Immigration and Political Extremism: Evidence from the 2015 German Refugee Crisis

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Abstract

This paper studies the 2015 European refugee crisis and its effects on electoral support for Germany's far-right party, Alternative für Deutschland (AfD). To identify the causal effects of refugee presence and address potential endogeneity of refugee's location choice, I exploit a unique feature of the refugee placement process in Germany whereby at the height of the crisis many refugees were housed in military barracks that had been decommissioned prior to the refugee crisis. I find that a one percent increase in the presence of refugees within a district leads to a one percent decline in support for the AfD between the 2013 and 2017 federal elections. I probe potential mechanisms as to why this might be the case and find support for the contact hypothesis, namely that districts in which natives have more interactions with refugees see a larger decline in the support for the AfD.

Keywords: Immigration, Refugees, Voting, Political preferences

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1 Introduction

Europe has witnessed an unprecedented influx of refugees fleeing conflict and persecution in recent years. Between 2015 and 2016, there were 2.4 million first-time asylum applicants in the EU stemming largely from the Syrian civil war (Eurostat, 2024). Of these, Germany received half or 1.2 million asylum seekers. The scale of refugee crises in the last fifty years, including the European refugee crisis, has spurred debate on the implications of refugee settlement for social and political stability in destination countries.

This historic immigration wave into Europe has occurred simultaneously with a rise in populist and extreme political parties. The emerging question from these two trends is whether they are related. In other words, do refugees waves such as that seen in Germany beginning in 2015 act as a boon to local electoral support of far-right parties? And if so, which parties lose out comparatively? In this paper I examine whether, and to what extent, the local presence of refugees impacted support for Germany's far-right party Alternative für Deutschland (AfD) in its 2017 federal elections.

Estimating the impact of local refugee presence on electoral outcomes is not straightforward. This is because refugees might choose to live in locations whose attributes also contribute to political outcomes. For example, if refugees choose to live in economically-active urban areas and voters in these areas support tend to support parties with pro-immigrant platforms, then one might inaccurately conclude that greater immigration increases support for such parties. Not only might refugees chose to live in areas whose characteristics directly relate to voting outcomes, but refugees chose locations based on prevailing political preferences of locals.

Given these empirical challenges, I estimate the causal effect of refugee presence on electoral support for the AfD using an instrumental variable approach that exploits exogenous variation in refugee settlement at the height of the refugee crisis. I use decommissioned military barracks that were repurposed to house refugees as an instrument for refugee presence at the district level. Importantly, barracks were decommissioned

prior to the refugee crisis for reasons independent of local economic conditions and political preferences. This approach addresses potential endogeneity of refugee allocation decisions and isolates the causal impact of refugee presence on electoral outcomes. I use a long-differences design to estimate the impact of refugee presence on AfD vote share from 2013 to 2017 across German districts. As robustness, I show that refugee presence at the district level is not associated with prior electoral outcomes.

I find that local refugee presence had a sizable effect on electoral outcomes. My analysis shows that increased refugee presence reduced support for the AfD in Germany's 2017 federal elections. A 1% increase in local refugee presence led to a 3.5 percentage point decline in the AfD vote share. This negative relationship is especially pronounced in urban and high-income districts, as well as in western regions of Germany. To explore why support for the AfD fell in certain areas, I use survey data to probe potential mechanisms. I find that districts in which locals are more likely to live near refugees or have more frequent interactions with refugees have the largest decline in AfD support. These results are are consistent with contact theory, which posits that regular interactions between refugees and native residents can reduce anti-immigration attitudes (Allport, 1954). In contrast, districts where locals are exposed to refugees but do not have meaningful interactions saw no change or increase in support for the AfD. This is in line with both group threat theory whereby exposure to refugees but without sustained interactions increases hostility between groups (Levine and Campbell, 1972; Campbell, 1965; Blumer, 1958).

My paper contributes to a mixed literature on the political impacts of refugee migration. Several papers find that immigration increases electoral support for far-right parties on account of competition for labor market opportunities (Halla et al., 2017), pressure on public services (Barone et al., 2016; Otto and Steinhardt, 2014), perceptions of crime (Dustmann et al., 2019), and group threat theory (Steinmayr, 2021). On the other hand Vertier et al. (2023) and Gamalerio et al. (2023) find that immigrant inflows reduce the vote shares

for far-right parties in France and Italy, respectively. Despite these differing results, the common feature across the literature is that the impact of immigrants on electoral outcomes is heterogeneous and depends crucially on pre-existing local characteristics as well as features of the immigration wave.

