Italians First: Refugee Reception Policy and National Identity

Federica lo Polito †

November 8, 2023

Click here for the latest version

Abstract

This paper investigates the effects of intergroup contact with immigrants on natives' attachment to national identity. During the European refugee crisis, the Italian government implemented an emergency reception policy to address the unprecedented number of refugees. Using administrative data on the universe of reception centers that were opened between 2014 and 2018 and exploiting time and geographic variation in the opening of such centers, I first examine the effect of contact with refugees on behavior-based proxies of attachment to the nation. I find that the presence of refugees reduces support for regionalist political movements and increases the likelihood of voting for parties that promote national unity and identity. Municipalities receiving refugees also exhibit an increased level of social capital, which is proxied by consent to organ donation, and a significant increase in expenditures for non-excludable goods and transfers received from other levels of government. Finally, I construct an index of national identity by leveraging on rich data from Google Trends on terms related to Italian culture. Results show a significant increase in the search volume for these terms in municipalities that experienced intergroup contact. Overall, the evidence suggests that intergroup contact strengthens national identity among Italians.

JEL codes: D72, H72, J15, Z10
Keywords: National Identity, Intergroup Contact, Immigration

†Toulouse School of Economics, 1 Esplanade de l'Université, 31080 Toulouse. Contact: federica.lo-polito@tse-fr.eu. I am grateful to my advisor Mohamed Saleh for his valuable guidance and encouragement. I am also grateful to Luisa Carrer, Victor Gay, Christian Hellwig, Sophie Moinas, Mateo Montenegro, Kaivan Munshi, Mounu Prem, Paul Seabright, and Karine Van der Streaten as well as the participants in the Behavioral, Institutions and Development (BID) and PhD Workshops at the Toulouse School of Economics for their suggestions and comments on this project.All errors are mine.

"Italy has been made, now we need to make Italians" - Massimo D'Azeglio, 1861

"Immigrants managed to do what Cavour never achieved: they made Italians" - Andrea Pennacchi, 2018

1 Introduction

The construction of national identity is central to the development of a state (Tilly, 1993; Weber, 1976). Studies have shown that societies that lack social cohesion tend to exhibit higher levels of political instability, higher rates of civil conflict and worse economic outcomes than homogenous nations (Alesina et al., 1999; Munshi and Rosenzweig, 2018). Simultaneously, a strong national identity can be negatively correlated with levels of democracy (Gabrielsson, 2022), and ethnic diversity has been shown to boost innovation and production (Alesina and La Ferrara, 2005). In the debate on what influences national unity, contact among the different groups composing a nation has often been identified as a major determinant (Bazzi et al., 2019; Cáceres-Delpiano et al., 2021).

This paper investigates how intergroup contact between native and immigrant populations can impact natives' attachment to the national identity. The literature has posited two hypotheses regarding the effects of intergroup contact. The *contact hypothesis* posits that, under appropriate conditions, contact should reduce discrimination and increase tolerance among groups (Allport et al., 1954). Conversely, *group threat theory* contends that when the outgroup's size increases and when it is perceived as a threat to the ingroup interests, contact can reinforce prejudice and mistrust towards outsiders and enhance solidarity within the ingroup (Blumer, 1958; Huntington and Dunn, 2004; Fearon and Laitin, 2003).[1] The first theory has been the focus of numerous studies (Scacco and Warren, 2018; Merlino et al., 2019; Dahl et al., 2021), but the literature has systematically overlooked the scope conditions suggested by Allport et al. (1954) under which contact is most influential (Paluck et al., 2019). [2]

In contrast, group threat theory has not sparked the same interest. This paper fills this research gap by testing the validity of group threat theory. I focus on the Italian case, and hypothesize that contact between asylum seekers and Italians during the European refugee crisis increased social cohesion and fostered attachment to the nation among Italians via a heightened conflict with immigrants. The case of Italy is uniquely suited for the purpose of this paper. First, after a long history as an emigration country, Italy is only recently dealing with large immigration inflows coming from North Africa and the Middle East. This makes it the ideal setting to understand how exposure to immigrants might have influenced national feelings. The large influx of refugees arrived during the European refugee crisis and

[1] Both of these hypotheses rest on social identity theory (Tajfel et al., 1979): people seek the answer to the question of who they are in terms of how group to which they belong differs from other groups, thus dividing everyone into 'us versus them'.

[2] Allport identified four crucial conditions that determine the effectiveness of contact in reducing prejudice: equal status among groups, shared goals, intergroup cooperation, and support from authorities, laws, or customs. Allport warned that in the absence of these conditions, increased contact could exacerbate tensions, thus highlighting the importance of meaningful engagement to counter stereotypes and discrimination.

the threat that they posed to natives and their way of life satisfy in fact the conditions set by Blumer (1958). Secondly, Italy is a very heterogeneous country, which displays several cultural and economic differences, a strong presence of regionalist and independence movements and general political instability. It is therefore a country characterized by a weak national identity.

From an empirical perspective, identifying the effects of intergroup contact on national identity is a challenge for at least two reasons. The first problem is the endogeneity of contact between immigrants and natives: immigrants could decide to move to places that are more tolerant towards them, that offer better employment opportunities or that already host communities from their own country of origin.

To address this endogeneity, I exploit a refugee reception policy implemented by the Italian government during the European refugee crisis. In the period from 2014 to 2018, the Italian reception system was not able to cope with the extraordinary influx of refugees who were requesting asylum. [3] For this reason, extraordinary reception centers (in Italian "Centri di Accoglienza Straordinaria", hereinafter CAS) were opened throughout the country via the implementation of the *Dispersal Policy*.

My empirical strategy for identifying the effect of intergroup contact therefore relies on comparing the attachment to national identity of individuals who have been in contact with asylum seekers to that of individuals who have not been exposed to refugees. To this end, I exploit the time and space variation in the opening of CAS centers. I provide evidence of the existence of parallel trends in my outcome variables and of the role of CAS centers in guaranteeing intergroup contact under the conditions of group threat theory. [4]

The second cause of concern pertains to data limitations. How can we measure identity and attachment to the nation? The literature on nation-building has predominantly used cultural proxies or survey-based individual attitudes. Bazzi et al. (2019) studied the effects of a population resettlement programme on national integration, and proxied the latter with, among other measures, the choice of language used at home and survey-based measures of intergroup tolerance, trust, community engagement and preferences for redistribution. Assouad (2020) relied on the adoption of pure Tuskish names, while Depetris-Chauvin et al. (2020) used self-reported attachment to national identity. The absence of survey data at the municipal level in Italy prevents me from using self-reported attitudes towards the nation, and other measures, such as like naming patterns or language spoken, are mostly irrelevant in my context. To address these issues, I proceed in two ways.

As a first step, I build on the aforementioned literature and construct several behavior-based proxies of nation-building. Borrowing from Cáceres-Delpiano et al. (2021), I analyze voter turnout and vote share of regionalist and nationalist parties, using electoral data on the 2008, 2013 and 2018 national elections drawn from the Ministry of Interior. I then study the evolution of social capital, similarly to Bazzi et al. (2019). Social capital holds particular significance in the Italian context, as

[3] In this paper I use the words immigrants, refugees and asylum seekers interchangeably despite their semantic differences. Given the nature of the context and the policy I study, it should be noted that individuals who were hosted in CAS centers were refugees who had requested asylum in Italy.

[4] Additionally, this policy entailed quasi-random allocation of immigrants: the treatment was not significantly correlated with other municipality-level characteristics, such as level of unemployment, income per capita or share of foreigners. Although my identification strategy does not require randomization, this feature of the policy provides reassuring evidence that outcomes in treated and control municipalities not only display parallel trends but are also balanced in levels.

numerous studies have stressed its pivotal role in shaping the economic divide between the North and South regions of the Italian peninsula (Putnam, 1993; Guiso et al., 2004). My measure of social capital is the rate of consent to organ donation in the period 2011-2022, built on data provided by AIDO, the national registry for organ donation. Finally, given the lack of information on individual preferences for redistribution, I construct variables for municipal level contribution to the public good and redistribution. As argued in Besley (2020), "a strong civic culture manifests itself as high tax revenues sustained by high levels of voluntary tax compliance and provision of public goods". Therefore, I consider the effects of intergroup contact on expenditures for non-excludable goods, inter-governmental transfers and tax revenues. To construct these variables, I rely on the AIDA PA database, a private database that collects detailed information on yearly budgets of all Italian municipalities. I use data for the period 2010-2020.

Second, I provide a methodological contribution by creating an original index of national identity. In particular, I collect rich data on the popularity of 500 search terms related to Italian culture from Google Trends. These data are available at the municipality-year level and can be accessed through the Google Trends API. By using principal component analysis, I summarise the information thus collected and create a *National Identity Index*. This index measures the volume of searches for nation related terms in a given municipality and year and it allows me to make up for the absence of survey-based measures and test the impact of my treatment on a direct proxy of individuals' attitudes.

My results support the group threat hypothesis and, consequently, the claim that attachment to the national identity was strangthened in municipalities that experienced intergroup contact. Using a Difference-in-Differences analysis, I find that in municipalities that hosted refugees, support for regionalist and independence political movements was reduced by half, and voters in these municipalities were instead more likely to vote for nationalist parties. Furthermore, with an event study that include pre-treatment outcomes as controls, I show that treated municipalities exhibit a significant increase in social capital, which is particularly relevant in the first two years following the implementation of the Dispersal Policy.

Intergroup contact also increased contribution to the public good and redistribution. In particular, I implement a dynamic event study following the approach of De Chaisemartin and d'Haultfoeuille (2020) which is robust to dynamic and heterogeneous effects, to test the impact of treatment on municipal-level public finance outcomes. Municipalities that hosted a CAS center exhibit significant increases in total expenditures and expenditures for non-excludable goods of 150 and 130 euros per capita, respectively, as well as an increase in transfers from higher levels of government of 180 euros per capita. The results are positive and significant for five years following the opening of a center. Importantly, I show that these results are not due to the direct mechanical effect of opening a reception center. First, increases in expenditures are not driven by the amount of money spent on health care, education or family policies, which would be the case if the municipality government were required to spend more simply to help incoming refugees. Second, I show that municipalities that host CAS centers do not receive higher transfers to address current expenditures, which supports the claim that they do not receive money for hosting a CAS, in line with the design of the Dispersal Policy.

Finally, I show a positive impact of treatment on my National Identity Index. I

run my dynamic event study specification separately on all twenty Italian regions and the compute a weighted average of the effects using the share of regional population as weights. Given the nature of the Google Trends data, this two-step analysis is necessary to ensure a correct estimation of treatment effects. Intergroup contact increases the number of Google searches related to national culture, indicating a higher attachment to national culture in municipalities that hosted CAS centers. The average treatment effect amounts to 0.3 standard deviations and is significant for all 6 years following the opening of CAS.

Related Literature. As mentioned in the beginning, my empirical analysis primarily relates to the growing literature on how specific policies can shape national identity and contribute to nation-building. From education policies (Bazzi et al., 2022; Bandiera et al., 2019; Clots-Figueras and Masella, 2013; Blanc and Kubo, 2021) to military conscription (Dell and Querubin, 2018) and propaganda (Assouad, 2020; Esposito et al., 2023), the literature is full of examples of governments trying to foster social cohesion with ad hoc policies and a *top-down* approach. More recently, some papers have addressed the role of various phenomena in strengthening national identity from a *bottom-up* perspective.Depetris-Chauvin et al. (2020) or Esposito et al. (2023) study for example the role of collective shared experiences and narratives like, attending sport competitions or movie screenings, respectively. In this sense, my paper is in line with this latter stream of research, since I study an emergency reception policy that was not designed for nation-building purposes but that might have unintentionally strengthened national cohesion among Italian natives.

Additionally, given the nature of this policy, my work speaks to the vast body of literature on the economic and political effects of immigration. Immigration has been proven to have a significant impact on natives' wages and occupational levels, with both positive and negative effects documented in the literature (Borjas, 2003; Aydemir and Borjas, 2007; Borjas, 2014; Llull, 2017), and some studies have claimed that the political backlash against immigration observed in recent decades may have been triggered by fears over job security or wages (Scheve and Slaughter, 2001; Mayda, 2006). Another scholarship has instead argued that opposition to immigration is mainly driven by anxiety over cultural change, ethnic diversity or weakened social norms (Card et al., 2012; Harmon, 2018; Mendez and Cutillas, 2014; Tabellini, 2020), which has led to the success of far-right, anti-immigration parties especially in the aftermath of the European refugees crisis (Halla et al., 2017; Hainmueller et al., 2017; Dustmann et al., 2019). The works most closely related to this paper are Campo et al. (2021), which studies the effect of the Italian Dispersal Policy on the success of anti-immigrant populist parties, and Buccione and Zurla (2022), where the authors also perform an event study to investigate the effects of CAS centers on excludable and non-excludable expenditures. However, these outcomes are not the primary focus of the latter paper, as this mainly analyzes housing prices and total expenditures. Moreover, given the recent developments in the Difference-and-Differences literature, I am able to use a more advanced empirical specification, i.e. the dynamic event study designed by De Chaisemartin and d'Haultfoeuille (2020), which accounts for heterogeneous and dynamic effects. In general, my contribution to this literature lies in the fact that I do not focus on the rise of anti-immigrant sentiment directly. Instead, I study how immigration flows during the 2014 crisis

impacted the electoral success of regionalist parties, i.e. parties that promote decentralization and/or independence ideals, and I thereby document the strengthening of national identity in a receiving country.

My paper is also relevant to the literature that, predominantly in the field political science, has addressed intergroup contact and its effects. Work in this field has focused mainly on testing the contact hypothesis. Paluck et al. (2019) provides a comprehensive overview, revealing a consistent positive role of contact in reducing racial and ethnic prejudices (Sorensen, 2010; Boisjoly et al., 2006; Camargo et al., 2010; Marmaros and Sacerdote, 2006), prejudice towards individuals in the LGBTQI+ community (Broockman and Kalla, 2016; Dessel, 2010), and biases towards disabled individuals (Krahé and Altwasser, 2006). Recurring methodological errors in these studies, however, limit the overall validity of their results, and more importantly, a systematic gap exists with regard to the study of the conditions outlined by Allport. I provide evidence of how these conditions do not hold in my setting and I test the competing hypothesis, i.e. group threat theory, which has been much overlooked so far.

Given my methodological contribution, my work is in line with research that has used Google Trends data to capture relevant social and economic phenomena. In Stephens-Davidowitz (2014), the author constructed a measure of racism in areas of the US based on the search index for a salient racist word. He then used this index to study how racism might have impacted voting patterns in the US presidential elections of 2008, which included the black candidate Barack Obama. The results show that an area's racially charged search rate is a good negative predictor of Obama's vote share. A study more closely related to my work is a working paper by Marthews and Tucker (2017), which analyzed how search traffic of privacy-sensitive words changed after Edward Snowden's revelations in June 2013. The authors select 282 queries and constructed a panel dataset by country-week. In this sense, it is the only paper that uses a Google Trends-based index as an independent variable, similarly to my strategy.

Finally, this paper contributes to the literature on the role of culture and identity in economics. The seminal paper by Akerlof and Kranton (2000), showed how identity and culture are important factors in individuals' decision-making processes: they influence economic outcomes and agents' behavior (Fernández, 2011; Gorodnichenko and Roland, 2011), and they tend to be persistent (Alesina et al., 2013; Voigtländer and Voth, 2012) and determined jointly with institutions (Acemoglu and Robinson, 2021; Bisin and Verdier, 2005, 2017). A relevant topic in this field pertains to the rise of identity politics. This implies the shift away from the traditional political conflict, based on tension over redistribution and on the clash between rich and poor classes, to an identity-based political conflict, where angry citizens identify with their nations and are suspicious of immigration and politicians push populist and nationalist policy agendas (Shayo, 2009; Gennaioli and Tabellini, 2019; Besley and Persson, 2019). I contribute to this literature by empirically documenting the relevance of identity politics in Italy and by studying how immigration can shape the political, economic and social outlook of a receiving country through its effect on culture and identity.

The paper proceeds as follows. Section 2 provides an overview of the institutional and historical background and discusses the Dispersal Policy. In Section 3,

I propose a review of theories on intergroup behavior and introduce a framework that supports the empirical analysis. Section 4 presents the data used in my analysis and discusses the construction of the National Identity Index. In Sections 5 , 6 and 7 I discuss the empirical strategy and the results for three sets of behavior-based national identity measures - electoral outcomes, social capital and public finance outcomes respectively. In Section 8 I illustrate my analysis of the National Identity Index. Section 9 concludes.

2 Historical Background

2.1 National Identity

"Italy has been made, now we need to make Italians": this sentence was famously pronounced by the influential politician Massimo D'Azeglio after Italian unification. The meaning of these words is easily understandable when one considers the circumstances surrounding the birth of the Italian state.

Italy was formed in 1861 through the unification of several independent realms and states, which featured different economic and social conditions as well as different cultural foundations. The concept of *Italians* did not exist prior to the unification. Even D'Azeglio or Cavour, the minds behind Italian unification, had initially envisioned Italy as a federalist nation rather than a unitary one, in order to retain and honour the differences among member states (Ziblatt, 2004).[5] Many of these initial differences can still be observed today.

The first, and probably most important, example of this claim is the large economic divide between the north and the south of the nation, known to the public as "Questione Meridionale" - the southern issue. This divide dates back to pre-unification times: Figure 2 shows the infrastructural capacity of Italian regional states at the dawn of unification, indicating clear differences between Piedmont (the Kingdom of Sardinia) and the Kingdom of the Two Siciles (Ziblatt, 2004). Although the entire peninsula lacked signs of industrialization and the economy of the entire country was predominantly agricultural, the situation in the south was much more dramatic. The economy of the south was in fact characterized by subsistence agriculture, lack of infrastructure and resources, and the absence of an entrepreneurial class.

The divide grew worse after 1861 and became a persistent, structural characteristic of the new nation. Several phenomena contributed to this: the industrialization of the north that started in the 1880s, the geographic proximity of the northern regions to the European market, the faulty and insufficient policies implemented by national governments to alleviate the divide, and the insurgence of organized crime in the south (*Treccani, la questione meridionale*). The resulting lower productivity of the South translated into worse living conditions and into a persistent income gap with respect to the North. Figure 1b shows per-capita income as recorded in the

[5] Ziblatt claims that federalism is possible only if the pre-existing units of a forming state are highly institutionalized and deeply embedded in their societies, and are thus capable of governance. Although Cavour, the chief architect of Italian unity, envisioned a federalist state that could account for the strong differences that characterize the peninsula, federalism was not a feasible option due to the weak institutional building blocks and the insufficient structural capacity of the Kingdom of Naples and the Papal state.

2011 census.[6]

Another relevant illustration of Italian diversity is the importance, to this day, of dialects and minor languages. Although Italian is spoken across the country, some regions recognize other languages as official, and local dialects are still widely spoken, especially in the south.[7] Figure 1a shows the use of dialects in the family context in 2015.[8]

Finally, the cultural and economic diversity have also impacted the political sphere in different ways. Firstly, voting patterns and political preferences often mirror the economic divide, with southern regions usually expressing more conservative views. In 1946, when citizens were asked to decide on the institutional form for the new, fascist-free country, the south voted cohesively in favour of the monarchy, while the central and northern regions opted for the republic (see Figure 3a); similarly, in 1974, southern citizens voted against the legalization of divorce, in contrast to the rest of the country (see Figure 3b).

Secondly, the lack of a strong national identity resulted in the founding of several regionalist political movements, which advocate for decentralisation or the independence of a given region or area of the country. The most famous example in this sense is that of Lega Nord. Lega Nord was founded in 1989 as a party that aimed to reunite all secessionist movements in northern Italian regions. The rhetoric chosen by the party focused on the superiority of the north, both economically and culturally: the motto of the party was "Roma Ladrona", i.e. "Rome thief" - which alluded to the idea that the national government was stealing resources from the more prosperous northern regions to redistribute them to the rest of the country. Furthermore, the main objective of the party was that to obtain the independence of Lombardia and Veneto.[9] Interestingly, however, ever since the beginning of the refugee crisis - which also coincided with the election of a new party leader in Lega Nord - the focus of the party shifted from the "southern debate" to the threat of immigration and the importance of the nationalist ideal. In this period, the name of the party was changed to simply Lega, all stances on northern independence were elimated, and the motto of the party became "Italians first".

[6] Guiso et al. (2016) discusses the historical roots of of this heterogeneity. The authors test the theory put forward by Putnam (1993), according to which the strong differences in economic performance observed among Italian municipalities are the result of different levels of civic capital which, in turn, are linked to towns' historical experiences. Cooperative behavior, in fact, seems to be more present in towns that developed as free city-states during the Middle Ages, which are mainly located in the north and centre of the country. The collective, cooperative nature of life in a city-state instilled a higher sense of self-efficacy in residents of these towns, which was transmitted to following generations through education and socialization. Southern-Italian cities, which were not exposed to this process and were instead always ruled by monarchs, have been persistently underdeveloped due to the lack of social capital.

[7] One of these dialects, Sardinian, is actually considered to be a language of its own - many linguists view it as romance language most closely related to pure Latin (Wagner, 1951) - and it has been given equal status to Italian in Sardinia. German and French are official languages in Alto-Adige and Valle D'Aosta respectively.

[8] "L'uso della lingua Italiana, dei dialetti e delle lingua straniere - ISTAT, 2015."

[9] In 1989 a newspaper in Bergamo (near Milan) conducted a survey of 4000 of its readers and found that an overwhelming majority of respondents (i) would never want to marry someone from the South, (ii) would not want to have a doctor or a teacher from the south, (iii) believed that southerners were responsible for crime and for the inefficiency of the public administration, (iv) believed that southerners were stealing jobs and houses and (v) believed that southerners did not contribute to the economic well-being of the city.

As mentioned, Lega Nord is only the most notable example of this phenomenon, but there are many other, smaller regionalists movements throughout the country, e.g. Lega Sud, Südtiroler Volkspartei and Sardigna Natzione.

2.2 Immigration in Italy and Dispersal Policy

If the first reason why Italy is a unique setting for testing group threat theory is related to the lack of a strong national identity, the other relevant element to my story is linked to Italy's peculiar experience with immigration. Italy is notoriously a country that features a long history of emigration and a very limited experience with immigration, which makes this context suitable to understand how immigration has shaped and changed cultural and political attitudes in the last few years and how it might have contributed to the strengthening of a national identity.

In this subsection I present key facts concerning immigration in Italy. I start by providing some historical perspective on emigration and immigration flows, leading up to the European refugee crisis of 2014. Then I describe the reception system that was in place at the beginning of the crisis and the policy that was adopted to address the extraordinary influx of refugees. I conclude by detailing how I will leverage on this extraordinary reception policy to construct the treatment used for my analysis.

Historical Perspective and the 2014 Refugee Crisis. Italy's history of mass emigration started immediately after the Italian unification in 1861. Indeed, during the period 1861-1976, more than 26 million people emigrated from Italy, half of them to other European countries and the rest to North and South America (Del Boca and Venturini, 2005). Two-fifths of all these emigrants originated from southern regions. The reasons underlying this phenomenon were mainly economic: the poor conditions of the Italian economy and the high level of unemployment pushed people to seek for their fortune abroad. Italian emigrants were heavily discriminated against, especially in the US: they were believed to be an inferior race, to exhibit poor hygiene standards, to be carriers of diseases and to have very poor moral values (Bevilacqua et al., 2001).

