Migration and Trust: Evidence on Assimilation from Internal Migrants

Diego Marino Fages*

Job Market Paper

[Link to the latest version]

Abstract

I study whether internal migrants assimilate culturally to the locals. Investigating this question with observational data has been challenging because it requires disentangling assimilation from sorting and because data on immigrants before migrating is typically not available. I overcome this challenge by studying the Swiss context, which provides an ideal setting for two reasons. First, as a result of its history, Switzerland presents substantial cultural differences between its regions. Second, the Swiss Household Panel tracks individuals for a long period before and after they move. I exploit these two features to compare early and late migrants in a difference-in-difference framework. I focus specifically on trust in strangers, one of the most important components of culture and which has been shown to predict growth and other desirable economic, social and political outcomes. I find a statistically and economically significant evidence on assimilation of migrants moving to higher and lower trust cantons, and this assimilation starts in the first few years. Finally, using the Sorted Effects Method, I find that assimilation is driven by the youngest immigrants, which is in line with the impressionable years hypothesis in psychology.

JEL: O10, J01, J15, R23, A13, D19

Keywords: Trust, Assimilation, Migration, Switzerland, Impressionable years hypothesis

* School of Economics, University of Nottingham, University Park, Nottingham NG7 2RD, UK. E-mail: diegomarinofages@gmail.com. Personal Website: https://sites.google.com/view/diegomarinofages/home. I am especially grateful to my advisors Facundo Albornoz, Simon Gächter and Devesh Rustagi. I am also thankful to Antonio Cabrales, Gianni De Fraja, Alejandro Graziano, Seung-Keun Martinez, Alex Possajennikov, Dario Tortarolo, Richard Upward, and seminar participants at the University of Nottingham, Universidad Catolica Argentina and the Junior Migration Seminar for helpful comments.

I. Introduction

Evidence suggest that migration has the potential to increase global efficiency and output, and decrease inequality by relaxing constraints on the optimal allocation of the labor force (Lagakos et al., 2018; Dustmann and Preston, 2019; Clemens, 2011). However, migrants differ in cultural values and beliefs from the local people and this may create frictions over cultural assimilation. These frictions could be further fueled by the media and politicians depicting immigrants as a cultural threat, who lack the capacity or the willingness to assimilate (Alesina and Tabellini, 2022). These concerns are not confined to international migration but apply to internal migration as well. The reason is that cultural differences do not necessarily coincide with country borders.[1] In fact, substantial variation in cultural traits exists within countries (Obradovich et al., 2022; Tabellini, 2010) and previous papers exploited this variation. For instance, Alesina and Fuchs-Schündeln (2007) study assimilation of migrants between the former East and West of Germany, Guiso et al. (2016) and Ichino and Maggi (2000) study internal migrants in Italy and Acharya et al. (2016) study internal migrants in the the United States.

In this paper, I study whether internal migrants assimilate culturally to the locals, where assimilation is defined as the process of becoming similar in a certain dimension such as the cultural traits. Studying this topic is conceptually challenging because migrants face a trade-off. On one hand, they might want to assimilate because of economic reasons to integrate in the labour markets (Abramitzky et al., 2020) or to conform to the prevailing social norm (Bernheim, 1994). On the other hand, they might refuse to assimilate for the social/psychological costs by the sense of identity loss (Akerlof and Kranton, 2000; Bisin and Verdier, 2000; Olcina et al., 2017). Understanding which of these effects dominates is an empirical question and motivates this paper.

Empirically, the challenge is to separate assimilation from sorting of migrants to places, i.e., migrants might move to a specific location *because* they share the same cultural traits. Disentangling assimilation from sorting requires a counterfactual of

[1] An extreme example is the scramble for Africa (see Michalopoulos and Papaioannou (2016)).

how the migrants' cultural traits would have evolved had they not migrated. Note, however, that non-migrants do not make a good counterfactual in this case because they are likely to differ from the migrants in many ways. Furthermore, studying this research question using observational data requires, at least, data on the migrants' cultural traits before migration. But, this data is typically not available.

I overcome the empirical challenge by studying assimilation of internal migrants in the context of Switzerland, which offers an ideal setting for my study for two main reasons. First, Switzerland consists of 26 sovereign cantons that, for historical reasons, have evolved in substantial institutional differences, which map on to cultural differences (Rustagi, 2022).[2] Thus, in my analysis I exploit the cultural variation at the cantonal level to study how it affects migrants' cultural traits.[3] Second, the Swiss National Science Foundation, through the Swiss Household Panel (SHP), conducts a yearly survey, following a representative sample of the population since 1999 and covering social and economic topics. In particular, the SHP follows people when they move to different places and provides one of the longest longitudinal surveys in the world (17 years) allowing to observe internal migrants (and their cultural traits) repeatedly before and after migration. Hence, it allows me to compare early and late movers in a difference-in-differences framework.

I focus on assimilation of one of the most studied cultural traits, i.e., generalized trust towards others, where "others" refers to people the respondent does not know (Alesina and Giuliano, 2015; Guiso et al., 2015; Putnam, 1993). Trust is broadly defined as an individual's willingness to be vulnerable based on an expectation of cooperation (irrespective of the ability to monitor or control that other party) (Johnson and Mislin, 2008; Gambetta et al., 2000; Rousseau et al., 1998; Mayer et al., 1995).[4] This component of culture is also important because it predicts growth and other desirable economic,

[2] Evidence of this are the outcomes from multiple referenda on diverse topics like restricting mass immigration (2014), joining the Schengen Area (2005) or same sex partnerships (2005).

[3] The cantons are the Swiss administrative areas and are equivalent to provinces or states.

[4] In the case of trust, Butler et al. (2016) argues that there is a "right amount of trust" that balances the trade-off between a high exposure to being cheated and losing opportunities for gains. From this point of view, assimilating to the right amount of trust is economically profitable in either direction. This is especially important if we consider that people use heuristics or imitate others when information is imperfect or costly to obtain (Boyd and Richerson, 1995, 1988).

social and political outcomes (Guiso et al., 2015; Algan and Cahuc, 2014; Nunn and Wantchekon, 2011; Algan and Cahuc, 2010; Knack and Keefer, 1997; Putnam, 1993).

My analysis relies on two main strategies: First, an event-study approach (Callaway and Sant'Anna, 2021) allows me to test whether migrants' trust moves towards the average trust level of the host canton once they move. To illustrate the method, consider two individuals with similar characteristics who move from canton A to canton B, which has higher levels of trust than canton A. If one of them moves later for reasons that are unrelated to their trust, I could use him/her as a counterfactual for the early mover. Then, if I observe a higher trust level for the early mover, I could conclude that assimilation is taking place. Similarly, I can do the same exercise with two people migrating to lower trust cantons, which allows me to test if migrants also assimilate downwards. The validity of these two comparisons relies on the assumption that these migrants are in fact similar and the moving time is unrelated to their trust. I, thus, begin by showing that migrants moving to higher (lower) trust cantons have similar levels of trust in the years before moving (i.e., parallel trends). Reassuringly, I show that early and late migrants are also balanced in demographic characteristics.

Second, instead of exploiting the direction of move (i.e., moving to higher or lower trust cantons), I combine all migrants in a single difference-in-differences strategy with continuous treatment (see Callaway et al., 2021).[5] This allows me to exploit the large variation in trust levels in the host cantons and study the effect of the treatment intensity. Furthermore, it also allows me to hold constant all the time invariant individual factors (such as the canton of origin) via fixed effects and to control for important time-varying characteristics, such as education and income. To verify that there are no composition effects, I show that migrants in the lowest and highest trust cantons, are balanced in demographic characteristics, both before and after migration (i.e., migrants leaving the lowest and highest trust cantons are similar and migrants arriving in the lowest and highest trust cantons are similar).

Using the event study approach, I find a large change in the migrants' trust, that

[5]Note that combining all migrants in the previous case will cancel out the effect of the assimilation to higher and lower cantons.

is, migrants moving to a higher trust canton increase their trust by 0.16 standard deviations whereas migrants moving to lower trust cantons decrease their trust by 0.11 standard deviations. This assimilation can already be observed in the first few years after migration. Using the difference-in-differences approach with the continuous treatment, I find that migrants increase their trust in 0.43 standard deviations for each standard deviation increase in the trust level at the destination.

My results are robust to a battery of tests: First, I run a placebo test with non-movers, assigning a random moving year between (2003-2017) to non-movers and find no systematic change in their trust level. Second, to address concerns about the reflection problem (i.e., the fact that the migrants could simultaneously have an effect on the local peoples' trust)(Manski, 1993), I consider the level of trust in the cantons in the year 2002 (i.e., before any migration in the sample occurs) as the independent variable of interest and find that the results remain unchanged. Third, I find no assimilation for trust in the federal government, which alleviates concerns about the results being driven by mechanical aspects of the survey implementation.

I further explore heterogeneity in the assimilation by estimating sorted partial effects (Chernozhukov et al., 2018) and find that the 25% who adapted the most are more likely to be female and significantly younger, have at least one more year in the host canton, are poorer but with a higher increase in income and education after migration.

This paper contributes to the literature in several ways. First, it complements the previous literature on assimilation by showing that beliefs in other's trustworthiness is also malleable. Previous studies have shown assimilation in behaviour and preferences. For instance, Ichino and Maggi (2000) shows that internal migrants shirking behavior in a bank in Italy change with the host branch peers behaviour. Alesina and Fuchs-Schündeln (2007) shows that in Germany, immigrants from the East become more similar to Western Germans in preferences for government participation. Perez-Truglia (2018) shows that internal migrants in the U.S. change their contributions to presidential campaigns depending on the share of people in the destination supporting the party. On the other hand, Atkin (2016) shows that internal migrants in India make sub-optimal food choices due to the persistence of their cultural preferences. Moreover, the paper

provides a possible explanation for the assimilation in shirking behavior found in Ichino and Maggi (2000), which might have been driven by the change in trust. Second, previous papers in the literature have found that trust is persistent across generations (Michalopoulos and Xue, 2021; Nunn and Wantchekon, 2011; Algan and Cahuc, 2010).[6] This paper shows that there is also substantial assimilation in trust that happens in very short periods for first generation immigrants.

Third, the papers studying assimilation in trust mainly focus on second or higher generation immigrants (Giavazzi et al., 2019; Ljunge, 2014; Moschion and Tabasso, 2014).[7] Notice, however, that these people are technically not immigrants, as they were born and raised in the destination. Hence, these papers study the weights that parents and the host environment have on their cultural traits. We can also think of assimilation as a *change* in people's cultural traits when they move to a new place. A few exceptions studying first generation immigrants are Jaschke et al. (2022), Marino Fages and Morales Cerda (2022) and Cameron et al. (2015). However, none of these papers observe migrants before arriving to destination which does not allow them to quantify the change that takes place within the individual. Hence, I complement the literature by providing causal evidence of assimilation as a *change* of first generation migrants in a relatively short period of time.

Fourth, by showing that assimilation is stronger for younger immigrants, I provide support for the impressionable years hypothesis in psychology, which "proposes that individuals are highly susceptible to attitude change during late adolescence and early adulthood and that susceptibility drops precipitously immediately thereafter and remains low throughout the rest of the life cycle" (Krosnick and Alwin, 1989).

The paper is organized as follows. Section II describes the field setting and data. Section III presents the empirical strategy. Sections IV and V present the results of the event study and the difference-in-differences, respectively. Section VI presents the heterogeneity analysis and Section VII concludes.

[6] For theoretical models explaining the persistence see Tabellini (2008b) and Guiso et al. (2008).

[7] See also Fernández and Fogli (2006), Fernandez (2007) and Giuliano (2007). These papers focus on second generation immigrants and argue that the descendants are "exogenously" allocated as the location decision was made by their parents.

II. Field Setting and Data

Switzerland is a federal republic founded in 1848 and composed of 26 cantons that keep strong autonomy from the central government. The country has a system of direct democracy where people's initiatives and referendums at the federal, cantonal and municipal levels give citizens the chance to influence the institutions. In particular, the cantons have the powers related to their identity—such as culture, religion, language- and public health and cross border cooperation.[8] Furthermore, the number of referendums per year and the difficulty of proposing a popular initiative also varies between cantons (Rustagi, 2022; Frey and Schaltegger, 2021; Bühlmann et al., 2014; Barankay et al., 2003). These referendums generate institutional variation between cantons that accumulate over the years.

Despite its small physical space, Switzerland is also very culturally diverse. It has four official languages (German, French, Italian and Rhaeto-Rumantsch) and two main religions (Roman Catholic and Protestant). The cultural diversity is also driven by the differences in institutions (Alesina and Giuliano, 2015). In particular, Rustagi (2022) exploits a natural experiment in the middle ages that affected institutions to show that this shock had a long lasting effects on the cantons' culture.

On top of these differences, Switzerland has one of the highest shares of international immigrants among the western countries (according to the Swiss Federal Statistical Office, 30.5% of the population were immigrants in 2019) and a significant internal mobility (6% internal movers in 2019). Combined with the differences between the cantons in terms of culture and institutions, this makes Switzerland a particularly interesting setup for answering my research question, that is, do migrants assimilate their trust level to the local average when they move places?

[8] The federal state is responsible for monetary policy, foreign affairs, social security, customs and justice; and municipalities control mostly public service delivery -such as electricity, water and gas provision. Citizenship, education and taxes are split in the three levels (see https://www.wolf-linder.ch/wp-content/uploads/2010/11/Swiss-political-system.pdf). In some municipalities, even the citizenship is only granted after a vote by the locals (Hainmueller and Hangartner, 2013).

A. *Measuring trust*

Since the work of La Porta (1997) and Zak and Knack (2001), the generalized trust question has become the standard measure of trust (see Nunn and Wantchekon, 2011; Algan and Cahuc, 2010), which is found in many surveys such as the World Values Survey (WVS) or the European Social Survey (ESS).[9] [10] The exact wording is as follows: "Generally speaking, would you say that most people can be trusted or that you can't be too careful in dealing with people?" and respondents can answer from 0 to 10 where 0 means "Can't be too careful" and 10 means "Most people can be trusted".[11] A relevant question is who are these "most people". Sturgis and Smith (2010) shows that, when answering the question, 35% of respondents in Britain think of unknown others and only 2% think of people in the local area. This is important because one might worry that respondents are just considering a different set of "most people".

B. *Data*

I use data from the Swiss Household Panel (SHP). This is a survey conducted yearly in Switzerland and is representative of the Swiss population aged 14 and over with respect to major demographic variables. Importantly, the survey tracks respondents when they move to different locations. Furthermore, in 2002 they introduced the generalized trust question, and hence this is our starting period. Between 2002 and 2018, a total of 31773 individuals (in 12842 households) were surveyed by computer-assisted telephone interviews. Of these individuals, 3.84% of the Swiss citizens move within Switzerland, 6.84% returned from living abroad and 13.45% are not Swiss citizens. [12]

The SHP provides a unique opportunity for my study for three reasons.[13] First, the

[9] This measure is attributed to Rosenberg, see Sturgis and Smith (2010).

[10] The experimental literature has shown that generalized trust captures expected trustworthiness (beliefs) and altruism in studies with real stakes (I discuss the findings of this literature in the Appendix).

[11] See Murtin et al. (2018) and Alesina and La Ferrara (2002) for reviews of its determinants.

[12] It is worth noting that only a small fraction (2%) of them acquire Swiss citizenship, and thus, almost all the internal movers are likely to have been born in Switzerland (see https://www.swissinfo.ch/eng/naturalisation--no-thanks_why-some-residents-choose-not-to-become-swiss/35624994).

[13] The WVS, ESS and the General Social Survey (GSS) are repeated cross sections; and the Global Preferences Survey (GPS) is only one cross section, and hence, they only observe migrants after they have moved, and only once. Other panel datasets are the German Socio Economic Panel (GSOEP), but it asks the trust question in some waves only and the UK Household Longitudinal Study (UKHLS) but only asks the trust question in the first wave.

SHP is one of the longest panels asking the generalized trust question in the world. Second, the SHP contains a comparatively large number of migrants. Third, even when different parts of the country speak different languages, the migrants are interviewed in the same language before and after moving, which eliminates language effects.

In the next subsections I show that trust varies significantly among the cantons, describe the migration patterns and the main characteristics of the migrants, and finally present some initial evidence of the effect the host canton has on the migrant's trust level.