The contradictory findings across papers and even within countries point to the importance of specific features of the immigration episode and local characteristics in shaping electoral outcomes. This is no more clearly seen than in Dustmann et al. (2019), Steinmayr (2021), and Mayda et al., 2022, who find differing electoral responses to the same immigration wave in each of their respective countries of interest. In Denmark, for example, Dustmann et al. (2019) find an urban-rural divide whereby the allocation of refugees to urban municipalities led to a reduction in support for right-leaning parties in these municipalities but had the opposite effect in rural municipalities. In Austria, Steinmayr (2021) finds that the direction of support for far-right parties depends on the nature of interactions between refugees and locals. In municipalities where refugees were transiting en route to other destinations, support for far-right parties increased. In contrast, in municipalities where refugees were housed and remained for extended periods of time, support for far-right parties decreased (these results are consistent with the findings from Dinas et al. (2019) and Hangartner et al. (2019)). In the United States, Mayda et al. (2022) finds that the electoral outcomes depends on the average immigrant skill level, with high-skilled immigrants decreasing the Republican vote share and low-skilled increasing it.

Given the aforementioned limitations from directing relating electoral outcomes to immigrant presence, papers in this literature take advantage of different features to serve as instrumental variables. Such features include housing characteristics (Gamalerio et al., 2023; Vertier et al., 2023; Harmon, 2018), settlement patterns (Steinmayr, 2021; Edo et al., 2019), historical immigrant networks (Mayda et al., 2022; Halla et al., 2017; Barone et al., 2016; Otto and Steinhardt, 2014; Mendez and Cutillas, 2014), and allocation laws (Dustmann et al., 2019).

This paper contributes to the literature in three key ways. First, despite an extensive literature focusing on electoral impacts in continental Europe, the case of Germany and the European refugee crisis remains unstudied. Second, I add to the literature that uses local accommodation features as an instrumental variable to estimate causal effects by proposing a new feature of former military buildings in a country with a history of conscription. Third, I incorporate evidence from survey data to probe the mechanisms explaining the electoral results.

The remainder of this paper is structured as follows: Section 2 provides background on Germany's refugee crisis, outlines the institutional framework for refugee distribution, and presents the data used. Section 3 discusses the empirical strategy and results. Section 4 concludes with implications for policymakers and suggestions for future research.

2 Background

2.1 Political parties and rise of AfD in Germany

Germany is a federal parliamentary republic with a multiparty political system. The country's federal legislative power is shared between the Bundestag, the German Parliament, and the Bundesrat, which represents Germany's regional states. German elections are typically held every four years, with a five-percent threshold required for parliamentary representation, ensuring that only parties with substantial support gain seats.

Since the formation of the Federal Republic in 1949, German politics have been largely shaped by two major parties: the Christian Democratic Union (CDU) and the Social Democratic Party of Germany (SPD). These parties have historically represented the center-right and center-left, respectively, with both often forming coalition governments due to the need for majority support in the Bundestag. The CDU, frequently allied with its Bavarian sister party, the Christian Social Union (CSU), and the SPD have alternated in leading the government.

Germany's political landscape includes several other parties that hold significant influence. The Greens, a progressive environmentalist party, gained momentum in the 1980s and joined a coalition government with the SPD in 1998. The Free Democratic Party, which advocates for free-market policies, has been a frequent coalition partner with the CDU/CSU. Additionally, the Left Party, which emerged from the former East German socialist party, has established a strong presence in eastern Germany.

One of the most recently founded parties is the AfD, a right-wing populist party and first far-right party to enter Parliament since the 1950s. Founded in 2013, the AfD initially gained minimal support, securing 4.7% of the vote share in the federal elections that year, which was insufficient to enter the Bundestag. Figure 1 shows the evolution of the mean vote share (in red) for the AfD across four federal elections from 2009 to 2021. By the 2017 federal elections, the party's vote share rose to 12.6%, making it the third-largest party and the primary opposition in the parliament. There is considerable variation across states in the support for the AfD in 2017 with 27% of the vote share in Saxony and only 7% in Hamburg.