It was only in the 1990s, with the arrivals of immigrants from Albania and the Balkans after the Yugoslav wars, that Italy became a major destination country for international migrants. Other large inflows occurred after 2007 - due to the enlargement of the European Union - and in 2012 - after the Arab springs and the end of the Libya regime. Italy's position in the Mediterranean, indeed, is strategic for individuals who want to escape North Africa or the Middle-East.[10]

In this paper I focus on a more recent migration episode, the European refugee crisis. In the period from 2014 to 2018, more than fourteen million refugees fled from North Africa and the Middle East to Europe, where various countries received more than two million new asylum claims (UNHCR, 2017). Italy was particularly affected by the crisis and received a yearly average of 150,000 immigrants, making it

[10]The sudden collapse of the autocratic Gaddafi regime in 2011 and the resulting lack of naval patrols to secure the Mediterranean made it possible for refugees to flee through the so called Central Mediterranean Route. Before 2011, in fact, the route between African coasts and Italy had been closed thanks to a Friendship Treaty between Italy and Libya, which ensured control of the two coasts and of the Mediterranean.

the second most strongly affected Mediterranean country after Greece (Figure 5).[11] By the end of 2018, when the crisis subsided, Italy still hosted 190,000 refugees, with 105,000 pending asylums demands (Ministry of Interior).

Reception System. At the dawn of the European Refugee Crisis, the system for hosting refugees and managing asylum seekers in Italy featured three levels, each of which is associated with a different type of reception center.

The first level is composed of *hotspots*.[12] Hotspots are equipped disembarkation areas whose goal is to receive incoming migrants who arrive at Italian coasts. In these centers operators identify immigrants, check their health conditions, provide first aid when needed and verify their legal status. Currently four hotspots are active in Italy, which exhibit an average capacity of 370 people. Hotspots are typically located on the EU's external borders, where the identification, registration and debriefing of incoming refugees usually takes place. [13]

After receiving initial assistance, if an immigrant was eligible for asylum, he or she was transferred to a *Primary Reception Center*. There are two types of primary centers: CDA ("Centri Di Accoglienza", i.e. hospitality centers) and CARA ("Centri di Accoglienza per Richiedenti Asilo", i.e. reception centers for asylum seekers). The purpose of these structures is to identify immigrants, verify the regularity of their presence on Italian soil and help them apply for asylum.[14] Italy currently features nine Primary Reception Centers, which are mostly located in the south. All of these centers are managed by the state: municipal administrations have no power over them.[15]

The third and final level of the Italian reception system consists of *secondary reception centers* or SPRAR, locations that host asylum seekers drawn from primary centers. The role of SPRAR is to provide services that might promote the integration of immigrants into the surrounding community, e.g. language courses, career services, help completing education or legal assistance. The functioning of SPRAR centers is regulated by mayors, who have direct powers over these centers. In particular, when the Home Office wants to allocate refugees to SPRAR centers, it issues a public tender, and mayors can decide whether their municipality should participate and bid for the tender or not.[16] It is worth noting that municipalities that win bids for tenders and open a SPRAR center receive fiscal grants.[17]

[11] The major entry points to the EU were Greece, Italy, Malta, Hungary, Croatia/Slovenia and Bulgaria.

[12] The official name for these centers is CPSA, *Centri di Primo Soccorso e Accoglienza.*

[13] These operations are normally carried out in the first 48 hours after the disembarkment of migrants. The hotspots currently active in Italy are located in Lampedusa, Pozzallo, Messina, and Taranto. Source: Ministry of Interior.

[14] Note that, if an immigrant refuses to be identified upn arrival, is not eligible for refugee status or has received an administrative expulsion order, he or she is be sent to a *repratriation center*.

[15] Asylum seekers should be hosted in Primary Centers for a maximum of 35 days, while waiting for their application to be processed. Given the number of delays that these applications normally face, migrants ultimately stay longer.

[16] The SPRAR model requires joint action on the part of of the Ministry of Interior, the National Association of the Italian Municipalities (ANCI) and the United Nations High Commissioner for Refugees (UNHCR)

[17] By using data on SPRAR centers between 2005 and 2017, Gamalerio (2018) studied the impact of electoral incentives on immigration policy. The author found that, although opening a SPRAR center provides substantial economic benefits to municipalities, the probability of opening such a center one is 24 percent lower for municipalities in the final year of an electoral term.

The Italian reception system is represented in Figure 6. Specifically, the blue arrow indicates the three levels just described and the path normally followed by a refugee that arrived in Italy before 2014, progressing from hotspots to secondary reception centers.

Dispersal Policy. Hotspots, CDA, CARA and SPRAR were not sufficient to address the crisis of 2014, due o the extraordinary increase in the number of asylum seekers. The Italian government thus decided to rely on temporary emergency centers, known as CAS, *Centri di Accoglienza Straordinaria*. CAS ultimately accommodated approximately 75% of refugees in Italy in the period 2014-2018, thereby *de facto* becoming the backbone of the reception system during the crisis.[18]

These centers were opened under the scope of the so-called *Dispersal Policy*, a policy that was implemented with the goal of reducing the concentration of asylum seekers in urban and disembarkation areas, and of ensuring that the costs of reception and hospitality were shared through the gradual and sustainable distribution of refugees throughout the entire nation. Figure 7 reports the size distribution of municipalities that hosted CAS, demonstrating that most centers were located in numerous middle-sized municipalities rather than in a few large urban centers, confirming that the burden of hospitality was shared by the whole country.

Asylum seekers were centrally allocated to province-based Italian prefectures according to the "Allotment Plan" (Piano Nazionale di Riparto), which determined the number of refugees to be hosted in every province based on a proportion of the resident population (i.e. approximately 2.5 per 1,000 inhabitants).[19] In a second phase, prefectures coordinated the location of centers across the provincial territory through public bids.[20] The opening and management of CAS was then assigned to cooperatives, NGOs or private economic actors based on the quality of the project they presented. "Open procedure" tenders were the most common way of assigning the opening of CAS centers to economic actors, accounting for approximately 72% of the cases in my sample. This procedure guaranteed the highest levels of transparency and fair competition (ActionAid and Openpolis, 2018).[21] This is an important feature of the Dispersal Policy: the opening and location of CAS centers were proposed and determined by the national government in agreement with economic operators, i.e. without consulting municipal level administrations. More-

[18]The Home Office tried to stimulate the opening of new SPRAR centers and to avoid excessive reliance on CAS by incentivizing municipalities to participate in the ordinary reception system. For instance, a "safeguard clause" was proposed, which exempted municipalities involved in the SPRAR network from other forms of reception, as long as they met the ratio of immigrants indicated in the Allotment Plan. This approach is why CAS were opened relatively late in municipalities that already hosted SPRAR. However, these attempts did not work in practice, as SPRAR centers grew by only 20% in 2016, which was insufficient to keep pace with new arrivals.

[19]In Figure 4 I plot the municipal-level capacity of CAS against the 2011 population. The regression line has a slope equal to 0.0018, which is relatively closeto the Allotment Plan of 2.5 asylum seekers out of every 1,000 inhabitants.

[20]The administrative division of Italy includes 20 regions, in turn divided into a varying number of provinces. Regions and provinces correspond, respectively, to NUTS-2 and NUTS-3 units. The smallest administrative unit is the municipality (LAU-2). Overall, the country currently features 107 provinces with an average population of 540,000, and approximately 8000 municipalities. The Home Office has a local office (prefecture) in 106 Provinces - Sardinia having only four Prefectures across five provinces.

[21]Other procedures include, for example, direct contracts or restricted tenders - see Table 1 , Panel C.

over, municipal councils did not receive any financial support, since funds were transferred directly to the economic operators that managed the centers.

In Figure 8 I plot the capacity of CAS centers against some pre-treatment municipality characteristics, specifically unemployment rate, per capita income, share of foreign residents and share of individuals with higher education. The plots show no systematic correlation, indicating the quasi-random allocation of refugees across municipalities.[22]

CAS centers differed along several dimensions. First, due to the emergency situation, any building was eligible to be used as an emergency center. Figure 9 shows the distribution of structures that were used to host refugees, displaying a clear prevalence of private apartments and houses.[23] This is another important feature of the Dispersal Policy: the fact that the vast majority of asylum seekers were allocated to networks of private apartments implies that they lived in close contact with natives, often in the same building. By geo-coding the exact position of CAS centers, I am also able to document that the average distance to the town center is approximately 2 kilometers, a finding that further supports the claim that exogenous intergroup contact was achieved.[24]

A second dimension of heterogeneity comes from the kind of services provided in CAS centers. CAS were not designed to facilitate the integration of migrants, which was the task of the SPRAR system, and the centers were only required to guarantee food and lodging. The provision of other services, such as psychological support, language courses or assistance for finding employment, was optional. More information on the type of services offered by CAS is available in Appendix C.

Finally, CAS centers also differed in terms of capacity. Figure 10b displays the distribution of centers across the country and the cumulative municipal-level capacity. In Figure 10a, for comparison, I also report the distribution of SPRAR centers before the crisis.

Nature of the Treatment. In summary, the Refugee Dispersal Policy just discussed reproduces a quasi-experimental setting, since it assigned refugees to municipalities on a quasi-random basis. Moreover, the policy exhibits several features that are relevant for the purpose of this paper.

First, CAS centers ultimately hosted the majority of refugees during the crisis, becoming *de facto* the backbone of the reception system (Figure 11). Second, CAS centers were geographically dispersed throughout the whole nation and across municipalities of different sizes. Thirdly, centers were mainly hosted in private apartments or houses, and they were located, on average, within a 2 kilometre radius

[22] I do not have data concerning the exact numbers of refugees who were hosted in each center during the years of the crisis, but given the continuous roll-out of the policy and the extraordinary number of asylum seekers, it is plausible to assume that centers were almost always at full or nearly full capacity, thus making the latter a good measure to check randomness of the treatment. Capacity is computed at the municipality level by summing the measure for centers located in the same town.

[23] This feature of the policy was confirmed by a report issued by the Parliamentary Commission to the Chamber of Deputies in 2017, which stated that 85% of CAS centers were hosted in apartments or private houses.

[24] The data at my disposal provide the exact addresses of emergency reception centers. Using QGIS, I matched each center to the corresponding municipality and then calculated the distance between the CAS and the centroid of the polygon representing the municipality. Summary statistics about the variable capturing this distance are available in Table 3.

from the town center, thus validating the hypothesis of intergroup contact between immigrants and natives. Fourthly, CASs did not provide integration services, making the contact between natives and immigrants rather superficial and not cooperative. Finally, the policy was exogenous from the perspective of local administrations, since they were not involved in the opening and management of these centers and since they did not receive financial support from the government.

Given these features, I argue that individuals who resided in municipalities that hosted a CAS center were subject to exogenous intergroup contact with immigrants during the refugee crisis based on the framework of group threat theory. I can exploit the geographic and time variation in the opening of these centers across Italy to define my treatment and conduct my empirical analysis.

I consider a municipality as treated if it hosted at least one CAS center during the European refugee crisis and I claim that the opening of these centers did not impact attachment to the national identity (as captured by my outcomes) if not through the intergroup contact channel.

It should be clarified that I estimate intention-to-treat effects: no data concerning the behavior of refugees hosted in CAS centers - e.g. regarding whether they entered the labour marked and integrated into their community of reference - is available at the municipality level and there is thus no way of knowing the actual extent of intergroup contact. Anecdotal evidence regarding the services offered by centers and labour-force participation can be found in Appendix C.

3 Intergroup Contact and National Identity: Conceptual Framework

I model the arrival of asylum seekers from North Africa and the Middle East and the subsequent opening of emergency reception centers as a shock to Italy and the Italian population, who had historically never experienced such high levels of immigration. I argue that exposure to immigrants caused national identity to become salient and increased the attachment of Italians to it.

In this section, I present an informal conceptual framework that informs my empirical analysis. I first introduce the literature on intergroup behavior and on the effects of intergroup contact that I build upon; I then discuss the implications of this literature in my setting and clarify the effect I aim at capturing in this paper.

3.1 Identity, Intergroup Behavior and Role of Contact

Since the seminal paper by Akerlof and Kranton (2010), the study of identity has become an essential part of economic analysis. A vast body of literature in social sciences and economics has emphasized the critical role of individuals' social identity and of the dynamics of intergroup behavior in shaping agents' decisions. In the following discussion, I present a concise overview of the literature on identity, intergroup behavior and the role of contact, and I examine various behavioral theories that are relevant to my study.

Social Identity Theory. Social identity theory, which was proposed by Tajfel et al. (1979), aims at analyzing individuals' social identity - defined as a person's sense of self based on perceived group membership. This theory was formulated to

illustrate the process of identification using a collectivist perspective, and to comprehend intergroup relationships. According to this theory, an individual's social identity formation involves a three-step process.

The first step is *categorization*, through which individuals classify people into various groups, such as male vs. female, Christian vs. Muslim, or English vs. French. Subsequently, in the *identification* stage, individuals associate themselves with specific groups that have been previously categorized. In this phase, two distinct categories emerge: ingroups (the groups with which individual identifies, i.e. "us") and outgroups (the groups with which the individual does not identify, i.e. "them"). Finally, through the process of *comparison*, individuals measure their ingroups against the outgroups, which often results in a favorable bias towards the ingroup. This phenomenon, known as ingroup favoritism, is frequently accompanied by its counterpart, i.e. outgroup prejudice Tajfel et al. (1979).[25]

Social identity theory, therefore, offers a framework for rationalising the emergence of discriminatory and prejudiced behavior within intergroup relationships, thus shedding light on the dynamics that influence group interactions and perceptions.

It should be noted that this paper addresses with a specific aspect of social identity - national identity. Druckman (2006) discusses two distinct forms of attachment to national identity: patriotism and nationalism. Patriotism focuses on an emotional bond with one's nation, without feelings of superiority or denigration towards other groups or countries. Conversely, nationalism is founded on the belief in the moral superiority of one's nation. For a nationalist, pride arises from favorable comparisons between their country and others, resulting in a more complex form of attachment that includes hostility towards outgroups (Feshbach, 1987, 1990).[26] It is evident that nationalism, for which attachment is rooted in comparison with and potential hostility towards others, is closely aligned with the sentiment that this paper aims to capture.

Contact Hypothesis. The contact hypothesis, which was initially proposed by Allport et al. (1954), posits that intergroup contact can effectively mitigate prejudice and discrimination between members of majority and minority groups. Allport identified four crucial conditions that determine the effectiveness of contact in reducing prejudice: equal status among groups, shared goals, intergroup cooperation, and support from authorities, laws, or customs. Allport warned that in the absence of these conditions, increased contact could exacerbate tensions, thus highlighting the importance of meaningful engagement to counter stereotypes and discrimination.

The effectiveness of the contact hypothesis has been extensively examined. Paluck et al. (2019) provided a comprehensive overview of these studies, revealing a consistent role of contact in reducing racial and ethnic prejudices (Sorensen, 2010; Boisjoly et al., 2006; Camargo et al., 2010; Marmaros and Sacerdote, 2006), prejudices against individuals in the LGBTQI+ community (Broockman and Kalla, 2016; Dessel, 2010),

[25] Various studies have demonstrated that ingroup favoritism is likely to occur for both arbitrarily defined and well-established groups (Chen and Li, 2009).

[26] An example of nationalism is offered by from Emerson's depiction of mid-19th century dynamics. He observed that the English defined their identity through negative, symbolic references to what they were not, depicting France as "a kind of blackboard on which English character draws its traits in chalk."

and biases towards disabled individuals (Krahé and Altwasser, 2006). However, recurring methodological errors in many of these studies warrant caution with regard to interpreting the results and call for further, more rigorous analysis. Additionally, a gap exists in the research that systematically explores the conditions outlined by Allport.

Group Threat Theory. Group threat theory, which is founded on the works of Herbert Blumer and Hubert M. Blalock Jr., presents a sociological perspective that stands in contrast to the contact hypothesis. According to this theory, intergroup contact can lead to negative outcomes when the outgroup's size increases and when the outgroup is perceived as a threat to the ingroup interests. This situation results in heightened intergroup conflict and the reinforcement of stereotypes (Blalock, 1967). This effect is particularly significant in cases where groups differ along racial lines: the seminal work by Blumer (1958) in fact specifically focused on racial bias. In his paper, Blumer described the prevailing attitudes within the dominant group that contribute to racial prejudice: (i) a sense of superiority, (ii) a belief in the intrinsic differences and alienness of the subordinate race, (iii) a sense of entitlement to certain privileges and advantages, and (iv) a fear and suspicion that the subordinate race seeks to encroach on the prerogatives of the dominant race.

3.2 This Paper

In this paper, I draw on the theories discussed above to investigate the consequences of intergroup contact between immigrants and natives in Italy following the European refugee crisis.

I model the European refugee crisis and the subsequent opening of emergency reception centers as a shock to Italy and the Italian population, who had historically never experienced such high levels of immigration. Drawing on social identity theory, I propose that the influx of *ethnically diverse* immigrants affected the identification process among Italians.

Prior to the crisis, individuals tended to identify strongly with their regional and local communities. However, exposure to immigrants heightened the salience of national identity, thus prompting a significant re-categorization: the relevant ingroup became the national population ("us"), as distinct from the outgroup of refugees. This re-categorization likely led to an increase in anti-immigrant sentiment (*outgroup prejudice*) and a heightened attachment to the national identity (*ingroup bias*), the latter of which is the focal point of this paper.

According to the contact hypothesis, intergroup contact between refugees and natives should have led to a reduction in the initial prejudice and discrimination of the majority towards immigrants. While this theory seems persuasive, it is not readily applicable to the situation under examination in this paper. As outlined in Gamalerio et al. (2023), CAS centers, on which I rely in this paper, do not satisfy with the four conditions detailed by Allport. In fact, CAS centers fail to provide integration services to their residents, thus restricting opportunities for intergroup cooperation. Furthermore, these centers are not managed by local authorities, thereby undermining the fourth condition set by Allport.[27] Overall, the temporary and pri-

[27] Gamalerio et al. (2023) studied the network of SPRAR centers. The authors argue that SPRAR centers adhere to the four conditions delineated by Allport, and can therefore be used to test the validity of the contact hypothesis. They found that municipalities that opened a SPRAR refugee

vate nature of CASs suggests that the contact hypothesis might not be valid in this case.

However, the setting analyzed in this study is in line with the competing theory on intergroup contact, known as group threat theory. The sudden increase in the size of the outgroup and prevailing public perception that immigrants posed economic and cultural threats to Italians support the conflict hypothesis. Consequently, I argue that the brief and superficial contact between immigrants and natives resulting from the opening of emergency reception centers led to an escalation in prejudice and discrimination against immigrants (Campo et al., 2021), as well as a strengthened attachment to national identity.

Finally, it should be noted that, given the considerations proposed thus far, the effect that I aim to capture in this paper is line with the definition of nationalism. As argued above, nationalism is the feeling of pride for one's nation that results from a comparison between one's country and another.

4 Data

4.1 Behavioral Proxies for National Identity

I rely on a set of different municipality-level measures to capture behaviors that signal attachment to the national identity. The variables I use are the following: voter turnout, vote share of regionalist parties, social capital, expenditures for non excludable goods, transfers from higher levels of government and tax revenues.

Political Behaviour. My first proxies of attachment to the national identity include turnout, which has often been used as a proxy for civic engagement (Guiso et al., 2004; Cannella et al., 2021), and vote share obtained by regionalist parties. To construct these measures, I use electoral data provided by the Italian Ministry of Interior, which granted me access to municipal-level information on the results of three rounds of national elections held in Italy, specifically those held in 2008, 2013 and 2018. For my analysis, a list is coded as "regionalist" if it runs only in a specific region/area of the country and if it promotes decentralization or, more generally, regionalist/independence ideals. The complete list of parties included in this measure is provided in Table 4. It should be noted that most parties coded as regionalist did not include anti-immigration sentiments in their programmes.

Social Capital. Following the literature (Bartscher et al., 2021; Guiso et al., 2004), I proxy social capital with the rate of consent to organ donation. This information is provided by AIDO, the Italian Organ Donors Association (AIDO). The dataset specifies the number, the municipality of residence, place of birth and year of registration of people who gave consent to donate their organs after death through AIDO. The variable that I use for my analysis is the count of individuals who registered with AIDO in a given municipality in a given year.

Public Goods and Redistribution. The third set of measures for national identity is related to contribution to and provision of the public good. I use data drawn

center between the 2013 and 2018 national elections experienced a substantial reduction in the vote share of extreme-right parties, a positive impact on compositional amenities (i.e. local schools) and population growth.

from AIDA PA, a detailed dataset containing the yearly budgets of all Italian municipalities in the period 2010-2020.[28] For every year, the data provide information on municipal-level revenues and expenditures for each area, e.g. education, health care, law and order etc. I thus construct per capita variables that capture redistribution and contribution to the public good: *total expenditures*, *expenditures for non-excludable goods* - which includes money used to finance policies that pertain to the municipality as a whole and that benefit the whole community, such as law enforcement or infrastructure -, *tax revenues*, and *total transfers* - which sums the funding received from higher levels of government. Further details concerning the construction of these variables can be found in Appendix A, while some descriptive statistics regarding these data are shown in Table 8.

4.2 Index of National Identity

I rely on data collected through the Google Trends API to construct an index of national identity.

Google Trends. Google Trends provides an index of search activity by query or query category. For example, suppose that one is interested in understanding the interest expressed in the *Serie A*, i.e. the Italian football professional league. The simplest way of retrieving this information consist of entering the term "Serie A" into the Google Trends search feature. Google Trends then returns a chart showing the time series of the searches for this word, the geographic distribution of such searches and additional searches related to the main query.

Alternatively, one could rely on the Google Trends API. In that case, one can specify the query to be recalled, and the API provides an index of search activity. This index measures the fraction of queries that include the term in question in the chosen geographical area at the chosen time, relative to the total number of queries at that time. The maximum value of the index is set to 100, and the other values are defined in relative terms: if a placeexhibits an index of 50, the number of searches in this place was half as large as for the geographical unit with an index of 100.

Advantages. In addition to allowing me to overcome the absence of relevant measures, Google Trends data offer various advantages over survey-based data. First, the Google Trends index is based on millions of searches, which can be aggregated across geographical area and provide results at a high frequency. Even the most detailed surveys, when available, generally include only a small sample of the population of reference.

Google data are also unlikely to suffer from misreporting or major social censoring: individuals most likely perform their searches online and alone, which makes it easier for them to express their thoughts freely. Conti and Sobiesk (2007) argues that individuals are usually forthcoming with regard to searching on Google, as proven by the large number of searches for pornography or the provision of sensitive health information.

Finally, given the enormous amount of data available, Google searches are able to capture relevant social patterns: the Google searches in the US that include the word "God", for example, explain more than 60% of area-level variation in belief in

[28] Access to AIDA PA data was kindly provided by William Bellynck and Domenico Piscitelli from Bureau Van Dijk.

God (Stephens-Davidowitz, 2014).

Potential Limitations. Despite these numerous advantages, Google Trends data have some substantial limitations.

First, the Google Trends index is always relative. If Google Trends shows that a search term has decreased over time, this information does not entail that fewer searches are performed now than previously. Rather, it simply means that searches for that term account for a smaller percentage of all searches.[29] Similarly, returning to the previous example, if the town of Milan exhibits higher scores than the city of Rome, it does not entail that Milanesi perform more searches for "Serie A" than Romans. Rather, it means that, as a percentage of the total searches in each municipality, Milan displays relatively more searches for Serie A than Rome. This feature of Google Trends is not so problematic since this metric is the most meaningful for my purposes - otherwise, bigger towns would automatically exhibit a higher index.

Second, Google Trends has an unreported privacy threshold. If total searches are below that threshold, a value of 0 is reported. The private threshold depends on absolute numbers, so small places are more likely to present a value of zero. This limitation is quite problematic in my context , as many Italian municipalities are not densely populated. [30]

Third, the Google Trends index is constructed based on a sample of the total Google search corpus. Accordingly, in theory, the results on the index could differ slightly across different samples. If extreme precision is important, a researcher could collect different samples and average them to obtain a better estimate. Since the data are cached every day, however, obtaining n samples implies collecting data for n days. In situations in which several queries are being collected through the API, this limitation might make the collection process very time-consuming. Luckily, the data used to construct the index are normally large enough that each sample should provide similar results - as mentioned before, the size of the underlying data used to construct the index is one of the most appealing features of the Google Trends API.

Construction of National Identity Index. Having discussed the advantages and limitations of Google Trends, I can proceed to explain how I construct my index of national identity.

