There Goes the Neighborhood? People’s Attitudes and the Effects of Immigration to Australia

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Abstract

This paper compares the effects of immigration flows on economic outcomes and crime levels to the public opinion about these effects using individual and regional data for Australia. We employ an instrumental variables strategy to account for non-random location choices of immigrants and find that immigration has no adverse effects on regional unemployment rates, median incomes, or crime levels. This result is in line with the economic effects that people typically expect but does not confirm the public opinion about the contribution of immigration to higher crime levels, suggesting that Australians overestimate the effect of immigration on crime.

JEL-Classification: F22, J61

Keywords: International Migration; Effects of Immigration; Attitudes towards Immigrants

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1 Introduction

The size and composition of immigrant flows may have strong economic and non-economic effects on immigration countries. Immigration policies are designed to regulate these flows and to shape the immigrant population. These policies do not only depend on potential effects of immigration but also rely on the public sentiment regarding immigration. In particular, perceived negative aspects of immigration seem to receive more public attention than positive aspects (Card et al., 2005), suggesting that attitudes towards immigrants can be negative, even if they have a positive impact on their host country.

While numerous studies have examined the effects of immigration and the factors that determine the public opinion towards immigration, very little is known about the relationship between actual and perceived immigration effects. Against this background, this paper compares economic and social effects of immigration to the public opinion about these effects. We take advantage of the opportunity to combine several Australian data sources at individual and regional levels, which allow us to compare actual and perceived effects of immigration. We employ an instrumental variables strategy to account for non-random location choices of immigrants when estimating the regional effects of immigration.

We are particularly interested in addressing the following questions: First, how does the Australian population perceive immigration? Second, to what extent does immigration determine people’s attitudes towards immigrants? Third, does immigration affect economic and social outcomes? Fourth, what is the relationship between immigration effects and people’s attitudes? Addressing these questions is highly relevant because actual effects of immigration may be very different from the public perception of these effects. By comparing actual and expected effects of immigration, we may draw inferences about the extent to which people over-/underestimate actual effects.
People’s attitudes depend on a variety of economic and non-economic factors and empirical studies have come to different conclusions regarding the relevance of these factors. While some studies have found that economic factors – such as labor market or fiscal effects of immigration – influence individual attitudes towards immigration (Bauer et al., 2000; Scheve and Slaughter, 2001), other studies have highlighted the relative importance of non-economic factors (Espenshade and Hempstead, 1996; Citrin et al., 1997; Card et al., 2005; Mayda, 2006). Our study focuses on the extent to which individual attitudes are influenced by immigration into neighborhoods. We are able to control for a number of individual- and neighborhood-specific characteristics and we employ an instrumental variable strategy to account for unobserved heterogeneity caused by non-random sorting of immigrants across regions.

A major strand of the economic migration literature has analyzed the effects of immigration on labor market outcomes of less-skilled natives and often found small or no effects on wages and employment (Friedberg and Hunt, 1995; Lalonde and Topel, 1996; Borjas, 1999, 2003; Longhi et al., 2005; Zimmermann, 2005). Many studies have used regional variation in the population share of immigrants to estimate labor market effects of immigration and addressed the problem of non-random location choices by using instrumental variables or data of historically unique events (Card, 1990; Altonji and Card, 1991; Hunt, 1992; Card, 2005). While most of these studies have analyzed immigration to the U.S. and Europe, less is known about the consequences of immigration to other traditional immigration countries, such as Australia. This is unfortunate because source countries and policies used to select immigrants have differed considerably across immigration countries.

Our objective is to exploit regional variation to estimate the effects of immigration to Australia on economic and social outcomes. Australia is an interesting example for the analysis of immigration effects because the Australian immigration experience did not only affect the composition of the immigrant population but also shaped the nation as a whole. The Australian immigration policy has historically focused on the immigration of workers from Europe, following a “White Australia Policy” by accepting
mainly immigrants from Britain and expanding immigration to other European countries to fill a labor shortage resulting from the Second World War. Immigration policies have changed considerably since the introduction of the first immigration program in 1947 (Collins, 2006). Australia moved away from selecting immigrants on the basis of national origin in 1973 and placed a relatively high weight on accepting skilled immigrants. Numerical scores were used as an administrative arrangement since 1979 and a points system was formally introduced into law in 1989 (Chiswick and Miller, 2006). The immigration experience since the Second World War has shaped the size and ethnic composition of Australia’s population. In 2010, about 27% of the Australian population was foreign-born (ABS, 2011a). Due to the focus on immigration of skilled workers from around the world in recent decades, immigration to Australia is relatively skilled (DIAC, 2010), especially compared to immigration to the U.S. and most European countries (OECD, 2010).