C. Trust in the cantons

The treatment I am analyzing in this paper is the effect of moving to a canton with a different average trust level than the one at the home canton. Hence, it is important to check if there is enough variation between the cantons' trust level. Throughout the analysis I compute the average level of trust in the cantons excluding migrants. Figure 1 and the map in Figure 2 show large variation in trust across cantons, even within the same language regions. Furthermore, these differences between the cantons are economically significant. To put it into perspective, the German speaking region is similar in terms of trust to Finland while the Italian speaking regions are similar to the trust in the United States.[14]

D. Internal migrants

I define internal migrants as Swiss citizens who moved from one canton to another between 2002 and 2018.[15] In practice, I identify them as migrants when the residence changes across survey waves. In order to have a cleaner comparison group and since the assimilation might take time to take place, I focus on migrants who moved only once (this accounts for 71.5% of the migrants in the sample). Note that people who move within the canton are not considered migrants for our purposes because I am interested

[14] For this comparison, I use the wave 5 of the WVS, which, unfortunately is not desegregated at the canton level.

[15] Note that I assume that the canton of origin is the canton where respondents are observed in year 2002.

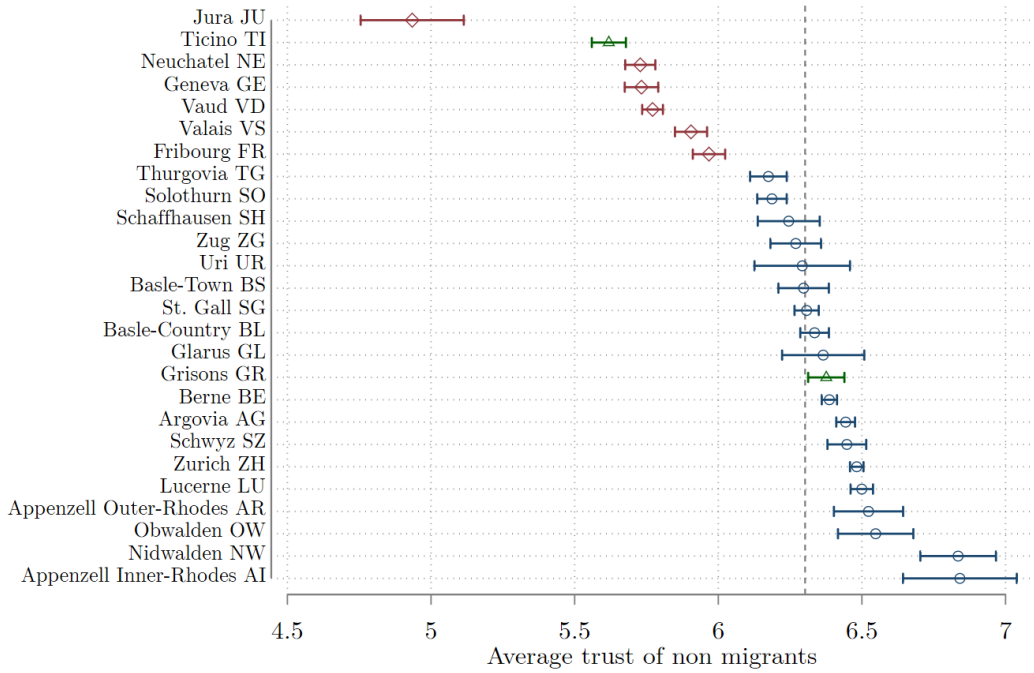

Figure 1 : Trust in the cantons

Note: The figure presents the average trust (individual responses range from 0 to 10) for all non-migrants in each canton over the period 2002-2018 with 95% confidence intervals. The vertical dashed line shows the median average trust among the cantons. Finally, the different colors and symbols depend on the language region.

in the effect of the change in the culture of the host culture which varies mainly at the canton level. Migrants represent roughly 0.81% of the sample each year.

In order to understand the migration patterns of internal migrants, I divide the cantons at the median level of trust (see Figure 1). Table 1 shows the flows of migrants from the cantons below (low) and above (high) the median level of trust. Migrants from low trust cantons are equally split in both groups (48.7% moving to other low trust cantons and 51.30% moving to high trust cantons) but migrants moving from high trust cantons tend to go more to other high trust cantons (34.60% and 65.4%).

Since I am interested in the sign of the difference between the average trust at destination and average trust at the origin, I compute the percentage of people moving to a higher/lower trust canton. Table 2 shows that 44.65% of the migrants move to a lower trust canton and 55.35% move to a higher trust canton . The average size of the trust

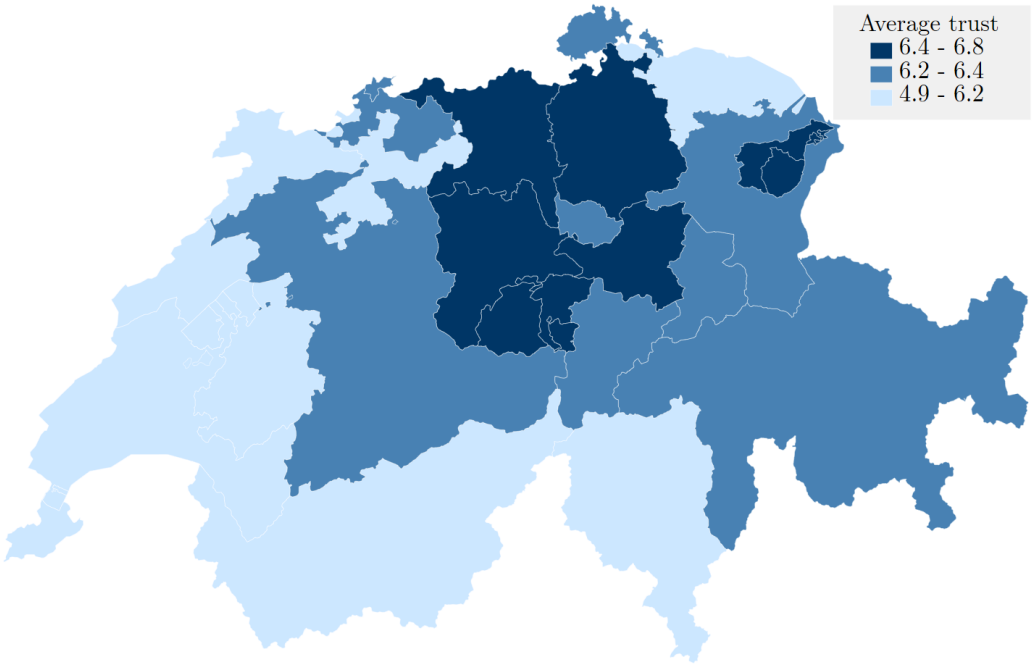

Figure 2 : Trust in the cantons

Note: The map presents the average of trust (individual responses range from 0 to 10), in three terciles, for all non-migrants in each canton over the period 2002-2018. White lines represent the canton borders.

Table 1—: Migration flows of internal migrants by canton trust level

		Trust in Destination		
		Low	High	Total
Trust in Origin	Low	48.7%	51.3%	100%
	High	34.6%	65.4%	100%
	Total	40.1%	59.9%	100%

Note: The table shows the transition matrix from low/high trust canton of origin to low/high trust destination canton.

gap is similar in both groups. Finally, the last column shows the average trust level of each group in the last year before migration.

Attrition seems to be similar between migrants moving to a higher and lower trust cantons. Figure A12 presents the attrition rates in both groups and Table A11 in the Appendix presents a formal analysis showing that the level of trust in the destination canton has no effect on the attrition rate.

Table 2—: Direction of the move and gap between the trust levels at origin and destination

		Percentage	Trust gap between origin and destination	Trust before migration
Moving to	lower trust canton	44.65%	-.22 (0.24)	6.32
	higher trust canton	55.35%	.22 (0.23)	5.92
	Total	100%	0.022 (0.32)	

Note: The table shows the percent of migrants moving to higher or lower trust cantons compared to their canton of origin and the average gap between them, and the standard deviation in parenthesis. The last column presents the average trust level of each group in the last year before migration.

The left panel of Figure 3 shows the share of internal migrants coming from each canton while the right panel shows the share of internal migrants moving to each canton. It is clear that there is also substantial variation in the origin and destinations of the movers.

(a) Share of migrants from each origin (b) Share of migrants in each destination

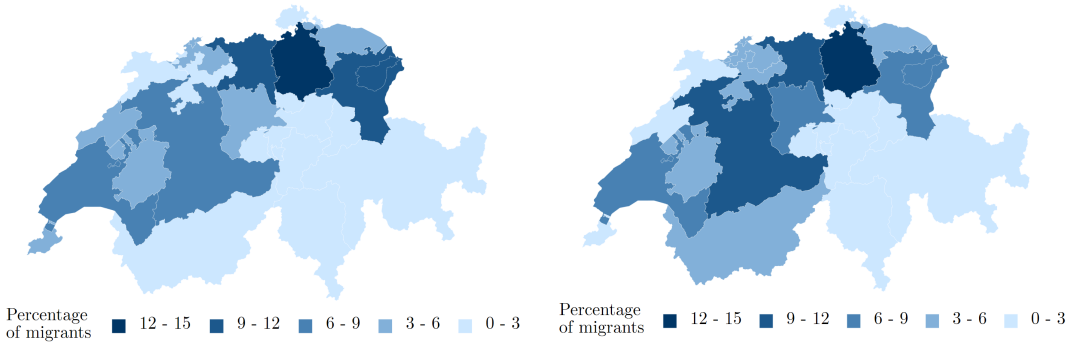

Figure 3 : Canton of origin/destination of all migrants

Note: The left map presents the percent of all internal migrants coming from each canton. The right map presents the percent of all internal migrants in each destination canton. White lines represent the canton borders.

E. Descriptive Evidence

Marino Fages and Morales Cerda (2022) shows that migrant's trust correlate strongly with average trust level in the host country but only after migrating (i.e., after being exposed and immersed in the country). Figure 4 shows similar evidence, each panel plots

a binscatter of migrant's trust and average trust in the destination canton (in order to account for sorting effects, I control for canton of origin fixed effects)(see Figure A1 in the Appendix for a non-parametric version of the binscatter plots). For this, I collapse all trust responses of each migrant by regressing the reported trust on calendar year dummies and average the residuals before and after migration by individual. Panel a shows the correlation for Internal migrants after migrating (controlling for canton of origin) and Panel b shows Internal migrants before migrating (controlling for canton of origin). Here I restrict to migrants moving between German cantons only to minimize the sorting effects. The pattern is clear, migrant's trust is highly correlated with the level of trust in the destination and there is no evidence of positive correlation before the migration occurs. Table A7 in the Appendix shows the regression results including those for international migrants and controlling for more covariates. This pattern, however, cannot be interpreted as causal because it does not distinguish between sorting and assimilation. This is my task in the next section.

III. Empirical Strategy

I am interested in estimating the effect of the destination's trust level on migrants' trust. The main difficulty is to disentangle assimilation from sorting effects, i.e., migrants moving to specific locations *because* these locations have certain characteristics such as the trust level. This is challenging because typically there is no pre-migration data on migrants. I exploit the longitudinal feature of the SHP in two different ways. First, I perform an event-study analysis with a binary treatment (i.e., moving to higher/lower trust canton with respect to the canton of origin) (Callaway and Sant'Anna, 2021) and then a difference-in-differences approach with a continuous treatment (Callaway et al., 2021), where I exploit the full variation of trust across the cantons.

Traditionally, researchers using the event-study approach relied on static and/or dynamic two way fixed effects estimators (TWFE). However, a rapidly growing literature on difference-in-differences and event studies with variation in treatment timing has shown that one has to be careful in attaching a causal interpretation to these tradi-

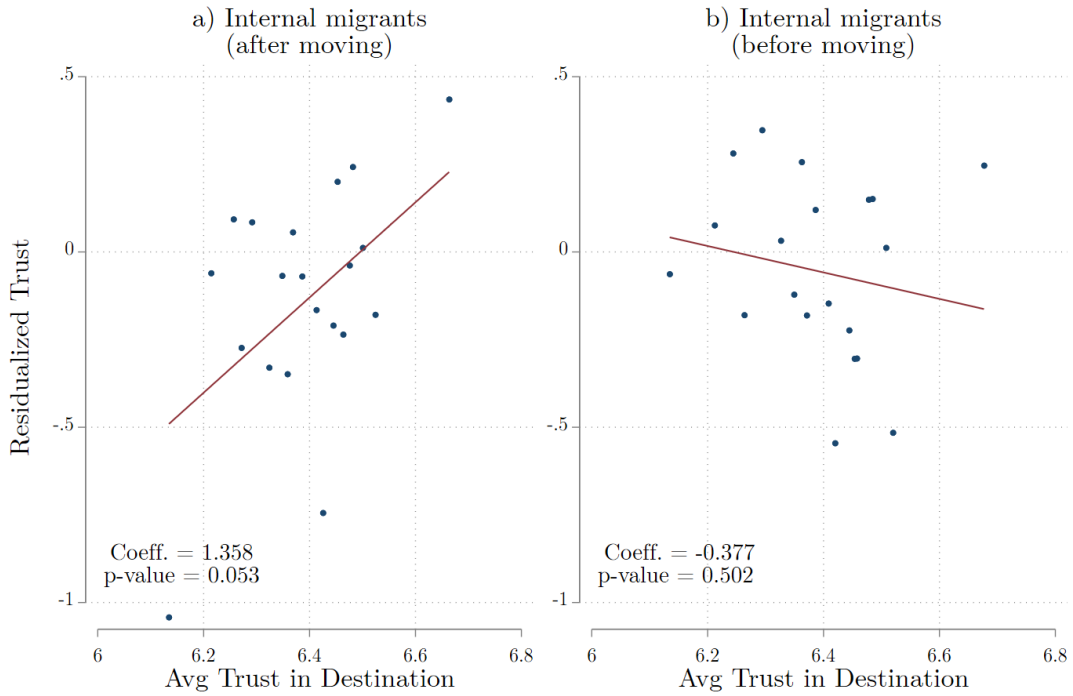

Figure 4 : Correlation between Residualized Trust and Average Trust in the destination canton

Note: The figure presents binscatter plots of migrant's Residualized Trust and Average Trust in the destination canton (controlling for canton of origin) for internal migrants in German cantons after moving (left) and before moving (right). To compute the Residualized Trust, I first regress the Trust variable on calendar year dummies, and then average all the residuals by individual.

tional estimators. Goodman-Bacon (2021) shows that these TWFE estimators recover a weighted average of all possible 2 x 2 difference-in-differences estimators for different group timings (this includes comparing treated units to those never treated, early treated and late treated). If the treatment evolves over time, some of those averages can take negative values because some already-treated units would act as control groups and their outcomes would also evolve over time. For this reason, I follow Callaway and Sant'Anna (2021), which solves the negative-weights issue by estimating *group-time average treatment effects* and tailoring the aggregation weights with specific purposes in mind (I return to this below). Using the potential outcomes notation, Callaway and Sant'Anna (2021) defines the group-time average treatment effect as

$$ATT(m,t) = \mathbb{E}[Y_t(m) - Y_t(0)|M_m = 1] \tag{1}$$

where m is defined by the time period when a migrant moves to a new canton, M_m is a binary indicator equal to 1 when a migrant moves in year m, $Y_t(m)$ are the potential outcomes (i.e., trust levels) that migrants would realize at times t, $t = 1, ..., \mathcal{T}$, had the migrant moved in year m, $Y_t(0)$ are the potential outcomes for migrants that have not yet moved by time t. In other words, $ATT(m,t)$ is the average treatment effect for the cohort that moved in year m, in year t. Then, if we fix m we can see how the average treatment effect evolves over time t.[16] As I discuss in detail below, the main assumption to estimate each $ATT(m,t)$, is that migrants who move at a later time are a good counterfactual for those migrating earlier.

In practice, the $ATT(m,t)$ parameter can be obtained by first restricting the data to only contain observations at time t and $m-1$ from units where $M_m = 1$ and those that have not-yet-moved by time t, and then, using only the observations in this subset, running the linear regression[17]

$$Y_t = \alpha_1^{m,t} + \alpha_2^{m,t} \cdot M_m + \alpha_3^{m,t} \cdot 1[T = t] + \beta^{m,t} \cdot (M_m \cdot 1[T = t]) + \epsilon^{m,t} \tag{2}$$

where $\beta^{m,t} = ATT(m,t)$.[18] Note that this is a standard difference-in-differences estimator with two periods. $\alpha_1^{m,t}$ is the baseline average of the control group (i.e., those that have not yeat migrated by year t), $\alpha_2^{m,t}$ is the baseline difference between the treated group (i.e., the migrants that moved in year m) and the control group. $\alpha_3^{m,t}$ is the time trend. Finally, $\beta^{m,t}$ is the difference-in-differences estimator and $\epsilon^{m,t}$ is an individual-time specific error term.

In order to use an event-study design, and prevent the effect from cancelling out, I

[16] Instead, one could also fix t and see whether the average treatment effect is different for different cohorts m.

