Not welcome anymore: the effect of electoral incentives on the reception of refugees*

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Abstract

Do electoral incentives affect immigration policies? I study this question in the setting of Italian municipalities making decisions about the reception of refugees. The localized control of the reception policy, combined with the exogenous timing of policy decisions and staggered elections, enables me to study the effect of electoral incentives on the reception of refugees. Although municipalities receive fiscal grants for hosting refugees, electoral incentives reduce the probability of opening a refugee centre by 24 per cent. The results suggest that electoral incentives may induce politicians to make decisions that are potentially detrimental from an economic perspective.

Keywords: Migration, reception of refugees, electoral incentives, fiscal grants.
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1 Introduction

In this paper, I study how electoral incentives affect immigration policies. In particular, using data from Italian municipalities, I show that electoral incentives reduce the probability that a municipality opens a refugee centre, even though opening a centre is associated with an increase in municipal expenditures funded by grants from higher levels of government. The evidence suggests that, for some specific policies, electoral incentives may induce politicians to make decisions that are potentially detrimental from an economic perspective. In addition, suggestive evidence from survey and electoral data indicates that the decisions of politicians are based on their expectations about voters' preferences in relation to immigration.

The focus on immigration policies is justified by two reasons. First, in recent years, international migration has become a hotly debated issue in politics and the media. For example, international migration has been one of the central topics in the electoral campaign of Donald Trump and during the Brexit referendum. In addition, following the increase in the stream of refugees and asylum seekers seeking protection in western countries, the reception of refugees has become a hugely important challenge. Many national and local governments do not want to host refugees and asylum seekers, producing asymmetries in terms of "responsibility" or "burden sharing" across and within countries (Fernandez-Huertas Moraga and Rapoport, 2015; Thielemann et al., 2010). Given the high numbers of people fleeing war and political persecution, and uncertainty about how to respond among national and local governments, it is important to understand the political determinants of immigration policies (Fisher Williamson, 2018).

Second, a recent literature in economics and political science has demonstrated that immigration influences electoral results, with rising support for extreme-right parties and anti-immigration policies (Barone et al., 2016; Dinas et al., 2018; Hangartner et al., 2018; Dustmann et al., 2018). However, while the literature has produced results about the behaviour of voters (i.e. the demand side), there is little evidence on immigration policies or on the behaviour of politicians dealing with immigration issues (i.e. the supply side).

I address this by focusing on the supply side, analysing political determinants of immigration policies. More specifically, I study how electoral incentives affect governments' immigration policies, and in particular the reception of refugees and asylum seekers. In fact, as immigration has an impact on electoral outcomes (Barone et al., 2016; Dinas et al., 2018; Hangartner et al., 2018; Dustmann et al., 2018; Vertier and Viskanic, 2018), and given that politicians can anticipate voters' reactions, we can expect governments to manipulate immigration policies to gain votes or to avoid losing popularity. In addition, in a world where politicians' preferences are not observed by voters (Drazen and Eslava, 2010), we can

expect politicians to manipulate immigration policies before elections, to signal that their preferences are close to those of voters.

I use data from all Italian municipalities for the years 2005-2017, taking advantage of a peculiar refugee allocation policy promoted by the Italian Home Office, called "The Protection System for Asylum Seekers and Refugees" (SPRAR). Based on this policy, centres for refugees and asylum seekers (SPRAR centres) are allocated at the municipal level through tenders issued by the Home Office. Municipalities that open a SPRAR centre receive substantial fiscal grants from higher levels of government. Thus, for a municipal government, opening a reception centre may be an investment, with benefits for the local economy. In fact, there is abundant anecdotal evidence that describes how municipalities that participate in the program benefit from hosting refugees and from the fiscal grants received.[1]

The SPRAR system has two important features that I exploit. First, municipalities can choose whether to participate by opening a reception centre on their territory. Importantly, refugee policy is locally controlled, which enables me to analyze governments' immigration policies avoiding the limitations of cross-Country studies, whose findings are biased by cross-Country institutional and cultural differences. In addition, the large number of Italian municipalities allows me to exploit the substantial variation in terms of immigration policy decisions across different areas of Italy. Second, the timing of the tenders is determined by the Home Office and by international events, and is exogenous to local circumstances and the timing of municipal elections. Thus, although municipal governments can decide whether or not to open a reception centre, the timing of decisions vis a vis the timing of elections is out of their control.

Combining the exogenous timing of SPRAR's tenders and the staggered timing of municipal elections[2] enables me to compare mayors who are in the final year of their term (i.e. just before elections) when the Home Office launches a tender, with mayors in other years of their term. Following the literature (Labonne, 2016), I interpret the parameter estimated through this comparison as the effect of electoral incentives on the probability of opening a reception centre. I find that the probability of opening a reception centre in a municipality is 24 per cent lower when the Home Office launches a tender in the final year of the term (i.e. just before new elections), compared to municipalities in other years of the term. Qualitative

[1]See for example Cityscope (05/11/2015): "In Italy, a struggling town looks to refugees for revival"; BBC news (26/09/2016): "Riace: The Italian village abandoned by locals, adopted by migrants"; Linkiesta (05/11/2016; in Italian): "Il welfare buono dei migranti, che al Sud crea ricchezza e lavoro"

[2]Municipal elections are staggered for historical reasons, due to past government crises interrupting electoral mandates before the natural deadline. Interruptions are less frequent today (only 5 per cent in the data studied). Coviello and Gagliarducci (2017) and Repetto (2017) discuss the exogeneity of municipal election dates in Italy.

findings are robust to different specifications and survive a series of robustness checks.[3] [4]

This result suggests that municipal governments decline to host refugees in response to electoral incentives. I reinforce this intuition in two ways. First, I implement a heterogeneity analysis which shows that the negative effect of electoral incentives on the reception of refugees is stronger in municipalities where voters are more hostile to immigrants or misinformed about them. Second, I use survey and electoral data to shed lights on the motivations that drive politicians' decisions in relation to immigration policies. This suggestive evidence indicates that politicians seem to be more concerned about the electoral implications of immigration policies rather than the economic consequences.

The heterogeneity analysis investigates four main factors. First, I show that the effect is driven by voters' misperceptions of the presence of immigrants. More specifically, I combine survey data about the perceived presence of immigrants ("Transatlantic Trends: immigration 2010"[5]) with the actual share of the municipal foreign population, to provide evidence that the main results are driven by those municipalities in which voters overestimate the presence of immigrants by more. This evidence is in line with recent experimental work, which shows that misperceptions of immigrants can lead to less generous immigration and redistribution policies (Facchini, Margalit and Nakata, 2016; Alesina, Miano and Stantcheva, 2018).

Second, I show that the detrimental effect of electoral incentives on the reception of refugees is even worse in municipalities where the pre-treatment share of migrants is higher. This result is consistent with the "realistic group conflict" theories (Campbell, 1965; Quillian, 1995; Taylor, 1998; Lahav, 2004; Dustmann et al., 2016), which indicate that natives perceive the arrival of new migrants as a bigger threat to their cultural dominance in places where the pre-existing fraction of foreigners is higher. The result suggests that the "contact theory" (Allport 1954; Pettigrew 1998; Dustmann et al., 2018), which claims that the continuous contact between different groups should lead to more acceptance, must be refined. This result is also consistent with the political economy research that shows that the effect of

[3]The results survive these robustness checks: first, the results are unaffected if I control for early interruptions of the electoral mandate. Second, the results are unchanged if I control for unobserved differential trends at geographical level or across groups of municipalities that vote at different points in time. Third, I provide a placebo test that helps to rule out the possibility that the baseline effect is driven by the fact that mayors are busy with the electoral campaign during the last year of the term. Finally, the results do not seem to be driven by political orientation, alignment with the Central Government nor differences across mayors in terms of previous and perspective careers in the private sector.

[4]In Appendix A4, I show that the effect of electoral incentives on the reception of refugees can persist beyond the end of the electoral term and that it may lead to an unbalance reception of refugees in the medium and long run.

[5]This is a project of the German Marshall Fund of the United States, the Lynde and Harry Bradley Foundation, the Compagnia di San Paolo, and the Barrow Cadbury Trust, with support from Fundación BBVA. The data are provided by the Inter-university Consortium for Political and Social Research (ICPSR, https://www.icpsr.umich.edu/icpsrweb/).

immigration on the success of extreme-right parties and anti-immigration policies is stronger where the pre-existing fraction of migrants is higher (Dustmann et al., 2018).

Third, consistent with the idea that electoral incentives shape municipal governments' decisions about hosting refugees, I provide evidence that the main results are driven by municipalities with a higher share of voters with extreme-right political preferences. Finally, I show that the negative effect of electoral incentives on the reception of refugees is reduced in municipalities where political competition is higher. This result is consistent with the idea that, where political competition is higher, political parties compete for the support of swing voters, who normally care about non-ideological issues such as economic growth (Besley, Persson and Sturm, 2010; Barone et al., 2016), rather than divisive issues like migration.[6]

Then, using survey and electoral data, I investigate the factors that drive politicians' decisions. More specifically, using a survey of Italian mayors implemented by the association Italian National Election Studies (Itanes), I produce descriptive statistics about the opinions of politicians in relation to immigration. Although the survey asks questions about migration in general, and not specifically on the reception of refugees, the answers of the mayors may still be useful to understand their motivations. The descriptive statistics show that most of the mayors interviewed think that immigrants are good for the economy. However, the descriptive statistics also show that most of the mayors think that the majority of voters would not be in favour of receiving more immigrants. This evidence suggests that mayors probably do not open refugee centres just before elections because they fear to be punished by voters, and not because they think that receiving refugees may be detrimental for the economy. This intuition is reinforced by the evidence produced using electoral data, which shows that opening a refugee centre in the final year of the term is negatively correlated with the vote share of the incumbent at the next election.

In the second part of the paper, using a difference-in-differences strategy that controls for unobservable shocks that drive the decision to open a centre, I show that the reception of refugees is associated with an increase in total municipal expenditures, which seems to be funded by grants from higher levels of government, and not by local taxes. I show that this increase in expenditures is redistributed toward types of expenditures that could benefit the local economy, in particular firms, cooperatives and professionals that work for the reception centre or provide it services. This is consistent with the anecdotal evidence reported in the press, which indicates that the money spent to fund SPRAR centres benefits the local

[6]In Appendix A1, I show that other potential heterogeneity mechanisms like labour market concerns (i.e. unemployment) and competition for public services (i.e. schools and hospitals) seem to play a less clear role in this context.

economy.[7]

The evidence that opening a refugee centre is associated with an increase in expenditures, combined with the negative effect of electoral incentives on the reception of refugees, indicates that the fear of losing popular support induces municipal governments to give up resources that could benefit the local economy. In sum, the results suggests that, for some specific policies, electoral incentives may induce politicians to make decisions that are potentially detrimental from an economic perspective. In addition, the evidence from survey and electoral data indicates that politicians seem to be aware of the implications of their decisions, which suggests that they are willing to rationally give up potential economic benefits to avoid an electoral punishment.

Finally, the results of the paper may be also relevant from a policy perspective. First, the heterogeneity result on voters' misperceptions suggests that providing voters with more accurate information about the actual presence of immigrants may lead to more open immigration policies. Second, the evidence on political competition suggests that introducing institutions and policies that foster political competition may lead to more open immigration policies (Barone et al., 2016).

This paper is connected to three strands of literature. The first is the literature in economics and political science which shows that immigration has a positive impact on the support for extreme-right parties and anti-immigration policies (Barone et al., 2016; Dinas et al., 2018; Hangartner et al., 2018; Dustmann et al., 2018). As highlighted above, while this literature provides evidence about the behaviour of voters (i.e. the demand side), there is little evidence about the behaviour of politicians dealing with immigration issues (i.e. the supply side). As far as I know, the only exceptions are Folke (2014), Facchini and Steinhardt (2011), Casarico, Facchini and Frattini (2018) and Morelli and Negri (2018). Folke (2014) shows that party representation affects immigration and environmental policies in Swedish municipalities. My paper differs from Folke (2014) in that its focus is on electoral incentives rather than party representation. Facchini and Steinhardt (2011) and Casarico, Facchini and Frattini (2018) study the determinant of the voting behaviour of U.S. Congressmen in relation to the legalization of undocumented migrants. Differently from them, the focus here is on the behaviour of governments and on a different type of immigration policy. Morelli and Negri (2018) theoretically study which electoral systems lead to more open immigration policies. My paper investigates a similar topic from an empirical perspective.

[7]In Appendix A3, I use the same empirical strategy to show that the reception of refugees may have some benefits in terms of population growth. I also show that receiving refugees does not seem to create competition for public services like schools. This evidence seems to rule out the possibility that the negative effect of electoral incentives may be due to the fact that hosting refugees creates competition for public services like schools and hospital.

This paper contributes also to the literature in economics and political science which shows that politicians react to electoral incentives, generating electoral cycles in public expenditures (Akhmedov and Zhuravskaya, 2004; Alt and Dreyer Lassen, 2006; Drazen and Eslava, 2010; Repetto 2017), taxes (Alesina and Paradisi, 2017), fiscal grants (Brollo and Nannicini, 2012; Bracco et al. 2015) and employment levels (Labonne, 2016). The main evidence of this literature is that, to gain popular support, politicians provide voters with economic benefits in terms of higher (lower) public expenditures (taxes) or greater employment opportunities. This paper contributes to this literature by showing that, for some types of policies, politicians may do the opposite. In fact, in the case of immigration policies, the fear of losing popular support induces Italian municipal governments to give up an increase in public expenditures and potentially in employment opportunities. As far as I know, this is the first paper to show that, for some types of policies, electoral incentives may induce politicians to take decisions that are potentially detrimental from an economic perspective.

Finally, the main intuitions of the paper may apply to other policies that, similarly to immigration (Dustmann et al., 2012, Dustmann and Frattini, 2014), may produce broad benefits but present concentrated costs or meet local opposition for ideological, cultural or economic reasons (Ferwerda, Flynn and Horiuchi, 2017). Examples of these policies are housing and urban development policies (Ahlfeldt, 2011; Ortalo-Magne and Prat, 2014), environmental policies (Stokes, 2015), big infrastructure projects (Ahlfeldt and Maennig; 2015), and all those policies that meet the opposition of "Not In My Back Yard" (NIMBY) movements (Fischel, 2001). [8] [9]

[8] Along these lines, the results of this paper are closely related to the evidence provided by List and Sturm (2010), who show that U.S. governors who can be re-elected reduce environmental expenditures. My paper differs from List and Sturm (2010) in that they focus their analysis on fiscal policies, while I look at policy outcomes. In addition, I provide new intutions about the potential economic benefits that politicians are willing to give up in response to electoral incentives, and I study different heterogeneity mechanisms. Finally, Table A12 shows that term limits do not seem to matter for what concerns immigration policies, while they are relevant in the analysis of List and Sturm (2010).

[9] Three other papers study immigration in Italy. Bracco et al. (2018) show that the location of migrants at municipal level is influenced by the election of extreme-right mayors. My paper differs on two dimensions: first, they focus on the behaviour of migrants, while the focus here is on the behaviour of politicians and on one specific immigration policy (i.e. receiving refugees); second, they study the effect of extreme-right parties, while I study the effect of electoral incentives. Bratti et al. (2017) show how receiving SPRAR refugees influenced the vote at the 2016 Italian Constitutional Referendum. My paper differs from theirs in that they focus on the behaviour of voters, while I study the behaviour of politicians. Genovese, Belgioioso and Kern (2016) use survey data to study how public opinion is affected by exposure to refugee centres. My analysis differs in that they study the effect of refugee centres on public opinion, while I study the behaviour of municipal governments.

2 Institutional Setting

2.1 Italian municipalities

In Italy, municipalities are the lower level of government, where the highest one is the national parliament, regions are the second tier and provinces the third.[10] Above all there is the European parliament. Municipalities handle important services: housing, environmental services (e.g. garbage collection), public utilities (e.g. water supply), municipal police, infrastructure, transport, welfare.

Municipalities manage approximately 10 per cent of public expenditures. For most of the period studied (i.e. 2005-2017), municipal expenditures have been financed through grants from the central state, regions and provinces. The fiscal dependence on grants has been historically heterogeneous across different parts of Italy, with the South being more dependent on grants. However, following the 2008 financial crisis and the 2011 public debt crisis, the importance of grants has diminished, given that the central state has cut many funds transferred to municipalities. Other municipal revenues are taxes and fees on public services. Among these, the most important taxes are: 1) the property tax, initially introduced in 1993 with the name of "ICI", and which has evolved over the years changing name many times (today is called "IMU"); 2) a surcharge on the national personal income tax ("Addizionale Irpef").

The focus of the paper is on mayors, which is justified by their power at municipal level. In fact, in 1993, Law 81/1993 replaced the old proportional electoral law with a majoritarian system and introduced the direct election of mayors by part of voters. This reform created a direct accountability mechanism between the mayor and the electorate. Besides that, the new electoral law gave mayors the power to choose the vice-mayor and the ministers of the municipal government, while if the municipal council wants to dismiss the mayor, new elections must be held. Municipalities with less than 15,000 inhabitants elect the mayor using a single round plurality rule, while a run-off system is used above the threshold. Mayors are elected for five years and for a maximum of two consecutive terms.

Finally, three types of political orientation and party affiliation can be found in Italian municipalities: 1) centre-left coalition; 2) centre-right coalition; 3) independent mayors supported by local parties called "Civic Lists".

[10] In some specifications, I use Labour market areas (LMA) fixed effects. LMA are geographical areas where most of the labour force lives and works, and where firms can find the labour force needed. Thus, LMAs are sub-regional areas constituted by municipalities with similar economic and social characteristics. I use the 2001 LMA codification (i.e. 685 LMAs are considered). LMAs does not correspond to any level of government.

2.2 The allocation system for refugees

In Italy, the reception of refugees and asylum seekers is organized along two levels, and there are different types of reception centres. In the first level of reception, we find the three types of centres: first, we have the "Centri di primo soccorso e accoglienza", i.e. First aid and hospitality centres (CPSA). CPSA host migrants that have just arrived to Italy. In these centres, migrants receive medical assistance, they are identified and they can apply for asylum. The second type of centres are called "Centri di accoglienza", i.e. Hospitality centres (CDA). CDA identify migrants and certify the regularity of their presence in Italy. Finally, we have the CARA ("Centri di accoglienza per richiedenti asilo", i.e. Reception centres for asylum seekers) centres, which host migrants coming from CPSA that applied for asylum.[11] CPSA, CDA and CARA centres are managed by the central government, and municipalities do not have powers on them. [12]

Since the beginning of the refugee crisis, CPSA, CDA and CARA have been supported by new centres called "Centri di accoglienza straordinaria", i.e. Centres for extraordinary reception (CAS). CAS have been introduced by the central government in 2014, to limit the emergency created by the refugee crisis. These centres are managed by provincial offices ("Prefetture") of the Home Office, which allocate refugees and asylum seekers across the provincial territory. CAS are normally managed by private cooperatives and firms, and municipal governments do not have powers on them. Besides CAS, other temporary centres that can be found in Italian municipalities are the ENAs (Emergency North Africa). ENAs were introduced in 2011 to deal with the wave of migrants coming from North Africa.[13]

SPRAR centres represent the second level of the reception, the one studied in this paper. SPRAR centres host refugees coming from the first level of reception and their goal is to provide integration services, and help refugees and asylum seekers to learn Italian, find a job and integrate in the society. SPRAR centres have the following characteristics: first, when the Home Office wants to allocate refugees within the second level of reception, it issues a tender, which has the goal to create new SPRAR centres at municipal level. Second, mayors can decide whether to participate to the tender and open a SPRAR centre. Third, the timing of the tenders is decided by the Home Office, and it depends on the need to move refugees

[11] In practice, CDA and CARA can have similar functions, and in a certain sense represent already a second level of reception compared to CPSA.

[12] As the list of CPSA, CDA and CARA is made available by the Home Office, in all the regressions, I control for a dummy variable for municipalities that host these centres. See the information reported at: http://www.interno.gov.it/it/temi/immigrazione-e-asilo/sistema-accoglienza-sul-territorio/centri-limmigrazione.

[13] As the location of CAS and ENAs is not available, Table A14 repeats the analysis dropping the years after 2014 in Panel A, and the year after 2010 in Panel B. This exercise enables me to rule out that the effect is driven by these centres.

and asylum seekers from the first to the second level of reception.[14]

During the period studied, three types of centres have been opened: 1) ordinary centres, for refugee and asylum seekers with not specific issues; 2) refugee centres for unaccompanied minors; 3) refugee centres for disable refugees and asylum seekers. Municipalities that apply to a tender can open only one centre. For some tenders, an exception is made if a municipality wants to open a centre for unaccompanied minors or a centre for disable refugees in addition to an ordinary centre. The number of places that must be available in a centre are decided by the Home Office through the tender and depend on population.[15] Figure A1 reports the aggregate number of places made available by all SPRAR municipalities by year.

