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Authors

Peters, Margaret E

Shin, Adrian J

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Inequality and Immigration Policy*

Margaret E. Peters[†]

Adrian J. Shin[‡]

Abstract

How does inequality between capital and labor affect immigration policy? By inciting native anxiety, rising inequality can cause policymakers to restrict low-skill immigration. At the same time, it can lead to more open immigration policy since firms demand more labor when their profit shares increase. We argue that the level of economic development conditions how inequality affects immigration policy by assessing the effect of economic development on the substitutability between immigrants and natives in the labor market. In less developed economies where the substitutability is high, rising inequality leads to more restrictive immigration policy. In advanced economies where the substitutability is low, rising inequality leads to less restrictive immigration policy. Using data on the capital share of value added in the industrial sector as a measure of inequality between capital and labor and low-skill immigration policy in 24 democracies from 1947 to 2006, we find empirical support for our argument.

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[†]Department of Political Science, University of California, Los Angeles

[‡]Department of Political Science, University of Colorado Boulder

How does inequality affect immigration policy? Thus far, scholars have suggested office-seeking policymakers respond to rising inequality by restricting immigration to stay in office.¹ This is a fair assertion given advances in public opinion research, which reveal widespread popular opposition to immigration—particularly toward low-skill migrants.² Increasing inequality—especially the income gap between employers and workers—may be unpopular among voters concerned about potential labor-market competition from immigrants. Yet, for labor-intensive firms, their increasing share of profit provides more business opportunities to expand their production, which in turn leads to increased business support for additional labor via open immigration. As in other issue areas of international political economy (IPE), such as trade and finance, the interests of powerful firms are likely to sway policy outcomes in directions not always consistent with the preferences of the majority of voters. Then, the effects of inequality on immigration policy depend on the political dynamics between labor and capital.

To understand the countervailing effects of inequality on immigration policy, we focus on inequality between capital and labor in the labor-intensive industrial sector, including manufacturing and construction. Previous studies have focused on how an increase in this particular type of inequality can cause an immigration backlash.³ In this article, we highlight another important implication of rising inequality between capital and labor; we argue that it affects the incentives of labor-intensive firms to lobby on immigration since rising inequality means that capital takes a higher profit share vis-à-vis labor, increasing their demand for additional labor necessary to expand their production. When capital captures a greater share of the profits in labor-intensive industries, additional capital will move into those industries, as the returns have increased. This leads to expanded production in relatively labor-intensive

¹E.g. Timmer and Williamson (1998).

²See Hainmueller and Hopkins (2014).

³E.g. Luttmer (2009).

sectors, which increases the demand for labor and open immigration.⁴

However, not all forms of inequality are likely to lead to increased demands for open immigration by firms. Heightened demand for open immigration should be most pronounced when the level of inequality in the industrial sector rises. This is because labor-intensive firms in the industrial sector, albeit with some exceptions, are most vulnerable to labor shortages. For instance, without the acquisition of new labor through immigration, expansion in manufacturing is likely to fail when matched against more competitive labor-intensive firms abroad. Moreover, construction companies rely on a stable supply of immigrant labor to reduce production costs and maintain business. While agriculture also requires low-skill labor to expand, it is more insulated from foreign competition. Agriculture typically benefits from subsidies and tariff protection in advanced industrial democracies. Accordingly, open immigration may be preferable, but it is not always necessary for the survival of the agricultural sector. This article therefore restricts its focus to rising inequality *within the industrial sector*, including manufacturing and construction, and how this may cause the pro-immigration coalition of firms to expand.

We also recognize that final policy outcomes depend partially on the policy preferences of native workers. Specifically, organized labor are likely to stand in opposition to open immigration when under threat of losing out to foreign workers.⁵ And unlike most voters, workers in the industrial sector are better able to overcome the costs of collective action involved in lobbying⁶, which may counterbalance the political influence of pro-immigration firms. To fully unravel the connection between inequality and immigration policy, it is then crucial to elaborate on the conditions under which inequality induces organized labor to feel most threatened by immigrant competition. To do this, we argue the effect of inequality on

⁴See Peters (2014; 2015; 2017); Shin (2019) on how increasing demand for labor leads to increased business support for immigration.

⁵Facchini, Mayda, and Mishra (2011).

⁶Olson (1971).

labor’s policy preferences toward immigration hinges on whether immigrants are substitutes or complements for natives in the labor force.

If immigrants have similar skills as natives, or if production in a country consists of more routine tasks and does not rely much on language skills, then they are much more likely to be substitutes in the labor market. In this case, increasing inequality induces a political message that low-income natives are somehow “losing out” vis-à-vis owners of capital and more skilled natives, and that the competitive environment is skewed against them. One way policymakers could address this—or that labor *believes* they could address this—is to increase restrictions on low-skill immigration, even if these restrictions do little to address the underlying reasons for inequality. At the same time, pro-immigration firms lose (relative) influence in immigration policymaking when immigration policy becomes salient among the majority of natives. We expect then that inequality leads to immigration restrictions when immigrants are substitutes for natives.

In contrast, when immigrants are complements to natives, inequality between capital and labor should have a smaller effect on the preferences of labor. In this case, it is harder (although not impossible) to argue that inequality between capital and labor is the result of immigration, as few immigrants compete with natives for jobs. Rising inequality, then, should primarily affect firm preferences over immigration and should lead to greater openness for low-skill labor as the coalition of pro-immigration firms expands.

The wealth of a country will determine whether immigrants are substitutes or complements, and thus which of the countervailing effects of inequality will be the primary driver of immigration policy. First, as countries become wealthier, they invest more in education (and greater investments in education lead to greater wealth), which makes it less likely that a low-skill migrant would compete with a native for the same job. Second, wealthier countries also tend to have knowledge- and skill-based economies in which a low-skill immigrant who does not have country-specific skills, like the spoken language, is unlikely to compete with a native who does. Low-skill immigrants, then, are a much greater threat to

low-skill or low-income natives in less wealthy countries than in wealthier countries. Thus, it is only in less-developed economies that inequality between capital and labor should lead to restrictions on immigration. In wealthier countries, inequality should have little effect on immigration policies. Moreover, in very wealthy countries—in which immigrants are extremely unlikely to be substitutes for natives—increased inequality should lead to increased openness, as firms move into the low-skill intensive sector in response to increased returns.

Using one of the most comprehensive datasets on low-skill immigration policy for 24 democracies from 1947-2006, we show that inequality between capital and labor in the industrial sector has a negative effect on low-skill immigration policy, but only in middle-income countries.⁷ Moreover, at very high levels of income, *decreasing* inequality in industrial is actually associated with increased restrictions as pro-immigration firms abandon labor-intensive sectors. In line with some of the previous research⁸, we also find that other forms of inequality—ones that do not directly affect the incentives of capital to enter low-skill industries or the returns to labor—have no effect on immigration policy.

Does Immigration Increase Inequality?

Much of the early work on immigration and wages assumed that immigrants and natives are perfect substitutes. The Stolper-Samuelson theorem shows that, assuming immigrants and natives are perfect substitutes, increased immigration should lower wages; increase the returns to capital; and increase inequality between capital and labor.⁹ As immigration increases, the number of workers in the country increases, leading to lower wages (or higher

⁷Neither our dataset nor others of which we are aware include low-income countries, making our prediction for these countries impossible to test. Moreover poor countries are less likely to be immigrant destinations.

⁸Peters (2017).

⁹Stolper and Samuelson (1941).

unemployment). With lower wages, increasing returns to capital widens the income gap between capital and labor. The model makes similar predictions about skill-based income inequality by examining high-skill and low-skill labor as inputs (instead of capital and labor).

The theoretical predictions of these models have found little empirical support in wealthy countries. The general consensus in the literature focusing on wealthy, developed countries in the West is that immigration inflows have no effect on native workers' wages¹⁰ or a negligible negative effect on unskilled native workers.¹¹ Even in the cases of sudden, massive inflows of immigrants, such as the mass immigration of Soviet Jews to Israel after the collapse of the Soviet Union, immigrants did not have an adverse impact on natives' labor market outcomes.¹²

There are several reasons that the Stolper-Samuelson model fails empirically.¹³ Most

¹⁰Peri (2012); Dustmann, Glitz, Tommaso et al. (2008).

¹¹Clemens and Hunt (2017); Dustmann, Frattini, and Preston (2013); Edo and Toubal (2015); Longhi, Nijkamp, and Poot (2005); Ottaviano and Peri (2012); Peri (2013). A notable exception in the literature is Borjas (2003) who argues that immigration inflows have substantial negative effects on natives' wages but see Clemens and Hunt (2017) for a rebuttal. Edo and Toubal (2015) argue that high-skilled immigrants can be detrimental to high-skilled native workers and beneficial to low-skilled native workers. See Card (2009) for a concise review of the literature.

¹²Friedberg (2001).

¹³One reason for the lack of a relationship between immigration and wages is that firms may substitute technology or may move production elsewhere if there is little immigration (Lewis 2011; Peters 2017). Second, immigrants tend to move to areas that are growing; in the absence of immigration it is possible that natives wages would increase (Borjas 2006). Third, immigrants not only work, but they also consume, which may increase economic activity and lead to increasing wages. Fourth, natives may move out of areas with many immigrants, leading to a null result (Borjas 2006). Finally, in open economies, capital may follow labor flows,

importantly, immigrants are complements to natives in many occupations, rather than perfect substitutes. Due to the rise of the service economy since the 1970s, many occupations require language and other customer-related or managerial skills, which new immigrants are unlikely to possess upon their arrival. Firms, then, hire low(er)-skill immigrants to perform more routine tasks while hiring natives, at a higher wage, to perform the tasks that require language or country-specific skills. Since most natives in wealthy states work in the service industry or other industries where there are both routine and language- or country-specific tasks, the effect of immigration on natives' wages is likely to be small or even positive.¹⁴

The degree to which immigrants are substitutes for natives is likely to vary with the level of economic development. Most studies on the effects of immigration on wages have examined the effects in developed countries during the post-World War II period. In contrast, Hatton and Williamson studied the effects of immigration on wages in the New World in 1910 and found that wages would have ranged from 2 percent higher in Brazil to 46 percent higher in Argentina if immigration had stopped after 1870.¹⁵ During this time period, many tasks in both agriculture and industry were relatively routine, and these industries accounted for a larger part of the economy, which is the likely reason for why immigration had a larger effect on wages.

Nonetheless, the absence of an *economic* effect of immigration on inequality does not mean that it has not had a *political* effect. Since both inequality and immigrant flows (in total numbers) have been increasing in recent years, is it the case that inequality has led, at least in part, to increased immigration restrictions, as it may have in the early twentieth century, compensating for immigration's effect on wages (Hatton and Williamson 1998) or increased immigration may turn import-competing industries into export industries (or at least make them more competitive), increasing domestic production and wages (Peters 2017).

¹⁴Peri and Sparber (2009).

¹⁵Hatton and Williamson (1998, 224-225).

century?

A Theory of Inequality and Immigration Policy

We argue that inequality between capital and labor can affect immigration policy, but that its effect hinges on the degree of substitutability between immigrants and natives in the labor market. Inequality between capital and labor has two countervailing effects on immigration policy. When capital earns a greater share of the profits from labor intensive production (increased inequality), more capital moves into these sectors, increasing firm demand for labor and for immigration. In countries in which immigrants are substitutes for native labor, this same increased inequality should lead to a backlash against immigration among organized labor. Because workers find that their wages are declining, they are likely to favor any and all policies — immigration restrictions included — that may increase their share of the profits. In these countries, pressure from labor should prevent firms from dominating immigration policy and lead to more restrictions (or at least should not lead to increased openness). Yet, in countries in which immigrants are complements for native labor, immigration overall should be a less salient issue for organized labor and inequality should have less of an effect on mass preferences, allowing firm preferences to dominate. Thus, rising inequality should lead to increased immigration openness in these states.

The mechanism of our argument does not require an empirical regularity that low-skill immigration actually increases income inequality between capital and labor. Inequality is likely the product of many factors besides immigration, especially the rate of economic growth.¹⁶ Instead, we emphasize the importance of how income inequality might increase calls for immigration restrictions based on the degree of substitutability between natives and immigrants and how policymakers take these preferences into policymaking. We first discuss how firm preferences change in response to rising inequality and then discuss how

¹⁶Piketty (2014).

mass opinion change depending on the wealth of the country. Finally, we end this section with predictions to take to the data.

How Inequality Shapes Firms' Immigration Policy Preferences

We examine the effects of one type of inequality—the share of profits captured by capital versus labor in labor-intensive industries—on firm demand for immigration and mass attitudes towards immigration. Capital's share of the profits in these industries may vary for several reasons: the existence or lack of labor laws, which determine how much firms have to pay workers; the strength of unions, which again condition the pay for workers; economic conditions which affect the demand for labor; and so on.

When capital garners a larger share of profits in labor-intensive industries (i.e. the returns to capital are greater), the demand for labor grows due to changes on both the extensive and intensive margins. On the extensive margin, more capital is likely to move into sectors that are labor-intensive, since returns in these sectors are greater. On the intensive margins, it is less likely that firms invest in labor-saving technology, since labor is relatively cheap. Both factors will increase the demand for labor among businesses and their demand for immigration.¹⁷ For example in 1972, Singapore enacted a policy of wage restraint, which artificially increased capital's share of the profits. Because labor was cheap, firms increased the labor-intensity of production and lobbied for increased immigration, which they received.¹⁸

In contrast, when capital's share of value added decreases, firms should be less likely to lobby for open immigration. Because capital takes home a smaller share of the profits, capital should either move out of labor-intensive industries altogether or should increased their use of labor-saving technology. For example, Lewis has found that capital owners are

¹⁷Peters (2014; 2015; 2017).

¹⁸Peters (2017), 176.

likely to substitute capital for labor when labor becomes more expensive.¹⁹ Together, this should decrease the demand for labor and concomitantly should lead to less support for immigration by firms. Returning to the example of Singapore, when the wage restraint was abolished, firms increased their skill intensity of production and decreased their support for immigration.²⁰ Thus, regardless of what drives inequality, when inequality between capital and labor rises (decreases), business support for low-skill immigration increases (decreases).

How Inequality and the Degree of Substitutability Shape Opinion on Immigration

Inequality should also affect the stance of organized labor on immigration based on the degree of substitutability between natives and immigrants, which differs by the level of economic development. If immigrants are substitutes, or at least are close to substitutes, for low-skill native workers, increases in immigration should lead to wage losses for low-skill natives. In this case, we expect that native workers already generally oppose immigration, as immigrants are in direct competition with them for work. Higher-skilled and wealthier natives may also oppose immigration in this situation due to sociotropic concerns or concerns that they will have to pay more into the fiscal system to support natives who are facing potentially lower wages or support immigrants.

This opposition should be exacerbated by increasing inequality. As workers are facing decreasing returns to their labor (at least in real terms), they are likely to want policies that mitigate their losses. Immigration restrictions would be one such policy, although by no means the only policy. Higher-skilled and wealthier natives may similarly want increased restrictions, again due to sociotropic or fiscal concerns. This will increase mass opposition to immigration.

¹⁹Lewis (2011).

²⁰Peters (2017).

When immigrants are complements, instead of substitutes, we expect that rising inequality will have a smaller effect. First, the issue saliency of immigration in the mass public should be lower in general, since few natives compete against immigrant workers at work or even work in sectors, like agriculture, that employ lots of immigrant workers. This complementarity should also decrease the immigration concern among higher-skilled and wealthier individuals, as there are fewer of their compatriots hurt by immigration, leading to fewer sociotropic or fiscal concerns. In this case, rising inequality should have little effect on mass opinions, as natives do not see immigrants as a plausible source of inequality and immigrants may, in fact, lower inequality among natives even if it increases inequality overall.²¹

When are natives more likely to be substitutes for immigrants? Economic development plays a crucial role. First, economic development leads to increased human capital formation. In wealthier countries, children go to school longer — there are fewer school fees and parents are less likely to need income from their children — and the quality of schooling is higher, as countries can afford to spend more on education. Thus, even if low-skill immigrants in wealthy countries have the same nominal years of education as natives, they are likely to be less skilled than natives, making it less likely that they can substitute for natives.

Second, development affects the types of jobs in the economy. We can categorize jobs into those which consist of mostly routine tasks that do not require specialized knowledge or language skills and those which consist of knowledge-based and highly specialized tasks. As low-skill immigrants bring a surplus of manual labor, firms often assign native workers to more complex or communication-oriented jobs while producing more goods and services. This often results in welfare improvement among native workers due to an influx of low-skilled immigration. As native workers' wages increase due to immigration, policymakers also face less pressure for redistribution if inequality increases. While all economies have

²¹Immigration may still raise total inequality in the country as immigrants take the place of natives at the low end of the income distribution. Piketty (2014) argues that immigrants have played this role in the US.

both types of jobs, more developed countries have more non-routine tasks that require more knowledge and country-specific skills.

Development is also likely to change the degree of substitutability within countries over time as well. In much of the late 19th century, agriculture and industry relied on routine tasks even in the most developed economies such as the US, the UK, and Germany.²² Low-skill immigrants could easily replace natives; even young children could handle many tasks on the farm or in the factory. As the economy developed, there was a greater need for skilled labor²³, which meant that low-skill immigrant labor was unable to substitute for native labor in many positions.

In countries and at times when there is lower levels of development, rising inequality is likely to lead to increased demand for immigration restrictions. For example, in the 1870s, the completion of transcontinental railroad led to a recession and increased inequality in California. Given that the technology of the time easily allowed firms to substitute less educated (mostly Chinese) immigrant labor, women's labor, and child labor for more educated white male labor, the increased inequality led to increased salience of immigration in the mass (white male) voting public and increased demands for immigration restrictions. In contrast, today when most immigrants are complements for natives in the US, increased inequality and even the Great Recession has not lead to large increases in anti-immigrant sentiment.²⁴

The Policymakers' Response

We model immigration policy formation as a process in which the policymaker takes into account both pressure from interest groups, especially firms, as well as the position of the mass public. Changes in mass support for immigration may come through three channels.

²²Goldin and Katz (1996).

²³Goldin and Katz (1996).

²⁴Gallup (2017); Goldstein and Peters (2014).

First, voters may directly contact policymakers about their views. Second, policymakers may not have direct communication with their constituencies but instead use the median income level of their constituencies to deduce voter preferences about immigration when inequality increases. Third, changes in support for immigration may be channeled through interest groups that represent segments of the mass public, such as unions or left-wing political parties.

In all economies, increased economic inequality, measured as the share of value added going to capital, will lead to an increase in labor-intensive production and, with it, an increase in firm support for open low-skill immigration. In less developed, middle-income countries, it is more likely that (more) low-income voters will compete with low-skill immigrants for jobs. As inequality increases, squeezing the poor, low-income workers, through their unions, should demand increased restrictions on low-skill immigration. Alternatively, we could imagine that a forward thinking politician would restrict immigration in anticipation of these demands. Although firms would like increased immigration, the salience of anti-immigrant sentiment is likely to win out, at least in a democracy. This leads to our first hypothesis:

Hypothesis 1: Increasing inequality leads to immigration restrictions only in less developed countries.

In more developed countries, inequality may have little effect – or may even have a positive effect – on low-skill immigration policy. In these countries, very few natives are likely to compete against low-skill immigrants in the labor market; instead, most natives are likely to complement immigrant workers.²⁵ As a result, low-skill immigration helps natives move up the income ladder by harnessing their comparative advantage in more communication-oriented tasks.²⁶ Thus, rising inequality should not lead to changes in mass opinion on

²⁵Peri and Sparber (2009).

²⁶D’Amuri and Peri (2014). Unions also seem to understand this difference with many

immigration in these countries. Yet, inequality increases labor-intensive production and, with it, business support for low-skill immigration. This leads to our second hypothesis:

Hypothesis 2: An increase in inequality has little effect or may increase immigration policy openness in highly developed countries.

As an alternative measure of development, we also use the average level of education rather than income. In countries with lower educational attainment, low-skill immigrants are likely to be substitutes for more native workers. In countries with high-levels of education, low-skill immigrants are unlikely to compete with voters in the labor market. We, however, think that these alternative hypotheses will have less empirical support because more educated natives and uneducated immigrant workers are likely to compete against each other if the host state specializes in routine industries, as evident in less developed economies.

Hypothesis 3: Increasing inequality leads to immigration restrictions in countries with low levels of education.

Hypothesis 4: Increasing inequality has little effect or may increase immigration policy openness in countries with high levels of education.

