Supplementary Appendix for:

"Immigration, Ethnic Diversity and Political Outcomes: Evidence from Denmark"

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A Equivalence of IV-estimators with time-invariant instrument

This section shows that when using a time-invariant instrument the IV estimator obtained from a usual first-difference specification is equivalent to the IV estimator from the "long difference" specification used in the paper.

Mirroring the discussion in the main text, consider the following regression equation, where we have data on N different municipalities (index i) across T different elections (index t):

$$y_{it} = \beta x_{it} + \kappa + \mu_i + \alpha\, t + \eta_i\, t + \nu_{it} \tag{1}$$

As in the main text we let Δ denote the long difference operator, that is $\Delta x_i = x_{iT} - x_{i1}$. We can then consider the long differenced version of the equation:

$$\Delta y_i = \alpha + \beta \Delta x_i + \psi_i \tag{2}$$

To simplify notation, we have here defined a composite error term $\psi_i \equiv \eta_i + \Delta\nu_i$.

Next we also introduce D as the usual first difference operator, that is $Dx_{it} = x_{it} - x_{it-1}$. We can then write the first differenced version of the equation:

$$Dy_{it} = \alpha + \beta Dx_{it} + \phi_{it} \tag{3}$$

Again, we have here defined a composite error term $\phi_{it} \equiv \eta_i + D\nu_{it}$.

We will now consider instrumental variable estimation of both the "long difference" specification, (2), and the usual first difference specification, (3). Mirroring again the empirical

analysis in the paper, we will consider IV estimation using a time-invariant instrument variable z_i to instrument for Δx_i and Dx_{it} respectively. We will show that the two estimators obtained for the parameter β are identical.

If we let $\bar{x}$ denote the mean across the first differenced sample so that $\bar{x} = \frac{1}{N}\sum_{i=1}^{N} x_i$, the IV estimator in the long-differenced equation is:

$$\hat{\beta}_{IV,\Delta} = \frac{\sum_i (z_i - \bar{z})\left(\Delta y_i - \bar{\Delta y}\right)}{\sum_i (z_i - \bar{z})\left(\Delta x_i - \bar{\Delta x}\right)} \tag{4}$$

Similarly if we let $\tilde{x}$ denote the mean across the first-differenced sample so that $\tilde{x} = \frac{1}{N(T-1)}\sum_{i=1}^{N}\sum_{t=2}^{T} x_{it}$, the IV estimator in the first-differenced equation is:

$$\hat{\beta}_{IV,D} = \frac{\sum_{i=1}^{N}\sum_{t=2}^{T} (z_i - \tilde{z})\left(Dy_{it} - \tilde{Dy}\right)}{\sum_{i=1}^{N}\sum_{t=2}^{T} (z_i - \bar{z})\left(Dx_{it} - \tilde{Dx}\right)} \tag{5}$$

Since the instrument does not vary with time, we can rewrite this as follows:

$$\begin{aligned}\hat{\beta}_{IV,D} &= \frac{\sum_{i=1}^{N} (z_i - \tilde{z})\sum_{t=2}^{T}\left(Dy_{it} - \tilde{Dy}\right)}{\sum_{i=1}^{N} (z_i - \bar{z})\sum_{t=2}^{T}\left(Dx_{it} - \tilde{Dx}\right)} \\ &= \frac{\sum_{i=1}^{N} (z_i - \tilde{z})\left(\sum_{t=2}^{T} Dy_{it} - \sum_{t=2}^{T}\tilde{Dy}\right)}{\sum_{i=1}^{N} (z_i - \bar{z})\left(\sum_{t=2}^{T} Dx_{it} - \sum_{t=2}^{T}\tilde{Dx}\right)}\end{aligned} \tag{6}$$

Now we note the following:

$$\sum_{t=2}^{T} Dx_{it} = \sum_{t=2}^{T}(x_{it} - x_{it-1}) = x_{iT} - x_{i1} = \Delta x_i \tag{7}$$

and

$$\sum_{t=2}^{T}\tilde{Dx} = (T-1)\cdot\tilde{Dx} = \frac{1}{N}\sum_{i=1}^{N}\sum_{t=2}^{T} Dx_{it} = \frac{1}{N}\sum_{i=1}^{N}\Delta x_i = \bar{\Delta x_i} \tag{8}$$

Similar calculations show that $\sum_{t=2}^{T} Dy_{it} = \Delta y_i$ and $\sum_{t=2}^{T}\tilde{Dy} = \bar{\Delta y_i}$. If we plug these into (6) we see that $\hat{\beta}_{IV,\Delta} = \hat{\beta}_{IV,D}$. When using a time-invariant instrument, the first difference and long difference IV-estimators are thus numerically equivalent.

B First stage and reduced form regressions for main IV results

This section presents the full set of first stage regressions for the main IV results as well as regressions regarding the reduced form relationship between election outcomes and the instrument, share of highrises in 1970. The section also presentes results regarding the correlation between the instrument and other municipality characteristics.

Table B.1 presents the full set of first stages by regressing the change in the percentage non-Danish 1981-2001 on the share of highrises in 1970. The columns of the table correspond to each of the specifications presented in the main text. As the table shows, municipalities with a one percentage point higher share of highrises are estimated to experience between a 0.03 and 0.07 percentage point increase in the share non-Danish depending on the specifications. All these estimated effects are highly significant and the usual F-statistic measure of instrument strength is above the rule-of-thumb cut-off of 10 in all the specifications.

Next, Table B.2 presents the reduced form relationship between nationalist and left-wing voting and the instrument, share of highrises in 1970. Panel A of the table reports the estimated effect of the 1970 highrise on seat shares won in municipal elections, while Panel B reports the estimated effect on vote shares in national elections. Within each panel, the two rows presents the estimated effect of the 1970 highrise share on the two different political groups, while columns correspond to different specifications as in the main text. Looking across Panel A, a one percentage point higher highrise share in 1970 leads to between 0.14 and 0.23 percentage points fewer left-wing seats and between 0.07 and 0.10 percentage point more nationalist seats depending on the specifications. Looking across Panel B, results show that a one percentage point higher highrise share in 1970 leads to between 0.12 and 0.18 percentage points fewer left-wing votes and between 0.03 and 0.07 percentage points more nationalist votes.

For completeness, Table B.3 finally reports on the correlation between the instrument and the various employed controls by considering regressions that have the 1970 highrise share as the outcome variable.

Table B.1: First stages for main IV results; Effect of 1970 housing stock on changes in ethnic diversity

	Dependent var.: Change in % non-Danish OLS estimates Time period: 1981-2001						
VARIABLES:	(1)	(2)	(3)	(4)	(5)	(6)	(7)
Share highrises in 1970 (%)	0.068***	0.045***	0.034***	0.048***	0.031***	0.050***	0.029***
	(0.008)	(0.011)	(0.010)	(0.010)	(0.009)	(0.007)	(0.009)
Initial mean income		-0.023*			-0.065***		-0.089***
		(0.012)			(0.013)		(0.016)
Initial % secon. sect. empl.		-0.048			-0.084**		-0.051
		(0.046)			(0.034)		(0.032)
Initial % tert. sect. empl.		0.011			-0.042		-0.010
		(0.045)			(0.031)		(0.030)
Initial gini-coefficient		-0.199***			-0.092**		0.097*
		(0.055)			(0.040)		(0.052)
Initial unemp. rate		0.199**			0.054		-0.027
		(0.090)			(0.043)		(0.081)
Initial total population			0.005		0.004		-0.000
			(0.004)		(0.004)		(0.003)
Initial population density			1.160*		0.963**		0.924***
			(0.621)		(0.456)		(0.355)
Initial % non-Danish			0.710***		0.697***		0.564***
			(0.137)		(0.097)		(0.092)
Initial % aged 0-30 years			0.124***		0.185***		0.200***
			(0.043)		(0.040)		(0.038)
Left-wing mayor in 1970				0.385	0.015		-0.140
				(0.386)	(0.240)		(0.224)
Right-wing mayor in 1970				-0.217	-0.052		-0.044
				(0.211)	(0.153)		(0.151)
Change in mean income						-0.042*	-0.076***
						(0.024)	(0.025)
Change in unemp. rate						-0.044	0.002
						(0.054)	(0.069)
Change in the % not in workf.						0.353***	0.163***
						(0.085)	(0.057)
Change in Gini coefficient						0.051	0.131**
						(0.057)	(0.063)
Change in % aged 0-16						-0.370***	-0.161**
						(0.138)	(0.078)
Change in % aged 65+						-0.327***	-0.140**
						(0.118)	(0.066)
Observations	273	273	273	273	273	273	273
County Fixed Effects	No	Yes	Yes	Yes	Yes	Yes	Yes
First Stage F-stat	157.81	37.85	22.54	46.93	16.48	71.49	15.91

The table reports OLS estimates of the effect of the share of highrises in 1970 on changes in the percentage of non-Danish between the 1981 and 2001 municipal elections, corresponding to the first stage of the papers IV results. Each observation corresponds to a municipality. Besides county fixed effects, the potential controls used are the initial level of mean income, share of total employment in the secondary sector (manufacturing and construction), share of total employment in the tertiary sector (retail and services), the Gini-coefficient, the unemployment rate, total population, population density, share of population aged less than 30 years and percentage non-Danish, as well indicators for having a left-wing or right-wing mayor in 1970, plus the changes in mean income, the unemployment rate, fraction not in the workforce, the Gini-coefficient, share of population between 0 and 16 years old and share of population older than 65 years. The reported F-statistic is the measure of instrument strength proposed by Stock and Yogo (2005). Robust standard errors in parentheses. *** p<0.01, ** p<0.05, * p<0.1.

Table B.2: Reduced form regressions for main IV results; Effect of 1970 housing stock on voting for the nationalist and left-wing group

OLS estimates	Time period: 1981-2001		Regressor of interest: Highrise share in 1970 (%)				
EFFECT ON:	(1)	(2)	(3)	(4)	(5)	(6)	(7)
Panel A: Change in seat shares in municipal elections							
Left wing	-0.184***	-0.226***	-0.210***	-0.123**	-0.142*	-0.211***	-0.148*
	(0.040)	(0.062)	(0.070)	(0.060)	(0.086)	(0.057)	(0.088)
Nationalists	0.096***	0.086***	0.086***	0.071***	0.092***	0.067***	0.081**
	(0.016)	(0.025)	(0.025)	(0.021)	(0.031)	(0.019)	(0.032)
Panel B: Change in vote shares in national elections							
Left wing	-0.180***	-0.148***	-0.180***	-0.114***	-0.120***	-0.166***	-0.118***
	(0.013)	(0.018)	(0.019)	(0.015)	(0.021)	(0.012)	(0.019)
Nationalists	0.067***	0.054***	0.072***	0.029***	0.043***	0.057***	0.046***
	(0.013)	(0.011)	(0.014)	(0.010)	(0.013)	(0.009)	(0.012)
Observations	273	273	273	273	273	273	273
CONTROLS:							
County Fixed Effects	No	Yes	Yes	Yes	Yes	Yes	Yes
Initial Economic Character.	No	Yes	No	No	Yes	No	Yes
Initial Demographic Character.	No	No	Yes	No	Yes	No	Yes
Mayor's Party in 1970	No	No	No	Yes	Yes	No	Yes
Change in Characteristics	No	No	No	No	No	Yes	Yes

The table reports OLS estimates of the effect of the percentage of highrises in 1970 on either the change in the percentage seats won in municipal elections 1981-2001 (Panel A) or on the percentage of votes received in national elections 1981-2001 (Panel B). Each of the rows in the panels corresponds to the estimated effect on a different political group, while columns correspond to different specifications. Observations correspond to municipalities. The potential controls used are county fixed effects, initial economic characteristics (mean income, share of total employment in the secondary sector (manufacturing and construction), share of total employment in the tertiary sector (retail and services), the Gini-coefficient and the unemployment rate), initial demographic characteristics (total population, population density, share of population aged less than 30 years and percentage non-Danish), indicators for whether the mayor in 1970 was from the left-wing or right-wing group and changes in various characteristics over the period (mean income, the unemployment rate, fraction not in the workforce, the Gini-coefficient, share of population between 0 and 16 years old and share of population older than 65 years). Robust standard errors in parentheses. *** p<0.01, ** p<0.05, * p<0.1

Table B.3: Correlates of the 1970 highrise share

	Dependent var.: Share highrises in 1970 OLS estimates Time period: 1981-2001					
VARIABLES:	(1)	(2)	(3)	(4)	(5)	(6)
Initial mean income	-0.524***			-0.091		-0.171
	(0.128)			(0.122)		(0.152)
Initial % secon. sect. empl.	3.233***			1.676***		1.654***
	(0.447)			(0.316)		(0.346)
Initial % tert. sect. empl.	3.574***			1.831***		1.863***
	(0.419)			(0.322)		(0.351)
Initial gini-coefficient	0.688			0.072		0.247
	(0.425)			(0.367)		(0.478)
Initial unemp. rate	0.299			0.069		-0.218
	(0.687)			(0.473)		(0.762)
Initial total population		0.357***		0.246***		0.230***
		(0.089)		(0.067)		(0.069)
Initial population density		14.290***		9.445***		7.326**
		(3.705)		(3.084)		(3.098)
Share non-Danish (%)		2.415**		1.049		0.770
		(0.941)		(0.906)		(0.902)
Initial % aged 0-30 years		-0.716***		-0.710***		-0.400
		(0.216)		(0.268)		(0.283)
Left-wing mayor in 1970			22.182***	8.655***		8.603***
			(3.032)	(2.349)		(2.343)
Right-wing mayor in 1970			3.541*	1.052		1.736
			(1.803)	(1.376)		(1.366)
Change in mean income					-1.345***	-0.496**
					(0.268)	(0.215)
Change in unemp. rate					-0.770	-0.275
					(0.587)	(0.598)
Change in the % not in workf.					0.179	-0.598
					(0.650)	(0.500)
Change in Gini coefficient					0.078	0.291
					(0.634)	(0.593)
Change in % aged 0-16					4.292***	2.116***
					(0.930)	(0.632)
Change in % aged 65+					0.406	1.092***
					(0.834)	(0.417)
Observations	273	273	273	273	273	273
County Fixed Effects	Yes	Yes	Yes	Yes	Yes	Yes

The table reports OLS estimates regressing the share of highrises in 1970 on the various control variables used in the main analysis. Each observation corresponds to a municipality. Besides county fixed effects, the included variables are the initial level of mean income, share of total employment in the secondary sector (manufacturing and construction), share of total employment in the tertiary sector (retail and services), the Gini-coefficient, the unemployment rate, total population, population density, share of population aged less than 30 years and percentage non-Danish, as well indicators for having a left-wing or right-wing mayor in 1970, plus the changes in mean income, the unemployment rate, fraction not in the workforce, the Gini-coefficient, share of population between 0 and 16 years old and share of population older than 65 years. Robust standard errors in parentheses. *** p<0.01, ** p<0.05, * p<0.1.