Municipalities that open a SPRAR centre receive grants from the central government. These grants are used to cover the costs of the centre and to pay firms and cooperatives that work with the centre. Thus, these funds can potentially benefit the local economy, with positive effects in terms of employment.[16] Table A1 shows that these grants were covering approximately 80 per cent of the costs for tenders 1-7. Since tender 8, the percentage has been extended to 95 per cent and the central government is thinking to further extend it, even above 100 per cent.[17] The reason for the increase in the percentage of costs covered is that the central government wants to incentivize the participation to the SPRAR system, which has been historically low and below the targets.[18] Figure A1 reports the number of refugee and asylum seekers hosted in SPRAR centres over the past years, while Figure A2 reports the number of municipalities in the SPRAR system.

[14]Participation is open to all municipalities in all the tenders studied, with the exception of tenders 8 and 10, which were restricted to new municipalities, as indicated in column 8 of Table A1. In addition, Table A1 shows that, for tenders 8 and 10, the starting and ending dates for applications are in two different years, which makes the assignment of these two tenders to a specific electoral year more discretionary. Table A15 shows that the results are unchanged if I drop tenders 8 and 10.

[15]For examples, during tender 6, the number of places was going from 15 for municipalities below 5000 inhabitants up to 250 for cities like Milan and Rome.

[16]The cooperative "In Migrazione" has estimated that approximately 8 professionals are hired every 20 refugees hosted. See the report "Accoglienza rifugiati: un'ordinaria emergenza" (inmigrazione.it)

[17]In section 6, I demonstrate that the fact that SPRAR municipalities were asked to partially contribute to the costs of the centre does not explain the results. In fact, I show that municipalities that opened a centre managed to receive grants that exceeded the initially planned amount. In addition, Table A16 shows that the results are unchanged if the analysis is repeated keeping only the last tender (i.e. tender 10), for which Law 225 (1st December 2016) introduced a benefit of 500 euros per refugee hosted to be spent freely by part of the municipal government, in addition to the grants transferred to cover 95 per cent of the costs.

[18]While official numbers about the targets of the Home Office are not available, the anecdotal evidence suggests that the targets have not been met regularly. See Linkiesta (in Italian) 28-12-2015:"Il bando per i rifugiati c'e', ma le amministrazioni locali fanno finta di niente." The consequence of not meeting the targets is that refugees remain hosted in first level centres, and specifically in the CAS, whose numbers has exploded in recent years. For example, accordingly to the Home Office, at the end of 2015, 76,683 (i.e. 73 per cent of the total) migrants were hosted in CAS centres, and 19,715 (i.e. 19 per cent of the total) in SPRAR centres. This imbalance is problematic for both the migrants and the hosting municipalities, given that CAS centres are bigger and less able to provide the necessary integration services.

3 Data

I use data on all Italian municipalities for the years 2005-2017, obtained from different sources. The first set of data contains information about the SPRAR tenders issued in the period 2005-2017. This data comes from three different sources: 1) the Home Office webpage (interno.gov.it/it/amministrazione-trasparente/bandi-gara-e-contratti); 2) The webpage of SPRAR (sprar.it); 3) the "Briguglio archive" (briguglio.asgi.it/immigrazione-e-asilo/index.html), which is a online archive with material about migration. This webpage has been used to double-check the information from the official sources.

The second set of data contains information about municipalities' characteristics. These data are provided by the Italian Statistical Office (ISTAT) and the Home Office. ISTAT provides the following data (dati.istat.it): 1) educational level of the municipal population; 2) percentage of children and elderly; 3) municipal total population; 4) economic variables like number of firms, income and unemployment rate; 5) geographical coordinates; 6) information about the foreign population legally resident in Italy and registered at municipal level (demo.istat.it). The Home Office provides data about the municipal balance sheets (finanza-locale.interno.it), in which it is possible to find information about all municipal expenditures and revenues.

Data on municipal politicians (amministratori.interno.it) are from the Home Office and contain the following information: 1) past professional background; 2) past political experience; 3) age; 4) gender; 5) education.

The final dataset contains information about 8025 municipalities for the period 2005-2017. Descriptive statistics are reported in Table A2.

4 Empirical Strategy

To estimate the effect of electoral incentives on the reception of refugees, I run the following model:

$$Refugees\_Centre_{it} = \beta_0 + \beta_1 Final_{it} + \beta_2 X_{it} + \lambda_t + \gamma_i + \eta_{it} \quad (1)$$

where the dependent variable $Refugees\_Centre_{it}$ is equal to 1 if municipality i opens a centre during tender t, while the independent variable of interest $Final_{it}$ is equal to 1 for mayors who are in the final year of the term when tender t is issued, and equal to 0 for mayors in other years of the term.

The parameter of interest β_1 estimates the effect of electoral incentives on the reception of refugees. The identification of β_1 is based on two sources of variation. First, the timing

of the SPRAR tenders is decided by the Home Office and is exogenous to municipal circumstances and elections. Second, this exogenous timing is combined with the staggered schedule of municipal elections, which are not held all at the same time. The combination of the exogenous timing of SPRAR tenders with the staggered schedule of municipal elections is represented by Figure 1, which reports the share of municipalities in the final year of the term by tender.

The combination of these two sources of variation enables me to deal with the two main threats to the identification strategy. First, the fact that the Home Office decides the timing of SPRAR tenders means that $Final_{it}$ is exogenous to local circumstances and is not controlled by municipal governments. This idea is further reinforced in sub-section 5.5, where I show that the results are unchanged if I control for the small share (only 5 per cent) of electoral mandates interrupted before the natural deadline.

Second, the staggered schedule of municipal elections enables me to control for tender fixed effects λ_t, which allows to separate the effect of electoral incentives from the one of common shocks like, for example, changes in economic and political conditions. In addition, following the literature on electoral budget cycles (Labonne, 2016; Repetto, 2017), in subsection 5.5, I show that the results are unchanged if I control for differential linear, quadratic and non-linear time trends across labour market areas (LMA) and electoral groups.[19] This evidence enables me to rule out the possibility that unobserved differential trends at geographical level or across groups of municipalities that vote at different points in time are driving the results.

The inclusion of municipal fixed effects γ_i enables me to control for unobserved time-invariant municipal determinants of the dependent variable, while municipal and mayoral characteristics are collected in X_{it}. Given the structure of the data, standard errors are likely to be serially correlated within municipalities. For this reason, the model is estimated clustering standard errors at municipality level[20] Finally, adding an interaction term between $Final_{it}$ and various municipal pre-determined characteristics described in section 5.2, model 1 is extended to study the heterogeneity behind the baseline effect.

[19] As described by Table A4, municipalities can be divided in five electoral groups, depending on the first election date found in the data.

[20] Table A17 shows that if standard errors are clustered at provincial or at labour market areas (LMA) levels the results are unchanged.

5 The effect of electoral incentives on the reception of refugees

5.1 Baseline effect

I estimate equation 1 using the entire sample of Italian municipalities over the period 2005-2017. During this period, the Home Office issued ten tenders for the opening of refugee centres. Given that the analysis is developed excluding years with no SPRAR tenders, and given the presence of missing values, model 1 is estimated using an unbalanced panel of 78,112 observations.

Panel A of Table 1 reports the baseline results obtained running model 1, while Panel B reports the results of an alternative specification in which the main variable $Final_{it}$ is replaced by four different dummy variables for the years 2-5 of the electoral term. Both Panel A and B of Table 1 are composed by six columns: columns 1-3 report the results obtained using the entire sample of 8025 Italian municipalities over the period 2005-2017, columns 4-6 the results obtained considering only the municipalities that open at least one refugee centre during the period 2005-2017. The reason for keeping only the municipalities that open at least a centre is that these municipalities differ from the other municipalities in terms of observable characteristics (see Table A2) and in terms of foreign population (see Figure A3).[21]

The results in columns 1-3 of Panel A, Table 1, show that electoral incentives have a negative effect on the reception of refugees. The coefficients are statistically significant at the 1 per cent level of significance and are stable across three different specifications. The results indicate that mayors in the final year of the term have a lower probability of opening a refugee centre, compared to mayors in the other years of the term, with a reduction of approximately 24 per cent of the mean of the outcome variable. A similar picture emerges if we consider the sub-sample of mayors who open at least one refugee centre in the period 2005-2017.

Finally, the results in column 1-6 of Panel B, which are also plotted in Figure 2, show that the effect is concentrated in the final year of the term. As section 5.4 explains, this behaviour enables mayors in the final year of the term to avoid potential electoral costs associated with the reception of refugees.

[21]Table A2 and Figure A3 suggest that municipalities that open a centre are bigger than municipalities that never open a centre. In fact, Table A13 shows that the negative effect of electoral incentives on the reception of refugees is driven by small and medium sized municipalities, while it is absent in big cities. This is consistent with the literature, which shows that the effect of immigration on extreme-right voting is stronger in small and medium municipalities than in big cities (Dustmann et al., 2018).

5.2 Heterogeneity analysis

This subsection investigates which factors drive the negative effect of electoral incentives on the reception of refugees, and which factors reduce it. Following the literature and the anecdotal evidence, I study four heterogeneity mechanisms: a) voters' misperceptions of the presence of migrants; b) the pre-existing presence of migrants at municipal level; c) the share of extreme-right voters; d) the role of electoral competition. Results are reported in Table 2.

Misperceptions of the presence of immigrants. Although migration is a central topic in modern politics, voters remain highly uninformed about it (Citrin and Sides, 2008; Blinder, 2015; Grigorieff, Roth and Ubfal, 2018). For example, voters tend to overestimate the presence of migrants in their country.[22] This misperception may lead to less open immigration policies (Facchini, Margalit and Nakata, 2016) and less support for redistribution (Alesina, Miano and Stantcheva, 2018). To investigate whether misperceptions of the presence of immigrants is a driver of the negative effect of electoral incentives, I collect data from a 2010 survey called "Transatlantic Trends: immigration", in which participants from different countries were asked to guess the share of the foreign population living in their Country.

Average data on the answers of participants are available at regional level. To get a municipal level variable, I build $Overestimate_i$ as the difference between the average estimated share at regional level [23] and the actual share of migrants in a municipality in 2010 (i.e. at the time of the survey). The variable takes values between 0 and 1, where higher values indicate greater misperceptions of the presence of immigrants.[24]

I interact $Overestimate_i$ with $Final_{it}$. The results are in columns 2-3 of Table 2.[25] When the interaction between $Final_{it}$ and $Overestimate_i$ is the only one in the model,

[22] In Italy, the share of the foreign population in 2010 was approximately 7 %, but participants to surveys were on average suggesting that migrants were around 25 % (Transatlantic Trends: immigration, 2010). Similar figures can be found for other countries.

[23] The estimate is obtained weighting the observations according to age, gender and education of the respondents.

[24] The main limitation of *Overestimate* is that the estimate from "Transatlantic Trends: immigration" is at regional level. However, to give a reality check, Table A3 shows that municipalities with values of $Overestimate_i$ above the median are those in which the population is less informed (i.e. lower newspapers circulation) and where the share of migrants is effectively lower. This evidence suggests that $Overestimate_i$ captures in a good way the misperception of the presence of immigrants by part of voters. In addition, Table A21 shows that the results are unchanged if the exercise is repeated using only small municipalities, which should represent a more homogenous subsample.

[25] Given that the survey was run between the 27/08/2010 and the 13/09/2010, the regressions in columns 2-3 have been run using the tenders issued after the survey (i.e. tenders 5-10), so that *Overestimate* can be considered as a pre-determined variable.

the coefficient of $Overestimate$ is negative, but not statistically different from zero (column 2). However, adding the interaction between the pre-existing share of migrants at municipal level (i.e. $Share foreign_{it}$, see next paragraph) and $Final_{it}$, the coefficient of $Overestimate$X$Final_{it}$ becomes statistically different from zero (column 3), which suggests that the results in column 2 are affected by an omitted relevant variable issue. This result is robust to the inclusion of the interactions between $Final_{it}$ and other municipal political and socio-economic characteristics (column 6).[26]

The coefficients in columns 3 and 6 of Table 2 indicate that a 10 per cent increase in $Overestimate_i$ exacerbates the negative effect of electoral incentives, through a reduction in the probability of opening a refugee centre between 13 and 20 per cent of the mean of the outcome variable. The policy implication of these results is that providing voters with information about the presence of migrants may lead to more open immigration policies. This implication is consistent with the literature (Facchini, Margalit and Nakata, 2016; Grigorieff, Roth and Ubfal, 2018).[27]

Pre-existing presence of migrants. The second heterogeneity mechanism investigated is the pre-determined share of migrants living in a specific municipality. The suggestion that this variable could exacerbate anti-immigration positions comes from both the political economy and sociology literatures. First, the political economy literature shows that immigration positively affects the support for anti-immigration policies and extreme-right parties (Barone et al., 2016; Dustmann et al., 2018). In addition, Dustmann et al. (2018) show that, in Denmark, the effect of refugee allocation on voting for extreme-right parties is amplified by the pre-existing share of immigrants already in the country. Second, psychologists, political scientists and sociologists have produced a series of theories which indicate that inter-groups competition for social and cultural dominance could lead to the emergence of negative attitudes across groups, such that one group perceive the other as a threat. The entire set of these theories goes under the label of "realistic group conflict theories" (Campbell, 1965; Dustmann et al., 2016) and the most recent version suggests that natives may perceive a new inflow of migrants as a bigger threat the larger is the pre-existing fraction of migrants living in their area (Quillian, 1995; Taylor, 1998; Lahav, 2004; Dustmann et al., 2018).[28]

[26]The regression in column 6 of Table 2 is run using all tenders, and not only tenders 5-10. As reported in column 6 of Table A18, the results are robust if the same regression is run using only tenders 5-10.

[27]An alternative interpretation is that municipalities in which voters overestimate more the presence of migrants are those in which voters are more hostile to migrants. To rule out this possibility, in Table 2, I control for the interaction term between $Final_{it}$ and the share of survey participants who say migration is an issue (Transatlantic Trends: immigration, 2010). In addition, the result on $Overestimate_i$ is robust controlling for the share of extreme-right voters.

[28]At the same time, the psychology literature has produced an opposing theory called "contact theory", which states that the continuous contact between different groups could lead to more understanding and

To test whether the pre-determined share of migrants is a driver of the main results, I interact $Final_{it}$ with the pre-existing share of the municipal foreign population over the total municipal population ($Share foreign_{it}$). This variable is measured at the beginning of every electoral mandate and takes continuous values between 0 and 1.[29] The results are in columns 4 and 6 of Table 2. The estimated coefficients are negative, statistically significant, robust to the introduction of additional interaction terms between $Final_{it}$ and other municipal variables (column 6), and they indicate that a 10 per cent increase in the pre-existing share of migrants exacerbates the negative effect of electoral incentives, through a reduction in the probability of opening a refugee centre between 36 and 50 per cent of the mean of the outcome variable. These results go in the direction indicated by the "realistic group conflict theories".

Political preferences. This sub-section shows that the negative effect of electoral incentives is stronger in municipalities with higher shares of voters with extreme-right political preferences. Using data from the 2004, 2009 and 2014 European elections, I build the variable $Extreme\text{-}right\ voting_{it}$, which is the share taken by extreme-right parties in a municipality at the most recent European election.[30] [31] The variable takes values from 0 to 1, where 0 indicates that extreme-right parties did not receive any support, while 1 means that they got 100 per cent of the votes.

Columns 5-6 of Table 2 report the coefficients of the interaction term $Final_{it}$X$Extreme\text{-}right\ voting_{it}$. The coefficients are negative, significant, robust to the introduction of additional interaction terms (column 6), and they indicate that a 10 per cent increase in the support for extreme-right parties exacerbates the negative effect of electoral incentives, through a reduction in the probability of opening a refugee centre which is between 11 and 14 per cent of the mean of the outcome variable.[32] These results suggest that the interaction be-

thus to more acceptance (Allport 1954; Pettigrew 1998; Dustmann et al., 2018). Thus, the exercise reported in this subsection represents an empirical test between these two competing theories.

[29] If I repeat this exercise with the pre-determined share of migrants from the countries of origin of refugees, I get similar estimates. Results available upon request.

[30] I use data from European elections because the proportional electoral system used has the following nice features: 1) voters tend to votes in a sincere way, choosing their preferred party; 2) political parties usually run alone, without forming coalitions. These features allow to get data on the vote shares of every single party.

[31] Extreme-right parties have been identified using the following political positions in the political spectrum indicated by Wikipedia: left, centre-left, centre, centre-right, right and extreme-right. Movimento 5 Stelle (Five Stars Movement) represents an exception, as their position in the spectrum is transversal. The variable $Extreme\text{-}right\ voting_{it}$ is the sum of the vote shares of the parties in the position "right" (Alleanza Nazionale, Fratelli d'Italia, La Destra and Lega Nord) and "extreme-right" (Alternativa Sociale, Fiamma Tricolore, Forza Nuova and Movimento Idea Sociale-Rauti). Using alternative ways to locate the parties in the spectrum (e.g. the Itanes surveys) would lead to a similar aggregation.

[32] Municipalities with more extreme-right preferences may elect a right-wing mayor with a higher prob-

tween electoral incentives and extreme-right preferences can be detrimental for immigration policies.

The role of political competition. This sub-section tests whether political competition reduces the negative effect of electoral incentives. The motivation for this analysis comes from Barone et al. (2016), who show that in Italian municipalities the positive effect of migration on voting for extreme-right parties is reduced by political competition. The explanation is that political competition forces political parties to attract the support of centrist swing voters, who normally care about non-ideological issues such as economic growth (Besley, Persson and Sturm, 2010), rather than divisive issues like migration.

Following Barone et al. (2016), I create an index of political competition, which is the average margin of victory between the first and the second candidates in all municipal elections observed, with lower values indicating a higher political competition. Then, I create a dummy variable called $Political\ competition_i$, which is equal to 1 for municipalities with an index of political competition below the median (i.e. high political competition), and 0 otherwise.

Columns 7-8 of Table 2 report the coefficients of the interaction term $Final_{it}$X$Political\ competition_i$.[33] The positive coefficients indicate that in areas where political competition is higher the negative effect is smaller, with a reduction which is approximately 21 per cent compared to the mean of the dependent variable. These results indicate that political competition can play an important role in reducing the negative effect of electoral incentives and suggest that the adoption of institutions and policies that foster electoral competition may lead to more open immigration policies (Barone et al., 2016).

5.3 Which factors drive politicians' decisions? Evidence from survey data

I use survey data from the association Italian National Election Studies (Itanes) to provide evidence on the factors that drive politicians' decisions in relation to immigration policies. I exploit the survey organized in occasion of the 2013 Italian National Elections, through which Itanes collected the opinion of the candidates for the Italian Parliament about different topics, among which migration. [34] Given the focus on Italian municipalities, I isolated the

ability. However, the coefficients on $Final_{it}$x$Extreme\text{-}right\ voting_{it}$ are unchanged if I control for the interactions between $Final_{it}$ and the political orientation of the mayor. Results available upon request. Besides that, Table A8 shows that, when dealing with the reception of refugees, centre-left, centre-right and independent mayors react to electoral incentives in a similar way.

[33]The lower number of observations in columns 7-8 is due to missing values in electoral data.

[34]More in detail, between July and September 2013, Itanes sent a questionnaire of 263 questions to 2878 competitive candidates, selected from the political parties that elected at least one candidate to the Italian

answers of 84 candidates who worked as mayor in the past.[35] To investigate the factors that drive mayors' decisions, I report the descriptive statistics about the answers to the following 2 questions: 1) are immigrants good for the economy? 2) which is the opinion of the voters of your party to the question "do we receive too many immigrants"?

Figure 3 reports the possible answers to the first question, which are: 1 strongly agree; 2 agree; 3 neither agree nor disagree; 4 disagree; 5 strongly disagree; 6 no answer. Answers 1 and 2 are combined in the category "agree" and answers 4 and 5 in the category "disagree". None of the 84 mayors refused to answer this question. As we can see, almost 80 per cent of the mayors think that immigrants are good for the economy. This statistic provides suggestive evidence that the interviewed mayors are not concerned about the economic impact of migration, and that economic concerns are not probably behind the choice of not opening a refugee centre just before elections.