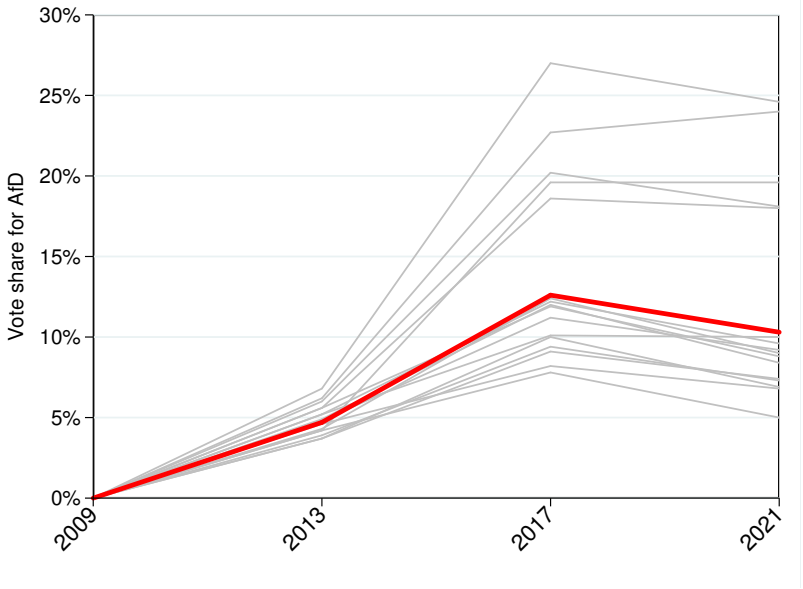
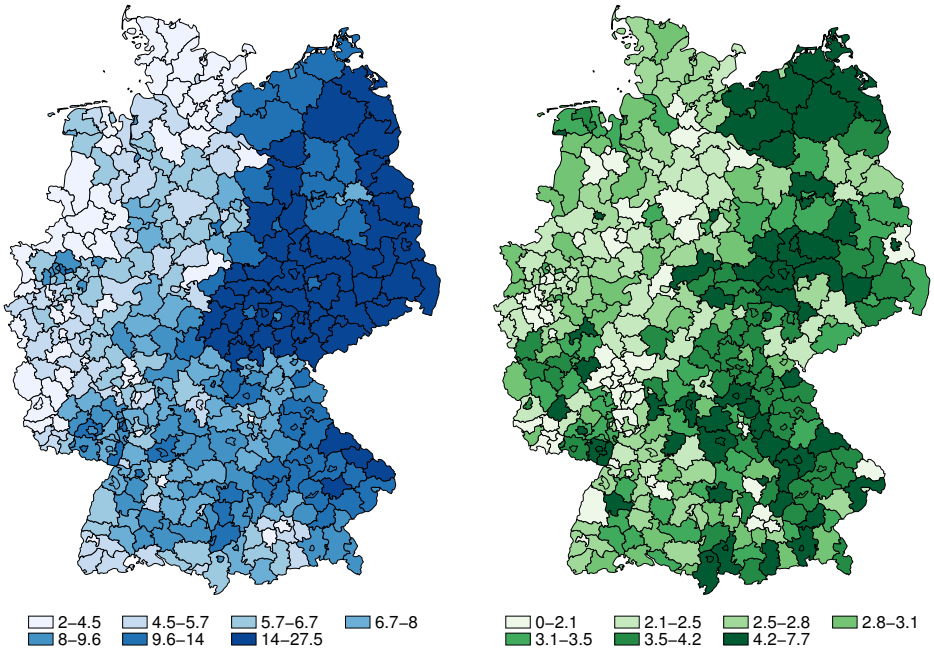


Figure 1. Time series of AfD electoral support

This surge in support for the AfD correlates with the European refugee crisis, which

brought a substantial number of refugees to Germany between the 2013 and 2017 elections. Pundits speculate that the growth of the AfD was largely on account of capitalizing on anti-immigrant sentiment and focusing its political messaging on issues of national sovereignty and perceived cultural threats posed by immigration. Figure 2 shows the cross-sectional change in AfD support and refugee presence at the district level. While there is some positive correlation between the two figures, for example in the East, there is also significant negative correlation, for example in the Center-West.



(a) Change in AfD vote share **(b)** Change in log refugees

Figure 2. Cross-sectional change in AfD support and refugee presence

2.2 European refugee crisis and refugee allocation process

The European refugee crisis, usually considered to have started in 2015, was a period of large influxes of refugees and asylum seekers into Europe from the Middle East. The crisis was marked by both a substantial influx of asylum seekers and limited ability of existing legislative frameworks to manage these inflows effectively. Figure 3 shows the number of first-time applicants and stock of refugees in Germany between 2010 and 2019.

