

Biased Beliefs about Immigration and Economic Concerns

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Abstract

We investigate the link between biased beliefs about immigrants and economic concerns about immigration. Using large-scale representative online surveys with a total of more than 8000 respondents, we first document substantial biases in subjective beliefs about the immigrant population. Exposure to statistical facts about immigrants reduces respondents' concerns about adverse effects of immigration on the welfare state. On the contrary, we observe that different types of signals about immigrants can offset their effects on concerns about increasing labor market competition. Attitudinal change is more pronounced among individuals who hold pre-intervention biases about the immigrant population. We further document links between beliefs about the immigrant population and policy preferences. A further regional analysis aims on providing insights in the regional variation of such attitudes by investigating the link between the regional industry specific impact of the economic down turn due to Covid-19, economic concerns and attitudes towards immigration.

Motivation

- Integration of immigrants into host country labor markets is of key relevance for developed economies
- However: individuals in Western economies tend to exert biases when forming their beliefs about immigrants
 - Biases may translate into negative attitudes towards immigrants
- Economic downturn induced by Covid-19 affects certain industries more than others
- Industries cluster in different regions and influence regional economic indicators
 - Economic concerns may influence regional variation in attitudes towards migrants

Research Questions

We investigate the link between biased beliefs about immigrants and economic concerns about immigration:

- Do statistical facts about the immigrant population affect economic concerns about immigration?
- Did the Covid-19 induced economic downturn influence the concerns about immigration from a regional perspective?

Data

- Data from large representative **online surveys** conducted in **2020 (W1)** and **2021 (W2)**
- Sample with **2,358 (W1) + 5,907 (W2) respondents from Germany** over the age of 18
- Representative with respect to age, gender, educational background and residency in East or West Germany
- Administrative data on regional Covid-19-cases, employment and industry sectors

Survey Experiment

- Elicitation of prior about the immigrant population: share and unemployment rate of immigrants
- Respondents are then randomly selected into one of four experimental groups.