The answers to question 2 provide suggestive evidence relative to the expectations of politicians about voters' preferences on migration issues. Figure 4 reports the answers, which are distributed on a 0-10 scale, where 0 means "we receive too many immigrants" and 10 "we could receive much more immigrants". Answers from 0 to 4 are combined in the category "too many" and answers from 6 to 10 in the category "too few". If we interpret answer number 5, which is equidistant from the extremes 0 and 10, as the one selected by mayors who think that voters consider the number of immigrants received as the right one (i.e. in favour of the status quo), then the evidence in Figure 4 suggests that interviewed mayors think that most of the voters are not in favour of receiving more immigrants. In fact, Figure 4 shows that only approximately 30 per cent of the mayors expect voters to be willing to receive more immigrants. This statistic suggests that mayors probably do not open a refugee centre just before an election because they fear to be punished by voters. This suggestive evidence is consistent with the results described in sub-section 5.4, which shows that opening a refugee centre in the final year of the term is negatively correlated with the vote share taken at the next election.

5.4 Which factors drive politicians' decisions? Evidence from electoral data

The evidence in sub-section 5.1 suggests that opening a refugee centre just before elections may have electoral costs, and that politicians seem to be aware of these costs (see sub-section 5.3). To further shed lights on politicians' motivations and to reinforce the intuition that

Parliament. Among these 2878 candidates, Itanes received a reply from 672 (i.e. the 23.3 per cent).

[35]The descriptive results are essentially the same if I keep the entire sample of 672 candidates.

mayors do not open a refugee centre before elections because they fear to lose votes, I study the correlation between the vote shares at the next election and the decision of opening a centre. More specifically, I run the following model on data at municipal and electoral term levels:

$$Vote_{it} = \beta_0 + \beta_1 Refugees\_Final_{it} + \beta_2 Refugees\_Term_{it} + \beta_3 X_{it} + \gamma_t + \lambda_{lma} + \eta_{it} \quad (2)$$

where $Vote_{it}$ is the vote share taken by the mayor or by any member of the municipal government who replaces the mayor at the next election[36], $Refugees\_Final_{it}$ is a dummy variable equal to 1 if the mayor opens a refugee centre in the final year of the term, and $Refugees\_Term_{it}$ is equal to 1 if a refugee centre is opened in years 1-4 of the mandate, and 0 otherwise. The coefficients are estimated controlling for labour market areas (LMA) fixed effects λ_{lma} [37], for electoral term fixed effects γ_t and for municipal and mayoral characteristics collected in X_{it}.

The results in Table 3 indicate a negative correlation between refugee centres opened in the final year of the term and the vote share taken at the next election, while the correlation is positive for centres opened in years 1-4 of the term. The results go in the same direction for first term mayors (columns 1-2) and for the vice-mayors or the ministers who replace term-limited mayors (columns 3-4).[38] The results in Table 3 suggest that there are electoral costs associated with the reception fo refugees, which apply to refugee centres opened in the final year of the term. These results further reinforce the idea that mayors do not open refugee centres just before elections because they fear to lose popular support.[39]

5.5 Robustness checks

The baseline results of the paper survive to a series of robustness checks. First, Table A5 shows that the results are unchanged if I control for early interruptions of the electoral man-

[36]Second-term mayors are term-limited, and they are normally replaced by the vice-mayor or by ministers of the municipal government.

[37]For data limitation most of the municipalities have only one observation in this exercise. Thus, I am not able to control for municipal FE.

[38]This negative correlation is consistent with the evidence in Table A12, which shows that even for term-limited mayors electoral incentives have a negative effect on the reception of refugees.

[39]The positive correlation between the vote share taken at the next election and refugee centres opened during the term suggests that voters may change ideas about the reception of refugees if given enough time to understand what hosting refugees means. This is consistent with the evidence that the negative effect of electoral incentives is driven by municipalities in which voters are misinformed about the presence of migrants. It is also consistent with the idea that the reception of refugees may be associated with some economic benefits (see section 6), but that voters may need time to become aware of these benefits.

date. In Panel A, this exercise is implemented by replacing $Final_{it}$ with $Finalfake_{it}$, which has been generated after reconstructing the hypothetical electoral cycle that municipalities would have followed without early interruptions of the electoral mandate. In Panel B, the robustness checks is implemented by dropping the small share of electoral mandates that ended before the natural deadline.

Second, Table A6 shows that the results are robust controlling for linear, quadratic and non-linear labour market areas (LMA) and electoral groups trends. The evidence from this demanding specification suggests that the baseline results are not driven by unobserved trends at geographical level or across groups of municipalities that vote at different points in time.

Third, Table A7 shows that other time-consuming policies are not affected in the same way by electoral incentives. In fact, time-consuming policies such as separate waste collection and applying for grants issued through tenders by the European Union are not affected by the electoral cycle. In addition, columns 3-6 of Table A7 show that mayors usually put more effort in implementing policies at the end of the term, as they attract more grants and increase both current and investment expenditures. This evidence helps to rule out the possibility that the main results of the paper are due to the fact that mayors in the final year of the term are busy because they are running the electoral campaign.

Fourth, Tables A8 and A9 show that the effect of electoral incentives is not driven by the political orientation of the mayor nor by alignment with the central government. Also, Tables A10 and A11 show that the results do not differ between mayors with different political and educational backgrounds, and thus with potentially different career perspectives in the private sector.

The results from the heterogeneity analysis survive to a couple of robustness checks. First, Table A19 shows that the main heterogeneity results do not change if I introduce the interaction terms between $Final_{it}$ and other potential heterogeneity mechanisms. In addition, it is interesting to notice how other potential mechanisms like labour market concerns (see interaction with unemployment) and competition for public services like schools and health (see interaction with shares of elderly and children) seem to play a less clear role in this context.[40]

Second, to take in account that the variables in the heterogeneity analysis are potentially correlated one with the other, in Table A20, I have repeated the heterogeneity analysis

[40]In fact, the sign of the coefficient of the interaction term between $Final_{it}$ and unemployment is not stable across different specifications. The coefficients of the interaction terms with shares of elderly and children are never statistically different from zero. In addition, the apparent lack of concerns about the potential competition for public services is consistent with the evidence provided in Appendix A3, which shows that the reception of refugees is no associated with an increase in the number of students per class.

selecting control variables and additional interaction terms using the Belloni et al. (2014) double-selection post-Lasso method. This method allows selecting a more parsimonious set of relevant control variables and additional interaction terms from the original pool of variables (Bazzi and Gudgeon, 2019).

6 The effect of the reception of refugees on fiscal policies

6.1 Empirical strategy

This section shows that the reception of refugees is associated with an increase in total municipal expenditures which could benefit both the local economy and the municipal government from an electoral point of view. It also shows that the increase in expenditures is funded by grants from higher levels of government, and not by local taxes.

The main reason for this analysis is to provide indirect evidence that, by refusing to host refugees in response to electoral incentives, municipal governments may impose an economic cost on the local community. This cost is represented by the missed opportunity to attract fiscal grants from higher levels of government and to produce an increase in total municipal expenditures that may benefit the local economy, and especially firms, cooperatives and professionals that work for the reception centre.[41] The intuition here is that politicians, to avoid an electoral punishment, are willing to give up resources that could be beneficial for the economy. [42]

I estimate the following difference-in-differences model, which is run using data at municipality and year level for the period 2005-2015:

$$Y_{it} = \beta_0 + \beta_1 Centre\_open_{it} + \delta_1 X_{it} + \lambda_t + \gamma_i + \eta_{it} \tag{3}$$

where the dependent variable Y_{it} measures fiscal outcomes. The dummy variable $Centre\_open_{it}$

[41] This increase in municipal expenditures may also have a positive effect on employment. For example, the social cooperative In Migrazione has calculated that for every 20 refugees approximately 8 professionals are hired. See the report "Accoglienza rifugiati: un'ordinaria emergenza" that can be downloaded from their webpage inmigrazione.it.

[42] In addition, this analysis enables me to exclude that the results are due to a fiscal loss determined by the opening of a reception centre. In fact, as explained in section 2.2, the SPRAR grants transferred from the central government to the municipal governments during the tenders studied were supposed to cover between 80 and 95 per cent of the costs associated with the reception of refugees. However, in this section, I show that municipalities that open a refugee centre are able to attract an amount of grants which is bigger than the initial planned amount (see effect on total fiscal grants in Table 4 compared to effect on SPRAR specific grants in Table A25). The motivation of why this happened is not investigated here and it goes beyond the scope of this paper.

is equal to 1 in the years in which a refugee centre is active in municipality i, γ_i and λ_t are municipal and year fixed effects, and X_{it} collects municipal and mayoral time varying characteristics.

The main threat to equation 3 is that the decision of opening a refugee centre is taken by the mayor. Thus, the variable $Centre\_open_{it}$ is endogenous, and running equation 3 by OLS may lead to biased estimates. To deal with this threat, following the intuition developed by Gadenne (2017), I run this modified version:

$$Y_{it} = \beta_0 + \beta_1 Centre\_open_{it} + \beta_2 Application\_centre_{it-1} + \delta_1 X_{it} + \lambda_t^s + \gamma_i + \eta_{it} \qquad (4)$$

where $Application\_centre_{it-1}$ is equal to 1 in the year in which a municipality participates to a SPRAR tender for the first time, and zero otherwise (i.e. $Application\_centre_{it-1}$ is the same as $Refugees\_Centre_{it}$ in equation 1, but only for the first time a municipality opens a refugee centre).

In practice, to deal with the endogeneity of $Centre\_open_{it}$, I exploit a peculiar characteristic of the SPRAR allocation system, already described in both section 2 and Table A1: the timing of the decision of opening a refugee reception centre does not coincide with the timing the refugee centre is actually opened, given that refugee centres usually open at the beginning of the year after the mayor has taken the decision. Following the intuition developed by Gadenne (2016), I argue that this lag enables me to estimate the effect of the refugee centre on the dependent variables, while ruling out any influence determined by unobservable time-varying preferences and shocks behind the decision of opening the centre. In addition, $Application\_centre_{it-1}$ enables me to test for parallel trends before the opening of the refugee centre.

The empirical strategy described by the equation 4 is further reinforced by controlling for differential trends between municipalities that open at least one refugee centre and municipalities that never open a refugee centre, which are quite different in terms of observable municipal and mayoral characteristics (see Table A2) and in terms of number of migrants hosted (see Figure A3). For this reason, I add to equation 4 a group specific time dummy variables λ_t^s, which enables me to control for differential unobservable trends between the two groups of municipalities.

Finally, given the structure of regression 4, and given some constraints in the data, this exercise is implemented using the period 2005-2015 only (i.e. years 2016 and 2017 are excluded).[43]

[43] As described in Table A1, for tender number 8, the year in which the decision of opening a centre is

6.2 The effect of the reception of refugees on fiscal policies

In this subsection, I describe the results about the effect of the reception of refugees on fiscal outcomes. The main results are reported in Table 4, which is divided in two Panels: Panel A reports the results about expenditures, while Panel B describes the results about revenues. All the dependent variables are measured in per capita terms and in 2010 prices.[44]

As we can see from column 1 of Panel A, the opening of a refugee centre is associated with an increase in total expenditures which is around 74 euros per capita. This increase is approximately 4 per cent compared to the mean of total expenditures. The coefficient in front of $Application\_centre_{it-1}$ suggests that this difference in expenditures was not in place at the time when the mayors took the decision of opening the centre. For what concerns the revenues, the estimates reported in Panel B indicate that most of the revenues come from transfers from higher levels of government, while taxes are not statistically different between treatment and control municipalities at the time when the refugee centre is activated.[45]

Columns 2 and 3 of Panel A of Table 4 indicate that the increase in expenditures is redistributed between current and capital expenditures. Panel A of Table 5 shows that the increase in current expenditures is mainly driven by an increase in categories that could have a positive effect on the local economy (i.e. transfers to firms, personnel expenditures and expenditures for the purchase of services). Panel B of Table 5 provides a similar picture for capital expenditures. whose increase seems to be driven mainly by expenditures for buying and renting goods.

The evidence described in this section shows that opening a refugee centre is associated with a substantial increase in total municipal expenditures, and that a consistent part of this increase is redistributed toward categories that could benefit the local economy, and in particular firms, cooperatives and professionals that work for the reception centre or provide services to it. This evidence, combined with the negative effect of electoral incentives on the reception of refugees, suggests that the fear of losing popular support, for certain types

taken coincides with the year the centre is opened. This would not allow to separately estimate the effect of $Centre\_open_{it}$ and $Application\_centre_{it-1}$. Thus, 2016 is excluded. In addition, data on fiscal policies are not available for 2017.

[44]Tables A22 and A24 reports the results on total expenditures and total revenues using different specifications of the model, including a regression run only on the sub-sample of municipalities that open at least a refugee centre in the years studied.

[45]In column 2 of Panel B, Table 4, the coefficient in front of $Application\_centre_{it-1}$ is positive and statistically different from zero. This evidence may raise the concern that the higher taxes before the opening of the centre drive the negative effect of electoral incentives on the reception of refugees. I have repeated the heterogeneity analysis controlling for the interaction term between $Final$ and taxes per capita. Adding this interaction term does not change the result, and the coefficient of this interaction term is not statistically different from zero. In addition, in Table 3, the negative correlation between opening a refugee centre in the final year of the term and vote shares at the next election is robust controlling for taxes per capita, which are included in the regression. Results available upon request.

of policies, induces politicians to take decisions that are potentially detrimental from an economic perspective. [46]

7 Conclusion

I study how electoral incentives affect the reception of refugees. The main results show that municipal governments refuse to host refugees in response to electoral incentives. I analyse four mechanisms: first, I show that municipalities in which voters overestimate the presence of migrants drive the effect. Second, I demonstrate that the negative effect of electoral incentives is even more negative in municipalities where the pre-treatment share of migrants is higher. Third, I show that the effect is stronger in municipalities with a higher share of extreme-right voters. Finally, I show that political competition reduces the negative effect of electoral incentives on the reception of refugees.

Then, using survey and electoral data, I shed lights on the motivations behind politicians' decisions. The suggestive evidence provided shows that politicians seem to worry more about the electoral implications of immigration policies rather than the economic consequences.

Finally, I show that, by refusing to host refugees, Italian mayors forego fiscal resources that could benefit firms, cooperatives and professionals that work for the reception centre or provide it services.

In sum, the results suggest that, for some types of policies, the fear of losing popular support induces politicians to make policy decisions that are potentially detrimental from an economic perspective.

[46] The results of this section also suggest that mayors in the final year of the term seems to weight the electoral costs associated with the reception of refugees more than the potential electoral benefits associated with an increase in expenditures. This idea is further reinforced by the results reported in Table A23, which show that the increase in expenditures happens immediately during the first year of opening of a refugee centre. The result of Table A23, combined with the fact that refugee centres normally open in January (see Table A1) and that municipal elections are usually run in April/May, suggests that mayors in the final year of the term, for the fear of losing popular support, are giving up an increase in total expenditures that could benefit the municipal government from an electoral point of view.

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Table 1: Effect of electoral incentives on the reception of refugees

	(1)	(2)	(3)	(4)	(5)	(6)
Outcome =1 mayor opens a refugee centre						
Panel A: treatment is final year of electoral term						
Sample	All municipalities			Open at least one refugee centre		
Final	-0.008	-0.009	-0.008	-0.046	-0.050	-0.049
	(0.001)	(0.002)	(0.002)	(0.007)	(0.008)	(0.008)
Mean outcome	0.033	0.033	0.033	0.204	0.204	0.204
R-squared	0.175	0.328	0.328	0.186	0.304	0.334
Observations	78,112	78,112	78,112	12,988	12,988	12,988
# municipalities	8025	8025	8025	1334	1334	1334
Panel B: treatment years 2-5 electoral term						
Sample	All municipalities			Open at least one refugee centre		
Year 2 term	0.001	-0.003	-0.002	-0.005	-0.004	-0.003
	(0.002)	(0.002)	(0.002)	(0.012)	(0.012)	(0.012)
Year 3 term	0.004	-0.000	0.001	0.004	-0.004	0.007
	(0.002)	(0.002)	(0.002)	(0.011)	(0.010)	(0.011)
Year 4 term	-0.002	-0.004	-0.003	-0.003	-0.007	0.009
	(0.002)	(0.002)	(0.002)	(0.013)	(0.013)	(0.013)
Year 5 term	-0.006	-0.011	-0.009	-0.047	-0.057	-0.046
	(0.002)	(0.002)	(0.002)	(0.013)	(0.013)	(0.013)
Mean outcome	0.035	0.035	0.035	0.231	0.231	0.231
R-squared	0.175	0.328	0.328	0.186	0.304	0.335
Observations	78,112	78,112	78,112	12,988	12,988	12,988
# municipalities	8025	8025	8025	1334	1334	1334
Tender FE	Yes	Yes	Yes	Yes	Yes	Yes
Municipal FE	No	Yes	Yes	No	Yes	Yes
Controls	Yes	No	Yes	Yes	No	Yes

Notes. All Italian municipalities, years 2005-2017. Treatment variables: the treatment variable *Final* in Panel A is equal to 1 for mayors in the final year of the term, and 0 otherwise. The treatment variables in Panel B are: Year term 2 =1 for mayors in the second year of the term; Year term 3 =1 for mayors in third year of the term; Year term 4 =1 for mayors in fourth year of the term; Year term 5 =1 for mayors in the fifth year of the term. The outcome variable is equal to 1 for mayors who decide to open a refugees' reception centre during tender t. Controls: share of graduate, share elderly (>65), share children (<5), log of income per capita, number of firms per capita, population density, area, altitude, latitude, longitude, unemployment rate, dummy variable for first level reception centres, number no-profit organizations per capita, population, dummy variable for past participation to SPRAR, dummy female mayor, age mayor, dummy unemployed mayor, political experience mayor, dummy graduate mayor, dummy left mayor, dummy independent mayor, dummy term limit, dummy for early interruption mandate. Robust standard errors clustered at the municipality level are in parentheses.

Table 2: Heterogeneity analysis

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
	Outcome =1 mayor opens a refugee centre							
Final	-0.008	-0.009	0.019	-0.003	-0.002	0.093	-0.012	0.072
	(0.002)	(0.006)	(0.012)	(0.002)	(0.003)	(0.089)	(0.002)	(0.090)
Final X Overestimate		-0.011	-0.096			-0.043		-0.051
		(0.029)	(0.043)			(0.026)		(0.027)
Final X Share foreign			-0.235	-0.121		-0.162		-0.166
			(0.083)	(0.038)		(0.051)		(0.051)
Final X Extreme-right voting					-0.039	-0.047		-0.050
					(0.014)	(0.015)		(0.015)
Final X Political competition							0.007	0.007
							(0.003)	(0.003)
Mean outcome	0.033	0.046	0.046	0.033	0.033	0.033	0.034	0.034
R-squared	0.328	0.372	0.372	0.328	0.329	0.330	0.322	0.324
Observations	78,112	46,722	46,722	78,112	78,112	78,112	71,220	71,220
# municipalities	8025	8025	8025	8025	8025	8025	7296	7296
Tender FE	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Municipal FE	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Controls	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Additional interactions	No	No	No	No	No	Yes	No	Yes

Notes. All Italian municipalities. Years 2005-2017 in columns 1, 4, 5, 6, 7 and 8, years 2010-2017 (i.e. tenders 5-10) in columns 2 and 3. Treatment variables: the treatment variable *Final* is equal to 1 for mayors in the final year of the term, and 0 otherwise. The outcome variable is equal to 1 for mayors who decide to open a refugees' reception centre during tender t. Controls: population, dummy variable for past participation to SPRAR, dummy female mayor, age mayor, dummy unemployed mayor, political experience mayor, dummy graduate mayor, dummy left mayor, dummy independent mayor, dummy term limit, dummy for early interruption mandate. Variables interacted with *Final*: 1) Overestimate is the difference between the share of migrants estimated by survey participants (Transatlantic Trends: immigration, 2010) and the actual share of migrants in the municipality. Both shares are measured in 2010; 2) Share foreign = pre-existing municipal share of migrants, measured at the beginning of the electoral term; 3) Extreme-right voting = vote share taken by extreme-right parties at the most recent European election; 4) Political competition is a dummy variable equal to 1 if the average municipal margin of victory is below the median. Additional interaction terms with *Final* included in columns 6 and 8 but not reported here: 1) Daily newspapers = number of non-sport daily newspapers sold every 1,000 people, measured in 2001 (see Cartocci, 2007); 2) Unemployment = unemployment rate measured in 2001; 3) dummy variable for past participation to SPRAR; 4) # Firms per capita = number of firms per capita, measured in 2005; 5) share of individuals with college degree, measured in 2001; 6) past foreign population growth rate, average from previous electoral term; 7) past income growth rate; 8) # no profit organizations = number of no-profit organizations, measured in 2005; 9) log of income per capita, measured in 2005; 10) share of elderly (i.e. age>65), measured in 2001; 11) share of children (i.e. age<5), measured in 2001; 12) dummy for the presence of first level refugee reception centre in the municipality; 13) dummy for the presence of first level refugee reception centre in the municipality; 14) Share of survey participants who say migration is an issue (Transatlantic Trends: immigration, 2010); 15) theoretical maximum number of refugees that can be hosted in a SPRAR centre, as imposed by the tender issued by the Home Office. Robust standard errors clustered at the municipality level are in parentheses. Robust standard errors clustered at the municipality level are in parentheses.