Alternative Theories on Inequality and Immigration

There are alternative ways in which inequality may affect immigration policy. Here, we highlight four different mechanisms. First, natives may believe that immigration lowers wages and assign the blame for increasing inequality on immigrants, regardless of whether immigrants are complements or substitutes for native workers. While there may be little

unions in very wealthy countries, like the SEIU in the US, taking relatively pro-immigrant stances. Peters (2017).

economic effect of immigration on wages and inequality in highly developed states, there exists evidence that the mass public *thinks* that immigration leads to lower wages.²⁷ Even some policymakers have attributed rising inequality to immigration; then Senator Jeff Sessions argued in an op-ed that immigration increases income inequality.²⁸ Natives, then, may wrongly attribute rising inequality to immigration, especially if there is a correlation between rising inequality and increased immigration, and demand immigration restrictions.

A second mechanism through which inequality may affect anti-immigrant sentiment is through economic anxiety. Numerous surveys have shown that increasing inequality is associated with increased anxiety over the state of the economy and increased pessimism about the future.²⁹ Increased economic anxiety has been shown to increase reported anti-immigrant sentiment.³⁰ As inequality makes low-skill/low-income natives more anxious, anti-immigrant sentiment among these natives should increase, again leading to more demands for restrictions.³¹

Regardless of whether voters wrongly attribute rising inequality to immigrants or if inequality increases anxiety and this increases anti-immigrant sentiment, we do not have reason to believe that these mechanisms should differently affect voters in countries based on their income. Policymakers in all countries face the same *relative* share of poor voters; in each

²⁷Dustmann, Glitz, Tommaso et al. argue the belief that immigrants hurt unskilled native workers is widely accepted by the public. Dustmann, Glitz, Tommaso et al. (2008, p. 478). Further, in a recent survey in the US, Gerber, Huber, Biggers et al. find that a majority of natives think that increasing both high-skill and low-skill immigration will lead to lower wages or job losses among natives. Gerber, Huber, Biggers et al. (2015).

²⁸Sessions (2014).

²⁹Yellen (2006).

³⁰Goldstein and Peters (2014).

³¹In contrast, high-skill/high-income natives benefit from increased inequality and their opinions on immigration should be relatively unaffected.

country there is a bottom third of the income distribution. If inequality leads that bottom third to disproportionately blame immigrants for their fate or increase anti-immigrant sentiment (or its salience), it should affect all countries, regardless of economic development.

We have similar expectations if the fiscal burden model holds. The fiscal burden model argues that fears about increased taxation due to immigrants' supposed increased use of the social welfare system leads voters to oppose immigration.³² While other studies have not replicated the prior findings on the fiscal burden³³, Gerber, Huber, Biggers et al. find that survey respondents believe that both high and low-skill immigrants will increase their tax burden.³⁴ If the fiscal burden model holds, we would expect that increases in inequality would induce low-skill and high-skill natives to increase their opposition to immigration. Increasing inequality might lead to an increase in taxation for the social welfare system, increasing opposition from wealthy natives, or might lead to crowding out, increasing opposition from poor natives. These three mechanisms lead to the following alternative hypothesis.

Hypothesis A1: An increase in inequality leads to immigration restrictions in all states.

Yet, we have different expectations if the nativism model holds. In contrast to our or the alternative reasons for opposing immigration based on pocket-book concerns, other scholars argue that the opposition by low-skill natives towards immigration is largely driven by prejudice.³⁵ If nativist sentiment has no economic component, then increasing inequality should have no effect on immigration in either poorer or wealthier countries. This leads to our second alternative hypothesis.

³²Hanson, Scheve, and Slaughter (2007) and Razin, Sadka, and Suwankiri (2011).

³³Goldstein and Peters (2014); Hainmueller and Hiscox (2010).

³⁴Gerber, Huber, Biggers et al. (2015).

³⁵Hainmueller and Hiscox (2007; 2010).

Hypothesis A2: An increase in inequality has no effect on immigration restrictions in all states.

Data and Sample

Data on Immigration Policy and Inequality

We use the Low-Skill Immigration Policy Dataset developed by Peters and updated by Shin.³⁶ Since the public debate on inequality and immigration primarily concerns the impact of low-skill immigration on the income gap between the poor and the rich, we need data on immigration policy that seeks to control the flow of low-skill workers, which this dataset covers. It also has a long time span that includes periods of both low inequality and high inequality. Crucially, since studies have shown that within-country inequality has been increasing since the 1970s in advanced democracies, it covers periods prior to the 1970s. For the post-World War II period, the dataset includes 24 democracies around the world, including traditional immigrant destinations in the New World, virtually all Western European democracies, and wealthy democracies in Asia.³⁷

Given the characteristics of the immigration policy dataset and the required time coverage, we need an inequality variable that meets the theoretical underpinnings and empirical requirements of our argument. Following the scholarly trend in the comparative politics of inequality³⁸, we use the capital share of the value added in the industrial sector collected by Ortega and Rodriguez as a measure of inequality.³⁹ Higher values indicate higher shares of

³⁶Peters (2015; 2017) and Shin (2019).

³⁷See Peters (2017) and Shin (2019) for more details on collecting and coding the data.

³⁸Acemoglu and Robinson (2006); Houle (2009); Przeworski, Alvarez, Cheibub et al. (2000); Dunning (2008).

³⁹Ortega and Rodriguez (2006). We use Houle (2009)'s imputed version of the data

the value added accruing to capital while lower values mean labor reaps higher shares of the value added.

This measure of inequality has several advantages for our study. First, it measures the degree of inequality between capital and labor. Immigrants are believed to benefit capital while hurting labor. This perceived effect of immigration fuels public concerns about the impact of immigration on the income gap between the poor and the rich with an assumption that the rich are owners of capital and the poor offer labor. Second, it is a measure of inequality in the corporate industrial sector. Since our argument concerns low-skilled immigration and how poor voters perceive its role in exacerbating income inequality, our analysis is not applicable to the capital shares of the value added in more knowledge-based industries that primarily rely on high-skilled workers, such as high-tech industries. Third, it also captures whether firms have interests in labor-intensive production because it implicitly measures labor costs across multiple sectors. As the capital share of value added increases in a sector, it becomes more profitable to invest in that sector.⁴⁰ Finally, the measure was constructed from industrial survey data collected by the United Nations Industrial Development Organization (UNIDO). As a measure of pre-tax inequality, this frees us from dealing with measures of post-tax inequality, which may include policy consequences of redistribution.

We measure development in the standard way, by examining the gross domestic product (GDP) per capita.⁴¹ We use a measure of real GDP in International Dollars in 2000 constant prices with annual inflationary trends removed from the data. The data, however, are not adjusted for purchasing power parity (PPP). This is consistent with our theory since we approach development as a transitional process toward a more knowledge-based economy, not as a measure of living standards. While this measure is not perfect — there are very

⁴⁰The compensation-productivity gap — the gap between real hourly compensation and labor productivity — widens when labor share falls. Fleck, Glaser, and Sprague (2011).

⁴¹We have retrieved data on GDP per capita from Haber and Menaldo (2011) who assembled the data using the Penn World Tables (PWT).

wealthy states, such as the states of the Gulf Cooperative Council, that do not have high levels of development — it is the best measure we have. We supplement this measure with the education data collected by Barro and Lee.⁴² The data on education are available only at five-year intervals from 1950 to 2010. Since educational attainment tends to follow a linear trend, we use linear interpolation to fill in missing values.

Sample Selection

Since we focus on how the degree of substitutability between immigrants and native voters in the labor market modifies policymakers' response to increasing inequality on immigration policy, we focus on a sample of democracies by using the regime classification proposed by Przeworski, Alvarez, Cheibub et al. and updated by Cheibub, Gandhi, and Vreeland.⁴³ This gives us a total of 24 democracies. Some democracies, such as Argentina and Brazil experienced a series of democratic failures and then transitions. We include only democratic years for these countries in the sample. As an extension, we examine whether autocrats respond only to firms' changing preferences while ignoring labor's concern about the labor-market competition aspect of immigration when inequality increases.

We focus on the post World War II period (1947–2006) for practical reasons. First, the data on the inequality variable of our choice are only available for years after World War II (1947–2006). Further, studying the relationship between inequality and immigration policy prior to the post-WWII period also requires a careful assessment of each country's political franchise and the median voter's characteristics.

Table 1 lists of country-year observations included in the sample based on the regime classification and data availability on immigration policy and inequality. Ideally, we would have included poor democracies in addition to middle-income and developed democracies, but data on immigration policies of low-income countries has not been coded. The sample shows

⁴²Barro and Lee (2013).

⁴³Przeworski, Alvarez, Cheibub et al. (2000) and Cheibub, Gandhi, and Vreeland (2010).

Table 1: Country-Year Observations in the Sample

Group	No.	Country	Years Included in the Sample	Inequality (Mean)
Settler States	1	United States	1947–2006	0.59
	2	Australia	1961–2006	0.51
	3	Canada	1947–2006	0.53
	4	New Zealand	1961–2006	0.43
	5	South Africa	1994–2006	0.48
	6	Argentina*	1947–2006	0.70
	7	Brazil*	1947–2006	0.80
	8	Chile*	1947–2006	0.80
	9	Venezuela	1961–2006	0.76
Western Europe	10	Austria	1955–2006	0.48
	11	Belgium	1950–2006	0.54
	12	Denmark	1950–2006	0.41
	13	Ireland	1950–2006	0.63
	14	France	1947–2006	0.36
	15	Germany	1955–2006	0.55
	16	Netherlands	1947–2006	0.45
	17	Norway	1961–2006	0.43
	18	Sweden	1950–2006	0.54
	19	Spain	1977–2006	0.55
	20	Switzerland	1947–2006	0.63
Asian Exporters	21	United Kingdom	1947–2006	0.53
	22	Japan	1952–2006	0.67
	23	South Korea*	1960–2006	0.76
	24	Taiwan	1996–2006	0.65

Note: * indicates countries that experienced regime changes from autocracy to democracy and vice versa. Only democratic years of these countries are included in the sample.

a wide variation of inequality across countries. We have Latin American democracies that exhibit unusually high levels of inequality and Western European democracies characterized by low levels of inequality.

Empirical Strategy

The following ordinary least squares (OLS) specification with panel-corrected standard errors (PCSEs) is used to evaluate the hypotheses.

$$\begin{aligned} \text{Immigration Policy}_{it} = & \beta_0 + \beta_1 \text{Immigration Policy}_{it-1} + \beta_2 \text{Inequality}_{it} \\ & + \beta_3 \ln(\text{GDP per capita})_{it} + \beta_4 \text{Inequality}_{it} \times \ln(\text{GDP per capita})_{it} \\ & + \mathbf{X}_{it} \gamma + \alpha_i + \mu_t + \epsilon_{it}, \end{aligned}$$

where $\text{Immigration Policy}_{it}$ is the openness of immigration policy of country i in year t , \mathbf{X}_{it} is a set of control variables, and α_i and μ_t indicate country fixed effects and year fixed effects, respectively. Inequality is measured as discussed above. We use $\ln(\text{GDP per capita})$ as an indicator of the country's economic development.

We include the lagged dependent variable to account for temporal dynamics. Since policymakers often make immigration policy at time t by tweaking existing laws and policy measures from time $t - 1$, which may be correlated with our key independent variables at time t , including the lagged dependent variable is essential in minimizing the estimator's bias and inconsistency. Given that the panel is long—with the number of years significantly greater than the number of countries included in the sample—the Nickell bias is unlikely to be problematic.⁴⁴

Including the lagged dependent variable also addresses the issue of the composition of the

⁴⁴We have alternatively run both models with the lagged dependent variable but without country fixed effects and without the lagged dependent variable but with country fixed effects and found substantively similar results.

immigrants trying to enter the country. In our theoretical discussion, we assumed that voters are responding to low-skill immigrants. Unfortunately, there is very little data on the skill composition of immigration to most countries, so we cannot measure this directly.⁴⁵ Low-skill immigration policy last year should help measure the skill composition of the immigrants, as states with more open policies in the previous year should have a greater proportion of low-skill immigrants.

The first set of controls includes the natural log of population in year $t - 1$, GDP growth rate, the level of political development measured by polity, and the degree of trade openness measured as $100 \times (1 - (Import\ Duties/Imports))$.⁴⁶ We control for trade openness because trade liberalization may decrease the wages of unskilled workers and trade openness leads to immigration policy restrictions due to changing firm preferences for immigration.⁴⁷ As robustness checks, we include other variables that are potentially correlated with both inequality and immigration policy openness including personal and welfare taxation, right-wing populism, and government partisanship.⁴⁸ Introducing these additional controls to the model restricts our analysis to a subset of OECD countries (models 7–10).

Given the inertia of immigration policy from year to year, we expect β_1 to be positive and statistically significant. We think that inequality should have a negative effect on immigration policy in less developed countries, but that this effect should be attenuated at higher levels of GDP per capita. This implies that β_2 should be negative and β_4 should be positive.

⁴⁵Docquier, Lohest, and Marfouk (2007) have data on flows by skill level but only for 1990 and 2000.

⁴⁶Most of the data on import duties over imports come from Clemens and Williamson (2004). Peters (2015) and Shin (2019) collected and updated the data to fill in missing values.

⁴⁷Peters (2014; 2015; 2017).

⁴⁸We retrieved the taxation data from Cusack and Beramendi (2006) and the party data from Swank (2014).

Table 2: Model Specifications

Model	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
Testing H1 & H2	✓		✓		✓	✓		✓		✓
Testing H3 & H4		✓		✓	✓		✓		✓	✓
Countries	24	24	24	24	24	16	16	16	16	16
Observations	1067	1049	1049	1049	1049	629	629	629	629	629
Time Period	-2006	-2006	-2006	-2006	-2006	-1995	-1995	-1995	-1995	-1995
Year & Country FE	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Economic Controls	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Additional Controls							✓	✓	✓	✓

We have no theoretically informed prior about the sign or significance of β_3 , the coefficient on GDP per capita.⁴⁹ As a robustness check, we replace $\ln(\text{GDP per capita})_{it}$ with the average years of tertiary education for individuals who are 25 years and older in models 2 and 4 to test Hypotheses 3 and 4.⁵⁰ We include it as a control variable in model 3.

Finally, we include both GDP per capita and years of tertiary education as well as their interaction terms with inequality to adjudicate between the increased education mechanism or the change in the structure of the economy mechanism in model 5. If the effect of inequality is driven by the average education of natives, we expect that the coefficient on the education variable should remain statistically significant. If the effect is driven by the changing nature of the economy, we expect that the coefficient on GDP per capita should remain statistically significant. For straightforward interpretations, we report the marginal effects graphs of all models. Table 2 summarizes the empirical strategy and the sample characteristics of each model.

⁴⁹On the one hand, less developed states may have a larger low-income constituency that should be more opposed to immigration in general (i.e. income effect). On the other hand, more developed countries typically have higher levels of productivity and a larger knowledge sector, both of which Peters (2014; 2015; 2017) argues should lead to a less open policy (i.e. development effect).

⁵⁰Below we address several additional robustness checks.

Causal Identification of the Effect

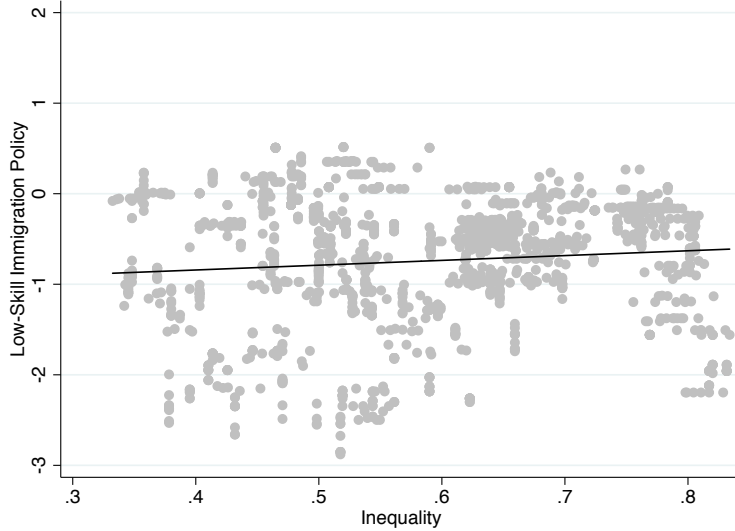
Ideally, we would be able to experimentally manipulate inequality or at least find an instrument for it. We, thus far, have been unable to find an instrument that would affect inequality, but not immigration policy. For example, in his book, Piketty (2014) argues that one of the major drivers of inequality is growth. We would expect that economic growth should also affect immigration policy either through affecting firm lobbying over immigration or through affecting public support for immigration. Other variables that predict inequality similarly fail the exclusion restriction.

Yet, we think the lack of an instrument or experiment is unlikely to affect the conclusions we can draw from our results. If immigration policy was driving the results, rather than inequality, we would not expect different results in wealthy and poor countries. We also control for the variables that the literature suggests affect immigration policy and we control for unobserved (and observed) time invariant heterogeneity with the country fixed effects and for unobserved (and observed) yearly shocks that affect the entire world economy with year fixed effects.

Results

Throughout the models, the analyses provide empirical support for our hypothesis that inequality leads to increased immigration restrictions for low-skill immigrants in less wealthy, less developed countries; empirical evidence suggests that policymakers respond differently to increasing inequality depending on the level of development, as measured by GDP per capita. There is no support for the alternative specification that inequality leads to less support for immigration in countries with less educated populations. This suggests that much of the effect of immigrants in the labor market is driven by the effect of development on the composition of routine versus country-specific knowledge tasks rather than the education level of natives.

Figure 1: Bi-variate Relationship Between Inequality and Immigration Policy



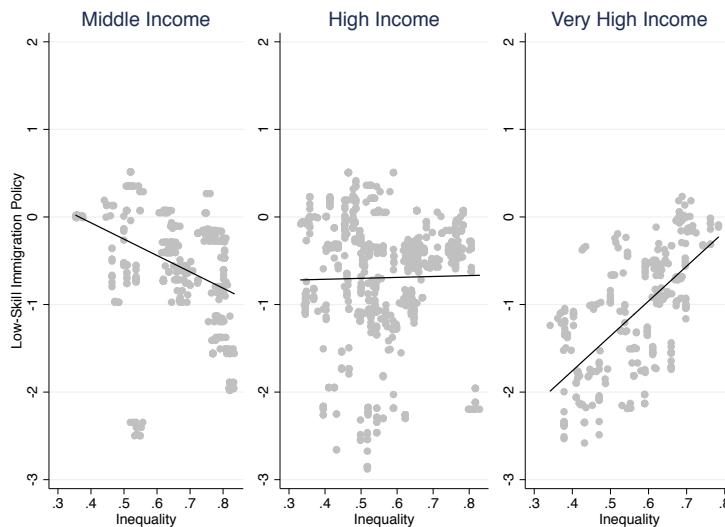
Note: Dots represent the data and the line represents the regression line from a bi-variate regression.

Over all of the countries included in sample, there is little relationship between inequality and immigration policy (Figure 1). Thus, there is little support for alternative theories that argue that inequality should have a similar effect at different levels of development (Hypothesis A1). In contrast, once the data is divided by income group (Figure 2), we find a negative relationship between inequality in middle-income states, no relationship in high-income states and a positive relationship in the very high-income states, consistent with Hypotheses 1 and 2.

Table 3 examines this relationship more robustly, reporting the results for all 24 democracies in the sample. First, in all models we see a positive and statistically significant effect of lagged immigration policy, which shows how path dependent this policy area is.

Next, we examine the effect of inequality. We find in models 1, 3, and 5 that the coefficient on inequality is negative and statistically significant while the coefficient on the interaction between development and inequality is positive and statistically significant. This is consistent with our argument that increased inequality should lead to increased restrictions on low-skill immigration in middle-income countries but should have a positive effect or no effect in wealthy countries. Note, however, that if immigration was driving inequality, we would

Figure 2: Bi-variate Relationship Between Inequality and Immigration Policy by Income Level



Note: Dots represent the data and the line represents the regression line from a bi-variate regression in each income group. Middle-income include country-years with GDP per capita between \$1,300 and \$8,100; high income include country-years with GDP per capita between \$8,100 and \$22,000 and very high income include country-years with GDP per capita above \$22,000.

expect a *positive* correlation as increased openness would lead to increased immigration and greater inequality in all countries.