The first step in the process of building the index is compiling a list of queries that can be used with the Google Trends API. These words should capture and proxy attachment to the Italian national identity in a sound, convincing way while also avoiding problems of cherry-picking.

For this purpose, I refer to Italian Wikipedia. Specifically, I consult the Italian page for "Italian culture", which offers a general overview of what constitutes national culture. The page reports a series of categories: symbols, national holidays and events, famous Italians, sports, fashion, food, history, art and media. I select all relevant terms in each of these categories. A complete list of the words selected is available in Figures 5 and 6.

For each of these terms, I collect the Google Trends index using the Google Trends API. The index is collected at the municipality-year level for the period 2012-

[29] In absolute terms, searches for virtually every word have increased over time (Stephens-Davidowitz, 2014)

[30] The 90th percentile of the population distribution in 2011 was 14,047.

2019. The Google Trends API is usually not programmed to accomplish this task, as the most granular level of collection provided is the regional level. I therefore modify the API manually to achieve the collection of municipal-level data.

It should be noted that, due to these manual modification to the API, I am not able to recall all Italian municipalities for every year in my analysis. Therefore, my sample does not cover the universe of Italian municipalities and consists of approximately 24,000 observations, i.e. 3000 towns per year for the period 2012-2019. I report descriptive statistics for municipalities in this restricted sample in Table 9. The comparison between the restricted sample and the full sample described in Table 8 shows very few differences.

I conduct a principal component analysis on all the queries collected. I select only the first component, and apply a classic normalization so to ensure that my final index has an average of 0 and standard deviation of 1. It should be noted that, for reasons related to the API and the data collection process, I must run the principal component analysis separately for each year (see Appendix D for details regarding data collection and the construction of the index). The resulting index is my *National Identity Index*. Descriptive statistics on the index are displayed in Table 9.

4.3 Emergency Reception Centers, CAS

I assemble a novel dataset that contains information on the universe of active Emergency Centers in Italy in the period 2014-2017. I digitize data drawn from the annual social report of the Italian Ministry of Interior on the organization of the reception system.[31] The report provides precise information concerning the location (region, province, municipality and address), identity of the managing institution, type of structure (center for adults or minors, building hosting the center), capacity, opening date, status in 2018 (active or inactive) and acquisition procedure (e.g. public tender) for each center. The final sample includes 7,385 centers over the entire Italian territory. Note that this figure corresponds to almost one center per municipality since the total number of municipalities is 7,904.

I report descriptive statistics in Tables 1 and 2. Table 1 provides some information regarding the geographic locations and opening times of centers, as well as of the procedures used to allocate contracts to economic operators. Table 2, instead, provides a more general picture of the presence of CAS centers throughout the country, indicating clear growth over the period of the crisis. The maximum number of openings was observed in 2016, when the crisis was at its peak. Centers hosted between 20 and 30 refugees on average, and only a small fraction of them - between 3% and 5% - had capacities greater than 100. This evidence reflects the dispersive nature of the policy, which, as previously noted, aimed to distribute asylum seekers throughout the country.

The data at my disposal allow me to construct two treatment variables: a dummy variable equal to one for the municipalities that hosted a CAS during the refugee crisis - what I call the *extensive margin* - and a continuous variable indicating the share of allocated refugees per municipality - the *intensive margin*. [32]

[31] Doc. CCXXXVI, n.3.

[32] Note that, in the dynamic event study specification, the dummy variable is equal to one starting in the year in which the center was opened in the municipality. Given that my treatment reflects

4.4 Municipality Characteristics

Finally, to capture the effect of the policy on national identity more effectively, I match the data described thus far with a set of municipality characteristics that I use used as controls in my analysis. I rely on ISTAT, the Italian Statistical Office, to obtain the following pre-treatment variables from the most recent available census, administered in 2011: resident population, share of foreign residents, unemployment, number of nonprofit institutions, and share of highly educated and uneducated individuals. Descriptive statistics on these controls are available in Table 8.

5 Political Behaviour

5.1 Empirical Strategy

I start by estimating the effect of the opening of a reception center on political behaviour.

Given the timing of national elections in Italy (2013 and 2018), to retrieve my effect of interest I implement a Difference-in-Differences strategy with the following specification:

$$Y_{mt} = \alpha_m + \gamma_t + \beta Treatment_m * Post2014_t + \Theta X'_m + \epsilon_{mt} \quad (1)$$

where Treatment is a municipal-level dummy variable that is equal to 1 if that municipality hosted a CAS center - the extensive margin - or the share of refugees assigned to the municipality - the intensive margin.[33] Post2014 is a dummy variable that is equal to 1 for all observations in 2018. I include municipality and year fixed effects, i.e. α_m and γ_t respectively, which allow me to control for any time-invariant differences among municipalities and for year-specific shocks that could affect all municipalities. I also control for a number of pre-treatment municipal variables, i.e. population, share of foreign residents, unemployment, employment rate per economic sector, number of NGOs, and share of highly educated and uneducated individuals. Errors are clustered at the municipality level.

The parameter of interest is β, which represents the change in selected outcomes due to living in a town that hosted a CAS center. Note that the results should be interpreted as intention-to-treat estimates (ITTs) as I do not know who, among voters, actually came in contact with the refugees.

The main identifying assumption of this empirical exercise is that, in the absence of CAS center, political outcomes in treated and control municipalities would have continued to follow parallel trends. Figure 12 provides graphs for parallel trends for my main variables, i.e. turnout and vote share for regionalist parties.

To further corroborate my analysis, I perform a placebo exercise using the intensive margin treatment. More specifically, I estimate the same model as shown in Equation 1 but considering the variation in the outcome between 2008 and 2013. In same spirit of a placebo test, I assign to observations in 2013 the refugee share

exposure to asylum seekers, I consider a municipality to have been treated even if the CAS center in that municipality closed earlier than 2018.

[33] In order to retrieve the intensive margin variable, I first sum the capacity of all CAS centers in a given municipality. I then compute the ratio between this cumulative measure and the municipality pre-treatment population.

of 2018, and I assign a value of 0 to all municipalities in 2008. Results are shown in Table 11. As clearly indicated by the estimates, the placebo treatment is not significantly associated with vote shares. However, the placebo estimate for turnout is significant, which invites caution in the interpretation of results on this outcome.

5.2 Results

Results are reported in Table 10, with Panel A and B showing the estimated coefficients obtained using the extensive margin and the intensive margin treatment variables respectively. Columns (1),(3),(5) and (7) present the results for specification 1 without control variables, while even-numbered columns refer to the full specification. The outcome variables refer to the election of the Chamber of Deputies.

My first measure of national identity is turnout. This outcome is negatively impacted by treatment: although not large in magnitude and not significant over both specifications, the coefficients shown in Columns (1) and (2) indicate that cities that hosted a CAS center exhibited slightly lower rates of participation in national elections. This result contradicts my conceptual framework. Nevertheless, given the results of the placebo test mentioned previously and the small magnitude of the effect, I argue that these estimates are not conclusive.

I then turn to an analysis of political preferences. I am interested in the impact of the treatment on the vote share of regionalist parties. First, I construct a variable that includes all such political movements. The results of the difference-in-differences estimation conducted using this outcome variable are shown in Columns (3) and (4), which indicate positive and significant coefficients. This finding, once again, seems to conflict with my framework: if intergroup contact favors the attachment to national identity, I should find lower levels of support for regionalist parties.

This outcome variable, however, is not very precise, as it is biased by the inclusion of Lega Nord. Although Lega Nord was historically a federalist party (which is why it was initially coded as regionalist), during the years of the refugee crisis the party rebranded itself as nationalist, and its propaganda began to focus on the negative impact of immigration, the supremacy of Italians over immigrants and attachment to the national identity. In fact, its slogan became "Italians first".

To capture the effect of my treatment on the electoral success of purely regionalist parties more effectively, I thus disentangle the vote share of Lega from the previous variable by excluding it from the list of regionalist parties. This modified variable is my preferred outcome. The results in Column (5) and (6) indicate that towns that hosted at least one CAS center during the crisis exhibited a reduction their support for regionalist movements by approximately 1 or 2% - a relevant change since on average these movements receive approximately 3% of votes.[34] This reduction seems to be almost perfectly counteracted by an increase in support for Lega (Columns (7) and (8) of Table 10). The results from the use of the intensive margin treatment in Panel B lead to the same conclusions.

These results might raise some concerns. Specifically, one might argue that the reduction in the regionalist vote share and the increase in the Lega's electoral success is purely do to Lega's anti-immigrant platform. Although I cannot rule out this possibility, a few considerations are worth exploring.

[34] A 1% effects represents 33% of the outcome mean and 12.5% of its standard deviation.

Firstly, as per group threat theory, anti-immigrant sentiment is a necessary step to the strengthening of national identity: it is the comparison to the outgroup, who is perceived as a threat, that sparks higher attachment to the ingroup. Secondly, as argued above, in the years of the European Refugee Crisis there was a big shift in the Lega's ideology, manifesto and even leader. The attachment to national identity became central to the Lega's propaganda ahead of 2018 elections, and was even more prominent than anti-immigrant claims. This is clearly shown in the data from the Manifesto Project database, in Table 7, which reports a higher presence of positive claims on the "national way of life" with respect to the claims agains immigration.

This anecdotal evidence, combined with the result on regionalist parties, reinforces the idea that nationalist sentiments played a role in driving individual political preferences.

5.3 Robustness Checks and Heterogeneity

To further corroborate my results on political behavior, I perform some additional tests.

Senate. I run specification 1 on electoral outcomes for the Senate, to verify that the results of my main analysis are not driven by compositional features of the electorate. Until 2021, the age requirement to cast a vote differed between the Chamber and the Senate. Although citizens above the age of 18 could vote to elect deputies in the Chamber, only citizens aged 25 or older could elect senators. Table 12 reports the results obtained running the full specification. The estimates for the impact of opening a CAS on Senate outcomes are very similar to those of the Chamber, thus ruling out the possibility that results could be driven by young voters. In particular the vote share of regionalist parties decreased by 1,5% in treated municipalities, while support for Lega increased by almost 1%. [35] The results obtained by running the specification with the intensive margin treatment, however, are not significant.

Long Exposure to CAS. To asses the role of intergroup contact more effectively, I investigate whether the impact of treatment varies with length of exposure to asylum seekers. In particular, I split the sample of treated municipalities into two different groups based on the year in which the first CAS center was opened: a municipality is classified as having "long exposure" if a CAS was first opened in 2014 or 2015. I then interact the dummy variable for long-term exposure with my main treatment, and run this augmented specification on my main outcome variable, i.e. the vote share of regionalist parties. Results are available in Table 13, Column (1). Estimates indicate that the negative impact of treatment on the vote share of regionalist parties is driven mainly by municipalities with longer exposure to treatment, while municipalities that have hosted a CAS for less than two years exhibit a small increase in support for regionalist parties. This results seems to be in line with my framework. Given the nature of CAS and the fact that they do not allow for refugees' integration and for more cooperative contact, longer exposure to refugees only exacerbates natives' perception of threat. In line with group threat theory, contact increases prejudice but also strengthens nationalistic sentiments.

[35] The effect on regionalist parties represents 3% of the outcome mean and 15% of its standard deviation. Similarly, the estimate on Lega's success represents 6% of the outcome mean and of its standard deviation.

Nationalist Movements. I rerun specification 1 to study the electoral success of nationalist movements. Specifically, I construct an additional outcome variable that captures the vote share obtained cumulatively by all nationalist movements. [36] The results, presented in Column (7) of Table 13, are in line with the main results for Lega: nationalist movements receive an additional 0.7% of the vote in treated municipalities.[37]

Heterogeneity. Finally, I perform some heterogeneity tests, allowing the effect of opening a reception to vary according to municipality characteristics at baseline. In particular, I test whether the impact of treatment is heterogeneous with respect to four local characteristics in 2011 - total population, share of foreigners, unemployment and share of highly educated individuals. For three of these variables - share of foreigners, unemployment and share of highly educated individuals - I add to the model in Equation 1 the interaction between treatment and a dummy variable with value equal to 1 for municipalities that were above the 90th percentile with regard to the characteristic in question in 2011.[38] With regard to population, instead, the interaction dummy variable is equal to 1 for municipalities with more than 15,000 residents in 2011. I adopt this approach to take into account differences in municipal electoral rules: in municipalities featuring fewer than 15,000 inhabitants, the candidate who receives the most votes is elected, without the need for a majority and, thus, without the need for a second round.[39] Moreover, the 15,000 threshold used for the dummy variable is also close to the 90% percentile of the population.[40] Results are presented in Table 13, Columns (2) to (5).

The estimates shown in Column (2) indicate that more populated municipalities actually increases their support for regionalist parties, although the coefficient is significant only at the 10% level. This could be due to the fact that cities and urban areas tend to exhibit lower anti-immigrant sentiments (Dustmann et al., 2019; Mayda, 2006). As such, group threat theory might not have the same relevance in these contexts. Column (3), instead, reveals that treatment did not have any significant impact on individuals residing in municipalities with a high share of foreign-born residents. This finding is in line with my framework: since natives in these town have already been exposed to *outsiders*, they might not perceive immigrants as a threat, so the opening of a refugee center did not have a sizeable impact on their political attitudes.

Interestingly, unemployment seems to have a positive and significant impact on the vote share of regionalist parties. The coefficient for the interaction between treatment and high levels of unemployment indicates an increase of approximately 2%. Extensive literature has documented how anti-immigrant sentiments might be ex-

[36] The parties coded as nationalist are Lega, Fratelli d'Italia, Italia agli Italiani and Italia nel cuore.

[37] In 2018 Lega was the most famous and successful of the nationalist parties, while the other parties included in the construction of this variable were very marginal and did not achieve much success.

[38] The 90th percentile of the distribution of the local share of foreign residents across municipalities in 2011 was 0.0739. The 90th percentile of the unemployment rate distribution in 2011 was equal to 0.1184. The 90th percentile of the distribution of the local share of highly educated individuals across municipalities in 2011 was 0.0853.

[39] Another relevant difference lies in the fact that in municipalities above the 15,000 threshold, voters can cast a disjoint vote for the mayor and for political parties. This type of voting is not possible in small municipalities, where voters can express only one preference.

[40] The 90th percentile of the municipality population in 2011 is equal to 14,047 inhabitants.

acerbated by poor economic conditions and new competition in the labour market. If this was the case, howevee, in line with my framework, I would expect a substantial decrease in support for regionalist parties. One possible explanation for this controversial result could be that most regionalist parties in my analysis included workers' conditions and unemployment as core topics in their programmes, in particular pushing for better opportunities for low-skilled individuals. The salience of this issue in municipalities with high unemployment might be conducive to their electoral success. However, it is hard to reconciliate this result with group threat theory.

Finally, I investigate whether electoral support for regionalist parties can be influenced by the level of education among the population. The presence of refugees might have a different impact on highly skilled individuals, both because they might fear new competition in the labour market less and because high education is often correlated with support to more left-wing parties. The coefficients shown in Column 4 reveal, though, the high education does not have any impact on electoral support for regionalist parties.

6 Social Capital

The second step of my analysis is to investigate the impact of the dispersal policy on social capital.[41] Not only has this outcome already been used in the nation-building literature (Bazzi et al., 2019), it is also particularly relevant in the Italian context: Putnam (1993) and Guiso et al. (2004) argued that the different levels of social capital observed across the Italian peninsula are crucial in determining the north-nouth economic divide and, thus, the overall development of the country.

Following the literature, I proxy social capital with consent to organ donation (Guiso et al., 2004; Bartscher et al., 2021). Since this variable captures individual behavior, I also consider it to be a proxy for *bottom-up* nation building, in line with the previous section. The data at my disposal are defined at the municipality-year level, therefore I can perform an event study. Specifically, I perform a dynamic event study by exploiting the estimator developed by De Chaisemartin and d'Haultfoeuille (2020) and implementing the following specification:

$$Y_{mt} = \alpha_m + \gamma_t + \sum_{k=-3}^{+4} \beta_k E_{mt}^k + \Theta X'_m + \epsilon_{mt} \tag{2}$$

where Y_{mt} is the number of individuals who registered for organ donation in municipality m and year t, $E_{mt}^k = \mathbb{1}[t = t_d + k]$ are event-time dummy variables defined based on t_d - the year when a center is first opened in municipality m - and $k \in [-3, +7]$ - the time frame analyzed. X'_m are the same controls that were used in the previous section.

I normalize $\beta_{-1} = 0$. The β_k coefficients give the full path of dynamic effects: for $k < 0$, the study checks for the existence of pre-trends, while for $k > 0$ it provides the effect at time $[t = t_d + k]$ of opening a center at time 0. Standard errors are clustered at the municipality level.

[41] Putnam (1993) defines social capital as the "features of social organization, such as trust, norms, and networks, that can improve the efficiency of society by facilitating co-ordinated actions".

I use this specification because it allows me to exploit the staggered timing in exposure to treatment (as different cities opened a CAS in different years) and is robust for heterogeneous and dynamic effects, which could be relevant in my setting. For example, the treatment effect might vary depending on the type of services provided by each CAS center - which could influence the degree of intergroup contact to which the municipality is exposed - or by the period during which the center was active.

The resulting graph is shown in Figure 13a, and indicates a slight decrease in the level of registrations in treated municipalities. Nonetheless, this analysis raises some questions. Specifically, one might be concerned by the possibility of pre-treatment differences in social capital: the parallel trend assumption does not seem to hold and the effects are very noisily estimated. Moreover, even from an historical perspective, social capital has always been heterogeneous across the nation (Putnam, 1993).

To account for these differences, I follow Cantoni et al. (2018) and introduce controls that allow pre-treatment social capital levels in a municipality to affect post-CAS social capital very flexibly. I first control for the level of social capital prior to my analysis, i.e. 2010: I include interactions between the number of donors in 2010 and a full set of year dummy variables. I then also allow for pre-treatment levels of social capital to affect post-CAS registrations, by including interactions between each municipality outcome in each pre-treatment year and a full set of year dummy variables. This absorbs all of the pre-CAS differences in social capital in my analysis, and some of the post-CAS variation, but makes the post-treatment comparisons close to ceteris paribus.

The resulting specification is described by the following:

$$\begin{aligned} Y_{mt} =& \alpha_m + \gamma_t + \sum_{k=-3}^{+8} + \beta_k (cas_m * year_t) \\ &+ \sum_{k=-3}^{+8} \beta_k (y_{2010_m} * year_t) + \sum_{k=-3}^{+8} \sum_{j=-3}^{+0} \beta_{kj} (y_{mj} * year_t) + \epsilon_{mt} \end{aligned} \tag{3}$$

The results are available in Figure 13b. First, it should be noted that all pre-treatment differences in social capital are by design set to 0. Second, after imposing the parallel trend assumption, treated municipalities actually exhibit a higher level of social capital. Similar to the results for public goods and redistribution, the effect of opening a reception center is particularly pronounced in the first two years following treatment, decreasing slightly from 2017 onwards but remaining positive overall. In 2015, the presence of asylum seekers led to a 0.87 increase in registrations for consent to organ donation. This represents 28% of the outcome mean and 7% of its standard deviation.

In Figure 14, I also report the results for the same regression on restricted samples. Specifically, given the historical difference in the levels of social capital between the north and the nouth, I run my preferred specification on two samples including, respectively, only towns in the northern and central regions and only towns in the southern regions and islands.

The results show that in the first three years after treatment only northern and

central towns display a significant increase in social capital. The effect for the years 2015 and 2016 is 0.91, which represents 26% of the outcome mean and 7% of its standard deviation. [42]. These estimates are very similar to the nation-level effects. Differently from Figure 13b, however, treatment effects for northern municipalities quickly disappear after 2017.

On the contrary, there is overall no significant effect in southern cities in the first few years, but organ donation consents seem to increase significantly starting 2018. The average effect of the last 5 years amounts to 1.06, which represents 46% of the outcome mean and 10% of the outcome standard deviation [43].

These differences could be driven by the staggered and differentiated opening of CAS across Italy. The goal of the Dispersal Policy was to alleviate the burden on southern Italian regions, which were the primary receivers of refugees due to their geographic positions. Moreover, the existing SPRAR network was more developed in Southern Italy. For these reasons, as the policy was implemented, CAS centers were primarily opened in Northern Italy. This differential exposure to immigrants might explain why the positive effect of intergroup contact on social capital shows up earlier in northern towns.

7 Public Goods and Redistribution

7.1 Empirical Strategy

As argued in Besley (2020), "a strong civic culture manifests itself as high tax revenues sustained by high levels of voluntary tax compliance and provision of public goods". I therefore study the effect of the opening of a reception center on contribution to and provision of the public good in Italian municipalities.

As specified in section 4, I construct the following per capita outcomes: total expenditure, expenditures for non-excludable goods, total transfers and tax revenues. I again rely on a dynamic event study, and I exploit the estimator developed by De Chaisemartin and d'Haultfoeuille (2020) by implementing the following specification:

$$Y_{mt} = \alpha_m + \gamma_t + \sum_{k=-3}^{+4} \beta_k E^k_{mt} + \Theta X'_m + \rho MunElec_{mt} + \epsilon_{mt} \tag{4}$$

where Y_{mt} are municipality-year per capita outcomes. $E^k_{mt} = \mathbb{1}[t = t_d + k]$ are event-time dummy variables defined on t_d - the year when a center is first opened in municipality m - and on $k \in [-3, +4]$ - the time frame I analyze. X'_m are the same controls as used in specification 1. I also control for municipal electoral cycles by including a dummy variables that takes a value of one in the year prior to municipal elections. This variable is included to ensure that the results on public finance outcomes are not driven by changes in mayors' incentives before election years.[44]

I normalize $\beta_{-1} = 0$. The β_k coefficients indicate the full path of dynamic effects:

[42] Notice here the outcome of reference is the organ donation consents in the subsample of northern and central municipalities

[43] Notice here the outcome of reference is the organ donation consents in the subsample of municipalities in the South and in the two main islands, Sicily and Sardinia

[44] See Gamalerio (2018) and footnote 17

for $k < 0$, the study checks for the existence of pre-trends, while for $k > 0$ it provides the effect at time $[t = t_d + k]$ of opening a center at time 0. Standard errors are clustered at the municipality level.

As specified in the previous section, I use this specification because it allows me to exploit the staggered timing in exposure to treatment (as different cities opened a CAS in different years) and is robust for heterogeneous and dynamic effects, which could be relevant in my setting.

The main identifying assumption of my analysis, is that in the absence of a reception center and after controlling for municipality and year fixed effects, the level of expenditures and revenues in treated and control municipalities would have continued to exhibit parallel trends.

7.2 Results

Figure 15 presents the results of the event-study specification. Each panel plots the estimates for the β_k coefficients of Equation 4, while Table 14 reports the average effects over time and their confidence intervals.

First, plots in Figure 15 show that the estimated coefficients for the years prior to the opening of CAS are relatively flat and not statistically different from zero for most of the outcomes analyzed, overall supporting the parallel trends assumption. The only exception is represented by the trend of tax revenues.

Following the opening of a reception center, treated municipalities exhibit a significant increase in total expenditures (Figure 15a) of approximately 150 euros per capita, which seems to be driven mainly by the significant increase in spending for non excludable goods of around 130 euros per capita (Figure 15b). [45]

The trends follow a hump-shaped pattern, with a substantial increase in the first two years after treatment, and a small but gradual decrease after. However, the effects remain positive and significant for all the four post-treatment periods. These results suggest not only a substantial increase in the level of redistribution in treated municipalities, but also that this increase comes from the money spent on programs, initiatives or investments for the whole community rather than a specific set of individuals.

Regarding contribution to the public good, both my measures increase significantly after treatment. Specifically, total transfers (Figure 15c) and tax revenues (Figure 15d) increase of approximately 180 and 60 euros per capita respectively.[46] These changes seem to be stable over time and to persist even 4 years after the opening of a CAS center.

