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Immigration Politics

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Restrictive Immigration Policy: Economic and Cultural Alignment

During the interwar period of the 20th century, Western countries were characterized by a series of restrictive shifts in immigration policy. As immigration politics remains a prevalent issue on today's world stage, the interwar period, which will from hereafter be denoted as the *era of restriction*, serves as a useful framework for thinking about how economics and international relations may cause certain turns in immigration policy. This essay will use framework from the era of restriction to predict the future of immigration policy in two major powers, the United States and Germany. Distinguishing between economic and cultural grievances as motivators of restrictive immigration policy is key to understanding what sort of climates lead to immigration restriction. This is due to the fact that restrictive policy is not the result of economic or cultural grievances happening independent of one another, but the result of both types of grievances happening at once.

Current trends in the US suggest that the country will feel the economic pressures of rising income inequality, hegemonic insecurity, and job competition simultaneously with the cultural pressures that result from mass flows of Spanish speaking immigrants. The German situation, however, is quite different. Germany's economic condition is optimized to facilitate permissive immigration policy due to the protection it has placed on labor markets, its positionality in the European Union and its shortage of high-skilled workers. Although Germany faces a barrage of cultural grievances with rising levels of islamophobia and prejudice against

Eastern Europeans, both its economic conditions and the legislative power of the European Union prohibit anti-immigration parties from seizing power.

A Brief History of the Era of Restriction in the United States and Germany

Some of the most blatantly discriminatory legislation in US history was passed during the decade of the 1920s. This was in part due to the social climate becoming increasingly hostile towards immigrants that were not of Anglo-Saxon or Scandinavian descent. Some of this hostility can be attributed to the increasing salience of the eugenics movement in the early 20th century, a form of scientifically justified racism. In an October 1921 edition of the journal *Science*, the following statement was published: “The right of the state to safeguard the character and integrity of the race or races on which its future depends is, to my mind, as incontestable as the right of the state to safeguard the health and morals of its peoples (1).” It is important to note, as pointed out by Steven A. Farber, that to “U.S. and European scientific communities these ideas were not fringe but widely held and taught in universities (2).” In conjunction with the presence of the eugenics movement, an increasing number of immigrants coming from Asia and Eastern and Southern Europe led to a backlash against the United States’ relatively unrestricted immigration policy. This influx of immigrants from Eastern and Southern Europe coincided with the first Red Scare in the United States, occurring primarily due to the Russian Revolution of 1917. Additionally, the US population, which was primarily of Northern and Western European descent, felt that their job security was threatened by the immigration surge of ethnicities different from their own (3.)

The United States passed the Immigration Act of 1921 on May 19th, 1921, placing a numerical restriction on immigration for the first time in US history. The act also introduced the national quota system. This system used demographics from the 1910 census in order to inform

immigration quotas for each country respectively, allowing 3% of the group's 1910 population to immigrate annually. The Johnson-Reed Act of 1924 doubled down on the restrictive nature of the 1921 legislation, reducing the annual immigrant ceiling to 164,000, pushing the quota census year back to 1890, and prohibiting Asians from being admitted to the US. A few years later, the onslaught of the Great Depression exacerbated job security concerns at the end of the decade. In what was thought to be a solution to unemployment, over one million individuals of Mexican descent, approximately 60% of which were American citizens, were deported. Unemployment rates continued to rise (4). Between the years 1924 and 1940, immigration to the United States dropped by a dramatic 90% as a result of a restrictive turn in federal immigration policy (1).

Although Germany was a country of emigration in the 19th century, due to industrialization, it became a net positive country of immigration beginning in 1890 (5). Eugenics and other racist ideologies, like in the United States, were becoming more and more popular in Germany. American eugenics theories likely even served as an inspiration to Adolf Hitler, who would become the leader of the Nazi Party in 1921 (6). During this same period of time, Germany saw a mass influx of asylum claims from Eastern and Southern Europe as a result of the Bolshevik Revolution and other pressures, many of which were filed by Jews. After the Nazi Party rose to power in the early 1930s, half a million individuals were deported, and the party began using more explicitly racist language towards minorities. The Nuremberg Laws of 1935 went so far as to strip minority groups of citizenship. Approximately 300,000 Jews were able to flee the country between 1930 and 1940 (7).

After the war ended and the Nazi regime was ousted, the postwar years were characterized by refugee resettlement and an economic boom in West Germany. This economic boom would necessitate the creation of the German guest worker program. With unemployment

rates below 1%, the guestworker program was a necessity in order to address labor shortages resulting from this low rate. Similarly, US immigration policy became more open in the postwar years with the passage of the Displaced Persons Act and the implementation of the Bracero Program. It is true that the shift towards restrictive policy during the era of restriction and then permissive policy in the postwar years corresponded with the rising salience of nationalist and racist positions. However, this observation neglects the inherent correlation of the salience of these positions with turbulent economic conditions.