As interaction effects can be difficult to interpret, we illustrate the marginal effects from Model 1 of inequality based on income in Figure 3.⁵¹ As we can see in the figure, at lower levels of GDP, under about \$8,000 per capita the effect of inequality is negative. Increasing inequality in these middle-income states leads to greater restrictions on low-skill immigration. In contrast, at very high levels of income (above about \$22,000 per capita), the effect is positive.

It appears that the positive effect of inequality in wealthy countries may be driven by firm preferences rather than another factor. Most of the result is driven by the 1990s and 2000s when capital's share of value added was *decreasing* and low-skill immigration policy

⁵¹Results are substantively similar in Models 3 and 5

Table 3: Inequality, Development, and Immigration Policy since World War II

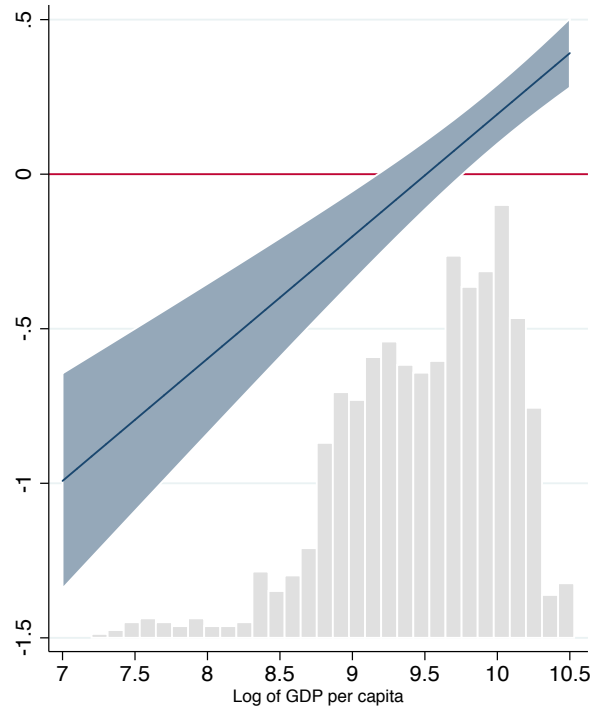
	(1)	(2)	(3)	(4)	(5)
Immigration Policy $_{t-1}$	0.893*** (0.007)	0.914*** (0.007)	0.899*** (0.007)	0.914*** (0.007)	0.899*** (0.007)
Log of GDP per capita	-0.356*** (0.050)		-0.320*** (0.053)	-0.003 (0.019)	-0.411*** (0.062)
Inequality	-4.957*** (0.692)	-0.036 (0.080)	-4.493*** (0.738)	-0.024 (0.079)	-5.846*** (0.898)
Log of GDP per capita \times Inequality	0.518*** (0.069)		0.471*** (0.073)		0.631*** (0.095)
Years of Tertiary Education		-0.140* (0.050)	-0.017 (0.019)	-0.142* (0.050)	0.200** (0.072)
Years of Tertiary Education \times Inequality		0.219* (0.083)		0.224* (0.083)	-0.385*** (0.124)
$\ln(\text{Population})_{t-1}$	-0.112*** (0.022)	-0.003 (0.025)	-0.100*** (0.023)	-0.004 (0.026)	-0.097*** (0.023)
GDP Growth	0.228+ (0.124)	0.288* (0.122)	0.262* (0.126)	0.288* (0.122)	0.258* (0.126)
Trade Openness	-0.006*** (0.001)	-0.004** (0.001)	-0.005*** (0.001)	-0.004** (0.001)	-0.005*** (0.001)
Polity Score	-0.004 (0.003)	-0.003 (0.004)	-0.004 (0.003)	-0.003 (0.004)	-0.003 (0.003)
Observations	1067	1049	1049	1049	1049
Countries	24	24	24	24	24
R ²	0.974	0.974	0.975	0.974	0.975

Note: This table portrays a pooled cross-sectional time-series ordinary least squares (OLS) analysis of immigration policy in year t . All independent variables are taken from year t unless otherwise noted. Panel-corrected standard errors are shown in parentheses. ***, **, * and + indicate statistical significance levels of .1, 1, 5 and 10 percent, respectively. Country and year fixed effects are included in all models.

was becoming more *restrictive*.⁵² We do not think that it is the restrictions on low-skill immigration that are leading to decreased inequality; as discussed above, much of the economics literature has found little negative effect or even positive effect of immigrants on natives' wages in these high-income states. Instead, natives and low-skill immigrants are most likely to be complements in very high-income countries, implying opening low-skill immigration can greatly benefit most natives. However, when inequality decreases in these states, firms are less likely to support low-immigration policy because they find labor-intensive production less attractive when the labor share of the value added *increases*. Without firm support for open immigration policy, policymakers restrict immigrant (or at least do not open it) since

⁵²Figure A5 in the appendix shows how inequality and immigration have varied over time in the wealthiest countries (income above about \$22,000 per capita).

Figure 3: Marginal Effects of Inequality on DV by Levels of Development



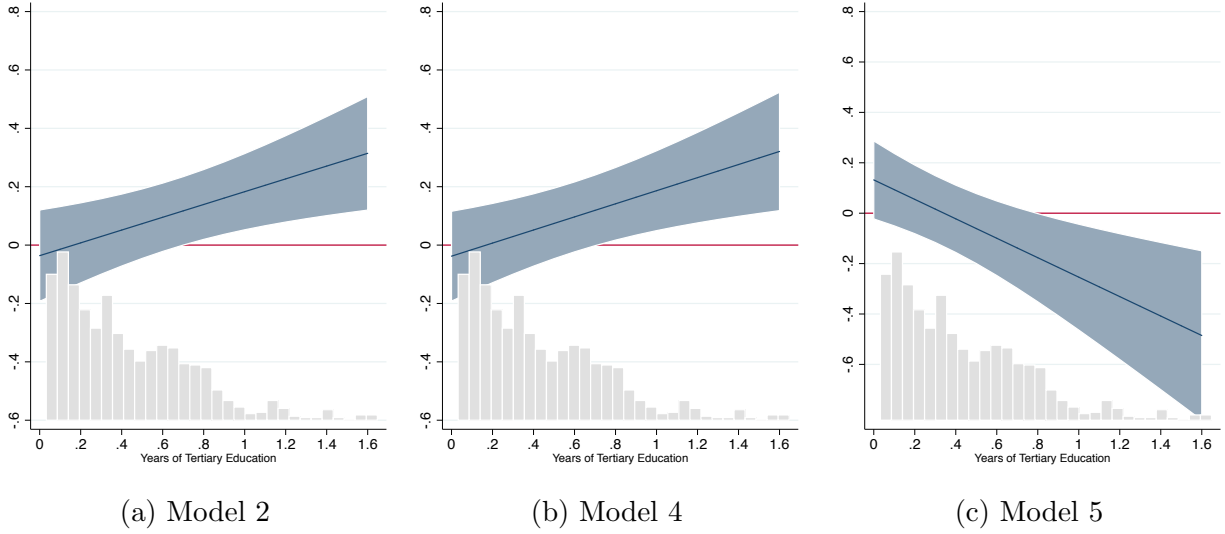
Note: This figure shows the marginal effect of inequality on immigration policy depending on the level of development as calculated from Table 3 Model 1. 95-percent confidence intervals are shown. The bars show the distribution of observations.

they face other anti-immigrant groups who oppose low-skill immigration on non-material grounds.⁵³

As a robustness check in Table 3 and to adjudicate between mechanisms, we also examined the effect of education interacted with inequality. Given that income is correlated with education, an alternative explanation is that it is not that economic development changes the degree of substitutability between low-skill immigrant workers and natives, but instead that the effect is based on education which is a proxy for natives' skills. Figure 4 shows that there is little interactive effect of education; the confidence intervals overlap zero through most of the range of the data in models 2 and 4 and the relationship flips signs in model 5, once we control for development and its interaction term with inequality, and is also not

⁵³Peters (2014; 2015; 2017).

Figure 4: Marginal Effects of Inequality on DV by Levels of Education



Note: This figure shows the marginal effect of inequality on immigration policy depending on the level of development as calculated from Table 3 Models 2, 4, and 5. 95-percent confidence intervals are shown. The bars show the distribution of observations.

statistically significant throughout much of the range of the data. The data then support the nature of the task mechanism: even controlling for education, development has a statistically significant effect whereas education does not.

Robustness Checks and Extensions

We also conducted several robustness checks. First, in Table 4, we replicate Table 3 for OECD countries to include taxation indicators and party variables that may be correlated with both inequality and immigration policy. Model 6 replicates model 1 of Table 3 for only OECD states to serve as a baseline. We find similar results in this subsample.

Next, we include taxation and party variables in models 7 through 10. Since we use an indicator of pre-tax inequality, inequality may be correlated with redistributive policies, including increased taxation. Further, the literature on immigration policy has found evidence that states with large welfare systems tend to limit immigration;⁵⁴ therefore, we include two

⁵⁴Neuman (1993); Peters (2015); Razin, Sadka, and Suwankiri (2011); Shin (2019).

different sources of tax revenues — welfare and personal income — as shares of GDP in models 6 through 10. We also include the vote share of right-wing populist parties because an increase in inequality may cause voters to support right-wing populism, which in turn leads to more restrictive immigration policy.⁵⁵

Our results are robust to the inclusion of these variables. The effect of inequality is still negative when the development level is relatively low and is positive when it is high. Our results on taxation are consistent with the argument that voters care about *pre-tax* inequality more than post-tax inequality. Assuming that increased welfare tax revenue or personal income tax revenue decreases post-tax inequality, then we would expect that more tax revenue would lead to more support for low-skill immigration. There would be less inequality to attribute immigrants and/or less anxiety over the state of the economy, suggesting that the coefficient on these terms should be positive. However, we find little statistical significance of welfare tax revenue and a statistically significant negative effect of personal income tax. This suggests that voters oppose immigration when their taxes go up, even if those taxes are supposed to reduce inequality. Policymakers, then, are doubly-pressured to restrict immigration in the face of inequality in middle-income countries, as the remedy for inequality, taxation and redistribution, leads to increased opposition for immigration.

Our results also hold when controlling for the vote share of right-wing populist parties. We might be concerned that rising inequality leads to increased support for right-wing populist parties, which tend to support restrictions on immigration inflows. It could be the case that the voters do not want these restrictions and instead vote for these parties for other reasons. We find that electoral support for right-wing parties moderates the effect of inequality; however, that is likely because voters choose these parties specifically because they want to restrict immigration. Moreover, inequality still has a statistically significant effect, suggesting that voters' increased demand for restrictions due to rising inequality affects parties across the ideological spectrum. Finally, our results remain robust to the inclusion of country-

⁵⁵Williams (2006).

specific time trends (Table A5) and to lagging all independent variables by one year with country-specific time trends (Table A6).

Table 4: Inequality, Development, and Immigration Policy (1950–1995)

	(6)	(7)	(8)	(9)	(10)
Immigration Policy $_{t-1}$	0.904*** (0.016)	0.897*** (0.016)	0.890*** (0.016)	0.896*** (0.016)	0.892*** (0.016)
Log of GDP per capita	-0.325** (0.105)		-0.275* (0.111)	-0.034 (0.040)	-0.350* (0.138)
Inequality	-4.739*** (1.363)	-0.051 (0.181)	-3.753** (1.3875)	-0.076 (0.185)	-4.890** (1.818)
Log of GDP per capita \times Inequality	0.494*** (0.138)		0.394** (0.139)		0.532** (0.202)
Years of Tertiary Education		-0.254 (0.208)		-0.291 (0.215)	0.139 (0.288)
Years of Tertiary Education \times Inequality		0.330 (0.304)		0.390 (0.317)	-0.356 (0.448)
$\ln(\text{Population})_{t-1}$	-0.096 (0.068)	-0.107 (0.067)	-0.140* (0.067)	-0.112+ (0.066)	-0.118+ (0.065)
GDP Growth	0.057 (0.222)	-0.159 (0.224)	-0.143 (0.226)	-0.164 (0.224)	-0.120 (0.225)
Trade Openness	-0.006 (0.003)	-0.005 (0.003)	-0.005 (0.003)	-0.005 (0.003)	-0.005 (0.003)
Polity Score	-0.005 (0.009)	-0.003 (0.008)	-0.004 (0.009)	-0.003 (0.009)	-0.005 (0.009)
Welfare Tax Revenue as % of GDP		-0.005+ (0.003)	-0.004 (0.003)	-0.005+ (0.003)	-0.004 (0.003)
Personal Income Taxes as % of GDP		-0.009*** (0.003)	-0.010*** (0.003)	-0.009*** (0.003)	-0.010*** (0.003)
Legislative Share of Left Parties in Power		-0.000 (0.000)	-0.000 (0.000)	-0.000 (0.000)	-0.000 (0.000)
Right-wing Populism Vote Share		-0.007** (0.002)	-0.005* (0.002)	-0.007** (0.002)	-0.006* (0.002)
Observations	629	629	629	629	629
Countries	16	16	16	16	16
R ²	0.970	0.971	0.971	0.971	0.971

Note: This table portrays a pooled cross-sectional time-series ordinary least squares (OLS) analysis of immigration policy in year t . All independent variables are taken from year t unless otherwise noted. Panel-corrected standard errors are shown in parentheses. ***, **, * and + indicate statistical significance levels of .1, 1, 5 and 10 percent, respectively. Country and year fixed effects are included in all models.

Given the symmetry of the interaction terms in our model, we can also perform construct validity tests of the key independent variables to see if our proposed theoretical mechanisms are plausible. Following the suggestion in Berry, Golder, and Milton, we compute the

marginal effects of $\ln(\text{GDP per capita})$ on the dependent variable by inequality.⁵⁶ As discussed earlier, there are two countervailing effects of economic development on immigration policy. First, the income effect of a wealth increase leads to more open immigration policy because it makes natives feel more secure as they become more complementary to foreign labor. Second, the development effect causes firms to move into more knowledge-based, less labor-intensive industries, leading to restrictions on immigration inflows due to decreasing business support for low-skill immigration policy.

We have argued that when inequality is high, firms have more interests in labor-intensive industries. When inequality is low, firms are less likely to invest in routine production. The income effect (support for immigration), then, is likely to dominate when firms do not abandon labor-intensive production as wealth increases, that is when inequality is high. On the other hand, the development effect leading to restrictive immigration policy is likely to dominate when firms become less labor-intensive as wealth increases, that is when inequality is low. We find overwhelming support for these predictions.⁵⁷

Finally, if our theory is correct, autocrats are less likely to respond to the public's concern for immigration-induced labor-market competition regardless of the degree of substitutability between immigrants and natives. Since an increase in inequality incentivizes more firms to engage in labor-intensive production and these firms have strong preferences for low-skill immigration, we should expect a positive correlation between inequality and immigration policies in autocracies. Similarly, the income effect of wealth is unlikely to have its influence on autocracies' immigration policies. Instead, we should observe only the development effect of economic wealth in autocracies. Since more firms move into less labor-intensive industries as development takes place, we should observe a negative correlation between GDP per capita and immigration policy openness in autocracies. We find that in autocracies the degree of substitutability and mass preferences do not matter much in immigration policy formation.

⁵⁶Berry, Golder, and Milton (2012).

⁵⁷See Figure A3.

Instead, autocracies only respond to firms' dynamic preferences.⁵⁸

Other Measures of Inequality

Finally, we have examined other measures of inequality. For our main analysis, we used the capital share of the value added in the industrial sector as it incorporates socioeconomic cleavages between those who presumably benefit from low-skilled immigration (capitalists) and those who are believed to lose from low-skilled immigration (labor). As empirical extensions, we have regressed immigration policy on other measures of inequality: (1) the top 10% income share; (2) the top 5% income share; (3) the top 1% income share; (4) the Gini coefficient; (5) the top 1% wealth share; (6) the top 10% wealth share; (7) the top inheritance tax; and (8) the top income tax.⁵⁹ Top 10%, 5% and 1% income shares indicate a country's total income that is earned by each of these respective segments at the top of the income distribution. The Gini coefficient represents the overall income distribution of a country. The Top 10% and 1% wealth shares measure a country's share of wealth owned by the top 10% and 1% of the population, respectively. Top Income Tax and Top Inheritance Tax represent the tax rates applied to a country's top income earners. Although these tax variables do not measure the level of inequality directly, it captures the redistributive impacts of a country's fiscal policies with respect to income and inheritance.

These other measures of inequality do not capture the socioeconomic cleavage between

⁵⁸See Models 1A through 4A in Table A7. Autocracies tend to have more open immigration policy than democracies. See Shin (2017) for more information.

⁵⁹Data for the top 10% income share, the top 5% income share, and the top 1% income share are taken from the World Wealth and Income Database (WID) assembled by Alvaredo, Atkinson, Piketty et al. (2016). The Gini coefficient measure is taken from Deininger and Squire (1996). The top 10% and 1% wealth shares are retrieved from Roine and Waldenström (2015)'s dataset. Lastly, top inheritance and income tax data, are obtained from Scheve and Stasavage (2016).

capital and labor in the low-skill intensive sector. The income or wealth share generally captures the social cleavage between the rich and the rest of society, including the long-run discrepancy in wealth accumulation. Although income or wealth inequality between the rich and the poor may have implications for redistributive policies, we argue that these measures are less likely to affect immigration policy. As discussed above, there are three mechanisms that could lead to a negative relationship between these measures and immigration policy. First, it could be the case that voters wrongly attribute rising inequality to increased immigration and seek immigration restrictions as a remedy. Second, it could be that inequality increases economic anxiety and this leads to decreased support for immigration. Third, inequality leads voters to be concerned about their fiscal burden and want to restrict immigration in order to lessen their burden as either they attribute the rise in social welfare use to immigrants or believe that natives would use social welfare programs less in the absence of competition with immigrants. In all three cases, we should expect that inequality has a negative effect on immigration policy, regardless of the wealth of the country (Hypothesis A1). We, however, find no robust effect of inequality as measured by these eight different measures, on immigration policy, even when we interact these variables with the level of development as measured by GDP per capita or by education.

Since these measures capture inequality from not just the low-skill labor market but a host of other factors, we argue that there should not be a relationship between these measures and immigration policy. For instance, the top income shares include the income shares of individuals owning capital-intensive industries or knowledge-intensive industries. In response to an increase in this type of inequality, voters may be more likely to resort to influencing policies with direct redistributive consequences, such as tax policies. Voters may still wrongly attribute rising inequality to increased immigration, but they may pressure policymakers to focus on other policy areas to address this type of inequality directly. Moreover, the notion that inequality should provoke economic anxiety implies that inequality is a form of economic distress, such as poverty. This is misleading since the level of inequality

and voters' earnings may increase simultaneously. Therefore, it is difficult to imagine that increasing inequality provokes economic anxiety unless voters derive additional beliefs about their labor-market prospect by observing the level of inequality, which is the case with respect to the level of inequality between capital and labor in the industrial sector. Furthermore, voters may not care about the fiscal implications of rising inequality with respect to low-skill immigration unless they are actually taxed at a higher rate. Throughout the analysis, we find a strong negative correlation between personal income taxes as a percent of GDP and immigration policy openness. An increase in inequality does not compel voters to become welfare-chauvinistic toward low-skill immigrants unless they incur larger tax burdens. Taken together with the empirical extensions, these theoretical considerations bolster our argument that rising inequality leads to immigration restrictions only when it concerns the low-skill labor market in countries in which immigrants are substitutes for native labor.

Conclusion

When and how do attitudes on low-skill immigration held by the mass public get translated into immigration policy even when firms support more open low-skill immigration policy? From the literature thus far, we know much about the attitudes that natives hold on immigration⁶⁰ and some about how these views change.⁶¹ We also know how firm preferences for low-skill immigration have changed over time and how this has affected policy.⁶² Yet, few scholars have examined how policymakers balance between both firms' and the mass public's competing preferences. In this paper, we take a first step to examining this question by looking at the role of inequality between capital and labor.

We argue that rising inequality between capital and labor should lead to increased re-

⁶⁰For a review, see Hainmueller and Hopkins (2014).

⁶¹Goldstein and Peters (2014).

⁶²Peters (2014; 2015; 2017); Shin (2019).

restrictions on low-skill immigration policy only in middle-income countries. In all countries, if capital gains a larger share of the profits in labor intensive industries, more capital will move into these industries, increasing the demand for labor. With increased demand for labor, firms should demand more immigration.