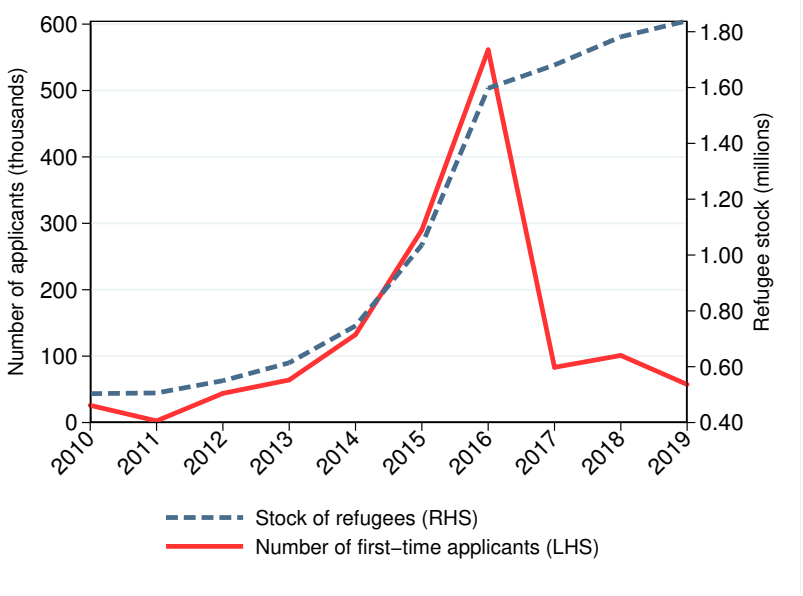


Figure 3. Timeline of refugees seeking protection in Germany

At the center of the European Union's asylum policy is the Dublin Regulation, which mandates that asylum seekers apply for protection in the first EU country they entered. Following this Syrian Civil War, this regulation led to an unequal distribution of asylum seekers, with Southern Mediterranean countries receiving the largest shares due to their proximity to conflict zones. In August 2015, Germany's Federal Office for Migration and Refugees announced a temporary suspension of the Dublin Regulation, leading to a sharp rise in refugee arrivals in Germany.

Refugees in Germany who apply for asylum are allocated across the country through a structured, multi-stage process. Upon arrival, refugees register as asylum-seekers at the nearest reception facility, which may either at the border or inside the country. Upon registration, asylum seekers receive a certificate of permission to reside throughout the the asylum application process. Following the initial registration, the Federal Office for Migration and Refugees (BAMF) determines which state is responsible for processing the asylum seeker's application. The distribution of refugees among the German states is based on a system known as the EASY system (*Erstverteilung von Asylbegehrenden* or "initial distribution of asylum seekers").

The EASY system enforces a federally mandated allocation policy such that refugees are allocated to a particular reception facility in a state depending on capacity, the origin country the refugee, and a quota system. To promote a fair distribution of refugees across states, the Königsteiner Schlüssel quota system determines the share of refugees that each federal state can accommodate based on the state's population and tax revenue. Under this rule, the proportion of refugees assigned to each state is determined by that state's share of the national population and its contribution to federal tax revenue: one-third based on population and two-thirds on tax revenue.