[17] I omit the sub-index i to simplify notation.

[18] Alternatively, one could use the interacted TWFE regression proposed by Sun and Abraham (2021).

split the sample based on whether migrants move to a higher or lower trust canton and run two separate regressions. This also works as a robustness check, since there is no mechanical reason to find that the effects mirror each other in both regressions (Cullen and Perez-Truglia, 2019). Another advantage of the methodology is that it allows me to control for time-constant covariates. I run an alternative specification controlling for the trust gap (i.e., the difference in average trust level in origin and destination canton).

Four assumptions are necessary for identification of these parameters. First, irreversibility of the treatment. In my case, this means I don't have migrants returning to their home cantons (nor migrants moving to a different level of trust canton). Second, random sampling, which imposes that each migrant is randomly drawn from a large population of interest, i.e., all migrants. Third, no treatment anticipation, that is, moving has no effect on migrants' before the actual move. Fourth, unconditional parallel trends based on not-yet-treated groups (in the Appendix I repeat the analysis assuming parallel trends conditional on size of the shock, income and education). This means that the average outcome (trust in my case) for the group m follows a parallel trend with groups that are not-yet-treated (i.e., not-yet-migrated) by time t.

I am interested in how the assimilation vary with the length of stay in destination, but I would also like to know the overall assimilation in the sample. Thus, I aggregate the ATT's in two different ways that are analogous to the traditional dynamic and static TWFE estimators. Equation 3 presents the first measure. $\theta_{es}(e)$ is the average effect of moving to a higher/lower trust canton of all migrants that moved and lived in the host canton for exactly e years.[19] This measure consists of three parts: $1[m+e \leq \mathcal{T}]$ takes the value 1 if migrants are observed for up to e periods after migrating; $P(M = m|M+e \leq \mathcal{T})$ is the weight of each group in the subset of migrants that are observed for up to e periods after migrating; and $ATT(m, m+e)$ is the group-time average treatment effect for group m in year $m+e$.

[19] Note that these estimators may include compositional changes (see Callaway and Sant'Anna (2021)). I run robustness tests in the Appendix.

$$\theta_{es}(e) = \sum_{m \in \mathcal{M}} 1[m + e \leq \mathcal{T}] P(M = m | M + e \leq \mathcal{T}) ATT(m, m + e) \tag{3}$$

The second measure is presented in Equation 4. θ^O_{sel} estimates the effect for each group m first, and then averages across all groups. This avoids putting more weight on the observations that are observed for a longer period and can be interpreted as the canonical two-period difference-in-differences setup over the entire sample. It consists of two parts. $\theta_{sel}(m) = \frac{1}{\mathcal{T}-m+1} \sum_{t=m}^{\mathcal{T}} ATT(m,t)$ is the average effect of moving for the cohort moving in period m, across all post moving periods. The other part, $P(M = m | M \leq \mathcal{T})$ are the weights applied to each cohort in the aggregation.

$$\theta^O_{sel} = \sum_{m \in \mathcal{M}} \theta_{sel}(m) P(M = m | M \leq \mathcal{T}) \tag{4}$$

where $\theta_{sel}(m)$ is the average effect of moving among units in group (m), across all their post moving periods; and $\mathcal{M}$ is the last year for which there is still a non treated group available.

For inference I rely on the bootstrap method proposed in Callaway and Sant'Anna (2021), and report simultaneous confidence intervals (instead of pointwise) which do not suffer from multiple testing problems and are guaranteed to cover all ATT's with a probability at least $1 - \alpha$. Due to the small number of clusters, I provide three types of standard errors. That is, robust, clustered at the canton of origin and clustered at the destination canton (see the Appendix). Since the data contains some gaps, I interpolate the trust variable linearly and perform a sensitivity analysis in the Appendix with no interpolation and other interpolation methods (nearest neighbour splines and forward).

To complement the previous analysis, I combine all migrants in one regression. For this, I follow Bertrand et al. (2004) and collapse all periods in pre- and post-move and perform a standard difference-in-differences approach with a continuous treatment (see Callaway et al., 2021; Perez-Truglia, 2018; Angrist and Imbens, 1995). I do this for

several reasons. First, it allows me to directly exploit the trust variation between the host cantons in the identification. Second, it allows me to control for time varying covariates and explore heterogeneity in a simpler fashion. Third, it reduces measurement error by averaging over repeated measures of the trust responses. Fourth, it serves as a robustness check to my sample split. Formally, I regress

$$Trust_{it} = \alpha_i + \beta_1 Post_t * AvgTrust_{it} + \beta_2 Post_t + \epsilon_{it} \tag{5}$$

where $Trust_{it}$ is the residualized trust level for individual i at time 0 or 1, $AvgTrust_{it}$ is the average level of trust in the host canton, $Post_t$ is an indicator taking the value 1 after moving, and ϵ_{it} individual-time specific error term. α_i stands for individual fixed effects and β_1 is our coefficient of interest. I interpret this effect as the *average causal response on the treated* (ACRT) to an incremental change in the dose, where the dose is the trust level in the host canton. The main identification assumption in this case is the strong parallel trends, i.e., for all doses, the average change in outcomes over time across all migrants had they migrated to a particular dose (i.e., trust level at destination) is the same as the average change in outcomes over time for all migrants that experienced that dose, conditional on observables and time invariant characteristics (see Callaway et al., 2021).[20]

Finally, I conduct three robustness checks. First, I run a placebo using non-migrants, assigning a random moving year between (2003-2017) to nonmovers and find no systematic change in their trust level. Second, , to address concerns about the reflection problem (i.e., the fact that the migrants could simultaneously have an effect on the local peoples' trust)(Manski, 1993), I consider the level of trust in the cantons in the year 2002 (i.e., before any migration in the sample occurs) as the independent variable of interest and find that the results remain unchanged. Third, I find no assimilation for trust in the federal government, which alleviates concerns about the results being driven by mechanical aspects of the survey implementation.

[20] Formally, let d be the dose and Y_t be the potential outcome in time t. Then, strong parallel trends implies that for all d in D: $E[Y_t(d) - Y_{t-1}(0)] = E[Y_t(d) - Y_{t-1}(0)|D = d]$.

IV. Results: Event Study

As explained in the previous section, I split the sample in migrants who moved to a higher and lower trust cantons. Panel (a) and (b) in Figure 5 present the event study analysis (Eq. 3) for each sub-sample (see tables A1 and A4 in the Appendix for the regression results). Both figures show parallel trends in the periods before moving as shown by the estimates being close to zero. I find that moving to a higher trust canton has a positive effect on the trust level reported by the migrant. Similarly, moving to a lower trust canton has a negative effect. The fact that both figures mirror each other gives extra credibility to my results because they are two completely disjoint tests (Cullen and Perez-Truglia, 2019). The effects seems to increase over time, supporting the use of the estimators proposed by Callaway and Sant'Anna (2021). Figure A2 in the Appendix presents a placebo test where I assign random destination cantons and moving dates (2003-2017) to each non-migrant. Even with significantly smaller confidence intervals (due to the larger sample size), the figure confirms that non-migrants do not change their trust level after the randomly assigned date. Tables A2, A3, A5, A6 in the Appendix show that the results are qualitatively similar if we aggregate by migration cohort or calendar year. The Appendix, also presents the event study graphs clustering standard errors at the canton of origin and destination, without interpolating the data (and using other interpolation methods), and controlling for the difference in trust between the canton of origin and destination. In all cases, the graphs look remarkably similar.

Since I am also interested in the overall effect, I aggregate the ATTs in one estimate following Eq. 4. The overall effect of moving to a higher trust canton is 0.323 (p-value=0.035) and to a lower trust canton is -.223 (p-value=0.059). In terms of standard deviations this means an increase (decrease) in trust of 0.16 standard deviations (0.11 standard deviations). This is a large effect if we consider that the point estimates are larger than the average gap between the canton of origin and destination (see Table 2). This assimilation takes place in an average of 5 years.

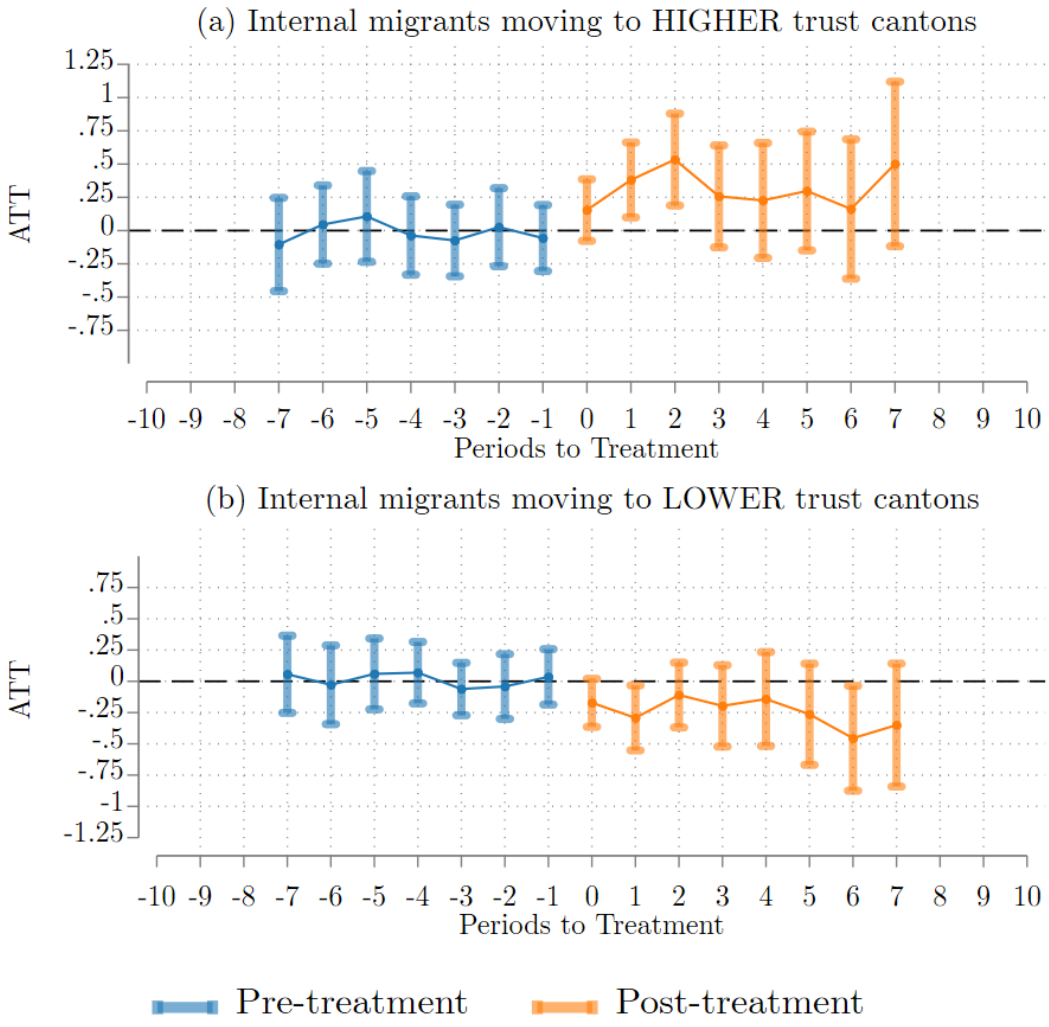

Figure 5 : Event study

Note: Panel (a) and (b) present the event study results of each ATT on trust for the migrants moving to a HIGHER and LOWER cantons. In both cases, the base period (i.e., the last period before moving) is represented by the horizontal dashed line and the spikes show the 95% simultaneous confidence intervals around each ATT using wild bootstrap standard errors. I fill the gaps in trust in the survey by interpolating from the nearest neighbour. Results remain similar with clustered standard errors, with no interpolation and using other interpolation methods (forward, linear, splines), and controlling for the size of the shock (See Appendix). The analysis was performed using the Stata command csdid (Rios-Avila et al., 2021).

A. Robustness

In the previous subsection, I have shown graphically that the parallel trends condition is satisfied (i.e., the $\theta_{es}(e)$ estimates from the pre migration periods are indistinguishable

from zero for both, migrants going to higher or lower trust cantons). In Table 3, I check whether early and late migrants are also similar before migration in terms of observable characteristics. I define late migrants as those who migrate on or after 2011. The top (bottom) panel compares early and late migrants going to higher (lower) trust cantons. None of the differences are economically nor statistically significant at the conventional levels, which reassures the validity of our counterfactual group.

Table 3—: Early vs late migrants

	Early Movers		Late Movers			
	N	Mean (s.d.)	N	Mean (s.d.)	Coeff.	p-value
Moving to HIGHER trust canton						
Age	189	37.89	280	35.45	-2.445	0.10
		(15.07)		(17.16)		
Female	189	0.53	280	0.50	-0.038	0.42
		(0.50)		(0.50)		
Married	189	0.33	280	0.28	-0.050	0.23
		(0.46)		(0.43)		
Income (CHF)	158	51818.99	233	47152.29	-4,666.697	0.29
		(35288.32)		(51305.36)		
Education (years)	188	13.38	260	13.37	-0.009	0.97
		(2.84)		(3.07)		
HH Size	125	2.26	146	2.12	-0.144	0.33
		(1.32)		(1.08)		
Moving to LOWER trust canton						
Age	157	37.14	273	37.09	-0.053	0.97
		(16.13)		(15.96)		
Female	157	0.55	273	0.52	-0.037	0.46
		(0.50)		(0.50)		
Married	157	0.38	273	0.33	-0.053	0.25
		(0.47)		(0.45)		
Income (CHF)	124	52000.03	223	49254.88	-2,745.147	0.46
		(33289.02)		(33455.39)		
Education (years)	155	13.13	248	13.60	0.465	0.12
		(2.75)		(3.24)		
HH Size	93	2.26	153	2.27	0.012	0.94
		(1.27)		(1.31)		

Note: The table shows the number of observations, means, standard deviations, coefficients and p-values of regressing each variable on an indicator that takes the value 1 for late migrants and 0 for early migrants. Late migrants are migrants who moved on or after 2011. The top (bottom) of the table describes internal migrants moving to HIGHER (LOWER) trust cantons.

V. Results: Difference in Differences

Another standard approach is to collapse all the data in periods before and after the migration occurs and perform a standard difference-in-differences analysis with two periods and a continuous treatment. In particular, I follow Bertrand et al. (2004) and regress the trust variable on interview year dummies and take the average of the residuals as my new outcome variable. I do this separately for periods before and after migration. This approach has several advantages. First, I avoid splitting the sample and exploit the intensity of the treatment directly in the identification. Second, it allows me to control for two important time varying covariates, i.e., income and education (two of the most important determinants of individual trust according to Alesina and La Ferrara (2002)). Third, it is easy to interpret and study heterogeneity. Finally, the method accounts for serial correlation and I reduce measurement error by keep migrants with 3 or more observations before and after moving.

A. Balance tests

In the previous section, I have shown that there are no pre-trends in trust within migrants going to higher or lower trust cantons than their origins. But migrants moving to higher and lower trust cantons may differ in many ways that might confound the analysis. For instance, if trust increases with income (or education) and migrants that get richer (more educated) when they move to higher trust cantons, I might mistakenly conclude that moving to such cantons has a positive effect on trust. For this reason, I start by testing the difference in important observable characteristics across the sets of migrants (i.e., age, gender, civil status, years of education, income, number of people in the household). Table 4 (top) shows that, before moving, internal migrants in the high and low trust cantons are very similar. The only statistically significant variables are education and household size. Table 4 (bottom) compares internal migrants in high and low trust destination cantons. None of the variables is statistically significant, including years of education and size of the household which balanced out after migration.

Table 4—: Balance tests for Internal migrants

	Low Trust		High Trust			
	N	Mean (s.d.)	N	Mean (s.d.)	Coeff.	p-value
Before moving						
Age	444	35.44	767	34.89	-0.550	0.57
		(15.82)		(16.49)		
Female	444	0.53	767	0.53	0.009	0.76
		(0.50)		(0.50)		
Married	444	0.30	767	0.29	-0.012	0.64
		(0.44)		(0.44)		
Income (CHF)	368	48,845	633	46,080	-2,765	0.30
		(42,910)		(36,780)		
Education (years)	422	13.50	737	12.80	-0.698	0.00
		(3.56)		(3.12)		
HH Size	261	2.10	406	2.30	0.200	0.03
		(1.10)		(1.31)		
After moving						
Age	522	41.14	810	40.65	-0.496	0.58
		(15.49)		(16.73)		
Female	522	0.53	810	0.54	0.010	0.72
		(0.50)		(0.50)		
Married	522	0.39	810	0.37	-0.013	0.61
		(0.46)		(0.46)		
Income (CHF)	452	61,044	706	61,988	944	0.70
		(39,163)		(41,348)		
Education (years)	522	14.53	810	14.40	-0.125	0.48
		(3.21)		(3.07)		
HH Size	434	2.10	694	2.13	0.030	0.63
		(1.02)		(1.05)		

Note: The table shows the number of observations, means, standard deviations, coefficients and p-values of regressing each variable on an indicator that takes the value 1 for respondents in cantons with trust above the median and 0 for respondents in cantons with trust below the median. The top (bottom) of the table describes internal migrants before (after) moving.