Whether or not firms get more immigration will depend on how the rest of society responds. At lower levels of development, immigrants are much more likely to compete with natives in the labor market. When times are good, this competition is unlikely to arouse much anger. However, when inequality is rising and wages are falling or at least stagnating, competition from immigrants is likely to provoke demands for restrictions. In more highly developed countries, immigrants are unlikely to compete with natives; instead they are likely to complement natives in the labor market. When inequality is increasing among natives for whatever reason, low-skill immigration in highly developed countries might actually decrease inequality among natives, even if it increases inequality overall. Rising inequality, then, is unlikely to lead to calls for increased restrictions in highly developed, wealthy nations. Instead, firm preferences in response to rising inequality between capital and labor drive immigration policy.

Using comprehensive data on low-skill immigration policy and inequality, we found that democracies with lower levels of development were more likely to restrict immigration when inequality increases. This finding holds even controlling for many potential confounding variables. We also found that very wealthy democracies restricted immigration as inequality decreased in the 1990s and early 2000s. We argue that this is because firms abandon labor-intensive production as labor costs rise. While the mass public' opposition to immigration was likely decreasing somewhat due to decreased inequality, this lack of inequality-induced opposition was not enough to overcome opposition from other sources without the help of firms. Finally, we found independent effects of inequality and economic development according to firm preferences in autocracies, consistent with the idea that citizens have less voice in these states.

P

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Appendix

The following tables and figures provide additional visualizations and information for the relationships in our predictive models. The first section begins with summary statistics for the tables and figures in the article. Table A1 and Table A2 show the mean, standard deviation, the minimum and maximum, and the number of observations for the variables included in Table 3 and Table 4. Additionally, Table A3 and Table A4 display the correlations between these variables – the highest correlation we see here is a 0.705 between the log of GDP per capita and the years of tertiary education. Figure A5 then displays inequality and immigration policy across time in those country-year observations where the log of GDP per capita is either greater than or equal to 10.

This section also includes more figures illustrating the marginal effects graphs from Table 3 and Table 4. Figure A1 shows the marginal effects of inequality on immigration policy while varying the level of development (log of GDP per capita). The respective figures are derived from Models 6, 8, and 10 from Table 4. Figure A2, also derived from Table 4, shows marginal effects of inequality on immigration policy depending on the level of education. These figures show the marginal effects as taken from Models 7, 9, and 10. Figure A3 and Figure A4 show marginal effects of the level of development (log of GDP per capita) on immigration policy while varying the level of inequality. In Figure A3, these marginal effects are taken from Models 1, 3, and 5, and from Figure A4, they are taken from Models 6, 8, and 10.

Lastly, this section also contains additional tables as further robustness checks. Table A5 shows the relationships between inequality, development, and immigration policy with country-specific time trends. Table A6 shows this same relationships with the country-specific time trends while taking independent variables from $t - 1$ in the models. Table A7 shows the relationships between inequality, development, and immigration policy in autocracies, and Table A8 shows the autocracies that are included in the sample.

Table A1: Summary Statistics for Models 1 through 5

Variable	Mean	Std. Dev.	Min.	Max.	N
Immigration Policy	-0.820	0.756	-2.879	0.507	1186
ln(GDP per capita)	9.496	0.570	7.2	10.53	1192
Years of Tertiary Education (25 years or older)	0.425	0.317	0.032	1.647	1155
Inequality	0.563	0.128	0.332	0.834	1135
ln(Population) _{t-1}	16.706	1.253	14.38	19.509	1185
GDP Growth	0.036	0.032	-0.111	0.191	1185
Trade Openness	95.214	4.332	61.9	99.709	1117
Polity Score	9.178	2.331	-9	10	1187

Table A2: Summary Statistics for Models 6 through 10

Variable	Mean	Std. Dev.	Min.	Max.	N
Immigration Policy	-0.782	0.810	-2.879	0.515	722
ln(GDP per capita)	9.509	0.455	7.901	10.3	722
Year of Tertiary Education (25 years or older)	0.347	0.252	0.039	1.425	722
Inequality	0.524	0.092	0.332	0.784	691
ln(Population) _{t-1}	16.693	1.245	14.852	19.388	719
GDP Growth	0.037	0.028	-0.07	0.191	719
Trade Openness	95.531	3.226	68.8	99.3	681
Polity Score	9.414	2.713	-7	10	722
Welfare Taxes as % of GDP	7.594	5.352	0	21.27	722
Personal Income Taxes as % of GDP	10.002	4.796	1.382	27.818	713
Legislative Share of Left Parties in Power	18.034	20.809	0	65	703
Right-Wing Populism Vote Share	1.252	3.34	0	23	703

Table A3: Correlation Matrix (Models 1 through 5)

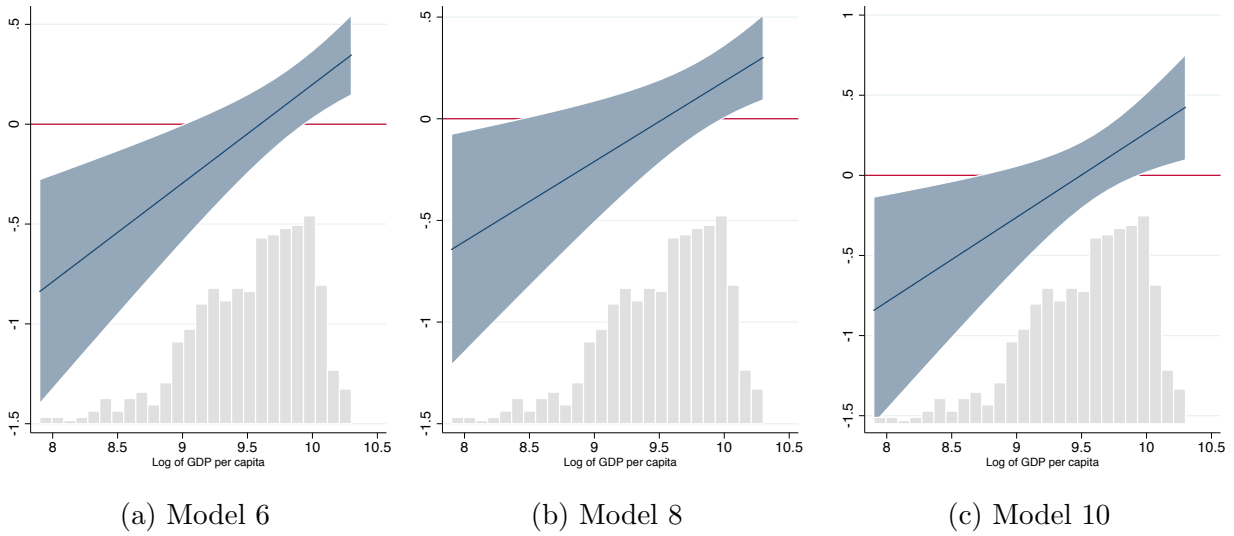
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
(1)	1							
(2)	-0.361***	1						
(3)	-0.266***	0.705***	1					
(4)	0.0475	-0.393***	-0.0348	1				
(5)	-0.0535	-0.0169	0.170***	0.243***	1			
(6)	0.146***	-0.266***	-0.143***	0.113***	0.0355	1		
(7)	-0.358***	0.493***	0.332***	-0.287***	0.0495	-0.0901**	1	
(8)	-0.0671*	0.411***	0.248***	-0.372***	-0.130***	-0.0528	0.208***	1

* $p < 0.05$, ** $p < 0.01$, *** $p < 0.001$

Variable List:

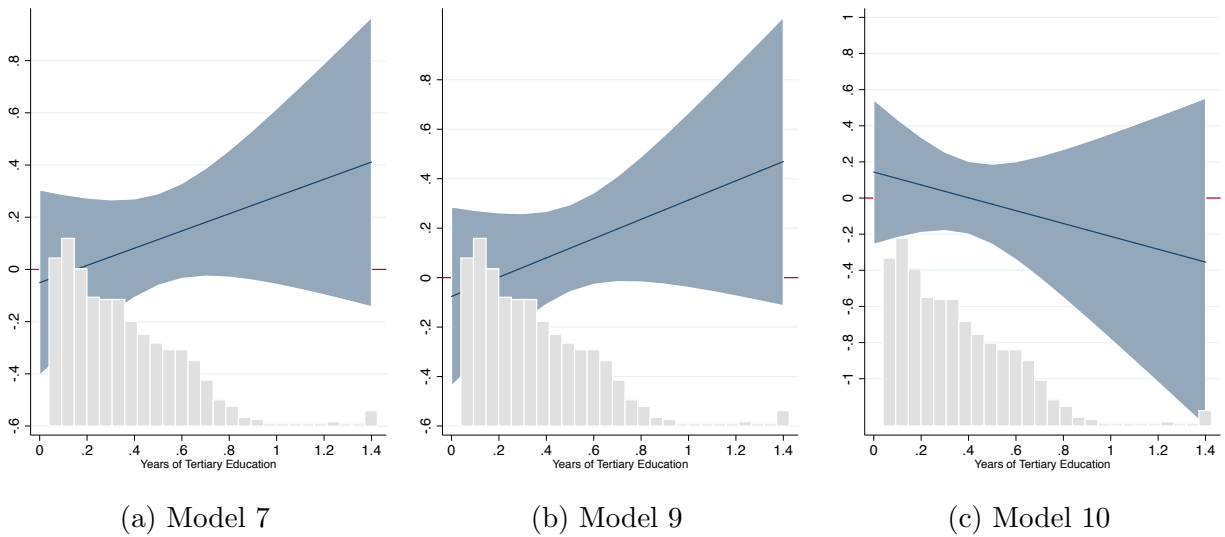
(1) Immigration Policy, (2) ln(GDP per capita), (3) Years of Tertiary Education (25 years or older), (4) Inequality, (5) ln(Population)_{t-1}, (6) GDP Growth, (7) Trade Openness, (8) Polity Score

Figure A1: Marginal Effects of Inequality on DV at Constant Levels of Development



Note: This figure shows the marginal effect of inequality on immigration policy depending on the level of development as calculated from Table 4: Models 6, 8, and 10. The bars show the distribution of observations.

Figure A2: Marginal Effects of Inequality on DV at Constant Levels of Education



Note: This figure shows the marginal effect of inequality on immigration policy depending on the level of education as calculated from Table 4: Models 7, 9, and 10. The bars show the distribution of observations.

Table A4: Correlation Matrix (Models 6 through 10)

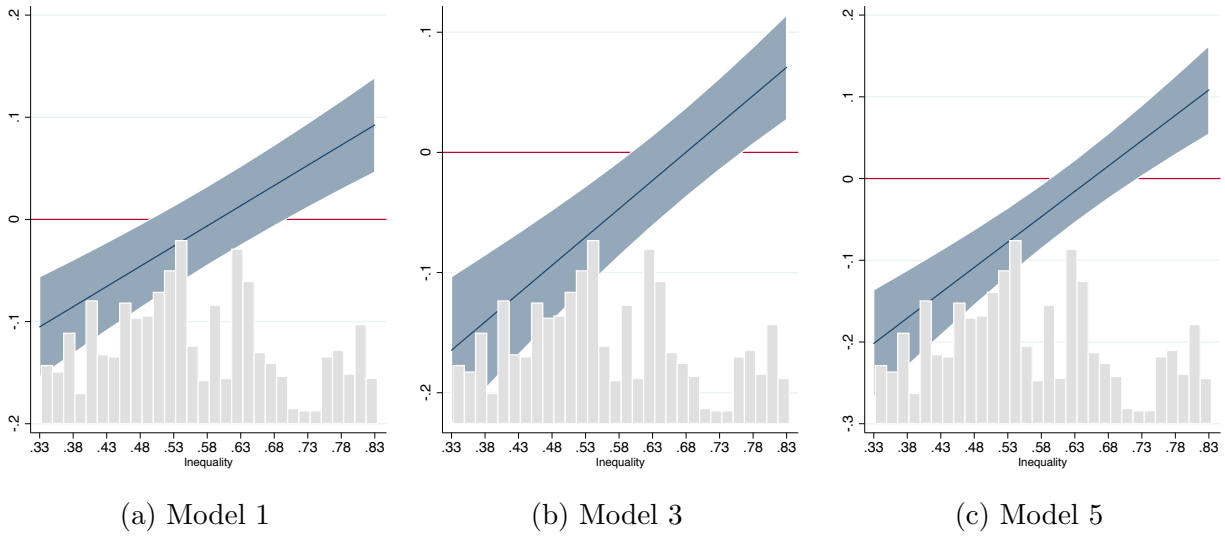
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
(1)	1											
(2)	-0.486***	1										
(3)	-0.346***	0.673***	1									
(4)	0.0253	-0.0562	0.209***	1								
(5)	-0.000198	0.0924*	0.284***	0.196***	1							
(6)	0.225***	-0.390***	-0.228***	0.0671	0.0990**	1						
(7)	-0.426***	0.326***	0.0814*	-0.106**	-0.0626	-0.218***	1					
(8)	-0.275***	0.277***	0.207***	0.129***	-0.118**	-0.187***	0.283***	1				
(9)	-0.361***	0.398***	-0.0115	-0.214***	0.168***	-0.206***	0.436***	-0.00680	1			
(10)	-0.518***	0.544***	0.356***	-0.135***	-0.348***	-0.347***	0.386***	0.340***	0.00621	1		
(11)	-0.127***	0.0842*	-0.219***	-0.141***	-0.332***	-0.103**	0.123**	0.0959*	0.116**	0.242***	1	
(12)	-0.442***	0.361***	0.0778*	-0.285***	-0.189***	-0.203***	0.276***	0.0174	0.209***	0.334***	0.167***	1

* $p < 0.05$, ** $p < 0.01$, *** $p < 0.001$

Variable List:

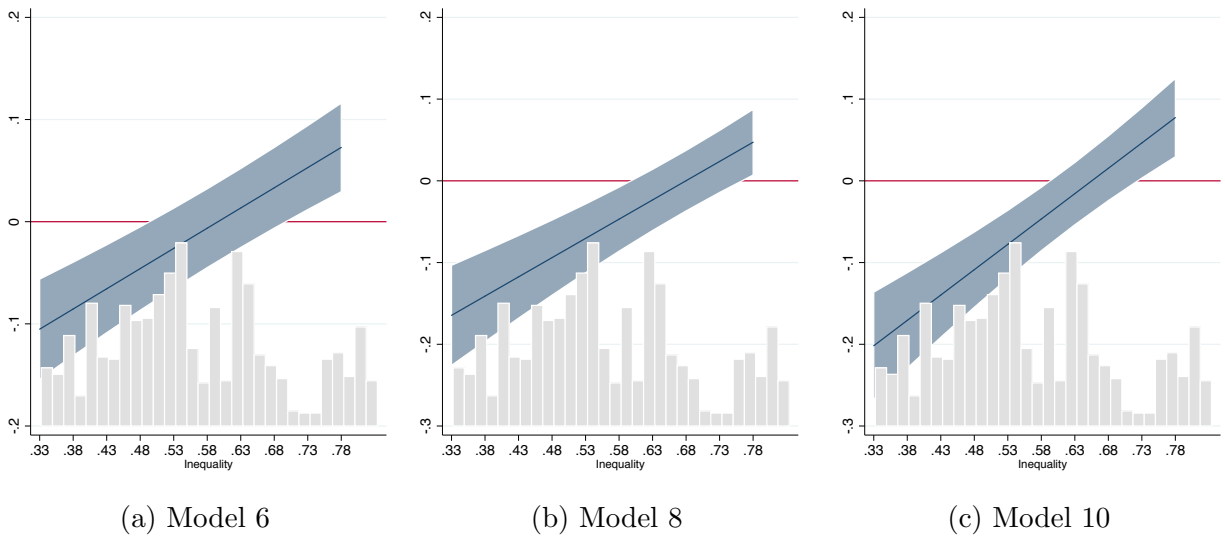
- (1) Immigration Policy, (2) $\ln(\text{GDP per capita})$, (3) Years of Tertiary Education (25 years or older), (4) Inequality, (5) $\ln(\text{Population})_{t-1}$, (6) GDP Growth, (7) Trade Openness, (8) Polity Score, (9) Welfare Taxes as % of GDP, (10) Personal Income Taxes as % of GDP, (11) Legislative Share of Left Parties in Power, (12) Right-wing Populism Vote Share

Figure A3: Marginal Effects of Development on DV at Constant Levels of Inequality



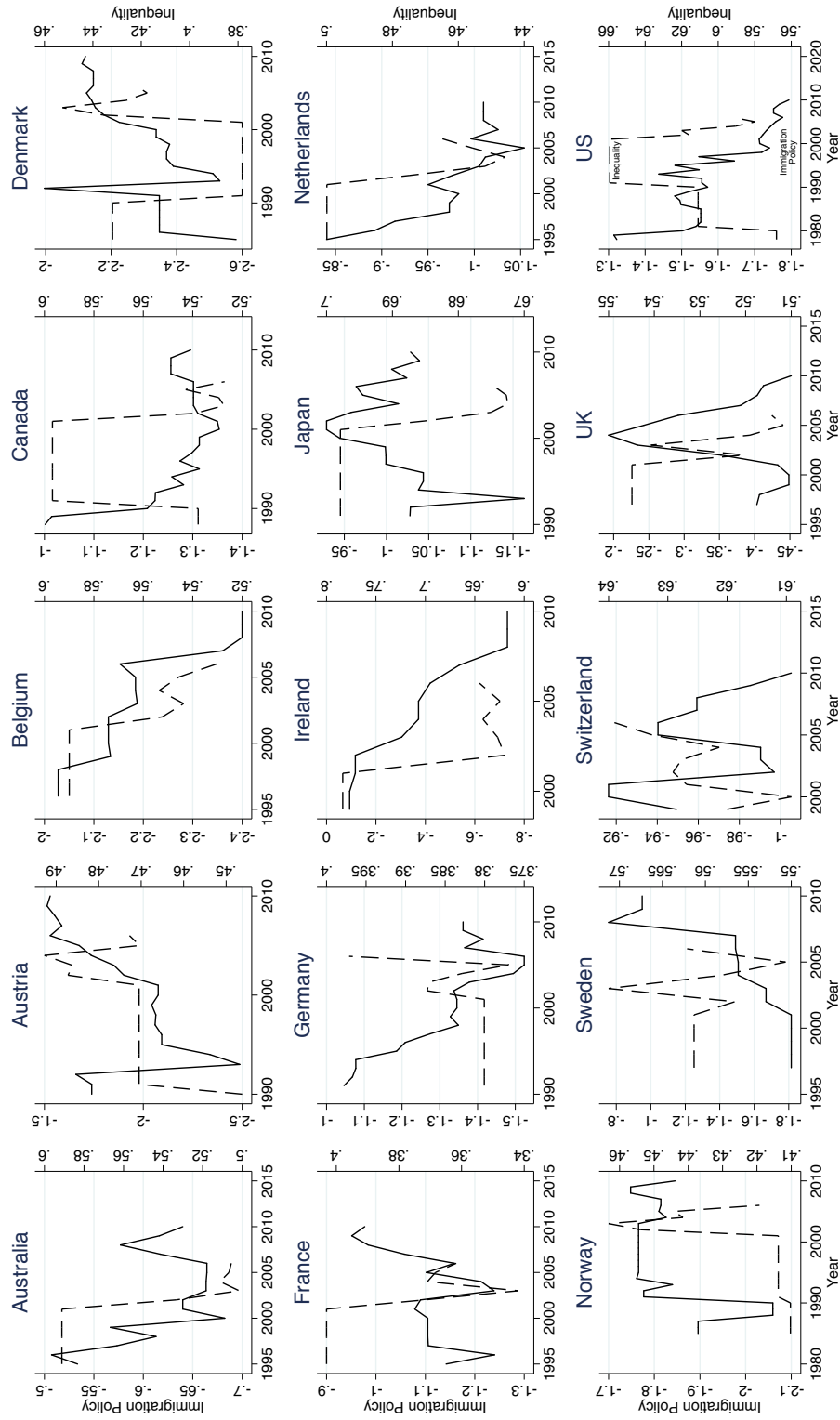
Note: This figure shows the marginal effect of development on immigration policy depending on the level of inequality as calculated from Table 3: Models 1, 3, and 5. The bars show the distribution of observations.

Figure A4: Marginal Effects of Development on DV at Constant Levels of Inequality



Note: This figure shows the marginal effect of development on immigration policy depending on the level of inequality as calculated from Table 4: Models 6, 8, and 10. The bars show the distribution of observations.

Figure A5: Inequality and Immigration in the Wealthiest Countries



Note: This figure shows immigration policy (solid line) and inequality (dashed line) over time in country-year observations in which the natural log of GDP per capita is greater than or equal to 10.