C Results for other parties

The results presented in the main text show that increasing ethnic diversity leads to decreased electoral success of left-wing parties and increased success for nationalists. Looking at the magnitude of the estimated effects, however, the negative effect of ethnic diversity on the left-wing seat and vote shares is generally estimated to be larger than the positive effect for the anti-immigrant nationalists. This suggests that other parties are also benefitting from the loss of seats/votes experienced by left-wing parties in response to increasing ethnic diversity. In this section, I therefore analyze the effects of ethnic diversity on voting for other parties.

Besides the left-wing group and the nationalists examined in the main text, I split remaining parties and candidates into three other political groups : 1) A *non-nationalist right-wing group*, which includes all parties that were part of a right-wing coalition governments over the period 1981-2001 but *not* part of a left-wing coalition governmen. 2) A *centrist* group consisting of the most centrist parties from the national political stage, which either were not part of any governments over the sample period or were part of both a left and a right-wing government. 3) A residually defined *"other" group* consisting of independent candidates as well as local party lists from municipal elections. Panel A of Table C.4 presents IV estimates of the effect of ethnic diversity on seat shares won in municipal elections for these three political groups, while Panel B of the Table presents IV estimates of the effect of ethnic diversity on votes shares received in national elections. Within each panel, each of the three rows of the tables correspond to the estimated effect on a different political group, while columns correspond to the different sets of control variables used in the main text.

Looking first at Panel A, the estimates for municipal elections are fairly noisy and imprecise but do suggest a positive effect of ethnic diversity for local party lists and independents: the estimated effect for the "other" group is large and positive in all specifications and significantly different from zero in six of the seven specifications. There is also some indications of a negative effect for the non-nationalist right, with all estimates being negative and sizeable but only significant at the 10 % level in one specification.

The estimates regarding national elections in Panel B paint a somewhat clearer picture. All specifications shows a sizeable and significantly positive effect for the non-nationalist right-wing group and a positive effect for the centrist group which is significant in five of the seven specifications. Estimates for the "other" group are very small throughout reflecting the unimportance

of independent candidates in national elections.[1]

Besides the anti-immigrant nationalists, the parties that benefit from increases in local ethnic diversity thus seem to be the non-nationalist right-wing and centrist parties in national elections, and the local parties in municipal elections where there is also some indications of a negative effect for the non-nationalist right.

[1]The maximum vote share received by the "other" group in any municipality is less 0.5 % in both the 1981 and 2001 national elections.

Table C.4: Effect of ethnic diversity on voting for remaining parties, IV

IV estimates Time period: 1981-2001 Instrument: Highrise share in 1970

EFFECT ON:	(1)	(2)	(3)	(4)	(5)	(6)	(7)
Panel A: Effect on the change in seat shares in municipal elections							
Non-nationalist right	-0.736	-0.809	-2.731	-1.630	-4.717*	-0.807	-4.114
	(0.604)	(1.398)	(1.891)	(1.170)	(2.568)	(1.045)	(2.777)
Centrists	0.184	0.242	0.025	0.367	0.184	0.214	-0.051
	(0.248)	(0.498)	(0.691)	(0.439)	(1.025)	(0.359)	(1.014)
Other	1.849**	3.673**	6.303**	2.345	6.174*	3.488***	6.536*
	(0.766)	(1.863)	(2.544)	(1.442)	(3.446)	(1.208)	(3.663)
Panel B: Effect on the change in vote shares in national elections							
Non-nationalist right	0.778***	1.229***	2.356***	0.815**	1.966**	1.160***	2.093**
	(0.195)	(0.458)	(0.888)	(0.370)	(0.849)	(0.281)	(0.855)
Centrists	0.875***	0.844***	0.779**	0.958***	0.529	1.036***	0.398
	(0.161)	(0.259)	(0.363)	(0.245)	(0.439)	(0.193)	(0.416)
Other	-0.001	0.006	0.013	-0.006	0.028*	-0.007	0.022
	(0.005)	(0.008)	(0.011)	(0.006)	(0.016)	(0.006)	(0.016)
Observations	273	273	273	273	273	273	273
First Stage F-stat	157.81	37.85	22.54	46.93	16.48	71.49	15.91
CONTROLS:							
County Fixed Effects	No	Yes	Yes	Yes	Yes	Yes	Yes
Initial Economic Character.	No	Yes	No	No	Yes	No	Yes
Initial Demographic Character.	No	No	Yes	No	Yes	No	Yes
Mayor's Party in 1970	No	No	No	Yes	Yes	No	Yes
Change in Characteristics	No	No	No	No	No	Yes	Yes

The table reports IV estimates of the effect of changes in percentage non-Danish on the either the change in the percentage seats won in municipal elections 1981-2001 (Panel A) or on the percentage of votes received in national elections 1981-2001 (Panel B). Each of the rows in the panels corresponds to the estimated effect on a different political group, while columns correspond to different specifications. The employed instrument is the share of highrises in 1970 and each observation corresponds to a municipality. The potential controls used are county fixed effects, initial economic characteristics (mean income, share of total employment in the secondary sector (manufacturing and construction), share of total employment in the tertiary sector (retail and services), the Gini-coefficient and the unemployment rate), initial demographic characteristics (total population, population density, share of population aged less than 30 years and percentage non-Danish), indicators for whether the mayor in 1970 was from the left-wing or right-wing group and changes in various characteristics over the period (mean income, the unemployment rate, fraction not in the workforce, the Gini-coefficient, share of population between 0 and 16 years old and share of population older than 65 years). The reported F-statistic is the measure of instrument strength proposed by Stock and Yogo (2005). Robust standard errors in parentheses. *** p<0.01, ** p<0.05, * p<0.1

D Estimates using different ethnic diversity measure

This section presents estimates of the effect of ethnic diversity on left-wing and nationalist voting that are based on an alternative measure of ethnic diversity: the fraction of individuals in a municipality whose origin is not Nordic or within the EU15.[2] Table D.5 and D.6 present results for municipal elections, while Table D.7 and D.8 present results for national elections. With the exception of the new measure of ethnic diversity, the specifications and instrument used are identical to what is done in the main text.

Comparing the effect of ethnic diversity in Tables D.5 to D.8 with the effects reported in the main text, results show that using the alternative measure of ethnic diversity makes very little difference for the estimated effects. The only difference is that the alternative measure generally gives estimates that are slightly smaller in magnitude (although not significantly so) but more precisely estimated.

To understand the similarity of the estimates, Table D.9 shows the set of first stages obtained with the alternative ethnic diversity measure when regressing the change in fraction non-Nordic and non-EU15 1981-2001 on the share of highrises in 1970. Comparing this with the set of first stages presented in Table B.1, results show that the share of highrises in 1970 has essentially the same relationship with the two different measures of ethnic diversity. In other words, the share of highrises in 1970 predicts changes in the fraction non-Danish primarily because it predicts changes in the fraction non-Nordic and non-EU15. This result reflects that the institutional constraint underlying the instrumental variable only affects non-EU citizens. This also explains why the estimates are similar across the two different ethnic diversity measures: regardless of the specific ethnic diversity measure employed, the IV estimates pick up the effects more non-Nordic and non-EU15 foreigners moving to a municipality because these are the types of immigrants affected by the instrument.[3]

As for the more precise estimates obtained with the alternative measure, note that the F-statistic measure of instrument strength is markedly larger when the fraction non-Nordic and non-EU15 is used as the measure of ethnic diversity. This increase in instrument strength explains why standard errors are generally smaller in Tables D.5 to D.8 than in the main text.

[2]For people not of Danish origin, the employed data defines a persons origin in terms of their own or their parents citizenship or place-of-birth. The EU15 countries are defined as Austria, Belgium, Denmark, Finland, France, Germany, Greece, Ireland, Italy, Luxembourg, the Netherlands, Portugal, Spain, Sweden and the United Kingdom. The Nordic countries are defined as Denmark, Sweden, Norway, Finland and Iceland.

[3]More formally one can view this as an application of the LATE theorem of Imbens and Angrist (1994).

Table D.5: Results using alternative measure of ethnic diversity; Effect of ethnic diversity on left-wing voting in municipal elections, IV

Dependent var.: Change in the % of *left-wing* seats Time period: 1981-2001 IV estimates: Highrise share in 1970 instrumenting for change in % non-EU15, non-Nordic							
VARIABLES:	(1)	(2)	(3)	(4)	(5)	(6)	(7)
Change in % non-EU15, non-Nordic	-2.316***	-4.421***	-4.297***	-2.123*	-3.395	-3.514***	-3.722
	(0.576)	(1.628)	(1.588)	(1.152)	(2.169)	(1.050)	(2.296)
Initial mean income		-0.114			-0.383**		-0.529*
		(0.119)			(0.175)		(0.276)
Initial % secon. sect. empl.		0.382			0.314		0.307
		(0.415)			(0.349)		(0.410)
Initial % tert. sect. empl.		0.461			0.256		0.239
		(0.454)			(0.370)		(0.433)
Initial gini-coefficient		-0.522			0.223		0.682
		(0.474)			(0.424)		(0.685)
Initial unemp. rate		1.466*			0.818		-0.030
		(0.854)			(0.639)		(1.065)
Initial total population			0.009		0.001		-0.008
			(0.037)		(0.036)		(0.034)
Initial population density			6.474		5.336		5.983*
			(4.656)		(3.788)		(3.609)
Share non-Danish (%)			3.285*		2.596		2.567
			(1.725)		(1.778)		(1.620)
Initial % aged 0-30 years			0.807**		1.125**		1.076*
			(0.319)		(0.454)		(0.572)
Left-wing mayor in 1970				-4.185	-7.296***		-8.322***
				(2.979)	(2.743)		(2.856)
Right-wing mayor in 1970				-0.017	-0.168		-0.272
				(1.693)	(1.772)		(1.765)
Change in mean income						-0.242	-0.473
						(0.218)	(0.326)
Change in unemp. rate						-1.033**	-0.597
						(0.520)	(0.781)
Change in the % not in workf.						1.240*	0.397
						(0.742)	(0.794)
Change in Gini coefficient						-0.614	-0.226
						(0.566)	(0.899)
Change in % aged 0-16						-1.408	-0.659
						(0.941)	(0.880)
Change in % aged 65+						-1.471*	-0.598
						(0.862)	(0.666)
Observations	273	273	273	273	273	273	273
County Fixed Effects	No	Yes	Yes	Yes	Yes	Yes	Yes
First Stage F-stat	216.70	51.37	49.98	71.20	31.84	110.80	31.37

The table reports IV estimates of the effect of changes in percentage non-EU15 and non-Nordic on changes in the percentage of seats won by the left-wing group between the 1981 and 2001 municipal elections. The employed instrument is the share of highrises in 1970 and each observation corresponds to a municipality. Besides county fixed effects, the potential controls used are the initial level of mean income, share of total employment in the secondary sector (manufacturing and construction), share of total employment in the tertiary sector (retail and services), the Gini-coefficient, the unemployment rate, total population, population density, share of population aged less than 30 years and percentage non-Danish, as well indicators for having a left-wing or right-wing mayor in 1970, plus the changes in mean income, the unemployment rate, fraction not in the workforce, the Gini-coefficient, share of population between 0 and 16 years old and share of population older than 65 years. The reported F-statistic is the measure of instrument strength proposed by Stock and Yogo (2005). Robust standard errors in parentheses. *** p<0.01, ** p<0.05, * p<0.1.

Table D.6: Results using alternative measure of ethnic diversity; Effect of ethnic diversity on nationalist voting in municipal elections, IV

Dependent var.: Change in the % of *nationalist* seats Time period: 1981-2001 IV estimates: Highrise share in 1970 instrumenting for change in % non-EU15, non-Nordic							
VARIABLES:	(1)	(2)	(3)	(4)	(5)	(6)	(7)
Change in % non-EU15, non-Nordic	1.207***	1.691***	1.766***	1.226***	2.190***	1.114***	2.023**
	(0.182)	(0.521)	(0.518)	(0.382)	(0.770)	(0.312)	(0.789)
Initial mean income		0.032			0.113*		0.032
		(0.035)			(0.063)		(0.096)
Initial % secon. sect. empl.		-0.330**			-0.278*		-0.291**
		(0.147)			(0.142)		(0.142)
Initial % tert. sect. empl.		-0.279*			-0.214		-0.233
		(0.163)			(0.146)		(0.154)
Initial gini-coefficient		-0.027			-0.090		-0.063
		(0.180)			(0.162)		(0.246)
Initial unemp. rate		-0.232			-0.126		-0.288
		(0.291)			(0.223)		(0.331)
Initial total population			-0.009		-0.010		-0.007
			(0.014)		(0.015)		(0.014)
Initial population density			-2.223*		-2.492*		-2.138*
			(1.182)		(1.395)		(1.299)
Share non-Danish (%)			-0.939*		-1.240*		-1.096*
			(0.554)		(0.660)		(0.591)
Initial % aged 0-30 years			-0.156		-0.306*		-0.324
			(0.105)		(0.178)		(0.213)
Left-wing mayor in 1970				-0.440	0.376		-0.012
				(1.082)	(0.941)		(0.916)
Right-wing mayor in 1970				-0.524	-0.357		-0.372
				(0.799)	(0.795)		(0.780)
Change in mean income						-0.125*	-0.160
						(0.075)	(0.120)
Change in unemp. rate						0.226	-0.089
						(0.179)	(0.290)
Change in the % not in workf.						-0.233	-0.461*
						(0.232)	(0.254)
Change in Gini coefficient						-0.171	-0.157
						(0.191)	(0.283)
Change in % aged 0-16						0.263	0.214
						(0.277)	(0.300)
Change in % aged 65+						0.253	0.379
						(0.281)	(0.293)
Observations	273	273	273	273	273	273	273
County Fixed Effects	No	Yes	Yes	Yes	Yes	Yes	Yes
First Stage F-stat	216.70	51.37	49.98	71.20	31.84	110.80	31.37

The table reports IV estimates of the effect of changes in percentage non-EU15 and non-Nordic on changes in the percentage of seats won by the nationalist group between the 1981 and 2001 municipal elections. The employed instrument is the share of highrises in 1970 and each observation corresponds to a municipality. Besides county fixed effects, the potential controls used are the initial level of mean income, share of total employment in the secondary sector (manufacturing and construction), share of total employment in the tertiary sector (retail and services), the Gini-coefficient, the unemployment rate, total population, population density, share of population aged less than 30 years and percentage non-Danish, as well indicators for having a left-wing or right-wing mayor in 1970, plus the changes in mean income, the unemployment rate, fraction not in the workforce, the Gini-coefficient, share of population between 0 and 16 years old and share of population older than 65 years. The reported F-statistic is the measure of instrument strength proposed by Stock and Yogo (2005). Robust standard errors in parentheses. *** p<0.01, ** p<0.05, * p<0.1.