Table 3: Correlation refugee centre and votes at next election

	(1)	(2)	(3)	(4)
Sample	Term limit = 0		Term limit = 1	
Outcome	% Votes next election mayor		% Votes next election vice-mayor/minister	
Refugee centre final year of the term	-2.717	-2.827	-7.709	-8.622
	(1.362)	(1.496)	(3.164)	(3.203)
Refugee centre during the term		3.470		6.408
		(1.498)		(3.880)
Log expenditures final year of the term		2.204		3.705
		(0.775)		(1.870)
Log expenditures during the term		2.230		1.893
		(0.818)		(1.699)
Mean outcome	60.43	60.43	47.55	47.55
R-squared	0.228	0.334	0.304	0.379
Observations	6,347	6,347	2,038	2,038
Year of election FE	Yes	Yes	Yes	Yes
LMA FE	Yes	Yes	Yes	Yes
Controls	No	Yes	No	Yes

Notes. All Italian municipalities, electoral years 2005-2017. The outcome variable is equal to the vote share taken by the incumbent coalition at the next election. In column 1-2 (i.e. mayor is not term limited), this is equal to the vote share taken by the mayor, while in column 3-4 (i.e. mayors is term limited) is equal to the vote share taken by the vice-mayor or by a minister, depending on who decides to run as mayoral candidate in place of the incumbent mayor, who is term limited after two consecutive terms. Treatment variables: 1) Refugee centre final year of the term = 1 for municipalities that open a refugee centre in the final year of the term; 2) Refugee centre during the term = 1 for municipalities that open a refugee centre in years 1-4 of the term; 3) Log expenditures final year of the term = log of total municipal per capita expenditures measured in the final year of the term, 2010 constant prices; 4) Log expenditures during the term = log of total municipal per capita expenditures measured as the average in years 1-4 of the term, 2010 constant prices. Controls: log of municipal per capita taxes measured in the final year of the term (2010 constant prices), log of municipal per capita taxes measured in the years 1-4 of the term (2010 constant prices), log of municipal per capita current transfers measured in the final year of the term (2010 constant prices), log of municipal per capita current transfers measured in years 1-4 of the term (2010 constant prices), share of graduate, share elderly (>65), share children (<5), log of income per capita, number of firms per capita, population density, area, altitude, latitude, longitude, unemployment rate, dummy variable for first level reception centres, number no-profit organizations per capita, population, dummy variable for past participation to SPRAR, dummy female mayor, age mayor, dummy unemployed mayor, political experience mayor, dummy graduate mayor, dummy left mayor, dummy independent mayor, dummy term limit, dummy for early interruption mandate. Local market areas (LMA) FE included in all columns. Robust standard errors clustered at LMA level are in parentheses.

Table 4: Effect reception of refugees on fiscal policies

	(1)	(2)	(3)	(4)	(5)	(6)
			Panel A: expenditures			
Outcome	Total Expenditures	Current Expenditures	Capital Expenditures	Services Expenditures	Interests Expenditures	Deficit
Refugee centre open	74.364	39.816	43.916	0.712	-10.027	3.781
	(36.909)	(10.189)	(26.357)	(8.965)	(13.726)	(6.799)
Application refugee centre	6.221	10.318	18.872	-6.607	-21.384	-2.178
	(39.883)	(13.267)	(38.393)	(5.698)	(16.525)	(5.880)
Mean outcome	1706	870.9	560.5	140.3	132.4	8.268
R-squared	0.636	0.897	0.403	0.389	0.548	0.105
Observations	82,091	82,091	82,091	82,091	82,091	82,091
# municipalities	7791	7791	7791	7791	7791	7791
			Panel B: revenues			
Outcome	Total Revenues	Taxes	Total Transfers	Fees	Loans	Assets Sale
Refugee centre open	70.583	1.412	74.495	7.429	-18.128	4.160
	(36.595)	(7.956)	(30.926)	(4.749)	(14.940)	(2.272)
Application refugee centre	8.399	17.723	-5.882	-3.152	-23.921	5.236
	(39.251)	(8.666)	(26.881)	(5.267)	(18.307)	(4.136)
Mean outcome	1698	448.0	695.6	225.9	140.2	31.71
R-squared	0.640	0.825	0.496	0.889	0.393	0.208
Observations	82,091	82,091	82,091	82,091	82,091	82,091
# municipalities	7791	7791	7791	7791	7791	7791
Tender FE	Yes	Yes	Yes	Yes	Yes	Yes
Municipal FE	Yes	Yes	Yes	Yes	Yes	Yes
Controls	Yes	Yes	Yes	Yes	Yes	Yes
Differential trends	Yes	Yes	Yes	Yes	Yes	Yes

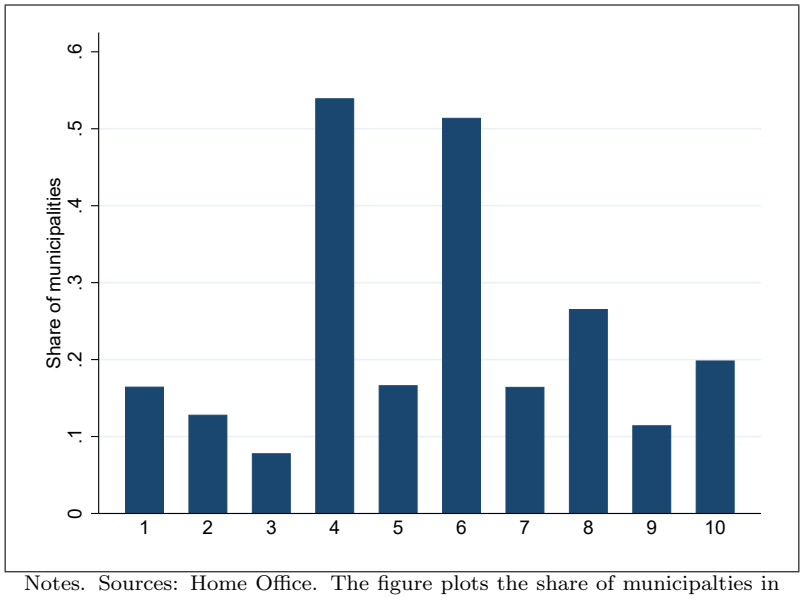
Notes. All Italian municipalities, years 2005-2015. Treatment variables: Refugee centre open = 1 if in municipality i and year t there is an active refugee reception centre. Application refugee centre = 1 if the mayor of municipality i decides to open for the first time a refugee reception centre in year $t-1$. The outcome variables are all measured in per capita terms and in 2010 prices. Outcome variables in panel A: 1) Column 1: Total expenditures = total municipal per capita expenditures; 2) Column 2: Current expenditures: current municipal per capita expenditures; 3) Column 3: Capital expenditures = municipal per capita capital expenditures; 4) Column 4: Services expenditures = municipal per capita expenditures for buying services from third parts; 5) Column 5: Interests = per capita expenditures for interests payments; 6) Column 6: Deficit = difference between total expenditures per capita and total revenues per capita. Outcome variables in panel B: 1) Column 1: Total revenues = total municipal per capita revenues; 2) Column 2: Taxes = municipal per capita revenues from taxes; 3) Column 3: Total transfers = municipal per capita revenues from transfers from higher levels of government. It is equal to total current transfers plus total capital transfers; 4) Column 4: Fees = municipal per capita revenues from fees on municipal services; 5) Column 5: Loans = municipal per capita revenues from loans; 6) Column 6: Assets sale = municipal per capita revenues from the sale of municipal assets. Controls: population, dummy female mayor, age mayor, dummy unemployed mayor, political experience mayor, dummy graduate mayor, dummy left mayor, dummy independent mayor, dummy term limit, dummy for early interruption mandate. Robust standard errors clustered at the municipality level are in parentheses.

Table 5: Effect of the reception of refugees on the composition of total expenditures

	(1)	(2)	(3)	(4)	(5)	(6)
Panel A: current expenditures						
Outcome	Transfers Firms	Personell Expenditures	Services Expenditures	Interests Expenditures	Taxes Expenditures	Admin
Refugee centre open	12.153	4.700	17.750	1.907	0.398	1.234
	(4.370)	(2.392)	(8.295)	(0.726)	(0.366)	(2.308)
Application refugee centre	1.329	0.133	12.691	1.129	0.441	-1.395
	(5.240)	(3.229)	(11.913)	(0.847)	(0.476)	(1.894)
Mean outcome	109.8	267.8	348.4	43.25	22.59	12.53
R-squared	0.607	0.952	0.783	0.849	0.920	0.354
Observations	82,091	82,091	82,091	82,091	82,091	82,091
# municipalities	7791	7791	7791	7791	7791	7791
Panel B: capital expenditures						
Outcome	Goods	Professionals	Transfers Firms	Shares	Loans	Expropriation
Refugee centre open	38.456	4.259	4.422	-2.578	-0.798	0.154
	(24.098)	(2.122)	(6.627)	(1.990)	(5.789)	(0.829)
Application refugee centre	3.165	3.050	-3.960	-3.475	21.241	-1.149
	(32.667)	(1.600)	(6.647)	(5.236)	(15.618)	(1.104)
Mean outcome	484.7	10.25	44.64	6.879	10.57	3.423
R-squared	0.416	0.201	0.250	0.194	0.232	0.238
Observations	82,091	82,091	82,091	82,091	82,091	82,091
# municipalities	7791	7791	7791	7791	7791	7791
Tender FE	Yes	Yes	Yes	Yes	Yes	Yes
Municipal FE	Yes	Yes	Yes	Yes	Yes	Yes
Controls	Yes	Yes	Yes	Yes	Yes	Yes
Differential trends	Yes	Yes	Yes	Yes	Yes	Yes

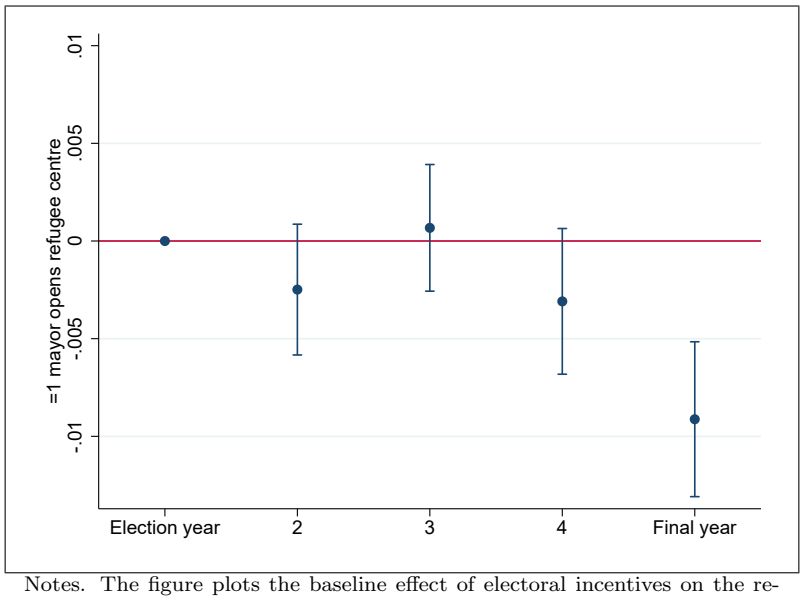
Notes. All Italian municipalities, years 2005-2015. Treatment variables: Refugee centre open = 1 if in municipality i and year t there is an active refugee reception centre. Application refugee centre = 1 if the mayor of municipality i decides to open for the first time a refugee reception centre in year $t-1$. The outcome variables are all measured in per capita terms and in 2010 prices. Outcome variables in panel A: 1) Column 1: Transfers firms = part of current current expenditures paid to firms; 2) Column 2: Personell expenditures = part of current expenditures paid to personell; 3) Column 3: Services expenditures = part of current expenditures for buying services; 4) Column 4: Interest expenditures = part of current expenditures for interests payment; 5) Column 5: Taxes expenditures = part of current expenditures for payment of taxes; 6) Column 6: Admin expenditures = part of current expenditures for administrative expenditures. Outcome variables in panel B: 1) Column 1: Goods = capital expenditures for buyng and renting goods; 2) Column 2: Professionals = capital expenditures for paying professionals; 3) Column 3 = Transfers firms = part of current capital expenditures paid to firms; 4) Column 4: Shares = capital expenditures for buying shares in public and private companies; 5) Column 5: Loans = capital expenditures for granting loans; 6) Column 6: Expropriation = capital expenditures for expropriation. Controls: population, dummy female mayor, age mayor, dummy unemployed mayor, political experience mayor, dummy graduate mayor, dummy left mayor, dummy independent mayor, dummy term limit, dummy for early interruption mandate. Robust standard errors clustered at the municipality level are in parentheses.

Figure 1: Share municipalities in the final year of the term by tender



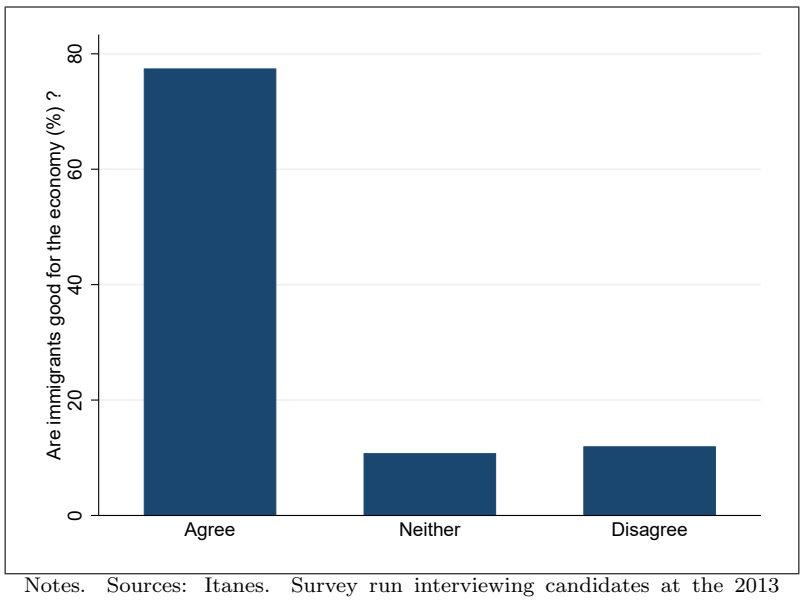
Notes. Sources: Home Office. The figure plots the share of municipalties in the final year of the term by tender.

Figure 2: The effect of electoral incentive on the reception of refugees



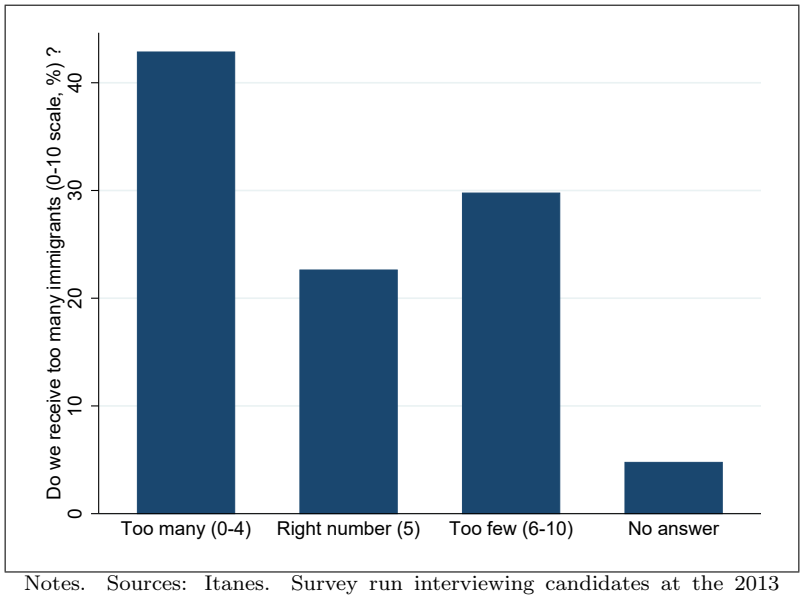
Notes. The figure plots the baseline effect of electoral incentives on the reception of refugees.

Figure 3: Survey of mayors: are immigrants good for the economy (%)?



Notes. Sources: Itanes. Survey run interviewing candidates at the 2013 national election. Answers: 1 strongly agree; 2 agree; 3 neither; 4 disagree; 5 strongly disagree; 6 no answer. In this graph, agree combines answers 1 and 2, while disagree answers 4 and 5. All mayors answered the question.

Figure 4: Survey of mayors: opinion of voters on question "do we receive too many migrants (0-10 scale, %)?"



Notes. Sources: Itanes. Survey run interviewing candidates at the 2013 national election. Answers on a 0-10 scale, where 0 means "we receive too many migrants" and 10 "we could receive much more migrants".

A1 Appendix Tables [For Online Publication]

Table A1: The timing of SPRAR tenders

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Tender	Year	Date starts	Date ends	Date opens	Years active	Share grants	Participation
1	2005	05/12/2005	20/12/2005	28/01/2006	2006	80 %	No limits
2	2006	01/07/2006	31/07/2006	01/01/2007	2007	80 %	No limits
3	2007	01/07/2007	31/07/2007	01/01/2008	2008	80 %	No limits
4	2008	06/08/2008	05/09/2008	01/01/2009	2009-2010	80 %	No limits
5	2010	30/09/2010	30/10/2010	21/01/2011	2011-2013	80 %	No limits
6	2013	04/09/2013	19/10/2013	29/01/2014	2014-2016	80 %	No limits
7	2015	23/05/2015	22/07/2015	04/12/2015	2016	80 %	No limits
8	2015-2016	14/10/2015	14/02/2016	31/05/2016	2016-2017	95 %	Only new projects
9	2016	27/08/2016	30/10/2016	19/01/2017	2017-2019	95 %	No limits
10	2016-2017	31/10/2016	31/03/2017	01/07/2017	2017-2020	95 %	Only new projects

Notes. Sources: Home Office and SPRAR. Description columns: 1) In column 1, Tender is the number of the tender assigned for this paper; 2) In column 2, Year is the year in which the tender is issued by the Home Office; 3) The starting date of the tender is indicated in column 3 (Date starts); 4) The deadline for application to the tender is indicated in column 4 (Date ends); 5) The date of opening of the refugee centre is indicated in column 5 (Date opens); 6) If municipality i participates to the tender, then the refugee centre remains active for the years indicated in column 5 (Years active); 7) In column 7, Share grants = it is the share of the planned costs supposed to be covered by SPRAR specific grants from the central government; 8) In column 8, Participation = limits to participation imposed by the tender. More specifically, "no limits" means that all municipalities can participate, while "only new projects" means that only new municipalities (i.e. municipalities without an active SPRAR centre on their territory) can apply.

Table A2: Descriptive statistics:
Open at least one centre vs. never open a centre

	(1) Open at least one centre	(2) obs	(3) Never open a centre	(4) obs	(5) p-value
Politicians characteristics					
Graduate mayor	0.506	1334	0.416	6691	0.001
Political experience	7.096	1334	6.838	6691	0.058
Unemployed	0.087	1334	0.105	6691	0.006
Age	51.47	1334	51.350	6691	0.567
Female	0.106	1334	0.118	6691	0.090
Independent	0.574	1334	0.705	6691	0.000
Left	0.241	1334	0.114	6691	0.000
Right	0.108	1334	0.084	6691	0.000
Early interruption mandate	0.048	1334	0.035	6691	0.000
Term limit	0.252	1334	0.243	6691	0.168
Municipal characteristics					
Area	56.626	1334	33.479	6691	0.000
Longitude	12.326	1334	11.355	6691	0.000
Latitude	42.563	1334	43.532	6691	0.000
Altitude	307.498	1334	365.246	6691	0.000
Islands	0.106	1334	0.093	6691	0.139
South	0.306	1334	0.205	6691	0.000
Centre	0.164	1334	0.113	6691	0.000
North-East	0.079	1334	0.202	6691	0.000
North-West	0.342	1334	0.385	6691	0.003
Population	20721	1334	4416	6691	0.000
Population density	409.470	1334	252.671	6691	0.000
No-profit associations	0.004	1334	0.005	6691	0.000
Number of firms per capita	0.073	1334	0.078	6691	0.000
Unemployment	0.124	1334	0.096	6691	0.000
Income	13267	1334	13571	6691	0.001
% children	0.044	1334	0.043	6691	0.000
% elderly	0.203	1334	0.214	6691	0.000
% graduate	0.053	1334	0.045	6691	0.000

Notes. All Italian municipalities, years 2005-2017. *Open at least one centre* = 1 for municipalities that open at least one refugees' centre in the period studied. *Never open a centre* = 1 for municipalities that never open a centre in the period studied. Columns (1) and (3) report the mean values for the two samples; *obs* is the number of observations; *p-value* is the p-value of the difference between the means of the two samples.