Table A5: Inequality, Development and Immigration Policy with Country-Specific Time Trends

	(11)	(12)	(13)	(14)	(15)
Immigration Policy _{<i>t</i>-1}	0.868*** (0.011)	0.876*** (0.012)	0.874*** (0.011)	0.876*** (0.012)	0.872*** (0.011)
ln(GDP per capita)	-0.469*** (0.098)		-0.439*** (0.098)	0.052 (0.038)	-0.489*** (0.100)
Inequality	-6.846*** (1.411)	0.266* (0.144)	-6.555*** (1.409)	0.284* (0.143)	-7.173*** (1.437)
ln(GDP per capita) × Inequality	0.712*** (0.141)		0.685*** (0.141)		0.780*** (0.146)
Years of Tertiary Education		0.254** (0.093)	0.106*** (0.029)	0.279** (0.096)	0.435*** (0.091)
Years of Tertiary Education × Inequality		-0.304 ⁺ (0.176)		-0.340* (0.180)	-0.611*** (0.166)
ln(Population) _{<i>t</i>-1}	0.337* (0.158)	0.363** (0.144)	0.370* (0.170)	0.313* (0.160)	0.284* (0.163)
GDP Growth	0.245 ⁺ (0.139)	0.338** (0.130)	0.280* (0.138)	0.309* (0.134)	0.270 ⁺ (0.140)
Trade Openness	-0.006*** (0.001)	-0.005* (0.002)	-0.005** (0.002)	-0.004* (0.002)	-0.005** (0.002)
Polity Score	-0.007 ⁺ (0.004)	-0.010* (0.004)	-0.008 ⁺ (0.004)	-0.009* (0.004)	-0.008 ⁺ (0.004)
Observations	1067	1049	1049	1049	1049
Countries	24	24	24	24	24
R ²	0.975	0.975	0.975	0.975	0.975

Note: This table portrays a pooled cross-sectional time-series ordinary least squares (OLS) analysis of immigration policy in year t . All independent variables are taken from year t unless otherwise noted. Panel-corrected standard errors are shown in parentheses. ***, **, * and ⁺ indicate statistical significance levels of .1, 1, 5 and 10 percent, respectively. Country and year fixed effects as well as country-specific time trends are included in all models.

Table A6: Inequality, Development, and Immigration Policy with Lagged IVs

	(16)	(17)	(18)	(19)	(20)
Immigration Policy $_{t-1}$	0.902*** (0.011)	0.908*** (0.010)	0.904*** (0.011)	0.908*** (0.010)	0.901*** (0.011)
ln(Log of GDP per capita) $_{t-1}$	-0.428** (0.141)		-0.453** (0.145)	0.021 (0.050)	-0.512*** (0.155)
Inequality $_{t-1}$	-5.889** (1.927)	0.232 (0.172)	-6.350** (1.983)	0.239 (0.170)	-7.072*** (2.097)
ln(Log of GDP per capita) $_{t-1} \times$ Inequality $_{t-1}$	0.606** (0.192)		0.654*** (0.198)		0.765*** (0.216)
Years of Tertiary Education $_{t-1}$		0.266* (0.130)	0.049 (0.037)	0.276* (0.130)	0.429** (0.137)
Years of Tertiary Education $_{t-1} \times$ Inequality $_{t-1}$		-0.425+ (0.251)		-0.439+ (0.250)	-0.703** (0.260)
ln(Population) $_{t-1}$	0.292 (0.221)	0.236 (0.224)	0.291 (0.237)	0.213 (0.233)	0.212 (0.234)
GDP Growth $_{t-1}$	-0.014 (0.164)	-0.011 (0.166)	-0.049 (0.168)	-0.023 (0.169)	-0.057 (0.169)
Trade Openness $_{t-1}$	-0.006*** (0.001)	-0.004* (0.002)	-0.005* (0.002)	-0.004* (0.002)	-0.005** (0.002)
Polity Score $_{t-1}$	-0.001 (0.005)	-0.001 (0.005)	0.000 (0.005)	-0.001 (0.005)	0.000 (0.005)
Observations	1067	1049	1049	1049	1049
Countries	24	24	24	24	24
R ²	0.974	0.974	0.974	0.974	0.974

Note: This table portrays a pooled cross-sectional time-series ordinary least squares (OLS) analysis of immigration policy in year t . All independent variables are taken from year $t - 1$. Panel-corrected standard errors are shown in parentheses. ***, **, * and + indicate statistical significance levels of .1, 1, 5 and 10 percent, respectively. Country and year fixed effects as well as country-specific time trends are included in all models.

Table A7: Inequality, Development, and Immigration Policy in Autocracies

	(1A)	(2A)	(3A)	(4A)
Immigration Policy $_{t-1}$	0.815*** (0.039)	0.836*** (0.028)	0.815*** (0.035)	0.727*** (0.031)
Log of GDP per capita	-0.042* (0.018)	-0.028* (0.011)	-0.042*** (0.011)	-0.049* (0.020)
Inequality	0.709** (0.165)		0.710*** (0.127)	1.182*** (0.157)
ln(Population) $_{t-1}$	-0.131** (0.038)	-0.110** (0.029)	-0.131*** (0.033)	-0.210*** (0.056)
GDP Growth	0.024 (0.034)	-0.048 (0.060)	0.024 (0.035)	0.020 (0.035)
Polity Score	0.001 (0.001)		0.001 (0.001)	0.002* (0.001)
Standard Errors	Clustered	Clustered	PCSE	PCSE
Country-Specific Time Trends				✓
Hong Kong & Venezuela Included		✓		
Observations	370	461	370	370
Countries	11	13	11	11
R ²	0.854	0.875	0.986	0.985

Note: This table portrays a pooled cross-sectional time-series ordinary least squares (OLS) analysis of immigration policy in year t . All independent variables are taken from year t unless otherwise noted. ***, **, * and + indicate statistical significance levels of .1, 1, 5 and 10 percent, respectively. Country and year fixed effects are included in all models. Models 1A, 3A, 4A exclude Hong Kong and Venezuela due to missing values of inequality.

Table A8: Autocracies Included in the Sample

Group	Country	Years of Autocracy
Settler States	Argentina	1955–1982
	Brazil	1964–1978
	Chile	1973–1989
	South Africa	1950–1993
	Venezuela	1950–1958, 2009–2012
Asian Tigers	Singapore	1960–2010
	South Korea	1948–1987
	Taiwan	1951–1995
	Hong Kong	1966–2010
Oil-rich Monarchies	Saudi Arabia	1950–2010
	Kuwait	1963–2010
Other Autocracies	Spain	1950–1976
	Botswana	1966–2013

Note: Argentina, Brazil, Chile, South Africa, South Korea, Taiwan, and Venezuela have democratized in various years. The sample only includes country-year observations under authoritarian regimes. Some countries are included after 1950 due to missing data on immigration policy, explanatory variables, or controls.

Empirical Extensions Using Other Measures of Inequality

Top 10% Income Share

Table A9: Top 10% Income Share, Development, and Immigration Policy since World War II

	(1)	(2)	(3)	(4)	(5)
Immigration Policy _{<i>t</i>-1}	0.915*** (0.020)	0.911*** (0.018)	0.912*** (0.018)	0.907*** (0.018)	0.908*** (0.019)
Log of GDP per capita	0.010 (0.136)		0.113 (0.151)	-0.066 (0.081)	-0.025 (0.206)
Top 10% Income Share	0.014 (0.034)	0.005 (0.004)	0.056 (0.038)	0.006 (0.004)	0.018 (0.056)
ln(GDP per capita) × Top 10% Income Share	-0.002 (0.003)		-0.006 (0.004)		-0.001 (0.006)
Years of Tertiary Education		0.163 (0.194)	-0.011 (0.067)	0.224 (0.142)	0.187 (0.236)
Years of Tertiary Education × Inequality		-0.005 (0.004)		-0.007* (0.003)	-0.005 (0.005)
ln(Population) _{<i>t</i>-1}	0.071 (0.071)	-0.024 (0.070)	-0.039 (0.063)	-0.032 (0.066)	-0.033 (0.066)
GDP Growth	-0.014 (0.197)	0.012 (0.352)	-0.021 (0.355)	-0.014 (0.353)	-0.016 (0.355)
Trade Openness	-0.007* (0.003)	-0.007 (0.005)	-0.008 (0.006)	-0.008 (0.006)	-0.008 (0.006)
Polity Score	0.001 (0.003)	0.002 (0.004)	0.002 (0.004)	0.003 (0.004)	0.003 (0.004)
Observations	678	593	593	593	593
Countries	14	14	14	14	14
R ²	0.950	0.946	0.946	0.946	0.946

Note: Inequality here is measured by the top 10% income share. This table portrays a pooled cross-sectional time-series ordinary least squares (OLS) analysis of immigration policy in year t . All independent variables are taken from year t unless otherwise noted. Inequality is measured by the top 10% income share. Clustered standard errors are shown in parentheses. ***, **, * and + indicate statistical significance levels of .1, 1, 5 and 10 percent, respectively. Country and year fixed effects are included in all models.

Table A10: Top 10% Income Share, Development, and Immigration Policy (1950–1995)

	(6)	(7)	(8)	(9)	(10)
Immigration Policy _{<i>t</i>-1}	0.894*** (0.019)	0.883*** (0.013)	0.887*** (0.016)	0.883*** (0.013)	0.876*** (0.017)
Log of GDP per capita	0.053 (0.160)		0.088 (0.157)	-0.019 (0.053)	-0.396 (0.373)
Top 10% Income Share	0.018 (0.051)	0.010* (0.004)	0.033 (0.045)	0.011* (0.004)	-0.103 (0.116)
ln(GDP per capita) × Top 10% Income Share	-0.001 (0.005)		-0.003 (0.005)		0.012 (0.012)
Years of Tertiary Education		0.332* (0.164)		0.336* (0.158)	0.771 (0.538)
Years of Tertiary Education × Top 10% Income Share		-0.011* (0.005)		-0.011* (0.004)	-0.023 (0.014)
ln(Population) _{<i>t</i>-1}	0.090 (0.123)	0.142 (0.131)	0.091 (0.116)	0.131 (0.142)	0.080 (0.124)
GDP Growth	-0.239 (0.494)	-0.385 (0.470)	-0.427 (0.461)	-0.394 (0.476)	-0.418 (0.469)
Trade Openness	-0.008 (0.006)	-0.003 (0.005)	-0.003 (0.005)	-0.004 (0.005)	-0.003 (0.004)
Polity Score	0.002 (0.005)	0.009* (0.004)	0.007+ (0.004)	0.010* (0.004)	0.009* (0.004)
Welfare Tax Revenue as % of GDP		-0.006 (0.004)	-0.008+ (0.004)	-0.007 (0.005)	-0.008 (0.005)
Personal Income Taxes as % of GDP		-0.010+ (0.005)	-0.008+ (0.004)	-0.010+ (0.005)	-0.012* (0.005)
Legislative Share of Left Parties in Power		-0.001 (0.001)	-0.001 (0.001)	-0.001 (0.001)	-0.001 (0.001)
Right-wing Populism Vote Share		-0.007 (0.004)	-0.007+ (0.004)	-0.007 (0.004)	-0.007 (0.004)
Observations	400	391	391	391	391
Countries	12	12	12	12	12
R ²	0.968	0.969	0.969	0.969	0.970

Note: This table portrays a pooled cross-sectional time-series ordinary least squares (OLS) analysis of immigration policy in year t . All independent variables are taken from year t unless otherwise noted. Inequality is measured by the top 10% income share. Clustered standard errors are shown in parentheses. ***, **, * and + indicate statistical significance levels of .1, 1, 5 and 10 percent, respectively. Country and year fixed effects are included in all models.

Table A11: Top 10% Income Share, Development and Immigration Policy with Country-Specific Time Trends

	(11)	(12)	(13)	(14)	(15)
Immigration Policy _{t-1}	0.891*** (0.024)	0.881*** (0.021)	0.891*** (0.024)	0.882*** (0.024)	0.882*** (0.024)
ln(GDP per capita)	0.318+ (0.180)		0.395* (0.155)	0.056 (0.057)	-0.028 (0.294)
Top 10% Income Share	0.087 (0.058)	0.009 (0.006)	0.112* (0.048)	0.009+ (0.005)	-0.017 (0.095)
ln(GDP per capita) × Top 10% Income Share	-0.009 (0.006)		-0.011* (0.005)		0.003 (0.010)
Years of Tertiary Education		0.427* (0.216)	0.032 (0.117)	0.443** (0.161)	0.506 (0.309)
Years of Tertiary Education × Top 10% Income Share		-0.013* (0.006)		-0.013*** (0.003)	-0.016+ (0.009)
ln(Population) _{t-1}	0.076 (0.291)	0.184 (0.371)	0.078 (0.297)	0.124 (0.293)	0.132 (0.300)
GDP Growth	0.035 (0.208)	0.123 (0.288)	0.090 (0.327)	0.086 (0.318)	0.086 (0.316)
Trade Openness	-0.012* (0.006)	-0.011* (0.005)	-0.012+ (0.007)	-0.011+ (0.006)	-0.011+ (0.006)
Polity Score	0.008 (0.005)	0.006 (0.012)	0.007 (0.005)	0.007 (0.005)	0.007 (0.005)
Observations	614	593	593	593	593
Countries	14	14	14	14	14
R ²	0.969	0.969	0.969	0.969	0.969

Note: This table portrays a pooled cross-sectional time-series ordinary least squares (OLS) analysis of immigration policy in year t . All independent variables are taken from year t unless otherwise noted. Inequality is measured by the top 10% income share. Clustered standard errors are shown in parentheses. ***, **, * and + indicate statistical significance levels of .1, 1, 5 and 10 percent, respectively. Country and year fixed effects as well as country-specific time trends are included in all models.

Table A12: Top 10% Income Share, Development, and Immigration Policy in Autocracies

	(1A)	(2A)	(3A)	(4A)
Immigration Policy $_{t-1}$	0.836*** (0.020)	0.249*** (0.028)	0.077 (0.022)	0.077 (0.131)
ln(GDP per capita)	0.268 (0.154)	-0.028* (0.011)	0.268 (0.166)	0.552 (0.559)
Top 10% Income Share	0.015 (0.007)		0.015* (0.007)	0.021 (0.013)
ln(Population) $_{t-1}$	-0.792 (0.379)	-0.110** (0.029)	-0.792 ⁺ (0.409)	-1.203 (0.798)
GDP Growth	-0.318 (0.322)	-0.047 (0.060)	-0.318 (0.346)	-0.452 (0.679)
Polity Score	-0.003 (0.006)		-0.003 (0.007)	-0.001 (0.009)
Standard Errors	Clustered	Clustered	Clustered	Clustered
Country-Specific Time Trends				✓
Hong Kong & Venezuela Included		✓		
Observations	62	461	86	62
Countries	3	13	5	3
R ²	0.966	0.874	.975	.967

Note: This table portrays a pooled cross-sectional time-series ordinary least squares (OLS) analysis of immigration policy in year t . Inequality is measured by the top 10% income share. All independent variables are taken from year t unless otherwise noted. ***, **, * and ⁺ indicate statistical significance levels of .1, 1, 5 and 10 percent, respectively. Country and year fixed effects are included in all models. Models 1A, 3A, 4A exclude Hong Kong and Venezuela due to missing values of inequality.

Top 5% Income Share

Table A13: Top 5% Income Share, Development, and Immigration Policy since World War II

	(1)	(2)	(3)	(4)	(5)
Immigration Policy _{t-1}	0.910*** (0.017)	0.909*** (0.017)	0.914*** (0.016)	0.909*** (0.015)	0.906*** (0.018)
Log of GDP per capita	0.021 (0.087)		0.088 (0.125)	-0.010 (0.075)	-0.145 (0.164)
Top 5% Income Share	-0.010 (0.027)	0.004 (0.006)	0.042 (0.057)	0.005 (0.006)	-0.060 (0.077)
ln(GDP per capita) × Top 5% Income Share	0.001 (0.003)		-0.005 (0.006)		0.007 (0.008)
Years of Tertiary Education		0.258* (0.118)	0.057 (0.063)	0.263* (0.107)	0.387+ (0.205)
Years of Tertiary Education × Top 5% Income Share		-0.008+ (0.004)		-0.008* (0.004)	-0.013+ (0.007)
ln(Population) _{t-1}	0.090+ (0.055)	0.020 (0.079)	0.008 (0.079)	0.018 (0.080)	0.022 (0.087)
GDP Growth	0.115 (0.199)	0.032 (0.410)	0.023 (0.418)	0.024 (0.418)	0.032 (0.419)
Trade Openness	-0.006* (0.003)	-0.006 (0.005)	-0.007 (0.005)	-0.007 (0.005)	-0.006 (0.005)
Polity Score	-0.000 (0.003)	0.002 (0.003)	0.001 (0.003)	0.002 (0.003)	0.002 (0.003)
Observations	671	563	563	563	563
Countries	14	14	14	14	14
R ²	0.950	0.947	0.947	0.947	0.947

Note: This table portrays a pooled cross-sectional time-series ordinary least squares (OLS) analysis of immigration policy in year t . All independent variables are taken from year t unless otherwise noted. Inequality is measured by the top 10% income share. Clustered standard errors are shown in parentheses. ***, **, * and + indicate statistical significance levels of .1, 1, 5 and 10 percent, respectively. Country and year fixed effects are included in all models.

Table A14: Top 5% Income Share, Development, and Immigration Policy (1950–1995)

	(6)	(7)	(8)	(9)	(10)
Immigration Policy _{<i>t</i>-1}	0.897*** (0.020)	0.889*** (0.013)	0.891*** (0.024)	0.889*** (0.012)	0.880*** (0.019)
ln(GDP per capita)	0.016 (0.160)		0.038 (0.196)	-0.014 (0.051)	-0.387 (0.320)
Top 5% Income Share	0.004 (0.080)	0.013* (0.007)	0.018 (0.097)	0.014* (0.006)	-0.159 (0.156)
ln(GDP per capita) × Top 5% Income Share	0.000 (0.008)		-0.002 (0.010)		0.019 (0.017)
Years of Tertiary Education		0.254+ (0.133)		0.259* (0.124)	0.654 (0.444)
Years of Tertiary Education × Top 5% Income Share		-0.013* (0.006)		-0.013* (0.006)	-0.030+ (0.018)
ln(Population) _{<i>t</i>-1}	0.099 (0.134)	0.098 (0.119)	0.048 (0.234)	0.092 (0.129)	0.055 (0.124)
GDP Growth	-0.261 (0.605)	-0.399 (0.567)	-0.437 (0.410)	-0.409 (0.577)	-0.395 (0.581)
Trade Openness	-0.008 (0.005)	-0.004 (0.005)	-0.004 (0.006)	-0.005 (0.004)	-0.004 (0.004)
Polity Score	0.001 (0.005)	0.010** (0.003)	0.006 (0.013)	0.010** (0.003)	0.008* (0.003)
Welfare Tax Revenue as % of GDP		-0.006 (0.005)	-0.009 (0.007)	-0.006 (0.005)	-0.007 (0.006)
Personal Income Taxes as % of GDP		-0.009 (0.006)	-0.007 (0.006)	-0.009 (0.006)	-0.010+ (0.006)
Legislative Share of Left Parties in Power		-0.001 (0.001)	-0.001 (0.001)	-0.001 (0.001)	-0.001 (0.001)
Right-wing Populism Vote Share		-0.008+ (0.004)	-0.007* (0.004)	-0.008+ (0.004)	-0.007+ (0.004)
Observations	379	370	370	370	370
Countries	11	11	11	11	11
R ²	0.947	0.952	0.951	0.952	0.952

Note: This table portrays a pooled cross-sectional time-series ordinary least squares (OLS) analysis of immigration policy in year t . All independent variables are taken from year t unless otherwise noted. Inequality is measured by the top 5% income share. Clustered standard errors are shown in parentheses. ***, **, * and + indicate statistical significance levels of .1, 1, 5 and 10 percent, respectively. Country and year fixed effects are included in all models.