B. Results

Table 5 presents the results of the difference in differences regressions (Eq. 5). Column 1 shows the results with no covariates. Column 2 controls for income, education and age (which are arguably the main time varying confounders). Note that age is the average age in all the periods in which the migrant is observed either before or after migration, hence, the difference is also a proxy for the time gap between the periods. The results

are in line with the event study, an increase in one standard deviation in the canton's average trust increases individual trust of the migrant by 0.43 standard deviations, the result is virtually unchanged when adding the controls. Table A9 in the Appendix shows that the effect almost identical for men for women in split regressions. I also note that there is no effect of migration itself, captured in the "Post move" variable.

Table 5—: Difference in differences results

VARIABLES	(1) Trust	(2) Trust	(3) Trust	(4) Trust	(5) TrustFed	(6) TrustFed
Avg trust in canton X Post move	0.489	0.432				
	(0.204)	(0.212)				
Avg trust in canton (2002) X Post move			0.408	0.428		
			(0.152)	(0.169)		
Avg fed trust in canton X Post move					0.004	0.016
					(0.442)	(0.465)
Post move	-0.005	-0.063	0.107	0.048	0.032	0.118
	(0.030)	(0.139)	(0.046)	(0.136)	(0.034)	(0.178)
Age		0.014		0.015		-0.006
		(0.019)		(0.019)		(0.023)
Education (years)		0.008		0.007		-0.025
		(0.018)		(0.018)		(0.021)
Log(income)		-0.085		-0.088		-0.035
		(0.045)		(0.044)		(0.048)
Constant	-0.046	0.237	-0.046	0.253	-0.037	0.882
	(0.015)	(0.792)	(0.015)	(0.781)	(0.017)	(1.016)
Individual FE	Yes	Yes	Yes	Yes	Yes	Yes
Observations	726	676	726	676	624	612
R-squared	0.890	0.883	0.891	0.885	0.873	0.874

Note: The table presents OLS estimates of regressing migrants Trust (FedTrust) on the average trust in the canton (Equation 5). Trust (FedTrust) is the individual average of the residuals of regressing individual trust in strangers (trust in the federal government) on year dummies. The main independent variable is the average trust in strangers (trust in the federal government) in the host canton either measured over the period 2002-2017 or 2002 only. Columns 1 and 2 present the main specification. Columns 3 and 4 use the average trust in the canton as measured in 2002 only. Columns 5 and 6 use the trust in the federal government instead of trust in strangers. All regressions include individual fixed effects. Standard errors (in parentheses) clustered at the individual level. Income is measured in Swiss Francs.

A pervasive issue in the literature of endogenous social effects is that of the reflection

problem that arises when one wants to infer whether the average behavior in some group influences the behavior of the individuals that are part of it (Manski, 1993). In my case, it is possible that the migrants are also affecting the local people trust level, making both variables to move together. To explore this possibility, I compute the average trust in the cantons using responses from the year 2002 only (i.e., before any of the migrants in the sample move). The idea is that the trust level in a canton should not be affected by the migrants before they arrive. [21] Columns 3 and 4 show an effect of identical size and statistically more precise.

Finally, since I am worried that the response to trust is capturing anything mechanical of how people respond to questions in different locations (although the interview language do not change regardless of the canton the respondent is living at the time), I repeat the analysis for trust in the federal government (columns 5 and 6).[22] I find that migrants do not adapt their responses regarding their trust in the federal government, which alleviates my concern. One possible interpretation of these results is that the views about the federal government are not affected as much as the generalized trust because it relates to others' *beliefs* as opposed to others' *behavior* and these political beliefs might be more difficult to transmit and learn.

VI. Heterogeneity

In previous sections I showed that *on average* internal migrants assimilate their trust level towards the local level (i.e., $\beta_1 > 0$ in Eq. 5). However, underlying this average treatment effect there might be some variation in how individuals respond to the shock caused by migrating to a place with a different level of general trust (i.e., different βs for different individuals). I am interested in the following questions: a) Do all immigrants assimilate? b) Do some migrants assimilate more than others? c) What are the main characteristics explaining these differences? Exploring this is important for at least three reasons. First, it can provide insights on the mechanisms by which the assimilation occurs. Second, it can be useful to assess the generalizability of the results

[21] Of course, they might be affected by migrants who moved on or before 2002 that I cannot observe.
[22] I show the variation of trust in the federal government in the Appendix.

to other contexts (e.g., predicting assimilation of international migrants). Third, it can provide insights to design and target policies efficiently to either facilitate assimilation of the least affected groups or consolidate the most affected groups.

To explore these questions I compute the Sorted Partial Effects (SPEs) proposed by Chernozhukov et al. (2018).[23] In my difference-in-differences analysis, the coefficient $\beta_1 = \frac{\delta Trust}{\delta(Post*AvgTrust)}$ represents the average partial effect (APE) (also known as average treatment effect). Instead, the sorted partial effects method reports the entire range of conditional average treatment effects (CATEs) sorted in increasing order and indexed by a ranking $u =\in [0, 1]$ with respect to the population of interest.

Since the method is designed for cross-sectional data, I regress

$$\begin{aligned}(6) \qquad \Delta Trust_i = \gamma_0 + \gamma_1 AvgTrustDest_i + \gamma_2 AvgTrustOrig_i + \gamma_3 \Delta X_i + \\ + \gamma_4 AvgTrustDest_i * \Delta X_i + \gamma_5 AvgTrustOrig_i * \Delta X_i + \mu_i\end{aligned}$$

where $\Delta Trust_i$ is the first difference of the residualized trust level for individual i, $AvgTrustDest_i$ is the average level of trust in the host canton, $AvgTrustOrig_i$ is the average level of trust in the canton of origin, ΔX_i is a vector of first differences of time varying characteristics (i.e., age, education and log of income), and μ_i is an individual specific error term.

Figure 6 presents the average treatment effect (black line) and the SPEs (blue line) with 90% bootstrap uniform confidence intervals. Although these intervals are very broad, we see that all point estimates are positive. The SPE crosses the APE at the 70th percentile, which presents some evidence of heterogeneity. Following Chernozhukov et al. (2018), Table 6 compares the 25% that assimilated the most with the 25% that assimilated the least. Again, the standard errors are very large but the estimates are economically significant. For instance, the 25% who adapted the most are more likely to be female and 24 years younger which is consistent with the impressionable years hypothesis which "proposes that individuals are highly susceptible to attitude change during late adolescence and early adulthood and that susceptibility drops precipitously

[23] For this I use the R package SortedEffects (Chen et al., 2019).

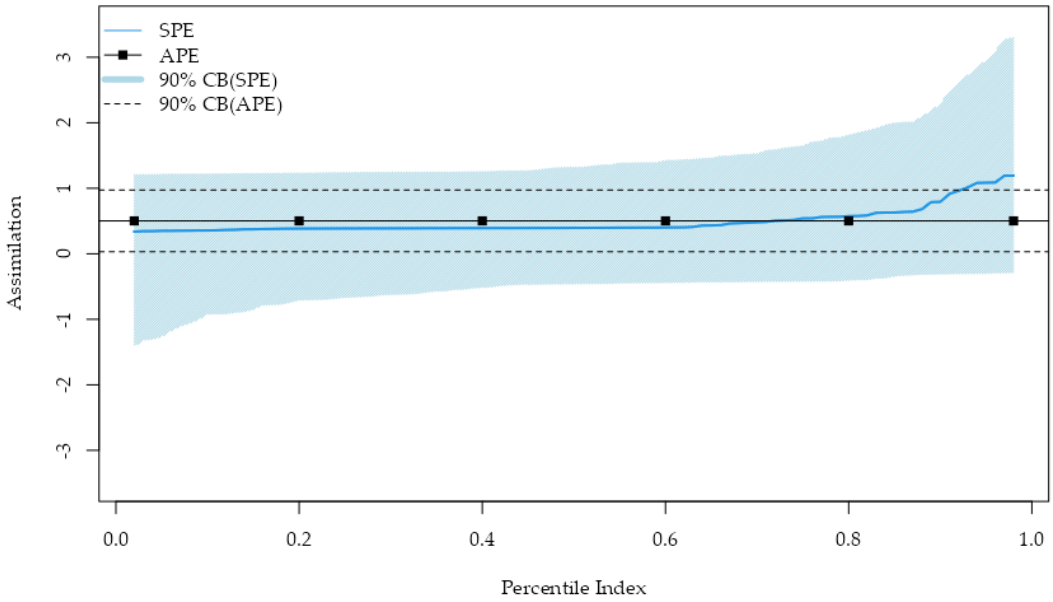

Figure 6 : APE and SPE of host canton average level of trust on migrants' trust

Note: The figure shows the average partial effect (APE) and sorted partial effects (SPEs) from Chernozhukov et al. (2018). Estimates and 90% bootstrap uniform confidence intervals based on Eq. 5 controlling for age, education, log of income and individual fixed effects (as in column 2 of Table 5); and interactions of the treatment variable with gender, average time between the measures, age of moving, and the level of education and log of income before migratin three forms: the value pre move, after move and the difference. The plot was made using the R package SortedEffects (Chen et al., 2019).

immediately thereafter and remains low throughout the rest of the life cycle" (Krosnick and Alwin, 1989) (I explore this further below). The 25% who adapted the most also have a larger difference between the average age before and after migration which is a proxy for time of exposure to the new environment. This is consistent with Marino Fages and Morales Cerda (2022) and reassures the assimilation argument. Furthermore, a novel result is that these 25% seem to be also poorer and have less years of education but with a higher increase in income and education after migration. This is partially in contrast with Jaschke et al. (2022), which finds that refugees who assimilate the most culturally do not exhibit faster economic convergence. Finally, there does not seem to be a difference between the trust at the canton of origin or destination.

Table 6—: Bias corrected mean characteristics of the 25% who assimilated the most and the least

Variables	Most	Least	Difference	JP-value	P-value
Trust	-0.04	0.13	-0.16	0.89	0.14
	(0.09)	(0.10)	(0.15)		
Female	0.68	0.56	0.13	0.86	0.12
	(0.19)	(0.24)	(0.43)		
Age when moved	22.85	45.11	-24.26	0.61	0.04
	(5.64)	(6.95)	(12.21)		
Year difference	7.31	4.44	2.87	0.94	0.18
	(0.70)	(1.20)	(1.74)		
Log(income) before moving	8.80	11.27	-2.48	0.30	0.01
	(0.51)	(0.32)	(0.80)		
Difference in log(income)	1.95	-0.62	2.57	0.53	0.03
	(0.55)	(0.34)	(0.87)		
Education (years) before moving	11.23	14.59	-3.36	0.14	0.00
	(1.08)	(1.44)	(2.39)		
Difference in education years	5.11	-0.52	5.63	0.10	0.00
	(0.99)	(0.52)	(1.38)		
Avg trust in origin	6.27	6.22	0.06	0.99	0.28
	(0.02)	(0.01)	(0.02)		
Avg trust in destination	6.27	6.30	-0.03	0.99	0.28
	(0.01)	(0.01)	(0.01)		

Note: The table presents the estimates, differences and bootstrap standard errors (in parenthesis) for the most and least assimilated migrants. The last two columns present the JP-value, which accounts for simultaneous inference of all variables; and the P-value, which stands for pointwise p-values. Trust is the individual average of the residuals of regressing trust in strangers on year dummies before and after migration. Year difference is the difference between the average year before and after migration.

The previous analysis serves as a data driven approach to identify the most relevant characteristics of those who adapt the most *versus* those that adapt the least. I now look at this from a different angle by splitting the sample according to pre move income and age at moving (Table A9 in the Appendix shows no clear difference by gender). First, I run the regression from Eq. 5 for three different migration age groups, i.e., 14-31, 32-49 and 50-90 years old. Figure 7 shows clear results. The effect is strongest for the youngest migratns. This is important because, in most contexts, the vast majority of migrants move between the ages of 15 and 29 years old (Milasi, 2020). Second, I rank the pre move income levels and split it in three equal group sizes. Figure 8 shows that the effect is driven by the poorer group. Note, however, that income and age are highly correlated and, thus, the results should be interpreted with care.

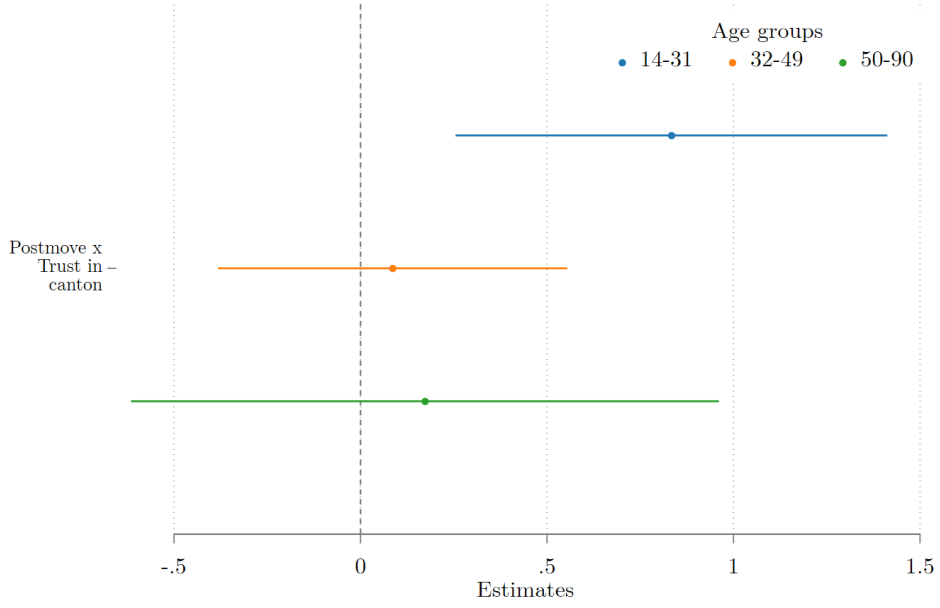

Figure 7 : Assimilation effects for different moving age groups

Note: The figure shows the coefficients of Equation 5 for different samples. The dependent variable is the individual average of the residuals of regressing trust on year dummies. The independent variable is the average trust level in the host canton. 95% confidence intervals computed using clustered standard errors at the individual level.

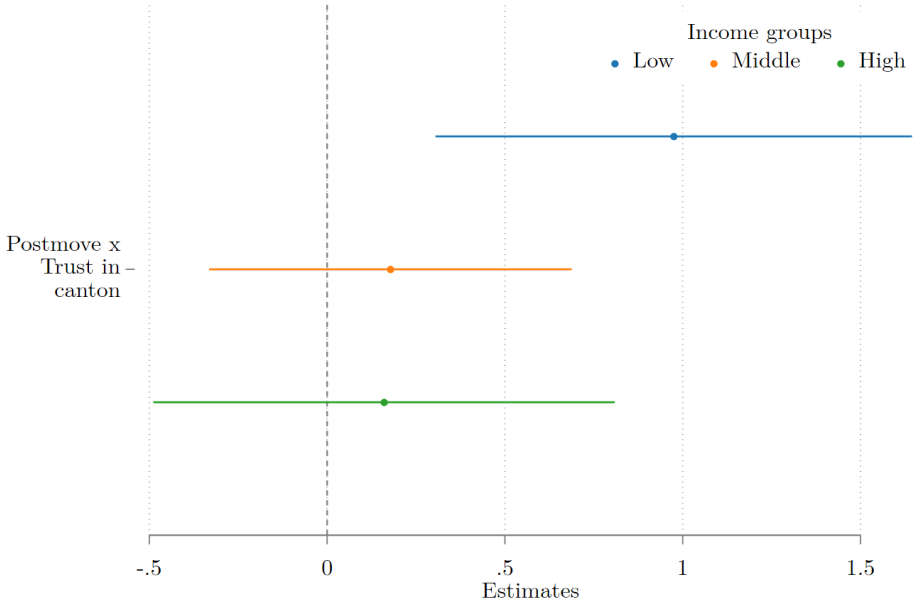

Figure 8 : Assimilation effects for different pre move income groups

Note: The figure shows the coefficients of Equation 5 for different samples. The dependent variable is the individual average of the residuals of regressing trust on year dummies. The independent variable is the average trust level in the host canton. 95% confidence intervals computed using clustered standard errors at the individual level.