Table D.7: Results using alternative measure of ethnic diversity; Effect of ethnic diversity on left-wing voting in national elections, IV

Dependent var.: Change in the % of *left-wing* votes Time period: 1981-2001
IV estimates: Highrise share in 1970 instrumenting for change in % non-EU15, non-Nordic

VARIABLES:	(1)	(2)	(3)	(4)	(5)	(6)	(7)
Change in % non-EU15, non-Nordic	-2.262***	-2.890***	-3.683***	-1.963***	-2.868***	-2.757***	-2.958***
	(0.231)	(0.620)	(0.770)	(0.368)	(0.744)	(0.353)	(0.741)
Initial mean income		-0.175***			-0.282***		-0.370***
		(0.046)			(0.063)		(0.102)
Initial % secon. sect. empl.		-0.269*			-0.290**		-0.177
		(0.147)			(0.127)		(0.143)
Initial % tert. sect. empl.		-0.098			-0.178		-0.057
		(0.167)			(0.131)		(0.147)
Initial gini-coefficient		-0.289			-0.091		0.607**
		(0.183)			(0.173)		(0.247)
Initial unemp. rate		0.135			-0.067		-0.562
		(0.353)			(0.181)		(0.378)
Initial total population			0.010		0.003		-0.017*
			(0.018)		(0.012)		(0.010)
Initial population density			4.464*		2.971*		2.882**
			(2.444)		(1.551)		(1.266)
Share non-Danish (%)			2.271**		1.657**		1.342**
			(0.988)		(0.746)		(0.673)
Initial % aged 0-30 years			0.146		0.414**		0.470***
			(0.175)		(0.163)		(0.178)
Left-wing mayor in 1970				-3.052***	-3.375***		-3.599***
				(1.062)	(0.861)		(0.850)
Right-wing mayor in 1970				-1.511**	-0.938		-0.898
				(0.658)	(0.648)		(0.609)
Change in mean income						0.021	-0.251**
						(0.083)	(0.119)
Change in unemp. rate						0.041	-0.301
						(0.213)	(0.301)
Change in the % not in workf.						1.166***	0.554***
						(0.276)	(0.196)
Change in Gini coefficient						0.144	0.698**
						(0.198)	(0.310)
Change in % aged 0-16						-0.777*	-0.608**
						(0.411)	(0.296)
Change in % aged 65+						-1.160***	-0.649***
						(0.380)	(0.231)
Observations	273	273	273	273	273	273	273
County Fixed Effects	No	Yes	Yes	Yes	Yes	Yes	Yes
First Stage F-stat	216.70	51.37	49.98	71.20	31.84	110.80	31.37

The table reports IV estimates of the effect of changes in percentage non-EU15 and non-Nordic on changes in the percentage of votes received by the left-wing group between the 1981 and 2001 national elections. The employed instrument is the share of highrises in 1970 and each observation corresponds to a municipality. Besides county fixed effects, the potential controls used are the initial level of mean income, share of total employment in the secondary sector (manufacturing and construction), share of total employment in the tertiary sector (retail and services), the Gini-coefficient, the unemployment rate, total population, population density, share of population aged less than 30 years and percentage non-Danish, as well indicators for having a left-wing or right-wing mayor in 1970, plus the changes in mean income, the unemployment rate, fraction not in the workforce, the Gini-coefficient, share of population between 0 and 16 years old and share of population older than 65 years. The reported F-statistic is the measure of instrument strength proposed by Stock and Yogo (2005). Robust standard errors in parentheses. *** p<0.01, ** p<0.05, * p<0.1.

Table D.8: Results using alternative measure of ethnic diversity; Effect of ethnic diversity on nationalist voting in national elections, IV

Dependent var.: Change in the % of *nationalist* votes Time period: 1981-2001 IV estimates: Highrise share in 1970 instrumenting for change in % non-EU15, non-Nordic							
VARIABLES:	(1)	(2)	(3)	(4)	(5)	(6)	(7)
Change in % non-EU15, non-Nordic	0.849***	1.062***	1.468***	0.498***	1.016***	0.942***	1.157***
	(0.158)	(0.280)	(0.309)	(0.167)	(0.324)	(0.178)	(0.324)
Initial mean income		0.007			0.065*		0.074*
		(0.022)			(0.034)		(0.041)
Initial % secon. sect. empl.		-0.080			-0.059		-0.068
		(0.075)			(0.065)		(0.063)
Initial % tert. sect. empl.		-0.106			-0.054		-0.094
		(0.080)			(0.068)		(0.064)
Initial gini-coefficient		-0.236***			-0.341***		-0.452***
		(0.078)			(0.090)		(0.129)
Initial unemp. rate		0.128			0.259***		0.604***
		(0.159)			(0.098)		(0.142)
Initial total population			-0.009		-0.006		0.002
			(0.009)		(0.007)		(0.007)
Initial population density			-1.078		-0.716		-0.453
			(0.881)		(0.674)		(0.617)
Share non-Danish (%)			-1.238***		-0.807***		-0.923***
			(0.321)		(0.281)		(0.253)
Initial % aged 0-30 years			-0.069		-0.215**		-0.276***
			(0.060)		(0.088)		(0.079)
Left-wing mayor in 1970				1.774***	1.344***		0.924**
				(0.500)	(0.430)		(0.403)
Right-wing mayor in 1970				0.096	0.050		-0.074
				(0.335)	(0.322)		(0.299)
Change in mean income						-0.041	0.050
						(0.048)	(0.060)
Change in unemp. rate						0.050	0.460***
						(0.098)	(0.128)
Change in the % not in workf.						-0.071	-0.156
						(0.136)	(0.122)
Change in Gini coefficient						-0.038	-0.333**
						(0.097)	(0.141)
Change in % aged 0-16						-0.113	-0.137
						(0.181)	(0.150)
Change in % aged 65+						0.173	0.157
						(0.171)	(0.120)
Observations	273	273	273	273	273	273	273
County Fixed Effects	No	Yes	Yes	Yes	Yes	Yes	Yes
First Stage F-stat	216.70	51.37	49.98	71.20	31.84	110.80	31.37

The table reports IV estimates of the effect of changes in percentage non-EU15 and non-Nordic on changes in the percentage of votes received by the nationalist group between the 1981 and 2001 national elections. The employed instrument is the share of highrises in 1970 and each observation corresponds to a municipality. Besides county fixed effects, the potential controls used are the initial level of mean income, share of total employment in the secondary sector (manufacturing and construction), share of total employment in the tertiary sector (retail and services), the Gini-coefficient, the unemployment rate, total population, population density, share of population aged less than 30 years and percentage non-Danish, as well indicators for having a left-wing or right-wing mayor in 1970, plus the changes in mean income, the unemployment rate, fraction not in the workforce, the Gini-coefficient, share of population between 0 and 16 years old and share of population older than 65 years. The reported F-statistic is the measure of instrument strength proposed by Stock and Yogo (2005). Robust standard errors in parentheses. *** p<0.01, ** p<0.05, * p<0.1.

Table D.9: Results using alternative measure of ethnic diversity; First stage relationship between 1970 housing stock and change in the alternative measure of ethnic diversity

Dependent var.: Change in % non-EU15, non-Nordic OLS estimates Time period: 1981-2001							
VARIABLES:	(1)	(2)	(3)	(4)	(5)	(6)	(7)
Share highrises in 1970 (%)	0.080***	0.051***	0.049***	0.058***	0.042***	0.060***	0.040***
	(0.008)	(0.011)	(0.010)	(0.010)	(0.010)	(0.007)	(0.010)
Initial mean income		-0.015			-0.061***		-0.080***
		(0.012)			(0.014)		(0.016)
Initial % secon. sect. empl.		0.019			-0.014		0.017
		(0.043)			(0.032)		(0.032)
Initial % tert. sect. empl.		0.062			0.014		0.044
		(0.043)			(0.030)		(0.030)
Initial gini-coefficient		-0.190***			-0.074*		0.098*
		(0.056)			(0.040)		(0.057)
Initial unemp. rate		0.216**			0.074*		-0.008
		(0.093)			(0.041)		(0.080)
Initial total population			0.003		0.002		-0.002
			(0.004)		(0.004)		(0.003)
Initial population density			1.080*		0.908*		0.850**
			(0.600)		(0.467)		(0.378)
Share non-Danish (%)			0.656***		0.644***		0.525***
			(0.160)		(0.123)		(0.124)
Initial % aged 0-30 years			0.154***		0.200***		0.216***
			(0.041)		(0.040)		(0.039)
Left-wing mayor in 1970				0.381	-0.115		-0.236
				(0.387)	(0.227)		(0.228)
Right-wing mayor in 1970				-0.131	-0.045		-0.035
				(0.207)	(0.153)		(0.150)
Change in mean income						-0.039	-0.064**
						(0.025)	(0.025)
Change in unemp. rate						-0.098**	-0.015
						(0.049)	(0.067)
Change in the % not in workf.						0.327***	0.168***
						(0.083)	(0.056)
Change in Gini coefficient						0.061	0.133*
						(0.059)	(0.067)
Change in % aged 0-16						-0.376***	-0.149*
						(0.139)	(0.077)
Change in % aged 65+						-0.301**	-0.133*
						(0.117)	(0.069)
Observations	273	273	273	273	273	273	273
County Fixed Effects	No	Yes	Yes	Yes	Yes	Yes	Yes
First Stage F-stat	216.70	51.37	49.98	71.20	31.84	110.80	31.37

The table reports OLS estimates of the effect of the share of highrises in 1970 on changes in the percentage of non-EU15 and non-Nordic between the 1981 and 2001 municipal elections. Each observation corresponds to a municipality. Besides county fixed effects, the potential controls used are the initial level of mean income, share of total employment in the secondary sector (manufacturing and construction), share of total employment in the tertiary sector (retail and services), the Gini-coefficient, the unemployment rate, total population, population density, share of population aged less than 30 years and percentage non-Danish, as well indicators for having a left-wing or right-wing mayor in 1970, plus the changes in mean income, the unemployment rate, fraction not in the workforce, the Gini-coefficient, share of population between 0 and 16 years old and share of population older than 65 years. The reported F-statistic is the measure of instrument strength proposed by Stock and Yogo (2005). Robust standard errors in parentheses. *** p<0.01, ** p<0.05, * p<0.1.

E Results with more flexible functional forms of the controls

The results presented in the main text shows that the main IV estimates of the paper are robust to a wide range of control variables. In all the main specifications considered, however, the control variables simply enter linearly in the regressions, which may fail to adequately address non-linear relationships. In response, this section probes the robustness of the results to allowing for more flexible forms. In particular, this section presents results from regression where squared terms of continuous controls are included.

Tables E.10 to E.13 presents the resulting estimates of how ethnic diversity affects left-wing and nationalist voting in municipal and national elections. Each table corresponds to one of the tables from the main text but differs in that every specification now includes squared terms of all the control variables (the estimated coefficients on the squared terms are omitted for brevity). As the tables show, the inclusion of the squared terms has relatively little impact on point estimates, which are all quite similar to those presented in the main text, although, standard errors and significance levels are affected in a few specifications. The tables also show, however, that the F-statistic measure of instrument strength drops when the many additional terms are added as controls so that the F-statistic falls below the rule-of-thumb of 10 in the two most comprehensive specifications in Columns (5) and (7). This loss of precision and power is not surprising given the large number of additional parameters introduced when squared terms are included.[4] It does, however, complicate the interpretation of the results in Columns (5) and (7), which may now suffer from severe weak instrument bias.

To address the weak instrument issue here, I can, however, utilize the results found in Section D, that because the instrument primarily predicts non-Nordic and non-EU15 immigrants, the first stage for the IV estimates are strengthened if the share of non-Nordic and non-EU15 is used as the measure of ethnic diversity instead of share non-Danish. Tables E.14 to E.17 therefore repeat the IV estimation from Tables E.10 to E.13 but now using this alternative measure of ethnic diversity. As expected, this mitigates the weak instrumental variable concerns as the reported F-statistics are now above 10 in all the specifications. Looking at the estimated effects of ethnic diversity on voting outcomes in these tables, they are again in line with the results presented in the main text. In sum, the estimated effects of ethnic diversity do not appear sensitive to the functional forms of the control variables.

[4] In Column (5), the first and second stage regressions contain 24 coefficients to be estimated along with 14 fixed effects. There is thus less than 8 observations per parameter to be estimated.

Table E.10: Including second order-terms of controls; Effect of ethnic diversity on left-wing voting in municipal elections, IV

Dependent var.: Change in the % of *left-wing* seats Time period: 1981-2001 IV estimates: Highrise share in 1970 instrumenting for change in % non-Danish							
VARIABLES:	(1)	(2)	(3)	(4)	(5)	(6)	(7)
Change in % non-Danish	-2.708***	-5.396***	-4.032	-2.562*	-3.989	-4.449***	-3.457
	(0.696)	(2.086)	(2.691)	(1.440)	(4.840)	(1.315)	(4.434)
Initial mean income		1.384			0.141		0.618
		(1.174)			(1.815)		(1.369)
Initial % secon. sect. empl.		-0.192			-1.150		-0.028
		(1.741)			(1.756)		(1.585)
Initial % tert. sect. empl.		-1.562			2.395		0.714
		(3.534)			(2.945)		(2.815)
Initial gini-coefficient		-8.365			2.300		3.653
		(5.941)			(8.036)		(7.088)
Initial unemp. rate		8.722*			4.243		0.482
		(4.687)			(4.160)		(2.699)
Initial total population			0.008		-0.013		0.027
			(0.135)		(0.161)		(0.152)
Initial population density			9.494		17.975		5.092
			(16.875)		(25.003)		(17.456)
Initial % non-Danish			-2.123		0.377		-0.629
			(2.051)		(2.861)		(2.384)
Initial % aged 0-30 years			-2.710		-4.312		-6.948
			(3.978)		(3.806)		(4.681)
Left-wing mayor in 1970				-4.009	-6.622**		-7.746***
				(3.132)	(3.095)		(2.791)
Right-wing mayor in 1970				-0.296	0.251		0.724
				(1.729)	(1.785)		(1.851)
Change in mean income						-1.168*	-1.161
						(0.625)	(0.801)
Change in unemp. rate						-2.513**	-1.384
						(1.107)	(1.181)
Change in the % not in workf.						1.278	0.000
						(0.807)	(0.895)
Change in Gini coefficient						0.478	0.172
						(1.066)	(1.184)
Change in % aged 0-16						-2.639*	-1.549
						(1.455)	(2.373)
Change in % aged 65+						-2.550***	-1.118
						(0.987)	(1.384)
Observations	273	273	273	273	273	273	273
County Fixed Effects	No	Yes	Yes	Yes	Yes	Yes	Yes
Squared terms of controls	-	Yes	Yes	Yes	Yes	Yes	Yes
First Stage F-stat	157.81	34.17	13.69	46.93	5.34	72.66	6.95

The table reports IV estimates of the effect of changes in percentage non-Danish on changes in the percentage of seats won by the left-wing group between the 1981 and 2001 municipal elections. The employed instrument is the share of highrises in 1970 and each observation corresponds to a municipality. Besides county fixed effects, the potential controls used are the initial level of mean income, share of total employment in the secondary sector (manufacturing and construction), share of total employment in the tertiary sector (retail and services), the Gini-coefficient, the unemployment rate, total population, population density, share of population aged less than 30 years and percentage non-Danish, as well indicators for having a left-wing or right-wing mayor in 1970, plus the changes in mean income, the unemployment rate, fraction not in the workforce, the Gini-coefficient, share of population between 0 and 16 years old and share of population older than 65 years. All columns include squared terms of all the continuous controls. The reported F-statistic is the measure of instrument strength proposed by Stock and Yogo (2005). Robust standard errors in parentheses. *** p<0.01, ** p<0.05, * p<0.1.

