

CHAPTER 1

Immigration and the Shape of Globalization

MIGRATION WAS ONCE A WAY FOR THE POOR to escape crushing poverty and even an early death. In 1840s and 1850s, more than a million people died in the Great Famine in Ireland, but another million escaped that fate by emigrating to the United States. Thousands more escaped to Great Britain and the British dominions.¹ These migrants also sent money to remaining family members (support known as *remittances*), saving them from starvation as well. Famine struck again in the mid-1980s, this time in Ethiopia and East Africa, killing about a million people. But there were no great waves of Ethiopian immigrants to the United States. Immigration from the whole of Africa to the United States for the entire decade was only about 140,000, or one-tenth what Irish migration had been.² Comparatively, it had a much smaller impact as well: Irish immigration increased US population by about 5 percent whereas African migration increased it by less than one-tenth of 1 percent. Instead of getting a chance to escape famine and poverty, these famine victims got a pop song (“We Are the World”).

The situation for those escaping conflict, persecution, and poverty has only worsened since the 1980s. In the West, countries have made it much more difficult to claim asylum, contributing to three refugee crises in the first half of the 2010s alone: the Central American child refugee crisis in the United States, the Rohingya refugee crisis in Southeast Asia and Australia, and the Syrian refugee crisis in Europe. Instead of providing a safe haven for those fleeing conflict, persecution, and violence, in all three cases, wealthy countries—including the United States, Australia, and the European Union (EU)—have prevented entry to those seeking a better life. They have foisted the problem on developing countries, essentially paying developing countries (through development aid and other benefits) to host migrants and prevent their entry into developed states. These developing states, however, often have worse human rights records and give migrants fewer rights, leading to additional abuse of an already vulnerable population. Yet the West has not always been so ungenerous to those fleeing conflict. In the 1970s, Western countries resettled 2.5 million of the 3 million people fleeing the Viet Cong. The Syrian Civil War, which had produced

¹ Ferenczi and Willcox (1929).

² Office of Immigration Statistics (2006).

almost 5 million refugees by spring 2016, has seen much lower rates of resettlement.³

Immigration policy has become more restrictive not only for those fleeing conflict or natural disasters, but also for those seeking a better life for themselves and their families. Today, few developed states open their borders to immigrants, especially low-skill immigrants. Comprehensive immigration reform has stalled yet again in the US Congress over the issue of whether undocumented immigrants, who are almost always low-skill, should have the right to stay in the United States. Old EU member states like Great Britain and the Netherlands are seeking ways to stop low-skill immigration from the new member states—in the case of Great Britain going so far as to vote to leave the EU (what is known as the *Brexit*)—as well as from outside the EU, while pressuring these same new member states into taking more refugees, so they don't have to. Even states like those in the Persian Gulf or Singapore that had recently been relatively open to immigration are seeking to slow the flow of low-skill immigrants.

It was not always this way. The nineteenth century did not have migration crises like those we have seen in the twentieth and twenty-first centuries—with refugees crowded into camps or migrants desperately running across borders hoping not to be caught—because migrants, regardless of their reasons for migrating, were allowed entry to most countries. Immigration to the New World and within Europe, Africa, and Asia was largely unrestricted. Instead of trying to outdo one another in their anti-immigration stance, statesmen argued that “to govern is to populate”⁴ and invited the world to send them “your tired, your poor, / Your huddled masses yearning to breathe free.”⁵ In fact, King George III's unwillingness to allow immigration into the American colonies was the third complaint listed in the Declaration of Independence, far above taxation without representation. Migrants, especially those from Europe, but also from the Middle East and Asia, could legally move to almost any country they wished as long as they had the money. The demand for immigrant labor was so high that even those without the means to relocate often received subsidies from foreign governments or businesses to help them move. This brings us to the first puzzle that this book seeks to answer: Why is immigration, especially for those with fewer skills (what I term *low-skill immigration*), much more restricted today than it was in the nineteenth century or even, for that matter, in the immediate post-World War II period?

³ Eurostat (2016); UNHCR (2016).

⁴ “Gobernar es poblar.” Attributed to Juan Bautista Alberdi, Argentine political theorist and diplomat. Alberdi (1952).