VII. Conclusion

When migrants arrive in a new country, they face the challenge of inserting themselves into society. This implies joining the labour market, learning the language and culture, marrying, making friends, and so on. At the same time, trust, as a component of culture, has been shown be a predictor of many desirable social, political and economic outcomes. In this paper, I study how first generation internal migrants in Switzerland assimilate in their trust levels towards the average trust of the locals. The main challenge in this kind of research lies in disentangling assimilation from sorting. In general, it is hard to find longitudinal datasets following first generation immigrants over time (Abramitzky et al., 2020), especially if we are interested in observing pre-migration information. In fact, even for non migrants, it is uncommon for surveys to ask the generalized trust question more than once to the same individual.

The unique panel characteristic of the Swiss Household Panel allows me to provide *causal* evidence on migrants' assimilation in their trust level towards the local level. This is because I can combine the 17-year-panel with people moving between places with large cultural differences in a difference-in-difference approach. Migrants moving to higher (lower) trust cantons have parallel trends in trust and balance in other demographics before moving. Furthermore, early and late migrants are also balanced in demographics. These evidence allows me to identify a causal effect of moving to a canton with a different level of trust.

I find a large change in the migrants' trust, that is, migrants moving to a higher trust canton increase their trust by 0.16 standard deviations whereas migrants moving to lower trust cantons decrease their trust by 0.11 standard deviations. This assimilation takes place in an average of 5 years. Using the difference-in-differences approach with the continuous treatment, I find that, migrants increase their trust in 0.43 standard deviations for each standard deviation increase in the trust level at the destination. The results are unchanged if I consider the level of trust in the cantons in the year 2002 (i.e., before any migration in the sample occurs), which eases concerns about the reflection problem. I also show that the results are not driven by differential attrition, as the attrition rate is similar for migrants in higher and lower trust cantons. On the other hand, I find no assimilation for trust in the federal government, confirming that my results are not driven by aspects of the survey implementation.

I further explore heterogeneity in the assimilation using the data driven method by Chernozhukov et al. (2018) and find that the 25% who adapted the most are more likely to be female and 36 years younger (supporting the impressionable years hypothesis in psychology (Krosnick and Alwin, 1989)), have at least one more year in the host canton, are poorer but with a higher increase in income and education after migration. Finding more robust evidence on these heterogeneities in assimilation not only would be helpful to inform international migration policy but also to correct native's missperceptions about immigrants' assimilation (Alesina and Tabellini, 2022).

Lastly, it is noteworthy to mention that, the setting does not allow me to understand whether migrants' assimilation is due to the locals' trust or the locals' trustworthiness.

Since, in general, both characteristics have a positive correlation, it would be interesting to explore their relative weights. Kim et al. (2022) studied this in an experimental setting and found that people make the same inferences from the trusting as from the trustworthiness of others. Further research should study this in a real world setting.

REFERENCES

Abramitzky, Ran, Leah Boustan, and Katherine Eriksson, "Do immigrants assimilate more slowly today than in the past?," *American Economic Review: Insights*, 2020, *2* (1), 125–41.

Acharya, Avidit, Matthew Blackwell, and Maya Sen, "The political legacy of American slavery," *The Journal of Politics*, 2016, *78* (3), 621–641.

Akerlof, George A and Rachel E Kranton, "Economics and identity," *The Quarterly Journal of Economics*, 2000, *115* (3), 715–753.

Aksoy, Billur, Haley Harwell, Ada Kovaliukaite, and Catherine Eckel, "Measuring trust: A reinvestigation," *Southern Economic Journal*, 2018, *84* (4), 992–1000.

Alesina, Alberto and Eliana La Ferrara, "Who trusts others?," *Journal of Public Economics*, 2002, *85* (2), 207–234.

_ **and Marco Tabellini**, "The Political Effects of Immigration: Culture or Economics?," Technical Report, National Bureau of Economic Research 2022.

_ **and Nicola Fuchs-Schündeln**, "Good-bye Lenin (or not?): The effect of communism on people's preferences," *American Economic Review*, 2007, *97* (4), 1507–1528.

_ **and Paola Giuliano**, "Culture and institutions," *Journal of Economic Literature*, 2015, *53* (4), 898–944.

Algan, Yann and Pierre Cahuc, "Inherited trust and growth," *American Economic Review*, 2010, *100* (5), 2060–92.

_ **and** _ , "Trust, growth, and well-being: New evidence and policy implications," in "Handbook of Economic Growth," Vol. 2, Elsevier, 2014, pp. 49–120.

Angrist, Joshua D and Guido W Imbens, "Two-stage least squares estimation of average causal effects in models with variable treatment intensity," *Journal of the American statistical Association*, 1995, *90* (430), 431–442.

Ashraf, Nava, Iris Bohnet, and Nikita Piankov, "Decomposing trust and trustworthiness," *Experimental Economics*, 2006, *9* (3), 193–208.

Atkin, David, "The caloric costs of culture: Evidence from Indian migrants," *American Economic Review*, 2016, *106* (4), 1144–81.

Barankay, Iwan, Pascal Sciarini, and Alexander H Trechsel, "Institutional openness and the use of referendums and popular initiatives: Evidence from Swiss cantons," *Swiss Political Science Review*, 2003, *9* (1), 169–199.

Berg, Joyce, John Dickhaut, and Kevin McCabe, "Trust, reciprocity, and social history," *Games and Economic Behavior*, 1995, *10* (1), 122–142.

Bernheim, B Douglas, "A theory of conformity," *Journal of Political Economy*, 1994, *102* (5), 841–877.

Bertrand, Marianne, Esther Duflo, and Sendhil Mullainathan, "How much should we trust differences-in-differences estimates?," *The Quarterly Journal of Economics*, 2004, *119* (1), 249–275.

Bisin, Alberto and Thierry Verdier, ""Beyond the melting pot": cultural transmission, marriage, and the evolution of ethnic and religious traits," *The Quarterly Journal of Economics*, 2000, *115* (3), 955–988.

Boyd, Robert and Peter J Richerson, *Culture and the evolutionary process*, University of Chicago press, 1988.

_ and _, "Why does culture increase human adaptability?," *Ethology and sociobiology*, 1995, *16* (2), 125–143.

Bühlmann, Marc, Adrian Vatter, Oliver Dlabac, and Hans-Peter Schaub, "Liberal and radical democracies: The Swiss cantons compared," *World Political Science*, 2014, *10* (2), 385–423.

Butler, Jeffrey V, Paola Giuliano, and Luigi Guiso, "The right amount of trust," *Journal of the European Economic Association*, 2016, *14* (5), 1155–1180.

Callaway, Brantly and Pedro HC Sant'Anna, "Difference-in-differences with multiple time periods," *Journal of Econometrics*, 2021, *225* (2), 200–230.

_ , Andrew Goodman-Bacon, and Pedro HC Sant'Anna, "Difference-in-differences with a continuous treatment," *arXiv preprint arXiv:2107.02637*, 2021.

Cameron, Lisa, Nisvan Erkal, Lata Gangadharan, and Marina Zhang, "Cultural integration: Experimental evidence of convergence in immigrants' preferences," *Journal of Economic Behavior & Organization*, 2015, *111*, 38–58.

Cattaneo, Matias D, Richard K Crump, Max H Farrell, and Yingjie Feng, "On binscatter," *arXiv preprint arXiv:1902.09608*, 2019.

Chen, Shuowen, Victor Chernozhukov, Iván Fernández-Val, and Ye Luo, "SortedEffects: sorted causal effects in R," *arXiv preprint arXiv:1909.00836*, 2019.

Chernozhukov, Victor, Iván Fernández-Val, and Ye Luo, "The sorted effects method: discovering heterogeneous effects beyond their averages," *Econometrica*, 2018, *86* (6), 1911–1938.

Clemens, Michael A, "Economics and emigration: Trillion-dollar bills on the sidewalk?," *Journal of Economic perspectives*, 2011, *25* (3), 83–106.

Cox, James C, "How to identify trust and reciprocity," *Games and Economic Behavior*, 2004, *46* (2), 260–281.

Cullen, Zoë B and Ricardo Perez-Truglia, "The old boys' club: Schmoozing and the gender gap," Technical Report, National Bureau of Economic Research 2019.

de Silanes Shleifer A Vishny R W La Porta R, Florencio Lopez, "Trust in Large Organizations," *American Economic Review*, 1997, *87* (2), 333–338.

Dinesen, Peter Thisted, "Does generalized (dis) trust travel? Examining the impact of cultural heritage and destination-country environment on trust of immigrants," *Political Psychology*, 2012, *33* (4), 495–511.

_ , "Where you come from or where you live? Examining the cultural and institutional explanation of generalized trust using migration as a natural experiment," *European sociological review*, 2013, *29* (1), 114–128.

_ **and Marc Hooghe**, "When in Rome, do as the Romans do: the acculturation of generalized trust among immigrants in Western Europe," *International Migration Review*, 2010, *44* (3), 697–727.

Dustmann, Christian and Ian P Preston, "Free movement, open borders, and the global gains from labor mobility," *Annual Review of Economics*, 2019, *11*, 783–808.

Ermisch, John, Diego Gambetta, Heather Laurie, Thomas Siedler, and SC Noah Uhrig, "Measuring people's trust," *Journal of the Royal Statistical Society: Series A (Statistics in Society)*, 2009, *172* (4), 749–769.

Fehr, Ernst, "On the economics and biology of trust," *Journal of the European Economic Association*, 2009, *7* (2-3), 235–266.

_ **, Urs Fischbacher, Bernhard Von Rosenbladt, Jürgen Schupp, and Gert G Wagner**, "A nation-wide laboratory: Examining trust and trustworthiness by integrating behavioral experiments into representative survey," *Available at SSRN 385120*, 2003.

Fernandez, Raquel, "Women, work, and culture," *Journal of the European Economic Association*, 2007, *5* (2-3), 305–332.

Fernández, Raquel and Alessandra Fogli, "Fertility: The role of culture and family experience," *Journal of the European Economic Association*, 2006, *4* (2-3), 552–561.

Frey, Christian and Christoph A Schaltegger, "The initiative, referendum, and distribution of income: An empirical analysis of Swiss cantons," *European Journal of Political Economy*, 2021, *66*, 101968.

Gambetta, Diego et al., "Can we trust trust," *Trust: Making and breaking cooperative relations*, 2000, *13*, 213–237.

Giavazzi, Francesco, Ivan Petkov, and Fabio Schiantarelli, "Culture: Persistence and evolution," *Journal of Economic Growth*, 2019, *24* (2), 117–154.

Giuliano, Paola, "Living arrangements in western europe: Does cultural origin matter?," *Journal of the European Economic Association*, 2007, *5* (5), 927–952.

Glaeser, Edward L, David I Laibson, Jose A Scheinkman, and Christine L Soutter, "Measuring trust," *The Quarterly Journal of Economics*, 2000, *115* (3), 811–846.

Goodman-Bacon, Andrew, "Difference-in-differences with variation in treatment timing," *Journal of Econometrics*, 2021, *225* (2), 254–277.

Guiso, Luigi, Paola Sapienza, and Luigi Zingales, "Social capital as good culture," *Journal of the European Economic Association*, 2008, *6* (2-3), 295–320.

_ , _ , and _ , "Corporate culture, societal culture, and institutions," *American Economic Review*, 2015, *105* (5), 336–39.

_ , _ , and _ , "Long-term persistence," *Journal of the European Economic Association*, 2016, *14* (6), 1401–1436.

Hainmueller, Jens and Dominik Hangartner, "Who gets a Swiss passport? A natural experiment in immigrant discrimination," *American Political Science Review*, 2013, *107* (1), 159–187.

Helliwell, John F, Shun Wang, and Jinwen Xu, "How durable are social norms? Immigrant trust and generosity in 132 countries," *Social Indicators Research*, 2016, *128* (1), 201–219.

Ichino, Andrea and Giovanni Maggi, "Work environment and individual background: Explaining regional shirking differentials in a large Italian firm," *The Quarterly Journal of Economics*, 2000, *115* (3), 1057–1090.

Jaschke, Philipp, Sulin Sardoschau, and Marco Tabellini, "Scared Straight? Threat and Assimilation of Refugees in Germany," Technical Report, National Bureau of Economic Research 2022.

Johnson, Noel D and Alexandra Mislin, "Cultures of kindness: A meta-analysis of trust game experiments," *Available at Social Science Research Network: http://ssrn.com/abstract*, 2008, *1315325.*

_ **and** _ , "How much should we trust the World Values Survey trust question?," *Economics Letters*, 2012, *116* (2), 210–212.

Kim, Jeongbin, Louis Putterman, and Xinyi Zhang, "Trust, Beliefs and Cooperation: Excavating a Foundation of Strong Economies," *European Economic Review*, 2022, p. 104166.

Kim, Seong Hee, "Changes in Social Trust: Evidence from East German Migrants," *Social Indicators Research*, 2021, *155* (3), 959–981.

Knack, Stephen and Philip Keefer, "Does social capital have an economic payoff? A cross-country investigation," *The Quarterly Journal of Economics*, 1997, *112* (4), 1251–1288.

Krosnick, Jon A and Duane F Alwin, "Aging and susceptibility to attitude change.," *Journal of personality and social psychology*, 1989, *57* (3), 416.

Lagakos, David, Ahmed Mushfiq Mobarak, and Michael E Waugh, "The welfare effects of encouraging rural-urban migration," Technical Report, National Bureau of Economic Research 2018.

Lazzarini, Sergio G, Regina Madalozzo, Rinaldo Artes, Jose de Oliveira Siqueira et al., "Measuring trust: An experiment in Brazil," *Brazilian Journal of Applied Economics*, 2005, *9* (2), 153–169.

Ljunge, Martin, "Trust issues: Evidence on the intergenerational trust transmission among children of immigrants," *Journal of Economic Behavior & Organization*, 2014, *106*, 175–196.

Manski, Charles F, "Identification of endogenous social effects: The reflection problem," *The Review of Economic Studies*, 1993, *60* (3), 531–542.

Marino Fages, Diego and Matias Morales Cerda, "Migration and social preferences," *Economics Letters*, 2022, p. 110773.

Mayer, Roger C, James H Davis, and F David Schoorman, "An integrative model of organizational trust," *Academy of management review*, 1995, *20* (3), 709–734.

Michalopoulos, Stelios and Elias Papaioannou, "The long-run effects of the scramble for Africa," *American Economic Review*, 2016, *106* (7), 1802–1848.

_ **and Melanie Meng Xue**, "Folklore," *The Quarterly Journal of Economics*, 2021, *136* (4), 1993–2046.

Milasi, Santo, "What drives youth's intention to migrate abroad? Evidence from International Survey Data," *IZA Journal of Development and Migration*, 2020, *11* (1).

Moschion, Julie and Domenico Tabasso, "Trust of second-generation immigrants: intergenerational transmission or cultural assimilation?," *IZA Journal of Migration*, 2014, *3* (1), 1–30.

Murtin, Fabrice, Lara Fleischer, Vincent Siegerink, Arnstein Aassve, Yann Algan, Romina Boarini, Santiago González, Zsuzsanna Lonti, Gianluca Grimalda, Rafael Hortala Vallve, Soonhee Kim, David Lee, Louis Putterman, and Conal Smith, "Trust and its determinants: Evidence from the Trustlab experiment," 2018.

Nannestad, Peter, Gert Tinggaard Svendsen, Peter Thisted Dinesen, and Kim Mannemar Sønderskov, "Do institutions or culture determine the level of social trust? The natural experiment of migration from non-western to western countries," *Journal of Ethnic and Migration Studies*, 2014, *40* (4), 544–565.

Nunn, Nathan and Leonard Wantchekon, "The slave trade and the origins of mistrust in Africa," *American Economic Review*, 2011, *101* (7), 3221–52.

Obradovich, Nick, Ömer Özak, Ignacio Martín, Ignacio Ortuño-Ortín, Edmond Awad, Manuel Cebrián, Rubén Cuevas, Klaus Desmet, Iyad Rahwan, and Ángel Cuevas, "Expanding the measurement of culture with a sample of two billion humans," *Journal of the Royal Society Interface*, 2022, *19* (190), 20220085.

Olcina, Gonzalo, Fabrizio Panebianco, and Yves Zenou, "Conformism, social norms and the dynamics of assimilation," *Available at SSRN 3008348*, 2017.