The findings of our empirical analysis suggest that Australia’s strategy of linking immigration to the demand for labor has been very successful and appears to be widely accepted in the population. We find that immigration into a region has no adverse effects on unemployment rates, median incomes, or crime levels of that region. This result is consistent with the economic effects that people typically expect but does not confirm the public opinion about the contribution of immigration to higher crime levels, suggesting that Australians overestimate the effect of immigration on crime. The large share of immigrants who reside in urban areas with relatively high crime levels could be a possible explanation for this misperception.

The remainder of this paper is organized as follows. Section 2 describes the data sources that are employed in our analysis. Our empirical strategy is explained in Section 3. Section 4 presents the empirical findings and Section 5 concludes.
2 Data

We use several data sources in our empirical analysis that allow us to compare the effects of immigration on unemployment, income, and crime to people’s opinion about these effects. Attitudes towards immigrants were surveyed as part of the Australian Election Study (AES). The AES surveys are designed to collect data during federal elections for academic research on Australian electoral behavior and public opinion. Surveys were undertaken in 1987, 1993, 1996, 1998, 2001, 2004, and 2007 and each survey includes a nationally representative sample of about 2,000-3,000 voters.\(^1\,\)\(\text{2}\)

We focus on three questions about attitudes towards immigration. Specifically, survey participants were asked (1) whether immigrants take jobs away from Australian-born workers, (2) whether immigrants are generally good for the economy, and (3) whether immigrants increase crime. We also use a set of background variables, including age, gender, employment and marital status, the level of education, and income. Our analysis is restricted to individuals aged 18 years or above. We further exclude foreign-born individuals and individuals with foreign-born parents from our sample because we are interested in studying attitudes of Australian adults without migration background. Moreover, we focus on the years 1996 and 2001 because these years coincide with the Australian Census.

The AES includes information about electoral divisions of respondents, which we may use to combine individual-level variables with regional-level variables from the Australian Censuses. Specifically, we may combine the AES surveys with regional-level data from the Time-Series Profile of the Australian Censuses 1996 and 2001. This data source includes median income levels, local unemployment rates, the size of native- and foreign-born populations, the median age, and educational distributions. Statistical Local Areas (SLAs) are the smallest geographical unit identified in the data. They are used by the Australian Bureau of Statistics (ABS) as a general purpose spatial unit. SLAs

\(^1\)Voting in Australia is compulsory.
\(^2\)The data are publicly available from the Social Science Data Archives of the Australian National University (http://ssda.anu.edu.au/).
are slightly larger than post code regions and cover the whole of Australia without gaps or overlaps. The ABS provides concordances that may be used to convert data from SLAs to postal areas, which constitute ABS approximations of Australian post codes (ABS, 2006a,b). The Australian Parliamentary Library further provides concordances to convert post code areas to electoral divisions. We use these concordances to combine regional-level Census data with the AES surveys in 1996 and 2001. The resulting dataset enables us to study the relationship between individual attitudes and regional characteristics.

We further employ the Time-Series Profile of the Australian Censuses 1996, 2001, and 2006 to estimate immigration effects on unemployment and income at different levels of aggregation. Specifically, we aggregate the 1,313 SLAs in our sample to 131 functional economic regions (FERs) and 39 Census regions. FERs are designed to account for economic interactions within and between regions. Census regions were constructed using geographic areas on the 1% Basic Census Sample File, which are coded from Statistical Regions defined by the Australian Standard Geographical Classification (ASGC). The Basic Census Sample Files from the years 1996, 2001, and 2006 allow us to create 39 time-invariant Census regions. Moreover, we may employ individual-level data from the Basic Census Sample Files to generate the share of high- and low-skilled immigrants in each Census region.