⁵ Lazarus (1883), lines 10–11.

Restrictions on low-skill immigration are even more puzzling when we compare them to policies governing trade and foreign direct investment. The same wealthy countries that have put immigration restrictions in place have greatly lowered trade barriers, including on low-skill-labor-intensive goods such as clothing, toys, and electronics. They have also tolerated, and at times encouraged, businesses making these goods (what we refer to as *firms*) to move production to countries with cheap, low-skill labor (what I term *firm mobility*). As has been much decried even by pro-free trade politicians, this openness to trade and offshoring production has increased competition with foreign workers and led to the loss of “good middle-class” manufacturing jobs. This brings us to a second puzzle about the shape that globalization has taken: Why are politicians today willing to let their constituents compete with foreign labor overseas but not at home?

LOW-SKILL IMMIGRATION AND THE POLITICAL DILEMMA OF GLOBALIZATION

In this book, I argue that the two questions posed in the previous section are related through a political dilemma: wealthy states, those that are likely to receive low-skill immigrants, can either import the labor they need to produce low-skill-intensive goods or import those goods from countries that have low-skill labor in abundance. Similarly, firms can either bring low-skill labor to their factories or move their factories to countries with low-skill labor. What states cannot do, for political reasons, is open low-skill immigration, trade, and firm mobility simultaneously.

I argue that the political behavior of firms creates the political dilemma. Opposition to immigration is omnipresent, even if it is not always organized; thus open low-skill immigration is always a difficult choice for policymakers, one for which they will need support from a powerful interest group. Although there are other pro-immigration groups—immigrants themselves, humanitarians, and cosmopolitans—firms were once the pro-immigration interest group without equal. Given that firms are powerful forces in both democracies and autocracies, they often got what they wanted: an open low-skill immigration policy. Restrictions on low-skill immigration, I argue, are not the product of declining (relative) power of firms—most political analysts still believe that firms have outsized power in the political system—but are due to changing incentives for firms to push for open low-skill immigration. It is trade and firm mobility, along with technology, that have changed these incentives.

As I show in this book, trade and firm mobility affect the number of firms that use low-skill labor, and thus affect the level of support for low-skill immigration. Trade barriers in wealthy countries allow

low-skill-labor-intensive domestic production to expand by sheltering the goods produced domestically from competition with comparable goods produced overseas; with expanded production comes increased demand by firms for immigrant labor. Because firms are a powerful interest group, low-skill immigration policy opens, all else equal. Trade openness—whether due to policy change or to transportation advances that decrease the costs of trade—leads many low-skill-labor-intensive firms to close, taking their support with them. This allows anti-immigration groups, such as nativist organizations or organized labor, or the anti-immigration mass public to have more of a voice in deciding immigration policy, leading to restrictions. Firm mobility—again, whether it is due to policy changes or to technological advances—has a similar effect: the easier it is for a firm to move its factory to another country, the less likely it is to support open immigration at home. Finally, technological development affects low-skill immigration policy: technology allows firms to do more with less labor, reducing their incentive to lobby for immigration.

These changes in the international economy, which were often the result of exogenous policy choices or technological developments, sapped the support of low-skill-intensive firms for immigration at home. It is not the case that the remaining firms do not want more immigration, only that they are unwilling to pay the political costs to get it. My argument, thus, boils down to the options firms have: if firms have other options—the ability to move overseas, or a new technology that will reduce their need for labor—or simply have closed owing to trade, anti-immigration groups have the loudest voice, leading to greater restrictions on immigration. The difference between earlier eras of immigration and today is that the anti-immigration forces are winning because businesses have left the playing field.

My argument on the cause of this political dilemma helps to answer both questions about immigration and globalization. It helps explain the temporal change in low-skill immigration. In the nineteenth and early twentieth centuries, trade was more costly owing to both technological impediments and, in the last quarter of the nineteenth century and the interwar period, relatively high tariffs. Moving production overseas was all but impossible until the early twentieth century, as firms simply did not have the communications technology or managerial know-how to operate production far from headquarters. Even then, only a handful of the largest firms could operate in other countries. The only choice most firms had was to bring labor to their capital.