Table A3: Descriptive statistics Overestimate:
Above median vs. below median

	(1) Overestimate above median	(2) obs	(3) Overestimate below median	(4) obs	(5) p-value
Newspapers circulation	0.668	4026	0.934	3999	0.000
Share migrants	0.029	4026	0.069	3999	0.000

Notes. All Italian municipalities, years 2005-2017. *Overestimate above median* = 1 for municipalities for which the variable *Overestimate* is above the median value (0.174). These are the municipalities that overestimate more the presence of migrants. *Overestimate below median* = 1 for municipalities for which the variable *Overestimate* is below the median value (0.174). These are the municipalities that overestimate less the presence of migrants. *Newspapers circulation* = # of non-sport daily newspapers sold every 10 inhabitants (2001). *Share migrants* = share of migrants over total municipal population. Columns (1) and (3) report the mean values for the two samples; *obs* is the number of observations; *p-value* is the p-value of the difference between the means of the two samples.

Table A4: Descriptive statistics by electoral groups

	(1)	(2)	(3)	(4)	(5)
	Groups by first year of election				
	2001	2002	2003	2004	2005
	Politicians characteristics				
Graduate mayor	0.473	0.546	0.551	0.389	0.404
Political experience	5.799	6.592	6.733	7.580	5.500
Unemployed	0.071	0.067	0.067	0.129	0.072
Age	51.828	51.851	50.662	51.694	49.229
Female	0.095	0.094	0.088	0.136	0.092
Independent	0.664	0.487	0.581	0.754	0.621
Left	0.152	0.148	0.142	0.121	0.160
Right	0.117	0.151	0.142	0.067	0.066
Early interruption mandate	0.046	0.059	0.056	0.025	0.052
Term limit	0.258	0.244	0.228	0.247	0.226
	Municipal characteristics				
Area	41.331	50.101	42.551	30.633	48.122
Longitude	12.110	12.750	13.067	10.967	11.335
Latitude	42.664	41.907	41.188	44.159	43.157
Altitude	345.633	334.323	322.168	337.333	487.228
Islands	0.110	0.219	0.349	0.009	0.231
South	0.348	0.349	0.287	0.161	0.191
Centre	0.127	0.092	0.102	0.146	0.041
North-East	0.110	0.128	0.094	0.184	0.358
North-West	0.305	0.212	0.168	0.500	0.179
Population	12231	10462	9349	4780	6823
Population density	305.400	397.635	435.913	239.068	237.659
No-profit associations	0.005	0.005	0.004	0.006	0.008
Number of firms per capita	0.074	0.072	0.068	0.079	0.082
Unemployment	0.128	0.148	0.171	0.073	0.117
Income	12835	12845	12256	14002	13445
% children	0.043	0.044	0.046	0.042	0.048
% elderly	0.211	0.204	0.198	0.222	0.193
% graduate	0.048	0.050	0.049	0.046	0.044
Observations	1296	877	481	4396	975

Notes. All Italian municipalities, years 2005-2017. The table reports the mean of the variables by electoral group. Electral groups are created depending on the first year of election found in the data: 1) in column 1: group of municipalities that voted for the first time in the data in 2001; 2) in column 2: group of municipalities that voted for the first time in the data in 2002; 3) in column 3: group of municipalities that voted for the first time in the data in 2003; 4) in column 4: group of municipalities that voted for the first time in the data in 2004; 5) in column 5: group of municipalities that voted for the first time in the data in 2005.

Table A5: Effect of electoral incentives on the reception fo refugees
Control for early interruptions electoral mandate

	(1)	(2)	(3)	(4)	(5)	(6)
Outcome =1 mayor opens a refugee centre						
Panel A: fake treatment without interruptions						
Sample	All municipalities			Open at least one refugee centre		
Final fake	-0.008	-0.008	-0.007	-0.049	-0.050	-0.051
	(0.002)	(0.002)	(0.002)	(0.007)	(0.008)	(0.009)
Mean outcome	0.033	0.033	0.033	0.203	0.203	0.203
R-squared	0.175	0.327	0.328	0.186	0.304	0.334
Observations	78,112	78,112	78,112	12,988	12,988	12,988
# municipalities	8025	8025	8025	1334	1334	1334
Panel B: drop electoral mandates interrupted before natural deadline						
Sample	All municipalities			Open at least one refugee centre		
Final	-0.007	-0.008	-0.007	-0.045	-0.051	-0.047
	(0.002)	(0.002)	(0.002)	(0.008)	(0.009)	(0.009)
Mean outcome	0.033	0.033	0.033	0.203	0.203	0.203
R-squared	0.167	0.323	0.323	0.181	0.295	0.332
Observations	75,498	75,498	75,498	12,416	12,416	12,416
# municipalities	8018	8018	8018	1333	1333	1333
Tender FE	Yes	Yes	Yes	Yes	Yes	Yes
Municipal FE	No	Yes	Yes	No	Yes	Yes
Controls	Yes	No	Yes	Yes	No	Yes

Notes. All Italian municipalities, years 2005-2017. Treatment variables: 1) the treatment variable in Panel A is $Finalfake$, which is has been generated after reconstructing the hypothetical electoral cycle that municipalities would have followed without early interruptions of the electoral mandate. $Finalfake$ is equal to 1 for mayors in the final year of the term along this reconstructed electoral cycle; 2) the treatmnet in Panel B is $Final$, which is equal to 1 for mayors in the final year of the term, and 0 otherwise. The outcome variable is equal to 1 for mayors who decide to open a refugees' reception centre during tender t. Controls: share of graduate, share elderly (>65), share children (<5), log of income per capita, number of firms per capita, population density, area, altitude, latitude, longitude, unemployment rate, dummy variable for first level reception centres, number no-profit organizations per capita, population, dummy variable for past participation to SPRAR, dummy female mayor, age mayor, dummy unemployed mayor, political experience mayor, dummy graduate mayor, dummy left mayor, dummy independent mayor, dummy term limit, dummy for early interruption mandate. Robust standard errors clustered at the municipality level are in parentheses.

Table A6: Geographical and groups trends

	(1)	(2)	(3)
Outcome =1 mayor opens a refugee centre			
Final	-0.008	-0.005	-0.006
	(0.002)	(0.002)	(0.003)
Mean outcome	0.033	0.033	0.033
R-squared	0.368	0.380	0.558
Observations	78,112	78,112	78,112
# municipalities	8025	8025	8025
Tender FE	Yes	Yes	Yes
Municipal FE	Yes	Yes	Yes
Controls	Yes	Yes	Yes
LMA & Electoral Groups Trends	Linear	Quadratic	Non-linear

Notes. All Italian municipalities, years 2005-2017. Treatment variables: the treatment variable *Final* is equal to 1 for mayors in the final year of the term, and 0 otherwise. The outcome variable is equal to 1 for mayors who decide to open a refugees' reception centre during tender t. Trends: regressions run controlling for linear (column 1), quadratic (column 2) and non-linear (column 3) labour market areas (LMA) and electoral groups trends. Controls: population, dummy variable for past participation to SPRAR, dummy female mayor, age mayor, dummy unemployed mayor, political experience mayor, dummy graduate mayor, dummy left mayor, dummy independent mayor, dummy term limit, dummy for early interruption mandate. Robust standard errors clustered at the municipality level are in parentheses.

Table A7: Effect of electoral incentives on other policies
Placebo test

	(1)	(2)	(3)	(4)	(5)	(6)
Outcome	Separate Waste	EU Grants	Current Grants	Capital Grants	Current Expenditures	Investment Expenditures
Final	0.070	-0.005	9.628	8.888	7.486	33.994
	(0.172)	(0.064)	(1.918)	(8.778)	(1.601)	(10.272)
Mean outcome	43.28	0.402	314.3	412.6	887.7	569.5
R-squared	0.907	0.192	0.810	0.388	0.909	0.420
Observations	31,262	83,495	84,755	83,489	83,494	83,494
Tender FE	Yes	Yes	Yes	Yes	Yes	Yes
Municipal FE	Yes	Yes	Yes	Yes	Yes	Yes
Controls	Yes	Yes	Yes	Yes	Yes	Yes

Notes. All Italian municipalities, years 2005-2017. Treatment variables: the treatment variable *Final* is equal to 1 for mayors in the final year of the term, and 0 otherwise. Outcome variables: 1) column 1: Separate waste = % of separate waste collection; 2) column 2: EU grants = municipal per capita fiscal grants from the European Union; 3) column 3: Current grants = per capita current fiscal grants from higher levels of government; 4) column 4: Capital grants = per capita capital fiscal grants from higher levels of government; 5) column 5: Current expenditures = municipal per capita current expenditures; 6) column 6: Investment expenditures = municipal per capita expenditures for investments. Controls: population, dummy variable for past participation to SPRAR, dummy female mayor, age mayor, dummy unemployed mayor, political experience mayor, dummy graduate mayor, dummy left mayor, dummy independent mayor, dummy term limit, dummy for early interruption mandate. Robust standard errors clustered at the municipality level are in parentheses.

Table A8: The role of political orientation

	(1)	(2)	(3)	(4)	(5)	(6)
Outcome =1 mayor opens a refugee centre						
Sample	All municipalities			Open at least one refugee centre		
Political orientation	Centre-left	Centre-right	Independent	Centre-left	Centre-right	Independent
Final	-0.016	-0.012	-0.005	-0.041	-0.047	-0.044
	(0.006)	(0.005)	(0.002)	(0.019)	(0.019)	(0.012)
Mean outcome	0.070	0.037	0.025	0.242	0.179	0.182
R-squared	0.500	0.661	0.292	0.447	0.682	0.368
Observations	10,501	6,846	53,482	3096	1380	7520
# municipalities	2122	1866	7039	545	382	1006
Tender FE	Yes	Yes	Yes	Yes	Yes	Yes
Municipal FE	Yes	Yes	Yes	Yes	Yes	Yes
Controls	Yes	Yes	Yes	Yes	Yes	Yes

Notes. All Italian municipalities, years 2005-2017. Treatment variables: the treatment variable *Final* is equal to 1 for mayors in the final year of the term, and 0 otherwise. The outcome variable is equal to 1 for mayors who decide to open a refugees' reception centre during tender t. Controls: population, dummy variable for past participation to SPRAR, dummy female mayor, age mayor, dummy unemployed mayor, political experience mayor, dummy graduate mayor, dummy term limit, dummy for early interruption mandate. Robust standard errors clustered at the municipality level are in parentheses.

Table A9: Alignment with central government

	(1)	(2)	(3)	(4)
Outcome =1 mayor opens a refugee centre				
Sample	All municipalities		Open at least one refugee centre	
Aligned	No	Yes	No	Yes
Final	-0.006	-0.023	-0.046	-0.063
	(0.002)	(0.009)	(0.010)	(0.026)
Mean outcome	0.028	0.067	0.194	0.242
R-squared	0.324	0.480	0.363	0.425
Observations	68,656	9456	10,307	2681
# municipalities	8020	3266	1330	704
Tender FE	Yes	Yes	Yes	Yes
Municipal FE	Yes	Yes	Yes	Yes
Controls	Yes	Yes	Yes	Yes

Notes. All Italian municipalities, years 2005-2017. Treatment variables: the treatment variable *Final* is equal to 1 for mayors in the final year of the term, and 0 otherwise. The outcome variable is equal to 1 for mayors who decide to open a refugees' reception centre during tender t. Controls: population, dummy variable for past participation to SPRAR, dummy female mayor, age mayor, dummy unemployed mayor, political experience mayor, dummy graduate mayor, dummy left mayor, dummy independent mayor, dummy term limit, dummy for early interruption mandate. Robust standard errors clustered at the municipality level are in parentheses.

Table A10: Effect of electoral incentives on the reception fo refugees
Alternative story: political experience vs no political experience

	(1)	(2)	(3)	(4)	(5)	(6)
Outcome =1 mayor opens a refugee centre						
Panel A: political experience > median						
Sample	All municipalities			Open at least one refugee centre		
Final	-0.007	-0.008	-0.007	-0.044	-0.044	-0.048
	(0.002)	(0.003)	(0.003)	(0.011)	(0.013)	(0.013)
Mean outcome	0.033	0.033	0.033	0.194	0.194	0.194
R-squared	0.188	0.419	0.426	0.196	0.395	0.433
Observations	36,114	36,114	36,114	6360	6360	6360
# municipalities	6062	6062	6062	1043	1043	1043
Panel B: political experience < median						
Sample	All municipalities			Open at least one refugee centre		
Final	-0.009	-0.008	-0.008	-0.049	-0.050	-0.049
	(0.002)	(0.002)	(0.002)	(0.010)	(0.013)	(0.013)
Mean outcome	0.033	0.033	0.033	0.213	0.213	0.213
R-squared	0.167	0.367	0.370	0.195	0.340	0.390
Observations	41,998	41,998	41,998	6628	6628	6628
# municipalities	6674	6674	6674	1097	1097	1097
Tender FE	Yes	Yes	Yes	Yes	Yes	Yes
Municipal FE	No	Yes	Yes	No	Yes	Yes
Controls	Yes	No	Yes	Yes	No	Yes

Notes. All Italian municipalities, years 2005-2017. Treatment variables: the treatment variable *Final* is equal to 1 for mayors in the final year of the term, and 0 otherwise. The outcome variable is equal to 1 for mayors who decide to open a refugees' reception centre during tender t. Controls: share of graduate, share elderly (>65), share children (<5), log of income per capita, number of firms per capita, population density, area, altitude, latitude, longitude, unemployment rate, dummy variable for first level reception centres, number no-profit organizations per capita, population, dummy variable for past participation to SPRAR, dummy female mayor, age mayor, dummy unemployed mayor, political experience mayor, dummy graduate mayor, dummy left mayor, dummy independent mayor, dummy term limit, dummy for early interruption mandate. Robust standard errors clustered at the municipality level are in parentheses.

Table A11: Effect of electoral incentives on the reception fo refugees
Alternative story: postgraduate vs no-postgraduate

	(1)	(2)	(3)	(4)	(5)	(6)
Outcome =1 mayor opens a refugee centre						
Panel A: graduate mayor						
Sample	All municipalities			Open at least one refugee centre		
Final	-0.012	-0.011	-0.011	-0.057	-0.049	-0.047
	(0.002)	(0.003)	(0.003)	(0.010)	(0.012)	(0.012)
Mean outcome	0.043	0.043	0.043	0.226	0.226	0.226
R-squared	0.195	0.391	0.395	0.187	0.342	0.374
Observations	33,540	33,540	33,540	6535	6535	6535
# municipalities	5470	5470	5470	1016	1016	1016
Panel B: non-graduate mayor						
Sample	All municipalities			Open at least one refugee centre		
Final	-0.003	-0.005	-0.004	-0.029	-0.043	-0.042
	(0.002)	(0.002)	(0.002)	(0.011)	(0.013)	(0.012)
Mean outcome	0.026	0.026	0.026	0.182	0.182	0.182
R-squared	0.152	0.372	0.376	0.196	0.370	0.438
Observations	44,572	44,572	44,572	6453	6453	6453
# municipalities	6532	6532	6532	1018	1018	1018
Tender FE	Yes	Yes	Yes	Yes	Yes	Yes
Municipal FE	No	Yes	Yes	No	Yes	Yes
Controls	Yes	No	Yes	Yes	No	Yes

Notes. All Italian municipalities, years 2005-2017. Treatment variables: the treatment variable *Final* is equal to 1 for mayors in the final year of the term, and 0 otherwise. The outcome variable is equal to 1 for mayors who decide to open a refugees' reception centre during tender t. Controls: share of graduate, share elderly (>65), share children (<5), log of income per capita, number of firms per capita, population density, area, altitude, latitude, longitude, unemployment rate, dummy variable for first level reception centres, number no-profit organizations per capita, population, dummy variable for past participation to SPRAR, dummy female mayor, age mayor, dummy unemployed mayor, political experience mayor, dummy graduate mayor, dummy left mayor, dummy independent mayor, dummy term limit, dummy for early interruption mandate. Robust standard errors clustered at the municipality level are in parentheses.

Table A12: Effect of electoral incentives on the reception fo refugees
Term-limited vs no term-limited

	(1)	(2)	(3)	(4)	(5)	(6)
Outcome =1 mayor opens a refugee centre						
Panel A: no term limit						
Sample	All municipalities			Open at least one refugee centre		
Final	-0.008	-0.008	-0.007	-0.043	-0.045	-0.043
	(0.002)	(0.002)	(0.002)	(0.008)	(0.010)	(0.010)
Mean outcome	0.034	0.034	0.034	0.208	0.208	0.208
R-squared	0.164	0.343	0.345	0.187	0.322	0.367
Observations	58,911	58,911	58,911	9695	9695	9695
# municipalities	8025	8025	8025	1334	1334	1334
Panel B: term limit						
Sample	All municipalities			Open at least one refugee centre		
Final	-0.007	-0.010	-0.008	-0.046	-0.051	-0.042
	(0.003)	(0.004)	(0.004)	(0.015)	(0.020)	(0.020)
Mean outcome	0.032	0.032	0.032	0.190	0.190	0.190
R-squared	0.218	0.533	0.543	0.215	0.508	0.553
Observations	19,201	19,201	19,201	3293	3293	3293
# municipalities	4763	4763	4763	851	851	851
Tender FE	Yes	Yes	Yes	Yes	Yes	Yes
Municipal FE	No	Yes	Yes	No	Yes	Yes
Controls	Yes	No	Yes	Yes	No	Yes

Notes. All Italian municipalities, years 2005-2017. Treatment variables: the treatment variable *Final* is equal to 1 for mayors in the final year of the term, and 0 otherwise. The outcome variable is equal to 1 for mayors who decide to open a refugees' reception centre during tender t. Controls: share of graduate, share elderly (>65), share children (<5), log of income per capita, number of firms per capita, population density, area, altitude, latitude, longitude, unemployment rate, dummy variable for first level reception centres, number no-profit organizations per capita, population, dummy variable for past participation to SPRAR, dummy female mayor, age mayor, dummy unemployed mayor, political experience mayor, dummy graduate mayor, dummy left mayor, dummy independent mayor, dummy term limit, dummy for early interruption mandate. Robust standard errors clustered at the municipality level are in parentheses.

Table A13: Small vs big municipalities

	(1)	(2)	(3)	(4)
Outcome =1 mayor opens a refugee centre				
Sample	All municipalities		Open at least one refugee centre	
Municipality size	Small	Big	Small	Big
Final	-0.007	0.005	-0.047	0.012
	(0.002)	(0.030)	(0.008)	(0.033)
Mean outcome	0.029	0.440	0.188	0.503
R-squared	0.287	0.570	0.332	0.551
Observations	77,328	784	12,304	684
# municipalities	7945	85	1265	74
Tender FE	Yes	Yes	Yes	Yes
Municipal FE	Yes	Yes	Yes	Yes
Controls	Yes	Yes	Yes	Yes

Notes. All Italian municipalities, years 2005-2017. Treatment variables: the treatment variable *Final* is equal to 1 for mayors in the final year of the term, and 0 otherwise. The outcome variable is equal to 1 for mayors who decide to open a refugees' reception centre during tender t. Samples: small cities are those below the 99th percentile of the population distribution (i.e. 67,892 inhabitants), while big cities are those above. Controls: population, dummy variable for past participation to SPRAR, dummy female mayor, age mayor, dummy unemployed mayor, political experience mayor, dummy graduate mayor, dummy left mayor, dummy independent mayor, dummy term limit, dummy for early interruption mandate. Robust standard errors clustered at the municipality level are in parentheses.