Finally, we use a data source that includes crime statistics from state and territory governments in Australia, which cover about 99% of the Australian population. Crime statistics in Australia are held at the Local Government Area (LGA) level. Since LGAs comprise one or more whole SLAs, we may combine LGA level Census data with crime statistics to perform our analysis of immigration effects on crime. The crime statistics include the number of crimes that were committed in each Local Government Area (LGA)

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3There are about 1,500 SLAs and about 2,500 post code areas in Australia.
4FERs were developed by the Centre of Full Employment and Equity (CofFEE) at the University of Newcastle. See http://e1.newcastle.edu.au/coffee/functional_regions/ for a more detailed description of these regions.
5We are grateful to Andrew Leigh for providing access to the data. Cornaglia and Leigh (2011) describe the data in detail.
within a year. We use the (log of) the annual total number of crimes per 1,000 persons as a dependent variable in our analysis. The total number of crimes is defined as the sum of the following crime categories: “Homicide and Related Offenses”, “Sexual Assault and Related Offenses”, “Abduction and Related Offenses”, “Robbery, Extortion and Related Offenses”, “Burglary (including intent)”, “Theft and Related Offenses”, “Deception and Related Offenses”, “Illicit Drug Crime”, and “Weapons and Explosives Offenses”. We do not include minor offenses, such as “Public Order Offenses” and “Traffic Offenses”.

2.1 Attitudes

International comparisons based on the International Social Survey Program (ISSP) 2003 suggest that only three out of a list of 27 OECD countries have a more positive opinion towards current immigration flows than Australia (OECD, 2010). Although overall attitudes of Australians towards immigration may be considered as relatively positive in an international context, it appears likely that they vary across relevant economic and social domains. Table 1 reports expected economic and social immigration effects of the Australian-born population. The numbers reveal that about 41% of Australians think that immigrants take jobs away from Australian-born workers. While about 29% of respondents neither agree or disagree with that statement, about 30% disagree or strongly disagree. These numbers suggest that Australians have rather mixed expectations with regard to employment effects of immigration. They also reveal that people’s attitudes regarding the role of immigrants in the labor market have slightly improved over time.

\< Table 1 about here >

The numbers in Table 1 further indicate that almost 50% of respondents believe that immigrants are good for the economy and about 32% neither agree or disagree

\footnote{As part of our empirical analysis, we use two alternative definitions with and without “Illicit Drug Crime” because this category includes both minor and major crimes. Since this change in the definition of the dependent variable does not affect our results qualitatively, we only present the results of the definition including this category.}
with that statement. The expected positive effect of immigration on the economy as a whole is in line with the positive attitudes of Australians towards immigration flows observed in the international context. The numbers also show that attitudes regarding the economic effects of immigration have improved between 1996 and 2001. However, Australians have a rather negative view of immigrants in the context of crime. Only about 21% of Australians believe that immigrants do not increase crime rates, while more than 50% are convinced that they do. These numbers do not change much over time. In sum, the numbers in Table 1 indicate that Australians have a quite positive view of immigrants with regard to their effects on the economy and the labor market, while more than half of the Australian-born population believes that immigrants increase crime rates.

Sample statistics of the combined samples of the AES and the regional level 1996 and 2001 Censuses are presented in Table 2. The samples include 515 individuals in 1996 and 834 individuals in 2001. Relevant individual-specific characteristics observed in the AES include age, gender, employment and marital status, levels of education, and individual income. Regional-level variables from Census data include the share of immigrants in the population, the population size, the median weekly individual income, the median age, and educational distributions. We will use the variables presented in Table 2 as individual- and region-specific control variables when estimating the effect of the share of immigrants in the region on the respective attitude measures reported in Table 1.

2.2 Economic and Social Outcomes

The means and standard deviations of selected variables used in our empirical analysis of immigration effects on unemployment and income at different levels of aggregation are presented in Table 3. The set of explanatory variables employed in our analysis includes the median weekly income, the unemployment rate, the regional share of immigrants, the
median age, the population size, and the regional distribution of education. The bottom panel of Table 3 further includes the proportions of high- and low-skilled immigrants.\footnote{We consider immigrants with tertiary education as high-skilled and those without tertiary education as low-skilled.} We include the unemployment rate as an additional control variable in our income regressions.