After World War II, trade barriers fell and shipping costs dropped dramatically with the rise of container ships, allowing trade to flourish. Growing trade, especially with the developing world, led to the closure of many low-skill-labor-intensive manufacturing firms (what is termed

deindustrialization). For other firms, increased international competition prompted them to increase their use of laborsaving technology or switch product lines to ones that employ less labor. The reduction of capital controls and restrictions on foreign direct investment (FDI) after the end of the Bretton Woods agreement in the early 1970s, along with improvements in communications technology, made offshoring possible. The ability to move overseas gave these firms another option in the face of international competition: if they could not beat the competition, they could join them.

Declining trade barriers and increasing opportunities to offshore production thus explain the over-time variation in low-skill immigration policy: trade forced many firms that produced low-skill-intensive goods in wealthy countries out of business; firm mobility convinced them to join the competition overseas; and technology allowed them to do more with less. Once these firms exited the marketplace, either by closing or by moving overseas, or moved up the value chain, they no longer lobbied for open immigration. Furthermore, when firms closed, moved overseas, or moved up the value chain, they laid off workers, who could now be employed in other industries, especially in the service sector. As these sectors had more native workers, their need for low-skill immigrant labor declined and, with it, their willingness to lobby for low-skill immigration. With less political support for open immigration from firms, policymakers enacted restrictions.

My argument also explains why politicians let their constituents compete with foreign labor overseas but not at home. To some extent policymakers have not really had a choice in the matter; technological developments have, in large part, driven increases in trade and firm mobility. But policymakers have also made decisions not to counteract these technological developments by increasing trade barriers and barriers to moving capital overseas (what are known as *capital controls*). Instead, in the past fifty years, policymakers have decreased both trade barriers and controls on capital. By opening up their economies to foreign goods and by allowing home-country firms to invest in foreign countries, policymakers have shrunk the coalition for open low-skill immigration.

EXISTING ANSWERS TO THE IMMIGRATION PUZZLE

The existing scholarly literature on immigration policy has largely focused on only the first question, trying to explain immigration restrictions. There are three major explanations in the literature, all focused on the opposition to open immigration by either organized interest groups or the mass public. Immigration scholars have focused on anti-immigration groups because

they have assumed that firms' willingness to act on immigration is constant. In contrast, I argue that although firms still want open immigration—firms want any and all policies that will increase their profits—their willingness to fight for immigration has changed.⁶

The first explanation focuses on the role of native labor and labor unions as opposition to immigration. Native labor is thought to dislike low-skill immigration owing to its effects on wages. With increased power due to expansions of the franchise after 1900⁷ and/or increases in the size and power of unions,⁸ labor has increasingly won immigration restrictions. The second major explanation examines the fiscal effects of immigrants and the rise of the welfare state after World War II as the source of restrictions on immigration (what is known as the *fiscal burden argument*).⁹ Low-skill immigrants are hypothesized to use the social welfare state more than natives and thus to place a burden on the state. Wealthy natives have to contribute more taxes to pay for these benefits, and poor natives may see their benefits decline as they have to share resources with immigrants. With the rise of the social welfare system, then, both wealthy and poor natives had reasons to oppose low-skill immigration, leading to the increased restrictions in the post-World War II period.

The final explanation, and the one that often appears in the media, is that restrictions are due to culturally based anti-immigrant sentiment (what is known as *nativism*). Theories on the role of nativism suggest that high levels of immigration in the past led to a backlash and closure, as natives and immigrants increasingly came into conflict with each other over jobs, social welfare benefits, neighborhoods, and culture.¹⁰ Alternatively, proponents of this explanation argue that states have identities that make them more or less receptive to immigrants.¹¹ For nativism to explain restrictions, it must be the case that nativism has increased in the late twentieth and early twenty-first centuries. Yet every era has its own anti-immigration political parties and associations: the 1840s had the Know-Nothing Party in the United States; the mid-1800s had anti-Asian immigration groups in Australia, Canada, New Zealand, and the United States; the 1920s saw the rise of anti-Southern and Eastern European immigration groups throughout the New World; and today we have the Far Right exemplified

⁶ The conventional wisdom is that firms prefer a system of undocumented immigration in which they can easily exploit immigrant workers. As I argue in chapter 2 in greater detail, firms prefer a stable workforce and so prefer legal immigration to illegal immigration.