Table E.11: Including second order-terms of controls; Effect of ethnic diversity on nationalist voting in municipal elections, IV

Dependent var.: Change in the % of *nationalist* seats Time period: 1981-2001 IV estimates: Highrise share in 1970 instrumenting for change in % non-Danish							
VARIABLES:	(1)	(2)	(3)	(4)	(5)	(6)	(7)
Change in % non-Danish	1.411***	2.128***	3.161***	1.480***	4.960*	1.322***	3.285*
	(0.221)	(0.702)	(1.176)	(0.483)	(2.623)	(0.406)	(1.939)
Initial mean income		-0.035			1.300		0.349
		(0.338)			(0.943)		(0.525)
Initial % secon. sect. empl.		-0.709			0.555		0.642
		(0.642)			(0.871)		(0.769)
Initial % tert. sect. empl.		1.703			-0.167		-0.710
		(1.481)			(1.600)		(1.489)
Initial gini-coefficient		1.792			-5.156		-6.195*
		(2.436)			(5.415)		(3.534)
Initial unemp. rate		-1.895			-2.383		-1.363
		(1.458)			(1.849)		(0.966)
Initial total population			-0.055		-0.097		-0.066
			(0.058)		(0.092)		(0.067)
Initial population density			-14.019**		-23.479*		-13.411*
			(6.434)		(13.708)		(7.490)
Initial % non-Danish			1.666*		0.644		1.510
			(0.881)		(1.520)		(1.029)
Initial % aged 0-30 years			-2.213*		-1.890		-2.436
			(1.184)		(1.553)		(1.602)
Left-wing mayor in 1970				-0.542	-0.436		-0.380
				(1.129)	(1.370)		(1.090)
Right-wing mayor in 1970				-0.363	-0.547		-0.604
				(0.803)	(0.932)		(0.888)
Change in mean income						0.059	0.210
						(0.164)	(0.345)
Change in unemp. rate						0.246	-0.266
						(0.371)	(0.452)
Change in the % not in workf.						-0.288	-0.616**
						(0.241)	(0.310)
Change in Gini coefficient						-0.632**	-0.868*
						(0.310)	(0.494)
Change in % aged 0-16						0.374	0.873
						(0.476)	(0.969)
Change in % aged 65+						0.473	1.040*
						(0.374)	(0.621)
Observations	273	273	273	273	273	273	273
County Fixed Effects	No	Yes	Yes	Yes	Yes	Yes	Yes
Squared terms of controls	-	Yes	Yes	Yes	Yes	Yes	Yes
First Stage F-stat	157.81	34.17	13.69	46.93	5.34	72.66	6.95

The table reports IV estimates of the effect of changes in percentage non-Danish on changes in the percentage of seats won by the nationalist group between the 1981 and 2001 municipal elections. The employed instrument is the share of highrises in 1970 and each observation corresponds to a municipality. Besides county fixed effects, the potential controls used are the initial level of mean income, share of total employment in the secondary sector (manufacturing and construction), share of total employment in the tertiary sector (retail and services), the Gini-coefficient, the unemployment rate, total population, population density, share of population aged less than 30 years and percentage non-Danish, as well indicators for having a left-wing or right-wing mayor in 1970, plus the changes in mean income, the unemployment rate, fraction not in the workforce, the Gini-coefficient, share of population between 0 and 16 years old and share of population older than 65 years. All columns include squared terms of all the continuous controls. The reported F-statistic is the measure of instrument strength proposed by Stock and Yogo (2005). Robust standard errors in parentheses. *** p<0.01, ** p<0.05, * p<0.1.

Table E.12: Including second order-terms of controls; Effect of ethnic diversity on left-wing voting in national elections, IV

Dependent var.: Change in the % of *left-wing* votes Time period: 1981-2001 IV estimates: Highrise share in 1970 instrumenting for change in % non-Danish							
VARIABLES:	(1)	(2)	(3)	(4)	(5)	(6)	(7)
Change in % non-Danish	-2.644***	-3.535***	-3.899***	-2.369***	-4.458*	-3.422***	-4.809**
	(0.315)	(0.866)	(1.409)	(0.526)	(2.276)	(0.478)	(2.122)
Initial mean income		-0.419			-1.577*		-1.273**
		(0.446)			(0.884)		(0.636)
Initial % secon. sect. empl.		-0.245			-0.928		-0.627
		(0.637)			(0.719)		(0.602)
Initial % tert. sect. empl.		-2.452*			-0.544		-0.834
		(1.442)			(1.163)		(1.081)
Initial gini-coefficient		-0.657			7.644		8.154**
		(2.913)			(4.825)		(3.918)
Initial unemp. rate		3.524*			2.196		-0.297
		(2.029)			(1.763)		(1.123)
Initial total population			0.015		0.068		0.064
			(0.069)		(0.079)		(0.072)
Initial population density			9.199		16.752		13.450
			(8.877)		(12.836)		(9.062)
Initial % non-Danish			-1.566		-0.010		-0.751
			(0.953)		(1.184)		(0.936)
Initial % aged 0-30 years			-2.444		-2.825		-3.701**
			(2.396)		(1.768)		(1.676)
Left-wing mayor in 1970				-2.889**	-2.378**		-2.773**
				(1.262)	(1.205)		(1.104)
Right-wing mayor in 1970				-1.769**	-0.573		-0.381
				(0.731)	(0.726)		(0.772)
Change in mean income						-0.363	-0.690*
						(0.275)	(0.367)
Change in unemp. rate						-0.416	-0.820
						(0.510)	(0.519)
Change in the % not in workf.						1.325***	0.603*
						(0.334)	(0.343)
Change in Gini coefficient						0.734*	0.938*
						(0.440)	(0.492)
Change in % aged 0-16						-1.650**	-2.441**
						(0.725)	(1.098)
Change in % aged 65+						-1.647***	-1.574**
						(0.507)	(0.717)
Observations	273	273	273	273	273	273	273
County Fixed Effects	No	Yes	Yes	Yes	Yes	Yes	Yes
Squared terms of controls	-	Yes	Yes	Yes	Yes	Yes	Yes
First Stage F-stat	157.81	34.17	13.69	46.93	5.34	72.66	6.95

The table reports IV estimates of the effect of changes in percentage non-Danish on changes in the percentage of votes received by the left-wing group between the 1981 and 2001 national elections. The employed instrument is the share of highrises in 1970 and each observation corresponds to a municipality. Besides county fixed effects, the potential controls used are the initial level of mean income, share of total employment in the secondary sector (manufacturing and construction), share of total employment in the tertiary sector (retail and services), the Gini-coefficient, the unemployment rate, total population, population density, share of population aged less than 30 years and percentage non-Danish, as well indicators for having a left-wing or right-wing mayor in 1970, plus the changes in mean income, the unemployment rate, fraction not in the workforce, the Gini-coefficient, share of population between 0 and 16 years old and share of population older than 65 years. All columns include squared terms of all the continuous controls. The reported F-statistic is the measure of instrument strength proposed by Stock and Yogo (2005). Robust standard errors in parentheses. *** p<0.01, ** p<0.05, * p<0.1.

Table E.13: Including second order-terms of controls; Effect of ethnic diversity on nationalist voting in national elections, IV

Dependent var.: Change in the % of *nationalist* votes Time period: 1981-2001 IV estimates: Highrise share in 1970 instrumenting for change in % non-Danish							
VARIABLES:	(1)	(2)	(3)	(4)	(5)	(6)	(7)
Change in % non-Danish	0.992***	1.312***	2.250***	0.601***	2.062*	1.171***	2.671**
	(0.189)	(0.377)	(0.763)	(0.207)	(1.056)	(0.217)	(1.126)
Initial mean income		0.141			0.872**		0.826**
		(0.171)			(0.390)		(0.343)
Initial % secon. sect. empl.		-0.296			0.075		0.158
		(0.296)			(0.309)		(0.414)
Initial % tert. sect. empl.		1.195*			0.443		0.356
		(0.659)			(0.539)		(0.678)
Initial gini-coefficient		-0.864			-4.304*		-4.479**
		(1.404)			(2.214)		(2.184)
Initial unemp. rate		-1.036			-0.562		0.383
		(0.819)			(0.754)		(0.560)
Initial total population			-0.035		-0.050		-0.056
			(0.037)		(0.038)		(0.041)
Initial population density			-4.131		-5.795		-6.236
			(4.380)		(5.526)		(4.688)
Initial % non-Danish			-0.674		-0.758		-0.869
			(0.541)		(0.581)		(0.533)
Initial % aged 0-30 years			-0.687		-0.439		0.337
			(0.860)		(0.634)		(0.858)
Left-wing mayor in 1970				1.733***	0.944*		0.668
				(0.519)	(0.513)		(0.581)
Right-wing mayor in 1970				0.161	-0.019		-0.244
				(0.346)	(0.368)		(0.426)
Change in mean income						0.037	0.320
						(0.110)	(0.211)
Change in unemp. rate						0.474**	0.775**
						(0.227)	(0.304)
Change in the % not in workf.						-0.179	-0.293
						(0.143)	(0.203)
Change in Gini coefficient						-0.154	-0.378
						(0.221)	(0.256)
Change in % aged 0-16						0.149	0.876
						(0.298)	(0.579)
Change in % aged 65+						0.509**	0.772**
						(0.225)	(0.388)
Observations	273	273	273	273	273	273	273
County Fixed Effects	No	Yes	Yes	Yes	Yes	Yes	Yes
Squared terms of controls	-	Yes	Yes	Yes	Yes	Yes	Yes
First Stage F-stat	157.81	34.17	13.69	46.93	5.34	72.66	6.95

The table reports IV estimates of the effect of changes in percentage non-Danish on changes in the percentage of votes received by the nationalist group between the 1981 and 2001 national elections. The employed instrument is the share of highrises in 1970 and each observation corresponds to a municipality. Besides county fixed effects, the potential controls used are the initial level of mean income, share of total employment in the secondary sector (manufacturing and construction), share of total employment in the tertiary sector (retail and services), the Gini-coefficient, the unemployment rate, total population, population density, share of population aged less than 30 years and percentage non-Danish, as well indicators for having a left-wing or right-wing mayor in 1970, plus the changes in mean income, the unemployment rate, fraction not in the workforce, the Gini-coefficient, share of population between 0 and 16 years old and share of population older than 65 years. All columns include squared terms of all the continuous controls. The reported F-statistic is the measure of instrument strength proposed by Stock and Yogo (2005). Robust standard errors in parentheses. *** p<0.01, ** p<0.05, * p<0.1.

Table E.14: Including second order-terms of controls; Effect of ethnic diversity on left-wing voting in municipal elections, IV using alternative ethnic diversity measure

Dependent var.: Change in the % of *left-wing* seats Time period: 1981-2001 IV estimates: Highrise share in 1970 instrumenting for change in % non-EU15, non-Nordic							
VARIABLES:	(1)	(2)	(3)	(4)	(5)	(6)	(7)
Change in % non-EU15, non-Nordic	-2.316***	-4.778***	-3.723*	-2.123*	-2.699	-3.699***	-2.626
	(0.576)	(1.759)	(2.177)	(1.152)	(3.295)	(1.059)	(3.419)
Initial mean income		1.197			0.391		0.518
		(1.146)			(1.493)		(1.417)
Initial % secon. sect. empl.		0.860			-0.359		0.836
		(1.858)			(1.852)		(2.097)
Initial % tert. sect. empl.		-1.961			1.759		-0.290
		(3.417)			(2.953)		(3.113)
Initial gini-coefficient		-7.942			0.530		2.342
		(5.515)			(5.951)		(5.928)
Initial unemp. rate		8.485*			3.310		0.760
		(4.391)			(3.107)		(2.694)
Initial total population			-0.038		-0.052		0.011
			(0.118)		(0.122)		(0.130)
Initial population density			8.537		12.497		3.289
			(15.130)		(17.639)		(14.413)
Initial % non-Danish			4.003		1.285		0.492
			(4.387)		(5.016)		(4.539)
Initial % aged 0-30 years			-0.500		-3.085		-5.890
			(3.877)		(3.846)		(4.747)
Left-wing mayor in 1970				-4.185	-6.893**		-7.931***
				(2.979)	(3.068)		(2.800)
Right-wing mayor in 1970				-0.017	0.324		0.697
				(1.693)	(1.771)		(1.860)
Change in mean income						-0.998*	-0.838
						(0.567)	(0.523)
Change in unemp. rate						-2.655**	-1.263
						(1.118)	(1.108)
Change in the % not in workf.						0.953	-0.107
						(0.716)	(0.784)
Change in Gini coefficient						0.444	-0.042
						(1.026)	(1.140)
Change in % aged 0-16						-2.292*	-0.860
						(1.313)	(1.677)
Change in % aged 65+						-2.228**	-0.920
						(0.886)	(1.133)
Observations	273	273	273	273	273	273	273
County Fixed Effects	No	Yes	Yes	Yes	Yes	Yes	Yes
Squared terms of controls	-	Yes	Yes	Yes	Yes	Yes	Yes
First Stage F-stat	216.70	46.50	26.34	71.20	12.34	113.82	12.93

The table reports IV estimates of the effect of changes in percentage non-EU15 and non-Nordic on changes in the percentage of seats won by the left-wing group between the 1981 and 2001 municipal elections. The employed instrument is the share of highrises in 1970 and each observation corresponds to a municipality. Besides county fixed effects, the potential controls used are the initial level of mean income, share of total employment in the secondary sector (manufacturing and construction), share of total employment in the tertiary sector (retail and services), the Gini-coefficient, the unemployment rate, total population, population density, share of population aged less than 30 years and percentage non-Danish, as well indicators for having a left-wing or right-wing mayor in 1970, plus the changes in mean income, the unemployment rate, fraction not in the workforce, the Gini-coefficient, share of population between 0 and 16 years old and share of population older than 65 years. All columns include squared terms of all the continuous controls. The reported F-statistic is the measure of instrument strength proposed by Stock and Yogo (2005). Robust standard errors in parentheses. *** p<0.01, ** p<0.05, * p<0.1.