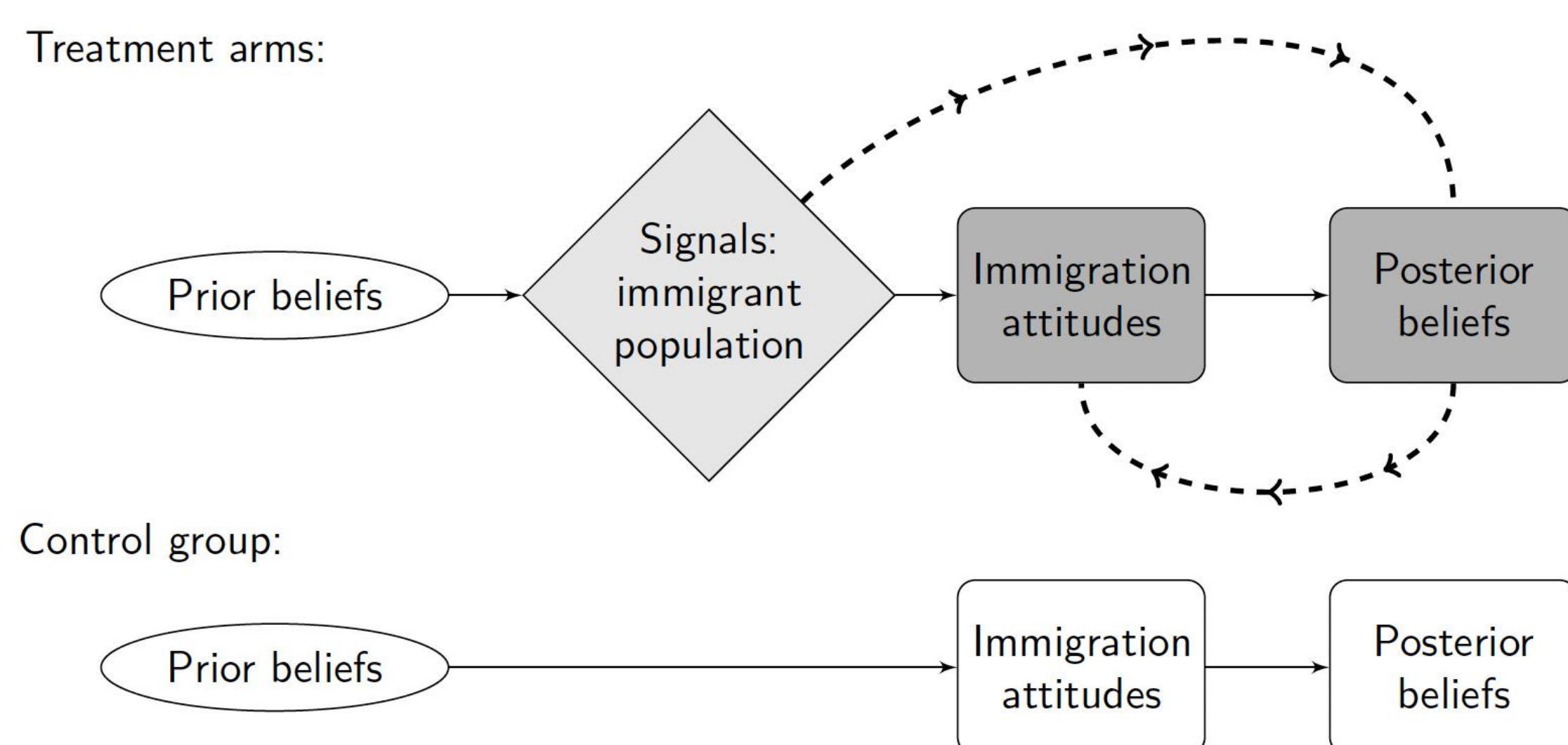


Figure 1: Experimental Setup

Prior Beliefs about the Immigrant Population

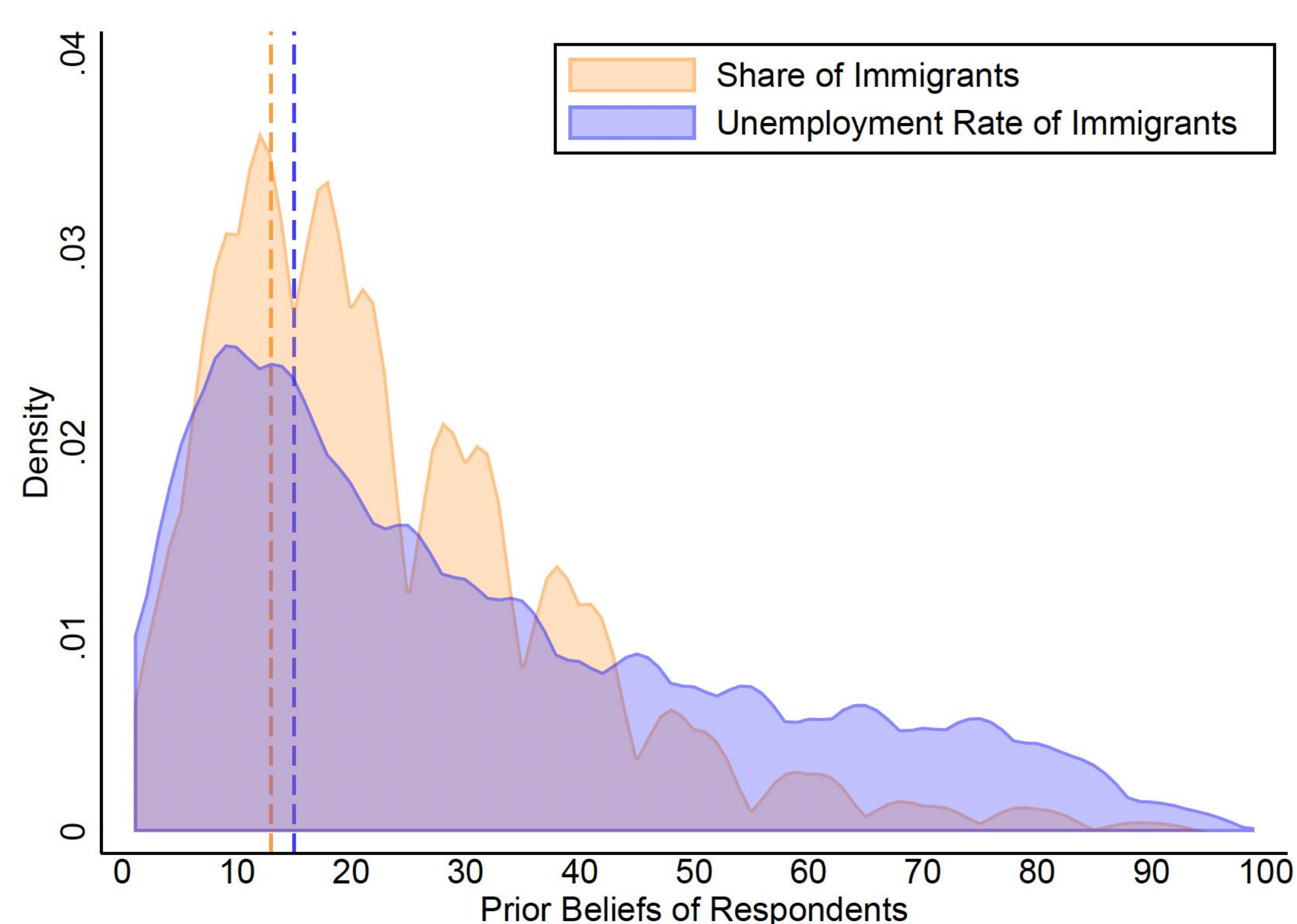


Figure 2: Distribution of Beliefs about Immigrants

Outcome Variables

- Welfare state concerns about immigration:** "Immigrants pay taxes and receive social benefits from the health care and social insurance systems. On balance, do you think that immigrants in Germany receive more social benefits than they pay taxes, or that they pay more taxes than they receive social benefits?"
- Labor market concerns about immigration:** "Do you think that immigrants rather take away jobs from workers in Germany, or that they rather help to create new jobs?"
- Regional Analyses (based on counties)** "Are you worried about the immigration of foreigners to Germany?"