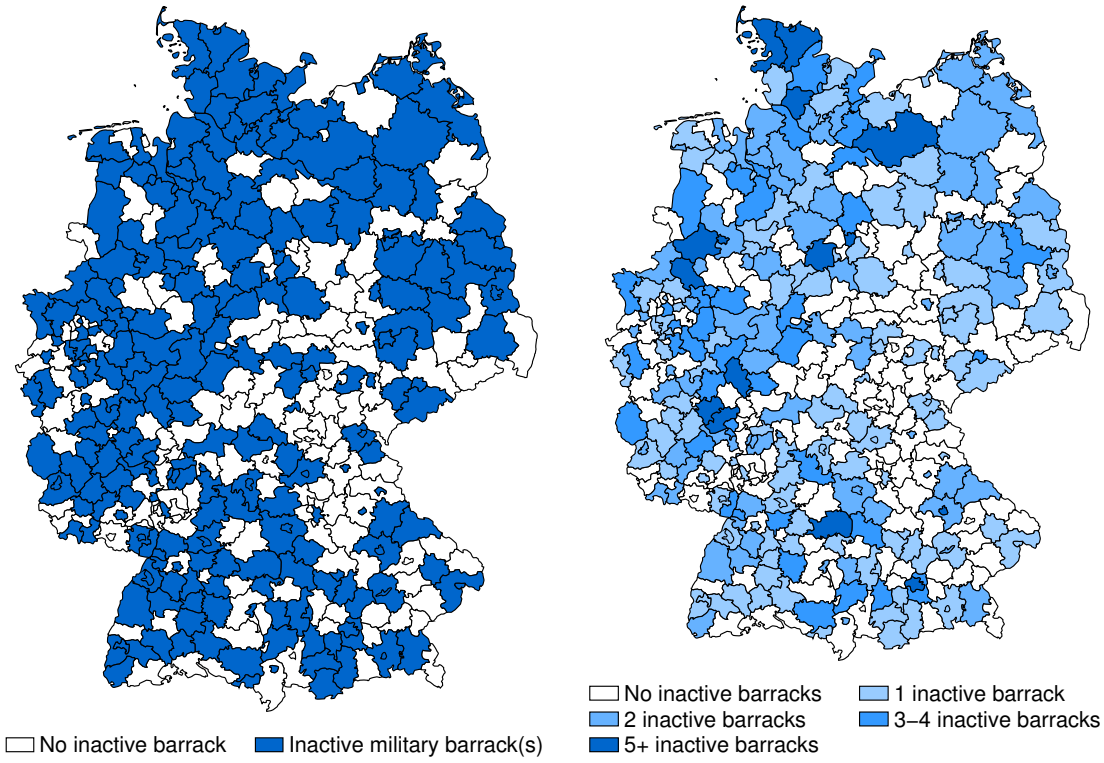
While the allocation of refugees is standardized at the state level, there is no standardized protocol for distribution at the district level. The laws governing district-level assignments differ significantly, varying from fixed quotas to population-based formulas. Once assigned to a state and district, refugees are housed in shared facilities, often including repurposed apartment complexes or former military buildings. These accommodation centers are intended to host refugees for the duration of their asylum application process, during which they are required to remain in the assigned district. Refugees have limited agency in choosing their district of residence, even if factors such as employment prospects or benefit levels might make certain locations more attractive. At the height of the European refugee crisis, the average time it took for BAMF to decide on asylum applications was 11 months. If the asylum application is accepted, persons granted asylum status and those granted refugee status receive a temporary residence permit and are given the same status as Germans within the social insurance system. They are entitled to social welfare, child benefits, and other forms of integration assistance.

2.3 Decommissioning of military barracks

The German Army downsized its active military forces following the end of the Cold War. This went hand-in-hand with a large-scale decommissioning of military facilities beginning in 1990. This downsizing continued into the 2000s. In 2011, Germany's De-

fense Minister introduced policies aiming to modernize and streamline the military. This included ending military conscription and overhauling the deployment of troops across Germany. In response to these reforms, an additional 66 barracks were decommissioned by 2014.

Germany's decommissioned barracks are located throughout the country, in both urban and rural areas. Figure 4 shows the distribution of decommissioned or inactive military barracks. Panel (a) shows a map of districts that have at least one inactive military barrack. These districts are distributed throughout the country, without clear concentration in any particular region. Panel (b) shows the concentration of inactive barracks at the district level. In this case, there appears to be some spatial correlation with western Germany. For this reason, I include a control as to whether a district was formerly part of East Germany.



(a) Extensive **(b)** Intensive

Figure 4. Location of military barracks

There is no indication that barracks were closed specifically to accommodate refugees. Figure 5 shows the number of newly decommissioned barracks each year as well as the stock of all inactive barracks. The majority of barracks were decommissioned prior to the refugee crisis. After 2014, there is a significant reduction in the number of decommissioned buildings with few changes in 2015 and 2016 when the housing shortage for refugees was acute. In the analysis I exclude any military buildings that were decommissioned after 2014 to minimize potential endogeneity from barracks that could have been closed due to the refugee influx.