Table E.15: Including second order-terms of controls; Effect of ethnic diversity on nationalist voting in municipal elections, IV using alternative ethnic diversity measure

Dependent var.: Change in the % of *nationalist* seats Time period: 1981-2001 IV estimates: Highrise share in 1970 instrumenting for change in % non-EU15, non-Nordic							
VARIABLES:	(1)	(2)	(3)	(4)	(5)	(6)	(7)
Change in % non-EU15, non-Nordic	1.207***	1.884***	2.699***	1.226***	3.585**	1.099***	2.603*
	(0.182)	(0.594)	(0.919)	(0.382)	(1.577)	(0.331)	(1.435)
Initial mean income		0.039			1.072		0.456
		(0.314)			(0.684)		(0.545)
Initial % secon. sect. empl.		-1.124			-0.626		-0.196
		(0.690)			(0.752)		(0.893)
Initial % tert. sect. empl.		1.860			1.050		0.341
		(1.442)			(1.456)		(1.548)
Initial gini-coefficient		1.625			-3.190		-4.822
		(2.326)			(3.838)		(3.088)
Initial unemp. rate		-1.801			-1.677		-1.813*
		(1.364)			(1.154)		(0.948)
Initial total population			-0.041		-0.057		-0.059
			(0.048)		(0.058)		(0.053)
Initial population density			-14.327***		-17.876**		-12.483**
			(5.462)		(8.032)		(5.852)
Initial % non-Danish			-0.450		-0.858		0.687
			(1.858)		(2.591)		(1.948)
Initial % aged 0-30 years			-2.932**		-2.832*		-2.913*
			(1.268)		(1.460)		(1.533)
Left-wing mayor in 1970				-0.440	0.003		-0.068
				(1.082)	(1.147)		(1.004)
Right-wing mayor in 1970				-0.524	-0.590		-0.528
				(0.799)	(0.838)		(0.851)
Change in mean income						0.009	-0.049
						(0.150)	(0.201)
Change in unemp. rate						0.288	-0.320
						(0.375)	(0.409)
Change in the % not in workf.						-0.192	-0.531**
						(0.227)	(0.264)
Change in Gini coefficient						-0.622**	-0.705
						(0.302)	(0.448)
Change in % aged 0-16						0.270	0.384
						(0.456)	(0.637)
Change in % aged 65+						0.377	0.887*
						(0.354)	(0.505)
Observations	273	273	273	273	273	273	273
County Fixed Effects	No	Yes	Yes	Yes	Yes	Yes	Yes
Squared terms of controls	-	Yes	Yes	Yes	Yes	Yes	Yes
First Stage F-stat	216.70	46.50	26.34	71.20	12.34	113.82	12.93

The table reports IV estimates of the effect of changes in percentage non-EU15 and non-Nordic on changes in the percentage of seats won by the nationalist group between the 1981 and 2001 municipal elections. The employed instrument is the share of highrises in 1970 and each observation corresponds to a municipality. Besides county fixed effects, the potential controls used are the initial level of mean income, share of total employment in the secondary sector (manufacturing and construction), share of total employment in the tertiary sector (retail and services), the Gini-coefficient, the unemployment rate, total population, population density, share of population aged less than 30 years and percentage non-Danish, as well indicators for having a left-wing or right-wing mayor in 1970, plus the changes in mean income, the unemployment rate, fraction not in the workforce, the Gini-coefficient, share of population between 0 and 16 years old and share of population older than 65 years. All columns include squared terms of all the continuous controls. The reported F-statistic is the measure of instrument strength proposed by Stock and Yogo (2005). Robust standard errors in parentheses. *** p<0.01, ** p<0.05, * p<0.1.

Table E.16: Including second order-terms of controls; Effect of ethnic diversity on left-wing voting in national elections, IV using alternative ethnic diversity measure

Dependent var.: Change in the % of *left-wing* votes Time period: 1981-2001
IV estimates: Highrise share in 1970 instrumenting for change in % non-EU15, non-Nordic

VARIABLES:	(1)	(2)	(3)	(4)	(5)	(6)	(7)
Change in % non-EU15, non-Nordic	-2.262***	-3.130***	-3.598***	-1.963***	-3.442***	-2.845***	-3.932***
	(0.231)	(0.696)	(1.059)	(0.368)	(1.301)	(0.349)	(1.451)
Initial mean income		-0.542			-1.378**		-1.418**
		(0.419)			(0.597)		(0.585)
Initial % secon. sect. empl.		0.444			0.202		0.732
		(0.643)			(0.612)		(0.696)
Initial % tert. sect. empl.		-2.713**			-1.435		-2.155**
		(1.310)			(0.928)		(0.999)
Initial gini-coefficient		-0.380			6.051*		6.530**
		(2.572)			(3.171)		(2.878)
Initial unemp. rate		3.369*			1.384		-0.008
		(1.824)			(0.997)		(0.919)
Initial total population			-0.026		0.015		0.031
			(0.055)		(0.048)		(0.052)
Initial population density			7.548		10.705		9.816
			(6.833)		(7.228)		(6.167)
Initial % non-Danish			4.359*		3.079		2.550
			(2.402)		(2.074)		(2.005)
Initial % aged 0-30 years			-0.626		-1.483		-2.197
			(2.156)		(1.615)		(1.663)
Left-wing mayor in 1970				-3.052***	-2.445***		-2.847***
				(1.062)	(0.927)		(0.895)
Right-wing mayor in 1970				-1.511**	-0.389		-0.310
				(0.658)	(0.608)		(0.667)
Change in mean income						-0.233	-0.287
						(0.229)	(0.209)
Change in unemp. rate						-0.525	-0.733*
						(0.416)	(0.419)
Change in the % not in workf.						1.075***	0.483**
						(0.271)	(0.241)
Change in Gini coefficient						0.708*	0.573
						(0.388)	(0.406)
Change in % aged 0-16						-1.383**	-1.608**
						(0.601)	(0.633)
Change in % aged 65+						-1.400***	-1.329**
						(0.415)	(0.518)
Observations	273	273	273	273	273	273	273
County Fixed Effects	No	Yes	Yes	Yes	Yes	Yes	Yes
Squared terms of controls	-	Yes	Yes	Yes	Yes	Yes	Yes
First Stage F-stat	216.70	46.50	26.34	71.20	12.34	113.82	12.93

The table reports IV estimates of the effect of changes in percentage non-EU15 and non-Nordic on changes in the percentage of votes received by the left-wing group between the 1981 and 2001 national elections. The employed instrument is the share of highrises in 1970 and each observation corresponds to a municipality. Besides county fixed effects, the potential controls used are the initial level of mean income, share of total employment in the secondary sector (manufacturing and construction), share of total employment in the tertiary sector (retail and services), the Gini-coefficient, the unemployment rate, total population, population density, share of population aged less than 30 years and percentage non-Danish, as well indicators for having a left-wing or right-wing mayor in 1970, plus the changes in mean income, the unemployment rate, fraction not in the workforce, the Gini-coefficient, share of population between 0 and 16 years old and share of population older than 65 years. All columns include squared terms of all the continuous controls. The reported F-statistic is the measure of instrument strength proposed by Stock and Yogo (2005). Robust standard errors in parentheses. *** p<0.01, ** p<0.05, * p<0.1.

Table E.17: Including second order-terms of controls; Effect of ethnic diversity on nationalist voting in national elections, IV using alternative ethnic diversity measure

Dependent var.: Change in the % of *nationalist* votes Time period: 1981-2001 IV estimates: Highrise share in 1970 instrumenting for change in % non-EU15, non-Nordic							
VARIABLES:	(1)	(2)	(3)	(4)	(5)	(6)	(7)
Change in % non-EU15, non-Nordic	0.849***	1.161***	1.772***	0.498***	1.475**	0.974***	2.029***
	(0.158)	(0.313)	(0.555)	(0.167)	(0.633)	(0.171)	(0.753)
Initial mean income		0.187			0.758***		0.884***
		(0.161)			(0.282)		(0.319)
Initial % secon. sect. empl.		-0.552*			-0.367		-0.456
		(0.304)			(0.269)		(0.417)
Initial % tert. sect. empl.		1.292**			0.853*		0.964
		(0.635)			(0.490)		(0.605)
Initial gini-coefficient		-0.967			-3.581**		-3.702**
		(1.292)			(1.549)		(1.631)
Initial unemp. rate		-0.978			-0.144		0.211
		(0.757)			(0.454)		(0.491)
Initial total population			-0.019		-0.028		-0.039
			(0.030)		(0.025)		(0.030)
Initial population density			-4.050		-3.292		-4.601
			(3.353)		(3.152)		(3.131)
Initial % non-Danish			-2.394*		-1.576		-1.826
			(1.328)		(1.060)		(1.111)
Initial % aged 0-30 years			-0.847		-0.826		-0.359
			(0.876)		(0.666)		(0.813)
Left-wing mayor in 1970				1.774***	0.938*		0.595
				(0.500)	(0.487)		(0.493)
Right-wing mayor in 1970				0.096	-0.098		-0.301
				(0.335)	(0.336)		(0.358)
Change in mean income						-0.008	0.082
						(0.098)	(0.126)
Change in unemp. rate						0.511**	0.644***
						(0.206)	(0.240)
Change in the % not in workf.						-0.094	-0.195
						(0.129)	(0.151)
Change in Gini coefficient						-0.145	-0.199
						(0.209)	(0.216)
Change in % aged 0-16						0.058	0.313
						(0.268)	(0.339)
Change in % aged 65+						0.424**	0.585**
						(0.203)	(0.280)
Observations	273	273	273	273	273	273	273
County Fixed Effects	No	Yes	Yes	Yes	Yes	Yes	Yes
Squared terms of controls	-	Yes	Yes	Yes	Yes	Yes	Yes
First Stage F-stat	216.70	46.50	26.34	71.20	12.34	113.82	12.93

The table reports IV estimates of the effect of changes in percentage non-EU15 and non-Nordic on changes in the percentage of votes received by the nationalist group between the 1981 and 2001 national elections. The employed instrument is the share of highrises in 1970 and each observation corresponds to a municipality. Besides county fixed effects, the potential controls used are the initial level of mean income, share of total employment in the secondary sector (manufacturing and construction), share of total employment in the tertiary sector (retail and services), the Gini-coefficient, the unemployment rate, total population, population density, share of population aged less than 30 years and percentage non-Danish, as well indicators for having a left-wing or right-wing mayor in 1970, plus the changes in mean income, the unemployment rate, fraction not in the workforce, the Gini-coefficient, share of population between 0 and 16 years old and share of population older than 65 years. All columns include squared terms of all the continuous controls. The reported F-statistic is the measure of instrument strength proposed by Stock and Yogo (2005). Robust standard errors in parentheses. *** p<0.01, ** p<0.05, * p<0.1.

F Results using available 1960s data as controls

The regression results presented in the main text show that the paper's IV estimates are robust to controlling for a wide range of 1981 municipality characteristics. This alleviates concerns that the papers' results are driven by a correlation between the 1970 housing stocks and initial municipal characteristics which predict election outcomes from time of the 1981 election and onwards. A somewhat different concern, however, is that a municipality's housing stock in 1970 may be strongly correlated with political or socio-economic events in the 1960s and 1970s that may impact political outcomes with a long enough time lag that they also affect changes in election outcomes between 1981-2001. To deal with issues surrounding the political environment in the municipalities around 1970, the regressions presented in the main text therefore also includes data on the 1970 party identity of the mayor as an additional control. This, however, still leaves potential concerns regarding other socio-economic events.

To deal with these remaining concerns, this section probes the robustness of the paper's main results to the inclusion of additional control variables based on data from the 1960s. As discussed in the main text, however, systematic data on Danish municipalities are very limited for years prior to 1981, in part because the municipal structure was given a fundamental overhaul during the 1970s. For 272 of the 273 municipalities in the sample, however, I was able to hand collect data on the total population in 1965 and 1970 as well as the size of the total housing stocks in 1965 and 1970.[5] From these, I additionally construct measures of the population density in 1965 and the growth in both population and total housing stock 1965-1970. To motivate that control variables based on 1960-1970 data are relevant, Table F.18, regresses the 1970 housing stock instrument on the various variables based on the 1965-1970 population and housing stock data as well as the data on mayors in 1970 discussed in the main text. The first six columns show that the each of the considered variables exhibit a clear correlation with the instrument on their own and several of the variables also show up with large coefficients when all variables are included jointly in the regression along with county fixed effects in Column (7).

Tables F.19 through F.22 examines whether the results in the main text are robust to the additional inclusion of the the 1960-1970 population and housing stock data as controls. Each of the tables reports IV estimates of the effect of ethnic diversity on either left-wing or nationalist electoral success in either municipal or national elections. All specifications mirror those in the

[5] I was unable to find any data on *Aars* municipality.

main text, with the exception of the additional control variables. For brevity, however, I report only coefficients on the 1960s control variables introduced here. Looking at tables F.19 through F.22 and comparing to the tables from the main text, results show that the additional control variables based on 1960-1970 data makes very little difference to the estimated effect of ethnic diversity on election outcomes. The papers results thus do not appear to be driven by events or municipal characteristics in the 1960s which are correlated with the instrument.

Table F.18: Results using 1960s data as controls; Correlates of the 1970 highrise share in historical data

Dependent var.: Share of highrises in 1970 (%) OLS estimates							
VARIABLES:	(1)	(2)	(3)	(4)	(5)	(6)	(7)
Total poulation in 1965	0.540***						-0.209
	(0.124)						(0.420)
Poulation density in 1965		24.892***					9.838**
		(5.115)					(4.767)
Population growth, 1965-1970 (%)			9.813*				-16.450
			(5.555)				(20.815)
Housing stock growth, 1965-1970 (%)				10.286*			21.073
				(5.261)			(21.384)
Housing stock in 1965					1.508***		1.638
					(0.349)		(1.297)
Left-wing mayor in 1970						21.599***	12.337***
						(2.841)	(2.654)
Right-wing mayor in 1970						3.723**	2.476*
						(1.728)	(1.378)
Observations	272	272	272	272	272	272	272
County Fixed Effects	No	No	No	No	No	No	Yes

The table reports OLS estimates regressing the share of highrises in 1970 on either total population in 1965, population density in 1965, the housing stock growth 1965-1970, the housing stock in 1970 and/or indicators for having a left-wing or right-wing mayor in 1970. Each observation corresponds to a municipality. Column (7) includes county fixed effects. Robust standard errors in parentheses. *** p<0.01, ** p<0.05, * p<0.1.