I can interpret the increase in inter-governmental transfers as evidence for intra-national redistribution, which further validates the results on municipal level expenditures. However, results for tax revenues are a bit harder to interpret. Firstly, as already mention, the parallel trends assumption is not satisfied. Secondly, an increase in tax revenues could be driven by a number of factors, and several alternative explanations could rationalize this results. I cannot provide convincing

[45] The effect on total expenditures represents 7.8% of the outcome mean and 7.3% of its standard deviation. Similarly, the effect on expenditures for nonexcludable goods represents 12% of the outcome mean and 8.6% of its standard deviation.

[46] The effect on total transfers represents 35.4% of the outcome mean and 17% of its standard deviation. Similarly, the effect on tax revenues represents 11.2% of the outcome mean and 16% of its standard deviation.

evidence that the increase in tax revenues is entirely driven by an increase in individuals' willingness to contribute to the public good. For this reason, these estimates are not to be considered conclusive. I defer a more detailed discussion of potential mechanisms and additional evidence to Appendix B.

Tax revenues aside, the remaining variables of interest are positively and significantly impacted by the treatment, suggesting that intergroup contact increased provision of the public good. To the extent that higher redistribution captures social cohesion and attachment to the nation, the evidence discussed in this section therefore supports the claims of group threat theory.

7.3 Robustness Checks and Discussion

To provide robustness to my results and rule alternative explanations, I run specification 4 on an additional set of outcomes.

Social Expenditures. The first threat to the causal interpretation of my results is that the increase in expenditures I document could be due to a simple mechanical effect of the opening of a reception center. In this sense, the arrival of refugees might automatically increase demand for health care or education, in turn forcing municipal councils to spend more on these areas. To rule out this mechanism, I construct two additional variable, i.e. *social expenditures*, which sum expenditures on education, health care and family and youth policies, and *expenditures for excludable goods*, which also accounts for expenditures on employment, culture, agriculture and farming.

Event study coefficients for these two variables are reported in Figures 16a and 16b. The estimates are not significant, and the plots do not suggest any change in the trends in the years following treatment.[47] This seems to suggest that the overall increase in expenditures was not driven by an automatic increase in the money spent on these programs.

Expenditures on Local Police. Another cause of concern in the interpretation of my results is linked to expenditures for local police. In the main analysis, one could argue that the increase in non-excludable expenditures is due mainly to an increase in the amount of money spent on law and order. Municipalities with a higher presence of immigrants might in fact spend more to reassure their citizens and allay their fear of increased crime rates. I thus repeat my main analysis after excluding expenditures for local police. The results do not seem to change: Figure 16c displays a similar pattern to the pattern observed for non-excludable expenditures, indicating that expenditures for law and order do not drive the result.

Total Revenues and Endogeneity of Transfers. I then turn to additional measures of municipality revenues. First, I check the pattern for total revenues. As shown in Figure 16d this variable follows a path that is very similar to that of total expenditures, albeit with larger standard errors. This is not surprising given the necessary budget equivalence between revenues and expenditures, but it nonetheless provides reassurance on the existence of a significant effect of intergroup contact on treated municipalities. Towns that hosted a CAS center during the European refugee crisis collected more revenues in the years following the arrival of refugees.

[47] It should be noted that data on education and health care policies - which account for an important part of these two variables - are noisier than for other categories of spending.

Second, I check the composition of transfers from higher levels of government. Once again, a relevant concern could be that treated municipalities mechanically receive more funds due to their hosting a CAS center - although this should not occur according to the design of the Dispersal Policy. Nonetheless, to address this concern, I construct an additional variable that I call *current transfers*. This sums all the transfers used to cover current expenditures, thus it captures money potentially transferred to fund reception centers while excluding money transferred for other long-term projects and investments. If the increase in transfers was purely mechanical and driven by the will of the central government to fund CAS centers, this variable would exhibit a significant increase after treatment. The results of specification 4 on this outcome, which aredisplayed in Figure 16e, suggest otherwise: the parallel trend assumption is not satisfied and and event study coefficients are not significant - although admittedly noisily estimated. This finding seems to suggest that inter-governmental transfers are mostly used for long-term investments in favor of communities that host immigrants. I therefore interpret this result as a proof of intra-national redistribution.

8 National Identity Index

8.1 Empirical Strategy

Finally, I estimate the effect of opening a reception center on my National Identity Index.

Since the index is defined at the municipality-year level, I can perform an event study similar to specification 4. Specifically, I run the following regression:

$$Y_{mt} = \alpha_m + \gamma_t + \sum_{k=-3}^{+4} \beta_k E^k_{mt} + \epsilon_{mt} \tag{5}$$

where Y_{mt} is the value of the National Identity Index in municipality m and year t. $E^k_{mt} = \mathbb{1}[t = t_d + k]$ are event-time dummiy variables defined based on t_d - the year when a center was first opened in municipality m - and $k \in [-1, +5]$ - the time frame analyzed. I use the municipality-year level population as weights.

As discussed in section 4, and as detailed in Appendix D, the index was constructed on the basis of data collected data region by region. Given the peculiarities of Google Trends data, this implies that a meaningful comparison of municipalities is possible only within regions. As such, I will not run specification on my overall national sample. My empirical strategy for the retrieval of coefficients β_k will instead entails two steps.

First, I run specification 8.1 separately for all twenty Italian regions, and store relevant coefficients and standard errors. Second, in order to retrieve my effects of interest I compute a weighted average of the regional coefficients, by using the share of the regional population over the national population as weights. To this end, I treat coefficients as random variables and follow econometric rules on the computation of expected value and variance of linear combination of random variables. [48].

[48] Let X and Y be two random variables, and let Z be a linear combination of X and Y with weights a and b, so that $Z = aX + bY$. It follows that $E(Z) = E(aX + bY) = aE(X) + bE(Y)$, and that $Var(Z) = Var(aX + bY) = a^2Var(X) + b^2Var(Y) + 2abCov(X, Y)$

This allows me to retrieve nation-wide coefficients and confidence intervals, which are plotted in Figure 20.

8.2 Results

The pattern in Figure 20 displays a positive and significant effect of intergroup contact on the National Identity index for all post-treatment periods. The estimates follow a positive trend, going from 0.15 in the first year of the treatment to 0.41 five years later. Since the index is standardized so to have mean 0 and deviation 1, we can directly interpret these estimates: treated municipalities report an increase of 0.14 - 0.41 standard deviations. The positive coefficients imply an increase in the value of the National Identity index, which in turn correspond to an increased level of searches of words related to the Italian culture. Overall, the pattern in Figure 20 captures a small yet significant increase in the attachment to the national identity in treated municipalities.[49] It should also be noted that the pre-treatment coefficient is not statistically different from zero, providing reassurance on the existence of parallel trends.

In order to better understand this positive effect, I perform an heterogeneity exercise. I re-run the first step of the empirical analysis on all 20 regions, but I then compute separate averages of the effects by dividing southern regions from northern/central regions. Figure 21 displays that the positive significant pattern is mostly driven by Southern regions (Figure 21a), where the effects are more precisely estimated and higher in magnitude.

This result is quite interesting for a number of reasons. First, municipalities in the South of Italy are more likely to satisfy the conditions of group threat theory: historically, they have often received refugees due to their geographical location, but they have also been less likely to host them permanently due to their economic disadvantage. Contact is therefore more likely to be more superficial. Secondly, the lower level of economic development of the South also implies that immigrants represent a greater threat to low-skilled natives. Finally, the South is also less integrated politically and socially. As explained in section 2, southerners have often been discriminated against and are generally more marginalized. It is therefore interesting that the greater reconciliation with the national identity happens among those individuals that were cut out from it.

The results just presented further corroborate the insights discussed in the previous sections, and provide further support to group threat theory and the subsequent strengthening on national identity among natives that experienced contact with immigrants. Nonetheless, a final note on the validity of these results should be made. The premise for the construction of an index of national identity is the lack of relevant survey data in Italy. This issue is not limited to the absence of data at the municipality level, but it is true even for surveys at a lower level of geographic granularity, e.g. surveys at regional level. As a consequence, there is no way for me to compare my index against some known and validated measure of attachment to the national identity. This is the reason why this index is just part on my overall analysis.

[49] Figure 22 displays the distribution of the National Identity Index in Italy, respectively in 2013 (pre-treatment) and 2019 (post-treatment).

9 Conclusions

In this paper, I offer new evidence on how intergroup contact between immigrants and natives can contribute to strengthening attachment to national identity among natives. My argument relies on group threat theory, which posits that intergroup contact can lead to increased outgroup prejudice and higher attachment to the ingroup if outsiders are perceived as a threat and if contact is superficial and not cooperative.

To test this argument, I rely on an emergency reception policy implemented in Italy during the years of the European Refugee Crisis. I exploit the time and geographic variation provided by the opening of extraordinary reception centers and show that municipalities that hosted one of these centers experienced exogenous and superficial contact with refugees. I claim that exposure to ethnically different refugees increased the attachment to the national identity among Italians.

I first test the effects of contact on several behavior-based proxies for national identity. I find that municipalities that host refugees reduce their support for regionalist and independence political movements by 50%, and are instead more likely to vote for nationalist parties. Intergroup contact also leads to a 30% increase in the level of social capital, as proxied by consent to organ donation. Moreover, I find that intergroup contact fosters contribution to the public good and redistribution. Treated municipalities exhibit a significant increase in total expenditures and expenditures for non-excludable goods of 150 and 130 euros per capita respectively. Inter-governmental transfers increase by 180 euro per capita and tax revenues increase by approximately 60 euros per capita, although this latter result warrants caution due to confounding mechanisms.

Finally, to further corroborate my results, I construct an index of attachment to national identity by leveraging data drawn from Google Trends. To achieve this goal, I select around 500 words that capture Italian culture, and collect data on how often these terms were searched in Italian municipalities. Results show that municipalities that hosted an emergency reception center exhibit a 0.3 standard deviations increase in searches related to national culture as captured by the index. The estimates are statistically significant and the overall trend is positive and persistent.

Overall, my results support the claims of group threat theory and by showing that attachment to the national identity was strengthened among natives who experienced intergroup contact.

The findings in this study provide evidence on the unintended effects of reception and integration policies and regarding the ways in which anti-immigrant attitudes can contribute to strengthening collective identities and building cohesion among receiving populations. This article also suggests some important considerations for policymakers.

First, given the ambiguous effects of strong national identities, policies that favour them might not always be desirable. In this sense, governments could try to promote a more cooperative form of contact between immigrants and natives to avoid excessive nationalism. In the case in which, instead, a stronger attachment to the nation is the desired outcome, governments who seek to promote nation-building policies should be aware of the social costs that they entail, namely a strong conflict with outsiders and immigrants.

Furthermore, knowledge on the interplay between immigration, identity and

nationalism is of primary importance in the current political climate. Recent global events, such as the Russia-Ukraine war or the conflict between Israel and Palestine, are not only brought about by excessive nationalism and outgroup prejudice, but are also going to results in massive migration inflows, which European countries will have to accomodate.

More research on the long-run effects of reception policies and on the conditions that characterize and shape these effects is nonetheless needed.

REFERENCES

Abdelgadir, Aala and Vasiliki Fouka, "Political Secularism and Muslim Integration in the West: Assessing the Effects of the French Headscarf Ban," *Unpublished Manuscript*, 2019.

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.

_ **, Leah Platt Boustan, and Katherine Eriksson**, "A nation of immigrants: Assimilation and economic outcomes in the age of mass migration," *Journal of Political Economy*, 2014, *122* (3), 467–506.

Acemoglu, Daron and James A Robinson, "Culture, institutions and social equilibria: A framework," Technical Report, National Bureau of Economic Research 2021.

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

_ **and Rachel Kranton**, "Identity economics," *The Economists' Voice*, 2010, *7* (2).

Alesina, Alberto and Eliana La Ferrara, "Ethnic diversity and economic performance," *Journal of economic literature*, 2005, *43* (3), 762–800.

_ **, Armando Miano, and Stefanie Stantcheva**, "Immigration and redistribution," Technical Report, National Bureau of Economic Research 2018.

_ **, Bryony Reich, and Alessandro Riboni**, "Nation-building, nationalism and wars," Technical Report, National Bureau of Economic Research 2017.

_ **, Paola Giuliano, and Nathan Nunn**, "On the origins of gender roles: Women and the plough," *The quarterly journal of economics*, 2013, *128* (2), 469–530.

_ **, Reza Baqir, and William Easterly**, "Public goods and ethnic divisions," *The Quarterly journal of economics*, 1999, *114* (4), 1243–1284.

Algan, Yann, Thierry Mayer, and Mathias Thoenig, "The economic incentives of cultural transmission: Spatial evidence from naming patterns across france," 2013.

Allport, Gordon Willard, Kenneth Clark, and Thomas Pettigrew, "The nature of prejudice," 1954.

Assouad, Lydia, "Charismatic Leaders and Nation Building," 2020.

Aydemir, Abdurrahman and George J Borjas, "Cross-country variation in the impact of international migration: Canada, Mexico, and the United States," *Journal of the European Economic Association*, 2007, *5* (4), 663–708.

Baker, Scott R and Andrey Fradkin, "The impact of unemployment insurance on job search: Evidence from Google search data," *Review of Economics and Statistics*, 2017, *99* (5), 756–768.

Bandiera, Oriana, Myra Mohnen, Imran Rasul, and Martina Viarengo, "Nation-building through compulsory schooling during the age of mass migration," *The Economic Journal*, 2019, *129* (617), 62–109.

Barnhardt, Sharon, "Near and Dear? Evaluating the Impact of Neighbor Diversity on Inter-Religious Attitudes," *Unpublished working paper*, 2009.

Bartscher, Alina Kristin, Sebastian Seitz, Sebastian Siegloch, Michaela Slotwinski, and Nils Wehrhöfer, "Social capital and the spread of Covid-19: Insights from European countries," *Journal of health economics*, 2021, *80*, 102531.

Bazzi, Samuel, Arya Gaduh, Alexander D Rothenberg, and Maisy Wong, "Unity in diversity? How intergroup contact can foster nation building," *American Economic Review*, 2019, *109* (11), 3978–4025.

_ , Masyhur Hilmy, and Benjamin Marx, "Religion, Education, and Development," 2022.

Besley, Timothy, "State capacity, reciprocity, and the social contract," *Econometrica*, 2020, *88* (4), 1307–1335.

_ and Maitreesh Ghatak, "Incentives, choice, and accountability in the provision of public services," *Oxford Review of Economic Policy*, 2003, *19* (2), 235–249.

_ and Torsten Persson, "State capacity, conflict, and development," *Econometrica*, 2010, *78* (1), 1–34.

_ and _ , "The rise of identity politics," *LSE Documents*, 2019.

Bevilacqua, Piero, Andreina De Clementi, and Emilio Franzina, *Storia dell'emigrazione italiana*, Vol. 2, Donzelli editore, 2001.

Bisin, Alberto and Thierry Verdier, "Cultural transmission," *The New Palgrave Dictionary of Economics*, 2005.

_ and _ , "On the joint evolution of culture and institutions," Technical Report, National Bureau of Economic Research 2017.

Blalock, Hubert M, "Toward a theory of minority-group relations," *(Capricorn Books)*, 1967.

Blanc, Guillaume and Masahiro Kubo, "Schools, Language, and Nations: Evidence From a Natural Experiment in France," Technical Report, Working Paper-Brown University (https://www. guillaumeblanc. com/files/theme … 2021.

Blumer, Herbert, "Race prejudice as a sense of group position," *Pacific sociological review*, 1958, *1* (1), 3–7.

Boca, Daniela Del and Alessandra Venturini, "Italian migration," *European migration: What do we know*, 2005, pp. 303–336.

Boisjoly, Johanne, Greg J Duncan, Michael Kremer, Dan M Levy, and Jacque Eccles, "Empathy or antipathy? The impact of diversity," *American Economic Review*, 2006, *96* (5), 1890–1905.

Borjas, George J, "Self-selection and the earnings of immigrants," Technical Report, National Bureau of Economic Research 1987.

_ , "The labor demand curve is downward sloping: Reexamining the impact of immigration on the labor market," *The quarterly journal of economics*, 2003, *118* (4), 1335–1374.

_ , *Immigration economics*, Harvard University Press, 2014.

Brewer, Marilynn B and Roderick M Kramer, "The psychology of intergroup attitudes and behavior," *Annual review of psychology*, 1985, *36* (1), 219–243.

Broockman, David and Joshua Kalla, "Durably reducing transphobia: A field experiment on door-to-door canvassing," *Science*, 2016, *352* (6282), 220–224.

Buccione, Giulia and Valeria Zurla, "Welcome to the Neighborhood? Evidence from the Refugees' Reception System in Italy," 2022.

Cáceres-Delpiano, Julio, Antoni-Italo De Moragas, Gabriel Facchini, and Ignacio González, "Intergroup contact and nation building: Evidence from military service in Spain," *Journal of Public Economics*, 2021, *201*, 104477.

Camargo, Braz, Ralph Stinebrickner, and Todd Stinebrickner, "Interracial friendships in college," *Journal of Labor Economics*, 2010, *28* (4), 861–892.

Campbell, Donald T and Robert A LeVine, "A proposal for cooperative cross-cultural research on ethnocentrism," *Journal of Conflict Resolution*, 1961, *5* (1), 82–108.

Campo, Francesco, Sara Giunti, and Mariapia Mendola, "The refugee crisis and right-wing populism: Evidence from the Italian dispersal policy," 2021.

Cannella, Mario, Alexey Makarin, and Ricardo Pique, "The political legacy of Nazi Annexation," *Available at SSRN 3817933*, 2021.

Cantoni, Davide, Jeremiah Dittmar, and Noam Yuchtman, "Religious competition and reallocation: The political economy of secularization in the protestant reformation," *The Quarterly Journal of Economics*, 2018, *133* (4), 2037–2096.

Card, David, Christian Dustmann, and Ian Preston, "Immigration, wages, and compositional amenities," *Journal of the European Economic Association*, 2012, *10* (1), 78–119.

Chaisemartin, Clément De and Xavier d'Haultfoeuille, "Two-way fixed effects estimators with heterogeneous treatment effects," *American Economic Review*, 2020, *110* (9), 2964–96.

Chen, Yan and Sherry Xin Li, "Group identity and social preferences," *American Economic Review*, 2009, *99* (1), 431–57.

Choi, Hyunyoung and Hal Varian, "Predicting the present with Google Trends," *Economic record*, 2012, *88*, 2–9.

Clots-Figueras, Irma and Paolo Masella, "Education, language and identity," *The Economic Journal*, 2013, *123* (570), F332–F357.

Conti, Gregory and Edward Sobiesk, "An honest man has nothing to fear: user perceptions on web-based information disclosure," in "Proceedings of the 3rd Symposium on Usable Privacy and Security" 2007, pp. 112–121.

Conversi, Daniele, "'We are all equals!'Militarism, homogenization and 'egalitarianism'in nationalist state-building (1789–1945)," *Ethnic and racial studies*, 2008, *31* (7), 1286–1314.

Corno, Lucia, Eliana La Ferrara, and Justine Burns, "Interaction, stereotypes and performance: Evidence from South Africa," Technical Report, IFS Working Papers 2019.

Da, Zhi, Joseph Engelberg, and Pengjie Gao, "In search of attention," *The journal of finance*, 2011, *66* (5), 1461–1499.

Dahl, Gordon B, Andreas Kotsadam, and Dan-Olof Rooth, "Does integration change gender attitudes? The effect of randomly assigning women to traditionally male teams," *The Quarterly journal of economics*, 2021, *136* (2), 987–1030.

de Chaisemartin, Clément, Xavier D'Haultfoeuille, and Yannick Guyonvarch, "DID_MULTIPLEGT: Stata module to estimate sharp Difference-in-Difference designs with multiple groups and periods," 2019.

Dell, Melissa and Pablo Querubin, "Nation building through foreign intervention: Evidence from discontinuities in military strategies," *The Quarterly Journal of Economics*, 2018, *133* (2), 701–764.

Depetris-Chauvin, Emilio, Ruben Durante, and Filipe Campante, "Building nations through shared experiences: Evidence from African football," *American Economic Review*, 2020, *110* (5), 1572–1602.

Dessel, Adrienne B, "Effects of intergroup dialogue: Public school teachers and sexual orientation prejudice," *Small Group Research*, 2010, *41* (5), 556–592.

Druckman, Daniel, "Explaining national identity: From group attachments to collective action," *The Australian Centre for Peace and Conflict Studies. Occasional Papers Series*, 2006, *2*, 1–37.

Dustmann, Christian and Ian P Preston, "Racial and economic factors in attitudes to immigration," *The BE Journal of Economic Analysis & Policy*, 2007, *7* (1).

_ , Kristine Vasiljeva, and Anna Piil Damm, "Refugee migration and electoral outcomes," *The Review of Economic Studies*, 2019, *86* (5), 2035–2091.

_ , Tommaso Frattini, and Ian P Preston, "The effect of immigration along the distribution of wages," *Review of Economic Studies*, 2013, *80* (1), 145–173.

Esposito, Elena, Tiziano Rotesi, Alessandro Saia, and Mathias Thoenig, "Reconciliation narratives: The birth of a nation after the us civil war," *American Economic Review*, 2023, *113* (6), 1461–1504.

Fearon, James D and David D Laitin, "Ethnicity, insurgency, and civil war," *American political science review*, 2003, *97* (1), 75–90.

Fernández, Raquel, "Does culture matter?," *Handbook of social economics*, 2011, *1*, 481–510.

Feshbach, Seymour, "Individual aggression, national attachment, and the search for peace: Psychological perspectives," *Aggressive Behavior*, 1987, *13* (5), 315–325.

_ , "Psychology, human violence, and the search for peace: Issues in science and social values," *Journal of Social Issues*, 1990, *46* (1), 183–198.

Finseraas, Henning and Andreas Kotsadam, "Does personal contact with ethnic minorities affect anti-immigrant sentiments? Evidence from a field experiment," *European Journal of Political Research*, 2017, *56* (3), 703–722.

Fouka, Vasiliki, "Backlash: The unintended effects of language prohibition in US schools after World War I," *The Review of Economic Studies*, 2020, *87* (1), 204–239.

_ **, Soumyajit Mazumder, and Marco Tabellini**, "From immigrants to americans: Race and assimilation during the great migration," 2020.

Gabrielsson, Daniel, "National identity and democracy: Effects of non-voluntarism on formal democracy," *Nations and Nationalism*, 2022, *28* (2), 501–522.

Gamalerio, Matteo, "Not welcome anymore: the effect of electoral incentives on the reception of refugees," 2018.

_ **, Mario Luca, Alessio Romarri, and Max Viskanic**, "Refugee reception, extreme-right voting, and compositional amenities: evidence from Italian municipalities," *Available at SSRN 3277550*, 2021.

_ **,** _ **,** _ **, and** _ , "Refugee reception, extreme-right voting, and compositional amenities: evidence from Italian municipalities," *Regional Science and Urban Economics*, 2023, *100*, 103892.

Gennaioli, Nicola and Guido Tabellini, "Identity, beliefs, and political conflict," *Available at SSRN 3300726*, 2019.

Giuliano, Paola and Nathan Nunn, "The transmission of democracy: from the village to the nation-state," Technical Report, National Bureau of Economic Research 2013.

_ **and** _ , "Understanding cultural persistence and change," *The Review of Economic Studies*, 2021, *88* (4), 1541–1581.

Gorodnichenko, Yuriy and Gerard Roland, "Which dimensions of culture matter for long-run growth?," *American Economic Review*, 2011, *101* (3), 492–98.

Green, Donald P and Janelle S Wong, "Tolerance and the contact hypothesis: A field experiment," *The political psychology of democratic citizenship*, 2009, pp. 1–23.

Guiso, Luigi, Paola Sapienza, and Luigi Zingales, "The role of social capital in financial development," *American economic review*, 2004, *94* (3), 526–556.

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

Hainmueller, Jens and Daniel J Hopkins, "Public attitudes toward immigration," *Annual Review of Political Science*, 2014, *17*.