Table A15: Top 5% Income Share, Development and Immigration Policy with Country-Specific Time Trends

	(11)	(12)	(13)	(14)	(15)
Immigration Policy _{<i>t</i>-1}	0.890*** (0.026)	0.878*** (0.028)	0.891*** (0.026)	0.879*** (0.027)	0.875*** (0.028)
ln(GDP per capita)	0.201 (0.148)		0.244+ (0.139)	0.083 (0.074)	-0.255 (0.188)
Top 5% Income Share	0.059 (0.077)	0.010+ (0.005)	0.084 (0.072)	0.009+ (0.005)	-0.161 (0.110)
ln(GDP per capita) × Top 5% Income Share	-0.006 (0.008)		-0.009 (0.007)		0.018 (0.011)
Years of Tertiary Education		0.332* (0.134)	0.047 (0.128)	0.358* (0.152)	0.608* (0.271)
Years of Tertiary Education × Top 5% Income Share		-0.015*** (0.003)		-0.016*** (0.003)	-0.028** (0.010)
ln(Population) _{<i>t</i>-1}	0.269 (0.371)	0.443 (0.330)	0.296 (0.373)	0.355 (0.362)	0.356 (0.372)
GDP Growth	0.019 (0.233)	0.110 (0.371)	0.069 (0.375)	0.073 (0.363)	0.075 (0.356)
Trade Openness	-0.012+ (0.006)	-0.010+ (0.006)	-0.011+ (0.006)	-0.010 (0.006)	-0.008 (0.006)
Polity Score	0.003 (0.005)	0.003 (0.004)	0.003 (0.004)	0.003 (0.004)	0.001 (0.004)
Observations	584	563	563	563	563
Countries	14	14	14	14	14
R ²	0.948	0.949	0.949	0.949	0.949

Note: This table portrays a pooled cross-sectional time-series ordinary least squares (OLS) analysis of immigration policy in year t . All independent variables are taken from year t unless otherwise noted. Inequality is measured by the top 5% income share. Clustered standard errors are shown in parentheses. ***, **, * and + indicate statistical significance levels of .1, 1, 5 and 10 percent, respectively. Country and year fixed effects as well as country-specific time trends are included in all models.

Table A16: Top 5% Income Share, Development, and Immigration Policy in Autocracies

	(1A)	(2A)	(3A)	(4A)
Immigration Policy _{<i>t</i>-1}	0.244** (0.021)	0.836*** (0.028)	0.391*** (0.035)	0.071 (0.132)
ln(GDP per capita)	0.195 (0.143)	-0.028* (0.011)	0.826+ (0.444)	0.454 (0.520)
Top 5% Income Share	0.021 (0.009)		0.001 (0.005)	0.029+ (0.017)
ln(Population) _{<i>t</i>-1}	-0.791 (0.380)	-0.110** (0.029)	-1.582+ (0.910)	-1.207 (0.818)
GDP Growth	-0.275 (0.305)	-0.047 (0.060)	-0.860 (0.704)	-0.401 (0.643)
Polity Score	-0.002 (0.006)		-0.015 (0.016)	0.001 (0.009)
Standard Errors	Clustered	Clustered	Clustered	Clustered
Country-Specific Time Trends				✓
Hong Kong & Venezuela Included		✓		
Observations	68	461	112	68
Countries	4	13	7	4
R ²	0.967	0.874	0.940	0.968

Note: This table portrays a pooled cross-sectional time-series ordinary least squares (OLS) analysis of immigration policy in year t . Inequality is measured by the top 5% income share. All independent variables are taken from year t unless otherwise noted. ***, **, * and + indicate statistical significance levels of .1, 1, 5 and 10 percent, respectively. Country and year fixed effects are included in all models. Models 1A, 3A, 4A exclude Hong Kong and Venezuela due to missing values of inequality.

Top 1% Income Share

Table A17: Top 1% Income Share, Development, and Immigration Policy since World War II

	(1)	(2)	(3)	(4)	(5)
Immigration Policy _{t-1}	0.921*** (0.016)	0.929*** (0.013)	0.929*** (0.016)	0.925*** (0.015)	0.928*** (0.014)
ln(GDP per capita)	-0.041 (0.072)		0.003 (0.090)	-0.065 (0.077)	
Top 1% Income Share	-0.005 (0.024)	0.005 (0.005)	0.081 (0.056)	0.008 ⁺ (0.005)	0.070 (0.071)
ln(GDP per capita) × Top 1% Income Share	0.000 (0.003)		-0.008 (0.005)		-0.007 (0.007)
Years of Tertiary Education		0.060 (0.081)	-0.004 (0.045)	0.089 (0.063)	0.043 (0.084)
Years of Tertiary Education × Top 1% Income Share		-0.008 (0.005)		-0.010* (0.005)	-0.005 (0.007)
ln(Population) _{t-1}	0.060 (0.042)	-0.012 (0.055)	-0.029 (0.049)	-0.014 (0.050)	-0.018 (0.054)
GDP Growth	0.112 (0.124)	0.266 (0.231)	0.247 (0.241)	0.245 (0.240)	0.246 (0.238)
Trade Openness	-0.004 ⁺ (0.002)	-0.001 (0.004)	-0.003 (0.004)	-0.003 (0.004)	-0.003 (0.004)
Polity Score	0.003 (0.002)	0.008** (0.003)	0.006* (0.003)	0.006* (0.003)	0.007** (0.002)
Observations	942	781	781	781	781
Countries	18	18	18	18	18
R ²	0.954	0.951	0.951	0.951	0.951

Note: This table portrays a pooled cross-sectional time-series ordinary least squares (OLS) analysis of immigration policy in year t . All independent variables are taken from year t unless otherwise noted. Inequality is measured by the top 1% income share. Clustered standard errors are shown in parentheses. ***, **, * and ⁺ indicate statistical significance levels of .1, 1, 5 and 10 percent, respectively. Country and year fixed effects are included in all models.

Table A18: Top 1% Income Share, Development, and Immigration Policy (1950–1995)

	(6)	(7)	(8)	(9)	(10)
Immigration Policy _{<i>t</i>-1}	0.914*** (0.020)	0.888*** (0.013)	0.884*** (0.015)	0.888*** (0.013)	0.878*** (0.019)
ln(GDP per capita)	-0.047 (0.114)		-0.053 (0.125)	-0.013 (0.070)	-0.228 (0.208)
Top 1% Income Share	-0.085 (0.112)	-0.001 (0.012)	-0.081 (0.129)	0.000 (0.011)	-0.279 (0.231)
ln(GDP per capita) × Top 1% Income Share	0.009 (0.011)		0.008 (0.013)		0.030 (0.025)
Years of Tertiary Education		0.007 (0.127)		0.014 (0.118)	0.254 (0.271)
Years of Tertiary Education × Top 1% Income Share		-0.004 (0.011)		-0.004 (0.010)	-0.028 (0.023)
ln(Population) _{<i>t</i>-1}	0.043 (0.115)	0.045 (0.094)	0.038 (0.094)	0.045 (0.092)	0.034 (0.082)
GDP Growth	-0.016 (0.433)	-0.301 (0.409)	-0.306 (0.393)	-0.307 (0.410)	-0.262 (0.404)
Trade Openness	-0.005 (0.006)	-0.001 (0.005)	-0.000 (0.006)	-0.001 (0.005)	-0.000 (0.005)
Polity Score	-0.002 (0.004)	0.003 (0.004)	0.001 (0.004)	0.003 (0.004)	0.002 (0.004)
Welfare Tax Revenue as % of GDP		-0.009* (0.004)	-0.010** (0.004)	-0.009* (0.004)	-0.009* (0.004)
Personal Income Taxes as % of GDP		-0.012*** (0.003)	-0.012*** (0.003)	-0.012*** (0.003)	-0.012*** (0.003)
Legislative Share of Left Parties in Power		-0.000 (0.000)	-0.000 (0.000)	-0.000 (0.000)	-0.000 (0.000)
Right-wing Populism Vote Share		-0.009** (0.003)	-0.009** (0.003)	-0.009** (0.003)	-0.008** (0.003)
Observations	484	475	475	475	475
Countries	14	14	14	14	14
R ²	0.952	0.957	0.957	0.957	0.957

Note: This table portrays a pooled cross-sectional time-series ordinary least squares (OLS) analysis of immigration policy in year t . All independent variables are taken from year t unless otherwise noted. Inequality is measured by the top 1% income share. Clustered standard errors are shown in parentheses. ***, **, * and + indicate statistical significance levels of .1, 1, 5 and 10 percent, respectively. Country and year fixed effects are included in all models.

Table A19: Inequality, Development and Immigration Policy with Country-Specific Time Trends

	(11)	(12)	(13)	(14)	(15)
Immigration Policy _{<i>t</i>-1}	0.899*** (0.020)	0.888*** (0.022)	0.902*** (0.020)	0.888*** (0.022)	0.885*** (0.024)
ln(GDP per capita)	0.102 (0.091)		0.096 (0.095)	0.011 (0.084)	-0.082 (0.099)
Top 1% Income Share	0.081 (0.058)	0.013+ (0.007)	0.109+ (0.064)	0.012+ (0.007)	-0.106 (0.094)
ln(GDP per capita) × Top 1% Income Share	-0.009 (0.006)		-0.011+ (0.007)		0.012 (0.010)
Years of Tertiary Education		0.141 (0.096)	-0.013 (0.079)	0.143 (0.102)	0.199 (0.134)
Years of Tertiary Education × Top 1% Income Share		-0.022*** (0.006)		-0.022*** (0.006)	-0.030** (0.011)
ln(Population) _{<i>t</i>-1}	0.300 (0.301)	0.513+ (0.305)	0.407 (0.304)	0.504 (0.320)	0.506 (0.327)
GDP Growth	0.142 (0.171)	0.352+ (0.213)	0.331 (0.228)	0.346 (0.226)	0.352 (0.224)
Trade Openness	-0.004 (0.004)	-0.002 (0.006)	-0.002 (0.006)	-0.002 (0.006)	-0.001 (0.006)
Polity Score	-0.002 (0.004)	-0.000 (0.003)	-0.001 (0.003)	-0.001 (0.003)	-0.002 (0.003)
Observations	808	781	781	781	781
Countries	18	18	18	18	18
R ²	0.951	0.953	0.953	0.953	0.953

Note: This table portrays a pooled cross-sectional time-series ordinary least squares (OLS) analysis of immigration policy in year t . All independent variables are taken from year t unless otherwise noted. Inequality is measured by the top 1% income share. Clustered standard errors are shown in parentheses. ***, **, * and + indicate statistical significance levels of .1, 1, 5 and 10 percent, respectively. Country and year fixed effects as well as country-specific time trends are included in all models.

Table A20: Top 1% Income Share, Development, and Immigration Policy in Autocracies

	(1A)	(2A)	(3A)	(4A)
Immigration Policy _{<i>t</i>-1}	0.241*** (0.015)	0.836*** (0.028)	0.389*** (0.073)	0.070 (0.069)
ln(GDP per capita)	0.013 (0.126)	-0.028* (0.011)	0.521*** (0.108)	0.208 (0.421)
Top 1% Income Share	0.051+ (0.018)		-0.007+ (0.004)	0.067* (0.027)
ln(Population) _{<i>t</i>-1}	-0.814+ (0.335)	-0.110** (0.029)	-0.092 (0.088)	-1.292+ (0.782)
GDP Growth	-0.233 (0.295)	-0.047 (0.060)	-0.083 (0.146)	-0.328 (0.623)
Polity Score	-0.000 (0.005)		0.006* (0.003)	0.003 (0.009)
Standard Errors	Clustered	Clustered	Clustered	Clustered
Country-Specific Time Trends				✓
Hong Kong & Venezuela Included		✓		
Observations	74	461	161	74
Countries	4	13	7	4
R ²	0.974	0.874	0.924	0.975

Note: This table portrays a pooled cross-sectional time-series ordinary least squares (OLS) analysis of immigration policy in year t . All independent variables are taken from year t unless otherwise noted. Inequality is measured by the top 1% income share. ***, **, * and + indicate statistical significance levels of .1, 1, 5 and 10 percent, respectively. Country and year fixed effects are included in all models. Models 1A, 3A, 4A exclude Hong Kong and Venezuela due to missing values of inequality.

Gini Coefficient

Table A21: Gini Coefficient, Development, and Immigration Policy since World War II

	(1)	(2)	(3)	(4)	(5)
Immigration Policy _{<i>t</i>-1}	0.940*** (0.020)	0.938*** (0.021)	0.937*** (0.022)	0.938*** (0.022)	0.938*** (0.022)
ln(GDP per capita)	0.002 (0.155)		0.015 (0.156)	0.001 (0.056)	0.074 (0.220)
Gini	0.003 (0.044)	-0.001 (0.002)	0.004 (0.044)	-0.001 (0.002)	0.017 (0.056)
ln(GDP per capita) × Gini	-0.000 (0.005)		-0.000 (0.005)		-0.002 (0.006)
Years of Tertiary Education		-0.044 (0.190)	0.043 (0.052)	-0.045 (0.198)	-0.132 (0.263)
Years of Tertiary Education × Gini		0.002 (0.005)		0.002 (0.006)	0.005 (0.008)
ln(Population) _{<i>t</i>-1}	0.009 (0.124)	-0.007 (0.106)	0.013 (0.128)	-0.006 (0.112)	-0.001 (0.120)
GDP Growth	0.639** (0.233)	0.632** (0.212)	0.616** (0.213)	0.632** (0.210)	0.624** (0.212)
Trade Openness	-0.012 (0.008)	-0.013 (0.008)	-0.012 (0.008)	-0.013 (0.009)	-0.013 (0.008)
Polity Score	-0.012 (0.009)	-0.012 (0.009)	-0.012 (0.008)	-0.012 (0.009)	-0.012 (0.008)
Observations	331	328	328	328	328
Countries	21	21	21	21	21
R ²	0.953	0.953	0.953	0.953	0.953

Note: This table portrays a pooled cross-sectional time-series ordinary least squares (OLS) analysis of immigration policy in year t . All independent variables are taken from year t unless otherwise noted. Inequality is measured by the Gini coefficient. Clustered standard errors are shown in parentheses. ***, **, * and + indicate statistical significance levels of .1, 1, 5 and 10 percent, respectively. Country and year fixed effects are included in all models.

Table A22: Gini Coefficient, Development, and Immigration Policy (1950–1995)

	(6)	(7)	(8)	(9)	(10)
Immigration Policy _{<i>t</i>-1}	0.919*** (0.031)	0.901*** (0.038)	0.895*** (0.041)	0.901*** (0.039)	0.897*** (0.040)
ln(GDP per capita)	0.384* (0.180)		0.445* (0.184)	0.030 (0.063)	0.735** (0.284)
Gini	0.117* (0.051)	0.006* (0.002)	0.131* (0.055)	0.006* (0.003)	0.210** (0.081)
ln(GDP per capita) × Gini	-0.012* (0.005)		-0.013* (0.006)		-0.022* (0.009)
Years of Tertiary Education		0.351 (0.363)		0.347 (0.368)	-0.643 (0.489)
Years of Tertiary Education × Gini		-0.010 (0.009)		-0.009 (0.009)	0.019 (0.013)
ln(Population) _{<i>t</i>-1}	-0.288** (0.095)	-0.256* (0.116)	-0.305*** (0.089)	-0.258* (0.115)	-0.384*** (0.105)
GDP Growth	0.627* (0.283)	0.628+ (0.328)	0.639* (0.290)	0.643* (0.327)	0.689* (0.318)
Trade Openness	0.002 (0.008)	-0.004 (0.008)	-0.000 (0.007)	-0.005 (0.008)	0.002 (0.006)
Polity Score	-0.322*** (0.049)	-0.319*** (0.060)	-0.346*** (0.064)	-0.318*** (0.060)	-0.346*** (0.063)
Welfare Tax Revenue as % of GDP		-0.003 (0.007)	0.001 (0.007)	-0.003 (0.007)	0.002 (0.008)
Personal Income Taxes as % of GDP		-0.008 (0.007)	-0.006 (0.006)	-0.008 (0.007)	-0.005 (0.006)
Legislative Share of Left Parties in Power		0.000 (0.000)	0.000 (0.000)	0.000 (0.000)	0.000 (0.000)
Right-wing Populism Vote Share		-0.010 (0.007)	-0.010 (0.006)	-0.010 (0.007)	-0.010 (0.006)
Observations	260	260	260	260	260
Countries	15	15	15	15	15
R ²	0.966	0.967	0.967	0.967	0.967

Note: This table portrays a pooled cross-sectional time-series ordinary least squares (OLS) analysis of immigration policy in year t . All independent variables are taken from year t unless otherwise noted. Inequality is measured by the Gini coefficient. Clustered standard errors are shown in parentheses. ***, **, * and + indicate statistical significance levels of .1, 1, 5 and 10 percent, respectively. Country and year fixed effects are included in all models.

Table A23: Gini Coefficient, Development and Immigration Policy with Country-Specific Time Trends

	(11)	(12)	(13)	(14)	(15)
Immigration Policy _{<i>t</i>-1}	0.856*** (0.057)	0.854*** (0.057)	0.856*** (0.056)	0.854*** (0.057)	0.856*** (0.058)
ln(GDP per capita)	0.215 (0.235)		0.221 (0.234)	0.037 (0.116)	0.208 (0.321)
Gini	0.042 (0.052)	0.001 (0.003)	0.043 (0.051)	0.001 (0.003)	0.040 (0.074)
ln(GDP per capita) × Gini	-0.005 (0.005)		-0.005 (0.005)		-0.004 (0.008)
Years of Tertiary Education		0.264 (0.283)	0.069 (0.122)	0.272 (0.295)	0.103 (0.461)
Years of Tertiary Education × Gini		-0.006 (0.008)		-0.006 (0.008)	-0.001 (0.012)
ln(Population) _{<i>t</i>-1}	-0.720 (1.335)	-0.766 (1.370)	-0.727 (1.376)	-0.714 (1.341)	-0.721 (1.352)
GDP Growth	0.653** (0.251)	0.664* (0.264)	0.641* (0.251)	0.646* (0.272)	0.638* (0.259)
Trade Openness	-0.011 (0.012)	-0.011 (0.012)	-0.011 (0.012)	-0.011 (0.012)	-0.011 (0.012)
Polity Score	-0.021*** (0.004)	-0.020*** (0.004)	-0.020*** (0.004)	-0.019*** (0.004)	-0.020*** (0.004)
Observations	331	328	328	328	328
Countries	21	21	21	21	21
R ²	0.956	0.956	0.956	0.956	0.956

Note: This table portrays a pooled cross-sectional time-series ordinary least squares (OLS) analysis of immigration policy in year t . All independent variables are taken from year t unless otherwise noted. Inequality is measured by the Gini coefficient. Clustered standard errors are shown in parentheses. ***, **, * and + indicate statistical significance levels of .1, 1, 5 and 10 percent, respectively. Country and year fixed effects as well as country-specific time trends are included in all models.

Table A24: Gini Coefficient, Development, and Immigration Policy in Autocracies

	(1A)	(2A)	(3A)	(4A)
Immigration Policy _{<i>t</i>-1}	0.797*** (0.056)	0.836*** (0.028)	0.797*** (0.057)	0.696*** (0.188)
ln(GDP per capita)	-0.057 (0.033)	-0.028* (0.011)	-0.057+ (0.034)	0.115 (0.261)
Gini	-0.004** (0.001)		-0.004*** (0.001)	-0.005* (0.002)
ln(Population) _{<i>t</i>-1}	-0.678** (0.145)	-0.110** (0.029)	-0.678*** (0.148)	-0.691 (0.461)
GDP Growth	-0.093 (0.221)	-0.047 (0.060)	-0.093 (0.225)	-0.167 (0.226)
Polity Score	0.000 (0.002)		0.000 (0.002)	0.002 (0.003)
Standard Errors	Clustered	Clustered	Clustered	Clustered
Country-Specific Time Trends				✓
Hong Kong & Venezuela Included		✓		
Observations	102	461	107	102
Countries	9	13	10	9
R ²	0.788	0.874	0.802	0.810

Note: This table portrays a pooled cross-sectional time-series ordinary least squares (OLS) analysis of immigration policy in year t . All independent variables are taken from year t unless otherwise noted. Inequality is measured by the Gini coefficient. ***, **, * and + indicate statistical significance levels of .1, 1, 5 and 10 percent, respectively. Country and year fixed effects are included in all models. Models 1A, 3A, 4A exclude Hong Kong and Venezuela due to missing values of inequality.