Table A14: Effect of electoral incentives on the reception fo refugees
Control for CAS and North-Africa emergency

	(1)	(2)	(3)	(4)	(5)	(6)
Outcome =1 mayor opens a refugee centre						
Panel A: control for CAS (year < 2014)						
Sample	All municipalities			Open at least one refugee centre		
Final	-0.004	-0.007	-0.004	-0.029	-0.038	-0.032
	(0.002)	(0.002)	(0.002)	(0.008)	(0.008)	(0.008)
Mean outcome	0.023	0.023	0.023	0.143	0.143	0.143
R-squared	0.386	0.587	0.598	0.436	0.626	0.632
Observations	47,086	47,086	47,086	7759	7759	7759
# municipalities	8025	8025	8025	1334	1334	1334
Panel B: control for North-Africa emergency (year < 2011)						
Sample	All municipalities			Open at least one refugee centre		
Final	-0.002	-0.002	-0.003	-0.010	-0.013	-0.014
	(0.001)	(0.001)	(0.001)	(0.006)	(0.005)	(0.005)
Mean outcome	0.016	0.016	0.016	0.097	0.097	0.097
R-squared	0.521	0.782	0.786	0.518	0.767	0.772
Observations	39,243	39,243	39,243	6463	6463	6463
# municipalities	8025	8025	8025	1334	1334	1334
Tender FE	Yes	Yes	Yes	Yes	Yes	Yes
Municipal FE	No	Yes	Yes	No	Yes	Yes
Controls	Yes	No	Yes	Yes	No	Yes

Notes. All Italian municipalities, years 2005-2017. Treatment variables: the treatment variable *Final* is equal to 1 for mayors in the final year of the term, and 0 otherwise. The outcome variable is equal to 1 for mayors who decide to open a refugees' reception centre during tender t. Controls: share of graduate, share elderly (>65), share children (<5), log of income per capita, number of firms per capita, population density, area, altitude, latitude, longitude, unemployment rate, dummy variable for first level reception centres, number no-profit organizations per capita, population, dummy variable for past participation to SPRAR, dummy female mayor, age mayor, dummy unemployed mayor, political experience mayor, dummy graduate mayor, dummy left mayor, dummy independent mayor, dummy term limit, dummy for early interruption mandate. Robust standard errors clustered at the municipality level are in parentheses.

Table A15: Drop tenders with no clear assignment and restricted only to new municipalities

	(1)	(2)	(3)	(4)	(5)	(6)
Outcome =1 mayor opens a refugee centre						
Sample	All municipalities			Open at least one refugee centre		
Final	-0.005	-0.007	-0.006	-0.035	-0.042	-0.037
	(0.001)	(0.001)	(0.001)	(0.007)	(0.007)	(0.007)
Mean outcome	0.030	0.030	0.030	0.184	0.184	0.184
R-squared	0.304	0.481	0.501	0.305	0.504	0.511
Observations	62,655	62,655	62,655	10,378	10,378	10,378
# municipalities	8025	8025	8025	1334	1334	1334
Tender FE	Yes	Yes	Yes	Yes	Yes	Yes
Municipal FE	No	Yes	Yes	No	Yes	Yes
Controls	Yes	No	Yes	Yes	No	Yes

Notes. All Italian municipalities, years 2005-2017. Tenders 8 and 10 are excluded (see Table A1). Treatment variables: the treatment variable *Final* is equal to 1 for mayors in the final year of the term, and 0 otherwise. The outcome variable is equal to 1 for mayors who decide to open a refugees' reception centre during tender t. Controls: share of graduate, share elderly (>65), share children (<5), log of income per capita, number of firms per capita, population density, area, altitude, latitude, longitude, unemployment rate, dummy variable for first level reception centres, number no-profit organizations per capita, population, dummy variable for past participation to SPRAR, dummy female mayor, age mayor, dummy unemployed mayor, political experience mayor, dummy graduate mayor, dummy left mayor, dummy independent mayor, dummy term limit, dummy for early interruption mandate. Robust standard errors clustered at the municipality level are in parentheses.

Table A16: Effect of electoral incentives on the reception fo refugees
Keep last tender only

	(1)	(2)	(3))
Outcome =1 mayor opens a refugee centre			
Final	-0.007	-0.007	-0.008
	(0.005)	(0.004)	(0.005)
Mean outcome	0.022	0.022	0.022
R-squared	0.028	0.268	0.270
Observations	7,810	7,810	7,810
Tender FE	Yes	Yes	Yes
LMA FE	No	Yes	Yes
Controls	Yes	No	Yes

Notes. All Italian municipalities, years 2017. Treatment variables: the treatment variable *Final* is equal to 1 for mayors in the final year of the term, and 0 otherwise. The outcome variable is equal to 1 for mayors who decide to open a refugees' reception centre during tender t. Controls: share of graduate, share elderly (>65), share children (<5), log of income per capita, number of firms per capita, population density, area, altitude, latitude, longitude, unemployment rate, dummy variable for first level reception centres, number no-profit organizations per capita, population, dummy variable for past participation to SPRAR, dummy female mayor, age mayor, dummy unemployed mayor, political experience mayor, dummy graduate mayor, dummy left mayor, dummy independent mayor, dummy term limit, dummy for early interruption mandate. Labour market areas (LMA) FE included in columns 2-3. Robust standard errors clustered at LMA level are in parentheses.

Table A17: Effect of electoral incentives on the reception fo refugees
Different standard errors

	(1)	(2)	(3))
Outcome =1 mayor opens a refugee centre			
Final	-0.008	-0.008	-0.008
	(0.002)	(0.002)	(0.002)
Mean outcome	0.033	0.033	0.0333
R-squared	0.328	0.328	0.328
Observations	78,112	78,112	78,112
# municipalities	8025	8025	8025
Tender FE	Yes	Yes	Yes
Municipal FE	Yes	Yes	Yes
Controls	Yes	Yes	Yes
Clustered st. errors	Municipality	Province	LMA

Notes. All Italian municipalities, years 2005-2017. Treatment variables: the treatment variable *Final* is equal to 1 for mayors in the final year of the term, and 0 otherwise. The outcome variable is equal to 1 for mayors who decide to open a refugees' reception centre during tender t. Controls: population, dummy variable for past participation to SPRAR, dummy female mayor, age mayor, dummy unemployed mayor, political experience mayor, dummy graduate mayor, dummy left mayor, dummy independent mayor, dummy term limit, dummy for early interruption mandate. Robust standard errors clustered at municipal level in column 1, at provincial level in column 2 and at LMA level in column 3. Standard errors are reported in parentheses.

Table A18: Heterogeneity analysis

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
	Outcome =1 mayor opens a refugee centre							
Final	-0.008	-0.009	0.019	-0.003	-0.002	0.183	-0.012	0.179
	(0.002)	(0.006)	(0.012)	(0.002)	(0.003)	(0.156)	(0.002)	(0.158)
Final X Overestimate		-0.011	-0.096			-0.092		-0.111
		(0.029)	(0.043)			(0.051)		(0.053)
Final X Share foreign			-0.235	-0.121		-0.187		-0.207
			(0.083)	(0.038)		(0.087)		(0.089)
Final X Extreme-right voting					-0.039	-0.057		-0.057
					(0.014)	(0.024)		(0.024)
Final X Political competition							0.007	0.011
							(0.003)	(0.005)
Mean outcome	0.033	0.046	0.046	0.033	0.033	0.046	0.034	0.048
R-squared	0.328	0.372	0.372	0.328	0.329	0.374	0.322	0.369
Observations	78,112	46,722	46,722	78,112	78,112	46,722	71,220	42,659
# municipalities	8025	8025	8025	8025	8025	8025	7296	7296
Tender FE	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Municipal FE	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Controls	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Additional interactions	No	No	No	No	No	Yes	No	Yes

Notes. All Italian municipalities. Years 2005-2017 in columns 1, 4, 5 and 7, years 2010-2017 (i.e. tenders 5-10) in columns 2, 3, 6 and 8. Treatment variables: the treatment variable *Final* is equal to 1 for mayors in the final year of the term, and 0 otherwise. The outcome variable is equal to 1 for mayors who decide to open a refugees' reception centre during tender t. Controls: population, dummy variable for past participation to SPRAR, dummy female mayor, age mayor, dummy unemployed mayor, political experience mayor, dummy graduate mayor, dummy left mayor, dummy independent mayor, dummy term limit, dummy for early interruption mandate. Variables interacted with *Final*: 1) Overestimate is the difference between the share of migrants estimated by survey participants (Transatlantic Trends: immigration, 2010) and the actual share of migrants in the municipality. Both shares are measured in 2010; 2) Share foreign = pre-existing municipal share of migrants, measured at the beginning of the electoral term; 3) Extreme-right voting = vote share taken by extreme-right parties at the most recent European election; 4) Political competition is a dummy variable equal to 1 if the average municipal margin of victory is below the median. Additional interaction terms with *Final* included in columns 6 and 8 but not reported here: 1) Daily newspapers = number of non-sport daily newspapers sold every 1,000 people, measured in 2001 (see Cartocci, 2007); 2) Unemployment = unemployment rate measured in 2001; 3) dummy variable for past participation to SPRAR; 4) # Firms per capita = number of firms per capita, measured in 2005; 5) share of individuals with college degree, measured in 2001; 6) past foreign population growth rate, average from previous electoral term; 7) past income growth rate; 8) # no profit organizations = number of no-profit organizations, measured in 2005; 9) log of income per capita, measured in 2005; 10) share of elderly (i.e. age>65), measured in 2001; 11) share of children (i.e. age<5), measured in 2001; 12) dummy for the presence of first level refugee reception centre in the municipality; 13) dummy for the presence of first level refugee reception centre in the municipality; 14) Share of survey participants who say migration is an issue (Transatlantic Trends: immigration, 2010); 15) theoretical maximum number of refugees that can be hosted in a SPRAR centre, as imposed by the tender issued by the Home Office. Robust standard errors clustered at the municipality level are in parentheses. Robust standard errors clustered at the municipality level are in parentheses.

Table A19: Heterogeneity analysis, other interaction terms

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
	Outcome =1 mayor opens a refugee centre							
Final	-0.010	-0.010	-0.013	-0.001	0.009	-0.010	0.072	0.179
	(0.002)	(0.004)	(0.005)	(0.005)	(0.006)	(0.003)	(0.090)	(0.158)
Final X Overestimate							-0.051	-0.111
							(0.027)	(0.053)
Final X Share foreign							-0.166	-0.207
							(0.051)	(0.089)
Final X Extreme-right voting							-0.050	-0.057
							(0.015)	(0.024)
Final X Political competition							0.007	0.011
							(0.003)	(0.005)
Final X Unemployment	0.014						-0.026	-0.035
	(0.018)						(0.025)	(0.046)
Final X % graduate		0.045					0.078	0.060
		(0.076)					(0.074)	(0.127)
Final X % elderly			0.025				0.005	0.053
			(0.020)				(0.033)	(0.058)
Final X % children				-0.154			-0.068	-0.384
				(0.113)			(0.173)	(0.306)
Final X migration issue					-0.037		-0.027	-0.032
					(0.014)		(0.015)	(0.026)
Final X places						0.001	0.002	0.002
						(0.001)	(0.001)	(0.002)
Observations	78,112	78,112	78,112	78,112	78,112	78,112	71,220	42,659
# municipalities	7296	7296	7296	7296	7296	7296	7296	7296
Tender FE	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Municipal FE	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Controls	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Additional interactions	No	No	No	No	No	No	Yes	Yes

Notes. All Italian municipalities. Years 2005-2017 in column 1, years 2010-2017 in column 2. The treatment variable *Final* is equal to 1 for mayors in the final year of the term, and 0 otherwise. Outcome variable is 1 for mayors who open refugee centre during tender t. Controls: population, dummy variable for past participation to SPRAR, dummy female mayor, age mayor, dummy unemployed mayor, political experience mayor, dummy graduate mayor, dummy left mayor, dummy independent mayor, dummy term limit, dummy for early interruption mandate. Variables interacted with *Final*: 1) Overestimate = difference between the share of migrants estimated by survey participants (Transatlantic Trends: immigration, 2010) and the actual share of migrants in the municipality. Both shares are measured in 2010; 2) Share foreign = pre-existing municipal share of migrants, measured at the beginning of the electoral term; 3) Extreme-right voting = vote share taken by extreme-right parties at the most recent European election; 4) Political competition is a dummy variable equal to 1 if the average municipal margin of victory is below the median; 5) Unemployment = unemployment rate measured in 2001; 6) % graduate = share of individuals with college degree, measured in 2001; 7) % elderly = share of elderly (i.e. age>65), measured in 2001; 8) % children = share of children (i.e. age<5), measured in 2001; 9) migration issue = share of survey participants who say migration is an issue (Transatlantic Trends: immigration, 2010); 10) places = theoretical maximum number of refugees that can be hosted in a SPRAR centre, as imposed by the tender issued by the Home Office. Additional interaction terms included but not reported: 1) dummy variable for past participation to SPRAR; 2) past foreign population growth rate, average from previous term; 3) past income growth rate; 4) # no profit organizations = number no-profit organizations in 2005; 5) log of income per capita in 2005; 6) dummy for presence of first level refugee centre in the municipality; 7) Daily newspapers = number of non-sport daily newspapers sold every 1,000 people, measured in 2001 (see Cartocci, 2007); 8) # Firms per capita = number of firms per capita, measured in 2005. Robust standard errors clustered at the municipality level are in parentheses.

Table A20: Heterogeneity analysis.
Controls and interactions selected with post-double-selection lasso

	(1)	(2)	(3)	(4)
Outcome =1 mayor opens a refugee centre				
Final	0.092	0.176	0.072	0.169
	(0.084)	(0.141)	(0.084)	(0.144)
Final X Overestimate	-0.043	-0.088	-0.047	-0.105
	(0.024)	(0.046)	(0.025)	(0.049)
Final X Share foreign	-0.167	-0.181	-0.169	-0.199
	(0.048)	(0.078)	(0.048)	(0.080)
Final X Extreme-right voting	-0.045	-0.056	-0.049	-0.058
	(0.013)	(0.021)	(0.014)	(0.022)
Final X Political competition			0.007	0.011
			(0.002)	(0.004)
# Lasso-selected controls and interactions	25	19	25	20
Mean outcome	0.033	0.046	0.034	0.048
Observations	78,112	46,722	71,220	42,659
# municipalities	8025	8025	7296	7296
Tender FE	Yes	Yes	Yes	Yes
Municipal FE	Yes	Yes	Yes	Yes

Notes. All Italian municipalities, years 2005-2017 in columns 1 and 3, years 2010-2017 in columns 2 and 4. Treatment variables: the treatment variable *Final* is equal to 1 for mayors in the final year of the term, and 0 otherwise. The outcome variable is equal to 1 for mayors who decide to open a refugee centre during tender t. Variables interacted with *Final*: 1) Overestimate is the difference between the share of migrants estimated by survey participants (Transatlantic Trends: immigration, 2010) and the actual share of migrants in the municipality. Both shares are measured in 2010; 2) Share foreign = pre-existing municipal share of migrants, measured at the beginning of the electoral term; 3) Extreme-right voting = vote share taken by extreme-right parties at the most recent European election; 4) Political competition is a dummy variable equal to 1 if the average municipal margin of victory is below the median. Control variables and additional interaction terms are selected using the Belloni et al. (2014) post-double-selection lasso methodology, which allows to select a smaller set of relevant control variables and interaction terms starting from the original set of 46 control variables and interaction terms used in Table 2. Robust standard errors clustered at the municipality level are in parentheses.

Table A21: Heterogeneity analysis on overestimate. Different samples

	(1)	(2)	(3)	(4)	(5)	(6)
	Outcome =1 mayor opens a refugee centre					
Sample	All municipalities	Municipalities below 99th percentile	Municipalities below 5000	All municipalities	Municipalities below 99th percentile	Municipalities below 5000
Final X Overestimate	0.019	0.021	0.035	0.183	0.140	0.123
	(0.012)	(0.012)	(0.012)	(0.156)	(0.154)	(0.162)
Final X Overestimate	-0.096	-0.097	-0.130	-0.092	-0.092	-0.149
	(0.043)	(0.042)	(0.043)	(0.051)	(0.050)	(0.054)
Mean outcome	0.046	0.042	0.032	0.046	0.046	0.032
R-squared	0.372	0.360	0.342	0.374	0.361	0.344
Observations	46,722	46,246	33,114	46,722	46,246	33,114
Tender FE	Yes	Yes	Yes	Yes	Yes	Yes
Municipal FE	Yes	Yes	Yes	Yes	Yes	Yes
Controls	Yes	Yes	Yes	Yes	Yes	Yes
Additional interactions	No	No	No	Yes	Yes	Yes

Notes. All Italian municipalities. Years 2010-2017 in all columns. Treatment variables: the treatment variable *Final* is equal to 1 for mayors in the final year of the term, and 0 otherwise. The outcome variable is equal to 1 for mayors who decide to open a refugee centre during tender t. Controls: population, dummy variable for past participation to SPRAR, dummy female mayor, age mayor, dummy unemployed mayor, political experience mayor, dummy graduate mayor, dummy left mayor, dummy independent mayor, dummy term limit, dummy for early interruption mandate. Variables interacted with *Final* in all columns: 1) Overestimate is the difference between the share of migrants estimated by survey participants (Transatlantic Trends: immigration, 2010) and the actual share of migrants in the municipality. Both shares are measured in 2010; 2) Share foreign = pre-existing municipal share of migrants, measured at the beginning of the electoral term. Other variables interacted with *Final* in columns 4, 5 and 6: 1) Extreme-right voting = vote share taken by extreme-right parties at the most recent European election; 2) Daily newspapers = number of non-sport daily newspapers sold every 1,000 people, measured in 2001 (see Cartocci, 2007); 3) Unemployment = unemployment rate measured in 2001; 4) dummy variable for past participation to SPRAR; 5) # Firms per capita = number of firms per capita, measured in 2005; 6) share of individuals with college degree, measured in 2001; 10) past foreign population growth rate, average from previous electoral term; 7) past income growth rate; 8) # no profit organizations = number of no-profit organizations, measured in 2005; 9) log of income per capita, measured in 2005; 10) share of elderly (i.e. age>65), measured in 2001; 11) share of children (i.e. age<5), measured in 2001; 12) dummy for the presence of first level refugee reception centre in the municipality; 13) Share of survey participants who say migration is an issue (Transatlantic Trends: immigration, 2010); 14) theoretical maximum number of refugees that can be hosted in a SPRAR centre, as imposed by the tender issued by the Home Office. Robust standard errors clustered at the municipality level are in parentheses.

A2 The effect of the reception of refugees on fiscal policies [For Online Publication]

Table A22: Effect of the reception of refugees on total expenditures

	(1)	(2)	(3)	(4)
	Outcome = total expenditures			
Sample	All municipalities			Open at least one refugees' centre
Refugee centre open	112.036	114.825	74.364	77.691
	(39.427)	(41.998)	(36.909)	(38.137)
Application refugee centre		16.405	6.221	1.902
		(32.346)	(39.883)	(39.510)
Mean outcome	1706	1706	1706	1492
R-squared	0.636	0.636	0.636	0.603
Observations	82,091	82,091	82,091	6677
# municipalities	7791	7791	7791	637
Year FE	Yes	Yes	Yes	Yes
Municipal FE	Yes	Yes	Yes	Yes
Controls	Yes	Yes	Yes	Yes
Differential trends	No	No	Yes	No

Notes. All Italian municipalities, years 2005-2015. Treatment variables: Refugee centre open = 1 if in municipality i and year t there is a functioining refugee reception centre. Application refugee centre = 1 if the mayor of municipality i decides to open for the first time a refugee reception centre in year $t-1$. The outcome variable is measured in per capita terms and 2010 prices. The outcome variable is total municipal per capita expenditures. Controls: population, dummy female mayor, age mayor, dummy unemployed mayor, political experience mayor, dummy graduate mayor, dummy left mayor, dummy independent mayor, dummy term limit, dummy for early interruption mandate. Robust standard errors clustered at the municipality level are in parentheses.

Table A23: Effect of the reception of refugees on total expenditures. First opening vs. Renewal

	(1)	(2)
	Outcome = total expenditures	
Refugee centre open	74.364	
	(36.909)	
First opening		72.022
		(41.942)
Renewal		75.735
		(45.316)
Application refugee centre	6.221	6.683
	(39.883)	(37.453)
Mean outcome	1706	1706
R-squared	0.636	0.636
Observations	82,091	82,091
# municipalities	7791	7791
Year FE	Yes	Yes
Municipal FE	Yes	Yes
Controls	Yes	Yes
Differential trends	Yes	Yes

Notes. All Italian municipalities, years 2005-2015. Treatment variables: Refugee centre open = 1 if in municipality i and year t there is an active refugee reception centre. First opening = 1 for municipalities that activate a refugee reception centre for the first time in year t. Renewal =1 for municipalities that keep open an existing refugee reception centre in year t. Application refugee centre = 1 if the mayor of municipality i decides to open for the first time a refugee reception centre in year $t-1$. The outcome variable is measured in per capita terms and 2010 prices. The outcome variable is total municipal per capita expenditures. Controls: population, dummy female mayor, age mayor, dummy unemployed mayor, political experience mayor, dummy graduate mayor, dummy left mayor, dummy independent mayor, dummy term limit, dummy for early interruption mandate. Robust standard errors clustered at the municipality level are in parentheses.