Perez-Truglia, Ricardo, "Political conformity: Event-study evidence from the united states," *Review of Economics and Statistics*, 2018, *100* (1), 14–28.

Putnam, Robert, "The prosperous community: Social capital and public life," *The american prospect*, 1993, *13* (4).

Rios-Avila, Fernando, Pedro H.C. Sant'Anna, and Brantly Callaway, "CSDID: Stata module for the estimation of Difference-in-Difference models with multiple time periods," 2021.

Rousseau, Denise M, Sim B Sitkin, Ronald S Burt, and Colin Camerer, "Not so different after all: A cross-discipline view of trust," *Academy of management review*, 1998, *23* (3), 393–404.

Rustagi, Devesh, "Historical self-governance and norms of cooperation," 2022.

Sapienza, Paola, Anna Toldra-Simats, and Luigi Zingales, "Understanding trust," *The Economic Journal*, 2013, *123* (573), 1313–1332.

Sturgis, Patrick and Patten Smith, "Assessing the validity of generalized trust questions: What kind of trust are we measuring?," *International Journal of Public Opinion Research*, 2010, *22* (1), 74–92.

Sun, Liyang and Sarah Abraham, "Estimating dynamic treatment effects in event studies with heterogeneous treatment effects," *Journal of Econometrics*, 2021, *225* (2), 175–199.

Tabellini, Guido, "Institutions and culture," *Journal of the European Economic Association*, 2008, *6* (2-3), 255–294.

_ , "The scope of cooperation: Values and incentives," *The Quarterly Journal of Economics*, 2008, *123* (3), 905–950.

_ , "Culture and institutions: economic development in the regions of Europe," *Journal of the European Economic Association*, 2010, *8* (4), 677–716.

Wu, Cary, "Does migration affect trust? Internal migration and the stability of trust among americans," *The Sociological Quarterly*, 2020, *61* (3), 523–543.

_ , "How Stable is Generalized Trust? Internal Migration and the Stability of Trust Among Canadians," *Social Indicators Research*, 2021, *153* (1), 129–147.

Zak, Paul J and Stephen Knack, "Trust and growth," *The Economic Journal*, 2001, *111* (470), 295–321.

Appendix

A1. Event study results: Moving to higher trust cantons

Table A1—: Results from event study analysis with migrants moving to higher trust cantons

	Coef.	s.e.	P-value	C.I. low	C.I. high
Pre migration average	-0.013	0.025	0.592	-0.062	0.035
Post migration average	0.314	0.165	0.057	-0.010	0.639
Tm7	-0.104	0.179	0.560	-0.455	0.246
Tm6	0.046	0.150	0.760	-0.248	0.340
Tm5	0.107	0.174	0.540	-0.235	0.448
Tm4	-0.037	0.150	0.807	-0.332	0.258
Tm3	-0.074	0.137	0.589	-0.344	0.195
Tm2	0.026	0.150	0.862	-0.267	0.319
Tm1	-0.056	0.127	0.659	-0.304	0.192
Tp0	0.154	0.118	0.192	-0.077	0.386
Tp1	0.381	0.144	0.008	0.099	0.663
Tp2	0.534	0.176	0.002	0.189	0.880
Tp3	0.257	0.196	0.188	-0.126	0.641
Tp4	0.227	0.221	0.303	-0.205	0.659
Tp5	0.298	0.228	0.191	-0.149	0.744
Tp6	0.163	0.267	0.543	-0.362	0.687
Tp7	0.501	0.316	0.112	-0.118	1.120

	Coef.	s.e.	P-value	C.I. low	C.I. high
ATT	0.323	0.153	0.035	0.022	0.623

Note: The table presents the $\theta_{es}(e)$ for each year relative to the year of migration, and the average before and after. At the bottom, the table presents the overall average of the ATT estimates for all cohorts across all periods.

Table A2—: Results from event study analysis with migrants moving to higher trust cantons, by cohort

	Coef.	s.e.	P-value	C.I. low	C.I. high
GAverage	0.193	0.141	0.173	-0.084	0.469
G2003	0.524	0.396	0.186	-0.252	1.301
G2004	0.598	0.502	0.233	-0.386	1.581
G2005	0.575	0.387	0.138	-0.184	1.333
G2006	-0.003	0.422	0.995	-0.831	0.825
G2007	-0.441	0.439	0.315	-1.301	0.419
G2008	0.339	0.377	0.369	-0.401	1.078
G2009	0.030	0.387	0.939	-0.730	0.789
G2010	1.508	0.845	0.074	-0.148	3.164
G2011	0.005	0.350	0.988	-0.681	0.692
G2012	0.533	0.403	0.186	-0.257	1.323
G2013	1.913	0.605	0.002	0.728	3.099
G2014	-0.320	0.262	0.223	-0.833	0.194
G2015	0.163	0.352	0.644	-0.527	0.853
G2016	-0.045	0.326	0.891	-0.684	0.595
G2017	-0.530	0.444	0.232	-1.401	0.340

Note: The table presents the aggregate estimates of the ATTs for each cohort (G), across all years, and the grand average of all of them. Bootstrap standard errors (in parentheses).

Table A3—: Results from event study analysis with migrants moving to higher trust cantons, by year

	Coef.	s.e.	P-value	C.I. low	C.I. high
CAverage	0.292	0.150	0.052	-0.002	0.585
T2003	-0.533	0.585	0.363	-1.680	0.614
T2004	0.372	0.389	0.339	-0.391	1.135
T2005	0.439	0.368	0.233	-0.282	1.161
T2006	0.411	0.273	0.132	-0.123	0.946
T2007	0.240	0.277	0.386	-0.303	0.784
T2008	0.268	0.237	0.258	-0.197	0.733
T2009	0.469	0.249	0.059	-0.019	0.956
T2010	0.608	0.266	0.022	0.086	1.129
T2011	0.291	0.237	0.221	-0.175	0.756
T2012	0.326	0.256	0.204	-0.177	0.828
T2013	0.210	0.265	0.428	-0.309	0.728
T2014	0.671	0.244	0.006	0.193	1.149
T2015	0.004	0.237	0.985	-0.461	0.470
T2016	0.173	0.262	0.508	-0.340	0.686
T2017	0.424	0.298	0.155	-0.160	1.008

Note: The table presents the aggregate estimates of the ATTs for each calendar year (T), across all cohorts, and the grand average of all of them. Bootstrap standard errors (in parentheses).

A2. Event study results: Moving to lower trust cantons

Table A4—: Results from event study analysis with migrants moving to lower trust cantons

	Coef.	s.e.	P-value	C.I. low	C.I. high
Pre migration average	0.013	0.021	0.532	-0.028	0.054
Post migration average	-0.247	0.127	0.052	-0.497	0.002
Tm7	0.056	0.158	0.720	-0.252	0.365
Tm6	-0.028	0.161	0.864	-0.343	0.287
Tm5	0.060	0.145	0.681	-0.224	0.343
Tm4	0.069	0.125	0.581	-0.176	0.315
Tm3	-0.061	0.107	0.566	-0.271	0.148
Tm2	-0.041	0.132	0.755	-0.300	0.218
Tm1	0.036	0.113	0.752	-0.186	0.258
Tp0	-0.172	0.098	0.080	-0.364	0.021
Tp1	-0.292	0.133	0.028	-0.552	-0.032
Tp2	-0.109	0.132	0.409	-0.368	0.150
Tp3	-0.196	0.166	0.237	-0.522	0.129
Tp4	-0.142	0.192	0.459	-0.517	0.234
Tp5	-0.263	0.206	0.202	-0.668	0.141
Tp6	-0.455	0.214	0.033	-0.874	-0.036
Tp7	-0.350	0.251	0.163	-0.841	0.142

	Coef.	s.e.	P-value	C.I. low	C.I. high
ATT	-0.223	0.118	0.059	-0.455	0.008

Note: The table presents the $\theta_{es}(e)$ for each year relative to the year of migration, and the average before and after. At the bottom, the table presents the overall average of the ATT estimates for all cohorts across all periods.

Table A5—: Results from event study analysis with migrants moving to lower trust cantons, by cohort

	Coef.	s.e.	P-value	C.I. low	C.I. high
GAverage	-0.291	0.113	0.010	-0.512	-0.069
G2003	-0.170	0.434	0.695	-1.022	0.681
G2004	-0.273	0.309	0.377	-0.879	0.333
G2005	0.320	0.387	0.408	-0.438	1.078
G2006	-0.396	0.323	0.220	-1.030	0.238
G2007	-0.818	0.345	0.018	-1.495	-0.142
G2008	-0.625	0.287	0.029	-1.187	-0.063
G2009	-0.575	0.632	0.363	-1.814	0.664
G2010	-0.432	0.323	0.180	-1.065	0.200
G2011	0.167	0.363	0.646	-0.545	0.879
G2012	-0.108	0.602	0.858	-1.287	1.071
G2013	0.271	0.289	0.348	-0.295	0.838
G2014	-0.263	0.229	0.250	-0.712	0.186
G2015	-0.141	0.240	0.556	-0.611	0.329
G2016	-0.372	0.319	0.244	-0.998	0.254
G2017	-0.911	0.453	0.044	-1.798	-0.024

Note: The table presents the aggregate estimates of the ATTs for each cohort (G), across all years, and the grand average of all of them. Bootstrap standard errors (in parentheses).

Table A6—: Results from event study analysis with migrants moving to lower trust cantons, by year

	Coef.	s.e.	P-value	C.I. low	C.I. high
CAverage	-0.200	0.126	0.112	-0.448	0.047
T2003	-0.617	0.573	0.281	-1.739	0.505
T2004	-0.250	0.378	0.509	-0.991	0.492
T2005	0.103	0.263	0.695	-0.413	0.620
T2006	-0.399	0.249	0.109	-0.887	0.090
T2007	0.339	0.274	0.216	-0.198	0.877
T2008	0.166	0.200	0.408	-0.226	0.558
T2009	-0.162	0.229	0.479	-0.611	0.287
T2010	-0.243	0.196	0.214	-0.628	0.141
T2011	-0.295	0.201	0.142	-0.688	0.098
T2012	-0.425	0.210	0.044	-0.837	-0.012
T2013	-0.125	0.212	0.554	-0.541	0.290
T2014	-0.418	0.189	0.028	-0.789	-0.046
T2015	-0.155	0.183	0.398	-0.514	0.204
T2016	-0.144	0.235	0.540	-0.604	0.316
T2017	-0.384	0.233	0.099	-0.840	0.073

Note: The table presents the aggregate estimates of the ATTs for each calendar year (T), across all cohorts, and the grand average of all of them. Bootstrap standard errors (in parentheses).

A3. Measuring trust: Experimental literature

Some early papers, comparing self reported trust with experimental measures found mixed results.[24] Glaeser et al. (2000); Lazzarini et al. (2005); Ermisch et al. (2009) found no correlation with the sending decision in the trust game but a strong and significant correlation with the return decision (i.e., trustworthiness). Both of these papers, however, were based on small and unrepresentative samples (Murtin et al., 2018). Fehr et al. (2003) used a large representative sample in Germany and found no correlations between self-reported trust in others and experimental measures of either one's own's trust or trustworthiness.

On the other hand, in a meta-analysis of experiments run in 35 countries, Johnson and Mislin (2012) finds a strong positive correlation with the experimental measure. Similarly, Murtin et al. (2018) finds a positive correlation between our generalized trust question and the experimental measures using representative samples from France, Germany, Italy, Korea, Slovenia and the United States.

Sapienza et al. (2013) reconciles these findings by separating the preferences and beliefs components in the senders decision in the trust game. They conclude that self-reported trust mainly captures beliefs while the amount sent in an experiment is confounding the two components.[25] Partially confirming this, Murtin et al. (2018) finds experimental measures of expected trustworthiness (i.e., beliefs) and altruism (i.e., preferences) to be the strongest predictors of self-reported trust. Furthermore, Fehr (2009) shows that self reported trust is also driven by risk and betrayal aversion.

In sum, by capturing expected trustworthiness and altruism, self-reported trust is a good predictor of many desirable social, political and economics outcomes (Nunn and Wantchekon, 2011; Algan and Cahuc, 2010) and, thus, understanding how migrants develop this is important. Although disentangling assimilation in beliefs from assimila-

[24] Experimental measures operationalize trust as the amount sent and trustworthiness as the money returned in a Berg-Dickhaut-McCabe Investment Game (commonly known as the Trust Game)(Berg et al., 1995).

[25] Interestingly, the papers finding no correlation with trust but with trustworthiness did not endow the trustee. According to Aksoy et al. (2018), this induces more altruism from the part of the trustor, which worsens the confounding between beliefs and preferences (see also Ashraf et al. (2006) and Cox (2004)). They replicate the experiment endowing both parties and find a significant correlation between the self-reported and experimental measure.

tion in preferences would be a difficult task with non experimental data, one can expect that both components (beliefs and preferences) affect behavior in the same direction (Alesina and Giuliano, 2015; Tabellini, 2008a).[26]

A4. Full regressions from the descriptive evidence section

The large majority of the literature on cultural assimilation (mostly in adjacent fields) have relied on the epidemiological approach(See Fernández and Fogli, 2006; Fernandez, 2007; Giuliano, 2007) sometimes exploiting the time spent in the destination (Marino Fages and Morales Cerda, 2022; Helliwell et al., 2016; Wu, 2020, 2021; Cameron et al., 2015; Dinesen and Hooghe, 2010; Dinesen, 2013, 2012; Nannestad et al., 2014; Kim, 2021). The approach involves studying individuals from different backgrounds in one specific location (holding culture and institutions at the destination constant). I do the opposite analysis, by controlling for origin fixed effects and observing the effect of the destination on the migrants' trust level. Formally, I run the following equation:

$$Trust_{irh} = \alpha + \beta_1 \overline{Trust}_r + \beta_2 X_i + Origin_h + \epsilon_{irh} \tag{A1}$$

where, $Trust_{irh}$ is individual i level of trust in canton r from canton h, $\overline{Trust}_r$ is the average trust level in the residence canton r, $Origin_h$ are canton(country) of origin h fixed effects, X_i is a vector of control variables and ϵ_{irh} is the individual specific error term. β_1 is the coefficient of interest. I run three separate regressions: 1) International migrants, 2) Internal migrants in the destination, and 3) Internal migrants before they move as a falsification test. For this analysis I restrict the sample to the german regions only and report bootstrapped standard errors.

Table A7 presents the results. The first two columns show that the average trust in the destination canton is a significant predictor of the individual trust for both internal and international migrants. The coefficient of interest for internal and international

[26] One could potentially argue, as Fehr (2009) conjectures, that the speed of assimilation can give some evidence since beliefs are likely to be more malleable and change more quickly in response variations in the prevailing conditions.

migrants are both positive and significant at conventional levels. A standard deviation increase in the average cantonal trust is associated with a 2.49 (1.35) standard deviation increase in the residualized trust of the internal (international) migrant.

The assumption needed to interpret these results as causal is that, conditional on observables, migrants' destinations are as good as random. For the internal migrants I also have data on their pre-move trust level. This allows us to check whether internal migrants look similar in terms of trust to the destination cantons, even before moving to those cantons. Column 3 shows that, a negative and non-significant effect of the destination canton on migrants before they migrate which provides evidence against a selection mechanism.

Table A7—: Effect of average trust in the canton on individual trust of migrants

VARIABLES	(1) Trust International	(2) Trust Internal	(3) Trust Internal (premove)
Avg trust in the canton	1.590	2.492	-0.160
	(0.631)	(1.353)	(1.223)
Age	0.004	-0.002	-0.011
	(0.006)	(0.006)	(0.006)
Female	-0.016	0.243	0.189
	(0.126)	(0.160)	(0.161)
Married	0.268	0.265	-0.174
	(0.158)	(0.189)	(0.228)
Years of Education	0.114	0.122	0.091
	(0.022)	(0.030)	(0.038)
Log(income)	-0.097	-0.011	-0.134
	(0.078)	(0.132)	(0.089)
time_here	0.001		
	(0.006)		
Constant	-1.073	-2.615	0.183
	(0.821)	(1.340)	(0.839)
Observations	1,097	530	508
R-squared	0.133	0.094	0.096

Note: The dependent variable is the individual average of the residuals of regressing trust on year dummies. The independent variable is the average trust level in the host canton. All regressions control for age, gender, civil status, years of education, income (in logs) is measured in Swiss Francs. The first column also includes years since arriving in Switzerland. All regression control for either country of origin or canton of origin fixed effects. Bootstrap standard errors in parentheses.

A5. Balance check international

Table A8 shows that international migrants going to higher and lower trust cantons are very similar in terms of age, gender, civil status, years of education, income and time spent in the country. If anything I can observe a lower income and time spent in the country, but all variables are statistically insignificant.