_ **and** _ , "The hidden American immigration consensus: A conjoint analysis of attitudes toward immigrants," *American Journal of Political Science*, 2015, *59* (3), 529–548.

_ **, Dominik Hangartner, and Giuseppe Pietrantuono**, "Catalyst or crown: Does naturalization promote the long-term social integration of immigrants?," *American Political Science Review*, 2017, *111* (2), 256–276.

Halla, Martin, Alexander F Wagner, and Josef Zweimüller, "Immigration and voting for the far right," *Journal of the European Economic Association*, 2017, *15* (6), 1341–1385.

Harmon, Nikolaj A, "Immigration, ethnic diversity, and political outcomes: Evidence from Denmark," *The Scandinavian Journal of Economics*, 2018, *120* (4), 1043–1074.

Hogg, Michael A and John C Turner, "Intergroup behaviour, self-stereotyping and the salience of social categories," *British Journal of Social Psychology*, 1987, *26* (4), 325–340.

Hornsey, Matthew J and Michael A Hogg, "Assimilation and diversity: An integrative model of subgroup relations," *Personality and Social Psychology Review*, 2000, *4* (2), 143–156.

Huntington, Samuel P and Steve Dunn, *Who are we?: The challenges to America's national identity*, Simon and Schuster, 2004.

Kalla, Joshua L and David E Broockman, "Reducing exclusionary attitudes through interpersonal conversation: Evidence from three field experiments," *American Political Science Review*, 2020, *114* (2), 410–425.

_ **and** _ , "Which Narrative Strategies Durably Reduce Prejudice? Evidence from Field and Survey Experiments Supporting the Efficacy of Perspective-Getting," *American Journal of Political Science*, 2021.

Krahé, Barbara and Colette Altwasser, "Changing negative attitudes towards persons with physical disabilities: An experimental intervention," *Journal of Community & Applied Social Psychology*, 2006, *16* (1), 59–69.

Kukic, Leonard, "The last Yugoslavs: ethnic diversity, national identity and civil war," 2019.

Llull, Joan, "The effect of immigration on wages: exploiting exogenous variation at the national level," *Journal of Human Resources*, 2017, pp. 0315–7032R2.

Marciante, Gianni, "When Nation Building Goes South: Draft Evasion, Government Repression, and the Origins of the Sicilian Mafia," Technical Report, mimeo, University of Warwick 2021.

Markowicz, Jocelyn A, *Intergroup contact experience in dialogues on race groups: Does empathy and an informational identity style help explain prejudice reduction?*, The Pennsylvania State University, 2009.

Marmaros, David and Bruce Sacerdote, "How do friendships form?," *The Quarterly Journal of Economics*, 2006, *121* (1), 79–119.

Marthews, Alex and Catherine E Tucker, "Government surveillance and internet search behavior," *Available at SSRN 2412564*, 2017.

Mayda, Anna Maria, "Who is against immigration? A cross-country investigation of individual attitudes toward immigrants," *The review of Economics and Statistics*, 2006, *88* (3), 510–530.

Mendez, Ildefonso and Isabel M Cutillas, "Has immigration affected Spanish presidential elections results?," *Journal of Population Economics*, 2014, *27* (1), 135–171.

Merlino, Luca Paolo, Max Friedrich Steinhardt, and Liam Wren-Lewis, "More than just friends? School peers and adult interracial relationships," *Journal of Labor Economics*, 2019, *37* (3), 663–713.

Messick, David M and Diane M Mackie, "Intergroup relations.," *A Psychology*, 1989, *40*, 45–81.

Michalopoulos, Stelios and Elias Papaioannou, "The long-run effects of the scramble for Africa," *American Economic Review*, 2016, *106* (7), 1802–48.

Munshi, Kaivan and Mark Rosenzweig, "Ethnic diversity and the under-supply of local public goods," Technical Report, working paper 2018.

Page-Gould, Elizabeth, Rodolfo Mendoza-Denton, and Linda R Tropp, "With a little help from my cross-group friend: reducing anxiety in intergroup contexts through cross-group friendship.," *Journal of personality and social psychology*, 2008, *95* (5), 1080.

Paluck, Elizabeth Levy, Seth A Green, and Donald P Green, "The contact hypothesis re-evaluated," *Behavioural Public Policy*, 2019, *3* (2), 129–158.

Pettigrew, Thomas F and Linda R Tropp, "A meta-analytic test of intergroup contact theory.," *Journal of personality and social psychology*, 2006, *90* (5), 751.

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

Scacco, Alexandra and Shana S Warren, "Can social contact reduce prejudice and discrimination? Evidence from a field experiment in Nigeria," *American Political Science Review*, 2018, *112* (3), 654–677.

Scheve, Kenneth F and Matthew J Slaughter, "Labor market competition and individual preferences over immigration policy," *Review of Economics and Statistics*, 2001, *83* (1), 133–145.

Shayo, Moses, "A model of social identity with an application to political economy: Nation, class, and redistribution," *American Political science review*, 2009, pp. 147–174.

Sheare, Joseph B, "Social acceptance of EMR adolescents in integrated programs.," *American Journal of Mental Deficiency*, 1974.

Sorensen, Nicholas A, *The road to empathy: Dialogic pathways for engaging diversity and improving intergroup relations*, University of Michigan, 2010.

Stephens-Davidowitz, Seth, "The cost of racial animus on a black candidate: Evidence using Google search data," *Journal of Public Economics*, 2014, *118*, 26–40.

Tabellini, Marco, "Gifts of the immigrants, woes of the natives: Lessons from the age of mass migration," *The Review of Economic Studies*, 2020, *87* (1), 454–486.

Tajfel, Henri, *Human groups and social categories*, Cambridge university press Cambridge, 1981.

_ **and John C Turner**, "Social psychology of intergroup relations," *Annual review of psychology*, 1982, *33* (1), 1–39.

_ **,** _ **, William G Austin, and Stephen Worchel**, "An integrative theory of intergroup conflict," *Organizational identity: A reader*, 1979, *56* (65), 9780203505984–16.

Tilly, Charles, "Coercion, Capital, and European States, Ad 990-1992 (New edition)," 1993.

Tullio, Benjamin John Di, *The Effect of Employing Trainable Mentally Retarded (TMR) Students as Workers Within the Philadelphia Public School System: Attitudes of Supervisors and Non-handicapped Co-workers Toward the Retarded as a Result of Contact*, Temple University, 1982.

Turner, John C, Michael A Hogg, Penelope J Oakes, Stephen D Reicher, and Margaret S Wetherell, *Rediscovering the social group: A self-categorization theory.*, Basil Blackwell, 1987.

Voigtländer, Nico and Hans-Joachim Voth, "Persecution perpetuated: the medieval origins of anti-Semitic violence in Nazi Germany," *The Quarterly Journal of Economics*, 2012, *127* (3), 1339–1392.

Wagner, Max Leopold, *La lingua sarda: storia, spirito e forma*, Vol. 3, A. Francke, 1951.

Weber, Eugen, *Peasants into Frenchmen: the modernization of rural France, 1870-1914*, Stanford University Press, 1976.

Yablon, Yaacov B, "Are we preaching to the converted? The role of motivation in understanding the contribution of intergroup encounters," *Journal of Peace Education*, 2012, *9* (3), 249–263.

Ziblatt, Daniel, "Rethinking the origins of federalism: puzzle, theory, and evidence from nineteenth-century Europe," *World Politics*, 2004, *57* (1), 70–98.

_ , Hanno Hilbig, and Daniel Bischof, "Wealth of Tongues: Why Peripheral Regions Vote for the Radical Right in Germany," 2020.

TABLES

Table 1: CAS centers

Panel A: Geographic Distribution		
	Number	Perc
North-West	2,348	31.79
North-East	1,944	26.32
Center	1,955	26,47
South	887	12.01
Islands	251	3.40
Panel B: Opening Year		
	Number	Perc
2014	612	9.07 %
2015	1,547	22,93 %
2016	4,555	67,51 %
2017	33	0,49 %
Panel C: Procedure of Acquisition		
	Number	Perc
Direct contract	1,180	16 %
Agreement with local and public entities	352	4.77%
Public tender	5,361	72,57 %
Negotiated tender	403	5.46 %
Restricted tender	89	1.20 %
Panel D: Opening Year in Towns with SPRAR		
	Number	Perc
2014	72	29.39 %
2015	53	21.63 %
2016	120	48.98 %

Notes: The figures were constructed using data on CAS centers, which were obtained by digitizing report CCXXXVI n.3 from the Ministry of Interior, which documents the rollout of the Dispersal Policy in the period 2014-2018.

Table 2: Allocation of Asylum Seekers through CAS

	2014	2015	2016	2017
Municipalities hosting a CAS	386	1003	2337	2288
Municipalities hosting a CAS (%)	4.83	12.57	29.36	29.02
Nr. of asylum demands	64,593	83,220	122,949	126,457
Nr. of CAS	612	2159	6714	6443
Average size of CAS	27.28	21.70	21.33	21.59
CAS with more than 100 guest	32	93	247	259
CAS with more than 100 guests (%)	5.22	4.31	3.68	4.02

Notes: The figures were constructed using data on CAS centers, which were obtained by digitizing report CCXXXVI n.3 from the Ministry of Interior, which documents the rollout of the Dispersal Policy in the period 2014-2018.

Table 3: Distance CAS-Municipalities

	Obs	Mean	St. Dev	Min	Max
Distance in km	7,133	2.242	1.509	0.010	14.791

Notes: descriptive statistics on the distance between CAS centers and municipalities' centers, which was computed by geo-coding the exact position of CAS and matching it to the center of the corresponding municipality. The data were obtained by digitizing report CCXXXVI n.3 from the Ministry of Interior, which documents the rollout of the Dispersal Policy in the period 2014-2018.

Table 4: List of Regionalist Parties

Name party	Region	Anti-immigration
Autodeterminatzione	Sardegna	No
Die Freiheitlichen	Trentino-Alto Adige	Yes
Grande Nord	Lombardia and Veneto	Yes
Grande Sud - MPA	South	No
Indipendenza per la Sardegna	Sardegna	No
Indipendenza veneta	Veneto	No
Lega per l'Autonomia- All. Lombarda	Lombardia	No
Leg Sud	Campania	No
Meris	Sardegna	No
Movimento per l'Autonomia	South and islands	No
Patto per l'Autonomia	Friuli-Venezia Giulia	No
UV-UVP-EPAV	Valle D'Aosta	No
Pour tous, per tutti, pe tcheut	Valle D'Aosta	No
Rifondazione Missina Italiana	Campania	No
Sardigna Natzione	Sardegna	No
SVP	Trentino-Alto Adige	No
SVP - PATT	Trentino-Alto Adige	No
Union fur Sud-Tirol	Trentino-Alto Adige	No
Veneto Stato	Veneto	No

Notes: This list is constructed using electoral data provided by the Ministry of Interior, and it encompasses all regionalist parties that participated to the 2008, 2013 and 2018 national elections. A list is coded as " regionalist" if it runs only in a specific region/part of the country and if it promotes regionalist/independence ideals.

Table 5: List of Queries for Google Trends API

Category	Query list
Symbols	Tricolore, inno di mameli, emblema Repubblica Italiana, altare della patria, frecce tricolori, presidente della Repubblica
National holidays and events	Capodanno, epifania, Festa della Liberazione, 25 Aprile, 1 maggio, festa dei lavoratori, festa della Repubblica, 2 giugno, ferragosto, pasquetta, immacolata, Ognissanti, Natale, Santo Stefano,Festival di Sanremo, Notte della Taranta, discorso del presidente della repubblica
Famous Italians	Mina, Lucio Battisti, Fiorello, Mike Bongiorno, Totò, Luciano Pavarotti, Alberto Sordi, Massimo Troisi, Federico Fellini, Eduardo De Filippo, Laura Pausini, Vittorio de Sica, Enrico Caruso, Adriano Celentano, Leonardo Da Vinci, Caravaggio, Giacomo Puccini, Giuseppe Verdi, Giotto, Michelangelo, Sandro Botticelli, Gian Lorenzo Bernini, Cimabue, Raffaello, Giorgione, Tiziano, Donatello, Filippo Brunelleschi, Antonio Canova, Bramante, Gioachino Rossini, Vincenzo Bellini, Antonio Vivaldi, Goffredo Mameli, Dante Alighieri, Giosuè Carducci, Luigi Pirandello, Alessandro Manzoni, Giovanni Pascoli, Giacomo Leopardi, Gabriele D'Annunzio, Ugo Foscolo, Pier Paolo Pasolini, Cesare Pavese, Torquato Tasso, Giuseppe Ungaretti, Salvatore Quasimodo, Ludovico Ariosto, Niccolò Machiavelli, Giovanni Verga, Italo Svevo, Eugenio Montale, Italo Calvino, Alberto Moravia, Umberto Eco, Oriana Fallaci, Elena Ferrante, Plinio il Vecchio, Virgilio, Orazio, Properzio, Ovidio, Lucrezio, Cicerone, Seneca, Marco Aurelio, Tito Livio, Archimede, Alessandro Volta, Cristoforo Colombo, Rita Levi-Montalcini, Guglielmo Marconi, Enrico Fermi, Galileo Galilei, Marco Polo, Enzo Ferrari, Cristoforo Colombo, Amerigo Vespucci, Leonardo Fibonacci, Maria Montessori, Antonio Meucci, Margherita Hack, Samantha Cristoforetti, Padre Pio,, Antonio Gramsci Papa Giovanni XXIII, San Francesco, Santa Rita da Cascia, Vaticano, Giovanni Falcone e Paolo Borsellino, Aldo Moro, Giuseppe Mazzini, Benito Mussolini, Sandro Pertini, Silvio Berlusconi, Camillo Benso conte di Cavour, Benedetto Croce, Togliatti, Alcide de Gasperi, Bruno Vespa, Giuseppe Garibaldi, Francesco Petrarca, Vittorio Emanuele II di Savoia, Federico II, Cosimo de' Medici, Giulio Cesare, Augusto, Vittorio De Sica, Federico Fellini, Sergio Leone, Michelangelo Antonioni, Dario Argento, Renzo Piano, Massimiliano Fuksas, Gae Aulenti, Cicerone, Seneca, Catone, Epitteto, Marco Aurelio, Tommaso d'Aquino, San Francesco d'Assisi, Pico della Mirandola, Cesare Beccaria, Benedetto Croce, Giovanni Gentile
Sport	calcio, serie A, Juventus, Milan, Inter, Napoli, Roma, Lazio, azzurri, Gigi Riva, Roberto Baggio, Gianluigi Buffon, Antonio Cabrini, Fabio Cannavaro, Alessandro Del Piero, Paolo Maldini, Alessandro Nesta, Andrea Pirlo, Gianni Rivera, Paolo Rossi, Marco Tardelli, Francesco Totti, Dino Zoff, Carlo Ancelotti, Fabio Capello, Marcello Lippi, Giovanni Trapattoni, Giuseppe Meazza, Daniele de Rossi, Gianluca Vialli, Filippo Inzaghi, Giorgio Chiellini, Christian Vieri, Roberto Mancini, Automobilismo, Ferrari, Maranello, Monza, Imola, Maserati, Fiat, Alfa Romeo, Abarth, Lancia, Motociclismo, Max Biaggi, Loris Capirossi, Marco Melandri, Valentino, Ciclismo, giro d'Italia, Marco Pantani, Felice Gimond, Pietro Mennea, Marcell Jacobs, Filippo Tortu, Gianmarco Tamberi, Sara Simeoni, Fiona May, Matteo Berrettini , Jannik Sinner, Vanessa Ferrari, Juri Chechi, Igor Cassina, Carolina Kostner, nuoto, Federica Pellegrini, Filippo Magnini, Gregorio Paltrinieri, Gabriele Detti

Table 6: List of Queries for Google Trends API - continued

Category	Query list
Fashion	Versace, Prada, Armani, Etro, Bottega Veneta, Trussardi, Moschino, Basile, Dolce & Gabbana, Valentino, Bulgari, Fendi, Gattinoni, Roberto Capucci, Renato Balestra, Laura Biagiotti, Sandro Ferrone e Brioni, Brunello Cucinelli, Roberto Cavalli, Gucci, Salvatore Ferragamo, Ermanno Scervino, Patrizia Pepe, Enrico Coveri, Max Mara, Pomellato, Morellato, Bulgari, Luxottica, Officine Panerai, Safilo, Aquazzura, Baldinini, Ballin, Bontoni, Bruno Bordese, Roberto Botticelli, René Caovilla, Casadei, Alberto Guardiani, Gabs, Gianmarco Lorenzi, Loriblu, Bruno Magli, Vic Matié, Moreschi, Alberto Moretti, Cesare Paciotti, Pollini, Fausto Ripani Handmade shoes, Fratelli Rossetti, Gianvito Rossi, Sergio Rossi, Santoni, A. Testoni, Giuseppe Zanotti design, Bertoni, Borbonese, Braccialini, Campomaggi, Caterina Lucchi, Coccinelle, Cromia, Fedon, Furla, Gherardini, Piquadro, Serapian, The Bridge, Valextra, Zagliani e Zanellato, D-Squared, Etro, Missoni, Moschino, Alberta Ferretti, Krizia, Miu Miu, Emilio Pucci, Ermenegildo Zegna, Milano fashion week, Vogue Italia, Mandarina Duck
Food	dieta mediterranea, caffè, moka, espresso, Bigoli, busiate, capellini, Fidei, Pici, Spaghetti, Troccoli, Vermicelli, Spaghetti, Spaghetti alla chitarra/chitarrine, tonnarelli, bavette, linguine, mafalde, sagne, scialatelli, trenette, Fettuccine, Lasagne, pappardelle, pizoccheri, tagliatelle, tagliolini/tajarin, bucatini, calamarata, cannelloni, fusilli, garganelli, gramigna, maccheroni, paccheri, penne, rigatoni, sagne 'ncannulate, tortiglioni, sedani, ziti, anelletti, caserecce, cavatelli, conchiglie, farfalle, gnocchi,mezze maniche, orecchiette, passatelli, radiatori, rotelle, strascinati, strozzapresti, testaroli, trofie, ditali, orzo, fregula, agnolotti, cappelletti, cappellacci, casonceli, cjarsons, culurgionis, ravioli, pansotti, mezzelune, tortelli, tortellini, tortelloni, Pizza, pizza napoletana, pizza romana, focaccia, piadina, crescia, sfincione, pane, pagnotta, tagliatelle al ragù, rigatoni alla carbonara, trofie al pesto, lasagne, brodetto, tortellini, gelato, baccalà alla vicentina, polenta, carciofo alla giudia, risotto alla milanese, porceddu, amatriciana, caponata, insalata caprese, linguine allo scoglio, parmigiana, coda alla vaccinara, vitello tonnato, tonnarelli cacio e pepe, culurgiones, agnolotti del Plin, risotto al gorgonzola, timballo, tiramisù, sfogliatella, cannoli siciliani, cassata, maritozzo, pasticciotto, pastiera napoletana, sbrisolona, sebadas, strudel, struffoli, torta caprese, panna cotta, zuppa inglese, gianduiotti, amaretti, torrone, babà, cantucci, cornetto, granita, cioccolata di modica, panettone, pandoro, nutella, gelato, millefoglie
History	Etruschi, Romani, Impero Romano, Longobardi, Papato, Guelfi, Ghibellini, battaglia di Legnano, Vespri Siciliani, Repubbliche Marinare, Rinascimento, Federico II, Signorie, Cosimo de' Medici, Medici, Regno di Sardegna, Regno d'Italia
Art	Musei vaticani, Galleria degli Uffizi, Palazzo Ducale di Venezia, galleria dell'Accademia di Firenze, Castel Sant'Angelo, Museo di Capodimonte, Palazzo Strozzi, Palazzo Reali di Milano, Fontana di Trevi, Sassi di Matera, Arena di Verona, Reggia di Caserta, Torre di Pisa, Ponte Vecchio, Colosseo, Valle dei Templi, Pantheon, Reggia di Venaria Reale, Museo egizio, Fori Imperiali, Pompei, Canal Grande, Ponte dei Sospiri, Piazza del Plebiscito, Cappella Sistina, Teatro alla Scala, Certosa di Pavia, Castel del Monte, Cimitero Monumentale, Castello Sforzesco, Teatro di Taormina, Mole Antonelliana, Torre degli Asinelli, Castel dell'Ovo, Nuraghe, David di Michelangelo, Basilica di San Pietro, Duomo di Milano, Cattedrale Santa Maria del Fiore, Basilica di San Marco, Basilica di San Francesco, Duomo di Siena, Duomo di Orvieto, Cattedrale di Monreale, Cattedrale di Trani, Cattedrale di Noto, Basilica di Sant'Antonio, Cattedrale di Palermo, Basilica di Sant'Ambrogio, Cattedrale di Santa Maria Assunta,
Media	Corriere della Sera, La Repubblica, La Stampa, La Gazzetta dello Sport, Corriere dello Sport, Rai, Rai1, Rai2, Rai3, Canale 5, Italia 1, Rete 4, La7

Table 7: Parties' Manifestos

	2013						2018					
Ideology	PdL	FDI	LN	PD	M5S	SVP	FI	FDI	Lega	PD	M5S	SVP
Multiculturalism: +	0.00	0.00	0.00	0.00	0.00	2.15	0.00	0.00	0.00	0.23	0.00	0.00
Multiculturalism: -	0.00	1.52	0.00	0.00	0.00	0.77	0.00	3.85	2.75	0.00	0.00	0.00
Decentralization:	3.33	0.00	3.33	1.96	0.00	54.55	3.12	1.10	4.43	0.78	3.10	76.47
Immigration: +	-	-	-	-	-	-	0.00	0.00	0.00	0.39	0.09	0.00
Immigration: -	-	-	-	-	-	-	2.08	1.65	2.98	0.00	0.01	0.00
Immigrants Assimilation:	-	-	-	-	-	-	0.00	2.20	1.91	0.00	0.00	0.00
Immigrants Diversity:	-	-	-	-	-	-	0.00	0.00	0.00	0.16	0.00	0.00
National way of life: +	-	-	-	-	-	-	2.08	4.95	4.05	1.41	0.17	0.00
National way of life: +	-	-	-	-	-	-	0.00	0.00	0.00	0.39	0.09	0.00
Vote share	21.57	1.96	3.86	25.42	25.55	0.48	13.53	4.20	17.49	18.98	32.16	0.40
Turnout	75.19	75.19	75.19	75.19	75.19	75.19	75.11	75.11	75.11	75.11	75.11	75.11

Notes: This table is constructed using data drawn from the Manifesto Project Database, which provides information on parties' policy positions based on a content analysis of parties' electoral manifestos. This database encompasses more than 1000 parties from 1945 until the present day in more than 50 countries on five continents. Data on party ideology with respect to immigration and assimilation are not available for 2013. Data source: https://manifesto-project.wzb.eu/.

Table 8: Descriptive Statistics

Variable	Mean	St.Dev	Min	Max	Obs
Political Behavior (2008, 2013, 2018)					
Chamber					
Turnout	0.76	0.08	0.18	1	23,979
Vote share all regionalist	0.14	0.14	0	0.99	23,979
Vote share regionalist	0.03	0.08	0	0.78	23,979
Vote share Lega	0.12	0.12	0	0.93	23,979
Senate					
Turnout	0.76	0.08	0.16	1	23,979
Vote share all regionalist	0.15	0.15	0	0.92	23,979
Vote share regionalist	0.04	0.10	0	0.76	23,979
Vote share Lega	0.12	0.12	0	0.67	23,979
Social Capital (2010-2022)					
Consent to organ donation	3.07	11.30	0	861	92,222
Public finance (2010-2020)					
Expenditures					
Total expenditures	1,797.76	2,002.07	276.84	104,207.8	95,770
Social expenditures	298.34	402.63	0.06	49,224.96	95,770
Expend. for excludable goods	300.34	404.57	0.06	49,224.96	95,770
Expend. for non-excludable goods	1089.64	1,545.74	6.05	84,455.71	95,770
Revenues					
Total revenues	1,828.30	1,995.22	378.52	105,229.2	95,770
Current transfers	322.38	481.49	0.07	17,811.51	95,770
Total transfers	527.83	1,093.76	0.29	54,284.41	95,770
Tax revenues	508.60	352.36	0.98	17,473.69	95,770
Municipality controls - 2011 Census					
Population	7477.83	41,306.99	29	2,752,020	8,084
Share foreigners	0.06	0.04	0	0.37	8,084
Share unemployed	0.10	0.06	0	0.42	8,084
Share of high educated	0.08	0.03	0	0.30	8,084
Share of uneducated	0.09	0.04	0.01	0.37	8,084
Share workers in primary	0.09	0.09	0	0.78	8,084
Share workers in secondary	0.31	0.11	0.03	0.75	8,084
Share workers in tertiary	0.34	0.07	0.07	0.78	8,084
Number of NGOs	37.84	205.17	1	12,436	8,084

Notes: Descriptive statistics of the variables used for analysis. Data for political outcomes are drawn from the Ministry of Interior; data on municipal level expenditures and revenues come from the AIDA PA dataset; data on municipality controls are collected from ISTAT.

