



The Takeaway

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The Electoral Costs of Nativist Policy

How Anti-Immigrant Politicians Shoot Themselves in the Foot

BENJAMIN HELMS

The Bush School of Government & Public Service

Anti-immigrant politics are on the rise globally. Politicians embrace nativist rhetoric because it is an effective electoral strategy.¹ Once in office, many politicians follow through on their promises, passing restrictive laws that heighten immigration enforcement or exclude immigrants from social services. While nativist politics may be a winner on the campaign trail, they are a loser in office.² Though appealing to some voters, anti-immigrant policies harm the economic record of incumbents by disrupting beneficial linkages migrants create with the global economy. This harms the reelection chances of incumbents. Embracing such policies amounts to “shooting yourself in the foot.”

NATIVISM ON THE CAMPAIGN TRAIL VS. IN OFFICE

The promotion of restrictive immigration policies has been an effective electoral strategy across Europe, the United Kingdom, and the United States. The public is often skeptical of



WHAT'S THE TAKEAWAY?

While anti-immigrant rhetoric is politically popular, anti-immigrant policies have unintended negative economic consequences.

These unintended consequences hurt politicians' reelection chances.

Immigrants forge valuable economic linkages between their host community and the world economy.

A rising tide of anti-immigrant sentiment threatens these benefits.

immigration and supports restriction, driven by fear of economic harm and cultural threat.³ Anti-immigrant politicians capitalize on these concerns to win elections, promising restrictive policies once in office.⁴

Whether politicians are rewarded for following through on their promises in the long or even the medium run is unclear. There is little evidence on the electoral consequences of adopting restrictive immigration policy. Existing research might suggest that following through on promises to adopt laws targeted at immigrants is good politics.⁵ Evidence, however, is scarce, and research suggests that voters often care little whether politicians keep their promises.⁶

Anti-immigrant policies may even have unintended consequences that weaken politicians' reelection chances. Harsh immigration policies often have negative humanitarian and economic consequences that reverse public opinion.⁷ They might harm the economy by weakening business formation, creating labor shortages, or reducing consumption, which could harm the incumbent's economic record.⁸ With little evidence, whether politicians are rewarded for enacting anti-immigrant policies is uncertain.

ANTI-IMMIGRANT POLICIES HARM POLITICIANS' REELECTION CHANCES

A growing body of research suggests that the adoption of nativist policies might actually harm the electoral fortunes of incumbents. While appealing to anti-immigrant voters, restrictive immigration policies disrupt beneficial local linkages to the world economy and weaken the public's economic evaluation of politicians. Voters, though unlikely to blame nativist policies, punish incumbents for weaker economic performance.

Migrants forge beneficial connections between their host community and the world economy.⁹

The Takeaway

Immigrants drive foreign investment into their host communities: they help firms invest by sharing knowledge of local tastes, opportunities, and language and business customs. Migrants also serve as an important source of human capital for firms in their host community, further drawing investment.¹⁰

Migrant-driven foreign investment benefits incumbents. Voters associate foreign investment with new jobs, opportunities for local companies, and industrial development.¹¹ Politicians' reelection chances hinge on their economic record, and attracting foreign investment improves voters' perceptions.¹² Migrant-driven foreign investment can give them an electoral advantage.

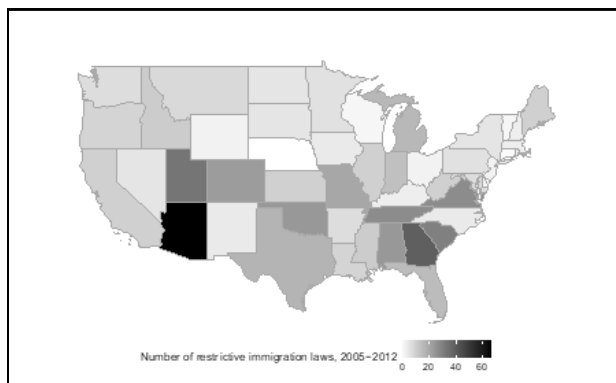
When politicians are hostile to immigrants, however, migrant-driven investment declines. Immigrants are less likely to facilitate investment amid growing hostility because the value of those investments could suffer due to rising nativist sentiment. The passage of anti-immigrant laws are clear signals of hostility that reduce valuable investment.

When restrictive immigration policies reduce migrant-driven investment, they unintentionally weaken the economic record of incumbents. New investment projects are an invaluable tool for politicians to signal their economic bona fides to voters.¹³ Lost investment due to growing immigrant hostility robs them of opportunities to claim credit for new economic development. The result is that voters believe the incumbent has a weaker economic record and choose to support a challenger, even though they are unaware that anti-immigrant policies are to blame. In short, nativist *rhetoric* is a winner on the campaign trail, but nativist *policy* is a loser in office.

ANTI-IMMIGRANT LAWS HARM U.S. GOVERNORS

The United States is the largest recipient of both foreign investment and immigration, and many states actively adopt their own anti-immigrant policies.¹⁴ We analyze whether the parties of U.S. governors who preside over passage of restrictive immigration legislation perform worse in subsequent elections. Figure 1 illustrates the number of restrictive laws passed by each state between 2005 and 2012.¹⁵ While Arizona is the most restrictive, every state except Nebraska passed at least one restrictive law during this time. County-level gubernatorial election results allow for a fine-grained analysis that accounts for alternative explanations, like economic conditions or approval ratings.

Figure 1: Restrictive Immigration Laws, 2005-2012



Source: Author calculations based on Reich (2017)

We find that governors who preside over restrictive immigration legislation consistently perform worse in their reelection campaigns. The passage of an additional anti-immigrant law in the years leading up to an election is associated with a 2.5-percentage point penalty for the incumbent party. Incumbents perform even worse in counties that historically receive large amounts of foreign investment—the places most harmed by declining migrant-driven invest-

ment.