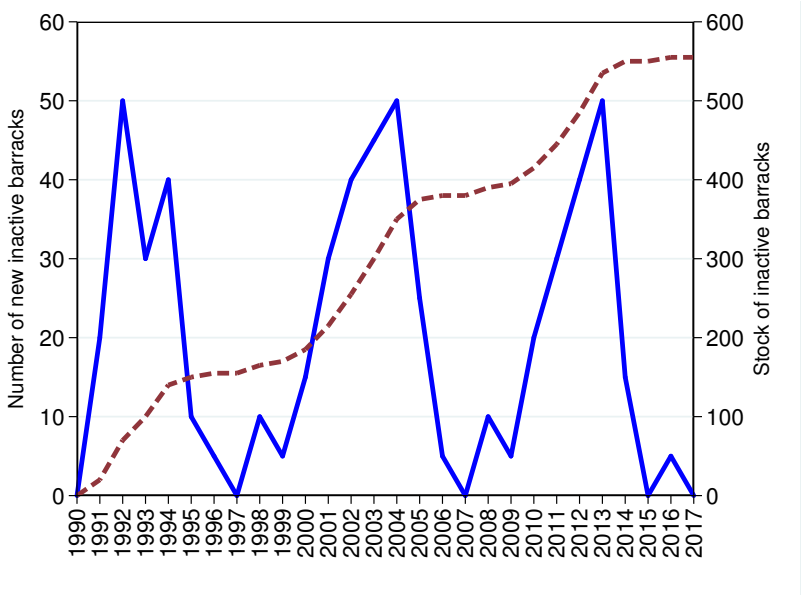


Figure 5. Timeline of decommissioning of barracks

2.4 Data

I combine data from several publicly available data sources to carry out the empirical analysis. The sources of data reflect data on military barracks, electoral outcomes, number of refugees, and various district controls. At the time period in question, Germany's administrative divisions included 16 states and 401 districts. The analysis is conducted at the district level, which is the most local level of publicly available refugee data.

Data on military barracks are from the Center for Military History and Social Science of the German Army. This information includes the location of 1,605 active and 528 decommissioned military buildings. I exclude an barracks that were decommissioned 2014 to avoid the possibility that they were closed due to the refugee crisis. Meanwhile data on number of refugees and federal election outcomes at the district level are from Germany's Federal Statistical Office (*Statistisches Bundesamt*). My measure of refugee presence is refugees with an open application, or whose asylum status is pending. This is because these individuals are required to stay within their allocated districts, minimizing endogeneity due to sorting. In terms of electoral outcomes, the calculate the change in the AfD's vote share at the district level between the 2013 and 2017. This reflect the first measure of change since the party's establishment in 2013. Since the refugee criss in Europe began in earnest in 2015 and peaked in 2016, the timing of the federal elections well timed to measure the electoral impact before and after the refugee crisis. I calculate the change in share for other political parties in a similar way.

I include extensive economic and political controls at the district level, including population, density, GDP per capita, foreign share or the population, unemployment rate, and crime rate (number of crimes per 100,000 inhabitants). I set all the controls to their 2010 values, which precedes the arrival of refugees, to ensure the analysis is not picking up changes in concurrent district characteristics. The sources of these data are the Federal Statistical Office, Regional Database Germany, and the Federal Criminal Police Office.

Table 1 shows the summary statistics of the 2010 controls. The only statistical differences between districts with inactive barracks and those without any or only with active barracks is that the former have a slightly larger population and crime rate. Based on existing literature, these two features should have opposing electoral impacts when it comes to interacting with local refugee presence. For example, Dustmann et al. (2019) finds that more urban municipalities in Denmark lead to a reduction in support for far-right parties but also that municipalities with higher crime rates prior to the arrival of refugees leads

to an increase in support for far-right parties. Lastly, there is a slight difference in the vote share for the AfD in 2013, however this difference is the smallest in magnitude compared to the electoral differences for other parties.

Table 1. Summary statistics

	Districts with inactive barracks	Districts with 0 or no active barracks	Difference
District characteristics (2010):			
Real GDP per capita	30,594	29,125	-1,469 (1,372)
Unemployment rate	7.9	8.0	0.1 (0.4)
Population	221,730	178,999	-42,731* (24,540)
Density	540	515	-24.6 (71.3)
Foreign share	6.8	6.6	-0.2 (0.5)
Crime rate	6.7	6.0	-0.7** (0.3)
Federal electoral outcomes (2013):			
Voter turnout	71.1	69.9	-1.1** (0.5)
Share Left	7.8	8.7	0.9 (0.7)
Share Green	8.1	7.1	-1.1*** (0.3)
Share SPD	25.6	23.4	-2.2*** (0.8)
Share FDP	4.8	4.4	-0.3** (0.1)
Share CDU	42.8	44.4	1.5** (0.8)
Share AfD	4.6	4.8	0.2* (0.1)

3 Empirical analysis and results

The goal of this paper is to estimate the causal effect of refugee presence on electoral outcomes. Naive estimates of the impact of local refugee presence on electoral outcomes will be inconsistent if refugee allocation is endogenous to attitudes towards refugees. These estimates could be overstated if refugees allocate to more far-right populist areas or understated if districts supporting far-right parties pressure states to not receive refugees. The ideal experiment in this setting would be to randomly assign additional refugees across districts.

The second best approach is to use an instrumental variable approach to address potential endogeneity in the allocation of refugees. I leverage the fact that inactive military

barracks were used to house refugees at the height of the crisis when there was an immediate need for accommodation. These former military buildings were decommissioned following the end of the Cold War and after the 2011 repeal of conscription. This instrument provides exogenous variation in refugee placement that is arguably uncorrelated with district-specific political attitudes.