Table 9: Descriptive Statistics - National Identity Index Sample

Variable	Mean	St.Dev	Min	Max	Obs
Attachment to national identity (2012-2019)					
National identity index	0	1	-1.091	17.031	23,832
Municipality controls - 2011 Census					
Population	17519.22	68,792.46	29	2,752,020	3,063
Share foreigners	0.06	0.04	0	0.26	3,063
Share unemployed	0.10	0.06	0.16	0.37	3,063
Share of high educated	0.09	0.03	0.23	0.28	3,063
Share of uneducated	0.09	0.03	0.04	0.21	3,063
Share workers in primary	0.06	0.07	0	0.67	3,063
Share workers in secondary	0.31	0.11	0.07	0.66	3,063
Share workers in tertiary	0.36	0.07	0.14	0.78	3,063
Number of NGOs	86.69	338.0779	1	12,436	3,063

Notes: Descriptive statistics for the restricted sample used for the construction of the National Identity Index. Data on municipality controls are collected from ISTAT.

Table 10: Political Behaviour

	Turnout (1)	Turnout (2)	Region+Lega (3)	Region+Lega (4)	Regionalist (5)	Regionalist (6)	Lega (7)	Lega (8)
Panel A: Extensive Margin								
Open CAS	-0.002***	-0.002***	0.018***	0.011***	-0.017***	-0.009***	0.011***	0.007***
	(0.001)	(0.001)	(0.002)	(0.002)	(0.003)	(0.003)	(0.002)	(0.001)
Panel B: Intensive Margin								
Share of refugees	-0.053	-0.065	0.141***	0.135***	-0.172***	-0.100***	0.124***	0.066***
	(0.041)	(0.043)	(0.082)	(0.068)	(0.050)	(0.039)	(0.059)	(0.038)
Controls		✓		✓		✓		✓
Municipality FE	✓	✓	✓	✓	✓	✓	✓	✓
Year FE	✓	✓	✓	✓	✓	✓	✓	✓
Mean	0.762	0.762	0.144	0.144	0.028	0.028	0.124	0.124
Obs	23,979	23,979	23,979	23,979	23,979	23,979	23,979	23,979

Notes: The table contains the estimates of model (1), the Difference-in-Differences. Columns (1), (3), (5) and (7) refer to the model without controls, while the model used for columns (2), (4), (6) and (8) controls for pre-treatment municipal characteristics. The outcomes are electoral turnout and vote share of regionalist parties (all regionalist parties including Lega, strictly regionalist movements and Lega). Open CAS is the *extensive margin* treatment variable, which takes value of one if the municipality hosted a CAS during the crisis, while refugee share is a continuous variable that indicates the ratio between total capacity and population per municipality, my *intensive margin* treatment. Municipality controls include: share of foreign residents, unemployment, employment per economic sector, number of NGOs, and the share of highly educated and uneducated individuals. Standard errors in parentheses are clustered at the municipal level. *** $p < 0.01$, ** $p < 0.05$, and * $p < 0.1$.

Table 11: Placebo test - Electoral Outcomes

	Turnout	Regionalist + Lega	Regionalist	Lega
Refugee share	-0.161***	-0.023	-0.058	0.073
	(0.039)	(0.054)	(0.045)	(0.054)
Controls	✓	✓	✓	✓
Municipality FE	✓	✓	✓	✓
Year FE	✓	✓	✓	✓

Notes: The table shows estimates from the placebo test on electoral outcomes. The placebo test considers outcome variables in 2008 and 2013. For observations in 2013, refugee share is the fraction of asylum seekers in 2018 over total 2011 population at the municipality level, while it is equal to 0 for all municipalities in 2008. Municipality controls include: share of foreign residents, unemployment, employment per economic sector, number of NGOs, and share of highly educated and uneducated individuals. Standard errors in parentheses clustered at the municipality level. *** $p < 0.01$, ** $p < 0.05$, and * $p < 0.1$.

Table 12: Political Behavior, Senate

	Turnout	Regionalist + Lega	Regionalist	Lega
Panel A: Extensive Margin				
Open CAS	-0.002***	0.010***	-0.015*	0.008***
	(0.001)	(0.002)	(0.009)	(0.001)
Panel B: Intensive Margin				
Share of refugees	-0.058	-0.028	0.112	0.039
	(0.044)	(0.059)	(0.093)	(0.039)
Controls	✓	✓	✓	✓
Municipality FE	✓	✓	✓	✓
Year FE	✓	✓	✓	✓
Mean	0.764	0.15	0.039	0.121
Obs	23,979	23,979	23,979	23,979

Notes: The table contains the estimates of the full specification eq:did, the Difference-in-Differences with controls. The outcomes are electoral turnout and the vote share of regionalist parties (all regionalist parties including Lega, strictly regionalist movements and Lega) for the Senate. Open CAS is the *extensive margin* treatment variable, taking value of one if the municipality hosted a CAS during the crisis, while refugee share is a continuous variable that indicated the ratio between total capacity and population per municipality, my *intensive margin* treatment. Municipality controls include: share of foreign residents, unemployment, employment per economic sector, number of NGOs, and the share of highly educated and uneducated individuals. Standard errors in parentheses are clustered at the municipal level. *** $p < 0.01$, ** $p < 0.05$, and * $p < 0.1$.

Table 13: Political Behaviour, Heterogeneity and Robustness Checks

	(1) Regionalist	(2) Regionalist	(3) Regionalist	(4) Regionalist	(5) Regionalist	(6) Regionalist	(7) Nationalist
Open CAS	0.003***	-0.014***	-0.014***	-0.015***	-0.014***	-0.013***	0.007***
	(0.002)	(0.003)				(0.003)	(0.001)
Open CAS × long term exposure	-0.011***						
	(0.002)						
Open CAS × municipalities above 15,000		0.012*					
		(0.07)					
Open CAS × top 10% share of foreigners			0.004				
			(0.005)				
Open CAS × top 10% unemployment				0.023***			
				(0.008)			
Open CAS × top 10% share of higher education					0.002		
					(0.006)		
Controls	✓	✓	✓	✓	✓	✓	✓
Municipality FE	✓	✓	✓	✓	✓	✓	✓
Year FE	✓	✓	✓	✓	✓	✓	✓
Errors clustered at region level	-	-	-	-	-	✓	

Notes: The table shows estimates drawn from a heterogeneity test on electoral outcomes. In the first five columns, I interact the main treatment variable with i) long term exposure to treatment and ii) four municipality level characteristics. Specifically, I create dummy variables for municipalities in the top decile of the distribution for the share of foreign residents, unemployment and share of highly educated individuals. Interaction dummy variables for the population are based on the threshold of 15,000 residents at which electoral rules change, while long term exposure is defined as a dummy equal to 1 if the CAS opened in 2014 or 2015. Municipality controls are: share of foreign residents, unemployment, employment per economic sector, the number of NGOs and the share of highly educated and uneducated individuals. Standard errors in parentheses clustered at the municipality level, except for column 6, where I cluster error at the region level as a further robustness check. Finally, in column 7 I display the effect of CASs on the success of all nationalist parties.*** $p < 0.01$, ** $p < 0.05$, and * $p < 0.1$.

Table 14: Public Goods and Redistribution, Average Effects of Event Study

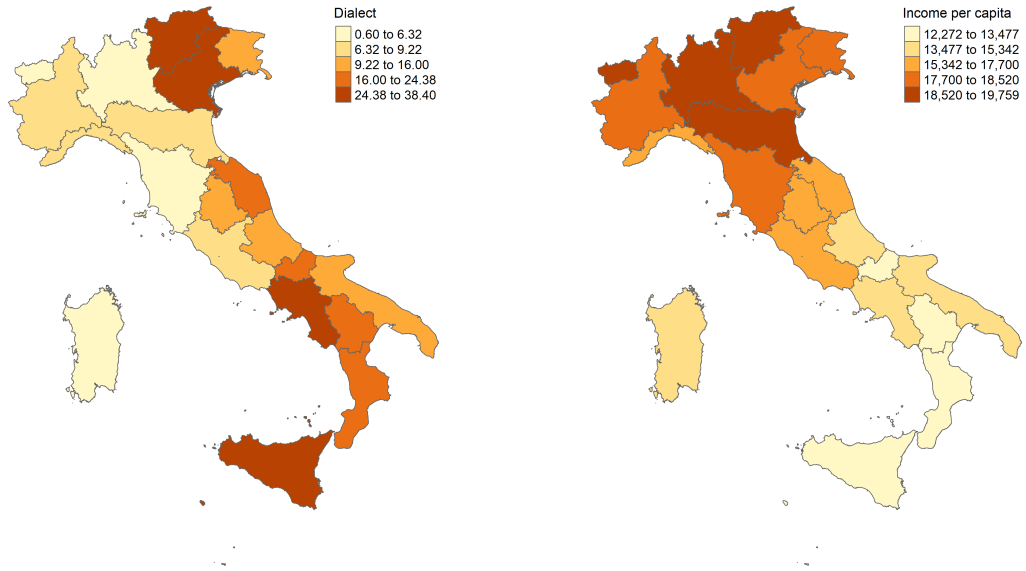
Outcomes	Mean	Avg Effect	St. Dev	LB	UB
Panel A: Expenditures					
Tot Expenditures	1797.76	148.03	28.08	93.00	203.05
Social Expenditures	298.38	26.63	16.76	-6.22	59.50
Excludable	300.34	24.80	19.56	-13.54	63.14
Non excludable	1089.64	133.12	16.77	100.26	165.97
Panel B: Revenues					
Tot Revenues	1828.30	148.96	81.27	-10.32	308.24
Tot transfers	527.83	185.06	23.92	138.17	231.95
Current transfers	322.38	-6.53	19.70	-45.13	32.08
Tax revenues	508.60	57.01	14.20	29.16	84.85

Notes: The table contains the estimates of the average effects from the Dynamic Event study, using de Chaisemartin and D'Haultfoeuille (2020)'s method. The outcomes are measures of municipal-level expenditures and revenues.

FIGURES

Figure 1: Linguistic and economic divide

(a) Use of dialect in the family, 2015 (b) Per capita income, 2011



Notes: Figure 1 presents two dimensions of heterogeneity in Italy. Panel (a) displays the use of dialect in the family context (source: survey on the use of Italian language, 2015, Istat). Panel (b) uses data on per capita income to indicate display the economic divide between the northern and southern regions of the country (Istat, 2011).

Figure 2: Italy pre-unification, Ziblatt 2004

TABLE 2
INFRASTRUCTURAL CAPACITY OF ITALIAN REGIONAL STATES (1850–60)[a]

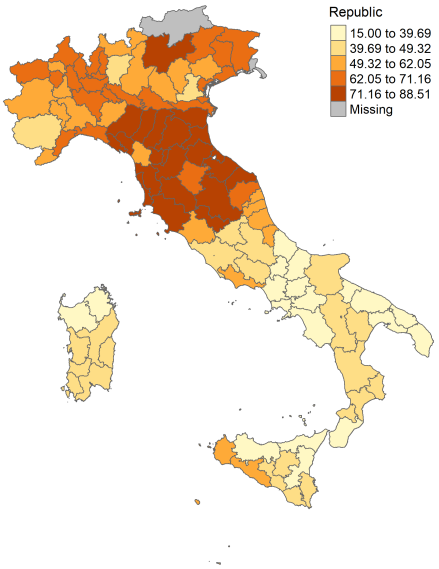
	Measure 1 Extractive Capacity: State Revenue per Capita	*Measure 2 Conscription Rate: Military Personnel as % of Male Population*	*Measure 3 Control: Enrollment Rate of Primary School Age Children*
Piedmont	32.2 lire	2.3	93
Two Sicilies	14.2 lire	2.0	18
Papal States	14.7 lire	0.7	25–35
Tuscany	19.2 lire	2.0	32
Modena	17.9 lire	1.6	36
Parma	22 lire	1.2	36
Lombardy-Veneto[b]	NA	NA	90
Ratio of Piedmont and average of remaining states	1.83:1	1.53:1	2.3:1

[a] Public revenue data from Izzo (fn. 32), 123; military personnel data from Singer and Small (fn. 15); enrollment data from Zamagni (fn. 15), 14–15; population data from Singer and Small (fn. 15).
[b] Because Lombardy-Veneto was part of the imperial structure of the Austro-Hungarian Empire, it is excluded from this analysis.

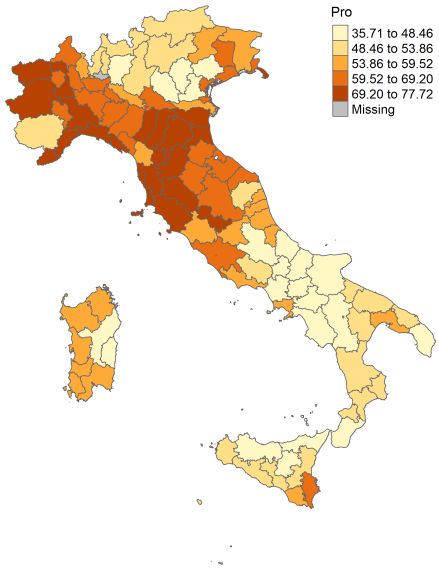
Notes: Figure 2 is borrowed from Ziblatt, 2014, and reports the infrastructural capacity of Italian regional states before reunification.

Figure 3: Votes for referenda

(a) Republic vs Monarchy, 1946

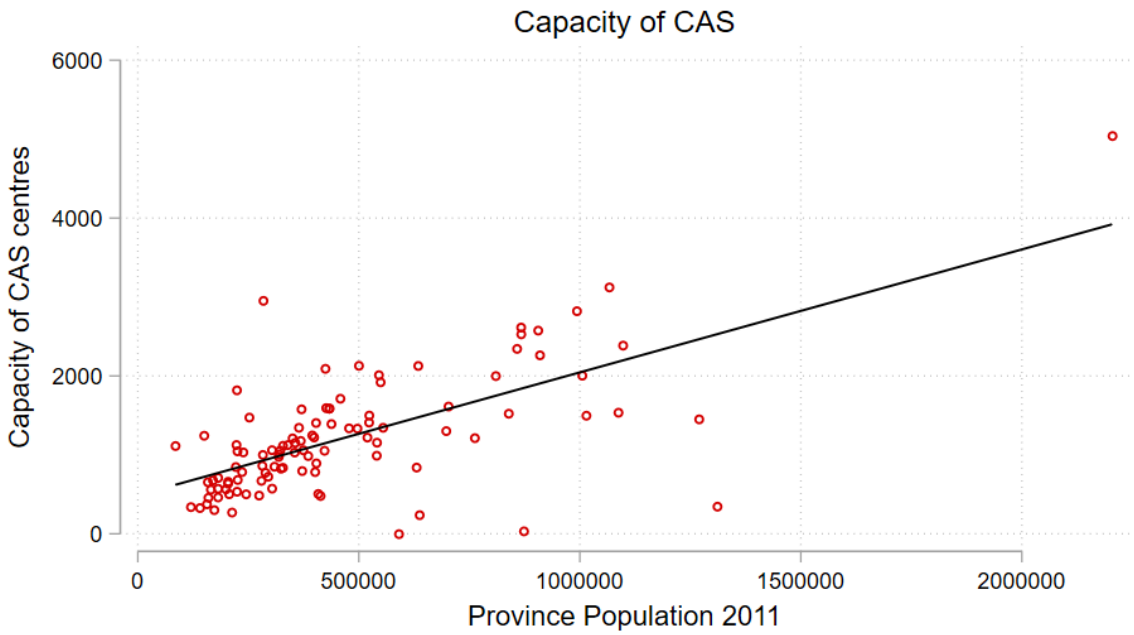


(b) For or against divorce, 1974



Notes: Figure 3 displays the political divide in Italy. Panel (a) displays the vote share obtained by the option "Republic" in the constitutional referendum of 1946, after which the Italian Republic was established. Panel (b) instead displays support for the divorce law in a 1974 referendum. Given the cultural backgrounds of these two referenda, the figures are also informative on the cultural divide of the country. Source: Ministry of Interior.

Figure 4: Municipal level capacity of CAS on 2011 province population

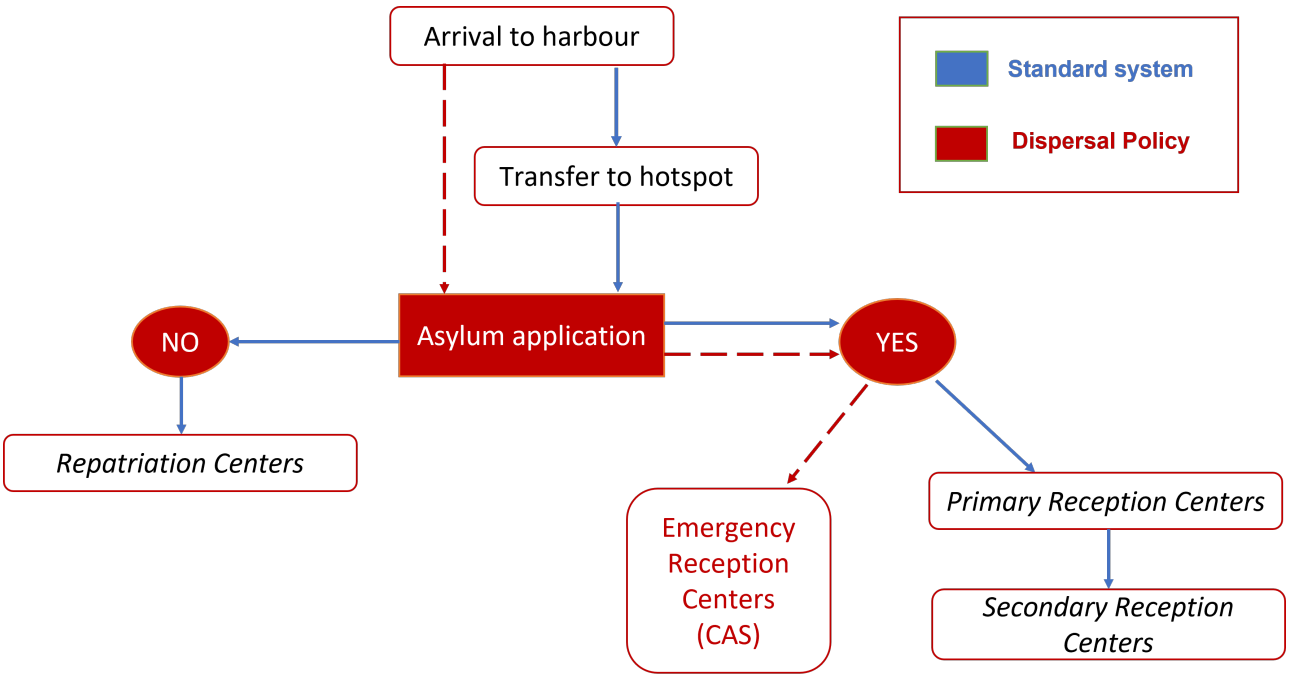


Notes: the figure plots the cumulative, municipal-level capacity of CAS in treated municipalities against the province level population in 2011. The regression line has a slope equal to 0.0018, which is relatively close to the Allotment Plan of 2.5 asylum seekers out of every 1,000 inhabitants.

Figure 5: Arrivals and asylum demands by year

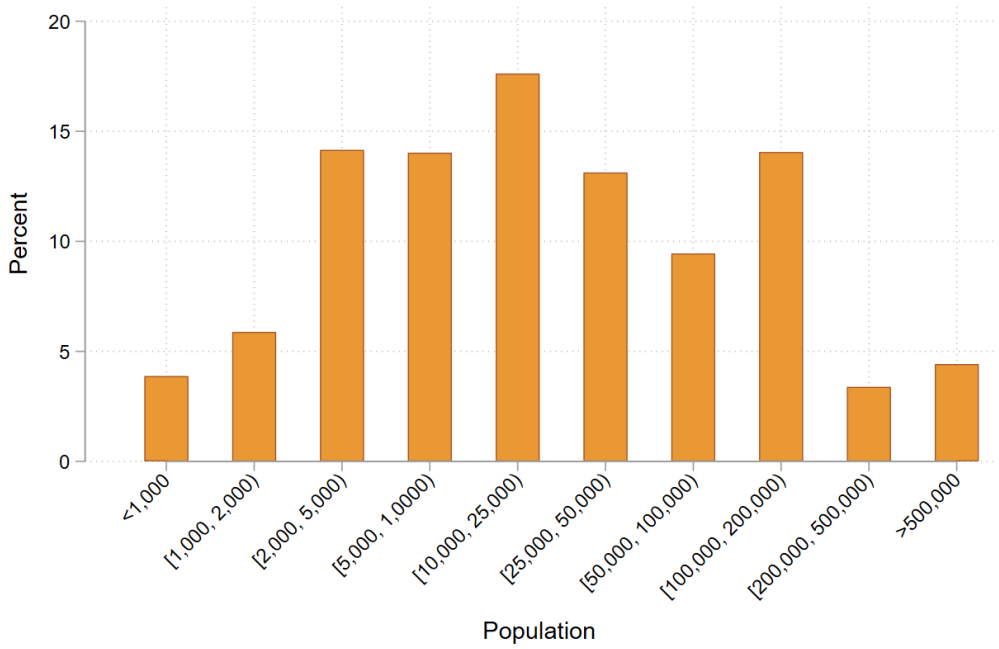
Notes: The figure displays the time series of the arrival of immigrants and asylum demand in Italy.
Source: UNHCR.