Table F.19: Results using 1960s data as controls; Effect of ethnic diversity on left-wing voting in municipal elections, IV

Dependent var.: Change in the % of *left-wing* seats Time period: 1981-2001 IV estimates: Highrise share in 1970 instrumenting for change in % non-Danish							
VARIABLES:	(1)	(2)	(3)	(4)	(5)	(6)	(7)
Change in % non-Danish	-3.801**	-5.428**	-6.146**	-3.022	-4.072	-4.843**	-4.565
	(1.544)	(2.567)	(2.675)	(1.948)	(2.801)	(1.933)	(2.964)
Total poulation in 1965	-0.179	-0.197	-0.412	-0.215	-0.520	-0.182	-0.307
	(0.534)	(0.532)	(0.642)	(0.463)	(0.521)	(0.497)	(0.534)
Poulation density in 1965	3.481	1.448	-3.908	1.918	2.207	2.652	-1.182
	(2.852)	(4.022)	(14.591)	(3.500)	(9.487)	(3.673)	(9.602)
Population growth, 1965-1970 (%)	-18.630	-15.108	-24.847	-18.892	-11.669	-15.892	-4.918
	(27.658)	(26.573)	(21.123)	(24.357)	(17.367)	(24.946)	(17.256)
Housing stock growth, 1965-1970 (%)	26.283	30.549	20.309	25.846	10.566	23.608	0.930
	(30.798)	(30.336)	(23.546)	(27.457)	(18.087)	(27.585)	(17.876)
Housing stock in 1965	0.543	0.589	-1.900	0.638	-0.971	0.540	-1.318
	(1.505)	(1.497)	(1.809)	(1.303)	(1.487)	(1.390)	(1.566)
OTHER CONTROLS:							
County Fixed Effects	No	Yes	Yes	Yes	Yes	Yes	Yes
Initial Economic Character.	No	Yes	No	No	Yes	No	Yes
Initial Demographic Character.	No	No	Yes	No	Yes	No	Yes
Mayor's Party in 1970	No	No	No	Yes	Yes	No	Yes
Change in Characteristics	No	No	No	No	No	Yes	Yes
Observations	272	272	272	272	272	272	272
First Stage F-stat	42.81	21.93	22.13	25.06	20.64	32.37	19.23

The table reports IV estimates of the effect of changes in percentage non-Danish on changes in the percentage of seats won by the left-wing group between the 1981 and 2001 municipal elections. The employed instrument is the share of highrises in 1970 and each observation corresponds to a municipality. Besides county fixed effects, total population in 1965, population density in 1965, housing stock in 1965 and housing stock growth 1965-1970, the potential controls used are the initial level of mean income, share of total employment in the secondary sector (manufacturing and construction), share of total employment in the tertiary sector (retail and services), the Gini-coefficient, the unemployment rate, total population, population density, share of population aged less than 30 years and percentage non-Danish, as well indicators for having a left-wing or right-wing mayor in 1970, plus the changes in mean income, the unemployment rate, fraction not in the workforce, the Gini-coefficient, share of population between 0 and 16 years old and share of population older than 65 years. The reported F-statistic is the measure of instrument strength proposed by Stock and Yogo (2005). Robust standard errors in parentheses. *** p<0.01, ** p<0.05, * p<0.1.

Table F.20: Results using 1960s data controls; Effect of ethnic diversity on nationalist voting in municipal elections, IV

Dependent var.: Change in the % of *nationalist* seats Time period: 1981-2001 IV estimates: Highrise share in 1970 instrumenting for change in % non-Danish							
VARIABLES:	(1)	(2)	(3)	(4)	(5)	(6)	(7)
Change in % non-Danish	1.492***	2.183***	2.413***	1.761***	2.831***	1.546***	2.735**
	(0.447)	(0.800)	(0.913)	(0.662)	(1.083)	(0.560)	(1.146)
Total poulation in 1965	0.037	0.083	-0.136	0.077	-0.041	0.079	-0.095
	(0.037)	(0.063)	(0.153)	(0.059)	(0.142)	(0.070)	(0.167)
Poulation density in 1965	0.643	0.314	7.960**	0.168	7.621**	0.251	7.038**
	(0.789)	(1.088)	(3.569)	(1.024)	(3.604)	(0.866)	(3.477)
Housing stock growth, 1965-1970 (%)	0.240	-3.265	3.067*	-1.695	1.989	-1.608	1.998
	(1.598)	(2.448)	(1.589)	(2.077)	(1.741)	(1.572)	(1.690)
Housing stock in 1965	-0.153*	-0.279*	0.792	-0.257*	0.730	-0.256	0.799
	(0.080)	(0.149)	(0.571)	(0.137)	(0.493)	(0.185)	(0.551)
OTHER CONTROLS:							
County Fixed Effects	No	Yes	Yes	Yes	Yes	Yes	Yes
Initial Economic Character.	No	Yes	No	No	Yes	No	Yes
Initial Demographic Character.	No	No	Yes	No	Yes	No	Yes
Mayor's Party in 1970	No	No	No	Yes	Yes	No	Yes
Change in Characteristics	No	No	No	No	No	Yes	Yes
Observations	272	272	272	272	272	272	272
First Stage F-stat	42.81	21.93	22.13	25.06	20.64	32.37	19.23

The table reports IV estimates of the effect of changes in percentage non-Danish on changes in the percentage of seats won by the nationalist group between the 1981 and 2001 municipal elections. The employed instrument is the share of highrises in 1970 and each observation corresponds to a municipality. Besides county fixed effects, total population in 1965, population density in 1965, housing stock in 1965 and housing stock growth 1965-1970, the potential controls used are the initial level of mean income, share of total employment in the secondary sector (manufacturing and construction), share of total employment in the tertiary sector (retail and services), the Gini-coefficient, the unemployment rate, total population, population density, share of population aged less than 30 years and percentage non-Danish, as well indicators for having a left-wing or right-wing mayor in 1970, plus the changes in mean income, the unemployment rate, fraction not in the workforce, the Gini-coefficient, share of population between 0 and 16 years old and share of population older than 65 years. The reported F-statistic is the measure of instrument strength proposed by Stock and Yogo (2005). Robust standard errors in parentheses. *** p<0.01, ** p<0.05, * p<0.1.

Table F.21: Results using 1960s data controls; Effect of ethnic diversity on left-wing voting in national elections, IV

Dependent var.: Change in the % of *left-wing* votes Time period: 1981-2001
IV estimates: Highrise share in 1970 instrumenting for change in % non-Danish

VARIABLES:	(1)	(2)	(3)	(4)	(5)	(6)	(7)
Change in % non-Danish	-3.314***	-3.450***	-5.468***	-2.833***	-3.625***	-3.683***	-3.871***
	(0.727)	(1.059)	(1.535)	(0.813)	(1.024)	(0.816)	(1.100)
Total poulation in 1965	-0.085	-0.166	-0.093	-0.193	-0.256	-0.155	-0.090
	(0.296)	(0.247)	(0.402)	(0.251)	(0.216)	(0.260)	(0.206)
Poulation density in 1965	1.823	0.553	-7.090	1.424	-2.371	1.378	-2.990
	(1.166)	(1.650)	(9.835)	(1.537)	(5.030)	(1.631)	(4.796)
Population growth, 1965-1970 (%)	-11.305	-8.372	-17.497	-12.805	-7.297	-14.106	-2.855
	(15.443)	(12.864)	(13.434)	(13.286)	(6.197)	(14.050)	(6.184)
Housing stock growth, 1965-1970 (%)	12.850	16.664	15.607	16.163	7.961	19.033	1.834
	(17.689)	(14.770)	(16.053)	(14.958)	(7.732)	(15.374)	(7.511)
Housing stock in 1965	0.301	0.483	-1.888*	0.581	-0.862	0.459	-1.073*
	(0.843)	(0.707)	(1.095)	(0.717)	(0.560)	(0.735)	(0.585)
OTHER CONTROLS:							
County Fixed Effects	No	Yes	Yes	Yes	Yes	Yes	Yes
Initial Economic Character.	No	Yes	No	No	Yes	No	Yes
Initial Demographic Character.	No	No	Yes	No	Yes	No	Yes
Mayor's Party in 1970	No	No	No	Yes	Yes	No	Yes
Change in Characteristics	No	No	No	No	No	Yes	Yes
Observations	272	272	272	272	272	272	272
First Stage F-stat	42.81	21.93	22.13	25.06	20.64	32.37	19.23

The table reports IV estimates of the effect of changes in percentage non-Danish on changes in the percentage of votes received by the left-wing group between the 1981 and 2001 national elections. The employed instrument is the share of highrises in 1970 and each observation corresponds to a municipality. Besides county fixed effects, total population in 1965, population density in 1965, housing stock in 1965 and housing stock growth 1965-1970, the potential controls used are the initial level of mean income, share of total employment in the secondary sector (manufacturing and construction), share of total employment in the tertiary sector (retail and services), the Gini-coefficient, the unemployment rate, total population, population density, share of population aged less than 30 years and percentage non-Danish, as well indicators for having a left-wing or right-wing mayor in 1970, plus the changes in mean income, the unemployment rate, fraction not in the workforce, the Gini-coefficient, share of population between 0 and 16 years old and share of population older than 65 years. The reported F-statistic is the measure of instrument strength proposed by Stock and Yogo (2005). Robust standard errors in parentheses. *** p<0.01, ** p<0.05, * p<0.1.

Table F.22: Results using 1960s data controls; Effect of ethnic diversity on nationalist voting in national elections, IV

Dependent var.: Change in the % of *nationalist* votes Time period: 1981-2001 IV estimates: Highrise share in 1970 instrumenting for change in % non-Danish							
VARIABLES:	(1)	(2)	(3)	(4)	(5)	(6)	(7)
Change in % non-Danish	1.043***	1.334***	1.978***	0.749**	1.283***	1.271***	1.540***
	(0.370)	(0.457)	(0.558)	(0.301)	(0.448)	(0.348)	(0.481)
Total poulation in 1965	0.016	0.026	0.021	0.074	0.007	0.040	-0.056
	(0.128)	(0.109)	(0.130)	(0.078)	(0.091)	(0.101)	(0.098)
Poulation density in 1965	0.765	0.484	2.542	0.611	1.660	0.883	1.507
	(0.635)	(0.754)	(2.854)	(0.555)	(1.827)	(0.699)	(1.997)
Population growth, 1965-1970 (%)	-1.819	0.526	0.678	0.225	-1.159	1.142	-3.114
	(6.299)	(5.630)	(3.964)	(4.036)	(2.742)	(5.276)	(2.921)
Housing stock growth, 1965-1970 (%)	1.919	-3.113	0.932	0.281	1.823	-3.711	3.564
	(6.957)	(6.391)	(4.670)	(4.467)	(3.139)	(5.469)	(3.326)
Housing stock in 1965	-0.091	-0.103	0.570	-0.238	0.314	-0.148	0.558**
	(0.359)	(0.307)	(0.353)	(0.218)	(0.229)	(0.281)	(0.256)
OTHER CONTROLS:							
County Fixed Effects	No	Yes	Yes	Yes	Yes	Yes	Yes
Initial Economic Character.	No	Yes	No	No	Yes	No	Yes
Initial Demographic Character.	No	No	Yes	No	Yes	No	Yes
Mayor's Party in 1970	No	No	No	Yes	Yes	No	Yes
Change in Characteristics	No	No	No	No	No	Yes	Yes
Observations	272	272	272	272	272	272	272
First Stage F-stat	42.81	21.93	22.13	25.06	20.64	32.37	19.23

The table reports IV estimates of the effect of changes in percentage non-Danish on changes in the percentage of votes received by the nationalist group between the 1981 and 2001 national elections. The employed instrument is the share of highrises in 1970 and each observation corresponds to a municipality. Besides county fixed effects, total population in 1965, population density in 1965, housing stock in 1965 and housing stock growth 1965-1970, the potential controls used are the initial level of mean income, share of total employment in the secondary sector (manufacturing and construction), share of total employment in the tertiary sector (retail and services), the Gini-coefficient, the unemployment rate, total population, population density, share of population aged less than 30 years and percentage non-Danish, as well indicators for having a left-wing or right-wing mayor in 1970, plus the changes in mean income, the unemployment rate, fraction not in the workforce, the Gini-coefficient, share of population between 0 and 16 years old and share of population older than 65 years. The reported F-statistic is the measure of instrument strength proposed by Stock and Yogo (2005). Robust standard errors in parentheses. *** p<0.01, ** p<0.05, * p<0.1.

G Results for shorter time periods using 1980 housing stock as instrument

This section presents IV results regarding the effects of ethnic diversity on election outcome focusing on elections in the period 1989-2001 and using the 1980 share of highrises as the instrument variable opposed to the 1970 share of highrises. There are two motivations for undertaking this robustness check.

The first motivation is to shore up data concerns with the instrumental variable that is based on the 1970 housing stock. As discussed in the main text, when I compute the share of highrises in 1970, data constraints imply that I am only capturing housing from 1970 that is still standing in 1981. Since the characteristics of municipal housing stocks are very persistent over time (within municipalities, the 10-year correlation in the share of highrises is above 0.99) this likely only makes a small difference to the computed highrise share, however, it may still be a cause for concern if the small changes in housing stock characteristics between 1970 and 1981 are strongly systematically related to various political outcomes. Since contemporary housing data is available from the 1980s, repeating the IV estimation for the period 1989-2001 allows me to present results that still use the housing stock a decade prior as the instrument but avoids the data availability issues in the construction of the instrument.

The second motivation has to do with the exact choice of sample period. As discussed in the main text, data availability constrains me to the period 1981-2001 and thus in the main text I focus only on changes in ethnic diversity and election outcomes over the full period so as to maximize the variation in the data. By here redoing the analysis for the shorter, more recent period of 1989-2001, I am able to check whether conclusions in the paper are an artifact of the specific period considered in the main text.

Tables G.23 through G.26 presents IV estimates the effect of ethnic diversity on election outcomes for the left-wing or right-wing group in municipal or national elections. The specifications are identical to the ones considered in the main text, except for the fact that the sample period is now 1989-2001 for municipal elections and 1990-2001 for national elections[6] and the fact that the employed instrument is now the highrise share in 1980. Looking across the tables, most of the estimated effects are quite similar to the ones presented in the main text.

[6]The difference in the sample period is caused by differences in the timing of elections across the municipal and national level.

The only exception is the estimated effects for the nationalists in municipal elections, which are noticeably smaller, especially in specifications with many controls. Due to the loss of variation across the shorter period, however, all estimates are also less precise, leading most confidence intervals for municipal elections to include both zero and large possible effects. On the other hand, the estimated effects for national elections remain significantly most specifications.

For national elections, the shorter sample period also particularly affects the strength of the instrument, however. Looking at the F-statistic measure of instrument strength, it drops below the rule-of-thumb of 10 in two of the specifications when looking at national elections over the period 1990-2001. This raises concerns about weak instrument problems. To address these concerns I (again) exploit the result found in Section D, that because the instrument primarily predicts non-Nordic and non-EU15 immigrants, the first stage for the IV estimates are strengthened if the share of non-Nordic and non-EU15 is used as the measure of ethnic diversity instead of share non-Danish. Tables G.27 and G.28 therefore report IV estimates for national elections 1990-2001 using this alternative measure of ethnic diversity. This mitigates the weak instrumental variable concerns as the reported F-statistics are now above 10 in all the specifications. Looking at the estimated effects of ethnic diversity on voting outcomes in these tables, they are again in line with the results presented in the main text.

To sum up, the results in this section show little indication that the pattern of estimated effects in the main text are driven by the exact choice of sample period or the way the 1970 highrise instrument is created from 1981 housing stock data.