I use a long-differences design for each district d in state s between 2013 and 2017 and estimate the following two-stage least squares equations:

$$\Delta_{2013-2017} \ln(\text{refugees}_d) = \alpha_0 + \alpha_1 \text{inactive}_d + \gamma' \boldsymbol{X}_{d,s} + \varepsilon_{d,s}$$

where $\Delta_{2013-2017} \ln(\text{refugees}_d)$ is the change in log refugees, inactive_d is the number of inactive barracks as of 2013, $\boldsymbol{X}_{d,s}$ is a vector of control variables, and $\varepsilon_{d,s}$ is an error term. The district controls are from 2010 and include: population, area, density, foreign share, real GDP per capita, unemployment rate, and crime rate. I also include state fixed effects. In the second stage, I regress the change in electoral outcomes $\Delta\text{Vote share}_d$ on the fitted values of refugee presence from the first stage, plus the additional control variables.

$$\Delta\text{Vote share}_d = \beta_0 + \beta_1 \Delta_{2013-2017} \ln(\widehat{\text{refugees}}_d) + \delta' \mathbf{X}_{d,s} + \eta_{d,s}$$

For the instrument to yield consistent estimates of the causal effect, it must satisfy exogeneity, exclusion and relevance assumptions. The exogeneity assumption is that the number of inactive barracks is unrelated to characteristics affecting refugee location, conditional on controls: $\mathbb{E}[\varepsilon_{d,s} | \boldsymbol{X}_{d,s}] = 0$. This assumption holds if the decommissioning of military barracks prior to the refugee crisis was random. The maps in Figure 4 show that barracks were decommissioned in districts across the country, without clear concentration in any particular region. Military barracks were closed by defense policy rather than local political or economic factors. To test for exogeneity, I regress the district-level characteristics from 2010 on the number of inactive barracks in a district. Table 2 shows that none of the district controls are significantly associated with inactive barracks. This

lends support to the exogeneity assumption that inactive barracks are uncorrelated with unobservables.

Table 2. Exogeneity assumption

	Dependent variable:			
Panel A	GDP per capita	Unemployment	Share foreign	Area
	(1)	(2)	(3)	(4)
Inactive Barracks	0.0518	-0.136	-0.0591	69.04
	(0.036)	(0.247)	(0.397)	(63.507)
State Fixed Effects	Yes	Yes	Yes	Yes
N	393	393	393	393
	Dependent variable:			
Panel B	Density	Crime rate	Population	
	(5)	(6)	(7)	
Inactive Barracks	8.748	0.292	0.292	
	(66.850)	(0.259)	(0.259)	
State Fixed Effects	Yes	Yes	Yes	
N	393	393	393	

Robust standard errors in parentheses. * $p < 0.10$, ** $p < 0.05$, *** $p < 0.01$

The exclusion restriction is that the decommissioning of military barracks had no impact on electoral outcomes other than through local refugee presence. In other words, it is that the error term from the second stage is uncorrelated with district characteristics: $\mathbb{E}\left[\eta_{d,s} \,|\boldsymbol{X}_{d,s}\right] = 0$. One potential concern is that the decommissioning of barracks has negative local economic impacts, which persist over time and subsequently affect political attitudes. To measure whether this is the case, Table 3 compares the economic and political trajectory of districts with barracks decommissioned between 1970 and 2000. The results show that decommissioning of military buildings did not lead to a systematic economic decline or heightened far-right sentiment in districts where these buildings were located. Districts with barracks decommissioned earlier on show no significant differences in characteristics. The validity of the exclusion restriction hinges on the decommissioning process being as good as random with respect to district characteristics. While this assumption is not testable, the results below bolster evidence that the assumption

holds.

Table 3. Exclusion restriction

	Dependent variable:			
Panel A	GDP per capita	Unemployment	Share foreign	Area
	(1)	(2)	(3)	(4)
Inactive Barracks	0.0342	0.107	0.290	44.57
1970-2000	(0.023)	(0.130)	(0.346)	(41.322)
State Fixed Effects	Yes	Yes	Yes	Yes
N	393	393	393	393
	Dependent variable:			
Panel B	Density	Crime rate	Population	
	(5)	(6)	(7)	
Inactive Barracks	59.95	-0.0771	-0.0771	
1970-2000	(78.806)	(0.163)	(0.163)	
State Fixed Effects	Yes	Yes	Yes	
N	393	393	393	

Robust standard errors in parentheses. * $p < 0.10$, ** $p < 0.05$, *** $p < 0.01$

The relevance assumption is that the number of inactive barracks in a district is associated with local refugee presence. Table 4 shows the first-stage results from the 2SLS estimation. The preferred specification is that in column 3, including all controls and state fixed effects. The point estimates show that for each additional inactive barrack, the number of refugee applicants increases by 6%. The Kleibergen-Paap F statistic of 16.7 indicates that the instrument is strong and the relevance assumption is met.