Figure 6: Italian reception system



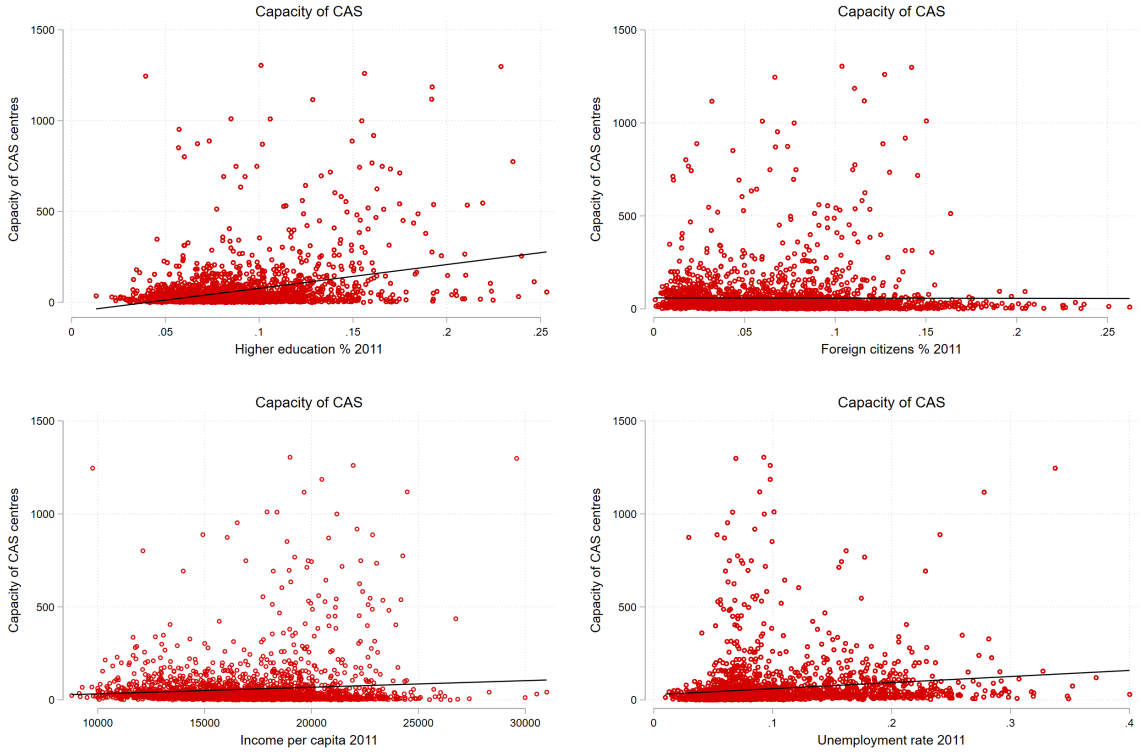
The figure shows the structure of the Italian reception system. The solid blue lines represent the typical path taken by a refugee arriving in Italy within the ordinary reception system. The dashed red lines represent the path taken within the emergency reception system

Figure 7: Number of refugees in Italian Reception System



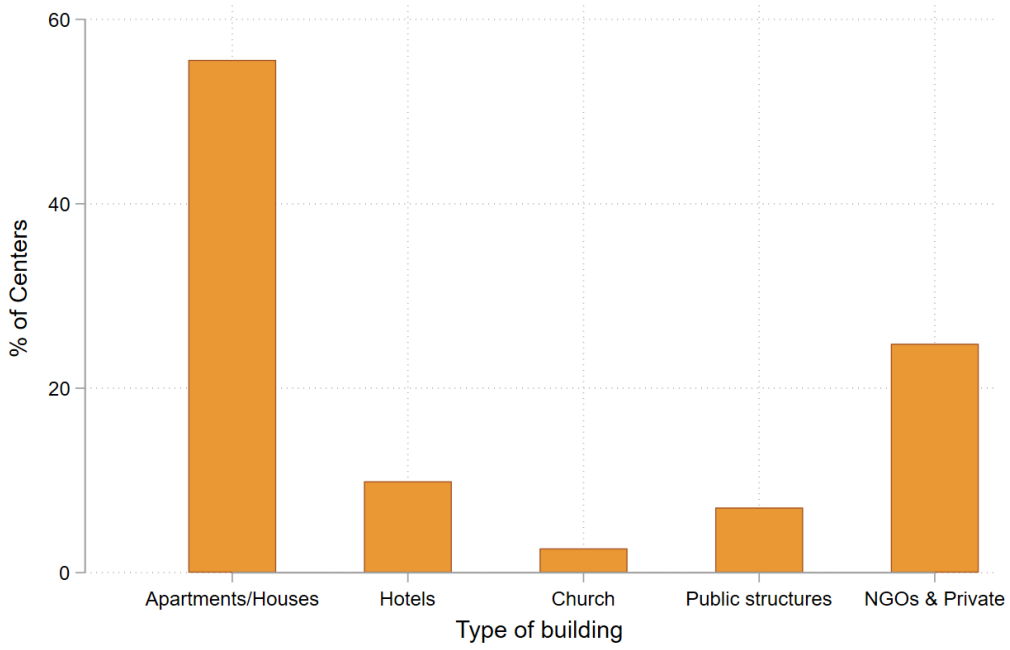
Notes: Figure 6 displays the distribution of CAS centers by municipality population. Source: Doc. CCXXXVI, n.3 , Ministry of Interior

Figure 8: Capacity of CAS centers and municipality characteristics



Notes: Figure 7 displays the correlation between total capacity at the municipal level and relevant municipal level characteristics. Source: Doc. CCXXXVI, n.3 , Ministry of Interior, and Istat.

Figure 9: Buildings used to host CAS

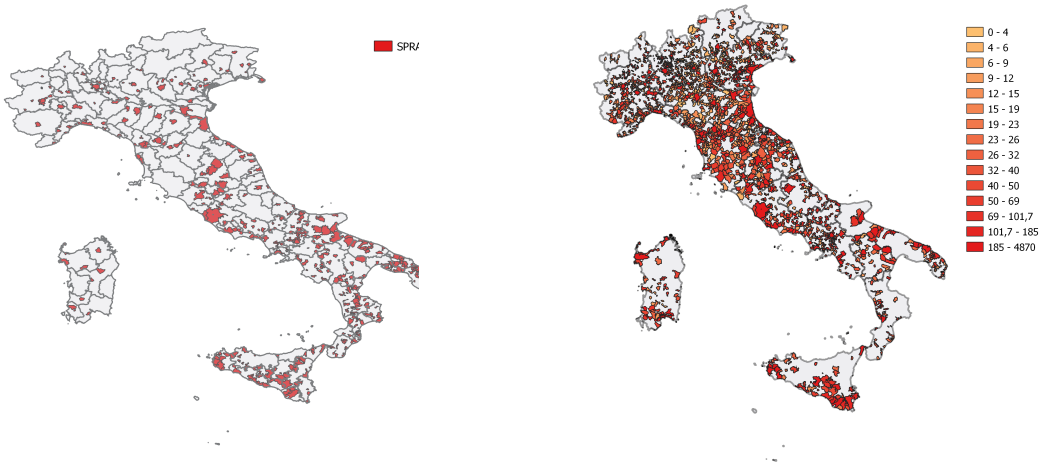


Notes: Figure 6 displays the distribution of CAS centers by type of building. Source: Doc. CCXXXVI, n.3 , Ministry of Interior

Figure 10: Reception centers in Italy

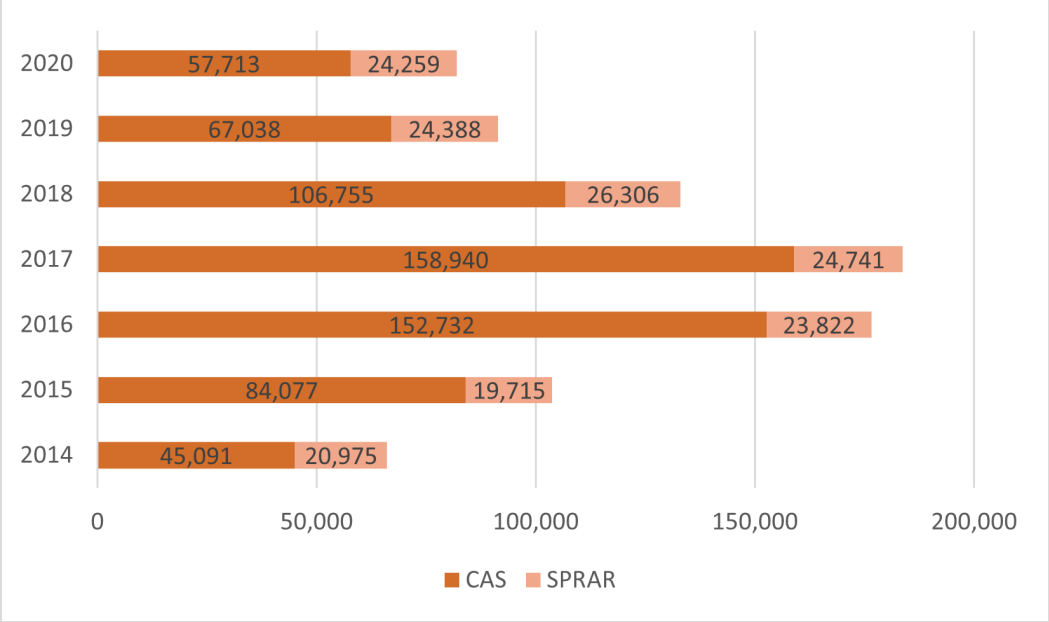
(a) Pre 2014 (SPRAR)

(b) Post 2018 (CAS)



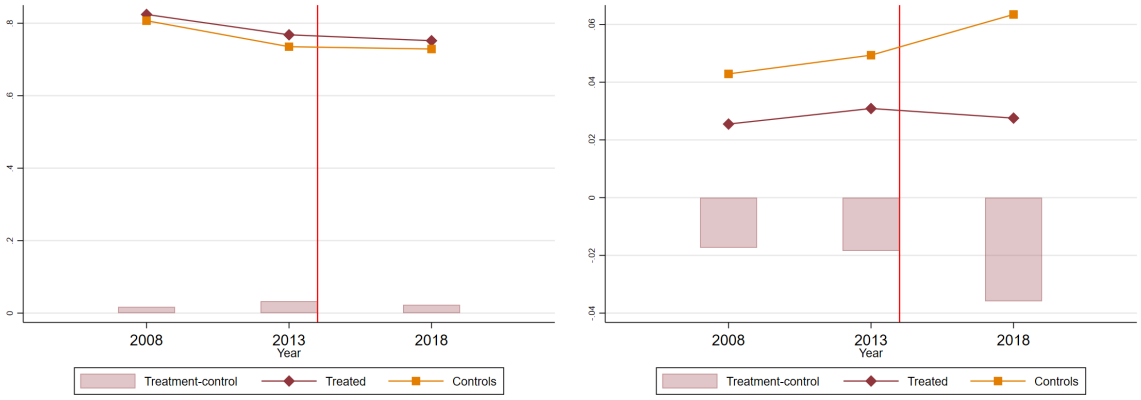
Notes: The figure shows the presence of reception centers throughout Italy. Panel (a) displays SPRAR centers before the European refugee crisis. Panel (b), instead, displays the scope of the Dispersal Policy, and shows all CAS centers that were opened during the crisis according to their capacities. Source: Doc. CCXXXVI, n.3 , Ministry of Interior

Figure 11: Number of refugees in Italian reception system



Notes: The figure displays the number of migrants allocated through the ordinary reception system (SPRAR) and through the Dispersal Policy (CAS) respectively. Source: OpenPolis

Figure 12: Parallel trends for main political variables

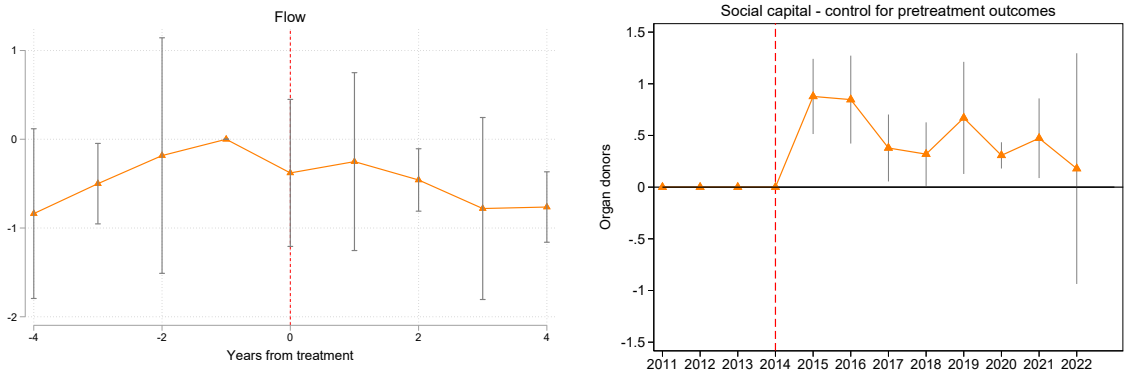


(a) Electoral turnout

(b) Vote share of regionalist parties

Notes: This figure presents parallel trends for electoral turnout and vote share of regionalist parties using electoral data from the Ministry of Interior.

Figure 13: Impact of presence of CAS centers on social capital

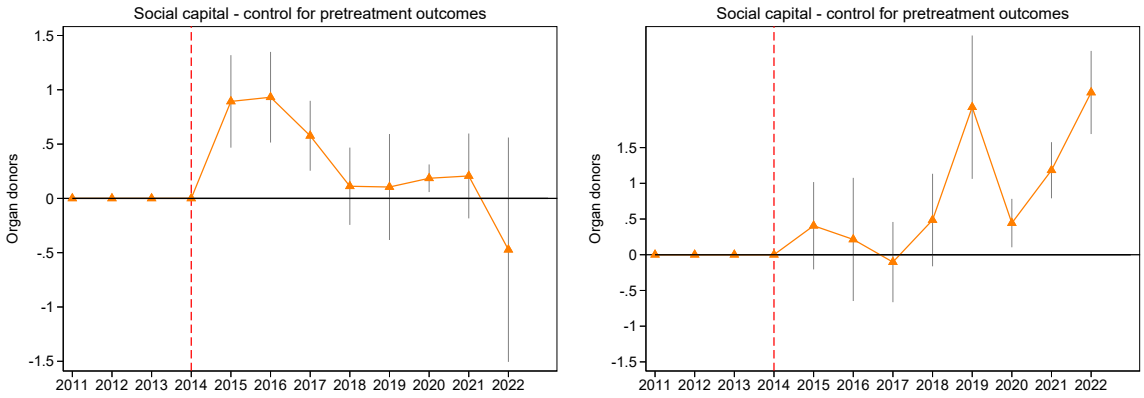


(a) Chaisemartin and D'Haultfoeuille, 2020

(b) Cantoni et al., 2018

Notes: This figure presents estimates of an event study for the effect of CAS centers on the number of individuals who registered for organ donation at the municipality-year level. The figure shown in Panel (a) is obtained using the de Chaisemartin and D'Haultfoeuille (2020)'s method. This was implemented using the did multiplegt command available on the SSC repository. The figure shown in Panel (b), instead, is constructed by performing an event study that includes controls for pre-treatment outcomes. Specifically, I include i) interactions between the number of donors in 2010 and a full set of year dummies and ii) interactions between each municipality outcome in each pre-treatment year and a full set of year dummies.

Figure 14: Impact of presence of CAS centers on social capital, north vs south

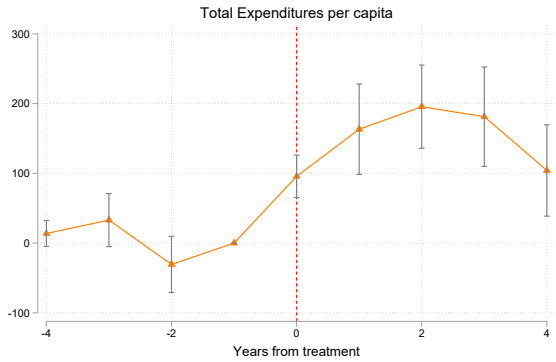


(a) Restricted sample - North

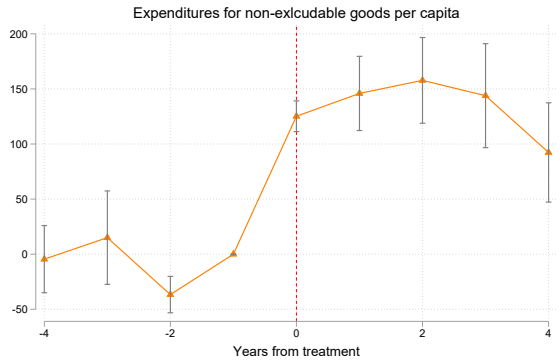
(b) Restricted sample - South

Notes: This figure presents estimates of an event study for the effect of CAS centers on the number of individuals who registered for organ donation at the municipality-year level. Both figures are constructed by performing an event study which includes controls for pre-treatment outcomes. Specifically, I include i) interactions between the number of donors in 2010 and a full set of year dummies and ii) interactions between each municipality outcome in each pre-treatment year and a full set of year dummies. Panel a) report results for a restricted sample that includes only municipalities in the northern and central regions; panel b) instead reports results for the complementary subsample, i.e. including only towns in southern regions and the islands.

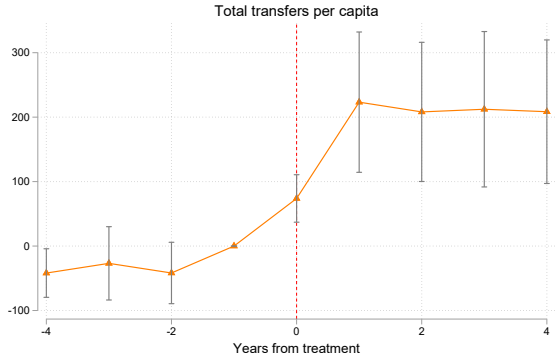
Figure 15: Impact of presence of CAS centers on local public finance



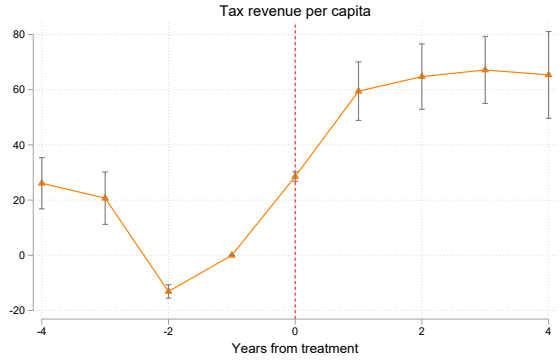
(a) Total Expenditures p/c



(b) Non-excludable Expenditures p/c



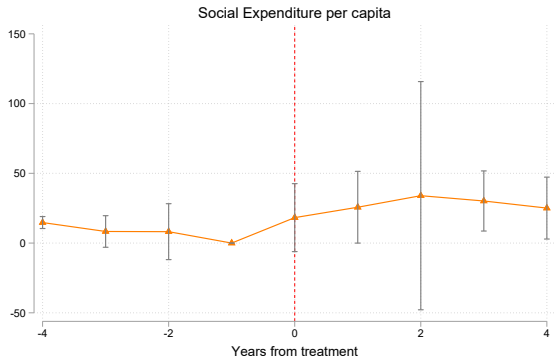
(c) Total Transfers p/c



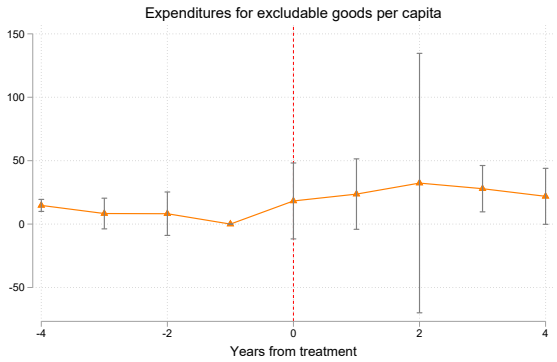
(d) Tax Revenues p/c

Notes: This figure presents estimates of an event study for the effect of CAS centers on municipal-level public finance outcomes, using de Chaisemartin and D'Haultfoeuille (2020)'s method. This was implemented using the did multiplegt command available on the SSC repository.

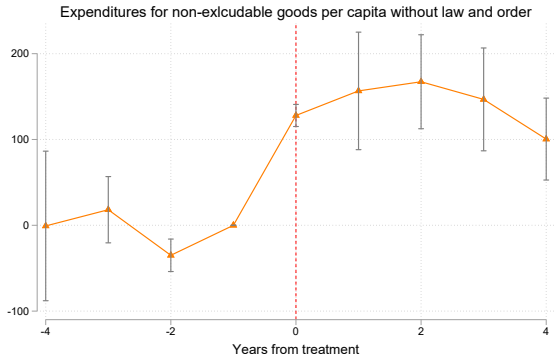
Figure 16: Impact of presence of CAS centers on local public finance, Robustness



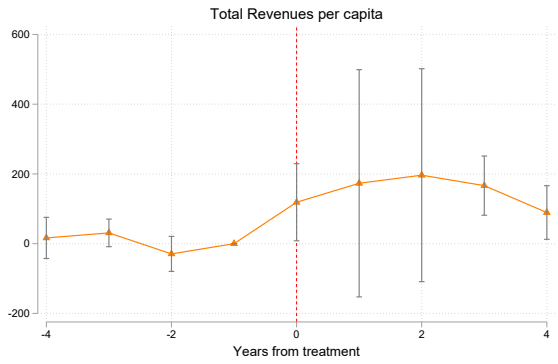
(a) Social Expenditures p/c



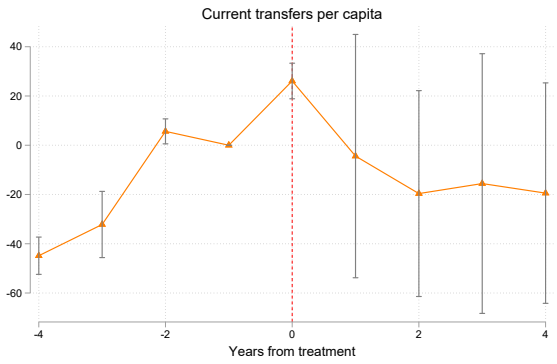
(b) Excludable Expenditures p/c



(c) Expenditures without police p/c



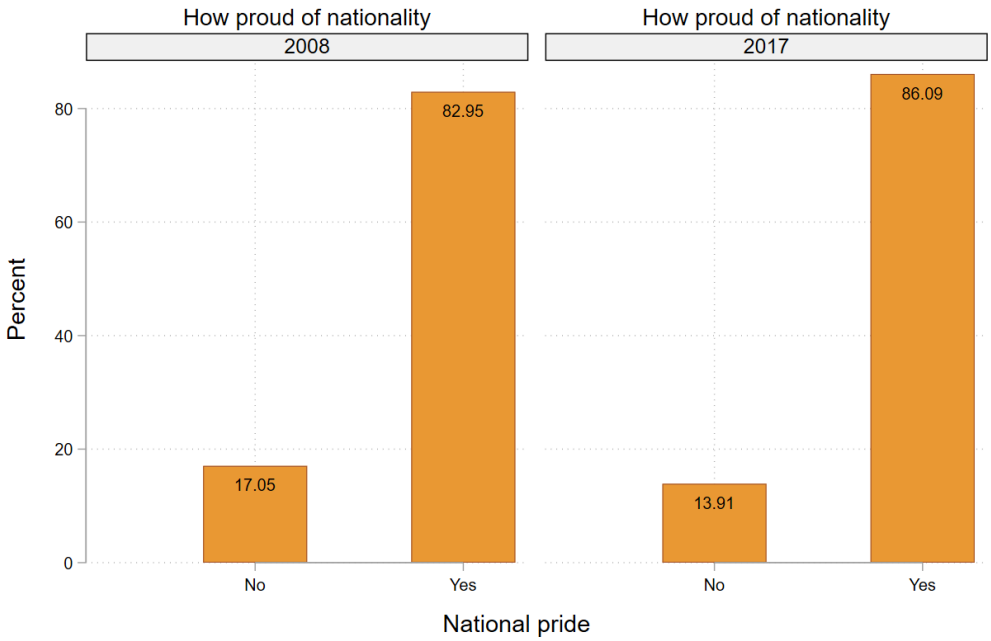
(d) Total revenues p/c



(e) Transfer for current expenses p/c

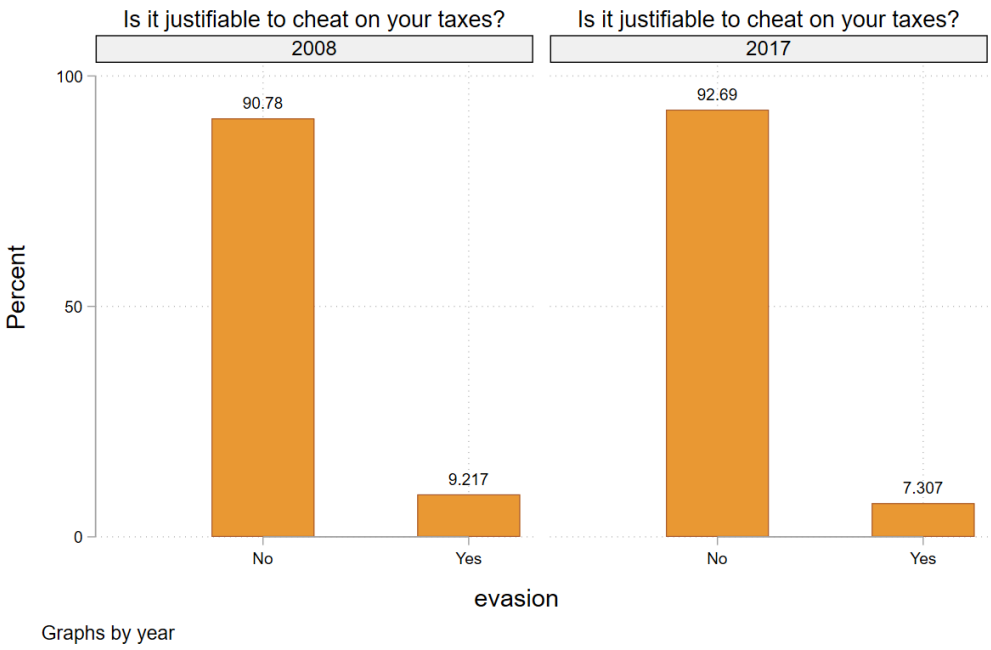
Notes: This figure presents estimates of an event study for the effect of CAS centers on municipal-level public finance outcomes, using de Chaisemartin and D'Haultfoeuille (2020)'s method. Thiis was implemented using the did multiplegt command available on the SSC repository.

