Municipal Degrees of Strictness
Notably, cantons and municipalities also conduct checks on some less clearly defined aspects that can be lumped together as requirements of integration. On that note, article 14 of the Swiss Cit-izenship Act refers to social integration and familiarity with the Swiss way of life, customs, and habits. In order to assess the applicant's level of integration, and thereby his or her merit as a potential citizen, the responsible authorities often make use of written aptitude tests. In almost all cases, personal interviews are also conducted by the respective naturalization commission. The deci-sion on how high to set these general integration requirements for the ultimate

granting of citizenship is, to a certain extent, left to the discretion of the de-cision-makers in the municipalities and cantons.

Owing to the autonomy of the munic-ipalities and cantons, the barriers to a Swiss passport can therefore differ regionally. Such variations can also be observed across countries. For exam-ple, some EU Member States take a more restrictive tack on citizenship than others. According to the respective indicator of the international Migrant Integration Policy Index (MIPEX), Swit-zerland has one of the more restrictive regimes, in line with states such as Austria and Croatia. Somewhat sur-prisingly, however, Switzerland is not the only country in which regional discrepancies are found to be pres-ent. The literature shows that, in spite of standardized citizenship laws that apply nationwide, there are nonetheless differences in how they are applied by different administrative entities, for example in Germany or the USA.

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Benefits of Naturalization
What is the use of naturalization? Granting and obtaining national citi-zenship are more than just symbolic acts of belonging. Citizenship opens the door to full political and territorial integration in the new country: new citizens can vote and have a permanent right of stay. They also gain pecuniary advantages. Studies from Germany and France suggest that naturalization has a positive impact on wages and access to the labor market. But the benefits are not limited to the new citizens

themselves. A recent study concludes that in Switzerland naturalizations foster the political and social integration of the naturalized. In addition, there are direct benefits to the state, with higher wages boosting both tax revenue and funding of the social insurance system.

Discrimination in Naturalization

Given this scope, any accusations of arbitrary disadvantage against certain groups of foreigners weigh heavily, especially since the residence requirements in Switzerland restrict the alternative options available to applicants. What do we actually know about discrimination in naturalization? Generally speaking, very little.

Until recently, naturalization was one of the few uncharted territories remaining on the economic discrimination map. Economic methodology distinguishes between two types of discrimination: statistical (unprejudiced) and malevolent (prejudiced). Over recent decades, an enormous body of knowledge has been compiled on discrimination on the basis of gender, age, or ethnicity in areas such as the labor market, housing, justice, and health care. The area of naturalization has lagged behind, however, because the necessary data are generally not available. A rigorous empirical study would attribute different naturalization outcomes – rejection or granting – to the effects of the differences in applicant characteristics. For higher rejection rates do not necessarily imply discrimination. For example, a particular group of foreigners might fare worse in terms of a characteristic deemed relevant for granting citizenship and therefore be rejected at a higher

rate. In Switzerland, for instance, Portuguese applicants could be at a disadvantage if they work disporportionately in the cleaning industry, exposing them less to the local language while at work. If, however, after controlling for all relevant characteristics, country of origin remains significantly negatively related to the naturalization outcome, we would conclude malevolent discrimination.

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The crux of this method is that the relevant data are hardly ever available. An exception is the detailed study by Hainmueller and Hangartner, who made use of the fact that, in Switzerland at the time of the controversial practice of secret ballots on naturalizations, the applicants' characteristics were literally written down in electoral leaflets. Their study concludes that applicants from Turkey and the former Yugoslavia were severely disadvantaged. In 2003, the Swiss Federal Supreme Court banned this naturalization practice. Ever since, naturalization commissions have had to decide on applications with due regard to the applicants' privacy. This, though, severely limits the data observable by researchers. These barriers to research are exacerbated by the fact that it is hardly possible to meaningfully capture the section of the naturalization interview that focuses on the applicant's level of integration.

An Alternative Approach

In order to take this new practice into account, I have developed a micro-economic model describing the decision-making problem of the commissions. The model is based on the assumption that, in the naturalization process, applicants are required to demonstrate a certain minimum level of required integration. In an *unprejudiced* commission, this bar will be set at the same height for all applications. Any disparities in rejection rates with respect to country of origin can then be attributed to group-specific characteristics. Differences in these characteristics, in turn, imply a group-specific *ranking* of these rejection rates.