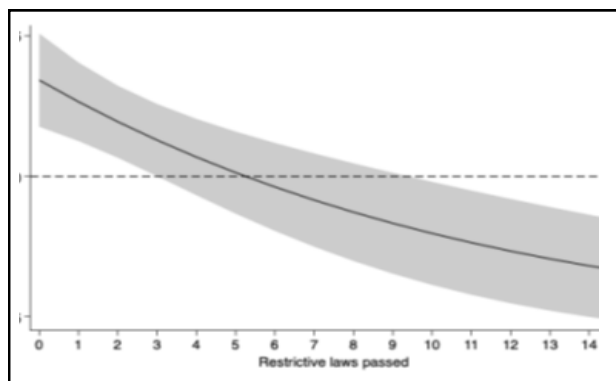
For example, the 2010 Minnesota gubernatorial election was decided by less than 0.5 percentage points and resulted in a flip from Republican to Democratic control. Minnesota passed three restrictive immigration laws in the run-up to the election, which could have substantially contributed to change in partisan control. Incumbent losses were concentrated in industrialized counties that rely on foreign investment. The evidence is clear from our research: incumbents fare worse when they preside over the adoption of restrictive immigration policy.

MECHANISM: ANTI-IMMIGRANT LAWS REDUCE FOREIGN INVESTMENT

The mechanism linking nativist policy to weaker incumbent performance, declining migrant-driven investment, is also clear in the data. Migrants (especially highly educated ones) are a magnet for foreign investment into their host communities and generate substantial economic benefits.

This magnet, however, weakens when states adopt restrictive legislation. Specifically, states that adopt restrictive legislation receive fewer investments from countries that comprise their foreign-born population. Figure 2 illustrates the marginal effect of highly educated migrants on foreign investment for increasing numbers of restrictive immigration laws. As states pass more restrictive laws, the positive impact of high-skilled migration declines. When a state passes roughly three restrictive laws, the effect is indistinguishable from zero and eventually turns significantly *negative* in the most restrictive environments. Migrant communities attract investment, but not in climates that are hostile to them.

Figure 2: Marginal Effect of Migrants on FDI



Source: Author calculations

IMPLICATIONS

Overall, the evidence suggests that embracing restrictive immigration policy in office is a losing electoral proposition. The adoption of such policies sends hostile signals to migrant investors, reducing their propensity to invest. New foreign investment fails to materialize, weakening the incumbent's economic record and harming their reelection chances.

The research also highlights an underappreciated economic benefit of immigration. While past research has demonstrated that migrants drive investment back to their countries of origin, the fact that immigrants draw investment into their host communities has not previously been well-documented. Rising immigrant hostility and embracing restrictive policies threaten this benefit for host communities.

Benjamin Helms is an Assistant Professor at the Bush School of Government & Public Service and a Research Fellow with the Mosbacher Institute at Texas A&M University.

Notes:

¹ Betz, H.G. (2017). "Nativism Across Time and Space." *Swiss Political Science Review*, 23(4): 335-53.

² For the analysis and insights that form the basis of this brief, see Helms, B. and Leblang, D. (2024). "Globalization, Nativism, and Local Politics." Working paper.

³ Hainmueller, J. and Hopkins, D.J. (2014). "Public Attitudes toward Immigration." *Annual Review of Political Science*, 17:225-49.⁴ Bornschier, S. 2010. *Cleavage Politics and the Populist Right*. Philadelphia: Temple University Press.

⁵ Butz, A.M. and Kehrberg, J.E. (2019). "Anti-Immigrant Sentiment and the Adoption of State Immigration Policy." *Policy Studies Journal*, 47 (3): 605-23.

⁶ Werner, A. (2019). "What Voters Want from their Parties: Testing the Promise-Keeping Assumption." *Electoral Studies*, 57: 186-95.

⁷ Bowler, S., Nicholson, S.P., and Segura, G.M. (2006). "Earthquakes and Aftershocks: Race, Direct Democracy, and Partisan Change." *American Journal of Political Science*, 50 (1): 146-59.

⁸ Glennon, B. (2020). "Why the Trump Administration's Anti-Immigration Policies Are the US' Loss and the Rest of the World's Gain." *Brookings Institution*.

⁹ Leblang, D. and Helms, B. (2023). *The Ties that Bind: Immigration and the Global Political Economy*, Cambridge: Cambridge University Press.

¹⁰ Morales, N. (2023). "High-Skill Migration, Multinational Companies, and the Location of Economic Activity." *Review of Economics and Statistics*, 1-45.

¹¹ Pandya, S. (2013). *Trading Spaces: Foreign Direct Investment Regulation, 1970-2000*. Cambridge: Cambridge University Press.

¹² de Benedictis-Kessner, J. and Warshaw, C. (2020). "Accountability for the Local Economy at All Levels of Government in US Elections." *American Political Science Review*, 114 (3): 660-76.

¹³ Jensen, N.N. and Malesky, E.J. (2018). *Incentives to Pander: How Politicians Use Corporate Welfare for Political Gain*. Cambridge: Cambridge University Press.

¹⁴ United Nations Conference on Trade and Development. (2023). *World Investment Report*. International Organization for Migration. (2022). *World Migration Report*.

¹⁵ Data are from Reich, G. (2017). "Immigrant Legislation, Across and within the US." *Research & Politics* 4 (4): 1-11.

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Mosbacher Institute for Trade, Economics, and Public Policy
The Bush School of Government & Public Service
4220 TAMU, Texas A&M University
College Station, Texas 77843-4220

Email: bushschoolmosbacher@tamu.edu
Website: <https://bush.tamu.edu/mosbacher>

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