Results: Experiment

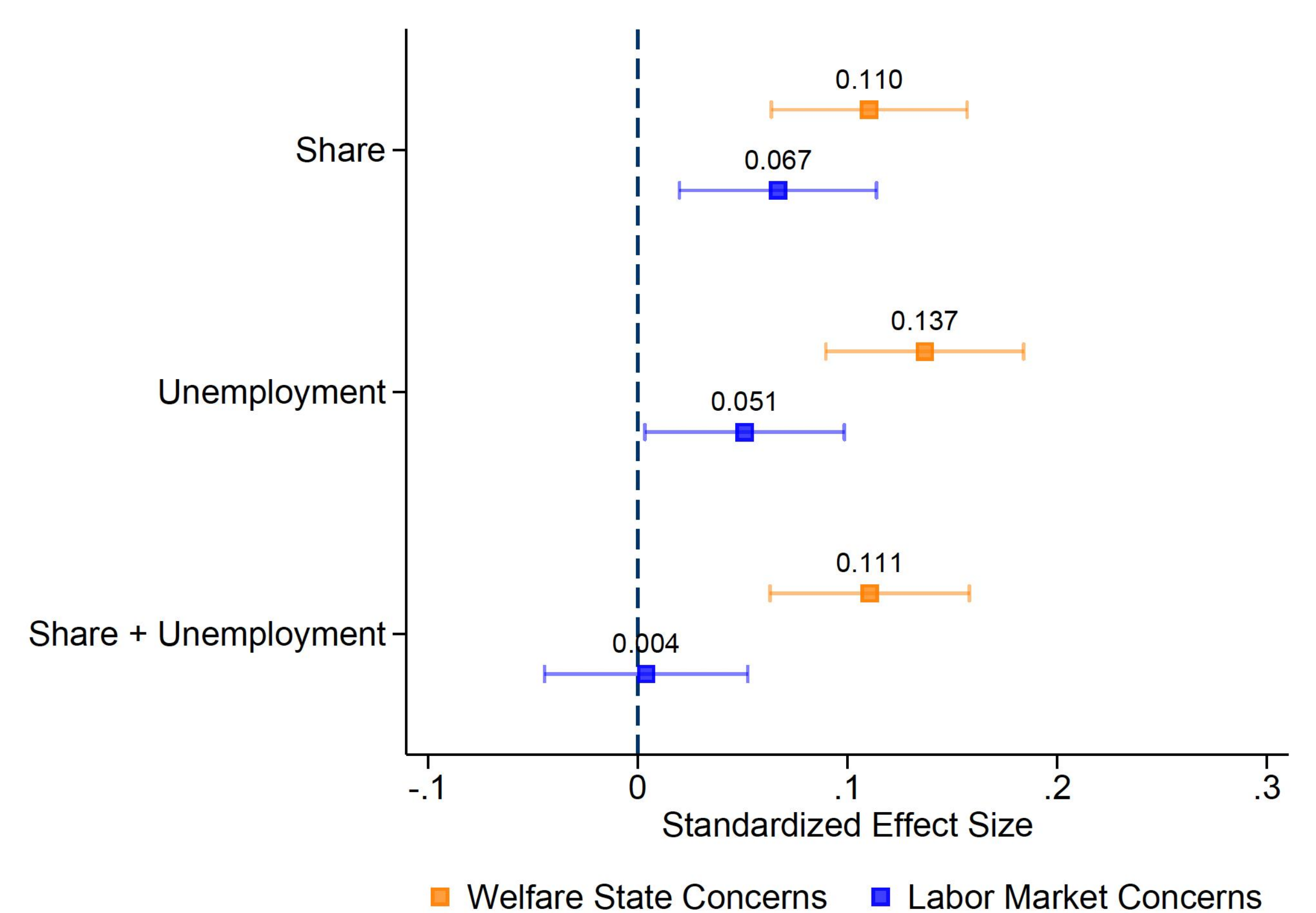


Figure 3: Average Treatment Effects on Economic Concerns

Descriptives: Regional Analyses

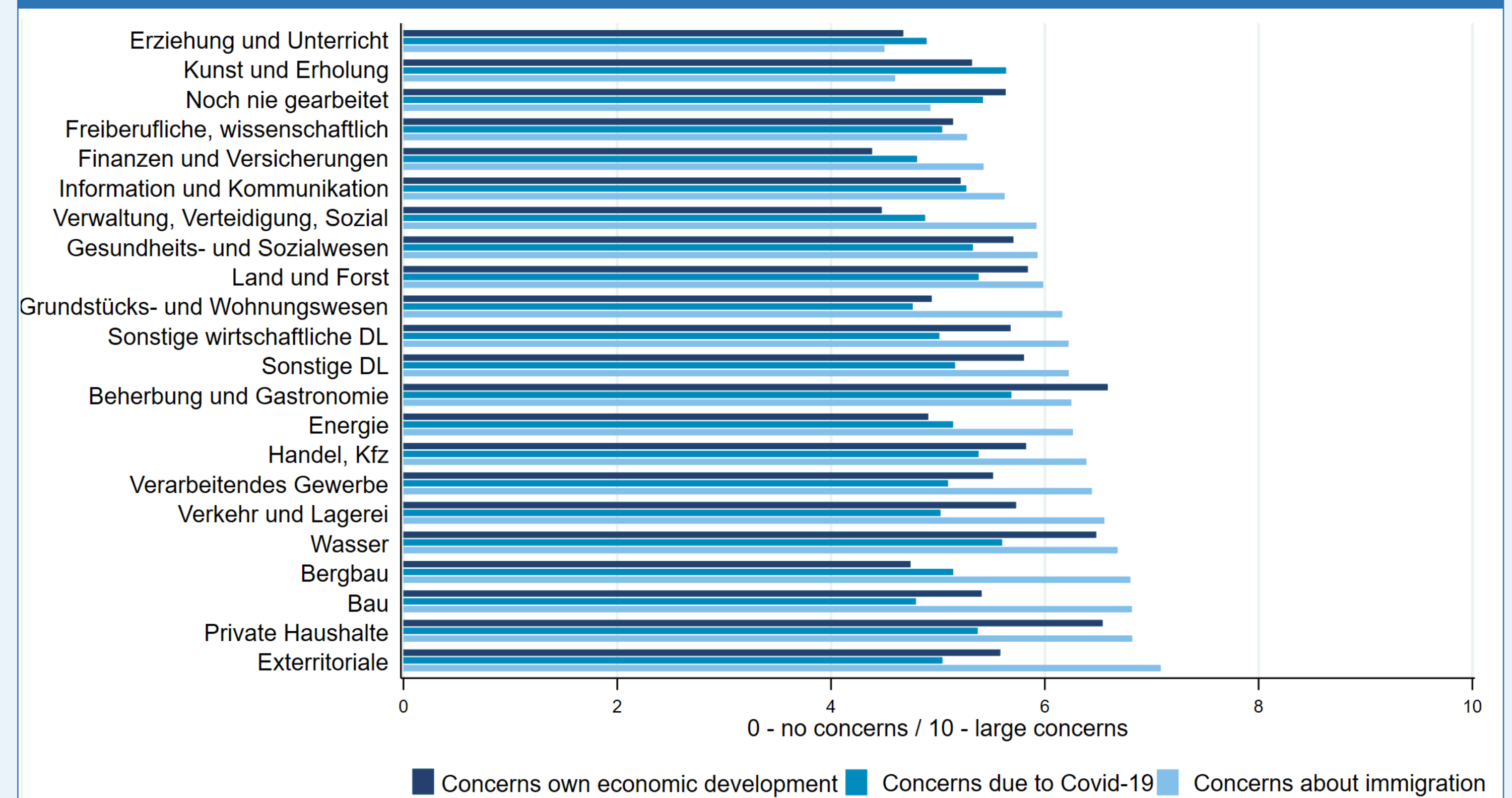


Figure 4: Mean Concerns by Industry

Conclusion and Outlook

- Exposure to information **reduces concerns** about negative effects of immigration on the **welfare state**
- Different types of signals about immigrants can **offset their effects** on concerns about **labor market competition**
- Differences in prior beliefs about the immigrant population are the main drivers of effect heterogeneity
- We document similar effects related to information about the **cultural distance** to the immigrant population (not reported here)
- Outlook Regional Analyses: Next steps involve exploring appropriate econometric models to try to establish a causal link between the regional variation in attitudes and the Covid-19 induced economic downturn.

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