The nationwide shockwaves in 2003 when ballot-based naturalizations were prohibited reverberated beyond the affected municipalities. Even commissions that were already in place suddenly rejected fewer applicants in general, probably for strategic reasons. An empirically testable prediction of the model is therefore that the ranking of the rejection rates with respect to country of origin should be the same before and after 2003, *if the municipality in question is not prejudiced*.

To test this prediction, I requested rejection data stratified by country of origin from all Swiss municipalities with more than 20,000 residents. For most of them, this involved an excessive outlay of administrative resources because these data often had to be compiled specifically for this purpose. Ultimately, six municipalities were able to provide sufficient data, with the assurance of complete anonymity. The analysis of

Fig. 1: Acquisition of citizenship per 100 resident foreigners, 2014
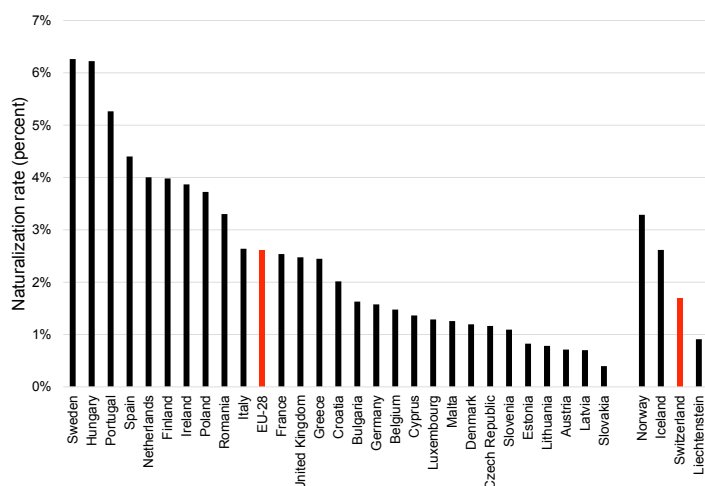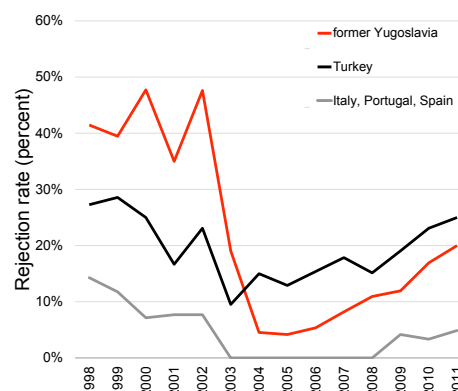Source: Eurostat

Fig. 2: Rejection rates in municipality "C" grouped by country of origin, 1998–2011
Source: My own research

Fig. 1: Acquisition of citizenship per 100 resident foreigners, 2014 (Source: Eurostat)

Fig. 2: Rejection rates in municipality "C" grouped by country of origin, 1998–2011 (Source: My own research)

these data shows that in five municipalities there are no grounds for concern. In one municipality, however, the model reveals a pattern that is not consistent with absence of prejudice (see Fig. 2): After 2003, the rejection rate for applicants from the former Yugoslavia fell below the one for Turkish applicants, contradicting the ranking implied by the model.

Summary

This conclusion has to be taken with a large grain of salt, however. On the one hand, it is based on the assumptions of the model. On the other hand, the new data on rejections have neither been standardized across Switzerland nor otherwise validated. But this model-based approach generally offers many advantages. The model is not limited to the Swiss context and does not require detailed individual data or scrutiny of how this information was processed by the commissions. It also offers an explanation for a generalizable mechanism that can explain the observable rejection pattern. And with richer data about the general characteristics of the applicants, the model would allow for direct comparisons between administrative entities, independently of exogenous shocks. If one wants to drill down in more detail on the question of arbitrary disadvantage in naturalizations, my study should primarily be understood as a call for the standardized compilation and publication of the required data.

Further reading

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Alois Stutzer

The Economic Impact of New Migration and Integration Issues

The Economic Impact of New Migration and Integration Issues

Project of the "nccr – on the move"
George Sheldon and Alois Stutzer, University of Basel

The strong influx of foreigners to Switzerland since the mid-1990s has raised concerns with regard to the economic impact of the new migrants and their integration into Swiss society. The 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.

In a nutshell #5 is based on a study carried out as part of this "nccr – on the move" project.

Contact for in a nutshell #5: Dragan Ilić, lecturer and researcher at the University of Basel and ETH Zurich, former PostDoc in the "nccr – on the move," dragan.ilic@unibas.ch

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