⁷ For example, see Foreman-Peck (1992) and Hatton and Williamson (2008).

⁸ For example, see Briggs (2001).

⁹ For example, see Hanson, Scheve, and Slaughter (2007), Hatton and Williamson (2005a, b), and Money (1999).

¹⁰ Zolberg (1989).

¹¹ Freeman (1995).

by the National Front in France, the Danish People's Party, the Swiss People's Party, and Donald Trump in the United States. If anything, nativism may have declined some or, at least, it has become socially unacceptable in many circles.¹²

Further, although arguments based on immigration's negative effects on labor market outcomes, the welfare state, and nativism may help explain some of the immigration restrictions, they do not help us solve the other puzzle. As explained by the Stolper-Samuelson theorem, opening trade and allowing capital to move overseas should have had the same negative effect on wages as open immigration, as all expose native workers to competition from labor overseas. Arguments based on the power of labor, then, cannot explain the second puzzle—why states are open to trade and allow firms to move—because they fail to explain why labor has “lost” on trade and firm mobility but has “won” on immigration. The fiscal burden explanation is also incomplete; trade openness and offshoring have led to large-scale layoffs, putting increased pressure on the welfare state. So why do natives worry (or worry more) about immigrants' increased use of the welfare system but not natives? Finally, if nativism is about preserving the national culture, then foreign influences from trade should also be problematic.

DEFINING LOW-SKILL IMMIGRATION

In the study of migration, migrants are often placed into several different categories: low-skill or high-skill migrants; temporary, circular, long-term, or permanent migrants; the legal or undocumented (irregular); and refugees (or forced migrants), family migrants, or economic migrants. The first categorization, low-skill versus high-skill migrants, focuses on the skills that the migrants have in comparison to populations either in their home country or in the receiving country. The second categorization is based on the length of time the migrant plans to spend away from home. The third categorization examines whether the migrant is legally allowed to be in the receiving state. The final categorization focuses on the reasons migrants leave their homes: they are fleeing violence or persecution; they want to reconnect with family overseas; or they want to improve their economic position. Migrants often fit in many of these categories, and the categorizations themselves are fluid—someone with a high level of skills at home may nonetheless end up in a low-skill job in the receiving country;

¹² Freeman (1995). Moreover, Peters and Tahk (2010) find that opposition to immigration in the United States has been relatively stable since 1980, when survey data first began tracking opinions on immigration, ranging between 45 percent and 55 percent; if anything, it has decreased since the early 1990s.

migrants often plan to be away for only a few years but end up staying longer or going back and forth between home and the receiving country; those who enter legally can overstay a visa, and those who enter illegally can gain legal status; those who are persecuted may seek asylum in a country where they can maximize their income; and so on.

The important characteristics for this book are the ones that affect how businesses perceive the usefulness of migrants as workers and the ones that affect whether or not migrants engender anti-immigrant sentiment. In this study, I include all migrants regardless of the duration of their stay in the receiving country. From a business perspective, in most positions, firms would prefer legal, permanent or long-term, potentially circular, migrants over temporary workers, as firms want a stable workforce, so they spend less time and money training new workers. That said, firms would prefer temporary migrants over no migrants, and in many countries temporary migrants become long-term temporary or circular migrants, working for the same employer for years. From the political perspective, temporary migration is usually more politically palatable for some groups, as the migrants can make fewer claims on the state, but often engenders increased hostility from labor organizations, as temporary migrants often are easier to exploit. Thus the length of time migrants are allowed to stay in the country will be part of the political process: business interests will often want permanent or long-term immigration, whereas anti-immigrant groups will fight for shorter stays for migrants.