It is also important to note that, in terms of these observable characteristics, international migrants seem to be younger, less educated, earning less; and less likely to be female and more likely to be married than internal migrants.

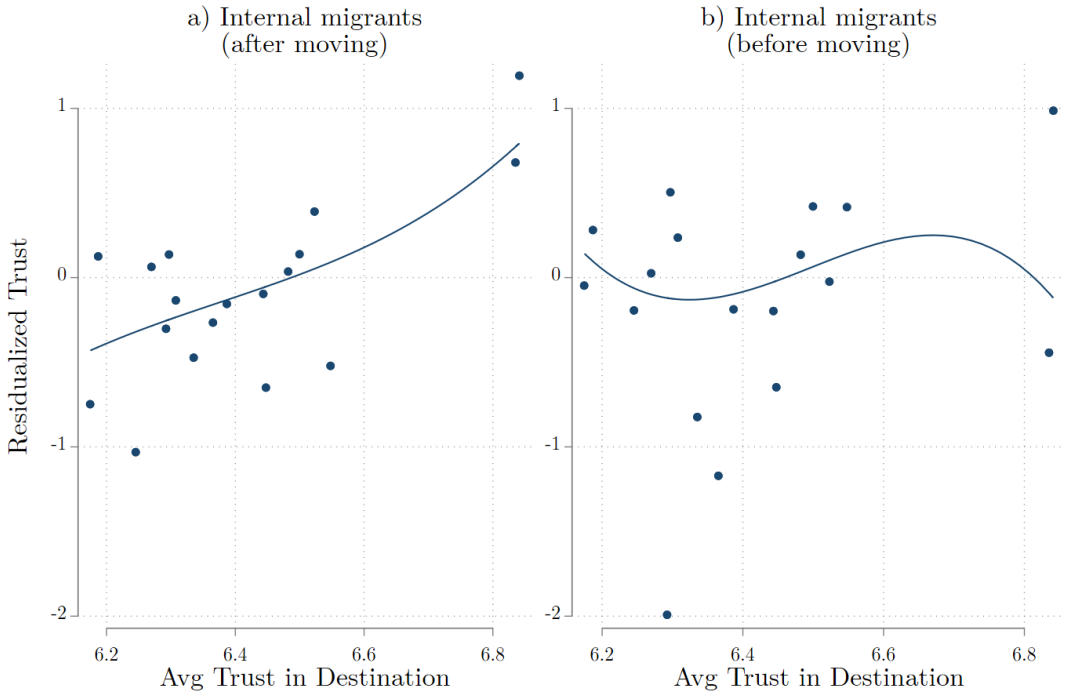

Figure A1 : Correlation between Residualized Trust and Average Trust in the destination canton

Note: The figure presents binsreg plots with cubic polynomial (Cattaneo et al., 2019) of migrant's trust and average trust in the destination canton (controlling for canton of origin) for internal migrants in German cantons before and after moving. To compute the Residualized Trust, I first regress the Trust variable on calendar year dummies, and then average all the residuals by individual.

Table A8—: Balance tests for International migrants

	Low Trust		High Trust			
	N	Mean (s.d.)	N	Mean (s.d.)	Coeff.	p-value
After moving						
Age	2,211	37.39	2153	37.21	-0.175	0.77
		(19.66)		(19.06)		
Female	2,211	0.48	2153	0.48	-0.000	0.98
		(0.50)		(0.50)		
Married	2,211	0.47	2153	0.48	0.011	0.45
		(0.49)		(0.49)		
Income (CHF)	1,130	53,563	1,070	52,196	-1,366	0.59
		(74,743)		(39,747)		
Years since arrival	1,592	19.73	1582	18.94	-0.798	0.13
		(15.02)		(14.34)		
Education (years)	1,987	11.26	1939	11.13	-0.122	0.43
		(4.97)		(4.76)		
HH Size	1,071	2.68	1017	2.70	0.026	0.64
		(1.23)		(1.28)		

Note: The table shows the number of observations, means, standard deviations, coefficients and p-values of regressing each variable on an indicator that takes the value 1 for international migrants in cantons with trust above the median and 0 otherwise.

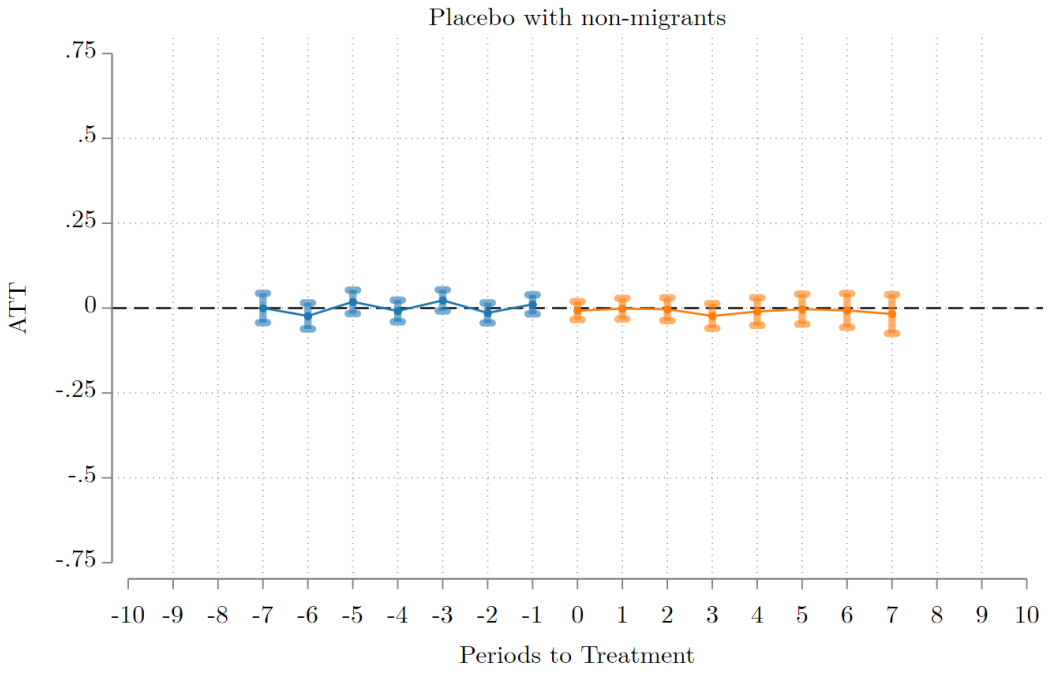

Figure A2 : Placebo

Note: The figure presents a placebo test where I assign random destination and moving dates to non-migrants. The horizontal dashed line represents the last period before the assigned moving time and the spikes show the 95% simultaneous confidence intervals around each ATT using wild bootstrap standard errors. I fill the gaps in trust in the survey by linear interpolation. The analysis was performed using the Stata command csdid (Rios-Avila et al., 2021).

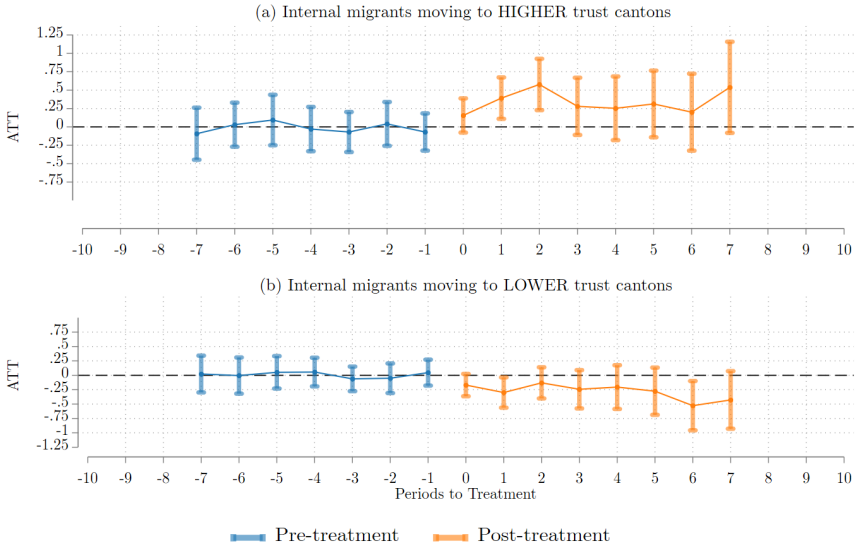

Figure A3 : Event study: Controlling for the trust gap between the cantons

Note: Panel (a) and (b) present the event study results of each ATT of migrants moving to a HIGHER and LOWER cantons controlling for the trust gap between the canton of origin and destination. In both cases, the base period (i.e., the last period before moving) is represented by the horizontal dashed line and the spikes show the 95% simultaneous confidence intervals around each ATT using wild bootstrap standard errors. I fill the gaps in trust in the survey by interpolating from the nearest neighbour.

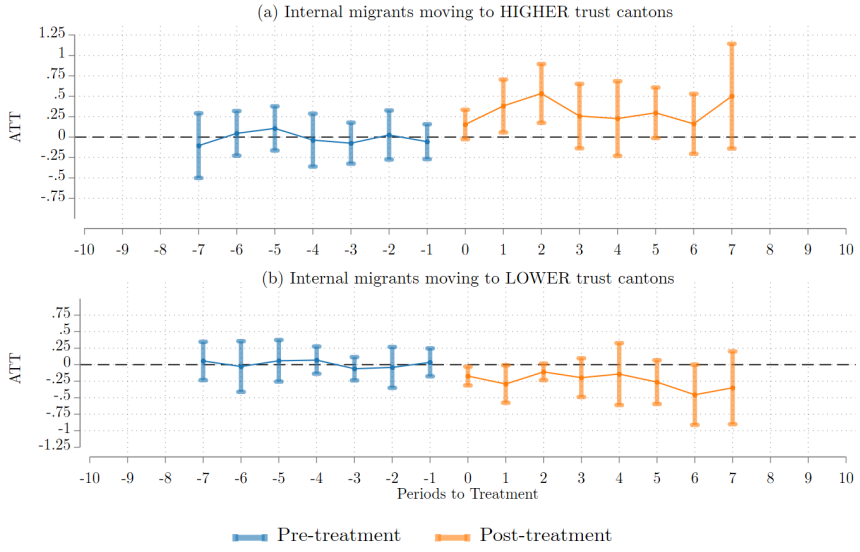

Figure A4 : Event study: Canton of origin clusters

Note: Panel (a) and (b) present the event study results of each ATT of migrants moving to a HIGHER and LOWER cantons. In both cases, the base period (i.e., the last period before moving) is represented by the horizontal dashed line and the spikes show the 95% simultaneous confidence intervals around each ATT using wild bootstrap standard errors clustered at the canton of origin. I fill the gaps in trust in the survey by interpolating from the nearest neighbour.

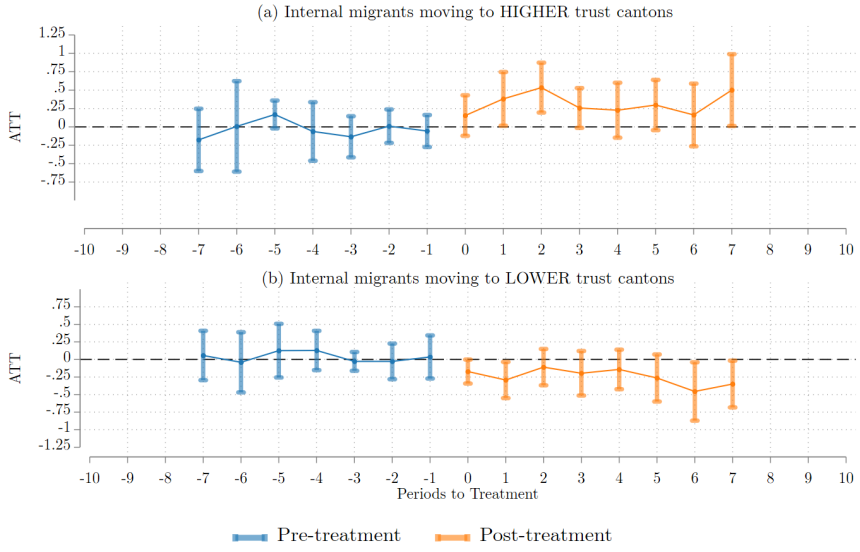

Figure A5 : Event study: Canton of destination cluster

Note: Panel (a) and (b) present the event study results of each ATT of migrants moving to a HIGHER and LOWER cantons. In both cases, the base period (i.e., the last period before moving) is represented by the horizontal dashed line and the spikes show the 95% simultaneous confidence intervals around each ATT using wild bootstrap standard errors clustered at the canton of destination. I fill the gaps in trust in the survey by interpolating from the nearest neighbour.

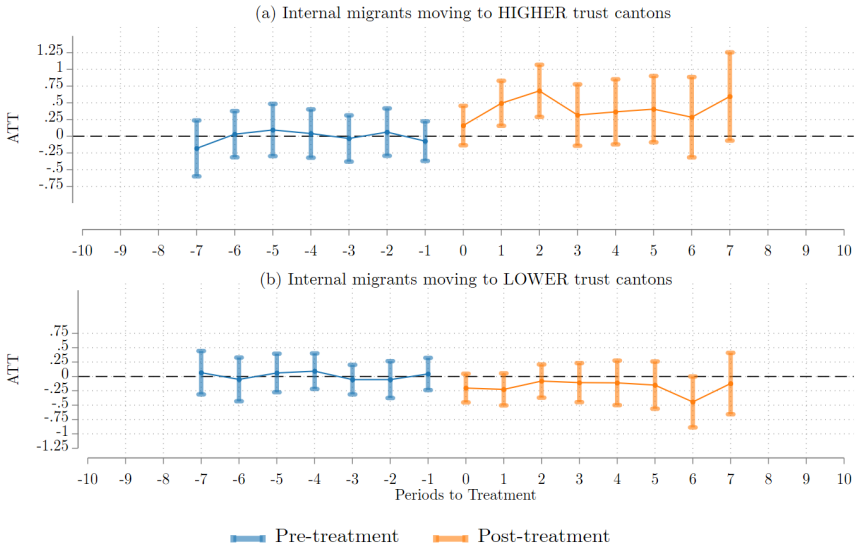

Figure A6 : Event study: no interpolation

Note: Panel (a) and (b) present the event study results of each ATT of migrants moving to a HIGHER and LOWER cantons. In both cases, the base period (i.e., the last period before moving) is represented by the horizontal dashed line and the spikes show the 95% simultaneous confidence intervals around each ATT using wild bootstrap standard errors.

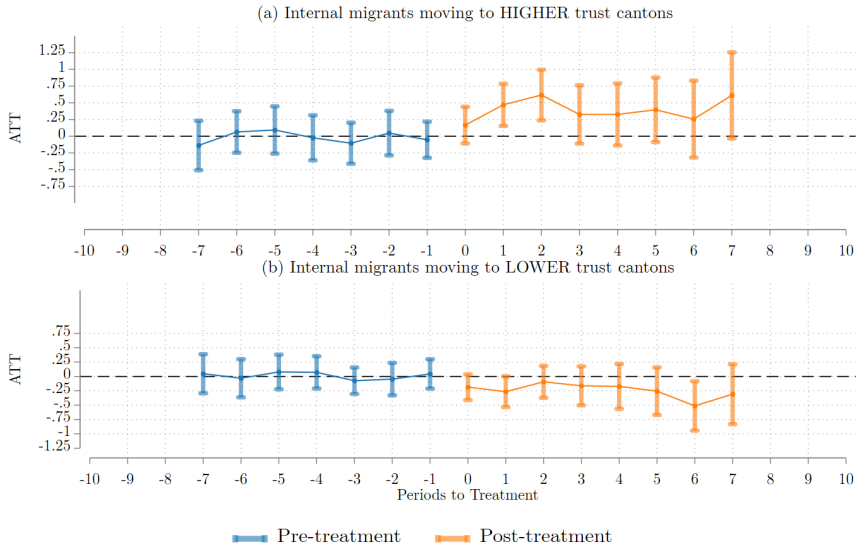

Figure A7 : Event study: linear interpolation

Note: Panel (a) and (b) present the event study results of each ATT of migrants moving to a HIGHER and LOWER cantons. In both cases, the base period (i.e., the last period before moving) is represented by the horizontal dashed line and the spikes show the 95% simultaneous confidence intervals around each ATT using wild bootstrap standard errors. I fill the gaps in trust in the survey by linear interpolation.