Table 3 reveals a decline in the unemployment rate from about 9\% in 1996 to about 5\% in 2006, which is consistent with official unemployment statistics (ABS, 2006c). However, the numbers in Table 3 are not representative for the Australian population because they are not weighted by the population size. As a result, the proportion of immigrants in the population is only around 14-23\%, depending on the respective sample and level of aggregation. The median age of the sample, which is around 34 years in 1996, increased to 36 years in 2001, and to 38 years in 2006. The median weekly individual income is about $300 in 1996, almost $400 in 2001, and close to $500 in 2006. The educational shares reveal that educational attainment has slightly increased over the sample period.

Summary statistics of selected variables of the crime sample are presented in Table 4. Due to the relatively small number of LGAs observed in 1996, an unbalanced panel is employed in our analysis. Both the unemployment rate and the median income are used as control variables in our crime model. The numbers in Table 4 are broadly in line with those presented in Table 3. The number of registered crimes per 1,000 persons is about 1 at the LGA level but lower when we average over higher levels of aggregation.

We exploit the variables presented in Tables 3 and 4 to estimate immigration effects on unemployment, income, and crime at different levels of aggregation. The following section provides a detailed description of our empirical strategy.
3 Empirical Strategy

To estimate the effects of immigration on individual attitudes, we depart from a regression model of the following form:

\[
A_{ijt} = \beta_0 + \beta_1 S_{jt} + X_{ijt}\beta_2 + Z_{jt}\beta_3 + \theta_j + \lambda_t + \varepsilon_{ijt},
\]

where \(A_{ijt}\) constitutes the attitude measure of individual \(i\) \((i = 1, ..., N)\) in region \(j\) \((j = 1, ..., J)\) at time \(t\) \((t = 1996, 2001)\). \(S_{jt}\) denotes the regional share of the foreign-born population. \(X_{ijt}\) and \(Z_{jt}\) are the sets of individual- and region-specific characteristics (see Table 2). Specifically, \(X_{ijt}\) includes a quadratic function of the individual age, and indicator variables for unemployment, gender, marital status, income level, and level of education. \(Z_{jt}\) contains the population size, the median weekly income, the unemployment rate, the median age, and educational shares. \(\theta_j\) captures interregional differences that do not change over time and \(\lambda_t\) picks up changes over time that do not vary across regions. We may obtain an unbiased OLS estimate of the immigration effect \(\beta_1\) if \(E(\varepsilon_{ijt}|S_{jt}) = 0\). However, since location choices of immigrants depend on economic and social conditions of the neighborhood, it seems likely that the share of immigrants in a region is correlated with unobserved determinants of the outcome variable. To account for the non-random sorting of immigrants across regions, we will use an instrumental variable (IV) strategy to obtain unbiased estimates of the immigration effects.

Following a major strand of the economic migration literature that studies immigration effects (e.g. Altonji and Card, 1991; Hunt, 1992; Card, 2001, 2005), we use historic settlement patterns as an instrument for immigration. Specifically, using individual level data from the 1996 Census, we construct a proxy for the historic distribution of immigrants by calculating the regional share of immigrants who arrived before 1981 and who did not move to another region during the last 5 years (i.e. between 1991 and 1996). Our empirical analysis focuses exclusively on linear regression models. We have also used limited dependent variable models (such as binary and ordered logit models) to accommodate the non-linear nature of dependent variables but these models did not change our results qualitatively.
1996). This instrument takes into account that immigrants can gain from using existing immigrant networks (i.e. a positive impact of segregation or regional clustering) by settling in specific locations (see Bartel, 1989; Munshi, 2003). The identification strategy relies on the assumption that our outcome variables are only correlated with historic settlement patterns of immigrants through their relation with the current regional distribution of immigrants. Although this assumption cannot be tested, it appears unlikely that location choices of immigrants who arrived before 1981 have a direct impact on our outcome variables because Australia experienced considerable structural changes during the 1980s and 1990s (Productivity Commission, 1998).

Figure 1 describes the relationship between the share of immigrants and our instrument, using the population size as a weight. The population size in each region is described by the size of the circle for each observation. We find a strong positive relationship between the instrument and the share of immigrants.

Since our instrument does not vary over time, we are unable to employ our instrumental variable strategy and consider region fixed effects at the same time. Consequently, we will compare OLS estimates with and without region fixed effects to IV estimates without region fixed effects to study the size and direction of the potential bias of the OLS results. We further estimate alternative versions of equation (1) with and without regional control variables.