Table A24: Effect of the reception of refugees on total revenues

	(1)	(2)	(3)	(4)
	Outcome = total revenues			
Sample	All municipalities			Open at least one refugees' centre
Refugee centre open	109.518	113.417	70.583	74.299
	(37.499)	(39.950)	(36.595)	(37.710)
Application refugee centre		22.936	8.399	4.485
		(31.672)	(39.251)	(38.847)
Mean outcome	1698	1698	1698	1489
R-squared	0.640	0.640	0.640	0.607
Observations	82,091	82,091	82,091	6677
# municipalities	7791	7791	7791	637
Year FE	Yes	Yes	Yes	Yes
Municipal FE	Yes	Yes	Yes	Yes
Controls	Yes	Yes	Yes	Yes
Differential trends	No	No	Yes	No

Notes. All Italian municipalities, years 2005-2015. Treatment variables: Refugee centre open = 1 if in municipality i and year t there is a functioining refugee reception centre. Application refugee centre = 1 if the mayor of municipality i decides to open for the first time a refugee reception centre in year $t-1$. The outcome variable is measured in per capita terms and 2010 prices. The outcome variable is total municipal per capita revenues. Controls: population, dummy female mayor, age mayor, dummy unemployed mayor, political experience mayor, dummy graduate mayor, dummy left mayor, dummy independent mayor, dummy term limit, dummy for early interruption mandate. Robust standard errors clustered at the municipality level are in parentheses.

Table A25: Sprar fiscal grants

	(1)	(2)	(3)	(4)
Outcome = Sprar fiscal grants				
Sample	All municipalities			Open at least one refugees' centre
Refugee centre open	34.177	34.234	22.469	22.551
	(3.282)	(3.320)	(3.071)	(3.136)
Application refugee centre		0.334	-0.665	-0.427
		(0.866)	(1.890)	(1.872)
Mean outcome	0	0	0	0
R-squared	0.637	0.637	0.646	0.636
Observations	82,091	82,091	82,091	6,677
# municipalities	7791	7791	7791	637
Year FE	Yes	Yes	Yes	Yes
Municipal FE	Yes	Yes	Yes	Yes
Controls	Yes	Yes	Yes	Yes
Differential trends	No	No	Yes	No

Notes. All Italian municipalities, years 2005-2015. Treatment variables: Refugee centre open = 1 if in municipality i and year t there is a functioining refugee reception centre. Application refugee centre = 1 if the mayor of municipality i decides to open for the first time a refugee reception centre in year $t-1$. The outcome variable is measured in per capita terms and 2010 prices. The outcome variable is equal to SPRAR specific grants per capita receive from the central government. Controls: population, dummy female mayor, age mayor, dummy unemployed mayor, political experience mayor, dummy graduate mayor, dummy left mayor, dummy independent mayor, dummy term limit, dummy for early interruption mandate. Robust standard errors clustered at the municipality level are in parentheses.

A3 The effect of the reception of refugees on schools and population growth [For Online Publication]

One potential explanation for the negative effect of electoral incentives on the reception of refugees is that hosting refugees may create competition for public services like schools and hospital. In this section, I use model 4 described in section 6 to provide evidence that seems to rule out this possibility. This evidence is produced studying the effect of the reception of refugees on schools, and specifically on the number of students per class measured at municipal and year level. In addition, I also show how hosting refugees can create some benefits in terms of population growth, given that opening a refugee centre can be used to counterbalance the population decline.

The first evidence about the relationship between the reception of refugees and the number of students per class is reported in Table A26. The number of students per classes is provided by the Italian Statistical Office. Regressions in columns 1-3 of Table A26 are run using the entire sample of Italian municipalities, while results in column 4 have been obtained using only the subsample of municipalities that open at least a refugee centre. Column 3 controls for differential time trends between municipalities that open at least a refugee centre and municipalities that never open a refugee centre. The results of Table A26 seems to rule out the possibility that hosting refugees create competition for public services, given that opening a refugee centre is associated with a decline in the number of students per class rather than with an overcrowding. In addition, the sign and the magnitude of the coefficient in front of $Application\_centre_{it-1}$ may suggest that the municipalities that decide to open a refugee centre are those that are experiencing a decline in the number of students, even though the coefficient is not statistically different from zero.

The idea that the municipalities that open a refugee centre are those that are experiencing a decrease in the number of students is consistent with the evidence provided in column 5 of Table A27, which shows that the municipalities that open a refugee centre are those that are experiencing a decline in the total native population (i.e. Italians only). This evidence is produced using as dependent variable the yearly change in the native population (i.e. Italians only) every 1000 inhabitants. The other columns of Table A27 provide the following evidence: column 1 shows that the opening of a refugee centre has a positive impact on net foreign migration inflow. More specifically, refugee reception increases net migration from other countries by 1.9 persons every 1000 inhabitants. Columns 2 and 3 show that this effect is driven by migrants coming from the countries

of origin of refugees and asylum seekers.[1] [2] Finally, column 4 studies the effect of refugee reception on the change in total municipal population. In column 4, the coefficient of $Application\_centre_{it-1}$ is negative and different from zero, which suggests that the municipalities that open a refugee centre are those that are experiencing a decrease in the total municipal population. On the other hand, the coefficient of $Centre\_open_{it}$ is indistinguishable from zero, which suggests that the decline in total municipal population, and thus in the native population, is counterbalanced by the increase in migration inflow that follows the opening of a refugee centre.

In conclusion, the results of this section seem to suggest the following: first, there is a specific self-selection pattern in the reception of refugees, given that refugee centres are opened by mayors of municipalities which are experiencing a decline in the number of students, in the total municipal population and in the total native population. Second, refugee reception can be used to counterbalance this decline. Finally, the evidence provided in this section seems to exclude the possibility that SPRAR refugee centres exacerbate the competition for public services.

[1] As data on refugees are not available at municipal level, I have used data on the municipal foreign population provided by the Italian Statistical Office (ISTAT) as a proxy for the presence of refugees and asylum seekers in a municipality. In fact, ISTAT reports the number and the nationalities of the migrants legally resident in Italian municipalities. Combining the ISTAT data with information about the main nationalities of refugees and asylum seekers hosted in SPRAR centres, and exploiting the fact that refugees and asylum seekers are legal residents, I have built a variable that measure the share of migrants every 1000 inhabitants arrived from the countries of origin of refugees and asylum seekers. At the same time, to implement a placebo test, I have built a variable that measures the share of migrants arrived from all the other countries. Information about the nationalities of the refugees hosted in the SPRAR centres has been taken from the "Atlante SPRAR" report published every year on the SPRAR webpage (https://www.sprar.it/)

[2] Tables A28, A29 and A30 report the results on the change in total foreign population, in number of migrants from the countries of origin of refugees and in the number of migrants from other countries using different specifications, including the regression run on the sub-sample of municipalities that open at least a refugee centre.

Table A26: Effect of the reception of refugees on number of students

	(1)	(2)	(3)	(4)
Outcome = number of students per class				
Sample	All municipalities			Open at least one refugees' centre
Refugee centre open	-0.278	-0.366	-0.380	-0.386
	(0.188)	(0.221)	(0.231)	(0.230)
Application refugee centre		-0.292	-0.331	-0.334
		(0.220)	(0.226)	(0.225)
Mean outcome	25.86	25.86	25.86	27.09
R-squared	0.903	0.903	0.903	0.899
Observations	56,555	56,555	56,555	4,630
# municipalities	7320	7320	73201	604
Year FE	Yes	Yes	Yes	Yes
Municipal FE	Yes	Yes	Yes	Yes
Controls	Yes	Yes	Yes	Yes
Differential trends	No	No	Yes	No

Notes. All Italian municipalities, years 2005-2015. Treatment variables: Refugee centre open = 1 if in municipality i and year t there is a functioining refugee reception centre. Application refugee centre = 1 if the mayor of municipality i decides to open for the first time a refugee reception centre in year $t-1$. The outcome variable is number of students per class. Controls: population, dummy female mayor, age mayor, dummy unemployed mayor, political experience mayor, dummy graduate mayor, dummy left mayor, dummy independent mayor, dummy term limit, dummy for early interruption mandate. Robust standard errors clustered at the municipality level are in parentheses.

Table A27: Contribution of the reception of refugees to population growth

	(1)	(2)	(3)		
Outcome	Change total foreign population	Change migrants refugees' countries	Change migrants non-refugees' countries	Change total population	Change natives population
Refugee centre open	1.943	1.661	0.282	0.266	-1.677
	(0.392)	(0.321)	(0.205)	(0.691)	(0.577)
Application refugee centre	0.107	-0.031	0.138	-1.745	-1.851
	(0.502)	(0.414)	(0.313)	(0.974)	(0.737)
Mean outcome	2.763	1.176	1.587	0.133	-2.630
R-squared	0.271	0.186	0.218	0.407	0.387
Observations	84,493	84,493	84,493	84,493	84,493
# municipalities	8018	8018	8018	8018	8018
Year FE	Yes	Yes	Yes	Yes	Yes
Municipal FE	Yes	Yes	Yes	Yes	Yes
Controls	Yes	Yes	Yes	Yes	Yes
Differential trends	Yes	Yes	Yes	Yes	Yes

Notes. All Italian municipalities, years 2005-2015. Treatment variables: Refugee centre open = 1 if in municipality i and year t there is a active refugee reception centre. Application refugee centre = 1 if the mayor of municipality i decides to open for the first time a refugee reception centre in year $t-1$. Outcome variables: 1) in column 1, it is equal to the yearly change in the total foreign population every 1000 inhabitants; 2) in column 2, it is equal to the yearly change in the number of migrants from refugees' countries every 1000 inhabitants; 3) in column 3, it is equal to the yearly change in the number of migrants from non-refugees' countries every 1000 inhabitants; 4) in column 4, it is equal to the yearly change in the total municipal population every 1000 inhabitants; 5) in column 5, it is equal to the yearly change in the native population (i.e.Italians only) every 1000 inhabitants. Controls: population, dummy female mayor, age mayor, dummy unemployed mayor, political experience mayor, dummy graduate mayor, dummy left mayor, dummy independent mayor, dummy term limit, dummy for early interruption mandate. Robust standard errors clustered at the municipality level are in parentheses.

Table A28: Effect of the reception of refugees on total foreign population

	(1)	(2)	(3)	(4)
Outcome = Change total foreign population every 1,000 inhabitants				
Sample	All municipalities			Open at least one refugees' centre
Refugee centre open	2.647	2.929	1.943	1.990
	(0.348)	(0.350)	(0.392)	(0.389)
Application refugee centre		1.641	0.107	0.035
		(0.306)	(0.502)	(0.502)
Mean outcome	2.763	2.763	2.763	3.128
R-squared	0.270	0.270	0.271	0.262
Observations	84,493	84,493	84,493	6,691
# municipalities	8018	8018	8018	639
Year FE	Yes	Yes	Yes	Yes
Municipal FE	Yes	Yes	Yes	Yes
Controls	Yes	Yes	Yes	Yes
Differential trends	No	No	Yes	No

Notes. All Italian municipalities, years 2005-2015. Treatment variables: Refugee centre open = 1 if in municipality i and year t there is a functioining refugee reception centre. Application refugee centre = 1 if the mayor of municipality i decides to open for the first time a refugee reception centre in year $t-1$. The outcome variable is equal to the yearly change in the total foreign population every 1,000 inhabitants. Controls: population, dummy female mayor, age mayor, dummy unemployed mayor, political experience mayor, dummy graduate mayor, dummy left mayor, dummy independent mayor, dummy term limit, dummy for early interruption mandate. Robust standard errors clustered at the municipality level are in parentheses.

Table A29: Effect of the reception of refugees on migration from countries of origin of refugees

	(1)	(2)	(3)	(4)
Outcome = Change refugees every 1,000 inhabitants				
Sample	All municipalities			Open at least one refugees' centre
Refugee centre open	2.524	2.757	1.661	1.688
	(0.300)	(0.300)	(0.321)	(0.322)
Application refugee centre		1.357	-0.031	-0.112
		(0.232)	(0.414)	(0.415)
Mean outcome	1.176	1.176	1.176	1.257
R-squared	0.185	0.185	0.186	0.161
Observations	84,493	84,493	84,493	6,691
# municipalities	8018	8018	8018	639
Year FE	Yes	Yes	Yes	Yes
Municipal FE	Yes	Yes	Yes	Yes
Controls	Yes	Yes	Yes	Yes
Differential trends	No	No	Yes	No

Notes. All Italian municipalities, years 2005-2015. Treatment variables: Refugee centre open = 1 if in municipality i and year t there is a functioining refugee reception centre. Application refugee centre = 1 if the mayor of municipality i decides to open for the first time a refugee reception centre in year $t-1$. The outcome variable is equal to the yearly change in the number of migrants arriving from countries of origin of refugees every 1,000 inhabitants. Controls: population, dummy female mayor, age mayor, dummy unemployed mayor, political experience mayor, dummy graduate mayor, dummy left mayor, dummy independent mayor, dummy term limit, dummy for early interruption mandate. Robust standard errors clustered at the municipality level are in parentheses.

Table A30: Effect of the reception of refugees on migration from other countries

	(1)	(2)	(3)	(4)
Outcome = Change migrants from other countries every 1,000 inhabitants				
Sample	All municipalities			Open at least one refugees' centre
Refugee centre open	0.123	0.172	0.282	0.302
	(0.139)	(0.144)	(0.205)	(0.205)
Application refugee centre		0.284	0.138	0.147
		(0.196)	(0.313)	(0.311)
Mean outcome	1.587	1.587	1.587	1.871
R-squared	0.218	0.218	0.218	0.265
Observations	84,493	84,493	84,493	6,691
# municipalities	8018	8018	8018	639
Year FE	Yes	Yes	Yes	Yes
Municipal FE	Yes	Yes	Yes	Yes
Controls	Yes	Yes	Yes	Yes
Differential trends	No	No	Yes	No

Notes. All Italian municipalities, years 2005-2015. Treatment variables: Refugee centre open = 1 if in municipality i and year t there is a functioining refugee reception centre. Application refugee centre = 1 if the mayor of municipality i decides to open for the first time a refugee reception centre in year $t-1$. The outcome variable is equal to the yearly change in the number of migrants arriving from countries which are not countries of origin of refugees and asylum seekers. It is the number every 1,000 inhabitants. Controls: population, dummy female mayor, age mayor, dummy unemployed mayor, political experience mayor, dummy graduate mayor, dummy left mayor, dummy independent mayor, dummy term limit, dummy for early interruption mandate. Robust standard errors clustered at the municipality level are in parentheses.

A4 Unbalance reception of refugees in the medium run [For Online Publication]

A possible criticism of the results above is that mayors who do not open a refugee centre in the final year of the term are just postponing the opening after the elections. If this were the case, the results would not be an issue for the reception of refugees in the medium run, given that eventually all municipalities will open a centre. This subsection provides suggestive evidence that the effect of electoral incentives can persist beyond the end of the term and have consequences in the medium and long run. More specifically, I study the correlation between the magnitude of the effect of electoral incentives on the reception of refugees in the past, and the reception of refugees in the last year available in the data.[3] I follow two steps: first, I get a municipality-specific estimate of the magnitude of the effect of electoral incentives on the reception of refugees for tenders 1-8 (i.e. the last two tenders are excluded, see Table A1):

$$No\_refugees\_Centre_{it} = \alpha + \delta_i Final_{it} + \beta_1 X_{it} + \lambda_t + \gamma_i + \eta_{it} \tag{5}$$

where $No\_refugees\_Centre_{it}$ is 1 if municipality i does not open a refugee centre during tender t, while $Final_{it}$ is 1 for mayors in the final year of the term when tender t is issued, and 0 otherwise. The parameter of interest δ_i is a municipality-specific estimate of the magnitude of the effect of electoral incentives on the reception of refugees during tenders 1-8.[4]

Second, I estimate the correlations between $\hat{\delta}_i$ and the municipal share of refugees every 1000 inhabitants measured in 2017 [5], and between $\hat{\delta}_i$ and the probability that a mayor opens a SPRAR centre during the last two tenders available (i.e. tenders 9-10).[6] These correlations allow to understand whether a higher magnitude of the effect of electoral incentives on the probability of not opening a SPRAR centre in the past can lead to an unbalance reception of refugees in the last year available in the data. They are estimated running the following regression on the cross-section of all Italian municipalities in 2017:

[3] This evidence is provided following Labonne (2016), who has studied whether electoral cycles are detrimental to development in the Philippines.

[4] In practice, $\hat{\delta}_i$ measures the magnitude of the effect of electoral incentives on the probability of not opening a refugee centre for municipality i during tenders 1-8. This parameter has a mean of 0.009 and a standard deviation of 0.12, where positive values refer to municipalities in which electoral incentives had a negative impact on the probability of opening a refugee centre, while negative values refer to municipalities in which the impact was positive.

[5] For those municipalities for which the 2017 observation is missing, I have replaced it with the 2016 observation. Dropping these cases does not affect the results.

[6] Given that tender 10 was restricted only to municipalities that never participated to the SPRAR system in the past, I have kept both tenders 9 and 10 as the last available tenders. This choice enables to keep all municipalities in this exercise

$$Y_{it} = \alpha + \gamma\hat{\delta}_i + \beta_1 X_i + \lambda_{lma} + \eta_{it} \tag{6}$$

where Y_{it} is equal to one of the two variables described above, X_i are municipal and mayoral characteristics, λ_{lma} captures labour market areas (LMA) fixed effects, and γ is the parameter of interest.[7] The results are reported in Table A31. The dependent variable in columns 1-2 is the share of refugees every 1000 inhabitants in 2017, while in column 3 is the share of refugees every 1000 inhabitants measured in 2004 (i.e. the year before the starting point of the dataset used in this paper). [8] The dependent variable in columns 4-5 is equal to 1 if a mayor opens a refugee centre in the last two tenders available.

Columns 1-2 indicate that the an increase by 10 percentage points in the intensity of the effect of electoral incentives in the past brings to a decrease in the share of refugees every 1000 inhabitants in 2017, with a reduction which is approximately 1.3 per cent compared to the mean of the outcome variable. Column 3 shows that this unbalance reception was not in place in 2004.[9] Columns 4-5 show that an increase by 10 percentage points in the intensity of the effect of electoral incentives in the past decreases the probability of opening a refugee centre during the last two tenders by 1.6 percentage points.[10]

This evidence suggests that the effect of electoral incentives can persist beyond the end of the term, given that municipalities in which electoral incentives affected the reception of refugees more strongly in the past host a smaller share of refugees in 2017 and have a lower probability of opening a refugee centre in the last two tenders available. Interestingly, Table A35 shows that the heterogeneity dimension $Overestimate_i$, $Share foreign_{it}$ and $Extreme\text{-}right\ voting_{it}$ are positively correlated with $\hat{\delta}_i$, while $Political\ competition_i$ is negatively correlated with it.[11] This

[7]The parameter γ estimates the correlation between the magnitude of the effect of electoral incentives on the reception of refugees in the past and the reception of refugees in 2017. As δ_i gets positive values for municipalities in which electoral incentives had a detrimental effect on the reception of refugees in the past, a negative coefficient in front of γ would indicate that the inefficiencies of the past still negatively affects the reception of refugees today.

[8]This dependent variable is used to implement a placebo test that allows to rule out pre-existing differences in the share of refugees hosted between municipalities with different values of $\hat{\delta}_i$.

[9]In Table A32, I have implemented a placebo test in which I have repeated the same analysis using as dependent variable the share of migrants from all the other countries. As we can see, I do not find any correlation between the magnitude of the effect of electoral incentives and this dependent variable.

[10]This result can be explained by the fact that participation to the SPRAR system during the last two available tenders is positively correlated with participation in the past tenders, as shown by Table A36. This is consistent with the fact that exits from the SPRAR system are not frequent (Figures A2), and thus municipalities tend to remain in the system once they have entered it. Consequently, those municipalities that did not open a SPRAR centre in the past are also less likely to open a reception centre today.