Income Inequality and Restrictive Immigration Policy

Income inequality during the 1920s was growing at an unsustainable rate partly due to advancements in manufacturing output overpowering wage increases during the same period. This inequality frustrated working class individuals and likely led to intense frustration and dissatisfaction. Immigrants, on the other hand, are likely quite satisfied with the wages that are offered to them. This is because a positive wage differential between the emigrating and immigrating state is often one of the main factors that causes immigration. As a result, Americans and Germans alike became hostile towards immigrants. They were viewed as economic threats, and this was especially salient towards immigrants of visually different ethnicities, many of whom were the Eastern European or Asian demographics that were targeted by immigration policy of this time.

The Great Depression marked a turning point in economic inequality. After World War II, inequality in both countries dropped to rates that were lower than the preceding years. This shift in income inequality nicely corresponds with the shift towards permissive immigration policy during the same period. However, since the recession of 1973, income inequality in the US has risen steadily to levels that are comparable to the early 20th century. In Thomas Piketty's book

Capital in the Twenty-First Century, he explains that concentration of wealth will continue to grow without intervention (8). With ever-increasing income inequality, it can be expected that US citizens will continue to develop negative attitudes towards immigrants that are strongly connected to competition over jobs and other finite goods. Germany, on the other hand, has seen a much less pronounced increase in income inequality. As can be seen in figures one and two, earnings in the top decile of earners as a percentage of the median income has increased by ~100% in the US since 1950. During this same period it has increased by only ~30% in Germany (9). Smaller equality gaps and more generous welfare benefits provided by the state combine to minimize the economic grievances that result from financial distribution. Germany's immigration grievances are instead cultural, focusing on the incompatibility of immigrants characteristics and beliefs with German ideals.

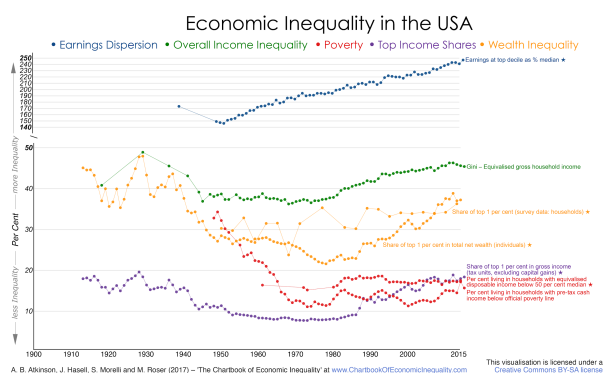


Figure 1

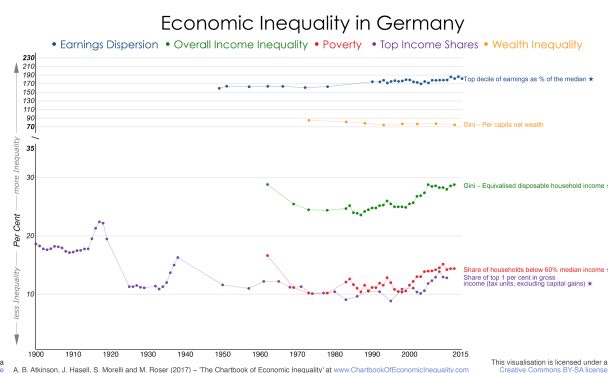


Figure 2

Cultural & Economic Cleavage

The aforementioned distinction between “cultural cleavage” and “economic cleavage” is exactly the one that Dani Rodrik makes in his essay, “Populism and Globalization.” Rodrik argues that right-wing populists, like Donald Trump, mobilize on the basis of cultural cleavages like immigration. Left-wing candidates, like Bernie Sanders, in contrast, mobilize on the basis of

economic cleavage (10). I challenge this assertion by noting that Bernie Sanders' focus on economic cleavage was not an efficient strategy to earn him a nomination as Democratic presidential candidate. During the same 2016 election cycle, it was Donald Trump, rather, that won the presidency. What Rodrik neglects to acknowledge is that Trump did not solely emphasize cultural grievances during his campaign. He campaigned on both cultural and economic cleavages. In July of 2015 Trump declared the following in reference to Mexican immigrants: "They're taking our jobs. They're taking our manufacturing jobs. They're taking our money. They're killing us." This statement emphasizes primarily economic motivations for restricting immigration; motivations that 51% of respondents believed in 2015 (11).

The Future of Immigration in the US

After Trump assumed office, executive orders including the "travel ban," the "Remain in Mexico" policy, and Title 42 attempted to restrict refugee resettlement and illegal immigration to the United States. These policies were only moderately successful but their harsh rhetoric together with the construction of a border wall serve as symbols of hostility towards immigration that could further materialize in the future. The likelihood of Trump's reelection in 2024 further drives home this possibility. His reelection would serve as an approval of sorts for his harsh rhetoric towards immigration, especially those from Latin America, and for his aspirations of immigration reform.

The near passage of the Emergency National Security Supplemental Appropriations Act provides insight into what future immigration reform might look like in the United States. Although at first glance, it appears that the bill is not restrictive as it would have increased pathways for legal immigration, its harsher stance on expedited removal and asylum claims is

equally if not more important (12). The border crisis bestows a distinctive opportunity upon the US due to the copious amount of illegal immigration and asylum claims that result from it.