Top 1% Wealth Share

Table A25: Top 1% Wealth Share, Development, and Immigration Policy since World War II

	(1)	(2)	(3)	(4)	(5)
Immigration Policy _{<i>t</i>-1}	0.935*** (0.028)	0.949*** (0.018)	0.940*** (0.025)	0.940*** (0.024)	0.940*** (0.025)
ln(GDP per capita)	-0.271 ⁺ (0.146)		-0.363*** (0.096)	-0.254 ⁺ (0.142)	-0.336** (0.113)
Top 1% Wealth Share	-0.019 (0.048)	-0.000 (0.002)	-0.045 (0.039)	0.002 (0.001)	-0.035 (0.033)
ln(GDP per capita) × Top 1% Wealth Share	0.002 (0.005)		0.005 (0.004)		0.004 (0.004)
Years of Tertiary Education		-0.278*** (0.079)	0.079 (0.112)	-0.077 (0.126)	0.033 (0.175)
Years of Tertiary Education × Top 1% Wealth Share		0.011** (0.004)		0.005 (0.005)	0.002 (0.004)
ln(Population) _{<i>t</i>-1}	-0.042 (0.193)	-0.552** (0.206)	-0.388 ⁺ (0.213)	-0.413 ⁺ (0.239)	-0.401 ⁺ (0.231)
GDP Growth	1.226 ⁺ (0.663)	0.861 ⁺ (0.493)	1.133 ⁺ (0.586)	1.118 ⁺ (0.590)	1.128 ⁺ (0.588)
Trade Openness	-0.012 ⁺ (0.007)	-0.009* (0.004)	-0.014* (0.006)	-0.014* (0.006)	-0.014* (0.006)
Polity Score	0.024* (0.010)	0.018 ⁺ (0.010)	0.024*** (0.007)	0.026*** (0.006)	0.024*** (0.006)
Observations	169	149	149	149	149
Countries	7	7	7	7	7
R ²	0.986	0.985	0.985	0.985	0.985

Note: This table portrays a pooled cross-sectional time-series ordinary least squares (OLS) analysis of immigration policy in year t . All independent variables are taken from year t unless otherwise noted. Inequality is measured by the Top 1% Wealth Share. Clustered standard errors are shown in parentheses. ***, **, * and ⁺ indicate statistical significance levels of .1, 1, 5 and 10 percent, respectively. Country and year fixed effects are included in all models.

Table A26: Top 1% Wealth Share, Development, and Immigration Policy (1950–1995)

	(6)	(7)	(8)	(9)	(10)
Immigration Policy _{<i>t</i>-1}	0.940*** (0.023)	0.968*** (0.032)	0.934*** (0.035)	0.963*** (0.026)	0.969*** (0.029)
ln(GDP per capita)	-0.414*** (0.084)		-0.470*** (0.079)	-0.181* (0.076)	-0.467* (0.225)
Top 1% Wealth Share	-0.113+ (0.063)	0.009+ (0.005)	-0.103 (0.069)	0.011* (0.006)	-0.131 (0.108)
ln(GDP per capita) × Top 1% Wealth Share	0.012+ (0.007)		0.012 (0.008)		0.015 (0.012)
Years of Tertiary Education		-0.082 (0.370)		0.057 (0.411)	0.533 (0.673)
Years of Tertiary Education × Top 1% Wealth Share		0.016+ (0.008)		0.010 (0.010)	-0.005 (0.016)
ln(Population) _{<i>t</i>-1}	-0.619 (0.422)	-1.778*** (0.493)	-1.210+ (0.668)	-1.695*** (0.456)	-1.754** (0.534)
GDP Growth	1.271* (0.611)	0.638 (0.656)	0.858 (0.816)	0.775 (0.688)	0.735 (0.675)
Trade Openness	-0.018 (0.011)	-0.014+ (0.008)	-0.018 (0.012)	-0.018* (0.007)	-0.017* (0.007)
Polity Score	0.025 (0.024)	0.040* (0.020)	0.036 (0.025)	0.047* (0.019)	0.042* (0.018)
Welfare Tax Revenue as % of GDP		-0.006 (0.006)	-0.011 (0.008)	-0.007 (0.006)	-0.007 (0.006)
Personal Income Taxes as % of GDP		-0.013* (0.006)	-0.014* (0.006)	-0.014** (0.005)	-0.014** (0.005)
Legislative Share of Left Parties in Power		0.000+ (0.000)	0.000 (0.000)	0.000* (0.000)	0.000 (0.000)
Right-wing Populism Vote Share		0.001 (0.005)	-0.002 (0.005)	0.001 (0.005)	0.002 (0.005)
Observations	109	109	109	109	109
Countries	7	7	7	7	7
R ²	0.986	0.987	0.987	0.987	0.987

Note: This table portrays a pooled cross-sectional time-series ordinary least squares (OLS) analysis of immigration policy in year t . All independent variables are taken from year t unless otherwise noted. Inequality is measured by the Top 1% Wealth Share. Clustered standard errors are shown in parentheses. ***, **, * and + indicate statistical significance levels of .1, 1, 5 and 10 percent, respectively. Country and year fixed effects are included in all models.

Table A27: Top 1% Wealth Share, Development and Immigration Policy with Country-Specific Time Trends

	(11)	(12)	(13)	(14)	(15)
Immigration Policy _{<i>t</i>-1}	0.903*** (0.040)	0.911*** (0.039)	0.902*** (0.038)	0.900*** (0.038)	0.900*** (0.039)
ln(GDP per capita)	-0.374** (0.122)		-0.382** (0.120)	-0.500** (0.161)	-0.490* (0.230)
Top 1% Wealth Share	0.057 (0.088)	0.007 (0.004)	0.055 (0.090)	0.015** (0.005)	0.019 (0.132)
ln(GDP per capita) × Top 1% Wealth Share	-0.005 (0.009)		-0.004 (0.009)		-0.000 (0.014)
Years of Tertiary Education		-0.204 (0.333)	-0.090 (0.319)	0.050 (0.406)	0.040 (0.396)
Years of Tertiary Education × Top 1% Wealth Share		0.006 (0.007)		-0.007 (0.011)	-0.006 (0.013)
ln(Population) _{<i>t</i>-1}	-3.124** (0.975)	-2.206+ (1.340)	-3.139** (0.998)	-3.292** (1.177)	-3.286** (1.240)
GDP Growth	1.225* (0.559)	0.837+ (0.448)	1.230* (0.531)	1.243* (0.522)	1.242* (0.517)
Trade Openness	-0.030* (0.013)	-0.021 (0.014)	-0.029+ (0.015)	-0.028* (0.013)	-0.029+ (0.016)
Polity Score	0.079+ (0.041)	0.054 (0.039)	0.076+ (0.043)	0.073* (0.034)	0.073 (0.046)
Observations	151	149	149	149	149
Countries	7	7	7	7	7
R ²	0.987	0.987	0.987	0.987	0.987

Note: This table portrays a pooled cross-sectional time-series ordinary least squares (OLS) analysis of immigration policy in year *t*. All independent variables are taken from year *t* unless otherwise noted. Inequality is measured by the Top 1% Wealth Share. Clustered standard errors are shown in parentheses. ***, **, * and + indicate statistical significance levels of .1, 1, 5 and 10 percent, respectively. Country and year fixed effects as well as country-specific time trends are included in all models.

Top 10% Wealth Share

Table A28: Top 10% Wealth Share, Development, and Immigration Policy since World War II

	(1)	(2)	(3)	(4)	(5)
Immigration Policy _{<i>t</i>-1}	0.893*** (0.049)	0.917*** (0.037)	0.895*** (0.047)	0.893*** (0.049)	0.891*** (0.056)
ln(GDP per capita)	-0.329 (0.377)		-0.317 (0.341)	-0.379 (0.231)	-0.618 (0.874)
Top 10% Wealth Share	-0.005 (0.068)	-0.001 (0.003)	0.005 (0.070)	-0.001 (0.003)	-0.043 (0.141)
ln(GDP per capita) × Top 10% Wealth Share	0.000 (0.007)		-0.001 (0.007)		0.004 (0.015)
Years of Tertiary Education		-0.188 (0.364)	0.151 (0.212)	0.294 (0.460)	0.516 (0.757)
Years of Tertiary Education × Top 10% Wealth Share		0.003 (0.004)		-0.002 (0.005)	-0.006 (0.011)
ln(Population) _{<i>t</i>-1}	-0.001 (0.419)	-0.227 (0.296)	-0.018 (0.364)	0.031 (0.419)	0.055 (0.441)
GDP Growth	1.346* (0.551)	1.103* (0.448)	1.368* (0.538)	1.405* (0.592)	1.418* (0.640)
Trade Openness	-0.013 (0.011)	-0.007 (0.005)	-0.013 (0.009)	-0.013 (0.009)	-0.013 (0.008)
Polity Score	0.024*** (0.005)	0.014 (0.015)	0.030** (0.011)	0.031** (0.012)	0.026* (0.011)
Observations	154	139	139	139	139
Countries	7	7	7	7	7
R ²	0.986	0.984	0.984	0.984	0.984

Note: This table portrays a pooled cross-sectional time-series ordinary least squares (OLS) analysis of immigration policy in year t . All independent variables are taken from year t unless otherwise noted. Inequality is measured by the Top 10% Wealth Share. Clustered standard errors are shown in parentheses. ***, **, * and + indicate statistical significance levels of .1, 1, 5 and 10 percent, respectively. Country and year fixed effects are included in all models.

Table A29: Top 10% Wealth Share, Development, and Immigration Policy (1950–1995)

	(6)	(7)	(8)	(9)	(10)
Immigration Policy _{<i>t</i>-1}	0.921*** (0.039)	0.916*** (0.035)	0.901*** (0.039)	0.912*** (0.036)	0.909*** (0.039)
ln(GDP per capita)	-0.037 (0.825)		0.121 (1.062)	-0.067 (0.155)	-1.061 (1.317)
Top 10% Wealth Share	0.004 (0.138)	0.011 (0.011)	0.014 (0.171)	0.011 (0.011)	-0.154 (0.207)
ln(GDP per capita) × Top 10% Wealth Share	-0.000 (0.014)		-0.001 (0.017)		0.018 (0.022)
Years of Tertiary Education		0.993 (1.250)		1.102 (1.181)	2.356 (1.807)
Years of Tertiary Education × Top 10% Wealth Share		-0.012 (0.018)		-0.014 (0.016)	-0.032 (0.025)
ln(Population) _{<i>t</i>-1}	0.079 (0.496)	-0.612 (0.410)	-0.520 (0.610)	-0.532 (0.473)	-0.519 (0.478)
GDP Growth	1.107** (0.345)	0.642 (0.395)	0.540 (0.456)	0.708 (0.466)	0.735 (0.572)
Trade Openness	-0.032+ (0.017)	-0.019 (0.020)	-0.023 (0.022)	-0.020 (0.021)	-0.015 (0.019)
Polity Score	0.009 (0.010)	0.024 (0.020)	0.010 (0.015)	0.028 (0.024)	0.017 (0.021)
Welfare Tax Revenue as % of GDP		-0.023+ (0.013)	-0.021* (0.009)	-0.023+ (0.013)	-0.024+ (0.014)
Personal Income Taxes as % of GDP		-0.014** (0.005)	-0.016* (0.006)	-0.014* (0.006)	-0.013+ (0.007)
Legislative Share of Left Parties in Power		0.001 (0.001)	0.001 (0.001)	0.001 (0.001)	0.001 (0.001)
Right-wing Populism Vote Share		0.001 (0.003)	-0.000 (0.003)	0.001 (0.003)	0.002 (0.003)
Observations	98	98	98	98	98
Countries	7	7	7	7	7
R ²	0.986	0.986	0.987	0.987	0.987

Note: This table portrays a pooled cross-sectional time-series ordinary least squares (OLS) analysis of immigration policy in year t . All independent variables are taken from year t unless otherwise noted. Inequality is measured by the Top 10% Wealth Share. Clustered standard errors are shown in parentheses. ***, **, * and + indicate statistical significance levels of .1, 1, 5 and 10 percent, respectively. Country and year fixed effects are included in all models.

Table A30: Top 10% Wealth Share, Development and Immigration Policy with Country-Specific Time Trends

	(11)	(12)	(13)	(14)	(15)
Immigration Policy _{<i>t</i>-1}	0.861*** (0.067)	0.851*** (0.071)	0.858*** (0.068)	0.851*** (0.071)	0.848*** (0.074)
ln(GDP per capita)	-0.145 (0.556)		-0.208 (0.626)	-0.251 (0.252)	-0.724 (0.696)
Top 10% Wealth Share	0.015 (0.115)	0.000 (0.008)	-0.000 (0.126)	0.002 (0.009)	-0.075 (0.126)
ln(GDP per capita) × Top 10% Wealth Share	-0.001 (0.012)		0.000 (0.013)		0.008 (0.013)
Years of Tertiary Education		0.293 (0.643)	0.240 (0.500)	0.484 (0.769)	0.955 (0.936)
Years of Tertiary Education × Top 10% Wealth Share		-0.001 (0.011)		-0.005 (0.015)	-0.013 (0.012)
ln(Population) _{<i>t</i>-1}	-2.181+ (1.252)	-2.307 (1.721)	-2.027 (1.392)	-2.451 (1.641)	-2.868* (1.194)
GDP Growth	1.108* (0.499)	1.004+ (0.546)	1.133* (0.567)	1.166* (0.556)	1.181* (0.580)
Trade Openness	-0.035 (0.023)	-0.045+ (0.027)	-0.039 (0.028)	-0.041 (0.028)	-0.040 (0.028)
Polity Score	0.029 (0.019)	0.025 (0.029)	0.033 (0.023)	0.037 (0.025)	0.031 (0.022)
Observations	140	139	139	139	139
Countries	7	7	7	7	7
R ²	0.985	0.985	0.985	0.985	0.985

Note: This table portrays a pooled cross-sectional time-series ordinary least squares (OLS) analysis of immigration policy in year t . All independent variables are taken from year t unless otherwise noted. Inequality is measured by the Top 1% Wealth Share. Clustered standard errors are shown in parentheses. ***, **, * and + indicate statistical significance levels of .1, 1, 5 and 10 percent, respectively. Country and year fixed effects as well as country-specific time trends are included in all models.

Top Income Tax

Table A31: Top Income Tax, Development, and Immigration Policy since World War II

	(1)	(2)	(3)	(4)	(5)
Immigration Policy _{<i>t</i>-1}	0.920*** (0.010)	0.920*** (0.011)	0.921*** (0.011)	0.919*** (0.012)	0.921*** (0.011)
ln(GDP per capita)	-0.065 (0.041)		0.003 (0.075)	-0.030 (0.053)	0.042 (0.088)
Top Income Tax	-0.005 (0.006)	-0.000 (0.001)	0.005 (0.010)	-0.000 (0.001)	0.012 (0.014)
ln(GDP per capita) × Top Income Tax	0.000 (0.001)		-0.001 (0.001)		-0.001 (0.002)
Years of Tertiary Education		-0.011 (0.053)	-0.005 (0.041)	-0.011 (0.053)	-0.060 (0.066)
Years of Tertiary Education × Top Income Tax		-0.000 (0.001)		0.000 (0.001)	0.001 (0.001)
ln(Population) _{<i>t</i>-1}	0.025 (0.016)	-0.040 (0.048)	-0.047 (0.048)	-0.043 (0.050)	-0.031 (0.047)
GDP Growth	0.114 (0.094)	0.186 (0.232)	0.186 (0.239)	0.185 (0.236)	0.182 (0.237)
Trade Openness	- 0.003*** (0.001)	-0.001 (0.003)	-0.002 (0.003)	-0.002 (0.003)	-0.002 (0.003)
Polity Score	-0.006 (0.006)	-0.007 (0.007)	-0.006 (0.007)	-0.006 (0.007)	-0.006 (0.007)
Observations	1278	974	974	974	974
Countries	18	18	18	18	18
R ²	0.957	0.941	0.941	0.941	0.941

Note: This table portrays a pooled cross-sectional time-series ordinary least squares (OLS) analysis of immigration policy in year t . All independent variables are taken from year t unless otherwise noted. Inequality is measured by the Top Income Tax. Clustered standard errors are shown in parentheses. ***, **, * and + indicate statistical significance levels of .1, 1, 5 and 10 percent, respectively. Country and year fixed effects are included in all models.

Table A32: Top Income Tax, Development, and Immigration Policy (1950–1995)

	(6)	(7)	(8)	(9)	(10)
Immigration Policy _{<i>t</i>-1}	0.919*** (0.016)	0.902*** (0.016)	0.901*** (0.016)	0.902*** (0.016)	0.900*** (0.016)
ln(GDP per capita)	0.007 (0.099)		-0.035 (0.105)	-0.041 (0.059)	-0.090 (0.148)
Top Income Tax	0.004 (0.011)	0.001 (0.001)	0.002 (0.012)	0.001 (0.001)	-0.005 (0.018)
ln(GDP per capita) × Top Income Tax	-0.000 (0.001)		-0.000 (0.001)		0.001 (0.002)
Years of Tertiary Education		0.038 (0.118)		0.038 (0.118)	0.067 (0.142)
Years of Tertiary Education × Top Income Tax		-0.001 (0.002)		-0.001 (0.002)	-0.001 (0.003)
ln(Population) _{<i>t</i>-1}	-0.006 (0.105)	-0.039 (0.122)	-0.029 (0.119)	-0.040 (0.122)	-0.046 (0.124)
GDP Growth	0.033 (0.315)	-0.111 (0.317)	-0.117 (0.317)	-0.115 (0.317)	-0.122 (0.318)
Trade Openness	-0.005 (0.003)	-0.004 (0.004)	-0.004 (0.003)	-0.004 (0.004)	-0.004 (0.004)
Polity Score	-0.008 (0.012)	-0.006 (0.012)	-0.006 (0.012)	-0.006 (0.012)	-0.006 (0.012)
Welfare Tax Revenue as % of GDP		-0.006 (0.004)	-0.006 (0.004)	-0.006 (0.004)	-0.007 (0.004)
Personal Income Taxes as % of GDP		-0.009** (0.003)	-0.009** (0.003)	-0.009** (0.003)	-0.010** (0.004)
Legislative Share of Left Parties in Power		-0.000 (0.000)	-0.000 (0.000)	-0.000 (0.000)	-0.000 (0.000)
Right-wing Populism Vote Share		-0.008** (0.003)	-0.008** (0.002)	-0.008** (0.003)	-0.008** (0.003)
Observations	651	642	642	642	642
Countries	16	16	16	16	16
R ²	0.938	0.942	0.942	0.942	0.942

Note: This table portrays a pooled cross-sectional time-series ordinary least squares (OLS) analysis of immigration policy in year t . All independent variables are taken from year t unless otherwise noted. Inequality is measured by the Top Income Tax. Clustered standard errors are shown in parentheses. ***, **, * and + indicate statistical significance levels of .1, 1, 5 and 10 percent, respectively. Country and year fixed effects are included in all models.

Table A33: Top Income Tax, Development and Immigration Policy with Country-Specific Time Trends

	(11)	(12)	(13)	(14)	(15)
Immigration Policy _{<i>t</i>-1}	0.893*** (0.016)	0.896*** (0.019)	0.895*** (0.018)	0.896*** (0.019)	0.894*** (0.019)
ln(GDP per capita)	0.066 (0.108)		0.081 (0.112)	-0.026 (0.086)	0.147 (0.114)
Top Income Tax	0.021 (0.019)	0.000 (0.002)	0.023 (0.019)	0.000 (0.002)	0.030 (0.018)
ln(GDP per capita) × Top Income Tax	-0.002 (0.002)		-0.002 (0.002)		-0.003 ⁺ (0.002)
Years of Tertiary Education		-0.009 (0.081)	0.001 (0.045)	-0.004 (0.084)	-0.083 (0.073)
Years of Tertiary Education × Top Income Tax		0.000 (0.002)		0.000 (0.002)	0.002 (0.002)
ln(Population) _{<i>t</i>-1}	0.166 (0.245)	0.239 (0.243)	0.225 (0.242)	0.252 (0.246)	0.159 (0.257)
GDP Growth	0.251 (0.187)	0.257 (0.226)	0.299 (0.247)	0.275 (0.248)	0.281 (0.250)
Trade Openness	-0.006* (0.002)	-0.005 (0.004)	-0.005 (0.004)	-0.005 (0.004)	-0.005 (0.004)
Polity Score	-0.004 (0.008)	-0.008 (0.009)	-0.006 (0.009)	-0.008 (0.009)	-0.006 (0.009)
Observations	1007	974	974	974	974
Countries	18	18	18	18	18
R ²	0.942	0.943	0.943	0.943	0.943

Note: This table portrays a pooled cross-sectional time-series ordinary least squares (OLS) analysis of immigration policy in year t . All independent variables are taken from year t unless otherwise noted. Inequality is measured by the Top Income Tax. Clustered standard errors are shown in parentheses. ***, **, * and ⁺ indicate statistical significance levels of .1, 1, 5 and 10 percent, respectively. Country and year fixed effects as well as country-specific time trends are included in all models.