[11]The variable $Overestimate_i$ is positively correlated with the magnitude of the effect of electoral incentives on the reception of refugees, but the coefficient is not statistically different from zero (see column 1 of Table A35). However, this can be explained by the fact that $Overestimate_i$ is measured in 2010, while the magnitude of electoral incentives is measured over the years starting from 2005. In fact, if I calculate the magnitude of the effect of electoral incentives on the reception of refugees over the years starting from 2010, I find that the coefficient on $Overestimate_i$ becomes statistically different from zero. Tables A33 and A34 show that the results are similar if this medium run

evidence suggests that $Overestimate_i$, $Share foreign_{it}$ and $Extreme\text{-}right\ voting_{it}$ contributes to generate an unbalance reception of refugees even in the medium run, while $Political\ competition_i$ seems to reduce the imbalance.

exercise is run using as independent variable the magnitude of the effect of electoral incentives on the reception of refugees estimated keeping only the years starting from 2010.

Table A31: Correlation magnitude electoral incentive and the reception of refugees in 2017

	(1)	(2)	(3)	(4)	(5)
Outcome	Share refugees in 2017		Share refugees in 2004	Open SPRAR centre last tender	
Magnitude electoral incentives	-6.225	-5.295	1.562	-0.201	-0.164
	(2.923)	(2.670)	(1.920)	(0.103)	(0.063)
Share refugees in 2004	0.943	0.895			
	(0.039)	(0.038)			
Mean outcome	39.42	39.42	25.45	0.095	0.095
R-squared	0.692	0.718	0.604	0.407	0.601
Observations	6756	6756	6756	7059	7059
LMA FE	Yes	Yes	Yes	Yes	Yes
Controls	No	Yes	Yes	No	Yes

Notes. All Italian municipalities, year 2017. Treatment variables: Magnitude electoral incentives = magnitude of the effect of electoral incentives on the probability of no opening a refugee centre during the tenders in years 2005-2016. Outcome variables: 1) in columns 1-2, Share refugees in 2017 = migrants from countries of origin of refugees every 1000 inhabitants that live in a specific municipality in 2017; 2) in column 3, Share refugees in 2004 = migrants from countries of origin of refugees every 1000 inhabitants that live in a specific municipality in 2004; 3) in columns 4-5, Open SPRAR centre last tender = 1 if municipality i opens a refugee centre during the last tender available in the data. Controls: share of graduate, share elderly (>65), share children (<5), log of income per capita, number of firms per capita, population density, area, altitude, latitude, longitude, unemployment rate, dummy variable for first level reception centres, number no-profit organizations per capita, population, dummy variable for past participation to SPRAR, dummy female mayor, age mayor, dummy unemployed mayor, political experience mayor, dummy graduate mayor, dummy left mayor, dummy independent mayor, dummy term limit, dummy for early interruption mandate. Local market areas (LMA) FE included in all columns. Robust standard errors clustered at LMA level are in parentheses.

Table A32: Correlation magnitude electoral incentives and migrants from other countries in 2017

	(1)	(2)	(3)
Outcome	Share other migrants in 2017		Share other migrants in 2004
Magnitude electoral incentives	0.885	1.101	0.739
	(1.598)	(1.574)	(0.678)
Share other migrants in 2004	0.994	0.976	
	(0.061)	(0.063)	
Mean outcome	30.01	30.01	11.61
R-squared	0.633	0.646	0.466
Observations	6756	6756	6756
LMA FE	Yes	Yes	Yes
Controls	No	Yes	Yes

Notes. All Italian municipalities, year 2017. Treatment variables: Magnitude electoral incentives = magnitude of the effect of electoral incentives on the probability of no opening a refugee centre during the tenders in years 2005-2016. Outcome variables: 1) in columns 1-2, Share other migrants in 2017 = migrants every from countries which are not countries of origin of refugees and asylum seekers. The variable is the number every 1000 inhabitants that live in a specific municipality in 2017; 2) in column 3, Share refugees in 2004 = migrants every from countries which are not countries of origin of refugees and asylum seekers. The variable is the number every 1000 inhabitants that live in a specific municipality in 2004. Controls: share of graduate, share elderly (>65), share children (<5), log of income per capita, number of firms per capita, population density, area, altitude, latitude, longitude, unemployment rate, dummy variable for first level reception centres, number no-profit organizations per capita, population, dummy variable for past participation to SPRAR, dummy female mayor, age mayor, dummy unemployed mayor, political experience mayor, dummy graduate mayor, dummy left mayor, dummy independent mayor, dummy term limit, dummy for early interruption mandate. Local market areas (LMA) FE included in all columns. Robust standard errors clustered at LMA level are in parentheses.

Table A33: Correlation magnitude electoral incentives and reception of refugees in 2017. Magnitude electoral incentives estimated in years 2010-2016

	(1)	(2)	(3)	(4)	(5)
Outcome	Share refugees in 2017		Share refugees in 2004	Open SPRAR centre last tender	
Magnitude electoral incentives	-2.792	-2.257	1.023	-0.092	-0.071
	(1.540)	(1.315)	(0.978)	(0.061)	(0.038)
Share refugees in 2004	0.914	0.866			
	(0.038)	(0.037)			
Mean outcome	40.09	40.09	26.27	0.092	0.092
R-squared	0.691	0.718	0.603	0.431	0.610
Observations	5867	5867	5867	6124	6124
LMA FE	Yes	Yes	Yes	Yes	Yes
Controls	No	Yes	Yes	No	Yes

Notes. All Italian municipalities, year 2017. Treatment variables: Magnitude electoral incentives = magnitude of the effect of electoral incentives on the probability of no opening a refugee centre during the tenders in years 2010-2016. Outcome variables: 1) in columns 1-2, Share refugees in 2017 = migrants from countries of origin of refugees and asylum seekers. It is the number every 1000 inhabitants that live in a specific municipality in 2017; 2) in column 3, Share refugees in 2004 = migrants from countries of origin of refugees and asylum seekers. It is the number every 1000 inhabitants that live in a specific municipality in 2004; 3) in columns 4-5, Open SPRAR centre last tender = 1 if municipality i opens a refugee centre during the last tender available in the data. Controls: share of graduate, share elderly (>65), share children (<5), log of income per capita, number of firms per capita, population density, area, altitude, latitude, longitude, unemployment rate, dummy variable for first level reception centres, number no-profit organizations per capita, population, dummy variable for past participation to SPRAR, dummy female mayor, age mayor, dummy unemployed mayor, political experience mayor, dummy graduate mayor, dummy left mayor, dummy independent mayor, dummy term limit, dummy for early interruption mandate. Local market areas (LMA) FE included in all columns. Robust standard errors clustered at LMA level are in parentheses.

Table A34: Correlation magnitude electoral incentives and migrants from other countries in 2017. Magnitude electoral incentives estimated in years 2010-2016

	(1)	(2)	(3)
Outcome	Share other migrants in 2017		Share other migrants in 2004
Magnitude electoral incentives	0.738	0.842	0.690
	(0.971)	(0.925)	(0.445)
Share other migrants in 2004	1.006	0.988	
	(0.065)	(0.067)	
Mean outcome	30.37	30.37	11.93
R-squared	0.640	0.654	0.459
Observations	5,867	5,867	5,867
LMA FE	Yes	Yes	Yes
Controls	No	Yes	Yes

Notes. All Italian municipalities, year 2017. Treatment variables: Magnitude electoral incentives = magnitude of the effect of electoral incentives on the probability of no opening a refugee centre during the tenders in years 2010-2016. Outcome variables: 1) in columns 1-2, Share other migrants in 2017 = migrants every from countries which are not countries of origin of refugees and asylum seekers. The variable is the number every 1000 inhabitants that live in a specific municipality in 2017; 2) in column 3, Share refugees in 2004 = migrants every from countries which are not countries of origin of refugees and asylum seekers. The variable is the number every 1000 inhabitants that live in a specific municipality in 2004. Controls: share of graduate, share elderly (>65), share children (<5), log of income per capita, number of firms per capita, population density, area, altitude, latitude, longitude, unemployment rate, dummy variable for first level reception centres, number no-profit organizations per capita, population, dummy variable for past participation to SPRAR, dummy female mayor, age mayor, dummy unemployed mayor, political experience mayor, dummy graduate mayor, dummy left mayor, dummy independent mayor, dummy term limit, dummy for early interruption mandate. Local market areas (LMA) FE included in all columns. Robust standard errors clustered at LMA level are in parentheses.

Table A35: Correlation magnitude electoral incentives and heterogeneity dimensions

	(1)	(2)
Outcome	Magnitude electoral incentives 2005-2016	Magnitude electoral incentives 2010-2016
Overestimate	0.024	0.122
	(0.026)	(0.054)
Share foreign	0.186	0.411
	(0.064)	(0.104)
Extreme-right voting	0.038	0.104
	(0.017)	(0.027)
Political competition	-0.008	-0.014
	(0.003)	(0.006)
Mean outcome	0.009	0.019
R-squared	0.004	0.007
Observations	6,715	5,836

Notes. All Italian municipalities. Years 2005-2016. Outcome variables: 1) in columns 1, Magnitude electoral incentives = magnitude of the effect of electoral incentives on the probability of no opening a refugee centre during the tenders in years 2005-2016; 2) in column 2, Magnitude electoral incentives = magnitude of the effect of electoral incentives on the probability of no opening a refugee centre during the tenders in years 2010-2016. Variables correlated with Magnitude electoral incentives: 1) Overestimate = difference between the share of migrants estimated by survey participants (Transatlantic Trends: immigration, 2010) and the actual share of migrants in the municipality. Both shares are measured in 2010; 2) Share foreign = pre-existing municipal share of migrants, measured at the beginning of the electoral term. In column 1, it is measured as the average over the period 2005-2016; in column 2, it is measured as the average over the period 2010-2016. 3) Extreme-right voting = vote share taken by extreme-right parties at the most recent European election. In column 1, it is measured as the average over the period 2005-2016; in column 2, it is measured as the average over the period 2010-2016.; 4) Political competition is a dummy variable equal to 1 if the average municipal margin of victory is below the median. Robust standard errors are in parentheses.

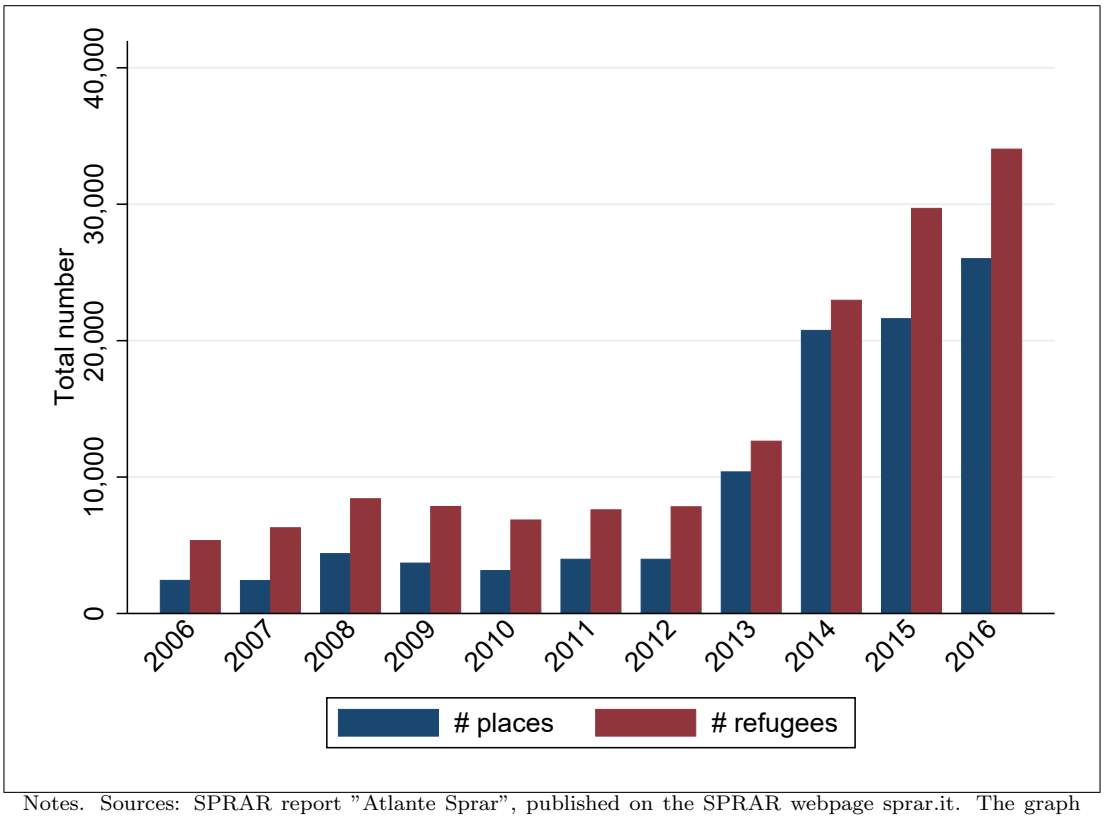
Table A36: Correlation past and present participation to SPRAR

	(1)	(2)
Outcome =1 municipality opens SPRAR centre last tender		
Past participation	0.476	0.450
	(0.015)	(0.015)
Mean outcome	0.095	0.095
R-squared	0.365	0.388
Observations	7,077	7,077

Notes. All Italian municipalities, year 2017. Treatment variables: Past participation = 1 if municipality i opened a SPRAR refugee centre in the past. The outcome variable is = 1 if municipality i opens a refugee centre during the last two tenders available in the data. Controls: share of graduate, share elderly (>65), share children (<5), log of income per capita, number of firms per capita, population density, area, altitude, latitude, longitude, unemployment rate, dummy variable for first level reception centres, number no-profit organizations per capita, population, dummy variable for past participation to SPRAR, dummy female mayor, age mayor, dummy unemployed mayor, political experience mayor, dummy graduate mayor, dummy left mayor, dummy independent mayor, dummy term limit, dummy for early interruption mandate. Robust standard errors are in parentheses.

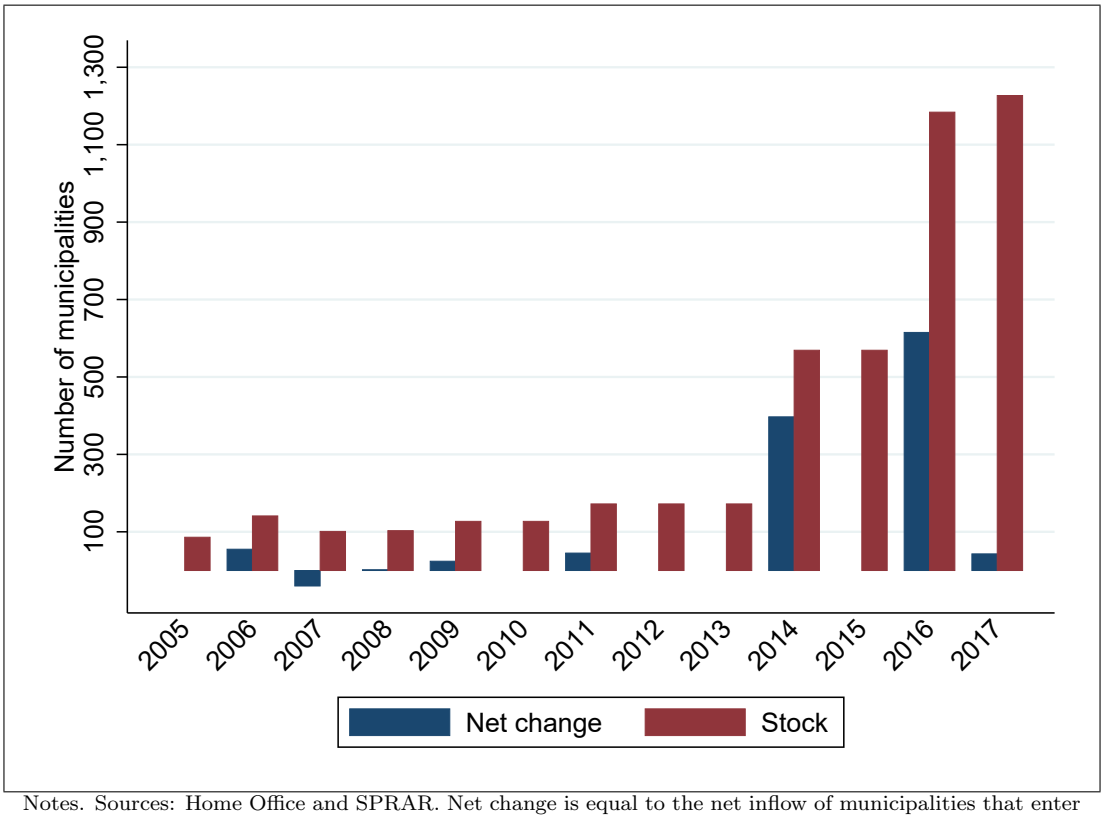
A5 Appendix Figures [For Online Publication]

Figure A1: Number of places and refugees in SPRAR centres



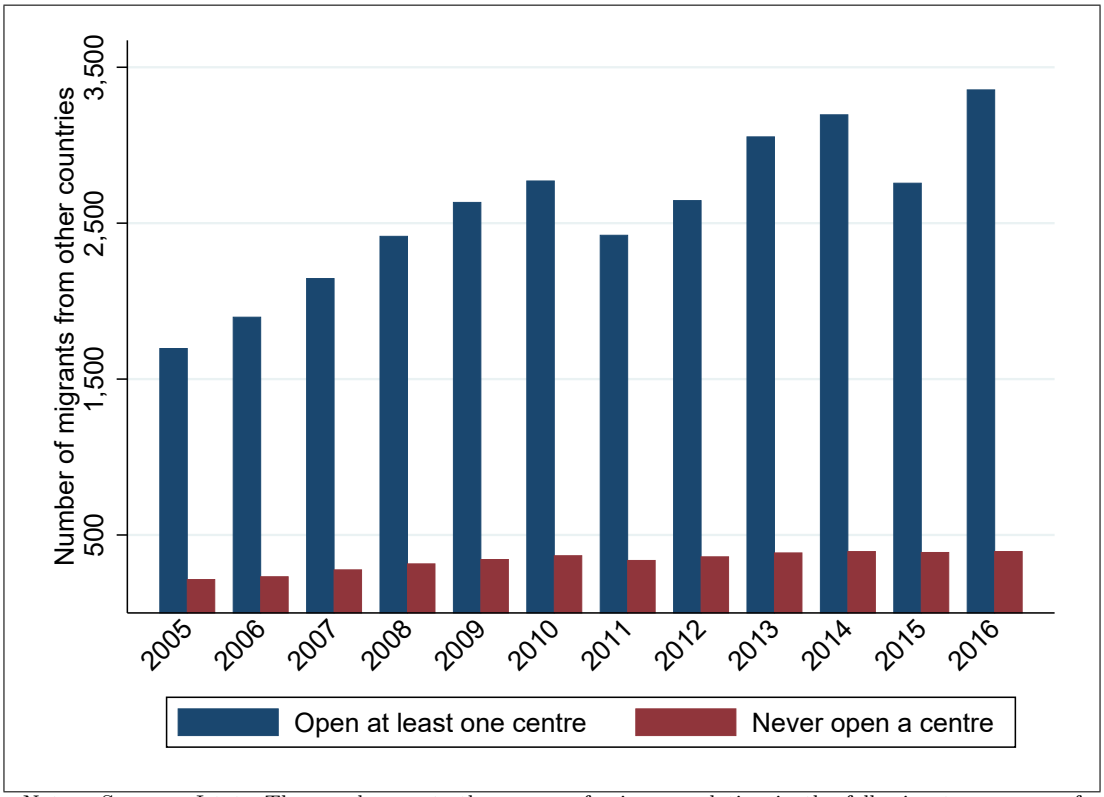
Notes. Sources: SPRAR report "Atlante Sprar", published on the SPRAR webpage sprar.it. The graph reports the number of places made available and the number of refugees and asylum seekers hosted every year from 2006 up to 2016.

Figure A2: Number of SPRAR municipalities



Notes. Sources: Home Office and SPRAR. Net change is equal to the net inflow of municipalities that enter the SPRAR program in a specific year (i.e. net change = entry - exit). Stock indicates the total number of municipalities that in a specific year have an active refugees' centre in their territory.

Figure A3: Open at least one centre vs. never open a centre



Notes. Sources: Istat. The graph reports the average foreign population in the following two groups of municipalities: 1) municipalities that opened at least a refugees' centre in the period studied; 2) municipalities that never opened a refugees' centre in the period studied.