We estimate a similar model at different levels of aggregation to obtain the immigration effects on economic and social outcomes. As described earlier, we may perform our analysis of immigration effects on unemployment and income at the SLA level, while LGAs are the smallest geographical unit available in our crime data. At higher levels of aggregation (FERs and Census regions), we may estimate immigration effects on unemployment, income, and crime. More generally, we may estimate the immigration effect on an outcome variable $y_{kt}$ that is observed for each region $k$ ($k = 1, ..., K$) at time $t$. 

\[ \log(y_{kt}) = \gamma_0 + \gamma_1 \log(S_{kt}) + Z_{kt} \gamma_2 + \delta_k + \phi_t + \nu_{kt}, \]  

(2)

where \( S_{kt} \) is the share of immigrants in the respective region \( k \) at time \( t \). The vector \( Z_{kt} \) of regional control variables includes the median age, the population size, and educational distributions. We further add the unemployment rate to our income regression, while both income and unemployment rate are included in our crime regression. We estimate alternative versions of equation (2). Specifically, we obtain OLS estimates with and without control variables and fixed effects. We also employ an IV strategy to account for non-random location choices of immigrants and estimate alternative versions of the IV model with and without control variables.

4 Results

Table 5 summarizes the OLS and IV estimates of immigration effects on people’s attitudes. We use the attitude measures of Table 1 as dependent variables. Columns (1) and (2) of Table 5 contain the OLS estimates of model specifications with and without regional control variables. The model presented in Column (3) includes both regional control variables and region fixed effects. Columns (4) and (5) include the IV estimates of model specifications with and without regional control variables.

The estimates in Table 5 reveal that immigration does not influence the attitudes of Australians towards the economic impact of immigrants, regardless of the empirical strategy that is employed. In contrast, the estimates indicate that immigration makes Australians more likely to think that immigrants increase crime, although the effect is insignificant in the OLS model with region fixed effects. While the models without region fixed effects capture the effect of the regional level of immigrants, the model with region fixed effects measures the effect of a change in the regional share of immigrants on the change in people’s attitudes. Given that the OLS estimates in Columns (1) and (2) are
not statistically different from the corresponding IV estimates in Columns (4) and (5), it appears likely that the estimates of the OLS model with region fixed effects are unbiased.\footnote{We perform a simple t-test to study the differences between OLS and IV estimates. Specifically, we approximate the t-statistic to calculate the difference between the OLS estimate $\hat{\beta}_{OLS}$ and the IV estimate $\hat{\beta}_{IV}$ by $(\hat{\beta}_{OLS} - \hat{\beta}_{IV})/\sqrt{se(\hat{\beta}_{OLS})^2 + se(\hat{\beta}_{IV})^2}$, assuming that the covariance between the two coefficients is equal to zero.}

\begin{table}[h]
\centering
\caption{Table 5 about here}
\end{table}

The immigration effects on unemployment are summarized in Table 6. When we estimate our model at the SLA level, we obtain a positive coefficient from the OLS regression with regional control variables (Column (2)), which turns insignificant when we add region fixed effects (Column (3)). The IV estimate without regional control variables in Column (4) is significantly negative, suggesting that immigration may reduce regional unemployment. However, the immigration effect is insignificant when we include regional control variables (Column (5)). Turning to the estimates at the FER level – which is our preferred level of aggregation because it accounts for economic interactions within and between regions – we find that the immigration effect on regional unemployment is either negative or insignificant. In contrast, the OLS estimates with region fixed effects at the Census region suggest a positive effect at a very high level of aggregation. However, the effects are not significant at conventional levels when we estimate separate coefficients for high- and low-skilled immigration. The coefficients of the IV model with regional control variables are insignificant at all levels of aggregation, indicating that immigration does not affect regional unemployment.

\begin{table}[h]
\centering
\caption{Table 6 about here}
\end{table}

The estimates of the immigration effects on income presented in Table 7 are either significantly positive or insignificant, depending on the respective model specification and the level of aggregation. In particular, the effects are not significant at conventional levels if we estimate OLS with region fixed effects at higher levels of aggregation,
indicating that inter-regional differences may be responsible for the observed welfare increase induced by immigration. However, it is important to note that immigration has no adverse effects on regional income.