Table 4. First stage, relevance

	Dependent variable: change in refugee population		
	(1)	(2)	(3)
Number of inactive barracks	0.182***	0.141***	0.0590***
	(0.022)	(0.024)	(0.014)
State fixed effects	No	Yes	Yes
Controls	No	No	Yes
Adj. R-squared	0.0988	0.451	0.718
Kleibergen-Paap F stat.	65.50	34.70	16.70
Observations	393	393	393

Robust standard errors. * $p < 0.05$, ** $p < 0.01$, *** $p < 0.001$

Table 5 presents the main results for the impact of local refugee presence on the change in support for the AfD in Germany's parliamentary elections between 2013 and 2017. Column 1 shows the results from the OLS estimation. Columns 2-4 differ in the controls that are included. In column 5, instead of using an intensive margin of inactive barracks, I use a binary measure that equals 1 if a district has at least one inactive barrack and 0 otherwise. The difference between the OLS estimate in column 1 and the preferred specification in column 4 shows that the OLS estimate overstates the true effect of local refugee presence on electoral outcomes.

The results show that an additional 1% in local refugee population reduces AfD vote share by 3.5 percentage points (column 4). The magnitude of this result is consistent with findings from other country settings that also emphasize the role of contact theory. In Austria, Steinmayr (2021) finds a 3.8 percentage point reduction in support for the Far Right Freedom Party following the same European refugee crisis that I study in this paper. In Denmark, Dustmann et al. (2019) finds a similar result in terms of magnitude. They find a 3.8 percentage point decrease in support for anti-immigrant parties across all Danish municipalities between 1986 and 1998.

Table 5. Impact of local refugee presence on electoral outcomes

	Dependent variable: change in AfD vote share, 2013-2017				
	OLS	Instrumental Variable			
	(1)	(2)	(3)	(4)	(5)
Actual change in refugees	-0.273				
	(0.204)				
Predicted change in refugees		-6.810	-1.966***	-3.479***	-3.562**
		(4.736)	(0.272)	(0.905)	(1.580)
State fixed effects	Yes	No	Yes	Yes	Yes
Controls	Yes	No	No	Yes	Yes
Extensive margin	No	No	No	No	Yes
N	393	393	393	393	393

Robust standard errors in parentheses. * $p < 0.10$, ** $p < 0.05$, *** $p < 0.01$

Table 6 shows different placebo tests. I the first column, I regress the vote share for the AfD in the 2013 elections on the predicted change in refugees from my instrument. The results are insignificant showing that the instrumented refugee presence does not predict the 2013 AfD share. Columns 2 and 3 show the reduced form estimates. In column 2, I regress the 2013 AfD vote share on my instrument of military barracks. The impact of inactive barracks on the 2013 AfD share is close to zero and insignificant. Meanwhile in column 3, inactive barracks is significantly associated with a lower AfD vote share.

Table 6. Placebo test

	Dependent variable: AfD vote share in year		
	2013	2013	2017
Predicted change in refugees	-0.277		
	(0.335)		
Inactive barracks		0.025	0.151**
		(0.015)	(0.060)
State fixed effects	Yes	Yes	Yes
Controls	Yes	Yes	Yes
N	393	393	393

Robust standard errors in parentheses. * $p < 0.10$, ** $p < 0.05$, *** $p < 0.01$

4 Conclusion

In this paper I provide new evidence into the effects of refugee presence on far-right political support, specifically focusing on the 2015 German refugee crisis and its impact on electoral outcomes for the Alternative für Deutschland party. To address the endogeneity concerns related to refugee allocation, I use an instrumental variables approach that leverages the fact that at the height of the crisis, decommissioned military barracks were used to house asylum seekers for the duration of their application process. I find that a 1% increase in refugee presence contributed to a reduction in AfD vote share in Germany's 2017 elections by 3.5 percentage points. I find evidence of a mechanism consistent with the contact hypothesis whereby districts where native residents had more interactions

with refugees showed lower levels of support for the AfD. This result contrasts with some previous studies and underscores the heterogeneity in political responses to immigration, which are shaped by local contexts and the nature of immigrant-native interactions. For policymakers, these findings highlight the potential benefits of facilitating meaningful contact between refugees and local populations as a strategy to counteract anti-immigrant sentiment. Future research could extend this analysis to examine the long-term impacts of refugee integration policies on political attitudes and explore how other local factors influence the political response to immigration.

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