I also focus less on the motivations for migration—for example, economic migrants vs. refugees—as policy toward noneconomic migrants follows a similar logic. While the politics of noneconomic migration may differ in some respects—countries tend to be more generous to those they label as noneconomic migrants for either humanitarian or geostrategic reasons¹³—overall, the refugee and asylum process follows the same logic as policy toward low-skill economic migrants. Firms, the major actors in this study, are indifferent as to why someone migrated; their concern is only whether or not that person is qualified and willing to take a position, and they are therefore willing to support openness to refugees as a way to get labor. As most noneconomic migrants are low-skill or, at least, tend to be poor, often for the same reasons that made them refugees, they are often lumped in with other low-skill immigrants. Further, those designated as refugees often gain special access to the state and the benefits of membership. Anti-immigrant groups thus try to limit who is designated as a refugee, leading to the discourse about who counts as a “real refugee”

¹³ For example, during the Cold War, the United States allowed in many more refugees from communist countries than from right-wing dictatorships, even if those dictatorships committed more human rights violations. Rosenblum and Salehyan (2004).

and who is a “bogus refugee.” The rules that determine who qualifies for refugee status become part of the political bargain, with firms often lobbying for a more expansive definition, and nativists, labor, and other anti-immigration groups lobbying for a more restrictive one.

The Displaced Persons Act in the United States, signed in 1948, serves as an example of how firms affect the entry of ostensibly noneconomic migrants. In the aftermath of World War II, millions of people were displaced throughout Europe and Asia, causing a humanitarian and political crisis. President Truman sought to resettle many of them in the United States but faced great opposition as members of Congress and their constituents feared the effects of millions of destitute, generally low-skill migrants entering the country. Accordingly, Truman and his allies sought the support of the business community to pass the Displaced Persons Act. By prioritizing the resettlement of those with experience in agriculture and planning to work in agriculture (Section 6(a)) and “persons who are household, construction, clothing, and garment workers, and other workers” (Section 6(b)), the bill garnered support from the American Farm Bureau, according to archival Senate lobbying records, and likely from other business groups as well. In line with the argument of this book, three of the five industries mentioned were nonmobile at the time, and the other two had low productivity. Geostrategic concerns also played a role—the act included those fleeing the communist takeover of Czechoslovakia—as did humanitarian concerns. Yet the fingerprints of anti-immigration sentiment that had militated for restrictions on economic immigration prior to the war can be seen on this legislation as well: the act did not pertain to people displaced by the conflict in Asia nor to those fleeing the communist takeover of China or, later, Korea.

While policies on refugees and asylum seekers have become more humanitarian since the 1940s and 1950s, with less weight placed on the skills refugees possess, they have become more restrictive in most countries over time, especially since the end of the Cold War. Both the more humanitarian nature and the greater restrictions on refugees and asylum seekers may be due to decreased business interest in immigration in general—most refugee and asylum policies were crafted in the 1970s and 1980s, when business interest in low-skill immigration had already greatly decreased. Business thus has less incentive to get involved in refugee and asylum policy, which gave anti-immigrant forces more weight. Without the strong backing of either strategic interests or business groups, refugee and asylum policies become more restrictive. Thus I argue, and show with evidence, that refugee and asylum policy process follows the same logic that policy toward low-skill economic migrants follows, albeit with an additional push for openness from humanitarian and geostrategic interests.

I also include illegal (irregular/undocumented) immigration in this study where possible. Defining what forms of immigration are illegal is also part of the political process. In the nineteenth century, there were few restrictions and thus little illegal immigration; it was only with the advent of greater restrictions that illegal immigration proliferated. Moreover, because undocumented immigrants often work, they can be an important source of labor for firms. To guard against the possibility that a preference by firms for undocumented labor has driven the increased restrictions on immigrant admission, I include enforcement of immigration laws in this study.¹⁴

While I do not exclude migrants by length of stay or reasons for migrating, I do exclude high-skill migrants from this study. While I was researching migration for this book, it became clear to me that the politics of high-skill migration are quite different from the politics of low-skill migration. Although there are some people who oppose both high- and low-skill immigration, most natives are much more supportive of high-skill immigration.¹⁵ This preference for high-skill immigrants is not a new feature of politics, either. In the United States, for example, most of the nativist sentiment has been targeted at low-skill migrants: in the 1840s, the target was Irish immigrants; in the 1860s–1880s, it was Chinese immigrants; in the early 1900s, it was Southern and Eastern European immigrants; and today it is Hispanic immigrants, all of whom were the least-educated immigrant group on average. Politically, it has always been easier for a politician to support a more open policy toward high-skill than toward low-skill immigration.