< Table 7 about here >

Contrary to the expectations of most Australians, the estimates of the crime regressions presented in Table 8 reveal that immigration does not increase crime. Similar to the estimates in Table 7, the OLS estimates with region fixed effects are mostly insignificant, with the exception of a significantly positive effect of high-skilled immigration on crime, which is not confirmed by the overall estimate at the Census region level. The estimates of the IV models are all negative, although not always significant. Specifically, the IV estimate at SLA level in Column (5) indicates that immigration reduces crime levels in the neighborhood significantly. The effect is not significant at the FER level but we observe a significantly negative effect of the share of high-skilled immigrants on crime at the Census region level, reflecting that high-skilled immigrants are likely to be responsible for lower crime levels.

< Table 8 about here >

On balance, our estimates of the effects of immigration on economic and social outcomes reveal that immigration to Australia has no adverse effects on regional unemployment rates, median incomes, or crime levels. In fact, immigrants appear to increase regional welfare and reduce crime. These findings are quite robust with regard to different empirical strategies and levels of aggregation.

5 Conclusions

Australia’s focus on skilled immigration in recent decades has been very successful and appears to be widely accepted in the population. Economic studies have shown that immigrants to Australia assimilate very quickly (Miller and Neo, 2003). We complement
this evidence with an analysis of the relationship between people’s attitudes towards immigrants and actual economic and social effects of immigration. We estimate instrumental variable models to account for non-random location choices of immigrants and find that immigration has no adverse effects on regional unemployment rates, median incomes, or crime levels. We also find no strong evidence for an effect of immigration on people’s attitudes.

Our results are in line with the economic effects that people typically expect but do not confirm the public opinion about the contribution of immigration to higher crime levels, suggesting that Australians overestimate the effect of immigration on crime. The large share of immigrants who reside in urban areas with relatively high crime levels could be a possible explanation for this misperception.
## Tables and Figures

### Table 1: Attitudes towards Immigrants

<table>
<thead>
<tr>
<th></th>
<th>Survey Year</th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>1996</td>
<td>2001</td>
<td>Total</td>
</tr>
<tr>
<td><strong>Immigrants take jobs from Australians</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Strongly agree</td>
<td>16.31</td>
<td>13.55</td>
<td>14.60</td>
<td></td>
</tr>
<tr>
<td>Agree</td>
<td>25.83</td>
<td>26.26</td>
<td>26.09</td>
<td></td>
</tr>
<tr>
<td>Neither agree nor disagree</td>
<td>29.13</td>
<td>28.90</td>
<td>28.98</td>
<td></td>
</tr>
<tr>
<td>Disagree</td>
<td>22.72</td>
<td>26.02</td>
<td>24.76</td>
<td></td>
</tr>
<tr>
<td>Strongly disagree</td>
<td>6.02</td>
<td>5.28</td>
<td>5.56</td>
<td></td>
</tr>
<tr>
<td><strong>Immigrants good for economy</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Strongly agree</td>
<td>4.47</td>
<td>4.44</td>
<td>4.45</td>
<td></td>
</tr>
<tr>
<td>Agree</td>
<td>41.36</td>
<td>44.96</td>
<td>43.59</td>
<td></td>
</tr>
<tr>
<td>Neither agree nor disagree</td>
<td>29.51</td>
<td>32.85</td>
<td>31.58</td>
<td></td>
</tr>
<tr>
<td>Disagree</td>
<td>19.03</td>
<td>13.31</td>
<td>15.49</td>
<td></td>
</tr>
<tr>
<td>Strongly disagree</td>
<td>5.63</td>
<td>4.44</td>
<td>4.89</td>
<td></td>
</tr>
<tr>
<td><strong>Immigrants increase the crime rate</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Strongly agree</td>
<td>20.78</td>
<td>18.11</td>
<td>19.13</td>
<td></td>
</tr>
<tr>
<td>Agree</td>
<td>31.65</td>
<td>32.61</td>
<td>32.25</td>
<td></td>
</tr>
<tr>
<td>Neither agree nor disagree</td>
<td>26.80</td>
<td>28.30</td>
<td>27.72</td>
<td></td>
</tr>
<tr>
<td>Disagree</td>
<td>16.12</td>
<td>17.15</td>
<td>16.75</td>
<td></td>
</tr>
<tr>
<td>Strongly disagree</td>
<td>4.66</td>
<td>3.84</td>
<td>4.15</td>
<td></td>
</tr>
<tr>
<td><strong>Observations</strong></td>
<td>515</td>
<td>834</td>
<td>1,349</td>
<td></td>
</tr>
</tbody>
</table>

