

The Impact of Immigration on Democratic Institutions

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Research Question and Summary of Results

Advocates of freer immigration such as Michael Clemens (2011) have claimed that removing restrictions on movements of people would potentially increase global GDP by trillions of dollars. In response, Borjas (2014 and 2015) has argued that such assumptions rely on there being no changes to the institutions of receiving countries; a topic about which “remarkably little is known”.

Clark et al. (2015) responded with a paper that looked at the relationship between migration and changes in economic institutions, measured by *Economic Freedom of the World* Index. Other papers by the authors (Powell, Clark and Nowrasteh 2017) and others (Padilla and Cachanosky 2018) have expanded on these first steps.

However, by measuring institutions with indices of economic freedom, these papers have taken only a very narrow view of institutions. There are good reasons to be interested in the impact of immigration on institutions more broadly, including democratic institutions. Indeed it is the perceived threat to liberal democratic norms and institutions that is central to restrictionist arguments against free migration (Brimelow 1995, Huntington 2004).

I use a very similar methodology as Clark et al. and the same UN Population Division data on migration, but substitute the *Economic Freedom of the World* Index with the Polity IV index of democratic and authoritarian institutions. Doing this gives insight into the question of how immigrant stocks and subsequent flows between 1990 and 2010 correlate with changes in the quality of democratic institutions over the period 1990 to 2011.

I find the following results:

- In regression models with polity score as the dependent variable, the stock and flow of immigrants has a negative (and in most cases significant) coefficient. This suggests that immigration leads to less democratic institutions than would otherwise be the case.
- When including interactions between the flow of immigrants and the polity score at the beginning of the period, there is a clear positive relationship, suggesting that in the least democratic countries net migration has a negative impact, but in the most democratic countries it has a neutral or positive impact.
- The results are also consistent with the hypothesis that higher net migration is associated with more stable institutions (that is less absolute change in either direction).

Data and Methodology

I have followed the approach of Clark et al. (2015) using the United Nations Population Division *International Migrant Stock* data from 2017. This is a more recent data set but I use the same time period 1990 to 2010. Where Clark et al. use the *Economic Freedom of the World* (EFW) index as a

measure of institutions I have substituted the Polity IV index, a measure of democratic and autocratic institutions. This index ranges from -10 (entirely autocratic) to +10 (entirely democratic). There are 139 countries for which there are polity scores in 1990 and 2011 as well as migration stocks in 1990 and 2010. After excluding countries in a period of institutional transition or interruption in 1990 or 2011 there are 127 remaining countries in the data set.

The stock is calculated as the migrant stock as a percent of the total population. The stock change is the change in the stock as a percent of the population, this is primarily driven by net migration, but to some extent will also be influenced by the population growth of the country during the period.

Results

Table 1.1 shows the results of linear regressions including different variables and interactions.

TABLE 1.1

Regression	1	2	3	4	5	6	7
Polity 1990 (polity)	0.55***	0.59***	0.56***	0.56***	0.52***	0.52***	0.49***
Migrant Stock 1990 (stock)	-0.12***	x	-0.10**	-0.10	-0.07	-0.08	-0.11*
Stock change 1990-2010 (flow)	x	-0.19*	-0.07	-0.05	-0.08	-0.06	-0.17
Interaction Flow/Stock	x	x	x	-0.00	x	x	0.00
Interaction Polity/Flow	x	x	x	x	0.02*	x	0.04*
Interaction Polity/Stock	x	x	x	x	x	0.01	0.01
3-way interaction	x	x	x	x	x	x	-0.00
Constant	4.55***	3.97***	4.52***	4.48***	4.19***	4.39***	4.28***
n	127	127	127	127	127	127	127
R squared	0.56	0.53	0.56	0.56	0.58	0.56	0.59

*** 0.001 significance ** 0.01 significance *0.05 significance

All estimates reported to two decimal places

The first four models are equivalent to the ones presented in table 2 of Clark et al. (2015). In the last two I include additional interactions between the institutional score in 1990 and migrant stock or flow. It seems reasonable to include these additional interaction terms as we might expect that immigration has different impacts on countries with more democratic institutions than those with less democratic institutions.

The large constant occurs due to a widespread improvement in polity scores over the period. As a result even in the most pessimistic models the rate of immigration required to result in a negative overall change would be extremely high. Since immigration rates this high are rare in the data there is no evidence that immigration can actually lead to worsening of institutions. Further, the countries with the highest polity scores in 1990 (mostly Western liberal democracies) did not see declines in their scores even when immigration was very high.

The results do suggest that in other countries net migration may be associated with slower improvements in the quality of democratic institutions. This would be consistent with the hypothesis that immigrant populations in more authoritarian countries tend to be a barrier to developing democratic institutions. Or it would also be consistent with the hypothesis that immigrant stocks are associated with more stable regimes where institutions (whether democratic or authoritarian) are less likely to change.