Table G.23: Results using shorter time period and more recent housing stock instrument; Effect of ethnic diversity on left-wing voting in municipal elections 1989-2001, IV

Dependent var.: Change in the % of *left-wing* seats Time period: 1989-2001 IV estimates: Highrise share in 1980 instrumenting for change in % non-Danish							
VARIABLES:	(1)	(2)	(3)	(4)	(5)	(6)	(7)
Change in % non-Danish	-1.289*	-1.587	-5.616	-1.057	-4.192	-0.697	-2.443
	(0.678)	(1.515)	(3.789)	(1.142)	(4.703)	(0.974)	(4.426)
Initial mean income		-0.065			-0.235		-0.250
		(0.111)			(0.271)		(0.303)
Initial % secon. sect. empl.		-0.050			-0.075		0.009
		(0.348)			(0.356)		(0.370)
Initial % tert. sect. empl.		-0.032			-0.036		0.015
		(0.352)			(0.352)		(0.358)
Initial gini-coefficient		-0.426			-0.311		-0.109
		(0.290)			(0.428)		(0.653)
Initial unemp. rate		0.388			0.490		-1.549*
		(0.462)			(0.504)		(0.807)
Initial total population			-0.003		0.000		0.004
			(0.032)		(0.026)		(0.025)
Initial population density			8.178		6.925		6.095
			(5.118)		(4.216)		(4.076)
Initial % non-Danish			3.315		2.230		1.440
			(2.406)		(2.439)		(2.080)
Initial % aged 0-30 years			0.283		0.413		-0.020
			(0.297)		(0.607)		(0.602)
Left-wing mayor in 1970				-1.621	-3.896		-3.963*
				(2.236)	(2.414)		(2.387)
Right-wing mayor in 1970				-0.264	-0.231		-0.185
				(1.783)	(1.869)		(1.770)
Change in mean income						0.155	-0.100
						(0.278)	(0.401)
Change in unemp. rate						-0.918**	-2.284***
						(0.450)	(0.743)
Change in the % not in workf.						-0.051	0.268
						(0.667)	(1.060)
Change in Gini coefficient						0.268	0.158
						(0.527)	(0.817)
Change in % aged 0-16						-0.844	-1.460
						(0.746)	(1.039)
Change in % aged 65+						0.270	0.231
						(0.647)	(0.837)
Observations	273	273	273	273	273	273	273
County Fixed Effects	No	Yes	Yes	Yes	Yes	Yes	Yes
First Stage F-stat	224.89	59.91	14.62	91.81	10.06	150.88	10.59

The table reports IV estimates of the effect of changes in percentage non-Danish on changes in the percentage of seats won by the left-wing group between the 1989 and 2001 municipal elections. The employed instrument is the share of highrises in 1980 and each observation corresponds to a municipality. Besides county fixed effects, the potential controls used are the initial level of mean income, share of total employment in the secondary sector (manufacturing and construction), share of total employment in the tertiary sector (retail and services), the Gini-coefficient, the unemployment rate, total population, population density, share of population aged less than 30 years and percentage non-Danish, as well indicators for having a left-wing or right-wing mayor in 1970, plus the changes in mean income, the unemployment rate, fraction not in the workforce, the Gini-coefficient, share of population between 0 and 16 years old and share of population older than 65 years. The reported F-statistic is the measure of instrument strength proposed by Stock and Yogo (2005). Robust standard errors in parentheses. *** p<0.01, ** p<0.05, * p<0.1.

Table G.24: Results using shorter time period and more recent housing stock instrument; Effect of ethnic diversity on nationalist voting in municipal elections 1989-2001, IV

Dependent var.: Change in the % of *nationalist* seats Time period: 1989-2001 IV estimates: Highrise share in 1980 instrumenting for change in % non-Danish							
VARIABLES:	(1)	(2)	(3)	(4)	(5)	(6)	(7)
Change in % non-Danish	0.836***	0.621	0.664	0.335	0.663	0.398	0.075
	(0.263)	(0.512)	(1.137)	(0.414)	(1.639)	(0.339)	(1.703)
Initial mean income		0.073*			0.070		-0.033
		(0.043)			(0.102)		(0.133)
Initial % secon. sect. empl.		0.112			0.119		-0.013
		(0.158)			(0.159)		(0.162)
Initial % tert. sect. empl.		0.090			0.105		-0.002
		(0.161)			(0.162)		(0.159)
Initial gini-coefficient		-0.104			-0.078		-0.173
		(0.130)			(0.184)		(0.284)
Initial unemp. rate		0.283*			0.262		0.434
		(0.171)			(0.169)		(0.327)
Initial total population			-0.009		-0.007		-0.005
			(0.009)		(0.010)		(0.012)
Initial population density			0.101		0.121		0.478
			(1.813)		(1.986)		(1.926)
Initial % non-Danish			0.005		-0.074		0.084
			(0.765)		(0.886)		(0.854)
Initial % aged 0-30 years			0.110		0.035		0.083
			(0.087)		(0.225)		(0.233)
Left-wing mayor in 1970				0.245	0.075		-0.498
				(1.013)	(1.033)		(1.018)
Right-wing mayor in 1970				-0.404	-0.401		-0.414
				(0.689)	(0.727)		(0.697)
Change in mean income						-0.210*	-0.220
						(0.122)	(0.210)
Change in unemp. rate						-0.031	0.405
						(0.183)	(0.356)
Change in the % not in workf.						-0.217	-0.345
						(0.269)	(0.364)
Change in Gini coefficient						0.039	-0.155
						(0.226)	(0.375)
Change in % aged 0-16						0.133	0.420
						(0.276)	(0.376)
Change in % aged 65+						0.557*	0.618
						(0.328)	(0.408)
Observations	273	273	273	273	273	273	273
County Fixed Effects	No	Yes	Yes	Yes	Yes	Yes	Yes
First Stage F-stat	224.89	59.91	14.62	91.81	10.06	150.88	10.59

The table reports IV estimates of the effect of changes in percentage non-Danish on changes in the percentage of seats won by the nationalist group between the 1989 and 2001 municipal elections. The employed instrument is the share of highrises in 1980 and each observation corresponds to a municipality. Besides county fixed effects, the potential controls used are the initial level of mean income, share of total employment in the secondary sector (manufacturing and construction), share of total employment in the tertiary sector (retail and services), the Gini-coefficient, the unemployment rate, total population, population density, share of population aged less than 30 years and percentage non-Danish, as well indicators for having a left-wing or right-wing mayor in 1970, plus the changes in mean income, the unemployment rate, fraction not in the workforce, the Gini-coefficient, share of population between 0 and 16 years old and share of population older than 65 years. The reported F-statistic is the measure of instrument strength proposed by Stock and Yogo (2005). Robust standard errors in parentheses. *** p<0.01, ** p<0.05, * p<0.1.

Table G.25: Results using shorter time period and more recent housing stock instrument; Effect of ethnic diversity on left-wing voting in national elections 1990-2001, IV

Dependent var.: Change in the % of *left-wing* votes Time period: 1990-2001 IV estimates: Highrise share in 1980 instrumenting for change in % non-Danish							
VARIABLES:	(1)	(2)	(3)	(4)	(5)	(6)	(7)
Change in % non-Danish	-1.152***	-1.884***	-3.860***	-0.530**	-3.157*	-1.360***	-2.902**
	(0.239)	(0.504)	(1.419)	(0.235)	(1.630)	(0.274)	(1.452)
Initial mean income		-0.136***			-0.199**		-0.206**
		(0.038)			(0.089)		(0.098)
Initial % secon. sect. empl.		-0.299***			-0.337***		-0.290***
		(0.091)			(0.111)		(0.108)
Initial % tert. sect. empl.		-0.147			-0.208*		-0.152
		(0.104)			(0.119)		(0.114)
Initial gini-coefficient		0.306***			0.329*		0.458**
		(0.073)			(0.171)		(0.197)
Initial unemp. rate		-0.327**			-0.372**		-0.824***
		(0.147)			(0.176)		(0.265)
Initial total population			0.003		-0.005		-0.013
			(0.015)		(0.010)		(0.009)
Initial population density			2.060		1.546		1.547
			(1.923)		(1.561)		(1.407)
Initial % non-Danish			2.002**		1.516**		1.324**
			(0.805)		(0.665)		(0.550)
Initial % aged 0-30 years			-0.302***		0.023		0.023
			(0.116)		(0.190)		(0.178)
Left-wing mayor in 1970				-2.943***	-2.141***		-2.172***
				(0.669)	(0.734)		(0.662)
Right-wing mayor in 1970				-0.680	-0.572		-0.528
				(0.541)	(0.584)		(0.512)
Change in mean income						0.059	-0.243*
						(0.063)	(0.134)
Change in unemp. rate						0.318**	-0.317
						(0.161)	(0.246)
Change in the % not in workf.						0.538***	0.519**
						(0.192)	(0.256)
Change in Gini coefficient						-0.050	0.517***
						(0.126)	(0.199)
Change in % aged 0-16						-0.508*	-0.494
						(0.261)	(0.307)
Change in % aged 65+						-0.984***	-0.645*
						(0.261)	(0.341)
Observations	273	273	273	273	273	273	273
County Fixed Effects	No	Yes	Yes	Yes	Yes	Yes	Yes
First Stage F-stat	207.75	53.58	13.77	84.15	7.52	140.16	8.33

The table reports IV estimates of the effect of changes in percentage non-Danish on changes in the percentage of votes received by the left-wing group between the 1990 and 2001 national elections. The employed instrument is the share of highrises in 1980 and each observation corresponds to a municipality. Besides county fixed effects, the potential controls used are the initial level of mean income, share of total employment in the secondary sector (manufacturing and construction), share of total employment in the tertiary sector (retail and services), the Gini-coefficient, the unemployment rate, total population, population density, share of population aged less than 30 years and percentage non-Danish, as well indicators for having a left-wing or right-wing mayor in 1970, plus the changes in mean income, the unemployment rate, fraction not in the workforce, the Gini-coefficient, share of population between 0 and 16 years old and share of population older than 65 years. The reported F-statistic is the measure of instrument strength proposed by Stock and Yogo (2005). Robust standard errors in parentheses. *** p<0.01, ** p<0.05, * p<0.1.

Table G.26: Results using shorter time period and more recent housing stock instrument; Effect of ethnic diversity on nationalist voting in national elections 1990-2001, IV

Dependent var.: Change in the % of *nationalist* votes Time period: 1990-2001 IV estimates: Highrise share in 1980 instrumenting for change in % non-Danish							
VARIABLES:	(1)	(2)	(3)	(4)	(5)	(6)	(7)
Change in % non-Danish	1.303***	0.987***	1.725**	0.164	1.965**	0.746***	1.689**
	(0.211)	(0.280)	(0.723)	(0.193)	(0.963)	(0.183)	(0.855)
Initial mean income		0.059***			0.140***		0.107*
		(0.019)			(0.053)		(0.055)
Initial % secon. sect. empl.		0.042			0.072		0.022
		(0.053)			(0.060)		(0.060)
Initial % tert. sect. empl.		-0.011			0.010		-0.043
		(0.057)			(0.064)		(0.061)
Initial gini-coefficient		-0.204***			-0.338***		-0.406***
		(0.052)			(0.112)		(0.116)
Initial unemp. rate		0.409***			0.444***		0.759***
		(0.090)			(0.096)		(0.148)
Initial total population			-0.005		0.001		0.006
			(0.007)		(0.006)		(0.006)
Initial population density			-0.393		-0.491		-0.273
			(0.916)		(0.910)		(0.814)
Initial % non-Danish			-0.784*		-0.865**		-0.803**
			(0.406)		(0.398)		(0.338)
Initial % aged 0-30 years			0.038		-0.200*		-0.142
			(0.050)		(0.116)		(0.105)
Left-wing mayor in 1970				1.797***	1.243***		0.999***
				(0.402)	(0.427)		(0.361)
Right-wing mayor in 1970				0.096	0.304		0.215
				(0.274)	(0.299)		(0.268)
Change in mean income						-0.104*	0.034
						(0.057)	(0.083)
Change in unemp. rate						-0.111	0.495***
						(0.098)	(0.158)
Change in the % not in workf.						0.066	-0.172
						(0.122)	(0.167)
Change in Gini coefficient						0.120	-0.290**
						(0.107)	(0.126)
Change in % aged 0-16						-0.164	0.185
						(0.145)	(0.190)
Change in % aged 65+						0.245*	0.338*
						(0.146)	(0.205)
Observations	273	273	273	273	273	273	273
County Fixed Effects	No	Yes	Yes	Yes	Yes	Yes	Yes
First Stage F-stat	207.75	53.58	13.77	84.15	7.52	140.16	8.33

The table reports IV estimates of the effect of changes in percentage non-Danish on changes in the percentage of votes received by the nationalist group between the 1990 and 2001 national elections. The employed instrument is the share of highrises in 1980 and each observation corresponds to a municipality. Besides county fixed effects, the potential controls used are the initial level of mean income, share of total employment in the secondary sector (manufacturing and construction), share of total employment in the tertiary sector (retail and services), the Gini-coefficient, the unemployment rate, total population, population density, share of population aged less than 30 years and percentage non-Danish, as well indicators for having a left-wing or right-wing mayor in 1970, plus the changes in mean income, the unemployment rate, fraction not in the workforce, the Gini-coefficient, share of population between 0 and 16 years old and share of population older than 65 years. The reported F-statistic is the measure of instrument strength proposed by Stock and Yogo (2005). Robust standard errors in parentheses. *** p<0.01, ** p<0.05, * p<0.1.

Table G.27: Results using shorter time period and more recent housing stock instrument; Effect of ethnic diversity on left-wing voting in national elections 1990-2001, IV using alternative ethnic diversity measure

Dependent var.: Change in the % of *left-wing* votes Time period: 1990-2001 IV estimates: Highrise share in 1980 instrumenting for change in % non-Danish							
VARIABLES:	(1)	(2)	(3)	(4)	(5)	(6)	(7)
Change in % non-EU15, non-Nordic	-1.076***	-2.378***	-3.173***	-0.542**	-2.677**	-1.453***	-2.395**
	(0.231)	(0.702)	(0.991)	(0.267)	(1.283)	(0.286)	(1.180)
Initial mean income		-0.150***			-0.172**		-0.172**
		(0.041)			(0.072)		(0.081)
Initial % secon. sect. empl.		-0.090			-0.153		-0.122
		(0.141)			(0.130)		(0.126)
Initial % tert. sect. empl.		0.044			-0.074		-0.031
		(0.156)			(0.143)		(0.138)
Initial gini-coefficient		0.319***			0.306**		0.449**
		(0.080)			(0.146)		(0.184)
Initial unemp. rate		-0.252			-0.402***		-0.757***
		(0.202)			(0.150)		(0.240)
Initial total population			0.006		-0.001		-0.009
			(0.012)		(0.008)		(0.008)
Initial population density			1.849		1.362		1.277
			(1.525)		(1.382)		(1.240)
Initial % non-Danish			1.461***		1.166**		0.992**
			(0.534)		(0.478)		(0.397)
Initial % aged 0-30 years			-0.232**		0.010		0.004
			(0.101)		(0.173)		(0.169)
Left-wing mayor in 1970				-2.857***	-2.185***		-2.158***
				(0.685)	(0.640)		(0.616)
Right-wing mayor in 1970				-0.640	-0.581		-0.524
				(0.530)	(0.533)		(0.482)
Change in mean income						0.049	-0.169*
						(0.065)	(0.101)
Change in unemp. rate						0.289*	-0.292
						(0.159)	(0.225)
Change in the % not in workf.						0.507***	0.429*
						(0.182)	(0.221)
Change in Gini coefficient						-0.029	0.472***
						(0.123)	(0.182)
Change in % aged 0-16						-0.373	-0.337
						(0.248)	(0.252)
Change in % aged 65+						-0.891***	-0.456*
						(0.246)	(0.262)
Observations	273	273	273	273	273	273	273
County Fixed Effects	No	Yes	Yes	Yes	Yes	Yes	Yes
First Stage F-stat	185.49	32.88	23.01	60.80	10.63	115.13	10.85

The table reports IV estimates of the effect of changes in percentage non-Danish on changes in the percentage of votes received by the left-wing group between the 1990 and 2001 national elections. The employed instrument is the share of highrises in 1980 and each observation corresponds to a municipality. Besides county fixed effects, the potential controls used are the initial level of mean income, share of total employment in the secondary sector (manufacturing and construction), share of total employment in the tertiary sector (retail and services), the Gini-coefficient, the unemployment rate, total population, population density, share of population aged less than 30 years and percentage non-Danish, as well indicators for having a left-wing or right-wing mayor in 1970, plus the changes in mean income, the unemployment rate, fraction not in the workforce, the Gini-coefficient, share of population between 0 and 16 years old and share of population older than 65 years. The reported F-statistic is the measure of instrument strength proposed by Stock and Yogo (2005). Robust standard errors in parentheses. *** p<0.01, ** p<0.05, * p<0.1.