Source: Australian Election Study.
Table 2: Attitudes: Sample Statistics

<table>
<thead>
<tr>
<th></th>
<th>1996</th>
<th>2001</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Mean</td>
<td>SD</td>
</tr>
<tr>
<td><strong>Australian Election Study</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Age</td>
<td>42.7</td>
<td>14.8</td>
</tr>
<tr>
<td>Female</td>
<td>0.524</td>
<td>0.500</td>
</tr>
<tr>
<td>Unemployed</td>
<td>0.037</td>
<td>0.189</td>
</tr>
<tr>
<td>Married</td>
<td>0.718</td>
<td>0.450</td>
</tr>
<tr>
<td>Below High School</td>
<td>0.309</td>
<td>0.462</td>
</tr>
<tr>
<td>High School Only</td>
<td>0.120</td>
<td>0.326</td>
</tr>
<tr>
<td>Diploma/Trade Qualification</td>
<td>0.241</td>
<td>0.428</td>
</tr>
<tr>
<td>University</td>
<td>0.330</td>
<td>0.471</td>
</tr>
<tr>
<td>Income: up to AUD20,000</td>
<td>0.159</td>
<td>0.366</td>
</tr>
<tr>
<td>Income: AUD20,000-40,000</td>
<td>0.390</td>
<td>0.488</td>
</tr>
<tr>
<td>Income: AUD40,000-70,000</td>
<td>0.291</td>
<td>0.455</td>
</tr>
<tr>
<td>Income: AUD70,000+</td>
<td>0.159</td>
<td>0.366</td>
</tr>
<tr>
<td><strong>Australian Census</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Immigrant Share</td>
<td>26.5</td>
<td>16.1</td>
</tr>
<tr>
<td>Population Size (in 1,000)</td>
<td>342.6</td>
<td>191.4</td>
</tr>
<tr>
<td>Median Weekly Income</td>
<td>48.05</td>
<td>38.68</td>
</tr>
<tr>
<td>Unemployment Rate</td>
<td>0.045</td>
<td>0.011</td>
</tr>
<tr>
<td>Median Age</td>
<td>34.4</td>
<td>2.2</td>
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Source: Australian Election Study and Australian Census of Population and Housing.
Table 3: Sample Statistics, Income and Unemployment Sample

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Source: Australian Census.
Table 4: Sample Statistics, Crime Sample

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Source: Australian Census and State Level Data on Offenses.
FIGURE 1: Relationship between Share of Immigrants and IV

Data taken from the unemployment sample at CFER level; weighted by population size.
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<td>0.009***</td>
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Socioeconomic characteristics: Yes, Regional control variables: No, Region fixed effects: Yes.

Coefficients on immigrant share. Robust standard errors, which are reported in parentheses, are clustered at the electoral division level. All models include the population size and a time indicator as control variables. Number of observations: 1,349. * p < 0.05, ** p < 0.01, *** p < 0.001
Table 6: Immigration Effects on Unemployment