Policymakers often treat these flows differently when they craft policies, as well. Policymakers approach high-skill immigration as a global competition for talent. This has become increasingly true since World War II, as many states have enacted immigration policies, such as points systems, special visas like H-1B visas in the United States or Blue Cards in Europe, and investor visas, that grant much easier access to high-skill migrants in hopes of enticing them to move. The politics of high-skill immigration, then, may be a very different beast from the politics of low-skill immigration.

Although I exclude high-skill immigrants, this exclusion does not affect the majority of those who would like to migrate. The vast majority of actual migrants and *potential migrants*, those who would like to migrate if they were legally allowed to do so, have been low-skill.¹⁶ Only 23.5 percent

¹⁴ Ideally, I would directly measure undocumented immigration, but, as it is an illegal act, data on this are scarce.

¹⁵ Goldstein and Peters (2014) and Hainmueller and Hiscox (2007, 2010).

¹⁶ Hatton and Williamson (2005*b*).

of migrants have a high level of education; even this relatively high level of skilled migration is endogenous to the policies in this study—without immigration barriers, the share of low-skill migrants would increase greatly.¹⁷

Moreover, my argument generates empirical implications for high-skill immigration. Just as trade, firm mobility, and technology adoption have greatly decreased the size of the low-skill-intensive sector in wealthy countries, these same factors have led to an increase in the size of the high-skill-intensive sector. We might expect, then, that there should be an increase in support for *high-skill* immigration from *high-skill*-intensive firms. I examine this hypothesis with lobbying data from the United States in chapter 4. Yet we have reason to believe that this hypothesis may not hold true for long. Since the expansion of the Internet, many high-skill jobs do not need to be geographically located in any one country.¹⁸ Companies that rely on high-skill labor therefore may have less need for high-skill immigrant labor over time, leading to decreased support for high-skill immigration and restrictions. As the politics of high-skill immigration differs from that of low-skill immigration, I leave this hypothesis to scholars as an area for future research.

THE IMPORTANCE OF IMMIGRATION POLICY AS AN ECONOMIC FOREIGN POLICY

My argument differs from most theories of immigration policy because it brings political economy back into immigration. I treat immigration policy as an economic foreign policy, affected by trade barriers and firm mobility. Immigration scholars have assumed firms' willingness to act on immigration to be constant and have focused, instead, on the factions in the polity that oppose immigration. In contrast, I argue that although firms still want open immigration—firms want any and all policies that will increase their profits—their willingness to fight for immigration has changed. This explanation provides a more complete picture of the politics of immigration.

For the broader literature on international political economy (IPE), this book brings *firms* back into the picture. Although firms and interest groups had a central place in the early days of IPE, more recently scholars have turned to examining individual preferences. In part, they did this because it is relatively easy to conduct survey experiments, which allow the researcher

¹⁷ United Nations Development Program (2009).

¹⁸ For example, ten of the top fifteen offshorable jobs on Blinder's offshorability index are high-skill positions. Blinder (2007).

to show that their treatment changed opinion. But by examining individual attitudes, we have missed a critical driver of policy: firms. In many areas of IPE, scholars have, like immigration scholars, treated firm preferences and willingness to lobby as relatively static. Recent scholarship has begun to examine firm preferences again, often using the insights of “new” new trade theory, which examines how firms may develop different preferences based on their productivity.¹⁹ I, too, rely on theories of heterogeneous firms from “new” new trade theory to understand the preferences of firms, but I argue that firms’ preferences for immigration vary based on their ability to move overseas, which is in part driven by productivity but also by the nature of their product and changes in their environment.

My argument challenges the way scholars have examined international political economy through open economy politics (OEP). OEP derives individuals’ preferences over economic policy based on their position in the international economy, examines how domestic institutions aggregate these preferences, and then integrates international bargaining over policy when necessary.²⁰ Yet this manner of examining economic policy formation relies little on whether the economy is open or not because it often fails to account for how different foreign economic policies interact.²¹ Many scholars have examined trade *or* capital *or* (much more rarely) migration; few examine how these areas affect one another.²² I argue that, as trade, capital, and migration policies can serve as substitutes or complements, we need to examine their interactions in order to gain a better understanding of how foreign economic policy is formed.