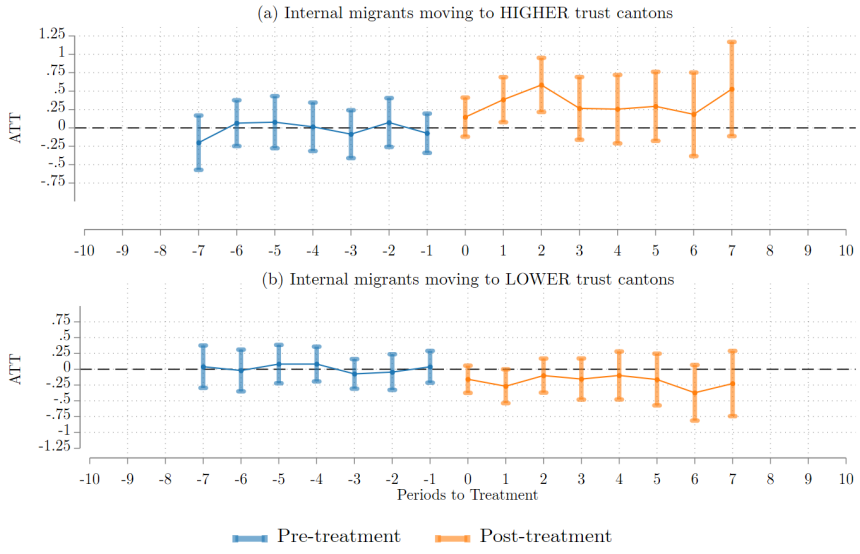

Figure A8 : Event study: forward interpolation

Note: Panel (a) and (b) present the event study results of each ATT of migrants moving to a HIGHER and LOWER cantons. In both cases, the base period (i.e., the last period before moving) is represented by the horizontal dashed line and the spikes show the 95% simultaneous confidence intervals around each ATT using wild bootstrap standard errors. I fill the gaps in trust in the survey by forward interpolation.

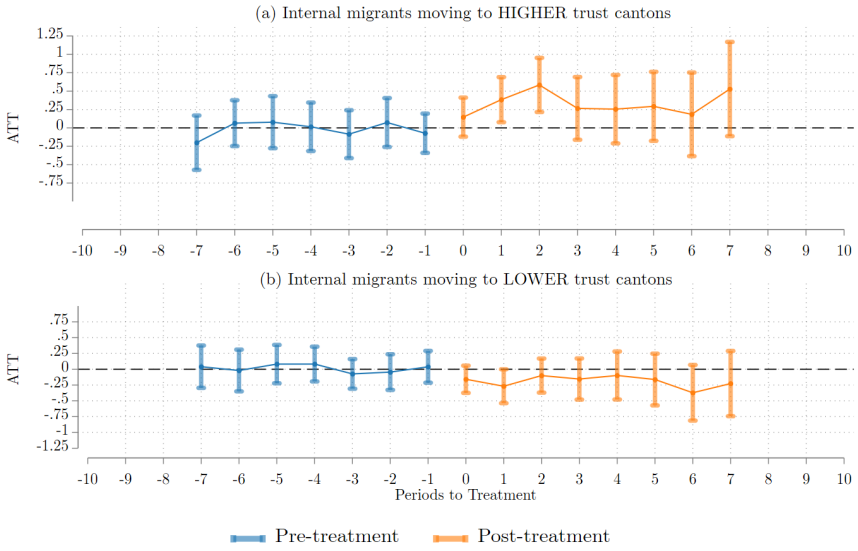

Figure A9 : Event study: splines interpolation

Note: Panel (a) and (b) present the event study results of each ATT of migrants moving to a HIGHER and LOWER cantons. In both cases, the base period (i.e., the last period before moving) is represented by the horizontal dashed line and the spikes show the 95% simultaneous confidence intervals around each ATT using wild bootstrap standard errors. I fill the gaps in trust in the survey by splines interpolation.

Table A9—: Difference in differences results by gender

VARIABLES	(1) Trust All	(2) Trust All	(3) Trust Males	(4) Trust Females
Avg trust in the canton X Post move	0.489	0.432	0.419	0.431
	(0.204)	(0.212)	(0.323)	(0.288)
Post move	-0.005	-0.063	0.092	-0.241
	(0.030)	(0.139)	(0.177)	(0.214)
Log(income)		-0.085	-0.044	-0.096
		(0.045)	(0.064)	(0.057)
Age		0.014	-0.007	0.037
		(0.019)	(0.025)	(0.028)
Education (years)		0.008	-0.021	0.023
		(0.018)	(0.026)	(0.024)
Constant	-0.046	0.237	1.036	-0.674
	(0.015)	(0.792)	(1.095)	(1.131)
Individual FE	Yes	Yes	Yes	Yes
Observations	726	676	302	374
R-squared	0.890	0.883	0.895	0.878

Note: The table presents difference-in-differences regressions (Equation 5) for trust in strangers (Trust) in columns 1 and 2. Separate regression for each gender are presented in Columns 3 and 4 . The dependent variable is the individual average of the residuals of regressing Trust on year dummies. The main independent variable is the average Trust level in the host canton. All regressions include individual fixed effects. Standard errors (in parentheses) clustered at the individual level. Income is measured in Swiss Francs.

Table A10—: Summary statistics of trust by canton in the full sample and year 2002

	Trust (all years)		Trust (2002)	
Canton	Mean	s.d.	Mean	s.d.
Jura JU	4.93	2.61	3.33	4.16
Ticino TI	5.62	2.49	4.99	2.79
Neuchatel NE	5.73	2.37	5.09	2.76
Geneva GE	5.73	2.48	4.86	3.00
Vaud VD	5.77	2.42	5.12	2.71
Valais VS	5.91	2.37	5.00	3.03
Fribourg FR	5.97	2.39	5.26	2.97
Thurgovia TG	6.17	2.18	5.55	1.99
Solothurn SO	6.19	2.08	5.82	2.05
Schaffhausen SH	6.25	2.07	5.67	1.72
Zug ZG	6.27	2.05	5.5	2.13
Uri UR	6.29	2.29	6.29	2.97
Basle-Town BS	6.3	2.41	5.97	2.36
St. Gall SG	6.31	2.17	5.71	2.34
Basle-Country BL	6.34	2.06	5.83	2.17
Glarus GL	6.37	2.28	5.77	2.12
Grisons GR	6.38	2.08	5.81	2.12
Berne BE	6.39	2.13	5.8	2.25
Argovia AG	6.44	2.05	5.76	2.17
Schwyz SZ	6.45	1.99	6.05	2.09
Zurich ZH	6.48	2.07	5.94	2.35
Lucerne LU	6.5	2.00	5.91	2.22
Appenzell Outer-Rhodes AR	6.52	2.14	6.68	2.19
Obwalden OW	6.55	1.96	5.83	2.42
Nidwalden NW	6.84	2.04	6.05	2.27
Appenzell Inner-Rhodes AI	6.84	1.83	5.67	2.08

Note: The table presents the mean and standard deviation of the trust variable for the Swiss population that are not moving internally in the full sample and for the year 2002 separately. The Pearson correlation coefficient between both means is 0.88.

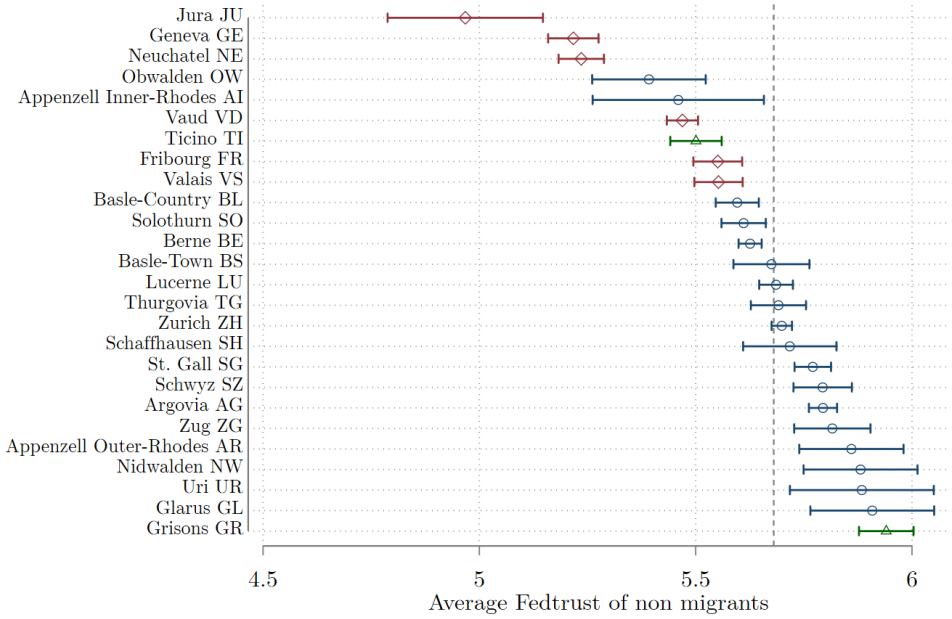

Figure A10 : FedTrust in the cantons

Note: The figure presents the average trust in the federal government (ranging from 0 to 10) for all non-migrants in each canton over the period 2002-2018 with 95% confidence intervals. The vertical dashed line shows the median average trust in the federal government among the cantons. Finally, the different colors and symbols depend on the language region.

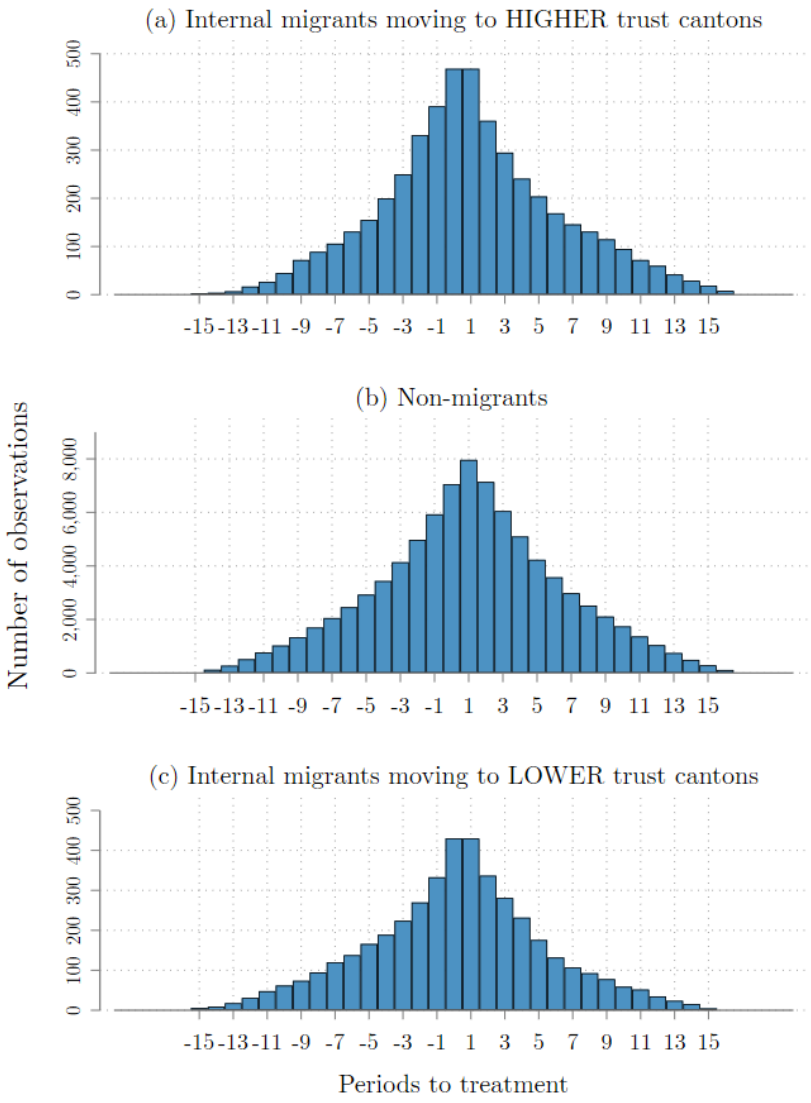

Figure A11 : Number of observation per period

Note: Panel (a) and (c) present the number of observations per period (relative to the moving period) for migrants moving to a HIGHER and LOWER cantons. Panel (b) shows the number of observations per period in the sample of non-migrants where the moving period is randomly assigned.

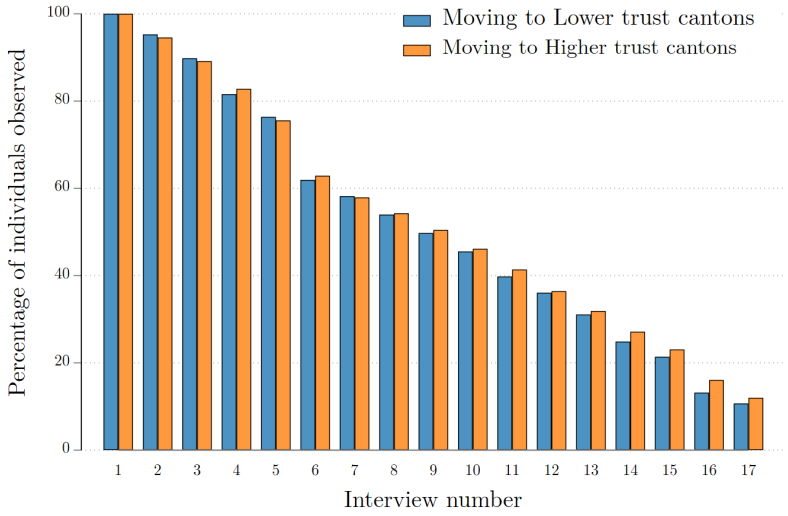

Figure A12 : Attrition for migrants moving to higher and lower trust cantons

Note: The figure presents the percentage of respondents observed in each interview number relative to the first interview. E.g., roughly 81% of the respondents (moving to higher and lower trust cantons) are observed at least four times, and roughly 40% are observed 11 times.

Table A11—: Effect of average trust in the host canton on attrition

	Dep. variable: Prob. of non response				
	(1)	(2)	(3)	(4)	(5)
VARIABLES	Coef.	s.e.	P-value	C.I. low	C.I. high
Avg trust in the canton X Post move	0.040	(0.056)	0.476	-0.070	0.150
Avg trust in the canton	-0.062	(0.053)	0.235	-0.166	0.041
Post move	0.002	(0.009)	0.819	-0.016	0.020
Interview year:					
2003	-0.050	(0.029)	0.081	-0.107	0.006
2004	-0.014	(0.022)	0.529	-0.056	0.029
2005	0.033	(0.026)	0.202	-0.018	0.084
2006	-0.001	(0.025)	0.954	-0.050	0.047
2007	-0.003	(0.024)	0.898	-0.049	0.043
2008	0.008	(0.025)	0.741	-0.040	0.056
2009	0.010	(0.024)	0.683	-0.037	0.057
2010	0.010	(0.025)	0.691	-0.039	0.058
2011	0.001	(0.025)	0.964	-0.048	0.050
2012	0.028	(0.025)	0.267	-0.022	0.078
2013	0.064	(0.026)	0.014	0.013	0.114
2014	0.075	(0.026)	0.003	0.025	0.125
2015	0.088	(0.027)	0.001	0.036	0.141
2016	0.112	(0.027)	0.000	0.060	0.164
2017	0.104	(0.030)	0.000	0.046	0.162
2018	0.110	(0.023)	0.000	0.064	0.155
Interview number:					
2	0.096	(0.021)	0.000	0.054	0.138
3	0.113	(0.017)	0.000	0.078	0.147
4	0.090	(0.019)	0.000	0.052	0.128
5	0.094	(0.019)	0.000	0.057	0.132
6	0.087	(0.018)	0.000	0.052	0.121
7	0.090	(0.020)	0.000	0.051	0.128
8	0.090	(0.019)	0.000	0.052	0.128
9	0.064	(0.020)	0.001	0.025	0.103
10	0.068	(0.020)	0.001	0.028	0.107
11	0.038	(0.021)	0.071	-0.003	0.079
12	0.014	(0.021)	0.502	-0.028	0.056
13	0.025	(0.022)	0.248	-0.018	0.069
14	-0.027	(0.023)	0.241	-0.073	0.018
15	-0.018	(0.021)	0.389	-0.060	0.023
16	0.009	(0.028)	0.757	-0.046	0.064
Constant	-0.021	(0.015)	0.165	-0.050	0.008
Individual FE	Yes				
Observations	8,280				
R-squared	0.344				

Note: The table presents the regression of the probability of non response on the average trust level in the current canton (postmove takes the value 1 after moving and zero otherwise) controlling for interview year, interview number and individual fixed effects. Bootstrap standard errors in parentheses. I report 95% confidence intervals.