Table A34: Top Income Tax, Development, and Immigration Policy in Autocracies

	(1A)	(2A)	(3A)	(4A)
Immigration Policy _{<i>t</i>-1}	0.701 (.)	0.836*** (0.028)	0.731*** (0.064)	0.690 (.)
ln(GDP per capita)	0.025*** (0.000)	-0.028* (0.011)	0.302* (0.125)	-0.013 (.)
Top Income Tax	0.001*** (0.000)		0.001 (0.000)	0.001*** (0.000)
ln(Population) _{<i>t</i>-1}	-0.121 (.)	-0.110** (0.029)	-0.003 (0.029)	-0.306 (.)
GDP Growth	-0.090 (.)	-0.047 (0.060)	-0.106 (0.110)	-0.082*** (0.000)
Polity Score	0.000 (.)		0.003*** (0.000)	0.000 (.)
Standard Errors	Clustered	Clustered	Clustered	Clustered
Country-Specific Time Trends				✓
Hong Kong & Venezuela Included		✓		
Observations	64	461	143	64
Countries	2	13	5	2
R ²	0.941	0.874	0.895	0.941

Note: This table portrays a pooled cross-sectional time-series ordinary least squares (OLS) analysis of immigration policy in year t . All independent variables are taken from year t unless otherwise noted. Inequality is measured by the Top Income Tax. ***, **, * and + indicate statistical significance levels of .1, 1, 5 and 10 percent, respectively. Country and year fixed effects are included in all models. Models 1A, 3A, 4A exclude Hong Kong and Venezuela due to missing values of inequality.

Top Inheritance Tax

Table A35: Top Inheritance Tax, Development, and Immigration Policy since World War II

	(1)	(2)	(3)	(4)	(5)
Immigration Policy _{<i>t</i>-1}	0.923*** (0.009)	0.916*** (0.009)	0.915*** (0.011)	0.915*** (0.010)	0.915*** (0.010)
ln(GDP per capita)	-0.054 (0.033)		-0.087 (0.055)	-0.038 (0.050)	-0.081 (0.062)
Top Inheritance Tax	-0.003 (0.004)	-0.001 ⁺ (0.001)	-0.011 ⁺ (0.007)	-0.001 ⁺ (0.001)	-0.010 (0.011)
ln(GDP per capita) × Top Inheritance Tax	0.000 (0.000)		0.001 (0.001)		0.001 (0.001)
Years of Tertiary Education		-0.076 (0.061)	-0.055 (0.045)	-0.082 (0.060)	-0.065 (0.062)
Years of Tertiary Education × Top Inheritance Tax		0.001* (0.000)		0.001* (0.001)	0.000 (0.001)
ln(Population) _{<i>t</i>-1}	0.027 (0.023)	-0.057 (0.059)	-0.078 (0.060)	-0.057 (0.063)	-0.072 (0.057)
GDP Growth	0.076 (0.085)	0.101 (0.197)	0.098 (0.195)	0.096 (0.200)	0.100 (0.197)
Trade Openness	-0.003*** (0.001)	0.000 (0.003)	-0.000 (0.003)	-0.000 (0.003)	-0.000 (0.003)
Polity Score	-0.004 (0.006)	0.002 (0.004)	0.002 (0.004)	0.002 (0.004)	0.002 (0.004)
Observations	1252	948	948	948	948
Countries	17	17	17	17	17
R ²	0.958	0.943	0.943	0.943	0.943

Note: This table portrays a pooled cross-sectional time-series ordinary least squares (OLS) analysis of immigration policy in year t . All independent variables are taken from year t unless otherwise noted. Inequality is measured by the Top Inheritance Tax. Clustered standard errors are shown in parentheses. ***, **, * and ⁺ indicate statistical significance levels of .1, 1, 5 and 10 percent, respectively. Country and year fixed effects are included in all models.

Table A36: Top Inheritance Tax, Development, and Immigration Policy (1950–1995)

	(6)	(7)	(8)	(9)	(10)
Immigration Policy _{<i>t</i>-1}	0.914*** (0.013)	0.895*** (0.013)	0.896*** (0.012)	0.895*** (0.013)	0.896*** (0.012)
ln(GDP per capita)	-0.084 (0.058)		-0.049 (0.057)	-0.025 (0.054)	-0.060 (0.060)
Top Inheritance Tax	-0.012+ (0.006)	-0.000 (0.001)	-0.004 (0.007)	-0.000 (0.001)	-0.006 (0.011)
ln(GDP per capita) × Top Inheritance Tax	0.001+ (0.001)		0.000 (0.001)		0.001 (0.001)
Years of Tertiary Education		-0.056 (0.143)		-0.066 (0.147)	-0.044 (0.154)
Years of Tertiary Education × Top Inheritance Tax		0.001 (0.001)		0.001 (0.001)	0.000 (0.002)
ln(Population) _{<i>t</i>-1}	-0.078 (0.064)	-0.067 (0.109)	-0.100+ (0.060)	-0.069 (0.110)	-0.087 (0.106)
GDP Growth	-0.132 (0.319)	-0.237 (0.289)	-0.268 (0.311)	-0.244 (0.294)	-0.249 (0.299)
Trade Openness	-0.003 (0.004)	-0.000 (0.003)	-0.000 (0.004)	-0.001 (0.003)	-0.001 (0.003)
Polity Score	0.002 (0.003)	0.001 (0.003)	0.001 (0.004)	0.001 (0.003)	0.001 (0.003)
Welfare Tax Revenue as % of GDP		-0.006* (0.003)	-0.006+ (0.003)	-0.006* (0.003)	-0.006+ (0.003)
Personal Income Taxes as % of GDP		-0.008 (0.005)	-0.008+ (0.005)	-0.008+ (0.005)	-0.008+ (0.005)
Legislative Share of Left Parties in Power		0.000 (0.000)	0.000 (0.000)	0.000 (0.000)	0.000 (0.000)
Right-wing Populism Vote Share		-0.008** (0.002)	-0.007** (0.002)	-0.008** (0.002)	-0.007** (0.003)
Observations	640	631	631	631	631
Countries	15	15	15	15	15
R ²	0.940	0.943	0.943	0.943	0.943

Note: This table portrays a pooled cross-sectional time-series ordinary least squares (OLS) analysis of immigration policy in year t . All independent variables are taken from year t unless otherwise noted. Inequality is measured by the Top Inheritance Tax. Clustered standard errors are shown in parentheses. ***, **, * and + indicate statistical significance levels of .1, 1, 5 and 10 percent, respectively. Country and year fixed effects are included in all models.

Table A37: Top Inheritance Tax, Development and Immigration Policy with Country-Specific Time Trends

	(11)	(12)	(13)	(14)	(15)
Immigration Policy _{t-1}	0.888*** (0.014)	0.885*** (0.016)	0.887*** (0.018)	0.885*** (0.017)	0.885*** (0.016)
ln(GDP per capita)	-0.031 (0.088)		-0.031 (0.096)	0.003 (0.076)	-0.000 (0.113)
Top Inheritance Tax	-0.005 (0.015)	-0.002+ (0.001)	-0.006 (0.016)	-0.002 (0.001)	-0.002 (0.019)
ln(GDP per capita) × Top Inheritance Tax	0.000 (0.002)		0.001 (0.002)		0.000 (0.002)
Years of Tertiary Education		-0.045 (0.077)	-0.015 (0.061)	-0.045 (0.081)	-0.044 (0.082)
Years of Tertiary Education × Top Inheritance Tax		0.001 (0.001)		0.001 (0.001)	0.001 (0.002)
ln(Population) _{t-1}	0.229 (0.281)	0.300 (0.245)	0.291 (0.271)	0.300 (0.251)	0.298 (0.282)
GDP Growth	0.139 (0.173)	0.176 (0.211)	0.163 (0.227)	0.175 (0.223)	0.174 (0.231)
Trade Openness	-0.004 (0.002)	-0.002 (0.003)	-0.002 (0.003)	-0.002 (0.003)	-0.002 (0.003)
Polity Score	0.004 (0.004)	0.004 (0.011)	0.003 (0.003)	0.004 (0.004)	0.004 (0.004)
Observations	981	948	948	948	948
Countries	17	17	17	17	17
R ²	0.942	0.944	0.944	0.944	0.944

Note: This table portrays a pooled cross-sectional time-series ordinary least squares (OLS) analysis of immigration policy in year t . All independent variables are taken from year t unless otherwise noted. Inequality is measured by the Top Inheritance Tax. Clustered standard errors are shown in parentheses. ***, **, * and + indicate statistical significance levels of .1, 1, 5 and 10 percent, respectively. Country and year fixed effects as well as country-specific time trends are included in all models.

Uninteracted Measures of Inequality

Table A38: Inequality and Immigration Policy since 1740

	(1)	(2)	(3)	(4)
Immigration Policy _{<i>t</i>-1}	0.914*** (0.011)	0.915*** (0.020)	0.910*** (0.015)	0.921*** (0.015)
Inequality	0.064 (0.087)			
Top 10% Income Share		-0.002 (0.002)		
Top 5% Income Share			-0.003+ (0.002)	
Top 1% Income Share				-0.002 (0.002)
ln(GDP per capita)	0.003 (0.036)	-0.039 (0.080)	0.035 (0.062)	-0.038 (0.057)
ln(Population) _{<i>t</i>-1}	0.026 (0.040)	0.065 (0.070)	0.093+ (0.055)	0.059 (0.042)
GDP Growth	0.274+ (0.157)	-0.014 (0.197)	0.115 (0.197)	0.112 (0.123)
Trade Openness	-0.004+ (0.002)	-0.007* (0.003)	-0.006* (0.003)	-0.004+ (0.002)
Polity Score	-0.002 (0.006)	0.001 (0.003)	-0.000 (0.003)	0.003 (0.002)
Observations	1067	678	671	942
Countries	24	14	14	18
R ²	0.932	0.950	0.950	0.954

Note: This table portrays a pooled cross-sectional time-series ordinary least squares (OLS) analysis of immigration policy in year t . All independent variables are taken from year t unless otherwise noted. Each model estimates a different measure of inequality, robust to other control variables. Clustered standard errors are shown in parentheses. ***, **, * and + indicate statistical significance levels of .1, 1, 5 and 10 percent, respectively. Country and year fixed effects are included in all models.

Table A39: Inequality and Immigration Policy since 1740

	(1)	(2)	(3)
Immigration Policy _{<i>t</i>-1}	0.940*** (0.021)	0.933*** (0.027)	0.893*** (0.049)
Gini Coefficient	-0.000 (0.001)		
Top 1% Wealth Share		0.001 (0.002)	
Top 10% Wealth Share			-0.002 (0.002)
ln(GDP per capita)	-0.012 (0.050)	-0.247+ (0.138)	-0.313+ (0.162)
ln(Population) _{<i>t</i>-1}	0.005 (0.118)	-0.007 (0.166)	0.007 (0.386)
GDP Growth	0.642** (0.222)	1.241+ (0.678)	1.352* (0.624)
Trade Openness	-0.012 (0.008)	-0.012+ (0.008)	-0.013 (0.011)
Polity Score	-0.012 (0.009)	0.025* (0.011)	0.025** (0.009)
Observations	331	169	154
Countries	21	7	7
R ²	0.953	0.986	0.986

Note: This table portrays a pooled cross-sectional time-series ordinary least squares (OLS) analysis of immigration policy in year t . All independent variables are taken from year t unless otherwise noted. Each model estimates a different measure of inequality, robust to other control variables. The variable "inequality" represents the main explanatory variable of capital share of value added. Clustered standard errors are shown in parentheses. ***, **, * and + indicate statistical significance levels of .1, 1, 5 and 10 percent, respectively. Country and year fixed effects are included in all models.

Table A40: Inequality and Immigration Policy since World War II

	(1)	(2)	(3)	(4)
Immigration Policy _{<i>t</i>-1}	0.914*** (0.011)	0.913*** (0.022)	0.912*** (0.018)	0.925*** (0.016)
Inequality	0.064 (0.087)			
Top 10% Income Share		-0.001 (0.002)		
Top 5% Income Share			-0.003 (0.003)	
Top 1% Income Share				-0.002 (0.002)
ln(GDP per capita)	0.003 (0.036)	-0.067 (0.087)	-0.007 (0.083)	-0.057 (0.074)
ln(Population) _{<i>t</i>-1}	0.026 (0.040)	-0.031 (0.085)	0.016 (0.088)	-0.019 (0.058)
GDP Growth	0.274 ⁺ (0.157)	-0.023 (0.239)	0.033 (0.285)	0.113 (0.183)
Trade Openness	-0.004 ⁺ (0.002)	-0.009 ⁺ (0.005)	-0.009 ⁺ (0.005)	-0.004 (0.003)
Polity Score	-0.002 (0.006)	0.002 (0.004)	-0.001 (0.004)	0.003 (0.003)
Observations	1067	614	584	808
Countries	24	14	14	18
R ²	0.932	0.945	0.946	0.949

Note: This table portrays a pooled cross-sectional time-series ordinary least squares (OLS) analysis of immigration policy in year *t*. All independent variables are taken from year *t* unless otherwise noted. Each model estimates a different measure of inequality, robust to other control variables. Clustered standard errors are shown in parentheses. ***, **, * and + indicate statistical significance levels of .1, 1, 5 and 10 percent, respectively. Country and year fixed effects are included in all models.

Table A41: Inequality and Immigration Policy since World War II

	(1)	(2)	(3)
Immigration Policy _{t-1}	0.940*** (0.021)	0.933*** (0.024)	0.897*** (0.047)
Gini Coefficient	-0.000 (0.001)		
Top 1% Wealth Share		0.002 (0.002)	
Top 10% Wealth Share			-0.001 (0.002)
ln(GDP per capita)	-0.012 (0.050)	-0.303** (0.115)	-0.290+ (0.168)
ln(Population) _{t-1}	0.005 (0.118)	-0.207 (0.237)	0.026 (0.383)
GDP Growth	0.642** (0.222)	1.231+ (0.650)	1.374* (0.605)
Trade Openness	-0.012 (0.008)	-0.014* (0.007)	-0.014 (0.011)
Polity Score	-0.012 (0.009)	0.023** (0.008)	0.020+ (0.011)
Observations	331	151	140
Countries	21	7	7
R ²	0.953	0.985	0.984

Note: This table portrays a pooled cross-sectional time-series ordinary least squares (OLS) analysis of immigration policy in year t . All independent variables are taken from year t unless otherwise noted. Each model estimates a different measure of inequality, robust to other control variables. Clustered standard errors are shown in parentheses. ***, **, * and + indicate statistical significance levels of .1, 1, 5 and 10 percent, respectively. Country and year fixed effects are included in all models.

Table A42: Summary Statistics for Tables A38-A39

Variable	Mean	Std. Dev.	Min.	Max.	N
Immigration Policy	-0.632	0.819	-2.879	0.98	1701
ln(GDP per capita)	9.335	0.654	7.2	10.541	1708
Inequality	0.563	0.128	0.332	0.834	1135
Top 10% Income Share	33.206	5.537	21.83	53.31	737
Top 5% Income Shares	22.636	5.357	13.17	44.18	731
Top 1% Income Share	9.442	3.718	3.97	27.88	1011
Gini Coefficient	36.729	9.073	19.87	67.2	340
Top 1% Wealth Share	29.083	11.571	16.5	69	189
Top 10% Wealth Share	63.633	11.554	47	92	169
ln(Population) _{t-1}	16.627	1.293	13.585	19.542	1695
GDP Growth	0.033	0.046	-0.195	0.701	1695
Trade Openness	93.509	6.276	61.8	99.853	1529
Polity Score	9.07	2.496	-9	10	1703

Table A43: Summary Statistics for Tables A40-A41

Variable	Mean	Std. Dev.	Min.	Max.	N
Immigration Policy	-0.856	0.753	-2.879	0.507	1305
ln(GDP per capita)	9.550	0.58	7.2	10.541	1311
Inequality	0.563	0.128	0.332	0.834	1135
Top 10% Income Share	31.96	4.503	21.83	46.35	635
Top 5% Income Share	21.012	3.68	13.17	33.84	605
Top 1% Income Share	8.375	2.644	3.97	24.02	835
Gini Coefficient	36.729	9.073	19.87	67.2	340
Top 1% Wealth Share	25.727	7.926	16.5	47.2	161
Top 10% Wealth Share	60.629	8.960	47	79.900	147
ln(Population) _{t-1}	16.719	1.246	14.38	19.542	1304
GDP Growth	0.035	0.033	-0.111	0.191	1304
Trade Openness	95.523	4.288	61.9	99.853	1227
Polity Score	9.216	2.247	-9	10	1306

Table A44: Correlation Matrix (Tables A38-A39)

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
(1)	1												
(2)	-0.560***	1											
(3)	0.0475	-0.393***	1										
(4)	0.198***	-0.331***	0.189***	1									
(5)	0.238***	-0.464***	0.197***	0.973***	1								
(6)	0.249***	-0.466***	0.323***	0.878***	0.957***	1							
(7)	0.320***	-0.502***	0.329***	0.0268	0.105	0.156*	1						
(8)	0.600***	-0.738***	0.284***	0.702***	0.723***	0.510***	0.351**	1					
(9)	0.490***	-0.719***	0.116	0.587***	0.580***	0.292***	0.420**	0.933***	1				
(10)	-0.160***	0.0427	0.243***	0.372***	0.259***	0.259***	-0.172**	0.263***	0.0713	1			
(11)	0.0443	-0.102***	0.113***	0.00365	-0.0215	-0.0211	0.186***	0.0350	0.112	0.0153	1		
(12)	-0.500***	0.626***	-0.287***	-0.263***	-0.392***	-0.325***	-0.557***	-0.662***	-0.677***	0.120***	-0.0101	1	
(13)	-0.166***	0.358***	-0.372***	-0.210***	-0.201***	-0.341***	-0.304***	-0.125	-0.146	-0.0754**	-0.0151	0.115***	1

* $p < 0.05$, ** $p < 0.01$, *** $p < 0.001$

Variable List:

(1) Immigration Policy, (2) ln(GDP per capita), (3) Inequality, (4) Top 10% Income Share, (5) Top 5% Income Share, (6) Top 1% Income Share, (7) Gini Coefficient, (8) Top 1% Wealth Share, (9) Top 10% Wealth Share, (10) ln(Population)_{t-1}, (11) GDP Growth, (12) Trade Openness, (13) Polity Score

Table A45: Correlation Matrix (Tables A40-A41)

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
(1)	1												
(2)	-0.361***	1											
(3)	0.0475	-0.393***	1										
(4)	0.115**	0.0337	0.189***	1									
(5)	0.114**	-0.0293	0.197***	0.963***	1								
(6)	0.143***	-0.0679	0.323***	0.805***	0.930***	1							
(7)	0.320***	-0.502***	0.329***	0.0268	0.105	0.156*	1						
(8)	0.540***	-0.584***	0.284***	0.633***	0.640***	0.393***	0.351**	1					
(9)	0.278***	-0.523***	0.116	0.515***	0.499***	0.171*	0.420**	0.920***	1				
(10)	-0.0535	-0.0169	0.243***	0.456***	0.489***	0.346***	-0.172**	0.258**	-0.0844	1			
(11)	0.146***	-0.266***	0.113***	0.0735	0.0747	0.0706	0.186***	0.115	0.246**	0.0355	1		
(12)	-0.358***	0.493***	-0.287***	0.0437	-0.0113	-0.0581	-0.557***	-0.576***	-0.579***	0.0495	-0.0901**	1	
(13)	-0.0671*	0.411***	-0.372***	-0.163***	-0.249***	-0.464***	-0.304***	-0.0148	-0.0846	-0.130***	-0.0528	0.208***	1

* $p < 0.05$, ** $p < 0.01$, *** $p < 0.001$

Variable List:

(1) Immigration Policy, (2) ln(GDP per capita), (3) Inequality, (4) Top 10% Income Share, (5) Top 5% Income Share, (6) Top 1% Income Share, (7) Gini Coefficient, (8) Top 1% Wealth Share, (9) Top 10% Wealth Share, (10) ln(Population)_{t-1}, (11) GDP Growth, (12) Trade Openness, (13) Polity Score