My analytical framework has implications beyond immigration policy as well. It clarifies how globalization may affect a range of domestic policies. Some argue that trade and firm mobility have led to a race to the bottom on tax, social, and environmental policy, as states lower tax burdens and weaken regulatory standards so that firms can compete. But the evidence is mixed. It may well be the case that trade openness and firm mobility affect firm lobbying on these issue areas as well. In the realm of environmental policy, trade openness and firm mobility allow developed nations to outsource environmentally destructive production to the developing world. Once “dirty” firms close or move to the developing world, it may be the case that the remaining firms are relatively “green” and

¹⁹ Melitz (2003).

²⁰ Lake (2009, 225).

²¹ This critique is similar to Oatley (2011) in that we both argue that scholars need to take more seriously the international situation in which policy is made; however, I am concerned about how one policy affects another, whereas Oatley is more concerned about whether states can be examined apart from consideration of the international system.

²² Notable exceptions are Copelovitch and Pevehouse (2013), Leblang (2010), and Singer (2010).

environmental standards can be raised without hurting the bottom line of the remaining firms.

In addition to its theoretical contribution, this book brings a trove of new data to bear on the question of immigration policy. Existing scholarship has focused on the post–World War II period and has thus been unable to explain the long-run trends of the two centuries of globalization. In contrast, I examine original data on sectors’ preferences on immigration, sectors’ lobbying, policymakers’ decision making, and immigration policy, with much of the data spanning the two centuries of globalization. Moreover, the existing literature has focused on a handful of cases, mostly those in Europe or the United States, Canada, and Australia. I expand this sample to the Persian Gulf and East Asia, allowing us to gain a more comprehensive view of immigration today.

Finally, for policymakers and those who care about increasing the ability of people to migrate from the developing to the developed world for normative or familial reasons, this book suggests that they need to forge new coalitions on immigration. Policymakers and activists used to be able to count on low-skill-intensive firms to act as allies when they wanted to open immigration. But now, the economic rationale for open low-skill immigration has greatly decreased; those allied firms no longer care about immigration at home or they no longer exist. This may mean that it will be very difficult, although not impossible, to secure greater openness on low-skill immigration. Moreover, as more middle-income countries develop, they too will see the loss of their low-skill-intensive firms as they open to trade or offshore to countries with even lower labor costs. These countries are also likely to close their doors to low-skill immigration. At a time when open borders would do much to decrease poverty²³ and provide a safe haven for those fleeing conflict, closed borders will likely be the default.

THE PLAN OF THE BOOK

My argument proceeds in three steps: first, trade, firm mobility, and productivity change firms’ preferences over immigration and their willingness to support low-skill immigration, which, second, makes it harder for policymakers to support low-skill immigration, which, third, leads to restrictions on low-skill immigration. In chapter 2, I further elucidate the argument as well as the alternative explanations from the literature. At the end of the chapter, I discuss the empirical implications of my argument—what we expect to see if my argument is correct—for firms and sectors, policymakers, and immigration policy.

²³ Clemens (2009).

In chapter 3, I test the implications of my argument at the most macro level: low-skill immigration policy across countries. I argue that increases in trade openness and firm mobility should lead to increased restrictions on immigration.²⁴ To test my argument, I use an original dataset on low-skill immigration policy from the nineteenth century through the twenty-first and find that the data strongly support the implications of my argument.²⁵

As, in chapter 3, the hypothesized relationship among trade, firm mobility, and low-skill immigration is shown to hold over very different states and many time periods, chapters 4 and 5 dig deeper into the causal chain of my argument. They show how trade, firm mobility, and productivity change firms' preferences and willingness to lobby on low-skill immigration, and how policymakers react to these changes in the United States. Having established that the entire sequence of my argument holds for the United States, in chapter 6 I show that each component of my theory fits the data for two very different countries, Singapore and the Netherlands. Chapter 7 returns to the cross-national data to test the empirical observations of the alternative explanations; it shows that the data support my argument even when we account for these alternatives. The concluding chapter considers the implications of my argument for other areas of international relations.

²⁴ I cannot test the implications about productivity or the intermediate steps of my argument at this level because the data do not exist.

²⁵ Appendix A provides information on the collection and coding of these data.