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Coefficients on log of immigrant share. Robust standard errors, which are reported in parentheses, are clustered at the respective regional level. All models include the population size and time indicators as control variables. * \(p < 0.05\), ** \(p < 0.01\), *** \(p < 0.001\)
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<td>113.4</td>
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<tr>
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<td>0.412</td>
<td>0.359</td>
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<td><strong>Census regions</strong></td>
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<td>Share of Immigrants</td>
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<td>0.110</td>
<td>0.084</td>
<td>0.194</td>
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<td>(0.038)</td>
<td>(0.023)</td>
<td>(0.053)</td>
<td>(0.038)</td>
<td>(0.025)</td>
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<tr>
<td>F (first stage)</td>
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<td>309.0</td>
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<td>Shea Partial R²</td>
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<td>Share of Low-Skilled Immigrants</td>
<td>0.186</td>
<td>0.077</td>
<td>0.060</td>
<td>0.173</td>
<td>0.041</td>
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<td>(0.045)</td>
<td>(0.023)</td>
<td>(0.062)</td>
<td>(0.043)</td>
<td>(0.024)</td>
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<td>390.6</td>
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<tr>
<td>Share of High-Skilled Immigrants</td>
<td>0.251</td>
<td>0.138</td>
<td>0.023</td>
<td>0.227</td>
<td>0.098</td>
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<td>(0.031)</td>
<td>(0.025)</td>
<td>(0.029)</td>
<td>(0.033)</td>
<td>(0.025)</td>
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<td>Regional control variables</td>
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<td>Yes</td>
<td>Yes</td>
<td>No</td>
<td>Yes</td>
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<td>Region fixed effects</td>
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<td>No</td>
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<td>No</td>
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</table>

Coefficients on log of immigrant share. Robust standard errors, which are reported in parentheses, are clustered at the respective regional level. All models include the population size and time indicators as control variables. * \( p < 0.05 \), ** \( p < 0.01 \), *** \( p < 0.001 \)
Table 8: Immigration Effects on Crime

<table>
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<tr>
<th>SLAs</th>
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<th>OLS</th>
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<tr>
<td>Share of Immigrants</td>
<td>-0.464***</td>
<td>-0.562***</td>
<td>0.009</td>
<td>-0.354***</td>
<td>-0.493***</td>
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<td>(0.098)</td>
<td>(0.108)</td>
<td>(0.153)</td>
<td>(0.127)</td>
<td>(0.139)</td>
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<td>373.5</td>
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<td>0.426</td>
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<td>1,270</td>
<td>1,270</td>
<td>1,270</td>
<td>1,270</td>
</tr>
</tbody>
</table>

| FERs          |          |          |          |          |          |
| Share of Immigrants | -0.441** | -0.643*** | -0.777** | -0.293   | -0.455   |
|                | (0.194)  | (0.243)  | (0.384)  | (0.262)  | (0.312)  |
| F (first stage)|          | 139.8    | 94.9     |          |          |
| Shea Partial R²| 0.507    | 0.430    |          |          |          |
| Observations  | 291      | 291      | 291      | 291      | 291      |

| Census regions |          |          |          |          |          |
| Share of Immigrants | -1.504*** | -1.586*** | -0.856   | -1.196*** | -0.940   |
|                | (0.312)  | (0.546)  | (1.202)  | (0.335)  | (0.579)  |
| F (first stage)|          | 224.5    | 257.6    |          |          |
| Shea Partial R²| 0.820    | 0.807    |          |          |          |
| Observations  | 100      | 100      | 100      | 100      | 100      |

| Share of Low-Skilled Immigrants | -1.348*** | -1.225** | 0.108    | -1.063*** | -0.760   |
|                                | (0.290)  | (0.523)  | (0.325)  | (0.310)  | (0.505)  |
| F (first stage)                |          | 334.9    | 309.9    |          |          |
| Shea Partial R²                | 0.870    | 0.867    |          |          |          |
| Observations                   | 100      | 100      | 100      | 100      | 100      |

| Share of High-Skilled Immigrants | -1.416*** | -1.661*** | 0.288    | -1.314*** | -1.234** |
|                                 | (0.310)  | (0.474)  | (0.449)  | (0.359)  | (0.611)  |
| F (first stage)                 |          | 166.3    | 110.2    |          |          |
| Shea Partial R²                 | 0.789    | 0.733    |          |          |          |
| Observations                    | 100      | 100      | 100      | 100      | 100      |

| Regional control variables     | No       | Yes      | Yes      | No       | Yes      |
| Region fixed effects           | No       | No       | Yes      | No       | No       |

Coefficients on log of immigrant share. Robust standard errors, which are reported in parentheses, are clustered at the respective regional level. All models include the population size and time indicators as control variables. * p < 0.05, ** p < 0.01, *** p < 0.001
References


Card, D., Dustmann, C., Preston, I. Understanding Attitudes to Immigration: The Migration and Minority Module of the First European Social Survey. CReAM Discussion Paper Series 0503, Centre for Research and Analysis of Migration (CReAM), Department of Economics, University College London.