Table G.28: Results using shorter time period and more recent housing stock instrument; Effect of ethnic diversity on left-wing voting in national elections 1990-2001, IV using alternative ethnic diversity measure

Dependent var.: Change in the % of *nationalist* votes Time period: 1990-2001 IV estimates: Highrise share in 1980 instrumenting for change in % non-Danish							
VARIABLES:	(1)	(2)	(3)	(4)	(5)	(6)	(7)
Change in % non-EU15, non-Nordic	1.137***	1.230***	1.279**	0.094	1.379**	0.784***	1.022*
	(0.208)	(0.397)	(0.516)	(0.226)	(0.678)	(0.191)	(0.588)
Initial mean income		0.066***			0.109***		0.065*
		(0.020)			(0.038)		(0.039)
Initial % secon. sect. empl.		-0.064			-0.024		-0.055
		(0.082)			(0.068)		(0.065)
Initial % tert. sect. empl.		-0.108			-0.052		-0.087
		(0.087)			(0.073)		(0.069)
Initial gini-coefficient		-0.211***			-0.302***		-0.370***
		(0.053)			(0.090)		(0.101)
Initial unemp. rate		0.373***			0.482***		0.717***
		(0.118)			(0.080)		(0.124)
Initial total population			-0.006		-0.002		0.003
			(0.007)		(0.005)		(0.005)
Initial population density			-0.160		-0.155		0.189
			(0.811)		(0.731)		(0.608)
Initial % non-Danish			-0.474*		-0.549**		-0.497**
			(0.269)		(0.248)		(0.208)
Initial % aged 0-30 years			0.013		-0.158		-0.083
			(0.050)		(0.097)		(0.087)
Left-wing mayor in 1970				1.850***	1.293***		0.998***
				(0.438)	(0.373)		(0.318)
Right-wing mayor in 1970				0.081	0.296		0.192
				(0.273)	(0.259)		(0.236)
Change in mean income						-0.100*	-0.029
						(0.057)	(0.060)
Change in unemp. rate						-0.098	0.477***
						(0.099)	(0.138)
Change in the % not in workf.						0.085	-0.062
						(0.121)	(0.133)
Change in Gini coefficient						0.110	-0.245**
						(0.104)	(0.114)
Change in % aged 0-16						-0.238*	0.069
						(0.137)	(0.142)
Change in % aged 65+						0.192	0.192
						(0.138)	(0.138)
Observations	273	273	273	273	273	273	273
County Fixed Effects	No	Yes	Yes	Yes	Yes	Yes	Yes
First Stage F-stat	185.49	32.88	23.01	60.80	10.63	115.13	10.85

The table reports IV estimates of the effect of changes in percentage non-Danish on changes in the percentage of votes received by the nationalist group between the 1990 and 2001 national elections. The employed instrument is the share of highrises in 1980 and each observation corresponds to a municipality. Besides county fixed effects, the potential controls used are the initial level of mean income, share of total employment in the secondary sector (manufacturing and construction), share of total employment in the tertiary sector (retail and services), the Gini-coefficient, the unemployment rate, total population, population density, share of population aged less than 30 years and percentage non-Danish, as well indicators for having a left-wing or right-wing mayor in 1970, plus the changes in mean income, the unemployment rate, fraction not in the workforce, the Gini-coefficient, share of population between 0 and 16 years old and share of population older than 65 years. The reported F-statistic is the measure of instrument strength proposed by Stock and Yogo (2005). Robust standard errors in parentheses. *** p<0.01, ** p<0.05, * p<0.1.

H Assessing the exclusion restriction: Counties receiving relatively few immigrants

The exclusion restriction that underlies the paper's identification strategy is that once relevant controls are included, the share of highrises in a municipality in 1970 only affects changes in election outcomes 1981-2001 through its effect on immigrants' location choice over this same period. To provide an assessment of the validity of this assumption, this section reexamines the relationship between highrises and changes in election outcomes separately for municipalities in counties that experienced only small inflows of immigrants over the period. The motivation behind this empirical exercise is that if the exclusion restriction holds, the composition of the municipal housing stock should not predict changes in election outcomes within counties that experience no immigration inflow.

It should be noted that this empirical exercise comes with two clear caveats: First, since it involves conditioning the sample on changes in ethnic diversity at the county level, the exercise requires the nontrivial additional assumption that these changes are exogenous to municipal level election outcomes. Second, since all counties in Denmark do experience marked increases in the number of immigrants between 1981 and 2001[7], the highrise share in 1970 should predict changes in election outcomes to some degree within all the counties. Regardless of these caveats, I can of course still examine if the relationship is noticeably weaker in counties with small immigrant inflows as would be expected if the exclusion restriction holds.

Table H.29 examines the relationship between the highrise share in 1970 and seats won in municipal elections separately for municipalities in counties experiencing only small overall changes in ethnic diversity and municipalities in other counties. To maintain a reasonable number of municipalities in each of the subsamples I focus on the bottom tercile in terms of the county-level change in share non-Danish 1981-2001, which is 3.03 percentage points. 5 of the counties, containing 96 of the total 273 municipalities in the sample experienced an increase in the share of non-Danish of less than 3.03 percentage points. The municipalities in these low-immigration counties are considered in Panel B of the table, while Panel A presents results from the remaining municipalities in the sample. Within each panel, the two row presents the estimated effect of the 1970 highrise share on changes in the seat share 1981-2001 for the two

[7] Viborg county experiences the smallest increase in the share non-Danish at 2.47 percentage points, while the maximum increase is 5.94 in Copenhagen county

political groups. Each column of the table corresponds to a different set of control variables, mirroring those considered in the main text.

Panel A shows that within the counties that experience a sizeable increase in ethnic diversity over the period, there is a strong relationship between the share of highrises in 1970 and changes in election outcomes 1981-2001. A one percentage point increase in the share of highrises in 1970 is associated with between 0.17 and 0.28 percentage points fewer left-wing seats on the municipal board and between 0.06 and 0.11 percentage points more nationalist seats. The estimated effects are also all significant at least at the 10 pct. level. Turning to the counties that experienced only small increases in ethnic diversity in Panel B, however, there is a much weaker relationship between the 1970 highrise share and changes in election outcomes, as estimates change sign depending on the specification and are insignificant in most specifications. Looking at Columns (5) and (7), in particular, where we condition on the full set of initial municipality characteristics, the relationship between highrises and election outcomes has disappeared completely with estimates being insignificant and of opposite sign relative to Panel A. In sum, the results in Table H.29 are supportive of the exclusion restriction underlying the paper's IV strategy. Within counties that experienced a significant inflow of immigrants, the 1970 highrise is strong predictor of changes in municipal election outcomes but within counties that experienced only a small inflow of immigrants, this relationship is much weaker.

Table H.30 repeats the empirical exercise from Table H.29 looking instead at vote shares in national elections. As before, Panel A shows that within counties that experience a sizeable increase in ethnic diversity over the period, there is a strong relationship between the share of highrises in 1970 and changes in election outcomes 1981-2001. Panel B, however, now shows much clearer indications that the relationship is present also among counties that experienced only small increases in ethnic diversity. Most specifications in Panel B thus show a significant relationship between highrises in 1970 and changes in election outcomes. The estimated relationship in Panel B does still appear weaker than in Panel A, however. In most specifications, the magnitude of the estimates in Panel B are smaller than the ones in Panel A. Moreover, when conditioning on the full set of initial municipality characteristics in Columns (5) and (7), the estimates in Panel B become insignificant and very small in magnitude, while they remain sizeable and significant in Panel A. Although the difference between the two subsamples is less stark, the results in Table H.30 thus also suggest that the relationship between election outcomes and 1970 highrises is weaker in counties that experienced only a small inflow of immigrants.

Table H.29: Assesing the exclusion restriction; Effect of 1970 housing stock on municipal elections in counties receiving relatively few immigrants vs. other counties

OLS estimates Time period: 1981-2001 Regressor of interest: Highrise share in 1970 (%)

EFFECT ON:	(1)	(2)	(3)	(4)	(5)	(6)	(7)
Panel A: Municipalities in counties above the bottom terciles of changes in fraction non-Danish							
Left wing	-0.209***	-0.284***	-0.257***	-0.177**	-0.212**	-0.209***	-0.171*
	(0.045)	(0.068)	(0.084)	(0.069)	(0.092)	(0.069)	(0.096)
Nationalists	0.093***	0.094***	0.088***	0.068**	0.112***	0.061***	0.111***
	(0.019)	(0.027)	(0.030)	(0.027)	(0.039)	(0.023)	(0.039)
Observations	177	177	177	177	177	177	177
Panel B: Municipalities in counties below the bottom tercile of changes in fraction non-Danish							
Left wing	-0.085	0.053	-0.091	0.005	0.101	-0.222**	0.042
	(0.091)	(0.145)	(0.146)	(0.118)	(0.187)	(0.106)	(0.220)
Nationalists	0.087***	0.061	0.051	0.069**	-0.002	0.079**	-0.060
	(0.027)	(0.052)	(0.055)	(0.031)	(0.065)	(0.033)	(0.085)
Observations	96	96	96	96	96	96	96
CONTROLS:							
County Fixed Effects	No	Yes	Yes	Yes	Yes	Yes	Yes
Initial Economic Character.	No	Yes	No	No	Yes	No	Yes
Initial Demographic Character.	No	No	Yes	No	Yes	No	Yes
Mayor's Party in 1970	No	No	No	Yes	Yes	No	Yes
Change in Characteristics	No	No	No	No	No	Yes	Yes

The table reports OLS estimates of the effect of the percentage of highrises in 1970 on the changes in the percentage of seats won by the left-wing and nationalist political groups between the 1981 and 2001 municipal elections. Observations correspond to municipalities and Panel A restricts the sample to municipalities in counties above the bottom tercile in terms of increase in the share of non-Danish, while Panel B restricts the sample to counties below the bottom tercile. Each of the rows in the panels corresponds to the estimated effect on a different political group, while columns correspond to different specifications. The potential controls used are county fixed effects, initial economic characteristics (mean income, share of total employment in the secondary sector (manufacturing and construction), share of total employment in the tertiary sector (retail and services), the Gini-coefficient and the unemployment rate), initial demographic characteristics (total population, population density, share of population aged less than 30 years and percentage non-Danish), indicators for whether the mayor in 1970 was from the left-wing or right-wing group and changes in various characteristics over the period (mean income, the unemployment rate, fraction not in the workforce, the Gini-coefficient, share of population between 0 and 16 years old and share of population older than 65 years). Robust standard errors in parentheses. *** p<0.01, ** p<0.05, * p<0.1

Table H.30: Assesing the exclusion restriction; Effect of 1970 housing stock on national elections in counties receiving relatively few immigrants vs. other counties

OLS estimates Time period: 1981-2001 Regressor of interest: Highrise share in 1970 (%)

EFFECT ON:	(1)	(2)	(3)	(4)	(5)	(6)	(7)
Panel A: Municipalities in counties above the bottom terciles of changes in fraction non-Danish							
Left wing	-0.173***	-0.153***	-0.189***	-0.103***	-0.129***	-0.167***	-0.117***
	(0.015)	(0.020)	(0.023)	(0.017)	(0.023)	(0.014)	(0.020)
Nationalists	0.054***	0.049***	0.073***	0.017	0.043***	0.051***	0.050***
	(0.016)	(0.013)	(0.016)	(0.012)	(0.014)	(0.010)	(0.013)
Observations	177	177	177	177	177	177	177
Panel B: Municipalities in counties below the bottom tercile of changes in fraction non-Danish							
Left wing	-0.186***	-0.111***	-0.084**	-0.144***	-0.048	-0.164***	-0.058
	(0.022)	(0.033)	(0.033)	(0.023)	(0.042)	(0.023)	(0.046)
Nationalists	0.079***	0.075***	0.016	0.055***	0.018	0.077***	0.025
	(0.023)	(0.026)	(0.028)	(0.021)	(0.030)	(0.020)	(0.031)
Observations	96	96	96	96	96	96	96
CONTROLS:							
County Fixed Effects	No	Yes	Yes	Yes	Yes	Yes	Yes
Initial Economic Character.	No	Yes	No	No	Yes	No	Yes
Initial Demographic Character.	No	No	Yes	No	Yes	No	Yes
Mayor's Party in 1970	No	No	No	Yes	Yes	No	Yes
Change in Characteristics	No	No	No	No	No	Yes	Yes

The table reports OLS estimates of the effect of the percentage of highrises in 1970 on the changes in the percentage of votes received by the left-wing and nationalist political groups between the 1981 and 2001 national elections. Observations correspond to municipalities and Panel A restricts the sample to municipalities in counties above the bottom tercile in terms of increase in the share of non-Danish, while Panel B restricts the sample to counties below the bottom tercile. Each of the rows in the panels corresponds to the estimated effect on a different political group, while columns correspond to different specifications. The potential controls used are county fixed effects, initial economic characteristics (mean income, share of total employment in the secondary sector (manufacturing and construction), share of total employment in the tertiary sector (retail and services), the Gini-coefficient and the unemployment rate), initial demographic characteristics (total population, population density, share of population aged less than 30 years and percentage non-Danish), indicators for whether the mayor in 1970 was from the left-wing or right-wing group and changes in various characteristics over the period (mean income, the unemployment rate, fraction not in the workforce, the Gini-coefficient, share of population between 0 and 16 years old and share of population older than 65 years). Robust standard errors in parentheses. *** p<0.01, ** p<0.05, * p<0.1

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List of Tables