Figure 17: EVS Question - National Pride



Notes: Figure constructed using data drawn from 2007 and 2018 waves of the European Value Study.

Figure 18: EVS Question - Tax Evasion

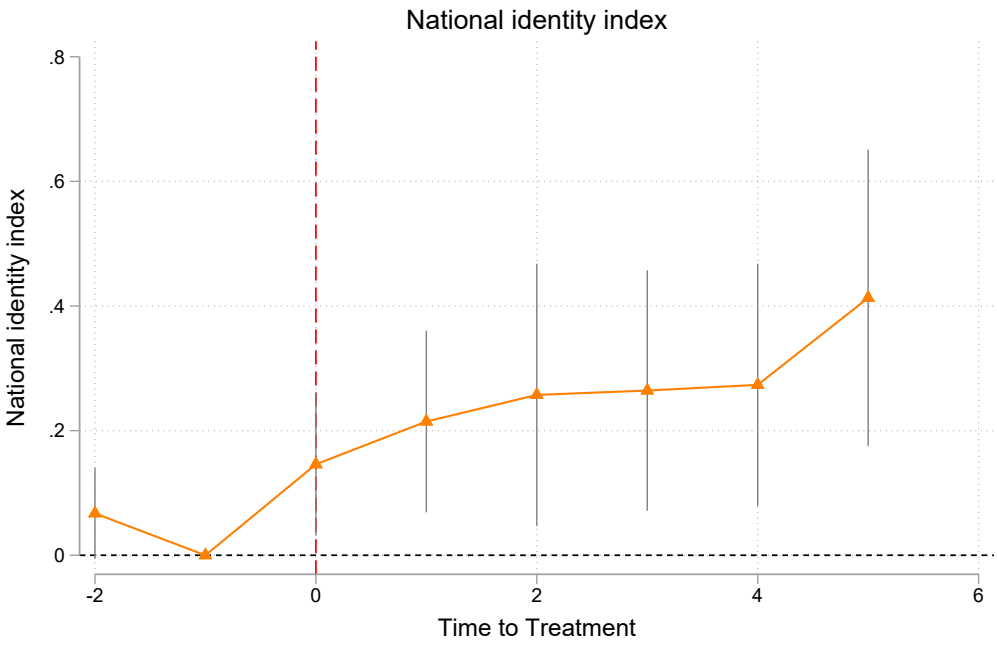


Notes: Figure constructed using data drawn from 2007 and 2018 waves of the European Value Study.

Figure 19: Nationality

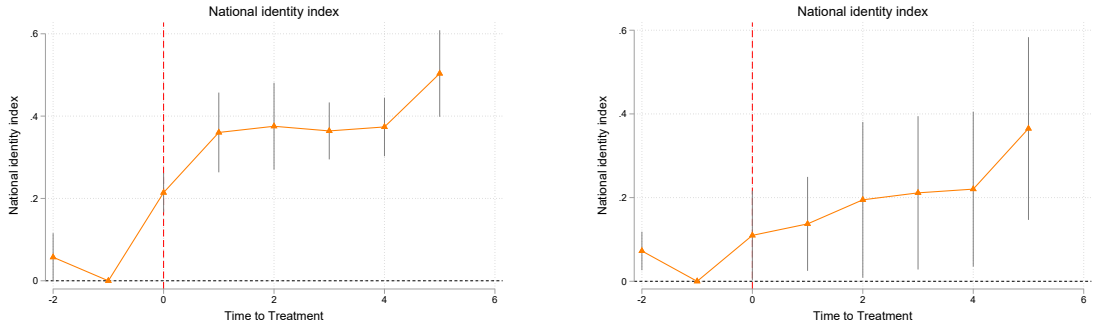
Notes: Nationality. Source: UNHCR

Figure 20: Impact of presence of CAS centers on National Identity Index



Notes: This figure presents estimates of an event study for the effect of CAS centers on the National Identity Index, using de Chaisemartin and D'Haultfoeuille (2020)'s method. This was implemented using the did multiplegt command available on the SSC repository.

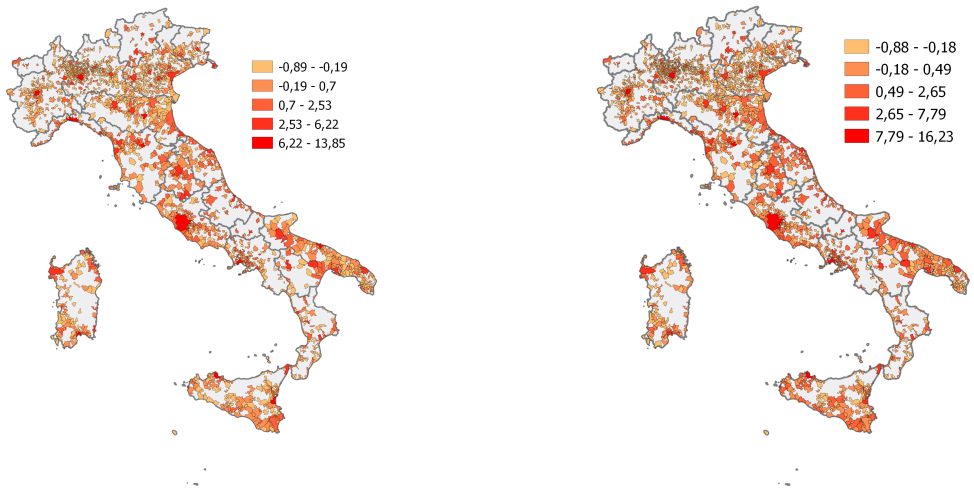
Figure 21: Impact of presence of CAS centers on National Identity Index, north vs south



(a) South (b) North

Notes: This figure presents event-study results of the effect of a the presence of a CAS center on the national identity index, using de Chaisemartin and D'Haultfoeuille (2020)'s method. This was implemented using the did multiplegt command available on SSC repository.

Figure 22: National Identity Index



(a) NII in 2013 (b) NII in 2019

Notes: This figure presents event-study results of the effect of a the presence of a CAS center on the national identity index, using de Chaisemartin and D'Haultfoeuille (2020)'s method. This was implemented using the did multiplegt command available on SSC repository.

Appendix

A Municipal-level Public Finance Outcomes

Total Expenditures: total amount of expenditures;

Social Expenditures: amount of money used to finance *social*, welfare policies, i.e. Education, Family, Youth and Healthcare;

Non-excludable Expenditures: amount of money used to finance policies that pertain to the municipality as a whole and that benefit the whole community. In this category I include expenditures for law enforcement, public transport, infrastructure, public space and administration;

Excludable Expenditures: sum of expenditures in policies that directly benefit certain categories of individuals. This variable is the sum of social expenditures and the money used in the areas of employment, culture, agriculture and farming;

Total Revenues: total amount of amount of money collected and/or received by the municipality;

Total Transfers: total amount of revenues received from other levels of government - state, region and other public entities.

Current Transfers: amount of transfers from other levels of government to be used for current expenditures, i.e. not for capital investment

Tax Revenues: amount of revenues pertaining to the collection of municipal taxes. These mainly consist of :

- IMU (*imposta municipale unica*) and TASI (*tributo sui servizi indivisibili*): these levies are essentially property taxes. In fact, they affect residents that own a real estate property (apartment, commercial space, garage, agricultural lands etc.) in the municipality. The tax rate is set by the national government (normally 0.76%), but municipalities can marginally increase or lower it: the possibile range for the tax is then 0.46-1.06%.

- TARI (*Tassa sui rifiuti*), a waste disposal tax. These is decided at the municipal level, and it consists of a fixed quota plus an additional variable quota. In general, the payment of TARI mainly depends on the surface of the real estate, on its main function (e.g. residential or commercial) and on the number of people in the household.

- *Addizionale comunale all'Irpef*: this is an additional tax on personal income levied directly by the municipalities. Municipalities set the tax rate, but this cannot exceed 0.8%.

B Tax Revenues - Additional Evidence

As mentioned in Section 7, the results on tax revenues are not conclusive. A number of confounding mechanism could be driving the positive trend of Figure 15d. In what follows, I provide a more detailed discussion.

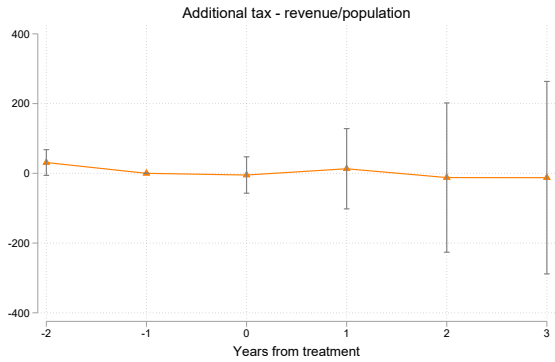
Municipal Level Taxes. When studying the effect of the treatment on tax revenues, several concerns arise regarding factors that might drive my result. Firstly, municipal tax revenues consist of three components: property taxes, additional income taxes and taxes on waste disposal. Local administrations have a certain degree of flexibility in setting the relative rates (see Appendix A). Therefore the positive treatment effects that I document could be due to an arbitrary increase in tax rates in towns that hosted a CAS center. Secondly, one could claim that hosting a reception center could positively impact the level of economic activity in a municipality, thus leading to higher income levels and, consequently, higher tax revenues.

To alleviate these concerns, I collect data on tax returns for the period 2012-2020 from the Italian Ministry of Finance, and I run specification 4 on additional outcomes of municipal-level tax collection. The results are displayed in Figure 23. I first study the evolution of the additional income tax, which is decided and collected by municipal councils. Specifically, I focus on per capita tax base and per capita tax collected. As displayed in panels 23a and 23b, neither of these two outcomes exhibit significant treatment effects. This finding is reassuring as it supports the claim that the increase in tax revenues is not due to an arbitrary decision on the part of treated municipalities. In Figure 23c, instead, I report the results of specification 4 on a variable that captures the per capita tax base. Since the tax in this case is income tax, the tax base is a proxy for income. The graph displays no evidence for a treatment effect, a sign that per capita income did not increase in municipalities that hosted CAS.

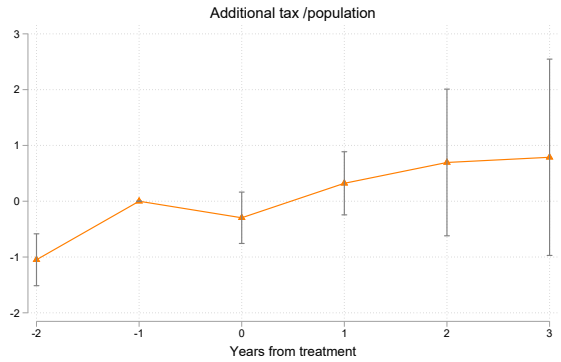
If on the one hand these result is reassuring, because they excludes a mechanical impact of CAS on income, on the other it makes interpreting the results on tax revenues complicated. If there was no increase in the income declared, and there is no change in the arbitrary additional income tax, there should also be no increase in the tax revenues. The results in Figure 15d therefore remain a puzzle.

Tax Evasion and Attitudes. Finally, I turn to tax evasion. Tax evasion would be my preferred measure, as it would more precisely capture individuals' willingness to contribute to public good. Unfortunately, there is no available data that can allow me to test this directly. In the following, however, I provide qualitative evidence of a decrease in tax evasion in the years of the policy. First, recent evidence from the Italian Ministry of Finance shows a substantial reduction in tax evasion occurred during the years of the European refugee crisis. In fact, in the period 2015-2019 the national tax gap (taxes due - taxes paid) decreased by 6.9 billion, and the propensity to evasion (tax gap/ potential additional revenue) decreased by 2.7%. This period was the first time that tax evasion in Italy amounted to less than 100 billion (see Figure 24, source: NADEF 2022). This trend is supported by recent, albeit purely descriptive, evidence from the European Values Survey: individuals interviewed in Italy in 2017 expressed more negative attitudes towards tax evasion than did those interviewed in 2008 (see Figure 19, source: European Values Survey).

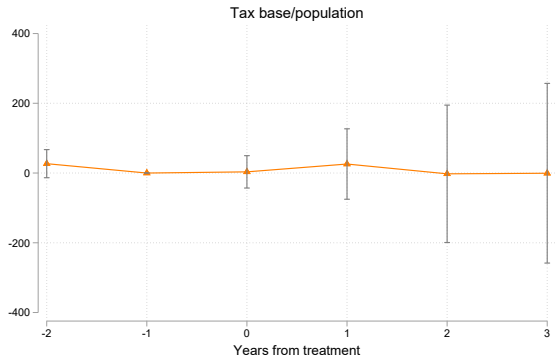
Figure 23: Impact of presence of CAS centers on municipal level taxes



(a) Total Expenditures p/c



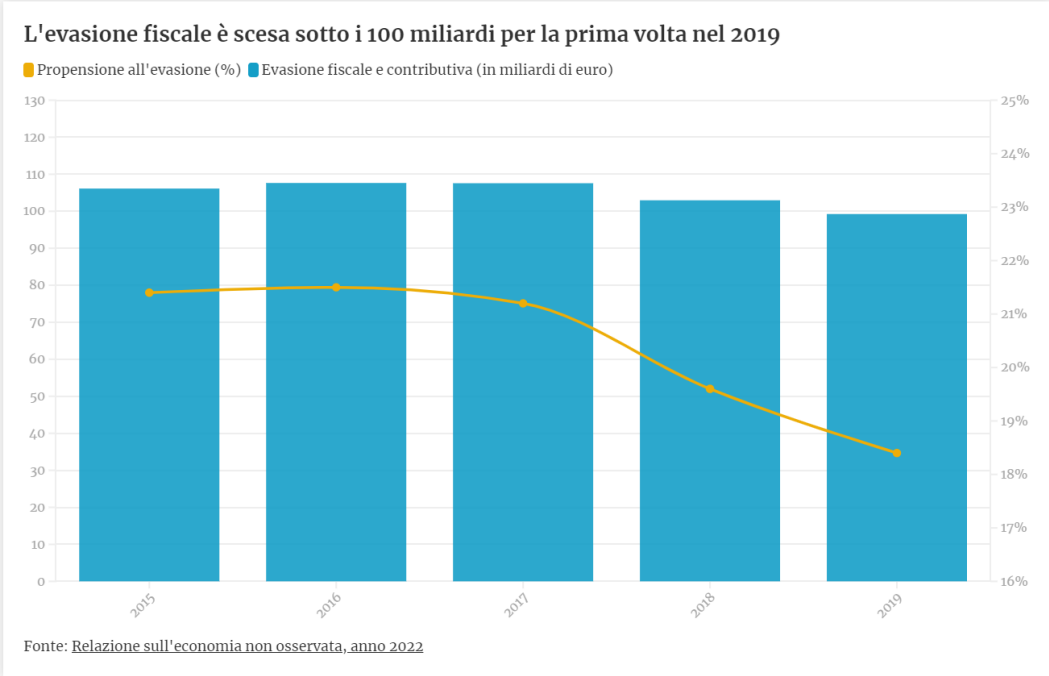
(b) Income tax - tax base p/c



(c) Total Transfers p/c

Notes: This figure presents event-study results of the effect of a the presence of a CAS center on municipal-level tax revenues, using de Chaisemartin and D'Haultfoeuille (2020)'s method. This was implemented using the did multiplegt command available on SSC repository.

Figure 24: Tax Evasion 2015-2019, NADEF 2022



Notes: This figure presents data drawn from the latest report of the Ministry of Economy and Finances (*Nota di aggiornamento al Documento di Economia e Finanza*). In the period 2015-2019, the tax gap (taxes due - taxes paid) decreased by 6.9 billion, and the propensity to evasion (tax gap/ potential additional revenue) decreased by 2.7%.

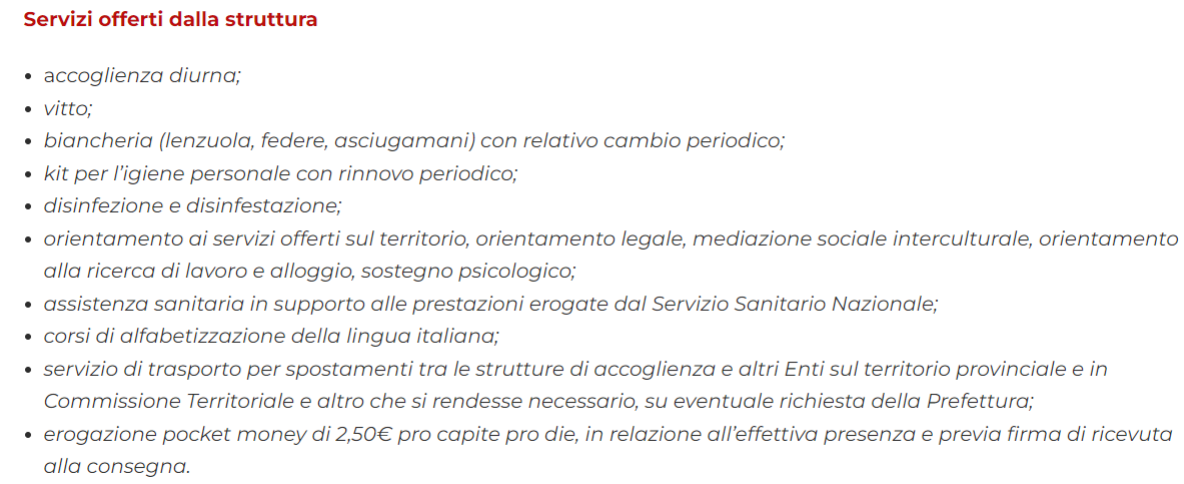
C Additional information on CAS Centers

Participation to labour market: Asylum seekers can potentially get a job two months after they apply for asylum. Technically, however, if their income reaches a certain threshold they become ineligible to be hosted in the reception centers. According to official statistics, less than 10 per cent of all asylum seekers hosted in the Italian reception system had a regular job contract between 2011 and 2017, but these figure most likely represents a lower bound, as it does not take into account informal work which could be quite sizeable.

Minors in the reception center: A very small fraction of centers (0.34) are only for minors, so in most cases they are hosted in the same structures as adults. Anecdotal evidence shows that some kids go to school while in the centers.

Services provided in CAS centers: CAS centers were supposed to provide only food and lodging, but anecdotal evidence shows a certain degree of heterogeneity in the services provided by each structures. Below, find an example of services offered by CAS centers in the Bologna province.

Funding: Until 2018, the Italian government used to assign 35 euros per person per day (mostly in goods and services) for both SPRAR and CAS. Yet, in the case of CAS, this an indicative figure as the actual costs are established through calls for tenders, and may therefore be lower. Notice that, out of this 35 euros, roughly 2.50 were given to asylum seekers as pocket money.



Servizi offerti dalla struttura

- *accoglienza diurna;*
- *vitto;*
- *biancheria (lenzuola, federe, asciugamani) con relativo cambio periodico;*
- *kit per l'igiene personale con rinnovo periodico;*
- *disinfezione e disinfestazione;*
- *orientamento ai servizi offerti sul territorio, orientamento legale, mediazione sociale interculturale, orientamento alla ricerca di lavoro e alloggio, sostegno psicologico;*
- *assistenza sanitaria in supporto alle prestazioni erogate dal Servizio Sanitario Nazionale;*
- *corsi di alfabetizzazione della lingua italiana;*
- *servizio di trasporto per spostamenti tra le strutture di accoglienza e altri Enti sul territorio provinciale e in Commissione Territoriale e altro che si rendesse necessario, su eventuale richiesta della Prefettura;*
- *erogazione pocket money di 2,50€ pro capite pro die, in relazione all'effettiva presenza e previa firma di ricevuta alla consegna.*

Figure 25: Example of services provided by CAS

D Construction of Google Trends index of national identity

Query selection. The first step into constructing my index of national identity consists of choosing a set of words and expressions to use as queries in the Google Trends API. The choice of these words is crucial, because they should be able to capture attachment to the national identity in a sound and convincing way, while simultaneously avoiding issues of cherry-picking. To this end, I refer to Italian Wikipedia. Specifically, I consult the Italian page for "Italian culture", which gives a general overview of what constitutes national culture. The page reports a series of categories: symbols, national holidays and events, famous Italians, sport, fashion, food, history, art and media. I select all relevant terms in each of these categories. A complete list of the words selected is available in Tables 5 and 6 .

Data collection. After having specified the list of queries to use in the Google Trends API, I proceed to the collection of the data. Since my aim is to estimate the impact of a municipality level treatment, I need to collect municipality level information. The Google Trends API is not set up for this, as the most granular level of collection provided is the region. I therefore manually modify the API to achieve the collection of municipal level data. This implies, though, that the index is normalized at the regional level, i.e. that the reference group for each town is made of other towns within the same region. Therefore, in order to get information on all available Italian municipalities, I need to run 20 researches for every pair word-year, i.e. one search for each region. This will play a role in how I calculate my effect of interest.

Data cleaning. Given the manual modifications I had to implement to collect data at the municipal level, the sample gathered does not cover the universe of Italian towns. In particular, my sample consists of roughly 24,000 observations, i.e. 3000 towns per year for the period 2012-2019. Moreover, even in this limited sample, some towns display missing values, likely because the API was not able to capture the value of the index for them. In these instances, I fill in the missing values for each municipality-year-query observation with the average value of the Google Trends index in the query's category. For example, if the query "tricolore" is missing for the city of Rome in the year 2012, I replace it with the average value of all queries in the "symbols" category for the observation Rome-2012.

Index construction. Once the data is ready and presents no missing values, I can proceed to the construction of the index. I use principal component analysis to summarise the information of the queries, and retain one single component. Since the index for each word was collected year-by-year, I cannot make a comparison of the index across years and regions. Therefore, I run the pca seperately for each year. I then retain the first component and subsequently I apply a classic standardization. The resulting index so that it has mean 0 and standard deviation 1. The index constructed using these steps is the one I then use to perform the analysis presented in section 8.

Validation. The premise for the construction of an index of national identity is the lack of relevant survey data in Italy. This issue is not limited to the absence of data at the municipality level, but it is true even for surveys at a higher level of geographic granularity, e.g. surveys at regional level. The only example of survey data

that addresses national identity is the European Value survey, where respondents were asked whether they feel proud of their nationality. Respondents' answers for the rounds 2008 and 2017 are reported in Figure 17, and sustain the idea that after the refugee crisis Italians were prouder of their nationality. Nonetheless, this data is at the country level, and it cannot therefore be a reliable benchmark to test the validity of the index. Therefore, there is no way for me to compare my index against some known and validated measure of attachment to the national identity. This is the reason why this index is just part on my overall analysis.