In the first three months of the 2024 fiscal year, nearly one million illegal immigrants were encountered at the US border (13). Instead of passing restrictions on legal immigration pathways, the US can instead implement harsher policies and enforcement on illegal immigration at the border. At the same time, this solution would address the security concern that arises as a consequence of illegal immigration. The public relations response that will result from strict border enforcement would satisfy cultural grievances while less-restrictive legal immigration could simultaneously maintain a good portion of the widely documented economic benefits of immigration.

Strong border enforcement also has the potential to serve as a token of US strength to the international community. The United States' volatile position as global hegemon with the rise of China is both an economic and cultural cleavage, paving the road for restrictive border policy. A retreat from global hegemon would mean the US dollar could be challenged as the most prominent international reserve currency, and the unleashing of an economic recession could occur. On the cultural side, retreat from hegemony would challenge English as the lingua franca and necessitate more concessions to and cooperations with other foreign powers. Strong border enforcement definitely wouldn't cement the US as the enduring hegemon in the world order, but as China's economy continues to falter (14), a strong border could help to affirm a feeling of international economic and cultural safety.

The Future of Immigration in Germany

The German economy needs immigration. As of Dec. 1, 2023, 1.8 million jobs lay vacant in the country, leading to a loss of over €90 billion that year (15). In order to address this

shortage, Germany passed the Skilled Immigration Act (FEG), and has been phasing it in since November of 2023. FEG effectively increases eligibility for third-country nationals to acquire an EU Blue Card. This card is an EU-wide work permit that allows non-EU citizens to work in the Union. Eligibility, which has previously prioritized individuals with university degrees, is now being expanded to include a larger list of professions that include miners and construction workers. The act also will help employ third-country nationals that are students and trainees and introduce short-term quota employment as well (16). The highly-formalized nature of work permits and certifications in Germany is part of the reason that negative economic pressure from immigration is less salient in the country. Because certifications are required to obtain even many low-level positions in Germany, the threat of immigrants coming to “steal jobs” is significantly mitigated

Because of the economic necessity of immigrants, it is unlikely that a single-issue party opposing immigration will gain power in Germany. Although the Alternative for Germany (AfD) party has gained substantial traction and now polls and has recently polled at above 20%, it is unlikely that the party will close the Christian Democratic Union’s ten point lead (17). Although economic anxieties have garnered support for the AfD, successful implementation of the Skilled Immigration Act and a German economic recovery would likely stifle support for the AfD. It is useful to reiterate here that a Germanic economic recovery relies, in part, on the skilled labor of third-country national immigrants.

Unlike the US, Germany is neither a global hegemon or a state with complete control over its own legislature. As a member of the European Union, the principle of primacy mandates that should a conflict arise between national law and EU law, the EU law trumps the national conflict. This severely limits the feasibility of anti-immigration legislation in Germany due to

provisions that outline immigrant rights in the EU legislature. Examples of these rights include equal access to benefits for permanent residents, researchers, blue card holders, single permit holders, and seasonal workers. Another EU mandated law requires that Germany must uphold the right to family reunification. Additionally, the free movement that exists within the Schengen Area introduces difficulties in enforcing potential restrictive immigration policies.

Conclusion

In order for a country to properly facilitate restrictive immigration policy, grievances surrounding immigration must be both economic and cultural cleavages. This was the case in many Western countries during the era of restriction in the interwar period of the 20th century. The United States was facing cultural cleavages with the rise of the eugenics movement and prejudice towards Asians and Eastern/Southern Europeans jointly with the economic cleavages stemming from high levels of income inequality and the onslaught of the Great Depression. Similarly, Germany faced substantial income inequality on the economic side of the equation and racism towards Eastern/Southern Europeans and ethnic minorities on the cultural side. These conditions ultimately led to the implementation of a stream of inherently racist policies in both countries, contributing to mass deportations and ultimately, genocide. In accordance with the theory outlined in this essay, however, as both economies boomed in the postwar period, cultural cleavages lessened and immigration policy began to open up.

Today, the United States situation looks very similar to that of the era of restriction in that cleavages exist both economically and culturally. With the rise of income equality, the Chinese threat to global hegemony, and perceived job competition with immigrants, economic grievances align with the perceived cultural threat that Latin American immigrants pose. Additionally, the United States' border crisis uniquely positions the country with the opportunity to limit illegal

immigration in order to mitigate these fears and grievances while maintaining some immigration benefits through the legal pathway. The German situation is less comparable to the interwar era. Immigration poses less of an economic threat to Germany, and more of an opportunity for economic benefit. The high-skilled labor shortage in the country has led to the passage of the Skilled Immigration Act in order to bring in skilled third-country nationals as workers. The German occupational system also mitigates group-threat by requiring certification even for many entry-level jobs. The economic benefits of immigration in conjunction with Germany's limited legislative power as a member of the EU suggest that as the United States moves towards its restrictive border policy, immigration policy in Germany will maintain its permissive attitude.

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